

# **COMMITMENT LETTER**

In the year 2020, as a result of the COVID-19 pandemic, we were forced to stop the world. As we are a company that, until now, only worked directly with the sports market, we saw our business slow down significantly.

We did not quit and, from there, we focused our efforts and commitment on ensuring compliance with the internal sustainability strategy whose main purpose is to create shared value for the company and society.

During this period, we created the internal conditions that are necessary for the sustainable growth of all our stakeholders, by incorporating social, ecological and digital initiatives and by investing heavily in innovation, growth, knowledge sharing and community.

We're moved by ambition. We want to be more, always. For us and for the community that surrounds us. For the greater good.

All of this led us to want to be part of Global Compact and be part of a group of companies that, without hesitation, are committed to ensuring a new stimulus to our businesses for years to come. Inherently, sustainability will be reflected in our ability to constantly break barriers. We strongly believe that, with this, we will be prepared to take on new, more stimulating challenges that will allow us to renew the trust of our stakeholders and the community that surrounds us.

Innovation and social responsibility are, as we will try and show you in this document, cornerstones of FORteams' strategy.

The constant effort for innovation provides our customers with direct benefits that ensure competitive advantage, by allowing them to market disruptive products. This allows our businesses to promote development and growth in the markets where they operate.

Furthermore, we invest in people as the main force in our community. We promote gender equality, integration, personal growth and development and retention of talent.

Even in the most challenging times, we reinvent ourselves. That's our motto.

Our long-term strategy requires commitment and our investments reinforce our commitment to contributing, through sustainability and responsibility, to a better world.

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### 1. Introduction

At FORteams, we continually invest in promoting sustainable development, with an integrated vision of the three axes of sustainability – Environmental, Economic and Social.

This Sustainability Report aims to reflect our economic, social and environmental performance during 2021. The year 2020 marks the inclusion of corporate sustainability as one of the pillars for defining FORteams business strategy. Thus, this report shows the results achieved following the implementation of a corporate social responsibility strategy, between July 2021 and July 2021.

This Report is divided inti four separate chapters:

- The Organization;
- Corporate Strategy;
- Sustainability Management;
- Sustainability Strategic Plan;

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#### 2. THE ORGANIZATION

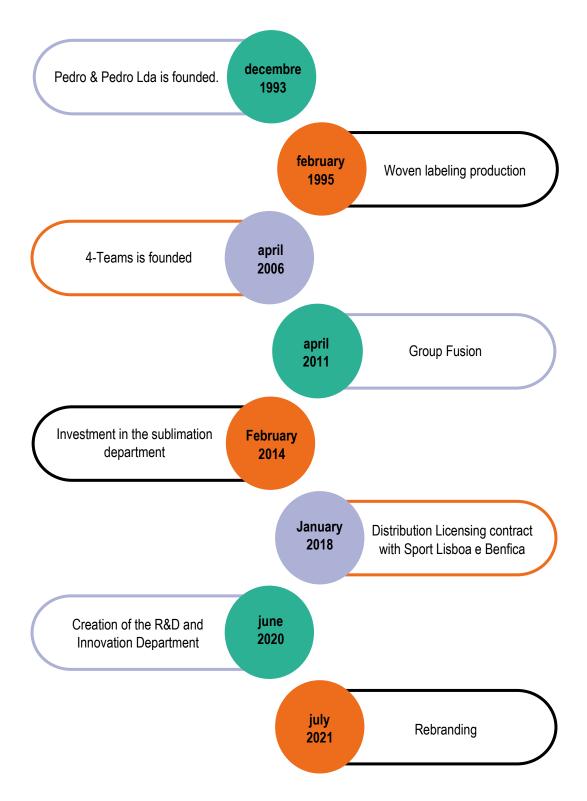
FORteams is a producer of clothing and merchandising for the textile and sports industries. It operates through an integrated approach and promotes innovative and sustainable processes. It manufactures products that have the ability to provide greater added value, high standards of quality and offer cutting-edge solutions.

The year of 2020 was marked by the global proliferation of the first pandemic of the century, resulting from the SARS-CoV-2 virus. As a result, the views on sports practice have evolved considerably. While it used to be seen mainly as a means to obtain the perfect body, nowadays it plays a more prominent role in physical and psychological well-being. The sportswear market is a growing market, as many consumers are now focusing on this kind of product for practical reasons (comfort or safety). Sports practice is evolving beyond sports clubs, and is currently a major influence in fashion. The cultural changes caused by the pandemic have prompted the company to realize that extending its offerings – from sportswear to fashionwear – would create fresh opportunities. In this context, our company aims to differentiate itself from the competition, by working on highly innovative solutions that can provide end users with greater added value.

The company is currently organized as a design and development center - that vertically produces a variety of sports and fashion merchandising products. The company's manufacturing capacity is ensured by dozens of machines, with a variety of purposes — weaving, knitting, manufacturing, labeling, printing and finishing. From product design to shipping, the company incorporates the entire process — a process that includes different steps of quality control. From its inception, the FORteams' business model is based on process verticality, as it allows us to meet any requirement and challenge.



# **HISTÓRIA**



Pedro & Pedro Lda. is born in December 1993. Its core business is the production of printed labels. In January 1994, 3 employees are hired and the first manufacturing machine is acquired, in a project that was financed by ANGE. A year later, in February 1995, the company acquires its first loom for production of woven labels and initiates the process of development of what would be an independent graphics company. After 4 and half years, in May 1998, the company obtains the OEKO-TEX certification for the first time,

which would be followed by the ISO9001 certification, in February 2001 (the latter would be renovated and expanded to other products in March 2017.

In March 2006, 4-Teams Merchandising and Advertising SA was created, with a focus on the production of sports scarves. 4-Teams took full advantage of the similarity between the looms used in the production of scarves and those used in production of labels. With the know-how and notoriety that 4-Teams was able to obtain with scarves production, it became clear that there was potential in other product categories. Thus, in June 2008, the production of sports beanies started.

Five years after the creation of 4-Teams, its growth and success in both markets was undeniable and, therefore, it was decided that the graphics and labeling departments should be integrated within 4-Teams. As a result, all of Pedro & Pedro Lda assets and all of its 18 employees were integrated. Also in 2011, the company decided to start its internationalization process, and it was also decided that the factory would start working work in three shifts. The Spanish, French and Swedish markets were the first ones accommodate the 4-Teams offerings. In Portugal, new business was developed with some well-known players – Sport Lisboa e Benfica is perhaps the most notorious Portuguese partner of 4-Teams.

Understanding the potential of the sports merchandising market, in February 2014, 4-Teams decided to include sublimated products in its portfolio. This includes production of t-shirts, shorts, towels and flags, and required an investment in sublimation equipment. In July of the following year, the licensing agreement for Sport Lisboa e Benfica hats and key rings was obtained and, in December, the BSCI certificate was awarded to the company, attesting the organization's healthy operation across 13 performance areas.

At the end of 2017, the high demand prompted further investment in the sublimation unit and, consequently, an increase in the workforce, reaching a total of 85 employees in the company. In the following month, as a result of continuous work, 4-Teams secures and improves its business with Sport Lisboa e Benfica, becoming responsible for the distribution of its core business. In the last quarter of the year, Sedex and SA8000 certifications were obtained, in October and December, respectively. In 2019, taking advantage of previous investments in the sublimation unit, 4-Teams once increased, once again, its product portfolio to include sublimated sports kits.

In March 2020, the company faced the effects of the worldwide pandemic caused by the COVID-19 virus. With empty stadiums and cancelled events, 4-Teams felt that its operation was threatened. A reinvention was needed. The revolution that took place was only possible after a process of self-knowledge (expressed in the SWOT analysis below), the analysis of the external context and the redefinition of its philosophy and mindset.



Empathy and professionalism of Management	Need for a Strategic Commercial Plan, to consolidate usual customers and attract new clients	Leverage digital transformation/Sustainabili	Lack of technology/short- term solutions to implement 360° strategy
Verticality within the range of products	Clear and concise communication strategy	ty and position itself with partners as an excellent producer in the sector	First mover disadvantage  – the customer may not be ready for the move
360° Ambition	Need to work long-term Strategy & Partnerships	Deliver new sustainable products to the market at	The market/customers might be unable to react to the offer
Young, dynamic and creative team	Need for investments in equipment/software and	a fair price, aligned with partners and Portuguese industry capacity	High shipment costs from Portugal to certain worldwide locations
Transformation driven by Top Management	technology to achieve 360°   Vertical	Find new customers/new markets supported by a partner network	Import barriers in new unexplored markets

The year 2020 was thus marked by the creation of growth opportunities. The production of masks and the creation of the Research, Development and Innovation Department were fundamental for the company to become even more competitive in the markets in which it operates, with the offer of new and more diversified products. This includes, for the first time, specific offerings for the fashion industry. The adoption of corporate sustainability and responsible production as part of FORteams' mindset and organizational culture was the main change that took place and it shall prompt major improvements towards more thoughtful, fair and upto-date business decision-making.

Throughout this report, the various steps taken in this context over the last year (July 2020 to July 2021) will be explored. From this point on, we highlight the LOOP project, which was developed only four months after the creation of the department and which is based on the concept of circular economy. The objective is to allow for the development of new products with residues from the production process.

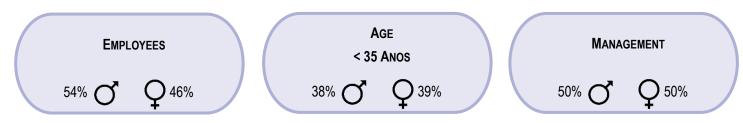
In July 2021, 4-Teams decided to renew its entire graphic identity, and was renamed FORteams LAB. The company believes that the transparency of its business is key to retaining its position within the group of innovators of Futuro Têxtil.

The internal revolution that took place in the last twelve months impacted a variety of dimensions: the entry into the world of fashion and sportswear; the inclusion of corporate sustainability in management; the struggle for digitization, industry 4.0 and the traceability of its production and supply chain. As a consequence, these changes must be consistent with the company's message and communication. The new logo, new graphic identity, new communication, colors and corporate message are now in line with the concept of a company of the Future that FORteams wants to assume for all its stakeholders. A LAB of ideas and solutions prepared to satisfy, day after day, any requirement and challenge and that, every day, shortens distances. "Today we transform tomorrow."

# **ORGANIZATIONAL CHART**

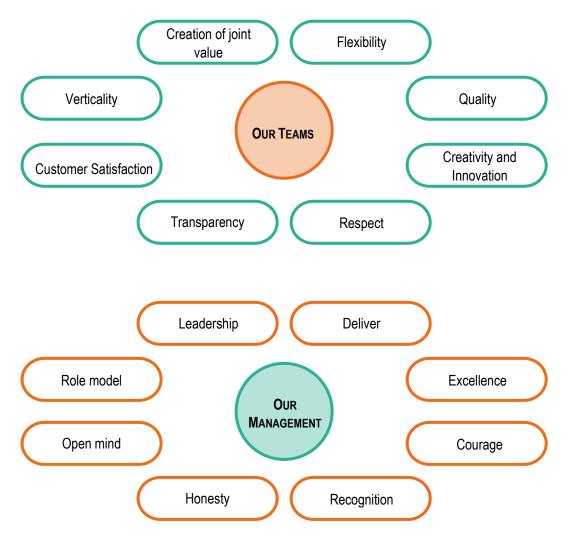
**GENERAL** MANAGEMENT **RH e Certifications** Legal **Finance** Production LAB IT Commercial Management Control QA|S Planning Communication Purchasing and **Quality Control** Treasury Design Warehouse Innovation and HR Technical Design Development **Production Control** Merchandising Printing e Labeling

# **FORteams Community**



We recognize the value that balance within our teams can add to us and, therefore, we work to achieve this. From the universe of 78 (atrás fala em 85) FORteams employees, currently, 54% are male and 46% female. We want to ensure success and continuity, so we are committed to increasing the amount of young people in our ranks. Thus, our recruitment has been following this strategy, with 39% of our female employees and 38% of our male employees being under 35 years of age. Therefore, still a long way to go. We also promote gender equality in leadership positions of our company, and we have already achieved the perfect balance, with 50% of the 12 positions held by female employees.

In addition to the balance within teams and managers, we recognize the need for a set of characteristics that will certainly make employees in management positions be more productive, reach their goals faster, be better leaders and create a better work environment.



#### WHAT WE CARE ABOUT

We care about Tomorrow and our constant Evolution. We care about not losing market share to potential players that are already working for the future, whether in terms of products presented or in terms of ways of producing and communicating. With the value of our brand, we want to convey Innovation, Evolution, Sustainability and Trust.

We recognize the importance of every **STAKEHOLDERS** for our organization and so we invest our attention and time in all of them.



**CLIENTS** | We want them to consider us preferential partners, be they sports clubs, license owners, traders or industrial clients of Fashion Ecosystem that want to include us in their value chain.

**SUPPORTERS** | With whom we want to be, side by side, following their passion for teams. We actively want to help reduce their individual environmental footprint.

**CONSUMERS OF FASHION** | We aim at helping reduce the individual impact of those looking for more and better from the textile fashion industry.

**INTERNAL TEAM AND COMMUNITY** | Made up of our production partners and interest groups (in the textile, innovation and corporate responsibility areas) in which we operate. We want to make this community grow so that, together, we can deliver new solutions to the market, whether incorporating new raw materials, technology or new products.

PARTNER COMMUNITY | Made up of our production partners and interest groups (in the textile, innovation and corporate responsibility areas) in which we operate. We want to make this community grow so that, together, we can deliver new solutions to the market, whether incorporating new raw materials, technology or new products.

SHAREHOLDERS, INVESTORS, BANKING AND FOVERNMENT BODIES | Entities with whom we want to honor commitments, distribute dividends, increase return on investment and comply with legislation.

### **CAPITAL**

FORteams has been working to consolidate its position in the markets in which it operates, which, day by day, become more competitive and with greater capacity for innovation and adaptation. Thus, there was a defined volume of capital invested in the last three years that has been reflected in the company's turnover.

	2019	2020	2021
INVESTMENT	231.660€	56.106€	106.557€ (1)
TURNOVER	4.913.263€	7.199.615€	1.503.816€ (1)
EBITDA	359.339€	334.345€	

<sup>(1)</sup> Reflects the company's financial results up until 30th June, 2021.

### **EUROPEAN PRESENCE**

FORteams has a large export capacity, with foreign markets representing 75% of the company's turnover. The company exports, as of today, to 18 countries across Europe, especially France, which is the destination of around 36% of the company's production, Sweden, with 13%, and Spain, with 12%.



# 3. CORPORATE STRATEGY

Our corporate strategy is based on seven fundamental pillars that support the entire activity of the company: ethics, knowledge, training, innovation, creativity, industry 4.0 and sustainability. We know that, by keeping our focus on these strategic axes, we will be able to maximize our capacity for growth and the creation of high quality and added value solutions. We ensure that we provide a positive response to market needs and trends and, therefore, we are committed to improving our processes and products, in order to stand out in the segments that we work in.

#### **ETHICS**

We want to ensure that all our activity is guided by the faithful application of the defined principles of ethics and trust. For this reason, we developed our Code of Ethics and Conduct, which establishes the ethical standards by which FORteams is governed and which has been made available to all company employees.

#### **KNOWLEDGE AND TRAINING**

To promote a culture of learning and openness to change is also part of our strategy, thus expanding the knowledge of our employees. We aim at turning our company into an ecosystem of knowledge, by providing our employees with skills that are specific to their work position and also with knowledge that is transversal to the company and the processes that has been established.

