

olmac

CLOTHING COMPANY

SUSTAINABILITY REPORT / 2021



Introduction

This Sustainability Report is a commitment we have by demonstrating the results of our economic, environmental, and social performance to all OLMAC's stakeholders

The years 2020 and 2021 were particularly difficult, given the impact of the COVID-19 pandemic and the unpredictability and impact on sales, particularly exports.

OLMAC, considering all adversities, has always kept working, trying to meet the needs of its customers and relevant stakeholders.

Characterization of the Company

Historical synthesis

OLMAC has been in the market for more than 35 years. Today, it has about 115 employees, and produces around 800,000 garments per year. OLMAC produces a wide range of products: from technical textile garments (e.g., Polyamide, polyester, Dri-release, Coolmax, Outlast, laminates, 100% wool and others) to conventional textile garments (e.g., 100% cotton, natural fibre blends), sustainable (recycled, organic) in all kinds of quality and structure.

Specializing in private label production, the development of OLMAC products goes much beyond what is requested by its clients. OLMAC understands market requirements when it comes to quality and service. As a result, it is focused on constantly improving its products.

Main Markets

Germany

Austria

Spain

Italy

Finland

France

Ireland

Norway

United Kingdom

Sweden

Switzerland

United States

Mission, Vision, and Values

MISSION

OLMAC - Olímpio Miranda, LDA., in addition to its primary function, which is economic growth, also considers important the socio-cultural development of its employees along with their growing personal and professional fulfilment.

The company also strikes for the loyalty from its clients by satisfying their requirements.

VISION

OLMAC - Olímpio Miranda, LDA., proposes in the short term, to consolidate and develop its traditional market, internally and externally; maintaining a market leadership position by paying close attention to the technological evolution and to new marketing systems (by selling products that doesn't produce, non-traditional to the company).

VALUES

Employees

Our employees are our strength. Teamwork and everyone's commitment to Quality make any obstacles surmountable.

Products

Our products are our image abroad. It is up to everyone to make an effort to continuously improve its Quality.

Benefits

The benefits for Clients are the measure of the efficiency with which we satisfy their needs. The benefits of our clients are our own benefits, since the survival and prosperity of the Company are depending from the satisfaction of our Clients.

Objectives

Quality is our first objective. Continuously improving quality and increasing Client satisfaction is the factors key for success.

Certifications

In an increasingly competitive and global market, OLMAC considers that must meet the needs of its clients, which is has invested in the following Certifications:

Company Certifications

ISO 9001:2015

Quality standards have evolved over time, effectively becoming a management tool and companies have obtained great benefits from their application, through the reorganization and structuring of Processes that, when properly implemented, can generate cost savings and efficiency gains.

Today, ISO 9001 is essential to show that OLMAC is concerned with the quality of its processes and, consequently, of its product or service, meeting the needs of interested parties, in particular the satisfaction of Customer requirements and statutory and regulatory applicable requirements.



Other benefits of implementation and certification according to this normative reference are:

- Systematize and improve the Organization's performance;
- Increase the ability to provide products consistent with the required requirements;
- Directing OLMAC's focus on increasing customer satisfaction;
- Build loyalty and capture new customers;
- Implementing actions to deal with risks and opportunities.

The entire standard is based on the principles of Quality Management and the *PDCA/PDSA*, which support OLMAC's continuous improvement.

Quality Management Principles

PDCA/PDSA (PLAN, ACT, CHECK, DO) Cycle

- Customer Focus
- Leadership
- Engagement of People
- Process Approach
- Improvement
- Evidence-based decision making
- Relationship management (specially Employees, Clients, Suppliers, etc.)

STeP by OEKO-TEX®

The STeP by OEKO-TEX® Certification covers and analyses all important areas of the company, ensuring good sustainability practices in the 6 modules that are part of it:

1. Chemicals Management
2. Environmental performance
3. Environmental Management
4. Social responsibility
5. Quality Management
6. Protection of health and safety at work



The objective of STeP certification is the implementation and continuous improvement of more ecological production processes, improving social working conditions and ensuring health and safety conditions for its Employees.

STeP contributes to the continuous improvement of our production processes as it allows a better understanding of our working conditions, in the different comprehensive areas and in this way we can achieve an efficient use of resources, implementing good sustainability practices and creating a basis for improving our competitiveness. This Certification covers 3 levels of certification, level 3 being the highest and was obtained by OLMAC, demonstrating good sustainability practices).

