



SUSTAINABILITY REPORT 2025

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Commitment to sustainability

We strive to create innovative and sustainable fashion fabrics. And we are focused on achieving our environmental goals. This includes increasing the use of recycled raw

materials. Designing for circularity. Creating fabrics that last longer and adopting cutting edge technologies for more efficient production processes.



COMMITMENT TO SUSTAINABLE BUSINESS GROWTH.

CREATING AN ENVIRONMENT BASED ON INCLUSION, RESPECT AND RESPECT.

LOOKING FOR WAYS TO REDUCE OUR WATER AND ENERGY CONSUMPTION.

USING INNOVATIVE AND SUSTAINABLE RAW MATERIALS.

INSTALLING HIGHER ENERGY EFFICIENCY IN OUR FACILITIES AND REDUCING OUR ENERGY CONSUMPTION NEEDS.

REDUCING THE AMOUNT OF WASTE WE GENERATE AND MAKE SURE THAT WASTE IS REUSED, RECYCLED OR RECOVERED.

WORKING WITH HIGH STANDARDS OF RESPONSIBILITY AIMED AT CREATING POSITIVE IMPACT THAT BENEFIT ALL STAKEHOLDERS.

Responsible Management

Nettle plant that is wild in the Himalayan mountain forests

Reclaimed wool from textile waste and discarded garments

Recycled materials, including plastic bottles

Waste generated in the conventional process of the textile industry

Oil-derived

Modified, biodegradable polyester that retains the

Environmental production process of pulp into cellulose spinning process reusing the solvent more than 99%.

Refibra technology is a proportion of cotton post-consumer source into cotton pulp. The cotton pulp is derived from wood pulp from sustainable sources.

About the Report

GRI 2-1 · GRI 2-3

Riopele Têxteis, SA (“Riopele”) is headquartered in Vila Nova de Famalicão, specifically at Avenida Riopele, n.º 946, 4770-405 Pousada de Saramagos, Portugal. Riopele’s activities are mainly focused on the production of benchmark textiles, with a central emphasis on the sustainability of both its raw materials and its operations.

This document was prepared in accordance with the Global Reporting Initiative 2021 (GRI) standards and Option B (Basic Module and Comprehensive Module) of the Voluntary Sustainability Reporting Standard for SMEs (VSME), developed by the European Financial Reporting Advisory Group (EFRAG) at the request of the European Commission. The sustainability performance reported herein refers to the period from January 1, 2025, to December 31, 2025, with the scope of activities covering all Riopele facilities (administrative buildings and factories). Riopele will continue to compile a report, on at least an annual basis, demonstrating the performance of its activities. The reporting scope of this report is aligned with the scope of Riopele’s Annual Report and Accounts. If you have any questions for Riopele regarding this report or any other sustainability-related topic, you can address your message to the email address: sustentabilidade@riopele.pt.



A Journey Towards 2027

GRI 2-22

Sustainability has been establishing itself as a central pillar of our strategy and of the way we create long-term value, based on an integrated approach that encompasses environmental, social, and governance dimensions. In this context, we have set the goal of achieving operational carbon neutrality by 2027 as one of the pillars of our decarbonization pathway.

In 2025, this commitment was reinforced with the approval of near-term emission reduction targets by the Science Based Targets initiative (SBTi) with a 2030 horizon, alongside reporting processes aligned with best practices and European regulations.

Sustainability is formally integrated into our Management System, supported by a structured double materiality approach currently under development, which allows us to deepen the identification and management of impacts, risks, and opportunities relevant to our business and value chain.

In the environmental domain, the decarbonization pathway evolved consistently, supported by investments in energy efficiency, technological modernization, and the expansion of renewable energy production capacity. In

2025, 59% of our energy consumption was met by renewable sources, highlighted by the completion of a new photovoltaic unit (UPAC), which is expected to enter operation in 2026. The evolution of our carbon footprint (Scopes 1, 2, and 3) demonstrates a sustained reduction in absolute emissions and carbon intensity per unit of product.

At the product and value chain level, we stepped up the use of certified, recycled, and naturally sourced raw materials, as well as environmental and social traceability and compliance across the supply chain. The integration of eco-design criteria and the application of Life Cycle Assessment (LCA) methodologies have been shaping the development of sustainable textile solutions in a more systematic way.

Innovation remains supported by a Research and Development structure with more than 100 professionals, focused on developing circular and low-impact solutions, including the valorization of biological waste, the transformation of post-consumer textiles, and the incorporation of natural and regenerative fibers. This work is complemented by active collaboration with suppliers and customers to transform the value chain.

Between 2023 and 2025, we invested approximately 40 million euros in structural projects in the areas of water efficiency, and the reduction of environmental impacts. On the social side, we maintain a structured approach centered on our people, covering working conditions, skills development, benefits and well-being, and talent attraction and retention. The social benefits package was expanded with measures aimed at well-being and work-life balance, while investment in training and qualification continues to support the professional growth of our people. The creation of the Riopele Academy represents a strategic milestone in knowledge management and transfer, with activities scheduled to begin in 2026.

In 2025, 18% of our workforce is under 30 years old, and the average age is 42, reflecting generational renewal and the ability to attract talent within a competitive environment.

In economic terms, we recorded a turnover of 95.5 million euros, representing an accumulated growth of about 25% over the last five years, within a context of high volatility in the sector.

As we approach our centenary, we follow with a sense of responsibility the increasing involvement of the family's fourth generation in Riopele's project, reinforcing the continuity of our legacy and the preservation of the values that guide us.

We reaffirm our commitment to accelerate decarbonization, ensuring a response progressively more aligned with the concerns and expectations of our stakeholders, identified within the scope of the double materiality analysis.

José Alexandre Oliveira

Chairman of the Board of Directors, Riopele

Riopele



2025 Highlights

ENVIRONMENT

59%

Energy from renewable sources

3.1

Carbon intensity of A1+A2 products (kg CO₂e / kg)

99%

Waste recovery rate

81%

Chemicals classified as ZDHC compliant

59%

Recycled water

SOCIAL

1,039

Employees (FTE)

12 yrs

Average length of service

18%

Employees under 30

>87%

Employees who received training

42%

Leadership roles held by women

ECONOMY & GOVERNANCE

€95.5_M

Turnover

101

Suppliers with established commercial contracts

63%

Suppliers subscribing to the code of conduct

750_{k+}

Production capacity (meters / month)

95%

Share of sales to export markets



B4

B401

PC 1285



Our Key Targets for the Centenary, in 2027

01

Carbon Neutrality

of our operations.

02

20%

Reduction of the carbon footprint of our value chain.

03

80%

Of our marketed products will include sustainability components.

04

100%

Recovery of our textile waste via recycling + reclassification.

05

60%

Of the water used in our production processes will be recovered and reused.

06

90%

Of the thermal energy used will come from carbon-neutral sources.

07

100%

Of the electricity used will come from renewable sources.

08

Increase

The overall satisfaction of our employees.

09

Increase

Employee satisfaction with the balance between personal and professional life.



01

RIOPELE

GRI 2-1

1.1 Activities & Brands

1.2 Markets of Operation

1.3 Governance & Management

Model

Riopele Têxteis, S.A., located in Pousada de Saramagos, in the municipality of Vila Nova de Famalicão and founded in 1927 by José Dias de Oliveira, is one of Europe's oldest textile companies.

With a rich history and a tradition of quality, the company focuses its activity on the creation and production of fabrics for fashion and apparel collections. As a privileged partner of the world's leading fashion brands, present in more than 30 countries, Riopelle offers a vertical textile production service equipped to keep pace with the fast rhythm of today's fashion industry.

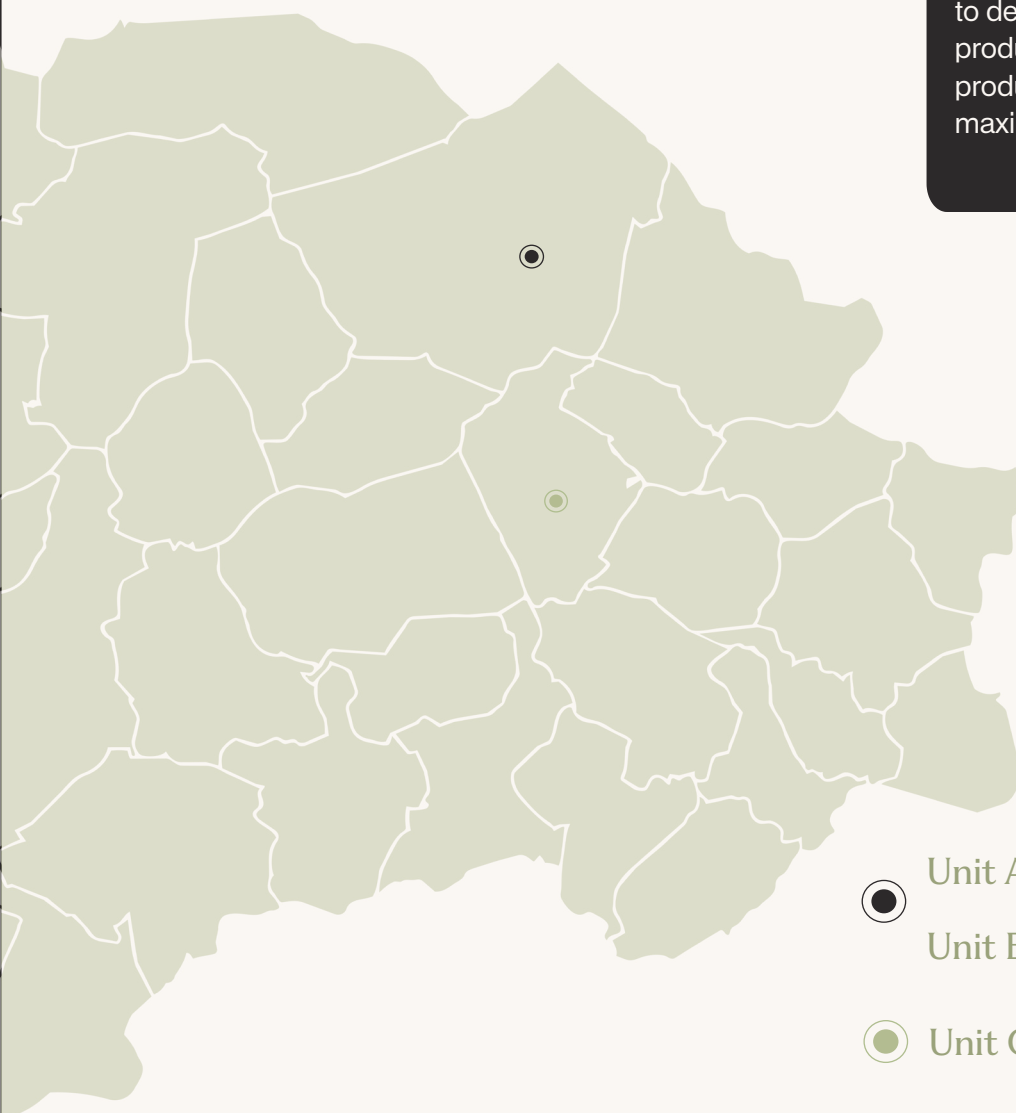
Riopelle is committed to maintaining and strengthening its position as a leader in the global textile industry of fashion, keeping close relationships with both traditional fashion companies and emerging brands. With a consolidated historical track record, a firm commitment to quality, sustainability and social responsibility, and an emphasis on the traceability and transparency of its processes

and the reliability of its services, Riopelle continues to stand out in the textile sector, remaining a benchmark in the fashion and apparel industry in Portugal and worldwide.

Facilities

Riopelle's facilities reflect its commitment to excellence and efficiency in textile production. With a covered area of 131,000 m², the company has a modern infrastructure equipped with state-of-the-art machinery, enabling a creative, fast and effective response to the accelerating trends of the fashion market.

With 100% of production carried out locally and the capacity for continuous operation, Riopelle demonstrates its commitment to delivering high-quality textile products, meeting the highest production standards and ensuring maximum customer satisfaction.



Unit A | Pousada de Saramagos
Head Office / Dyeing and Finishing

Unit B | Pousada de Saramagos
Spinning and Weaving



Unit Olifil | Castelões
Spinning

Mission & Values

Riopele aims to be at the forefront of the sector, betting on innovation as a key driver of its competitiveness in the global market. Given its current position in the fashion market, with the continuous development of innovative and sustainable fabrics, Riopele supplies the most prestigious fashion houses in the world and acts as an opinion leader through its collections.

We believe that our values set us positively apart and contribute to building a strong brand and products of excellence that make us a benchmark in the global market.

VISION	MISSION	VALUES
To be the leading company in the textile industry of the futur, innovative and sustainable, grounded in the transparent and responsible management of resources, respect for human rights and the promotion of technological development.	To be a global, creative and sustainable industrial textile company, grounded in an environment of innovation, continuous improvement and operational excellence, adding value for our customers, suppliers, employees, shareholders and community.	<u>Solidity</u> — We foster a culture of innovation and people development. <u>Trust</u> — We value strong leadership and cooperation. <u>Success</u> — We act with a constant focus on customers and results.

The company has been making a set of investments that allow it to continue its strategy, strengthening its market position as a benchmark company in the sector and a leader in the management of environmental and human resources.

Our commitment to our customers is to provide them with products and services that drive the development of their business.

Positioning

Riopele's goal is to make fashion more sustainable, accelerating its positive impact on the planet and on society through its activities and products.

To this end, it seeks to create innovative and sustainable fabrics that allow the company to achieve its environmental goals, increasing the integration and use of recycled raw materials and reinforcing durability to promote circularity, and taking advantage of cutting-edge technologies to optimize production efficiency, while promoting an environment centered on inclusion, empowerment and respect.

In this regard, Riopele stands out for its strategic positioning in the textile sector, having recently updated its essential pillars of action.

Product & Process

The "Product & Process" pillar aims to address the entire life cycle of product development and process optimization from the early stages of product innovation to the continuous improvement of operational and manufacturing efficiency, including digital transformation. Through forward-looking strategies, cutting-edge technologies and meaningful partnerships, this pillar encompasses Riopele's commitment to advancing every aspect of its product and process systems to meet the evolving needs of customers and the industry.

Environment & Circularity

The "Environment & Circularity" pillar aims to respond to environmental challenges, reducing environmental impact, conserving resources, minimizing emissions and pollution, and promoting the principles of the circular economy.

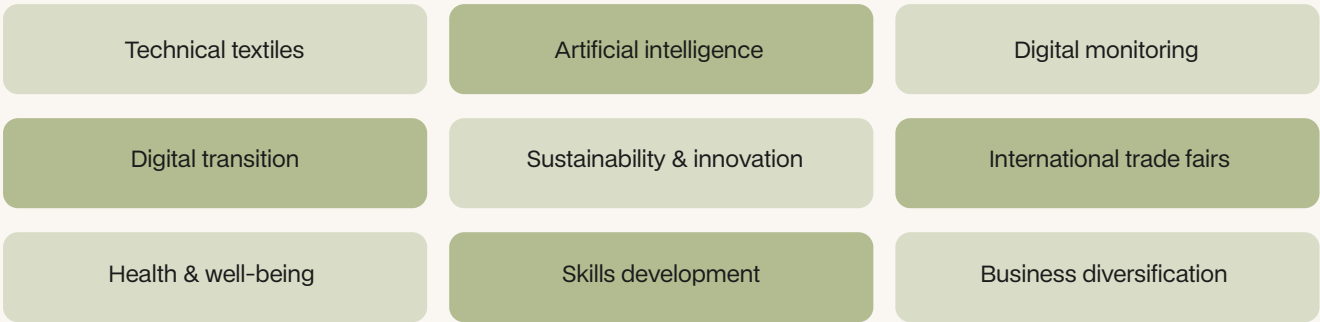
People & Communities

The "People & Communities" pillar sees a thriving workforce as the cornerstone of Riopele's success. To strengthen employee satisfaction and motivation, Riopele prioritizes clarity, fairness and well-being. At the same time, building a skilled workforce requires investment in continuous learning and development. Riopele also intends to reinforce social responsibility through policy development, certification, fair compensation, community support and employee-engagement initiatives.

Ethics & Governance

Implementing ethics and governance in a textile company improves reputation, reduces risk, attracts conscious consumers and investors, promotes sustainable innovation and ensures competitiveness in the global market. We believe that energizing the "Product & Process", "Environment & Circularity" and "People & Communities" pillars will only be possible with strong, committed governance guided by ethical principles, giving rise to the "Ethics & Governance" pillar.

Riopele continues to invest in the following areas:



In 2025, the company consistently strengthened its competitiveness, innovation, and sustainability, ensuring alignment between market demands, industrial capabilities, and strategic business objectives. The ongoing focus on product development, the validation and industrialization of new materials and processes, and the strategic management of raw materials had a direct impact on operational efficiency, technological differentiation, and sustainable value creation.

Sustainability remained a structural pillar of the corporate strategy, with a special focus on researching and incorporating recycled, regenerative, and lower-impact raw materials. Key highlights included the increased use of recycled fibers, investments in Textile-to-Textile

solutions, and the development of new materials in partnership with strategic clients, universities, technological centers, and startups. These encompassed projects based on chemical recycling, alternative filaments to elastane, and sustainable cellulose-based fibers.

At the industrial level, product and process optimization initiatives were implemented, covering a significant portion of the manufactured references. This had a direct impact on production efficiency, waste reduction, and cost control. In parallel, progress was made in measuring the economic benefits associated with these improvements, reinforcing the ability to monitor the value generated by continuous improvement initiatives.

Our Commitments

Beyond the commitment reflected in the Riopele Policy (see website), Riopele embraces several strategic commitments to ensure its success and drive satisfaction throughout its value chain. The company is deeply committed to promoting innovation, creativity, differentiation, and the sustainability of its products and business model in the markets where it operates. Through a constant search for innovative solutions, Riopele seeks to meet market demands by offering unique and sustainable products.

Riopele has firmly established its commitment to sustainability (see website), dedicating itself to the creation of innovative and sustainable fabrics while setting clear goals regarding its environmental performance. To achieve these targets, the company focuses on developing and producing highly durable fabrics, striving to minimize the environmental impact of the textile sector.



1.1 Activities & Brands

Core Activity

GRI 2-6

A monthly production
capacity of over

750k
meters of fabric

Riopele centers its operations on the creation and production of fabric collections for major national and international fashion brands. With a monthly production capacity exceeding 750,000 meters of fabric, having produced over 8.7 million meters in 2025. The company stands out in the manufacturing of high-quality textiles. It utilizes a diverse range of natural, synthetic, artificial, and recycled fibers, and is highly specialized in polyester, viscose, and elastane blends.

By vertically integrating the entire production cycle, from raw materials to the finished fabric and/or garment, Riopele guarantees high production flexibility, rigorous quality control, and short lead times.

A Vertically Integrated Production Cycle

From concept to finished garment, Riopelle's eight core areas work as one continuous cycle, ensuring high production flexibility, strong quality control and short lead times.

R&D



Grounded in partnership with the customer and focused on creating innovative products, our R&D area brings together the research, development and engineering teams, offering a complete, tailored service from concept definition to final product design.

SPINNING



Able to work every fiber type and color, our Spinning units comprise more than 30,000 spindles, 10 rewinding machines and over 60 twistors, enabling fancy yarns and new color combinations.

DYEING



Integrating the latest technology and every dyeing process, our Dyeing area serves both sampling and prototyping and series production, with an installed capacity of approximately 180 tonnes per month.

WEAVING



Delivering a fast, flexible response to market demands, our Weaving produces fabrics of great technical and creative complexity, with 188 looms, digital production monitoring and machine-vision quality control.

FINISHING



Harmoniously combining chemistry and mechanics, and comprising three distinct phases: Preparation, Dyeing and Finishing. Our Finishing area guarantees the high aesthetic, comfort and functional performance of our fabrics.

QUALITY



Throughout the production cycle, our fabrics undergo full inspection, control and, where applicable, correction, anticipating and satisfying customer requirements.

LOGISTICS



Thanks to the vertical integration of our production and advanced management systems, we obtain real-time information, enabling flow control and the optimization of operations and transport. We work closely with global operators to guarantee the quality and speed of our delivery services.

PRIVATE LABEL



Riopelle also offers a specialized garment-production service. Including design, pattern-making and sampling, supply of fabrics and trims, cutting and sewing, quality control, private label and personalized delivery.

Brands

Riopele centers its operations on the development and production of fabrics for fashion and apparel collections. The company is deeply committed to the values of innovation, quality, and sustainability, ensuring the traceability and transparency of its processes as well as the reliability of its service. To fulfill this commitment, Riopele features several brands designed to meet the specific needs of its clients.

ÇERAMICA
Advanced Comfort Technology

Combines innovation, comfort and performance. Known for its crease resistance, high breathability and easy-care properties.

TENOVIVA
Textile No waste

Stands for "Textile No Waste", fabrics born from recycled textile-industry waste, awarded the COTEC 2018 Innovative Product and iTechStyle Sustainable Product accolades.

TECNOSILK
Naturally Comfortable

Blends Lyocell TENCEL™ with cotton or cupro to deliver premium softness and creative possibilities on an industrial scale.

ViralRepel

An innovative combination of technologies that prevents the persistence of viruses and bacteria on fabrics, safely reducing viral load by up to 99%.



1.2 Markets of Operation

GRI 2-6

More than
500
clients

As a company with a global footprint, serving a significant portion of the fashion industry's value chain and partnering with major market leaders and renowned brands, Riopelle today serves over 500 clients spread across 40 countries on every continent. Its primary markets are Canada, Germany, Spain, the USA, Italy, France, Scandinavia, the UK, China, Japan, South Korea, Australia, and India, which together account for 95% of its revenue.



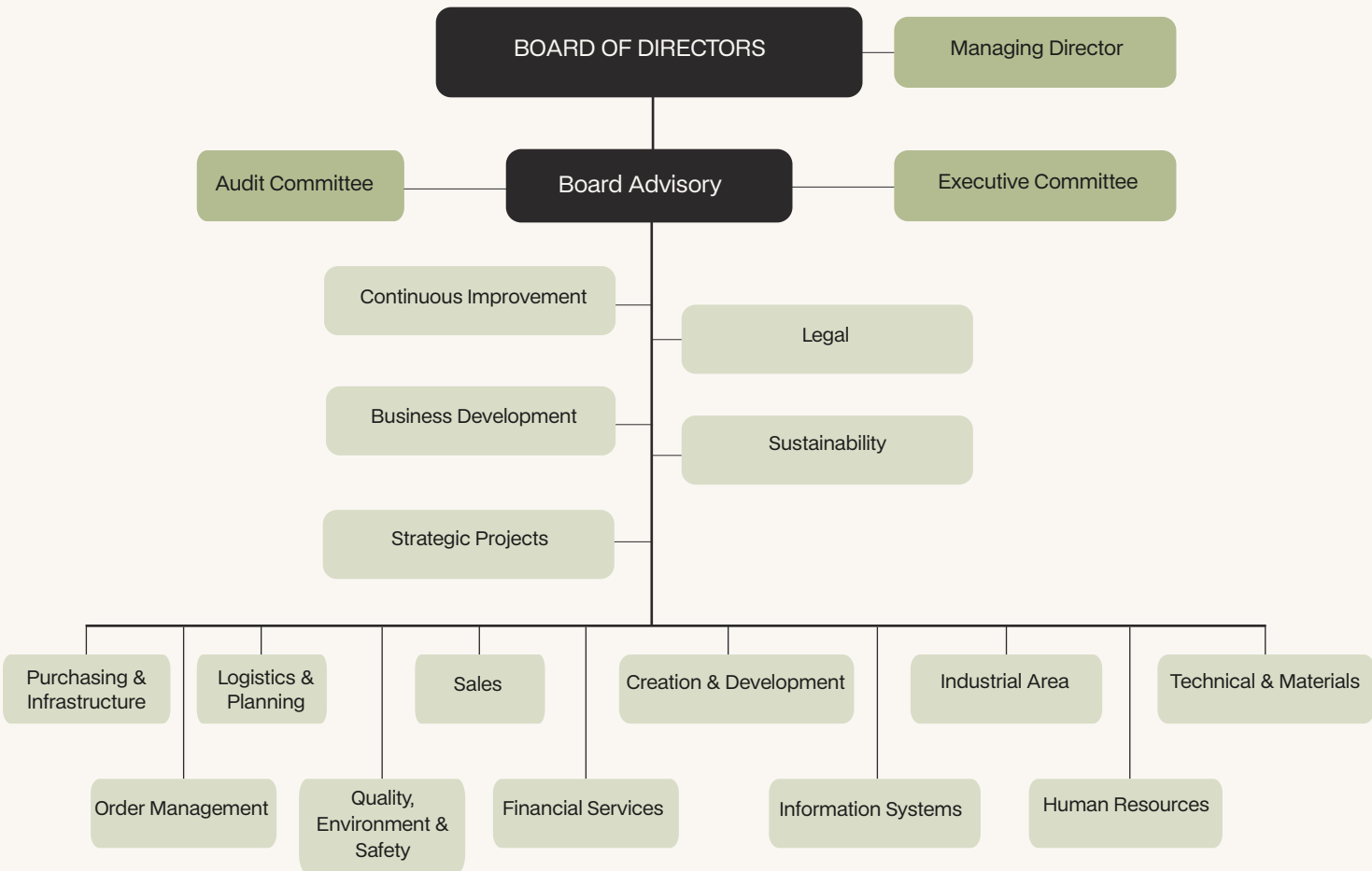
As a leading brand in the textile industry, Riopelle approaches its markets with strategies centered on customer focus, loyalty, and partnerships. By actively involving the client in the creative process, the company is able to meet their needs and align with their positioning regarding sustainability standards, product innovation, and the evolving profiles of both its clients and the end consumer.