#### **INNOVATION AND CREATIVITY**

At FORteams we believe that collaborating is better than competing. We believe in close relationships with partners and customers, so that we can help them find solutions to their needs, by adding value to our products. Innovation and Creativity are at the service of our teams, without ever forgetting the ethical values of sports, which are aligned with our production values and social and business responsibility.

#### **INDUSTRY 4.0**

We know the importance of a new Industrial Revolution and, therefore, we are looking for the best raw materials, the most innovative processes, the transition to digitalization and focusing on responsible communication. We are committed to transparency. We want to be part of the vanguard of companies of the future.

#### **SUSTAINABILITY**

In the 21st century, we are aware of the challenges that are upon us in order to preserve the Planet we live in and, therefore, we work daily to ensure that FORteams becomes progressively more sustainable at all levels: social, financial and ecological.

# 4. SUSTAINABILITY MANAGEMENT

The increase in business competitiveness imposes upon companies the need to change their strategies, in order to ensure their prosperity in the market. It is in this shift of paradigm that social responsibility begins to be prioritized, by promoting a link between society's interests and the company's objectives. In adapting to this trend, we seek to invest in human capital, in the relationships that we establish with the local community, with our stakeholders; in technological capacity, knowledge and innovation; in sustainability at all levels and in the environmental preservation of the Planet as a greater good.

#### **TEXTILE AND THE ENVIRONMENT**

Clothing aims to respond to the physical (thermophysiological, ergonomic and sensory comfort) and functional (performance, health, shelter and protection) needs of human beings. However, fashion also assumes a cultural role that represents traditions and regions. Fashion can also convey messages about who we are, our beliefs, the state of mind and personal tastes, in response to a non-material need to build identity [1].

The textile industry is one of the biggest sectors in international trade. In the international market of goods, according to data for 2017, textile and clothing products represent 4.5% of the total most traded products [3]. In Europe, this translated into the purchase of 6.4 million tones of new pieces of clothing, equivalent to 12.66 kg per person [4]. In Portugal, in 2018, sales totaled 10,517,829 thousand euros, a value associated with 9,087 companies, with a total of 185,297 employees, as can be seen in the table.

	MANUFACTURE OF TEXTILE	APPAREL INDUSTRY	LEATHER INDUSTRY AND LEATHER PRODUCTS	TOTAL
Assets (Thousands €)	4.592.533	3.029.507	2.190.406	9.812.446
SALES OF SERVICES (THOUSANDS €)	3.782.249	3.958.705	2.776.875	10.517.829
NUMBER OF PEOPLE WORKING IN THE INDUSTRY	46.823	81.881	51.133	185.297
NUMBER OF COMPANIES	2.070	4.656	2.361	9.087

All over the world, especially in developing countries, the textile industry is therefore one of the most important sectors for economic progress [5]. At the European level, Portugal is one of the main players in the textile and clothing industry (ITV) in terms of production. As of 2016, Portugal's in the 6th place in the share of Turnover, the 4th place in the share of number of companies and 4th place in the Employment share, according to data from EURATEX [10].

In Portugal, this industry is of great economic and social importance. It is mostly concentrated in the northern region of Portugal (Cávado, Ave, Porto Metropolitan Area, and Tâmega e Sousa) while regions such as Aveiro, Beiras and Serra da Estrela, and the Lisbon Metropolitan Area have a little participation [4]. ITV has been growing since 2009, representing, in 2018, around 9% of the manufacturing industry in Portugal. In 2018, according to data from Instituto Nacional de Estatística (INE), ITV exports totaled around 5.314 billion

euros, which is equivalent to 10% of total Portuguese exports, being one of the few industrial sectors that contributes positively to the country's balance of trade. [10] This is due to the investment that has been made in improving the quality of products, lead times and also ion innovation and development of new products.

Sendo um dos maiores setores no comércio mundial, a indústria têxtil constitui um dos maiores contribuidores para o desequilíbrio do planeta, desde a produção, fabrico, transporte e utilização, que inclui a lavagem, secagem e engomagem, até à inutilização [3]. Só em Portugal, praticamente 12 milhões de toneladas de resíduos têxteis vão para aterros, todos os anos. Este setor é, também, o segundo maior consumidor e poluente de água, com os processos de produção a emitir CO<sub>2</sub> e outros gases de efeito de estufa. Mais de 99% de roupa é desperdiçada, no entanto, poderia ser aproveitada, reciclando e reutilizando, o que, infelizmente, acaba por não acontecer. Este é um processo que se ambiciona alterar, modificando os hábitos de consumo, de modo que a pressão sobre o Planeta seja cada vez menor.

Atualmente, o Planeta Terra está a experienciar as consequências dos excessos dos últimos séculos, com altos padrões de produção e consumo, gerados por um crescimento económico global e consequentes revoluções industriais, o que causou um enorme impacto ambiental. Após quase se esgotarem as reservas do Planeta, a sociedade atual revela estar agora mais atenta para as questões associadas à sustentabilidade, sendo notória uma crescente procura dos consumidores por produtos ambientalmente mais responsáveis e sustentáveis, induzindo na indústria uma elevada procura por materiais alternativos, bem como a incorporação de critérios de sustentabilidade, desde a fase de design, até ao desenvolvimento e conceção do produto final.

The concept of zero waste, originates from the Japanese industrial idea of Total Quality Management (TQM), which is reflected in production with zero defects, where fewer defective products represent an increase in production and less waste. It is based on the reduction of material waste, which, applied to the textile and clothing industry, can reduce the use of raw materials through the adoption of more efficient production processes [6].

Aiming at a pace of life that is more favorable to personal, social, community and environmental well-being and development, in 1986 the slow movement emerged. More recently, this concept has been adapted to the fashion industry, as an alternative to mass production, by defending more versatile pieces, produced with quality materials and a timeless design, so that they can be used for a long time and can promote more conscientious consumption, ethical, fair, and responsible clothing. The principles of this movement are aligned with a variety of strategies within circularity, such as recycling, DIY, reuse of materials, second-hand purchases and the appreciation of artisanal and local producers [7]. The emergence of this movement, and the awareness of environmental and social issues, has changed the way of thinking and acting on the part of consumers who are increasingly concerned with production processes, the origin and the environmental impact, at the moment they go purchase a particular piece of clothing.

#### SUSTAINABILITY STRATEGY

To respond to the current concerns, new trends and initiatives have emerged in order to contribute to more sustainable and positive goals for the textile industry. Ecological fashion encompasses fashion products that are made using methods that are less harmful to the environment, making use of terms such as organic, biological or ecological. This approach values aspects such as, for example, the origin and method of fiber cultivation. Ethical fashion focuses mostly on the health of consumers and workers, paying special attention to people's working conditions. The combination of ecological fashion with ethical fashion is often referred to as sustainable fashion.

Companies must be first to act, becoming aware that the viability of today's world is at stake. FORteams is constantly concerned with the environment, and intends to create solutions within the scope of corporate

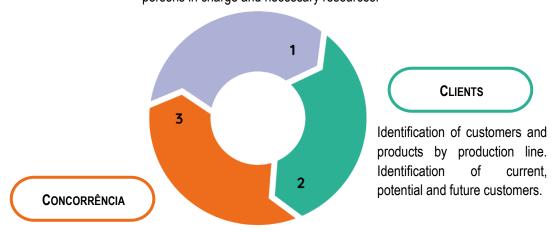
sustainability, which is why it has decided to invest its resources in the adoption of a more sustainable business policy.

The definition of a Sustainability Strategy ensures that the global context is taken into account in FORteams' current management plan. The operationalization of the strategy makes it possible to implement specific measures that translate into new products, new processes and new communication. Considering the company's objective of integrating Sustainability and Innovation into its DNA, a context analysis was carried out, which analyzed the current Sustainability Momentum (of the sector and of modern management), FORteams (processes, products, customers, ambition) and also competition.

With regard to the Momentum of Sustainability, the following elements were considered: Textile Sector identified as one of the most polluting at a global level; 4th Industrial Revolution; Climate Emergency; The Davos Manifesto on companies of the Future and; UN Sustainable Development Goals.

# MOMENTUM OF SUSTAINABILITY

Preparation of a Strategic Sustainability Plan, identifying areas of intervention, activities, persons in charge and necessary resources.



Identification of current competition (with existing products and technology) – companies and products | Identification of future competition.

There are different approaches as to how sustainability should be implemented in companies, and the global recommendations for "companies of the future" consider the integration of the global concept within the company's DNA to be advantageous (as it ensures consistency and long-term results). The methodological approach adopted by the company involves two different aspects that must be worked on in an integrated manner: the strategic aspect and the operational aspect. Thinking strategically, and then operationalizing the strategy, ensures that the goals outlined by the company are being pursued. Establishing an agenda for introducing a specific sustainability strategy for FORteams is a roadmap for the Future, fully interactive and intended to be always "open", since the company must be in constant evolution. Close monitoring of the document is extremely important, as it ensures that its operationalization is in accordance with the company's objectives. It is also essential to ensure that the context analysis is carried out periodically, as this is what makes it possible to bridge the gap between strategy and operationalization, ensuring that priority activities add value to the company and the market in which it operates.

At the beginning of the work, a Strategic Sustainability Plan was drawn up, in order to reflect the external context of the company and the sector, seeking to identify the appropriate operationalization for the defined strategy. The result of the analysis led to a 360° transformation in terms of corporate sustainability, which implied changes at three levels: social, financial and ecological.

The social aspect is related to the interest and motivation of the people involved in the entire transformation project. In our company, everyone counts. We are textile leaders in the way we integrate Social Responsibility towards our employees and the Community. We know that Sustainability is much more than a word and, therefore, we want to invest to find the right partners for a new, more responsible path. We aim to be broadly connected to companies of the future that are acting in the present for a greater good. Partners available to build new business models that make sense in the era of partnerships and value chain restructuring. We want to be the trusted partner for the sustainable developments of the future, which responsibly integrate technology and digitalization.

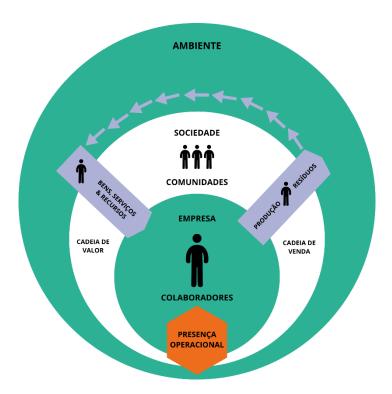
Furthermore, we incorporated the financial aspects, since it only makes sense for FORteams to promote a sustainable transformation if there is a public to buy this type of products, which is why the company considers it important to market these products in a competitive manner.

At an ecological level, FORteams has two priority objectives: replacing raw materials and maximizing the use of production residues (circular economy). The raw material used in the production process derives from fossil fuels and, therefore, the most impactful way to promote ecological sustainability in the company would be to replace it with a renewable energy source. Thus, within a policy of transparency and importance of the "made in Portugal" label, two of the characteristics that are most valued due to the pandemic, the objective is to make the process as ecological as possible, in terms of the consumption of raw materials, reuse of textile waste, reduced consumption of plastic and paper and correct separation of existing waste.

Business management that takes into account the different dimensions of Sustainability (Social, Ecological and Financial) implies mapping all the company's communication flows that ensure customer orders and their production, but also the identification of all entities with which FORteams is interconnected (directly or indirectly). This ensures that the company becomes a "living force" of society.

A healthy company, not only terms of revenue and distribution of dividends, but also in the way it ensures fair remuneration to its workers, along with good working conditions. Furthermore, production processes and products must include a smaller environmental footprint, where the evolution towards Circular Economy allows from a Regeneration that extends from industry to consumer.

The market has changed, people have changed and knowledge has evolved to a stage where it is clear that we all play an active role in building tomorrow. In this sense, we want to be the first sports merchandising producer to think strategically about sustainability, to measure consumption and waste production, with a view at improving efficiency and performance. Our future focus is to deliver new solutions to the market that can reflect our verticality ID. Sustainability is in our DNA, which we want to see reflected in all aspects of the business. Thus, we want a healthy company that makes employees prosper and actively participates in building a regenerative tomorrow (with carbon offset and new developments with less environmental impact).



Future is what we want to represent: Sustainability, Transparency, Communication, Sharing and Innovation. We are a sustainable textile ecosystem and we believe we have a word to say and a lot to share. Thus, FORteams has developed a set of initiatives to ensure:

- A Culture of sustainability and environmental concern, in order to implement daily behaviors in its employees, as they are active agents of change in the company;
- Optimization of the production process, in terms of consumption and reuse of resources and waste;
- Sustainable/green options for all products in the company's catalogue.

Thus, FORteams demonstrates its awareness of the sector in which it operates, significantly contributing to reducing ecological footprint and positioning itself at the forefront when it comes to combating the linear and unsustainable model that is widely practiced in the industry. Today, we are a textile innovation LAB in constant evolution where quality and sustainability are combined with new technologies and which, every day, shorten distances. As Sustainability reigns, our team is aligned to deliver solutions with a responsible mindset.

#### 5. STRATEGIC PLAN OF SUSTAINABILITY

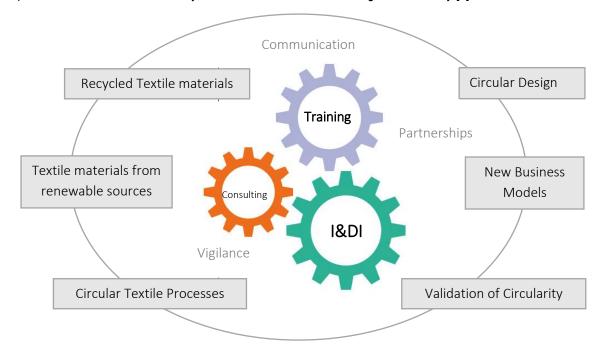
Initiatives within the circular economy demand political involvement. Thus, in 2015, the European Commission defined an action plan (Closing the cycle - an EU action plan for the circular economy) to accelerate the transition to the circular economy. This action plan establishes 54 measures, aimed at production (product design and production processes), consumption, waste management, secondary raw materials market (from waste to resources) and water reuse. In Portugal, the Council of Ministers approved, in December 2017, the Action Plan for the Circular Economy. This plan includes three levels of action: national, sectorial and regional, establishing seven structural actions: design, repair, reuse: broader producer responsibility; encouragement of a circular market; education for the circular economy; food without waste: sustainable production for sustainable consumption; new life to waste; regenerating resources: water and nutrients, research and innovation for a circular economy. [8]



In the textile and clothing sector, one of the initiatives in the context of sustainable development was promoted by the Global Fashion Agenda, through the CEO Agenda 2018. Oriented towards fashion industry leaders, this agenda defines seven priorities in terms of sustainability: three main priorities, immediate implementation, and four transformational priorities, for deeper changes and to be implemented over the longer term. The three priorities focus on the themes of traceability in the supply chain, efficient use of water, energy and chemicals, and respectful and safe working environments. The four transformational priorities refer to sustainable raw materials, a fashion system with a closed-loop operating model, promotion of a better wage system and digitization of the value chain within the fourth industrial revolution. [8]

The textile sector is one of the sectors referred to as relevant due to its strong export nature and intensive use of resources. [9] Considering the initiatives and movements that have emerged in the textile and clothing

sector, worldwide, aiming at a greater level of sustainability and the transition to the circular economy, and considering the main challenges that our sector faces with this changing the paradigm, 6 strategic areas of action were defined: recycled textile materials, textile materials from renewable sources, circular textile processes, validation of circularity, new business models and design for circularity [8]:



In this context, ITV assumes as an objective for 2025 to be an innovative, creative and credibly sustainable industry, becoming the world leader in high-end design and performance products, evolving from a follower to a creator of trends. According to the sector's vision, the future of Portuguese ITV will involve automation, qualification of human resources and the commitment to creativity and sustainability, as factors of differentiation and value creation. The path will go through differentiating to compete, therefore, the mission of the Portuguese Textile Cluster (an organization that will be presented in more detail in the subchapter on 'knowledge and innovation') is based on promoting the integrated and sustainable development of the economic aggregate involving textiles, apparel and textile of technical application, contributing to the competitive strengthening of its strategic support pillars [10]:

#### AXIS 1: TALENTS, TRAINING AND EDUCATION

Objective: to reinforce the Human Capital of Companies, namely through the in the attraction, qualification and insertion of talent in organizations.

