



ANNUAL SUSTAINABILITY

Report 2021

fitesa



Fitesa Gravataí (BRA)

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Introduction

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A Word from the CEO

GRI 102-14



There's never been a time when environmental, social, and governance (ESG) played such an important role in society. As humanity continues to challenge planet boundaries, civil society's involvement in the sustainability debate is driving real changes in consumption and regulatory development.

Fitesa meets this scenario with a history of achievements that strengthens our ability to make a real contribution to the environmental, social, and governance aspects of sustainability.

From an environmental point of view, I cannot overestimate the outstanding overall efficiency levels our teams achieve year after year in operations. The continuous improvement of yields, throughputs, downtime, and ramp-up curves impact not only our financial results, but also reduce our carbon footprint, material consumption, waste disposal, water usage, and other important indicators we follow and report on throughout this document.

While the recent expansion changed the energy consumption profile of our business, slowing the pace of our journey towards our 2025 goals, we must recognize the notable progress we made in waste management during 2021, with 7 facilities achieving the mark of zero waste to landfill.

The long tenure of our workforce is evidence of our success in the social pillar of ESG. We are implementing significant improvements in human resources tools and processes, and we continue to strive to make every facility a representation of our shared values, that is, an environment that is free of prejudices, where people can thrive based on their own merits.

Governance has always been a strong pillar of our Company. Even though we are a family-owned business, we follow the best-in-class corporate practices of public companies.

I am most proud of our diligent approach with sustainability. We are aware of our strengths and weaknesses, but we have

been successful not to succumb to the temptation of changing our focus from 'doing' to 'talking', and stay away from any form of greenwashing.

We continue to support the United Nations Global Compact, apply the Fitesa Management System to reduce or eliminate our negative impacts, and continue to manage our operations and investments with a keen focus on longevity.

This is the key message of this report: Fitesa is ready in terms of people, technologies, and partnerships to make its contribution to the global shift towards a circular, low carbon economy.

Silverio Baranzano
CEO

About this Report

GRI 102-12 / 102-40 / 102-50 / 102-52

We are proud to present Fitesa's 2021 Annual Sustainability Report. We aim to introduce the main environmental, social, and governance highlights of our business from January 1st to December 31st, 2021.

This document demonstrates how we generate value for customers, consumers, employees, suppliers, and communities worldwide while mitigating the negative impacts of our operation. The information reported includes all Fitesa manufacturing locations.

This Report was developed based on the guidelines of the Global Reporting Initiative (GRI) utilizing the GRI Standards, a best practice for impact reporting.

REFERENCES

At the beginning of each subchapter, we highlight the **GRI Standard Disclosure, United Nations Global Compact Principle** and **United Nations Sustainable Development Goal** its content refers to.



GRI Standard Disclosures

The GRI Standard is the world's most widely used standard for sustainability reporting. Fitesa reports on GRI topics and indicators selected based on our materiality assessment (learn more on [page 21](#)).



Learn more about the GRI Standards at www.globalreporting.org



United Nations Global Compact Principles

The United Nations Global Compact is the world's largest corporate sustainability initiative, supporting companies to align with ten principles on human rights, labor, environment, and anti-corruption, as well as to make progress on the United Nations Sustainable Development Goals. Fitesa supports the United Nations Global Compact and is committed to all its principles.



Learn more about the Global Compact at www.unglobalcompact.org



United Nations Sustainable Development Goals (SDGs)

The 17 United Nations Sustainable Development Goals are part of the 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015. Through its operation, Fitesa impacts (directly or indirectly) 7 SDGs.



Learn more about the United Nations Sustainable Development Goals at: sdg.un.org

2021 Highlights

RECORD REVENUE OF 
1.5 billion USD

 learn more on page 09.



RECORD NUMBER OF EMPLOYEES
2,645

 learn more on page 26.

ACHIEVED OUR 2025 SUSTAINABILITY GOAL OF

Waste to Landfill 

 learn more on page 39.

INTRODUCTION OF
2030 Strategic Directions


 learn more on page 19.




ANNOUNCEMENT OF NEW INVESTMENTS
in state-of-the-art technology, capable of running renewable and recycled raw materials, in the United States and Europe



ANNOUNCEMENT OF INVESTMENT IN
our first Spunlace line for Brazil

 learn more on page 10.




 learn more on page 41.
ISCC+ CERTIFICATION OF FITESA NORRKÖPING

for the use of renewable and recycled raw materials under the **"mass balance" concept**



INTEGRATION OF NEW FACILITIES
acquired in 2020

 learn more on page 28.



True sustainability

We write our 2021 Sustainability Report with our eyes in the past and our hearts and muscles in the future. While focusing on the results achieved in 2021, we cannot help to touch on all the work outlined for 2022 and the ambitious 2030 strategic directions set for our teams and operations across the globe.

Fitesa's ESG committee completes its first year in a challenging but thriving scenario. We sponsored initiatives to foster, for example, sustainability certification programs for biobased and circular (recycled) raw materials and started new lines of work that will support the Company to succeed in a circular low carbon future, including our foresting operation.

This is the nature of a truly sustainable company. One that is constantly moving, seeking longevity, and understanding it can only be achieved if we respect the interest of all stakeholders along the way; our people, our business partners, our shareholders, our communities, and the environment.

FERNANDA GASTAL,

VP of Procurement and Marketing
Head of Fitesa's ESG Committee



About Fitesa

02

Company Snapshot

GRI 102-2 / 102-6 / 102-7 / 102-16

ONE OF THE WORLD'S
largest nonwovens producers
(Nonwovens Industry)

 **2,645**
EMPLOYEES

 **13** Presence in
COUNTRIES

BROAD RANGE OF
TECHNOLOGIES: Spunmelt,
Carded, Airlaid, Films & Elastics

BRAZILIAN COMPANY WITH
largest international presence
(Fundação Dom Cabral)

NET REVENUE OF 
1.5 billion USD

 **23** manufacturing
locations

 MEMBERS OF
ABINT, EDANA, and INDA

48 YEARS OF HISTORY
32 dedicated to nonwovens
manufacturing

6.5 million USD
IN CAPITAL EXPENDITURE
INVESTMENT FOR
energy efficiency, quality, and
safety projects

5 INNOVATION
CENTERS,
4 equipped with pilot lines



WE SUPPORT THE
UN Global Compact



WE DISCLOSE OUR ESG
PERFORMANCE ON
the EcoVadis and
Sedex platforms



OUR MISSION

Fitesa develops nonwoven solutions for the hygiene and healthcare industries. We manufacture and sell our products across the globe and build our business on the aligned values of the company and our employees. We are constantly seeking new ways to evolve and grow in dynamic and responsible ways.

OUR VISION

To be the preferred choice for the supply of nonwoven solutions to the global hygiene and healthcare industries.

OUR VALUES

- › Trust
- › Simplicity and Frugality
- › Respect for Individuals
- › Transparency
- › Honesty and Integrity

OUR MANAGEMENT PRACTICES

- › Empowerment and Responsible Autonomy
- › Teamwork
- › Meritocracy
- › Employee Development
- › Always Do More and Better with Less

Our History: a journey, not a race

GRI 102-1 / 102-3 / 102-4 / 102-5

Our main business goal is longevity.

This is what inspired us to reinvent ourselves from a small, local manufacturer in the south of Brazil to one of the largest suppliers of nonwoven solutions in the world.

Fitesa was founded in 1973, in Brazil, to produce polypropylene packaging, carpet bases, and staple fibers for textile applications. In 1989, we began manufacturing Spunbond nonwovens and since then we have expanded our technology portfolio and specialized in the development of innovative nonwoven solutions for the hygiene, healthcare, and industrial markets.

Over the past 13 years, Fitesa has gone through an impressive international expansion. This has included joint-ventures, acquisitions and the construction of new green field facilities.

In 2017 we entered the Films & Elastics business with the acquisition of Pantex International, followed by the acquisition of Tredegar Personal Care in 2020.

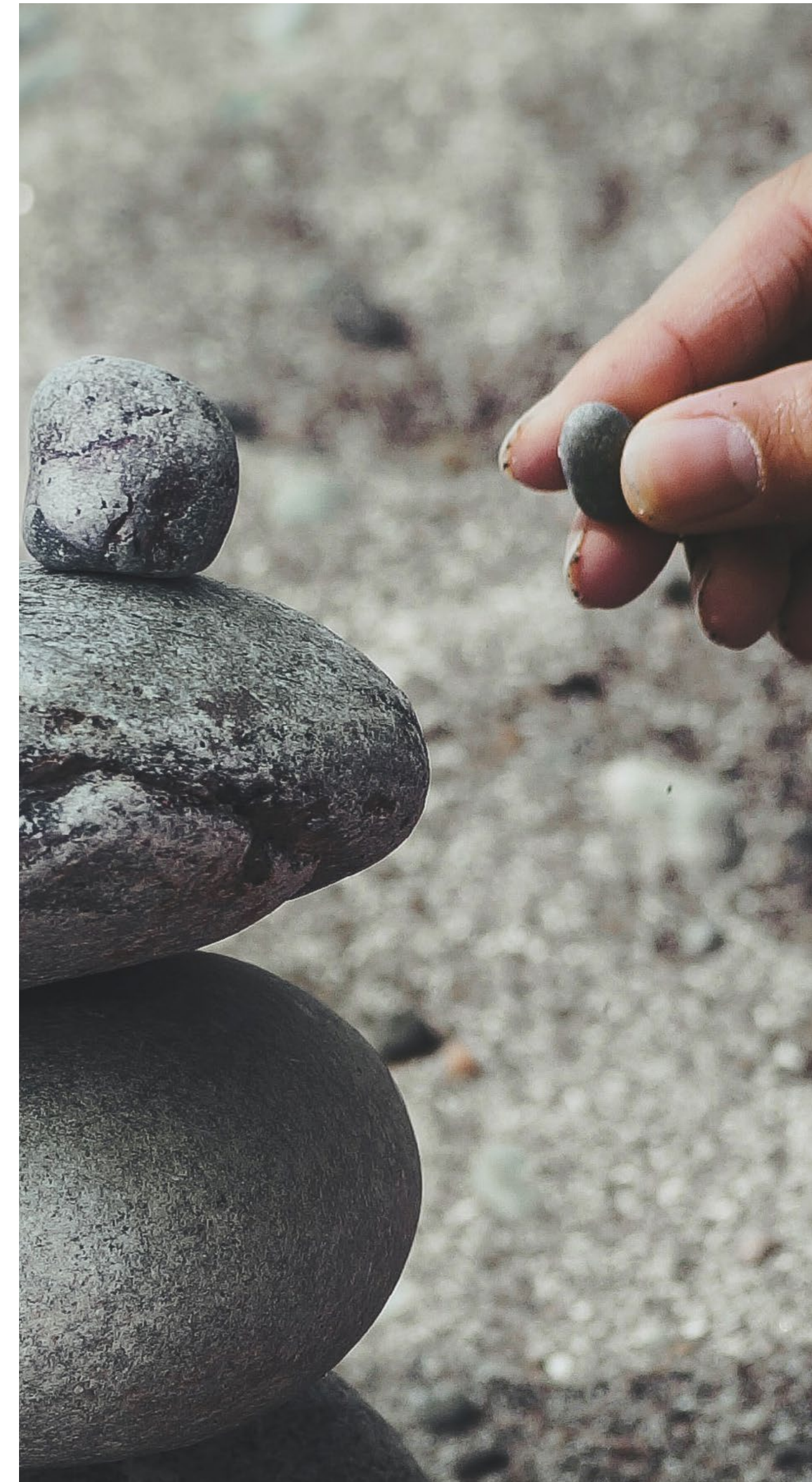
In 2018 we established FitesaCNC, a joint venture with CPPC, to serve the Southeast Asian market with Spunmelt nonwovens produced in Thailand.

Headquartered in Porto Alegre (BRA), we also have corporate offices in Simpsonville (USA), Sulmona (ITA) and Rayong (THA), in addition to a sales office in Tokyo (JAP).

Fitesa is a private corporation owned by Évora, a Brazilian Holding Company, who also operates in the aluminum cans and plastic closures businesses.

Throughout 2021, we carried out ongoing projects and announced major investments in new, more modern, and eco-efficient equipment, including:

- › New Reicofil 5 lines in Brazil, United States, and Europe.
- › 2 new lines for the manufacturing of wipes substrate in Terre Haute (USA).
- › 1 new Spunlace line and 1 new Vacuum-Formed Film line in Jacareí (BRA).
- › Debottlenecking of Spunmelt capacity in Sweden, Italy, and the United States.
- › Ramp-up of the 5 Meltblown assets started between end of 2020 and early 2021 to support the respiratory protection market.



Our global presence

GRI 102-3 / 102-4





Our Business

MARKETS

GRI 102-2 / 102-6



Our nonwovens solutions are used as raw materials for a multitude of products, such as:



HYGIENE:

- › Baby diapers
- › Feminine/period care
- › Adult/incontinence care



HEALTHCARE:

- › Face masks
- › Surgical gowns
- › Surgical drapes
- › Sanitization wipes
- › Sterilization packaging



INDUSTRIAL:

- › Air and water filtration
- › Oil and other liquid sorbents
- › Agriculture
- › Furniture
- › Bedding

TECHNOLOGIES

We use our broad technology portfolio to develop innovative solutions that meet our customers' needs with the highest performance and quality standards.

SPUNMELT

Spunmelt nonwovens are produced through the extrusion of a variety of polymers – such as polypropylene (PP), polyethylene (PE), and polylactic acid (PLA) – into filaments that undergo thermal consolidation to form a flexible, fabric-like material with excellent mechanical properties.

These nonwovens are used in the hygiene, healthcare, and industrial markets, offering a wide range of physical and aesthetic properties.

We are one of the largest Spunmelt manufacturers in the world, with 13 out of our 23 facilities equipped to produce these materials.

We are also leaders in the processing of renewable resins, have the largest installed production capacity of bicomponent Spunbond nonwovens in the world, and offer multiple colors

and a range of proprietary and non-proprietary consolidation patterns.

MELTBLOWN

Meltblown nonwovens are produced through the extrusion of polypropylene (PP) into microfilaments, forming a fabric with greater surface area. This configuration can be optimized for superior adsorption or to form a barrier, depending on the desired application.

Meltblown fabrics are best known for their use as filters for face masks and respirators, but they can also be applied in oil sorbents and wipes, among others.

Fitesa is the leading supplier of pure Meltblown nonwovens in South America.

CARDED

Carded nonwovens are produced through the consolidation of a variety of fibers – such as PP, PP/PE, PE/PET, PET, PLA, rayon, and cotton – into a soft and thick web, using a chemical (resin bonding, or RB), mechanical (thermal bonding, or TB) or thermal process (air-through bonding, or ATB).

These nonwovens are widely used in hygiene products, especially in elastic ears and in the liquid acquisition and distribution layers of disposable diapers.

We produce Carded nonwovens in all regions where we operate.

AIRLAID

Airlaid nonwovens are made from cellulose pulp consolidated into a web through chemical or thermal processes and can be further enhanced with a Super Absorbent Polymer (SAP) for superior absorbency.

Thanks to their unique combination of physical properties, Airlaid nonwovens are ideal for application in high quality feminine/period care products, diapers, dry and pre-moistened wipes, as well as dry converted products such as food tray pads, napkins, and medical substrates.

Fitesa's plant in Tianjin (China) produces several types of Airlaid nonwovens, including Multi-Bond, Latex-Bond, and Thermal-Bond Airlaid.

FILMS & ELASTICS

Our films are produced through the extrusion of a variety of polymers, mainly polyethylene (PE) and elastomers. We produce elastic and nonelastic films that can be laminated with one or more layers of nonwovens and/or embossed and perforated.

Our elastic and laminated films are used in the fastening system of diapers, such as waist and ears, and ear loops for face masks.

Perforated nonwovens, films, and laminates are widely used as topsheets and acquisition and distribution layers in absorbent hygiene products. We apply different embossing and perforating technologies to create designs that contribute to improving the visual appearance and fluid management performance of end-user products.

We are one of the world's largest producers of Films & Elastics for absorbent hygiene products with production facilities in Brazil, Hungary, India, Italy, Netherlands, United Arab Emirates, and the United States.

GOVERNANCE STRUCTURE





GRI 102-11 / 102-18 / 102-19 / 102-20 / 102-21 / 102-22 / 102-29 / 102-31 / 102-33 / 102-34 / 103-1 / 103-2 / 103-3

We are a lean, geographically spread organization where individuals are empowered to make the necessary decisions to achieve their goals.

In this decentralized scenario, our corporate governance structure is designed to ensure

that all business is conducted with the same responsibility, ethics, and purpose.

Our **Board of Directors** is made up of directors from our parent company, Évora, with a two-year term of office. The Board of Directors' main responsibility is to oversee Fitesa's business.

BOARD OF DIRECTORS	
 WILLIAM LING FITESA BOARD MEMBER	 ANTHONY LING FITESA BOARD MEMBER
 WILSON LING FITESA BOARD MEMBER	 EDUARDO LUBISCO FITESA BOARD MEMBER AND CFO OF ÉVORA





Fitesa Executives

Our **Executive Management** is composed of **Regional Leaders**, that have full Profit & Loss (P&L) responsibility over a region, and **Functional Leaders**, that are responsible for specific areas such as Finance, Innovation, Human Resources, and Procurement.