Product Certifications

Product certification proves that a product's compliance with specified requirements has been demonstrated, in an impartial and credible manner.

OLMAC has chosen to implement the following certifications:

- STANDARD 100 by OEKO-TEX®
- GOTS - Global Organic Textile Standard
- GRS – Global Recycled Standard

These certifications, in particular GRS and GOTS, meet the requirements of customers who are increasingly looking for sustainable products, and for OLMAC can become a differentiating factor.

STANDARD 100 by OEKO-TEX®

STANDARD 100 by OEKO-TEX® is one of the best-known labels in the world for textile products tested for the presence of harmful substances. It means trust for the customer and high product security. If a textile article has the STANDARD 100 by OEKO-TEX® label, you can be sure that all the components of this article, that is, from raw materials to accessories, have been tested for the presence of harmful substances and that it is harmless in terms of human ecological.



GOTS - Global Organic Textile Standard

The purpose of the GOTS standard is to define globally recognized requirements that guarantee organic “status” to textiles, and covers the entire production process, from the harvest of raw materials, through production until the finished product (including labelling).

This certification also ensures that OLMAC is environmentally and socially responsible, thus providing credibility to the final consumer.



CU1003870

GRS - Global Recycled Standard GRS

The Global Recycled Standard (GRS) is an international and voluntary certification. The aim of the GRS is to increase the use of recycled materials in products and to reduce/eliminate the damage caused by their production, as well as to reduce the harmful impact of production processes on people and the environment. Like the GOTS it covers the entire chain of responsibility including, social, environmental practices and chemical restrictions and ensuring that the materials in the final product are actually recycled and processed more sustainably.



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Strategy

OLMAC, based on the various certifications, intends to create and intensify its relationship with the Stakeholders of the organization, namely:

STAKEHOLDER	REASON / INTEREST FOR THE MANAGEMENT SYSTEM	NEEDS / REQUIREMENTS AND EXPECTATIONS
CLIENTS	Send orders and are recipients of products/services Present new orders and possibilities for new products Commitment and compliance from the company with regard to its legal and regulatory requirements	Meeting deadlines, agreed prices; Delivery of products in accordance with requested requirements and applicable legal and regulatory requirements; Presentation of new products; Quick response to requests; Quality in the service provided - good service; National and international legal commitment - labour law, health and safety of workers - image recognition as a socially responsible company
EXTERNAL SUPPLIERS	INFORMATION SYSTEMS/ICT SERVICE PROVIDERS: They provide work tools that facilitate and streamline the SG and provide the necessary support for the development of IT solutions tailored to our needs.	Receive for the service provided within the agreed time and price; Have employees with some knowledge to ensure the permanent maintenance of information and communication technologies; Service continuity.
	SUPPLIERS OF RAW MATERIALS, ACCESSORIES AND SUBCONTRACTING SERVICES: They supply raw materials, materials, and services for the realization of the product/service - within the foreseen deadlines, in the defined quality to fulfil the mission, Presentation of new sustainable materials. An integral part of the Olímpio Miranda production chain, with an impact on the chain of responsibility	Receive for the material/service provided within the agreed time and prices; Have standing orders, creating a relationship of trust with customers; Service continuity;
	SUPPLIERS OF EQUIPMENT / CORRECTIVE MAINTENANCE SERVICES: They guarantee the permanent operation of the equipment. Troubleshooting complex faults	Receive for the service provided within the agreed time and price; Service continuity
	OCCUPATIONAL HEALTH AND SAFETY AND MEDICINE SERVICE PROVIDERS: Facilitating element in the fulfilment of legal obligations on safety and health at work.	Receive for the service provided within the agreed time and price; Service continuity
	BANKING SERVICE PROVIDERS: Facilitating element of banking and customs transactions, guaranteeing economic resources for the company's core activities	Receive for the service provided/commissions and others; Service continuity