1.3 Governance & Management Model

GRI 2-9 · 2-10 · 2-11 · 2-12 · 2-13

Riopele’s strategic direction is planned and defined by its Board of Directors, which underwent a recomposition and redistribution of members’ roles and is composed of the Chairman (with executive duties), one Executive Director and one Non-Executive Director. All Board members are elected by the General Meeting of Shareholders, to whom they report. Mandates last four years and may be renewed. The activities of the Managing Director and the company’s other Directors are organized and supervised by the Board, ensuring shareholders’ interests are safeguarded at every stage of the business.

Riopele General Organization Chart



Regarding sustainability, Riopelle has conducted several reviews of its strategy. Built on four pillars of action, this strategy outlines commitments, targets, and initiatives to be implemented across the environmental, social, and governance (ESG) dimensions. The implementation of this strategy will be guided and monitored by the Sustainability Department and supervised by the General Manager, with its progress subsequently overseen by the Board of Directors.

Furthermore, Riopelle aims to establish a Compliance Committee, a multidisciplinary

group responsible for keeping various standards up to date, monitoring and reviewing codes of ethics and conduct, and promoting awareness and verification initiatives, in addition to addressing grievances and mitigating potential internal flaws and risks. This committee will also monitor the regulatory requirements affecting the textile value chain, particularly environmental matters (i.e., LCA/EPD, Green Claims) and sectoral sustainability reporting standards.



02

SUSTAINABILITY APPROACH

2.1 Materiality

2.2 Sustainability Strategy

Riopele's strategy is grounded in a double-materiality analysis aligned with EFRAG standards and built on four strategic pillars — with clear commitments, targets and initiatives to reach by its centenary in 2027.

2.1 Materiality

GRI 3-1 · GRI 3-2

In 2025, Riopele conducted a review of its double materiality assessment, this time ensuring alignment with EFRAG standards. Numerous actual or potential Impacts (both positive and negative), Risks, and Opportunities (IROs) were identified. This process was based on an analysis of Riopele's activities and its exposure to these factors, alongside industry data and a literature review. Following a rigorous selection of IROs, they were evaluated based on their severity or magnitude of impact and their likelihood of occurrence.

To assess financial materiality, specifically, how risks and opportunities could financially impact the company, an in-person workshop was held with Riopele's Board of Directors and Management. Regarding impact materiality, aiming to gauge how Riopele's activities affect the environment and society, a survey was conducted, inviting external stakeholders to evaluate both positive and negative impacts. These external stakeholders were selected based on their dependence on Riopele and/or the influence they exert over the company.



The stakeholder consultation process is typically conducted on a schedule aligned with the strategic cycle. It supports the ongoing review of the sustainability strategy, as well as the future identification and assessment of sustainability-related Impacts, Risks, and Opportunities.

Following this consultation process, material themes were identified based on their priority to the company. These were categorized into topics relevant from both a financial and impact perspective, topics relevant from either a financial or impact perspective, and other monitored topics. The results of this exercise are reflected in the Riopele Materiality Matrix, presented below. To define the material topics, 43 IROs were identified (14 positive impacts, 11 negative impacts, 5 risks, and 13 opportunities). A detailed breakdown of these is provided in the appendix.

Relevant topics for Riopele
Material from a financial perspective

RIOPELE TOPICS | Innovation

RIOPELE TOPICS | Technology & digital transformation

Highly relevant topics for Riopele
Doubly material from both an impact and financial perspective

ENVIRONMENT | Climate change

ENVIRONMENT | Water and marine resources

ENVIRONMENT | Circular economy

SOCIAL | Affected communities

SOCIAL | Consumers and end-users

GOVERNANCE | Business conduct

Relevant topics for Riopele
Material from a impact perspective

ENVIRONMENT | Pollution

SOCIAL | Own workforce

SOCIAL | Workers in the value chain

DOUBLE MATERIALITY MATRIX



2.2 Sustainability Strategy

As part of its sustainability strategy, Riopelle focuses on developing innovative solutions and products that help reduce the fashion industry's environmental and social footprint, thereby promoting a more responsible textile sector. To achieve this goal, Riopelle sets the development of innovative and sustainable fabrics as a strategic priority. This involves intervening at the origin of raw materials, promoting the incorporation of recycled materials and enhancing product durability with a view toward circularity, as well as at the production process level, by adopting cutting-edge technologies aimed at optimizing efficiency and minimizing environmental impacts.

Following the materiality assessment and other internal procedures, Riopelle has reviewed its sustainability strategy, rooted in its four strategic pillars and aligned with the relevance of the material topics. This review was based on a comprehensive analysis of industry data, benchmarking, and international trends, alongside the context of Riopelle's operations throughout its value chain. This evolution stems from the company's recognition of the urgent need to align its operations with global sustainability standards, addressing the pressing challenges of the textile sector while ensuring its leadership and resilience in an increasingly demanding market.

The textile industry is characterized by significant environmental and social challenges, such as high water and energy consumption, waste generation, greenhouse gas (GHG) emissions, and labor-related issues. Driven by growing consumer expectations regarding transparency and circularity, alongside stricter environmental and social regulations, Riopelle recognized the need to transform its practices and place sustainability at the core of its operations.

As previously outlined, Riopelle's current positioning and strategy are built upon four pillars:

1. Product and Processes; 2. Environment and Circularity; 3. People and Communities; 4. Ethics and Governance.

Complementing this strategic framework, Riopelle has developed specific action plans for each priority. These plans outline commitments, targets, initiatives, and key performance indicators to monitor progress. Several of these elements are already detailed in the subsequent sections of this report (Environmental Responsibility, Social Responsibility, and Economic and Governance Responsibility).

Four Strategic Pillars & Targets

PRODUCT & PROCESS

- . Product development and innovation.
- . Process optimization and efficiency.
- . Digital transformation.

By 2026 | Development of a Materials Strategy.

By 2027 | 80% of products must fall within sustainability categories.

By 2028 | Development of a Track and Trace Project.



ENVIRONMENT & CIRCULARITY

- . Develop a climate change mitigation and adaptation plan.
- . Increase the percentage of recycled water.
- . ZDHC Level 3 certified chemicals

By 2030 | Reduce GHG emissions by 51% (Scope 1+2).

By 2030 | Reduce GHG emissions by 42% (Scope 3).

By 2027 | 60% recycled water.

By 2028 | 100% certified chemicals.



PEOPLE & COMMUNITIES

- . Social Responsibility.
- . Employee satisfaction and motivation.
- . Employee training and development.

By 2025 | Launch the Riopelle Academy. 

By 2025 | Calculate the Living Wage. 

By 2026 | Employee satisfaction >3.10.



ETHICS & GOVERNANCE

- . Develop a Risk Management and Compliance Framework.
- . Create a Sustainable Procurement Policy.
- . Communication Plan.

By 2025 | Establish a Compliance Committee. 

By 2025 | Develop a Corruption Risk Prevention Plan. 

By 2026 | Create a Sustainable Procurement Policy.



Within the framework of the targets set for 2025, significant milestones were achieved, notably the definition of the Riopelle Academy Governance Model and the calculation of the Living Wage. Concurrently, the Corruption Risk Prevention Plan is under development, although the creation of a Compliance Committee has not yet been finalized to date.

Throughout 2026, Riopelle intends to review and consolidate its strategy once again, as a result of the new materiality matrix. Building on this matrix, the strategy will focus on the previously identified material topics, establishing commitments as well as defining actions and targets for their implementation. In addition to the framework presented above, Riopelle is currently working toward achieving key targets it aims to reach by its centenary in 2027.



03

ENVIRONMENTAL RESPONSIBILITY

We protect our planet at every stage of our processes, leaving no part of Riopelle aside. Aware of the sector's environmental impact and of our responsibility as a national market leader, we are firmly committed to sustainable development across the value chain and to the responsible use of natural resources.

- 3.1 Materials & Chemicals
- 3.2 Water & Effluents
- 3.3 Waste & Circularity
- 3.4 Energy & Climate

The textile industry currently faces significant environmental challenges. While navigating an array of regulatory requirements across various domains, the sector has also become stigmatized, largely due to the “fast fashion” phenomenon.

According to the European Environment Agency, the average European purchases 26 kg of textiles

annually and discards 11 kg. In terms of resources, the same study indicates that this consumption requires a per capita use of 400 m² of land, 9,000 liters of water, and 391 kg of raw materials, simultaneously generating 270 kgCO₂e in emissions. Furthermore, only 22% of used textiles are collected for reuse or recycling, with the remainder being incinerated or sent to landfill.

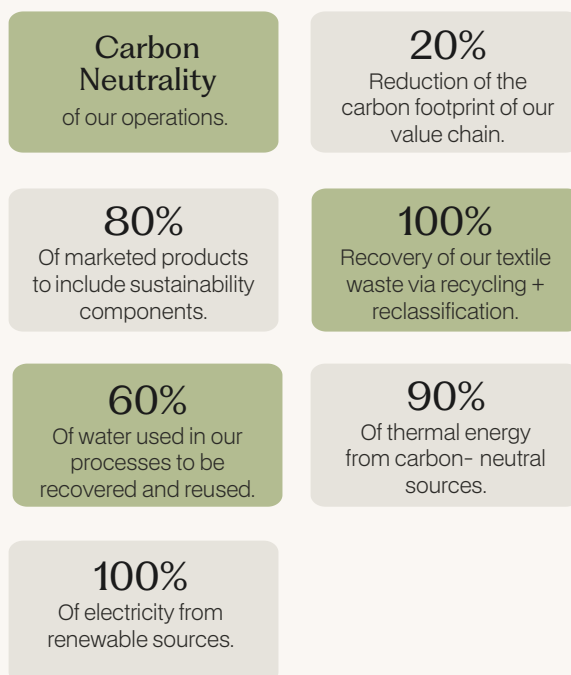
Riopele has two decarbonization targets approved by the SBTi: to reduce A1+A2 GHG emissions by **51%** and A3 GHG emissions by **42%** by 2030 (against a 2022 base year).

Aware of the sector's environmental impact and its responsibility as a national market leader, Riopele demonstrates a steadfast commitment to promoting sustainable development across its value chain and ensuring the responsible use of natural resources. Accordingly, Riopele has established several commitments and targets for its operations to be achieved by 2027, the year of Riopele's centenary, which are fully aligned with its 2030 environmental sustainability strategy.

To achieve these goals, Riopele actively participates in research and development projects in collaboration with research centers and universities. These partnerships aim to adopt innovative technologies, develop more efficient processes, and increase the use of recycled and sustainable raw materials. Additionally, to achieve sustainable industrial production, the company undertakes investment projects focused on equipment modernization and process innovation.

The primary drivers behind these investments are Industry 4.0, Digitalization, the Circular Economy, and Sustainability. Through the implementation of these initiatives, Riopele seeks to optimize efficiency, reduce natural resource consumption, and minimize its environmental impact. The company is also deeply focused on incorporating circular economy principles into its value chain, promoting the reuse of materials and the minimization of waste.

Environmental targets for 2027



3.1 Materials & Chemicals

GRI 301 · VSME (B7)

78%

Of products sold incorporate responsible raw materials, just 2 percentage points short of Riopelle's 80% target for 2025 — reflecting the continuous effort of all parties involved.

At Riopelle, ensuring that fabrics are safe both for people and for the environment is essential. Product development strategy is defined taking a sustainability approach into account, reflected in how design, traceability, process and raw material selection elements are addressed. To this end, the company seeks suppliers of certified raw materials, among other aspects, based on their sustainability performance or certification (see Methodological Notes: Materials).

In 2025, the incorporation of responsible raw materials reached 78% of products sold, falling 2 percentage points short of the target set by Riopelle, still reflecting the continuous effort of the parties involved. Riopelle is proud to be part of this journey towards a sustainable future for the fashion industry.

With the aim of enabling its partners to make more conscious and sustainable choices, a materials strategy is being developed based on Riopelle's sustainability positioning, which aims to categorise its products according to their environmental impact. This strategy will take into account, among other aspects, materials, origins, environmental and social impacts, certifications and their suitability for its customers.

Riopelle is also committed to ensuring that all materials used in its product packaging come from responsibly managed forests or recycled sources.

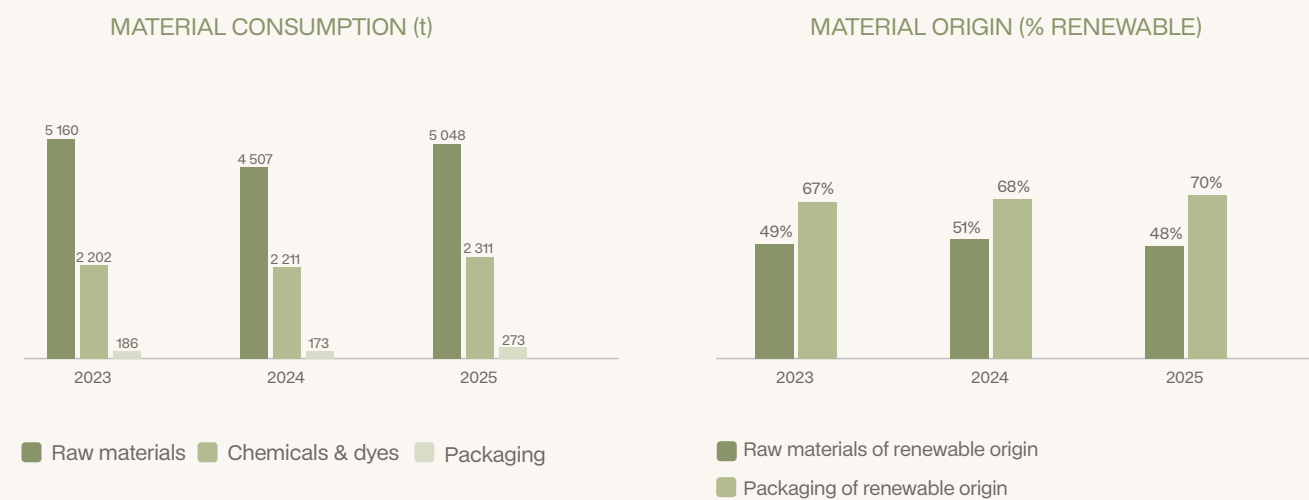
By 2026 — develop a Materials Strategy

Riopelle aims to establish a Materials Strategy by 2026, based on the company's current positioning, to support day-to-day decision-making. Defining a materials strategy requires an analysis of the predominance of the different materials currently consumed (e.g. recycled vs. organic, among others), supported by the various third-party certifications held by the company. It also requires an analysis of key customers' strategies on this topic, and relevant legislation, in order to define an alignment.

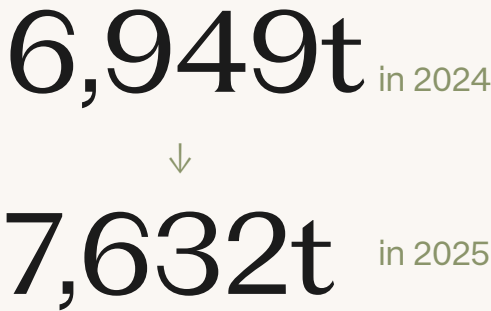
Raw Materials

Raw materials represent an important asset for Riopele. The company’s mission and commitment involve the sustainability of its value chain and, to this end, it aims to use more environmentally responsible raw materials, prioritizing the use of organic, renewable and/or recycled fibres, yarns and greige fabric.

Riopele monitors the quantity of raw materials, chemicals and dyes, and packaging. With regard to raw materials, the quantities of fibre, yarn and greige fabric are considered. Regarding packaging, quantities are mapped for plastic, paper and cardboard, wood, and other packaging.

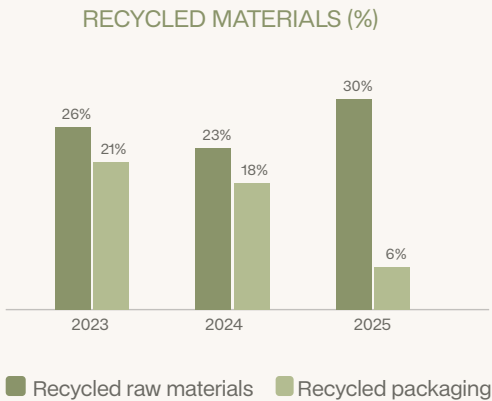


Overall, the quantity of materials consumed by Riopele increased 11%, from 6,949 t in 2024 to 7,632 t in 2025. Looking at the origin of materials, for raw material consumption, around 48% of materials are of renewable origin (down 3 percentage points from 2024), though efforts to increase this percentage in coming years continue. Regarding packaging, the share of renewable origin has hovered around 70% over the past three years.



Regarding the consumption of organic raw material, Riopele recorded an increase from 0.8% in 2023 to 3.1% in 2024, driven by rising demand for natural and certified raw materials.

Notably, the consumption of recycled raw materials increased from 23% in 2024 to 30% in 2025. However, regarding recycled packaging, there was a marked reduction, from 18% in 2024 to 6% in 2025.



Classification of Textile Fibers

In the product area, Riopеле obtained a new certification in organic fibres, GOTS (Global Organic Textile Standard), recognised by several customers. This certification reinforces material traceability and guarantees compliance with social and environmental standards, demonstrating an ongoing commitment to sustainable and responsible practices.

As part of its sustainability roadmap for raw materials, Riopеле will continue striving to increase the share of renewable, recycled and organic materials consumed in the production of its products, thereby reducing its environmental impact.

FIBER NATURE	TEXTILE FIBRE CLASSIFICATION	TEXTILE FIBER / CONVENTIONAL	RESPONSIBLE MATERIAL
Natural fibers	Plant origin	Cotton	Organic Recycled Regenerative practices Better Cotton Initiative
		Linen	European origin
		Pineapple leaf	PIÑAYARN® ANANAS ANAM
	Animal origin	Wool	Recycled Responsible Wool Standard (RWS)
	Cellulosic origin	Lyocell	TENCEL™ LENZING™ TENCEL LUXE™ LENZING™
		Viscose	ECOVERO™ LENZING™ MADE WITH CIRCULOSE®
		Modal	TENCEL™ MODAL LENZING™
		Acetate	NAIA™ EASTMAN NAIA™ RENEW EASTMAN
	Synthetic	Polyester	Recycled with CICLO®
		Elastane	Recycled

Chemical Management

As a major goal, Riopеле aims to eliminate the use of hazardous chemical substances throughout its value chain. To this end, chemical management focuses on selecting safer, more sustainable substances for people and the environment, as well as on re-engineering production processes and product design, in order to increase production efficiency and minimise resource consumption.

The company complies with national and European legislation, rigorously meeting

legal and regulatory requirements, such as the REACH Regulation and the Oeko-Tex® STeP – Sustainable Textile Production certification. Riopеле also adheres to the ZDHC (Zero Discharge of Hazardous Chemicals) Manufacturing Restricted Substances List and is committed to the European Union's new chemical management strategy, aligned with the European Green Deal. Currently, 81% of the chemical products consumed in the company's operations meet ZDHC Level 3 requirements, against a target of 100% by 2028.



3.2 Water & Effluent Management

GRI 303 (2018) · VSME (B4, B6)

In the textile industry, water is a resource of vital importance. This is a consequence of the nature of the production process, which, by its very design, consumes large quantities of water. The volume of freshwater currently consumed by the fashion industry is estimated at 79 billion cubic metres, with water use projected to increase by 50% by 2030. Water impacts are felt more at a local than a global level, which makes it difficult to define a global target that is also applicable locally. The Science Based Targets Network has developed methodologies for submitting freshwater targets along two strands: freshwater use, namely surface and groundwater withdrawals, and freshwater pollution resulting from nitrogen and phosphorus.

Riopele, aware of the impact of its activities on water resources, regards responsible management and the mitigation of its activities' impact as two of the company's fundamental commitments. To this end, in addition to monitoring withdrawals, discharges and water reuse, it has various water efficiency measures under way, in order to optimise water consumption and recover effluents generated in production processes. Riopele's water management is based on three fundamental principles:

01 REDUCE

Lower the volume of water used across production processes.

02 REUSE

Direct reuse of cooling water within the plant.

03 RECYCLE

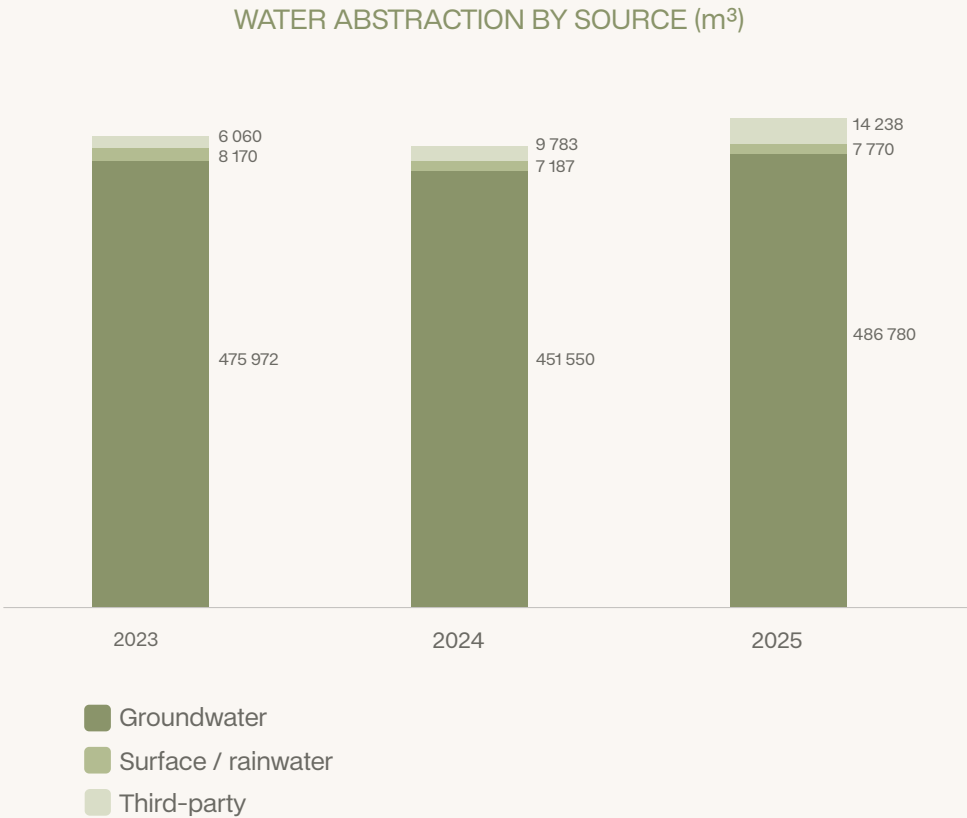
Recovery of effluents generated by the company's production processes.

Examples of these practices include some of the projects developed by Riopelle, namely the completion of a new water supply line to improve quality and prevent contamination, the installation of new sensors to monitor water and effluent quality, and the development of innovative water treatment projects aimed at increasing the reuse rate.

In 2025, Riopelle was responsible for the withdrawal of 508.8 Ml of water (around 9% more compared to 2024), with 96% of the water resources withdrawn coming from groundwater, 3% from the public supply network, and 1% from rainwater. These figures reflect all water used both for industrial purposes and for uses unrelated to factory production, such as irrigation, catering, or sanitary facilities. The entirety of the water withdrawn is considered freshwater. Of the total volume of water withdrawn, 25% was consumed in Riopelle's industrial processes, with the remainder sent for treatment by SIDVA (the Ave Valley Integrated Depollution System), having reduced the return to the water environment by 11% compared with the previous year.