The Fitesa Executive Management and Board of Directors are responsible for evaluating and managing our economic, environmental, and social impacts on stakeholders and society.

As such, participants at each level of our governance structure are involved in the development of our sustainability strategy during our annual strategic planning process.

Sustainability initiatives are led by Fitesa's Global Director of Quality Assurance, Health, Safety & Environment, Management System & Process Improvement, reporting to the Vice-President of Global Operations and with the guidance of the Executive Team and the Environmental, Social, and Governance (ESG) Committee.

Fitesa's results are discussed in Monthly Business Review Meetings at all levels of the organization. Each team reports their Key Performance Indicators (KPIs) to direct leadership, building the reporting structure

that culminates in the CEO's presentation and discussion of the consolidated results with the Board of Directors.

We also have Global Committees, sponsored by senior management, to promote collaboration on best practices and challenges.

As part of the Company's impact and risk management process, any critical concern related to the business is elevated to the highest level of our governance structure.

Our governance bodies support the application of the precautionary principle in their approach to risk management during strategic planning and policy implementation, in accordance with

Principle 15 of the Rio Declaration on Environment and Development.

Moreover, to ensure adherence to all relevant compliance and governance topics, we invest in external audits carried out by reputable companies. We also conduct internal audits to ensure adherence to the Fitesa Management System (FMS).

THE FITESA MANAGEMENT SYSTEM (FMS)

The FMS is the set of guidelines and documents that summarize who we are, what we do, and how we do it, providing operational strategy and guidance on expected standards to be followed at all facilities. Adherence to the FMS is monitored through yearly corporate compliance internal audits.

According to the FMS, everything we do is guided by one or more of our Company Drives: safety, quality, efficiency, and sustainability. Each drive represents the interests of a stakeholder group and has a related corporate policy that details how it is put into practice in our daily work.



HEALTH AND SAFETY

IMPACT: employees

POLICY: For Fitesa, safety is the number one priority, and we are fully committed to having a healthy and safe workplace for all our employees and sub-contractors working at our facilities. We will achieve this by:

- › Understanding and fully complying with all applicable legal and other requirements regarding Health and Safety. *Following the law is the minimum standard, not the maximum.*
- › Creating a working environment where all our employees take responsibility for their own health and safety, and for that of their colleagues. *No activity is so urgent that it cannot be performed in a safe manner.*
- › Proactively working towards prevention of work-related injury and ill health through continual improvement. *All injuries are avoidable.*
- › Considering health and safety aspects when planning changes in the organization, work content and methods, work environment and procurement of new equipment and services. In these considerations, employee involvement is encouraged to ensure a good end result. *We think before we do.*



QUALITY

IMPACT: suppliers, customers, and consumers

POLICY: Fitesa understands the foundation of reaching our goal of being the preferred choice in the market is built through excellence in quality and customer satisfaction. We will achieve this by:

- › Creating an environment where every employee understands the impact of their work on Quality and is driven by a culture that every detail matters. *We are never stronger than our weakest link.*
- › Fully understanding the needs and expectations of our present and potential customers. *We know our business and our products better than anyone else.*
- › Investing in know-how and state of the art assets to be able to provide world class products and quality assurance that meet our customers' requirements and expectations. *We deliver what we promise.*
 - › Supplying the right product, in the right amount at the right time
 - › Ensuring that our product is free from contaminations and unwanted components
 - › Delivering product that meets all the requirements for physical properties
- › Continuously developing and improving our management processes, products and services with the aim of being one step ahead of market demands. *We come with the solution before the customer comes with the problem.*



SUSTAINABILITY

IMPACT: community

POLICY: Fitesa champions the responsible management of resource use and is committed to working towards a sustainable society. We will achieve this by:

- › Ensuring company stability and profitability, enabling us to share with society through employment opportunity, taxation and social contribution. *Sustainability is reached through progression, not regression.*
- › Understanding and fully complying with all applicable legal and other requirements regarding Environmental and Social issues. *Following the law is the minimum standard, not the maximum.*
- › Working continuously towards reducing our environmental impact:
 - › Minimizing the amount of material sent to landfill from our operations. *Reduce, reuse, recycle.*
 - › Improving our energy profile through choice of energy type, choice of energy source and reduction of direct specific energy use. *Our energy systems serves our needs without compromising the needs of future generations.*
 - › Addressing the issue of climate change by reducing our Green House Gas footprint. *We do not inherit the earth from our ancestors; we borrow it from our children.*
- › Taking social and moral responsibility in the regions we are present. *Do good, be just.*



EFFICIENCY

IMPACT: investors

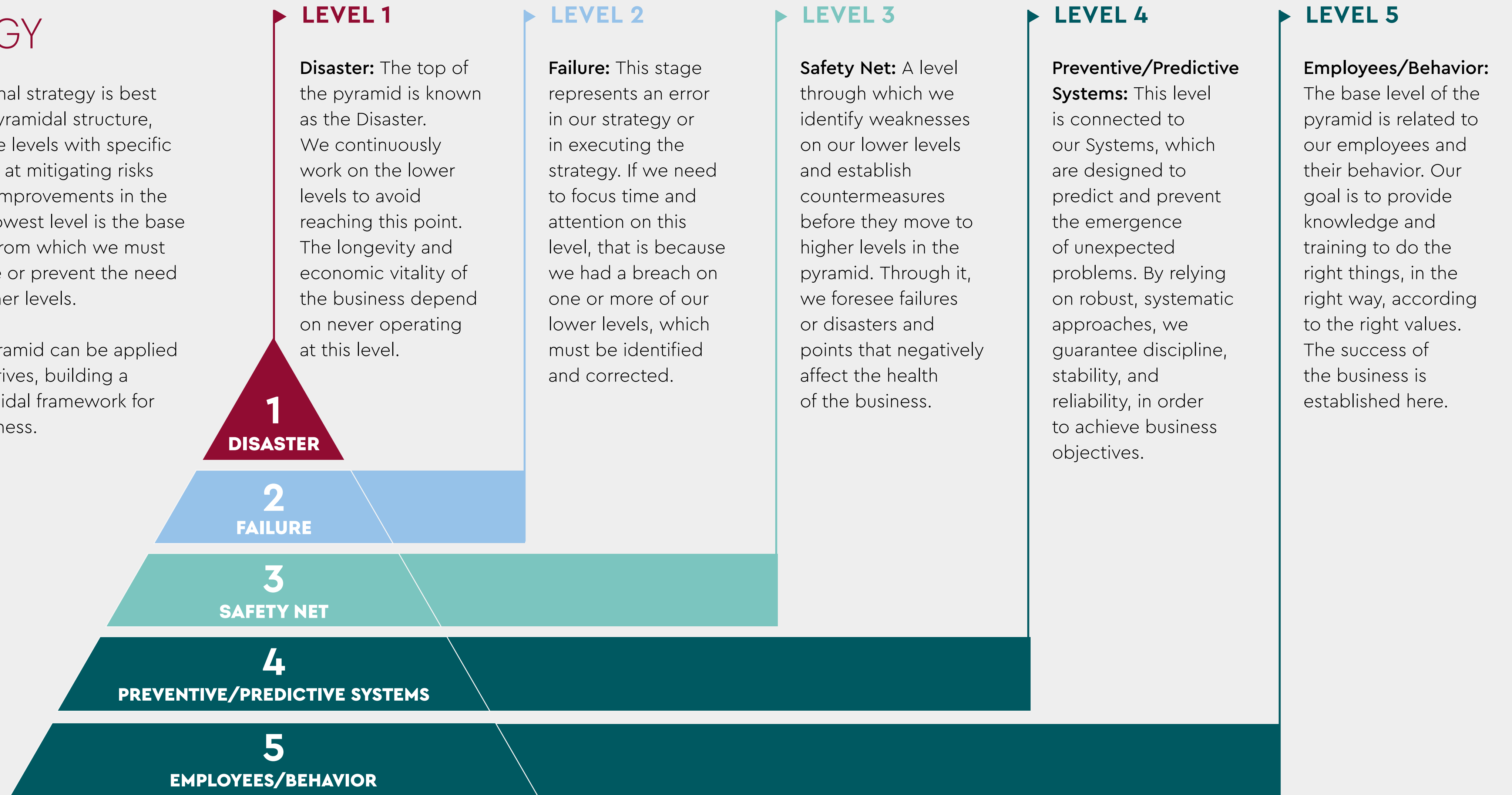
POLICY: Fitesa will ensure long term success by managing our time and efforts so investments in people and resources are optimized. We will achieve this by:

- › Designing our processes so they deliver the required results smoothly and without stress. *Do it right the first time.*
- › Ensuring flexibility in our processes so we adapt to new realities without overburdening. *Adapt to change in a controlled manner.*
- › Minimizing wastes in our processes by continually improving our working methods and procedures. *Accept the existence of wastes but always strive to reduce them.*
- › Combining discipline, knowledge and creativity in our everyday work. *The limits to what we can achieve are set by ourselves.*

OPERATIONAL STRATEGY

Fitesa's operational strategy is best described in a pyramidal structure, composed of five levels with specific purposes, aimed at mitigating risks and generating improvements in the operation. The lowest level is the base of the pyramid, from which we must work to minimize or prevent the need for action at higher levels.

The Strategic Pyramid can be applied to each of our Drives, building a four-sided pyramidal framework for running our business.





LONG-TERM STRATEGY

In 2021 we invited executives and subject matter experts (internal and external to the company) to engage in discussions and build a 2030 scenario and the strategic directions that should be followed for Fitesa to thrive in such an environment.

We have set long term goals in the areas of Sustainability, Talent, Growth, and Digitalization,

which we expect to play a key role in all decisions we make today, guaranteeing our short-term goals will never compromise our long-term ambition.

Value Generation

03

Defining value: Materiality





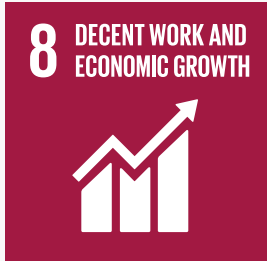


GRI 102-46 / 102-47










In 2020, we conducted a materiality assessment to identify the environmental, social, and governance topics that were most relevant to our stakeholders. We analyzed well-known sustainability frameworks, performed a benchmark of industry

reports, and interviewed representatives of interested parties such as the Fitesa team, our suppliers, and customers.

Conclusions were examined in combination with our business strategy and resulted in

5 material topics, connecting to 7 United Nations Sustainable Development Goals and all 10 United Nations Global Compact Principles. We describe our management approach and report our performance in at least one indicator for each material topic.

MATERIAL TOPICS		RELATED UNITED NATIONS GLOBAL COMPACT PRINCIPLE	REPORT'S SUB CHAPTER
 SAFETY AND CONVENIENCE FOR CONSUMERS	 		Value for SOCIETY
 EMPLOYMENT AND WELL-BEING		<ul style="list-style-type: none"> › Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights. › Principle 2: make sure that they are not complicit in human rights abuses. › Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. › Principle 4: the elimination of all forms of forced and compulsory labour. › Principle 5: the effective abolition of child labour. › Principle 6: the elimination of discrimination in respect of employment and occupation. 	Value for OUR PEOPLE
 ETHNICS AND FIGHT AGAINST CORRUPTION		<ul style="list-style-type: none"> › Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery. 	Value for OUR PEOPLE

MATERIAL TOPICS		RELATED UNITED NATIONS GLOBAL COMPACT PRINCIPLE	REPORT'S SUB CHAPTER
 RISK MANAGEMENT			Value for OUR BUSINESS
 ENVIRONMENTAL IMPACTS	     	<ul style="list-style-type: none"> › Principle 7: Businesses should support a precautionary approach to environmental challenges. › Principle 8: undertake initiatives to promote greater environmental responsibility. › Principle 9: encourage the development and diffusion of environmentally friendly technologies. 	Value for THE ENVIRONMENT

STAKEHOLDER ENGAGEMENT

GRI 102-40 / 102-42 / 102-43 / 102-44

We value transparent communication with all our stakeholders based on mutual trust and respect. We take a personal approach to understanding their priorities and developing the most effective communication channel for each group.

STAKEHOLDER GROUP

EMPLOYEES



To understand the opinion of our employees, we periodically carry out a Work Climate Survey, in addition to assessing performance through indicators and goals. We also promote an open channel of communication with all leadership levels through our "open door" and "management by walking around" practices.

COMMUNITIES



We are proud to support the needs of the communities in which we operate. Our most effective tools are creating jobs and paying taxes, but we also partner with local non-profit organizations for specific projects and initiatives.

INVESTORS



As a privately held company, we maintain a close relationship with our investors through monthly meetings with our Board of Directors.

CUSTOMERS



We routinely collect feedback from our key customers on Fitesa's performance in critical areas and dedicate technical and sales resources to encourage continuous communication.

CONSUMERS



We connect with end consumers through our customers, by consulting market research, and participating in events. We also have technical teams working with key customers to design innovative solutions to meet the needs of end consumers.

SUPPLIERS



We believe that the growth of our business is connected to maintaining lasting relationships with our supply chain. We support fair negotiations based on the exchange of information during the review cycles and in the exchange of feedback. Even as a global company, we seek to maintain local contact with critical suppliers through our purchasing teams.

Value to Our People

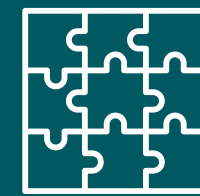
GRI 102-8 / 102-41 / 103-1 / 103-2 / 103-3 / 401-1 / 404-1 / 404-3 / 405-1



GLOBAL COMPACT:

- › **Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights.
- › **Principle 2:** Make sure that they are not complicit in human rights abuses.
- › **Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
- › **Principle 4:** The elimination of all forms of forced and compulsory labour.
- › **Principle 5:** The effective abolition of child labour.
- › **Principle 6:** The elimination of discrimination in respect of employment and occupation.
- › **Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

2021 Highlights



FULL INTEGRATION
OF NEW PLANTS
to Human Resources
Corporate Policies
and systems

 [learn more on page 29.](#)



EXPANSION OF
HR Connect
adding new functionalities
to the cloud-based platform

 [learn more on page 29.](#)

43%
INCREASE IN
training hours

 [learn more on page 29.](#)

76%
RESPONSE RATE IN
our biannual
engagement survey

 [learn more on page 29.](#)



Building Unity



In 2021 we recorded a 22.5% growth in our workforce. This impressive development demanded an immediate concentration of efforts on the integration of new hires and the teams from acquired companies into the Fitesa culture and practices. It also required us to strengthen the Human Resources teams and systems to guarantee the success of our strategy in a scenario with a significantly larger number of employees.

The growth was accompanied by an expansion in the number of nationalities and cultural backgrounds represented in our workforce. We believe this diversity enriches our employee experience, contributes to the Company's results, and builds on the common values that we share among the Évora companies.

Fitesa is changing rapidly, and so is the world. Moving forward, we are excited to continue evolving as a trustworthy partner for the development of our people and the communities that surround us.

RODRIGO AZAMBUJA,
Corporate HR Director

EMPLOYEES AT A GLANCE

GRI 102-8 / 102-41 / 401-1 / 405-1

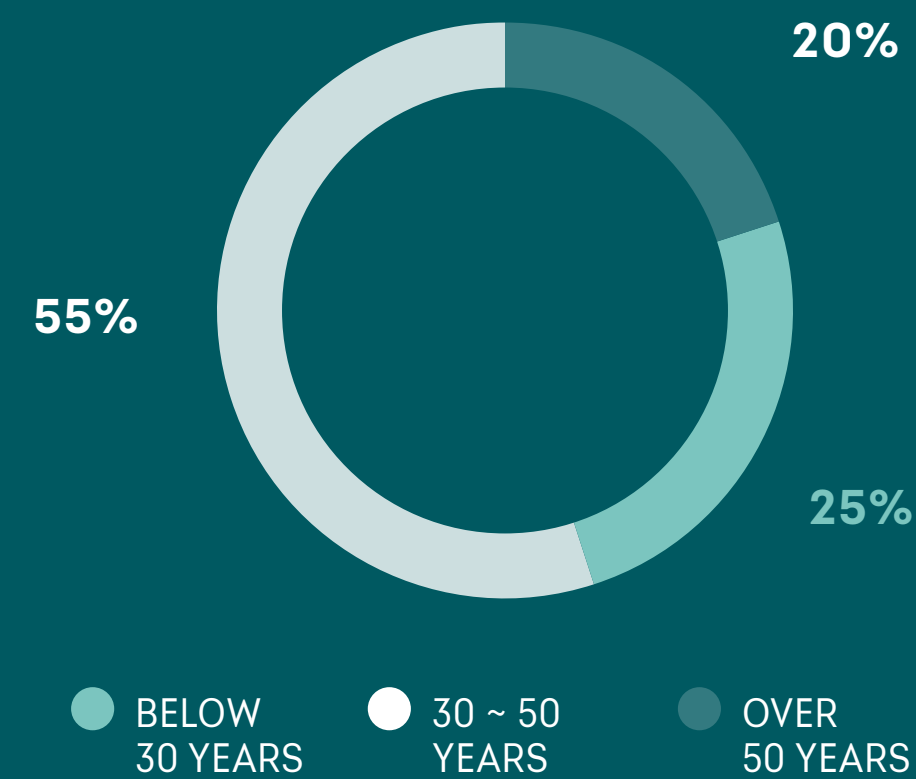
At the end of 2021, we had 2,645 employees working for the Company, a 22.5% increase from 2020. Distribution across regions remain proportional with 22% of the workforce in the United States, 31% in Latin America, 29% in Europe, and 18% in Asia.

