

# 2024

## Sustainability Report

2024 SUSTAINABILITY REPORT

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# General information

This chapter provides the context behind our commitment to sustainability, beginning with a message from our CEO and the purpose of this report. We then explore who we are, our history, mission, vision, and core values, before outlining our business model and the markets in which we operate.





## ABOUT THIS REPORT

Sustainability is a dynamic and rapidly evolving field, particularly within the textile industry, where a diverse range of reporting standards and regulatory frameworks continue to emerge. At TMG Tecidos para Vestuário e Decoração, S.A (hereinafter TMG Textiles), we are committed to not only aligning with these evolving standards but also making meaningful contributions toward a more sustainable future.

We continuously seek new ways to improve and evolve, constantly pursuing opportunities to enhance and transform our operations, ensuring we remain a trusted and forward-thinking partner to our customers.

This report exclusively reflects the operations under our control at our production site, providing a comprehensive overview of our current practices and their impacts.

We aim to highlight the significant opportunities for positive change that exist, not just for the company, but also for our employees, partners, and stakeholders.

The present report is voluntary and was prepared based on the 2021 version of the Global Reporting Initiative (GRI) standards. It covers the period from January 1 to December 31, 2024, and has not been subject to external verification.

It represents an important milestone in our ongoing journey toward Sustainability, offering clear transparency.

Through **our first Sustainability Report**, we invite you to join us on this path and gain deeper insight into our solid commitment to a more sustainable textile industry.

# MESSAGE FROM THE CEO



“ (...) it consolidates the consistent path we have been following with innovation and sustainability as the cornerstones of our mission to develop solutions that maximize the success of our Customers, transforming knowledge into value.

Dear Stakeholder,

It is an honour to present you TMG Textiles' **first sustainability report**.

This marks an important milestone in our long-standing history, as it consolidates the consistent path we have been following with **innovation** and **sustainability** as the cornerstones of our mission to develop solutions that maximize the success of our Customers, transforming knowledge into value.

The year under review is very significant for us, as it represents the confirmation of the expansion of our product portfolio to different end-use applications. Today, we have technical teams, industrial platforms, and solutions that position us more competitively in the demanding markets of fashion, automotive, and technical and protective textiles.

Our commitment to **quality, respect for people**, and dedication to **continuous improvement** are other drivers that enable us to face the future with ambition and optimism, even in such a challenging macro-context (particularly in terms of economic and regulatory landscape) as the one we navigate today.

A heartfelt thank you to all our Employees, Customers, Suppliers, Partners and Stakeholders.

Kind regards,

**Vítor Fernandes**

## 2024 KEY FIGURES

**Nearly 90 years** Experience

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**11** Certifications

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**1st Higg FEM** Verification

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**195** Employees

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**4** PRR Projects

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**Best product** winners iTechStyle

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**18%** Energy reduction (comparing with 2023)

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**49%** Production growth (comparing with 2023)

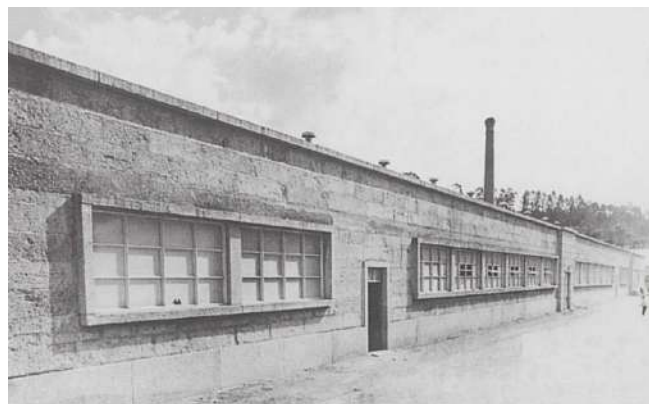
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## OUR STORY

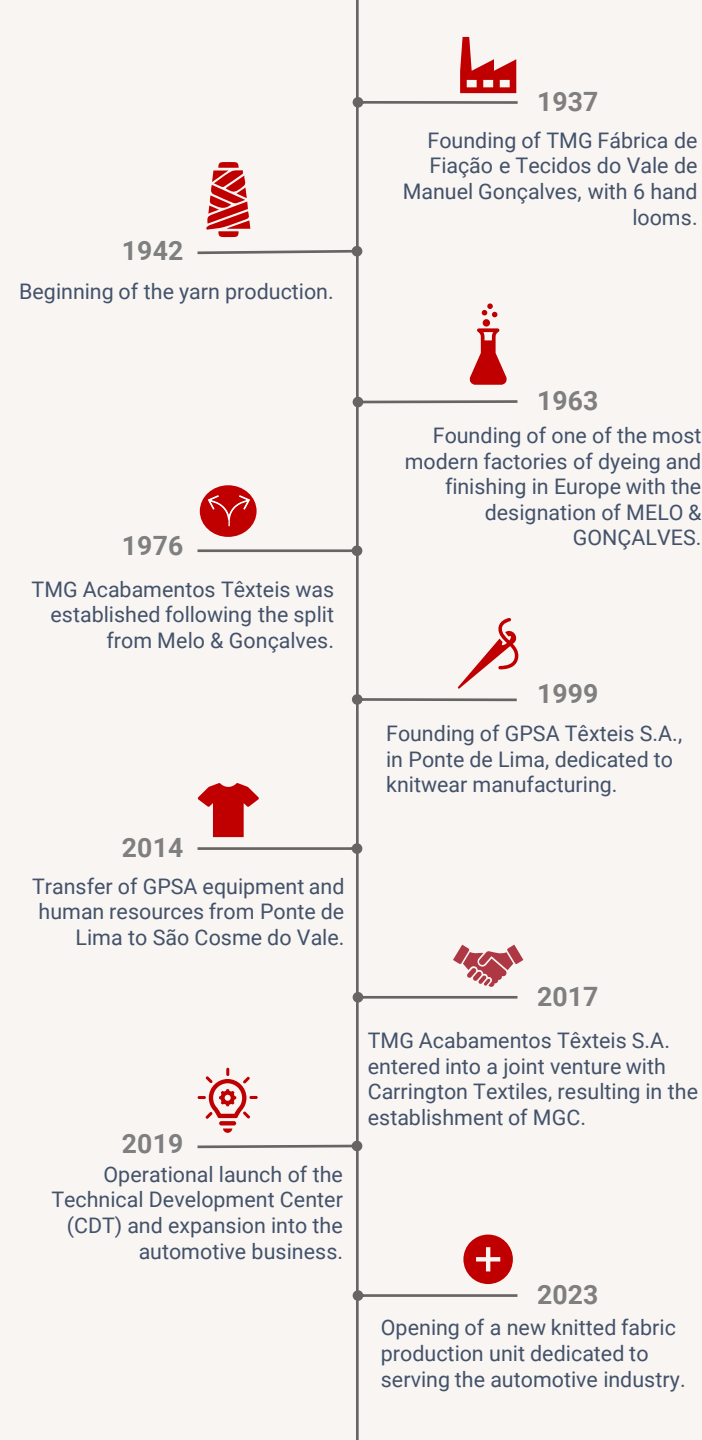
TMG Group is a family-owned industrial group, founded in 1937, that has evolved from its textile roots to become a diversified powerhouse with a global presence.

Headquartered in São Cosme do Vale, Vila Nova de Famalicão, TMG Group has a diverse portfolio of business units, including knitting, weaving, dyeing, finishing, garment manufacturing, as well as production of flexible polymer foils for automotive interiors and distribution.

TMG Textiles, as a subsidiary of TMG Group, has its main focus on knitting and weaving. We deliver an endless array of innovative combinations, from timeless fashion fabrics to high-performance technical textiles, addressing a wide range of applications such as outerwear, shirting, pants, workwear, automotive, and activewear/sports.



With a legacy spanning nearly 90 years, TMG Textiles is renowned for its commitment to our stakeholders, consistently delivering quality and innovation in every aspect of its business.



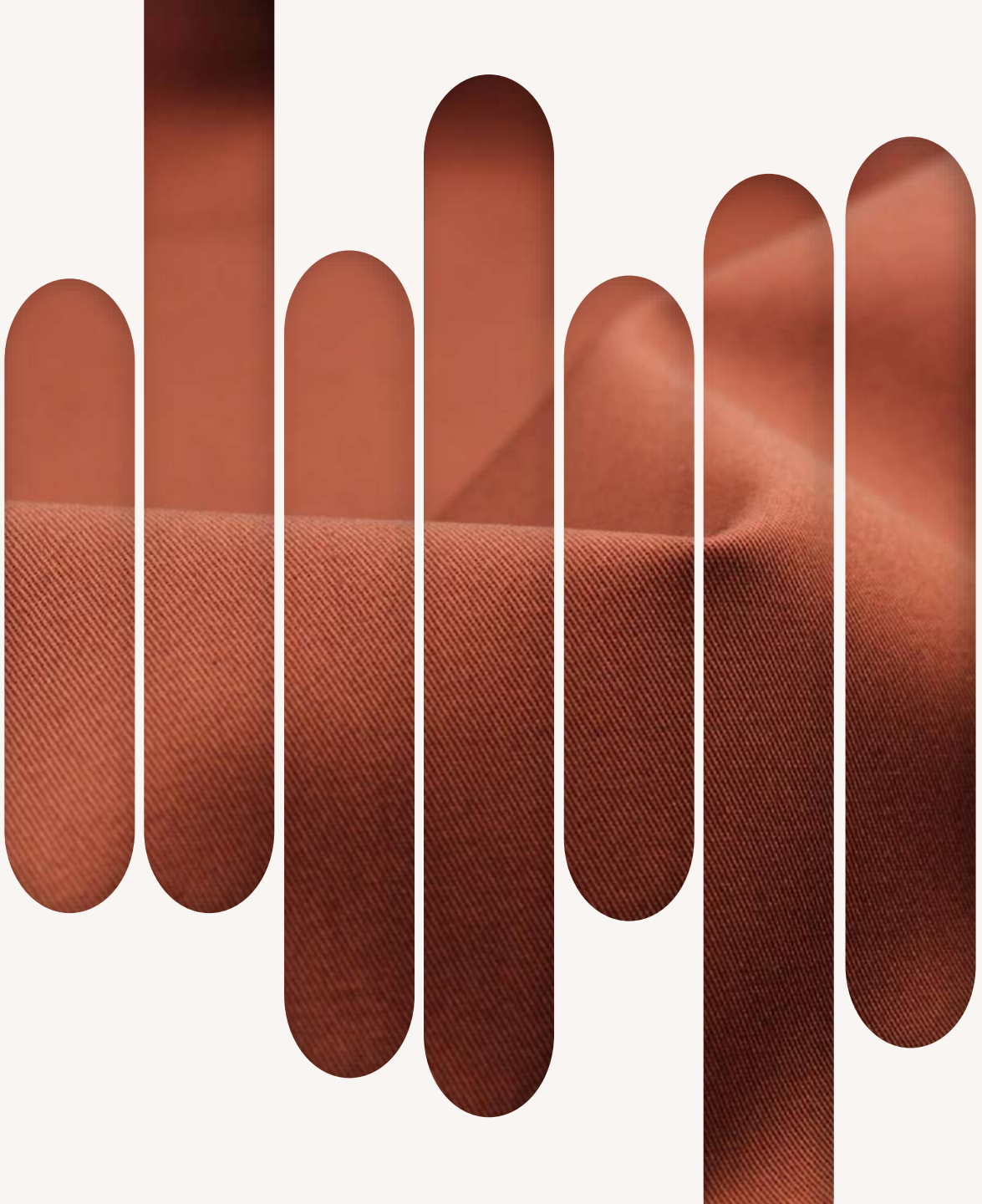
# MISSION

Deliver solutions to heighten the success of our clients, transforming knowledge into value.

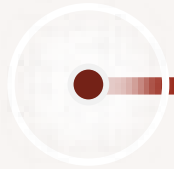
# VISION

**Acting today to conquer tomorrow**

We want to grow with our partners promoting unique competitive advantages, reinforced by talent and knowledge, offering products that stand out for their design, quality, and technical features.

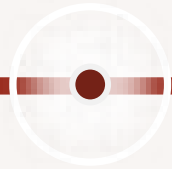


# VALUES



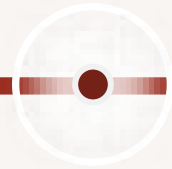
## **Innovation**

The driving force behind transformative growth and industry leadership.



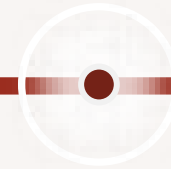
## **Sustainability**

Establishing advanced, eco-conscious practices that shape a sustainable future.



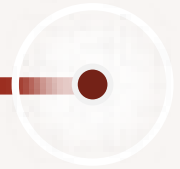
## **Quality and Compliance**

Delivering unparalleled quality while maintaining committed to global standards (e.g., ISO 9001, ISO 14001).



## **Respect for People**

Prioritizing the well-being of individuals, fostering a culture of care and empowerment.



## **Continuous Improvement**

Persistently advancing processes and technical expertise to ensure excellence and competitiveness.

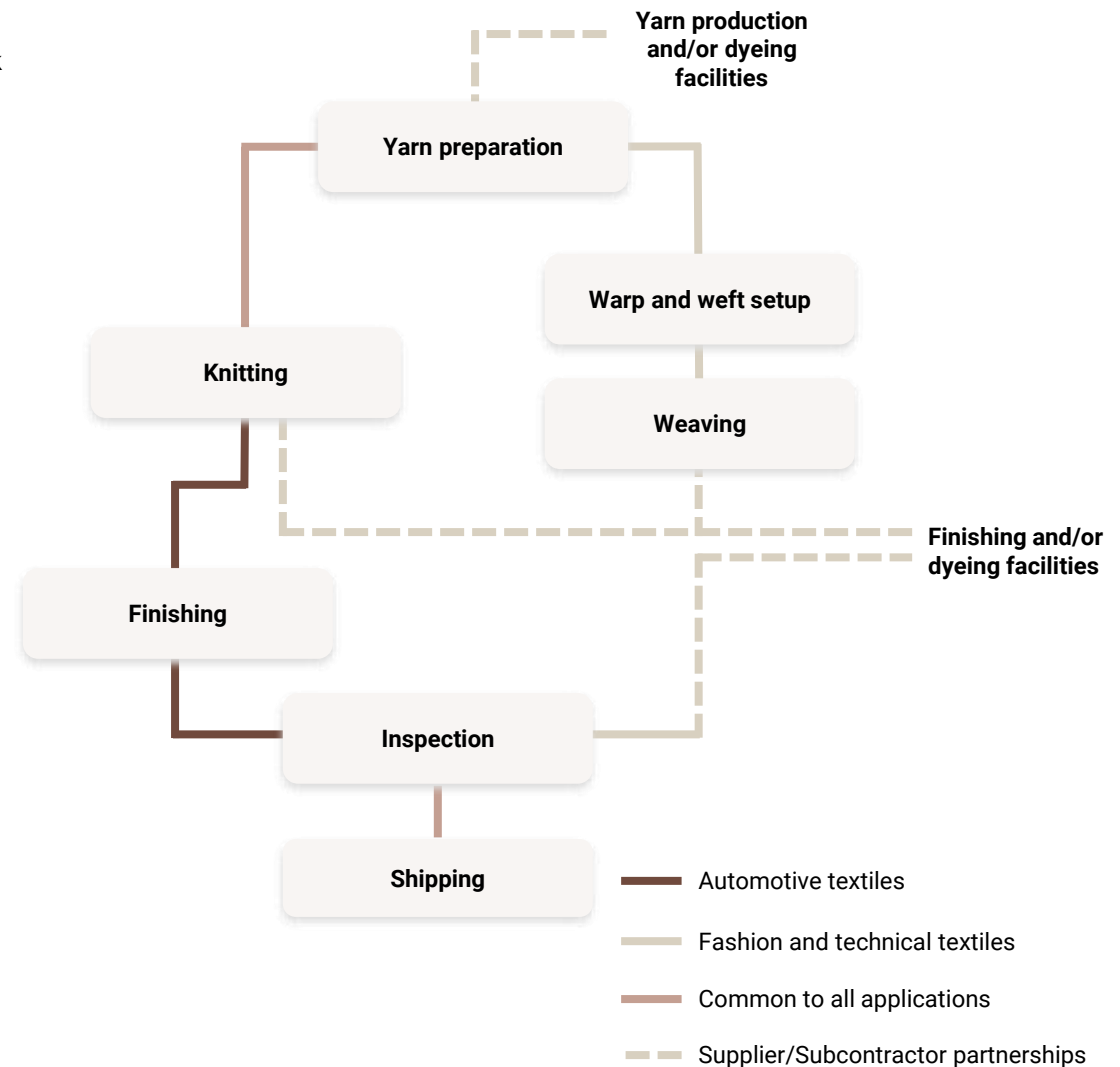
# BUSINESS MODEL

As a **business-to-business (B2B) company**, we serve as a critical link in the textile supply chain. At the heart of our business as a leading weaving and knitting company, we occupy a strategic position between raw material producers and brands.