EMPLOYEES	They are the workforce to fulfil the company's mission, as well as precursors/participants in improvement, as well as direct actors in social responsibility activities.	They receive their salary / they have rights and duties towards the employer / They are recognized for their work - personal recognition; They attend professional training / They are informed about their performance and the section where they work to promote continuous improvement / They have health and safety conditions at work that are appropriate for the function performed
COMPETITION	Change and innovation drivers in the organization	Emergency situation management Minimize environmental impacts and other risks positive relationship Organization image
STATE	Defines obligations that may impact our products and activities	Compliance with legal requirements by OLMAC Safety and health initiatives Working conditions / well-being and safety of employees
SHAREHOLDERS	Market analysis	Maintain OLMAC's smooth functioning and sustainability
TEXTILE AND APPAREL SECTOR ASSOCIATION - ATP	They keep constantly updated information and legislation for our activity - labour law, OSH, Environmental, tax and products	Maintain a partnership relationship and continuity of service/loyalty.
COMMUNITY	Maintain cordial relations with the community	Job creation
FIRE FIGHTERS / SCHOOLS / IPSS	They are part of the social component of the company	They take advantage of the company's donations and social contribution to improve the operating conditions of institutions/users
ASSOCIATIONS / COMPETENCE CENTERS	UNION STRUCTURES: Defend the interests of workers in labour law	Ensuring that the company maintains the legal labour compliance of its workers
	REGULATORY ENTITIES IN MATTERS OF THE ENVIRONMENT AND HEALTH AND SAFETY AT WORK (Portuguese Association of the Environment and Authority for Working Conditions): Publication of guidelines / clarification notes / mandatory actions on specific environmental and OSH themes	Ensuring that the company maintains legal compliance in OSH and environmental matters
CERTIFYING BODIES / AUDITORS	Ensuring compliance with the requirements of certifications implemented at OLMAC	Maintain certification / service continuity; Be informed of changes that may occur in the organization and contribute to the improvement of the company's performance. Contribute positively to the organization and its processes;

Therefore, OLMAC undertakes to ensure its commitment to:

- Customer satisfaction;
- Creation and maintenance of sustainable partnerships with suppliers;
- Professional and personal appreciation of its employees;
- Responsibility in health and safety at work;
- Social responsibility;
- Environmental responsibility.

Human Resources

Human strength is a fundamental factor for the sustainability and success of OLMAC
 All the company's Employees are permanent, with no fixed-term contracts or temporary work.
 The average age of Employees is 49 years.

Nº Employees	Men	19	
	Women	100	
Hiring	100% Contract without term		
Years old	< 30	1 Man	10 Women
	30 - 50	9 Men	42 Women
	> 50	9 Men	48 Women

We consider the know-how of our Employees to be fundamental and, although we are renewing our Human capital, we are also retaining Employees who demonstrate great knowledge resulting from their seniority at OLMAC

Antiqueness (years)	No. of Employees	
	Men	Women
> 40	1	0
from 30 to 40	2	24
from 20 to 30	6	37
from 10 to 20	3	11
from 5 to 10	3	15
< 5	4	13
Σ	19	100