#### AXIS 2: INVESTIGATION, DEVELOPMENT, CREATIVITY AND INNOVATION

Objective: To reinforce Research, Development and Technological Innovation Capacity with a view to the intelligent specialization of companies, with a clear focus on differentiation, diversification, creativity and innovation.

# AXIS 3: SUSTAINABILITY AND CIRCULAR ECONOMY

Objective: Initiative that promotes sustainable growth in the textile and clothing sector, creating mechanisms that encourage the transition to a circular model capable of reconciling indispensable economic growth with less consumption of resources.

#### AXIS 4: INDUSTRY 4.0 AND DIGITALIZATION

Objective: To promote digital transformation through the adoption of advanced manufacturing technologies and processes, integration and streamlining of supply/logistics chains, as well as promoting the transition to the circular economy.

#### AXIS 5: COMPETITIVENESS AND INTERNATIONAL PROMOTION

Objective: To increase Portuguese exports in mature markets and in emerging yet unexplored markets considered to have high potential, increasing the share of sourcing in Portugal and promoting greater representation of the Portuguese offer in national and international public markets.

Although these axes collectively contribute to corporate sustainability at FORteams, for the purpose of this report, we will highlight axis 3 of sustainability and circular economy, as it provides STV's economic growth and competitiveness and ensures quality of life to companies and population, through the reduction of resource consumption (reduction of greenhouse gas emissions and energy consumption) and monitoring of waste production. The main measurements of this axis are reflected in the image below.



#### STRATEGIC AXIS

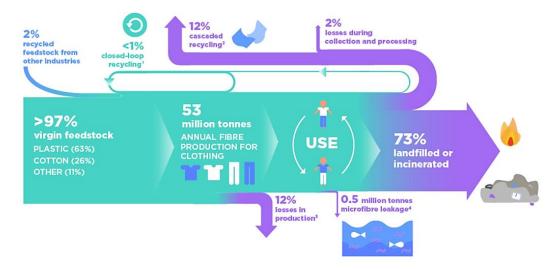
The identified strategic areas, as well as all the initiatives and measures, served as the basis for FORteams to outline its strategic axes. These axes support the Strategic Sustainability Plan and contain information that reflects not only the magnitude of the company's transformation challenge, but also the work, dedication and added value that each sustainability pillar adds to FORteams' growth. In addition to these, there is always much more that remains to be told, stories and projects that go far beyond the capacity of the report, but that continue to inspire us to do more and better every day. We hope that this sharing will prove useful for all who want to join us in this ambition of working to make a difference. This is because a collective transition movement will be able to follow a path towards a progressively more circular economy, which values knowledge and innovation and which will provide the development of new businesses, strengthening economic activity and the creation of qualified employment.



#### **CIRCULAR ECONOMY**

The scarcity of natural resources, combined with global population growth, is driving the replacement of linear production models by models centered on the circularity of materials. The global flow of textiles, from the production of fibers to their disposal, shows the linearity of the sector: extract-produce-dispose. Millions of tons of textile fibers, of both natural and synthetic origin, are currently incinerated and landfilled, or are being put to less valued uses, contributing to an ever-increasing carbon footprint. Textile waste essentially boils down to either pre-consumption and industrial waste generated by ITV or post-consumer (or urban) waste, as it mostly arises in this fraction. According to the "Circular Fibers initiative", 73% of post-consumer textile clothing is incinerated or landfilled, only 12% is recycled in a cascade process, where the waste is incorporated into lower value items such as insulation and filling (downcycling) and only 1% corresponds to reuse in a closed circuit, with the production of the same type of articles. There is also 12% loss associated with the production process (pre-consumption) and 2% loss in the post-consumer garment collection and treatment process.

Currently, the question is not whether the economy will become predominantly circular, but how this transition will be done. Considering that textiles represent a very relevant component of global consumption of resources and waste generation, it is necessary to promote the closing of the linear value chain. This entails adapting current manufacturing processes and business models to a circular approach and radically changing the way the global community handles the use and disposal of textiles.



A sustainable textile industry can only be effectively achieved with the implementation of systemic Circular Economy solutions, designed from the outset for regeneration, supported by biologically-based raw materials and using energy from renewable sources (the raw material substitution plan will be broadly addressed in the sub-chapter "environmental impact"), with changes in consumption patterns and consolidation of new business models that favor the extension of the useful life of materials and products. The transition to a circular development model is able to reconcile the indispensable economic growth with a lower consumption of resources (the quantification of the consumption of resources in the production process will be framed in the sub-chapter of 'environmental impact'), less waste production and reduction of greenhouse gas emissions (decarbonization will also be addressed in the sub-chapter on 'environmental impact').

At FORteams we believe in infinite cycles where there is no loss of value. We know that waste is created every day due to excess production. The objective is thus the reuse, recovery and recycling of products that are seen as waste, to ensure that this cycle "does not end here", contrary to the linear consumption model of social integration, based on the principle "produce-use-dispose". With end-of-life products and from surplus production of pieces made at FORteams, we reuse and recycle, giving life to new pieces, whether these are scarves, garments or whatever our creative team wants to create. Our measures regarding how we intend to value our textile waste are reflected in a priority and emerging project of the company, which we call LOOP, and whose steps - already completed as well as future steps - and their sequencing and prioritization are listed below.

Identification, Separation and Quantification of Waste According to its Composition

This topic includes two main objectives:

 Organization and quantification of 'dead stock' of finished product in order to analyze the quantity and variety of existing product in order to give it a second life.

In October 2020 the organization (which included not only the arrangement of the products in a strategic layout, but also its own referencing by type of item) of the finished product stock was carried out. The amount of finished product in stock was surprising to the company and impacted the awareness that it was necessary to move immediately towards a circular culture in order not only to reduce the current stock, but also not to allow it to be accumulated in the future. The finished product present in the 'dead stock' warehouse resulted from overproduction (overproduction due to wrong and/or early planning forecast), defects (for example: poor quality of confection; design flaws, in the design phase, for not creating exactly the intended design or not using the correct type of material or finishing, etc)., samples for customer approval (before each order is initiated, FORteams currently makes prototypes that consist of physical samples that must be approved

by the customer before starting the actual manufacturing). These samples are, after approval, considered "purchases" that did not result in sales (for example, plain white masks and t-shirts, ready to be personalized).

Initially, the flow of the production process was mapped with identification and separation of waste according to composition (100% acrylic, polyester, etc.). In addition to textile surplus from the production process, it also provided for the identification and quantification of the finished product existing in FORteams' 'dead stock' inventory. This allowed the company to:

- Obtain information on the amount of waste produced by each material (already discussed in the previous point of waste quantification);
- Classify the current state of finished product 'dead stock' as critical. The quantity of final article in storage, resulting from returns, overproduction and defects, and to identify that the main raw material in stock and consumed by the company is 100% acrylic.

#### 1. IDENTIFICAÇÃO DE PARCEIROS ESTRATÉGICOS ESPECIALIZADOS NO TRATAMENTO DE RESÍDUOS

Aqui também se incluem parceiros de fiação para que os resíduos já tratados pudessem ser fiados em novas bobines. No caso do poliéster, teriam ainda de seguir para o parceiro de malhas para que pudessem ser usados para efeitos de sublimação. Para as restantes composições, as bobines seriam, posterior e internamente, aproveitadas nos processos de tricotagem e tecelagem.

2. Transformação de resíduos internos em Matéria-prima.

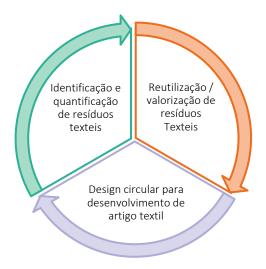
Recolha de 700 kg de resíduos de 100% acrílico e entrega no parceiro de tratamento de resíduos. Recolha da pasta resultante do tratamento e entrega no parceiro de fiação. Recolha de bobines de fio mesclado 100% acrílico reciclado no parceiro de fiação;

- 3. Averiguar a exequibilidade deste tipo de matéria-prima no processo produtivo FORteams através da produção dos vários tipos de artigos de merchandising associados aos processos de tricotagem e tecelagem, nomeadamente diferentes tipos de gorros e cachecóis.
- 4. Pensar estrategicamente na divulgação de produto e, essencialmente, do projeto LOOP.

Próximos passos: Promover continuamente o eco-design; Sessão fotográfica

O foco no cliente é real e a verticalidade permite antecipar necessidades. Por esse motivo, a Economia Circular e o dead-stock de clientes são dois temas com foco em próximos desenvolvimentos internos.

Através do projeto LOOP, conquistamos uma rede de parceiros estratégicos e, atualmente, conseguimos produzir novos produtos tendo por base os resíduos de todos os nossos processos produtivos.



#### **ENVIRONMENTAL IMPACT**

# **PROCESS CERTIFICATION**

The development of textile articles with sustainable and circular characteristics lacks support mechanisms that allow for the validation of the claims of sustainability and circularity of these articles, in order to respond to market demands with regard to transparent and credible communication. To achieve the highest quality in our production, we adhere to the highest quality standards. The certificates prove that the organization is not only concerned with economic, technical and legal issues, but also with its ethical and philanthropic responsibilities. These labels appear as a means to demonstrate compliance with certain requirements, thus ensuring that aspects that are essential to corporate sustainability were already followed even before FORteams was aware of the true impact and meaning of the corporate responsibility culture and, therefore, already had taken important steps on the path to sustainability:





International certification system for raw materials, intermediate products and final products in the textile sector, across all production stages. It gurantees that the certified products are free of harmful substances for human beings and is the main ecological label for textiles that have been tested.

At FORteams our beanies, scarves and labels are certified with **OEKO-TEX**. (Appendix I and Appendix II)

#### 9 March 2017



**ISO 9001** is the most used norm for management systems worlwide, and thus it the main international reference for the Certification on Quality Management Systems.

The certification is awarded by an external entity that is independente from the organization and ensures conformity of products, servisse to clientes and continuous improvement. (Appendix III)

#### 25 October 2018



**Sedex** is a worlwide platform that connects companies around the World seeking to improve their commercial practice.

Companies can exhibit their activities, share audit reports, strengthen commercial relationships, increase company visibility towards new customers, etc. (Appendix VI)

#### 3 December 2018



**SA 8000** is a volutary norm that seeks to ensure that the certified organizations put in place best practices in basic human rights protection. It is oriented towards the increase of competitive capacity of any organization that voluntarily undertakes ethical production activities (Appendix IV).

#### March 2020



This labels allows consumers and producers to recognize masks or raw materials that have been tested and approved by an independent entity – an accredited laboratory.

In the case of masks, producers are allowed to place this seal on the packaging, allowing consumers to verify that a mask has been tested and certified.

Our masks were certified by CITEVE – Centro Tecnológico das Indústrias Têxtil e do Vestuário de Portugal.

# 20 May 2021



The **Seaqual Initiative** is a community that brings together inviduals and organizations pursuing the objective of decreasing the quantity of plastic in the oceans.

All the plastic is collected from oceans to be recycled and transformed in sustainable products such as yearn and mesh, that are then sold by brands and manufacturers.

To be a member of the Seaqual Initiative means that the raw materials used by the certified company have been produced using plastic from the oceans (Appendix V)

Certifications are paramount to the culture of transparency that FORteams wants to convey to all its stakeholders. The company holds at least one annual audit to each of its current certifications to assess whether their requirements continue to be followed by the company and, if so, renew the certification in question. In addition to renewal, audits allow for continuous improvement within the organization, as they detect non-conformities and highlight suggestions for improvement throughout the production process. A company in continuous evolution is a living company that is able to continuously adapt to industrial evolution, which is why FORteams works daily to meet the requirements of each of its certifications.

From the perspective of corporate sustainability and all the dynamism and proactivity of the last year, there are several challenges in the near future in terms of corporate certifications. As priorities for 2021/ 2022, certifications are widely recognized in the national and international market and fully aligned with FORteams' objective of promoting transparency and traceability of its value chain: GOTS (organic fibres), GRS (recycled

fibres), ISO14001 (environmental standard) and ISO50001 (energy standard). In terms of product certification, we highlight certifications / registered brands such as Seaqual, Repreve, Tencel and Ecovero. Other certifications, such as SteP (environmental certification), NP4457 (certification for business innovation) and, in the context of sustainable design, the Cradle to Cradle and ISO14062 certifications, are not considered a priority at this point.

Certification / License	Description	July 2021
OEKO - TEX	The world's leading eco-label for textiles tested for harmful substances. Merchandising and labeling already certified, expected to be renewed in 2021. Sublimated products awaiting approval.	
ISO 9001	International reference for Quality Management Systems Certification. Production process of the company is certified, expected to be renewed in December 2021.	
Sedex	Organization that provides one of the world's leading online platforms for companies to improve working conditions in global supply chains.	
SA8000	Voluntary norm intended to ensure the basic human rights of workers.	
Masks Certification	Seal that is issued for consumers and producers to be able to recognize masks or raw materials tested and validated by an independent entity, with accredited laboratories.	
GOTS	The world's leading textile processing standard for organic fibers, including ecological and social criteria, backed by independent certification across the entire textile supply chain.	
GRS	International product standard that defines requirements for third-party certification of recycled content, supply chain, social and environmental practices, and chemical restrictions.	
ISO 14001	This standard allows companies to certify their commitment to protecting the environment by managing the ecological risks inherent to the activities they carry out.	
ISO 50001	Establishes international standards for the supply, use and consumption of energy in order to establish performance improvement processes in terms of energy and reduce energy costs, greenhouse gas (GHG) emissions and other environmental impacts.	
Seaqual	Membership means that the company uses raw materials that are processed from plastic from the oceans.	
Repreve	Leading and most reliable performance fiber made from recycled materials, namely plastic bottles.	
Tencel	Lyocel and modal fibers of the Tencel brand are produced by environmentally responsible processes from wood, a natural raw material acidified in a sustainable way.	

