

A photograph of a modern industrial facility with a brick and concrete building, surrounded by a well-maintained green lawn and several tall, thin evergreen trees. The sky is clear and blue.

# Sustainability Report **2024**

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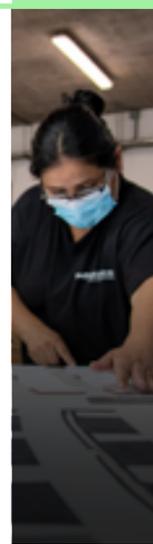


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## Message from our CEO



### Dear employees, clients, partners, and other stakeholders:

We are pleased to present our 2024 Sustainability Report, which outlines the progress made and, above all, the achievements reached in advancing our sustainable management throughout the year.

In 2024, at Nettelco, we reaffirmed our commitment to positioning ourselves as a sustainability leader in the textile sector. In a dynamic and challenging global context, we strengthened our strategy to ensure that our operations continue to create value.

Thanks to the dedication of our teams and the drive for sustainable innovation, efficiency, and digitalization, we have made tangible progress across the three pillars of our strategy: economic, environmental, and social. This report reflects our firm commitment to building a responsible and sustainable future for our company and, in particular, for our stakeholders and society at large.

## Economic performance



The year 2024 presented significant challenges for Nettelco, resulting in a slight reduction in our revenue compared to 2023. This outcome was driven by external factors, such as an adjustment in demand, the relocation of some clients' sourcing to Asia, and a decrease in the unit price of our products. Despite these challenges, we successfully closed the year with positive results, achieving a revenue exceeding USD 67 million, fueled by the addition of a new strategic client and the implementation of various business strategies that strengthened our market position.

Furthermore, during this period, we reaffirmed our commitment to sustainability as a core pillar of our business vision. In line with this approach, we made key investments to enhance our environmental management, notably the expansion of our Wastewater Treatment Plant (WWTP). This project was executed thanks to a USD 1.8 million green loan from BBVA, which was fully repaid by December 2024. Additionally, we renewed our Worldwide Responsible Accredited Production (WRAP), Global Organic Textile Standard (GOTS), and Global Recycled Standard (GRS) certifications, while expanding the scope of associated audits, reinforcing our commitment to the highest standards in labor, environmental, and responsible trade practices.

Looking ahead, we are planning new strategic investments to not only continue growing sustainably, but also to enhance our competitiveness in the market.

## Environmental performance



Sustainability is at the core of our growth. This year, we implemented significant actions to reduce our environmental impact and to strengthen circular economy practices within our operations. One of the most important milestones was the expansion of our Wastewater Treatment Plant (WWTP), which enabled us to recover up to 47% of the water used in our production processes. This advancement not only optimizes the use of water resources but also reaffirms our commitment to efficiency and, most importantly, to environmental responsibility.

We also continued working to improve our water and energy consumption through the implementation of water efficiency systems and the use of renewable energy sources in our production facilities. In addition, we reinforced our circular economy strategy by promoting the recycling and reuse of textile and industrial waste. These efforts significantly reduced waste and had a positive impact across the value chain.

Another major development in 2024 was the strengthening of our chemical management practices, which allowed us to align with the most rigorous standards of the Zero Discharge of Hazardous Chemicals (ZDHC) programme to ensure cleaner and, above all, safer manufacturing processes. We also continued to promote measurement and improvement initiatives through the Higg Index, with the aim of fostering a responsible approach throughout our value chain. In parallel, we delivered on the commitments established under the Acuerdos de Producción Limpia (APL) and earned the

Certificado Azul, which recognizes our best practices in water management.

This year, we also renewed our GOTS, GRS, and OEKO-TEX certifications, and began the process of submitting our science-based targets through the Science Based Targets initiative (SBTi), reaffirming our commitment to emissions reduction. We completed our annual measurement of both our Carbon and Water Footprints and continued advancing the implementation of our traceability and sustainability policies.



## Social performance



At Nettalco, our social development is reflected in the positive impact we generate for our employees and communities. Throughout this year, we have strengthened our organizational culture through initiatives that promote well-being, talent development, and, in particular, an inclusive and sustainable work environment.

During 2024, we expanded our training programs to ensure our employees have the tools to enhance their professional and technical development. Additionally, we continued to strengthen additional employee benefits, such as counseling services, dental care, and body therapies (massage therapy). This includes improvements to the Comprehensive Health Program, which now offers more benefits for employees and their families, thereby reinforcing our commitment to their physical and emotional well-being. Likewise, we provided 129 laptops to the children of our employees who gained admission to universities or higher technical training institutions.

Our social responsibility has also been a key pillar this year. It enabled us to strengthen community partnerships, take part in volunteer programs, and support social impact projects in the districts where we operate. As a result of these efforts, we were recognized by the Municipality of Lima for our outstanding participation in volunteer activities. This recognition reaffirms our commitment to society and our active role in building a more equitable and sustainable environment.



The path toward sustainability is dynamic and challenging, but at Nettalco, we believe that innovation and commitment are essential to continuous progress. For 2025, we have set new goals aligned with our ESG strategy, including a 10% reduction in our organization's water and energy consumption, obtaining the Cleaner Production certification, and enhancing our digitalization processes to improve traceability and operational efficiency. We also aim to reach the highest circular economy standards in Peru's textile industry, with the goal of positioning ourselves as a company that leads by example and through action.

**I am confident that, with the talent of our team and the trust of our clients and strategic partners, we will continue to position Nettalco as a benchmark in the sustainable textile industry.**

**We thank you for your continued commitment to this journey toward sustainability.**

Sincerely,

**César Tello**  
**CEO of Nettalco**  
(GRI 2-22)



# Key figures in 2024

In 2024, at Nettalco, we reaffirmed our commitment to sustainability through the implementation of concrete actions that generated positive impacts across environmental, social, and governance areas. Below are the main figures that reflect our progress and efforts across these three key pillars.

## Environmental



**100%** of industrial wastewater is treated



**2°** recognition granted by MINAM (level 2 achieved under the Cleaner Production Agreements framework)



**24%** reduction in waste generation in 2024 compared to 2023



**36,105.65 tCO<sub>2</sub>eq** total emissions



**47%** of treated wastewater is recovered by our Wastewater Treatment Plant (WWTP)



**69%** circularity rate of returnable sewing cones (ranked first in the annual performance ranking)



## Social



**45%** of our workforce are women



**0** fatal accidents within our plants



**6,213 training hours** delivered to our employees in 2024



**27.03%** increase in the hiring rate in 2024 compared to 2023



**1,489** employees



**5 social initiatives** with impact in education, volunteerism, and support for vulnerable communities



## Governance



**0** cases of corruption across all our operations



**0** cases of discrimination across all our operations



**59 years** of presence in the national market



**Traceability Policy** implemented to ensure a transparent supply chain



**USD 21 MM** in local supplier purchases



**84%** of Nettalco's exports to the American market



A close-up photograph of a person's hands operating a sewing machine. The machine is white and metallic, with a blue fabric being sewn. The person's hands are positioned to guide the fabric through the machine. The background is slightly blurred, showing more of the sewing machine and the fabric.

01

**Nettalco**

59 years of producing  
quality apparel

# 1.1

## About our company

We are a vertically integrated textile and apparel company based in Lima, Peru. We specialize in the production and export of knitted cotton garments and blends, custom-made for prestigious international clients. We operate as contract manufacturers, which allows us to adapt to each client's designs and specifications in order to deliver high-quality, personalized products. **(GRI 2-1) (GRI 2-6)**

## What set us apart?

At Nettalco, we reaffirm our commitment to society by integrating **sustainability** as a key pillar of innovation, ensuring our long-term relevance.

Today, sustainability is embedded in all our processes, with a clear focus on consistently generating economic and social value over time.



### Commitment to sustainability and sustainable development:

In 2024, we continued to implement the commitments outlined in our Sustainability Strategy, which was developed in 2019 for the period from 2020 to 2025. Through this strategy, we aim to integrate sustainability across all aspects of our company. To achieve this, we are currently implementing the necessary actions to meet the established objectives. This commitment has become a cornerstone that drives us to act responsibly, with the purpose of contributing to the conservation and restoration of the environment while strengthening our competitive advantages.



### Traceability and transparency:

We maintain a consistent focus on transparency, which is why we disclose the origin of our raw materials and monitor the negative impacts associated with our processes. Key impacts we manage include the generation of effluents with pollutant loads, industrial noise, and textile waste, which currently gains a second life through downcycling. We continue to provide our clients with clear and detailed information on these impacts while actively working to reduce them and manage risks across our value chain. Through these efforts, we contribute to improving both social and environmental outcomes. Furthermore, our progress in impact management is regularly updated and publicly available on the Higg Index platform.



### Contribution to reducing social gaps: poverty

We continue to generate quality employment in Peru and ensure that all our employees receive a competitive salary and work in safe conditions. We also strictly comply with current Peruvian regulations to guarantee that our labor practices are responsible and aligned with the highest standards.



### Health and well-being:

We continue to foster a safe, positive, and productive work environment aimed at promoting work-life balance for our employees. In addition, we keep our Comprehensive Health Program active. This program is designed to support both the physical and emotional health of our employees and their families, with the goal of ensuring comprehensive well-being across our entire workplace community.



## Operations at our production plants: Vulcano and Cercado

# 1.2

## Our facilities

We operate two production plants: Vulcano and Cercado, located in the districts of Ate and Cercado de Lima, respectively. At these facilities, we carry out processes such as raw material acquisition, knitting, pattern making, dyeing, cutting, sewing, finishing, and shipping to our international clients. **(GRI 2-1)**



### Vulcano

We carry out knitting, yarn dyeing, fabric dyeing, digital fabric printing, cutting, sewing, embroidery, and placed printing processes.

It is worth noting that 30% of our sewing operations take place at our Vulcano facility.



### Cercado

Additionally, we have an operation dedicated to sewing, finishing, packaging, laundry, final auditing, and shipping processes.

Similarly, our Cercado facility concentrates the remaining 70% of the sewing processes.

# 1.3 Vision, mission and values



## Mission

To deliver high-quality products and services to our clients, not only meeting the highest international standards but also continuously exceeding their expectations.



## Vision

We aspire to become the leading Peruvian company in garment exports and to stand out as a globally recognized contract manufacturer.



## Values

1



We build trust

2



We design solutions

3



We act with integrity

4



We are a family

5

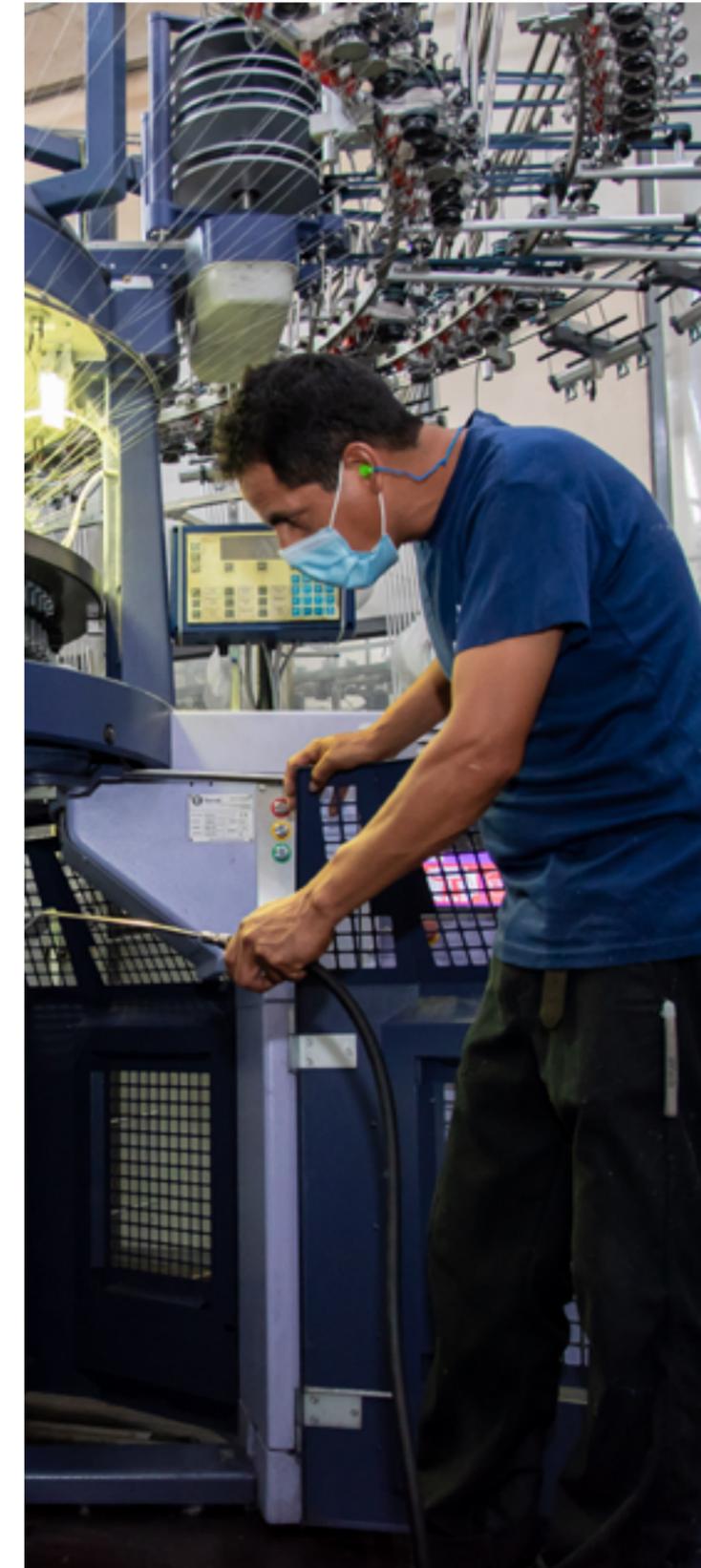


We strive for excellence

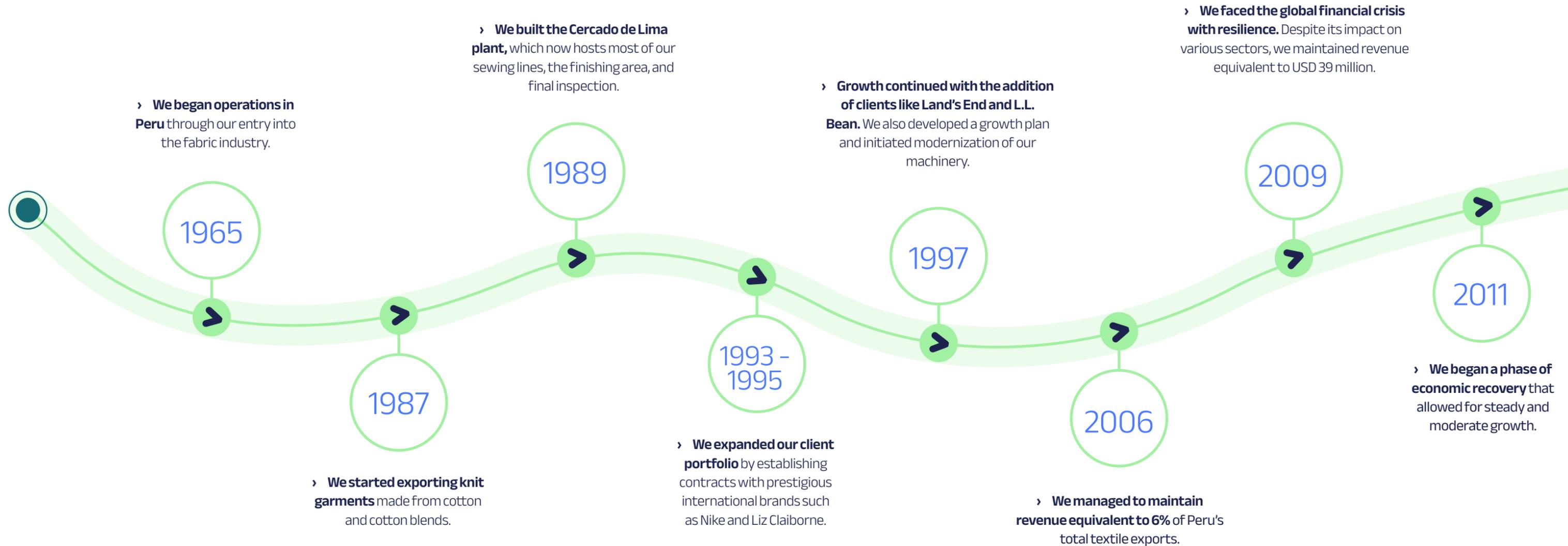
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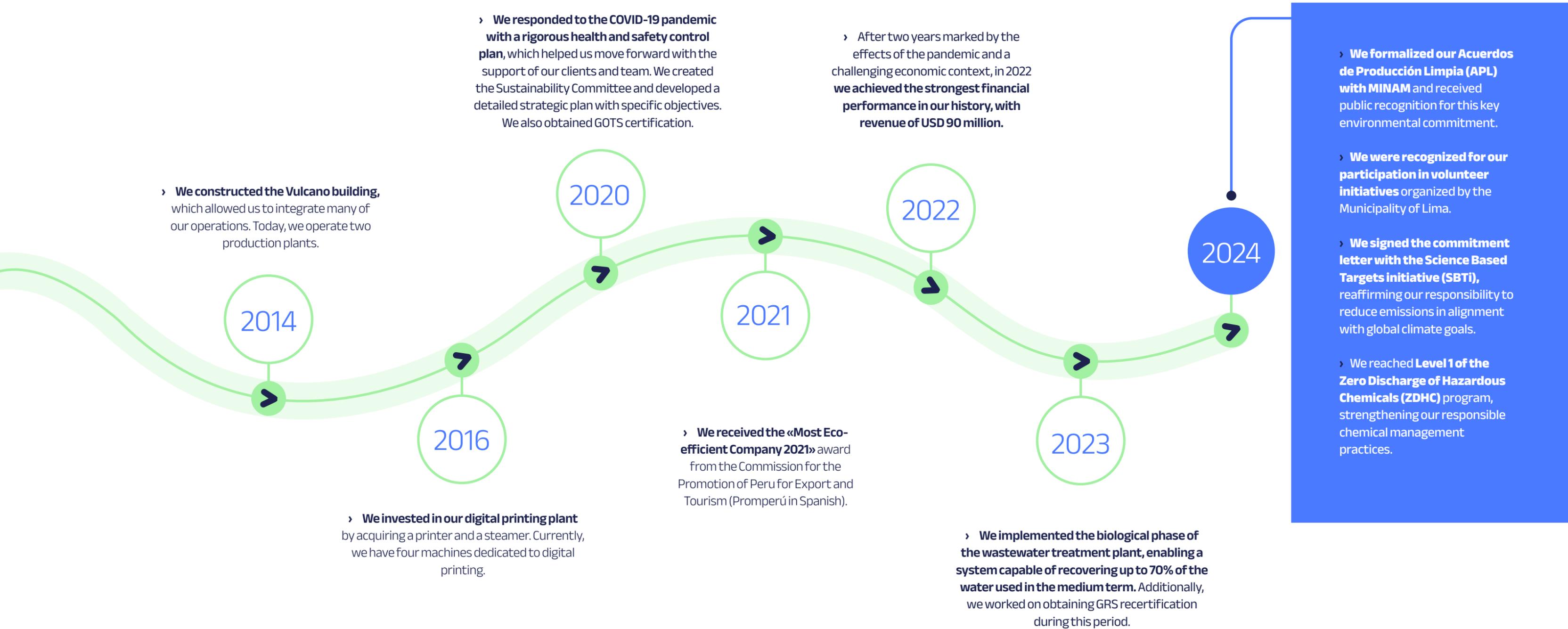


We are responsible



# 1.4 History of Nettalco





02

Our  
products



## Product line

At Nettalco, we offer a wide range of textile products, from fabrics for the fashion industry to applications in the garment sector and other areas.

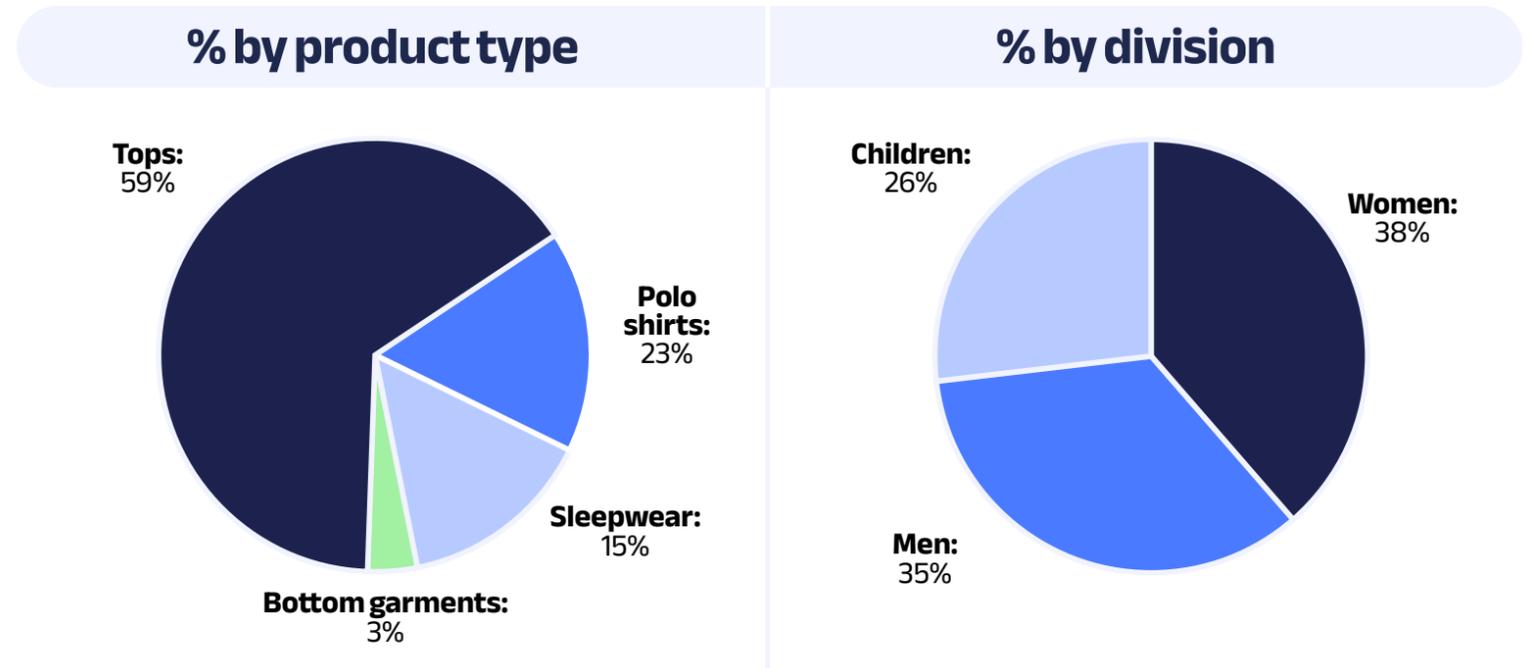
At Nettalco, we are dedicated to the production and export of knitted garments made primarily with 100% cotton yarns, including premium varieties such as **Peruvian pima, Supima, Upland, and organic cotton**. We also diversify our offering with cotton yarns blended with innovative fibers such as lycra, polyester, micromodal, bamboo, and other natural fibers. All of this is designed to respond to global trends in sustainable fashion.

We take pride not only in offering a wide selection of fabrics that meet diverse preferences and requirements, but also in ensuring the highest quality, backed by international certifications such as GOTS, OEKO-TEX, and GRS. We also integrate sustainable practices throughout our value chain, with a focus on responsible processes that respect the environment and the communities we work with.

Below, we present the percentages by product type and the distribution of garments produced by Nettalco, which illustrate how our production is divided across different categories.



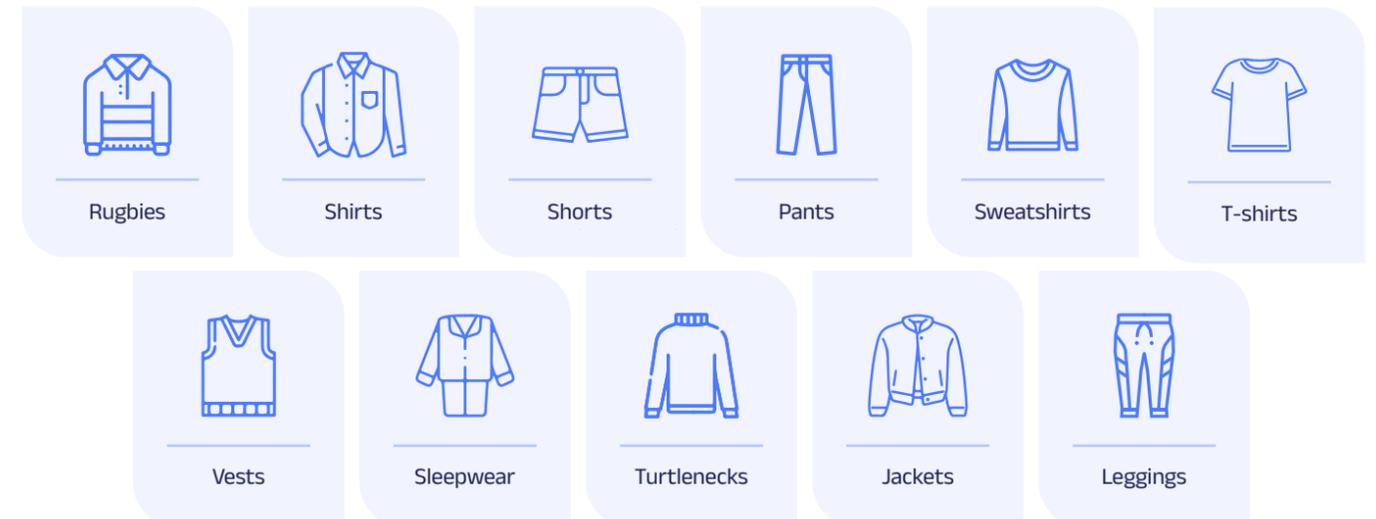
### Product type percentages and distribution of garments produced by Nettalco



## Product categories:

Knit fabrics (fabrics): Jersey, interlocks, piqué, double-faced, waffles, jacquards, rib.