2,645

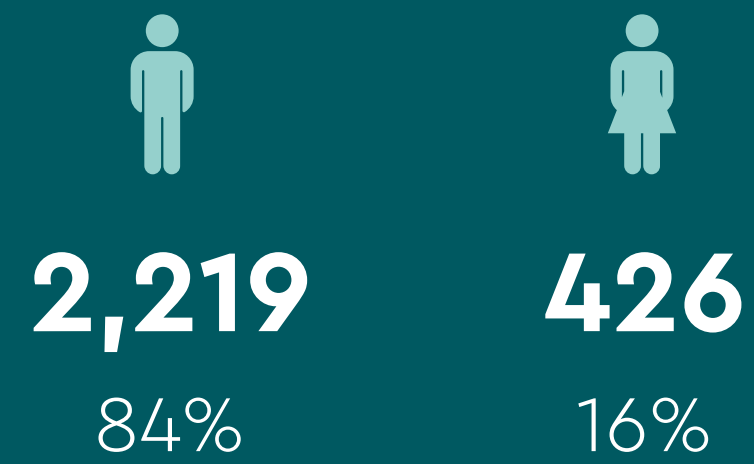


DIRECT EMPLOYEES

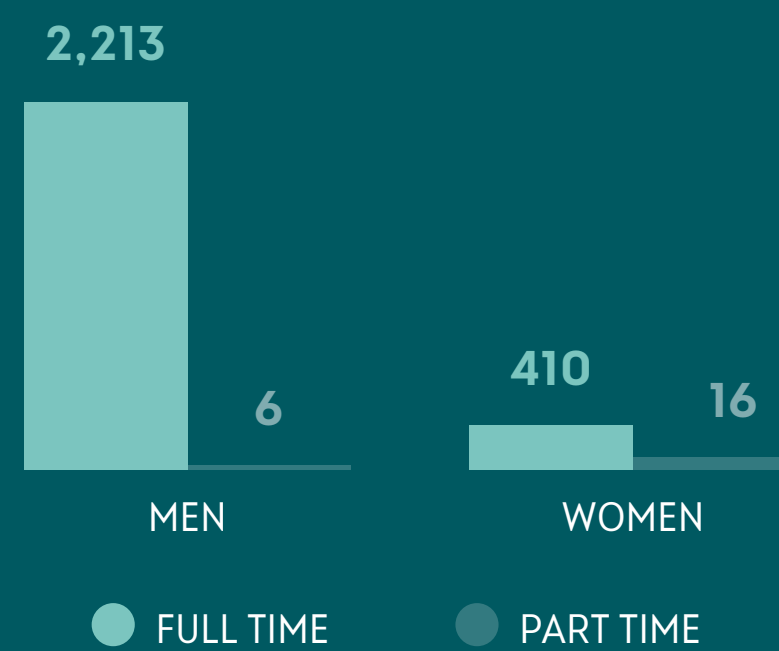
By Age Group



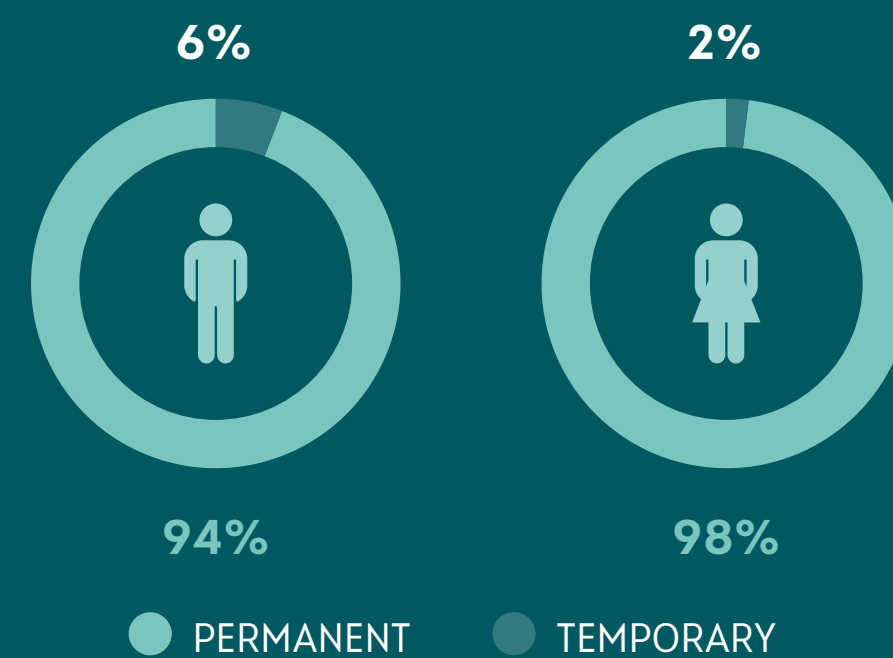
By Gender



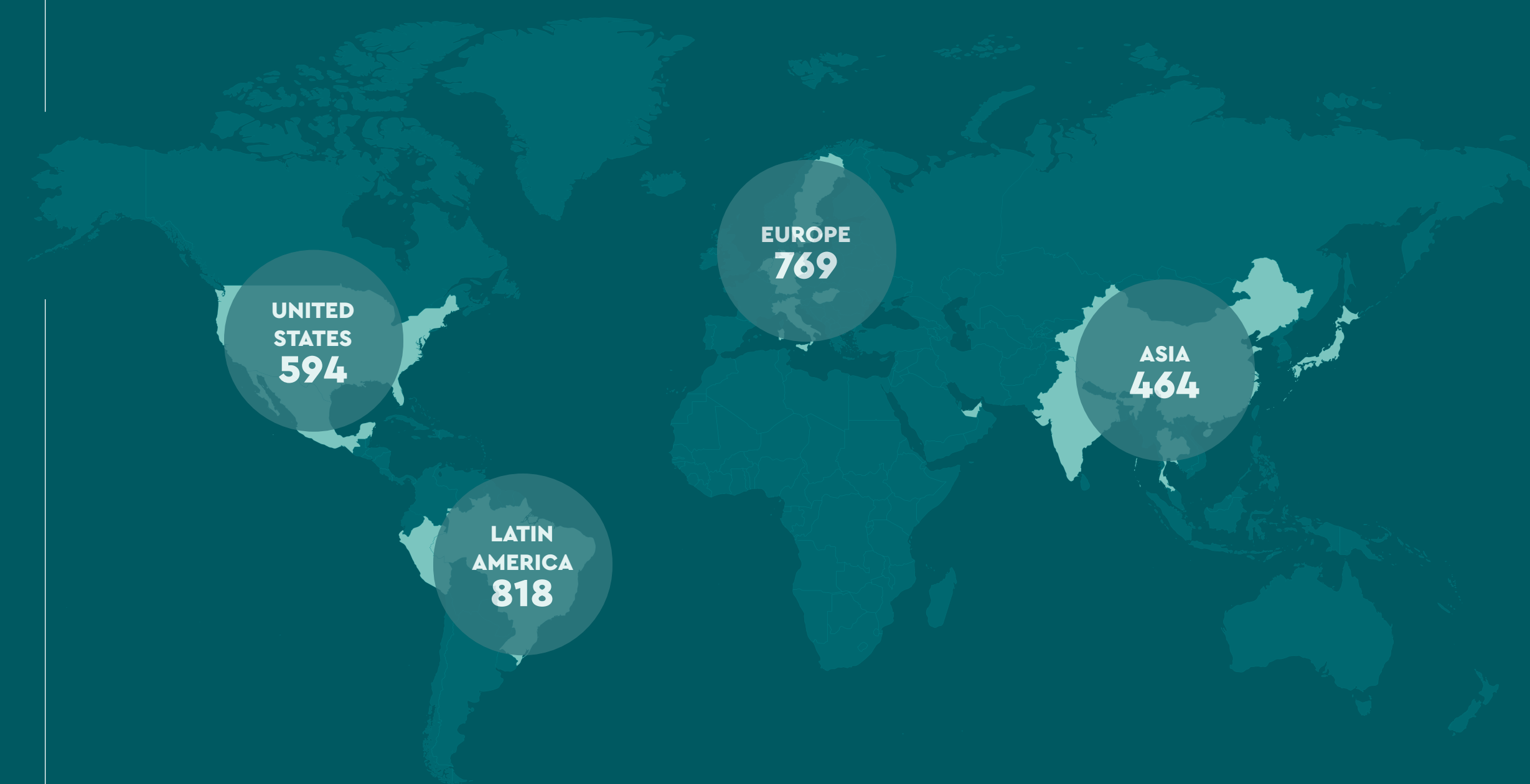
By Work Time



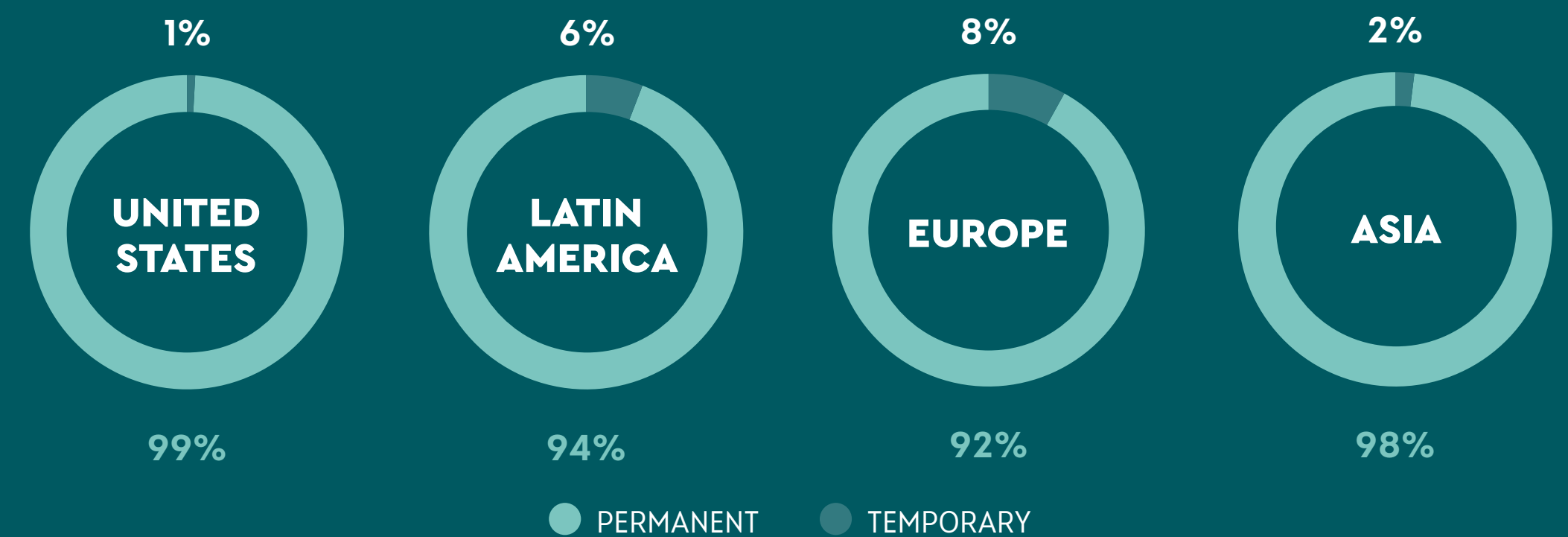
By Contract Type



Employee distribution by Region



Employee distribution by Contract Type



The majority of our global workforce is male, between 30 and 50 years, and working under permanent full-time contracts.

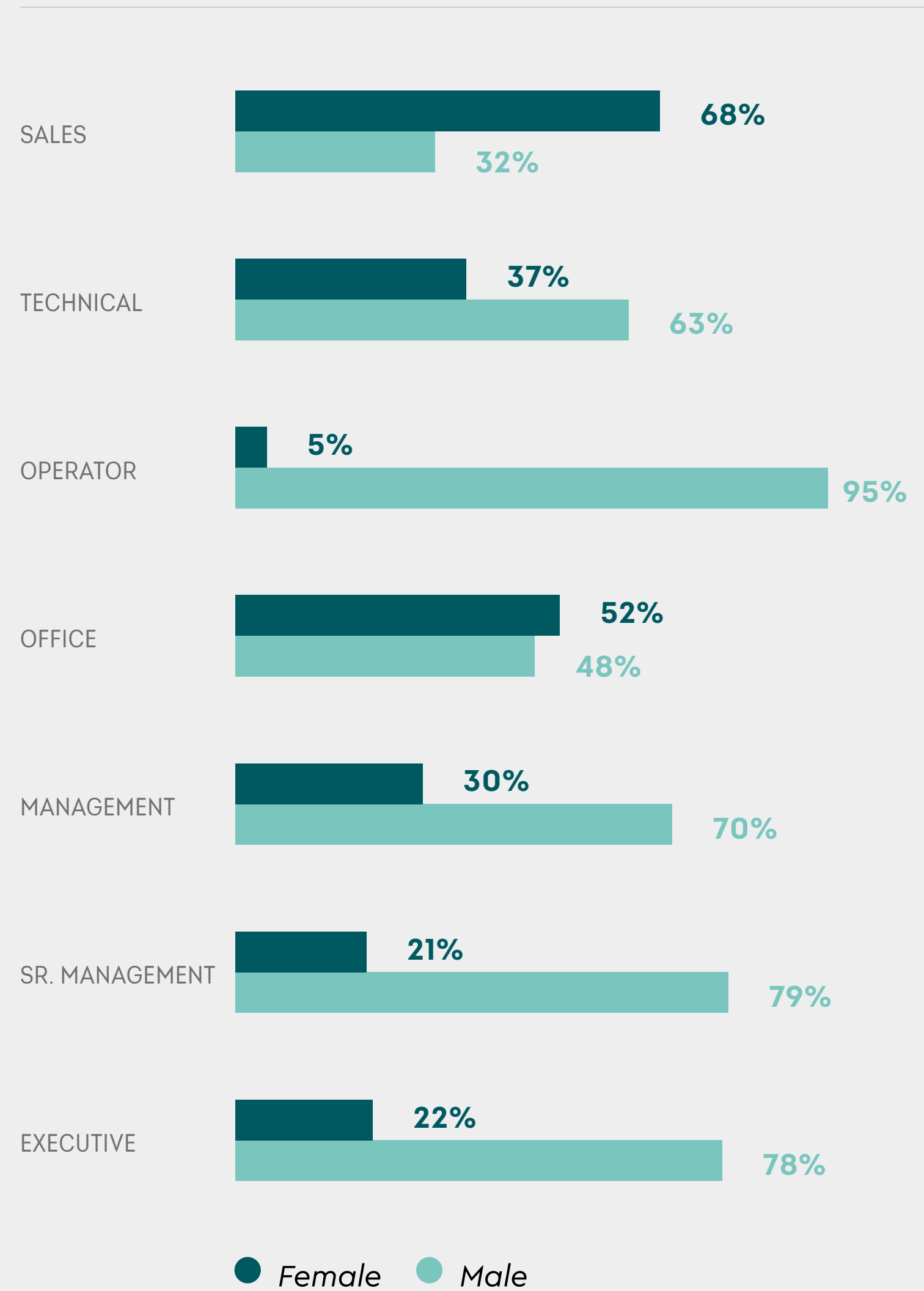
Women participation rates remain higher in the sales, office, technical, management and executive departments, where 40.9% of the positions were held by females at the end of 2021. Our Human Resources teams are actively working to promote the increase in female representation in operations. We are proud to report that 53% of top management promotions in 2021 were awarded to women.

The age group distribution reflects the combined impacts of our recent growth and commitment with employee development.