Derived from certified renewable wood sources and using an ecologically responsible process for viscose production.		
Standard that analyzes all important areas of a company using six modules: chemical management, environmental protection, environmental management, social responsibility, quality management, health and safety at work.		
NP4457 Portuguese standard that establishes requirements for an efficient Management of Research, Development and Innovation (R&D&I).		
This system certifies and promotes innovation in sustainable products with an assessment method based on five aspects: material health, reuse of materials, use of renewable energy, water management and social responsibility.		
This international environmental management standard assesses the integration of environmental aspects into product design and development.		
Certificate already obtained and renewal is intended.  Certificate in progress.		
Certificate in prioritization study.  Priority certificate which has not been s		

#### **DIGITALIZATION AND INDUSTRY 4.0**

Description of measures taken in the context of digital transformation and adoption of Industry 4.0. It consists of exposing FORteams' preparation for the challenges of integration in digital platforms, enabling it to adopt new technologies, best practices and reformulate its production process and organization. Initiatives that promote the development of products, processes and services are included, taking into account the integration and efficiency of the entire supply chain, in order to increase the profitability of production capacity, reduce time-to-market (through streamlining interactions between agents in the chain) and increase the flexibility to respond to the increasingly dynamic demand, in a context of the circular economy and the evolution of the textile and clothing sector.

# STRENGTHENING THE INNOVATION ECOSYSTEM AROUND DIGITAL TRANSFORMATION

Seeking to promote the incorporation of technological solutions aimed at the specificities of the textile sector, namely those that may influence the FORteams business axis. This includes measures related to both the production process and the development of a new products, including the adoption and evolution of decision support tools, customer relations, hiring new employees, establishing new relationships with strategic partners, among others.

 <u>Digital transformation</u>, through the adoption of technological tools to support business management (PhC + CRM)

As part of the digital transition, FORteams has been using, since January 2014, the PHC tool. This program was able to optimize processes and automate FORteams administrative tasks as it offers:

- Access to data and financial indicators that enable a detailed look at the business numbers, providing support to decision-making. All data is real and updated, allowing for customized analysis according to our orders (data analysis progression until we become a fully data-driven company);
- Access to information in an intuitive way with user-friendly menus, easy and fast search, with the
  possibility of creating filters and performing advanced search on the main screens;
- A design system with the basic principles of visual communication (legibility, contrasts and World Wide Web standards) that allows simple and efficient navigation;

Accurate and reliable information on business performance levels allows faster decisions to be taken, with a direct impact on competitive differentiation. That's the role of the analytics dashboards, listings and snapshots available at PHC, which, in this era of information overload and data overload, acted as essential strategic tools for FORteams' top management and production manager.

After seven years of familiarization with the PHC, FORteams believes that it is at the ideal time to adopt an extension of this technology, the **CRM** (customer-relationship-management). This technology promotes customer relationship management, through efficient management of teams and all processes related to the company's sales cycle, from pre-sales to post-sales.

Whether through orders placed, simple visits or even research related to the company, this software is capable of detecting any type of activity and recorde them, allowing the company to learn about possible interested parties and, thus, establish contact. By anticipating consumer needs through this method of recruiting interested parties and forcing a company initiative to relate to potential customers, a CRM tool ends up promoting marketing, facilitating customer acquisition and, consequently, boosting sales. In addition to collecting data from all customers (or potential ones), this tool strategically organizes them. With the separation by categories, such as the largest buyer, largest visitor or even the most visited articles by each potential customer, it is possible to prepare the "attack" specifically targeted at each one of them and set priorities to establish links.

CRM allows the sales team to trace business and, consequently, avoids the insistence on obsolete processes. Always up-to-date, the program gives a more comprehensive view of production time and each production step, allowing you to identify problems and make the sales process profitable. With all these mechanisms, we believe that we can obtain great advantages with the incorporation of this tool in our business model and, therefore, we are currently in the implementation and integration phase of the CRM software in the operation of our company, as a way to help navigate our market strategically, so that we can adapt, easily, according to our interests and needs.

Considering what has been described about the added value of the tool, we concluded that this will be directly applicable to the sales team, responsible for managing the company's customer portfolio. Thus, in order to increase the department strength and to ensure that FORteams takes full advantage of the potential of the CRM tool, in July 2021 the company hired a team leader for the department.

#### Digital prototyping

Currently, the vast majority of FORteams customers require physical sample production to validate the start of production of an order. The inexistence of a modeling program that brings our designs closer to the reality of the final product, forces us to carry out physical samples for the client's approval. The execution of these samples requires the consumption of resources (that are not allocated to the production of orders), both human (commercial, planning, sample management, design department, production responsible, production employees and equipment of each sector responsible for the production of the intended sample) and requires frequent stoppages of machines (frequent set-ups between samples), contributing negatively to the

productive capacity of the company. To add to the facts listed above, there is still several other negative situations, that often occur:

- Since the company does not have a digital catalogue, when a new customer is prospected, the company needs to make its resources available for producing and shipping personalized samples of a variety of its items, in an attempt to improve sales;
- The need to ship samples, or customer having to travel to visit the company's facilities to see the samples. Since the overwhelming majority of the company's market share comes from international markets, from the point of view of the company's ecological and financial sustainability, this constitutes a brutal negative impact;
- Possible rejection of the sample and the certainty that it will not be used (the sample is never considered
  as one of the items in the order, even if it has been approved), leading to an increase in the stock of the
  finished product;

The sampling process then results in waste of time, resources and, consequently, money, and thus has serious consequences in terms of environmental impact, the company's production capacity and the stock of finished product.

One of the pillars of the fourth industrial revolution is based on the concept of augmented reality. Directly applicable to our needs, it brings the possibility of carrying out virtual prototyping of an article, allowing sales without travel and without samples being spread on the "customer's table". In this perspective, the company has already put forward a partnership protocol with a Portuguese company dedicated to this business, Sampless. Currently, some advances have already been developed with merchandising products, essentially beanies and scarves, and it is expected, in the short-medium term, the 3D modelling of all our articles. Services include product digitization, 3D modelling and rendering, with the aim of transforming traditional catalogs into a digital replica, with 3D simulations of samples that are shareable over the Internet. Based on studies from this partner, by being able to offer the designs in 3D, we can reduce the physical sampling by up to 75%, significantly contributing to solving the problems that were identified. This partnership, still in its initial stages, will prompt the evolution of all our articles to digital (3D), directly contributing to the creation of the digital catalogue. However, FORteams is in continuous evolution and creation, always bearing in mind its intrinsic value of verticality.

Thus, this transformation process for digital prototyping also requires the training of an internal employee that must be able to integrate the customer's designs into the prototypes/moulds already created, but also create new product molds (in accordance with the partnership protocol, there may be monitoring by the partner company when developing new products

# • Incorporation of technology in product development (Memories project)

At FORteams, in addition to process evolution, we also intend to innovate in products, promoting SMART solutions, through the implementation of technology directly in the goods (for example: incorporation of LED lights in scarves or NFC technology in beanies). In the specific case of the Memories project, the idea is to develop goods that, in addition to their functional characteristics, carry information, adding value to the product (one of the eco-design tools to avoid the disuse of the finished product), through adopting QR Code or NFC technology. Currently, prototypes have been developed, meetings have been held with strategic partners and potential clients, and the project is currently under evaluation of investments and conditions to define the next steps to be taken.

In the Future, the intention is to reassess previous ideas and carry out periodic, frequent brainstorming and with stakeholders (from different areas of the company's operations, from internal employees to strategic stakeholders), in order to promote innovation at the level of the finished products.

#### TRANSPARENCY AND TRACEABILITY

Integration of measures, technologies or platforms that support the transition to a circular economy, focused on issues of transparency, traceability and trust. In this context, three topics are integrated: real-time communication with the customer about the current status of their order, the implementation of a system to assess the environmental impact of our product and process certification.

- Upon receipt of the order request, the planner inserts the sample request into the Trello software board and automatically sends an email to the customer stating that the development process of his order has started and the forecast of the your reception (standard e-mail in annex X). At the end of the process, when the order is shipped, after filling in fields such as invoice, quantity and others, an email is automatically sent to the customer with the shipping details (standard email present in the annex X). This automation, in addition to allowing for real-time transparency between FORteams and the customer, also reduces the non-productive time of the sales team, planner, sector managers and the customer (reduction of calls, emails and commuting within the company to check the status of the order);
- Creation of innovative and swift labeling systems that allow for traceability and transparency throughout
  the value chain. The development of the tool LCA Life-cycle-assessment presented in the subchapter of 'environmental impact', will allow us to obtain the product ID from an environmental point of
  view (information on consumption of water, energy, GHG emissions, waste rate in the process, among
  others), considering its entire lifecycle (from fiber to the final product, as well as the various subsequent
  cycles of product reuse);
- Licenses such as Seaqual or certificates such as GOTS and GRS, presented in the sub-chapter of
  'process certification', provide increased control over our supply chain. For example, according to the
  Seaqual License, we can only market Seaqual product if we can guarantee that both the raw material
  supplier and the customer (in our case, we always refer to the B2B market) interested in the item in
  question, also owns the Seaqual license.

All these measures allow for credibility, transparency and traceability in the product supply chain, ensuring alignment with the FORteams' culture of sustainability.

#### **INDUSTRY 4.0**

The evolution of industry towards an industry 4.0 concept leads to the development of products, processes and services aimed at increasing safety, comfort, performance and adaptability to flexible environments in the production process. With regard to FORteams' goal of becoming a data-driven company, the company has created tools, within the scope of industry 4.0, which allow for a clear visualization of the process from start to finish and obtain reliable data, in order to produce Performance Indicators that have a major influence on the decision-making process.

Current process of recording and processing data to make the production KPI analysis credible

The basis of FORteams merchandising process, more specifically the production of beanies and scarves, is based on 'Straight machine knits', 'Circular machine knits (Lycra)' and Weaving' items. Until November 2020, there was only a record of the production of 'Straight Machine Knitted (STOLL)' items. The log data was the start and end time of production and the quantity produced. Although recorded, this data was not monitored daily by the production manager (in the field, the section manager could not ensure that all employees of the three shifts would properly fill in data and, subsequently, the data was not processed in order to promote plausible decision-making by the production manager). The lack of control in the production process lead to a greater discrepancy between the productive efficiency of employees, the use rate of the machines and the amount of waste generated in each development. These three factors lead to instability in the production process, hinder the budgeting process of the goods and, consequently, can lead to reduced

profitability on the part of the company. This primitive functioning made it difficult to recognize FORteams' productive capacity and, consequently, elaborate well-defined production planning.

Top management, upon verifying the negative impact associated with the negligence of analysis of the production process, decided to hire an industrial engineer, capable of standardizing the data recording for all sectors of the company and proceeding with the treatment of the data, in order to create credible KPI tools to help in production planning, controlling and monitoring.

After a phase of integration, the work of the industrial engineer went on to analyze the current record sheet and its application in the other sectors of the company. The conclusion was clear and approved by top management: the record sheet must include quantification of waste for each production. Full knowledge of the waste generated throughout the production process of each order, and connecting the was to particular machines and employees involved in the various stages of the process, allows us to act directly on problems, reassess production capacity, improve On Time Delivery of the orders, rethink production processes, evaluate machine investments and the need to hire human resources, among others.

Since November, the data log sheet has been modified and adapted to all FORteams merchandising sectors, from 'Knitting' (straight and circular machines) and 'Weaving', to the finishing sector. The purpose of this is to undertake a continuous process of improvement as new suggestions arise from those involved in the process, namely the industrial engineer, financial manager, top management, those responsible for the sector and the factory floor employees. These suggestions for improvement only apply if they contribute to making the measurement of KPI (which previously could not be measured). This is essential for monitoring and planning production (the domain of the company's maximum capacity obtained after data processing allows the definition of production methods, more profitable, as well as realistic delivery times, optimizing all our production), control and improvement of employee performance (comparison of data on production capacity by product, sector, employee, shift, etc.) and identification of equipment performance (registration allows us to assess the need to obtain new machines or, on the contrary, the existence of excess machines that, because they are not used, become obsolete or immobilized stock), namely, waste rate per product and/or sector; employee occupancy rate and equipment OEE.

Currently, in addition to ensuring the continuity of the standard data recording process in the knitting, weaving and finishing sectors, the implementation of this process in the other sectors of the company appears as a major step towards the future, by this order of action: labels sector (already in progress), graphics and sublimation.

#### Automation and digitalization process of the current data registration and processing

Although recording already exists in most sectors, there is still an urgent need for evolution in the way these recordings are carried out. Currently, the data is written by the employees assigned to each production in the sector-specific record sheet. Subsequently, the various sheets (by sector: knitting, weaving, finishing and labels) are collected by the industrial engineer, who is responsible for entering the data into an excel file, which he created, with specific formulas/macros to obtain the KPIs previously presented (example of the process in appendix Y).

This happens because the machines do not contain artificial intelligence and industry 4.0 mechanisms that allow for the automation of the process. The sensing of the machines, as well as the connectivity between the planning software and the equipment and, later, with the excel file/KPI measurement platform, would allow for the evolution of the current data recording and processing process. If the equipment had connection mechanisms with the operator depending on the type of action arising, for example: "production of a new sample", "change of production order", "machine adjustment", "start of production", "end of production " and there was connectivity with the planning, it would be possible

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- To reduce time spent on non-added value activities, both by the operators and the data controller (the insertion of data into the system is considered as a necessary, yet not value-adding activity). When there is automatism on the equipment screen associated with the operator's action, the operator does not need to fill in data regarding the start and end times of the process (and other types of data, depending on the automation) and it is much faster to record data related to production. As there is connectivity between the equipment and the data processing software, there is no duplication of work because the industrial engineer no longer needs to enter the data in the program;
- To reduce waste, in the form of travel (one of the seven LEAN types of waste), by the person responsible for data processing and analysis, since it is no longer necessary to collect sheets in each production sector;
- To improve environmental impact by reducing the use of sheets of paper;
- Less probability of errors in registration and, consequently, greater credibility of the data because registration is automatic during the production process (that is, it does not depend on the common sense and/or attention of the employee and the person responsible for data entry).

FORteams had already tried to replace the sheets of paper by a monitor with prepared excel file, in the form of macros, to obtain KPI. With this method, despite not being able to reduce the variability associated with the manual work of data entry, it would be able to promote the elimination of duplication of data recording and all the advantages that come with it (already mentioned above). This solution did not advance because employees see it as a complicated, non-user-friendly system and because it is not considered the best solution on the market. Currently, FORteams has advanced a collaboration protocol with the University of Minho's Computer Graphics Center (CCG), a technology interface center at the University of Minho, which has 27 years of experience within digital economy, namely as a player that values scientific and technological knowledge, through the acceleration and integration of new processes, services and high value products, in companies, industry and society. Since FORteams' objective is to grow and, in a gradual and rationally strategic way, to automate production processes, we see this protocol as extremely important from the perspective of consulting for the process of digital transformation and adoption of industry 4.0. This collaboration project includes the realization of the state of the art on the company's current status (in progress), presentation of a roadmap for the digital transition (in progress) and the execution of two projects (currently in investment evaluation, financing opportunities and change timing introduction):

1. Machine sensing project, incorporation of technology for artificial process intelligence and promotion of intra (between machines) and inter-equipment (machines with other control software) connectivity, in order to promote greater employee safety, data credibility and cost savings.

Currently, the company has several machines that do not contain sensors (for example, cutting machines). The investment in industry 4.0 in the scope of sensing would allow the machines to detect operator movements and stop their production before reaching them, providing greater safety to the employee. The promotion of traceability and transparency along the value chain can be carried out through the systematic mapping of material and product flows, supported by digitalization (IoT).