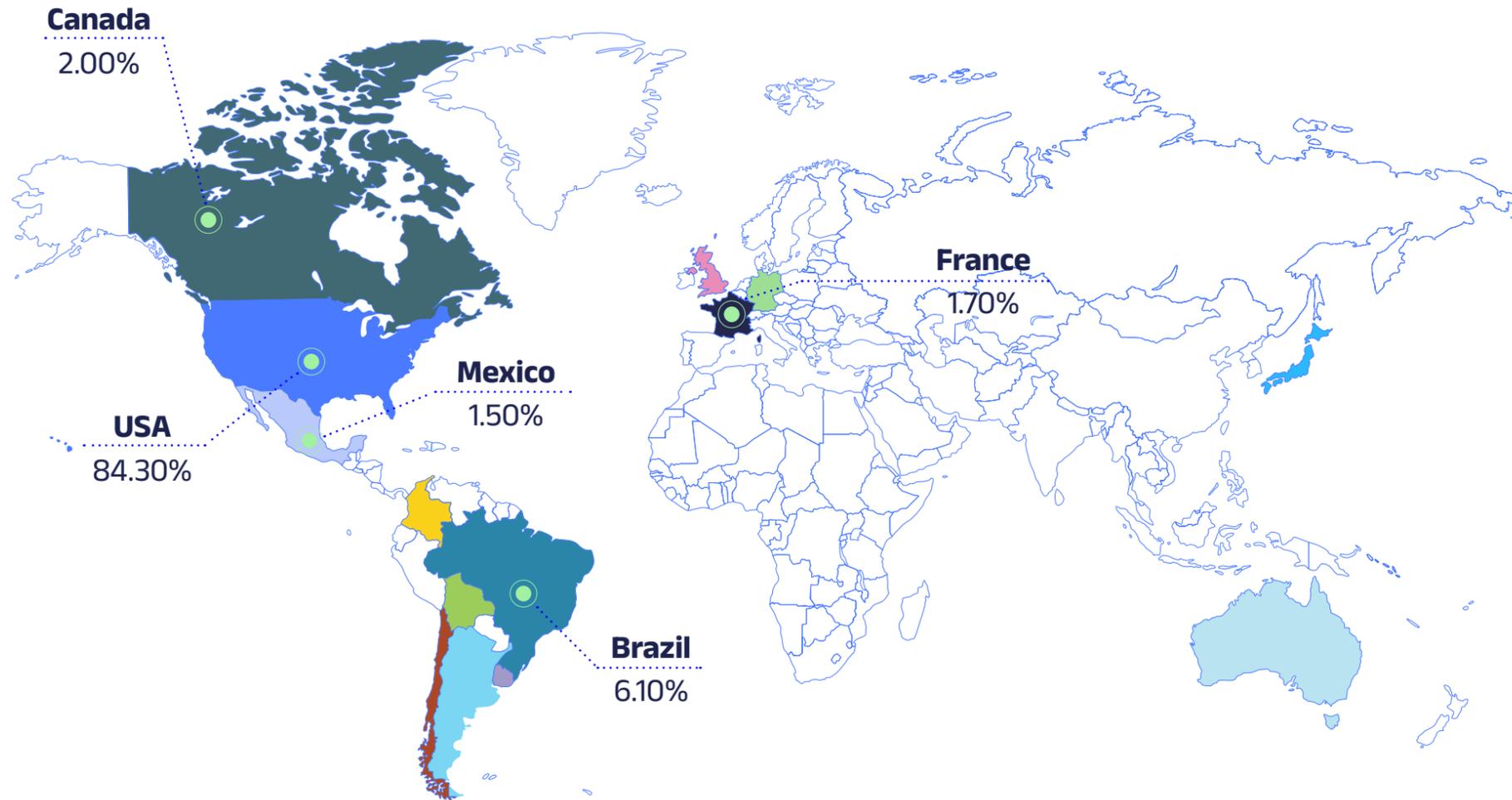
### Garments



## 2.1. Our export markets

At Nettalco, we have strengthened our presence in international markets, allowing us to position ourselves as a trusted partner for renowned global brands. That is why we continue working with determination to create new opportunities and, above all, to bring the excellence of our products to more parts of the world. Every garment we produce reflects our firm commitment to quality, sustainability, and innovation.

### International presence of Nettalco's exports



**Other export destinations where Nettalco is present represent 3.80%.** This percentage includes exports to the following countries: Germany, Argentina, Australia, Bolivia, Chile, Colombia, England, Japan, Panama and Uruguay.

## 2.2. Our clients

At Nettalco, we have established long-term relationships with our clients, who recognize and value not only the unmatched quality of our garments but also our agility in adapting and responding to their needs. Since our beginnings, we have understood the dynamics of the market, which drives us to continue exceeding expectations through innovative solutions, flexible processes, and efficient production. This constant focus on excellence has enabled us to build strong and lasting partnerships, solidifying our reputation as a trusted ally committed to the success of those who rely on us.

### Nettalco's global network of strategic clients

<p>Since 1992</p> <p><b>L.L.Bean</b></p>	<p>Since 1993</p> <p><b>LANDS' END</b></p>
<p>Since 1996</p> <p><i>Hanna Andersson</i></p>	<p>Since 2000</p> <p><b>LACOSTE</b></p>
<p>Since 2010</p> <p><b>RICARDO ALMEIDA</b></p>	<p>Since 2022</p> <p><b>m travis Mathew</b></p>
<p>Since 2023</p> <p><b>LAKE</b></p>	

## 2.3. Certifications and affiliations

We maintain close collaboration with institutions, associations, and organizations in the textile industry, which helps us continuously strengthen the sector's competitiveness both nationally and internationally. This collaborative approach has enabled us not only to navigate regulatory challenges but also to enhance our global competitiveness, foster innovation, and make steady progress on our sustainability agenda.

**Below is a list of the organizations and associations we actively collaborate with and are members of:**



*Nettalco's participation in these organizations reinforces its commitment to sustainability, innovation, and responsible business practices.*

Strict adherence to regulations and the ongoing monitoring of our production processes and work environment have led us to obtain international certifications that endorse us as a responsible manufacturer. These distinctions not only reflect our commitment to excellence but also provide our clients with the confidence they need. Below is a list of Nettalco's national and international certifications, which validate our good practices in sustainability and social responsibility throughout our operations.



# Nettalco's certifications



## GLOBAL ORGANIC TEXTILE STANDARD

Ensures that textile products meet ecological standards from raw material sourcing to final labeling, guaranteeing an environmentally friendly and socially responsible manufacturing process.



## OEKO-TEX CERTIFICATION

Granted to companies that guarantee the absence of harmful substances in both the textiles used and in every stage of the production process.



## BASC CERTIFICATION

Awarded to companies that uphold fair, safe, and reliable trading practices while also promoting transparency at both the national and international levels.



## WRAP CERTIFICATION

Highlights companies that foster responsible production practices to ensure that conditions are safe, legal, humane, and ethical across the globe.



## SUPIMA CERTIFICATION

Awarded to companies that use the highest-quality cotton at every stage of their garment production process.



## GLOBAL RECYCLED STANDARD

Guarantees the use of recycled materials throughout the entire chain of custody and incorporates additional environmental and social criteria.



## COTTON LEADS

Ensures that companies in the textile sector carry out their production responsibly and that their supply chains meet high sustainability standards in the production and commercialization of cotton.



## WALT DISNEY F.A.M.A. CERTIFIED

Granted by Disney, this certification includes an audit designed to ensure that facilities producing its merchandise maintain safe and responsible working environments. As part of the International Labor Standards (ILS) Program, it establishes objective labor standards and requires suppliers to comply throughout the entire chain, from production to commercialization.

## ZDHC

It promotes the elimination of hazardous chemicals in the textile industry, establishing rigorous standards for chemical management in production processes, in order to protect the environment and human health.



## SCIENCE BASED TARGETS

Ensures that corporate decarbonization strategies meet scientific standards to mitigate climate change.



These accreditations support our practices throughout the value chain, from raw materials to the final product, ensuring compliance with the highest environmental, social, and traceability standards.

03

Our **strategic**  
**framework**



# Sustainability pillars

## 3.1. Our roadmap: a new corporate direction

We believe that the foundation for achieving our business goals lies in our ability to adapt and continuously reinvent ourselves. This mindset has led us to transform the way we operate, allowing us to integrate sustainability as a central axis that guides every decision and action within our corporate strategy.

In 2020, we took a significant step forward by developing our Sustainability Strategy. This plan was created to implement concrete actions aimed at reducing our environmental and social impacts. Through this approach, we reaffirm our commitment to act responsibly and to actively contribute to sustainable development.

**(GRI 2-14) (GRI 2-23) (GRI 2-24)**



### Quality

We define sustainability through quality. We use the best available materials, provide excellent service, and rely on the skills and motivation of our employees to maintain our high quality standards.



### Lifecycle

We analyze every improvement in our production with a constant awareness of the global context. We also anticipate and manage current and future impacts, both local and global, with the goal of strengthening our company in the long-term.



### Commitment

We strive to create a better quality of life for our employees by fostering good relationships and teamwork. Through these efforts, we generate a positive impact on society.



### Competitiveness

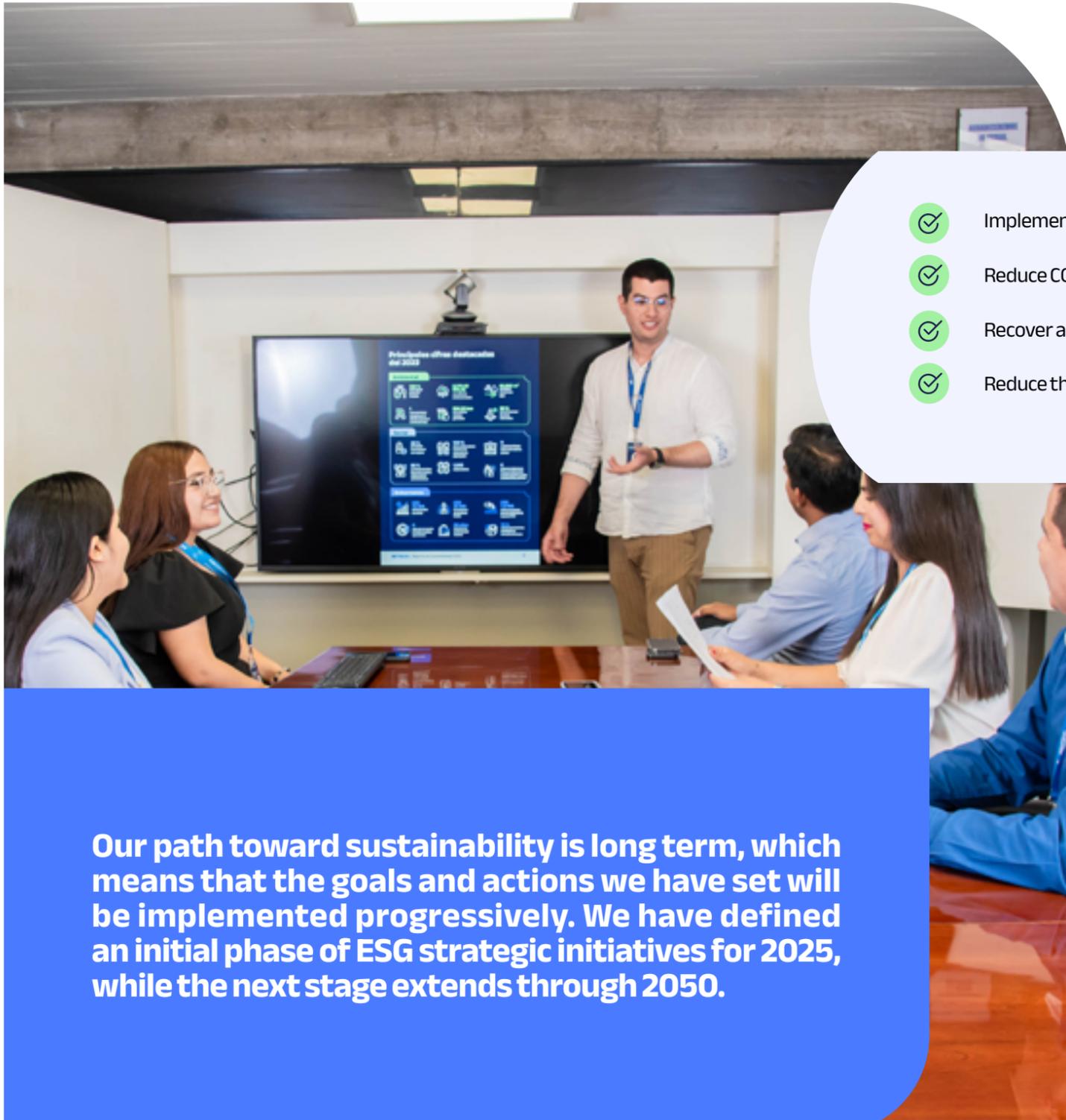
Remaining competitive allows us to maintain our market position. To achieve this, we work in synergy across all areas of the company by fostering a culture of continuous improvement, promoting eco-efficiency, driving technological innovation, and providing training for all our employees.



### Collaboration

We work closely with our clients to exceed their expectations. This means delivering high-quality products while also promoting efficiency and collaboration among our employees.

Nettalco's pillars of sustainability guide our environmental, social, and governance management, ensuring responsible growth aligned with international best practices.



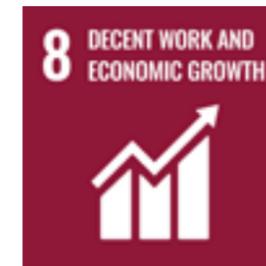
# Targets 2020-2025

- ✔ Implement a waste management system.
- ✔ Reduce CO<sub>2</sub> emissions at our facilities by 10%
- ✔ Recover and reuse clear water in dyeing processes.
- ✔ Reduce the organization's water and energy consumption by 10%
- ✔ Obtain the first Huella de Carbono Perú star by completing the required calculation and report.
- ✔ Align chemical management requirements with the Zero Discharge of Hazardous Chemicals (ZDHC) guidelines.
- ✔ Achieve the highest level of efficiency in reducing solid waste within the Peruvian textile sector.

Our path toward sustainability is long term, which means that the goals and actions we have set will be implemented progressively. We have defined an initial phase of ESG strategic initiatives for 2025, while the next stage extends through 2050.

We have also fully integrated the United Nations (UN) Sustainable Development Goals (SDGs) into our corporate strategy, with the aim of ensuring that our actions generate an immediate, positive, and measurable impact across the economic, environmental, and social dimensions.

### Integration of the SDGs into Nettalco's corporate strategy



This integration will enable us to contribute positively and measurably to the economic, environmental, and social dimensions.

# 3.2. Engagement with our stakeholders

We focus our efforts on building strong and lasting relationships with our stakeholders based on continuous, genuine, and transparent dialogue. This close engagement allows us to better understand their perspectives, expectations, and needs, making it easier to work together toward shared goals.

Through multiple communication channels, both internal and external, we promote active and ongoing listening. This approach not only strengthens our competitiveness and presence in the textile sector but also fosters truly inclusive and transparent participation by all parties involved.

(GRI 2-29)

Below we highlight our key stakeholders:



## 3.3. Materiality analysis

**In 2023, we carried out our first materiality assessment, establishing a solid foundation for defining our strategic priorities. In 2024, we continue to build on this analysis to ensure that our actions remain aligned with the current context and the expectations of our stakeholders.**

Based on these results, the materiality analysis has become an essential tool in our sustainability management, enabling us to define our strategic priorities with greater objectivity. In response to the recent updates to the Global Reporting Initiative (GRI) reporting standards, we conducted a thorough review of our material topics and incorporated updated criteria with a focus on due diligence and respect for human rights.

This new approach shifted our materiality strategy toward impact, allowing us to integrate the identification of actual and potential effects across environmental, social, and human rights dimensions. In doing so, we carefully considered the risks and opportunities that could affect our ability to generate sustainable value.

We also developed a prioritization matrix that provides an objective view of the topics most significant to the organization. As part of our commitment to continuous improvement, we will update these material topics in 2025 to ensure the relevance and effectiveness of our sustainability strategies. **(GRI 3-1) (GRI 3-2)**



**Below we outline the methodological steps we followed to identify our material topics:**

1



**Understanding the organizational context**

We conducted a detailed analysis of both the internal and external contexts in which we operate. Externally, we carried out a benchmarking exercise with leading companies in the textile sector with which we have commercial relationships. We also thoroughly reviewed the most recognized sustainability guidelines and standards, with an emphasis on the SASB standard for apparel, accessories, and footwear. At the same time, we assessed the most relevant sustainability trends and considered potential national-level risks. Internally, we reviewed our sustainability strategy and its ability to generate value. In addition, we analyzed our policies and management documents to gain a comprehensive understanding of the sustainability topics we have been implementing.

2



**Identifying actual and potential impacts**

As part of this process, we conducted a workshop with our management teams to identify in detail the impacts of our activities, including both positive and negative effects, as well as those that are actual or potential. In addition, we used participatory tools such as surveys and focus groups with various stakeholder groups — including commercial clients, employees, and suppliers — to gather their perspectives on the most significant aspects of our operations.

3



**Assessing and prioritizing actual and potential impacts**

After completing a thorough analysis of the previous stages, we established criteria to identify the most relevant impacts. For negative impacts, both actual and potential, we considered their scale, scope, likelihood, and severity. For positive impacts, whether actual or potential, we primarily evaluated scale and scope, along with other relevant factors. This approach enabled us to identify, assess, and prioritize the impacts that have the greatest influence on our sustainability management.

4



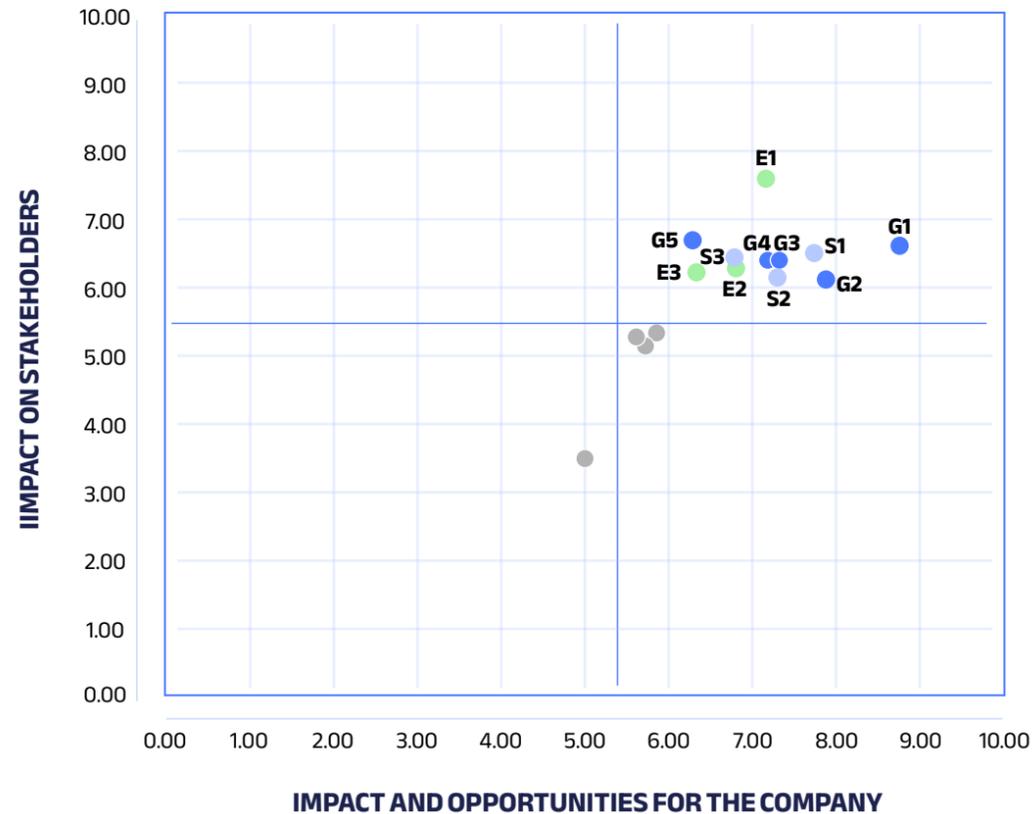
**Validation of material topics**

**Finally, we presented these material topics to our Sustainability Committee** to validate them and ensure they objectively reflect our strategic priorities.

Below we present the priority level assigned to each of the material topics.

## Material topics (GRI 3-2)

Priority of material topics based on their impact



As outlined above, we present the three material topics that are priorities in our sustainability strategy, all of which focus on the responsible management of natural resources and the reduction of our environmental impact.

## Priority material topics in environmental, social, and governance (ESG) Management

ESG

### ENVIRONMENTAL

- E1:** Water use and management
- E2:** Chemical management
- E3:** Reduction of GHG emissions and energy consumption

ESG

### SOCIAL

- S1:** Positive client relationships
- S2:** Job creation, workplace well-being, and talent development
- S3:** Occupational health and safety

ESG

### GOVERNANCE

- G1:** Technology and innovation in product quality
- G2:** Economic performance
- G3:** Traceability assurance
- G4:** Responsible supply chain management
- G5:** Corporate governance, ethics, and anti-corruption



# 3.4. About this sustainability report

(GRI 2-2) (GRI 2-3) (GRI 2-4) (GRI 2-5)

The preparation of our second Sustainability Report marks a continued milestone in our commitment to transparency and responsible management.

**This Sustainability Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards and incorporates the frameworks of the Sustainable Development Goals (SDGs) and the principles established by the Global Compact.**

In this report, we present to our stakeholders and the general public the progress and results of our impact management in environmental, social, and governance (ESG) matters.



## Scope

This document is **published annually and covers information for the fiscal year from January 1 to December 31, 2024.** The scope of the report includes only Nettalco's operations in Peru.



## Verification

The information contained in this report has not been restated or verified by an external auditor.

## Criteria used for report preparation



Key programs and projects we are implementing under our Sustainability Strategy



Achievements and milestones of our sustainability management during the current period.



Definition of materiality criteria based on the concept of impact



Alignment of our material topics with the SDGs and the Global Compact framework.

04

**Governance for sustainability**

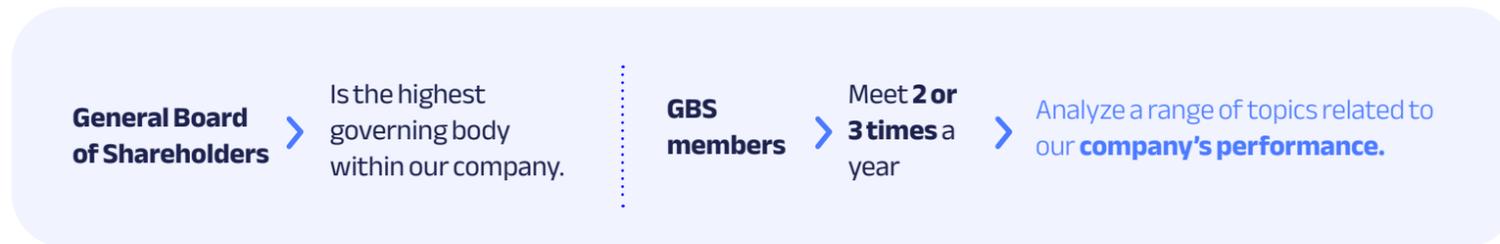


# 4.1. Corporate governance management

We recognize the importance of corporate governance in managing our operations. For this reason, we believe that guiding our path toward sustainability requires ensuring that decisions are made fairly and efficiently, with the aim of creating value for all our stakeholders.

**(GRI 2-9) (GRI 2-10) (GRI 2-18)**

## Corporate governance actions and guidelines



Our management team holds regular meetings throughout the year, based on operational needs and priorities. These meetings address key topics such as economic performance and projections, progress towards the goals of the main departments, and, increasingly, the management of sustainability impacts.