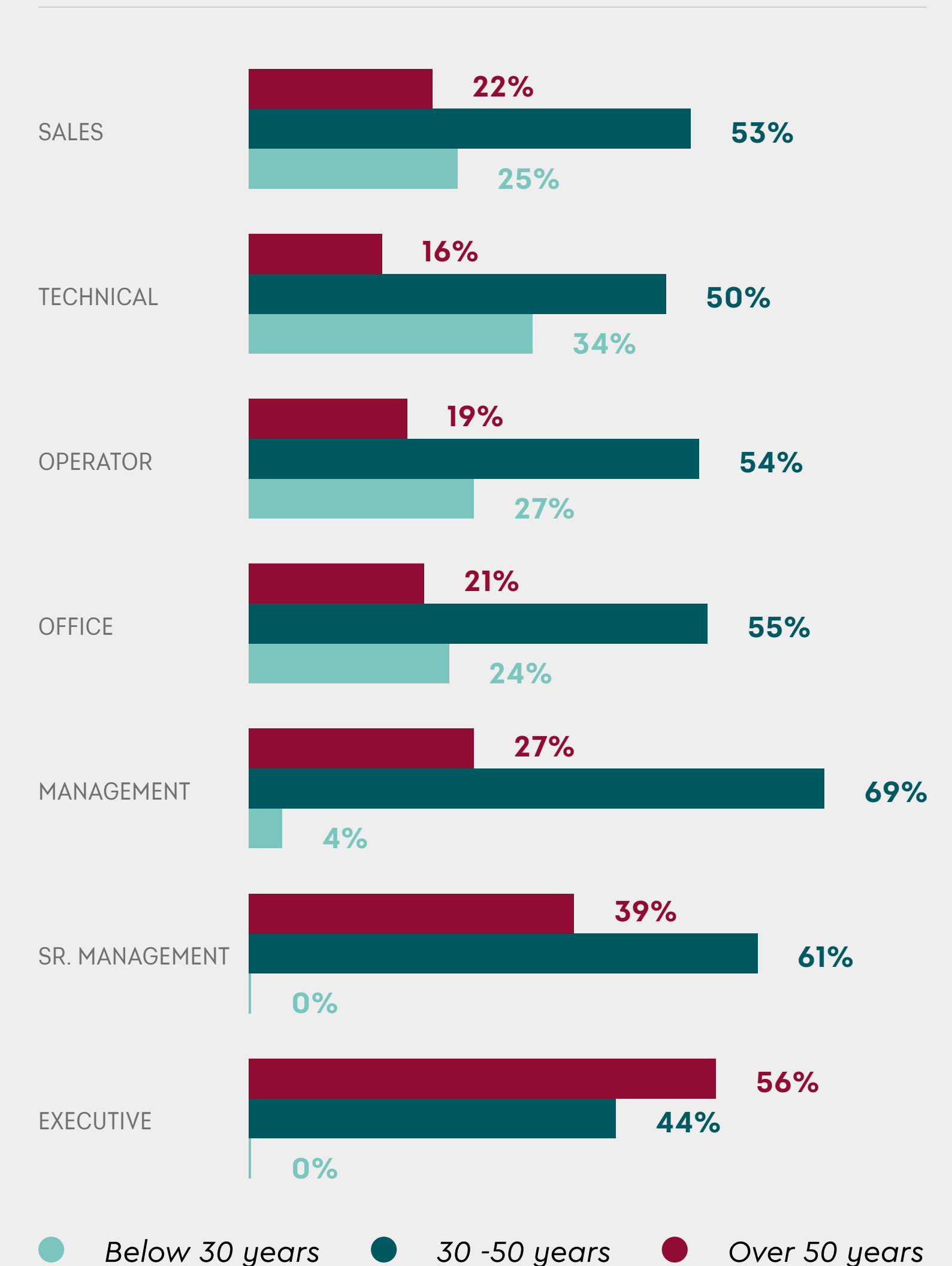
Our global average tenure is 9.51 years; approximately 53% of employees have more than 5 years of experience in the Company; and 67% of our leaders were promoted to the positions they currently hold (that is, recruited internally) – all of which contribute to a 75% rate of employees above 30 years.

Our average tenure is even higher among senior managers, reaching 13 years. In 2021, 28 managers and senior managers completed 10 years or more of service at Fitesa. According to our 2021 Survey, employee engagement remained at similar levels to the previous edition.

Gender Diversity by Department



Age Group Distribution





The relationship with employees is guided by our Code of Conduct and other Global Policies that outline Fitesa's approach to a variety of topics, such as workplace violence, equal employment, disciplinary action, and anti-harassment. Our Open Communication Policy establishes that the doors to all managers' offices must always

be open making them readily accessible for all employees.

We participate in collective bargaining in countries where Unions or Employee Associations are present, such as the United States, Europe, Brazil, Mexico, and China. In this way, we seek to ensure full compliance

with local laws, find common ground with Unions, and regulate, in good faith, relations between employees and the Company. A total of 64% of our workforce is covered by collective bargaining agreements.

Our turnover increased in 2021 due to the current global macroeconomy situation.

Job Creation

	TOTAL NUMBER OF EMPLOYEES	NUMBER OF HIRES	NUMBER OF TERMINATIONS	HIRING RATE	TURNOVER RATE
BY REGION					
Americas	1,412	478	383	34%	27%
Eurasia	1,233	75	72	6%	6%
BY GENDER					
Male	2,219	468	380	21%	17%
Female	426	85	75	20%	18%
BY AGE GROUP					
Under 30 years	671	262	176	39%	26%
30-50 years	1,445	253	224	18%	16%
Over 50 years	529	38	55	7%	10%
Total	2,645	553	455	21%	17%

EMPLOYEE DEVELOPMENT

GRI 404-1 / 404-3

Focusing on employee training and development is of strategic importance to our Company. On one hand, we foster the engagement and the continuous development of each person, both in personal and professional aspects, while on the other hand we keep our teams ready for their daily challenges ensuring everyone has the tools to perform their tasks successfully.

Throughout 2021, our employees performed 79,177 hours of training, with an average of 29.93 hours per person.

Training hours increased significantly both in a like-for-like basis (LfL), that is, not factoring in new facilities, and in total. This positive impact was mostly due to the resumption of in-person training sessions that had been put on hold since the beginning of the pandemic, with highlight to our behavior based safety program.

We also invested in the evolution of HR Connect, our cloud-based HR platform:

- A new training management module was inaugurated with a pilot in Gravataí (BRA) and will be expanded in 2022, starting with Brazil and United States.
- Fitesa Learning Hub (HR Connect's learning module) was restructured to include a broader content range and renamed to Fitesa Hub.



SAFETY TALK

Rosa Specht, Fitesa's Global HSE Coordinator, talks about behavior based safety training.

What are the purposes of Fitesa's behavior based safety training?

Rosa Specht: The main purpose of the training is reducing the amount of safety accidents in our plants by:

- › Increasing the awareness about the importance of the individual behavior and its effects on others' safe behavior.
- › Reviewing behavior based safety concepts and safety tools.

- › Providing tips on how to act in a positive and proactive way regarding safety.
- › Empowering individuals in relation to the facilities' safety demands.

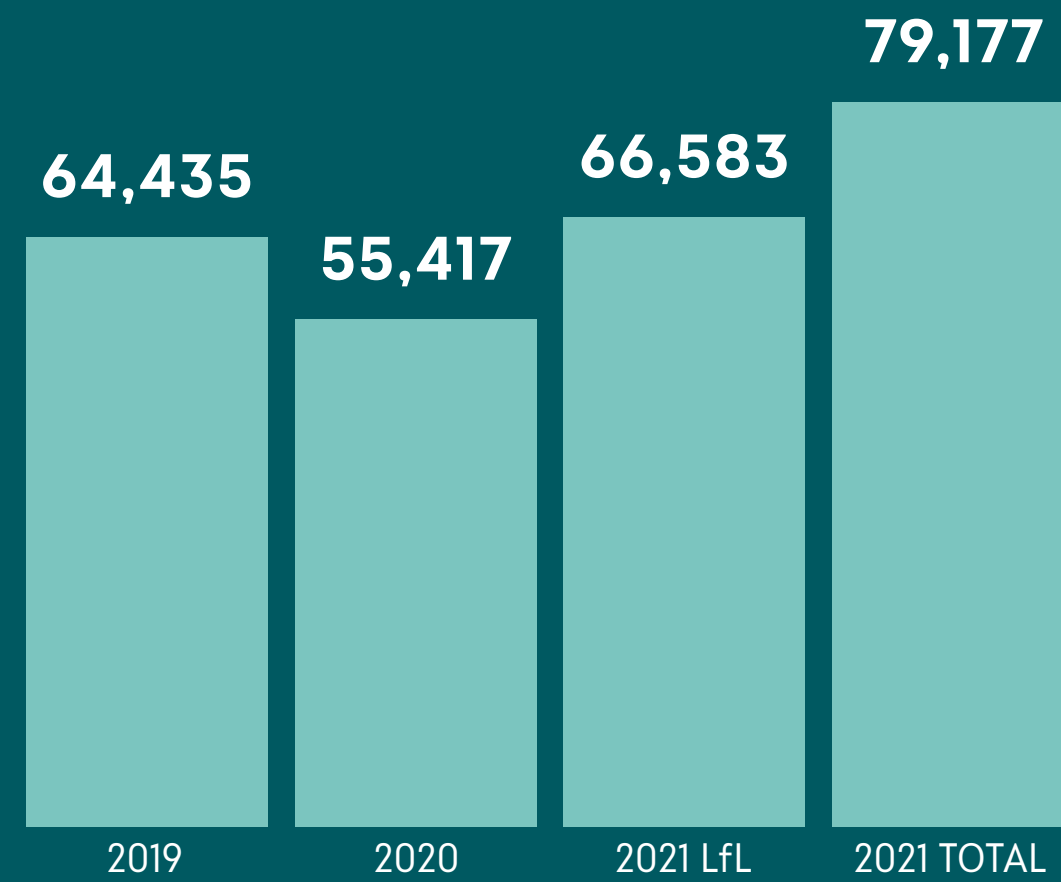
Who is the training targeted toward?

Rosa Specht: In 2021 we trained our first line managers (leaders, supervisors, and coordinators) and operational teams in the areas of Production, Logistics, Quality, and Maintenance.

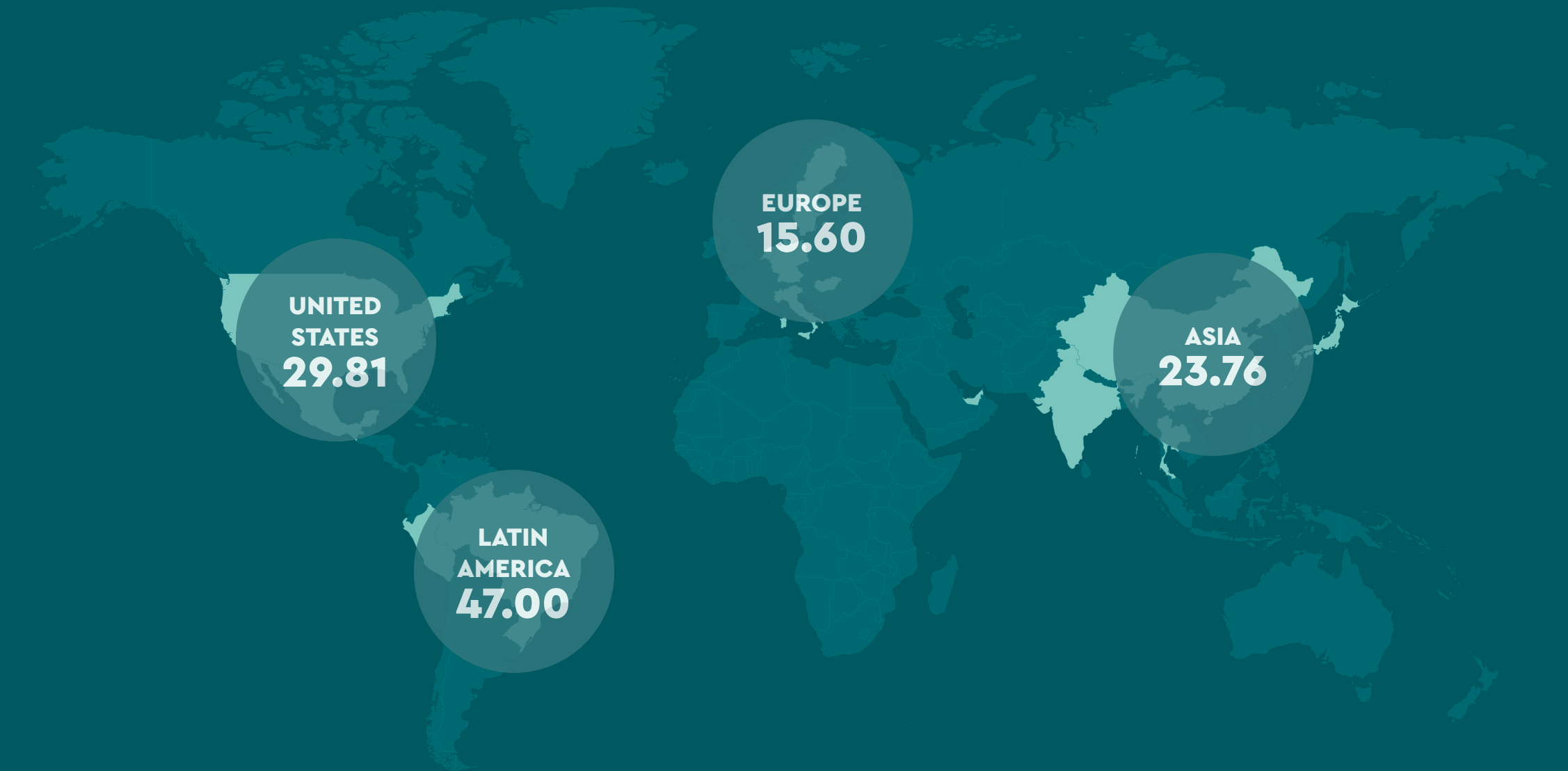
TOTAL TRAINING HOURS
79,177

AVERAGE TRAINING HOURS PER EMPLOYEE
29.93

Total Training Hours



Average training hours per employee





6

MEN

Our employee development cycle is completed with yearly feedback. In 2021, 61% of our employees received performance evaluations in the form of individual KPI reviews and/or performance appraisals from direct leadership.

PERCENTAGE OF EMPLOYEES WHO RECEIVED A PERFORMANCE EVALUATION, BY GENDER

 Female	68%
 Male	60%
Total	61%

PERCENTAGE OF EMPLOYEES WHO RECEIVED A PERFORMANCE EVALUATION, BY FUNCTIONAL CATEGORY

Executive	100%
Sr Management	100%
Management	93%
Office	76%
Operational	52%
Sales	88%
Technical	72%
Total	61%

HEALTH AND SAFETY

GRI 103-1 / 103-2 / 103-3 / 403-1 / 403-2 / 403-4 / 403-8 / 403-9

The health and safety of our employees is our number one priority. This is formally stated in our Health and Safety Policy, which also provides guidelines for achieving a healthy and safe workplace for all our employees and sub-contractors working at our facilities (learn more on [page 16](#)).

The Company's health and safety strategy requires that all facilities have a management system that is certifiable in accordance with ISO 45001 and that they maintain a behavior based safety program.

With the aim of identifying and mitigating hazards, our corporate systems include safety risk assessment, a Lock-out/Tag-out (LOTO) system, general Personal Protective Equipment (PPE) requirements, specific guidelines for risky areas, and fire protection systems. We also use near miss safety reports, internal audits, and close interaction between managers and employees to ensure continuous improvement in this area.

SAFETY MEASURES

- › As one of the pillars of accident prevention, we apply **risk assessment** with the purposes of identifying necessary improvements and increasing awareness about the risks involved and the control measures required when performing routine and nonroutine tasks.
- › Understanding how hazardous energy operates and how to block it are key for safety in high-risk activities. **Lock-out/Tag-out (LOTO)** shall be applied before the execution of activities involving hazardous energy.
- › Our leaders' constant presence at the shopfloor reinforces the importance of health and safety practices. They perform periodical safety assessments, talk with their teams, and identify safety risks and opportunities that are later addressed through the processes in place to manage unsafe conditions.

We have a corporate tool to record, manage and investigate Health and Safety events quickly and in a timely manner. Information on safety events is quickly communicated to all our facilities, requiring implementation of relevant changes that emerge from the investigation. These changes could involve investments in new equipment, infrastructure modification, or updates to procedures.

Employees are continually challenged to identify and report unsafe conditions that could pose a risk to them or to a co-worker.

Each facility has a formal process for documenting and tracking these reports. In 2021, more than 5,000 near misses or risky conditions were reported. All contributions were evaluated and respective actions implemented, ensuring an even more robust and effective Health and Safety system thanks to the direct participation of our employees.

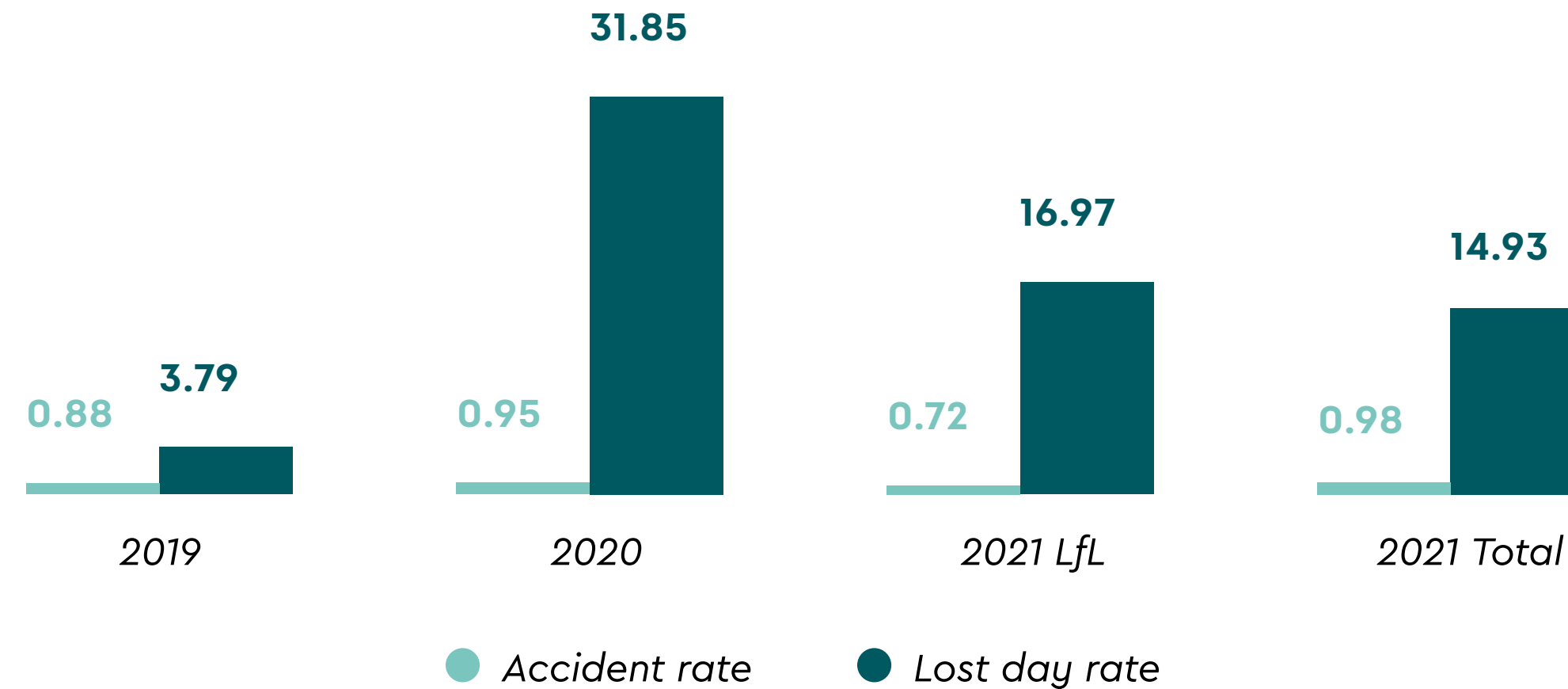
Contractors are very important for our operations. Before starting to work at Fitesa, all contractors are trained to perform their activities in a safe and healthy manner. They are also encouraged to report near-misses and unsafe conditions, as well as join periodical risk assessment discussions. Their contributions are treated with the same thoroughness as the input received from Fitesa employees.

