

Sustainability Report 2023





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Chapter 1

GENERAL MANAGER LETTER



Chapter 1

General Manager Letter



Dear readers:

Every day, at Textiles Camones, we work with dedication to integrate sustainability in our business model. We do this with passion, creativity, humbleness and the necessary efficiency, responding to the sense of urgency required by the global challenges. We are aware that we are in a transformation journey that demands significant changes in the way we work. This cross-cutting and comprehensive path is reflected in both, our internal operations and our cooperation along the value chain. Our mission is to be a globally sustainable company, committed to improve the world we live in.

In that sense, we are proud to report that in 2023, we accomplished an important milestone in our corporate mission: we became a BIC Company (Benefit and Collective Interest Companies).

In addition, I am pleased to inform we received the B certification given by B Lab. This certificate set us apart as a company that not just meet, but exceeds the social and environmental performance standards, responsibility and transparency.

In the economic area, it was a challenging 2023. The demand recovery was delayed until the last quarter of the year, which turned out in a reduction of our sales. We experienced an important reduction of our fabric's sale, both, at the international and local market, and we also experienced a reduction in garments export.

In this context, we continue implementing our Inventory Reduction and Raw Material Policy. This strategy had as an objective to prepare us for a potential market recovery cycle, which allowed us to maintain competitive costs and to improve our financial position. Despite all these difficulties, this policy not only allowed us to reduce the inventory levels and to optimize rotation, but also to improve our liquidity and to reduce our corporate debt.

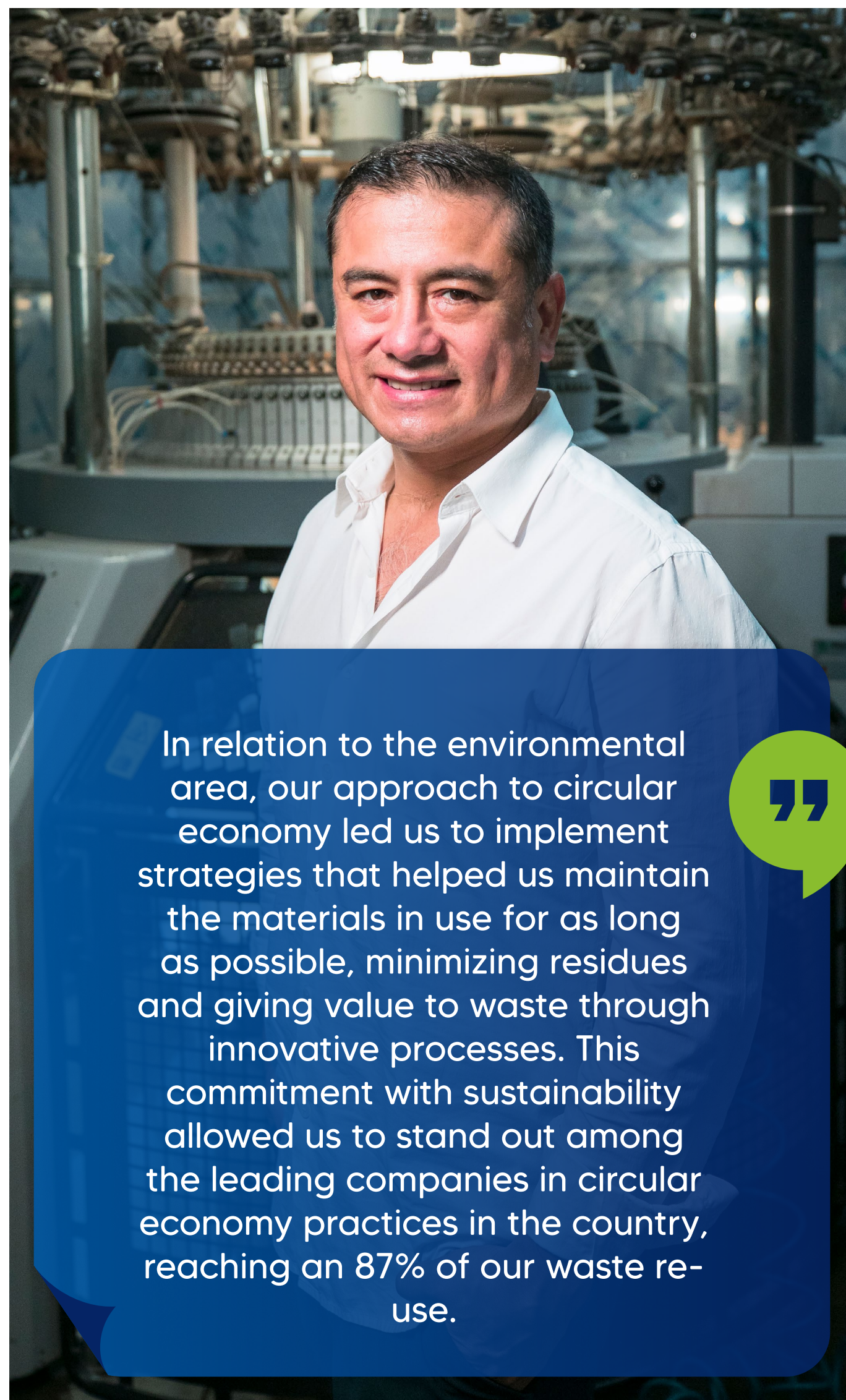
In relation to the environmental area, our approach to circular economy led us to implement strategies that helped us maintain the materials in use for as long as possible, minimizing residues and giving value to waste through innovative processes. This commitment with sustainability allowed us to stand out among the leading companies in circular economy practices in the country, reaching an 87% of our waste re-use.



Carlos Camones

General Manager





Also, we are proud to announce the launching of our BE GREEN line, a collection of products that represent our commitment to sustainability and innovation. This new line uses recycled and sustainable materials, such as polycotton and lyocell, and it is produced with processes that minimize the use of natural resources and waste generation.

Furthermore, in our constant search to improve our sustainable practices, we actively participate in the Zonas Industriales Sostenibles Project (ZIS Peru), successfully completing the co-financing of this project that promotes sustainability in industrial zones.

Also, we have started the electric power generation with solar panels in our facilities, a measure that reinforces our commitment to renewable energy. To complement these initiatives, we implemented a Digital Power Management System, which allows us to optimize our energy consumption and to significantly reduce our carbon footprint.

In the social area, our commitment was reflected in a variety of programs to improve the life quality of the communities where we have operations. We implemented initiatives such as the Potencia tu Talento Program, where we trained citizens from Puente Piedra so they can perform within the job market as qualified labor, as tailors; and we also had female empowering programs that have significantly increased women participation. We also addressed education and wellbeing through the Escuela para Padres and the Conectatex Program that promoted personal and professional development. We also participated in community projects and donations, supporting therapies for patients with burns and supporting nonprofit organizations.

Last, but not least, we recognize our employees are the main pillar of our company. Their dedication, talent and commitment are fundamental to reach our goals and to remain at the forefront of the textile industry. We are proud to be recognized as one of the Best Places to WorkTM by Great Place to Work. This

recognition proves our continuous effort to create an inclusive, safe and motivating work environment, where every member of our team feels valued and supported. The satisfaction and wellbeing of our employees not only contribute to a positive work environment, but also boost our capacity to innovate and continuously improve, strengthening our commitment to excellence and sustainability.

For the future, we feel inspired by our achievements and the positive impact we generate. We will continue developing sustainable and innovative initiatives that reflect our strong commitment to our clients, employees and society. Always guided by the shared vision to improve the world through sustainability, we will continue moving forward with determination. We invite you to learn more about our efforts and achievements in our third sustainability report corresponding to the 2023 period, prepared according to the Global Reporting Initiative Standards (GRI). In this report, we detail our economic, social and environmental performance, highlighting our path to a more sustainable future.

Sincerely,

GRI 2-22

Carlos Camones
General Manager

Chapter 2

ASG RESULTS



ASG Results

We achieved textile recertifications:



Be Green

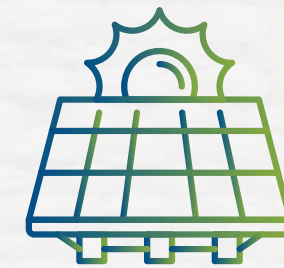
 By Textiles Camones

Launched our sustainable line BE GREEN, using

38,315.5 kg of recycled poly-cotton and

44,569.4 kg of sustainable lyocell

 in our production.



Installed

solar panels

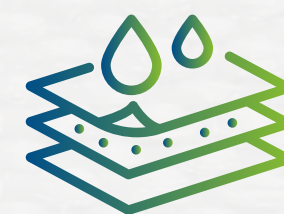
at our plant, starting the generation of electricity from renewable sources.



Implemented a

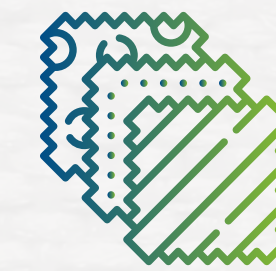
Digital Energy Management System and water, steam, and energy meters in key processes,

optimizing resources and reducing our carbon footprint.



Began testing a new dyeing equipment that reduces water consumption by

20%.



Produced fabrics using natural pigments, reformulating the use of components with

75%

bio dye on cotton and only

25%

synthetic components.



Reused

87%

of our waste, positioning ourselves as one of the Transforming Companies, thanks to our focus on the circular economy.

ASG Results



Trained

80 people,

promoting 53 as sewing machinists through the **Potencia tu Talento Program..**



Strengthened female inclusion by

15%,

increasing their participation in essential areas like Quality Assurance, Manufacturing, and more, demonstrating our commitment to diversity.



Recertified socio-environmental audits of Inditex on platforms like **GATEWAY** and **ZDHC**.



Donated

16.34 tons

of electronic device waste and paper to fund therapies for patients with second and third-degree burns to ANIQUEM, and 1 ton of PET bottles to Aldeas Infantiles



Achieved sales of

USD 74 million

with a gross margin of 21%, signifying strong profitability and market position.



Reduced inventory levels by

36%

significantly optimizing space and resources.



Improved operational efficiency with a

13%

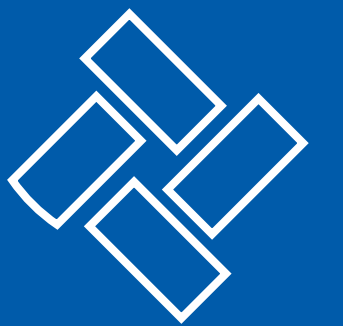
improvement in inventory turnover.



Significantly reduced the generation of balances in textile and manufacturing processes.

Chapter 3

GET TO KNOW TEXTILES CAMONES



Chapter 3

Get To Know Textiles Camones

3.1. Sustainability Milestones

1995

Foundation of Textiles Camones SA.