The incorporation of prevention mechanisms through artificial intelligence, instead of reaction, will always be one of the main objectives of the company. One of the intended automatisms is the alert of the annual date for reviewing the equipment, since maintenance services (and possible repairs) are preventive measures that increase the useful life of the equipment. Another mechanism is related to the reduction in the accumulation of yarn and mesh in the raw material and final good warehouses in the finished product warehouse. The possibility of tracking, through a program, would be beneficial not only for warehouse logistics (in which the identification by type of item and its quantity in the software promotes greater perception about the maximum capacity of the warehouse and its occupancy rate, not depending on the

employee responsible for the warehouse and a possible reuse of certain obsolete items through the creativity of our LAB team) as well as to control their storage time and, consequently, their useful life, preventing many items from becoming obsolete and constituting fixed waste.

Connectivity allows access to information about production levels, performance at which the company operates at any given time, errors that are happening, enabling decision-making, in real time, based on more credible data, since they do not depend on human surveillance.

2. Creation of an adapted and "designed" software tailored to the company that allows for a relationship between planning (currently we use the PHC software), production control/monitoring (currently we use the Trello tool) and the processing of data retrieved from intelligence artificial machines for obtaining KPI that influence the company's future;

FORteams' current status and upcoming challenges regarding the topic of digital transition and adoption of Industry 4.0 tools are summarized in the table below.

#### Strengthening the innovation ecosystem around digital transformation

<u>Objective:</u> To seek and promote the incorporation of technological solutions aimed at the specificities of FORteams' core business.

Initiative	Description	July 2021
Digital transformation through the	Use of PhC as a support software for business management.	
adoption of technological	Hiring a TeamLeader for the management of the commercial department and detailed analysis of CRM insights.	
tools to support business management	Adoption of the CRM tool for customer relationship management and intelligent sales promotion.	
Digital Prototyping	Carrying out virtual prototyping of a good. The company has already moved forward with a partnership with Sampless and, currently, some merchandising products have already been developed, with 3D modeling of all our products being expected in the short to medium term.	
Incorporation of technology into	Memories Project: to develop good that incorporate information, through the adoption of QR Code or NFC technology.	
product development	Frequent brainstorming sessions with different stakeholders in order to promote innovation at the level of the finished products.	

# **Transparency and Traceability**

<u>Objective:</u> Integration of measures, technologies or platforms that support the transition to a circular economy, focused on issues of transparency, traceability and trust.

Initiative	Description	
Transparency towards the customer	Implementation of automatisms for real-time communication with the customer about the status of orders, with a view to reducing non-productive time (calls, emails, travel).	
Product LCA Implementation	As described earlier in the environmental impact chapter, the internal capacity to measure environmental impact, through the quantification of resource consumption, is a priority measure.	
Certifications: Seaqual, GOTS e GRS	The license for the Seaqual trademark was obtained in May 2021 and an audit for GOTS and GRS certification will take place in October 2021.	

#### Industry 4.0

<u>Objective:</u> Development of products, processes and services aimed at increasing safety, comfort, performance and adaptability to flexible environments in the production process.

Initiative	Description	July 2021	
State-of-art	Awareness of the current state of FORteams regarding the digital transition process and implementation of Industry 4.0 best practices and tools.		
	Hiring an industrial engineer responsible for recording and processing production data to obtain performance indicators for decision support (OEE, percentage of waste, machine capacity use rate).		
Processing of production data to obtain production KPI	Implementation of production data recording in all production sectors of the company. Today, knitting, weaving, finishing and labeling already do it. It is necessary to include graphics and sublimation departments. Cyclic process for improving the record sheet in order to promote the collection and processing of data, useful for measuring and evaluating performance indicators that support the company's strategic management. This must always include the quantification of waste.		
CCG Partnership	Consulting project for the digital transformation that includes the realization of the state of the art, roadmap for the digital transition and the execution of two projects: Sensoring project, artificial intelligence and equipment connectivity and Project for the creation of a software/tool that allows the integration between production planning and control. The project has already started, has several ongoing activities, however, it is currently on standby for investment evaluation and the possibility of financing from the European Union's Recovery and Resilience Plan.		
Initiative completed. Continuous improvement.  Initiative under development.			
Pending initiative due to external factors.  Priority initiative for future developments.			

# **KNOWLEDGE AND INNOVATION**

Considering the expected level of evolution in the textile and clothing sector, in terms of sustainable development, and the transition to the circular and digital economy, FORteams considers it vital to contribute to the detailed investigation process, creating a network of strategic partners for its business and promoting innovation in its products and processes. This topic exposes some key initiatives for promoting rational and sustained growth. FORteams intends to:

#### To Grow with Research and Innovation

List of activities, projects and initiatives aimed at strengthening the capacity for research, development, creativity and technological innovation with a focus on differentiation, diversification and innovation. The development of new products, processes and services that allow FORteams to respond to the challenges of the future and to improve its competitiveness, in a sustainable way in the short, medium and long term, is a priority.

- <u>Promotion of research in the scope of sustainability and circular economy with thd perspective of direct</u> application in FORteams production, through the development of new products.
  - To master the characteristics and life cycles of raw materials and products that are currently used in the sector;

- To identify, investigate and develop other usable materials for textiles and clothing that fulfill the required functions and characteristics (reusable; biologically based, renewable; secondary raw materials);
- To take advantage of innovative technologies to separate the different types of materials that make up textiles and clothing;
- To enhance the extension of the useful life cycle of materials, as well as the use of differentiated materials, facilitating their recovery.
- Development of new products, processes and services, especially in activities with greater technological intensity.
  - Innovation with a clear focus on smart specialization, differentiation, diversification and technology.
     Increased productivity through the implementation of new product development methods and processes;
  - Investigation of new materials, structures and multifunctionalities. Study of the compatibility of textiles with other materials that allow penetration into new markets and applications;
  - Acquisition of new production equipment, which allow to follow the development of new textile materials and processes;
- Qualification of the company to promote research, development, innovation and sustainability, with a focus on project management with strategic partners and supply chain management. Achieved with the creation of an R&D&I department (Research, Development and Innovation) capable of conducting all the company's evolution projects. Created in June 2020, with only one industrial engineer, the department identified its needs and led the company to its current state of dynamism and innovation. We highlight the possibility of developing new products (internal design and new production methodologies), with the inclusion of fashion and sportswear; management of the company's sustainability and digitalization projects and the establishment of strategic partnerships with entities that can help FORteams reach the level of the leading companies in the sector. In October 2021, the team will consist of 8 employees (team leader, industrial engineer, product engineer, product manager, environmental engineer, marketeer, social media manager and designer).

#### TO GROW WITH HUMAN CAPITAL

The promotion of initiatives aimed at strengthening FORteams Human Capital, namely around the attraction, qualification and insertion of talent and specialized training practices in our organization, in order to prevent stagnation. Sustainable improvement in the short, medium and long term, based on the mitigation of a hyperspecialized qualification model towards a progressive and permanent global qualification model.

#### • Attraction of qualified young employees:

Improving performance in the areas of design, research and development, production and creativity is the engine of FORteams' entire process of change. The possibility of using external collaborators allows us to foster perspectives and philosophies, leading to the innovation. Given the fact that young people lack interest for the textile and clothing sector, the company established partnerships with vocational and higher education schools, namely Cenatex and the University of Minho, in order to increase its representation among recent graduates (presence in job fairs, academic events, school days, among others). In this way, FORteams disseminates its concept and shares its dynamism and proactivity with academy, which, in turn, perceives the opportunity of joining a multidisciplinary and young team, capable of helping students transition to the professional world. Through summer internships, curricular internships and/or professional internships, the company offers the opportunity for students to apply their knowledge in a professional

context and evaluates their perfomance in relation to how they adopt the FORteams philosophy and apply the knowledge that is necessary for the position for which they were hired. Throughout 2021, several successful protocols were established in this area, with several employees transitioning from their internship to the company's permanent staff.

#### Identification of needs, review and qualification of FORteams internal human resources:

The world is in constant evolution, also leading to a continuous change in the textile sector. Consequently, it is necessary to act to promote qualification, training and permanent evolution of the company's internal human resources, in order to respond to the constant changes, new knowledge and best practices (without the need to hire new resources). From FORteams' perspective, it is more difficult to train an employee to provide know-how to the company's philosophy, than to promote training for an employee who is already loyal to the company's spirit. FORteams' strategy consist of the continuous identification of the necessary competences for the correct execution of each function and adjusting training and educational offer to the evolution trends of the labor market.

- Creation and/or revision of the functions manual and work instructions for each of the company's workstations and/or tasks (the employee is no longer irreplaceable and there is an accessible place with detailed knowledge of what he is supposed to do; furthermore, supervision can identify performance indicators that allow for the improvement of the process);
- Identification of the employee's qualification needs for the correct, easy and efficient execution of their daily work;
- Description of qualifications capable of meeting the identified needs;
- Development of a training plan suitable for the employee / task execution. In addition to internal training (given by internal collaborators), we intend to collaborate with partners specialized in professional qualification (Modatex, Cenatex, Citeve, APS, among others), as they are capable of training our internal team.

From the perspective of effective application of the company's strategy, FORteams is responsible for enriching its employees with skills that will allow the company to advance its strategic drivers: sustainability and circular economy, digital business models, industry 4.0, decarbonization and energy transition, design and creativity in the development of new products, among others.

#### TO GROW WITH STRATEGIC PARTNERSHIPS

As part of the continuous evolution and continuous adaptation to the evolution of the sector, we have established strategic partnerships with suppliers, customers, research centers, organizations and universities, to promote greater possibilities for learning and growth for the company. This includes all partnerships previously presented such as those with Palco (in the context of the digital transition), the CCG (in the context of industry 4.0), University of Minho (in the context of specialized recruitment). Other initiatives are listed below.

- Encourage the effective transfer and dissemination of the best technologies and practices available in technological interface center, capitalizing on the results of research and development for economic activity. The proximity and closer relationship with centers such as CITEVE (Technological Center for the Textile and Clothing Industries of Portugal), CeNTI (Technical, Functional and Intelligent Materials Nanotechnology Center), Fibernamics and PIEP (Polymer Engineering Innovation Hub) is noteworthy;
- Creation of a supplier database in order to identify and streamline strategic contacts. We group each supplier according to the type of article (mesh, yarn, accessories), their ability to supply sustainable

articles and/or promote new technology (or something differentiated that allows for a competitive advantage) in the final product;

- Close relationships with schools capable of providing specific training to internal employees and/or training professionals specialized in FORteams' areas of interest (University of Minho, Cenatex, Citeve, Modatex, among others);
- Identification and subscription to newsletters of entities capable of promoting new developments at FORteams, through the dissemination of webinars, events and news. This includes suppliers, customers, research centers, newspapers, organizations, among others, such as: Associação Selectiva Moda (ASM), Portuguese Textile and Clothing Association (ATP), National Association of Clothing and Apparel Industries (ANIVEC), Minho Business Association (AEM), Chamber of Commerce Industry Portugal (CCIP), Ubuntoo, Portugal Textile, National Innovation Association (ANI), Textile Intelligence Associative Center (CENIT), etc;

FORteams was able to develop a closer, stronger and more cohesive collaborative network, which is an essential support for research and, consequently, improvement and innovation of the brand. This network is today made up of only three entities, as they are currently the only ones capable of providing continuous, credible and useful information to ensure the correct and practical implementation of the company's sustainability strategy:

#### Fashion Catalyst

The apparel industry is currently investing and investing in innovative solutions that enable a responsible future for the sector. In line with the strategy of internal transformation, in January 2021, Fashion Catalyst services were hire, in order to accelerate the repositioning process that was already taking place. The objective of the partnership is to promote sustainability, both in terms of product and in terms of processes, which that is increasingly current and relevant, as the risk of non-operation is increasing.

The partnership took place in three stages: the first, from January to March, included the diagnosis and identification of key action areas; a second, from April to July, business management was reorganized (reorganization of the internal structure), as well as communication (website, internal communication, external communication) and commercial management; third, from August to October, where the aim was to improve the sales team and prepare for FORteams' internationalization. The focus on Sustainability was present throughout the process, always with the objective of it becoming a ket concept to the company's current management and decision-making, rather than being just an isolated work area in the company. With the success seen in the partnership, there is currently a relationship with Fashion Catalyst for strategic advice. It is currently being studied the extension of the partnership (a format of three months and more regular contact and face-to-face visits) in the context of environmental impact of our production process, with a strong focus on the analysis of the consumption of water, energy and CO2 resources to obtain the ID of each product (perform LCA of each productive sector and/or final FORteams goods) and on the creation of a roadmap that is suitable for the company to promote its decarbonization.

#### Cluster Têxtil

The Textile Cluster: Technology and Fashion is a sectorial support structure, founded in 2017, whose mission is based on promoting the integrated and sustainable development of the economic aggregate involving textiles, clothing and textiles of technical application, contributing to the competitive strengthening of its strategic pillars of sustainability: human capital, technological capacity and creativity, knowledge and innovation, sustainability and international promotion. It is also responsible for stimulating a strong articulation between the different factors that comprise it, as well as the advance to complementary and strategic value chains. The Portuguese Textile Cluster's vision is to become one of the most competitive in

the world in research, design, development, manufacture and marketing of textile and clothing products, aimed at fashion, home, technical and functional textiles segments.

In line with its mission and vision, the Textile Cluster brings together around 70 members (companies, research centers) and currently has five Special Interest Groups (SIG) in place with fundamental functions of discussion and strategic formulation, around the structuring pillars of intervention of the Cluster, namely SIG Sustainable Biocircular, SIG Performance, SIG Digitalization, SIG Skills and SIG Design & Product Development. These groups are a shared instrument of intelligence, formulating collective responses and monitoring actions where entities establish win-win relationships, with the ultimate objective of producing and sharing knowledge to support innovation and competitiveness.

In March 2021, FORteams joined these companies of the future who are at the forefront of textile research and innovation. Currently, it is present in all interest groups described above and is part of the executive group in the Sustainable Bio Circular SIG, managing to collect credible and up-to-date information within its organization, provide strategic partnership relationships with participating entities and contribute for a better performance of the textile sector at national level.

#### Global Compact

Global Compact is the world's largest corporate sustainability initiative, created with the objective of calling on companies to align strategies and operations with universal principles of human rights, labor, environment and anti-corruption, and to take action that promote social objectives. Focused on three strategic axes, planet – people – purpose, this initiative aims to create a global movement of sustainable companies and stakeholders to promote a fairer, more prosperous and balanced society. To make this happen, the UN global pact supports companies to:

 Do business responsibly, aligning its strategies and operations with the ten principles on human rights, labour, environment and anti-corruption.

Responsible companies adopt the same set of values and principles wherever they are and know that good practices in one area do not compensate for damage in another. By incorporating the UN Global Compact's ten principles into strategies, policies and procedures and establishing a culture of integrity, companies are not only upholding their basic responsibilities towards people and the planet, but are also laying the ground for long-term success.

	Human Rights
Principle 1	Businesses must support and respect the protection of internationally proclaimed human rights.
Principle 2	Companies must ensure that they do not comply with human rights violations.
	Labour
Principle 3	Businesses must support freedom of association and the effective recognition of the right to collective negotiation.
Principle 4	Businesses must support the elimination of all forms of forced and compulsory labour.
Principle 5	Businesses must support the effective abolition of child labour.
Principle 6	Businesses should support the elimination of discrimination.
	Environment
Principle 7	Businesses must support a preventive approach to environmental challenges.

Principle 8	Companies must undertake initiatives to promote greater environmental responsibility.											
Principle 9	Businesses must encourage the development and diffusion of environmentally friendly technologies.											
Anticorruption												
Principle 10 Businesses must fight corruption in all its forms, including extortion and bribery.												