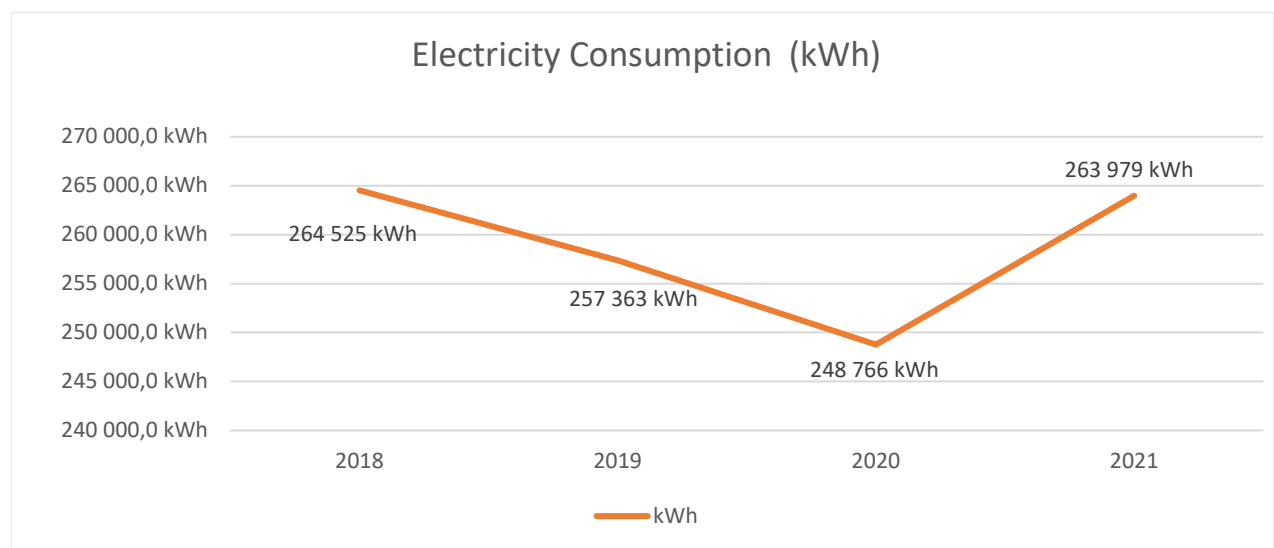
Performance Indicators

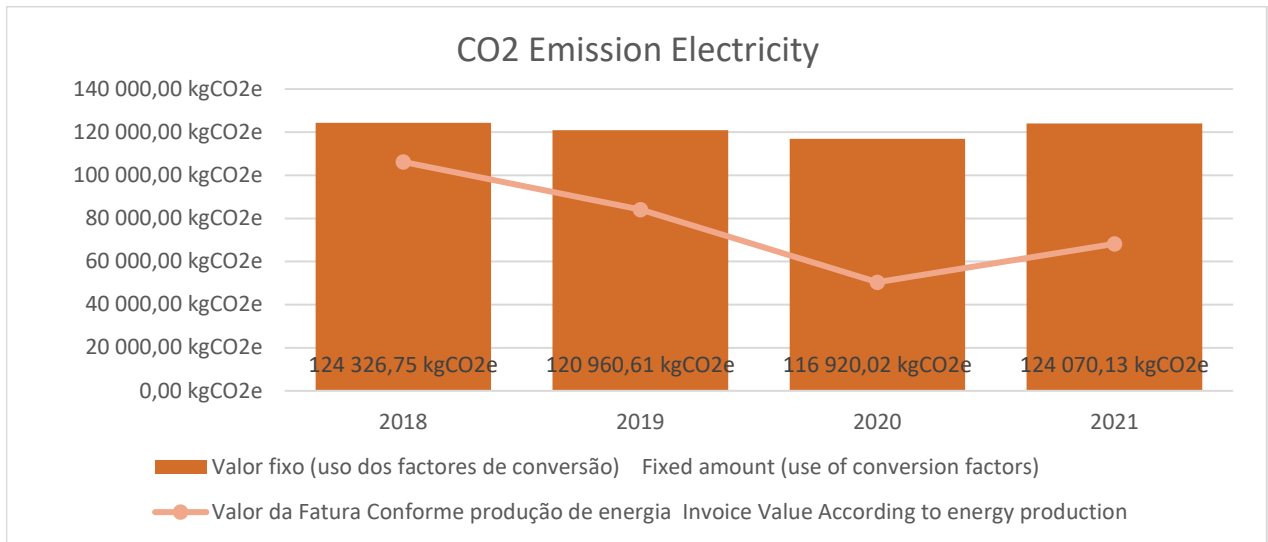
Environmental

As OLMAC is OEKO-TEX® STeP Certified, one of the key factors contributing to this certification are those that have an environmental impact, and also affect the future of new generations.

As we see in terms of environmental impact, our carbon footprint had a significant reduction from 2018 to 2021.

CO₂EmissionElectricity	2018	2019	2020	2021
kWh	264.525 kWh	257.363 kWh	248.766 kWh	263.979 kWh
Tep	56,87 tep	55,33 tep	53,48 tep	56,76 tep
Fixed amount (use of conversion factors)	124.326,75 kgCO ₂ e	120.960,61 kgCO ₂ e	116.920,02 kgCO ₂ e	124.070,13 kgCO ₂ e
Invoice Value <u>According to energy production</u>	106.195,80 kgCO ₂ e	84.037,27 kgCO ₂ e	50.406,90 kgCO ₂ e	68.269,83 kgCO ₂ e





In terms of fuel, we have also reduced our emissions and will tend to seek to replace existing vehicles with electric vehicles.

CO₂ Diesel Emission	2018	2019	2020	2021
Estimated value based on consumption	17.467 l	16.701 l	13.744 l	16 887 l
Value (ton)	14,59 ton	13,95 ton	11,48 ton	14,10 ton
Value (tep)	15,08 tep	14,42 tep	11,87 tep	14,58 tep
CO ₂ Emission _{Diesel} kgCO ₂ e	46.724,16 kgCO ₂ e	44.674,64 kgCO ₂ e	36.764,39 kgCO ₂ e	45 171,96 kgCO ₂ e