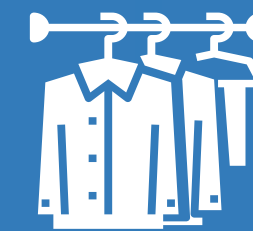
1997

Opening of the Knitting Plant at Los Olivos headquarters.



2000

- Purchase of land in Puente Piedra.
- Start of garment manufacturing operations at Los Olivos Plant.



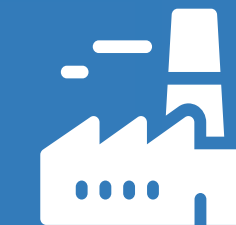
1998

Start of textile exports to regional markets in Bolivia and Chile.



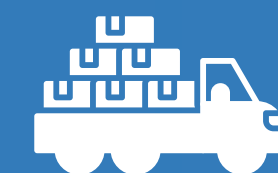
2003

Start of construction of Puente Piedra Plant.



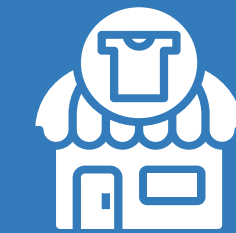
2005

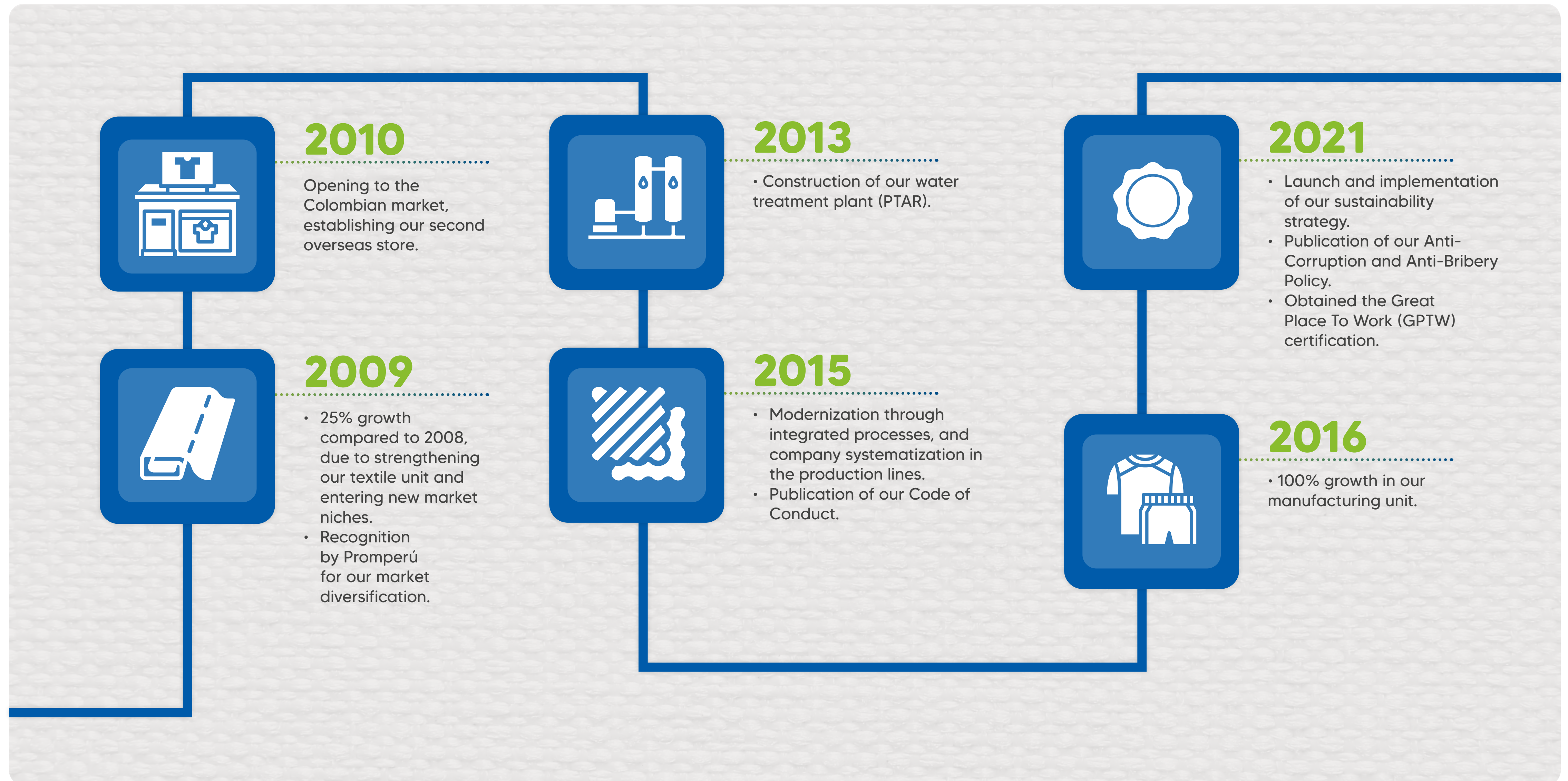
Move to the new Puente Piedra Plant.



2007

Entry into the Venezuelan market, with our first overseas store.







2022

- ISO 9001 and ISO 14001 certification obtained.
- Carbon neutrality certificate obtained based on ISO 14064 standard.
- Received our first and second star from MINAM for measuring and verifying our carbon footprint in 2021.
- Received the Socially Responsible Company distinction for performance in sustainability in 2021.
- Recertified in GPTW and obtained the Sustainable Management Company distinction (EGS).
- Publication of our first Sustainability Report.



2023


- Conversion into a BIC Society (Society of Benefit and Collective Interest).
- B certification granted by B Lab, making us a B company.
- Signed a Clean Production Agreement (APL) with the Ministry of the Environment (MINAM).
- Received our first and second star from MINAM for measuring and verifying our carbon footprint in 2022.
- Received special recognition "MAJOR PROGRESS" for achieving the greatest increase in satisfaction in our 2022 climate survey compared to 2021, with a 10% increase.
- Achieved 13th place in Great Place To Work (GPTW) Women for programs focused on promoting female talent.
- Achieved 4th place in Great Place To Work (GPTW) Production & Operations for programs directed at plant employees.
- Achieved 17th place in Great Place To Work (GPTW) in Equity, Diversity, and Inclusion for programs promoting respect and equality of opportunities.
- Achieved 3rd place in Great Place To Work (GPTW) for programs that motivate and work in caring for the environment.
- Participation in the Zonas Industriales Sostenibles Project (ZIS Peru), achieving co-financing for the project.
- Recertification of quality in inputs and production processes through GOTS, OEKO-TEX STANDARD 100, RCS, and GRS.
- Compliance with Inditex standards on various platforms, including GATEWAY and ZDHC.
- Publication of our second Sustainability Report.
- Launched our BE GREEN line produced with sustainable inputs.
- Obtained the Sustainable Management Company distinction (EGS) for performance in sustainability in 2022.

3.2. Our Company

In 1995, Textiles Camones was born, a leader family company in the textile sector. Since our foundation up to date, we specialize in the manufacturing of fabrics and knitted garments, exporting them to demanding markets all over the world. We have a modern production plant in the district of Puente Piedra, intended to cover all of our business lines.

In 2021, we started our path to sustainability, taking into consideration all the environmental, social and economic effects related to society. That is why, we implemented a formal sustainability strategy that covers all of our operations, based on 6 business sustainability pillars: Climate Change, Sustainable Management, Eco-design, Circular Economy, Shared Value and Human Talent Management. Also including that are employees are aligned and committed to our business values.

Since 2023 we became a Benefit and Collective Interest Companies (BIC Company)¹, based on the Law N°31072, which support our commitment, to generate a positive impact, integrating to our economic activity, the achievement of our social and environmental benefit purpose to the main axes of our business.

¹ A company that decides to be a BIC Company creates or redefines its business model with a triple impact purpose, it includes voluntarily activities oriented to the achievement of a positive impact or reduction of a negative impact for the society and the environment aligned to their raison d'être as a company. (Fuente: <https://sociedadesbic.produce.gob.pe/>) 



Likewise, we became a B company, we obtained the B certification provided by the non-profit organization B Lab. This recognition rates us as agents of change in our economy, protecting the mission and enhancing the triple impact in our society. Therefore, we comply with high standards of social impact, environment and legal governance, guarantying transparency in our internal and external activities.

It is important to point out that we currently have 3 business units: Local Fabric, Export Fabric and Export Garment. Our production is divided in 2 main areas, the manufacture of knitted fabrics and the manufacture of garments, the latter on behalf of recognized global brands, meeting the highest quality standards.

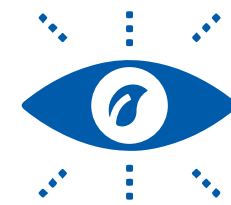
We have 2 production plants, our main plant located in Puente Piedra and our weaving plant in Los Olivos. We also have 5 retail stores in the *Emporio Comercial de Gamarra (Gamarra Commercial Emporium)*, where we commercialize our fabrics for the local market.

In relation to our products, they are innovative and high quality, given that we use raw material with international certification, state of the art machinery, and, above all, we have a human resource team with knowledge and proven experience. This combination allows us to meet our clients' needs.

GRI 2-1

GRI 2-6

Vision, Mission, and Values of Textiles Camones



Vision

To be globally recognized as a sustainable textile company.



Mission

To dress the world with innovative, high-quality, and competitively priced proposals, with social and environmental responsibility.

Integrity:

We act with honesty and respect towards our employees, customers, and society.

Sustainability:

We manage resources with a focus on social, economic, and environmental development.