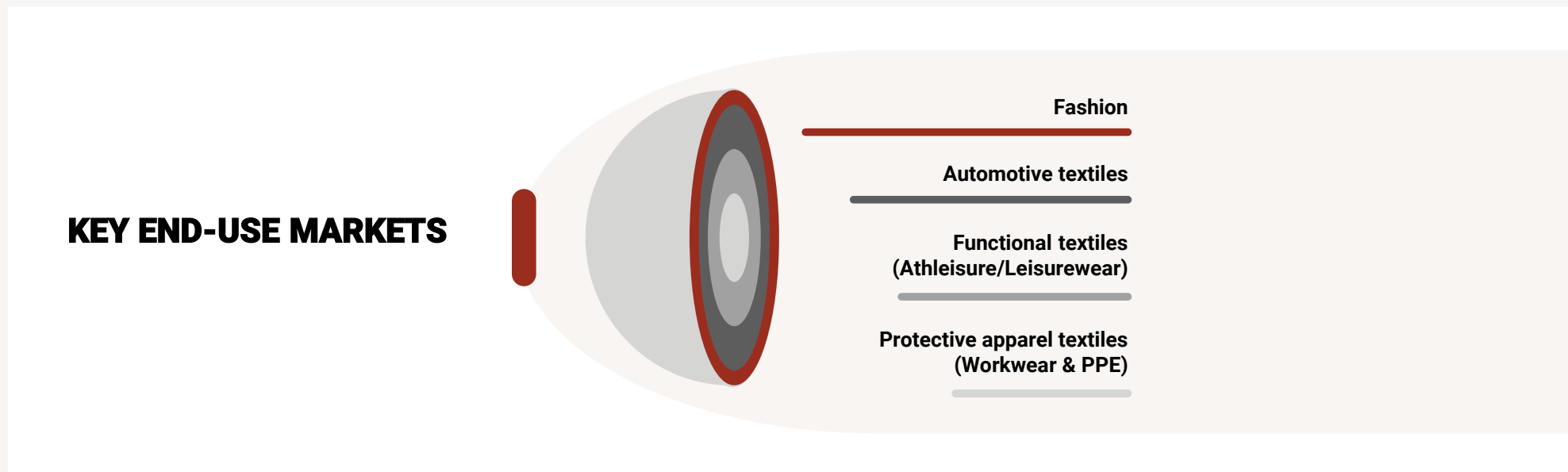
We work with a wide range of materials, from natural to synthetic fibres and in various yarn structures to deliver high-quality finished fabrics.

Through our strategic partnerships with spinning companies, along with our direct relationships with finishing and dyeing businesses, we add exceptional value at every stage of the value chain, both upstream and downstream.

Thanks to these close partnerships, we are able to select the optimal fibre combinations and leverage the latest dyeing and finishing technologies to meet the highest standards of fabric quality and performance, always with sustainability and consumer safety in mind.



TMG Textiles produces high-quality **woven and knitted fabrics** for use in fashion and various technical applications on its industrial platforms. The product offering is divided into four key end-use markets.



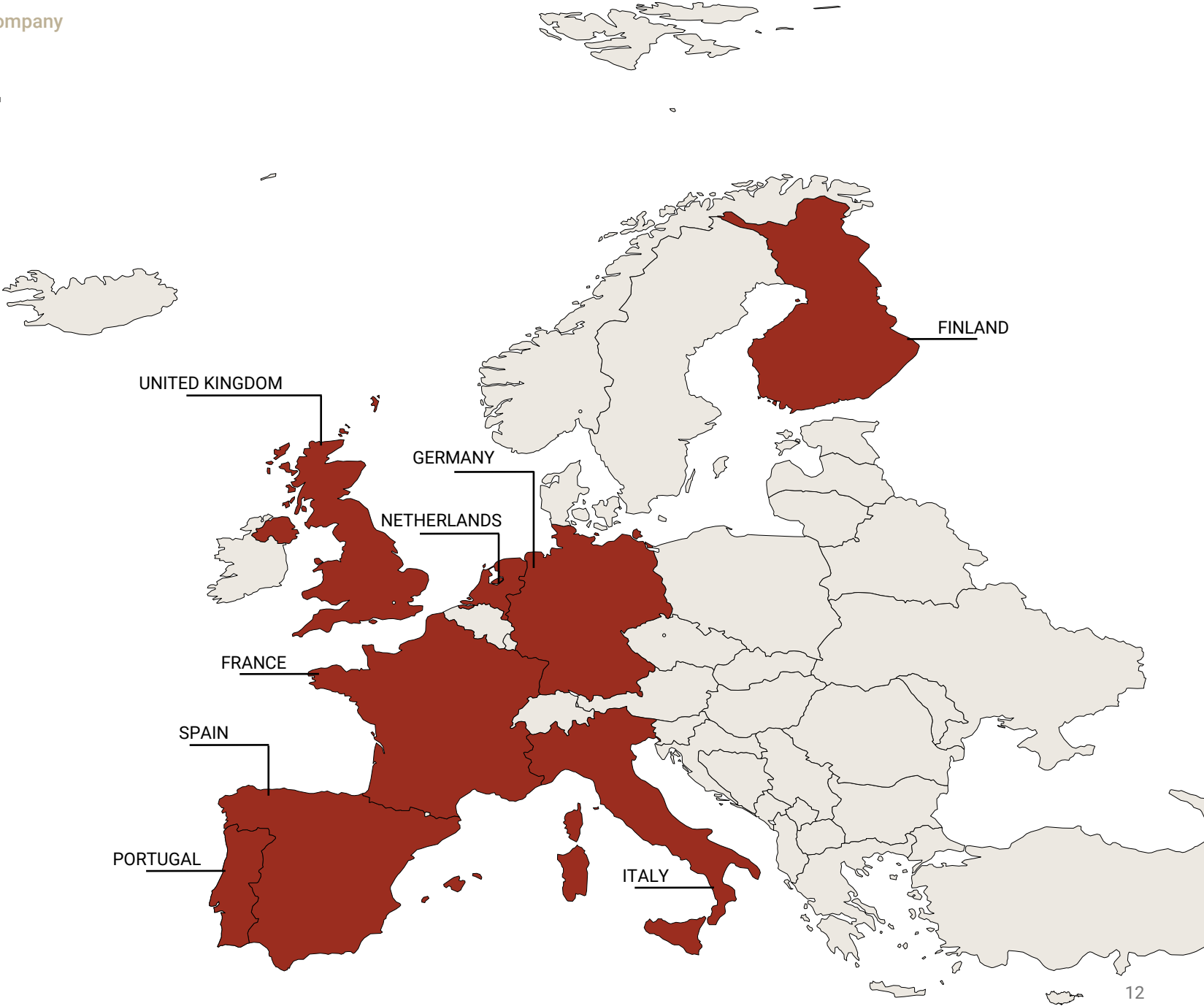
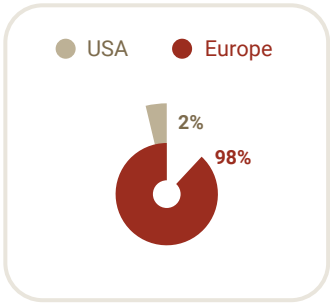
For the fashion and Athleisure/Leisurewear market, we target mid-high and high-end clients, focusing primarily on European brands with established retail networks and a strong online presence.

Within the automotive textiles sector, our current approved series products are used as backing materials for artificial leather applied in different OEM's. Strategically, we are developing a business intention that focuses in entering the automotive interior market with high-end, first-layer products.

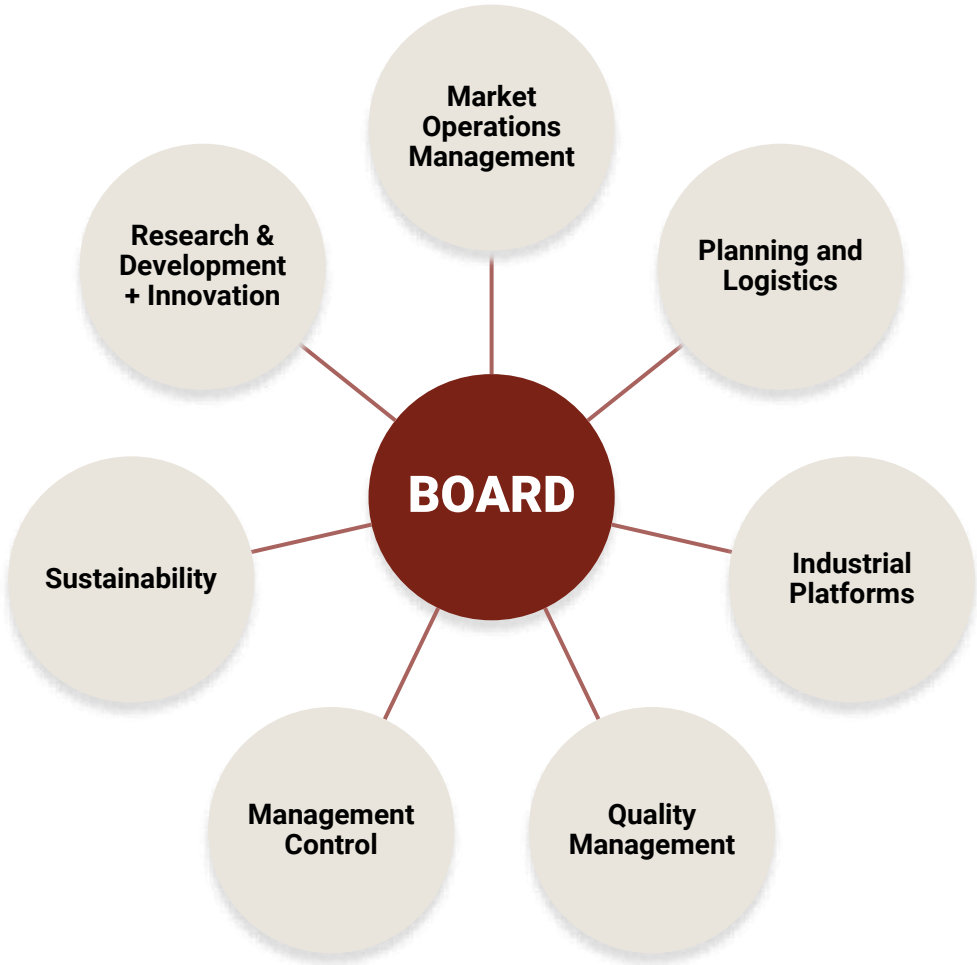
For protective apparel, our main clients are companies specialising in corporate wear, technical workwear, public tenders, defence and security.

Globally, TMG Textiles has a robust export strategy, with a predominant focus on European markets (98%) and North America (2%), while the national market accounts for a smaller share of the company's sales.

# OUR MARKET



# CORPORATE STRUCTURE



At TMG Textiles, we believe that creating a meaningful impact on the ecosystem in which we operate begins with responsible and purpose-driven operations. This belief is embedded in our governance structure designed to ensure good coordination, clear communication, and accountability across all functions. Grounded in ethical values and transparency, our governance framework promotes effective leadership, clearly delineates responsibilities, and enables specialized surveillance to support forward-thinking management at every level.

Recognizing the fast-paced evolution of Environmental, Social, and Governance (ESG) issues, **a new sustainability organizational body was created in 2024**, founded on three fundamental principles:

- **Integrating ESG** considerations into the organization’s core operations and throughout all teams.
- Coordinating the development of **sustainability strategies, positioning, and action plans**, ensuring alignment with the broader goals of the different operational areas.
- Monitoring and reporting on **ESG performance** through different communication channels.

Our Administration Board (hereinafter referred to as the “Board”) fosters open and transparent communication regarding the company’s core governance and decision-making processes. Thus, the board reviews and validates all sustainability strategies, objectives, and targets. It also approves the key sustainability material topic relevant to the organization and authorizes the final sustainability report.

# MESSAGE FROM THE SUSTAINABILITY MANAGER



“ In 2024, we took a major step forward by publishing our first Sustainability Report, signalling a new chapter in our commitment to responsible growth.

Dear Stakeholder,

In recent years, the textile industry has begun a notable transformation. Once considered one of the most polluting and resource-intensive sectors, it is now increasingly embracing sustainable practices and innovations aimed at reducing its environmental impact.

We are proud to share our progress and reaffirm our commitment to responsible practices that respect people and the environment. TMG Textiles' teams are dedicated to embedding sustainability into every stage of our operations, from sourcing more sustainable raw materials to investing in energy efficiency measures. We strive for continuous improvement, prioritizing transparency and fostering close collaboration with our supply chain partners. Listening closely to our customers' feedback inspires us to do better every day.

In 2024, we took a major step forward by publishing our first Sustainability Report, signalling a new chapter in our commitment to responsible growth. We actively assessed key performance indicators, established a clear baseline, and built a roadmap to accelerate progress in our priority areas.

While we are proud of our achievements, we know there is more work to be done. In the coming year, we will continue to innovate, set ambitious targets, and report openly on our progress. Together, we can create textiles that not only meet the needs of today but also safeguard the planet and future generations.

Let's turn ambition into action.

**Helena Silva**

# MATERIALITY ASSESSMENT

As a key player in the textile industry, we recognize the need **to balance economic growth with environmental and social responsibility**. To ensure our efforts are aligned with the **expectations of our stakeholders** and the long-term resilience of our company, we conduct a **Simple Materiality Assessment**.

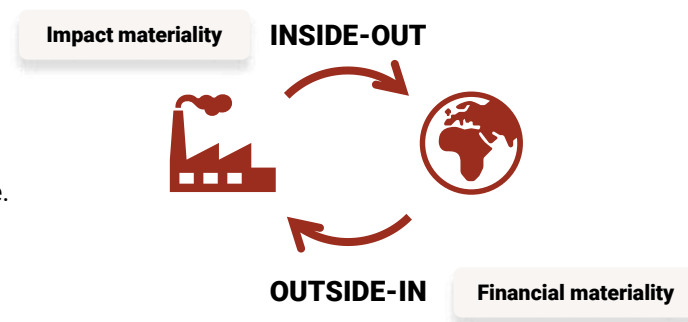
To transform knowledge into value and truly empower our clients, we need to question and innovate. In early 2024, we conducted a survey with internal and external stakeholders to identify the most relevant environmental, social, and governance (ESG) issues.

Our internal stakeholders included representatives from the Board, Business Direction, Research & Development and Innovation, Sales, Quality, and Purchasing departments. External stakeholders comprised several clients and a representative from the City Council of Vila Nova de Famalicão.