508.8Ml

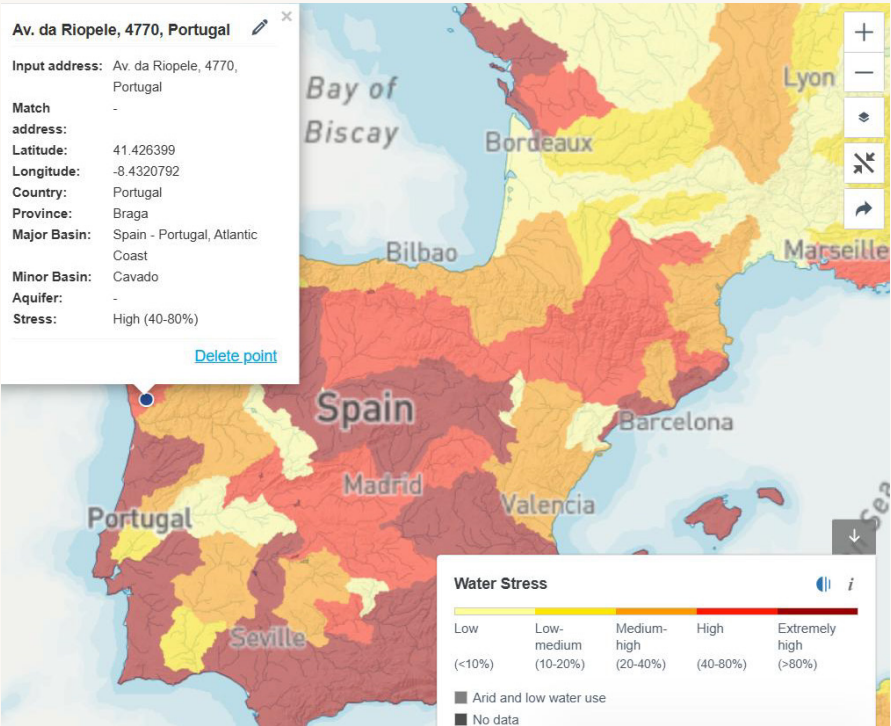
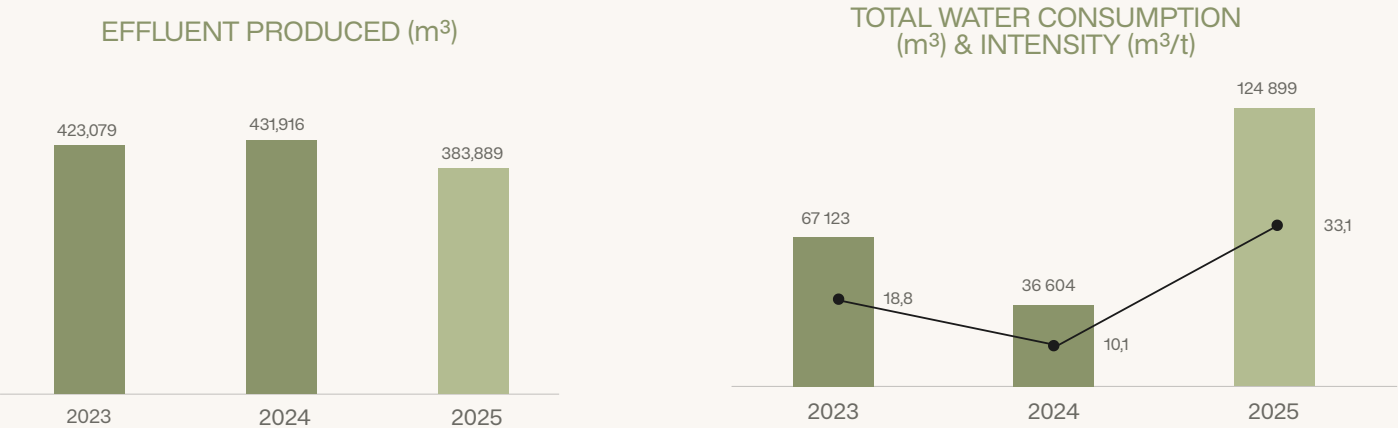
WATER ABSTRACTION BY SOURCE (m³)



In 2025, water consumption intensity (i.e. the total volume of water withdrawn per tonne of fabric sold (m³/t)) increased by 227% compared with 2024. The increase in water consumption over the period under review results from the combination of production growth with changes in the operational water balance.

Although withdrawals increased by only 9%, the roughly 11% reduction in effluents indicates greater retention and incorporation of water in production processes and an increase in the recovery rate. This effect, combined with the increase in activity, translated into a significant increase in net consumption of around 241%. Riopele maintained its monitoring of water consumption associated with wet processes, recording an intensity of 94.1 l/kg of product in 2025, representing a reduction compared

with 2024, when this indicator stood at 94.8 l/kg. According to the Aqueduct Water Risk Atlas, Riopele's facilities, located in the municipality of Vila Nova de Famalicão, Braga district, are situated in an area of high water stress (meaning that demand for water for domestic, industrial, agricultural and irrigation use corresponds to 40%-80% of available surface or groundwater), with an overall medium-high water risk, both in the medium term (2030) and the long term (2050), under optimistic, business-as-usual or pessimistic scenarios. This indicator, developed by theWorld Resources Institute (WRI), considers all water-related risks, aggregating indicators of Quantity, Quality, Regulatory Risk and Reputational Risk. The fact that Riopele operates in medium-high water-risk zones reinforces the importance of its commitment to the responsible management of water resources.



Water Management & Effluent Recovery

Accordingly, Riopelle has carried out significant work on the management and automation of water withdrawals, on monitoring water consumption, and on optimising production processes. The company has invested in renewing its machinery fleet, investing in industrial equipment that enables more efficient water consumption through the use of shorter liquor ratios. In addition, the recovery of industrial effluents and the harvesting of rainwater have been a firm commitment for Riopelle. The company's facilities have a water treatment plant and wastewater pre-treatment, using advanced technologies that ensure the treatment and proper disposal of all process water, allowing it to safely return to the water cycle. Dyeing, finishing and washing activities take place in Unit A. As these are the most water-intensive activities, this

unit uses 85% of the water withdrawn and 100% of the water recovered by Riopelle. Effluent recovery is achieved through the direct reuse of cooling water and the recycling of water from production processes.

Riopelle's effluent recovery project began in the year 2000, having enabled the recovery of approximately 10 million cubic metres of effluent by 2025. In the past year, Riopelle achieved an internal effluent recovery rate of 59%, and as such, in 2025 avoided withdrawing 407,191 m³ of water from nature.

Riopelle's effluent-recovery project began in 2000 and has enabled the recovery of approximately 10 million cubic meters of effluent by 2025. In the last year, Riopelle achieved an internal effluent-recovery rate of 59%, avoiding the abstraction of 407,191 m³ of water from nature in 2025.





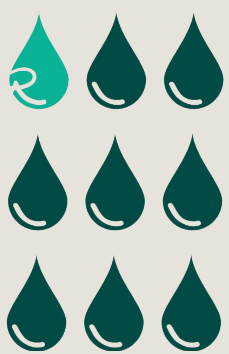
As part of responsible effluent management, Riopele has voluntarily adhered to the ZDHC Wastewater Guidelines. In doing so, Riopele aims to identify and eliminate the use of hazardous chemical substances, following this universally recognised standard for effluent monitoring and control, and committing to transparency. This increases stakeholder confidence in environmental practices, encouraging collaboration and communication throughout our value chain. Regarding the health of the Rio Pele (Pele River), which is of the utmost importance to Riopele, the company carries out regular water quality monitoring, both upstream and downstream of its facilities. This monitoring ensures control over water quality parameters, contributing to the preservation of the river's ecosystem and to the assessment of potential impacts arising from the company's activity.

Regarding the PRR-Lusitanos project, pilot stations with different technologies were installed in the previous year, with the aim of verifying the feasibility of increasing effluent recovery. Various tests and

effluent characterisations were carried out, and the project is now at the stage of analysing the analytical results obtained and studying the best technologies to implement. Riopele also took part in an application with the University of Vigo and FIBRENAMICS under an Interreg Programme, in the field of textile decolourisation. This covers the development of sustainable textile decolourisation solutions, dye recovery and wastewater treatment.

As part of the ongoing initiatives to reduce dependence on water resources, laboratory tests were carried out on effluent streams generated in production processes. The results obtained for certain streams were positive, enabling the selection of new streams for integration into recycling processes.

Lastly, the creation of a new water supply line for production processes and the acquisition of a new washing machine in the Finishing area will contribute to optimising water management.



Each
Drop
Counts

Every drop of water counts.
Our commitment to the planet!

3.3 Waste Management & Circularity

GRI 306 (2020) · VSME (B7)

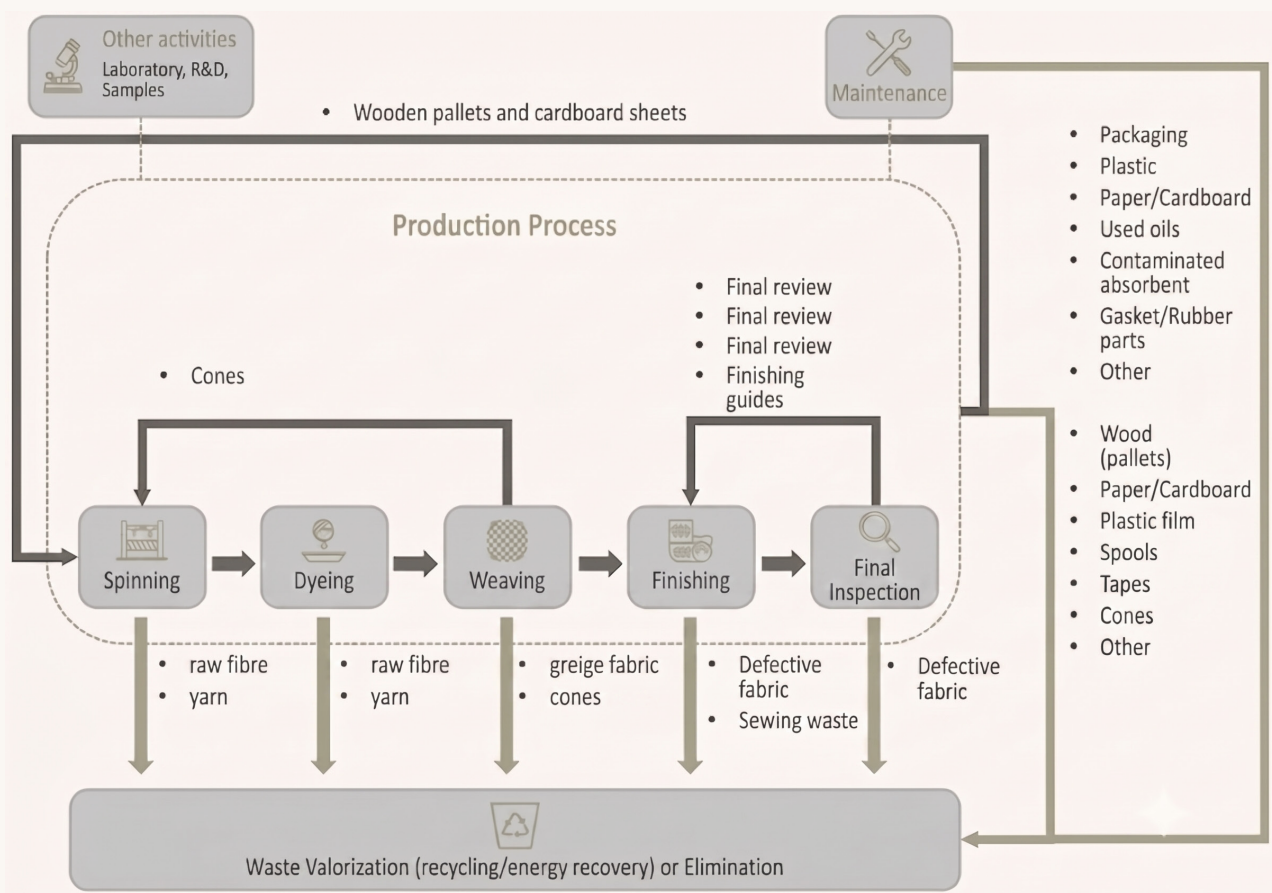
Riopele is committed to reducing the amount of waste generated, striving to promote circularity practices and seeking to guarantee the reuse of all wasted material. In this sense, the implementation of more advanced technologies throughout the production process is of the utmost importance, as is investment in supporting activities (e.g. maintenance) that help reduce material waste. Whenever possible, this waste is converted into a by-product and reintroduced into the production process.

When waste cannot be recycled or otherwise utilised, Riopele favours energy recovery over disposal (landfilling). Selective waste collection equipment has been installed in every area of the company, and employees take part in training and awareness actions on the importance of correctly separating waste.

By 2027, 100% utilisation of our textile waste through recycling plus reclassification.

Riopele is committed to overcoming the challenges associated with its recycling (only 1% of post-consumer textiles are recycled into new clothing), and is working on various partnerships with different fibre manufacturers and technology centres on the chemical recycling of modified cellulosic fibres.

Flow of the main waste generated in Riopele's processes



Some of the fabrics rejected during final inspection become guide strips used in finishing, while cones from weaving are returned to spinning for reuse. Likewise, wooden pallets and cardboard sheets from raw material purchases and internal processes are reused in the spinning process. The following diagram shows the flow of the main waste generated in Riopele's processes.

Regarding waste quantification, in 2025 Riopele generated approximately 1,457 tonnes, 181 tonnes less than in 2024. Of this total, 99% (both hazardous and non-hazardous) is sent for recovery,



3.4 Energy & Climate Change

GRI 302 · GRI 305 · VSME (B3)

The textile sector is one of the largest contributors to global GHG emissions, with significant impacts observed during textile production and the use phase. According to UNEP, annual emissions are projected to reach 2.7 billion tonnes by 2030, underscoring the need for specific climate action.

Climate impact across the global apparel value chain identifies critical points observed in the fibre, yarn and fabric production phases, garment manufacturing, and the use phase.

Recent work by McKinsey and the Global Fashion Agenda (GFA) indicates that the textile value chain's current efforts are not ambitious enough and will only achieve 50% of the climate impact reduction needed to reach net-zero emissions and meet the 1.5°C target. They recommend that the fashion industry adopt 100% renewable energy by 2050 and 50% by 2030.

Many textile initiatives have adopted the target of net-zero emissions by 2050, such as the Fashion

Industry Charter for Climate Action and the Fashion Pact. Other organisations have adopted medium-term targets in line with a 1.5°C trajectory.

To address these challenges, Riopelle seeks to reduce the climate impact of its activities, investing in the energy efficiency of processes and operations investing in the decarbonization of activities, and also collaborating with and promoting a greener supplier chain, ensuring that it adopts more sustainable practices. Only through the participation of the entire value chain will it be possible to reduce the company’s energy consumption and its direct

and indirect greenhouse gas (GHG) emissions. As in previous years, Riopelle carried out monitoring of its Carbon Footprint based on 2025 activity data. Alongside this, it also developed a decarbonization roadmap, which underpinned its commitment to operational carbon neutrality by 2027 and to meeting the decarbonization targets approved by the Science Based Targets initiative for 2030. This roadmap centres on 5 areas of action, namely:

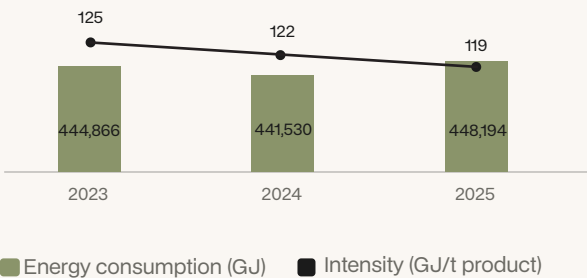
- Energy efficiency
- Renewable energy
- Low-carbon sourcing
- Efficiency, Innovation and Circularity
- Transport and logistics

Energy Management

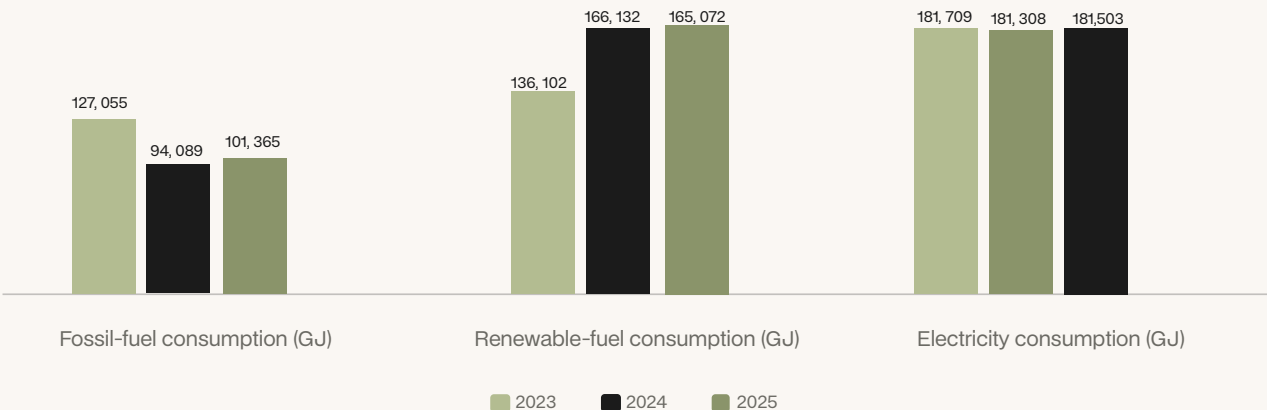
Regarding energy consumption, Riopelle carries out constant monitoring, always focused on minimising energy consumption, including the study of alternative, more environmentally friendly energy sources.

In 2025, energy consumption increased by around 2% compared with the previous year. This increase is related to Riopelle’s growth in production, up around 4% year-on-year. Despite this increase, Riopelle remains focused on reducing energy consumption through the implementation of energy efficiency measures. Significant efforts have been made by the company in this regard in recent years.

ENERGY CONSUMPTION (GJ) & INTENSITY (GJ/t)



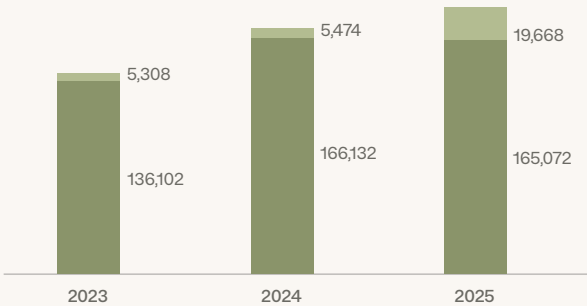
RIOPELE ENERGY CONSUMPTION BY SOURCE (GJ)



Fossil fuel consumption increased by around 8% compared with 2024. This increase was due to a rise in natural gas consumption, of around 9%, at the Unit A facilities (Boilers in Unit D). Conversely, fleet fuel consumption decreased, given Riopеле's effort and focus on fleet electrification. This culminates in Riopеле's goal of having 75% of its light-vehicle fleet electrified by 2027. To date, 70% of the light-vehicle fleet is electric, a figure expected to keep rising as operational vehicle lease (AOV) contracts reach the end of their term and are replaced with new contracts for electric vehicles.

Regarding energy consumption, around 41% comes from renewable sources, this percentage having increased from 39% in the previous year. In addition to electricity produced for self-consumption, Riopеле also burns residual forest biomass to produce and use heat in its operations. To increase this figure further, Riopеле has been consistently investing in

RENEWABLE ENERGY CONSUMPTION (GJ)



■ Renewable fuel consumption ■ Renewable electricity consumption

the transition to renewable energy. This figure differs from the 59% reported elsewhere, as it does not take into account the energy mix of the electricity bill, it only accounts for the biomass and electricity the company itself produces.



Regarding renewable electricity produced for self-consumption through photovoltaic panels, around 5.4 million kWh was produced in 2025, an increase of around 260% on the previous year (1.5 million kWh). In 2025, to this end, a notable measure was the installation of a further new 2.6 MWp photovoltaic plant. This investment will increase renewable electricity produced from 12% to 20% of electricity consumption and reduce CO2 emissions by around 2,000 tonnes per year.

Fuels consumed such as diesel, petrol, or LPG butane account for around 2% of Riopеле's fossil

fuel needs, with the remainder relating to natural gas consumption.

Regarding electricity consumption, this remained stable in 2025 (+0.3%) compared with 2024. As in previous years, Riopеле did not purchase heat or steam from an external source in 2025.

As mentioned above, Riopеле's modus operandi places a major emphasis on investing in a rational and sustainable energy model, in which various actions focus on energy efficiency measures and/or activity decarbonization measures, examples of which include:



Installation of air compressor management systems and compressor replacements.



Implementation of more efficient lighting systems.



Installation of speed variators on electric motors.



Steam trap monitoring system.



Implementation of heating, ventilation and air-conditioning (HVAC) system controls.



Installation of electric vehicle charging points.



Gradual replacement of the fleet and auxiliary equipment with electric vehicles.



Installation and start-up of specific equipment (e.g. washing machines).

Notable initiatives include, for example, the replacement of several compressors at Spinning Unit B and one compressor at Riopеле A, which will reduce future electricity consumption by around 17%. In addition, a new fabric washing machine was started up in the last quarter of 2025.



Carbon Footprint

Given the textile sector's major responsibility with regard to GHG emissions, Riopelle is committed to reducing its Carbon Footprint and has committed to the goals set out in the Paris Agreement, with the ambition to go further through its commitment to operational carbon neutrality (Scope 1+2) by 2027. In addition, Riopelle has short-term greenhouse gas (GHG) emissions reduction targets approved by the Science-Based Targets Initiative (SBTi).

51%

reduction in absolute Scope 1 and 2 GHG emissions, by 2030 (against a 2022 base year).

Riopelle's performance is favourable, with its A1+A2 GHG emissions below the levels stipulated by the SBTi for the year under review.

Riopelle's performance is favourable, with its A3 GHG emissions below the levels stipulated by the SBTi for the year under review.

42%

reduction in absolute Scope 3 GHG emissions, for categories C1 (Purchased goods and services) and C3 (Fuel- and energy-related activities not included in Scope 1 or 2), by 2030 (against a 2022 base year).

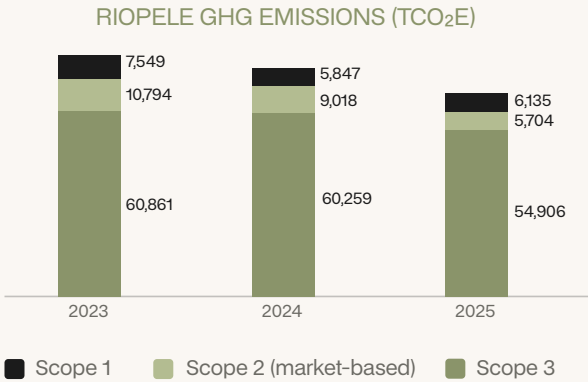
In this sense, Riopelle reaches a significant milestone in its sustainability commitment by having its GHG emissions reduction targets validated by the Science Based Targets initiative (SBTi). This approval confirms that the company’s climate trajectory is aligned with the 1.5°C limit set out in the Paris Agreement, reinforcing its active role in the transition to a low-carbon economy. This recognition demonstrates not only environmental responsibility but also strategic leadership in a global landscape that demands urgent and ambitious climate action.

Riopelle’s Carbon Footprint is calculated in accordance with the GHG Protocol, an internationally recognised methodology. This annual calculation makes it possible to understand which activities are responsible for higher or lower amounts of GHG emissions, allowing a plan of concrete actions to be drawn up that can deliver significant results in reducing GHG emissions. This decarbonization plan was developed by Riopelle, as mentioned above. In 2025, Riopelle made a small methodological adjustment, beginning to consider Well-to-Wheel (WTW) emissions, rather than the Tank-to-Wheel (TTW) approach, for the Scope 3 GHG emission categories originating from transport and the associated fuel consumption, namely categories C4 (Upstream Transportation and Distribution), C6 (Business Travel), C7 (Employee Commuting) and C9 (Downstream Transportation and Distribution). For these, GHG emissions were recalculated from 2022 onwards, and the figures updated in the inventories, to align with the methodology used to define the decarbonization targets.

In 2025, Riopelle emitted 66,744 tCO₂e (Scopes 1, 2 and 3), with direct emissions (Scope 1) accounting for around 9.2%, indirect emissions (Scope 2 – market-based approach) for around 8.5%, and other indirect emissions (Scope 3) for around 82.3%.