Leadership:

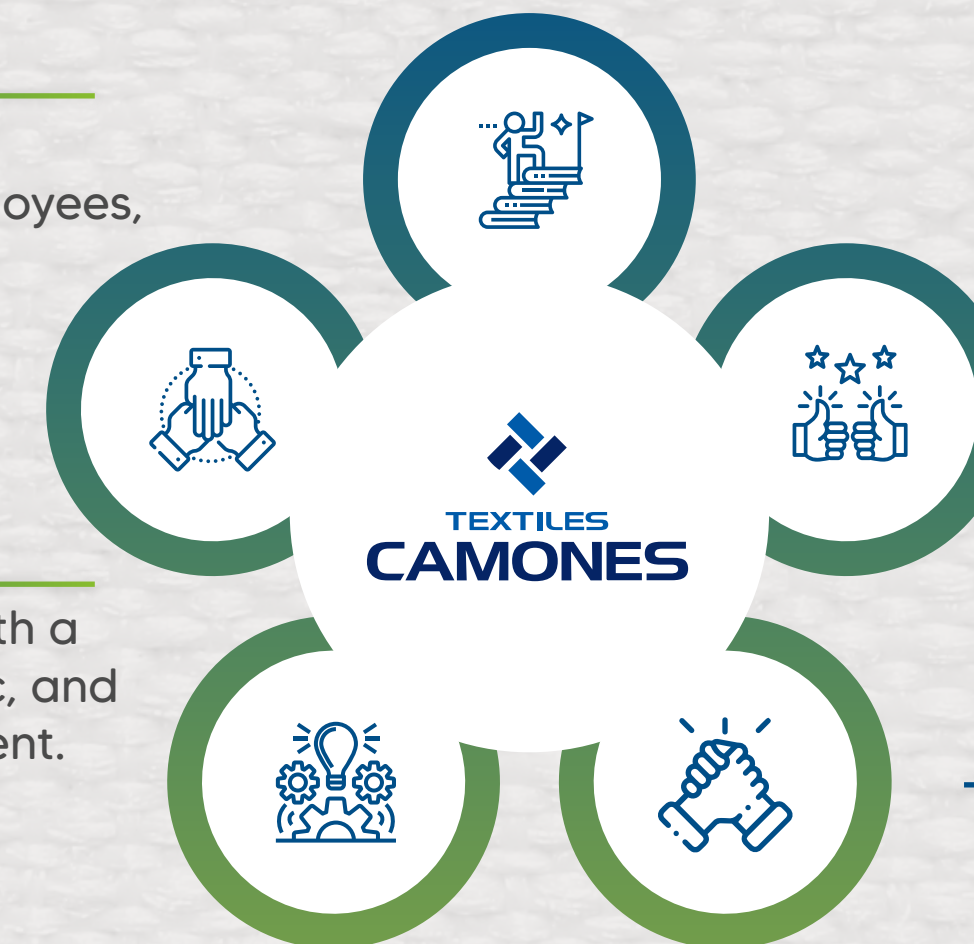
We are innovative and forward-looking.

Quality:

We exceed the demands of the global market.

Commitment:

We are passionate about results.



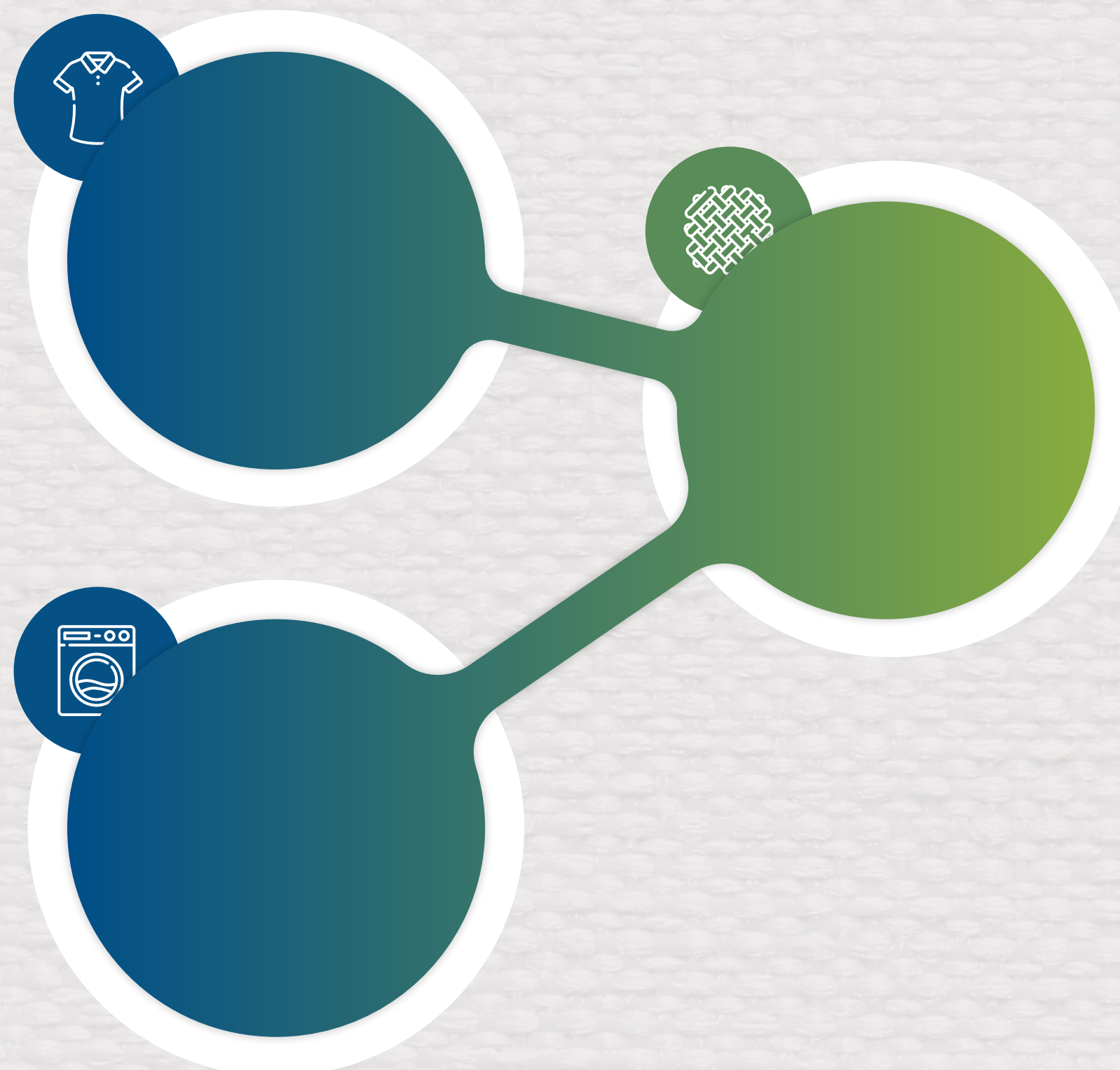
OUR PRODUCT LINES

Full Package

Manufacturing of garments for export, serving well-known global brands, producing a wide range of products such as t-shirts, polo shirts, sweatshirts, dresses, blouses, tank tops, jackets, pants, underwear, etc.

Industrial Services

- Industrial laundry
- Yarn dyeing
- Rotary fabric printing
- Digital printing
- Textile sublimation



Fabrics

Manufacturing of knitted fabrics such as jersey, piqué, rib, interlock, flannel, French terry, striped fabrics, and others. Full coverage printed and sublimated fabrics are also offered.

OUR CLIENTS



OUR ACTIVITIES

We are a company where all our productive processes are vertically integrated and are carried out in our facilities to achieve 100% efficacy and effectiveness.



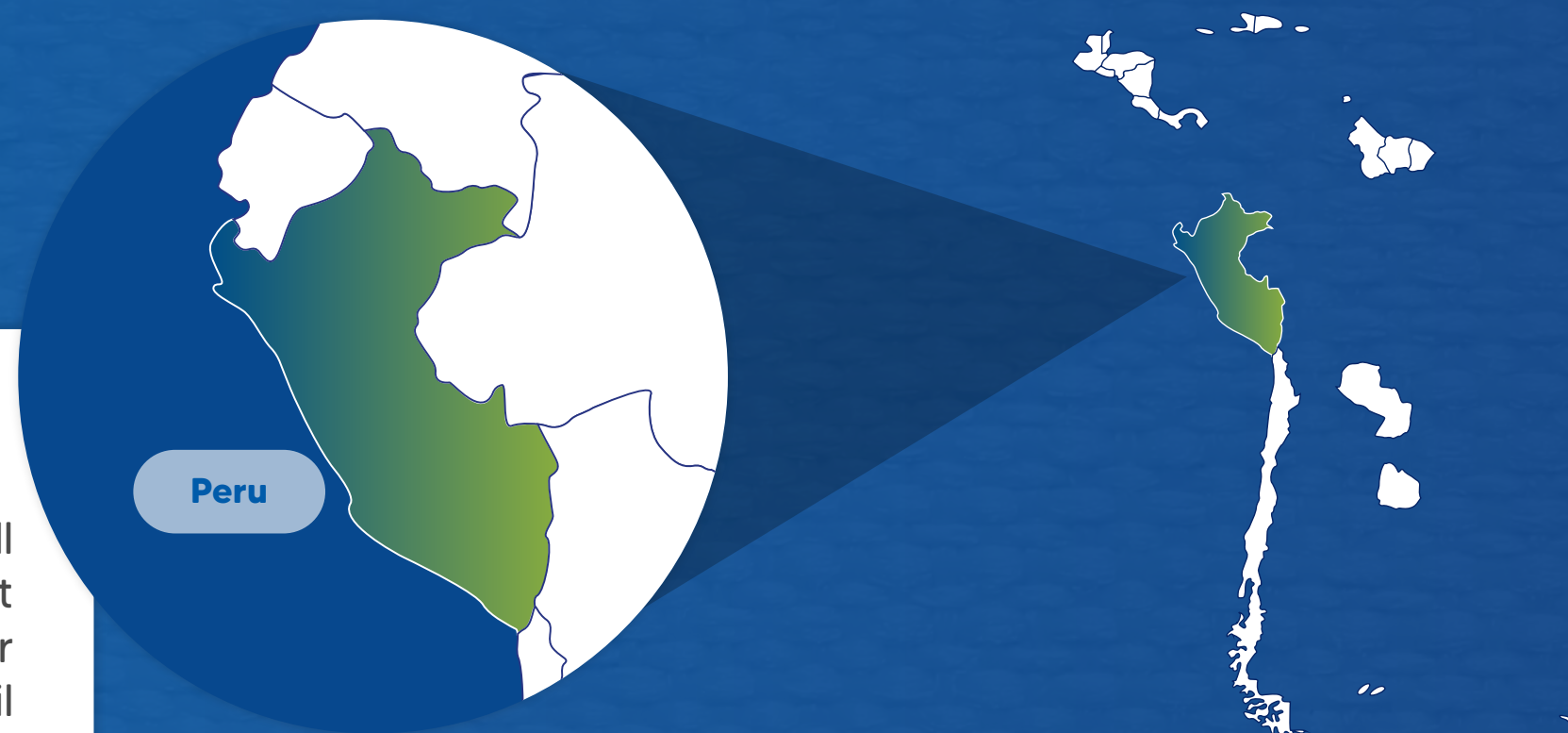
MARKETS SERVED

International Markets:

We serve the most demanding markets in the world. Among the countries we serve in the Fabrics Export Division we have: Bolivia, Ecuador, Colombia, Venezuela. In the Garment Export Division, we mainly serve Europe (Italy, Spain), United States, India, Hong Kong, China, Israel, the Philippines, Israel, the Arab Emirates, Mexico, Brazil, Colombia and Argentina.

Local market:

We have 5 retail stores to sell fabrics, addressed to garment manufacturers in Lima and all over the country, as well as fabric retail sellers.



3.3. Our recognitions and associations

Recognitions



Asociación de Ayuda al Niño Quemado (ANIQUEM)

We continue to support ANIQUEM, an association that provides aid to children who have suffered burn injuries and offers comprehensive rehabilitation. We donated a total of 16.34 t, of which 11 t were paper and 5 t were other waste. These donations enabled the provision of physical, psychological, and occupational therapies for patients surviving second and third-degree burns.