Tools and equipment used in operations, by direct employees and contractors, have inspection plans to guarantee they are ready to use from a safety and efficiency perspective. Our cranes go through daily inspections, and periodical third-party assessments.

In 2021, we recorded a 24.2% reduction in the recordable incident rate (RIR) on a LfL basis. Considering all Fitesa facilities, this number increased by 3.2%.

The lost days rate reduced significantly both in total and in an LfL basis, indicating a decrease in the severity of cases. During the year, 27 accidents were recorded, 20 of which had unsafe behavior or lack of risk awareness as main causes.

Health and Safety Indicators



We will continue to invest in machine and equipment protection, encourage the reporting of unsafe conditions, reinforce the presence of the leadership among the production lines, and improve and expand our behavior based safety program to make Fitesa a safer and healthier work environment everyday.

ACTIONS TO COMBAT AND PREVENT COVID-19

Throughout 2021, we continued to face the impacts of the COVID-19 pandemic. Considering that our products serve as

raw material for essential products to fight the disease, such as surgical and N95 face masks, we continue to implement preventive and protective measures to ensure the continuity of our operations.

We maintained the hygiene measures adopted at the beginning of the pandemic and continued to monitor the evolution of local practices and regulations. We also encouraged and aided in the vaccination of all our employees.

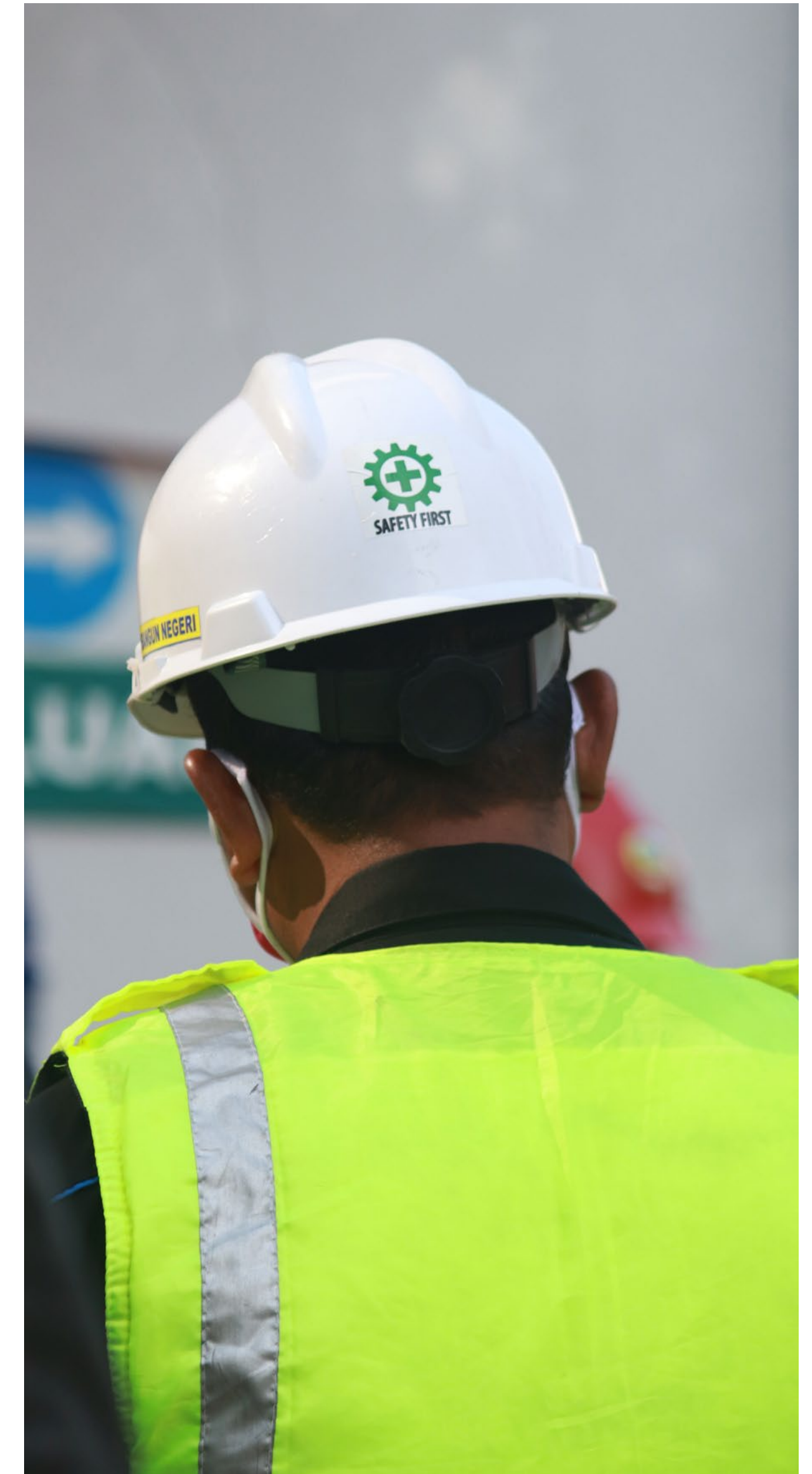
In this way, we were able to resume the face-to-face work of the administrative team in all our facilities while valuing the

safety of our employees. In some cases, we were also able to resume visits to customers, receive vendors in our facilities, and participate in public events.

Our monitoring committees remained active in watching cases and each facility reported their number of confirmed and recovered cases to the Corporate HR department on a weekly basis.

In 2021, 231 COVID-19 infections were reported among our global employee base, 226 of which recovered within the year. According to our documentation, 97% of the cases were mild or asymptomatic. Unfortunately, one casualty from the disease was recorded in one of our United States facilities. The remaining 4 employees recovered in 2022.

We were fortunate to have carried out continual operations without interruptions caused by employee leave or internal outbreaks since the beginning of the pandemic.



ETHICS

GRI 102-16 / 102-17 / 103-1 / 103-2/ 103-3 / 205-2

At Fitesa, each employee is expected to act in accordance with the highest standards of integrity and ethics in everything they do. Our principles are described in the Code of Conduct, a document that guides our daily conduct and which must be considered in each decision and process carried out.

The Code presents our guidelines regarding topics such as:

- › Compliance with laws and regulations
- › Accounting records and financial integrity
- › Market abuse and insider trading
- › Political contributions and activities
- › Charitable donations
- › Gifts and entertainment
- › Conflicts of interest
- › Fair negotiations
- › Anti-harassment measures
- › Anti-discrimination measures
- › Nepotism
- › Fair competition
- › Company assets
- › Confidentiality

The document is updated by Global Human Resources, which is also responsible for introducing it to new employees during the on-boarding process. In addition, refresher training must be conducted by area Managers routinely as needed.

The Company's leadership, including the governance bodies, receive additional training aimed at reinforcing topics such as anti-bribery/anti-corruption measures, Competition Law, and Business Ethics.

In 2021, we reinforced compliance training for specific management and office employees. Training on anti-corruption and anti-bribery measures, Code of Conduct, and/or Competition Law had an average completion rate of 97% among invited employees.

Employees who witness violations of any law, regulation, or Fitesa Policy are encouraged to report it immediately through the channels we make available at each facility. The channels are outsourced and reports can be made anonymously, in local language, via email or telephone.

Compliance Training

FUNCTIONAL CATEGORY	NUMBER OF EMPLOYEES	EMPLOYEES TRAINED	PERCENTAGE
MANAGEMENT	111	89	80%
SENIOR MGMT.	89	88	99%
OPERATIONS	1,898	30	2%
OFFICE	255	103	40%
PROFESSIONAL	223	46	21%
SALES	60	35	58%
EXECUTIVE MGMT.	9	8	89%
Total	2,645	399	15%

Value to the Environment



GLOBAL COMPACT:

- › **Principle 7:** Businesses should support a precautionary approach to environmental challenges.
- › **Principle 8:** undertake initiatives to promote greater environmental responsibility.
- › **Principle 9:** encourage the development and diffusion of environmentally friendly technologies.

2021 Highlights



ACHIEVED
OUR 2025
SUSTAINABILITY
GOAL OF

Waste to Landfill

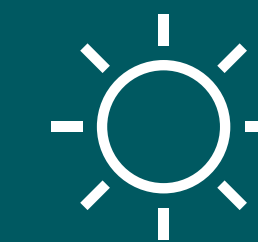
 [learn more on page 39.](#)



7

FACILITIES
recorded zero
waste to landfill

 [learn more on page 39.](#)



>130

ACTIVE ENERGY
efficiency initiatives

 [learn more on page 36.](#)



Reducing the impact of our operations



Data shows that the main environmental impact of our operations is the CO₂ emissions resulting from energy consumption. Considering the well-known impact of Greenhouse Gas Emissions on climate change, we are committed to the improvement of our energy efficiency and the identification of lower intensity energy alternatives to reduce (and where possible neutralize) our footprint.

At the same time, our significant expansion requires that we pay close attention to waste deposited in landfills. As a result of the excellent work by our teams in this area, we exceeded our 2025 target by 18%, which is detailed in this section of the report.

Moving forward, we will continue to work towards the significant improvement in our 2017 performance on energy consumption, CO₂ emissions, and waste to landfill, as stated in our 2025 sustainability goals.

ANDERS FOGELBERG

Global Director of QA, HS&E, MS and Process Improvement

ENERGY INTENSITY

GRI 103-1 / 103-2 / 103-3 / 302-1 / 302-3

We are continually investing in energy consumption measuring and monitoring to support the prioritization of energy efficiency improvement opportunities. During the year we had more than 130 energy efficiency initiatives in process across our manufacturing locations and invested more than 3 million USD in energy efficiency capital expenditure.

We also maintain an Energy Committee with the purpose of exchanging information and best practices among all facilities.

In 2021, our energy consumption grew by 2% on a LfL basis, that is, not factoring in the impact from acquisitions. This number

was directly impacted by the stabilization of hygiene and healthcare demand after the peak of the COVID-19 pandemic. Factorig in acquisitions, our global energy consumption grew by 25%, impacted also by the higher energy intensity of the Films & Elastics operations.

When compared to the weight of the products produced, LfL energy consumption grew by 3.4%.

In 2018, we set the target to reduce our 2017 energy consumption (kWh/Q1 metric ton) by 10% until 2025. By late 2021, we recorded a 28% overall increase in this indicator and a 14% increase on a LfL basis.

Total Energy Consumption (GJ)

2019	2020	2021 LfL	2021 TOTAL
2,215,712	2,401,220	2,453,592	2,995,261

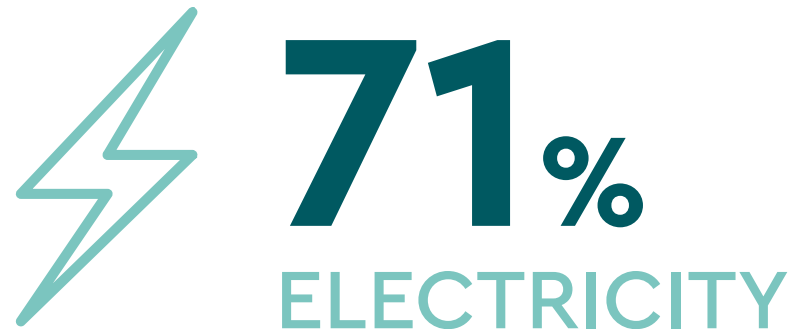
Energy Use Intensity (GJ/Q1 metric ton)

2019	2020	2021 LfL	2021 TOTAL
6,276	6,153	6,362	7,130

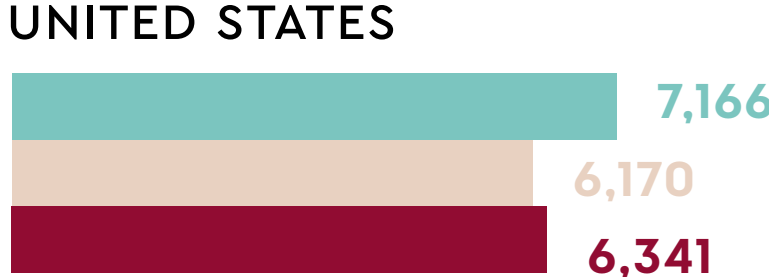
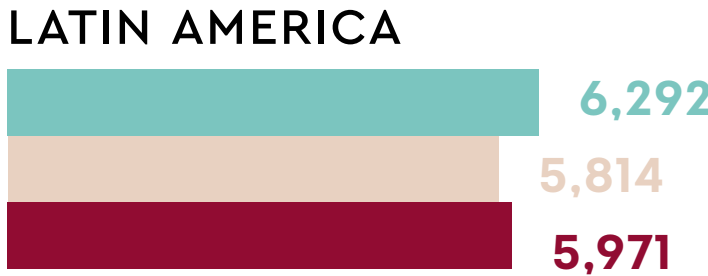
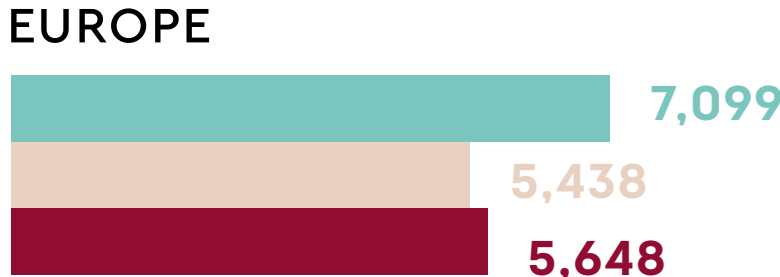
Consumption by Energy Type

	2020	2021
Nonrenewable energy	56%	58%
Renewable energy	44%	42%

Consumption by Energy Source



Energy Consumption by Region (GJ/Q1 metric ton)



● 2021 ● 2020 ● 2019

EMISSIONS

GRI 103-1 / 103-2 / 103-3 / 305-1 / 305-2 / 305-4

Energy consumption is the main source of emissions in our operations. For this reason, we are focusing our efforts on global energy matrix management to identify neutral and low emission alternatives that can support a significant reduction in our carbon footprint.

On a simplified view, our energy profile is mainly driven by the country's matrix, availability and cost of alternative sources and availability and cost of certificates. In 2021, 66% of the electricity consumed by our facilities came from neutral or low-emission sources. This rate reached 74% in Latin America and Europe. On the other hand, fossil fuels remained the main source

of the electricity used in our United States and Asia facilities, at 56% and 88% of total consumption, respectively.

Our 2021 emissions increased significantly when compared to the previous year as a direct result of our higher energy consumption (read more on [page 36](#)).

In 2018 we set the target to reduce our 2017 fossil CO₂ emissions from operations (metric ton of Scope 1 and Scope 2 CO₂e/Q1 metric ton) by 10% until 2025. By end of 2021, we had recorded a 42% overall increase in this indicator and a 26% increase on a LfL basis.