Compared with 2024, there was a reduction of 8,390 tCO₂e, representing a decrease of around 11%.

Broken down, direct GHG emissions increased 4.9% year-on-year, mainly due to higher natural gas consumption. Indirect GHG emissions decreased by around 36.9%, under the market-based approach. This reduction is due to several factors, including increased self-consumption electricity production and a decrease in the electricity supplier’s emission factor (due to an increase in renewables in electricity generation).



Scope 1 & 2 emissions by source

GHG EMISSION SOURCE	2023 (tCO ₂ e)	2024 (tCO ₂ e)	2025 (tCO ₂ e)	Change (2025 vs 2024)
Scope 1	7,549	5,847	6,135	5%
Natural gas (facilities)	7,001	5,163	5,607	9%
Diesel (facilities)	7	6	6	-4%
Petrol (facilities)	128	0	0	—
LPG (facilities)	7	2	1	-21%
Diesel (fleet)	130	111	89	-20%
Petrol (fleet)	54	55	37	-33%
LPG (fleet)	0	0	2	—
Fluorinated-gas leakage	27	117	2	-98%
Biomass (non-biogenic CH ₄ & N ₂ O)	321	392	390	-1%
Scope 2 (market-based)	10,794	9,018	5,704	-37%
Scope 2 (location-based)	7,938	5,847	6,135	-37%
Electricity (market-based)	10,794	9,018	5,704	-37%
Electricity (location-based)	7,938	7,668	4,810	-37%
Steam	0	0	0	—
Hot water	0	0	0	—

Regarding Scope 3 emissions, Riopele's inventory covers 12 of the GHG Protocol's 15 categories. The remaining 3 — Upstream leased assets (C8), Downstream leased assets (C13) and Franchises (C14) — are not applicable to Riopele's business. Other indirect GHG emissions (Scope 3) fell by around 9% in 2025 compared with 2024.

The reduction in Scope 3 emissions was mainly due to the purchase of more sustainable raw materials, as well as a greater share of primary data used (emission

factors from raw material suppliers). Despite the reduction, there was an increase in GHG emissions in the upstream transportation and distribution category (C4), due to an increase in tonne-kilometres. Conversely, downstream transportation and distribution saw a reduction in GHG emissions, resulting from a reduction in tonne-kilometres, particularly relating to air transport.

Scope 3 GHG emissions by category

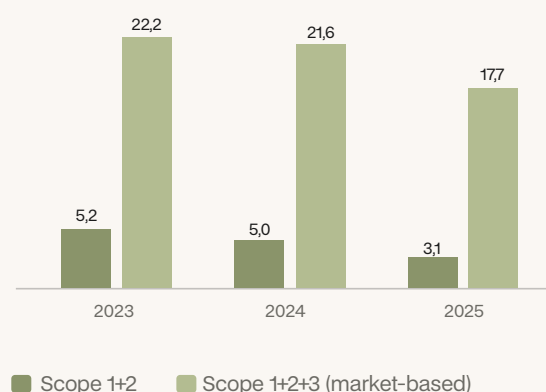
SCOPE 3 EMISSION CATEGORY	2023 (tCO ₂ e)	2024 (tCO ₂ e)	2025 (tCO ₂ e)	Change (2025 vs 2024)
<u>Total Scope 3 emissions</u>	59,629	60,259	54,906	-9%
C1. Purchased goods & services	28,256	26,290	24,783	-6%
C2. Capital goods	2,124	3,302	1,451	-56%
C3. Fuel & energy-related activities (not in Scope 1 & 2)	4,251	4,055	3,104	-23%
C4. Upstream transport & distribution	1,964	1,568	2,036	30%
C5. Waste generated in operations	128	100	83	-16%
C6. Business travel	133	245	137	-44%
C7. Employee commuting	822	852	737	-13%
C9. Downstream transport & distribution	5,477	5,895	3,865	-34%
C10. Processing of sold products	2,305	2,339	2,437	4%
C11. Use of sold products	14,085	14,298	14,901	4%
C12. End-of-life of sold products	1,295	1,314	1,370	4%
C15. Investments	19	2	1	-38%

In terms of carbon intensity, and across the different GHG emission scopes, there was a decarbonization of activities. For Scope 1+2 carbon intensity, there was a 24% reduction, representing a decrease of 1.0 tCO₂e/t (from 4.1 tCO₂e/t in 2024 to 3.1 tCO₂e/t in 2025). When Scope 3 emissions are included in the ratio, the reduction in intensity was less pronounced, at around 15% (from 20.7 tCO₂e/t in 2024 to 17.7 tCO₂e/t of product in 2025).

Riopele will continue to pursue the decarbonization of its activity, both by increasing its energy efficiency and its production and consumption of renewable energy, and by engaging its value chain, working with its partners and suppliers. Riopele is focused on the use and incorporation of lower environmental-impact raw materials and on developing eco-design practices that will help decarbonize its Carbon Footprint.

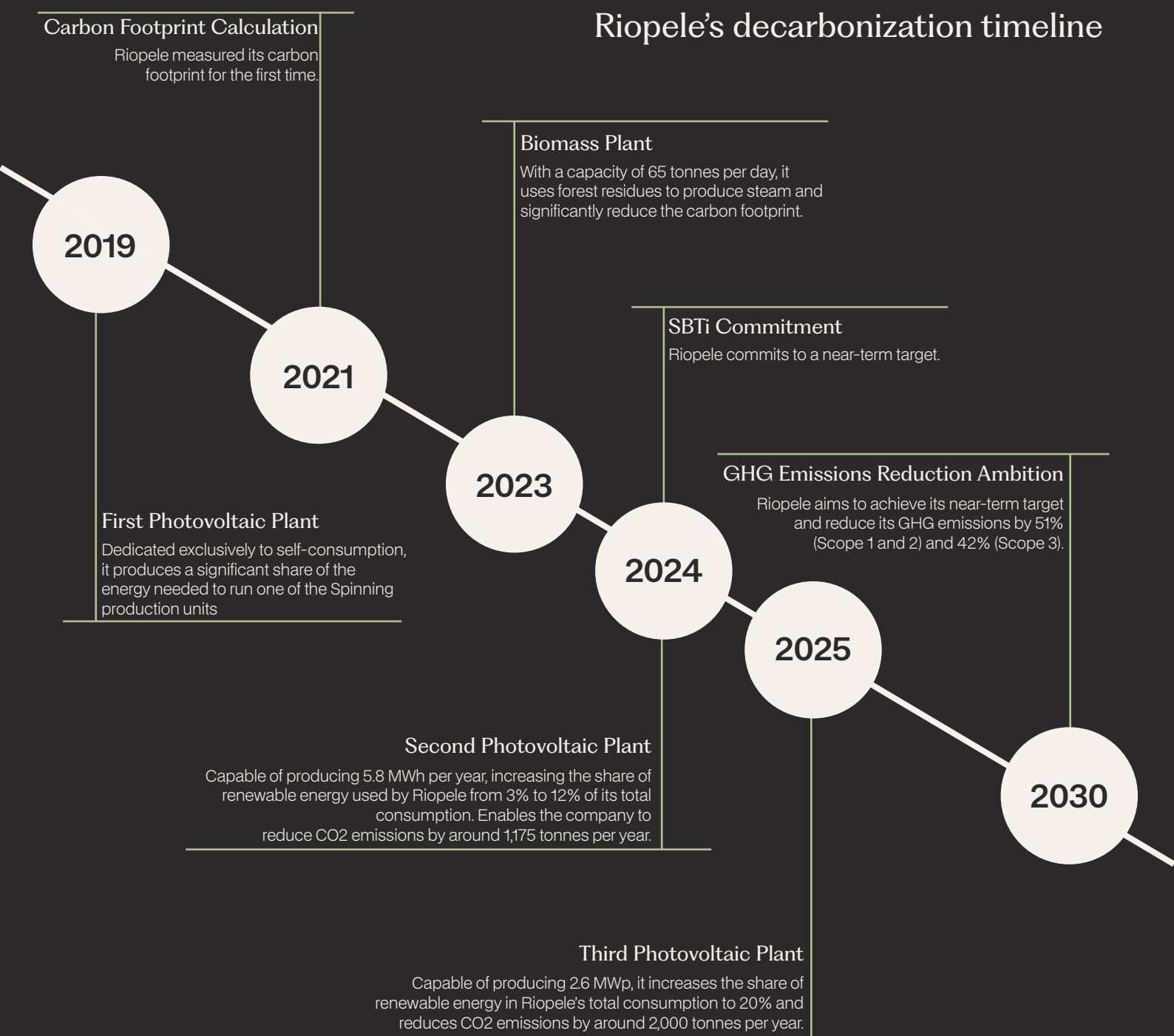
The following diagram represents Riopele's decarbonization pathway.

TOTAL GHG EMISSION INTENSITY (tCO₂e/t PRODUCT)





Riopele's decarbonization timeline



9,979 tCO₂e avoided

The production of renewable electricity through the photovoltaic plants enabled Riopele to avoid emitting **692 tCO₂e** into the atmosphere. The combustion of sustainable residual forest biomass enabled Riopele to avoid around **9,287 tCO₂e**.

Riopele aims to replace its internal fleet's combustion vehicles with electric vehicles. By the end of 2027, 75% of the fleet should be electric, with a target of 100% by 2030.

Riopele developed a project in partnership with INEGI to carry out a Life Cycle Assessment (LCA) of six technical textile products. This project, launched in 2024 and completed in 2025, demonstrated that replacing virgin fibres with recycled ones, increasing the use of renewable sources, adopting lower-impact chemicals, and incorporating environmental criteria into eco-design are aspects that must be increasingly taken into account in the product area.

Climate Risks & Opportunities

As climate change intensifies, the textile sector faces a reality of multiple challenges and opportunities. On the one hand, acute physical risks, such as extreme weather events and heatwaves, can have an immediate impact on the production chain and infrastructure, while chronic risks, such as water scarcity and gradually rising temperatures, create pressure for continuous adaptation and investment in technology. On the other hand, this scenario drives the industry to innovate, promoting the transition to

more sustainable processes, the adoption of the circular economy, and energy efficiency, which not only minimises environmental impacts but also generates competitive advantages, opens up new markets and strengthens corporate image. As such, the ability to mitigate climate risks and harness climate opportunities becomes crucial to long-term resilience and success in the competitive textile sector.

CATEGORY	ASPECT / TYPE	IMPACTS / CONSEQUENCES
<u>Transition risks (regulatory)</u>	Stricter environmental standards & regulations.	Need to adapt production to new requirements; investment in emission- and waste-reduction technologies; risk of fines and penalties for non-compliance; higher CO ₂ allowance prices.
<u>Transition risks (market)</u>	Changes in consumer behavior.	Pressure for greater transparency and sustainability in the production chain; reputational risk if the company fails to meet market demand for sustainable practices.
<u>Physical risks (acute)</u>	Extreme weather events (floods, extreme rainfall, storms).	Disruption of production operations; damage to infrastructure and facilities; supply-chain delays.
<u>Physical risks (chronic)</u>	Water scarcity.	Reduced water availability for industrial processes; higher operating costs; need for adaptation or investment in water saving technologies.
<u>Opportunities</u>	Innovation in sustainable fabrics.	Development and marketing of fabrics with lower carbon footprint; access to market niches that value eco-efficient products.
	Energy & operational efficiency.	Lower operating costs over the medium and long term; improved process efficiency; stronger competitiveness through sustainable practices.
	Circular economy.	Recycling and reuse of textile waste; optimized use of natural resources; improved corporate image and value creation.
	Certifications & sustainability programs.	Stronger branding and reputation in the sustainable-fashion market; access to new markets and conscious consumers; potential to attract investors and green financing.



Regarding transition risks, as governments and global organisations intensify their efforts to reduce GHG emissions in line with the Paris Agreement, companies are under pressure to adopt more sustainable production practices. Failure to adapt may result in fines, penalties and loss of competitiveness in the international market.

On the other hand, physical risks, both acute and chronic, may affect Riopelle and its value chain. Extreme weather events (acute physical risk), such as floods, extreme precipitation and storms, among others, can affect not only direct fabric production but also the availability and cost of inputs in the supply chain. Water scarcity (chronic physical risk) is a critical point, especially in regions where the textile industry already consumes high volumes of this resource.

To mitigate these various risks, Riopelle has been developing a range of opportunities associated with climate change. Various investments in innovations that reduce energy and water consumption not only lower environmental impact but also reduce long-term costs, improving operating margins. On the other hand, the circular economy opens up new opportunities to add value, as recycling and material reuse can turn waste into additional raw material, while also strengthening institutional image among consumers and business partners. Certain sustainability certifications related to raw materials are competitive differentiators and open doors to markets that prioritise sustainability.



04

SOCIAL RESPONSIBILITY

People are one of the strategic pillars that sustain Riopelle's success. Throughout the year we developed initiatives to promote the retention and development of our people and to provide a better experience across their professional journey.

4.1 Talent Attraction & Retention
4.2 Training & Career Development
4.3 Occupational Health & Safety
4.4 Diversity & Equal Opportunity
4.5 Human Rights 4.6 Community
Support 4.7 Customer Satisfaction

People are one of the strategic pillars underpinning Riopele's success. Recognising their importance, initiatives were developed and new projects implemented throughout the year with the goal of promoting the retention and development of our People, as well as providing a better experience throughout their professional journey, in line with the company's strategic objectives.

In 2025, the balance between personal and professional life was at the centre of the actions developed, reflecting the commitment to the well-being and satisfaction of our teams.

To ensure the active participation of workers, Riopele pursues various consultation strategies, namely through meetings with the Workers' Dialogue Group, having held two meetings to share updates on key projects, objectives achieved and actions to implement. Meetings with this group are extremely important for ensuring closer engagement with workers and speeding up decision-making.

3.06/4.00

Satisfaction survey result

As part of its vision and commitment to social responsibility, Riopele plays an active role in promoting the well-being and health of its employees. Riopele seeks to provide a work environment that fosters respect and personal and professional development, as well as decent and rewarding working conditions, with a focus on attracting and retaining talent within the company.

Our main goals by 2027

Open the
Riopele Academy.



Calculate the
Living Wage.



Employee
satisfaction >3.10.





In terms of social responsibility, an aspect intrinsic to how Riopelle carries out its activities and conducts its business, the approach is not limited to occasional actions but involves the implementation of a comprehensive approach. In this sense, Riopelle seeks to build solid ties with local communities, covering various areas of interest such as education, culture, entrepreneurship, sport and support for social causes.

This approach is aligned with the conviction that building a culture of social responsibility requires not just words but genuine commitment and concrete action. Together, Riopelle seeks to build a path that goes beyond words, focusing on creating a lasting, positive impact that reflects the values it upholds as a responsible company, conscious of its role in society.

2025 was also marked, as part of Riopelle's commitment to creating sustainable value and strengthening the Social pillar, by the appointment of the Corporate Social Responsibility Ambassador, Dr. Francisca Oliveira. This appointment reflects the company's commitment to a structured, coherent approach aligned with the organisation's values and purpose with regard to its involvement in the community. Given the company's ties to various institutions and initiatives in the fields of culture, education, sport and social support, it became essential to ensure strategic coordination of these actions, maximising their positive impact.

The mission of the Corporate Social Responsibility Ambassador is to manage, coordinate and develop social responsibility initiatives, ensuring their alignment with the corporate strategy, ethical principles and the company's sustainability objectives.

She is also responsible for promoting relevant partnerships, monitoring ongoing projects and identifying new opportunities for engagement that contribute to the development of the communities in which the company operates.

Through this role, the company reinforces its commitment to responsible, close and impactful action, ensuring that its social initiatives are developed consistently, transparently and with a results-oriented focus.

In this context, she took part in the diploma ceremony of the Padre Benjamim Salgado School Group, where she presented the award for best student, and also partnered with the Municipality of Vila Nova de Famalicão on the "A Christmas Wish" initiative, sponsoring a child and fulfilling their Christmas wish.



Our People

GRI 2-7 · GRI 405 · VSME (B10, C9)

Riopele's success is intrinsically linked to the people who are part of the organisation. Its workforce is not only the engine driving its operations, but also the driving force behind its vision of sustainability and social responsibility.

1,039
employees

At the end of 2025, Riopele had 1,039 employees (111 fewer than in 2024), of whom 989 were on permanent contracts (84 fewer than in 2024) and 50 on temporary contracts (27 fewer than in 2024).

The average age of the workforce stood at 43 years, with an average of 12 years' length of service at Riopele, demonstrating that employees are provided with stability and good working conditions. Over the years there has been growth in the total number of employees.

The predominant age group among Riopele's employees is between 30 and 50 years old, representing 47% of the total. Around 18% of employees are under 30, reflecting Riopele's commitment to attracting young talent.

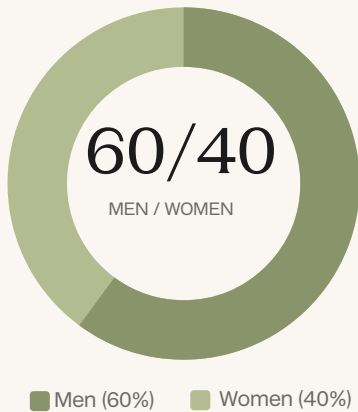
Regarding the breakdown of employees by gender, in 2025 around 60% are male and 40% female, with a trend towards parity compared with the previous year. At leadership level, 42% of positions are held by female employees.

The company's context and activities, with the operational workforce mostly organised in shifts and a set of physically demanding roles traditionally held by men, pose certain challenges in setting gender-parity targets across the various functions.

WORKFORCE BY CONTRACT	2023	2024	2025
Permanent contract	1,014	1,073	989
Temporary contract	125	77	50
Total	1,139	1,150	1,039

AGE GROUP (2025)	WOMEN	MEN
< 30	69	115
30–50	225	261
> 50	118	251
Total	412	627

WORKFORCE BY GENDER (2025)

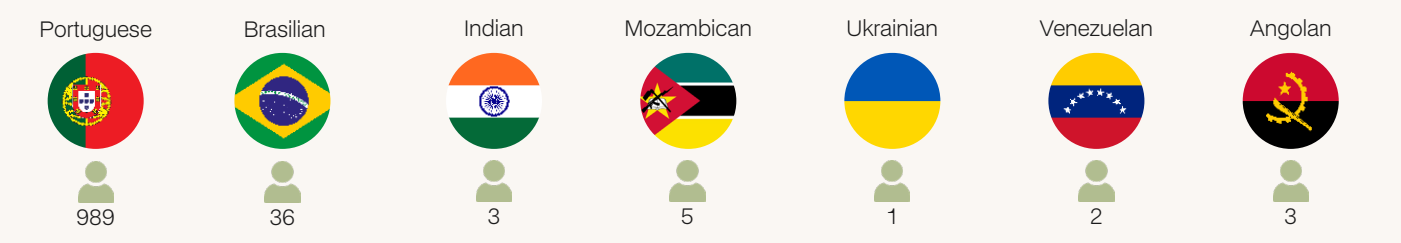


42% of leadership roles are held by women, showing a trend towards parity.



Riopele has been promoting the integration of employees of different nationalities, reflecting an increasingly diverse working environment, with six nationalities currently represented within the company.

Regarding employee nationality, and given that all of the company’s facilities are located in Portugal, around 93% of the workforce holds Portuguese nationality.



4.1. Talent Attraction and Retention

GRI 202 · GRI 401 · VSME (B10)

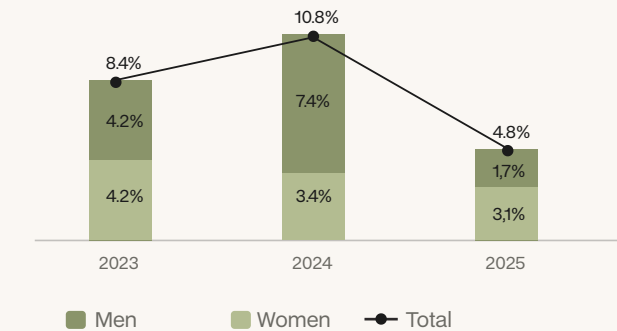
With a legacy of 99 years and an ongoing commitment to attracting and retaining young talent, Riopele now has a team of around 1,000 professionals. As its mission, Riopele seeks to create an environment that fosters meaningful career development, providing good working conditions and external and internal training initiatives, as well as fair pay and benefits for employees.

Over the past 3 years, Riopele reversed its trend of rising hiring rates, seeing this rate fall in 2025. In the past year Riopele hired 51 employees, compared with 112 hired in 2024. This decrease in the hiring rate is mainly due to greater workforce stability.

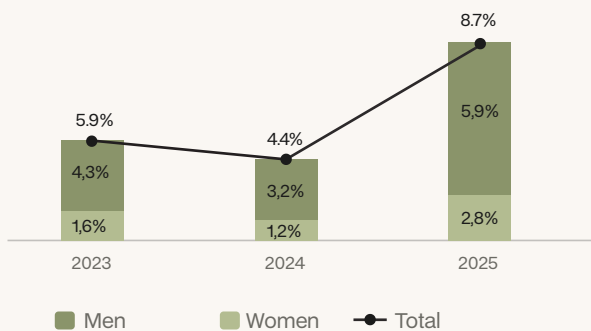
Regarding the turnover rate, there was a reversal of the previously observed trend. Although the number of departures increased, these were mostly the result of natural turnover dynamics, namely retirements and mutually agreed contract terminations, reflecting the natural renewal of the human resources structure.

At Riopele, we value each person’s role regardless of function. That is why we built a program of continuous development for our people — the Riopele Academy.

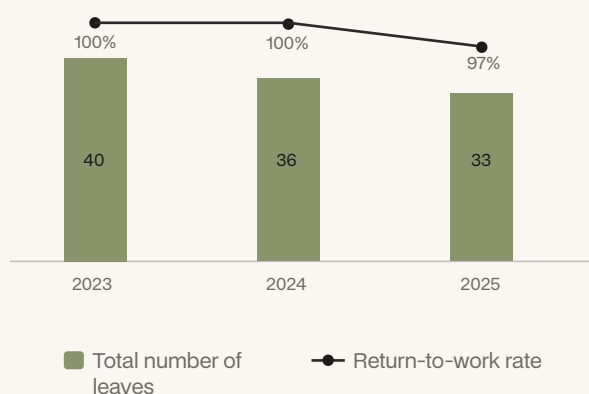
HIRING RATE (%)



TURNOVER RATE (%)



MATERNITY / PATERNITY LEAVE



The company's high retention and return rates are proof of these commitments. The return-to-work rate after leave was 97%, down 3 percentage points from previous years.

Riopele conducts an annual Organisational Climate and Psychosocial Factors Assessment Questionnaire.

In 2025, the questionnaire was also made available digitally and addressed to all employees, achieving an overall satisfaction score of 3.06 (on a scale of 1 to 4). Employee feedback through these surveys is essential for identifying areas for organisational improvement, as well as for conveying recognition of the most positive aspects to those responsible.

The best-rated dimensions relate to Policies and Social Benefits, as well as Health and Well-being.

Pay and Working Hours

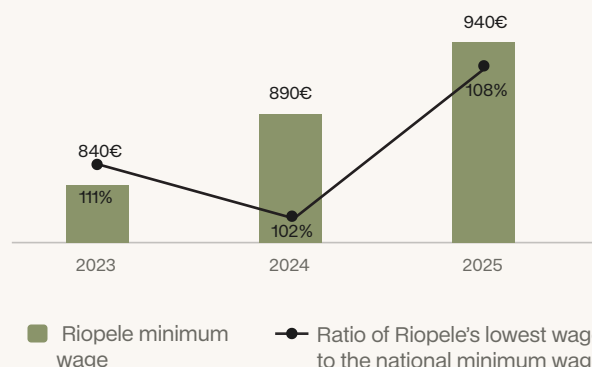
Riopele ensures the payment of wages, strict compliance with established working hours, and appropriate compensation for overtime, in accordance with applicable legislation. The company's pay and benefits policy is based on employee performance, grounded in criteria defined in performance appraisals. Riopele seeks to pay its employees a decent and differentiating wage, and it has been company policy to apply positive discrimination relative to the national minimum wage (SMN). This means that employees on the company's lowest pay grade receive a salary above the SMN, an amount adjusted whenever the SMN increases.

Every year, a number of Riopele employees take leave to benefit from maternity/paternity leave. Riopele not only guarantees that these employees' legal rights are respected, but also offers other attractive benefits for employees looking to start a family, such as a childcare support allowance for children up to six years old, a birth kit for employees who become parents, and a €30 "Back to School" education support payment. Riopele's consistently high retention and return rates are proof of these commitments. The return-to-work rate after leave was 97%, down 3 percentage points from previous years.