Aldeas Infantiles

We continue our support to Aldeas Infantiles, a social development organization that works to defend children's rights. In 2023, we made a significant contribution of 1 t of PET bottles to the shelter for abandoned children, which was made possible by our participation in recycling campaigns.

Tren Creando Bien

We were recognized by Tren Amazonas, ranking fourth in the indicator "quantity of returned cones," thanks to our participation in their Circular Economy program "Conos Retornables". In 2023, we returned 48,996 cones.

ZIS Peru - Development of Sustainable Industrial Zones in Peru

ZIS Peru recognized us for adopting sustainable technologies in our production processes as part of the Sustainable Industrial Zones project.

MINAM

We were recognized at the 1st Meeting of Business Leaders in Sustainability and Environmental Empathy for our commitment to the conservation of the environment and sustainable development of the country, as well as for signing the Clean Production Agreement (APL) with the Ministry of the Environment.



Perú Sostenible

We received the Empresa con Gestión Sostenible 2023 (DEGS) distinction for our good performance in environmental, social, and governance aspects.



Asociación de Exportadores (ADEX)

ADEX awarded us the prestigious Export Excellence Award in the Market Diversification category.



B Lab

We received recognition from B Lab for being part of the global community of companies that meet high standards of social and environmental impact.



PROMPERU

We were awarded as a standout part of the Export Route, receiving a prize in the category of Eco-efficient Exporting Company for the achievements made in 2023.

Recognitions



Great Places To Work (GPTW)

We received a special award in the MAJOR PROGRESS category. We were recognized because we achieved the largest increase in satisfaction in our work climate survey in 2022 compared to 2021. Our increase was 10%, a result not common in organizations.

Great Places To Work (GPTW)

We ranked 13th on the list of Best Places to Work™ for Women. GPTW Peru recognized our programs focused on women's empowerment, such as Mujeres Power TC, Libre sin Miedo, Creciendo Juntos, among others.

Great Places To Work (GPTW)

We ranked 4th on the list of Best Places to Work™ in Production & Operations. GPTW Peru highlighted our programs aimed at plant employees, such as Escuela para padres, Programa Conectatex, Tejiendo Hilos de Amor, among others.

Great Places To Work (GPTW)

We ranked 17th on the list of Best Places to Work™ in Equity, Diversity & Inclusion. GPTW Peru highlighted our programs that encourage respect, create equal opportunities, and embrace differences among employees, such as Más allá de colores, Etiquetas y Marcas, Tod@s Somos Iguales, and Programa Tejiendo Habilidades Para el Desarrollo Personal.

Great Places To Work (GPTW)

We ranked 3rd on the list of Best Places to Work™ in Sustainable Management. GPTW Peru valued our programs that motivate and work in caring for the environment, such as Guardianes del Reciclaje and Siembra un Árbol, Haz el Cambio.

Associations

GRI 2-28

Sociedad Nacional
de Industrias



Cámara de
Comercio de Lima



Asociación de
Exportadores



Perú Sostenible



3.4. Our corporate government

From the establishment of Textiles Camones in 1995, the Camones brothers perform important and key roles within the company, such as those of shareholders and directors.

The highest governing body of Textiles Camones is the Board of Directors, which is made up of 4 directors, having as president of the Board to Mr. Carlos Camones, who also holds the position of General Manager, ensuring a cohesive and strategic direction for the company.

GRI 2-9

GRI 2-11

Mr. Carlos Camones, president of the Board and General Manager, has the main responsibility to lead with commitment and leadership, covering different functions and obligations to our groups of interest. The responsibilities include communicating the importance of reaching the strategic objectives, ensuring the necessary resources and promoting continuous improvement.

To safeguard the good administration of the company and to mitigate possible conflicts of interest, Shareholder's Meetings and Board of Director's sessions are held regularly, where decisions are made with the votes of the participants. The president of the Board presents with transparency the actions taken, along with the leaders of each area, ensuring a clear and participatory governance.

In relation to our sustainability report, it is important to highlight that is reviewed and approved by the Board of Directors and the company's General Management. The information in the report is collected, prepared and reviewed by the main departments and managements of the company, according to the Global Reporting Initiative Standards (GRI). This process ensures the accuracy and integrity of the information presented, reflecting our commitment to transparency and responsibility in all of our operations.

GRI 2-14



General shareholders meeting

In the General Shareholders' Meeting, is defined, among other things, the renewal of the presidency and vice presidency of the Board of Directors, independently, through personal vote. Also, decisions are made in relation to the economic results, balance sheets, allocation of profits, approval of trips and other key matters that involve the Board of Directors and the shareholders. This process ensures a transparent and participatory governance in our organization.

GRI 2-10

Board of directors

Our Board of Directors plans the direction and strategy of the company, establishing clear objectives and goals; it also monitors and continuously evaluates the business performance to implement improvements that allow the compliance with of all the strategic objectives. The Board of Directors management is based on 3 main pillars: financial stability, sustainability and corporate governance focused on continuous improvement.

In that sense, our Board of Directors actively participates in the short and mid-term strategic planning, that includes sales plans development, production plans, budgets, the Balanced Scorecard and financial plan, among others. It is also involved annually in trainings related to environmental management, circular economy and corporate sustainability. The General Manager, also, participates in the United Business Leaders meetings organized annually by the organization *Peru Sostenible* (Sustainable Peru).

As part of the Top Management, the Board of Directors participates in the approval and review of all the management systems, including the Environmental Management System ISO 14001:2015 and the Occupational Health and Safety Management System ISO 45001:2018. These systems, together, are aligned with our direction to sustainability.

In relation to our Board of Directors evaluation, the managements that are part of the Board, are part of the evaluation of the work environment through an annual measurement system. Through the performance of this body, it guarantees the maintenance and certifications and achievements.

GRI 2-17

GRI 2-18

General management

Our Board of Directors delegates to the General Manager the responsibility to manage the economic, environmental and social impacts of Textiles Camones. This management is conducted through regular sessions of the Board of Directors. The General Manager, in turn, delegates responsibilities to managers and head of the different related departments to reach the company's strategic objectives.

For each area, our General Manager, implements a series of coordinated actions, that include email communication, weekly in person and remote meetings. He also supervises the compliance with the processes designed to address economic, environmental and social impacts, using specific indicators for its monitoring. Carrying out a monthly follow-up to assess

the effectiveness of these processes and to guarantee the compliance with the established policies.

The social and environmental aspects are directly managed by the General Management, with the support of the Environment Area and the Human Resources Department. These areas get together regularly, on-site and remotely, to discuss and address relevant topics. In relation to economic management, the General Manager and the Board of Directors hold regular meetings with the Administration and Finance Manager to ensure an efficient and aligned management with the company's strategic objectives.

GRI 2-12

GRI 2-13



Conflict of interest management

At Textiles Camones, both, the Board of Directors and the General Management promote the establishment, dissemination and permanent update of the appropriate rules and policies to establish a framework of desirable values and behaviors from our employees and business associates. Our objective is to guarantee that business relations are beneficial, sustainable and meet the current legal framework in our country.

The formulation, approval and dissemination of this internal regulatory environment has as a purpose to prevent and mitigate the different risks and impacts, such as the possible conflict of interest that could affect the relations between interest parties, as well as any other inherent aspect to our current or future commercial or contractual relationships.

For that purpose we have an Anticorruption and Antibribery Policy updated in 2023 and available in our webpage.

Web page



Communication of critical concerns

Our Internal Auditing Department behaves in a competent and timely manner in the resolution of critical concerns. These monitoring activities are partly planned, in advance, and are reflected in an Annual Internal Auditing Plan, while others are directly assigned by the General Management. The evaluation results and recommendation are communicated through an Auditing Report.

GRI 2-15

GRI 2-16



In 2023, we addressed 6 critical concerns which are detailed as follows:

01.



Strengthen the competences of the members of the Internal Auditing Department by unifying criteria, identifying improvements in the internal processes and adopting an approach that leads to the formal establishment of the area.

02.



Reinforce the compliance with the procedures establish for the performance of the employees' functions, generating trust that the operations related to the supply of the materials are developed with full transparency.

03.



Raise awareness on the importance of keeping the appropriate custody and optimal preservation of the documents related to the goods' transfer, to support these operations before regulatory bodies.

04.



Promote effective communication between managements and departments to ensure the modifications of any trading condition of the customer is taken together and the dispatch of their goods has the approval of the General Management.

05.



Strengthen the controls and the implementation of improvements in the administrative management and the operational activities in the 4 sales points distributed in Gamarra business emporium, district of La Victoria.

06.



Improve the efficiency in the import procedures of special equipment, ensuring immediate response in case of any customs restrictions, reducing any possible additional costs during its naturalization.

We provide our employees different consultation mechanisms for them to access information on the implementation of policies and practices that ensure a responsible business behavior.

As a first option, the Human Resources Department provides answers to the questions and doubts of our employees in a personalized way. Also, in our webpage we have a virtual link to the contact channel, where our employees can request detailed information or solve any doubt they may have.

Web page 

In addition, to promote integrity in our operations, we have our Ethics Channel Integrity Camtex. This public platform is within reach of our employees and/or staff related to our business partners or third parties, and allows them to submit a claim and report confidentially any inappropriate behavior or irregular situation inside or outside the company that goes against our values and principles.

The questions received in the platform are verified and monitored by the Human Resources Department, Internal Safety and Auditing to report and plan an action plan with the General Manager.

During 2023, we trained all of our employees on how to the access and the appropriate use of the Ethics Channel. These initiatives try to strengthen the knowledge and raise awareness on the importance of an ethical behavior, according to our values and principles, inside and outside the company.

GRI 2-26

Compensation process

For Textiles Camones is important to promote pay equity, that is why we have a Pay Equity Committee. Within the work plan, the committee meets annually to review and systematically update salary structures. They analyze internal and external data, identify possible salary gaps and ensure compensations are fair and according to the responsibilities of every position. Also, they cooperate with external consultancies to stay up to date with the latest trends and approaches in pay equity.

For inexperienced operational positions, we guarantee a minimum pay equivalent to the Minimum Living Wage (RMV), ensuring that all their employees receive a fair wage and

according to current regulations, regardless of experience level and gender.

The follow up and control of the strategic plan is conducted through the Scorecard Balance, allowing to assess the objectives of all the different areas. However, until 2023, the compliance with the goals was not directly related to the Compensation Policy of the members of the highest governance body and high executives.

GRI 2-19

GRI 2-20



Our committees

Sustainability Committee

Support body for the sustainability management of Senior Management. The purpose of this committee is to promote the adoption of policies, procedures and actions aimed at good practices in social, labor, environmental, ethical and good corporate governance aspects. The Sustainability Committee meets regularly on a monthly basis or when circumstances require it, to evaluate progress in sustainability in the company.