Total CO₂ Emissions (tCO₂)

2019	2020	2021 LFL	2021 TOTAL
180,098	188,961	189,294	232,728

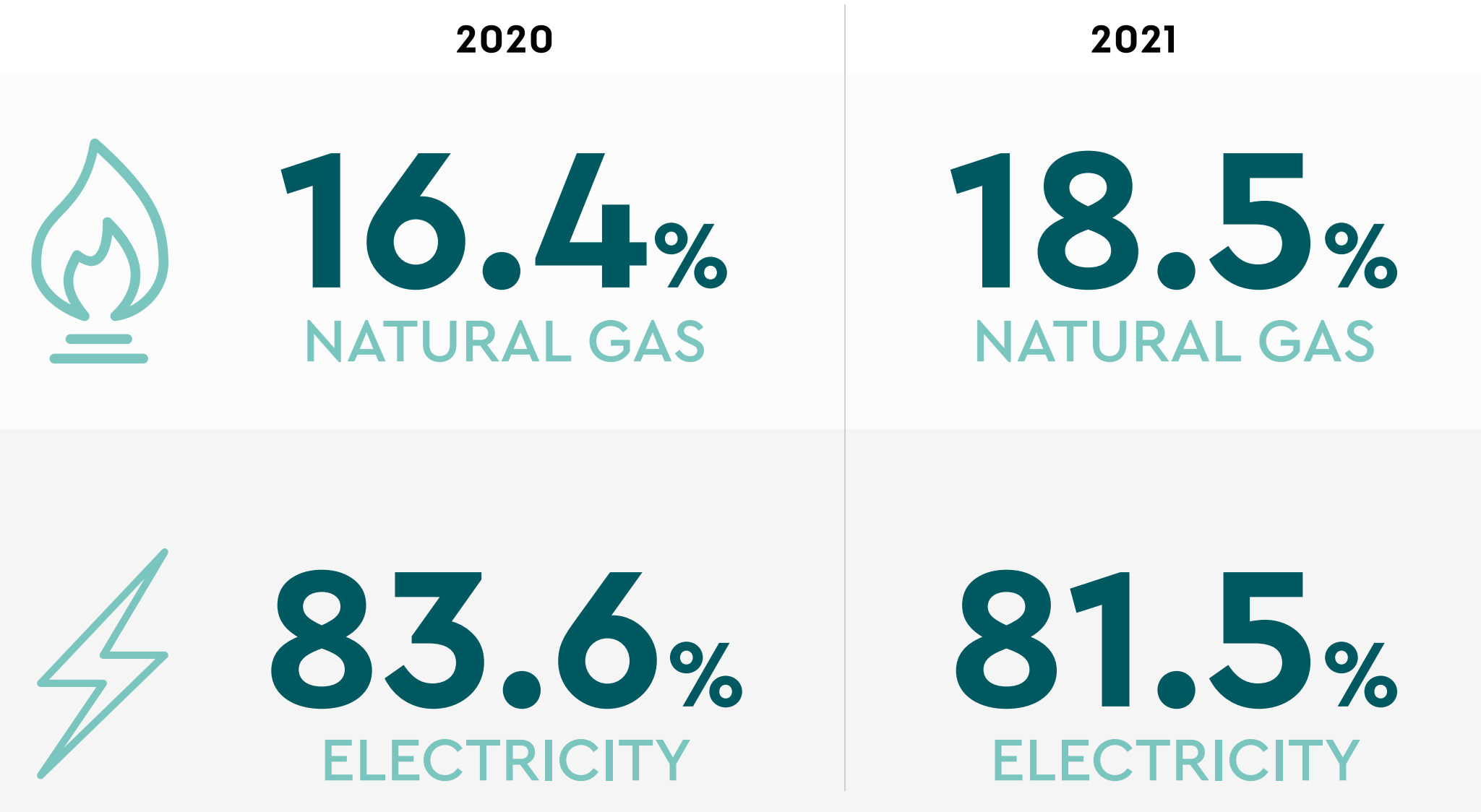
Intensity of Greenhouse Gas Emissions (tCO₂/Q1 metric ton)

2019	2020	2021 LFL	2021 TOTAL
0.52	0.49	0.49	0.55



Fitesa Cosmópolis (BRA).

CO₂ EMISSIONS
Emissions by Energy Source



WATER CONSUMPTION

GRI 303-5 / 103-1 / 103-2 / 103-3

Most of the water consumed in our production process is used in a closed loop for the purpose of cooling. This water is not contaminated and is discharged with no environmental impact. In compliance with all applicable regulation, some of our facilities have water treatment stations that can attest this condition. For this reason, we do not consider our operation to have a significant impact in this area, but we continue to track and report on it as

a demonstration of respect for society's growing concerns about water scarcity.

In 2021, we consumed a total of 599,003 cubic meters of water, which represents a 0.4% reduction when compared to the previous year.

Using the data on a LfL basis and considering only the facilities that were already under our operation in 2020, we recorded a 13% reduction in water consumption. This can be explained by the fact that, in 2020, we concluded a project carried out at the Lima (Peru) plant, which consumed 259,000 cubic meters of water.

This result was also impacted by an increase in total water consumption at FitesaCNC,

due to the installation of a cooling tower and the required draining of water from the emergency system. Additionally, pipe leaks and a cooling tower overflow were recorded.

In our Tianjin (CHI) facility, we installed spray nozzles for humidification and a new wet scrubber which increased water consumption.



Water Consumption (m³)

2019	2020	2021 LFL	2021 TOTAL
308,329	601,359	521,614	599,003

Water Consumption by Weight of Product Produced (m³/Q1 metric ton)

2019	2020	2021 LFL	2021 TOTAL
0.87	1.54	1.35	1.43

WASTE MANAGEMENT

GRI 103-1/ 103-2 /103-3 / 306-1 / 306-2 / 306-3 / 306-4 / 306-5

The combination of efficient processes and recycling capabilities of raw materials, operated by highly effective people, enables us to minimize our manufacturing waste to a point where most of disposed materials refer to residues from equipment thermal insulation, landscaping, restaurant, bathrooms, and construction, as examples.

In 2021, seven facilities achieved the "zero waste to landfill" mark: Tianjin (CHI),

Trezzano Rosa (ITA), Mena (UAE), Pune (IND), Kerkrade (NDL), Cosmópolis (BRA), and Terre Haute (US). Our facilities in Peine (GER), Norrköping (SWE), Sulmona (ITA), Rayong (THA), Gravataí (BRA) and Simpsonville (USA) recorded a ratio of less than 1 kg of waste per metric ton of Q1 production sent to landfill.

We are diligent in diversion of waste from landfill to more environmentally sustainable alternatives such as recycling. In the case of engineering projects,

we strive to reuse demolition materials that would otherwise be wasted in the construction of new buildings.

In 2021, we generated a total LfL amount of 22,150 metric tons of waste, an amount 25% higher than that generated in 2020. When comparing the overall value of waste generated during the year, we recorded an increase of 37%. This is partially explained by the increase in production reported during the year. Despite this, the LfL amount of waste referred to landfills

was 39% lower than in the previous year, reaching the mark of 990 metric tons.

In 2018 we set the target to reduce our 2017 waste to landfill (metric ton of waste/Q1 metric ton) by 50% until 2025. We are proud to report by end of 2021 we had exceeded our target in this indicator. We closed the year a total 18% better than target on a LfL basis.

Total Waste Generated (thousand metric tons)

2019	2020	2021 LFL	2021 TOTAL
11.13	17.76	22.15	24.35

Total Waste Sent to Landfill (thousand metric tons)

2019	2020	2021 LFL	2021 TOTAL
2.61	1.63	0.99	1.31

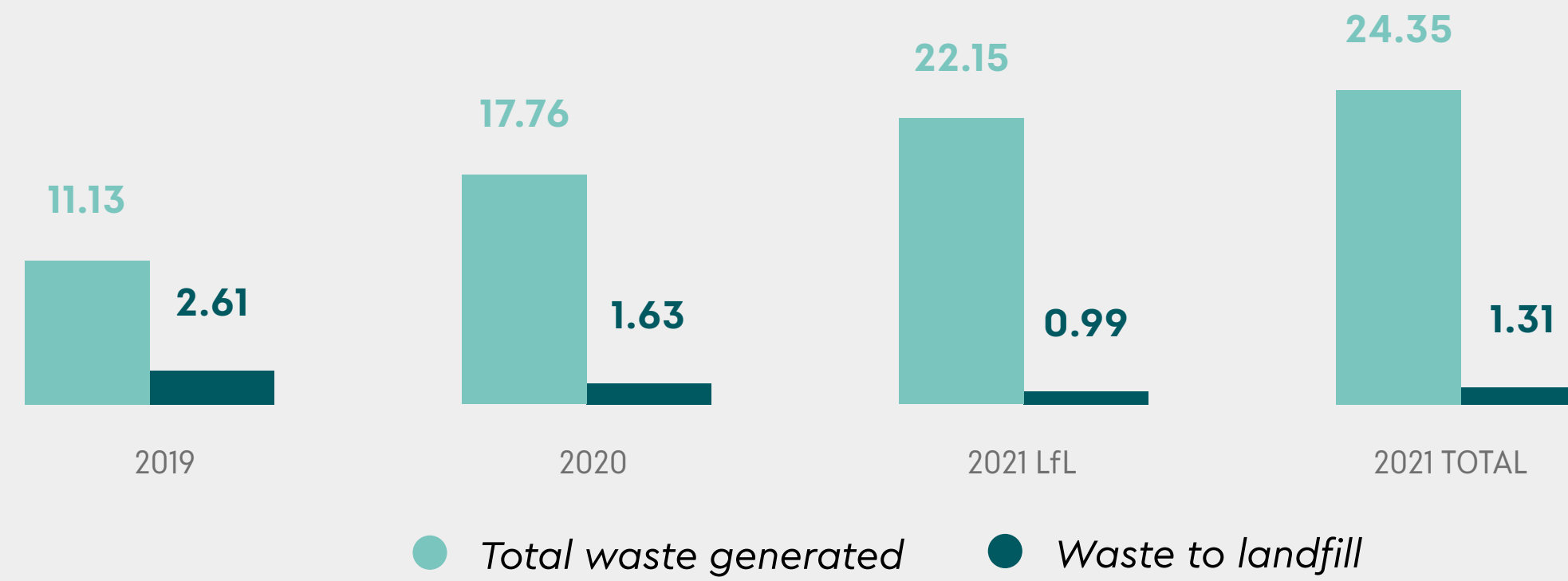
Waste Generated by Weight of Product Produced (metric ton/Q1 metric ton)

2019	2020	2021 LFL	2021 TOTAL
0.03	0.05	0.06	0.06

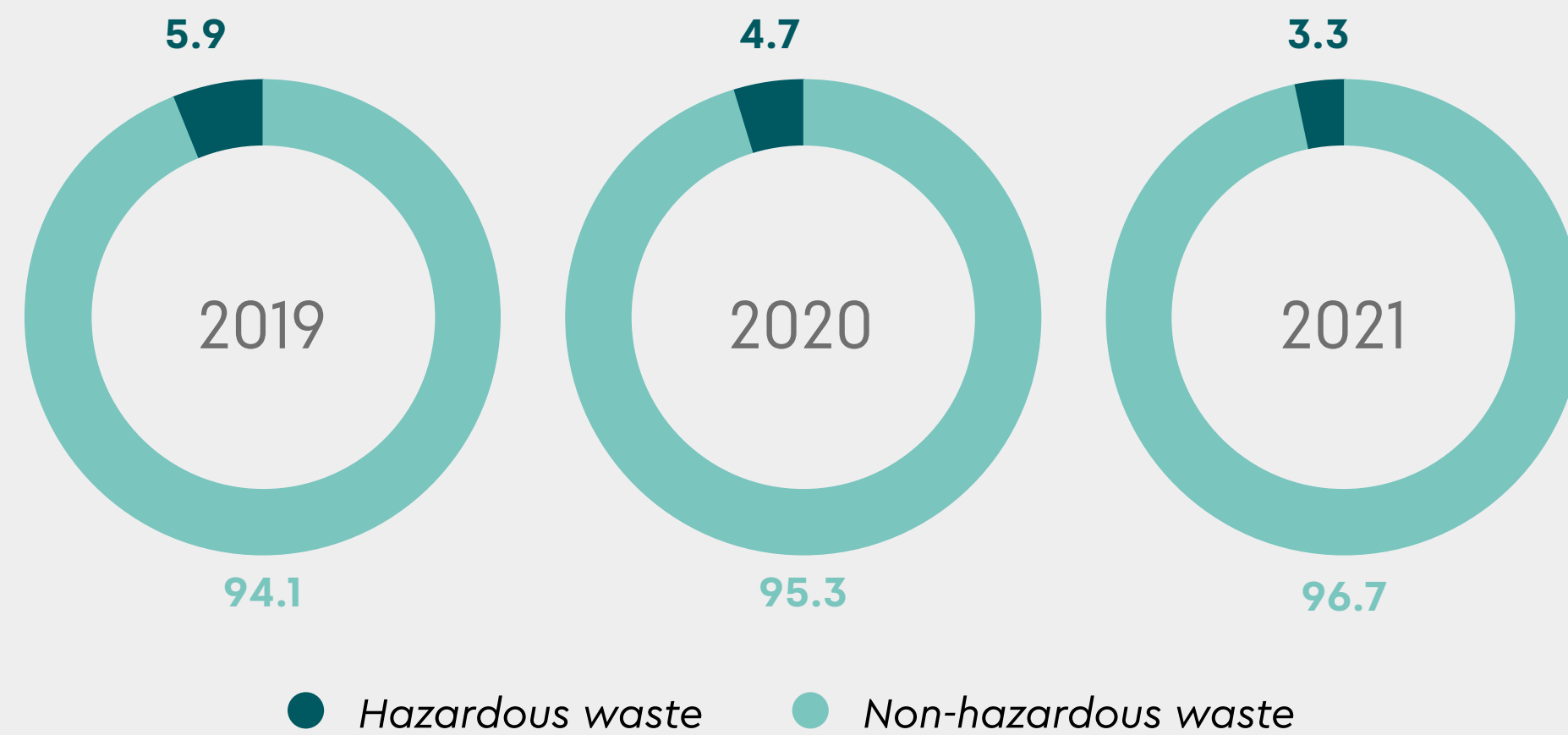
Waste Sent to Landfill by Weight of Product Produced (kg/Q1 metric ton)

2019	2020	2021 LFL	2021 TOTAL
7.39	4.17	2.35	3.12

Comparison between the total amount of waste generated and waste referred to landfills (metric tons)



Ratio between types of waste generated



Hazardous Waste Destination (% by subclass)

	2019	2020	2021
LANDFILL	8.24%	5.93%	5.93%
REUSED	0.00%	1.95%	0.00%
RECYCLED	8.17%	2.78%	5.43%
COMPOSTING	0.00%	0.00%	0.00%
RECOVERY	5.91%	14.68%	13.36%
INCINERATION	77.67%	74.66%	75.27%

Non-Hazardous Waste Destination (% by subclass)

	2019	2020	2021
LANDFILL	24.37%	9.31%	5.37%
REUSED	10.20%	4.63%	5.34%
RECYCLED	51.60%	80.48%	83.18%
COMPOSTING	0.40%	0.25%	0.37%
RECOVERY	8.12%	1.92%	3.15%
INCINERATION	5.30%	3.40%	2.58%



Sustainable Innovation



We are committed to reducing the CO₂ footprint and promoting circularity of our products by developing new raw materials and reducing the volume of materials consumed.

For over ten years, we have directed our innovation efforts toward producing nonwovens made from renewable sources. As a result, today Fitesa holds the largest biobased portfolio in the Spunmelt industry, with solutions ranging from 20% to 100% renewable content.

Environmental sustainability remained one of the main innovation drivers in 2021 and our teams continued working on the development of more sustainable products and processes.

During 2022, we will continue to develop new products to address the global challenges of climate change and plastic waste and move forward with the ISCC+ certification at more facilities.

RENE RUSCHEL,

VP of Technology, Innovation and Engineering

INCREASING OUR PORTFOLIO OF SUSTAINABLE SOLUTIONS

2021 Highlights



ISCC+ CERTIFICATION OF FITEŞA NORRKÖPING

for the use of renewable and recycled raw materials under the **"mass balance" concept.**



learn more on page 41.



PRODUCTION AND SHIPPING OF

the first production using mass balance raw materials.



learn more on page 43.



RENEWABLE RAW MATERIALS

represented 4% of total material consumption



learn more on page 43.

WHAT IS ISCC+?

The ISCC+ certification attests our ability to produce and commercialize materials from renewable and recycled sources, through the mass balance system.

The mass balance system is based on the principle of mass conservation, with the possibility of gradually increase the use of biobased and/or circular raw materials in the production process.



Learn more about ISCC+ certification at www.iscc-system.org

USE OF MATERIALS

GRI 301-1 / 301-2

We are the only Spunmelt manufacturer with pilot lines that reproduce the technologies from our commercial lines, in addition to innovation features. These assets enable us to spearhead projects for the development of novel solutions in partnership with our customers and suppliers.

In 2021 we continued to pioneer the development and commercialization of more sustainable products through the continuous exploration of new raw materials and design of new product configurations.

In the area of new raw materials, Fitesa performed its first production and sale of mass balance PP nonwovens. The development was carried at Fitesa Norrköping (SWE), which was ISCC+ Certified for this project.

Regarding new product configurations, our 100% Biobase PE/PLA Spunbond was appointed a finalist for the 2022 IDEA Sustainability Advancement Award.

A total of 4% of the raw materials consumed in 2021 came from renewable sources. Volume consumed in metric ton declined by 16.8% in comparison to 2020 negatively impacted by the global supply chain crisis.

Most of our facilities can recycle its own manufacturing waste.