However, despite the positive results, employees reinforced the importance of continuing to invest in measures such as improving the Birthday Day policy and the possible implementation of health insurance. On the other hand, the lowest-rated topics concerned Work-Life Balance and Satisfaction with Career Development. Among the main suggestions for improvement were more efficient management of the holiday schedule, strengthened flexibility policies, and greater transparency in processes and recognition of internal talent. Regarding the factors that most influence workplace happiness, the Top 5 include pay, recognition, career progression and work-life balance.

Riopele has set the goal of achieving a score of 3.10 or higher in this questionnaire by 2027 and, to this end, will develop action plans targeting the main challenges identified by employees.

Riopele's pay policy provides that, for intermediate and higher pay grades, a variable pay component may be awarded if the company's annual targets are met.



Riopele calculated the living wage during 2025. It concluded that the minimum wage paid by the company is higher than the living wage for the Vila Nova de Famalicão region. Its goal by 2027 is to carry out a more robust analysis, allowing for more concrete conclusions regarding a decent wage.

In addition, Riopele provides other benefits to employees, such as life insurance for all employees, curative medicine services, psychology consultations, two 4-hour periods per month for medical appointments, family support, namely a birth kit, education vouchers and support for childcare in nurseries or pre-school up to age 6 and access to a wide range of partnerships with health, education, hospitality and other services.

In addition to the benefits mentioned above, and within the scope of the Social Responsibility Policy, the “Riopele Family Day” event was held for the third time, in July, providing a special day of togetherness for employees and their families. It was a day full of entertainment and fun at the José Dias de Oliveira Sports Park. This event was attended by approximately 1,700 people and aimed to strengthen family bonds among everyone, featuring various

activities and the presence of several external institutions. The atmosphere was one of pure fun and joy, and several families went home with prizes.

In December 2025, Riopele held its traditional Christmas Party, with over 1,700 attendees, including employees, their children and family members. The party featured a packed programme of Christmas attractions and the creation of a Christmas Market within the company, selling various traditional Christmas products. At the end of the Christmas Party, all employees took home the company-provided King Cake (“Bolo Rei”) and a Christmas gift for every child.

In addition to these events, Riopele held other impactful celebrations and initiatives throughout the year, including International Women's Day. In March, as is now customary, Riopele gave all its female employees a box of chocolates and a mini potted succulent. In April, Easter was celebrated with the distribution of almonds to all teams, and later, in November, São Martinho was celebrated with “Magusto Day”, offering roasted chestnuts to all employees.

Internship Programmes

Riopele values internship programmes, recognising their importance in integrating young people into the job market and creating employment opportunities. The company establishes agreements with educational institutions and takes part in government programmes, running internship projects across all areas of its business. Curricular internships allow young people to gain professional experience and put into practice what they have learned at school or university, fostering their development, while allowing Riopele to assess their skills, potential and alignment with the company's values, with the possibility of joining its teams full-time once their curricular internship ends. All of Riopele's interns receive a

monthly internship stipend. In 2025, 8 new interns joined under the professional internship scheme, and the company hosted 31 curricular internships and 2 short-term internships across its various departments. In partnership with the “Mini-Internships” initiative, promoted by the Municipality of Vila Nova de Famalicão, the company also hosted 2 tenth-grade students for a mini-internship at Riopele during the Easter school holidays.



4.2 Training & Career Development

GRI 404 · VSME (B10)

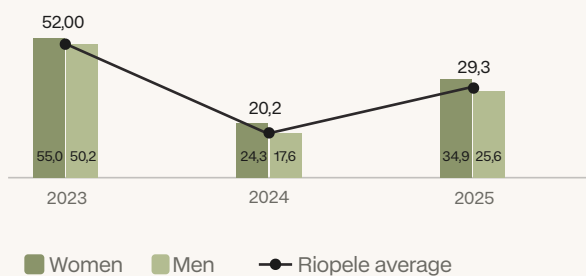
For Riopelle, it is not possible to invest in competitiveness factors without also investing in human capital and its training and development. In this sense, Riopelle values the role of every employee, regardless of their function. The commitment to People Development culminated in the launch of a new project, the Riopelle Academy. A strategic project for developing Riopelle's skills, aimed at accelerating

its evolution and supporting the implementation of the company's strategy. In this initial design phase of the Riopelle Academy, work focused on its Purpose, Mission, Vision and Main Guidelines for the first 3 years. Its Governance Model was also defined, along with the organisation of the Schools that will make up the Academy.

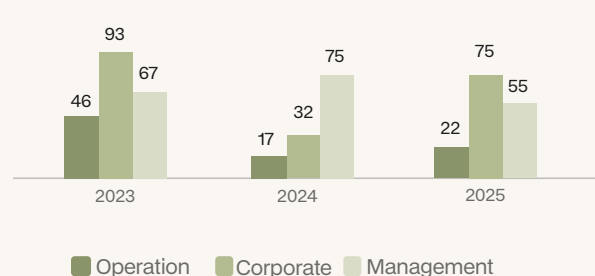
33,000
+hours

Of training in 2025, an average of 29 hours per employee, well above the 20 hours achieved in 2024.

AVERAGE ANNUAL TRAINING HOURS BY GENDER (H/EMPLOYEE)



AVERAGE TRAINING HOURS BY PROFESSIONAL CATEGORY (2025)



In 2025, 1,000 trainees took part in courses covering topics of great importance for business growth, such as Sustainability, Production Innovation and Industry 4.0/Digitalisation, and Organisational Framework for Personal Development.

Riopelle defines personalised personal development plans for its employees and periodically assesses their performance. Under the RPEOPLE+ tool, Riopelle's directory of behavioural competencies was updated and, as a result, the performance appraisal model was also updated, with the involvement of

various levels of company management.

In December, another annual appraisal cycle was completed for nearly all of Riopelle's employees, around 98%, an increase of 1 percentage point on 2024.

Riopelle invested in Feedback and Feedforward training to strengthen appraisers' feedback skills and enrich the competency assessment, boosting People Development. Development plans are drawn up for each employee and reviewed and adjusted according to the needs identified in these appraisals.

4.3 Occupational Health & Safety

GRI 403 · VSME (B9)

As part of its commitment to a more sustainable textile future, Riopelle recognises that occupational health and safety are essential pillars for protecting its employees and strengthening its progress towards a healthier, more responsible working environment.

The company prioritises employee safety and promotes a culture of accident prevention and risk

mitigation through training and awareness initiatives. All of the company’s machinery and facilities comply with current legislation, and employees are provided with personal protective equipment appropriate to their duties. All employees have a duty to comply with internally established health and safety practices, as well as to report accidents, failures or unsafe situations.



ISO 45001:2023

Riopelle has an Occupational Health and Safety (OHS) Management System operating as an in-house service, with a team made up of OHS technicians, occupational health nurses, occupational physicians and curative-medicine physicians, thereby fulfilling current legal requirements. This system is certified to ISO 45001:2023 / ISO 45001:2019 for OHS Management Systems. 100% of Riopelle’s permanent and temporary employees are covered by an Occupational Health and Safety system certified to ISO 45001:2023.

Analysis of workplace accident rates at Riopelle shows a broadly stable trend throughout 2024 and 2025, marked by the absence of fatalities resulting from workplace accidents and the maintenance of controlled severity levels. In 2024, three workplace accidents with serious consequences and mandatory reporting were recorded, a figure that rose slightly in 2025 (4 accidents).

Considering total workplace accidents, 68 occurrences were recorded in 2024, resulting from

51 accidents involving employees and 17 involving temporary workers. In 2025, an overall improvement was observed, with total accidents falling to 66, a direct consequence of the marked decrease in accidents among temporary workers, which fell from 17 to just 10 occurrences. Among employees, however, there was a slight increase, from 51 to 56 accidents, mainly due to a rise in cases related to overexertion and repetitive movements, which increased from 8 to 15 cases.

Regarding indicators calculated under the GRI framework, the rate of accidents with serious consequences and the rate of accidents with mandatory reporting both stood at 1.56 accidents per 1,000,000 hours worked in 2024. In 2025, this rate rose to 2.06, reflecting the increase in serious accidents recorded that year. It should be noted that the fatality rate remained at zero in every year analysed. As a note, hours worked were updated and figures for 2023 and 2024 corrected, with prior-year values revised accordingly.

In 2025, Riopelle maintained its Frequency Index and Severity Index in the “Very Good” class, according to the International Labour Organization scale, fully meeting the targets set for the year. Despite the slight increase in accidents among employees in 2025 and the rise in serious accidents, the overall results continue to show positive Occupational Health and Safety performance, demonstrating the impact of the prevention measures implemented and the significant improvement observed among temporary workers.

To mitigate/eliminate hazards, Riopelle conducted various training sessions and implemented several measures for its employees regarding occupational health and safety: working-at-height training;

confined-space training; machine operator training; chemical product training; acquisition of new mechanical load-handling equipment; creation of safety instructions; distribution of QHS (Quality, Environment and Safety) briefing notes; distribution of QHS alerts; delimitation of vehicle and pedestrian traffic routes; installation of ramp protection at the pipe crossing point on the floor.

In addition to its focus on safety training and risk prevention, Riopelle stepped up its health-promotion efforts, namely through workshops focused on Mental Health, Nutrition and Cancer Prevention. Participation in each of these initiatives generated a donation to the Portuguese League Against Cancer.

As part of Riopelle's OHS risk management strategy, hazards were identified and the risks that led to these accidents were reassessed, in order to implement measures that can promote risk control and the continuous improvement of the OHS system.

- Designed signage;
- Resizing of fire-suppression networks.
- Employee training across various aspects of Occupational Health and Safety.

In terms of health, Riopelle restructured its occupational health team, with a younger team more focused on health promotion, and introduced a psychology service to strengthen employees' mental health.

Additionally, Riopelle monitors certain information related to health support provided to employees.

2,191

Nursing acts

1,348

Occupational-
medicine
consultations

718

Curative-
medicine
consultations

400

Employees
vaccinated against
seasonal flu

65

Psychology
consultations



4.4 Diversity, Equal Opportunity & Non-Discrimination

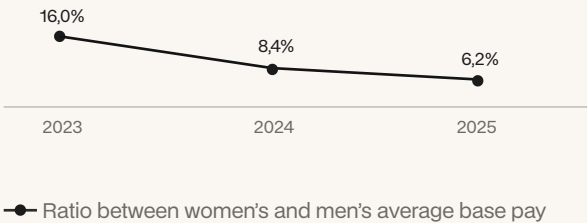
GRI 405 & VSME (B10, C9) · GRI 406

Riopele guarantees equal opportunities and treatment with regard to access to employment, training, career development and working conditions. The company promotes social dialogue with employees and with the trade union committee to ensure workers' freedom and respect for their rights. Riopele rejects any discriminatory practice based on race, gender, religion, age, nationality, sexual orientation, or political or ideological beliefs that in any way undermines employees' personal and professional integrity.

Riopele employs more than 1,000 people and values diversity and equal opportunities; in 2025, around 42% of leadership positions are held by women. On pay, Riopele has been working to reduce the pay gap between female and male employees. In 2025, Riopele significantly reduced the pay gap, from 8.4% in 2024 to 6.2% in 2025.

In response to Normative Order No. 18/2019 of 21 June, which requires the production of a guide for drawing up annual equality plans, Riopele has drawn up its Equality Plan, which aims to guarantee genuine equal treatment and opportunities between female and male employees. As part of this plan, Riopele will implement various measures across seven dimensions:

AVERAGE BASE-SALARY RATIO BETWEEN GENDERS (%)



Riopele Equality Plan

	Strategy, mission and values	Strengthen training on the principles of the Code of Ethics and Conduct, publish guidance notes across the company's internal and external training channels, take part in implementing the Municipal Equality and Non-Discrimination Plan, and implement a more flexible working arrangement.
	Equal access to employment	To promote the integration of people with disabilities, partnerships will be established with institutions supporting the integration of people with disabilities, and the accessibility of our infrastructure will be assessed.
	Initial and ongoing training	Ensure that the Annual Training Plan meets company and team needs without gender bias, favouring training sessions held during working hours and promoting training on equality, diversity and inclusion topics.

	Equality in working conditions	Riopele promotes the principle of equality and non-discrimination in appointing employees to management positions or decision-making bodies, encouraging the development of female employees identified as having potential for such roles. The company will annually analyse the pay gap between men and women, defining action plans to correct it until it is eliminated.
	Parental protection	In addition to complying with current legislation, Riopele will improve the availability of parental protection information on its digital channels and provides a birth kit to its employees.
	Balancing professional, family and personal life	The company expanded its network of agreements and local support services in response to needs raised by employees, and consolidated its more flexible working arrangement.
	Prevention of workplace harassment	Riopele stepped up the dissemination of procedures to follow in cases of harassment, offences against physical and moral integrity, acts of discrimination and inappropriate practices in general, gradually training all employees on harassment-prevention principles, alongside the implementation of a Whistleblowing Channel.

Riopele monitors and tracks the implementation of the plan, checking whether the defined measures are being put into practice and whether objectives are being achieved, periodically monitoring indicators defined for each of its dimensions. In 2025, Riopele

continued implementing flexible working-hours and hybrid-work policies, acting within the scope of Balancing Professional, Family and Personal Life, while also prioritising training during working hours, scheduling training groups according to work shifts.

4.5 Human Rights

GRI 406

At Riopele, we are committed to the values set out by the United Nations in the Universal Declaration of Human Rights, as well as to the fundamental principles and rights established by the International Labour Organization, operating ethically, with integrity and with respect for human rights and human dignity.

As set out in its code of conduct, Riopele ensures respect for Human Rights, the prohibition of child labour and forced (or slavery-like) labour, as well as the prevention of harassment practices. These principles are embedded in the company's activities

and are equally promoted throughout the supply chain, through suppliers' commitment to complying with the principles and requirements set out in the Code of Conduct.



Work environment free of harassment and discrimination

At Riopelle, awareness and information initiatives are promoted for employees aimed at preventing harassment and fostering a safe, respectful working environment free of any form of harassment, whether in hierarchical relationships or among colleagues. No behaviour that could constitute coercion, whether moral or sexual harassment is tolerated. Any

discriminatory practice based on race, gender, religion, age, nationality, sexual orientation, or political or ideological beliefs is rejected. Riopelle promotes the dignity of the individual, not permitting discriminatory practices that in any way undermine employees' personal and professional integrity.

Child labour and forced labour

Riopelle fully complies with national legislation and international principles, rejecting any form of child labour. In accordance with the principles set out by the United Nations on the Rights of the Child, which defines a "child" as any human being under the age of 18, the company does not hire anyone under 18

years of age. Additionally, Riopelle strictly prohibits any form of forced labour, whether demanded through threats or any type of coercion. No behaviour that could be characterised as coercion, including harassment in any form, or bullying, is tolerated under any circumstances.

Our employees' commitment to a healthy working environment

Riopelle's employees commit to avoiding any form of harassment in the workplace. In addition, those with hierarchical responsibilities are encouraged to create and maintain a healthy working climate, both in hierarchical relationships and among colleagues under their supervision.

Collaboration and teamwork are valued, with the aim of creating a preventive work environment in which harassment situations are avoided. Riopelle promotes employee participation in awareness campaigns and training sessions addressing workplace harassment,

in order to raise awareness and provide the tools needed to prevent and deal with such situations.

The company actively encourages employees to report any workplace harassment situations of which they are victims or witnesses. It is believed that creating a safe, respectful working environment is everyone's responsibility. Riopelle is committed to ensuring that its employees are treated with dignity and that the workplace is free of harassment, thereby fostering a culture of respect and well-being.

4.6 Community Support

GRI 203 · GRI 413

At the heart of Riopele's vision lies the conviction that business success must go hand in hand with a positive impact on the communities it serves. This vision guides the company's social responsibility policy, expressed through partnerships and investment in institutions and projects that promote well-being and sustainable development. Riopele considers its role in building a fairer, more sustainable world to be fundamental, and it is with this commitment that it actively contributes to social, educational and cultural causes, alongside support for entrepreneurship and sport, elements that play a key role in the inclusion and development of our community.

Since building a culture of social responsibility requires commitment and action, various initiatives have been promoted throughout Riopele's history. The company has contributed to community development through:

We have built strong ties with local communities, working across different areas and needs such as education, culture, entrepreneurship, sport and support for social causes, seeking to maximise our positive impact.

Providing the football pitch infrastructure to Grupo Desportivo de Joane.



Collaboration with the Padre Benjamim Salgado School Group.



AGRUPAMENTO DE
ESCOLAS PADRE
BENJAMIM
SALGADO
JOANE

Riopele also supports a range of institutions of different kinds, including:





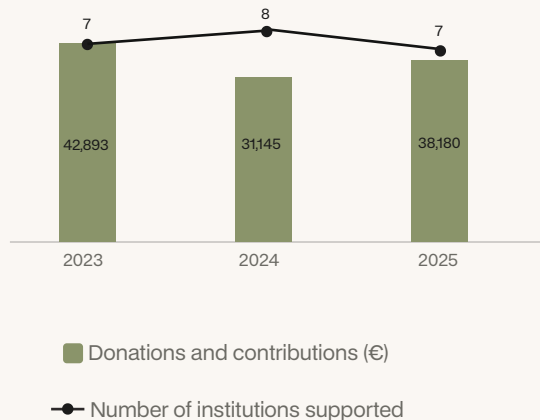
Riopele fosters partnerships with research centres, universities and schools, such as CITEVE — the Technological Centre for the Textile and Clothing Industries of Portugal, CeNTI — the Centre for Nanotechnology and Smart, Functional and Technical Materials, and the universities mentioned above.

In the cultural sphere, Riopele also supports institutions such as the Serralves Foundation, the Battle of Aljubarrota Foundation, and the Cupertino de Miranda Foundation in Vila Nova de Famalicão. It also provides support for a range of cultural initiatives and events in the local community.

Riopele monitors donations and the number of contributions made each year. It supported 7 institutions in both 2023 and 2025, and one additional institution in 2024.

In 2025, we stepped up our support for the local community, donating Christmas presents to children from the Associação Mundos Vida, supporting ACIP (Association for Psychosocial Intervention), and supporting the S-Energy educational project run by students from the Padre Benjamim Salgado School Group. We maintained employee involvement in the “Pirilampo Mágico” campaign and donations to the Portuguese League Against Cancer.

DONATIONS AND CONTRIBUTIONS (€)



4.7 Customer Satisfaction

As mentioned in the “Our Commitments” section, customer satisfaction is one of Riopele’s main concerns, as it seeks to provide high-quality services and products. The company’s Management Manual clearly describes Riopele’s strategy and policy, as well as its organisational structure and responsibilities, aiming to ensure the satisfaction of customers, employees and other stakeholders by meeting their needs and expectations.

Riopele systematically monitors customer satisfaction as a key indicator of service quality and sustainable value creation. In 2025, the assessment model was revised to cover four critical dimensions: Service, Development and Innovation, Deliveries, and Quality.

82.9%

Overall customer-satisfaction result in early 2026, when 178 customers across international markets were surveyed (28% response rate). In 2025 the evaluation model was revised to cover four critical dimensions: Service, Development & Innovation, Deliveries and Quality.

It should be noted that, following the methodological review implemented in 2025, which included redesigning the questionnaire and assessment criteria, this result is not directly comparable with previous years.

In this context, Riopelle is establishing a new baseline for this indicator, which will help ensure more consistent and comparable performance monitoring

in future assessment cycles, as well as support the setting of quantitative targets.

Overall, the results show a high level of customer satisfaction, with communication quality, closeness of follow-up, responsiveness and flexibility in addressing specific needs standing out particularly positively. Strong customer orientation and joint product development are also recognised.



05

ECONOMIC & GOVERNANCE

Riopele has solid governance grounded in rigour, ethics and integrity — from responsible supply-chain management to product innovation and a strong culture of ethics, conduct and compliance.

5.1 Sustainable Supply-Chain
Management

5.2 Product Diversification,
Quality & ESG

5.3 Research, Development &
Innovation

5.4 Ethics, Conduct &
Compliance

GRI 204

Riopele has solid governance, guided by rigour, ethics and integrity in its actions, in order to conduct responsible business management. Through its Code of Conduct, Riopele formalises its approach to good governance, guiding employees' day-to-day

conduct and its ability to influence the behaviour of third parties, fostering ever-stronger relationships of trust.

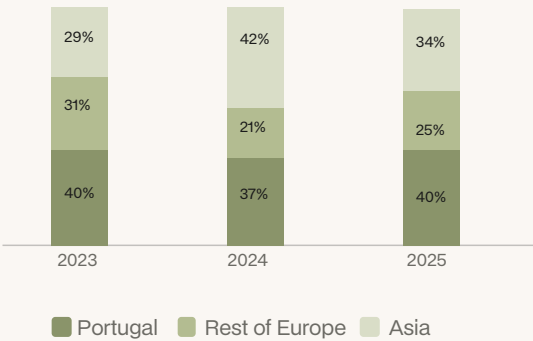
€95.5M

A record year for Riopele, with turnover reaching €95.5 million. An increase on the previous year. In 2025, supplier costs were around €28 million (about -19.5% vs. 2024).

Riopele encourages and promotes local and/or nearby purchasing. Significant locations include partners in Portugal and Europe, favouring long-term partnerships. The goal is to maintain an adequate supply in terms of continuity, quality and efficiency, promoting and consolidating the European industrial sector. Of total purchases, 40% were made from Portuguese suppliers (against 37% in 2024), 25% from European suppliers (against 21% in 2024), and there was an 8% reduction in purchases from suppliers outside the European Union compared with 2024. This practice rewards, for example, geographic proximity, a smaller carbon footprint, lower medium- and long-term costs, and better delivery times. This entire responsible sourcing practice implemented by Riopele not only benefits the environment and society but also strengthens transparency and sustainability across the supply chain.

— in line with Decree-Law No. 109-E/2021 (RGPC — General Anti-Corruption Regime). This project covers the implementation and consolidation of various regulatory compliance mechanisms, namely the Corruption and Related Offences Risk Prevention Plan, the Code of Conduct, the Training Programme, the Whistleblowing Channel, and mechanisms for monitoring and evaluating the effectiveness of the compliance programme.

SUPPLIER SPEND BY REGION (%)



Riopele's Governance Model places a strong focus on Risk Management. Accordingly, Riopele has a Risk Management project under way, which will result in the drafting of a Corruption Risk Prevention Plan

GO SEE THE
DEVELOPMENT



5.1 Sustainable Supply-Chain Management

GRI 308 • GRI 414

Riopele aims to have a value chain with minimal negative environmental and social impact, seeking to ensure a sustainable supply chain over the long term. In this sense, Riopele's suppliers, as one of the company's key stakeholder groups, play a crucial role

in helping the company achieve this goal. This same ambition is reflected in Riopele's purchasing policy, which is centred on several principles, such as:



Social responsibility



Environmental preservation and protection



Resilience



Innovation



Traceability

To make the value chain more sustainable, Riopele integrates environmental, social and economic considerations at every stage of supply chain management (in line with its Purchasing Policy and Code of Ethics and Conduct), collaborating with its

suppliers and partners to improve business practices in relation to sustainability. To ensure supply chain alignment, Riopele has implemented a continuous supplier selection and evaluation process.

SUPPLIER PRE-QUALIFICATION

- Selection based on market knowledge and the supplier's ability to meet Riopele's requirements.
- Assessment of supplier certifications and initiatives.
- Guarantees regarding quality, environmental prevention, occupational health and safety, sustainability, etc.

ANNUAL SUPPLIER EVALUATION

- Annual evaluation of the supply chain regarding compliance.
- Analysis and promotion of opportunities for continuous improvement of the system.

SUPPLIER AUDITS AND VISITS

- Building relationships and establishing partnerships.
- In future, conducting supplier audits based on ESG criteria.

In addition to the supplier selection and evaluation process described, Riopelle requires suppliers to commit to its Code of Conduct. Any violation of or misalignment by third parties with Riopelle’s ambition and/or requirements may jeopardise the relationship between the parties. Additionally, as part of supplier management, at the end of 2025 Riopelle decided to subscribe to a risk analytics platform aimed at deepening and consolidating information regarding its supplier portfolio. This solution will enable more detailed management of the supply chain’s ESG performance, by integrating and cross-referencing data from the ESG ranking with information gathered directly from suppliers through assessment processes.

In 2025, Riopelle conducted business transactions with 101 suppliers of raw materials, chemical products and packaging material. To date, 64 of them (63.36%) have already returned their duly signed commitment declaration, demonstrating their alignment with our principles and formally assuming their responsibility in this regard.