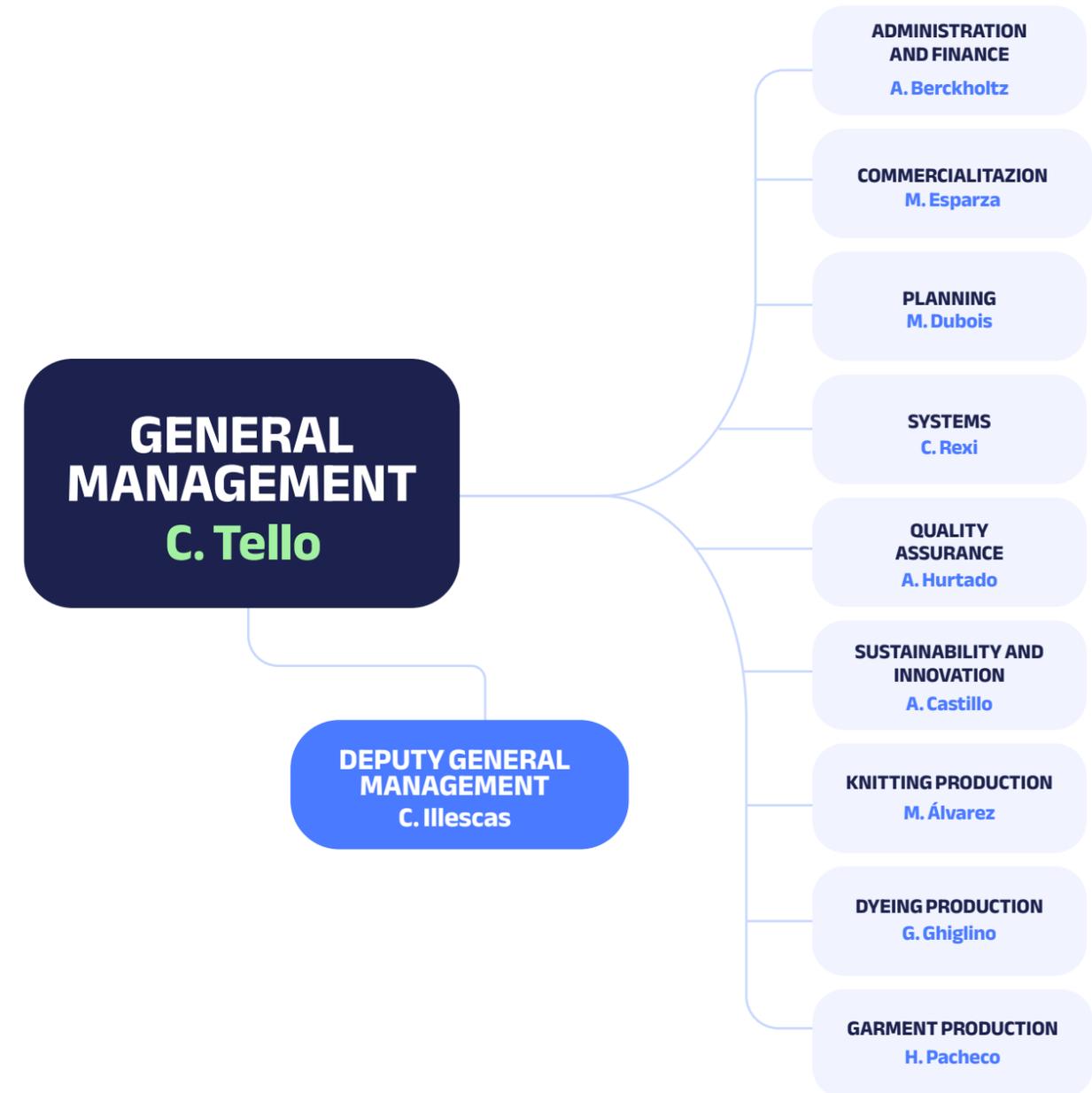
For example, during the mandatory session held in February, the company reviewed the financial performance of the previous year, evaluated the dividend policy, appointed board members for the new term, and reviewed the audited financial statements, reaffirming our commitment to transparency. **(GRI 2-9) (GRI 2-10)**

Regarding our board of directors, its structure has remained unchanged in recent years. Currently, its members are not independent and have direct ties to the company. **(GRI 2-10)**

The board of directors is currently composed of three professionals with extensive knowledge of Peru's textile sector. It is worth noting that the board members are senior-level executives. However, a formal evaluation process for senior management has not yet been implemented. **(GRI 2-18)**

## Composition of corporate governance

Below is the composition of our corporate governance structure, made up of professionals with extensive experience and a strong commitment to the principles of ethics, transparency, and sustainability that guide our business management.



## Nettalco Executive committees

We have established several committees to analyze key aspects of our business management. **These committees play an essential role in supporting informed decision-making and promoting operational efficiency.** A significant milestone in 2024 was the creation of the Best Idea Committee, aimed at driving innovation and excellence across our operations. Currently, Nettalco has five committees, which are listed below:

 <b>Occupational Health and Safety Committee</b>	 <b>Sexual Harassment Committee</b>	 <b>Sustainability Committee</b>	 <b>Services Committee</b>	 <b>Best Idea Committee</b>
<p>The committee is responsible for approving OHS documentation, reviewing safety matters — including findings related to unsafe conditions and support for corrective actions — analyzing workplace accident statistics, and holding monthly meetings.</p>	<p>The committee is responsible for investigating, sanctioning, and protecting the rights of all employees in cases of sexual harassment. It is also in charge of ensuring effective communication of the company's policies and regulations to all its members.</p>	<p>This meets weekly to evaluate progress in compliance with the established objectives and ensure compliance with the requirements of internal and external audits in environmental and sustainability matters.</p>	<p>The committee's objective is to listen to employees who present suggestions, complaints, and concerns aimed at improving the workplace environment. Meetings are held monthly at each plant, with 20 employees randomly selected to represent the various work areas. Follow-up and coordination of the committee is overseen by the Social Welfare – Human Management area.</p>	<p>The committee is responsible for managing and organizing the innovation contest «The Best Idea Implemented», as well as ensuring the quality and relevance of the submitted proposals. Ideas are evaluated based on criteria such as innovation, cost savings, sustainability, and safety. Each member contributes their specialized expertise, which helps ensure the feasibility and impact of the selected ideas. Finally, all proposals are evaluated and ranked weekly by the area heads and the committee. At the end of the contest, the implemented ideas are reviewed, and the winners are selected in a dedicated meeting.</p>

## 4.2. Sustainability Management at the senior leadership level

### General Management

**(GRI 2-14) (GRI 2-11) (GRI 2-12) (GRI 2-13) (GRI 2-14) (GRI 2-16)**

The leadership of our sustainability management is overseen by our General Manager, César Tello, who, due to his experience and knowledge of the textile sector, ensures the continuity of our operations and promotes the integration of sustainability into the corporate strategy.

Within our framework of good governance, we have established long-term goals that guide us toward fully ethical and transparent management across the organization. As part of these responsibilities, the Board of Directors has delegated to General Management the overall responsibility for sustainability, which includes monitoring compliance with the ESG indicators defined in our Sustainability Strategy, as well as reviewing and approving material topics and the sustainability report. **(GRI 2-14)**

It is important to note that General Management reports to the Board on sustainability matters and remains informed about key projects, sector trends, and future strategies.

**In 2020, we reached a milestone by initiating the creation of the Sustainability Committee, and in 2024, we established the role of Head of Sustainability and Innovation, responsible for the comprehensive implementation of ESG actions.** In this way, alongside the General Manager, Deputy General Manager, Administrative Management, the Committee, and the Head of Sustainability, we are making steady progress in positioning Nettalco as a leading company on the path to sustainable development. **(GRI 2-11) (GRI 2-12) (GRI 2-13) (GRI 2-14) (GRI 2-16)**





## Sustainability Committee

(GRI 2-17)

This committee is made up of key departments responsible for environmental and sustainability management at Nettalco, including SSOMA, Maintenance, Human Resources, Quality Assurance, and Sustainability. Since its establishment, the committee has been responsible for implementing action plans stemming from audits, driving circular economy initiatives, ensuring compliance with environmental commitments outlined in Environmental Management Instruments (IGAs), and managing the chemical handling system in alignment with ZDHC standards. In addition, the committee participates in local government programs such as the Acuerdos de Producción Limpia (APL) and Certificado Azul. It also works toward achieving science-based targets to ensure environmentally sustainable management aligned with international standards.



### ALDO HURTADO ARRIOLA

HEAD OF QUALITY ASSURANCE



### ALEJANDRO CASTILLO NOLTE

HEAD OF SUSTAINABILITY AND INNOVATION



### GIORGI LLUNCOR SILVA

SSOMA SUPERVISOR



### ERICK MACEDO PAREDES

HEAD OF MAINTENANCE



### KIARA VELASQUEZ BENDEZÚ

HEAD OF HUMAN RESOURCES



### ANDERSON VASQUEZ YANCE

SUSTAINABILITY ANALYST



### RUBY LOPEZ ULLOA

SUSTAINABILITY COORDINATOR



### DEYNA HALLASI ALBUJAR

AUDIT ANALYST

In addition to the actions outlined above, **the committee has implemented ongoing training** for all Nettalco personnel on **key topics such as water eco-efficiency, energy management, and optimal solid waste management, among others.**

**Finally, in 2024, we officially established the Sustainability Department and appointed its leadership, marking a key milestone for Nettalco.** This initiative responds to the need to strengthen and promote our Environmental and Sustainability Management System, given the growing importance of these topics in the textile sector. The creation of this department enables us to address environmental and social challenges more effectively, while also consolidating our commitment to implementing responsible and sustainable practices across all our operations.

## Past: Beginnings of Sustainable Management



### 1. Lack of formal procedures

Previously, Nettalco approached sustainability matters in a general way, without formalized procedures in place.



### 2. Creation of the Sustainability Committee

In 2020, we established the Sustainability Committee to ensure compliance with environmental and social regulations. This committee led the implementation of the Higg Index (social and environmental) as a key tool to assess and optimize the impact of our operations.



### 3. Annual waste reporting

We implemented an annual waste reporting system to monitor the types and quantities of waste generated. This initiative laid the foundation for developing a more efficient waste management system aligned with our sustainability goals.



### 4. Installation of the physicochemical WWTP

To comply with environmental regulations and reduce the impact of wastewater discharge, we set up a physicochemical Wastewater Treatment Plant (WWTP) to ensure proper treatment before discharging effluents.



## Present: consolidation of sustainability and social responsibility



### International certifications

In 2024, the Sustainability Department led the recertification process for standards such as the Global Recycled Standard (GRS), Global Organic Textile Standard (GOTS) 7.0, and Oeko-Tex. These certifications reflect our commitment to sustainability and product safety while also reinforcing our competitiveness in export markets.



### National and International Initiatives

We aligned with global initiatives such as ZDHC (Zero Discharge of Hazardous Chemicals), which promotes the elimination of hazardous chemicals in the industry; SBTi (Science Based Targets), through which we align our emissions reduction goals with global climate targets; and the Higg Index, a tool that enables us to measure and assess our environmental, social, and governance performance across the value chain.

At the national level, we participate in key programs such as the Huella de Carbono Perú, which measures and manages our greenhouse gas emissions; the Certificado Azul, which recognizes our commitment to responsible water management; and the Acuerdo de Producción Limpia (APL), which promotes sustainable practices to minimize the environmental impact of our operations.

These certifications and initiatives reflect our ongoing commitment to sustainability, emissions reduction, efficient resource use, and the strengthening of responsible practices at both the local and global levels.



### Circular economy projects

We have implemented projects based on the principles of the circular economy, such as the recycling of returnable plastic cones and the reuse of IBC containers for chemical products, which are returned to our suppliers for refilling and reintegration into the usage cycle. Additionally, we add value to plastic waste by transforming it into recycled sleeves that are reintegrated into our production. These initiatives reflect our commitment to sustainability and the efficient use of resources.



### Corporate social responsibility

We collaborate with our clients, including Hanna Anderson and Lacoste, to develop social responsibility initiatives such as holiday campaigns and community-focused projects that benefit the local population. We also participate in volunteer programs such as «Lima Verde» and «Lima se beneficia a la comunidad local». In addition, we participate in the "Lima Verde" volunteers and "Lima se Renueva".



### Audits and client compliance

We conduct audits requested by our clients, such as environmental audits by ICS (Initiative for Compliance and Sustainability), supply chain mapping for Hanna Anderson, and compliance audits for L.L.Bean. While these evaluations are client-driven, we are fully committed to managing them efficiently in order to ensure transparency and compliance with the highest commercial standards.



### Supply chain traceability

We have aligned with traceability tools used by our clients, such as Glimpact and the UFLPA (Uyghur Forced Labor Prevention Act), to ensure compliance with international regulations.

In addition, we have implemented a platform that allows our suppliers to register their data, helping us improve control and transparency in yarn traceability.

## Future: innovation and leadership in sustainability

### Closed Loop



We will implement strategies to optimize the life cycle of textile waste. This includes ensuring that the materials used in our garments are recycled and reintegrated into the value chain to minimize waste as much as possible. To achieve this, we will establish strategic partnerships with suppliers and clients to promote circular economy practices that contribute to a more sustainable and efficient textile system.

### ZDHC Level 3



Our goal is to reach the highest standard in the safe management of chemicals, which involves completely eliminating the use of restricted substances and ensuring strict compliance with international regulations across our supply chain. To this end, we will incorporate advanced monitoring and control technologies to strengthen our commitment to chemical safety and sustainability. This effort will position us not only as a benchmark but also as a leader in the textile sector.

### Continuous improvement of Higg Fem and FSLM



We are committed to linking our operations to the Higg Index as a key tool to continuously assess and improve our environmental and social performance. Through the Higg Facility Environmental Module (FEM) and the Higg Facility Social & Labor Module (FSLM), we will measure the environmental, social, and labor impact of our facilities using a standardized approach. This will enable us to identify improvement opportunities and, most importantly, promote more responsible conditions across our value chain.

### 100% ICS Environmental and Social Compliance



We will ensure full compliance with the standards of the Initiative for Compliance and Sustainability (ICS), with the goal of positioning ourselves as a reliable and sustainable supplier in international markets.

### SBTi (Science Based Targets Initiative)



We will meet the targets established to reduce greenhouse gas emissions, in line with global commitments to limit global warming to 1.5°C.

### Circular Economy for solid waste



We will implement programs to ensure the full recovery of solid waste generated during production, transforming it into new products or raw materials.

### Water consumption reduction



We will optimize our processes to reduce the amount of water used per kilogram of fabric, significantly decreasing water consumption in textile production.

### Installation of aerators



We will install aerators in both domestic and industrial systems to reduce water consumption and enhance efficiency.

### Recovery of treated water



We will increase the recovery and reuse capacity of treated industrial water, aiming to achieve up to 70% reintegration into our production processes.

### LED energy



We will complete the transition to LED lighting across all our facilities, resulting in significant energy savings and a reduced carbon footprint.

### In-House energy generation



We will install renewable energy systems, such as solar panels, to partially cover our energy needs.

### Heat recovery



We will implement technologies to recover residual heat from industrial processes and reuse it in other production stages, reducing overall energy consumption.

### Vehicle fleet transition



We will gradually replace fossil fuel-powered vehicles with cleaner alternatives to reduce our CO<sub>2</sub> emissions.

# 4.3. Our path towards human rights



## Human Rights Policy

Human rights are universal and ensure that all individuals, without exception, are treated with dignity and equality. Among these fundamental rights are privacy, health, life, liberty, and security. As a responsible company, Nettalco is committed to meeting and exceeding international standards to ensure that these rights are upheld.

At Nettalco, we are committed to maintaining a culture that values, respects, and protects the rights of our employees, as well as those across our extended supply chain and in the communities where we operate.

**(GRI 2-23) (GRI 2-24)**

### Scope of the human rights policy at Nettalco



#### INCLUSION AND DIVERSITY

We promote equal opportunities and strive to maintain a workplace free from any form of discrimination or harassment. In addition, we remain committed to fostering an inclusive work environment.



#### SAFETY AND WELL-BEING

Protecting human rights is a fundamental part of our commitment. For this reason, we implement «Zero harm» policies in our activities to provide our staff with a safe working environment, supported by proper training and equipment.



#### LABOR RIGHTS

We ensure respect for the labor rights of our employees. With regard to collective bargaining, we comply with the labor laws and practices of each country. We also support the development of free and independent associations.



#### RESPONSIBLE HIRING

We apply strict standards when selecting our suppliers, requiring compliance with labor regulations and respect for the rights of their workers.

## Human Rights Policy

**Note.** This policy applies to all our operations, employees, strategic partners, and supply chain.

### Core compliance principles for certification at Nettalco

Given the growing importance of human rights in global business environments, Nettalco is developing a comprehensive human rights due diligence strategy, which will be implemented in 2025. Through its implementation, the company aims to identify, prevent, mitigate, and ultimately remedy any adverse human rights impacts across its operations and supply chain.

Our commitment to human rights is not merely a legal or regulatory requirement, but an essential part of our company's mission. For this reason, we will continue to strengthen our practices to ensure a positive and sustainable impact across all our operations.

## WRAP Certification

At Nettalco, we fully comply with the twelve principles of the Worldwide Responsible Accredited Production (WRAP) standard, ensuring the implementation of responsible and ethical practices throughout all our production processes. These principles are a core component of our certification and reflect our strong commitment to labor standards, workplace safety, and the respect of human rights across our entire supply chain.

**Below are the principles we are required to meet as part of the certification:**



Compliance with laws and workplace regulations

Prohibition of forced labor

Prohibition of child labor

Prohibition of harassment and abuse

Compensation and benefits

Customs Compliance

Security

Hours of work

Freedom of association and collective bargaining

Prohibition of discrimination

Health and safety

Environment

Our Corporate Ethics Code sets forth a firm commitment to the respect of human rights. This code applies to all company employees, as well as to suppliers and contractors engaged in commercial relations with us.

In addition, both the Ethics Code and the human rights-related policies are available to all our stakeholders through our website ([www.nettalco.com.pe](http://www.nettalco.com.pe)). In this way, we ensure transparency and accessibility in our ethical practices.

## Corporate Ethics Code

## Sustainability Policy

## Quality Policy

### Oversight and responsibilities

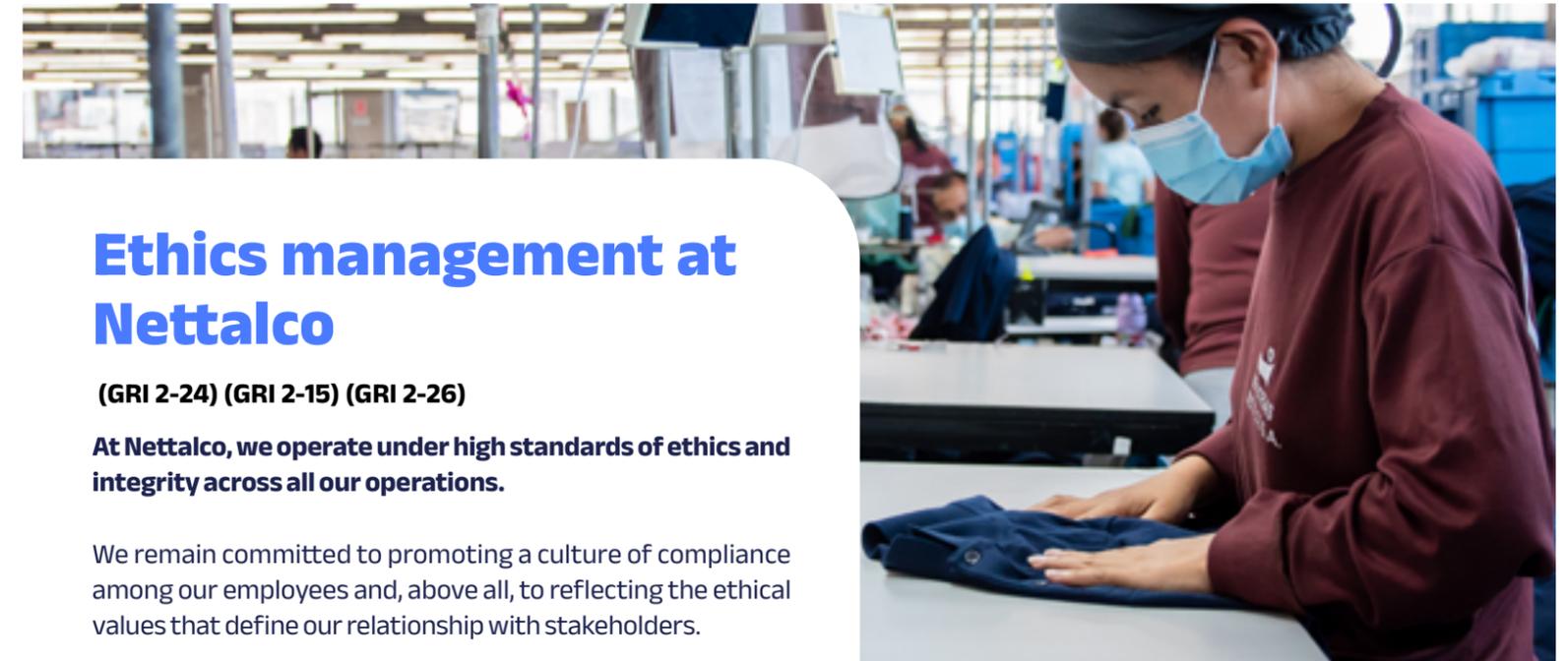
Our Board of Directors and General Management oversee the policies related to human rights. It is the responsibility and prerogative of the Board members to modify and update the Group's Human Rights Policy, along with its associated objectives, to ensure that improvements remain aligned with the Group's evolving human rights commitments.



# 4.4. Ethics and Anti-corruption

In our ongoing pursuit of responsible and sustainable business practices, ethics and anti-corruption management stand as central pillars of our corporate philosophy.

We are committed to operating in a transparent, fair, and respectful manner with all stakeholders, recognizing the importance of upholding the highest ethical standards across all areas of our operations.



## Ethics management at Nettalco

**(GRI 2-24) (GRI 2-15) (GRI 2-26)**

**At Nettalco, we operate under high standards of ethics and integrity across all our operations.**

We remain committed to promoting a culture of compliance among our employees and, above all, to reflecting the ethical values that define our relationship with stakeholders.

We have also established solid mechanisms that enable us to implement transparent and sustainable practices.

To ensure compliance with regulatory frameworks, we rely on our Corporate Ethics Code, internal whistleblowing channels, anti-bribery policies, and a risk prevention model.

Additionally, we have created an Ethics Committee responsible for overseeing, evaluating, and addressing ethical matters within the company. In this way, we ensure the execution of transparent, consistent, and secure operations for all our stakeholders. **(GRI 2-24)**

### Nettalco compliance policies



Corporate Ethics Code



Transparency Policy



Anti-Corruption Policy



Policy on Anti-Bribery, Anti-Corruption, and Conflict of Interest



Complaints and Claims Procedure

## Corporate Ethics Code

This governance document defines Nettalco's corporate values, as well as the principles and standards that must be followed by our employees, suppliers, and contractors.

Accordingly, every new hire is required to read, accept, and sign the Ethics Code, committing to comply with all of its guidelines, which explicitly extend to suppliers. **(GRI 2-15)**

### Below are the core principles outlined in our Ethics Code:

- ✔ We develop and provide goods and services that meet the needs and expectations of our clients and consumers.
- ✔ We engage openly with all stakeholders and share relevant information according to appropriate levels of responsibility.
- ✔ We promote fair, transparent, and open competition to ensure all transactions are conducted appropriately and ethically.
- ✔ We protect and properly manage the personal and confidential data of our shareholders, clients, and employees to ensure privacy and security.
- ✔ We maintain honest and transparent relationships with political entities and government agencies to uphold integrity in all our operations.
- ✔ We respect the diversity, individuality, and character of our employees and foster an inclusive, respectful, and supportive work environment that promotes well-being and satisfaction for all.

 [Corporate Ethics Code](#) 

## Nettalco Ethics Line

In alignment with our Ethics Code, we encourage our employees, suppliers, clients, and other stakeholders to report any unethical practices. Currently, the Human Resources Department is responsible for managing these reports, as well as overseeing their follow-up and resolution.

Below, we outline the communication channels available for submitting reports, complaints, and claims: **(GRI 2-26)**



### Suggestions, complaints, and grievance box

Any employee wishing to report a concern related to ethical matters may do so through the physical suggestion boxes located across company facilities or via the virtual box. These channels ensure confidentiality throughout the follow-up process.



### Request a meeting with immediate supervisor

To the extent that the employee deems it necessary, they may request a meeting with their immediate supervisor. Otherwise, they may approach the Human Resources area to present their critical concerns and complaints.



### Website

We make our website available to all our stakeholders, where we invite them to send us their suggestions, complaints, and comments: [www.nettalco.com.pe/en/contact-us/complaints-or-suggestions](http://www.nettalco.com.pe/en/contact-us/complaints-or-suggestions)

**It is important to highlight that all our employees are informed about and encouraged to use these internal communication channels, which are supported by the Human Resources Department and Nettalco's Senior Management.** These initiatives inspire us to continue fostering a safe and respectful work environment for everyone in the company.