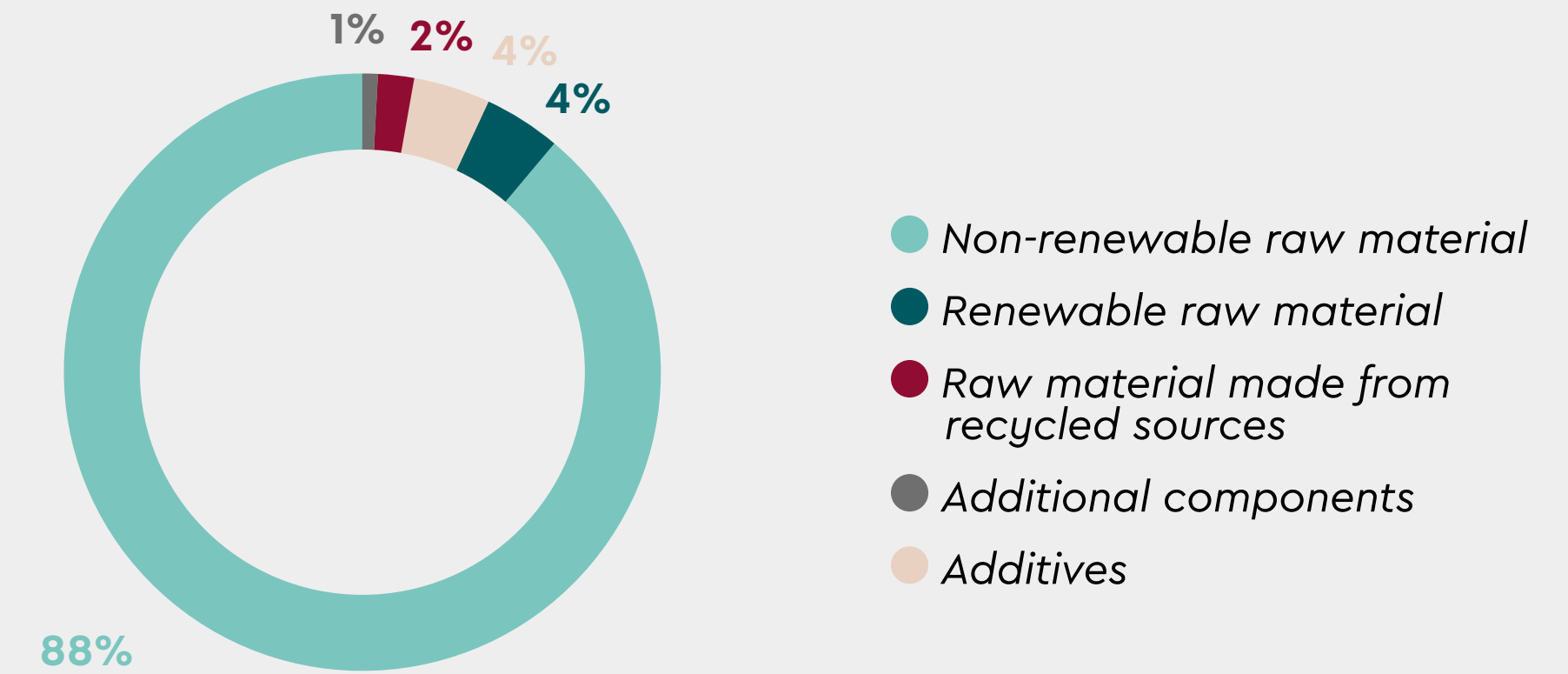
During the year, we consumed 8.5 thousand metric tons of recycled raw material, 5% less than the previous year.

Our total material consumption reached 460,000 metric tons in 2021, a 12% increase in comparison to 2020.

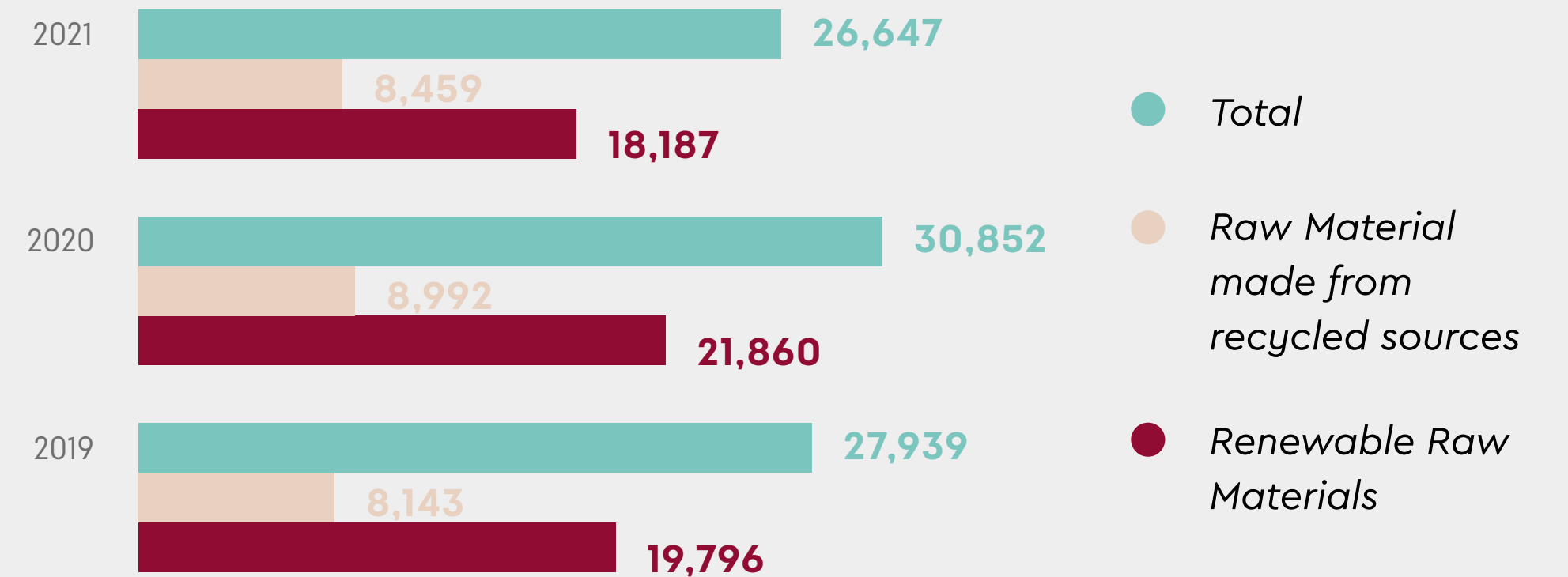
Ratio between the weight of materials and the weight of the product produced (metric ton/Q1 metric ton)

2019	2020	2021
1.05	1.05	1.09

Source of Materials Consumed



Consumption of recycled and renewable materials (metric ton)





Value to Society



Making work easier and life better

"Do things right", that is our most basic commitment at Fitesa. The way we conduct our daily activities has a direct impact on the lives of numerous people, from individuals converting our roll goods at our customers' facilities to the end consumers who use products manufactured with our nonwoven solutions. For this reason, our first commitment to society will always be to remain attentive to the quality and safety of our products.

But we also acknowledge that Fitesa's existence has the potential of generating benefits beyond our core business. We are committed to making life better by continuously working to reduce our environmental impact and challenge the mainstream vision of sustainability within our industry. During 2021 we acquired 100% of Rio Novo Florestal, a reforestation company previously owned by Évora. We made a long-term commitment to the maintenance of that business and the environmental services it provides, such as carbon inventory and biodiversity conservation.

While we acknowledge the immense challenges that the future presents, every year I feel more confident about our ingenuity and capacity to remain relevant as an organization that generates true value for society and sustains resources for our future generations.

MICHAEL BAUMGARTNER,

Regional VP for EurAsia and Global Sales

CUSTOMERS AND CONSUMERS

Through the raw materials we supply to customers in a wide variety of industries, including hygiene and medical applications, we have a daily impact on the health, safety, and quality of life of millions of people around the world.

We take this responsibility very seriously and continuously invest in new technologies, training, and corporate systems to ensure that we can continue to promote well-being and improve the lives of end consumers.

PRODUCT SAFETY AND QUALITY

GRI 103-1 / 103-2 / 103-3 / 416-1

Our quality assurance strategy requires that all facilities have a management system that is certifiable in accordance with ISO 9001 and that all employees act in accordance with our Quality Assurance Policy (learn more on [page 16](#)).

Among the corporate systems developed to guarantee quality in production, we have risk assessment (FMEA), process control, validation/change control, in-line QA systems, standardization, testing, and material release. Adherence to the application of these systems is monitored through a yearly corporate assessment.

Our Quality Policy also addresses material safety, with the aim of ensuring that our product is free of unwanted contaminants. This is particularly important since most of our nonwovens, films, and elastics are raw materials for products that make direct contact with end consumers' most

sensitive body areas, such as face masks and baby diapers.

Our regulatory department is responsible for complying with legal and product safety requirements in each region where we operate. In this sense, we carry out rigorous safety tests of raw materials in 100% of our nonwovens' categories, evaluating, where necessary, properties ranging from toxicity to irritability in contact with the skin.

We have also developed a strategy for the control of Substances of Interest (SOI). By monitoring raw materials and internal processes, we seek to identify and eliminate possible sources of these substances.

In 2021 we invested more than 3.3 million USD in quality and safety capital expenditure projects.

2021 Highlights

**>3.3
million USD**

invested in quality and safety capital expenditure



learn more on [page 45](#).

**656
thousand USD**
in social investment

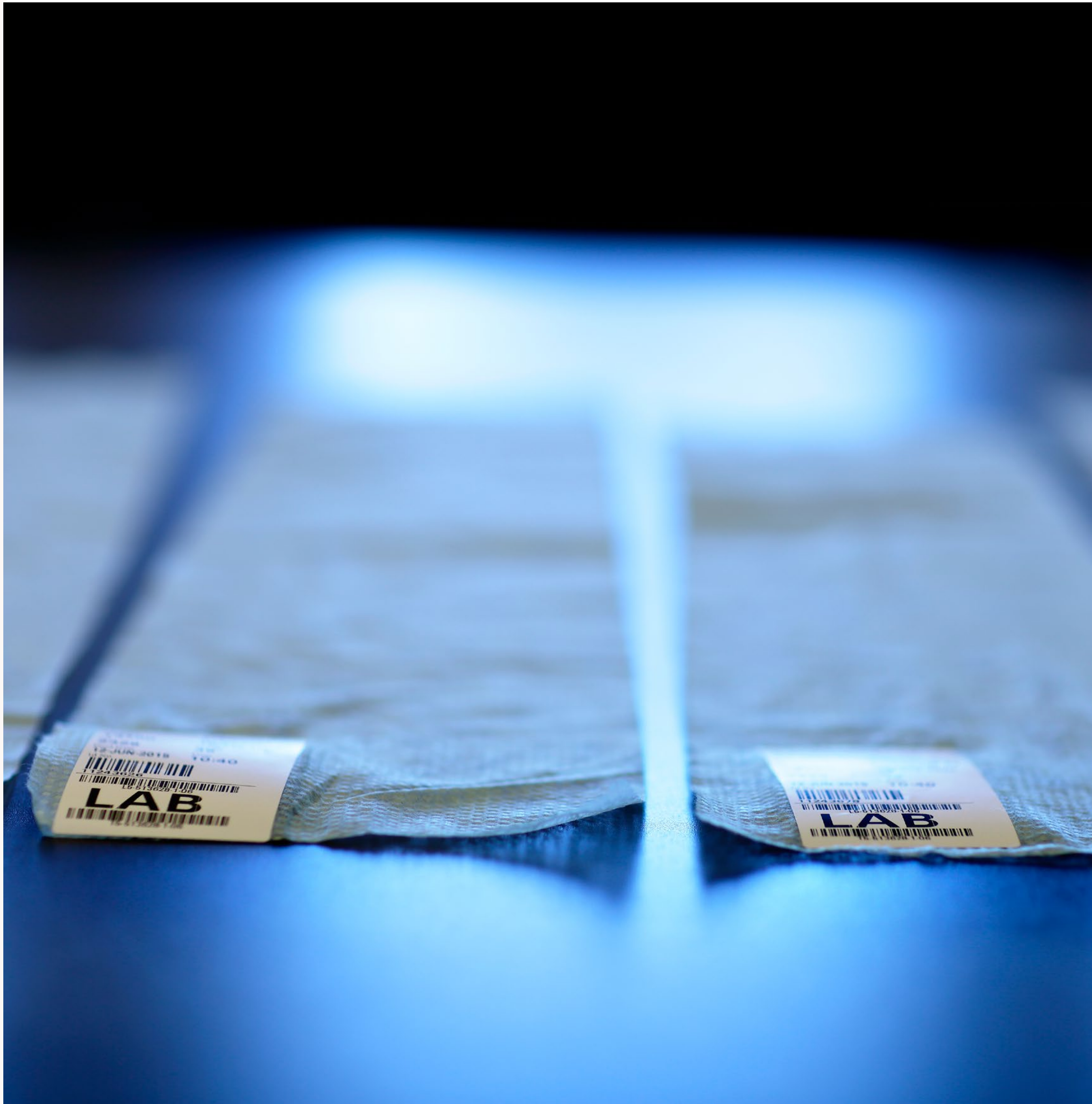


learn more on [page 48](#).

**>1
million tons**
CO₂e INVENTORY
at Rio Novo Florestal



learn more on [page 51](#).



COMPLAINTS

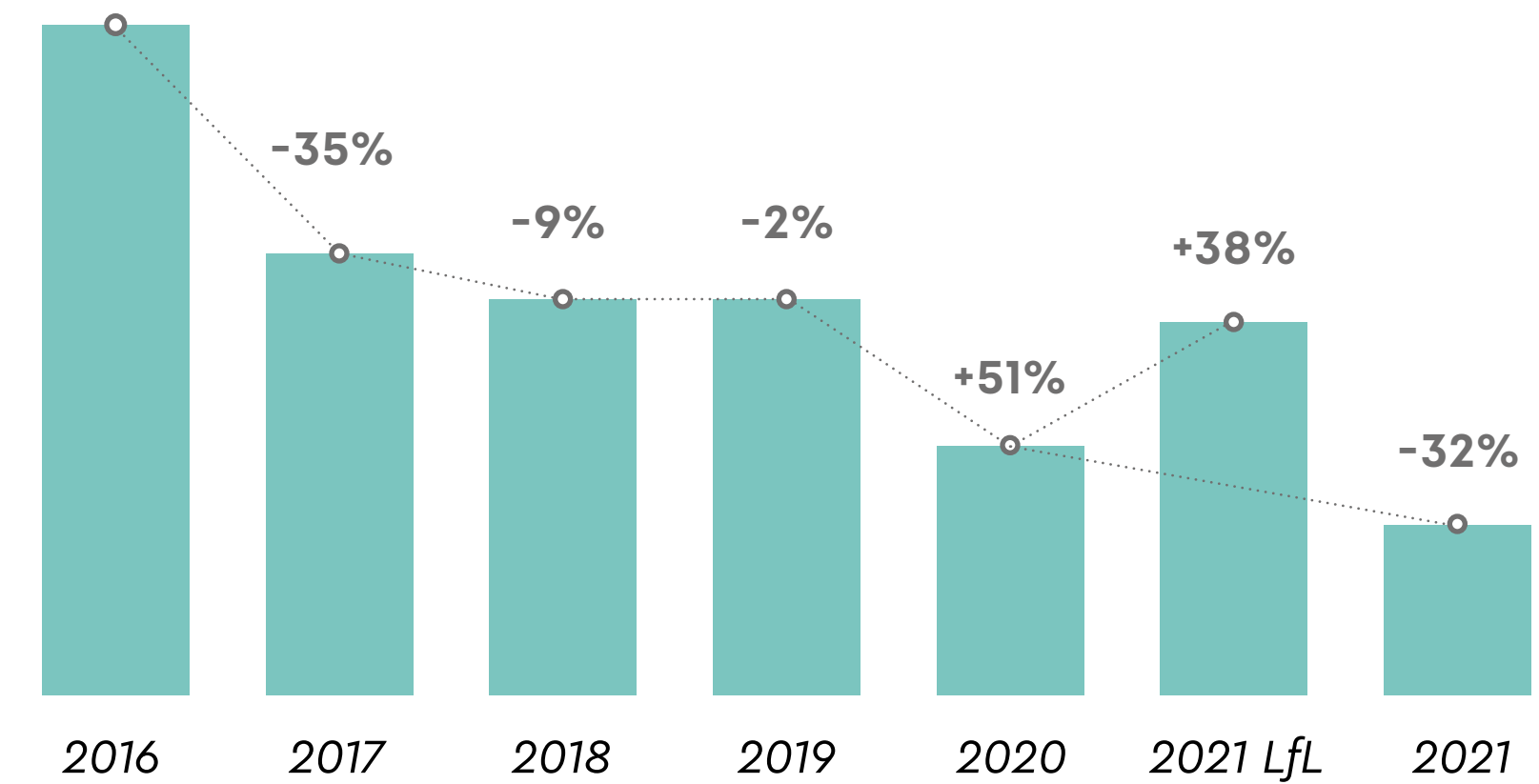
We monitor and seek to reduce the severity of complaints, calculated based on the percentage they represent of the Company's revenue. With this initiative, we have increased our customers' satisfaction and reduced the volume of rejected material.

In 2021 our complaint rate increased by a total of 38.3%. Although little information is publicly available for comparison, market

feedback indicates our complaint levels are very small, which also explain the high percentage impact on the year-over-year (YoY) variation.

We also monitor critical complaints, which are marked as high priority and treated with the required diligence. In doing so, we reduce risk of damage to our reputation and our customers' brand equity.