Sexual Harassment, Discrimination and Abuse Intervention Committee

Committee in charge of receiving complaints or denunciations, issuing protective measures, investigating, issuing recommendations for sanctions and other additional measures to prevent new cases of sexual harassment, discrimination or abuse. As well as, to follow up on the cases, as appropriate, favoring labor welfare among the collaborators of Textiles Camones.



Ethics and Integrity Committee

Committee in charge of establishing policies to deal with corruption, defamation and misleading information, as well as non-tolerance towards discrimination based on race, color, religion, sex, age and/or physical handicap, respecting the rights of stakeholders. It is also responsible for promoting a culture of ethics based on the company's values, motivating all personnel to make responsible ethical decisions and attitudes.



Risk and Operations Committee

Committee in charge of defining the strategies to guarantee the operation of critical areas, as well as the guidelines to follow to maintain the order of the processes and guarantee their continuity, also verifying that the working conditions are guaranteed for all collaborators, reducing possible negative impacts in emergency situations. It is led by the Manufacturing Management and is made up of different management and head offices. Meetings are held monthly to analyze the indicators and agreements executed for the correct management of the organization's risks and opportunities.



Our committees

BASC Committee

Committee in charge of approving the plans and programs concerning the Security Control Management System, as well as verifying and coordinating the good performance of the management system to guarantee safe commerce in our operations, it also follows up on the agreements defined in each meeting. It is made up of a leader representing the management, a coordinator, and the other members who are the heads involved in the Security Control Management System.



Occupational Health and Safety Committee

Committee in charge of promoting occupational health and safety. It advises and monitors compliance with the provisions of the Internal Regulations on Occupational Health and Safety, and national regulations, promoting labor welfare. It is formed on a parity basis by 6 representatives of the company and 6 representatives of the company's employees. Meetings are held on a monthly basis, indicators are analyzed, incident and accident investigations, safety inspections are followed up, and the agreements for the improvement of the Occupational Health and Safety Management System are followed up.



WRAP Committee (Worldwide Responsible Accredited Production)

Committee in charge of establishing guidelines, approving action plans and defining the key concepts of the WRAP Management System. It is also responsible for supervising, monitoring and evaluating the correct implementation and maintenance of the system.



3.5. Economic Performance

In 2023 our sales reached S/ 283.8 million soles, reflecting a reduction of 26% compared to the previous year. This situation was mainly due to the delay in the demand recovery that did not show up until the last quarter of the year. As a consequence, we experienced an important drop in fabric sales, with a reduction of 31%, for international markets (36%), and local markets (24%), and a reduction of 18% in garment export.

During the first half of the year, the inventory levels stayed high for our main clients, which lead us to continue our Inventory and Raw Material Reduction Policy. This strategy was intended to optimally position ourselves for the new market recovery cycle, which allows us to have competitive costs.

Although this policy involved some sacrifices in terms of margin, due to price adjustment that were on average around 5%, it gave us a favorable position in a competitive context. This measure not only improved our liquidity position and reduce our corporate debt, but also ensured lower cost for our raw material and critical supplies for our productive processes.

In an international environment characterized by high interest rates, our debt reduction was key to mitigate its impact in the company's financial results. As a result, the gross profit recovered in 2023, reaching 20% compared to 19% in 2022, while the profit before taxes was in 10%, compared to 11% the previous year. These measures allow us to move forward successfully through a challenging economic period and to continue our path to sustainability and operational efficiency.

Within the framework of our constant search for excellence and sustainability, we established the following objectives for the period:

Economic Objectives for 2023			
Sales plan achievement	Gross sales margin	Profit before participations and taxes	Return on assets
We achieved sales of USD 74 million.	20.7%.	We reached 10%.	4%.

Direct Economic Value Created in thousands of S/		GRI 201-1
Direct Economic Value Created (VEC)		
a) Revenue from sales		S/ 283 628
b) Other income		S/ 9344
Distributed Economic Value (VED)		S/ 282 088
c) Wages and other social benefits for employees		S/ 57 968
d) Suppliers of goods and services		S/ 213 428
e) Financial expenses (interest)		S/ 3518
f) Taxes and payments to governments		S/ 7040
g) Social responsibility and private social investment		S/ 134
Retained Economic Value (VER)		S/ 10 884

Our achievements



In a global context where interest rates stayed high because of the constant inflation in the main economies, especially USA, and the ongoing geopolitical tensions, the expected rates reductions were rescheduled to be implemented in a longer term.

In this environment, demand began to recover the last quarter of the year, which resulted in sales that did not reach the initial forecasts, closing at USD 74 million compared to the USD 81 million budgeted. This led us to prioritize the strengthening of the company's liquidity position, reducing inventories, even if we had to sacrifice some point of our margin. Thus, expected gross margins of 27% were adjusted to 21% at the end of the year.

Additionally, within our internal scope, our textile sales were affected by an unusual warm winter, influenced by El Nino phenomenon, which had a negative impact in sales during the second half of the year. However, we managed a 36% reduction in our inventory levels, improving their rotation in a 13%. We also accomplished a reduction in the company's net financial debt for a total of S/ 12.4 million.

We continue having improvements in our productive processes thanks to the commitment and initiatives of our multidisciplinary teams and our constant search to improve efficiency. This

included a significant reduction in the generation of balances from the textile and manufacturing processes, exceeding the expectations thanks to a decrease in quality rejection.

Also, a lower staff rotation, that was at a 3.9% and an increase in training hours that had a major contribution to these achievements.



Economic Achievements 2023

Categories	Unit	Achievement
Budgeted sales	USD	81 million
Actual sales	USD	74 million
Budgeted gross margin	%	27%
Actual gross margin	%	21%
Inventory reduction	%	36%
Improvement in Inventory Turnover	%	13%
Reduction of Net Financial Debt	S/	12.4 million
Employee turnover	%	3.9%
Increase in Training Hours	Hours	3045

Our goals



In 2024, we will continue to strengthen the development of projects addressed to improve efficiency, including production and administrative assistance areas. We will accomplish this by channeling our employees' initiatives through our Desafíos Program, and with other options that we continue backing up. These improvements are oriented to optimize our resources and processes, reaffirming our commitment to operational excellence and continuous innovation.

Strengthening our supply chain

We aim to find more competitive costs and improve service delivery times. Our objective is to meet the expectations and needs of our global customers, integrating sustainability criteria at every step.

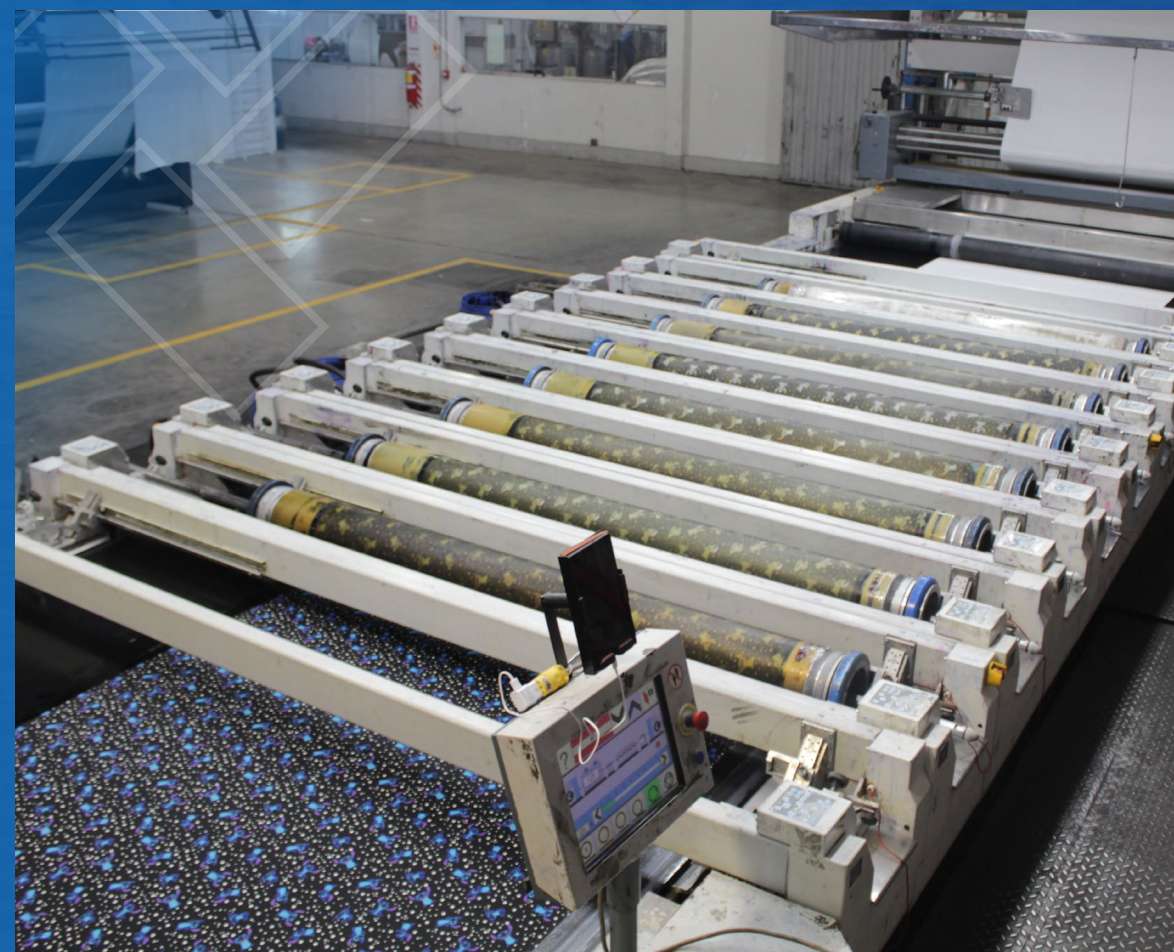
Commitment to sustainability

We seek to ensure that our operations align with our values of environmental and social responsibility, strengthening our market position.

Our perspectives



We anticipate that for 2024 the global economic landscape will continue being influenced by high interest rates and challenges in the supply chain, exacerbated by international conflicts. In this context, we commit ourselves to maintain a solid financial discipline that ensures timely supply. These actions will be essential to effectively satisfy our global markets demands.



It will be crucial to focus on initiatives such as:

Costs reduction:

That allows us to improve our competitiveness and ensure faster response times.

Low inventory levels maintenance:

Avoiding stock-outs risks, rotation optimization will be a priority.

Improvement of our turnaround time and stocks rotation:

This strategic approach not only will help us navigate an uncertain economic environment, but also to strengthen our response capacity and operational efficiency to benefit our clients and interest groups.