Looking ahead, our goal for the coming years is to conduct a double materiality assessment in line with the Corporate Sustainability Reporting Directive (CSRD) of the European Parliament. This approach will evaluate both:

**Inside-out impact:** How our actions affect people and the planet.

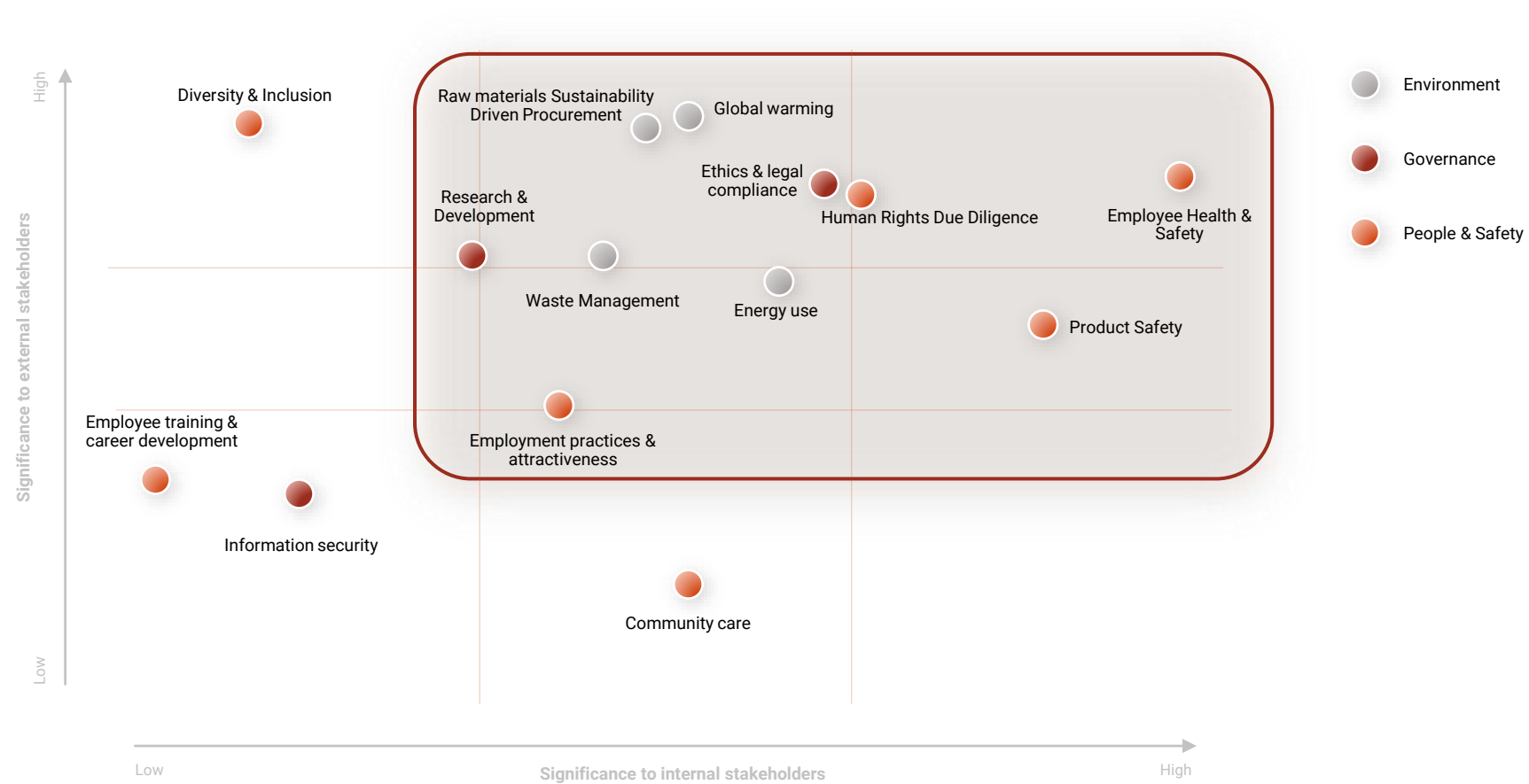
**Outside-in impact:** How sustainability and climate factors influence our financial performance.



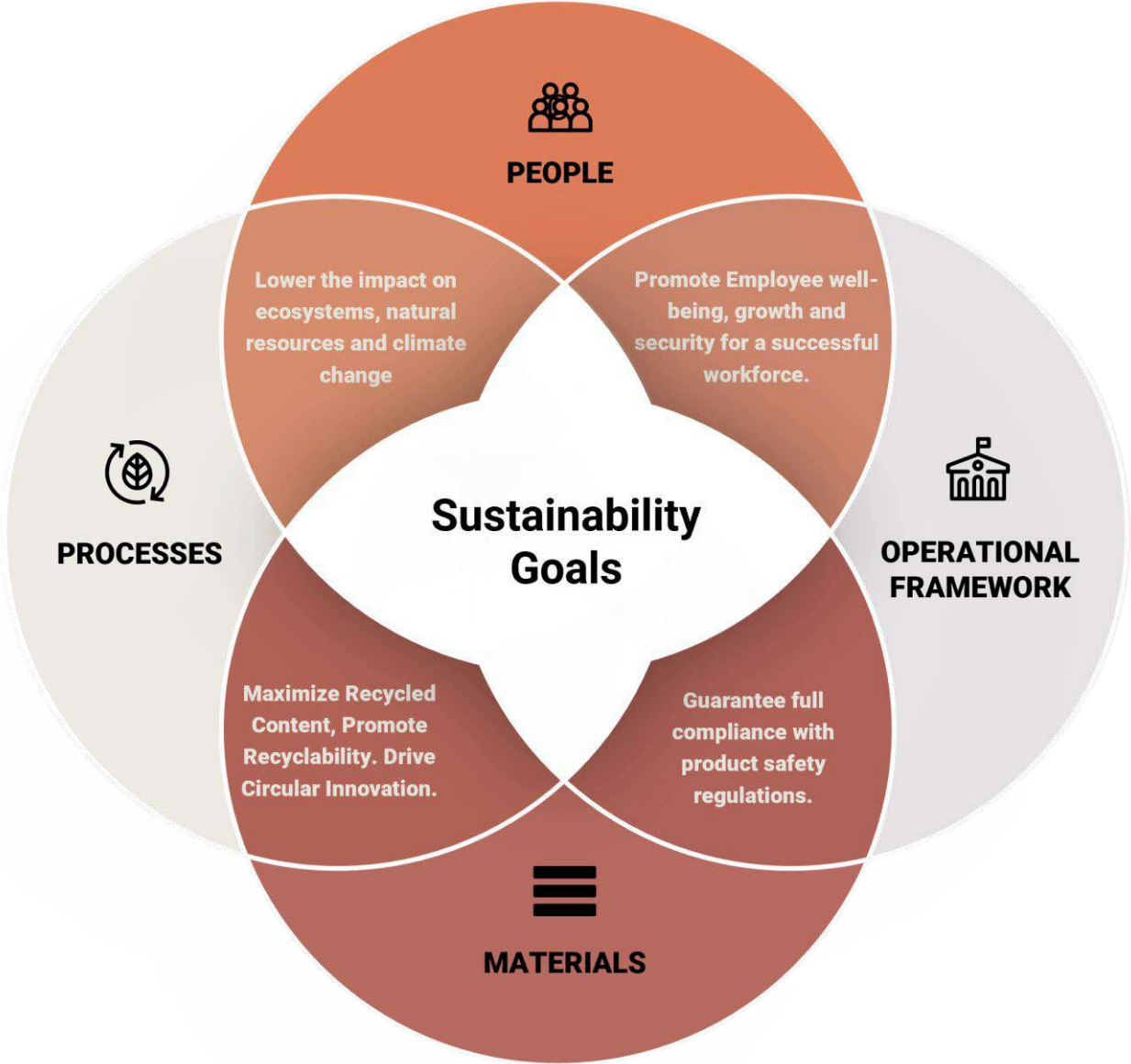
To determine which sustainability risks and opportunities are material to our business, we will adopt a more comprehensive methodology, involving a broader range of stakeholders and conducting an in-depth analysis of themes, subthemes, and detailed topics outlined in the European Sustainability Reporting Standards (ESRS).

By continuously assessing and refining our priorities, **we strengthen our commitment to responsible production, innovation, and long-term value creation** for our business, our partners, and the environment.

While all topics in our materiality matrix are crucial to TMG Textiles, key issues identified within the rectangle were prioritized for reporting. These topics were redefined based on the Global Reporting Initiative (GRI) principles, then translated into specific challenges and goals. Our report was structured to reflect our performance in these areas, demonstrating how they shape management decisions and guiding our efforts for continuous improvement.



# COMMITMENTS & GOALS



# MEDIUM- AND LONG-TERM COMMITMENTS | KPI

## ENVIRONMENT



### PROCESSES

**Enhance a sustainable, cost-effective environmental system that minimises GHG emissions, energy, and waste.**

Reduce specific energy consumption (GJ/tonne produced).\*

Reduce specific waste generation (tonne/tonne produced).\*



### MATERIALS

**Increase the use of renewable and recycled fibres, advance closed-loop systems, and ensure the highest standards of product safety.**

Increase the share of recycled materials, cellulosic regenerative fibres and cotton fibres from regenerative agriculture (%).\*

Reduce the number of fibre varieties in fabric composition (%).\*

Guarantee full compliance with product safety regulations.

\*Baseline year: 2024

## GOVERNANCE



### OPERATIONAL FRAMEWORK

**Empower Sustainable and Social Responsibility through strategic vision and defined policies.**

Social and environmental criteria taken into account for selection of supply-chain contractual partners.

Anti-bribery and anti-corruption policies.

## SOCIAL



### PEOPLE

**Promote equity and enhance quality of life within our workforce, while ensuring ethical sourcing practices.**

Implement free psychological consultations and flexible working hours for our own workforce.

Promote ethical conduct and safeguard human rights across the entire operational chain.

Enhancement of training and skill-building initiatives.



# Environment

At TMG Textiles, our commitment to responsible production is at the core of everything we do. As the textile industry evolves, we recognise the urgency of aligning our product strategy with global priorities: sustainability, innovation, and safety. By integrating sustainability across research, development, and operations, we want to **build a future-ready approach that delivers high-performance materials while safeguarding both people and the planet.**



## Sourcing & Materials

Our product strategy is driven by sustainability, innovation, and safety. We optimize fibre consumption and design collections with circularity in mind. Through R&D and targeted investment, we advance material performance and recyclability. **Our goal: increase circularity and ensure product safety for consumer well-being.** This chapter highlights our approach to creating responsible, future-ready solutions.



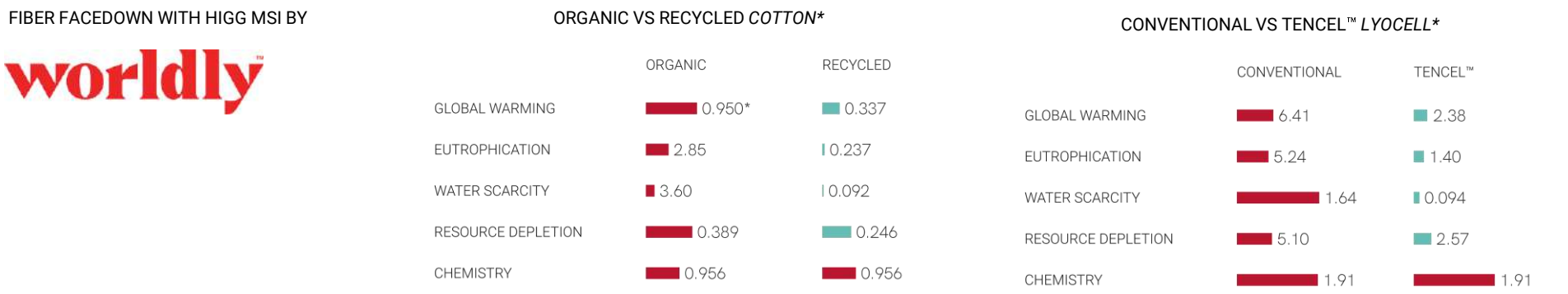
# OUR PRODUCTS: HIGH-QUALITY SOLUTIONS DRIVEN BY RESEARCH AND RESPONSIBILITY

TMG Textiles stands out within the TMG group as an industrial platform with **extensive expertise across all textile sectors**, from spinning, weaving, and knitting to dyeing, finishing, and garment manufacturing, ensuring full and meticulous control over every stage of the production process. This integrated approach, driven by a strong commitment to innovation, research, and development, enables the delivery of high-quality, customized solutions to our clients.

Our strength lies in the **synergy between technical expertise and practical experience**, enabling the seamless integration of R&D, design, weaving, knitting, finishing, and quality control. This multidisciplinary approach allows the company to effectively adapt solutions originally developed for fashion to meet the specific demands of the sportswear, workwear and automotive textiles.

## USING HIGG MSI TO GUIDE CONSCIOUS MATERIAL CHOICES

We are committed to making informed and responsible decisions throughout our product development process. To support this, we actively use the **Higg Materials Sustainability Index (Higg MSI)**, an industry-recognized tool that measures and compares the environmental impacts of different textile materials. By leveraging the Higg MSI, we evaluate the life cycle impact of various fibres and make conscious choices based on credible data. For example, we assess the environmental footprint when choosing between recycled vs. conventional cotton, viscose vs. LENZING™ ECOVERO™, or conventional lyocell vs. TENCEL™ Lyocell. This allows us to **prioritize materials with lower impacts** on water use, energy consumption, greenhouse gas emissions, and more. This data-driven approach ensures that **sustainability is not just an intention**, but a measurable and integral part of how we design, develop, and deliver our textile solutions.

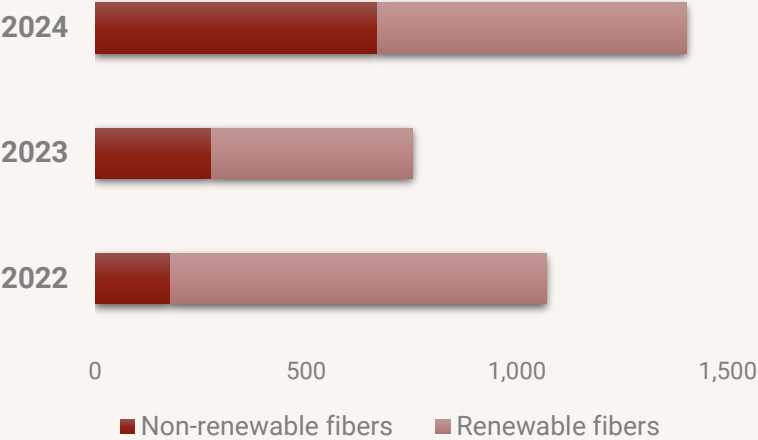


\* The MSI (Materials Sustainability Index) score calculation by Worldly is based on assessing five environmental impact categories, using standardized life cycle impact assessment (LCIA) methodologies, normalized to a scale where 10 represents an average impact for materials in the database

# FIBRES CONSUMPTION

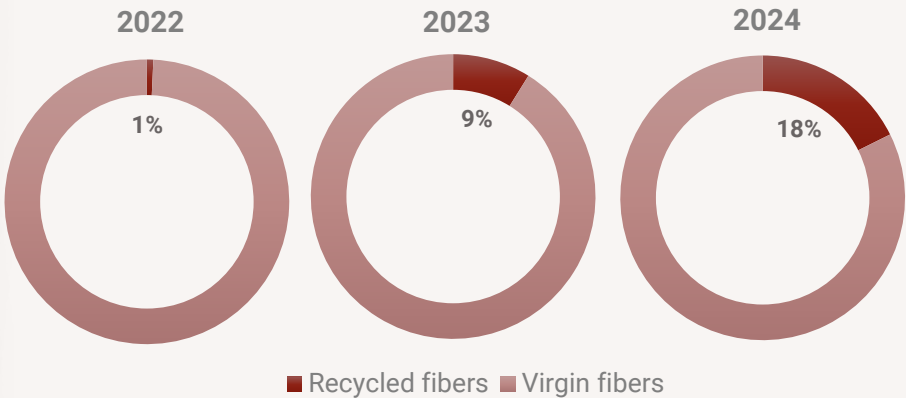
Yarns are the keystone of TMG Textiles' products, playing a vital role in our commitment to sustainability. As part of our mission to build a responsible and forward-thinking value chain, **we actively encourage our customers to prioritize eco-conscious yarns** and thus promote a growing demand for materials made from organic and recycled fibres to drive a lower environmental footprint and a more circular industry. TMG Textiles tracks the weight of renewable and recycled fibres from the purchased yarns used in production to ensure transparency and progress.