YoY Variation in Complaints (% of Revenue)



Certifications as of 2021

Certification Name

ISO 9001:2015

Type

Product Quality

Plants

- › **Tianjin** (CHI)
- › **Peine** (GER)
- › **Trezzano Rosa** (ITA)
- › **Norrköping** (SWE)
- › **Kerkrade** (NET)
- › **Rétság** (HUN)
- › **FitesaCNC** (THA)
- › **Pune** (IND)
- › **Gravataí** (BRA)
- › **Diadema** (BRA)
- › **Jacareí** (BRA)

Certification Name

ISO 14001:2015

Type

Environmental Management System

Plants

- › **Peine** (GER)
- › **Trezzano Rosa** (ITA)
- › **Kerkrade** (NLD)
- › **Rétság** (HUN)
- › **FitesaCNC** (THA)
- › **Jacareí** (BRA)

Certification Name

ABNT Ecological Label

Type

Sustainable Products

Plant

- › **Gravataí** (BRA)

Certification Name

ISO 45001:2018

Type

Health and Safety of Employees

Plants

- › **Tianjin** (CHI)
- › **Peine** (GER)
- › **Trezzano Rosa** (ITA)
- › **Norrköping** (SWE)

Certification Name

IFS HPC

Type

Safe and quality products/ processes

Plant

- › **Pantex Sulmona** (ITA)

Certification Name

ISO 50001:2018

Type

Energy Management

Plant

- › **Peine** (GER)

Certification Name

HACCP

Type

Hazard analysis and critical control point

Plant

- › **Rétság** (HUN)

Certification Name

Oeko Tex

Type

Confidence in Fabrics

Plants

- › **Peine** (GER)
- › **Trezzano Rosa** (ITA)
- › **Jacareí** (BRA)
- › **Norrköping** (SWE)

Certification Name

ISCC Plus

Type

Responsible approach to sustainable development for biobased materials

Plant

- › **Norrköping** (SWE)

Certification Name

Green Label (ISO 14024 Type Ecolabel)

Type

Sustainable Products

Plant

- › **FitesaCNC** (THA)



COMMUNITIES

We know that our global presence can be a force for social transformation, capable of positively impacting a large number of people in a wide range of cultures.

Therefore, we remain attentive to our social responsibility towards the communities in which we operate, striving to invest in organizations whose values and practices are in line with our own.

Corporate social investment projects are voted on by the Board of Directors, in accordance with the Strategic Philanthropy Policy of our parent company, Évora.

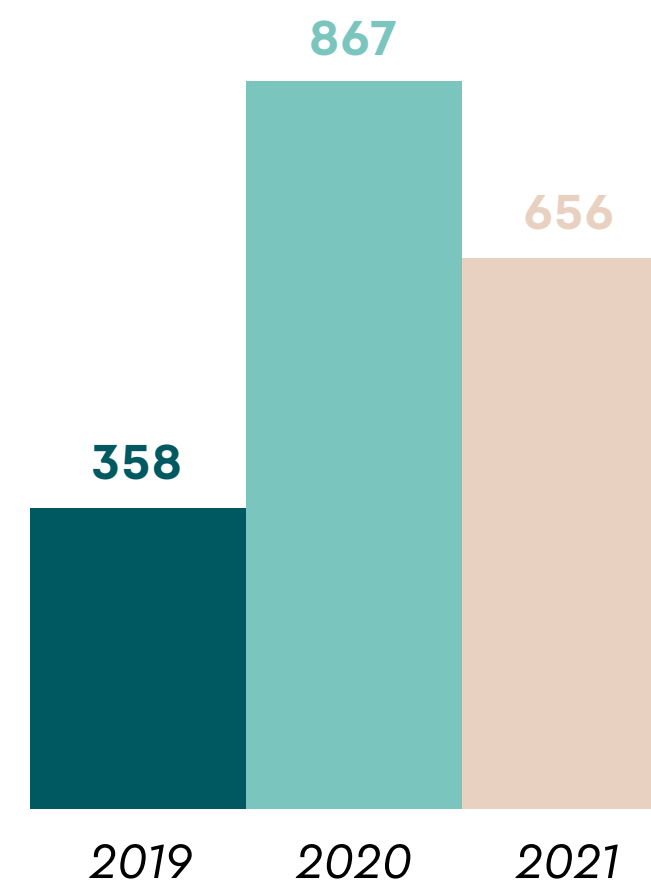
Instituto Ling is our main partner for the curation and implementation of such investments.

In 2021 our donations supported projects and organizations in the areas of culture, children's education, support to the elderly and sports.

By understanding and showing respect for the different needs of each region where we operate, local contributions are defined by the facilities according to the local priorities.

In 2021, Fitesa's employees continued to voluntarily engage in actions to support their communities, such as fundraising campaigns and donation of blood, toys, clothes, and food, among others. In addition to the time and dedication invested in these projects, contributions amounted to about 65 thousand USD and 1 metric ton of products.

**Corporate Social Investment
(thousand USD)**



Highlights of donations made in 2021

136,900
PFF2 MASKS

13,840
SURGICAL APRONS

711 kg
OF NONWOVENS
for the manufacture of masks
and aprons



Brazilian Athletes supported by Fitesa



Music session at Instituto Ling



Instituto Ling was founded in 1995 by the Ling family, controller and founder of our Évora holding company, with the aim of contributing to the transformation of Brazilian society.

The organization is our main partner to generate a positive impact in the communities in which we operate, by investing in education, offering scholarships for the training of young talent, and maintaining a cultural center.

During 2021, most cultural events sponsored by the Ling Institute were held in an online format, with the return of face-to-face activities starting in September, aligned with all health protocols.



RELATIONSHIP WITH RESPONSIBLE SUPPLIERS

GRI 102-9

At Fitesa, we are aware that the development and growth of our business is directly related to maintaining lasting relationships within our supply chain, which can create value for business, suppliers, and society as a whole. To this end, these relationships must be based on mutual trust and the alignment of ethical and compliance practices.

In this sense, we encourage our supply chain to adopt our Ethical Guidelines and Compliance Rules.

These guidelines cover the health and safety of employees, freedom of association, protection of the environment, and

eradication of child labor, forced labor, and discrimination.

We are one of the world's largest manufacturers of nonwovens and, to respond to the needs of our global presence, we rely on many suppliers distributed across the globe, generating a positive impact throughout the value chain.

Due to the nature of our business, polymers represent the majority of our raw material purchases, in terms of both volume and value. To ensure reliable supply to all our facilities, particularly at a time of crisis in the global supply chain, we seek to partner with some of the largest companies in the world.



RIO NOVO FLORESTAL: REFORESTATION BUSINESS

GRI 304-3

During 2021, Rio Novo Florestal Ltda. – a reforestation company previously owned by Évora – had its capital shares transferred to Fitesa Nãotecidos S.A.

Located in the Brazilian state of Santa Catarina, Rio Novo Florestal develops eucalyptus foresting and supplies wood products for multiple uses. The high quality

of its timber makes it ideal for durable applications in lamination, sawmills, construction, agriculture, and biomass (instead of processing or cellulose and paper manufacturing). In 2021, we reached a total planted area of 2,776 ha, where we apply the best environmental practices from soil preparation to harvest, with the purpose of maintaining a sustainable long-term business that has a positive impact on climate and

biodiversity. This ultimately means that, while the main goal of our operation is commercial, our long-term commitment of preserving this cultivated area (that would otherwise be destined for non-forestry use) results in mitigating the release of close to 1,000,000 tCO₂e into the atmosphere.

Rio Novo, located in a buffer zone between coastal formations and the Atlantic Forest, is

home to a great diversity of fauna, including animals that use the ecological corridors maintained by our sustainable practice to take refuge from high urban pressure. The territory also houses several fragments with native vegetation, included in its 502 ha of natural conservation areas protected by the Brazilian Forest Code, being duly registered in the Rural Environmental Registry (CAR).

GRI Index

GRI 102-55

STANDARD	DISCLOSURES	REFERENCE / DIRECT ANSWER	
GRI 101: FOUNDATION – 2016			
General Disclosures			
GRI 102: General Disclosures	102-1	Name of the organization	Page 10
	102-2	Primary brands, products, and services	Page 9 and 12
	102-3	Location of the organization's headquarters	Page 10 and 11
	102-4	Number of countries where the organization operates	Page 10 and 11
	102-5	Nature of ownership and legal form	Page 10
	102-6	Markets served	Page 9 and 12
	102-7	Scale of the organization	Page 7
	102-8	Information on employees and other workers	Page 24 and 26
	102-9	Supply chain	Page 50
	102-10	Significant changes to the organization and its supply chain	
	102-11	Precautionary Principle or approach	Page 14
GRI 102: General Disclosures	102-12	External initiatives	Page 5
	102-13	Membership of associations	Page 60
	102-14	Statement from senior decision-maker	Page 4
	102-16	Values, principles, standards, and norms of behavior	Page 9 and 33
	102-18	Governance structure	Page 14

STANDARD	DISCLOSURES	REFERENCE / DIRECT ANSWER	
GRI 102: General Disclosures	102-19	Delegating authority	Page 14
	102-20	Report whether the organization has appointed an executive level position or positions with responsibility for economic, environmental, and social topics and whether post holders report directly to the highest governance body	Page 14
	102-21	Consulting stakeholders on economic, environmental, and social topics	Page 14
	102-22	Composition of the highest governance body and its committees	Page 14
	102-33	Process for communicating critical concerns to the highest governance body	Page 14
	102-34	Total number and nature of critical concerns that were communicated to the highest governance body and mechanism(s) used to address and resolve them	Page 14
	102-40	List of stakeholder groups	Page 23
	102-41	Collective bargaining agreements	Page 24
	102-42	Identifying and selecting stakeholders	Page 23
	102-43	Approach to stakeholder engagement	Page 23
	102-44	Key topics and concerns raised	Page 23

STANDARD	DISCLOSURES	REFERENCE / DIRECT ANSWER	
GRI 102: General Disclosures	102-45	Entities included in the consolidated financial statements	<p>Fitesa is a private subsidiary of Évora, a Brazilian holding company. This report addresses the results and initiatives of all of Fitesa's operations in the world. Thus, the following legal entities are represented:</p> <p>Fitesa SA, Fitesa Limited, Fitesa Italy Srl, Fitesa US LLC, Fitesa Washougal Inc, Fitesa Nonwovens Inc, Fitesa Simpsonville Inc, Fitesa Germany GmbH, Fitesa China Holdings BV, Fitesa (China) Airlaid Company Limited, Fitesa (Tianjin) Nonwovens Company Limited, Fitesa Mexico Holdings Limited, FitesaNonwovens Mexico SA de CV, Fitesa Peru SAC, Pantex International SpA, Pantex Mena FZ LLC, Pantex Americas LLC, FitesaCNC Japan Co Ltd, Fitesa High Point Inc, Fitesa Terre Haute Inc, Fitesa Film Products LLC, Fitesa Indiana LLC, Fitesa Kerkrade B.V., Fitesa Brasil Industria de Plasticos Ltda, Fitesa Retsag Kft, Fitesa Pune Private Limited.</p>
	102-46	Defining report content and topic Boundaries	Page 21
	102-47	List of material topics	Page 21
	102-48	Restatements of information	
	102-49	Significant changes from previous reporting periods in the list of material topics and topic Boundaries	
	102-50	Reporting period	January 1 st , 2021 to December 31 st 2021
	102-51	Date of most recent report	2020
	102-52	Reporting cycle	Annual
	102-53	Contact point for questions regarding the report	fitesamarketing@fitesa.com
	102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option
	102-55	GRI Content Index	Page 52
102-56	External assurance	This report has not been externally verified.	

STANDARD	DISCLOSURES	REFERENCE / DIRECT ANSWER	
› Material topic: Safety and convenience for customers			
PRODUCT SAFETY AND QUALITY			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Page 45
	103-2	The management approach and its components	Page 45
	103-3	Evaluation of the management approach	Page 45
GRI 416: Customer Health and Safety 2016	416-1	Assessment of customer health and safety impacts of product and service categories	Page 45
› Material topic: Employment and well-being			
OCCUPATIONAL HEALTH AND SAFETY			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Page 31
	103-2	The management approach and its components	Page 31
	103-3	Evaluation of the management approach	Page 31
GRI 403: Occupational Health and Safety 2016	403-1	Occupational health and safety management system	Page 31
	403-2	Hazard identification, risk assessment, and incident investigation	Page 31
	403-4	Worker participation, consultation, and communication on occupational health and safety	Page 31
	403-8	Workers covered by an occupational health and safety management system	Page 31
GRI 403: Occupational Health and Safety 2016	403-9	Work-related injuries	Page 31. There were no fatalities resulting from work accidents and work accidents with serious consequences during the year 2021.
TALENT ATTRACTION AND RETENTION			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Page 24
	103-2	The management approach and its components	Page 24
	103-3	Evaluation of the management approach	Page 24
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Page 24

STANDARD	DISCLOSURES		REFERENCE / DIRECT ANSWER
GRI 405: Diversity 2016	405-1	Diversity of governance bodies and employees with percentage of individuals by gender, age group, minority or vulnerable groups and other indicators of diversity	Page 24
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Page 24. We do not monitor training data by gender
	404-3	Percentage of employees receiving regular performance and career development reviews, by gender and employee category	Page 24
› Material topic: Ethics and fight against corruption			
GRI 102: General Disclosures - 2016	102-17	A description of internal and external mechanisms seeking advice about ethical and lawful behavior	Page 33
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Page 33
	103-2	The management approach and its components	Page 33
	103-3	Evaluation of the management approach	Page 33
	205-2	Communication and training about anti-corruption policies and procedures	Page 33
› Material topic: Risk and opportunity management			
RISK MANAGEMENT FRAMEWORK AND BEST PRACTICES			
GRI 103: Management Approach 2016	102-29	Highest governance body's role in identifying and managing economic, environmental, and social topics	Page 14
	102-30	Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental, and social topics.	Page 14
	102-31	Frequency of the highest governance body's review of economic, environmental, and social topics	Page 14
	103-1	Explanation of the material topic and its Boundary	Page 14
	103-2	The management approach and its components	Page 14
	103-3	Evaluation of the management approach	Page 14

STANDARD	DISCLOSURES		REFERENCE / DIRECT ANSWER
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	The company does not report its financial information for strategic reasons. Only the social investment data are reported.
› Material topic: Environmental impacts			
MANAGEMENT OF GREENHOUSE GAS EMISSIONS			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Page 37
	103-2	The management approach and its components	Page 37
	103-3	Evaluation of the management approach	Page 37
GRI 304: Biodiversity 2016	304-3	Habitats protected or restored	Page 51
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Page 37
	305-2	Energy indirect (Scope 2) GHG emissions	Page 37
	305-4	GHG emissions intensity	Page 37
ENERGY USE MANAGEMENT			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Page 36
	103-2	The management approach and its components	Page 36
	103-3	Evaluation of the management approach	Page 36
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Page 36
	302-3	Energy intensity	Page 36
WASTE MANAGEMENT			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Page 39
	103-2	The management approach and its components	Page 39
	103-3	Evaluation of the management approach	Page 39

STANDARD	DISCLOSURES	REFERENCE / DIRECT ANSWER	
GRI 306: Waste	306-1	Waste generation and significant waste-related impacts	Page 39
	306-2	Management of significant waste-related impacts	Page 39
	306-3	Total weight of waste generated in metric tons	Page 39
	306-4	Total weight of waste diverted from disposal in metric tons	Page 39
	306-5	Total weight of waste directed to disposal in metric tons	Page 39
USE OF MATERIALS			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Page 43
	103-2	The management approach and its components	Page 43
	103-3	Evaluation of the management approach	Page 43
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Page 43
	301-2	Recycled input materials used	Page 43
WATER USE MANAGEMENT			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Page 38
	103-2	The management approach and its components	Page 38
	103-3	Evaluation of the management approach	Page 38
	303-5	Water consumption	Page 38

Safe Harbor Statement

This report includes forward-looking statements. You can identify our forward-looking statements by words such as "anticipate", "believe", "estimate", "expect", "forecast", "intend", "may", "plans", "predict", "project", "schedule", "seeks", "should", "target" or other words that convey the uncertainty of future events or outcomes. Although we believe that the expectations reflected in those forward-looking statements are reasonable, they have been based on certain beliefs and assumptions as to future events, and those expectations may prove to be incorrect.

These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecast in such forward-looking statements.

Forward-looking statements speak only as to the date of this report. Important factors that could cause actual results to differ materially from those discussed in such forward-looking statements include, among other things, general economic factors; cost and availability

of raw materials and labor and other resources; changes to selling prices to customers which are based, by contract, on an underlying raw material index; potential inability to maintain sufficient liquidity to finance our operations and make necessary capital expenditures; ability to meet existing debt covenants or obtain necessary waivers; ability to achieve successful or timely start-up of new or modified production lines; reliance on major customers and suppliers; domestic and foreign competition; information and technological advances; risks related to operations in foreign jurisdictions; and changes in environmental laws and regulations.

Other factors that could cause actual results to differ materially from those described in the forward-looking statements in this report include other economic, business, competitive and/or regulatory factors affecting Fitesa S.A.'s business generally. Fitesa S.A. is under no obligation (and expressly disclaims any such obligation) to update or alter its forward-looking statements, whether as a result of new information, future events or otherwise.

Credits

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EDITORIAL PROJECT, CONTENT WRITING, GRI CONSULTING AND TRANSLATION

RICCA Sustentabilidade

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RICCA Sustentabilidade

PHOTOS

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Fitesa is a proud member of European Disposables and Nonwovens Association (EDANA), Brazilian Association of Nonwoven and Technical Textiles (ABINT) and Association of the Nonwovens Fabrics Industry (INDA).