GRI 3-3

GRI 201-1

Be Green[™]

By Textiles Camones

Chapter 4

OUR SUSTAINABILITY STRATEGY



Chapter 4

Our Sustainability Strategy



In 2021, we started our path to sustainability by implementing our long-term strategy for the period 2021 – 2025, structured on the basis of 6 main pillars. Our strategy has as a main objective to promote and encourage an internal cultural transformation, where we transition from a linear economy to a circular economy model. We are committed with eco-design and the reuse of the textile industry waste to generate new uses.

We will now detail the pillars that support our sustainability strategy.



Eco-design incorporates environmental aspects in the production of sustainable products, with the objective to improve its environmental behavior and to reduce long-term impact of its life cycle, from the raw material extraction to the end of its useful life. Every year we renew our GOTS, GRS and RCS certifications, to incorporate sustainable fibers such as organic cotton, recycle polyester, among others, etc.

We have developed an organizational culture focused on economic growth, innovation and setting more challenging targets set by the Senior Management. These objectives have been developed and achieved thanks to the commitment of every person who is part of this big family. Also, we orient our actions with the objective that our staff will consider the company as their second home. We are constantly innovating looking for better ways to do our work.

At Textiles Camones we want for our processes to be efficient and continuously improving, so operations are carried out under an economic, social and environmental balance. In this sense, in 2021 we began the certification process for the ISO 9001 and 14001 Standards to manage processes properly, and aim to keep providing quality products, according to our clients' requirements. Also, our innovation takes into consideration all of the organization environmental performance.





Chapter 5

TEXTIL TRADITION: INNOVATION, QUALITY AND SUSTAINABILITY



Chapter 5

Textil Tradition: Innovation, Quality and Sustainability



5.1. Sustainability and quality products

We have a Sustainability Policy that orients our operations to environment protection and to promote responsible business practices. This policy is an essential component of our corporate management and is designed to be implemented in all of our company's levels.



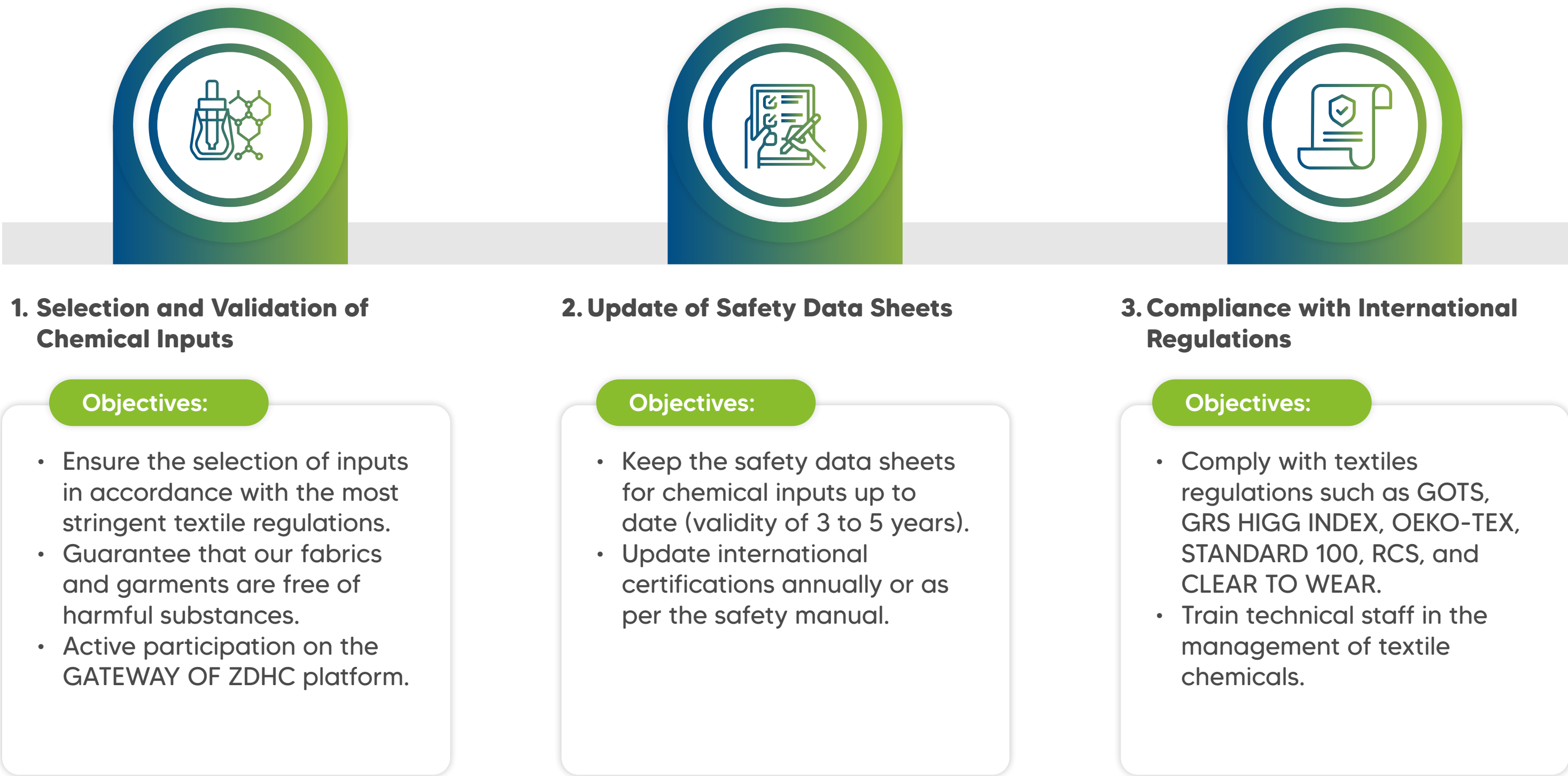
Sustainability is the main axis of our strategic plan. That is why in every stage of our production, from raw material selection to textile and manufacturing process, we have implemented a rigorous monitoring through our Camtex System that has total support of each functional area, which allows an efficient and constant control. This approach guarantees that every step of the productive process not only meets our high-quality standards, but also it reflects our commitment to environmental impact reduction and continuous improvement of our production practices.

Likewise, to strengthen our sustainable strategy we have included the use of eco-friendly fibers in our fabrics, such as lyocell. This fiber is processed by a close circuit system that allow to reuse more than 99% of the dissolving agents in ecological processes, resulting in the production of 44 569.4 kg of this sustainable raw material. Also, during 2023 we managed to use a total of 38 315.5 kg of recycled polycotton² in our production, proving our adherence to responsible manufacturing practices.

² It is a type of thread that combines natural fibers (cotton) and synthetic fibers (polyester)



On the other hand, as part of our strategy, we established objectives for supplies management with a quality and sustainability approach, which we will now detail:³



Along the same line, in our manufacturing process we have achieved important progress in the Cutting Department. We have implemented the recycling of wastage to make reusable fabric bags, which allow us to reduce plastic consumption in the accessories production. Thanks to this initiative in 2023 we managed to reduce 77% of our use of plastic bags and a 70% of our need for adhesive tape. Also, in the Applications Department, we have reduced a 90% the use of plastic by reusing plastic bags for garment transportation.

In the Sewing Department, we have implemented an efficient thread cone recirculation system, achieving a 31.84% return. This represented 48, 996 returned thread cones and a meaningful reduction of plastic waste, with a total of 734.94 kg less in the environment.

³ About the certifications mentioned in the chart:

- GATE WAY DE ZDHC: Collaborative platform of the Program Zero Discharge of Hazardous Chemicals (ZDHC) of brands and supply chain representatives committed to the elimination of hazardous chemicals from the textile and footwear industry value chain.
- GOTS (Global Organic Textile Standard): global standard for organic textile products.
- GRS (Global Recycled Standard): certification for products made from recycled materials.
- HIGG INDEX: tool for assessing environmental and social impact in the fashion industry.
- OEKOTEX is a globally recognized certification system that tests textile and leather products for harmful substances, ensuring product safety for human health.
- STANDARD 100 label is certified as having passed safety tests for the presence of harmful substances.

Our achievements



We have achieved several milestones in managing this topic:

Certification of Integrated Management Systems:

We successfully maintained our certification under ISO 9001 and ISO 14001 standards and progressed in the process to obtain ISO 45001 certification.

Complete Documentation of Chemical Products:

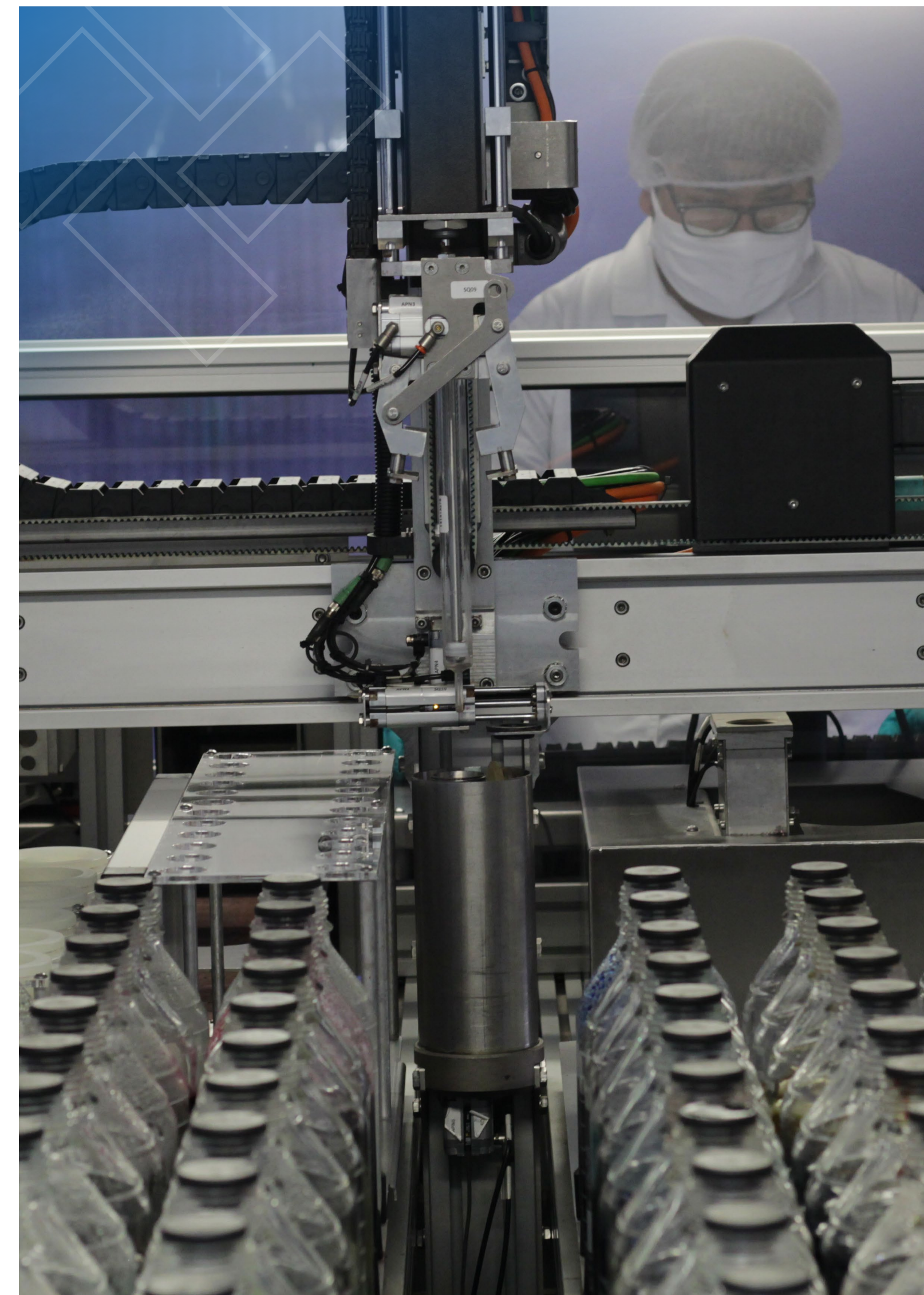
We registered 100% of the Safety Data Sheets (SDS) for all chemicals in stock, ensuring responsible management in accordance with current regulations.