Our overall yarn consumption has seen a notable increase, that are in line with the increase in our production. A deeper analysis of the material sources reveals that, in 2024, approximately 733 tons were derived from **renewable resources**, including natural fibres, regenerated cellulose and bio-based/cellulosic waste.



Fibers used by weight (t)

## Recycled input materials (%)



Our commitment to circularity is evident in the remarkable rise in **recycled fibres usage**, which surged from almost 1% in 2022 to 18% in 2024, reinforcing our dedication to a more sustainable and regenerative textile industry.

## CRAFTING THE FUTURE OF FASHION: TMG'S SEASONAL COLLECTION

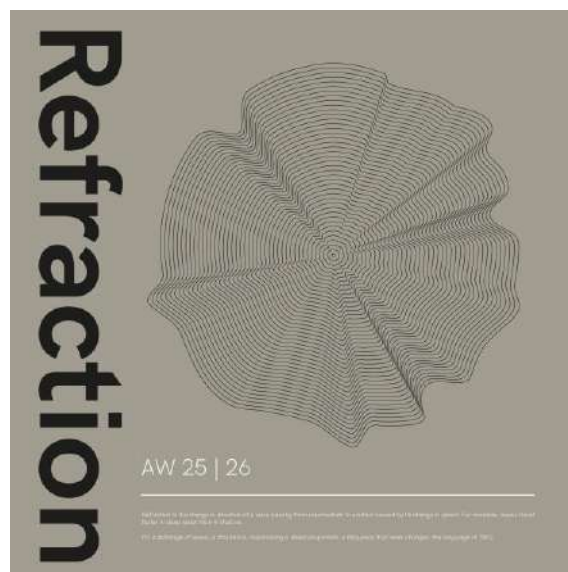
Throughout the year, **we develop collections tailored to the fashion industry**, ensuring our offerings remain innovative, relevant, and competitive. These collections are thoughtfully designed to **meet our clients' evolving needs** and are showcased at leading international fashion fairs, where we present the latest trends, sustainable innovations, and premium-quality materials to a global audience. In 2024, we brought to life two distinctive fashion collections: **Spring | Summer 2025** and **Autumn | Winter 2025 | 2026**. Each line was carefully crafted to capture the essence of its season, blending contemporary design with the unique vision that defines TMG Textiles. These collections stand as a testament to our ongoing drive for excellence and creative evolution.



### SUMMER MEMORIES | MEMENTO | PRESENT | TEXTURE | MUTED COLORS

This collection is inspired by the way we live in the present moment. It is a junction between our legacy and our future, between tradition and innovation; it is about everything we once were, and everything we aspire to be.

Between textures, earthy and muted colours, this collection recalls the comfort of the summer days, through the simplicity of breezy structures, natural fibres and blends. The continuous improvement and exploration of sustainable fibres, new recycled, regenerated and regenerative, validating data and measuring it by the Higg MSI.



### CHANGE OF SPEED | MUTATION | DIRECTION | HAND FEEL | EARTHY TONES

Between textures, earthy and muted colours, this collection recalls the language of TMG, with attention to both timeless and contemporary trends and needs.

It highlights the quality of the composition, the hand feel and the visual appeal of TMG's fabrics and knits, never forgetting the continuous improvement and exploration of sustainable fibres.

## THE MAKING OF OUR FASHION COLLECTIONS

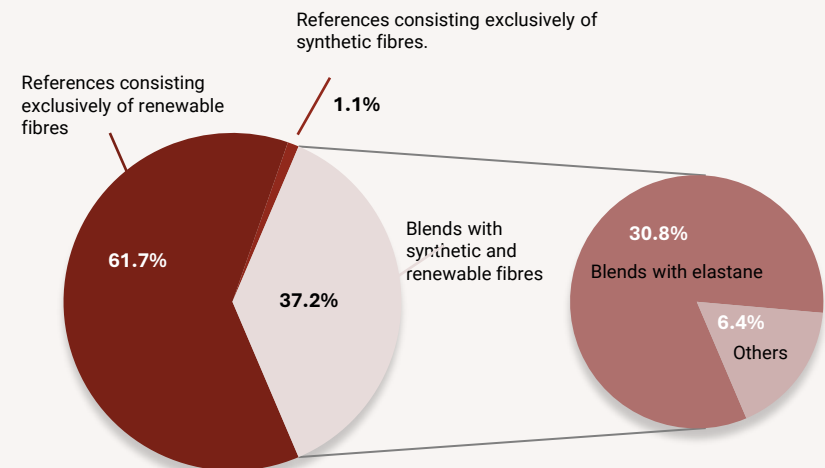
As part of our ongoing commitment to **responsible sourcing and advanced material design**, we carefully balance synthetic with natural and regenerated fibres to reduce our environmental impact and elevate performance across our collections. In our use of synthetic (non-renewable) fibres, we primarily work with polyester, polyamide, polypropylene, and elastane. However, we are actively increasing the share of fabrics made from recycled materials. This shift helps us **reduce reliance on fossil-based resources** and minimize the impact associated with fibre production. Additionally, we incorporate next-generation, high-tech synthetic yarns that offer enhanced performance with a lower environmental footprint. These include: Meryl® Hydrogen, a polyamide with exceptional durability that requires no chemical finishing; SENSIL® Heat, a polyamide made using repurposed coffee charcoal from coffee bean shell residue; Fulgar's EVO®, a bio-based polyamide derived from castor oil, which provides comfort and functionality while respecting natural resources. While elastane improves flexibility, its presence in blends often complicates recyclability and lowers thermal resistance, which can affect overall durability. To address this challenge, we have begun incorporating ROICA™ EF, an elastane alternative made from recycled polyurethane, and **we continue to explore new, more sustainable options for stretch yarns**.

Concerning renewable fibres, our collections include a wide range of natural and regenerated fibres such as: Cotton (Conventional, Organic, Regenerative, Recycled), Linen, Hemp, Regenerated Cellulose (Viscose, MicroModal, Modal, Lyocell) and Wool.

On the following page, we present a selection of our key sustainable fibre choices.

Renewable fibres play a central role in our material strategy, making up 61.7% of our total fabric portfolio. Of these, 43.8% are **monomaterials**, in other words, fabrics made from a single fibre type, which simplifies recycling and end-of-life processing. Only 1.1% of these monomaterials are synthetic. Many of the remaining fabric references are fibre blends that include elastane, making up approximately 31% of our fabric blends, which are composed of different synthetic fibres and/or a combination of synthetic and renewable fibres. The proportion of elastane in these fabrics typically ranges from 1% to 20%, with the majority designed with just 2% to ensure stretch and comfort.

**Breakdown of Commercial References by Composition**



## FROM FIBRE TO FABRIC: A LOOK AT OUR SUSTAINABLE MATERIALS



**ECOLIFE® E\*DENIM**

Sustainable spinning with a practically zero climatic footprint.  
As part of the E\* line, the E\*DENIM yarn is composed by 50% Organic Cotton + 50% Recycled Cotton & Denim post consumer.  
-3 colours  
-No dyes  
-The colour comes from #Post Consumer Recycled Denim.

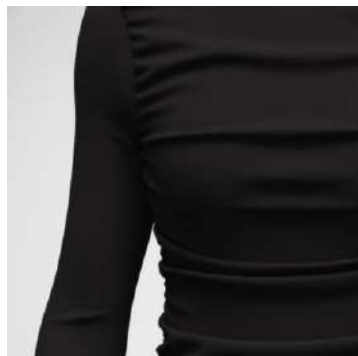
Good Earth Cotton® is a regenerative farming program that empowers producers and the textile supply chain through environmentally positive practices.  
Using smart farming, impact data, and FibreTrace® technology, it provides transparent, audited, farm-level reporting and full traceability from ground to garment.



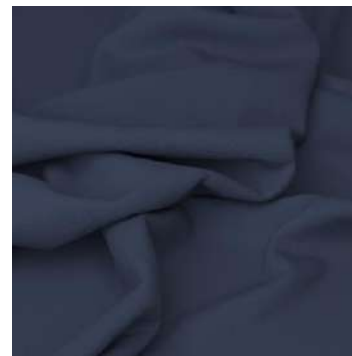
**GOOD EARTH COTTON®**

Circulose® is a new kind of material made by recovering cellulose from worn-out clothes. It is a dissolving pulp replacing wood pulp to make viscose or other regenerated fibres (also called man-made cellulosic fibres). These fibres are then spun into yarns, woven or knitted into fabrics and finally cut and sewn into new high-quality textile products.

- Made from 100% recycled textiles
- Recyclable again and again
- High-quality look and feel.



**CIRCULOSE®**



**CLEANBAMBOO® LYOCELL**

CleanBamboo® is Ettitude's signature bamboo lyocell fabric made from 100% organic bamboo.

- Uses minimal rain water
- Grows organically, without chemicals
- Produces little waste
- Requires less land

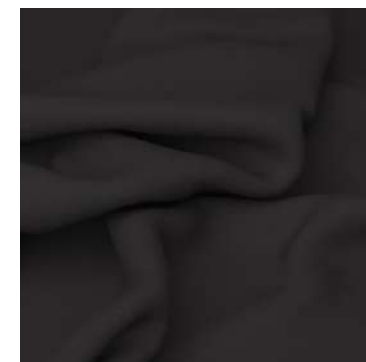
CleanBamboo® is made using a closed loop system that recycles and reuses water up to 200 times, recycling 98% of water in the process.



**RECOVER™**

Recover™ Recycled Denim turns denim waste from post-industrial and post-consumer origins into valuable, high-quality recycled yarns. The Recover™ process falls under mechanical recycling of denim. Recover™ allows for a closed-loop and truly sustainable fashion industry.

EVO by Fulgar® is a high-performance yarn made from castor oil, a renewable, non-food crop that grows with minimal water and doesn't compete with food agriculture. Derived from Ricinus Communis, its monomers are partly or fully sourced from castor oil. EVO is ultralight, quick-drying, comfortable, odour-resistant, thermally insulating, and delivers vibrant colour dyeing.



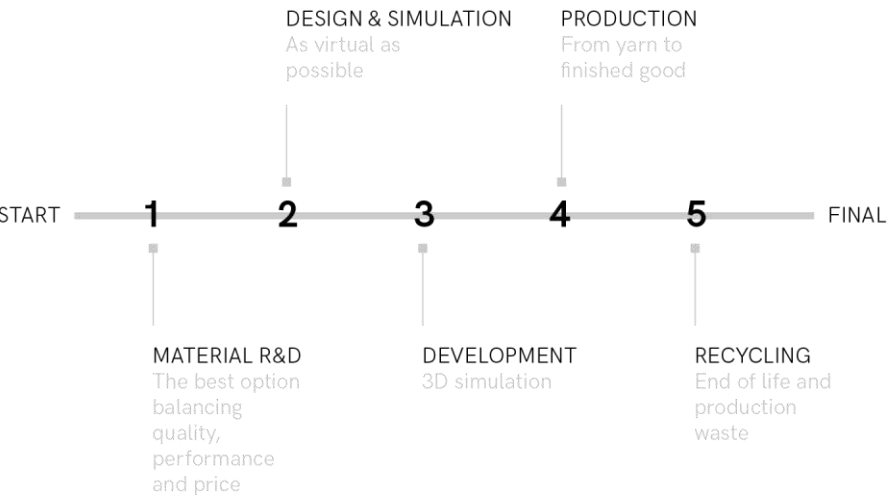
**EVO® POLYAMIDE**

# R&D+I: POWERING TEXTILE SOLUTIONS

Our **Research, Development, and Innovation (R&D+I)** team drive the company’s commitment to cutting-edge textile solutions. Guided by a **vision of continuous improvement**, the team works tirelessly to integrate digital tools or advanced technologies into every stage of product development, from design to finishing. This approach ensures that TMG Textiles remains at the forefront of the European fabric industry, offering customized, high-performance solutions while minimizing our environmental footprint. The R&D+I team collaborates closely with industry partners, research institutions, and startups to explore new materials and processes.

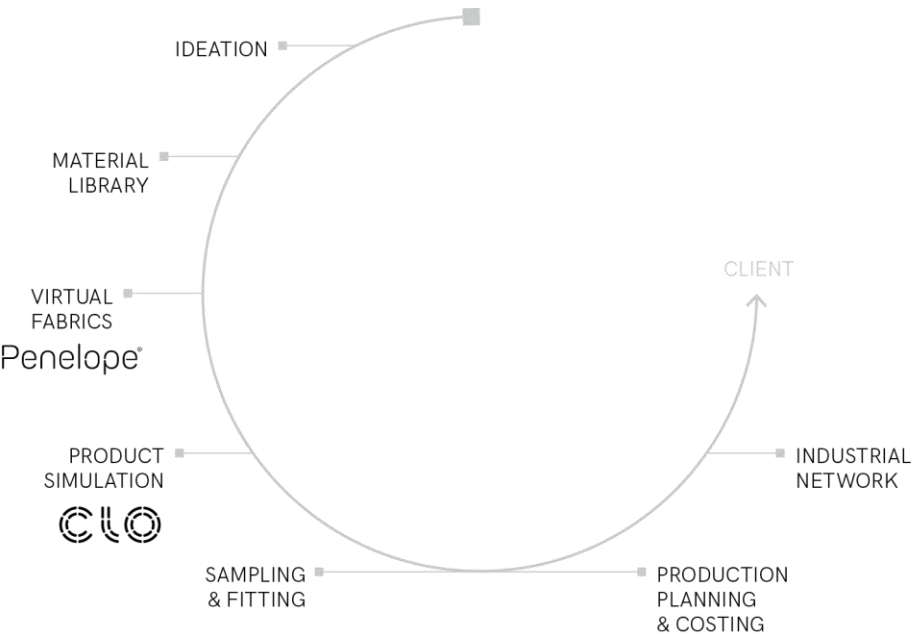
## NEW PRODUCT DEVELOPMENT

Our journey throughout the new product development process, learning and combining knowledge, ideas and research from different people, products and innovations.



## CO-CREATION

A creative journey from Product Ideation to a final physical sample, profiting from expertise, development and productive resources in one place.





Pedro Silva  
R&D+I Director

## What changes have been introduced in material selection or fabric design to enhance sustainability? What new opportunities for sustainable product innovation are emerging?