The Purchasing department ensures that all suppliers of raw materials, chemicals and dyes are aware of the Supplier Code of Conduct and act in accordance with it. In cases where signing the Code is not possible, Riopelle reviews the supplier’s own conduct mechanisms and policies, in order to ensure their compatibility with the principles and commitments defined by the company.

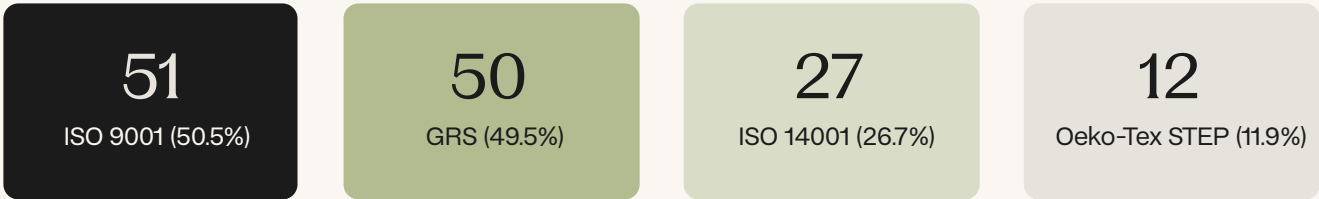
Additionally, beyond this document, Riopelle has suppliers certified to certain standards attesting to compliance with quality, environmental and social responsibility requirements. Of a total of 101 suppliers, 51 (50.49%) hold ISO 9001 certification, demonstrating compliance with quality management standards; 27 (26.73%) hold ISO 14001 certification, demonstrating a commitment to sustainable environmental practices; 12 (11.88%) hold Oeko-Tex STeP certification, reinforcing adherence to specific sustainability criteria; and 50 (49.50%) hold GRS certification, confirming the verification of recycled products throughout the supply chain.

These certifications not only demonstrate the quality of Riopelle’s suppliers but also reinforce Riopelle’s commitment to best practices in social and environmental responsibility throughout its supply chain.

These standards stand as tangible evidence of their joint effort to promote sustainable, socially responsible production.

The entire responsible sourcing practice implemented by Riopelle not only benefits the environment and society but also contributes to operational efficiency, long-term cost reduction and strengthened corporate reputation.

Supplier certifications



5.2 Product Diversification, Quality & ESG Impact

As part of the mission of the Technical and Materials Management department, Riopelle ensures that products are developed with a focus on innovation, efficiency, quality and sustainability, aligning technical and market needs.

In 2025, Riopelle continued its research into natural, regeneratively sourced and recycled materials and processes. In the field of recycled materials, a key development for the business was the introduction of recycled polyester from textile waste in two forms: one containing at least 50% textile, post-industrial and post-consumer waste; and a second form containing 100% post-industrial textile waste, developed with two fibre-production partners (UNIFI and TREVIRA). Also in this line, recycled elastane, likewise obtained from 100% post-industrial textile waste, was introduced into production processes.

In this context, and combining the need to match materials to process requirements, there was also a change in what defines a product with Riopelle DNA.

Until now, we considered fabrics whose composition consisted of more than 80% internally spun Polyester/Viscose yarns, valuing the company's full know-how and vertical integration. Due to the natural evolution of both market trends and technology at product and process level, it has become essential to add to the existing definition internally spun Viscose yarns, and these same yarns when twisted with linen, since their unique characteristics also allow Riopelle to stand out from its competitors.

Still within materials, regarding product projects and innovation, 2025 saw the completion of projects already under way in previous years within their respective partnerships, as well as the launch of new ones.

Product innovation projects & partnerships

PROJECT	PARTNERS	DESCRIPTION
<u>AeoniQ™</u>	Hugo Boss & HeiQ AeoniQ GmbH	Following the project started with Hugo Boss, Riopelle continued developing new qualities with the AeoniQ™ filament and yarn spun from the AeoniQ™ fibre.
<u>Elastic filament</u>	Under Armour & Celanese	Riopelle completed the development of different fabric qualities incorporating the new elastic filament, a more sustainable alternative to elastane, moving from testing and validation to production.
<u>Infinna™</u>	Inditex / Infinited Fiber Company	New fabric developments using Infinna™ fibre, obtained by chemical recycling of textile waste, in the industrial performance-testing and final-quality-evaluation phase.
<u>Pigment dyeing processes</u>	Lite-1.bio / Everdye	New dyeing processes with start-ups: Lite-1.bio (bacterial-origin pigments) and Everdye (mineral-origin pigments), to assess the technical feasibility of industrial use.

Regarding new materials and their consolidation, recycled elastane stands out. It is now fully implemented for the business, for example with customer Inditex. This elastane is obtained from 100% post-industrial textile waste.

Regarding the nearshoring sourcing strategy focused on increasing supply alternatives and reducing the carbon footprint, new supply options were developed for yarns in polyester/short-fibre viscose, polyester/cotton compositions, and 100% cotton greige fabrics.

Also on the topic of materials sourcing, with a focus on sustainability, validations were carried out on

converting various counts to organic cottons, complementing the completion of the GOTS (Global Organic Textile Standard) certification process, particularly relevant for the French market, reinforcing the transparency and traceability of articles made with organic fibres.

By adopting more sustainable practices, Riopelle strengthens its position in the global market as a company that invests in innovation and environmental responsibility.

OCS 100

Certification attesting that a product contains ≥95% organic cotton.

OCS Blended

Certification attesting that a product contains between 5%-95% organic cotton.

GRS

Certification attesting that a product contains more than 20% recycled material, guaranteeing social and environmental standards throughout the supply chain.

OEKO-TEX® STANDARD 100

Certification attesting that a textile product has been tested and contains no chemicals harmful to human health.

Better Cotton Initiative

Initiative promoting better cotton-growing standards and practices.

Masters of Flax Fibre

Certified European-origin flax fibre (France, Belgium, Netherlands).

RWS Certification

Certification attesting that a product contains between 5%-100% wool from protected sheep.

RCS Blended

Certification attesting that a product contains between 5%-95% recycled material.

RCS 100

Certification attesting that a product contains ≥95% recycled material.

FSC

Certification attesting to sustainable forest management throughout the supply chain.

Regenagri

Certification attesting to the promotion of regenerative agriculture.

GOTS

Certification for textiles made from organic fibres, guaranteeing ecological and social standards throughout the supply chain.

OEKO-TEX® STeP

Certification attesting to responsible textile production, ensuring high environmental, social and safety standards.

ISO 9001

International standard for Quality Management Systems.

ISO 14001

International standard for Environmental Management Systems.

ISO 45001

International standard for Occupational Health and Safety Management Systems.

Higg Index

A suite of tools enabling textile-sector companies to measure and improve their environmental and social impacts throughout the value chain.

Product Certification

Business certification

Other initiatives

Riopele was recognised by the Municipality of Famalicão with the Created IN Award, in the Sustainability & Innovation category, as a result of its focus on product sustainability and innovation.

5.3 Research, Development & Innovation

With a long history and unique know-how, Riopelle focuses on creativity, innovation and differentiation to strengthen its competitive position, ensuring the quality and reliability of its service. Within the Technical and Materials Management department, the commitment to innovation and to developing differentiated products to meet the vast and increasingly pressing challenge of sustainability and circularity was the central focus and milestone to achieve. Research not only into sustainable raw materials, but also into natural materials of regenerative and recycled origin, as well as, on another front, establishing consortia and networking with universities, technology centres, startups and customers, was crucial to achieving this. Riopelle invested in Textile-to-Textile (T2T) solutions, namely 100% recycled fibre from post-industrial waste (TREVIRA), validated for production, and new trials with recycled fibre from garment-cutting waste (UNIFI and Benma), produced through a

thermomechanical process. Given the trend in the market's environmental requirements, Riopelle will continue this work in 2026, focusing on T2T solutions obtained through chemical recycling.

Furthermore, recognising the evolution of an ever-changing, globalised world, it is essential to direct assertive, timely communication to customers and markets, deepening our understanding of them. This led to a new concept at Riopelle, based on a Business Development team, aimed at promoting the growth and expansion of Riopelle's business.

In addition to various partnerships and material developments with customers and suppliers, Riopelle is also developing projects under the Recovery and Resilience Plan (PRR). In this regard, Riopelle is involved in the following projects and consortia:

PROJECT	OBJECTIVE	DESCRIPTION
<u>BE@T</u>	Framed within Component 12 – Sustainable Bioeconomy, and based on the pillars: Biomaterials and Circularity, Eco-design, Traceability, Valorisation of national sustainable products.	Riopelle is involved in Pillar II – Initiative 4 – Measure 3: Circularity – Development of new fibres through waste valorisation and recycling – R&D of new spinning processes (recycled fibres), with responsibility for validating the industrial-scale development of ring-spinning new materials and new cellulosic and recycled-base fibres, with a view to obtaining new fabrics from a textile circularity perspective. Riopelle is currently producing the final product for the demonstrator: fabric and finished garment.
<u>Giatex</u>	Smart water management in the textile and clothing industry (ITV), aimed at addressing the challenges faced by textile finishing companies.	Project based on testing water-recirculation strategies and implementing technologies to reduce consumption and improve treatment, using sensor systems, online monitoring and process automation. In this ongoing project, Riopelle will play an active role in testing, optimising and validating a pilot wastewater treatment technology unit to be implemented at the company.
<u>TEXP@CT</u>	Digitalisation of the Textile and Clothing Sector (STV).	Riopelle is involved in the consortium covering robotics and automation development, digital and collaborative product development, production agility/efficiency, data valorisation, traceability and smart textiles.
<u>Lusitanos</u>	Reindustrialisation of the Textile and Clothing Industry (ITV).	Riopelle is involved in the consortium covering the spinning of natural and recycled fibres, R&D of technological, energy and resource-management solutions, job creation, and promotion and internationalisation of the ITV sector.
<u>2XBlue</u>	R&D aimed at developing high-performance textile materials and systems.	Under the 2XBlue project application – Advanced Protection and Safety Equipment – Riopelle, with a focus on innovation and sustainability, will draw on technologies and materials under development, promoting the development of technical fabrics through the incorporation of advanced, sustainable materials, enabling the development of solutions with a positive impact on human safety and climate resilience, and diversification into high-performance, technologically advanced textiles.

Riopele took part in the European Waste2BioComp project, a European consortium project under the HORIZON programme, whose main objective focuses on converting organic waste into sustainable bio-based components (biopolymers and other additives) for use in the textile, footwear and

packaging industries. This project concluded in 2025 with Riopele's participation in producing technical fabric prototypes, successfully completing its involvement.

SIFIDE Innovation Projects

In 2025, Riopele continued a set of projects under the SIFIDE framework, of particular relevance to its innovation strategy:

BIOPERFORMANCE

New fabric types with fibres from renewable sources.

COLORWISE

Sustainable dyeing of wool fabrics with cellulosic-fibre blends.

LUXE PEACH SKIN

Silk-look fabrics using alternative filaments in a Peach Skin concept.

NEXTELAST

New fabric types with elastic filaments as alternatives to elastane.

NATURALCOLOUR

A sustainable continuous-dyeing process with natural dyes.

METAVVERSE & 3D DESIGN

Digitalisation of samples and virtual prototyping of products.

RIOPELE ÚNICA

Development of finishing processes for unique fabrics.

WOOL FELTING

An unconventional process for producing wool fabrics under the Boiled Wool concept, using unconventional equipment.

MULTIFACTORS

Study of the influence of different factors on the behaviour of the same fabric.

PROLINHO

New product types in linen greige fabrics.



Regarding digitalisation processes, we continue to improve existing platforms, increasingly automating processes, always with the aim of improving communication and information flow among everyone involved.

We continue to carry out laboratory, digitalisation and virtual-simulation trials on new fabrics, and some solutions were implemented for the obstacles identified over the previous year.

In the Yarn Colours project, the Yarn Colour Master, begun in 2024, was completed. This project concluded with a 33% reduction in the number

of active yarn colours; the colour card where this reduction had the greatest impact was cotton colours, where the reduction reached 53%. Owing to this focus on the active colour master, it was also possible to significantly reduce the number of new yarn colours created during the year: a 17% reduction compared with 2024.

The next phase of this work will be to make yarn colour cards available digitally, so that Customers can initially select colours from an existing yarn catalogue, allowing us to respond more quickly, assertively and cost-effectively for the company.

Continuing the “Metaverse and 3D Design” project, significant progress was made in consolidating the digitalisation and virtual prototyping process for fabrics, moving closer to the goal of creating digital twins with a high degree of visual and behavioural realism. It should be noted that the work carried out helped mitigate previously identified limitations, particularly regarding the quality and consistency of scans, the stability of generated maps, and interoperability between platforms. Despite the progress achieved, colour remains the most challenging scientific and technological dimension of the project. Research in this area has made it possible to better understand the phenomenon and identify promising technological pathways, but achieving truly faithful colour replication still requires further in-depth research.

5.4 Ethics, Conduct, Anti-Corruption & Compliance

Ethics is a fundamental principle for Riopelle, forming the basis of conduct for creating genuinely sustainable value. Riopelle bases its decision-making on ethical principles and social responsibility criteria, driving continuous improvement in its performance and thereby contributing to the sustainability of the value chain. Riopelle cultivates a culture of loyalty and transparency, grounded in compliance with the Code of Ethics and Conduct.

The Code of Ethics and Conduct aims to formalise Riopelle's approach to good governance, guiding employees' day-to-day conduct and its ability to influence the behaviour of third parties, fostering

ever-stronger relationships of trust. In addition to setting out the guiding principles for our people (e.g. relating to human rights, freedom of association, a work environment free of harassment and discrimination, pay and working hours, health and safety, the prohibition of child and forced labour, among others), the document also covers other fundamental Riopelle principles regarding topics such as environmental protection, data protection, the prohibition of influence peddling, industrial property, confidentiality, among others.

This Code also aims to strengthen Riopelle's institutional image, strategy and compliance with

regulations in the textile and clothing sector. It applies to all Riopelle employees, regardless of their contractual status or hierarchical position, and to all entities that engage with Riopelle, whether on a permanent or occasional basis.

Additionally, although Riopelle's Code of Ethics and Conduct already covers anti-corruption aspects, Riopelle is developing an anti-corruption policy

that will cover all of its activities, standardising the assessment of corruption risks across the company's operations. Alongside this policy, internal procedures will be developed for monitoring and controlling corruption risks, and Riopelle's employees and managers will receive training in combating corruption.

WHO AUDITS AND OVERSEES OUR PRACTICES?

Our practices are audited and overseen by an external Data Protection Officer. The same entity conducts periodic and unscheduled audits, essential for the continuous monitoring of our compliance levels. For further information, you may contact our Data Protection Officer by email: dpo@riopelle.pt

CONTACTING THE ETHICS AND CONDUCT COMMITTEE

Ensuring the confidentiality of information and compliance with all legal requirements, you may raise concerns, ask questions and send feedback to the Ethics and Conduct Committee by email at etica.conduta@riopelle.pt, or file a report through Riopelle's whistleblowing channel.

To report irregularities, a formal whistleblowing process is in place, available on the company's website — www.riopelle.pt.

06

ANNEXES

The full reporting indexes and technical detail underpinning this report — the GRI Content Index, the VSME Correspondence Table, the characterisation of Riopеле's material IROs, and the methodological notes.

- 6.1 GRI Content Index
- 6.2 VSME Correspondence Table
- 6.3 Material IROs
- 6.4 Methodological Notes

GRI Content Index

ANNEX 6.1

Statement of use	Riopele has reported in accordance with the GRI Standards for the period 1 January to 31 December 2025.
GRI 1 used	GRI 1: Foundation 2021

GRI CONTENT	LOCATION	NOTES / OMISSIONS
GRI 2 — General Disclosures 2021		
2-1 Organizational details	About this Report	Legal name: Riopele — Têxteis, S.A. Legal form: public limited company (Sociedade Anónima). Head office: Avenida Riopele 946, 4770-405 Pousada de Saramagos, Portugal. Countries of operation: Portugal and the USA.
2-2 Entities included in the organization's sustainability reporting	-	Riopele - Têxteis, S.A.
2-3 Reporting period, frequency and contact point	About this Report	-
2-4 Restatements of information	-	Not applicable.
2-5 External assurance	-	Riopele has not yet carried out third-party assurance of its non-financial information. However, it intends to do so in the next reporting cycle.
2-6 Activities, value chain and other business relationships	1. Riopele; 1.2 Markets of Operation	-
2-7 Employees	4. Social Responsibility - Our People	2023
		Total number of employees
		Female Male Other* Not disclosed Total
		420 719 0 0 1139
		Total number of permanent employees
		Female Male Other* Not disclosed Total
		381 633 0 0 1014
		Number of temporary employees
		Female Male Other* Not disclosed Total
		39 86 0 0 125

GRI CONTENT	LOCATION	NOTES / OMISSIONS
2-7 Employees	4. Social Responsibility - Our People	2024
		Total number of employees
		Female Male Other* Not disclosed Total
		438 712 0 0 1150
		Total number of permanent employees
		Female Male Other* Not disclosed Total
		403 670 0 0 1073
		Number of temporary employees
		Female Male Other* Not disclosed Total
		35 42 0 0 77
		2025
		Total number of employees
		Female Male Other* Not disclosed Total
		412 627 0 0 1039
		Total number of permanent employees
		Female Male Other* Not disclosed Total
		382 607 0 0 989
		Number of temporary employees
		Female Male Other* Not disclosed Total
		30 20 0 0 50
2-8 Workers who are not employees	4. Social Responsibility - Our People	See the GRI 2-7 Employees table, information relating to temporary employees. These workers typically hold operational roles.
2-9 Governance structure and composition	1.3 Governance and Management Model	-
2-10 Nomination and selection of the highest governance body	1.3 Governance and Management Model	-
2-11 Chair of the highest governance body	1.3 Governance and Management Model	-
2-12 Role of the highest governance body in overseeing the management of impacts	1.3 Governance and Management Model	-
2-13 Delegation of responsibility for managing impacts	1.3 Governance and Management Model	-
2-22 Statement on sustainable development strategy	Message from the Board of Directors	-

GRI CONTENT	LOCATION	NOTES / OMISSIONS
2-23 Policy commitments	5.4 Ethics, Conduct, Anti-Corruption and Compliance	Riopele's Code of Ethics and Conduct, available on its website — Ethics and Conduct
2-24 Embedding policy commitments	5. Economic and Governance Responsibility	Riopele's Code of Ethics and Conduct, available on its website — Ethics and Conduct
2-27 Compliance with laws and regulations	-	Riopele has no significant instance of non-compliance with laws and regulations to report.
2-29 Approach to stakeholder engagement	2. Sustainability Strategy	-
2-30 Collective bargaining agreements	-	To date, Riopele has not entered into any collective bargaining agreements.
GRI 3: Material Topics 2021		
3-1 Process to determine material topics	2.1 Materiality	-
3-2 List of material topics	2.1 Materiality	-
Water and effluent management		
3-3 Management of material topics	3.2 Water and Effluent Management	Riopele monitors information related to this topic and reports it annually, namely through GRI: 303.
Water and effluent management		
3-3 Management of material topics	4.3 Occupational Health and Safety	Riopele monitors information related to this topic and reports it annually, namely through GRI: 403.
Research, development and innovation		
3-3 Management of material topics	1. Riopele; 5.3 Research, Development and Innovation	Riopele monitors information related to this topic and reports it annually.
Energy and Climate Change		
3-3 Management of material topics	3.4 Energy and Climate Change	Riopele monitors information related to this topic and reports it annually, namely through GRI: 302 and 305.
Waste management and circularity		
3-3 Management of material topics	3.1 Materials and Chemicals 3.3 Waste Management and Circularity	Riopele monitors information related to this topic and reports it annually, namely through GRI: 301 and 306.

GRI CONTENT	LOCATION	NOTES / OMISSIONS			
Chemical management					
3-3 Management of material topics	3.1 Materials and Chemicals; 3.2 Water and Effluent Management	Riopele monitors information related to this topic and reports it annually, namely through GRI: 301 and 303.			
Sustainable supply chain management					
3-3 Management of material topics	5.1 Sustainable Supply Chain Management	Riopele monitors information related to this topic and reports it annually, namely through GRI: 308 and 414.			
Ethics, conduct, anti-corruption and compliance					
3-3 Management of material topics	5.4 Ethics, Conduct, Anti-Corruption and Compliance	Riopele monitors information related to this topic and reports it annually.			
Diversity, equality, non-discrimination and human rights					
3-3 Management of material topics	4.4 Diversity, Equal Opportunities, Non-Discrimination; 4.5 Human Rights	Riopele monitors information related to this topic and reports it annually, namely through GRI: 401, 405 and 406.			
Customer management and satisfaction					
3-3 Management of material topics	4.7 Customer Satisfaction	Riopele monitors information related to this topic and reports it annually.			
Employee training and development					
3-3 Management of material topics	4.2 Training and Career Development	Riopele monitors information related to this topic and reports it annually, namely through GRI: 404.			
Topic-specific Standards					
GRI 201: Economic Performance 2016					
201-1 Direct economic value generated and distributed	-		2023	2024	2025
		Direct economic value generated	94.065.651 €	94.065.651 €	94.065.651 €
		Revenue	94.065.651 €	94.065.651 €	94.065.651 €
		Economic value distributed	88.033.272 €	78.641.225 €	101.212.599 €
		Operating costs	49.980.275 €	53.416.687 €	59.202.022 €
		Investment	1.882.578 €	4.398.361 €	7.486.094 €
		Employee wages and benefits	15.958.774 €	17.847.623 €	19.950.738 €
		Payments to government	8.471.078 €	9.569.409 €	9.465.176 €
		Donations and other community investments	42.823 €	30.313 €	37.994 €
		Operating costs	11.697.745 €	6.621.168 €	5.070.575 €
		Economic value distributed	6.032.379 €	10.630.888 €	-3.170.285 €
201-2 Financial implications and other risks and opportunities due to climate change	3.5 Energy and Climate Change > Climate risks and opportunities	Additional information can also be found in the 'Management Review Report 2025' document.			