 Take strategic actions to promote broader social goals, such as the United Nations sustainable development goals, with an emphasis on collaboration and innovation.

The organization's structure is based on principles, best practices, resources and networking events that revolutionize the way companies do business responsibly and maintain commitments to society. By fostering actions, partnerships and collaborations, Global Compact makes the transformation of the world possible and achievable for large and small organizations, anywhere in the world.

On May 19, 2021, FORteams joined the Global Compact (letters sent, in annex X). This strategic decision was made in view of the commitment towards the United Nations to fulfill the 17 Sustainable Development Goals (SDGs), defined in the 2030 agenda (FORteams' position will be explained in greater detail in the chapter 'Commitment towards the United Nations'). During these four months, the company has participated in networking events and webinars about the SDGs, got access to relevant information documents to enhance its corporate sustainability strategy, answered assessment questionnaires about its current status in relation to the Global principles Compact and the SDGs (with consequent direct inputs regarding initiatives in each of the strategic axes), identified business partnerships (with more than 17 thousand entities worldwide, including customers, suppliers and other organizations), among others. This participation has thus proved essential for the correct implementation of FORteams' new intentions, vision and mission.

The company's most direct initiative will take place in the near future with its integration into the SDG Ambition Accelerator program. Announced last year by UN Secretary General António Guterres at the World Economic Forum in Davos, it is a six-month learning initiative for corporate executives that challenges and supports UN Global Compact member companies in setting goals for corporate sustainability and accelerating the integration of SDGs into core business management (more than 1,150 representatives from participating companies, with 7.9 million employees, come together to assess current performance, areas of risk and new opportunities).

#### TRANSPARENCY AND COMMUNICATION

As explained in this document, FORteams has promoted a 360° revolution in its organizational culture and its corporate mindset. With this change, the company identified the need to change the way it communicated (frequency, content, platforms used) and in the message it conveyed to its employees and stakeholders. This problem has led to a radical transformation in the dynamization of the FORteams brand through its digital channels. This includes measures such as creating a manifesto and slogan, rebranding and reformulating the website, including frequent and differentiated content in the digital media, among others that will be presented along this strategic axis.

Previously, FORteams communication was carried out infrequently, through its official website and through its facebook page, with a unique emphasis on product sales. Furthermore, FORteams' image (its logo) had been created at its inception and was now a concern, as it did not follow the company's evolution or convey its dynamism and proactivity. If the corporate image does not reflect a company's ideals and values, then all its communication is compromised. The new logo had to be an image with which we could identify as a

living company, which looked to a past built over 25 years ago, but which acts in the present to build a better future. We decided it was time for a change. However, this change represented much more than a change in the logo, as it was going to be showed to all our stakeholders and we wanted it to be a symbol of transformation, change in corporate posture and, above all, improve the transparency of our identity. After a few months of failed internal attempts, we understood that we are not able to create an image that was up to the challenge because we are unable to distance ourselves from an image/message that we have witnessed for over 20 years. Due to the requirement of rigor, professionalism, vision, differentiation, visual impact and creative capacity, we decided to establish a partnership with a creative communication agency, in this case Palco Collective. During the months of relationship (still ongoing), the partnership led to the measures below.

#### **FORTEAMS REBRANDING**

Construction of a graphic image of FORteams, as recognition of the brand's identity, both in physical and digital media. This includes not only the creation of the graphic identity manual (brand book that can be seen in annex W) with a direct impact on e-mail footer signatures, on the brand icon for digital and on the graphic strategy of social networks; as well as, and more strikingly, the creation of the FORteams logo with a minimalist and futuristic image.



With a view to FORteams dynamics and purpose, the need was felt to adapt the chromatic and graphic language of the company's identity. Colors have the ability to convey sensations that can stimulate people. In this way, the chromatic dynamics present in our logo made it active, self-transformable and versatile, just like the FORteams brand. The strong presence of geometric shapes extract important values from the company, namely creativity, innovation, growth and collaboration. The change and construction of forms from simple structures represent the evolution and advancement towards the Future, in constant search for modernization.

Typography is a preponderant element for the characterization of an identity, so we also made adjustments in this topic. The written concept of "4-Teams sports merchandising" was changed to "FORteamslab", being the typography composed of curves and simplicity, keeping the geometric designs faithful, which enhances the sports aspect of the brand. In this way, we not only ensure that the legacy and market that characterize the company are recognized in its image, but we also convey a new dynamism. The elimination of the "sports merchandising" concept in the corporate image makes room for the inclusion of other business opportunities (already explored throughout this year) in the company's core business, such as fashion and sportswear.

#### **TOTAL RENEWAL OF THE FORTEAMS WEBSITE**

A website constitutes the biggest level of visual exposure of the FORteams brand and positioning to our collective. With this new image, we are at present what we want to build for the future: sustainable and transparent, communicative, sharing its legacy with the collective of collaborators, partners and customers. We are a joint laboratory of unique individuals. A whole made up of parts. A sustainable textile ecosystem that is built day after day on the path to transformation.

With the new logo, it was possible to create an updated, user-friendly, responsive website with all the context about FORteams: identity with mission, vision and the team; sustainability with circular economy and ecological mindset; LAB that highlights our verticality and productive capacity as well as presenting our collaborative network with entities that promote our research, growth and innovation; Products - we held, for the first time, a photo session for a professional presentation of the best we do; Certificates that constitute the greatest rigor and transparency about our process; Specific, direct contacts and guaranteed quick response depending on the type of issue that prompts a contact. The aim is for the website to be constantly active, while the preparation of the tab called Magazine is still ongoing, which will allow for continuous updating of FORteams Gift. It includes disclosure of collaboration protocols, presence in events/fairs, presentation of innovative products, sustainability content, testimonials from our employees, among many other news.

#### **CREATION OF A FORTEAMS BRAND MANIFESTO**

If we previously used to see a manifesto as an exclusive exercise for fashion brands and, therefore, unnecessary for the reality of a productive company, with the transformation that took place, our mindset changed. We currently think of our brand manifesto as a written statement about FORteams intentions, motivations and vision. In this way, we want the language we use in the manifesto to help engage our employees and connect stakeholders who interact with the company. By leading with an emotional focus and writing with impact, passion and authenticity, we aim to develop more meaningful and lasting relationships with our collective.

#### TO ALL OF YOU OUT-THERE.

We are all responsible for the Future to come. A Future where EMOTION, SOLIDARITY, EQUALITY should lead the way. For PERSEVERANCE, BALANCE & the World's SUSTAINABILITY.

THE GAME IS CHANGING. AND WE'RE CHANGING ALONG WITH IT. With INNOVATION, NEW MATERIALS & PROCESSES. Closing the Loop.

Leading with our hearts, researching & innovation with our minds. We're developing the apparel of the TOMORROW. With a technological mindset, adding dimensions to the game.

#### TOGETHER WE STAND.

Our entry into the fashion market and the inclusion of sustainability (and all of its pillars) in the company's decision process led to the elaboration of the manifesto, before the collaboration protocol with Palco Colective, allowing the company to convey, in a concise manner, complete and impactful the changes that were operating internally, while the process of rebranding and renovation of the website was taking place. In progress is the preparation of the manifesto video that will be done again in collaboration with Palco and that will have our collective as the main highlight.

#### 360° REFORMULATION OF FORTEAMS COMMUNICATION

Communication is one of the most important tools to maintain a close relationship, whether with those who work with us or with those who, in some way, get in touch the organization's day-to-day activities. Establishing cooperative relationships and close interaction with each of our stakeholders, based on transparency and trust, is essential for FORteams' current corporate strategy. For this purpose, we create

and maintain a diversified range of means of communication, specific for each group of stakeholders, in order to meet their needs and expectations.

#### Creation of FORteams Internal Communication

The purpose of communicating with employees is to unite the team and ensure that everyone knows and is aligned with the objectives of top management, so that they are committed to the objectives and challenges that are being proposed to them. Thus communication must have a constant periodicity and must have a fixed content structure. To that end, FORteamslab has created a set of tools:

- Creation of an internal journal for FORteams employees. This is sent, digitally, to the administrative body and placed in the private Facebook group, where all employees, whether administrative or productive, have access. As for the productive ones, the distribution is sent digitally to the section heads, who in turn alert employees and post it on the information panel of each sector. This is publishing monthly and its content refers to the main events of the month, for example: partnerships with entities that benefit the brand's value; internal issues related to new processes, equipment and/or employees; internal operating information (information associated with vacation periods, etc);
- Annual "end of the year" or "beginning of the year" communication, issued by the CEO of FORteams, where he communicates the goals achieved by the team and informs the challenges that are upon us for the new year;
- Creation of a private Facebook group with FORteams employees in order to create a business and informal community, where everyone can participate and receive first-hand information. In this group, the company's publications, the in-house newspaper and all the brand's social actions are shared, reinforcing the relationship ties between employees.

#### Strengthening of FORteams external communication

Communication with the outside world is important to, above all, keep the customers, partners, the community close to the company, since the cost of acquiring a new customer is higher than keeping the current customers satisfied and close to us. Thus communication aims to strengthen ties with the various external players, preparing and organizing the company for the new challenges of the future (faster, transparent and real-time communication). All communication channels available to the company are FORteams assets that were used to their fullest extent to maintain a close relationship with the universe of the company's stakeholders:

- Annual letter, on behalf of the company's CEO, a to shareholders with the summary of the previous year, namely the achievement of goals, proposal of new goals for the following year, highlighting of new products, certifications and/or changes in equipment, between others. In general, this letter explores the financial aspect and the aspects of organizational improvement;
- Annual letter to strategic Stakeholders (production partners, suppliers, customers, innovation partners, among others). The letter should be similar to the previous one, but more aspirational, not focusing so much on financial aspects. The email should be similar to the one sent to the internal team, however, less personal and specific;
- Creation of a monthly newsletter similar to internal communication, with the exception of issues associated with the regular functioning of the company (eg information on parking rules);
- Brand activation on social networks: website, Linkedin, Facebook, Instagram and in the media (newspapers, forums), whenever justified (for example, new partnerships, new products, participation in events, investments, new processes);

## FORteams Final Product Communication Reform

As stated earlier, in the past, 4-Teams communication was based solely on product sales. Furthermore, the advertising content was not appropriate for the B2B business, and it had poor design and photography with little quality and detail about the product's features. Currently, FORteams began to disseminate, consistently and frequently, its concept and identity, highlighting its collective and sustainable initiatives. However, product disclosure continues to account for approximately 50% of FORteams communication, both on social networks and in the other forms of communication already presented. Instead of focusing on the product and in a sales-oriented communication strategy, FORteams reformulated its communication of the final product, giving emphasis to new products and/or developments, new equipment and processes, as well as the dissemination of verticality and productive capacity of the company. At the same time, the growth in the supply of products (mainly due to the work of the RDI department) combined with the strategy of exploring new markets, led the team to promote the renewal of its physical and digital catalog (most recent version carried out in 2017), an initiative that is currently still ongoing. Since for current customers, the measures of the previous topic have already been adopted, the creation of a FORteams catalog with all its products constitutes one of the priorities of communication, in order to promote the entry into new markets.

#### Promote FORteams Sustainability Communication

As it reflected I this report, corporate sustainability includes a set of strategic axes to put into practice. Communication plays a decisive role in making people, companies and/or entities aware of the need to act immediately. Here are included initiatives such as:

- To promote the development of sustainability reports sharing the company's position with regard to each of the environmental concerns;
- To promote training, communication, transmission of knowledge and good practices to all FORteams stakeholders. The need to change the behavior of citizens is essential to drive sustainable transition. Internally, measures such as training for administrative staff and the gemba-walk for productive stand out. Externally, the sharing of knowledge on social networks stands out (it is necessary to value products manufactured under circular, biologically-based and sustainable practices, in order to create preference among consumers) and the writing of the corporate sustainability rubric at FORteams (disclose success stories that are representative, demonstrable and have potential for replication and/or that inspire other companies to look for similar solutions, amplifying dissemination channels and paving the way to good practices) on the website;
- To reinforce the image of FORteams as a producer of sustainable textiles and clothing, at an international level, either through its presence in reference fairs or in platforms for the dissemination of good practices in the area of sustainability and the circular economy (forums, etc.);
- Create labels and/or incorporate technological options (Qrcode or NFC) in each product to disseminate sustainability / circularity indicators (carbon, energy and water footprint);

#### Strategic Management of FORteams Social Media

After implementing branding and creating the FORteams website, Palco Colective supported the communication and brand activation in digital channels, with a mission to position the company with a coherent, strong and purposeful image. With the graphic elements on our side and enhanced by a much more professional and appealing corporate language, the following stand out as internal measures:

- Reformulation of the communication strategy on social media in order to address the B2B market and move away from inadequate communication about the final product. We then promoted the inclusion of other topics such as collective, sustainability, innovation, among others;
- Definition of the appropriate social networks to reach the FORteams target audience and preparation
  of the social media plan according to the channel: website, instagram (creation of a professional account

- for more visual communication), Facebook (reformulation of the brand page to promote more appropriate content) and Linkedin (creation of a main page for the dissemination of business content, mainly aimed at B2B communication);
- Creation of character with FORteams brand values in order to foster a closer relationship with our audience. The character is called "Maria" (typically Portuguese name to praise the 'made in Portugal' label) and was created to represent FORteams' productive sector, highlighting the company's productive capacity. Maria is a traditional seamstress, adapted to modern times, who is always looking to learn more about her functions and to contextualize herself in the company's current affairs, especially in terms of Sustainability, she is modern and always ready to learn more. With this character we try to show that our productive sector is educated in current affairs and that anyone can have knowledge and opinion on any subject. We want Maria, like the brand, to communicate the future, fight for evolution and increasingly adopt better social and environmental practices. Maria is already created (characteristic image in annex X) and her image is already being thought, from a strategic point of view, to be included in the FORteams communication plan (social networks, website, newspaper and other tools).
- Reinforcement of in-house professional content creation capacity. After the initial support from Palco Collective (thanks to the provision of professional photographic reporting to the facilities, employees and products (photo session)), it was now necessary to maintain the professionalism and pride of all FORteams communication. Acting preventively, FORteams advanced, even during the months of partnership (in order to benefit from consulting), with the construction of a photographic studio and purchase of the necessary materials (including camera lenses for different scenarios, tripod adaptable to various weights and sizes, background, a complete kit of flashes, among other materials needed for photography of both the product and the model) and with the hiring of two people, solely focused on image collection, processing and strategic management of FORteams social networks and communication.