Development of Compatibility Matrix:

We made significant progress in creating a compatibility matrix, thus optimizing the management of our resources and chemical processes to ensure maximum efficiency and safety.

Renewal of International Certifications:

We renewed our GOTS, GRS, and OEKO-TEX certifications for the year 2023, demonstrating our commitment to sustainable practices and compliance with international standards.



Our goals



We have established future projects that proof our commitment to innovation and sustainability in all of our operations. These include:

OEKOTEX Standard 100 recertification by 2024:

We plan to recertify our compliance with OEKOTEX Standard 100, expanding to include more fibers and processes, and thus more chemical inputs. This will ensure that our textile products meet the highest standards of safety and sustainability.

Recertification and scope extension for GOTS, RGS, RCS certifications by 2024, therefore more chemical inputs. This will ensure that our textile products meet the highest safety and sustainability standards.

ISO 9001, ISO 14001 recertification and ISO 45001 certification by 2024:

We plan to recertify our compliance with ISO 9001 and ISO 14001 standards and obtain ISO 45001 certification, expanding our commitment to quality, environmental management and occupational safety.

Include in the family of current chemical products and inputs, CRADLE TO CRADLE and BLUE SIGN certified inputs, the RSL (Restricted Substances List) of Textiles Camones. CRADLE TO CRADLE is a circularity certification that emphasizes the continuous reuse of materials in biological and technical cycles.

Our perspectives



The product quality is closely related to the control and management of the daily indicators per area. That is why we have established strategic measures to mitigate risks associated with the use of chemical supplies in our production. In order to do that we want to implement the automated dosing system Lower, which not only reduces losses and waste, but also minimizes the accident risks for incorrect handling of chemical substances. Thanks to this system, 80% of the auxiliary products used in our recipes can be automatically distributed, while only 20% of solid products, such as dyes and salts, require manual weighing, controlled by barcodes to ensure accuracy and safety.

Additionally, to address the potential health impacts related to the handling of hazardous substances, our employees participate in a monthly training plan. This program includes critical topics such as the risk matrix identification, interpretation of the NFPA symbols⁴, and appropriate techniques for the identification and safe handling of chemical products. This training is part of our permanent commitment to work safety and environmental sustainability, ensuring that every member of our team is well informed and trained to handle with responsibility the materials they work with.

GRI 3-3

NO GRI Product quality and sustainability

⁴ Standard symbols used to communicate information about fire safety, emergencies and associated hazards.

5.2. Innovation

At Textiles Camones, we recognize that the textile industry is one of the sectors capable of generating an important impact in the environment. That is why, and as part of our corporate responsibility, we developed in 2023, our new sustainable line BE GREEN, which allowed us to trace the progress and compliance with our commitment with innovation.

We managed to process fabrics with natural pigments called bio dye on cotton, reducing the input content of conventional synthetic formulations to a 25%, proving our environmental awareness. Also, we served products with the highest quality demands, oriented to the certified chemistry products segment⁵, bringing our technical team to overcome rigorous standards for supplies selection and certified processes under international regulations.

We have started the project for renewal of the dyeing and fabric finishing plant machinery fleet, incorporating SMART technology to process cotton knitted fabrics, lyocell, viscose and different mixes. Given the growth of synthetic fibers and our commitment to expand this market, we acquired the first set of machines that will start operating the first semester of 2024.

BE GREEN



⁵ Green products are those that are produced and marketed with a focus on sustainability and respect for the environment.



Innovation in the textile process

For the implementation and start-up, studies and previous trials have been developed that demanded researches of the different technologies related to textile machinery, having as the basis for the selection technology 4.0, direct contributions to our environment protection commitment, as well as to the reduction of energy consumption, water resource and other valuable elements such as safety, reducing the operator’s intervention.

Our achievements



For 2023, we set a goal to have a significant growth in our product line ECO⁶ and to transfer our environmental and sustainable commitment to our clients, and we accomplish the following milestones:

Renewal of OEKO-TEX STANDARD 100 certificates:

We renewed these certificates in 4 segments with greater scope to cover the demand for fabrics in cotton and blends with technical and functional finishes, generating well-being and comfort for end users.

Sustainable process design:

We implement the application of sustainable process design, called S, contributing to a lower consumption of water and chemical inputs in general.

Renewal of machines with 4.0 technology:

We executed the renewal of machines with 4.0 technology, which allowed us to measure the carbon footprint per kg of cotton produced, as well as the low consumption of steam, water and energy associated with each production machine in the dyehouse.

Bio dye certification:

We obtained OEKO-TEX STANDARD 100 certification for our bio dye process, meeting our commitments to quality and product standards.

Service to the North American market:

We served products and garments with OEKO-TEX STANDARD 100 certification, meeting the objective of producing garments with high added value and specialization in textile production processes and techniques, complying with the most demanding requirements of international standards.

Formation of the BE GREEN Committee:

We created this committee, in charge of managing and developing the brand through products and processes aligned with our environmental and sustainability policies.

Sustainable processing:

We managed to process 517 493 kg of fabric with sustainable process design, representing 6.28% of total production. We developed environmentally friendly color ranges, aimed at reducing the consumption of dyes and auxiliary products, resulting in less wastewater pollution.

Recertification in recycled polyester and organic cotton:

We obtained recertification in the use of recycled polyester GRC and certification in the use of organic cotton GOT, contributing to the consumption of recycled products as part of our Environmental Policy.

⁶ These products prioritize the use of environmentally responsible materials and processes and seek to minimize the use of non-renewable resources.

Our goals



Be Green


 By Textiles Camones

For 2024, we have planned to implement the following actions:

Expansion of the BE GREEN line to new fabrics: in 2024, we will expand the BE GREEN line to include new fabrics in cotton, blends and specialty fibers. These products will be accompanied by design processes with resource depletion reduction technology and the use of 100% certified supplies in terms of quality and compliance with international textile technical standards. Our line will be backed by the main certifications:

BE GREEN ORGANIC:
 GOTS certification (Global Organic Textile Standard).

BE GREEN CIRCULAR:
 GRS-RCS certification (Global Recycled Standard) (Recycled Claim Standard).

BE GREEN CHEMISTRY:
OEKO-TEX STANDARD 100
certification.

BE ECO FIBER:
 LENZING ID and BCI certification (Better Cotton Initiative).

Implementation of the project to renovate and expand the machine park for the dyeing and finishing plant: in the first phase, we will use the latest German and Italian technology to meet our carbon footprint reduction targets.

Acquisition of spreaders by 2024 in the Cutting Area; to achieve a 1% reduction in textile consumption in the process, which would be equivalent to a reduction of 30 tons of textile per year.

innovation in the manufacturing process

Our Integrated Management System (SIG) policies are oriented to continuous improvement and environment protection, guarantying our internal clients' satisfaction. Also, we have also emphasized innovation and digital transformation to optimize our operational processes.

We had progress in the automation of the previous sewing processes in the cutting department, developing a quality rating system and application of programs that facilitate the prioritization for programmers. These improvements complement our online sewing registration project, strengthening our operational capacity and efficiency.

One of our objectives is to implement a new dispatch system by using the Online Sewing-Cutting project. To reach this goal, we have focused on training our staff on how to use semi-automatic sewing machines, especially for chest pieces and patch gluing tasks.



Our achievements



In 2023 we achieve the following milestones in the cutting area:

Strong performance in new technologies:



We use 61% of the available capacity of our semi-automatic sewing machines.

Optimization of the dispatch process



We dispatch sewing pieces, optimizing the work flow and reducing production times.

Greater variety of articles:



We increase the variety of articles cut by our automatic cutting machines, improving the efficiency and versatility of our production.

Personnel training:



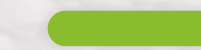
We improve procedures and train our personnel, ensuring proper and efficient handling of the machines.

Our goals



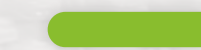
For 2024, we have proposed the following initiatives:

Use of tablets:



We will implement the use of tablets for the settlement of laying in modules, specifically for online production reading.

Reduction in the use of consumables:



We will reduce the use of consumables compared to 2023, promoting greater efficiency and sustainability in our operating processes.

Our perspectives



We will implement the use of fabrics spreading machines to optimize both, time and material consumption. This initiative will not only improve our operational processes efficiency, but also will contribute to sustainability trying to reach the reduction of fabric waste.

GRI 3-3

NO GRI Innovation



Chapter 6

OUR COMMITMENT TO THE ENVIRONMENT



Chapter 6

Our Commitment To The Environment



6.1. Circular economy

We are committed to comply with the legal environmental requirements and other international standards, as evidenced by the compliance with the environmental commitments established in our environmental management instruments, guarantying environment protection.

We have established, voluntarily, a Corporate Sustainability Policy and a sustainability strategy that promotes efficiency and continuous improvement. These policies not only optimize the use of our resources, but also aim to consolidate our position as global leaders in the sustainable textile industry. That is why we focused in minimizing waste generation and maximizing its value; our strategy is based on the circular economy pillar to prevent overexploitation of the planet's resources.

Our Environmental Management System, certified under the standard ISO14001, reinforces this approach by including

clear commitments for the rational use of resources and for the identification, control and mitigation of any negative environmental impact. This system allows us to incorporate principles of circular economy in all of our operations, ensuring a sustainable and responsible management.

In alignment with these systems, we signed a Clean Production Agreement (APL) with the Ministry of Environment, where we commit ourselves to concrete goals focused on solid waste reduction and value, promotion of environmental education and support to the local government recycling programs.