## Anti-corruption management

At Nettalco, we reaffirm our commitment to transparency, integrity, and ethics in all our operations as part of our ongoing efforts in 2024. This commitment is reflected in a solid framework of best practices, standards, and policies that guide our activities and strengthen our relationships with clients, suppliers, and other stakeholders. In doing so, we promote business relationships grounded in fairness, free from corruption and unfair competition.

As part of our compliance system, we have a strong Anti-Corruption Policy in place, which outlines specific tools and mechanisms to prevent, detect, and regulate practices that may conflict with our principles. We also explicitly reject bribery, extortion, corruption, and any form of abuse of power, whether directly or indirectly, by our employees and third parties associated with the company.

Furthermore, our Policy Against Bribery, Corruption, and Conflicts of Interest reinforces our commitment to an ethical and transparent business environment, ensuring that our decisions and actions reflect the highest standards of integrity.

In our ongoing efforts to improve our practices, we maintain certification under the BASC standard (Business Alliance for Secure Commerce), which reaffirms our commitment to preventing illicit activities such as smuggling, drug trafficking, and terrorism throughout our supply chain. Notably, in 2024, we achieved two strengths in the areas of corporate and commercial management within our BASC Compliance and Security Management System (SGCS), providing assurance to our clients and partners that we operate under strict ethical, quality, and security standards.

Through this comprehensive approach, we are positioned as a reliable strategic partner and a benchmark for ethical compliance and strong corporate reputation. In doing so, we strengthen our leadership in the textile industry. **(GRI 3-3) (GRI 2-15) (GRI 205-1) (GRI 206-1)**

**Below are the policies that govern our compliance system:**

- Anti-Corruption Policy** 
- Policy Against Bribery, Corruption, and Conflicts of Interest** 
- BASC Certification** 

**Milestones in our anti-corruption management**  
(GRI 205-3)

**0**

Instances of corruption across all Nettalco operations.

### Communication and training on anti-corruption policies and procedures

(GRI 205-2)



As part of our compliance system, we conduct training and capacity-building on anti-corruption topics for all Nettalco employees.

Below, we present the communication of our anti-corruption policies and procedures, broken down by employee category and region:

#### Communication of anti-corruption policies and procedures by job category and region

Job Category	Region	Total Number	Percentage
Board of Directors	Peru	3	100%
Employees	Peru	1,489	100%
Clients	Peru	7	100%
Suppliers	Peru	51	17%

**Note.** The data correspond to the actions carried out by Nettalco

#### Training on anti-corruption topics for governance bodies by region

Job Category	Region	Total Number	Percentage
Board of Directors	Peru	3	100%

#### Training of employees on anti-corruption topics by job category and region

Job Category	Region	Total Number	Percentage
Administrative staff	Peru	104	7%
Operators	Peru	1,385	93%



05

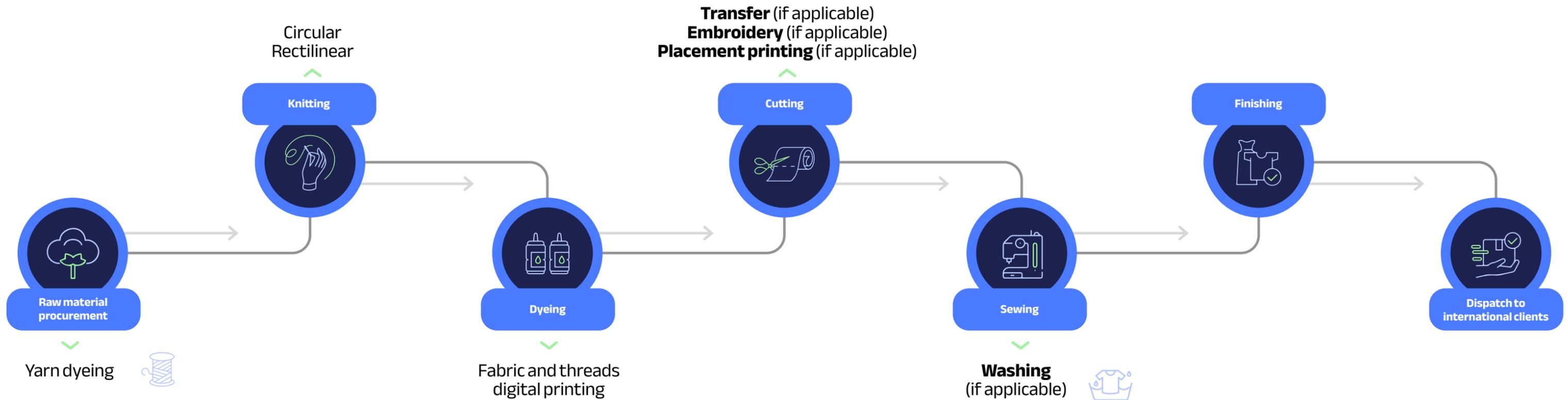
Excellence and  
**market positioning**



# 5.1. Our value chain

Our value chain encompasses a broad range of activities, from sourcing raw materials such as cotton and yarn, to developing fabrics based on client-provided designs, manufacturing textiles and garments, and ultimately exporting the finished products. Each stage in this chain is crucial, beginning with the careful selection of suppliers who ensure the quality and sustainability of inputs, and extending through the implementation of efficient, environmentally responsible production processes. Innovation in design and technology serves as a cornerstone of this process, enabling us to remain competitive in a constantly evolving market. We also maintain efficient logistics management and a well-planned communication strategy, ensuring that we effectively reach our customers.

## Nettalco's value chain



# 5.2. Integrated Management System (IMS)

Our Integrated Management System focuses on the following areas of action:



### Good corporate governance

Remain a positive benchmark for the national textile industry, while promoting a culture of continuous improvement, transparency, and accountability to generate value for both shareholders and society.



### Social leadership

Erradicate poverty throughout the value chain and ultimately serve as a driving force that empowers communities



### Circular leadership

Minimize the impact of our operations and those of our partners across the value chain by prioritizing «zero-waste initiatives», water conservation, and climate change adaptation.



# 5.3. Innovation and product development



Innovation is a core pillar of our strategy, enabling us to address current challenges and effectively meet the demands of our clients. We are committed to ongoing efforts in the research and development of new methods, technologies, processes, materials, and designs that incorporate sustainable attributes, high quality, and efficiency.

Through our Planning and Projects area, we manage initiatives aimed at improving productivity and reducing waste by using data-driven technologies such as Machine Learning, IoT, Computer Vision, Business Intelligence, and Robotic Process Automation (RPA). These technologies allow us to achieve significant levels of eco-efficiency by minimizing waste and processing time, which in turn leads to lower production costs.

We also stay up to date with the leading technological trends in the textile sector, particularly those related to Industry 4.0. The integration of advanced techniques and artificial intelligence enables us to offer more efficient and customized production, spanning planning, design, manufacturing, and distribution.

Nettalco's challenge lies in our ability to continuously adapt, transform, and evolve, allowing us to deliver high-quality services with a strong focus on responsibility and sustainability. **(GRI 3-3) (NO GRI Technology & Innovation in Product Quality)**

In 2024, our innovation and product development management maintained its focus on achieving three main objectives, which are presented below:



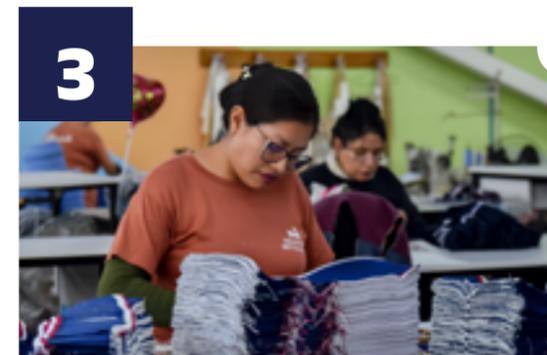
1

Reduce fabric and garment waste by 10% per year.



2

98% on-time delivery rate in pre-production and production.



3

Increase productivity by 5% per year.

## Main initiatives developed in 2024

The initiative «Best Idea Implemented» is an internal innovation competition organized by Nettalco, aimed at gathering and recognizing ideas that bring significant benefits to the company. To be considered, proposals must be approved and validated by both the respective department head and the organizing committee.

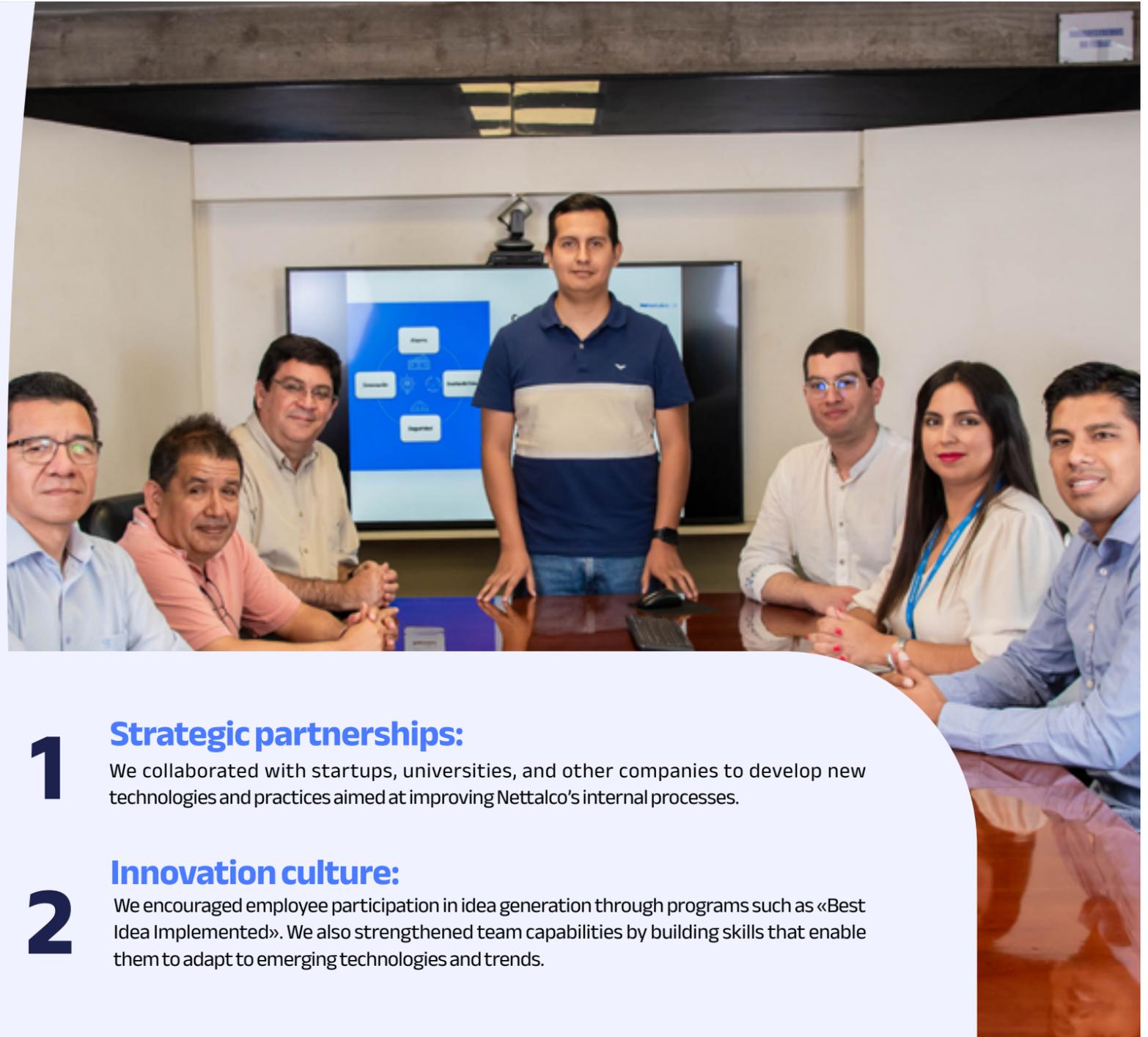
### Objectives

- **Promote innovation:** encourage creativity in processes, techniques, and products within the organization.
- **Generate benefits:** identify ideas that yield cost savings, process improvements, sustainability enhancements, or increased safety.
- **Foster participation:** motivate employees to submit individual or collective proposals.
- **Recognize contributions:** acknowledge and reward high-impact ideas through a structured evaluation process and subsequent awards.

The competition follows a well-defined schedule, covering the stages of planning, execution, validation, and idea assessment. Various departments across the company support the process to ensure its success. Finalist projects receive formal recognition and may be awarded financial incentives depending on their impact.

## In 2024, we revised the competition guidelines to enhance idea quality and strengthen the involvement of team leads.

By mid-2024, we established the Innovation Department to promote continuous and sustainable development and to strengthen our competitiveness in the market. This is achieved through the generation and implementation of ideas, technologies, and processes that add value to the company and our stakeholders. As part of its activities, in 2024 the department focused on:



- 1 Strategic partnerships:**  
 We collaborated with startups, universities, and other companies to develop new technologies and practices aimed at improving Nettalco's internal processes.
- 2 Innovation culture:**  
 We encouraged employee participation in idea generation through programs such as «Best Idea Implemented». We also strengthened team capabilities by building skills that enable them to adapt to emerging technologies and trends.

# Main projects developed in 2024

## IoT monitoring system for flat knitting machines

An intelligent monitoring system has been implemented in the knitting machines to optimize their supervision and performance. This solution enables more precise control of operations, improves fault detection, and contributes to more efficient maintenance and production management.

## Optimization of circular knitting capabilities using genetic algorithms

A digital solution was implemented to enhance order allocation in the circular knitting area. This tool helps optimize planning, reduce idle time, and facilitate the analysis of operational data. The system continues to evolve toward a more robust and accessible version.

## Sewing line balancing with genetic algorithms

An automated solution has been developed to optimize task allocation on the sewing lines, aiming to enhance operational efficiency and maximize output. This tool enables more dynamic management of available resources and provides visual dashboards that support effective decision-making.



# Main projects developed in 2024

## Anomaly detection with AI in fabric dyeing machines

An artificial intelligence-based project was launched to enhance early fault detection in dyeing machines. The goal is to reduce response times, improve operational efficiency, and facilitate the monitoring of key performance indicators. The project is currently in the testing phase.



## General control of electricity consumption

An energy monitoring system was implemented to enable real-time analysis of electricity consumption, identify high-demand sectors, and anticipate consumption peaks. This solution supports energy efficiency and improves the management of generator usage.

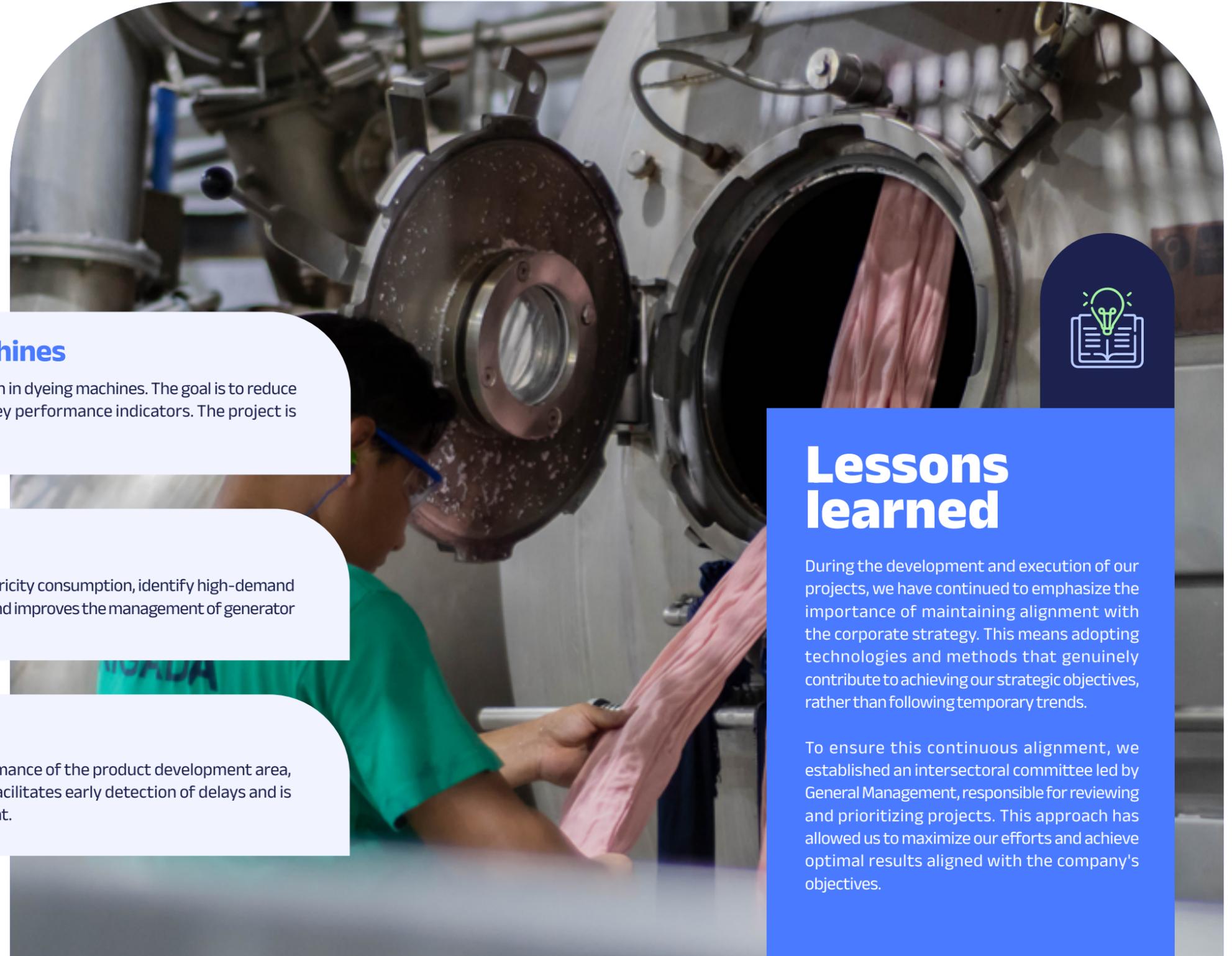
## Key performance indicators in DDP

A key performance indicator (KPI) system was implemented to monitor the performance of the product development area, enabling real-time analysis of garment progress and process efficiency. This tool facilitates early detection of delays and is continuously being expanded with new indicators relevant to operational management.

# Lessons learned

During the development and execution of our projects, we have continued to emphasize the importance of maintaining alignment with the corporate strategy. This means adopting technologies and methods that genuinely contribute to achieving our strategic objectives, rather than following temporary trends.

To ensure this continuous alignment, we established an intersectoral committee led by General Management, responsible for reviewing and prioritizing projects. This approach has allowed us to maximize our efforts and achieve optimal results aligned with the company's objectives.



## 5.4. Supplier management

At Nettalco, we remain committed to developing a responsible, sustainable, and efficient supply chain that allows us to effectively respond to our customers' demands. Our Logistics department comprehensively manages the processes of supplier selection, evaluation, and contracting.

We also have a Purchasing Policy and supplier selection procedures that ensure quality, service, pricing, and availability criteria.

The supplier evaluation process is based on technical criteria and the assessment of their level of criticality according to risk management, using a risk assessment matrix that classifies suppliers into high, medium, and low categories.

If a supplier is considered critical, we request supporting documents to validate their engagement. Currently, we maintain a list of critical and non-critical suppliers, who are periodically evaluated and certified. Due to Nettalco's BASC certification, we conduct communication activities with suppliers and contractors to prevent illegal activities that could compromise our supply chain.

At present, we do not conduct evaluations based on ESG or sustainability criteria. However, aligned with our vision of sustainability and excellence, Nettalco is developing new initiatives that will strengthen our supply chain management in 2025.



### 1. Integration of ESG criteria (Environmental, Social, and Governance)

We are committed to incorporating evaluations based on ESG criteria into our supplier certification process. This will include aspects such as environmental management, the promotion of fair labor practices, and respect for human rights throughout our value chain.



### 2. Supplier training and awareness

We will implement specific training programs for our suppliers to align them with our sustainability policies and ESG standards. This will not only strengthen our business relationships but also contribute to building more responsible and sustainable supply chains.



## Objectives

We have set clear goals to evaluate the progress of our suppliers' socio-environmental management, including achieving an assessment of 20% of critical suppliers. These objectives allow us to continuously monitor and improve the socio-environmental performance of our partners.

## Policies and commitments in supplier Management

We have updated our Purchasing Policy to strengthen supplier management, introducing key changes such as the implementation of a control system for chemical hazard management and compliance with MRSL y RSL. We also ensure that all inputs are accompanied by the relevant and appropriate documentation, including the Safety Data Sheet (SDS), Technical Data Sheet, and applicable third-party certifications. Additionally, we record essential product information, such as batch numbers and expiration dates, where applicable. We also ensure that all inputs are accompanied by the relevant and appropriate documentation, including the Safety Data Sheet (SDS), Technical Data Sheet, and applicable third-party certifications. Additionally, we record essential product information, such as batch numbers and expiration dates, where applicable. In line with our commitment, we prioritize purchasing products with prior validation of GOTS and GRS certifications and the use of the ZDHC platform, with a focus on prioritizing the purchase of chemicals that comply with positive list criteria. These guidelines reinforce our commitment to ethical and sustainable supplier management.

## BASC certification and prevention of illicit activities

To ensure transparent and ethical business relationships with our suppliers, we have obtained certification under the BASC (Business Alliance for Secure Commerce) standard. This system enables us to prevent illicit activities such as smuggling, drug trafficking, and terrorism throughout our supply chain. As a result, we guarantee our clients and partners that we operate under strict ethical, quality, and security standards, allowing us to establish ourselves as a trusted supplier with a strong corporate reputation.

## Responsible supply chain management

At Nettalco, we are committed to developing a responsible, sustainable, and efficient supply chain that allows us to effectively meet our clients' demands. Our Logistics department comprehensively manages the processes of supplier selection, evaluation, and contracting, ensuring that suppliers comply with our rigorous criteria for quality, service, pricing, and availability. In addition, we maintain a purchasing policy and supplier selection procedures that guarantee excellence at every stage of the process.

## Yarn traceability

We have implemented a yarn traceability project that enables us to identify the origin of the yarn, as well as track who has handled, transported, stored, preserved, and marketed it. This project is essential for maintaining yarn security, providing the capability to trace all stages it has passed through. If a problem arises at any of these stages, we can quickly identify its origin and resolve it promptly, ensuring the quality and reliability of our products.

## Sustainable supplier selection

We focus on improving the supplier selection process to enhance sustainability and assess its impact both internally and externally within our management. To achieve this, we adopt a cross-cutting approach that emphasizes the need to adapt and transform our supply chain in favor of sustainability. This approach allows us to work with suppliers who share our values and commitments, strengthening our ability to achieve our sustainability goals and KPIs. **(GRI 3-3) (GRI 308-1) (GRI 414-2)**

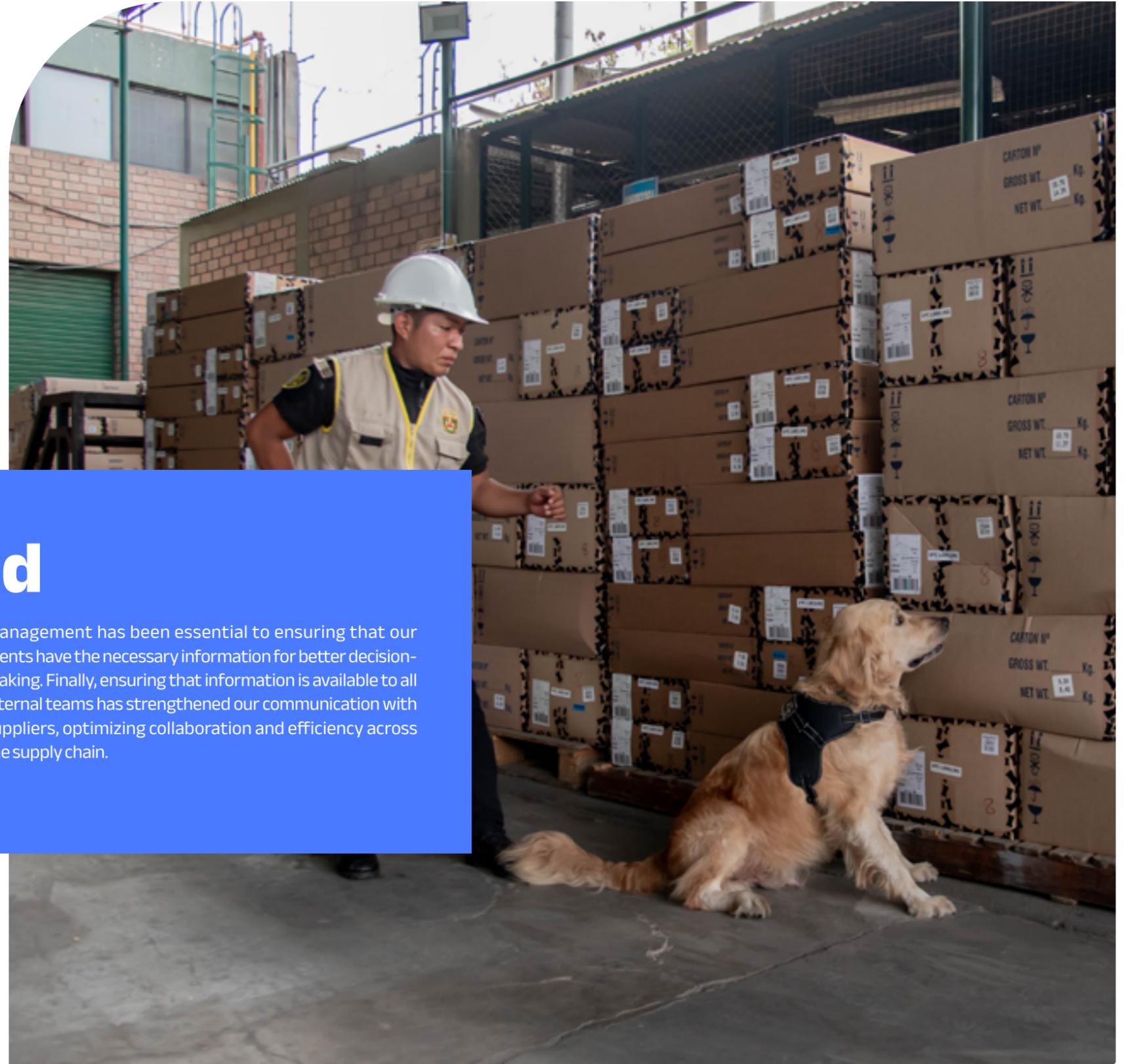
# Main initiatives developed in 2024

## 1. Supplier survey

We conducted surveys with our suppliers to assess their importance in our journey towards sustainability. It is essential for key suppliers to be committed and understand their role in this process.