CO₂ Petrol Emission	2018	2019	2020	2021
Estimated value based on consumption	0 l	267 l	675 l	568 l
Value (ton)	0,00 ton	0,20 ton	0,51 ton	0,43 ton
Value (tep)	0,00 tep	0,21 tep	0,54 tep	0,46 tep
CO ₂ Emission _{Petrol} kgCO ₂ e	0,00 kgCO ₂ e	665,83 kgCO ₂ e	1.686,03 kgCO ₂ e	1 418,92 kgCO ₂ e

CO₂ Gas Emission	2018	2019	2020	2021
Value (ton)	10,86 ton	11,84 ton	11,91 ton	19,78 ton
Value (tep)	12,27 tep	13,38 tep	13,46 tep	22,35 tep
CO ₂ Emission _{Gas} kgCO ₂ e	32.577,00 kgCO ₂ e	35.529,00 kgCO ₂ e	35.724,00 kgCO ₂ e	30 330,00 kgCO ₂ e

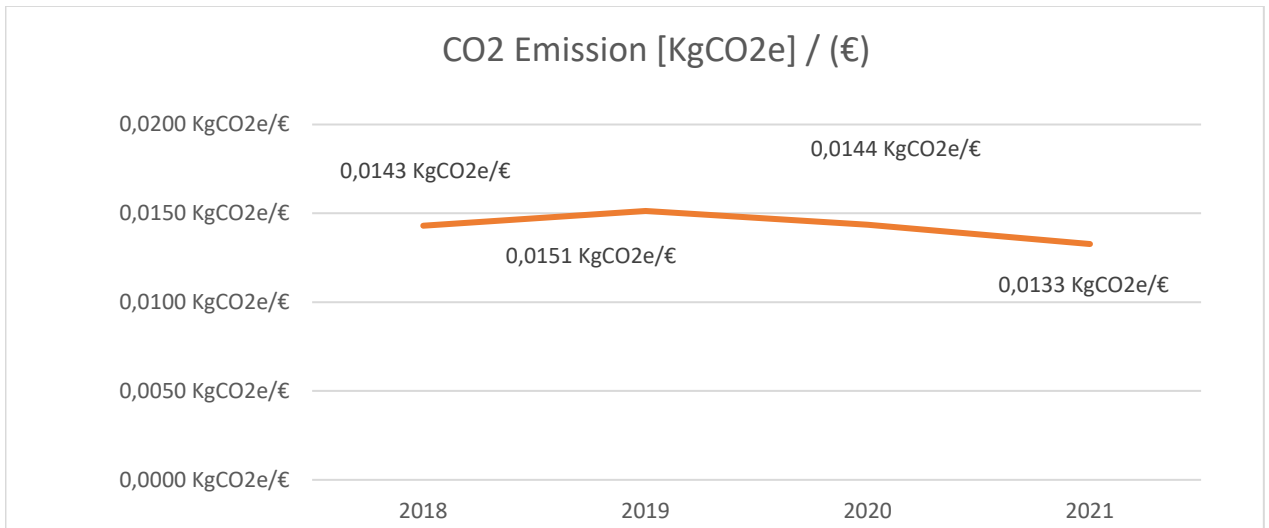
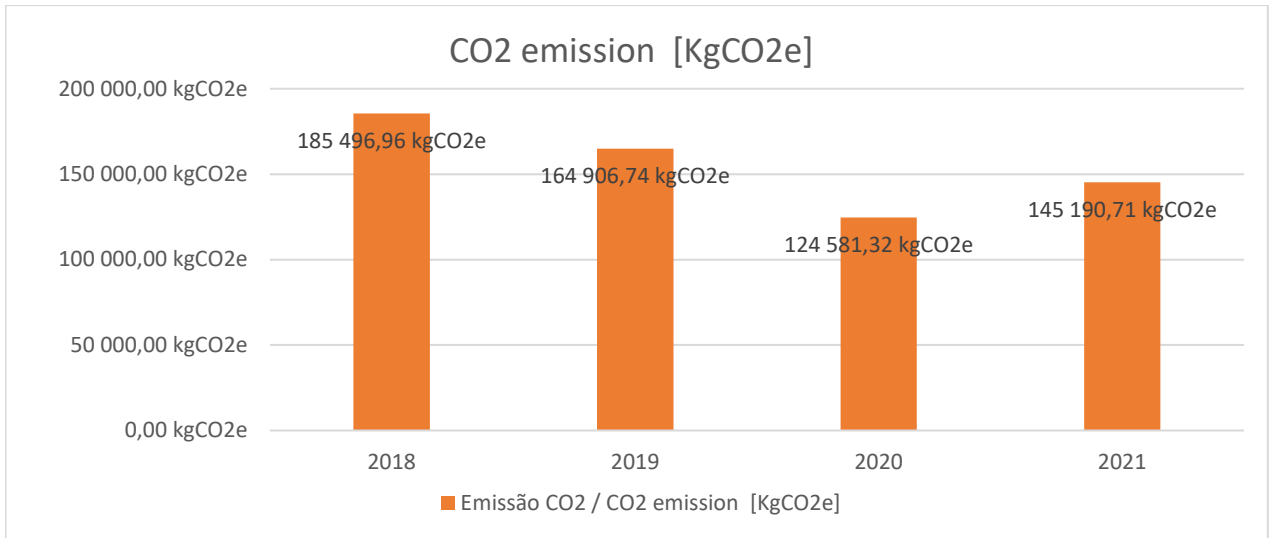
The results presented below, relating to renewable energies, were taken from electricity invoices, considering the way in which it was produced.