***“Material selection and fabric design** have emerged in recent years to enhance **sustainability** in the textile and fashion industries and are key triggers to R&D activities. Driven by targeted challenges, trends observation, or inherent fundamental science, the solutions need to combine technological innovation, stricter environmental regulations, and growing consumer demand for eco-friendly products. Cradle-to-gate methodology and the necessary transition for cradle-to-cradle are capable of providing unique, insightful information for material selection, enhancing bio-based and renewables materials, recycled polymers, and emergent sustainable products, which will help in the paradigm transition and increase eco-design thinking as a core tool for the development players, and consequently promoting critical methodologies and sustainable behaviour.*

*Related to fabric design, we truly believe that the path that was done is just a small step in the sustainability journey, and a critical orientation for new opportunities needs to be highlighted in the development teams.*

*Themes like **Monomaterials** or easily separated components for product disassembly and recycling; Enhanced **natural fibres** for performance; **Smart Textiles and sustainable functionality**, highlighting self-healing and self-cleaning materials; and **zero-waste fabric design** are hot topics in observation, which will result in best practices aligned with 3D and virtual sampling simulation, on-demand production, eco-functions, circularity, among others. Considering that all the approached topics are at some scale available, but still represent high opportunities, it is mandatory to underline some major near-term opportunities, like Circularity-as-a-service, Biofabrication, Material Traceability, and Carbon-positive products, as the most relevant opportunities in the market.”*

## BEST PRODUCT WINNERS AT iTECHSTYLE AWARDS IN 2024

Our focus on the cutting edge of the textile industry was highlighted in the iTechStyle Awards, presented at iTechStyle Summit 2024.

This achievement comes thanks to our IMPACTEX project which involved the creation and development of an innovative jacket with impact absorption properties.



## R&D+I INVESTMENT

TMG Textiles is at the forefront of innovation, engaged on **four groundbreaking projects under the PRR – Recovery and Resilience Plan**, with a large investment in R&D.

As leaders of the Work Package Textiles in the Blue Bioeconomy Pact, we are leveraging our expertise to **drive innovation in marine-based textiles**. The main aim of this work package is the creation of a new sustainable clothing and footwear line, using knits and fabrics made from raw materials derived from fishing nets waste and/or biomass from Portuguese marine sources. By incorporating microalgae biomass and extracts into fibres, dyeing, and finishing processes, we are replacing synthetic dyes and raw materials with natural alternatives. This not only reduces environmental impact but also enhances fabrics with unique functional properties, such as the antioxidant benefits inherent in microalgae.

As leaders of PPS48, a component of the Two-Wheel Mobilizing Agenda (AM2R) project, we contribute to develop **functional, interactive, and intelligent clothing solutions**, as well as advanced textile composites, through the application of multifunctional fibres and textile structures tailored for urban mobility in two-wheel vehicles. One approach of this project focuses on developing composites from our post-industrial PES waste.

### Blue Bioeconomy Pact



Ocean friendly Fashion: From Fishing Nets to garments and Algae Biomass Valorization.

### Mobilizing agenda for the Two-Wheel sector



Smart and E-Textile Solutions for Urban Mobility combining comfort and safety for Two-Wheeler Users.

### Innovation Pact for Digitalization of Portuguese Textile Industry



Revolutionizing Portugal's Textile Industry for a Digital Future.

### Bioeconomy at Textiles



Inspiring Sustainability and Innovation in Portuguese Textile Industry, creating added-value products through Bioresources.

## PRR PROJECTS CONSORTIUM



# **MAIN GOALS**

**Increase Recycled Content, Promote Recyclability & Circularity**

**Ensure all products meet established safety standards to protect consumer health and well-being**

**Increase the  
share of recycled  
materials**

**Reduce the  
number of fibre  
varieties in fabric  
composition**

**Charter the  
selection of cotton  
origins from  
regenerative  
agriculture**

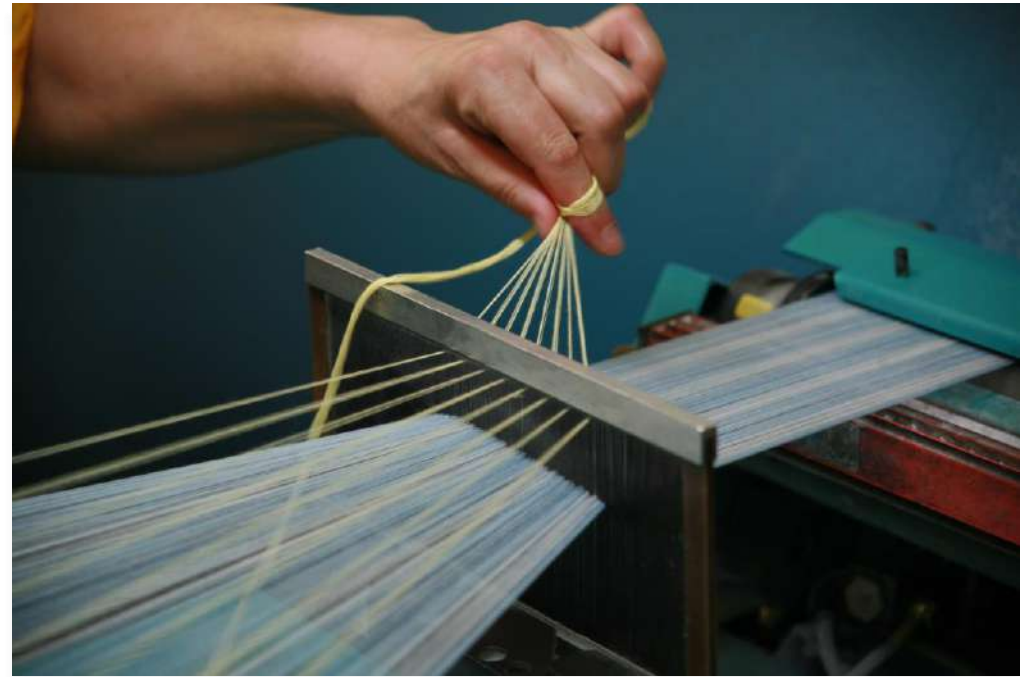
**Increase the  
share of cellulosic  
regenerative  
fibres**

**Promote the use  
of alternative  
techniques and  
fibres to replace  
elastane**

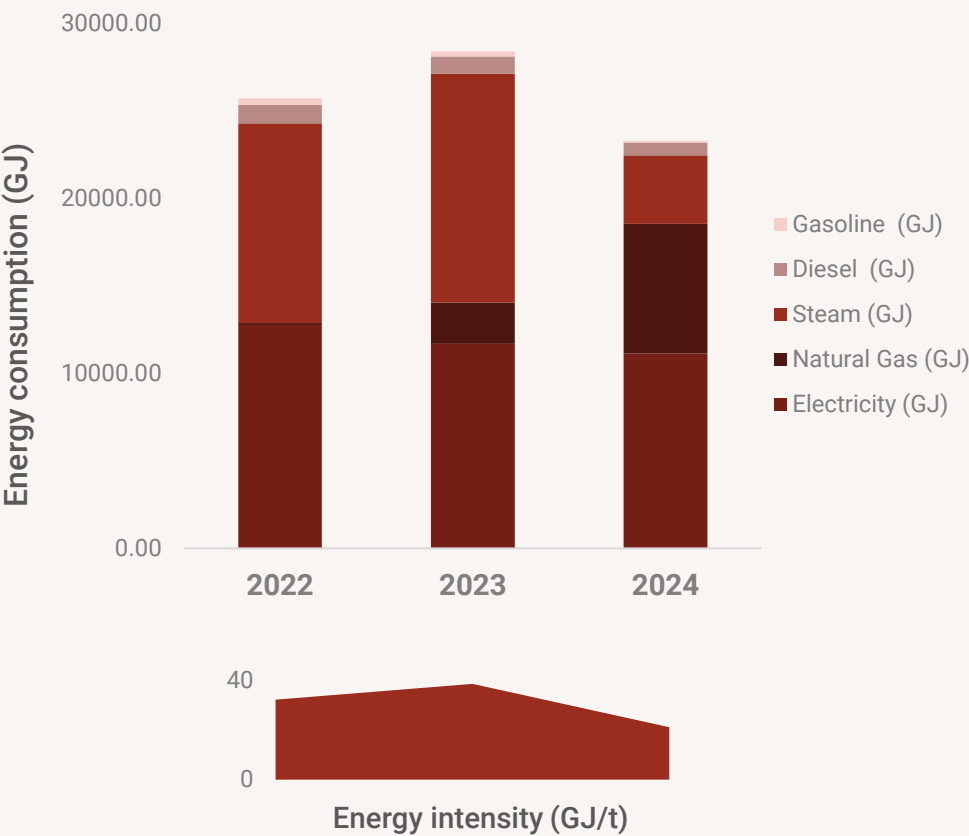
**Guarantee full  
compliance with  
product safety  
regulations**

## Resources Management

**Minimizing environmental impact, reducing energy consumption, and managing waste are strategic priorities for TMG Textiles.** The carbon footprint reduction is a company-wide goal, integrated across operations, management, business development, and innovation teams.



# DRIVING ENERGY EFFICIENCY THROUGH OPERATIONAL MANAGEMENT



TMG Textiles closely **monitors energy use to safeguard continuous reductions**. In 2024, total energy consumption decreased by approximately 18% compared to 2023. Energy intensity (measured in GJ of energy consumed per ton of production) was also reduced by 45% from 2023 and by 34% from 2022. The peak in energy use and intensity observed in 2023 was primarily driven by higher natural gas and steam demands during the start-up phase of a new production unit dedicated to the automotive textiles sector, including fine-tuning the new stenter’s operational parameters. Until the first quarter of 2024, all the steam used in our production process was supplied by S.P.E. – Sociedade de Produção de Electricidade e Calor, S.A. From that point onwards, we have been producing our own steam.

Despite an increase in production in 2024, energy consumption did not rise, thanks to a strong focus on efficiency. Key measures included the implementation of an in-house natural gas boiler equipped with an economiser, the reduction and control of compressed air leaks, enhancements in interior lighting efficiency, and the installation of a new compressor with electronic speed variation.

49%

Production Growth

Comparing with 2023

-18%

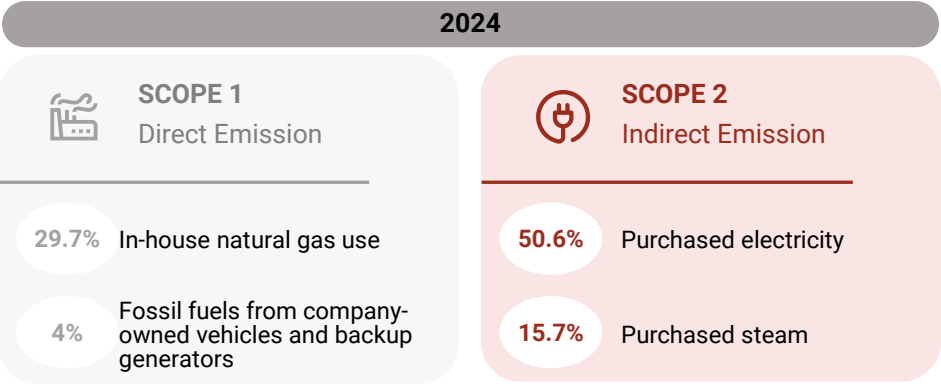
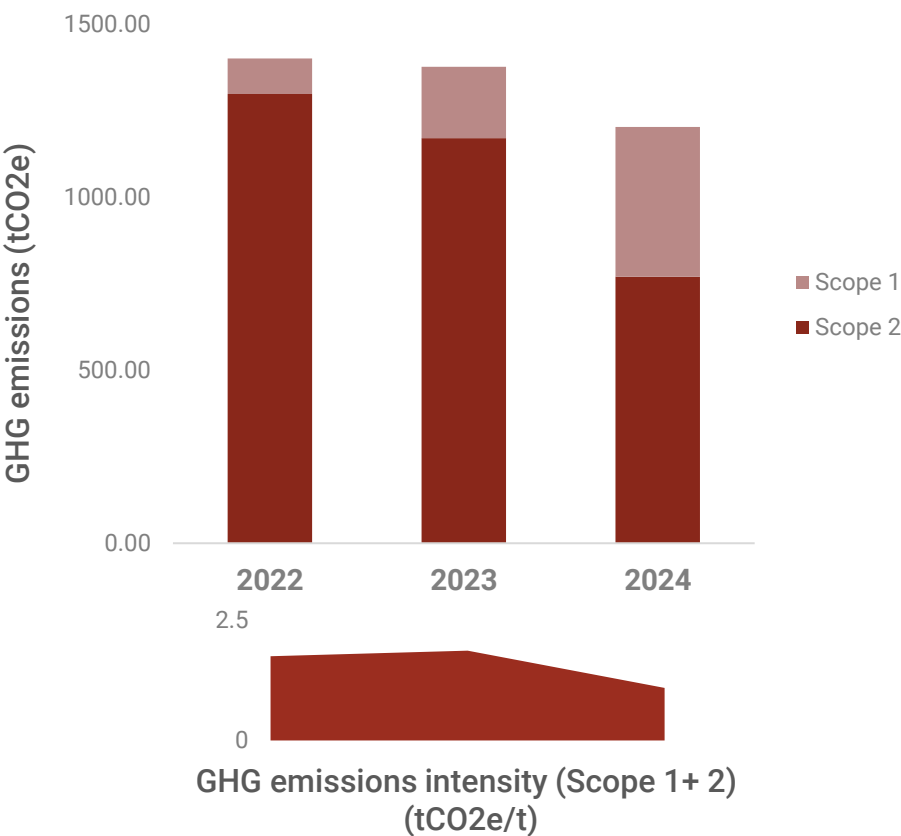
Energy Reduction

Comparing with 2023

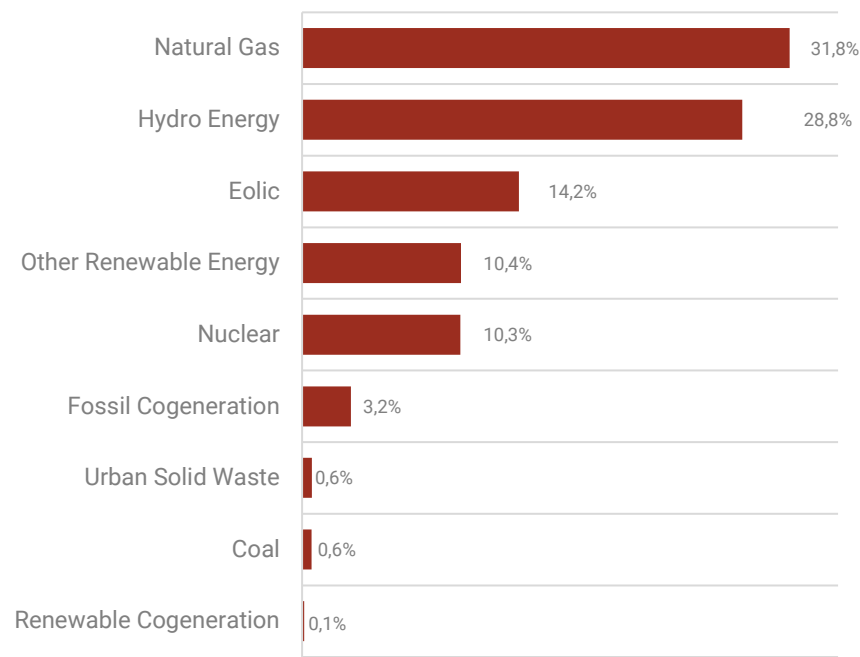
# GREENHOUSE GAS EMISSIONS MANAGEMENT

Greenhouse gas (GHG) emissions remain a critical focus in the global fight against climate change. While the European Union has made progress in reducing its emissions, significant challenges persist in achieving the ambitious targets set by both international and regional agreements. The European Green Deal aims to reduce net GHG emissions by at least 55% by 2030 (compared to 1990 levels) and to reach climate neutrality by 2050. These efforts are essential to meeting regional objectives and fulfilling global climate commitments. To close the gap toward the 2030 and 2050 targets and to honour the Paris Agreement goal of limiting global warming to well below 2°C, preferably 1.5°C above pre-industrial levels, greater policy innovation and effective implementation are particularly needed in high-impact sectors such as the textile industry.