## 2. Due diligence

We have made progress in managing supplier evaluations by implementing due diligence measures to identify, prevent, and address potential risks. This demonstrates our continued evolution in this area.



# Lessons learned



We have reaffirmed that working with suppliers committed to sustainability not only strengthens our reputation but also allows us to optimize costs and attract new clients. Additionally, improving traceability has provided us with greater control over the origin and destination of our products, enhancing our clients' confidence in our processes. Visibility in supplier

management has been essential to ensuring that our clients have the necessary information for better decision-making. Finally, ensuring that information is available to all internal teams has strengthened our communication with suppliers, optimizing collaboration and efficiency across the supply chain.



# Local procurement

(GRI 3-3) (GRI 204-1)

In line with our Purchasing Policy, we define local sourcing as any procurement process conducted within the national territory.

Our acquisitions focus on key products for production, including yarns for fabric manufacturing and garment production, as well as essential chemicals and dyes for our processes.

This approach allows us to optimize resources, strengthen relationships with local suppliers, and promote a more sustainable and efficient supply chain.

**In 2024, we allocated approximately USD 21 million to domestic purchases made in Peru, covering the acquisition of goods for our operations in Cercado and Vulcano.**

Below are the percentages of contracts awarded to local suppliers in 2024, reflecting our commitment to supporting regional economic development and ensuring a sustainable supply chain.

## Percentages of contracts with local suppliers in 2024



## 5.5. Traceability management

**At Nettalco, we consider traceability to be a fundamental pillar of our business management.**

The growing demand for transparency in social and environmental information from our stakeholders requires us to identify the origin of our raw materials, including fibers, chemicals, and production systems. To achieve this, we maintain an objective view of our supply chain and have a detailed understanding of our internal and external processes.

In 2023, we strengthened our traceability management with the establishment of the Traceability Policy, which covers everything from raw materials and chemicals to internal and external processes. In 2024, we continued its implementation and management, ensuring compliance at every stage of our value chain. Additionally, we voluntarily adhere to the non-profit organization Better Cotton Initiative (BCI), which guarantees good environmental and social practices throughout the supply chain, both upstream and downstream.

We also hold the US Cotton Trust Protocol certification, which promotes the development of sustainable practices in cotton production. This provides our clients with the assurance that our products are made with sustainable cotton, resulting in a lower environmental impact. From a social and ethical perspective, we ensure compliance with responsible labor practices from raw material production to the final product.

Regarding internal traceability, we conduct thorough checks with our suppliers and verify the products they deliver, ensuring the availability of technical data sheets and safety data sheets. Additionally, we have developed an internal tool to manage various processes. Through a QR code, managers can access comprehensive information on cotton usage by type, the inputs used (such as chemicals and dyes), and records of individuals involved in each stage of garment manufacturing.

This approach enables us to maintain a traceable and efficient supply chain, making it easier to identify and promptly resolve any issues. As a result, we strengthen trust and collaboration not only with our suppliers but also with our clients.

**(GRI 3-3) (NON-GRI Traceability assurance)**

### Learn more about our certifications



**Better Cotton Initiative**



**US Cotton Trust Protocol**

### Milestones in our traceability management



Nettalco's internal traceability tool has been praised on numerous occasions by our clients, who value the ability to view each stage of the internal garment manufacturing process in detail.

In addition, we have extended the traceability tool to our raw material suppliers, aiming to achieve greater visibility not only within our value chain but also beyond Nettalco's operations.

## Next projects to 2025

Among the next actions that we will implement, the incorporation of a batch chemical control system stands out. This system not only optimizes the use of inputs by preventing losses from expiration, but also facilitates a more detailed analysis of the main cause in case of incidents. In this way, we will improve and enhance our quality management. In addition, it is important to note that this initiative is aligned with the requirements of the ZDHC, in which a more responsible and sustainable approach is promoted in the textile industry, with a view to guaranteeing the traceability and the increase in the efficiency of our production processes.



## Lessons learned

Transparency in the production chain is increasingly becoming a fundamental factor, both for our clients and for international standards such as Textile Exchange, ZDHC, among others. This is because transparency is directly related to human rights and environmental protection. Therefore, it is essential to have detailed information about our production chains at all times, as this has become an integral part of transactions with our suppliers.



## Marketing and labeling

In today's society, consumers demand products and services that meet high-quality standards and adhere to strict environmental and social sustainability criteria. At Nettalco, we understand these expectations and ensure that garment labeling and brand identification comply with the guidelines provided by each client.

In line with the specifications detailed in the techpacks, we apply branded trims and labels with their brand, ensuring that information on labeling, fabric composition, and sustainability statements aligns with their requirements. This coordinated approach makes us a reliable and secure supplier, capable of guaranteeing not only quality but also regulatory compliance. Additionally, we promote responsible consumption and encourage consumers to extend the lifespan of their garments.

**It is important to note that responsible communication and labeling are the direct responsibility of our clients. The brands we work with reflect their commitment to protecting the planet, minimizing environmental impacts, ensuring responsible raw material composition, and identifying the product's origin through their labels and packaging.**

In 2024, we implemented a project with one of our main clients focused on outlet programs, aimed at maintaining product quality while reducing material usage to lower costs. In this context, we are proposing new trim alternatives, including labeling, to optimize resources and meet the expectations of our stakeholders in terms of quality and sustainability. Finally, throughout the year, we did not record any cases of non-compliance with regulations or voluntary codes related to product and service information and labeling. **(GRI 3-3) (GRI 417-1)**



# 5.6. Client Management

We work with prestigious international brands with whom we maintain long-term relationships. We constantly strive to meet their requirements, understand their expectations, and capitalize on opportunities for improvement. All our actions toward clients are developed in alignment with our Sustainability and Traceability Policies.

In 2024, driven by our commitment to clients, we inaugurated and began operating a state-of-the-art biological wastewater treatment plant (PTAR). This investment reflects our dedication to sustainability, enabling us to comply with the highest environmental and social standards required by our clients and the industry in which we operate.

Furthermore, we have launched a traceability project in product development, which allows us to monitor each stage of fabric and sample production in detail. This initiative aims to enhance the visibility of our progress, optimize internal and external communications, and ensure that each development meets the timelines and specifications requested by our clients.

We believe that these efforts guide us toward a more responsible resource management approach, as they help reduce our environmental impact at the operational level while aligning our practices with the expectations of those who trust us. **(GRI 3-3) (NON-GRI Good client relations)**

The following figure presents the objectives we have set for our client management approach:

## Objectives established for client management



**Response time**

A key factor in maintaining a strong client relationship, as this aspect is consistently evaluated.



**Production time for developments and samples**

Producing developments and samples on time is an important step in building client trust, ensuring compliance with the required dates during the pre-production process.



**Competitive pricing**

Securing programs is a key indicator for evaluating our price competitiveness, as to secure a program, we must achieve the target price or, if not, be close to it.



**On time**

Meeting the lead times of agreed productions with the client is crucial, as this ensures a trusting relationship and, above all, helps establish strong relationships.





At Nettalco, we lead innovative projects designed to strengthen our relationship with clients. These initiatives not only follow market trends but also create meaningful experiences, optimize response times, and establish an emotional connection with those who trust us. In addition, we proactively anticipate each client's needs, allowing us to exceed their expectations through innovative solutions that enhance their perception of our brand. Based on this approach, we present our short, medium, and long-term projects below:

### Short, medium, and long-term projects at Nettalco

1

#### Short-term projects

To improve fabric delivery times in the pre-production phase and increase the number of programs, we are forming interdisciplinary teams. This initiative will strengthen our relationship with clients and expand the number of programs we can offer.

2

#### Medium-term projects

We obtained GRS certification in March 2024, consolidating our commitment to sustainability. Additionally, with the PTAR in full operation, we achieved a recovery rate of more than 47.1% of treated wastewater. This strengthens our relationship with clients by offering a wider variety of programs with recycled polyester. In this way, we align with the growing sustainability demands of the market and reinforce our position as a responsible and competitive company.

3

#### Long-term projects

Our main objective is to strengthen our position in the minds of our clients by introducing a wide variety of fabrics, including polyester, nylon, modal, and other blends. This strategy will allow us to offer a broader range of options to our clients, which, in turn, will generate a greater number of programs to quote.



## Lessons learned

In 2024, we decided to continue improving our production lead time by establishing specialized teams and implementing systems that enhance traceability, accelerate delivery times, and, most importantly, optimize our service.



06

# Our environmental management



## At Nettalco, we continued to strengthen our environmental management in 2024 through the implementation of best sustainability practices.

As part of our strategy, we continued with the annual measurement of our environmental impacts, aligned with the long-term objectives supported by our senior management. We have set a goal for 2050 to achieve zero waste generation in all our operations, promoting more efficient and sustainable processes throughout the entire production chain.

Since 2021, we have been consolidating our Environmental Management System to ensure that our commitments, objectives, and targets are aligned with our Sustainability Policy, Environmental Policy, and Sustainability Strategy. To assess and improve our environmental performance, we annually apply the High Index FEM module across all our operations.

Following our materiality analysis conducted in 2023, we have continued promoting eco-efficiency actions, emphasizing efficient water use, responsible chemical management, energy optimization, waste reduction, and the promotion of a circular economy.

In 2024, we continued to strengthen our environmental culture together with our strategic stakeholders. As part of this commitment, we have a fully operational Biological Wastewater Treatment Plant (PTAR), which enabled us to recover over 30% of treated wastewater, contributing to the optimization of water use and reducing our environmental impact. Additionally, under the Higg Index framework, we continue training our employees in developing sustainable and eco-efficient practices, promoting the responsible use of resources, and minimizing impacts throughout our value chain.

It is important to highlight that, this year, no significant cases of non-compliance with environmental laws and regulations were recorded. In this way, we reaffirm our commitment to regulatory compliance and the responsible management of our environmental impact. **(GRI 3-3) (GRI 2-27)**

Below, we present our management policies and tools that guide our environmental management:

### Environmental management policies and tools at Nettalco



#### Sustainability Policy

We set objectives to contribute to the achievement of specific goals related to the protection and conservation of natural resources, as well as actions to mitigate climate change. We are committed to improving our environmental performance to ensure a positive impact on our surroundings.

[Learn more](#)



#### Environmental Policy

We comply with applicable environmental laws and regulations for our operations, and we develop environmentally responsible practices in collaboration with all our stakeholders.

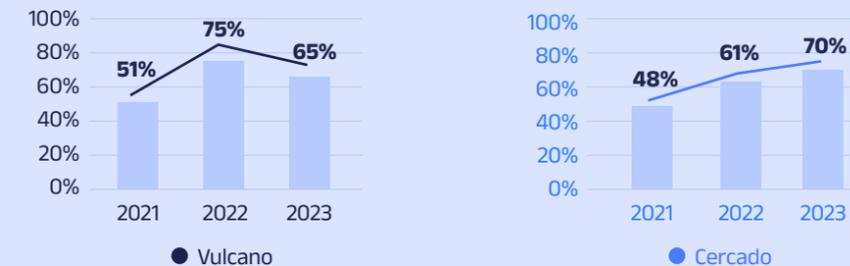
[Learn more](#)



#### HIGG Index - FEM Module

The HIGG Facility Environmental Module (HIGG FEM) is a sustainability assessment tool that standardizes how facilities measure and evaluate their environmental performance year after year. At Nettalco, we have been using this assessment for the past five years, which has allowed us to progressively improve our environmental performance. Below, we present the environmental performance of our Vulcano and Cercado facilities.

##### Evaluation of the HIGG Index - fem Module



#### Chemical Management Policy

We ensure the responsible use of chemicals. In this way, we comply with applicable regulations while promoting safe and sustainable practices across all our operations.

# 6.1. Energy and emissions management

## Energy

Our Sustainability Department collects the information provided by the Maintenance Department and compares monthly consumption data with invoices from natural gas and electricity suppliers. Additionally, we maintain an annual record that allows us to analyze consumption trends in relation to previous years, enabling us to establish reference values and identify potential variations for the following actions:

- ✔ Implement corrective measures for high-consumption factors.
- ✔ Comply with documentation and analysis requirements for audits and evaluations.

As part of our initiatives to improve energy consumption measurement, in 2024, we installed an energy meter on the main panel, allowing for more accurate monitoring and the generation of key statistics to identify optimization opportunities, such as the strategic use of the generator for

peak shaving. Furthermore, the new projects implemented in 2024 have their own energy meters, including those at the Wastewater Treatment Plant (WWTP) and the Water Recovery Plant. These measures ensure better consumption control at each stage of the process.

This year, we consolidated the progress achieved in 2023 in energy consumption management and emissions reduction, aligning with the requirements of HIGG 4.0. Additionally, with the implementation of indicators and targets within an improvement plan, we differentiated domestic energy consumption from industrial consumption, segmenting it into three key categories: final product assembly (sewing), final product processing (embroidery, printing, finishing, laundry), and material processing (dyeing, weaving, cutting). In 2024, our focus is on reducing energy consumption and emissions in each of these categories to optimize processes and meet the efficiency and sustainability standards of the HIGG Index. **(GRI 3-3) (GRI 302-1)**

Below, we present the breakdown of energy consumption by source type used in our operations during 2024.

### Energy consumption breakdown by source type (GRI 302-1)

⚡ Vulcano Energy 2024		
Energy source	Unit	Consumption
Electricity	kWh	9,189,404
Natural Gas	kWh	28,502,760
Diesel	kWh	633,938

⚡ Cercado Energy 2024		
Energy source	Unit	Consumption
Electricity	kWh	1,237,640
Natural Gas	kWh	3,747,514

**Note.** The conversion factors are as follows: Natural Gas: kWh = Sm<sup>3</sup> \* 250.2 & Diesel: kWh = L \* 10.96.



# Emissions

At Nettalco, as part of our Sustainability Strategy, we are committed to responsibly managing our emissions. In 2021, we embarked on this journey by joining the "Huella de Carbono Perú" program, which enabled us to measure emissions at both of our plants and establish a baseline for future improvement actions.

In line with the guidelines of our Sustainability Policy, we continued implementing actions and strategies to reduce and offset our emissions. In 2024, we reviewed and updated our atmospheric emissions inventory, ensuring accurate recording of annual quantities without altering previously established parameters. Additionally, we incorporated the measurement of Categories 4 and 5, thereby expanding the scope and precision of our emissions management. Furthermore, we continued progressing toward a cleaner energy matrix to consolidate the use of natural gas as our primary energy source and, from there, explore new alternatives to further minimize our environmental impact.

The results of our carbon footprint measurement in 2024 reflect a total of 36,105.37 (preliminary value subject to changes) tCO<sub>2</sub>eq and an annual production of 9,019,303 equivalent garments. Based on the calculations, this amounts to an emission of 4 KgCO<sub>2</sub>eq per equivalent garment produced. **(GRI 3-3) (GRI 305-1) (GRI 305-2) (GRI 305-3)**

## Carbon Footprint Calculation for Scopes 1, 2, and 3 (tCO<sub>2</sub>eq)



**Note.** The data correspond to the efforts made by Nettalco. \*Categories 4 and 5 were incorporated into the greenhouse gas emissions inventory for 2024.



**As part of our 2020–2025 sustainability strategy, we have set a goal to reduce GHG emissions generated by our operations by 10%.** To evaluate our progress, we use the annual measurement of our carbon footprint as a key indicator.

## Upcoming projects for 2025

By 2025, we will implement the integration of all our electricity meters into a system that allows for automatic readings and the centralization of records on a single platform. To achieve this, on one hand, we will use software tools such as Python for data collection and transmission. On the other hand, we will use the Cloud Optima platform for data management and analysis. This initiative will enable us to process data in real-time, generate accurate statistics, optimize our production processes, and identify new opportunities for improving energy efficiency.



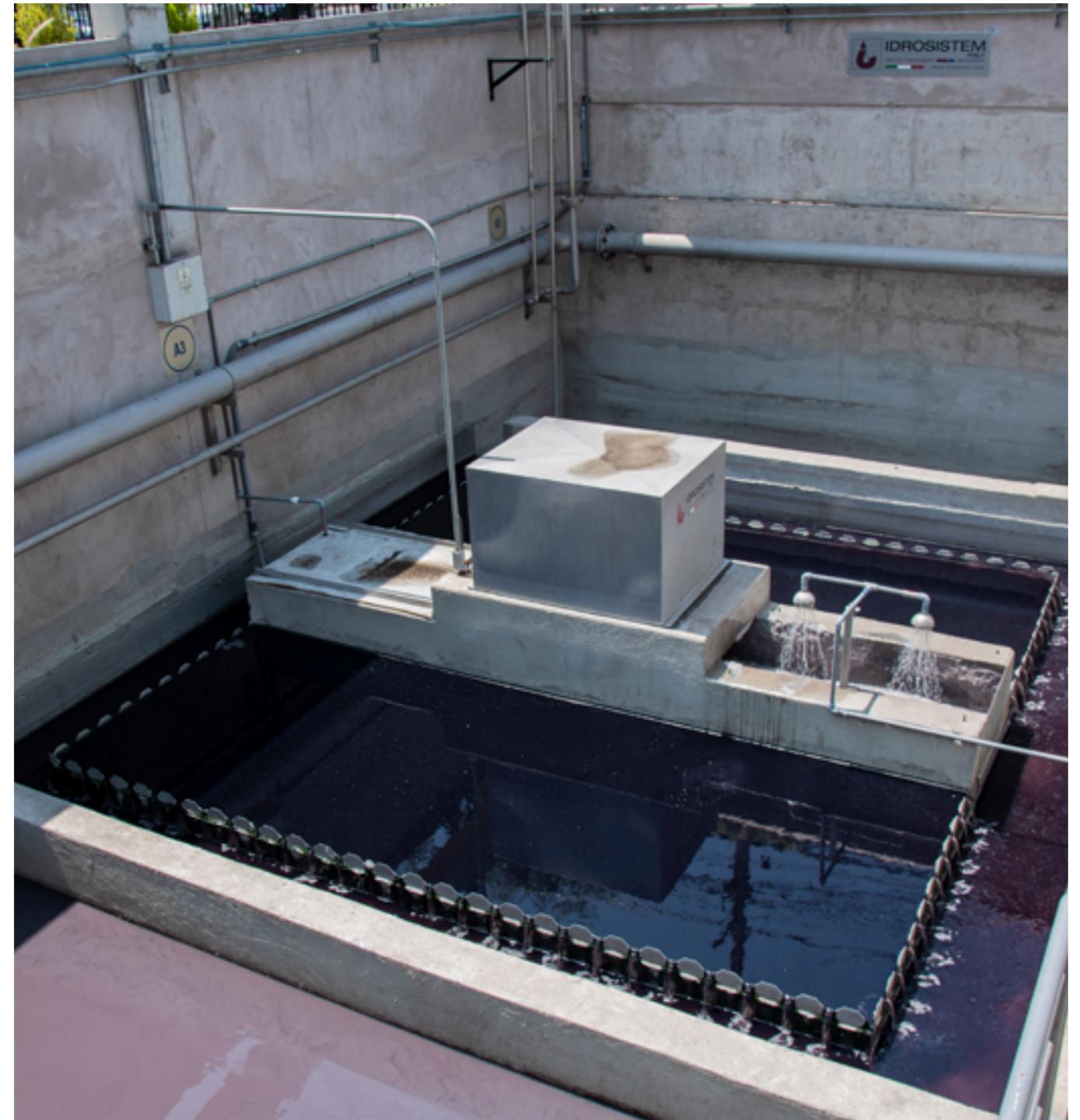
## 6.2. Water management

We reaffirm our commitment to water eco-efficiency through the implementation of actions that minimize our impact on water management. In recent years, we have promoted various initiatives focused on optimizing the use of this resource. One of the most important projects has been the activation of our Wastewater Treatment Plant (WWTP), designed to reduce the discharge of effluents contaminated with chemicals and dyes. This strengthens our sustainability and ensures compliance with environmental regulations.

At our Vulcano plant, the water used is sourced from underground raw water wells, which is treated to achieve the appropriate decalcification for use in production processes. After being used in production, the generated effluents undergo treatment at the WWTP through a biological process using activated sludge. To

comply with applicable wastewater regulations, we ensure that the parameters remain within the values stipulated by law (VMA). Regarding domestic effluents from restrooms and the kitchen in the dining area, the Maintenance Department conducts periodic inspections of sanitary facilities to detect and repair potential leaks, ensuring efficient water use. Similarly, at our Cercado plant, we carry out constant reviews to optimize water consumption.

As part of our water efficiency and awareness actions, the SSOMA Department conducts training sessions for our personnel on optimizing water use. Additionally, the Human Resources team strengthens these efforts through internal communication campaigns and the dissemination of best practices via informational materials such as flyers and announcements. **(GRI 3-3) (GRI 303-1) (GRI 303-2)**



### Goals and indicators



**We are committed to reducing our water consumption by 30% in the medium term.**

- As part of this objective, we are implementing actions to recirculate up to 70% of treated industrial effluents in our production processes, with a target set for 2025.
- To ensure compliance, the Maintenance Department conducts monthly measurements of water consumption and efficiency, with results closely monitored.

# Upcoming projects for 2025

Below, we present the key projects we have planned for 2025, which are aligned with our strategic objectives of sustainable growth and our commitment to innovation.



Operation and monitoring of the new biological phase of the WWTP.



Continuous improvement of dyeing curves.



Ongoing search for alternative chemical products with improved effluent quality (lower COD, reduced chemical usage, etc.).



Constant maintenance of pipelines and necessary repairs.

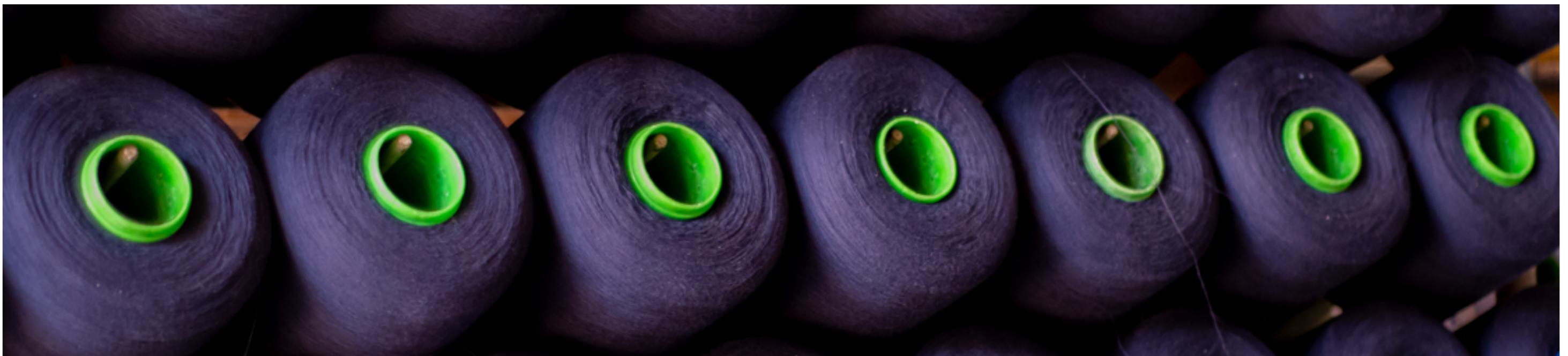


**In 2024, our water consumption reached 81,087 m<sup>3</sup> representing a 55% increase compared to the previous year.** This increase is attributed to process optimization following the start of operations at our WWTP. Below, we present data on our water consumption over the past three years.