GRI CONTENT	LOCATION	NOTES / OMISSIONS	
201-4 Financial assistance received from government	-	Financial assistance received (€)	
		2023	
		2024	
		2025	
Tax benefits	3.542.590 €	1.339.242 €	3.608.337 €
Subsidies	2.137.679 €	762.989 €	1.507.925 €
Investment grants	927.944 €	3.654.600 €	3.323.837 €
Total	6.608.213 €	5.756.831 €	8.440.099 €
GRI 203: Procurement Practices 2016			
203-1 Infrastructure investments and services supported	4.6 Community Support	-	
GRI 204: Procurement Practices 2016			
204-1 Proportion of spending on local suppliers	5. Economic and Governance Responsibility	In recent years Riopele has worked continuously to maximise the operational efficiency of its supply chain, making it increasingly sustainable. Riopele encourages and promotes local and/or nearby purchasing. Significant locations include partners in Portugal and Europe, favouring long-term partnerships. The goal is to maintain an adequate supply in terms of continuity, quality and efficiency promoting and consolidating the European industrial sector. Of total purchases, 40% were made from Portuguese suppliers (against 37% in 2024), 25% from European suppliers (against 21% in 2024), and there was an 8% reduction in purchases from suppliers outside the European Union compared with 2024. This practice rewards, for example, geographic proximity, a smaller carbon footprint, lower medium- and long-term costs, and better delivery times. This entire responsible sourcing practice implemented by Riopele enables it to offer responsible environmental and social service and performance, reinforcing the transparency and sustainability of the supply chain.	
GRI 205: Procurement Practices 2016			
205-1 Operations assessed for risks related to corruption	-	Implementation of the General Corruption Prevention Regime (RGPC), begun in 2024, is still being consolidated, and data is not yet available for reporting indicators 205-1 and 205-2 in 2025. During the year, implementation of the plan continued, including the assessment of corruption risks by business area and the development of a training plan on integrity, transparency and corruption prevention, expected to be completed in 2026. These developments will enable future reporting of these indicators.	
205-2 Communication and training about anti-corruption policies and procedures	-		
205-3 Confirmed incidents of corruption and actions taken	-	In 2025, Riopele did not record any confirmed, suspected or reported case of corruption involving the company.	
GRI 206: Anti-Competitive Behavior 2016			
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-	In 2025, Riopele was not the subject of any legal action relating to anti-competitive behaviour, anti-trust or monopoly practices, nor were any such legal actions pending against the company during 2025.	
GRI 301: Materials 2016			
301-1 Materials used by weight or volume	3.1 Materials and Chemicals - Raw Materials	-	
301-2 Recycled input materials used	3.1 Materials and Chemicals - Raw Materials	-	
301-3 Reclaimed products and their packaging materials	3.4 Waste Management and Circularity	-	

GRI CONTENT	LOCATION	NOTES / OMISSIONS																																	
GRI 302: Energy 2016																																			
302-1 Energy consumption within the organization	3.4 Energy and Climate Change	-																																	
302-3 Energy intensity	3.4 Energy and Climate Change	-																																	
302-4 Reduction of energy consumption	3.4 Energy and Climate Change	-																																	
302-5 Reductions in energy requirements of products and services	3.4 Energy and Climate Change	-																																	
GRI 303: Water and Effluents 2018																																			
303-1 Interactions with water as a shared resource	3.2 Water and Effluent Management	-																																	
303-2 Management of water discharge-related impacts	3.2 Water and Effluent Management	Riopele's effluents are sent to SIDVA, and must therefore comply with the quality parameters set by the entity that manages it, and may not exceed the tabled limits: <table> <tr> <th>Quality parameter</th><th>Unit</th><th>Limit</th></tr> <tr> <td>pH</td><td>Sørensen scale</td><td>5.5 - 9.5</td></tr> <tr> <td>Conductivity</td><td>µS/cm</td><td>10,000</td></tr> <tr> <td>COD (Chemical Oxygen Demand)</td><td>mg/l O₂</td><td>2,000</td></tr> <tr> <td>TSS (Total Suspended Solids)</td><td>mg/l</td><td>1,000</td></tr> <tr> <td>BOD₅ (Biochemical Oxygen Demand)</td><td>mg/l</td><td>2,000</td></tr> <tr> <td>Chlorides</td><td>mg/l</td><td>1,500</td></tr> <tr> <td>Total Hydrocarbons</td><td>mg/l</td><td>50</td></tr> <tr> <td>Copper</td><td>mg/l</td><td>1</td></tr> <tr> <td>Ammonia</td><td>mg/l</td><td>100</td></tr> <tr> <td>Methylene-blue-active substances (surfactants)</td><td>mg/l</td><td>50</td></tr> </table>	Quality parameter	Unit	Limit	pH	Sørensen scale	5.5 - 9.5	Conductivity	µS/cm	10,000	COD (Chemical Oxygen Demand)	mg/l O ₂	2,000	TSS (Total Suspended Solids)	mg/l	1,000	BOD ₅ (Biochemical Oxygen Demand)	mg/l	2,000	Chlorides	mg/l	1,500	Total Hydrocarbons	mg/l	50	Copper	mg/l	1	Ammonia	mg/l	100	Methylene-blue-active substances (surfactants)	mg/l	50
Quality parameter	Unit	Limit																																	
pH	Sørensen scale	5.5 - 9.5																																	
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Copper	mg/l	1																																	
Ammonia	mg/l	100																																	
Methylene-blue-active substances (surfactants)	mg/l	50																																	
303-3 Water withdrawal	3.2 Water and Effluent Management	According to the Aqueduct Water Risk Atlas, Riopele's facilities, located in the municipality of Vila Nova de Famalicão, are situated in an area of high water stress (meaning that demand for water for domestic, industrial, agricultural and irrigation use corresponds to 40%-80% of available surface or groundwater), with an overall medium-high water risk. This indicator, developed by the World Resources Institute (WRI), considers all water-related risks, aggregating indicators of Quantity, Quality, Regulatory Risk and Reputational Risk. The fact that Riopele operates in medium-high water-risk zones reinforces the importance of its commitment to the responsible management of water resources. All water consumed at Riopele's facilities is considered freshwater, with a dissolved solids concentration below 1,000 mg/l.																																	
303-4 Water discharge	3.2 Water and Effluent Management	All of Riopele's effluent is sent to SIDVA, which treats it and subsequently discharges the treated water into the surrounding water environment.																																	
303-5 Water consumption	3.2 Water and Effluent Management	-																																	

GRI CONTENT	LOCATION	NOTES / OMISSIONS
GRI 305: Emissions 2016		
305-1 Direct (Scope 1) GHG emissions	3.4 Energy and Climate Change	-
305-2 Energy indirect (Scope 2) GHG emissions	3.4 Energy and Climate Change	-
305-3 Other indirect (Scope 3) GHG emissions	3.4 Energy and Climate Change	-
305-4 GHG emissions intensity	3.4 Energy and Climate Change	-
305-5 Reduction of GHG emissions	3.4 Energy and Climate Change	-
305-6 Emissions of ozone-depleting substances (ODS)	-	Not material to Riopelle's business
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	-	Not material to Riopelle's business
GRI 306: Waste 2020		
306-1 Waste generation and significant waste-related impacts	3.4 Waste Management and Circularity	-
306-2 Waste generated	3.4 Waste Management and Circularity	-
306-3 Waste generated	3.4 Waste Management and Circularity	-
306-4 Waste diverted from disposal	3.4 Waste Management and Circularity	-
306-5 Waste directed to disposal	3.4 Waste Management and Circularity	-
GRI 308: Supplier Environmental Assessment 2016		
308-1 New suppliers screened using environmental criteria	5.1 Sustainable Supply Chain Management	We establish partnerships with suppliers, making them aware of our Code of Conduct and promoting a culture of transparency and responsibility in our business partnerships. In 2025, we recorded the entry of 3 new suppliers, whose selection process was based on environmental criteria.

308-2 Negative environmental impacts in the supply chain and actions taken

5.1 Sustainable Supply Chain Management

Riopele aims to more comprehensively categorise and enhance the value of its supplier portfolio. To this end, Riopele is currently implementing measures such as reviewing its supplier management process. This initiative aims to improve the pre-qualification and onboarding of new suppliers into the supplier portfolio, through sustainability criteria (environmental and social).

GRI 401: Employment 2016

401-1 New employee hires and employee turnover

4.1 Talent Attraction and Retention

-

Hiring rate by gender and age group

2023					
Hiring rate	<30 years	30-50 years	>50 years	Total hires by gender	Hiring rate
Men	20	19	5	42	4,2%
Women	19	19	4	42	4,2%
Total hires by age group	39	36	9	84	8,4%
Hiring rate by age group	3,9%	3,6%	0,9%	8,4%	
2024					
Hiring rate	<30 years	30-50 years	>50 years	Total hires by gender	Hiring rate
Men	34	34	9	77	7,4%
Women	16	14	5	35	3,4%
Total hires by age group	50	48	14	112	10,8%
Hiring rate by age group	4,8%	4,6%	1,3%	10,8%	
2025					
Hiring rate	<30 years	30-50 years	>50 years	Total hires by gender	Hiring rate
Men	10	8	0	18	1,7%
Women	14	16	3	33	3,1%
Total hires by age group	24	24	3	51	8,4%
Hiring rate by age group	2,3%	2,3%	0,3%	4,8%	

Turnover rate by gender and age group

2023					
Hiring rate	<30 years	30-50 years	>50 years	Total departures by gender	Turnover rate
Men	25	8	10	43	4,3%
Women	10	3	3	16	1,6%
Total hires by age group	35	11	13	59	5,9%
Hiring rate by age group	3,5%	1,1%	1,3%	5,9%	
2024					
Hiring rate	<30 years	30-50 years	>50 years	Total departures by gender	Turnover rate
Men	8	11	14	33	3,2%
Women	4	5	4	13	1,2%
Total hires by age group	12	16	18	46	4,4%
Hiring rate by age group	1,2%	1,5%	1,7%	4,4%	
2025					
Hiring rate	<30 years	30-50 years	>50 years	Total departures by gender	Turnover rate
Men	20	18	24	62	5,9%
Women	13	12	5	30	2,8%
Total hires by age group	33	30	29	92	8,7%
Hiring rate by age group	3,1%	2,8%	2,7%	8,7%	

Note: ratios are calculated using the average number of employees during the reporting period under review.

GRI CONTENT	LOCATION	NOTES / OMISSIONS
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.1 Talent Attraction and Retention	-
401-3 Parental leave	4.1 Talent Attraction and Retention	-
GRI 403: Occupational Health and Safety 2018		
403-1 Occupational health and safety management system	4.3 Occupational Health and Safety	The OHS management system (certified to ISO 45001:2018) covers all Riopelle employees, as well as any individual carrying out work at its facilities.
403-2 Hazard identification, risk assessment, and incident investigation	-	Riopelle's hazard identification and risk assessment is a dynamic, constantly evolving process, aimed at the continuous improvement of workers' health and safety. This activity is carried out by OHS technicians together with a multidisciplinary team, ensuring an overall view of the various work stations. Workers play a fundamental role in identifying hazards within the organisation, given their in-depth knowledge of the workstations they occupy. This process draws on operational control routines carried out by the various departments, regular checks of work equipment and safety devices, monitoring of workplace hygiene conditions, incident investigation, workstation visits by safety technicians and occupational physicians, and workstation audits. Once risks are identified, control measures are defined to eliminate or reduce them, replacing hazardous elements with hazard-free or less hazardous ones and applying organisational measures and/or engineering solutions that reduce exposure to risks. Finally, where no collective protection measures are able to reduce the risk to an acceptable level, individual protection measures are defined. Riopelle thus seeks to minimise as far as possible the likelihood and potential consequences of workplace incidents. However, should an incident occur, workplace-incident investigation is fundamental to reducing accident rates. The OHS team seeks to identify the root cause of each incident together with workers and area managers, drawing on all necessary resources to implement effective corrective and preventive measures. This aims to prevent recurrence and raise awareness of hazards present at the workstation, embedding a safety culture throughout the organisation. Worker consultation and participation on health and safety matters are essential for the continuous improvement of our OHS management system. To this end, we apply biannual OHS surveys to workers, hold frequent meetings between the OHS team and worker groups, and involve workers in selecting personal protective equipment. Additionally, the "Workers' Dialogue Group" is promoted, aimed at fostering open dialogue with all levels and departments of the company. This allows us to speed up the implementation of improvements identified as feasible and aligned with the company's strategy. Workplace accidents are reported by the area where the accident occurred to the QHS and HR departments, triggering an investigation of the accident by QHS. This investigation identifies the causes of the accident, enabling the corrective and preventive measures to be adopted in line with the hierarchy of controls. This investigation also leads to a reassessment of the risk level associated with the task involved in the accident.
403-3 Occupational health services	-	Medical fitness consultations required by law are carried out, followed by occasional ones whenever the health services deem it necessary or whenever requested by the worker. Occupational health services can be scheduled via the Riopelle digital platform or requested through area managers. Riopelle continuously reassesses and/or updates hazard identifications and risk assessments and monitors its employees at their workstations.
403-4 Worker participation, consultation, and communication on occupational health and safety	-	Workers play a fundamental role in preventing risks within the organisation, given their in-depth knowledge of the workstations they occupy. Riopelle therefore consults workers on a biannual basis through the general worker survey. In 2025, two worker consultation surveys were conducted, in June and December, covering a total universe of 1,187 employees. The 1st survey received 677 responses, corresponding to a 57% participation rate. The 2nd survey recorded 491 responses, corresponding to a 41% participation rate. Although participation decreased at the second consultation point, the figures obtained demonstrate significant worker engagement with the consultation mechanisms promoted by the organisation.

GRI CONTENT	LOCATION	NOTES / OMISSIONS
403-5 Worker training on occupational health and safety	-	In order to build employee capacity in OHS matters, Riopelle carries out emergency drills and simulations and invests in employee training and information. Training makes employees better able to identify hazards, adopt safe behaviours and avoid risk situations, which is why OHS training forms part of the onboarding plan for new employees. Depending on the activities carried out by each employee, training is defined for specific risks. Riopelle's internal environment and safety regulations are provided to subcontracted companies and must be communicated to workers carrying out work at the company, with proof of this communication required.
403-6 Promotion of worker health	4.1 Talent Attraction and Retention - Pay and Working Hours	Riopelle provides employees with various benefits, such as life insurance for all employees, curative medicine services, psychology consultations, and two 4-hour periods per month for medical appointments, as well as access to a wide range of partnerships with health, education, hospitality and other services.
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	-	See the GRI indicators above (GRI 403-4 and GRI 403-5).
403-8 Workers covered by an occupational health and safety management system	4.3 Occupational Health and Safety	100% of Riopelle's permanent and temporary employees are covered by an Occupational Health and Safety system certified to ISO 45001:2018.
403-9 Work-related injuries	4.3 Occupational Health and Safety	-
403-10 Work-related ill health	-	In 2025, Riopelle identified 1 employee with an occupational illness, relating to strain on tendon sheaths, peritendinous tissue, tendon insertions or muscle insertions, due to the pace of movements and working position or posture. To address new and other potential occupational illnesses, Riopelle has implemented an annual health-surveillance session. Activities carried out include audiograms for workers exposed to excessive noise levels, verification of correct signage for noise-exposure risk and the use of hearing protection, as well as the provision of hearing protection and raising worker awareness of hazards present at the workstation.
GRI 404: Training and Education 2016		
404-1 Average hours of training per year per employee	4.2 Training and Career Development	-
404-2 Programs for upgrading employee skills and transition assistance programs	4.2 Training and Career Development	-
404-3 Percentage of employees receiving regular performance and career development reviews	4.2 Training and Career Development	-
GRI 405: Diversity and Equal Opportunity 2016		
405-1 Diversity of governance bodies and employees	4.4 Diversity, Equal Opportunities and Non-Discrimination	-

Riopele employees by gender, age group, and job category

2023						
Job category	<30 years		30-50 years		>50 years	
	M	F	M	F	M	F
Operations	11%	5%	23%	18%	23%	8%
Corporate	1%	1%	2%	3%	1%	2%
Management	0%	0%	1%	0%	1%	0%
Total	12%	6%	26%	21%	25%	10%
2024						
Job category	<30 years		30-50 years		>50 years	
	M	F	M	F	M	F
Operations	10%	5%	23%	18%	20%	8%
Corporate	1%	1%	3%	3%	2%	3%
Management	0%	0%	1%	0%	0%	3%
Total	11%	6%	26%	21%	22%	14%
2025						
Job category	<30 years		30-50 years		>50 years	
	M	F	M	F	M	F
Operations	10%	5%	22%	18%	22%	9%
Corporate	2%	2%	3%	3%	2%	2%
Management	0%	0%	1%	0%	1%	0%
Total	11%	7%	25%	22%	24%	11%

GRI CONTENT	LOCATION	NOTES / OMISSIONS
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405-2 Ratio of basic salary and remuneration of women to men

4.4 Diversity, Equal Opportunities and Non-Discrimination

-

GRI 406: Non-Discrimination 2016

406-1 Incidents of discrimination and corrective actions taken

-

In 2025, no incident of discrimination or harassment was identified.

GRI 408: Child Labor 2016

408-1 Operations and suppliers at significant risk for incidents of child labor

4.5 Human Rights – Child labour and forced labour;
5.1 Sustainable Supply Chain Management

In compliance with Portuguese law, Riopele prohibits child labour. This commitment is binding on its suppliers when they sign the Supplier Code of Conduct, and is validated during supplier assessments. No information is available regarding suppliers that may present significant risks of child labour or young workers exposed to hazardous work.

GRI 409: Forced or Compulsory Labor 2016

409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor

4.5 Human Rights – Child labour and forced labour;
5.1 Sustainable Supply Chain Management

In compliance with Portuguese law, Riopele prohibits forced or slavery-like labour. This commitment is binding on its suppliers when they sign the Supplier Code of Conduct, and is validated during supplier assessments. No information is available regarding suppliers that may present significant risks of forced or slavery-like labour.

GRI 413: Local Communities

GRI 413-1 Operations with local community engagement, impact assessments, and development programs

4.6 Community Support

-

GRI CONTENT	LOCATION	NOTES / OMISSIONS
GRI 413-2 Operations with significant actual and potential negative impacts on local communities	-	Not applicable to Riopelle's activities.
GRI 414: Supplier Social Assessment 2016		
414-1 New suppliers screened using social criteria	5.1 Sustainable Supply Chain Management	Riopelle establishes partnerships with its suppliers, making them aware of its Code of Conduct and promoting a culture of transparency and responsibility in its business partnerships. In 2025, we recorded the entry of 3 new suppliers, whose selection process was based on social criteria.
414-2 Negative social impacts in the supply chain and actions taken	5.1 Sustainable Supply Chain Management	Riopelle aims to more comprehensively categorise and enhance the value of its supplier portfolio. To this end, it is currently implementing measures such as reviewing its supplier management process. This initiative aims to improve the pre-qualification and onboarding of new suppliers into the supplier portfolio, through sustainability criteria (environmental and social).
GRI 416: Customer Health and Safety 2016		
416-1 Assessment of the health and safety impacts of product and service categories	3.1 Materials and Chemicals	To ensure compliance with consumer health and safety requirements, articles sold by Riopelle are certified to the OEKO-TEX® STANDARD 100 standard, whose scope extends to recycled fibres. This certification means the textile article has been tested for the presence of harmful substances, giving customers confidence in product safety. Notwithstanding the certification mentioned above, Riopelle has implemented a chemical management policy based on compliance with regulatory requirements (e.g. REACH), standards and customer-specific requirements, favouring chemical products classified at ZDHC Level 3. Riopelle also adheres to the ZDHC (Zero Discharge of Hazardous Chemicals) Manufacturing Restricted Substances List and is committed to the European Union's new chemical management strategy, aligned with the European Green Deal. Currently, 81% of the chemical products consumed in the company's operations meet ZDHC Level 3 requirements, against a target of 100% by 2028.
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	-	No non-compliance incidents of this kind were recorded in 2025.

VSME Correspondence table

VSME	LOCATION	NOTES / OMISSIONS
[B1] General Information — Basis for preparation		
Basis of preparation	About this Report	Option B (Basic Module and Comprehensive Module).
List of omitted disclosures deemed classified or sensitive information	-	No information was omitted for being classified or sensitive.
[B1] General Information — Other general company information		
Reporting basis	-	This document — Sustainability Report 2025 — was prepared on an individual basis covering Riopelle's activities.
Legal form of the company	-	Limited liability company.
NACE sector classification code(s)	-	NACE C - 13.1 Preparation and spinning of textile fibres NACE C - 13.2 Weaving of textiles NACE C - 13.10 Preparation and spinning of textile fibres NACE C - 13.30 Finishing of textiles NACE C - 13.96 Manufacture of other technical and industrial textiles
Balance sheet size (total assets in monetary units)	-	134,052,313.05€
Turnover	2025 Highlights	-
Number of employees	2025 Highlights; 4. Social Responsibility	-
Employee headcount methodology	-	End of reporting year (31/12/2025).
Type of employee count	-	Headcount.
Country of main operations and location of significant asset(s)	-	Portugal
[B1] General Information — Disclosure of sustainability-related certifications or labels		
Has the company obtained any sustainability-related certification or label?	5. Economic and Governance Responsibility	Yes
Description of sustainability-related certifications or labels, including, where relevant, issuing bodies, date and rating score	5. Economic and Governance Responsibility	-

VSME	LOCATION	NOTES / OMISSIONS
[B1] General Information — List of sites		
Geolocation of sites of operation owned, leased or managed	1. Riopelle - Facilities	No information was omitted for being classified or sensitive.
[C1] General Information — Strategy: Business Model and Sustainability-related Initiatives		
Description of significant groups of products offered and/or services provided	1. Riopelle	-
Description of significant market(s) in which the company operates	1. Riopelle	-
Description of key business relationships (such as key suppliers, customers, distribution channels)	1. Riopelle	-
Description of the key elements of the strategy that relate to or affect sustainability matters	1. Riopelle	-
[B2] General Information — Practices, policies and future initiatives for transitioning towards a more sustainable economy		
Sustainability matters addressed by practice, policy and/or future initiative	2. Approach to Sustainability; 2.1 Materiality	-
Has the company implemented practices, policies and/or future initiatives for transitioning towards a more sustainable economy?	2. Approach to Sustainability;	Following the double materiality analysis carried out by Riopelle, several material IROs emerged, of an environmental nature (climate change, pollution, water and marine resources, and circular economy), social nature (workforce, affected communities, and consumers and end-users), and governance nature (business conduct). Throughout the body of the report, Riopelle's practices, respective policies, and initiatives implemented and to be implemented, in order to make the economy more sustainable, are described. Additionally, Riopelle has a sustainability strategy and a strategy focused on a set of goals for the company's centennial, to be celebrated in 2027.
Does the company have an operational policy and/or future initiative that is publicly available?	2. Approach to Sustainability;	
Has the company set a target linked to a policy?	2. Approach to Sustainability;	

VSME	LOCATION	NOTES / OMISSIONS
[C2] General Information — Description of practices, policies and future initiatives for transitioning towards a more sustainable economy		
Description of practices, policies and/or future initiatives	2. Approach to Sustainability	-
Highest level among workers responsible for the policies	-	The person responsible for overseeing the policies is Riopelle's General Manager and Executive Director.
[B3] Environment — Total energy consumption		
Total electricity consumption	3.4 Energy and Climate Change	-
[B3] Environment — Breakdown of energy consumption		
Purchased electricity	3.4 Energy and Climate Change	-
Self-consumption of self-produced electricity	3.4 Energy and Climate Change	-
Fuel consumption	3.4 Energy and Climate Change	-
[B3] Environment — Estimate of greenhouse gas (GHG) emissions		
Scope 1 GHG emissions	3.4 Energy and Climate Change	-
Scope 2 GHG emissions (market-based and location-based)	3.4 Energy and Climate Change	-
Scope 3 GHG emissions	3.4 Energy and Climate Change; GRI Table	-
[C3] Environment — GHG emissions reduction targets		
GHG emissions reduction targets	3.4 Energy and Climate Change; GRI Table	-
[C3] Environment — Disclosure of the list of key actions the entity intends to take to meet the targets		
Initiatives to meet decarbonization targets	3.4 Energy and Climate Change; GRI Table	-
[C3] Environment — Transition plan for companies operating in high climate-impact sectors		
Does the company operate in high-impact sectors?	-	Yes, in the textile industry.