In 2024, our Scope 1 emissions came from the operation of company-owned vehicles powered by gasoline or diesel, the use of diesel-fueled backup generators, and fuel combustion in both our boiler and stenter. Meanwhile, our Scope 2 emissions are associated with purchased electricity and steam. Since 2022, Scope 1 emissions (measured in tCO<sub>2</sub>e) have increased, mainly due to the introduction of natural gas usage following the installation of the stenter, as well as the acquisition of a boiler in the second quarter of 2024 to produce our own steam. However, the combined total of Scope 1 and Scope 2 emissions, along with emission intensity, has decreased. This improvement is largely attributed to a significant reduction in Scope 2 emissions, achieved by lowering electricity consumption and eliminating reliance on purchased steam. From the first quarter of 2024 onward, our Scope 2 emissions have exclusively resulted from purchased electricity.



Electricity Mix in 2024



As part of our commitment to cutting Scope 1 emissions and driving sustainable progress, we are gradually replacing fossil fuel-powered vehicles with electric alternatives. To support this transition, we are equipping our facility with electric vehicle charging stations.

Currently, TMG Textiles is entirely dependent on external electricity providers, with the proportion of renewable energy in its consumption mix dictated by those suppliers. In 2024, renewable electricity comprised 56.5% of the company’s total electricity usage.

Although deeply committed to sustainability, TMG Textiles is at the early stages of its decarbonization journey. We plan to define concrete measures and establish clear targets between 2025 and 2026, with full disclosures and strategic details to be publicly available by 2028. Scope 3 emissions are yet to be evaluated, with comprehensive reporting projected for completion by 2028.

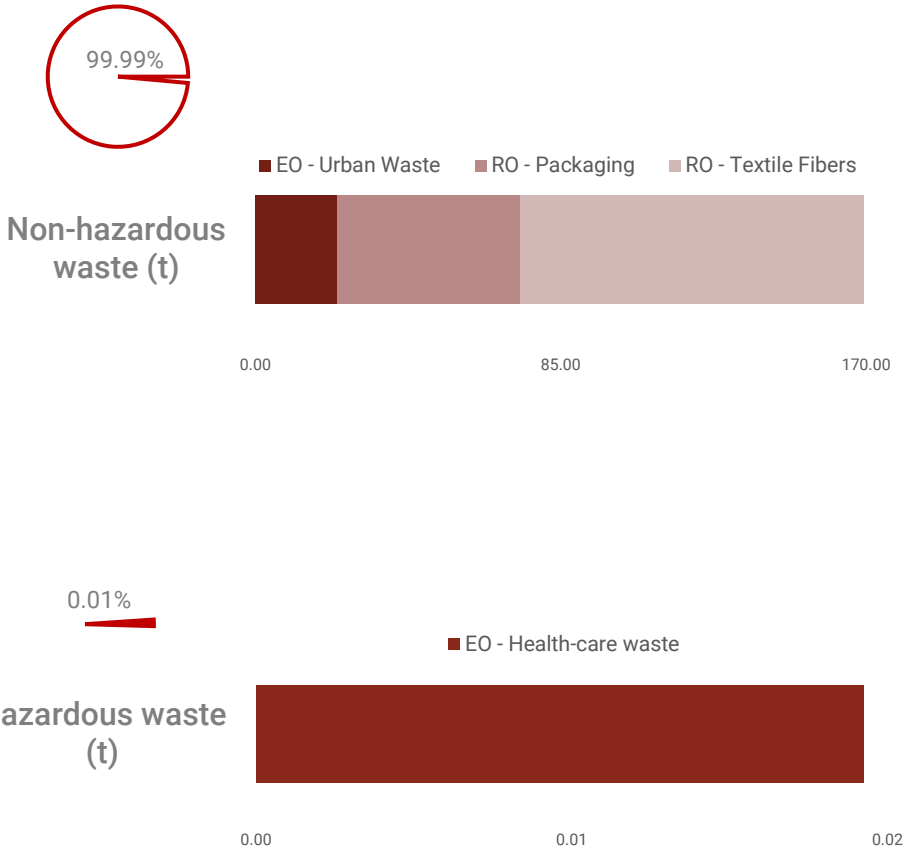
# ADDRESSING WASTE MANAGEMENT IN LINE WITH SUSTAINABILITY GOALS

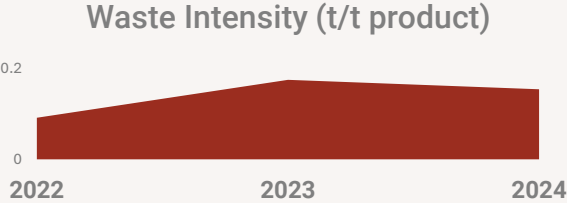
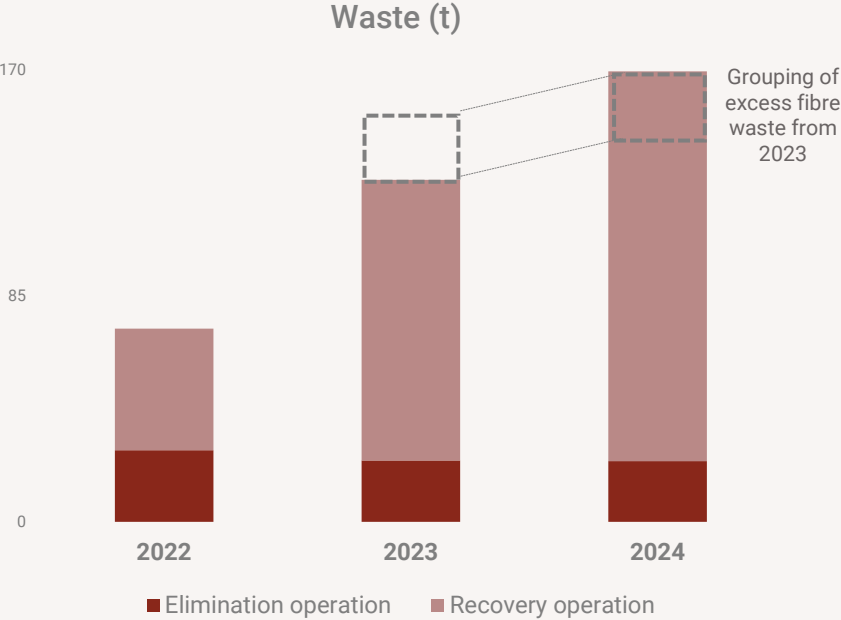
At TMG Textiles, we recognize waste as a key area of concern and have prioritised it within our sustainability strategy, with specific Key performance indicators (KPIs) outlined in this section.

Our manufacturing process generates various types of waste, primarily including processed textile fibres, paper and cardboard packaging, plastic packaging, mixed urban waste, IT consumables, and healthcare waste. While metals, wood and electronic waste, may also be generated, mainly because of building restructuring efforts, the indicators presented here will focus only on waste derived from our regular operations. This waste is not generated from our operation processes but because our building restructuring efforts.

The waste is selectively collected based on its type and level of harm and is stored before being handed over to authorized waste operators. To ensure that waste is handled correctly at every step, we have implemented selective waste collection systems, empowering our employees through training sessions that raise awareness about the importance of proper waste separation.

In 2024, TMG Textiles generated approximately 170 tonnes of waste, with hazardous waste accounting for just 0.01% of the total.





Our total waste streams increased in 2024, yet waste intensity remained nearly unchanged over the past two years. This outcome reflects the natural consequences of our ongoing facility restructuring efforts and the accumulation of excess fibre waste from the previous year. The consolidation of surplus waste from 2023 was in line with our objective to repurpose all collected fibres through a closed-loop recycling initiative, details of which are outlined in the following pages. However, in 2024, it was not possible to fully redirect this volume as planned, due to logistical and operational limitations. Since 2022, we have also expanded our product portfolio and upgraded our industrial equipment to create a high-performance manufacturing hub capable of serving a wider range of business sectors. While these advancements have enhanced our capabilities, they have also contributed to an increase in waste generation.

Our commitment to sustainable waste management is reflected in our efforts to maximise waste valorisation. While the treatment operations are primarily controlled by the waste operators, we continue to work closely with them to ensure our waste is processed responsibly and efficiently. Nearly 85% of the total waste was processed through recovery operations (RO), effectively diverting it from landfills and other elimination operations (EO).

While we are proud of our resource-conscious approach and our commitment to the circular economy, we recognise there is much more to achieve regarding waste reduction. To bridge this gap, **we will accelerate our efforts to decrease waste intensity and strengthen our waste management systems** in the years ahead.

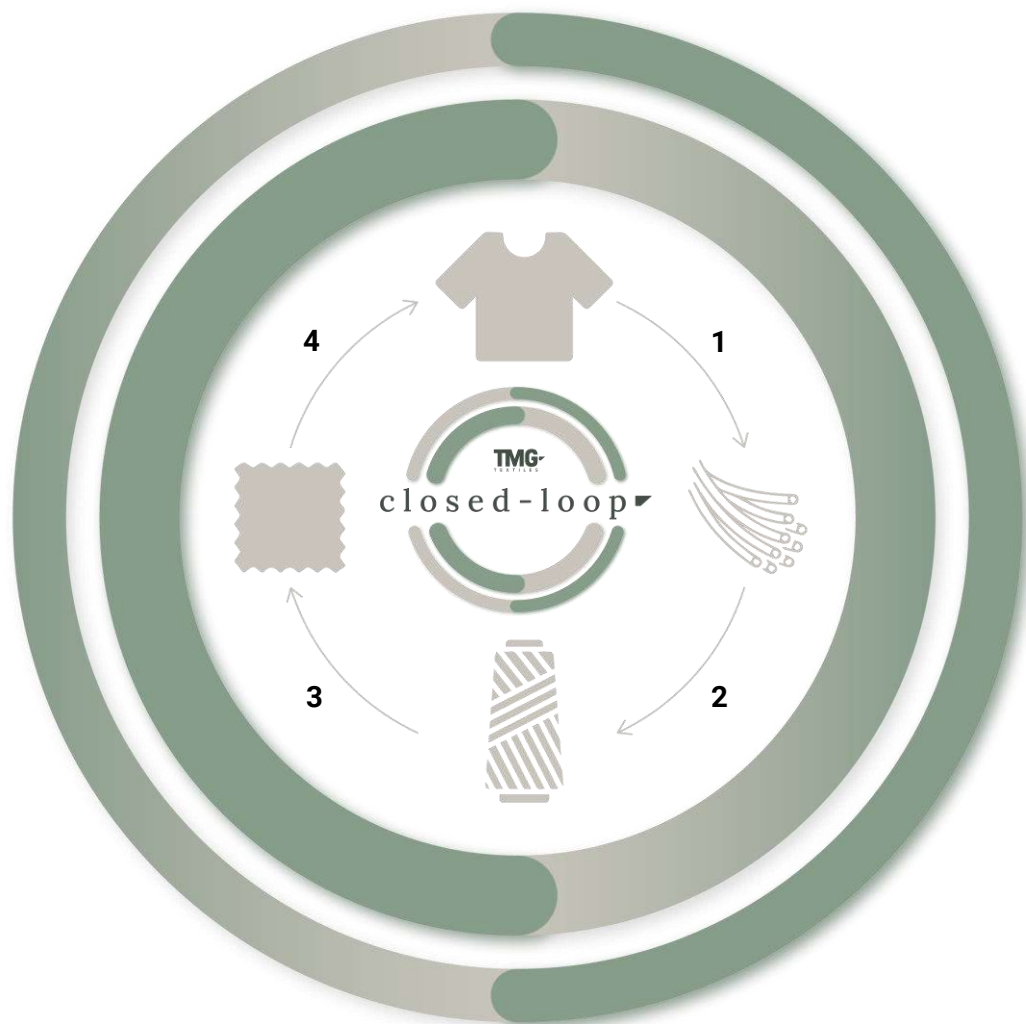
By systematically tracking the KPIs outlined in this report and actively exploring new product recycling solutions, we will be able to pinpoint improvements, identify potential deviations, and make informed, data-driven decisions.

## EXPLORING NEW INITIATIVES FOR A CIRCULAR ECONOMY

At TMG Textiles, **we will prioritise internal waste reduction, but we will continue to expand our efforts to find new ways to upcycle waste** and foster industrial symbiosis. This includes exploring innovative collaborations with the academic and industrial communities to drive sustainable development.

Our **Closed-loop project** is a tangible example of how innovation and collaboration can help conserve resources and promote a more circular textile industry. The main aim is to give new life to our customers' waste and close the loop on their products, transforming discarded materials into new textiles and garments. Through strategic partnerships with recycling and spinning companies, we can produce textiles and apparel made with these textile-to-textile recycled yarns, reducing our reliance on virgin materials and helping to minimise textile waste.

A key aspect of this project is the careful parametrisation of the spinning type and the selection of virgin raw materials based on a detailed laboratory study of the recycled fibre. This ensures that, while reducing our reliance on virgin materials, we also maintain the high quality of the final product. The optimisation of these parameters is crucial in balancing sustainability goals with the need for premium quality textiles.



### 1. TREATMENT and UPCYCLING

Separation and efficient recycling of the material by mechanical recycling, granting fiber quality for spinning.

### 2. SPINNING

New yarn formulation can be obtained by combination of recycled fibers and raw material, by ring or open-end technology.

### 3. KNITTED OR WEAVED FABRICS

With the produced yarn is possible to obtain knitted and or weaved structures, for a different types of applications.

### 4. GARMENT AGAIN

The storytelling: new garment, produced from your previous waste, granting ecological and environmental awareness.

PILOT PROJECT RECYCLING REPORT FOR A REAL CUSTOMER DEVELOPMENT:





Sérgio Oliveira  
Industrial Platforms Director

## Where do you see opportunities for further sustainability improvements in production?

*"In a Textile Industry, there are several areas with strong potential for sustainability improvements. One key opportunity lies in the selection of raw materials, such as incorporating recycled or certified sustainable yarns, including organic cotton, recycled polyester, or innovative bio-based fibres."*

*Energy and water efficiency during the preparation, sizing, and finishing stages can also be improved through better process control and more efficient equipment. Furthermore, there is room to reduce waste during warping and weaving by optimising production planning and reusing leftover yarns."*




# Social

**Our people are at the heart of our sustainability efforts.**

This chapter highlights our approach to supporting and developing our workforce. We also detail our commitment to health, safety, and overall employee well-being.

By investing in our team, we build a more resilient and future-ready organisation.

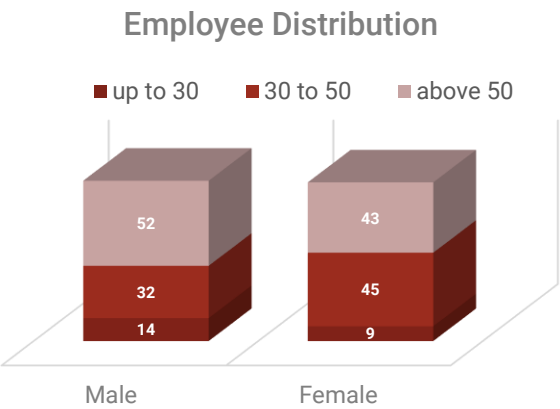
Together, we are creating a workplace where people can thrive and grow.