## Water consumption at Nettalco (GRI 303-3) (GRI 303-5)



**Note.** The data corresponds to the measures implemented by Nettalco.



# Effluent management

At Nettalco, we are modernizing our processes to achieve greater eco-efficiency. In 2024, we completed the construction and activation of our new wastewater treatment and water recovery plant. This achievement has significantly strengthened our Sustainability Policy, as it has allowed us not only to reuse up to 47% of water in our production processes but also to position ourselves as leaders in responsible water management within the textile industry.

Currently, the wastewater generated in our operations is directed through pipelines and concrete channels to the WWTP. In the first stage of treatment, a rotating filter removes lint from the water. The water then passes through a cooling tower, where the temperature is reduced to below 30°C. By gravity, it is directed to a 120 m<sup>3</sup> pool, where neutralization occurs to lower the PH.

**By 2025, we have set a goal to optimize the processes of the WWTP and the water recovery plant, aiming to reuse 70% of the wastewater generated in our production processes. In November 2024, we completed the installation and activation of the water recovery plant, achieving a recovery rate of 40% to 50% in the first few weeks. Looking ahead to 2025, we will focus on improving this indicator by optimizing the biological process, adjusting conditions to promote bacterial growth, and applying coagulant chemicals to facilitate sludge separation. All these measures are aimed at achieving greater efficiency in water treatment and reuse.**

In the next stage, the water is pumped to an 800 m<sup>3</sup> homogenization pool, where it remains for 20 hours in preparation for biological treatment. This biological treatment is carried out in a 2,000 m<sup>3</sup> pool, where microorganisms decompose and remove contaminants. This process results in a phase separation between heavy sludge and clarified water, allowing each to be treated separately.

The clarified water then undergoes filtration, ultrafiltration, and reverse osmosis, ensuring it meets the necessary characteristics for reuse in industrial processes. Similarly, a portion of the sludge is reused in biological treatment, while the excess sludge is dehydrated for subsequent disposal. **(GRI 303-2) (GRI 303-4)**

Below, we present information on the volume of wastewater discharges generated by our operations during 2024.

## Wastewater discharge in cubic meters (GRI 303-4)

Wastewater Discharge by Destination	Unit of measure	2022	2023	2024
Surface water	m <sup>3</sup>	-	-	-
Groundwater	m <sup>3</sup>	-	-	-
Marine water	m <sup>3</sup>	-	-	-
Third-Party Water (total) Sedapal	m <sup>3</sup>	387,063	254,246	263,947
<b>Total water discharge: surface water + groundwater + marine water + third-party water (total)</b>	<b>m<sup>3</sup></b>	<b>387,063</b>	<b>254,246</b>	<b>266,947</b>

**Note.** The data corresponds to the measures implemented by Nettalco.



# Chemical management

At Nettalco, we reaffirm our commitment to the responsible management of chemical substances, adhering to the highest standards to minimize environmental impacts and protect health. Aligned with our Chemical Management Policy, we focus on eliminating the use and discharge of hazardous substances listed in the Manufacturing Restricted Substances List (MRSL) of Zero Discharge of Hazardous Chemicals (ZDHC). This effort spans every stage of our value chain, from the selection of inputs to production, ensuring strict compliance with legal regulations by our suppliers and promoting sustainability in our operations.

In this regard, we have integrated ZDHC guidelines into our processes through the implementation of tools and protocols designed for effective chemical management. These include, on one hand, the Procedure for Maintenance, Order, Cleaning, and Chemical Management, and on the other hand, the Procedure for Evaluation and Selection of New Chemical Products, ensuring the safe and responsible use of these materials. Additionally, the Chemical Management System Manual consolidates our internal policies, enabling proper and transparent administration. To enhance traceability and trust in our supply chain, we work closely with suppliers through systems for evaluating and certifying chemical products that comply with ZDHC requirements. We also record and report our performance on platforms such as ZDHC Gateway and Supplier to Zero, reaffirming our commitment to continuous improvement and sustainability.

Furthermore, to improve our chemical management, we maintain a detailed internal inventory that allows us to precisely track all chemical products used in our operations. This inventory not only facilitates control and traceability of each substance but also provides access to valuable information such as certifications, safety data sheets (in Spanish and English), technical data sheets, and detailed records of entries and consumption. This tool enables us to quickly identify potential risks, enhance efficiency in chemical handling, and ensure transparency in our management. In addition, to guarantee the quality and compliance of our processes, we collaborate with accredited laboratories that validate and support our chemical management within the framework of audits requested by our clients.

Global Organic Textile Standard (GOTS), OEKO-TEX and Global Recycled Standard (GRS) certifications are essential to ensuring our clients that the textile products we offer meet the highest quality and sustainability standards. These accreditations guarantee that our products are free from harmful chemicals for human health and certify the use of recycled materials, as well as production processes aligned with rigorous sustainability criteria. This approach strengthens our value proposition as a reliable company and demonstrates our leadership in responsible chemical management, reflecting our commitment to environmental protection and human health. **(GRI 3-3) (NON-GRI Chemical Products)**



**Current certifications for our chemical management:**



**GOTS**  
Global Organic Textile Standard

This certification reaffirms our commitment to responsible production, ensuring that our textiles comply with high environmental and social standards at every stage, from the sourcing of materials to final labeling.



**Certificación**  
**OEKO-TEX®**

Granted to our company as a guarantee that no harmful substances are used at any stage of the manufacturing process of our textile products, from raw materials to the final product.



**Global Recycled Standard**

This certification reaffirms our commitment to sustainability by ensuring that our products are made from verified recycled materials and comply with strict environmental and social criteria. The GRS standard guarantees the traceability of recycled materials throughout the entire supply chain, promoting the development of responsible practices from production to the final product.



## Platform for chemical products management

Nettalco continuously maintains and updates its proprietary tool for monitoring the use of chemical products throughout the entire production process, including the laboratory, dyeing, printing, and laundry. This platform ensures comprehensive traceability of each chemical product, from its receipt to its exit from the warehouse, and provides access to key information such as safety data sheets, technical data sheets, and international certifications like GOTS (Global Organic Textile Standard) and ZDHC (Zero Discharge of Hazardous Chemicals). These certifications guarantee that the products used meet the highest sustainability and safety standards. Furthermore, the platform includes documents such as AFIRM and AAFA letters, which reinforce our commitment to responsible chemical products management and our leadership in implementing sustainable practices within the textile industry.



# 6.3. Circular economy and waste

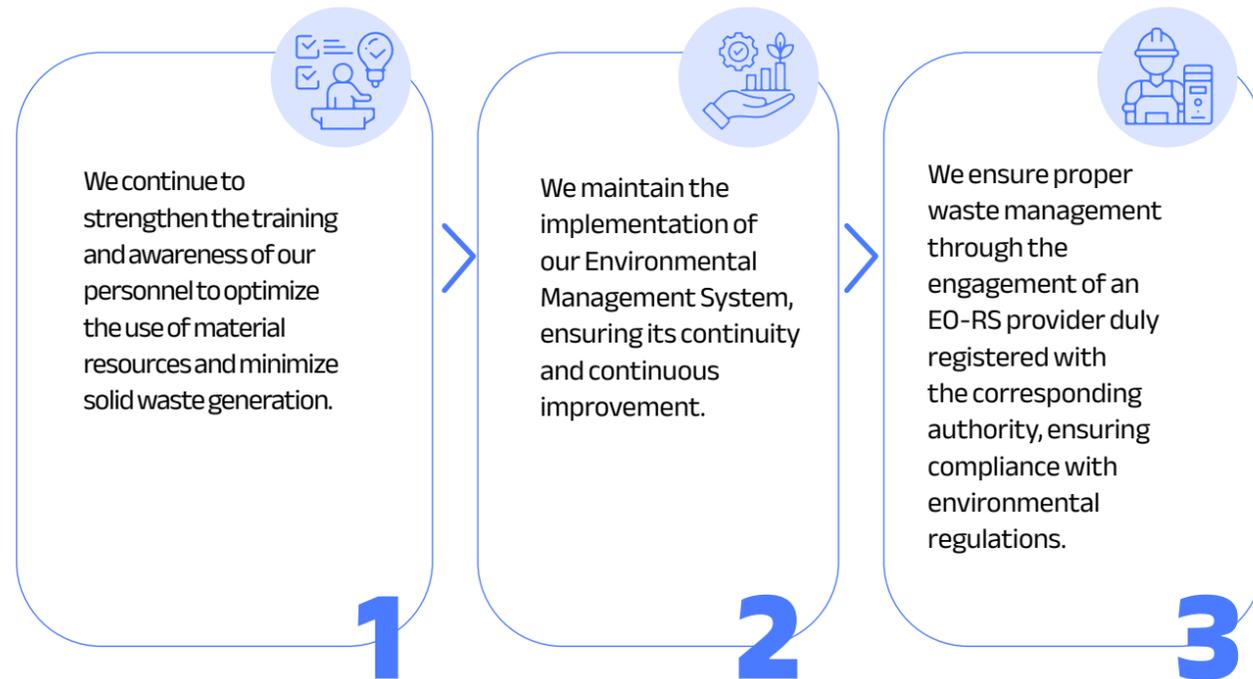
## Waste management

In 2024, aligned with our environmental goals and commitments, we focused our Solid Waste Minimization and Management Plan on reducing waste generation and implementing recycling and reuse strategies.

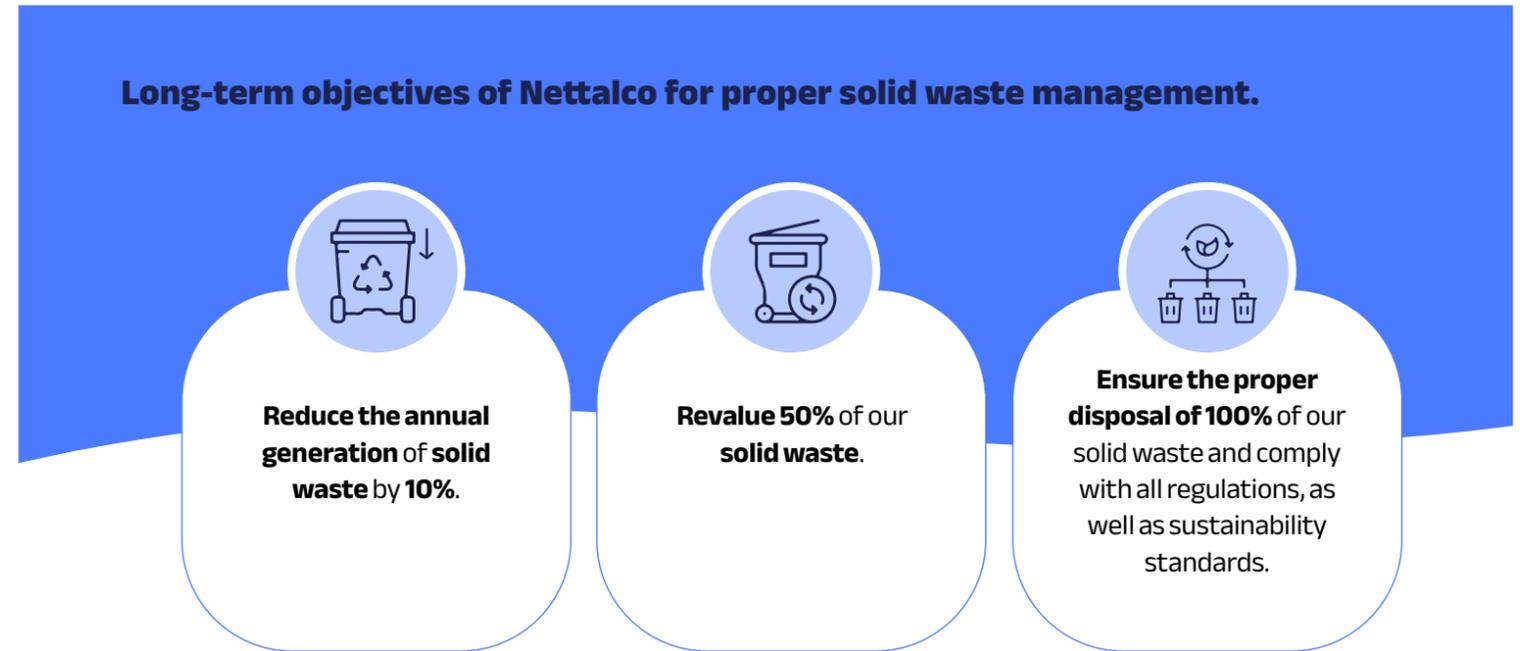
To ensure the plan's effectiveness, we continuously monitor the proper disposal of waste and promote a culture of responsible management through our Environmental Education Program. Additionally, we keep our internal records and documentation up to date to ensure efficient and transparent waste management.

Below, we present the strategies implemented to reduce our impact on solid waste:

### Waste management strategies for solid waste reduction at Nettalco



Below, we outline the long-term objectives for our waste management:



We manage our waste by classifying it into hazardous and non-hazardous categories. **Non-hazardous and reusable waste, such as cardboard, plastic, paper, and other similar materials, is recycled, sold, or managed through a Solid Waste Operating Company (EO-RS) that is properly registered and authorized.**

On the other hand, hazardous waste, including used oils, contaminated rags and buckets, out of service fluorescent lamps, contaminated lint, and dehydrated sludge from our Wastewater Treatment Plant (WWTP), is treated in accordance with Peruvian technical regulations and disposed of in an authorized secure landfill through the EO RS. **(GRI 3-3) (GRI 306-1)**

## Solid waste management

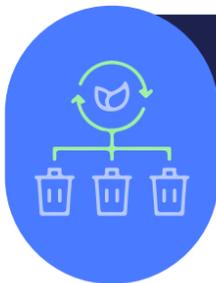


### Minimization

To reduce waste generation in our operations, we have adopted minimization strategies aimed at achieving sustainable results in the medium and long term. Below, we detail these initiatives: **(GRI 306-2)**

#### Minimization processes developed by Nettalco

	Waste type	Generating activity	Minimization technique
	Plastic containers	Industrial facility	Raise awareness among personnel to reduce the consumption of products in plastic containers and use returnable containers.
	Oily and grease-impregnated rags	Cleaning and maintenance of equipment and machinery	Optimize the use of cleaning rags for equipment to extend their usage cycle before disposal.
	Paper waste	Office	Reduce printing and promote document digitization.



### Segregation

Waste segregation is essential to optimize its reuse and commercialization. At Nettalco, we use color-coded containers in compliance with the NTP 900.058:2019 environmental management standard. We also consistently promote the importance of proper waste separation among our employees through awareness sessions integrated into our Environmental Education Program.

In the long term, our objective is to maximize efficiency in reducing solid and liquid waste, which will allow us to align with our sustainability strategy and reinforce our commitment to responsible environmental management. **(GRI 306-2) (GRI 306-3)**



**Color coding system for solid waste storage containers**

REUSABLE NON-HAZARDOUS WASTE	
Type of waste	Color code
<p><b>Paper and cardboard waste: blue cylinder</b> Includes office paper, newspapers, brochures, prints, photocopies, cardboard boxes, and telephone directories.</p>	
<p><b>Plastic waste: white cylinder</b> Includes plastic bags, plastic soda containers, disposable plastics (cups, plates, cutlery), and plastic containers or jugs that are not contaminated with grease, paint, solvents, or lubricants.</p>	
<p><b>Other organic waste: brown cylinder</b> Includes organic food waste as well as gardening waste or similar materials.</p>	
<p><b>Glass waste: gray cylinder</b> Includes glass waste such as beverage bottles, glasses, food containers, and others.</p>	
<p><b>Metal waste: yellow cylinder</b> Includes metal waste from production and maintenance areas.</p>	

HAZARDOUS REUSABLE WASTE (WEEE)	
Type of waste	Color code
<p><b>Hazardous waste: red cylinder</b> This category includes waste from electrical and electronic devices, such as used batteries, ink cartridges, mobile phones, etc.</p>	

NON-REUSABLE NON-HAZARDOUS WASTE	
Type of waste	Color code
<p><b>Common waste: black cylinder</b> Includes waste such as used rags that are not contaminated with mineral oil, solvents, paint, lacquer, or other hazardous materials, as well as weeds from green area maintenance and sweeping.</p>	
<p><b>Hazardous waste: red cylinder</b> Includes plastic or metal containers containing contaminant residues, such as mineral oil, disinfectants, insecticides, rodenticides, among others.</p>	

in 2024, we recorded a total generation of 407.49 tons of waste, of which 282.40 tons were non-hazardous waste, and 125.19 tons were hazardous waste.

Data collection on general waste is carried out by our cleaning staff, who are responsible for weighing and recording the collected amounts. For hazardous waste, the information is provided by the Solid Waste Management Company (EO-RS), which, after collection, transportation, and final disposal, delivers the manifests with weight records at the landfill, as well as the corresponding certificate. **(GRI 306-3)**

**Waste generated by all our operations in 2024**

Type of waste	Waste category	TOTAL GENERATED (metric tons)
Non-hazardous	Paper	11.88
	Cardboard	76.85
	Plastics	23.19
	General	110.24
	Organic	42.68
	Other	17.56
<b>Total non-hazardous waste</b>		<b>282.40</b>
Hazardous	Used oil	3.7
	Fluorescent lamps	0.13
	Empty drums	1.40
	Dehydrated WWTP sludge (contaminated)	15.56
	Residual sludge with textile dye	29.83
	Contaminated lint	29.40
	Unused chemicals	0.21
	Contaminated rags	20.51
	Various contaminated items	24.35
<b>Total hazardous waste</b>		<b>125.09</b>
<b>Total waste generated</b>		<b>407.49</b>

**Note.** The data corresponds to the waste management activities carried out by Nettalco.



## Circular economy

At Nettalco, we have established a medium-term pathway to transition from a linear economy to a circular economy. As part of this commitment, we have been collaborating with other companies in the sector to enhance the circular economy initiatives we are developing, allowing us to manage our products and optimize the useful life of resources. Below, we present the initiatives and projects we are working on in partnership with companies in the same field:

### Projects and initiatives developed by Nettalco



**In collaboration with our supplier Textil El Amazonas, we continue advancing the «Conitos Retornables» project to promote a circular economy within our supply chain.**

After achieving a 20% return rate in the initial phase of the project in 2023, we have maintained our efforts in 2024, significantly increasing the return rate to 70%. Our short-term goal is to further strengthen this initiative to achieve a 100% return rate.



**As part of our circular economy strategy, we ensure the continuous reuse of IBC containers for chemical products.**

Once these containers are emptied, we return them to our supplier for refilling and reintegration into our usage cycle. This approach guarantees responsible and efficient resource management in 2024.



**Since 2022, we have been promoting a plastic waste recovery project in which a Solid Waste Management Company (EO-RS) is responsible for collecting the generated plastic waste.**

This waste is then sent to a specialized plant where it is transformed into recycled plastic sleeves and subsequently reintegrated into our production chain. This initiative promotes a circular economy and reduces our environmental impact.



**We have implemented the use of dedicated containers for collecting plastic bottles to extend the lifecycle of these materials through recycling.**

In addition to promoting good environmental practices, this initiative aims to raise funds to support Christmas celebrations for underprivileged children, fostering a culture of social and environmental responsibility among our employees.



**In 2024, we strengthened our actions to reduce organic waste in the dining hall.** In addition to informational signs and the option of choosing small or large portions, we enhanced communication with employees to promote responsible habits in solid waste management and foster a culture of sustainability within our facilities.

07

Our social  
performance





**We maintain our commitment to social development through a set of medium- and long-term actions, with a focus on the well-being of our communities and employees.**

Our internal strategy includes long-term initiatives aimed at strengthening conditions for inclusion and job creation, with the support of our employees and suppliers to reduce inequality and poverty gaps. At the same time, we strive to be agents of change in our communities by developing programs, volunteering initiatives, and investments that generate social value and align with the Sustainable Development Goals (SDGs). All these actions are part of our roadmap with a compliance horizon set for 2050.

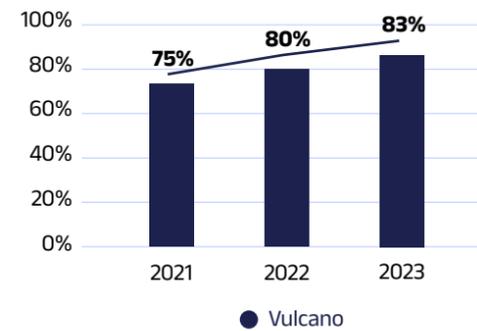
Our commitment is supported by our Sustainability Policies, Social Policy, Human Rights Policy, and Sustainability Strategy, which guide the achievement of our social objectives. We focus on promoting an organizational culture based on well-being, quality of life, and transparency, both for our employees and our stakeholders.

As in the environmental dimension, we apply a rigorous approach to evaluating our social performance. Through the HIGG Index, FSLM module, we measure our practices in social and labor aspects, which has enabled us to continuously improve our management and reaffirm our commitment to adopting good social practices aligned with our clients' standards. **(GRI 3-3)**

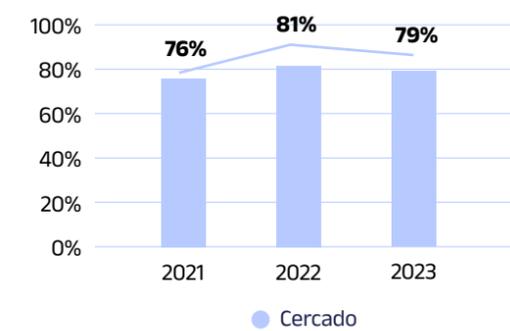
**Below, we present our social performance in the HIGG FSLM Index:**

**Social Performance in the HIGG FSLM Index of Nettalco**

**HIGG Index Evaluation - FSLM module**



**HIGG Index Evaluation - FSLM module**



**Note.** The data reflects compliance with standards in key areas, highlighting Nettalco's commitment to continuous improvement and corporate social responsibility.

# 7.1. Nettalco talent

We maintain a constant commitment to talent management because we are convinced that our employees are the cornerstone of our company. Therefore, we continuously work to ensure their well-being, health, and optimal working conditions, aiming to promote their professional growth and specialization in the sector while guaranteeing their safety and integrity in the workplace.

In 2024, we reinforced this commitment by implementing our Salary Policy and strengthening our organizational values: «We are a family and we build trust». Through these initiatives, we continue to promote measures that improve the quality of life of our employees and consolidate a culture of respect, equity, and development within the company.



1 We guarantee fair wages, safe working conditions, and a workplace free from discrimination and harassment, in compliance with labor laws.



2 We maintain a strong commitment to respecting fundamental human and labor rights. Additionally, we eliminate any form of child labor, forced labor, or discrimination in the workplace.



3 We offer additional health benefits, as well as training and professional development programs. We also organize sessions focused on workplace and family well-being, all designed to enhance the quality of life of our employees.



4 We adopt measures to ensure a safe and healthy work environment for all employees, including safety training, appropriate safety equipment, and policies to prevent workplace accidents.

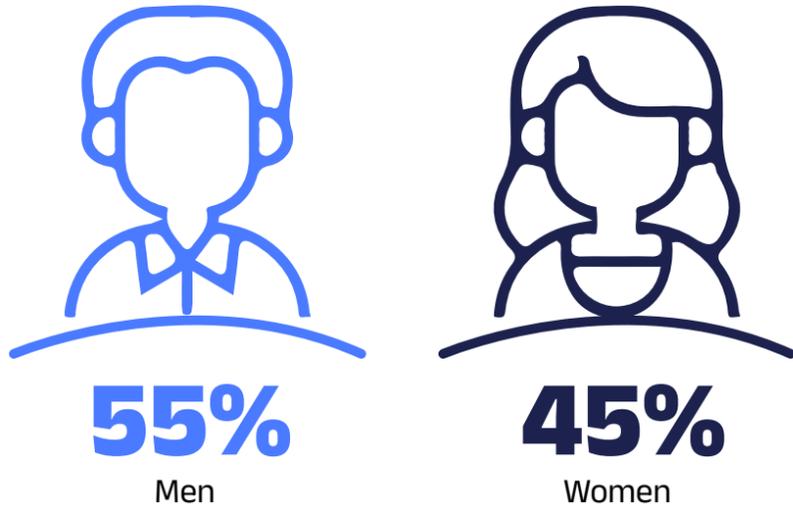
## Our team

At Nettalco, we live by our core value: we are a family. We promote the well-being of our employees and encourage their personal and professional development, as we are convinced that this is the key to our success. We also recognize and value diversity, as well as the commitment of each member of our team.