In the medium term we are thinking of installing photovoltaic panels to obtain more environmentally friendly energy as well as reducing electricity consumption.

Renewable Energy	2018	2019	2020	2021
Wind	15,0%	18,3%	25,6%	6,1%
Renewable Cogeneration	3,8%	3,6%	3,4%	7,2%
Water Energy	15,8%	20,3%	21,5%	13,1%
Other Renewables	2,5%	5,6%	9,2%	12,1%
Global Annual Average	37,1%	47,8%	59,7%	38,5%

* ACCORDING TO ELECTRICITY INVOICE

TOTAL CO₂emission	2018	2019	2020	2021
Value (tep)	84,22 tep	83,35 tep	79,35 tep	94,14 tep
kgCO ₂ e	185.496,96 kgCO ₂ e	164.906,74 kgCO ₂ e	124.581,32 kgCO ₂ e	145 190,71 kgCO ₂ e
Specific Consumption				
CO ₂ Emission [KgCO ₂ e]	185.496,96 kgCO ₂ e	164.906,74 kgCO ₂ e	124.581,32 kgCO ₂ e	145 190,71 kgCO ₂ e



Waste Treatment

OLMAC promotes the segregation and collection of waste throughout the entire production process. These wastes are forwarded to waste management entities that carry out the proper treatment; reuse and recycling of materials, thus contributing to the reduction of environmental contamination.

One of the measures initiated in 2020 was the routing of meshes of certain specific fibers for the production of recycled yarns, promoting the circular economy.



Waste Management				
LER Code	Description	2019	2020	2021
04 02 21	Unprocessed Textile Fibers Waste	14,22 ton	0	0
04 02 22	Processed Textile Fibers Waste	32,2 ton	41,02 ton	48,216 ton
13 02 08*	Other Engine, Transmission and Lubrification Oils	0,089 ton		
15 01 01	Packs Made of Paper and Carton	15,39 ton	13,65 ton	19,9 ton
15 01 02	Plastic	2,93 ton	2,647 ton	3,352 ton
15 01 06	Packaging Mixture (Measurement unit not applicable)	1,74	1,96	
16 02 13*	Unused Equipment Containing Hazardous Components (PCs, Monitors, ...)	0,1 kg		
20 01 21*	Fluorescent Lamps	0	0,028 ton	0,0066 ton
20 01 40	Scrap Metals	0,6 ton		
20 03 01	Mixture of Equivalent Urban Waste	0,28 ton	0,12 ton	
	Total waste	67,55 ton	59,43 ton	71,47 ton
	Variation	-	-12,0%	+20.3%
<i>Notes:</i> <i>*Hazardous Waste</i> <i>Increase in waste is due to increase in production volume in 2021</i>				

We are committed to the acquisition of electric vehicles and the installation of a charging system for these vehicles.

In this way, we seek to minimize consumption and fossil fuels.

Conclusion or final grade from Top Management

At Olímpio Miranda, Lda we strive for a more sustainable future.

Sustainable living must in fact be adopted at home, at work and at school, we believe that sustainability should be in our mind at every decision making. We can only expect a brighter future if we care and act with these principles, at Olímpio Miranda, Lda we do our part on sustainable and we urge that our employees and stakeholders do the same.

Restriction on the use of our report

This Report is issued exclusively for the information of the Top Management of Olímpio Miranda, Lda and to make known some of its sustainability results in 2021, so it cannot be used for any other purpose.

We do not accept or assume any liability arising from the use of this Report.