# WORKFORCE PROFILE

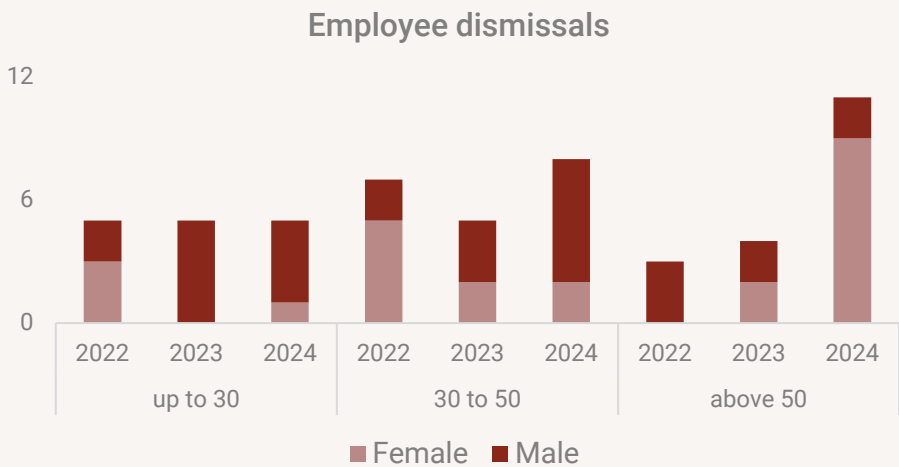
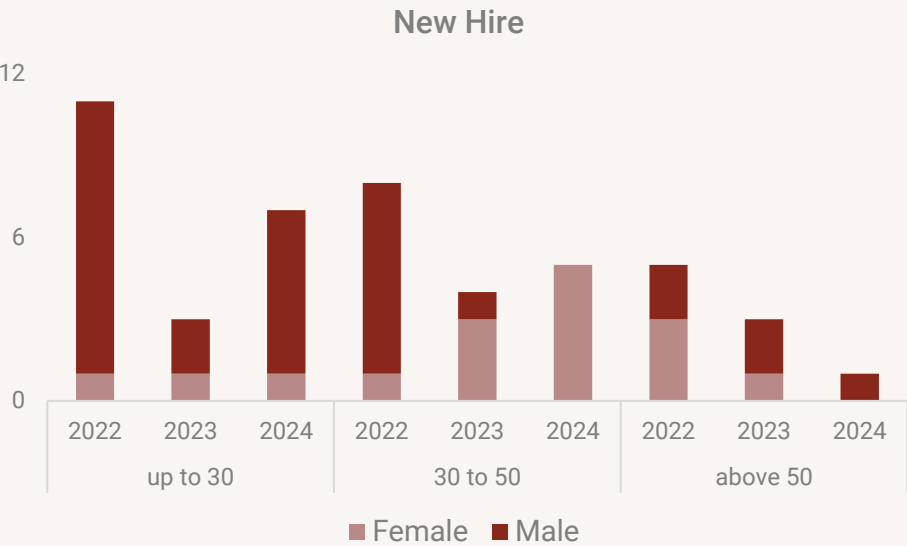
**Attracting, hiring, developing, and retaining top talent** continues to be a core priority for TMG Textiles. Equally critical is the proactive effort to bring in fresh talent. Today’s workforce, especially Millennials and Gen Z, has shifting expectations. They seek employers that align with their values, particularly around sustainability, inclusion, and social impact. For these generations, a strong commitment to Corporate Social Responsibility is not just appreciated, it is expected.

In 2024, TMG Textiles had a workforce of 195 employees, with an equal gender distribution: 50% male and 50% female. An analysis of the workforce by gender and age group shows that the largest concentration of employees is in the over-50 age bracket, followed by the 30 to 50 age group. Employees under the age of 30 are the least represented across both genders. These patterns have remained relatively stable in recent years and highlight a notable gender balance across all age groups.



**At TMG Textiles, fostering a positive, healthy, and inclusive work environment is not only a priority, it is one of our core strengths.**

We recognize that a motivated, empowered, and fulfilled workforce is our greatest asset. Our commitment to excellence is supported by the collaboration of multidisciplinary teams working across all areas of the organization. This integrated approach fosters a strong culture of engagement, encourages innovation, and reinforces our ability to generate long-term sustainable value.



## WORKFORCE DYNAMICS

Since 2022, TMG Textiles has reduced the rate of new hires by approximately 50%. This reduction reflects a **strategic focus on internal optimisation, where the company prioritised developing existing talent**. In 2024, the company onboarded 13 new employees, 46% women and 54% men. A demographic shift was observed in 2024, marked by an increase in the recruitment of individuals aged 30 and under, and a decrease in the hiring of individuals over 50 years old, compared to 2023. The hiring rate for 2024 was around 7% of the total employee base, while the turnover rate reached 12%. This turnover value is primarily attributable to the increased number of exits among employees aged over 50, a trend that has been rising over the past three years. This pattern is largely due to a combination of natural retirements and career transitions.

TMG Textiles has been strengthening its commitment to effective employee integration, recognizing that a well-structured onboarding and follow-up process is key to improving retention and overall job satisfaction. The company has implemented regular follow-ups with newly hired employees to gather feedback on their work environment, relationships with teams and managers, and the support received during their initial months. In addition, TMG maintains open channels for feedback, including an anonymous suggestion box, to continuously identify improvement opportunities and ensure every employee feels heard and supported.

## CARING FOR OUR PEOPLE

TMG Textiles offers a range of benefits designed to promote employee health, well-being, and work-life balance:

- 1. Partnerships** with schools, gyms, pharmacies, healthcare providers, travel agencies, and leisure services, allowing employees to enjoy exclusive conditions and special discounts;
- 2. Health insurance** provided to all employees with permanent contracts, ensuring access to quality medical care;
- 3. Free seasonal flu vaccination**, contributing to the prevention of this seasonal illness;
- 4. Financial support for childcare**, available to children up to six years of age.

TMG Textiles is currently evaluating new benefit initiatives to further strengthen its position as an employer of choice and to promote a more supportive work environment. As part of this ongoing commitment, the company has set two strategic goals: the introduction of flexible working hours, aimed at improving work-life balance, and the provision of free psychological consultations, reinforcing its dedication to health and overall employee well-being. These actions demonstrate TMG's conviction that long-term success and sustainability depend on having a workforce that is engaged and well-supported.

### Workforce Well-Being

#### Long-Term Commitments

**Free psychological  
consultations**

**Flexible working  
hours**

**Enhancement of  
training and skill-  
building initiatives**

## TALENT ACQUISITION EFFORTS

In 2024, TMG Textiles took part in numerous university events and job fairs to enhance its engagement with students, with the goal of identifying promising young professionals and building pathways for future collaboration.

### Employment Days – University of Minho

The event, branded as "Tomorrow Needs You," connects students and graduates with employers for networking, job searching, and recruiting engineering talent.

### Engineering Days – FEUP

The event aims to bridge the gap between students and the business sector, featuring a face-to-face job fair, workshops, pitch sessions, and flash interviews.

### Textile Engineering Days – University of Minho

The event includes company presentations, networking opportunities, and discussions on innovations and careers in textile engineering.

### Employment and Training Fair – Vila Nova de Famalicão

This fair gathers national and international companies in the center of Vila Nova de Famalicão, providing job seekers with access to a diverse range of employment and training opportunities.

### Career Fair - FEUP

It connects students and alumni with employers through company stands, workshops, and recruitment sessions, facilitating direct engagement between the academic community and the job market.

### Start Point Summit - University of Minho

The event features mentoring, talks, interviews, showcases, and networking for students, alumni, researchers, and professionals exploring careers or entrepreneurship.

### Textile Engineering Days



### FEUP Career Fair



### Start Point Summit





## ATTRACTING TALENT TO THE TEXTILE INDUSTRY: THE ACTEX INITIATIVE

The textile industry is facing an increasing challenge in attracting new talent, as experienced professionals are approaching retirement age and technical skills are often passed on through hands-on learning.

To ensure innovation and continuity, investing in the next generation is critical. This is where **ACTEX – Academia do Têxtil** comes in.

ACTEX is an “on-the-job” training program developed by leading textile companies in partnership with technical schools and universities. It offers trainees hands-on experience across the textile value chain, combining real-world practice with up-to-date academic knowledge.

Top performers are rewarded and guaranteed job placement.

As a key ACTEX partner, TMG Textiles actively supports talent development. Trainees at TMG work alongside expert teams, gaining exposure to advanced technologies and real industry challenges. The company also helps shape training content to align with market demands, particularly in innovation, sustainability, and digital transformation.

TMG fosters knowledge transfer, drives workforce renewal, and attracts emerging talent.

TMG Textiles values employee well-being and engagement as key to its sustainable success. Beyond its focus on innovation and strategic partnerships, the company fosters a **strong sense of community through internal initiatives**. Events like Ice Cream Day, Berliner Doughnut distribution, and blood donation drives promote connection and solidarity. Moments such as the TMG Day and “São Martinho is Sharing” celebrate team spirit and tradition, while partnerships with organizations like the Portuguese League Against Cancer support broader social causes.

These efforts reflect TMG’s commitment to a supportive workplace and its belief in growth driven by talent and human capital.



# STRATEGIC SKILL BUILDING: TMG TEXTILE’S APPROACH TO TRAINING AND DEVELOPMENT

All new employees at TMG Group receive onboarding training that introduces them to the company’s Quality, Environmental, and Occupational Health & Safety policies. The training covers key topics such as workplace safety rules, proper use of protective equipment, emergency procedures, machine operation and maintenance safety, and TMG’s environmental management practices. This ensures every employee starts their role with a clear understanding of how to work safely, responsibly, and in line with our sustainability values.

In 2024, the training provided to existing employees was structured around four key areas: Safety, Quality, Environment, and Technical Skills. This approach ensures continuous development aligned with TMG’s strategic priorities, promoting a culture of excellence, responsibility, and innovation across all levels of the organisation.

**Our strategic focus is on providing targeted, high-impact training that is tailored to the specific requirements of each role.** Instead of prioritising quantity, we focus on the quality and relevance of the training to ensure that employees gain practical skills that they can apply immediately.

Looking ahead, our goal is to gradually increase the average training hours per employee, reinforcing our **commitment to continuous professional development and the long-term growth of both our people and the organisation.**

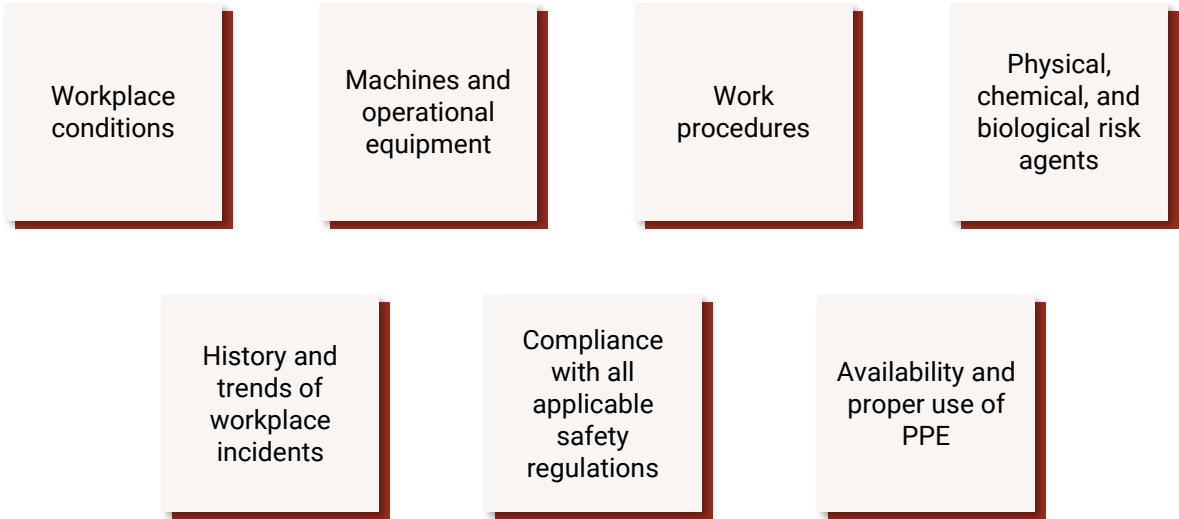
ENVIRONMENT
Waste Management Sustainability and Circular Economy European Regulations and Sustainability in the Textile Sector Digital Product Passport (DPP) Life Cycle Assessment (LCA)
SAFETY
Forklift Driving Safety Occupational Noise Handling and Exposure to Chemical Agents Safety Instructions in Various Finishing Processes First Aid Firefighting and Building Evacuation for First Response Teams
QUALITY
Failure Mode and Effects Analysis (FMEA) Environment, Sustainability and Governance
TECHNICAL
Microsoft Office Power BI Microsoft Excel – Beginner, Intermediate, and Advanced Labour Law Essentials On-the-Job Specific Training Internal Negotiation Cellulosic Fibers

# EMPLOYEE HEALTH & SAFETY

Ensuring a **safe and healthy work environment** is a fundamental commitment of our company. To achieve this, we continuously identify potential hazards and assess prospective risks in all workplace activities within our facilities. To proactively eliminate or mitigate risks, our approach includes evaluating work processes and the selection of equipment, substances, and products.

We prioritize addressing hazards at their source to minimize exposure and enhance safety. Collective protective measures always take precedence over individual protections, and we actively seek to replace hazardous materials and processes with safer alternatives wherever feasible.

**Our risk assessment methodology involves a detailed analysis of workplace activities and their surrounding conditions, taking into account:**



Our Quality, Environment, Health and Safety Team play a key role in:

<b>Risk Prevention</b>	Ensuring that exposure to chemical, physical, biological, and psychosocial risks does not compromise worker safety and health;
<b>Workplace Optimization</b>	Adapting work processes to employee needs by optimizing workstation design, selecting suitable equipment, and improving production methods;
<b>Safety Protocols</b>	Developing clear, practical, and activity-specific safety instructions to guide employees in risk prevention.

**Worker Participation and Hazard Reporting**

We strongly encourage employees to report potential hazards and safety concerns. To ensure meaningful participation, we engage directly with workers involved in specific tasks or workplace areas under review. The findings from this consultation, along with the proposed safety measures, are documented and shared with all the employees.

All reports of risks or hazards are handled confidentially. When required, corrective actions are immediately implemented to safeguard the well-being of all employees.

**Safety Awareness**

Communication and training programmes ensure that all employees are well-informed about occupational health and safety.

Information is shared through meetings, e-mails, and the corporate intranet, fostering a culture of transparency and engagement.

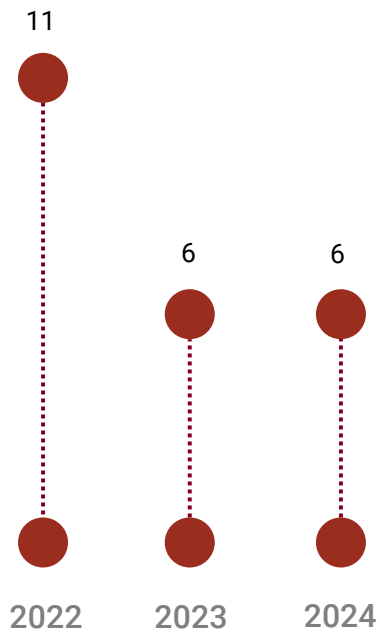
Employees participate in regular sessions designed to enhance their understanding of workplace hazards and reinforce preventive measures. Additionally, they have direct access to audit reports and safety monitoring records, further promoting accountability and proactive risk management.

**Incident/Accident Analysis**

We conduct both quantitative and qualitative analyses of workplace incidents, assessing their frequency and severity. For every reported accident, we thoroughly investigate its root causes and implement necessary corrective measures. This process includes evaluating workplace conditions, equipment use, and operational procedures.

To continuously improve workplace safety, we track annual accident rates, identifying trends and areas requiring further enhancement.

Number of work-related accidents



2024

Number of deaths  
due to work-related  
accidents:

0

Number of high-  
consequence work-  
related accidents:

0

In 2024, we recorded zero fatalities resulting from work-related accidents, reflecting our ongoing focus on workplace safety.

A total of six work-related accidents were reported during the year. The majority were associated with manual handling and movement, such as injuries to the hands, feet, legs, and back, which are typical in manufacturing settings and generally involved low severity outcomes.

Each incident was subject to a thorough investigation, with corrective actions implemented to mitigate risks and prevent recurrence. Continuous improvement in occupational health and safety remains a key priority in our sustainability journey.