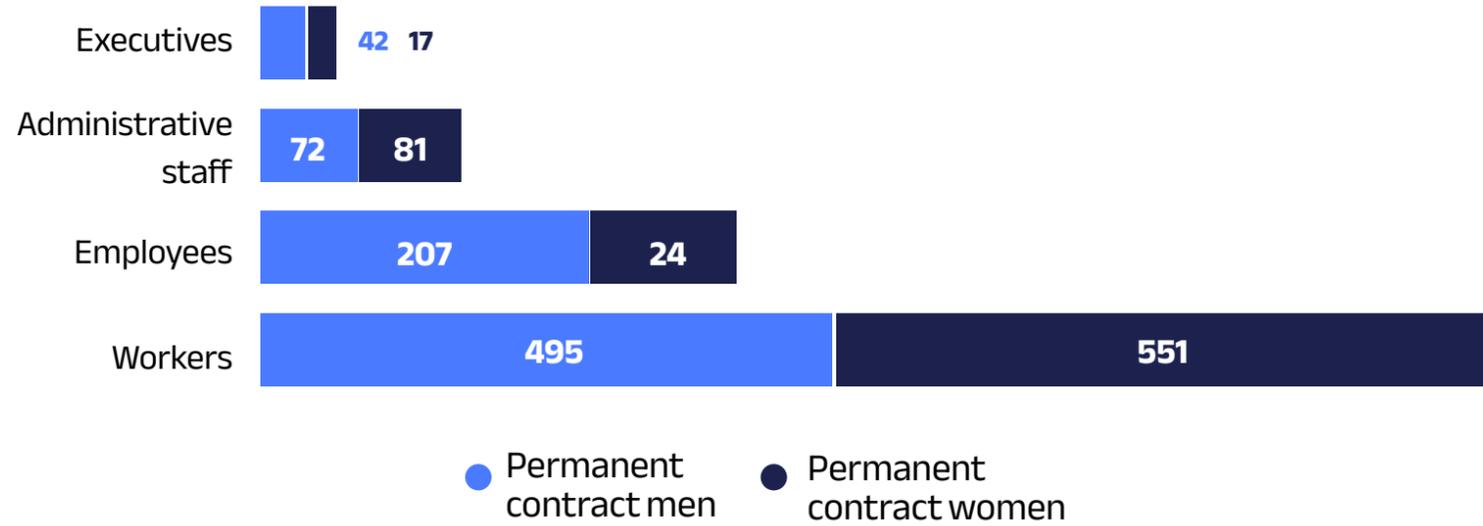
In 2024, our workforce consisted of 1,489 employees, of which 55% were men and 45% were women. Notably, the majority of our team is based at the Vulcano plant. **(GRI 2-7) (GRI 2-8) (GRI 401-1)**



Employee distribution by gender



Employee Distribution by contract type and gender

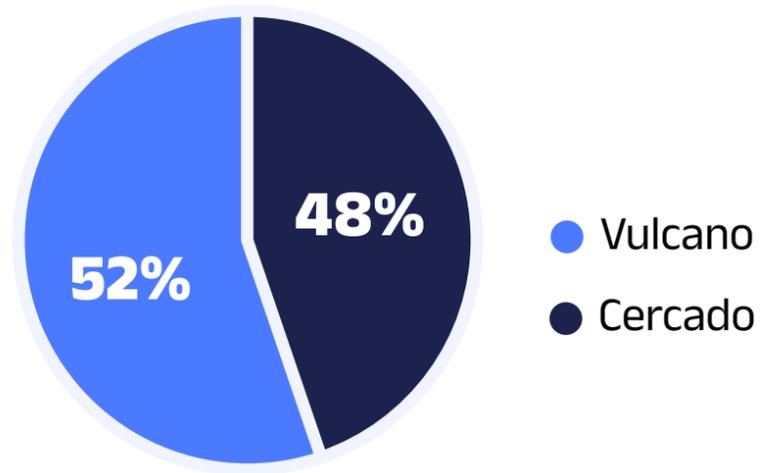


**Note:** It's important to note that at Nettcalco, all employees work under permanent contracts, which is why there are no temporary contracts. Likewise, the work schedule is full-time.

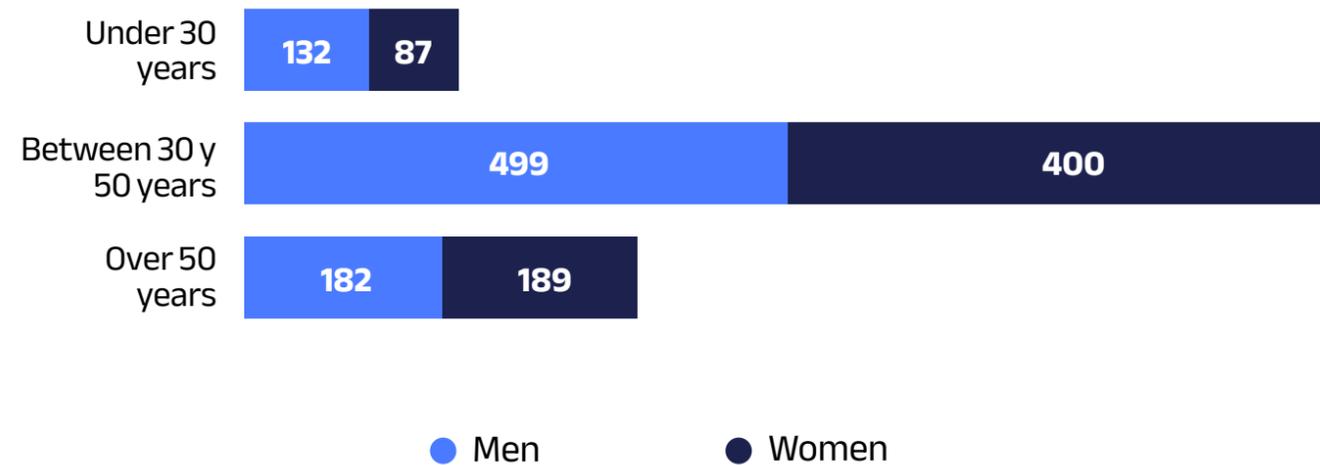
In 2024, at our Ate plant, we hired the services of specialized cleaning and security companies, totaling 26 outsourced employees. Meanwhile, at our Cercado plant, 19 outsourced employees were hired in the same field. In total, we employed 45 outsourced employees.

Compared to the previous year, we increased the number of outsourced employees by two, as part of strengthening our team to meet the company's operational needs. **(GRI 2-8)**

Employee distribution by facility



Employee distribution by age group



# 7.2. Employability

At Nettalco, our employability management is governed by internal policies aligned with the guidelines of the Ministry of Labor and Employment Promotion (MTPE) and compliance with current labor regulations. Within this framework, we promote the generation of formal and quality employment, ensuring high labor standards in all our operations.

Committed to promoting job opportunities, we provide development spaces for young people seeking to enter the textile industry. To achieve this, we actively participate in job fairs organized by the MTPE, such as "My First Job," "Mega Employment Marathon," and "Mega Employment Fair Lima Norte," aiming to foster equal employment opportunities. Additionally, we collaborate with district municipalities in Metropolitan Lima to participate in events and job fairs, allowing us to attract new talent. Notably, we participated in the "Mega Employment Fair Lima Norte" in collaboration with the Municipality of Puente Piedra.

In 2024, we continued to expand our initiatives to attract talent by participating in the International Textile and Fashion Industry Congress (CITEXIM), organized by the National University of San Marcos (UNMSM). During this event, we took part in the student textile fair, which enabled us to identify and integrate new professionals into our team.

As part of our commitment to promoting inclusive employment, in 2024, we signed an agreement with the MTPE to participate in the "Productive Youth" program, focused on integrating people with disabilities into our workforce. With this initiative, we continue to advance toward a more equitable, diverse, and inclusive work environment. **(GRI 3-3) (GRI 401-1)**

For the requirements of new hires, we have our Recruitment and Selection Policy, which enables us to select and retain the best talent in the Peruvian market. During 2024, the rate of new hires increased by 16.03 percentage points compared to 2023. The details are presented below:

### Number and rate of new hires distributed by gender, age, and region

	2022	2023	2024
New hires	492	145	399
New hire rates	29.70%	11.00%	27.03%

Lima					
Gender	Under 30 years	Between 30 and 50 years	Over 50 years	Total number of new hires by gender	Total new hire rate by gender
Men	117	84	7	208	14.09%
Women	91	95	5	191	12.94%
<b>Total number of new hires by age</b>	208	179	12	399	<b>27.03%</b>
<b>Total new hire rate by age</b>	14.09%	12.13%	0.81%	<b>27.03%</b>	-

**Note.** The data corresponds to the efforts made by Nettalco.

### Number and turnover rate by gender, age, and region

	2022	2023	2024
Annual turnover	757	586	418
Turnover rate	45.60%	36.30%	28.31%

Lima					
Gender	Under 30 years	Between 30 and 50 years	Over 50 years	Total number of new hires by gender	Total new hire rate by gender
Men	80	113	15	208	14.09%
Women	74	123	13	210	14.22%
<b>Total number of turnovers by age</b>	154	236	28	418	<b>28.31%</b>
<b>Total turnover rate by age</b>	10.40%	15.99%	1.89%	<b>28.31%</b>	-

**Note.** The data corresponds to the efforts made by Nettalco.

# Benefits for Nettalco employees

All our employees receive the legally mandated benefits, along with additional benefits that we provide to support their professional development and personal well-being. Our Welfare Department designs, implements, and evaluates a variety of benefits aimed at promoting a balance between work and personal life, ensuring their protection and growth within the company. **(GRI 401-2)**

Below, we present the benefits available to all Nettalco employees:



## BENEFITS LAW

- Employment contracts in the payroll system
- Profit-sharing
- Bonuses
- License with enjoy
- Compensation for length of service (CTS in Spanish)
- EsSalud
- Vacations
- Family assignment

## HEALTH AND SAFETY BENEFITS

- Insurance for high work (SCTR in Spanish)
- Preventive medical campaigns
- Health assistance
- Disability coverage

## BENEFITS FOR COLLABORATORS

- Food subsidy
- Mobility on the road
- Massage service
- Christmas event for the children of the collaborators
- Food card
- Student recognition and support
- Dental Service
- Nutritional supplement for pregnant mothers
- Ministry and psychological support

## 7.3. Parental leave

In accordance with Peruvian legal regulations on maternity and paternity, we provide parental leave benefits to all our employees and offer support to help them reintegrate into the workplace once their leave period ends. According to Law N.° 30807, male employees are entitled to 10 calendar days of leave, while female employees have the right to 98 days of leave, covering both prenatal and postnatal periods. This ensures adequate care during and after the birth of their children. **(GRI 401-3)**

### Parental leave and employee reintegration, broken down by gender (GRI 401-3)

Parental leave	Men	Women	Total
Employees entitled for parental leave	36	15	51
Employees who took parental leave	36	15	51
Employees who returned to work after completing parental leave	36	15	51
Employees who returned to work after completing parental leave and remained employed 12 months later	35	12	47
<b>Return-to-work rate</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Employee retention rate</b>	<b>97%</b>	<b>80%</b>	<b>92%</b>

**Note.** The data corresponds to the management activities carried out by Netталco.



# Work environment

We measure the level of employee engagement through an annual work environment survey, which evaluates aspects such as loyalty, pride, commitment, and motivation. However, in 2024, this evaluation was not conducted.

Despite this, the Welfare Department continued to develop strategies and plans aimed at improving the quality of life and well-being of our employees, ensuring a positive work environment that aligns with their needs.



# 7.4. Training and professional development

Our Social Policy reaffirms our commitment to implementing training and development programs, as well as workplace and family well-being initiatives, aimed at improving the quality of life of our employees. Through our Annual Training Plan (PACA), we offer both individual and group training sessions, tailored to the specific needs of each area within the company.

Human Resources works in coordination with various departments to plan the annual training program and define investment budgets, which are submitted for approval by General Management. As part of our commitment to professional growth, we maintain institutional agreements with higher education institutes, providing our employees with opportunities to strengthen their technical skills in the textile sector. **(GRI 3-3) (GRI 404-1)**

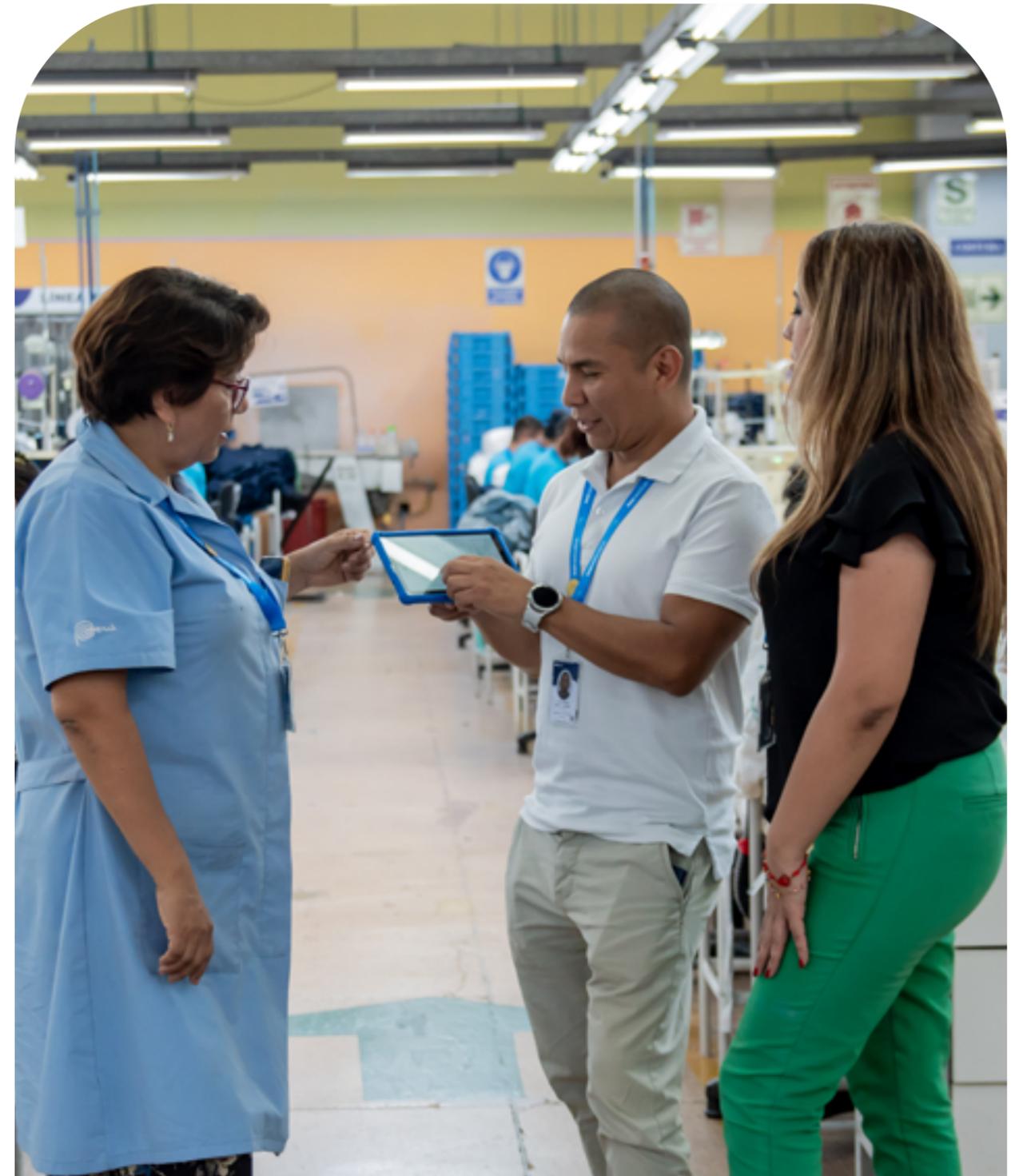
Below, we present the training indicators for our employees in 2024:

**Average training hours per employee, broken down by job category and gender**

Job category	Total training hours	Average training hours per employee
Workers	3,817	3.54
Employees	1,007	3.24
Administrative staff	1,174	19.57
Executives (managers and department heads)	215	6.14
<b>Total</b>	<b>6,213</b>	<b>---</b>

Gender	Total training hours	Average training hours per employee
Men	196	0.239
Women	172	0.258
<b>Total</b>	<b>368</b>	<b>---</b>

**Note.** The data corresponds to the management activities carried out by Nettalco.



# Training and professional development

As part of our Annual Training Plan (PACA), in 2024, we implemented training programs focused on strengthening skills, promoting professional growth, and expanding key knowledge areas. **(GRI 404-2)**

## Training and professional development initiatives at Nettalco



**SGCS BASC**  
Training sessions on the Quality and Security Management System (SGCS) BASC are essential to ensure that all employees understand and correctly apply established procedures and standards. These training sessions provide continuous updates on risk management, security, and best practices, strengthening our organizational culture and compliance with safety guidelines.



**PGS OEA**  
Training sessions in PGS OEA are fundamental for enhancing the professional development of staff, improving their job performance, and ensuring excellence in processes. Through continuous training programs, we promote constant knowledge and skill updates, enabling employees to effectively face sector challenges.



**STRATEGIC MANAGEMENT + MENTORING**  
It is aimed at the company's management, providing them with modern tools for planning and strategic control, with the goal of motivating and driving their teams.



**SOFT SKILLS WORKSHOP**  
Designed for sewing supervisors, this workshop focuses on strengthening their soft skills, enhancing their ability to effectively lead and communicate with their teams.



**IDENTIFICATION OF TEXTILE FIBERS AND BLENDS**  
Targeted at the Knitting, Dyeing, and Quality Control areas, this training aims to help employees identify textile fibers and their blends using specialized methods for classification.



**INDUSTRIAL ELECTRICITY AND ITS FUNDAMENTALS**  
Focused on the Mechanics area, this training reinforced technical skills related to electronic circuits, ensuring employees are equipped with essential technical knowledge.



**ATTENTION AND CONCENTRATION**  
This program is directed at the Sorting area, aiming to enhance attention and concentration in daily tasks, improving employee focus and efficiency.

## Performance management

We measure the performance of our employees through a 180° competency evaluation, which considers various criteria such as teamwork, responsibility, effective communication, and quality, among others. Based on the results, we provide feedback aimed at strengthening their skills, improving their performance, and enhancing their growth within the company. However, in 2024, the performance evaluation was not conducted. **(GRI 404-3)**

# Human Rights

**At Nettalco, we comprehensively manage human rights impacts, which involves recognizing both the positive aspects and potential risks associated with our operations. We have an Integrated Human Rights Policy that applies to our employees, suppliers, strategic partners, and other stakeholders.**

This policy aligns with the principles set forth in the Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. Our commitment is further strengthened by our adherence to the WRAP certification requirements, certification requirements.

Looking ahead to 2025, Nettalco will implement a human rights due diligence strategy as a key component of our management approach. This initiative aims to identify, prevent, and mitigate human rights risks across our operations and supply chain. Through this strategy, we will strengthen our existing policies, conduct targeted audits, and enhance our reporting and complaint mechanisms, ensuring that all stakeholders can express their concerns confidentially and securely.

Aligned with our sustainability approach, Non-Discrimination management is a fundamental pillar that extends beyond our internal operations to the society in which we operate. Our commitment to equal opportunities generates positive economic and social impacts. In economic terms, removing barriers to employment allows us to maintain a more diverse and competitive workforce. Socially, our promotion of an inclusive image strengthens relationships with clients and communities, contributes to social equity, and creates opportunities for vulnerable individuals through initiatives such as the Productive Youth Program, which supports young people from disadvantaged backgrounds seeking formal employment.

In 2024, we recorded zero incidents of discrimination, forced labor, or child labor. We respect the labor laws and practices of each country where we operate and maintain a Non-Discrimination Policy that guarantees equal opportunities and the comprehensive development of our personnel. Additionally, we implement inclusive recruitment processes, continuous training, and confidential reporting channels accessible to all employees. We also comply with Peruvian legal regulations on diversity and inclusion, which promote female leadership in key positions and encourage the hiring of people with disabilities (PWD).

To evaluate the progress of our non-discrimination management, we have established clear goals, objectives, and measurable indicators. Our purpose is to ensure that all employment decisions — from hiring to promotions and training — are made without discrimination based on gender, race, religion, sexual orientation, disability, or any other condition. Additionally, we aim to provide an inclusive environment and a regulatory framework that is accessible and understood by all, ensuring that any complaints are addressed promptly and in accordance with our procedures. Among the established indicators, our objectives include increasing the number of hires of people with disabilities (PWD) by 40% and maintaining the rate of discrimination complaints below 1% of the workforce by the end of 2024.





Although we have not yet documented specific lessons learned on non-discrimination during this period, our experience in implementing our policies has driven us to continue strengthening our operational and management procedures. Engagement with our stakeholders — from employees to clients — has been crucial. Their input and expectations have guided us in adopting stricter and more transparent standards, ensuring that non-discrimination goes beyond being a principle and becomes a daily practice. Training activities, stakeholder participation in inclusive initiatives, and client expectations regarding human rights have helped establish an internal culture based on equity and respect.

In the short, medium, and long term, we are planning concrete actions that reaffirm our commitment to non-discrimination. These include the continuous support of sign language interpreters, who will provide assistance to ensure effective communication within the organization. We are also promoting awareness sessions in the Human Resources area and for leaders who manage PWD in their teams, focusing on creating inclusive environments, as well as training for the Recruitment and Selection team on the labor rights of people with disabilities. Looking ahead, we plan to continue with the labor inclusion project for young people with disabilities in collaboration with the Ministry of Labor and Employment Promotion (MTPE), along with awareness workshops for managers and supervisors in each area.

**(GRI 2-30) (GRI 406-1)**

# 7.5. Occupational health and safety

(GRI 403-1) (GRI 403-8)

Our Occupational Health and Safety Management System (SGSST) is aligned with Law No. 29783 and applies to all our facilities, including all employees, suppliers, and contractors who maintain any relationship with the company.

To ensure the effectiveness of this system, we have implemented various monitoring mechanisms that guarantee its proper functioning and allow us to identify areas for improvement. Below, we present the objectives and strategies established at Nettalco to optimize our performance in occupational health and safety.



### Audits

Essential for evaluating the effectiveness of the system by verifying compliance with established programs and plans. When necessary, these audits are conducted by auditors authorized by the Ministry of Labor and Employment Promotion (MTPE in Spanish).



### Statistics

Provide data that allow for a quick assessment of the occupational health and safety management system. For this purpose, we have specific indicators for each of the objectives and goals in our Occupational Health and Safety Plan.



### Compliance analysis

We assess the level of compliance with objectives and goals, as well as the status of investigations into accidents and incidents, including the corrective and preventive actions taken.



### Change monitoring

We monitor changes that may affect the system, including updates to legal requirements and other requirements related to occupational health and safety.

Below, we present our objectives and strategies established at Nettalco to enhance our occupational health and safety (OHS) performance:

**Objectives and strategies in OHS at Nettalco**

Prevent OHS risks resulting from our activities and identify hazards through continuous risk assessment, ensuring the prevention of occupational injuries and illnesses.



Comply with legal requirements and other applicable regulations agreed upon with the client, as well as relevant stakeholders and other commitments assumed by the organization regarding occupational health and safety.

Protect the safety and health of all employees through the continuous improvement of the Occupational Health and Safety Management System (SG-SST) within the company



Provide a safe and healthy workplace for employees, while promoting a culture of accident and occupational illness prevention.

## Identification of hazards, risk assessment, and incident investigation

To identify and manage the hazards associated with our activities at Nettalco, we use the IPERC matrix (Hazard Identification, Risk Assessment, and Control Application). This tool allows us to analyze workplace risks, evaluate them effectively, and make decisions based on their impact. Based on these analyses, we update our policies and procedures, adopting the best practices and technologies available in the sector.

For accident and incident investigations, we immediately collect all relevant information about the event, including statements and photographic evidence, enabling a detailed analysis of each case. We also apply the TASC Method (Systematic Cause Analysis Technique) to identify immediate and underlying causes and implement the necessary corrective measures. This process is carried out with the support of the OHS Committee, with the objective of establishing corrective actions with defined deadlines and assigning responsible parties for their execution.



If an employee identifies a situation that poses a risk to their health or safety, they have the right to stop their activity and must then follow the established procedures to report the incident. Our OHS Policy and Annual Occupational Health and Safety Plan promote a culture of prevention and action, encouraging the identification of unsafe conditions and the search for solutions, with a guarantee of protection against retaliation, as stipulated in our procedures.