Initiative	Description	July 2021
Company Rebranding	Renewal of the logo and creation of FORteams brand graphic identity manual (replacement of footer signature, business cards, etc.)	
Creation of the	Reformulation of an adapted and updated website, with the necessary information to correctly convey policy, vision, mission, values and message of FORteams company.	
Website	Continuous update of the website. Inclusion of collaborative networks in the 'LAB' tab and creation of the 'Magazine' tab, which includes updated FORteams news: innovative products, press (company's presence in the media), testimonials from employees and partnership protocols.	
Creation of the FORteams	Creation of a concise, complete and impactful manifesto of our brand as a written statement about FORteams intentions, motivations and vision.	
manifesto	Creation of a video manifesto made in collaboration with Palco Collective and which will have our collective as the main highlight.	
360° Renewal of	<u>Creation of FORteams Internal Communication</u> (internal newsletter, private facebook, annual CEO email).	
FORteams Communication	Strengthening FORteams External Communication (letter to shareholders and stakeholders, annual CEO email, external newsletter, social media).	
Communication	Change in the way of communicating our products. It has already promoted a much more professional language with current customers and the B2B market	

	on digital channels. However, it is necessary to finalize the physical and digital catalog to encourage new customers.	
	Inclusion of <u>sustainability</u> as a <u>communication topic</u> . It is already frequently and appealingly included in social media, it is necessary to invest in more content and other ways to share it internally and externally.	
	Social Media: LinkedIn and Instagram account creation. Redefinition of the type of content shared on each channel (added to the previous ones, facebook and website) so that it is not solely aiming at product sales.	
	<u>Character creation</u> with FORteams brand values in order to bring the relationship with your audience closer.	
	Reinforcement of the professional content creation internally at FORteams. Hiring human resources solely focused on the management of communication and social networks (marketeer and manager of social networks and multimedia) as well as the acquisition of a photographic studio.	
Initiative con	npleted. Continuous improvement Initiative in progress	

#### **COMMITMENT TO THE UNITED NATIONS**

Our planet faces concrete economic, social and environmental challenges. With the aim of eradicating poverty, combating inequality and injustice and protecting the planet, in 2015, the Member States of the United Nations unanimously agreed on 17 Sustainable Development Goals (SDGs), making them an agenda for sustainable development.

# SUSTAINABLE GALS DEVELOPMENT GALS



O sucesso da agenda será baseado em esforços colaborativos por todas as partes da sociedade, incluindo os negócios. Os relatórios corporativos de sustentabilidade são um estímulo poderoso para a comunicação interna da empresa, ao permitirem que todos os colaboradores tenham consciência do seu momentum de sustentabilidade. Com a transparência a assumir, cada vez mais, um peso significativo na realização de negócios, este é o momento certo para levar o relatório de sustentabilidade a um novo patamar, no qual as empresas devem mostrar o seu impacto e compromisso sobre as principais prioridades do mundo; e descrever a integração dos ODS na sua responsabilidade e estratégia corporativa.

Continuar a assegurar a nossa rentabilidade económica, reduzindo o impacto ambiental e maximizando o impacto social positivo, é a maior determinação da FORteams. Será este o nosso futuro. Os ODS proporcionam uma estrutura integrada, holística e coerente para abordar os mais urgentes desafios do mundo com respeito à sustentabilidade e para criar um futuro melhor para todos. Desta forma, neste capítulo, iremos expor de que forma a estratégia de sustentabilidade explicada anteriormente será desenhada em torno da nossa contribuição para os Objetivos de Desenvolvimento Sustentável.

Nesta perspetiva, a FORteams selecionou três princípios segundo os quais se compromete, estritamente, a cumprir. São eles a igualdade de género, um trabalho justo e crescimento da economia e um consumo e produção responsável. Ainda assim, a empresa pretende aplicar todos os princípios no seu funcionamento, ainda que não se obtenham resultados imediatos.

Os três princípios selecionados por nós têm em conta a nossa localização, o nosso produto e a nossa marca. Quanto aos princípios restantes, como a erradicação da pobreza, da fome, saúde de qualidade, educação de qualidade, água potável e saneamento, não foram considerados prioritários devido a já estarem implementados no nosso sistema e no nosso país. Para conseguirmos cumprir da melhor forma os objetivos 14 e 15, proteger a vida marinha e a vida terrestre, realizámos pesquisas para encontrar alternativas ecológicas nos processos de produção das nossas fibras.

Uma empresa de biocombustível americana *Virent* lançou a primeira camisola do mundo feita em 100% de poliéster sustentável à base de plantas com a tecnologia *BioFormPX*, que transforma o açúcar da beterraba em matérias-primas renováveis que imitam os componentes químicos do petróleo para produzir fibras têxteis, como o caso do poliéster. Este é o primeiro passo da *Virent* para fornecer poliéster biológico com baixo custo para o mercado.

Neste sentido, pretendemos acompanhar esta investigação para que, se for possível, a trazermos para a nossa empresa, adquirindo maior vantagem competitiva no mercado e contribuindo para o desenvolvimento sustentável, protegendo, desta forma, os ecossistemas marítimos e terrestres da libertação de substâncias nocivas e prejudiciais.

Como ainda está num estado prematuro, temos de pensar em soluções num prazo mais curto sendo que é necessário perceber onde podemos reduzir a pegada ecológica e o que precisamos de fazer para isso. O CVR é, então, uma boa aposta para atingirmos o equilíbrio entre a economia e a sustentabilidade.

Ainda que seja um processo longo e que exige muita paciência, investimento e trabalho, pretendemos cumprir com tudo o que nos comprometemos e contribuir para um futuro melhor e mais sustentável.

O maior desafio da humanidade para o século XXI é, segundo Kate Raworth1, conseguir satisfazer as necessidades de todos dentro dos limites dos recursos do planeta. Garantir que todas as pessoas têm o essencial à vida (alimento, habitação, cuidados de saúde, participação pública, ...), garantindo que, coletivamente, não ultrapassamos os limites dos sistemas de suporte de vida da Terra, dos quais fundamentalmente dependemos - como um clima estável, solos férteis e uma camada protetora de ozono.

Entre as fronteiras sociais e planetárias, existe um espaço ambientalmente seguro e socialmente justo no qual a humanidade pode prosperar. É, assim, extremamente importante ter esta definição em consideração para que, numa altura crítica em que muitos (se não todos) os stakeholders estão a refletir e planear o futuro de acordo com uma economia mais circular, o enfoque não seja erradamente colocado em medidas que não são as mais sustentáveis, ainda que possam parecer circulares.

Em Portugal, o Plano de Ação para Economia Circular, publicado nesse mesmo ano<sup>2</sup>, identificou alguns setores chave para a aceleração da economia circular no nosso país: intensivos em materiais, de cariz exportador e com impacto relevante no consumidor. Assim, surge o TÊXTIL como um dos setores com

cariz fortemente exportador relevante para economia portuguesa e para o qual existe grande margem de melhoria na eficiência de utilização de recursos.



2 "Liderar a Transição – Plano de Ação para a Economia Circular em Portugal: 2017-2020" <a href="http://185.32.37.73/contents/ficheiros/paec-pt.pdf">http://185.32.37.73/contents/ficheiros/paec-pt.pdf</a>

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- 4/?wpdmdl=81629&fbclid=IwAR0iEPHIEcUKthEnAipgjZi4C\_MHyTWkIYVc9t9I2TJPJIPOPkf 7mcmbXwE
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- [7] Âncora Verde, Movimento slow fashion, 2018, https://www.ancoraverde.pt/2018/03/11/slow-fashion/
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- [10] Pacto Setorial Cluster textil
- [11] Agenda

#### ANEXO I – CERTIFICADO OEKO-TEX MERCHANDISING

CITEVE
CENTRO TECNOLÓGICO DAS INDÚSTRIAS TÊXTIL
E DO VESTUÁRIO DE PORTUGAL
RUA FERNANDO MESQUITA, 2785
4760-034 VILA NOVA DE FAMALIÇÃO, PORTUGAL





#### A empresa

4TEAMS - Advertising & Merchandising, SA Rua da Indústria, N°. 89 4815 - 901 Vizela, PORTUGAL

De acordo a norma STANDARD 100 by OEKO-TEX® e baseado no nosso relatório nº **104/2021** tem autorização, por meio deste certificado, a usar a marca STANDARD 100 by OEKO-TEX®



#### para os seguintes artigos

Cachecóis tecidos (alta definição) em 100% Acrílico e Acrílico/Poliéster.

Cachecóis e gorros tricotados em 100% Acrílico, com aplicação de bordados.

Os artigos incluem ainda os seguintes acessórios: linhas de costura, linhas de bordar, entretelas, etiquetas tecidas e estampadas.

(Matérias primas base já pré-certificadas STANDARD 100).

O resultado da analise do processo de acordo com a norma STANDARD 100 by OEKO-TEX®, anexo 4, **produtos da classe I**, comprova que foram cumpridos os requisitos relativos à ecologia humana da norma STANDARD 100 by OEKO-TEX® definidos no anexo 4 para produtos para bébé.

Os artigos certificados cumprem os requisitos do Anexo XVII do REACH (incluindo o uso de corantes azoicos, níquel libertado, etc.), os requisitos Americanos no que diz respeito ao teor em chumbo total nos artigos para criança (CPSIA, com exceção dos acessórios em vidro) e os da norma chinesa GB 18401:2010 (os requisitos de etiquetagem não foram verificados).

O beneficiário do certificado está comprometido, através da assinatura da declaração de conformidade de acordo com a norma ISO 17050-1, a usar a marca STANDARD 100 by OEKO-TEX® somente em produtos que estão em conformidade com as amostras analisadas. A conformidade é verificada em auditorias.

O certificado 5586CIT é válido até 30.11.2021

V. N. de Famalicão, 07.01.2021

O Director dos Laboratórios Maria Antónia Lopes

黴

# **AENOR**

# **Quality Management System Certificate**



#### ER-0101/2017

AENOR certifies that the organization

# 4TEAMS - ADVERTISING & MERCHANDISING, S.A.

has a quality management system according to the ISO 9001:2015 Standard

for the activities: Design, development and commercialisation of sport merchandising

textile products, labels and digital graphic arts on textile articles.

which is/are carried out in:

RUA DA INDÚSTRIA, 89. - 4815-901 VIZELA (Portugal) ZONA INDUSTRIAL BAIONA, RUA CHĀ DA RAPOSA, FRACÇÃO AX VILARINHO-SANTO TIRSO. 4795-784 - VILARINHO (Portugal)

First issued on: 2017-03-09 Last issued: 2020-03-09 Validity date: 2023-03-09

AENOR INTERNACIONAL S.A.U. Génova, 6. 28004 Madrid. España Tel. 91 432 60 00.- www.aenor.com





Rafael GARCÍA MEIRO

Chief Executive Officer

Lus AENOR Avenida da Boavista, 1180 – 2º C - 4100-113 PORTO Portugal - www.lusaenor.com

#### ANEXO III - CERTIFICADO SA8000



# Certificado Certificate

#### NÚMERO 2018/RS.0037

Number

#### O Sistema de Gestão da Responsabilidade Social da

The Social Accountability Management System of

#### 4 TEAMS - ADVERTISING & MERCHANDISING, S.A.

Rua da Indústria, 89 4815-901 VIZELA PORTUGAL

implementado no design, desenvolvimento, produção e comercialização de produtos de merchandising desportivo, etiquetas e artes gráficas digitais, cumpre os requisitos da norma

implemented in the design, development and commercialization of sport merchandising textile products, labels and digital graphic arts, meets the requirements of the standard

#### Social Accountability - SA 8000:2014

Social Accountability International and other stakeholders in the SA8000 process only recognize SA8000 certificates issued by qualified CBs granted accreditation by SAAS and do not recognize the validity of SA8000 certificates issued by unaccredited organizations or organizations accredited by any entity other than SAAS.

Validity of the present certificate can be checked at www.saasaccreditation.org/certification





José Leitão CEO

Emitido em 2018-12-03 Date of issue Válido até 2021-12-02 Valid until

APCER — Associação Portuguesa de Certificação o'Porto Bessa Leite Complex | Rua António Bessa Leite, 1430 - 1º Esq. 4150-074 Porto

#### ANEXO IV - CERTIFICADO SEAQUAL

DocuSign Envelope ID: 7E64E83D-18A2-42B6-AE9E-EA735A216405



License number: 21050602PT

#### TRADEMARK & COPYRIGHT LICENSE AGREEMENT

(for textile goods containing SEAQUAL YARN)

Between:

LICENSOR:

SEAQUAL 4U S.L. (hereinafter "SEAQUAL"), a company organized and existing under the laws of Spain and legally registered at address C/ Josep Hereu i Aulet 8, 2nd Floor, 17160 Anglès, Girona, Spain and with tax number B87669990

And

LICENSEE:

Company's legal name: Ondifex - Comércio de Malhas. Lda.

Trading as: Ondifex

A company organized and existing under the laws of: Portugal

Tax number: 513646540

Legally registered address: Avenida Central 218 Tamel (São Verissimo) Barcelos 4750-721 BRAGA

LICENSOR LICENSEE

Signature: Michel Chique Signature: 155009638509423

Printed Name: Michel Chtepa Printed Name: João Morgado

Title: Managing Director Title: CEO

Date of Signature: 5/20/2021 Date of signature: 5/19/2021

# ANEXO V - CERTIFICADO SMETA



Sedex Members Ethical Trade Audit Report Version 6.0

Audit Details											
Sedex Company Reference: (only available on Sedex System)		ZC405380698			Sedex Site ZS40: Reference: (only available on Sedex System)			6435198			
Business name (Company name):		4 Tear	ms Advertising	у & Ме	erchandising, S	S.A					
Site name:		4 Tear	ms Advertising	у & Ме	erchandising, S	S.A					
Site address: (Please include full address)		Rua da Indústria, nº 89 – Santo Adrião 4815-901 Vizela			Country:		Portugal				
Site contact and job title:		David Macedo/ Genera			Manager		100				
Site phone:		+351 253489084			Site e-mail:	v	filomenamendes@4-teams.com				
SMETA Audit Type:				⊠ F Safe	Health &		Environment	Business Ethics			
Date of Audit:		25 <sup>th</sup> O	ctober 2018								
Audit Company Name & Logo:  intertek  Total Quality, Assured.							port Owner (payer ertising & Mercho				
			Audit	Cond	ucted By						
Commercial	$\boxtimes$		Purchaser				Retailer				
Brand owner			NGO				Trade Union				
Multi- stakeholder				Combined Audit (select all that apply)							

Audit company: Intertek Report reference: PRT-SMETA-335518 Date: 25/10/2018

Sedexglobal.com

### ANEXO VI - E-MAILS STANDARD

E-mails standard enviados, automaticamente, para o cliente após receção do pedido de encomenda e no dia de expedição do pedido:

• E-mail standard após receção do pedido de encomenda:

"Dear Partner,

We confirm reception of your order 000000, our reference \*\*\*XXX0000 under the name XPTO, style X00. You will receive a photo of the sample for your approval within the next 7 working days.

Production date for this order is Month day, Year, if the sample is approved within 48 hours.

Many thanks, FORteamsLAB"

E-mail standard no dia de expedição da encomenda:

"Dear Partner

The sample you requested for your order 00000 under the name XPTO, style X00 was sent today by TransportEnterpriseX with the tracking number XXXX.