VSME	LOCATION	NOTES / OMISSIONS
Status of implementation of a transition plan for climate change mitigation	-	Although Riopelle does not yet have a formal climate transition plan, minimising the environmental impacts of its value chain is a core value. To this end, it has consistently implemented a range of climate change mitigation and adaptation initiatives, including various energy efficiency measures, renewable energy production for self-consumption, renewable fuel consumption, fleet electrification, among others.
[B3] Environment — GHG emissions intensity per net turnover (in tCO2e)		
Scope 1 and 2 GHG emissions intensity (location-based)	-	0.0001147 tCO2e/€.
Scope 1 and 2 GHG emissions intensity (market-based)	-	0.0001240 tCO2e/€.
Scope 1, 2 and 3 GHG emissions intensity (location-based)	-	0.0006896 tCO2e/€.
Scope 1, 2 and 3 GHG emissions intensity (market-based)	-	0.0006988 tCO2e/€.
[C4] Environment — Climate risks		
Has the company identified climate-related hazards and climate-related transition events that constitute gross climate-related risks for the company?	3.4 Energy and Climate Change	-
Description of climate-related risks and climate-related transition events	3.4 Energy and Climate Change	-
Disclosure of how it assessed the exposure and sensitivity of its activities, assets and value chain to these risks and transition events	3.4 Energy and Climate Change	-
Time horizons of any climate-related risks and transition events identified	3.4 Energy and Climate Change	-
Disclosure of whether climate change adaptation measures have been taken in response to any climate-related risks and transition events	3.4 Energy and Climate Change	-

VSME	LOCATION	NOTES / OMISSIONS
Potential adverse effects of climate risks that may affect its financial performance or business operations in the short, medium or long term, indicating whether it considers these risks to be high, medium or low	3.4 Energy and Climate Change	-
[C4] Environment — Climate risks		
Is the company already required by law or other national regulations to report its pollutant emissions to the competent authorities, or does it already report them voluntarily under an Environmental Management System?	-	Riopele submits the Annual Environmental Report, in which it reports pollutant emissions to the competent authorities (APA — Portuguese Environment Agency).
List of pollutants	3.2 Water and Effluent Management; GRI Table	-
[B6] Environment — Water withdrawal		
Amount of water withdrawn across all sites	3.2 Water and Effluent Management; GRI Table	-
Amount of water withdrawn at sites located in areas of high water stress	3.2 Water and Effluent Management; GRI Table	-
[B6] Environment — Water consumption		
Amount of water consumed across all sites	3.2 Water and Effluent Management; GRI Table	-
Amount of water consumed at sites located in areas of high water stress	3.2 Water and Effluent Management; GRI Table	-
[B7] Environment — Description of circularity principles		
Does the company apply circular economy principles	3.2 Waste Management and Circularity; 5.2 Diversification, Quality and ESG Impact of Products; 5.3 Research, Development and Innovation; GRI Table	-

VSME	LOCATION	NOTES / OMISSIONS
Description of how it applies these principles	3.2 Waste Management and Circularity; 5.2 Diversification, Quality and ESG Impact of Products; 5.3 Research, Development and Innovation; GRI Table	-
[B7] Environment — Waste generated		
Identification of the main types of waste produced	3.2 Waste Management and Circularity; GRI Table	-
Amount of waste produced by hazard classification	3.2 Waste Management and Circularity; GRI Table	-
[B8] Social — Workforce — General characteristics: contract type		
Number of workers with permanent contracts	4. Social Responsibility; GRI Table	-
Number of workers with fixed-term contracts	4. Social Responsibility; GRI Table	-
[B8] Social — Workforce — General characteristics: gender		
Number of male workers	4. Social Responsibility; GRI Table	-
Number of female workers	4. Social Responsibility; GRI Table	-
Number of workers of another gender	4. Social Responsibility; GRI Table	-
Number of workers whose gender was not disclosed	4. Social Responsibility; GRI Table	-
[B8] Social — Workforce — General characteristics: country where the contract was established		
Number of workers by country of employment contract	GRI Table	All employees perform their duties in Portugal.
[B8] Social — Workforce — General characteristics: turnover rate		
Employee turnover rate	4. Social Responsibility; GRI Table	-

VSME	LOCATION	NOTES / OMISSIONS
[B9] Social — Workforce — Health and Safety		
Number of recordable work-related accidents in the reporting period	4.3 Occupational Health and Safety; GRI Table	-
Rate of recordable work-related accidents in the reporting period	4.3 Occupational Health and Safety; GRI Table	-
Number of fatalities due to work-related injuries and work-related ill health	4.3 Occupational Health and Safety; GRI Table	-
[B10] Social — Workforce — Remuneration, Collective Agreements and Training		
Do workers receive remuneration equal to or above the minimum wage set by national legislation or collective bargaining agreement	4. Social Responsibility; GRI Table	-
Percentage pay gap between female and male workers	4. Social Responsibility; GRI Table	-
Percentage of workers covered by collective bargaining agreements	4. Social Responsibility; GRI Table	-
Average number of annual training hours per male employee	4.2 Training and Career Development; GRI Table	-
Average number of annual training hours per female employee	4.2 Training and Career Development; GRI Table	-
Average number of annual training hours per worker of another gender	4.2 Training and Career Development; GRI Table	-
Average number of annual training hours per worker whose gender was not disclosed	4.2 Training and Career Development; GRI Table	-

VSME	LOCATION	NOTES / OMISSIONS
[C5] Social — Workforce — Additional (general) workforce characteristics		
Ratio of women to men at senior management level for the reporting period	4. Social Responsibility; GRI Table	-
Total number of self-employed workers, without employees of their own, who work exclusively for the company	-	Zero (0).
Total number of temporary workers supplied by companies primarily engaged in employment activities	4. Social Responsibility; GRI Table	-
[C6] Social — Workforce — Additional information on own workforce - Human rights policies and processes		
Does the company have a code of conduct or human rights policy for its employees?	5.4 Ethics, Conduct, Anti-Corruption and Compliance	Yes.
Does the company have a grievance-handling mechanism for its employees?	5.4 Ethics, Conduct, Anti-Corruption and Compliance	Yes.
[C6] Social — Workforce — Additional information on own workforce - Human rights policies and processes		
Has the company recorded confirmed incidents among its own employees?	GRI Table	Zero cases (0).
Is the company aware of any confirmed incident involving workers, communities affected by the value chain, or consumers and end-users?	-	Zero cases (0).
[B11] Governance — Convictions and fines for corruption and bribery		
Number of convictions and fines for corruption and bribery	GRI Table	-

VSME	LOCATION	NOTES / OMISSIONS
Amount (€) of convictions and fines for corruption and bribery	GRI Table	-
[C9] Governance — Gender diversity index in the management body		
Does the company have a management body?	1.3 Governance and Management Model	-
Gender diversity index in the management body	-	0%.

TABLE CHARACTERIZING RIOPELE'S MATERIAL IROS

ENVIRONMENT			
IRO TYPE	SCOPE	TERM	IRO IDENTIFIED & DESCRIPTION
Climate change			
Impact (-)	Direct operations	Short, medium and long term	GHG emissions in operations (Scopes 1 and 2) Riopele's operational activities contribute to global warming, due to direct GHG emissions (Scope 1) from the use of fossil fuels, and indirect emissions (Scope 2) from the purchase of electricity, steam or heat/cooling. These emissions represent a significant negative environmental impact, both from a regulatory and reputational standpoint, and are at the centre of stakeholder pressure and public policy for decarbonization.
Impact (-)	Value chain (Upstream+Downstream)	Short, medium and long term	GHG emissions in the value chain (Scope 3) Scope 3 GHG emissions from Riopele's value chain include upstream emissions (e.g. extraction and processing of raw materials, transport and purchased goods) and downstream emissions (e.g. use and end-of-life of textile products). Although not directly controlled by the company, these emissions represent a significant share of its total carbon footprint. Their management is increasingly demanded by investors, customers and regulators, constituting a reputational and strategic risk if not adequately monitored and reported.
Impact (+)	Direct operations	Short, medium and long term	Replacement of fossil fuels with renewable sources The progressive phase-out of fossil fuel use in Riopele's industrial processes, through replacement with certified renewable or biogenic energy sources (e.g. biomass), represents a significant positive impact for climate change mitigation. This transition contributes to reducing direct (Scope 1) GHG emissions, aligning the company with national and European climate targets, as well as with the expectations of strategic stakeholders.
Impact (+)	Direct operations	Short, medium and long term	Investment in energy efficiency and renewable-source electricity The focus on energy efficiency and renewable electricity allows Riopele to reduce its GHG emissions, decreasing dependence on fossil fuels and improving its environmental performance. This approach includes purchasing electricity with a guarantee of renewable origin and investing in its own infrastructure, representing a positive contribution to climate change mitigation and to the company's competitiveness.
Impact (-)	Value chain (Upstream+Downstream)	Short, medium and long term	Logistics energy and emissions (upstream and downstream transport) Logistics operations associated with transporting raw materials, intermediate and finished products generate indirect (Scope 3) GHG emissions, mainly due to the use of fossil fuels in road and maritime transport. This negative environmental impact requires efficient management of the logistics chain and the exploration of lower-carbon-intensity transport solutions (e.g. multimodal transport, sustainable operators).
Risk	Direct operations/Value chain	Medium and long term	Acute and chronic physical risk – impact on the cost and availability of raw materials Extreme weather events and abrupt seasonal changes (e.g. droughts, floods) may affect the availability and cost of raw materials purchased by Riopele, especially in vulnerable geographies. These acute and chronic physical risks may cause supply chain disruptions, directly impacting operating costs and production deadlines.
Opportunity	Direct operations/Value chain	Short, medium and long term	Increased revenue from low-carbon products and operations The transition to a low-carbon economy represents a strategic opportunity for Riopele, both through the decarbonization of its operations (with efficiency gains and eligibility for green financing) and through portfolio diversification via the development of textile products with a lower carbon footprint. This differentiation can strengthen the company's positioning with industrial customers and retailers that have ambitious climate targets.

IRO TYPE	SCOPE	TERM	IRO IDENTIFIED & DESCRIPTION
Climate change			
Opportunity	Direct operations	Short, medium and long term	Access to sustainable financing conditional on climate performance Adopting sustainable financing instruments (e.g. sustainability-linked loans and green bonds) allows Riopelle to benefit from more favourable financial conditions, conditional on meeting environmental targets, namely GHG emissions reduction. This approach reinforces the integration of sustainability into the company's financial strategy and is an opportunity to attract ESG-driven capital.
Opportunity	Direct operations	Medium and long term	Reduced energy consumption in industrial operations Implementing energy efficiency measures in Riopelle's industrial processes aims to reduce energy consumption, with a direct impact on lowering operating costs and GHG emissions. These improvements may result from equipment modernisation, building thermal efficiency, process automation and digitalisation, contributing to the operation's competitiveness and sustainability.
Risk	Direct operations	Short, medium and long term	Energy dependence and price volatility Riopelle's strong dependence on external energy sources (e.g. grid electricity, natural gas, biomass) exposes the company to risks associated with price volatility and potential supply disruptions. These risks may impact operating costs, production stability and the company's financial predictability, especially in scenarios of geopolitical instability, energy market disruptions or extreme weather events.
IRO TYPE	SCOPE	TERM	IRO IDENTIFIED & DESCRIPTION
Pollution			
Impact (-)	Direct operations/ Value chain	Short and medium term	Discharge of pollutants in the textile value chain The textile industry's supply chain can contribute to water pollution through the release of contaminated effluents resulting from intensive processes such as dyeing and finishing. In regions with weak wastewater treatment capacity, these discharges increase the risk of contaminating local water resources, with significant environmental impacts.
Impact (+)	Direct operations/ Value chain	Short and medium term	Environmental criteria in product design and life cycle The life-cycle approach to textile products — from design to end-of-life — represents an opportunity to progressively reduce the use of substances of concern. Integrating environmental and chemical-safety criteria into design can reduce risks and align Riopelle's offering with future regulations and customer preferences.
Impact (-)	Direct operations/ Value chain	Short and medium term	Microplastic release in the value chain Microplastic release can occur throughout Riopelle's industrial processes and its value chain, namely during the washing of synthetic fibres or the mechanical wear of textiles. This form of pollution represents an emerging environmental risk, with growing attention from regulators and consumers.

IRO TYPE	SCOPE	TERM	IRO IDENTIFIED & DESCRIPTION
Water and marine resources			
Impact (-)	Direct operations	Short, medium and long term	Intensive water consumption in production processes The textile manufacturing process requires the withdrawal and consumption of large amounts of water in the various production processes (e.g. preparation, dyeing and finishing).
Impact (+)	Direct operations	Short, medium and long term	Reduced water consumption through efficient technologies Development of initiatives aimed at water efficiency in production processes, both in terms of water withdrawal (waterless and low-water dyeing technologies) and effluents (e.g. investment in recycling and wastewater treatment technologies, electrocoagulation and zero liquid discharge (ZLD) systems), as well as researching the possibility of reducing products' water footprint (fabrics and greige goods). Additionally, implementing water conservation measures across Riopelle's direct operations.
Risk	Direct operations/Value chain	Short and medium term	Water stress and/or scarcity Suppliers, and Riopelle itself, may have their factories, or the location where raw materials are extracted, in areas exposed to a high level of water stress, and may be subject to the suspension of their activities through regulatory means (e.g. government regulation preventing water withdrawal from the water environment), which could impact the supply of raw materials, products and/or by-products to their customer (whether Riopelle or downstream of Riopelle).
Opportunity	Direct operations	Short, medium and long term	Opportunity for internal reuse of treated water Valorising treated wastewater through its reuse in industrial processes (e.g. equipment washing, cooling or closed circuits) represents an opportunity for Riopelle to reduce freshwater consumption, lower operating costs and strengthen its water resilience. This practice also contributes to mitigating environmental impacts and positions the company as a leader in circular water management practices.
IRO TYPE	SCOPE	TERM	IRO IDENTIFIED & DESCRIPTION
Circular Economy			
Impact (+)	Value chain (Upstream+Downstream)	Short, medium and long term	Design and innovation for textile circularity (durability, modularity and circular business models) Integrating circularity principles into product design and development — such as durability, recyclability and the use of recycled materials — allows Riopelle to reduce the extraction of natural resources, extend product life cycles and facilitate reuse and recycling. These practices also support innovative, circular business models, contributing to reduced environmental impact and strategic market positioning.
Impact (+)	Direct operations/Value chain	Short, medium and long term	Efficient use of raw materials and adoption of sustainable materials Optimising raw material consumption — through loss reduction, process improvement and substitution with sustainable alternatives — helps minimise the extraction of natural resources and reduce waste generated. This also includes adopting raw materials with lower environmental impact, such as recycled or bio-based fibres. This practice promotes operational gains, reduces pressure on natural resources, lowers the environmental footprint and improves alignment with environmental policies and market preferences.
Risk	Direct operations/Value chain	Short and medium term	Risk of non-compliance with circular economy policies The tightening of EU and customer legal and regulatory requirements in the field of the circular economy (e.g. digital product passports, minimum recycled-content quotas, waste restrictions) may expose Riopelle to non-compliance risks. This could result in penalties, loss of contracts or exclusion from markets. There is also a risk that the transition to a circular economy will entail additional costs, through rising raw material prices, which could jeopardise Riopelle's ability to meet its circularity commitments. This may also imply the purchase of new equipment and a consequent increase in costs.

SOCIAL			
IRO TYPE	SCOPE	TERM	IRO IDENTIFIED & DESCRIPTION
Own workforce			
Impact (+)	Direct operations	Short, medium and long term	Fair recognition and progression opportunities are decisive factors in attracting and retaining talent. Creating fair pay structures, transparent progression mechanisms and recognition policies (financial and non-financial) are effective tools for employee retention. Such measures strengthen engagement, increase productivity and reinforce commitment to the organisation. These practices can be valued in employer rankings and by investors focused on human capital. These mechanisms help reduce turnover, strengthen a high-performance culture and enhance the employer brand.
Opportunity	Direct operations	Short and medium term	Creating stable jobs in socially vulnerable regions is a direct positive impact. Generating decent, stable employment in economically disadvantaged regions contributes to local development and social inclusion. This action has a direct positive effect on human rights, promoting access to adequate income, workplace safety and equal opportunities. When integrated into a conscious regional development policy, it also strengthens the company's social acceptance among local stakeholders.
IRO TYPE	SCOPE	TERM	IRO IDENTIFIED & DESCRIPTION
Value chain workers			
Impact (-)	Value chain (Upstream)	Short and medium term	Labour exploitation in parts of the value chain located in third countries (source of textile raw materials) In some geographies within the value chain where Riopelle sources raw materials (e.g. yarns or fibres), significant risks of abusive labour practices persist, including excessive working hours, informal contracts and violations of fundamental human rights. These situations represent negative impacts on the workers involved, affecting dignity, safety and fairness in working conditions. Involvement, direct or indirect, with suppliers associated with these practices may compromise alignment with international human rights standards.
Impact (-)	Value chain (Upstream)	Short and medium term	Unsafe working conditions in the (upstream) value chain The production of textile raw materials in non-EU countries may involve labour practices in unhealthy or hazardous environments, with exposure to chemicals, extreme heat or unsafe equipment. These conditions represent direct negative impacts on workers' health and physical integrity. Riopelle, even though not operating directly in these stages, may be exposed to criticism for complicity or inaction. The social impact of these contexts can be aggravated by the absence of oversight, grievance mechanisms or credible certifications.
Impact (-)	Value chain (Upstream)	Short and medium term	Discrimination and exclusion at supplier companies The absence of inclusive practices by suppliers can lead to discrimination based on gender, ethnicity or disability, violating human rights and compromising the ethical compliance required by international brands.
Impact (-)	Value chain (Upstream)	Short and medium term	Risk of child labour, forced labour or slavery-like conditions in the supply chain Sectors such as cotton production in specific regions of the world have been associated with child labour. The absence of traceability and social oversight may expose the company to significant legal and reputational risks. There are also risks of forced labour in fibre production in some countries. Riopelle must implement traceability and due diligence mechanisms to mitigate this critical risk in its value chain.
IRO TYPE	SCOPE	TERM	IRO IDENTIFIED & DESCRIPTION
Affected communities			
Impact (+)	Direct operations	Short, medium and long term	Local production contributes to local economic development The concentration of Riopelle's production in Portugal drives the community's economic development through the creation of direct and indirect jobs, support for local commerce and the promotion of regional economic activity. The stable industrial presence reinforces territorial cohesion and can attract public and private investment.

IRO TYPE	SCOPE	TERM	IRO IDENTIFIED & DESCRIPTION
Impact (+)	Direct operations	Short term	Volunteering and social action strengthen community ties Carrying out corporate volunteering actions, partnerships with local associations, and support for social, cultural or educational projects help strengthen the bond between Riopelle and the community. These efforts create social value, improve the company's reputation and reinforce employee commitment.
Impact (+)	Direct operations	Short and medium term	Clean technology strengthens community relations Implementing environmentally responsible technologies, such as low-consumption washing systems, dyeing machines with shorter liquor ratios and less polluting processes, reduces environmental impacts and demonstrates a commitment to protecting the community. These practices contribute to good neighbourliness, social trust and sustainable differentiation in the textile sector.
Impact (+)	Direct operations	Short and medium term	Support for education and technical training strengthens the community Promoting partnerships with technical schools, internships, study visits and training activities open to the community reinforces the local skills ecosystem. This investment in human capital contributes to employability and may, in the medium term, benefit the company itself by creating a more qualified local talent pool aligned with industrial needs.
Opportunity	Direct operations	Short and medium term	Preservation of regional textile know-how and culture Riopelle's activity helps preserve and enhance the technical and cultural knowledge of the Portuguese textile sector, especially in the areas of spinning, weaving, dyeing and finishing. Maintaining and passing on this know-how strengthens the cultural capital and identity of the local community, and is also a differentiating factor for the Riopelle brand in the global market.
IRO TYPE	SCOPE	TERM	IRO IDENTIFIED & DESCRIPTION
Consumers and end-users			
Impact (-)	Value chain (Downstream)	Short, medium and long term	Impact of the consumer use phase The use phase of textile products — for example, in terms of water and energy consumption and microfibre release during washing — represents an environmental and reputational impact for the brand. For Riopelle, incorporating design and materials that reduce these impacts can reduce image risk and open up opportunities.
Opportunity	Value chain (Downstream)	Short, medium and long term	High product quality standards Consistently delivering high-quality textile products and services, aligned with customers' specific requirements, strengthens Riopelle's commercial and reputational trust, fostering longterm relationships and sustainable growth opportunities.
Opportunity	Value chain (Downstream)	Short, medium and long term	Ethical communication and sustainable labelling as a trust and loyalty factor Ethical communication and transparent labelling of sustainability attributes (e.g. environmental impact, circularity, social benefits) strengthen customer trust and protect the brand's reputation. These practices reduce the risk of greenwashing claims and can support customer loyalty, especially in the fashion sector.
Opportunity	Value chain (Downstream)	Short, medium and long term	Transparency in sustainable labels and claims Transparency in communicating fabrics' sustainability attributes (e.g. recycled, durable, low-impact) strengthens customer trust, reduces the risk of greenwashing claims, and can position Riopelle as a preferred partner for sustainable fashion brands.

GOVERNANCE

IRO TYPE	SCOPE	TERM	IRO IDENTIFIED & DESCRIPTION
Business conduct			
Impact (+)	Value chain (Upstream)	Short and medium term	Promoting an ethical culture and ESG criteria in the value chain Promoting an organisational culture based on ethics and responsibility, including integrating ESG criteria into the selection of partners and suppliers, strengthens trust, values alignment and the sustainability of the value chain.
Impact (+)	Value chain (Upstream)	Short and medium term	Fair business practices and responsible payments to suppliers Responsible practices and payments, such as timeliness and contractual compliance, strengthen suppliers' liquidity, promote ethical business relationships and contribute to financial predictability and trust across the supply chain.
Impact (+)	Value chain (Downstream)	Short, medium and long term	Transparency in lobbying activities and political engagement A lack of transparency in lobbying activities or political participation can generate reputational risks. Clearly disclosing institutional positions promotes stakeholder trust.
Opportunity	Value chain (Upstream)	Short, medium and long term	ESG criteria in supplier and raw material selection Incorporating responsibly sourced raw materials – namely recycled, renewable, certified or lower-environmental-footprint materials – represents an opportunity to respond to growing pressure from customers and regulators. It also aligns with circularity commitments and portfolio differentiation. The textile sector faces significant challenges in this area, making it a strategic priority for companies such as Riopelle.
Risk	Direct operations/ Value chain	Short, medium and long term	Traceability and due diligence in the value chain (e.g. textile digital product passport) A lack of traceability and due-diligence mechanisms can prevent the detection of social, environmental and governance risks in the value chain, jeopardising compliance with regulations such as the digital product passport and affecting reputation.

IRO TYPE	SCOPE	TERM	IRO IDENTIFIED & DESCRIPTION
Riopelle-specific			
Innovation			

Opportunity	Direct operations/ Value chain	Short, medium and long term	Opportunity for sustainable innovation through R&D Continuous investment in R&D geared towards sustainable textiles enables the development of innovative materials, improved processes, and solutions aligned with customers' sustainability expectations. This innovation strengthens the value proposition and differentiates the company in the global market.
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IRO TYPE	SCOPE	TERM	IRO IDENTIFIED & DESCRIPTION
Technology and digital transformation			
Opportunity	Direct operations/ Value chain	Short, medium and long term	Application of AI for sustainable innovation and ESG efficiency Integrating AI into sustainability processes (such as traceability, energy efficiency or ESG reporting automation) can create efficiency gains and improve positioning. It will help reduce lead time, stock levels and, consequently, raw material and energy consumption, as well as fabric waste. However, it is necessary to ensure algorithm transparency, avoid bias, and ensure ethical governance, or risk reputational damage and loss of stakeholder trust.

METHODOLOGICAL NOTES

Materials

Articles (fabrics) are classified according to the responsible raw materials they use, following these rules:

SUSTAINABLE FIBRES — MATERIAL CODING

LOGO	RULE
 CU1012875  CU1012875	≥ 20% recycled fibres
 CU1012875  CU1012875	≥ 5% organic fibres
 Feels so right	30% TENCEL™ Lyocell fibre
	≥ 30% TENCEL™ Modal Luxe fibre
 Feels so right	≥ 30% TENCEL™ Modal fibre
	≥ 26% ECOVERO™ viscose fibre
	≥ 30% NAIA™ acetate fibre
	≥ 30% NAIA™ Renew acetate fibre
 It feels so precious.	≥ 30% BEMBERG™ cupro fibre.
	≥ 20% PINAYARN® pineapple leaf fibre.
	≥ 50% European-origin flax fibre.
	≥ 5% RWS-certified wool.
	≥ 30% viscose made with CIRCULOSE™
	≥ 30% FSC®-certified fibres

Carbon Footprint

To calculate GHG emissions, the method used was based on applying specific emission factors (EFs) to Riopelle's activity data. Activity data for the 2025 calendar and fiscal year was considered. Wherever possible and relevant, and when the information source was available, the different GHGs identified by the Kyoto Protocol were considered, namely: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulfur hexafluoride (SF₆). For each GHG, the respective Global Warming Potential (GWP) was considered, as stipulated by the IPCC. GWPs are applied to different GHGs to convert the total quantity of each GHG into a common unit of measurement, carbon dioxide equivalent (CO₂e). The CO₂e unit consolidates and expresses the total quantity of GHG emissions.

Primary EFs provided by Riopelle's suppliers were used wherever possible. In their absence, EFs from national sources were prioritised, namely the

Portuguese Environment Agency (APA), the Directorate-General for Energy and Geology (DGEG), and the Intensive Energy Consumption Management System (SGCIE). Where necessary, EFs from other reliable sources were used, namely the IPCC, the Environmental Protection Agency (EPA, USA), the Department for Environment, Food and Rural Affairs (DEFRA, United Kingdom), the Ellen MacArthur Foundation (EMF), or scientific articles published in reputable sources.

The Carbon Footprint calculation covered direct GHG emissions (Scope 1), occurring from sources owned or controlled by the company; indirect GHG emissions (Scope 2), from the generation or purchase of electricity, heat and steam by the company; and other indirect GHG emissions (Scope 3), related to Riopelle's value chain (upstream and downstream). For Scope 1 and 2 emissions, the operational-control approach to emissions consolidation was adopted.

Turnover rate

Articles (fabrics) are classified according to the responsible raw materials they use, following these rules:

$$\text{Turnover rate} = \frac{\text{total number of departures}}{\text{average number of employees}}$$

Rate of Work-Related Accidents with Serious Consequences

The rate was calculated using the following formula:

$$\text{Rate of serious accidents} = \frac{\text{number of serious work-related accidents}}{\text{total number of hours worked}} \times 1,000,000$$

Rate of Work-Related Accidents with Mandatory Reporting

The rate was calculated using the following formula:

$$\text{Rate of reported accidents} = \frac{\text{nº of serious work-related accidents with mandatory reporting}}{\text{total number of hours worked}} \times 1,000,000$$



Rispele
1927