Policy and Annual Occupational Health and Safety Plan promote a culture of prevention and action, encouraging the identification of unsafe conditions and the search for solutions, with a guarantee of protection against retaliation, as stipulated in our procedures OHS inductions, conduct regular audits, and promote best practices in occupational health and safety. We also actively collaborate with our partners when they require compliance with these same standards. **(GRI 403-2) (GRI 403-7)**

# Occupational Health and Safety Committee

At Nettcalco, we have an Occupational Health and Safety (OHS) Committee composed of 24 members, including 12 principal members and 12 alternates from our Vulcano and Cercado plants. This committee is parity-based, comprising representatives from both the workforce and the employer, and is dedicated to evaluating OHS matters in monthly meetings. The organizational structure of the committee includes clearly defined roles, with positions such as Chairperson and Secretary. **(GRI 403-4)**

## Composition and functions of the occupational health and safety committee at Nettcalco

### Employer's primary representatives

-  Kiara Velásquez Bendezú  
**Head of Human Resources (Vulcano)**

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-  María Alvarez Leonardo  
**Head of Knitting (Vulcano)**

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-  Sara Díaz Barrenechea  
**Sector Head - Sewing (Cercado)**

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-  Guillermo Ghiglino Vásquez De Velazco  
**Head of Dyeing (Vulcano)**

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-  Juan Carlos Verástegui Portilla  
**Head of Finishing (Cercado)**

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-  Paolo Chávez Ortiz  
**Administrative Services (Cercado)**

### Employer's substitute representatives

-  Miguel Vásquez Zárate  
**Maintenance (Vulcano)**

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-  Edgar Fuentes Fuster  
**Head of Knitting (Vulcano)**

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-  Erick Macedo Paredes  
**Head of Maintenance (Vulcano)**

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-  Víctor Olaya Zapata  
**Exports (Cercado)**

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-  Elmer Sánchez Félix  
**Product Development (Vulcano)**

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-  Dennys Reynoso Luján  
**Head of Product Development (Vulcano)**

### Workers' primary representatives

-  Daniel Villalva Córdor  
**Dyeing (Vulcano)**

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-  Edwin Ipanaqué Villegas  
**Sewing (Vulcano)**

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-  Yenny Margarito Ángeles  
**Cutting (Vulcano)**

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-  Antonio Valera Blas  
**Sewing (Cercado)**

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-  Hilda Cori Tarazona  
**Sewing (Cercado)**

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-  Emerson Pérez Montenegro  
**Finishing (Cercado)**

### Workers' substitute representatives

-  Petronila Marchan Valdivia  
**Sewing (Vulcano)**

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-  Arturo Lozano Algoner  
**Sewing (Vulcano)**

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-  David Patino Bances  
**Sewing (Vulcano)**

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-  Ana Villalobos Santos  
**Sewing (Cercado)**

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-  Betty Alata Cabrera  
**Finishing (Cercado)**

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-  Shefer Cruz Acuña  
**Sewing (Cercado)**



# OHS Training

Occupational health and safety (OHS) training is a fundamental pillar at Nettalco. We focus on providing comprehensive training that ranges from awareness sessions to technical and conceptual instruction, with the objective of establishing a sustainable preventive culture throughout the organization. This approach ensures that each area has the necessary knowledge to proactively identify and manage risks, guaranteeing that all personnel are prepared to correctly apply safety protocols in their respective positions.

All our employees receive OHS training and are provided with the necessary tools to recognize hazards and risks in their daily activities. This approach promotes the correction of unsafe practices and reinforces a culture based on prevention and safety. Within this framework, our objectives for occupational health and safety training are as follows:

## Objectives for occupational health and safety training



Raise awareness of the importance of complying with the occupational health and safety policy and procedures.



Provide the elements of the OHS Management System (SG-SST), including the roles and responsibilities of managers, employees, and interns within the company, in accordance with current regulations.



Provide the necessary tools for employees, contractors, and interns to identify hazards, assess risks, and take preventive measures while performing their duties.

Below, we detail the topics, target audience, and expected objectives of occupational health and safety training:

## Details of occupational Health and Safety Training

TRAINING TOPIC	TARGET AUDIENCE	EXPECTED OUTCOME
Use of fire extinguishers and fire classes	Employees	Understand the types of fire extinguishers and their proper use.
Basic safety principles	Employees	Learn basic occupational health and safety terminology.
Use of personal protective equipment	Employees	Understand the correct use, importance, and function of personal protective equipment.
Hazard Identification and Risk Assessment	Employees	Learn the procedures for Hazard identification and Risk Assessment, and the HIRAC matrix.
Handling chemicals and hazardous materials	Employees	Learn the risks of handling chemicals and hazardous materials, and the preventive measures to take.
Noise exposure	Employees	Understand preventive measures related to noise exposure.
Lifting loads	Material handler	Learn the correct procedure for lifting loads.
Forklift operation	Material handler	Learn the safe and proper operation of forklifts for lifting loads.
First aid	Emergency responders	Learn how to respond to emergencies.
Use of emergency equipment (extinguishers, fire hoses, stretchers)	Emergency responders	Understand the types of extinguishers, fire hose cabinets, and their proper use.
Evacuation and safe zones	Emergency responders	Know evacuation routes, safe zones, and the use of emergency stretchers.

**Note.** Employees include all workers in general, while service personnel refer to exposed workers.

All these activities are part of the Annual Training Plan (PAC) and are requested by the respective departments. In addition to the Annual Training Program, we conduct induction sessions for new personnel as part of the necessary training to ensure that contractors and interns are aware of hazards and risks before performing their tasks. **(GRI 403-5)**

# Occupational health at Nettalco

We reaffirm our commitment to the safety and well-being of our employees through continuous efforts to reduce workplace accidents and occupational illnesses. To achieve this, we have developed surveillance, monitoring, and control programs that allow us to meet the established indicators for Occupational Health and Safety (OHS).

In 2024, we implemented initiatives focused on preventing non-communicable diseases, as well as promoting auditory, respiratory, and musculoskeletal health. These programs are applied across all our facilities and are supervised by the company's occupational physician. Additionally, we conducted vaccination and nutrition campaigns aimed at minimizing risks associated with seasonal illnesses and promoting healthy habits among our employees.

To ensure timely medical attention, we maintain a fully equipped medical office staffed with trained personnel capable of responding to any accident or incident. We also ensure the confidentiality of our employees' medical information, which is managed exclusively by the occupational physician. Access to this data is strictly restricted and permitted only to authorized personnel under specific requests from competent entities, always within the framework of occupational health and safety. **(GRI 403-3) (GRI 403-6)**



## Voluntary health promotion programs



### Annual health check-ups

We conduct annual and biannual medical check-ups to assess the general health of employees, identify potential risks, and provide personalized recommendations.



### Nutritional counseling

We provide access to nutritional counseling services to help employees adopt healthy eating habits and address specific dietary concerns.



### Mental health

We offer specialized sessions with a coach to address work-related stress.



### Obesity and nutrition

Our nutritional and exercise programs focus on addressing obesity and promoting a healthy lifestyle.



### Exercise and fitness programs

We offer exercise and fitness programs, including dance classes and access to sports facilities.

## Workplace accident injuries

In 2024, we achieved a reduction in our accident rate as a result of strengthening our Occupational Health and Safety (OHS) prevention campaigns. Thanks to these initiatives, we recorded no fatalities or high-impact incidents. Our OHS Management System (SG-SST) enables us to effectively analyze accidents and incidents, identifying their root causes through the TASC Method (Systematic Cause Analysis Technique), which allows us to implement timely corrective actions.

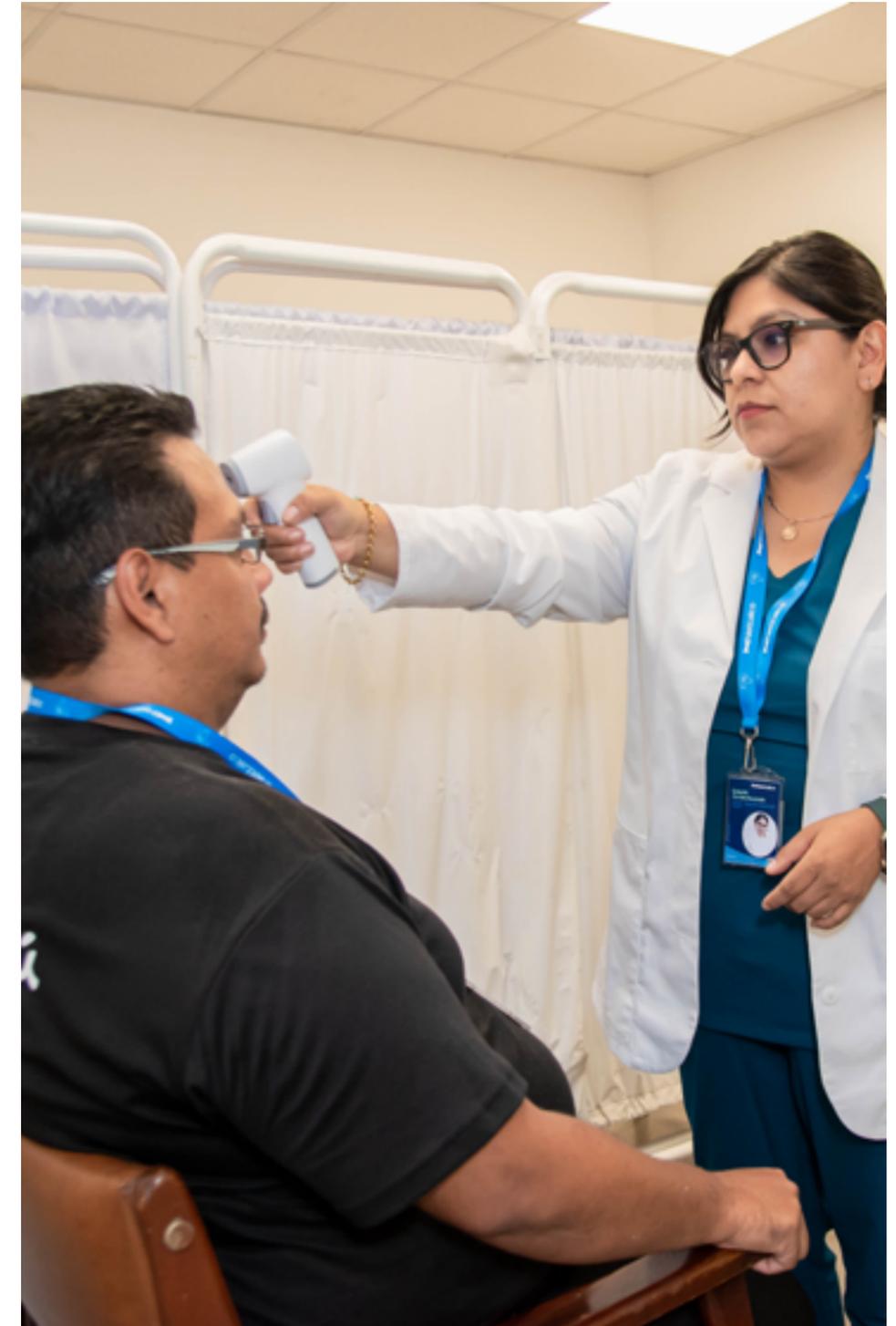
Currently, we do not have a specific measurement system for our suppliers, as their roles within the company are limited. However, we require them to strictly comply with the protocols and procedures established in our OHS Management System.

In 2024, the main accidents and incidents recorded were related to the handling of machinery, chemical substances, and needle pricks, among others. **(GRI 403-9)**

**Workplace accident injuries among employees at Nettalco (GRI 403-9)**

Employees	Unit of Measure	2022		2023		2024	
		Cercado	Vulcano	Cercado	Vulcano	Cercado	Vulcano
Number of fatalities from workplace injuries	#	0	0	0	0	0	0
Workplace injury fatality rate	Index	0	0	0	0	0	0
Number of workplace injuries with severe consequences (excluding fatalities)	#	0	1	0	0	0	0
Rate of workplace injuries with severe	Index	0	0.44	0	0	0	0
Consequences (excluding fatalities)	#	56	23	34	13	16	11
Number of recordable workplace injuries	Index	30.53	10.02	22.63	7.04	6.88	8.10
Rate of recordable workplace injuries	#	1,834,377	2,295,945	1,502,289	1,846,517	1,599,232	1,976,334

**Note.** The data corresponds to information recorded by Nettalco. The calculation of the indicators presented in the table is based on the methodology established by GRI Standard 403: Health and Safety at Work 2018.





## Work-related ailments and illnesses

Work-related ailments and illnesses are primarily associated with back pain, wrist pain, neck pain, among others. No cases of occupational diseases have been recorded. **(GRI 403-10)**

### Reported work-related ailments and illnesses at Nettalco

Work-related ailments and illnesses among employees	Unit of measure	2022		2023		2024	
		Cercado	Vulcano	Cercado	Vulcano	Cercado	Vulcano
Number of deaths resulting from a work-related ailment or illness	#	0	0	0	0	0	0
Number of recordable cases of work-related ailments and	#	473	469	328	350	508	253

**Note.** The data corresponds to the information recorded by Nettalco.

## 7.6. Corporate social responsibility

As part of our Corporate Sustainability Strategy, at Nettalco, we continue to strengthen our commitment to generating social value in the communities of Ate, Cercado de Lima, and other stakeholder groups. **In 2024, we reinforced this commitment through various initiatives in volunteering, educational support, and social impact programs**, working collaboratively with our employees and strategic partners.

One of the fundamental pillars of our social management is environmental education. For this reason, we continue to participate in the Certificado Azul program and provide training and awareness to school communities on the importance of responsible water use. We were also active in vulnerable regions such as Puno and Chincha, promoting projects that improve the quality of life of their inhabitants and foster community resilience.



Below, we detail the main social and environmental impact actions carried out in 2024:

## Volunteering and environmental education initiatives in 2024



### Lima Verde Volunteering – Lima Municipality

We participated with 15 volunteers in a reforestation day in Huaycán, Ate, where 50 trees were planted. This activity marked the beginning of our environmental volunteering actions and reaffirmed our commitment to the restoration and improvement of natural areas.



### Lima Se Renueva Volunteering – Lima Municipality

In collaboration with the Lima Municipality, we participated with 18 volunteers in the cleaning and restoration of a section of the Rímac River. Although no specific indicators were established, this activity contributed to the preservation of one of the city's main water sources.



### Educational Workshops at IE Raúl Porras Barrenechea – Ate (Certificado Azul)

As part of our Shared Value Program, in partnership with an environmental consultancy, we conducted four educational workshops on responsible water use at IE Raúl Porras Barrenechea. These workshops were part of the process to obtain the Certificado Azul from the National Water Authority (ANA), aiming to raise students' awareness about water conservation and promote its sustainable use. As a result, participants assumed the role of «Water Guardians» and promoted good practices in their communities.

## Volunteering and environmental education initiatives in 2024

### Christmas Hot Chocolate Event – Chinchá

As part of our Corporate Social Responsibility (CSR) initiatives, we organized a Christmas hot chocolate event with toy distribution in collaboration with our supplier Bergman Rivera, benefiting 378 children from six Non-School Initial Education Programs (PRONOEI) in Chinchá. The supported institutions were:

- ✔ PRONOEI Chacarilla
- ✔ PRONOEI Atahualpa
- ✔ CP Chacarilla
- ✔ CP Huarangal
- ✔ Inicial El Carmen
- ✔ PRONOEI San Antonio

This activity strengthened ties with educational communities and provided moments of joy and well-being for children, in line with our values of sustainability and social commitment.



### Resilient communities facing low temperatures in Melgar province, Puno

In partnership with the Lacoste Foundation and the NGO C aritas del Per , we promoted a project in the districts of Ayaviri, Macari, Cupi, Umachiri, Buena Vista, and Santa Rosa to improve the living conditions of families affected by low temperatures.

#### Housing improvement:

- ✔ Interventions were carried out in two homes, where improved stoves and Trombe walls were installed.
- ✔ Trombe walls helped maintain warmer temperatures during the night by capturing and storing solar energy during the day, reducing the need for additional heating.
- ✔ Improved stoves reduced exposure to toxic smoke, improved indoor air quality, and decreased firewood consumption, positively impacting the health and economy of the beneficiary families.





08

**Table of  
GRI Content**

<b>Statement of Use</b>	Industrias Nettalco S.A. has reported in accordance with the GRI Standards for the period from January 1 to December 31, 2024.
<b>GRI 1 used</b>	GRI 1: Foundation 2021

GRI Standard	Content	Page	SDG	Omission		
				Requirement omitted	Reason	Explication
<b>General content</b>						
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	7,8	-	-	-	-
	2-2 Entities included in the organization's sustainability reporting	24	-	-	-	-
	2-3 Reporting period, frequency and contact point	24	-	-	-	-
	2-4 Restatements of information	24	-	-	-	-
	2-5 External assurance	24	-	-	-	-
	2-6 Activities, value chain and other business relationships	7	-	-	-	-
	2-7 Employees	73	-	-	-	-
	2-8 Workers who are not employees	74, 75	-	-	-	-
	2-9 Governance structure and composition	26	-	-	-	-
	2-10 Nomination and selection of the highest governance body	26	-	-	-	-
	2-11 Chair of the highest governance body	28	-	-	-	-
	2-12 Role of the highest governance body in overseeing the management of impacts	28	-	-	-	-

GRI Standard	Content	Page	SDG	Omission		
				Requirement omitted	Reason	Explication
<b>General content</b>						
<b>GRI 2: General Disclosures 2021</b>	2-13 Delegation of responsibility for managing impacts	28	-	-	-	-
	2-14 Role of the highest governance body in sustainability reporting	18, 28	-	-	-	-
	2-15 Conflicts of interest	36, 37, 38	-	-	-	-
	2-16 Communication of critical concerns	28	-	-	-	-
	2-17 Collective knowledge of the highest governance body	29	-	-	-	-
	2-18 Evaluation of the performance of the highest governance body	26	-	-	-	-
	2-19 Remuneration policies	-	-	2-19	Confidentiality Restrictions	This is strategic information whose confidential nature is a response to the need to maintain competitiveness in the sector. However, we ensure the application of market standards to define competitive compensation aligned with market best practices.
	2-20 Process to determine remuneration	-	-	2-20	Confidentiality Restrictions	This is strategic information whose confidential nature is a response to the need to maintain competitiveness in the sector. However, we ensure the application of market standards to define competitive compensation aligned with market best practices.
	2-21 Annual total compensation ratio	-	-	2-21	Confidentiality Restrictions	This is strategic information whose confidential nature is a response to the need to maintain competitiveness in the sector. However, we ensure the application of market standards to define competitive compensation aligned with market best practices.

GRI Standard	Content	Page	SDG	Omission		
				Requirement omitted	Reason	Explication
<b>General content</b>						
<b>GRI 2: General Disclosures 2021</b>	2-22 Statement on sustainable development strategy	4	-	-	-	-
	2-23 Policy commitments	18, 33	-	-	-	-
	2-24 Embedding policy commitments	18, 33, 36	-	-	-	-
	2-25 Processes to remediate negative impacts	-	-	-	-	-
	2-26 Mechanisms for seeking advice and raising concerns	36, 37	-	-	-	-
	2-27 Compliance with laws and regulations	57	-	-	-	-
	2-28 Membership associations	-	-	-	-	-
	2-29 Approach to stakeholder engagement	20	-	-	-	-
	2-30 Collective bargaining agreements	83	-	-	-	-
<b>Material Topics</b>						
<b>GRI 2: General Contents 2021</b>	3-1 Process to determine material topics	21	-	-	-	-
	3-2 List of material topics	23	-	-	-	-

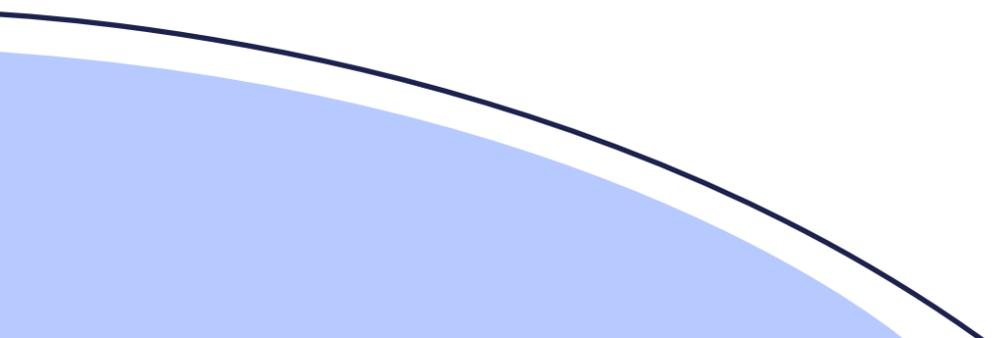
GRI Standard	Content	Page	SDG	Omission		
				Requirement omitted	Reason	Explication
<b>Governance, ethics and anti-corruption</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	38	-	-	-	-
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption	38	16	-	-	-
	205-2 Communication and training about anti-corruption policies and procedures	39	16	-	-	-
	205-3 Confirmed incidents of corruption and actions taken	38	16	-	-	-
<b>GRI 206: Anti-competitive Behavior 2016</b>	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	38	16	-	-	-
<b>Economic performance</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	-	-	3-3	Confidentiality restrictions	This is sensitive information, the safeguarding of which is necessary to maintain our competitiveness in the sector. However, we ensure proper management of this indicator, aimed at maintaining solid economic performance and aligning with good market practices.
<b>GRI 201: Economic Performance 2016 201-1</b>	201-1 Direct economic value generated and distributed	-	-	201-1	Confidentiality restrictions	This is sensitive information, the safeguarding of which is necessary to maintain our competitiveness in the sector. However, we ensure proper management of this indicator, aimed at maintaining solid economic performance and aligning with good market practices.
<b>Responsible supply chain management</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	50	-	-	-	-
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	50	8	-	-	-
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria	48	-	-	-	-
	308-2 Negative environmental impacts in the supply chain and actions taken	-	-	308-2	Information unavailable or incomplete.	In 2024, we do not have this information.

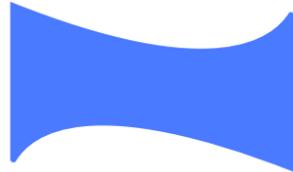
GRI Standard	Content	Page	SDG	Omission		
				Requirement omitted	Reason	Explication
<b>Responsible supply chain management</b>						
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened using social criteria	-	-	414-1	Information unavailable or incomplete.	In 2024, we do not have this information.
	414-2 Negative social impacts in the supply chain and actions taken	48	5, 8, 16	-	-	-
<b>Traceability assurance</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	53	-	-	-	-
<b>GRI 417: Marketing and Labeling 2016</b>	417-1 Requirements for product and service information and labeling	53	-	-	-	-
<b>This material topic has no specific associated GRI Standard</b>	NON-GRI Ensuring traceability	51	-	-	-	-
<b>Technology and innovation in product quality</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	43	-	-	-	-
<b>This material topic has no specific associated GRI Standard</b>	NON-GRI Technology and innovation in product quality	43	-	-	-	-
<b>Positive client relationships</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	54	-	-	-	-
<b>This material topic has no specific associated GRI Standard</b>	NON-GRI Positive client relations	54	-	-	-	-

GRI Standard	Content	Page	SDG	Omission		
				Requirement omitted	Reason	Explication
<b>Job creation, workplace well-being, and talent development</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	70	-	-	-	-
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	74, 76	3,5,8	-	-	-
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	77	3,5,8	-	-	-
	401-3 Parental leave	78	5, 8	-	-	-
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	80	4, 5, 8, 10	-	-	-
	404-2 Programs for upgrading employee skills and transition assistance programs	81	8	-	-	-
	404-3 Percentage of employees receiving regular performance and career development reviews	81	5, 8, 10	-	-	-
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	83	5, 8	-	-	-
<b>Occupational health and safety</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	84	-	-	-	-
<b>403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	84	8	-	-	-
	403-2 Hazard identification, risk assessment, and incident investigation	85	3, 8	-	-	-
	403-3 Occupational health services	88	3, 8	-	-	-
	403-4 Worker participation, consultation, and communication on occupational health and safety	86	8, 16	-	-	-
	403-5 Worker training on occupational health and safety	87	8	-	-	-

GRI Standard	Content	Page	SDG	Omission		
				Requirement omitted	Reason	Explication
<b>Occupational health and safety</b>						
<b>403: Occupational Health and Safety 2018</b>	403-6 Promotion of worker health	88	6	-	-	-
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	85	8	-	-	-
	403-8 Workers covered by an occupational health and safety management system	84	8	-	-	-
	403-9 Work-related injuries	89	3, 8, 16	-	-	-
	403-10 Work-related ill health	90	3, 8, 16	-	-	-
<b>Water use and management</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	61	-	-	-	-
<b>GRI 303: Water and effluents 2018</b>	303-1 Interaction with water as a shared resource	61	6, 12	-	-	-
	303-2 Management of water discharge - related impacts	61, 63	6, 12	-	-	-
	303-3 Water withdrawal	62	6	-	-	-
	303-4 Water discharge	63	6	-	-	-
	303-5 Water consumption	62	6	-	-	-
<b>Chemical management</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	64	-	-	-	-
<b>This material topic has no specific associated GRI Standard</b>	NON-GRI Chemical management	64	-	-	-	-
<b>Reduction of GHG emissions and energy consumption</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	58	-	-	-	-
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	58	7, 8, 12, 13	-	-	-

GRI Standard	Content	Page	SDG	Omission		
				Requirement omitted	Reason	Explication
<b>Reduction of GHG emissions and energy consumption</b>						
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	59	3, 12, 13, 14, 15	-	-	-
	305-2 Energy indirect (Scope 2) GHG emissions	59	3, 12, 16, 14, 15	-	-	-
	305-3 Other indirect (Scope 3) GHG emissions	59	3, 12, 16, 14, 15	-	-	-
<b>Circular economy and waste</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	67	-	-	-	-
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	67	3, 6, 11, 12	-	-	-
	306-2 Management of significant waste-related impacts	68	3, 6, 8, 11, 12	-	-	-
	306-3 Waste generated	68, 69	3, 6, 11, 12, 15	-	-	-



 **Nettcalco**