We hope it finds you well and await your feedback to your costumer manager:

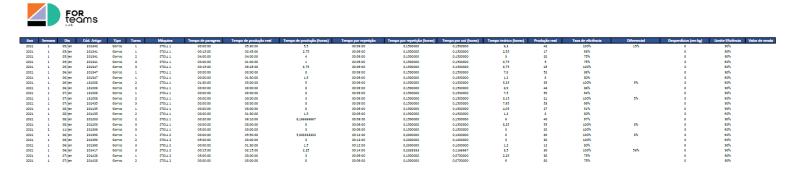
Many thanks, FORteamsLAB"

# ANEXO VII – PROCESSO DE REGISTO E TRATAMENTO DE DADOS

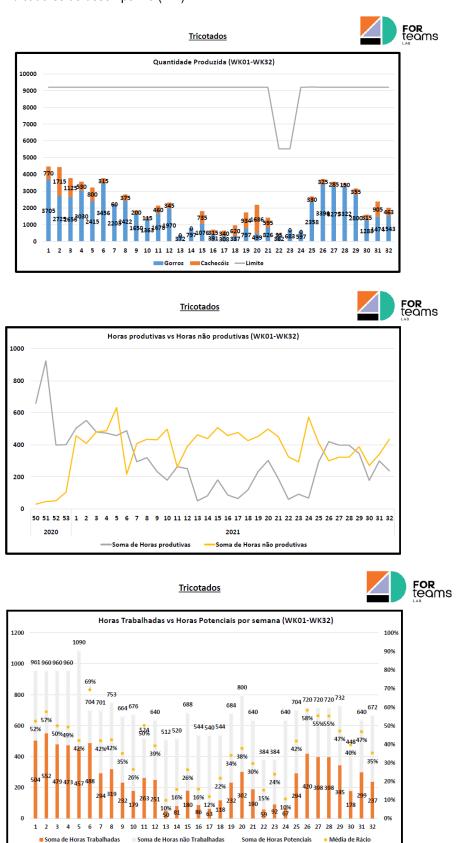
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Excel utilizado pelo engenheiro industrial para Introdução e Tratamento de dados

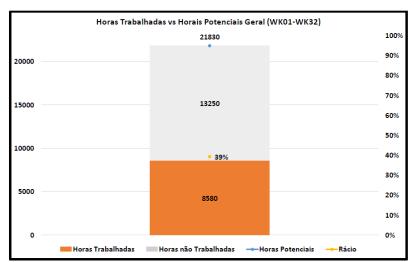


Indicadores de desempenho (KPI)



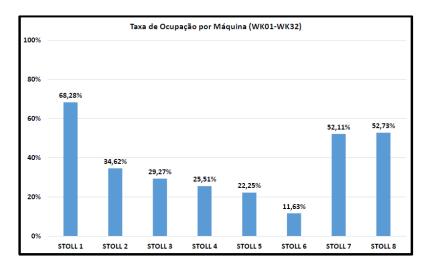
#### **Tricotados**





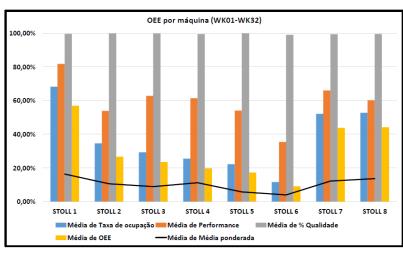
#### <u>Tricotados</u>



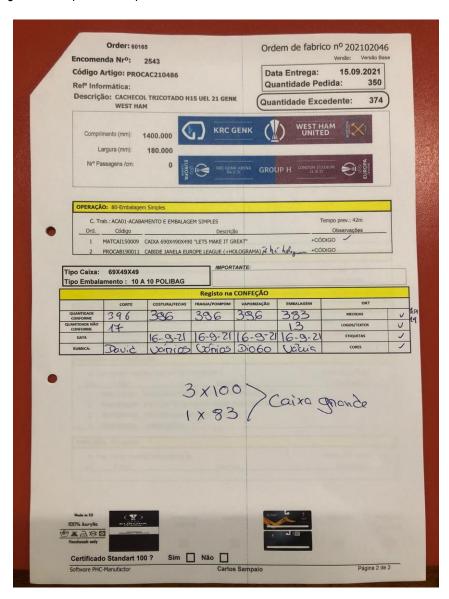


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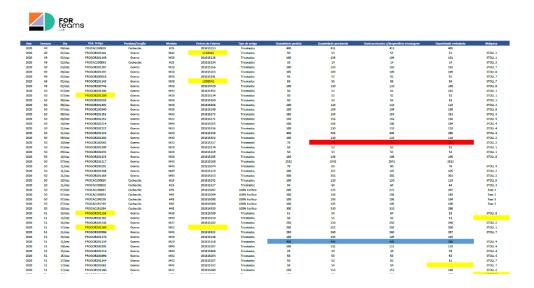




• Registo de desperdício do processo



Excel utilizado pelo engenheiro industrial para Introdução e Tratamento de dados de desperdício



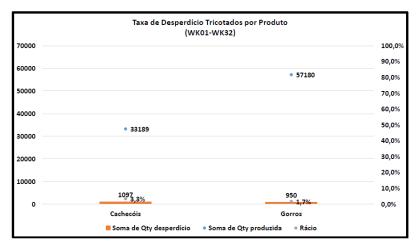
Proc midded  0.2  0.2  0.31  0.31  0.31  0.31  0.31  0.39  0	Peter bestel  12.2   1.2	Compare   Comp		Tree de desperición Tri-categore G.00%. G.00	Table of genetic 1200s.	Tumb 80  4.0	Color   Discolor   Color   C	Desperation core	Designed false Carter from Na   0   0   0   0   0   0   0   0   0
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Decembric Fauls	Desperé		1.7 and 10 countries in travel arranged in the countries of the countries	Despendió la Visantia, do  1  0  0  0  0  0  0  0  0  0  0  0  0	Departition in properties to 0	Team Re for force Triple   Team Re for force Triple   Team Re forc	Custo controls	Departition Training on The Control of Contr	Descention is transagene non tog  1

Learn   Lear	Taxa de desperdicio embalagem	Custo Embalagem/Preço de Venda	Custo total	Desperdicio peças processo	Desperdicio total (em kg)	Desperdicio total (em peças)	Taxa de desperdicio	Taxa de qualidade	Faturação	Pod	ia Faturação	Dê	iferença
0.00%	1,46%	4,40 €	28,8 €	6	1,2	6,0	1,46%	98,54%	1 782,00		1 808,40		26,40
0.00%   3.00	0,00%	3,20 €	1,1 €	1	0,21	1,5	2,83%	97,17%	163,20	c	169,60	3	6,40
0.00%   1,00	0,00%	3,35 €	0,1 €	0	0,023	0,1	0,12%	99,88%	338,35	c	348,40	2	10,05
0.00%	0,00%	5,00 €	4,1 €	0	0,64	3,6	25,40%	74,60%	70,00		70,00	5	
0.00%	0,00%	3,30 €	12,0 €	0	1,9	10,1	9,76%	90,24%	339,90	c	339,90	C	18
0.00% 13.5 € 1.3 € 0 0.57 3.2 5.9% 94.2% € 20.4.2 € 120.3 € 3.2 0.00% 1.5 € 2.4.2 € 13.5 € 0 0.5 € 0 0.5 € 0 0.5 € 0.00% 95.0% € 2.44.2 € 13.5 € 0.5 € 0 0.5 € 0.00% 95.0% € 2.44.2 € 13.5 € 0.5 € 0.00% 95.0% € 2.44.2 € 13.5 € 0.5 € 0.00% 95.0% € 2.44.2 € 13.5 € 0.00% 95.0% € 2.44.2 € 13.5 € 0.00% 95.0% € 2.44.2 € 13.5 € 0.00% 95.0% € 2.44.2 € 13.5 € 0.00% 95.0% € 2.44.2 € 13.5 € 0.00% 95.0% € 0.00% 95.0% € 2.44.2 € 13.5 € 0.00% 95.0% € 0.00% 95.0% € 2.44.2 € 13.5 € 0.00% 95.0% € 0.00% 95.	0,00%	3,42 €	1,3 €	0	0,2	1,1	1,04%	98,96%	372,78		372,78	2	
0.00%	0,00%	3,92 €	2,3 €	0	0,36	1,9	3,66%	96,34%	199,92	C	203,84	C	3,92
1.29%   1.29	0,00%	3,82 €	3,7 €	0	0,57	3,2	5,76%	94,24%	206,28	e	210,10	2	3,82
1,27%   1,27	0,00%	3,25 €	2,1€	0	0,33	1,7	1,57%	98,43%	354,25	2	357,50		3,25
0.00%	0,00%	2,42 €	0,5 €	0	0,1	0,2	0,30%	99,70%	244,42	c	125,84	-c	118,58
0.00%   1.35   1.0   0.00%   91.1%   0   91.1%   0   92.4%   0   93.4%   0	1,92%	3,42 €	10,3 €	1	1,177	6,6	12,79%	87,21%	177,84	2	177,84	2	0
0.00%	0,00%	3,82 €	0,6 €	0	0,1	0,5	0,99%	99,01%	202,46	c	202,46		
0.00%   2,55 ¢   3,3 ¢   0   0,035   0,3   0,38   99,87N   C   49,0,5 ¢   44,00 ¢   C   0,005	0.00%	2.95 €	1.0 €	0	0.15	1.0	0.87%	99.13%	324.50		324.50		12
0.00%	0.00%	3.25 €	6.3 €	0	1.07	4.5	4,16%	95,84%	354.25	•	354.25	2	
0.00%	0,00%	2.85 €	0,3 €	0	0.035	0.3	0.18%	99.82%	430,35	6	438,90		8.55
0.00%	0.00%	2.85 €	0.3 €	0	0.035	0.3	0.18%	99.82%	444,60	c	444,60	•	
0.00%	0,00%	3,35 €	0.8 €	0	0.11	0.7	0,68%	99,32%	348,40	E	355,10		6,70
0.00%   2.55   1.05   0	0.00%	2.00 €	0.8 €	0	0,105	0.8	0,75%	99.25%	220,00		220,00		
0.00%	0,00%	2.85 €	2,0 €	0	0,3	1,8	0,45%	99,55%	1 083,00	c	1 154,25	c	71,25
0.00%	0.00%	2.95 €	1.05	0	0.15	1.0	0.87%	99.13%	324.50	=	324.50	=	-
0.00% 1.4.2 € 6.5 € 0 1 5.6 1.0,00% 90.0 % € 177,04 € 177,04 € 0.00% 1.5.5 € 0.4 € 0 0 0.1 0.5 0.0 % 90.0 % € 202,06 € 0.00% 1.5.5 € 0.4 € 0 0 0.1 0.5 0.0 % 90.0 % € 202,06 € 0.3 0.0 % 90.0 % € 202,00 € 0.3 0.0 % 90.0				0									11.60
0.00%				0									
0.00%		3.82 €	0.64	0	0.1		0.99%	99.01%	202.46		202.46	=	
0.28%   2.15			4.5 €	0									3.35
2,50%	0.28%	2156	17.9 €	7	1.155		0.28%	99.72%	5 443 80	e	5 465 30	2	
0.39%				3									
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0.89%				1									
40,69%   2,90				10									
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4.27% 2.55 € 35.5 € 18 0.672 14.0 4.52% 95.48% € 0.75.6 € 12.00 1.20% 1.													
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0.99% 2,77 € 8,3 € 2 0,2 2,0 0,99% 99,07% € 55,40 € 59,54 € 5,54 1,135% 2,06 € 39,6 € 3 0,552 1,0 0,99% 99,07% € 74,50 € 8,7 € 74,50 € 74,													
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0.00% 3,90 € 0.5 € 1 0,391 1.0 1,50% 90,00% € 18,80 € 187,20 € 3,50 0.00% 0.00% 4,00 € 1.4 € 0 0,31 1.2 2,21% 97,70% € - € 2,72.0													
0,00% 4,02 € 1,4 € 0 0,21 1,2 2,21% 97,79% € € € 217,08 € 2,17,08 6, 324,50 € 345,78 € 13,00 € 3,00													
$1.27\%$ $2.26\xi$ $13.3\xi$ 5 0,4 5,0 $3.27\%$ $96/37\%$ $\xi$ $334-48$ $\xi$ $345/78$ $\xi$ $13.5$													
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n/non 1,42 n/ne 1 0/18 10 0/200 99/02% 5 244/47 5 240/84 5 2/42													
	ojakins	2,42 €	0,6€	1	u,18	4,0	U,987k	99,0276	244,42		240,84		2,42

• Indicadores de Desempeno relativos ao desperdício (KPI)

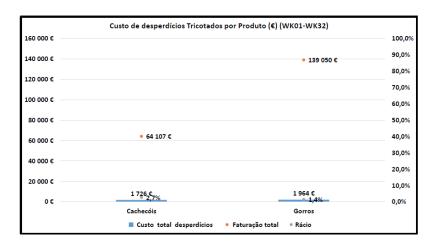






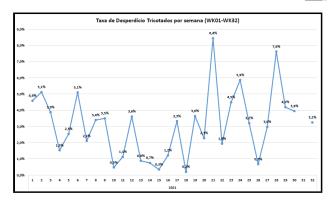
#### **Tricotados**





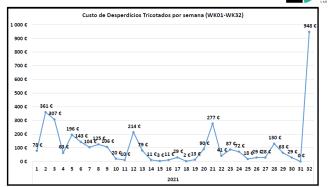
#### <u>Tricotados</u>





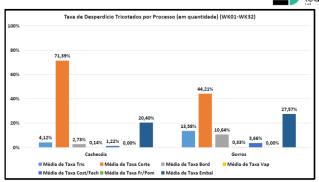






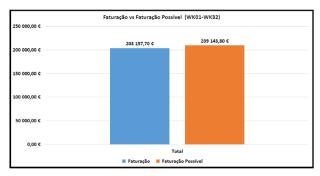
#### Tricotados





#### Tricotados





### ANEXO VIII - CARTA AOS RESPONSÁVEIS DAS NAÇÕES UNIDAS

 Carta de Compromisso dirigida ao Chair of The Board - Mário Parra da Silva com pedido de adesão à Global Compact Network Portugal



Confirmação de aceitação no Global Compact Network Portugal



Exmo. Senhor

CEO da 4-Teams Advertsing & Merchandising

Dr. Pedro Neto

Assunto: UN Global Compact/ Global Compact Network Portugal | Boas-vindas

Lisboa, 19 de maio de 2021

Caro participante,

É com satisfação que acolhemos a sua prezada Organização na Global Compact Network Portugal (GCNP), rede de organizações que, em Portugal, representa o United Nations Global Compact (UN Global Compact), uma iniciativa de sustentabilidade das Nações Unidas.

A GCNP é composta por organizações nacionais e internacionais, com atuação em Portugal, e visa a aplicação dos Dez Princípios do UN Global Compact e dos Objetivos de Desenvolvimento Sustentável da Agenda 2030 da ONU, divulgando-os junto das partes interessadas e da sociedade em geral, partilhando experiências entre os participantes, a nível mundial.

É nossa convicção que estes objetivos só poderão ser alcançados com um envolvimento real das organizações participantes ao mais alto nível.

Assim, estaremos a fazer a diferença, contribuindo para a defesa e proteção dos direitos humanos e laborais numa sociedade mais justa, para a defesa do ambiente, para um contexto de negócios mais transparente, e para uma maior competitividade suportada por bons valores.

Os nossos projetos e programas resultam do interesse e participação dos participantes e das suas necessidades, pelo que ficamos à vossa disposição para as sugestões que entenderem colocar.

Por isto, resta-nos desejar-vos bom trabalho no UN Global Compact/ Global Compact Network Portugal.

Com os melhores cumprimentos

Mário Parra da Silva

yai Hall

Global Compact Network Portugal | Presidente



:: Global Compact Network Portugal :: APEE – Associação Portuguesa de Ética Empresarial :: Av. João Crisóstomo, 62 R/C Dt², 1050-128 Lisboa | Tel: +351 213 156 734 | gcnp@globalcompact.pt | www.globalcompact.pt

## ANEXO IX - MANUAL DE IDENTIDADE GRÁFICA FORTEAMS





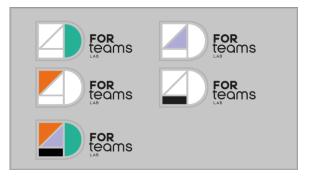
























## **ANEXO X - PERSONAGEM FORTEAMS**