# Governance

Our social responsibility efforts are rooted in **strong governance, clear values, and long-term strategic vision**. Guided by our Code of Conduct and reinforced by supplier agreements, **we ensure ethical behaviour across all operations**. Social and environmental criteria shape our partnerships, supported **by anti-bribery and anti-corruption policies**. Through a defined roadmap, transparent goals, and third-party verifications, we remain committed to creating lasting, responsible impact.



# TRUE SUCCESS COMES FROM ACTING WITH INTEGRITY.

We are committed to **conducting our business fairly and responsibly**, both within our operations and in collaboration with partners throughout our entire value chain. This commitment is supported through strict policies and practices, zero tolerance for fraud and corruption, full respect for human and labour rights, a strong focus on transparency, and a culture rooted in respect, honesty, and fairness. These principles are embodied in our **Code of Conduct**, which applies to our entire workforce as well as all partners and suppliers, who are expected to fully comply.

## 1. Labor & Human Rights

**Anti-Discrimination:** No discrimination based on age, gender, race, religion, or other protected characteristics.

**Anti-Harassment or Abuse:** Workers must be treated with dignity and respect.

**Voluntary Labor:** No forced, indentured, trafficked, or prison labour.

**No Child Labor:** Comply with International Labour Organization (ILO) conventions, namely the 138 & 182; in what concerns to the minimum age for admission to employment and work.

**Working Hours:** Must follow legal limits; no more than 48 hours/week + voluntary overtime.

**Wages & Benefits:** Must meet or exceed legal or industry standards.

**Freedom of Association:** Workers can organize and bargain collectively without retaliation.

## 3. Health & Safety

**Safe Workplaces:** Facilities and equipment must not pose risks to health.

**Hazard Management:** Identify and control workplace risks.

**Emergency Preparedness:** Emergency plans, training, and equipment must be in place.

## 2. Anti-Corruption & Ethics

**Zero Tolerance for Corruption:** No bribes, kickbacks, or unethical behavior.

**Conflict of Interest Disclosure:** Must report any conflicts to TMG Textiles.

**Fair Competition:** No anti-competitive practices like price fixing or market sharing.

## 4. Environmental Sustainability

**Legal Compliance:** Maintain all required permits and environmental registrations.  
**Environmental Management:** Implement systems to reduce impact (e.g. ISO 14001).

**Waste & Resource Management:** Minimize pollution and use of energy/water.

**Chemical Compliance:** Declare regulated substances (e.g. REACH compliance).

## WE VALUE OUR STAKEHOLDERS AS ESSENTIAL PILLARS OF OUR LONG-TERM SUCCESS.

We build **partnerships rooted in integrity**, and we expect our partners to fully comply with local laws and operate with zero tolerance for corruption. In alignment with our Code of Conduct, we also expect our business partners to uphold these same ethical standards within their own supply chains and networks.

To ensure alignment with our values, all suppliers are required to:

- Acknowledge and adhere to TMG's Code of Conduct,
- Train their employees and subcontractors on its principles,
- Report any suspected or actual breaches to TMG Textiles,
- Cooperate with audits conducted by TMG Textiles or its appointed representatives.

Enhancing and streamlining communication with our stakeholders is a strategic priority, enabling us to be more proactive, transparent, and impactful within the industry. In this context, we recognize the critical roles played by several key partners.



Mundifios, based in Guimarães, specializes in the supply of regular and specialty yarns for apparel, technical, and functional fabrics, offering a wide range of high-quality products. As our supplier, Mundifios provides yarn solutions that enhance the performance of our textile products.



Inovafil, based in Vila Nova de Famalicão, produces innovative, sustainable yarns for fashion and technical textiles, focusing on recycled, smart, and high-performance fibers. As our supplier, they enhance our sustainability and textile innovation through cutting-edge circular solutions.



MGC is a joint venture established in 2017 between Carrington Textiles and TMG – Acabamentos Têxteis SA. As part of the TMG Group, MGC strengthens TMG Textiles' strategic position in the workwear textiles market, leveraging advanced finishing technologies.

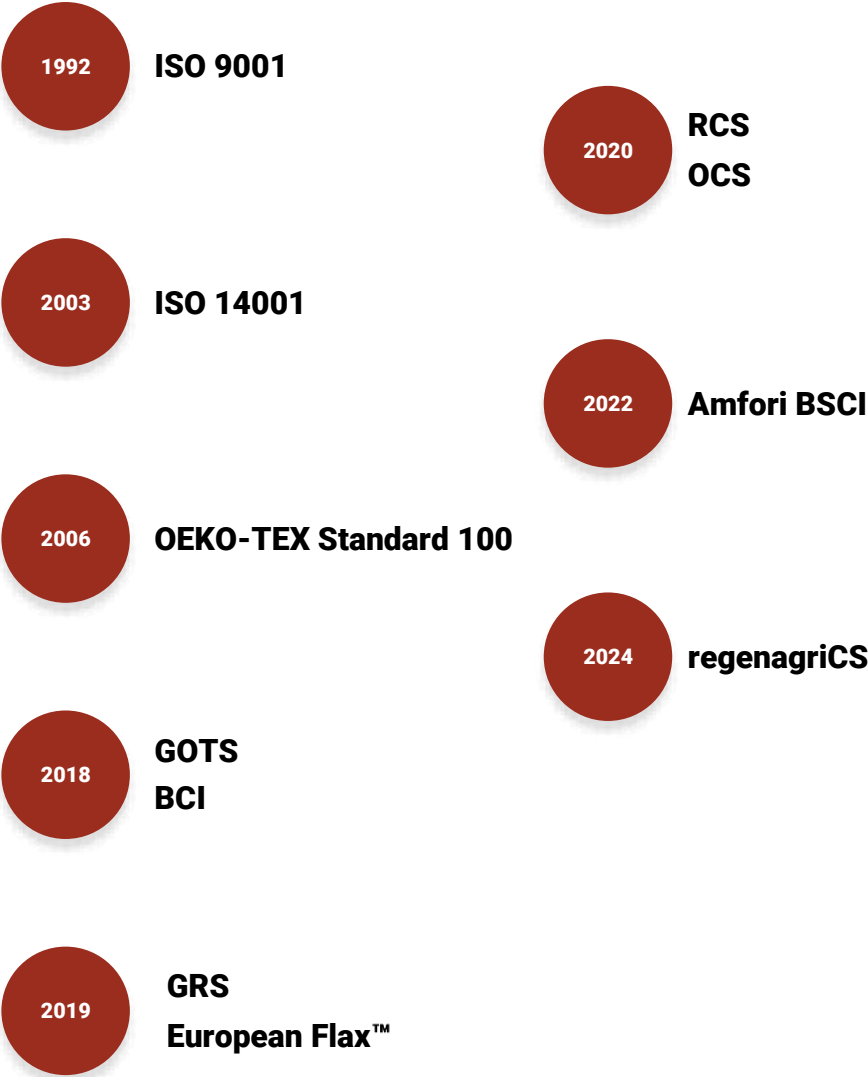


Facol is a leading company in the textile industry specializing in yarn dyeing, bleaching, finishing. Through continuous investment in new technologies and optimized production processes, Facol enhances our approach providing reliable, high-quality services that align with our needs.

# CERTIFICATIONS

**Quality and sustainability are the main pillars of our strategy.** To reinforce our commitment, TMG Textiles maintains a **portfolio of certifications**, ensuring excellence across both **processes and products**: International standard for Quality Management Systems - ISO 9001, standard focused on Environmental Management Systems - ISO 14001, Oeko-Tex Standard 100, Global Organic Textile Standard (GOTS), Global Recycled Standard (GRS), Recycled Claim Standard (RCS), Better Cotton Initiative (BCI), European Flax™, Organic Content Standard (OCS), Amfori BSCI, and Regenagri Content Standard (regenagriCS). These certifications encompass areas such as quality assurance, environmental impact reduction, product safety, organic and recycled material verification, sustainable farming, fair labour practices, and regenerative agriculture.

The following image presents a chronological overview of these key certifications and standards. This timeline reflects the TMG Textiles’s progressive commitment to sustainability, traceability, social responsibility, and compliance with global standards.



We also demonstrate transparency and accountability through the **Higg Facility Environmental Module** (Higg FEM). The Higg FEM, hosted on the Worldly platform, is a comprehensive tool designed to measure and evaluate how facilities assess their environmental impact, providing insights into areas such as energy use, water consumption, waste management, air emissions, and chemicals handling. It aims to **quantify sustainability impacts and identify areas for improvement**.

**We successfully completed and verified our Higg FEM 2023 assessment.** Our Higg FEM 2024 self-assessment has already been completed and is currently undergoing the verification process. This ongoing effort reflects our dedication to continuous improvement, credible reporting, and alignment with industry best practices in sustainable manufacturing.



Ensures consistency in the delivery of products and services that meet customer and regulatory requirements, promoting continuous improvement.



It helps companies identify, manage, and reduce the environmental impacts of their activities, promoting sustainability and legal compliance.



Global certification that ensures textile products are free from harmful substances to human health. It covers all stages of textile production, from raw materials to finished products, representing trust and product safety.



Leading certification for organic textiles, requiring at least 70% organic fibers. Regulates the use of chemicals and ensures fair social practices throughout the supply chain.



Promotes sustainable practices in cotton farming. Focuses on reducing environmental impacts and improving social conditions for farmers.



CU-832582

Certifies products with recycled materials, ensuring traceability throughout the supply chain. Includes strict environmental and social criteria to reduce environmental impact.



European  
Premium  
linen fibre

Certification for sustainably grown European linen. Ensures cultivation without artificial irrigation or genetically modified organisms.



CU-832582



CU-832582

Verifies the presence of recycled materials in products. RCS 100 requires 95-100% recycled content, while RCS Blended permits 5-95% recycled content mixed with virgin.



CU-832582



CU-832582

Certifies the presence of organic materials in products. OCS 100 requires 95-100% organic material, while OCS Blended allows a minimum of 5% organic fibre.



Focus on social responsibility in the supply chain. Ensures ethical working conditions, such as fair wages, workplace safety, and prohibition of child labor.



regenagri Cotton  
CU Cert 832582

Promotes regenerative farming practices to restore biodiversity and improve soil health. Focuses on traceability and transparency in regenerative production.



Mónica Paulino  
Quality Director

## How are sustainability principles currently reflected in our product quality standards? What opportunities do you see for integrating sustainability metrics into quality assurance processes?

*“Sustainability principles are every day becoming more integrated in our product quality standards using certified raw materials and environmentally responsible production practices. We ensure compliance with international certifications that reflect our commitment to long-term environmental balance. There is growing alignment between product durability, reduced waste, and sustainability goals. One key opportunity lies in incorporating carbon footprint tracking into quality metrics. Working with suppliers who prioritize sustainable practices can further enhance overall quality. Additionally, integrating sustainability KPIs into product testing can drive continuous improvement. This approach not only supports compliance but strengthens TMG reputation in a market that is ever more aware of the need to follow toward sustainability”.*



# GRI Tables



## GRI 2: General Disclosures 2021

Disclosure Number	Disclosure Title	Information	Page
2-1	Organizational details	TMG Textiles - TMG Tecidos para Vestuário e Decoração, S.A Rua Comendador Manuel Gonçalves, nº 25, São Cosme Do Vale, 4770-583 Vila Nova de Famalicão, Portugal; Portugal.	4, 7
2-2	Entities included in the organization's sustainability reporting	This report only includes the legal entity TMG Tecidos para Vestuário e Decoração, S.A. Buildings owned by the entity that are used to provide services or conduct activities for other companies within the industrial park and are not directly related to our operations are excluded.	4
2-3	Reporting period, frequency and contact point	This report corresponds to the period between 01.01.2024 to 31.12.2024 and it will be published on an annual basis. Questions about this report can be sent to: helena.silva@tmg.pt.	4
2-6	Activities, value chain and other business relationships		7 -10, 55
2-7	Employees	Data is gathered and constantly updated by Human Resources Department of GMG (Grupo Manuel Gonçalves).	43
2-9	Governance structure and composition		13
2-12	Role of the highest governance body in overseeing the management of impacts		13
2-14	Role of the highest governance body in sustainability reporting		13
2-22	Statement on sustainable development strategy		13-18
2-27	Compliance with laws and regulations	TMG Textiles did not identify any non-compliance with regulations and/or voluntary codes. TMG Textiles had no fines in 2024, there were also no non-monetary sanctions.	54
2-29	Approach to stakeholder engagement		55

## GRI 3: Material Topics 2021

Disclosure Number	Disclosure Title	Information	Page
3-1	Process to determine material topics		15
3-2	List of material topics		16
3-3	Management of material topics		15-18

## GRI 301: Materials 2016

Disclosure Number	Disclosure Title	Information	Page
301-1	Materials Used by Weight or Volume		22
301-2	Raw materials or recycled materials used		22

## GRI 302: Energy 2016

Disclosure Number	Disclosure Title	Information	Page
302-1	Energy consumption within the organization		33
302-2	Energy consumption outside of the organization	Not applicable in 2024	
302-3	Energy intensity		33
302-4	Reduction of energy consumption	In 2024, TMG Textiles reduced its energy consumption by 18% compared to 2023.	33

## GRI 305: Emissions 2016

Disclosure Number	Disclosure Title	Information	Page
305-1	Direct (Scope 1) GHG emissions	The GHG emissions were calculated using the market-based approach, applying emission factors provided by TMG Textiles' energy suppliers.	34
305-2	Energy indirect (Scope 2) GHG emissions		34

## GRI 306: Waste 2020

Disclosure Number	Disclosure Title	Information	Page
306-1	Waste generation and significant waste-related impacts		36-37
306-2	Management of significant waste-related impacts		36-37
306-3	Waste generated		36
306-4	Waste diverted from disposal		37
306-5	Waste directed to disposal		37

## GRI 308: Supplier Environmental Assessment 2016

Disclosure Number	Disclosure Title	Information	Page
308-1	New suppliers that were screened using environmental criteria		55

## GRI 401: Employment 2016

Disclosure Number	Disclosure Title	Information	Page
401-1	New employee hires and employee turnover		44
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		45
401-3	Parental leave	Under Portuguese law, all parents are entitled to parental leave and are required to take it. In 2024, five female employees took parental leave, one of whom did not return to work afterward.	

## GRI 403: Occupational Health and Safety 2018

Disclosure Number	Disclosure Title	Information	Page
403-2	Hazard identification, risk assessment, and incident investigation	TMG Textiles provides its own occupational health and safety services. Medical check-ups for new hires and periodic fitness evaluations are conducted every year or every two years, depending on the employee's age, in compliance with Portuguese regulations.	50-51
403-3	Occupational health services		
403-4	Worker participation, consultation, and communication on occupational health and safety		51
403-5	Worker training on occupational health and safety	Delivered by Quality, Environment, Health and Safety (QEHS) team.	49, 51
403-6	Promotion of worker health	Delivered by Quality, Environment, Health and Safety (QEHS) team.	50-51
403-9	Work-related injuries		52
403-10	Work-related ill health	During 2024, TMG Textiles did not record any high-consequence work-related accidents or fatalities resulting from work-related incidents.	52

## GRI 414: Supplier Social Assessment 2016

Disclosure Number	Disclosure Title	Information	Page
414-1	New suppliers that were screened using social criteria		55

## GRI 416: Customer Health and Safety 2016

Disclosure Number	Disclosure Title	Information	Page
416-1	Assessment of the Health and Safety Impacts of Product and Service Categories	To ensure compliance with consumer health and safety standards, TMG Textiles partners with raw material suppliers certified under OEKO-TEX® STANDARD 100. It is one of the world's best-known certifications for textiles tested for harmful substances. It stands for customer confidence and high product safety.	57
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	TMG Textiles did not record any non-compliance incidents of this nature in 2024.	