Thanks to these policies and strategies, we have achieved a level of reuse of 87% of generated waste, which allowed us in 2023 to be recognized as one of the Companies that Transform. This recognition was because of the successful implementation of our shared value strategies, including the donation of our wastage to MSMEs for the manufacturing of new garment, which proves our continuous commitment with sustainable practices and circular economy.

Objectives

At Textiles Camones, we are committed to environmental sustainability, and one of our key objectives is to minimize the amount of solid waste we sent for final disposal. We have established specific goals to not exceed 23t per month of waste and to reuse a minimum of 80% of generated waste.

In 2023, we maintain an annual average of only 17t of waste sent to final disposal, proving an outstanding performance and we reached 87% of waste reuse.



Our achievements



Our dedication to circular economy and social responsibility is reflected in several milestones we have achieved during 2023:



Meaningful donation to ANIQUEM:

We kept our commitment to ANIQUEM, an organization dedicated to the rehabilitation of children affected by burns. During 2023, we donated 16.34 tons of materials, including 11 tons of paper and 5 tons of other residues. This contribution supported physical, psychological and occupational therapies for children with severe burns. In addition to improving the lives of these children, our donation had a positive environmental impact, allowing the preservation of 198 trees, saving 28,168.4 kWh of energy, reducing 50.8 m³ of waste in landfills, saving 44,590 gallons of water and 2,662.5 gallons of oil.



Continuous support to Aldeas Infantiles SOS Peru:

Our commitment to the defense of children's rights motivated us to support Aldeas Infantiles through recycling campaigns. We donated PET bottles, which were recycled to generate funds that directly benefited a shelter for abandoned children.



Recognition in the Program Tren - Creando Bien:

The Peruvian company Tren, dedicated to the production and commercialization of textile supplies, awarded us fourth place in 2023 for the number of plastic cones for yarns that we returned for reuse.



Recognition in the List of Companies that Transform:

The initiative, which encourages companies to improve their profits and competitiveness by solving social and environmental problems at the same time, recognized us in the circular economy category for successfully implementing shared value strategies through our environmental and social practices.



Recognition for the APL with the Ministry of the Environment:

We were recognized at the Meeting of Business Leaders in Sustainability and Environmental Empathy for our commitment to environmental conservation and the sustainable development of the country.



Exceeding circular economy targets:

We met the goals established in the Clean Production Agreement (APL), achieving the recovery of more than 25 tons of landfill, construction and demolition waste.

Our goals



We continue moving forward in our mission to improve sustainability and efficiency to manage solid waste in 2024, highlighting several key projects:

Reuse of construction and demolition waste:

In collaboration with a recovery company, we will continue to transform waste from our facilities into new eco-materials for construction, such as recycled aggregates, paving stones and bricks.



Avanza, Crece, Progres a MYPES sustainable program in 2024:

We will continue to promote this program designed for micro and small enterprises (MSMEs) to integrate sustainability practices in their operations, especially in circular economy. We will provide them with fabric waste, facilitating the creation of new garments and fostering a more sustainable business model.



Consolidation of the BE GREEN sustainable line:

After its successful launch this year, we will continue to expand and strengthen this line in 2024 to remain a leader in sustainable textile production.



Empowerment of the Returnable Cone Return Program:

In partnership with the company Tren Amazonas, we will strengthen our Industrial Symbiosis Program, optimizing the use of resources and promoting the reuse of materials.



Continuing alliances and seeking new partnerships for donations:

We will continue to collaborate with non-profit organizations such as Aldeas Infantiles and ANIQUEM. In addition, we plan to establish new alliances to reuse and donate used cooking oil inputs in our plant cafeteria.



Clean Production Agreement (APL) with the Ministry of the Environment:

We will continue with the specific activities established by the APL to reduce waste generation. We will also establish objectives aligned with circular economy, including the recovery of pruning waste from green areas for the production of compost, which will be used in the maintenance of these areas.



Support for the Municipality of Puente Piedra:

We will continue to provide support to the Source Segregation Program of the aforementioned municipality.



Reduction of plastic supplies and materials:

We will continue to implement programs to minimize the use of packaging tapes and plastic sleeves in our production processes, as part of our continuous improvement strategy.



Benefit and Collective Interest Company (BIC):

This year, the adaptation to the BIC Law allowed us to redefine the corporate purpose of the business to focus on social and environmental impact. As a result, we oriented our actions towards circular economy and waste management. We will continue with our Waste Donation Program for Micro and Small Businesses (MSMEs), supporting dual-impact initiatives and strengthening our company's social commitment.



Our perspectives



We consider circularity and solid waste management not only an environmental challenge, but also a valuable opportunity to optimize our economic resources preservation and to support socio-environmental programs. We are committed to expand our alliances with different non-government organizations and suppliers, always with the objective to increase our waste reuse percentage.

Also, we see a strategic opportunity to deepen our relationships with providers that adopt the producer's extended responsibility. This approach guarantees they will keep a responsibility quota in relation to the environmental impacts of their products along its life cycle, which aligns to our sustainability values.

A potential challenge we face is the emergence of substitute materials by the companies we sell our waste, which could reduce their demand. In this scenario, it will be necessary to explore new markets to ensure continuity and efficacy of our waste management model.

Our vision for the future is to continue leading sustainable practices, optimizing every opportunity to turn our waste into valuable resources, while we mitigate risks and strengthen our capacities to adapt to market changes.

GRI 3-3

GRI 306-1

GRI 306-2

NO GRI Circular economy

6.2. Climate change management

Climate change is a phenomenon that we have to learn to live with. From Textiles Camones we continue strongly committed to it with our Sustainability Strategy and Policy. From the Senior Management, we are constantly striving to mitigate and adapt to climate change through activities and programs designed to reduce our greenhouse gas emissions (GGE) and to promote our resources efficient use. Within the framework of our Climate Change pillar, we are committed to measure, verify and mitigate our organization carbon footprint. These elements integrated to our 2023 strategic objectives and will continue to be a priority for 2024, focusing on the continues reduction of our carbon footprint.

As part of our efforts, we actively participate in the ZIS Peru Project, "Development of Sustainable Industrial Zones in Peru", that wants to adopt and disseminate cleaner and lower in carbon production technologies. In 2023 we got the approval for the cofinancing of the Sustainable Technology Adoption and we finished the implementation of a Digital Energy Management System, with the objective to minimize our carbon footprint and to reduce CO₂ generation.

In addition, we became a BIC company (Benefit and Collective Interest Companies), reaffirming our social and environmental purpose. We started generating electric power with the use of solar panels in our plant, starting our transition to the use of removable energy sources.

The main source of our emissions comes from our steam boiler. For an efficient management of those emissions, we use natural gas, the fuel with a lower index of pollution. Within the framework of our sustainable management, we implemented actions to improve our processes and to reduce energy consumption. We use more efficient technologies and promote energy responsible consumption to our staff, who receive continuous training on ecoefficiency.

In this same line, in 2023, we participated in the Implementation Program of Good Practices of Ecoefficiency of Promperu. This program helped us to diagnose and implement corrective actions that promote economic savings by reducing raw material consumption and optimization in the use of water and energy resources.

Last, but not least, we continue with our green areas' maintenance, covering around of 900 m² of grass and different trees species.

Objectives

In 2023 we committed to the following objectives:

Objective 1: Measure, verify and neutralize our corporate carbon footprint (CO₂eq).

Achievement: 100% of progress achieved by April 2023.

Objective 2: Implement a turnkey project for solar panels installation.

Achievement: 100% of progress in the installation, generating 9620 kWh of renewable electric energy.

Objective 3: Install a centralized system of resources consumption sensors: electric energy, gas, steam, air, water.

Achievement: 80% of progress achieved.

Our achievements



In 2023 we achieved many important milestones in our strategy to face climate change:

Installation and operation of solar panels:



We successfully completed the installation of solar panels, reaching an installed capacity of 15 kWh.

Installation of the Sensor Digitalization System:



We implemented a system to measure in real time the consumption of electricity, steam and water, allowing us to take immediate corrective actions in case of deviations. This project was co-financed by ZIS Peru.

Expansion of green areas:



We increased our green areas by 5%, specifically in the lateral area of the PTAR.

Preventive maintenance of boilers:



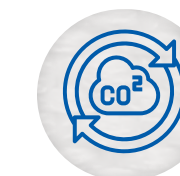
We continue with the preventive maintenance of our steam boilers, which use natural gas, a clean fuel.

Tracking of consumption indicators:



We continuously monitor the consumption of electric power, natural gas and steam to ensure operational efficiency.

Continued commitment to our carbon footprint:



We maintain our efforts to measure, verify, reduce and neutralize our carbon footprint. Since 2021, we have neutralized our carbon footprint and will continue with this commitment in 2023.

Our goals



We are strongly committed to fight climate change and to contribute to a more sustainable and respectful future with the environment. For 2024 we plan the following actions:

We will implement indicators defined from the centralized data of the Real-Time Monitoring System, recently installed thanks to funding from the Sustainable Industrial Zones Project of the United Nations Industrial Development Organization (UNIDO). This system monitors resources such as electricity, natural gas, steam, and air.

We will increase the generation of renewable energy through solar panels. In 2023, we generated 9,620 kWh and, by 2024, we plan to increase this production by 1,100 kWh. This initiative is aligned with our goals as a Benefit and Collective Interest Companies (BIC).

We will use organic waste from pruning to make compost, which will be used in our green areas. This practice helps to avoid the generation of methane, a gas with a high negative impact on climate change.

We will work with authorized companies to valorize the organic waste from our cafeteria, also avoiding the generation of methane.

By 2024, we will develop a comprehensive plan to reduce our carbon footprint.

We will continue to measure, reduce, verify and neutralize our organizational carbon footprint in our quest to become a carbon neutral company.

We will manage resource loss reports through field inspections, taking corrective actions and continuous follow-up of events.

We will continue with the progressive replacement of air conditioners with fluorocarbon gases such as R22 with more environmentally friendly options.

Our perspectives



We aim to progressively reduce and neutralize our carbon footprint, contributing to the national and global goal of not exceeding a temperature increase of 1.5°C.

GRI
 3-3

NO GRI Climate change management

GHG Emissions 2022 and 2023

GHG Emissions	Unit	Year 2022	Year 2023
Direct GHG Emissions (Scope 1)	tCO ₂ eq	16224.78	13896.80
Indirect Emissions from Energy (Scope 2)	tCO ₂ eq	3198.91	3014.66
Other Indirect GHG Emissions (Scope 3)	tCO ₂ eq	1098.63	1228.46

GRI
 305-1

GRI
 305-2

GRI
 305-3

6.3. Water Management

Our commitment to the environment protection is centered in the rational and efficient use of water resources, a key approach for our organization. To ensure appropriate water management, we have implemented different essential processes and measures:

Wastewater Treatment Plant (WWTP):

We operate a treatment plant that ensures that all industrial wastewater discharged to the public network meets regulatory standards. This system ensures that we meet water quality requirements and reflects our commitment to responsible operating practices.

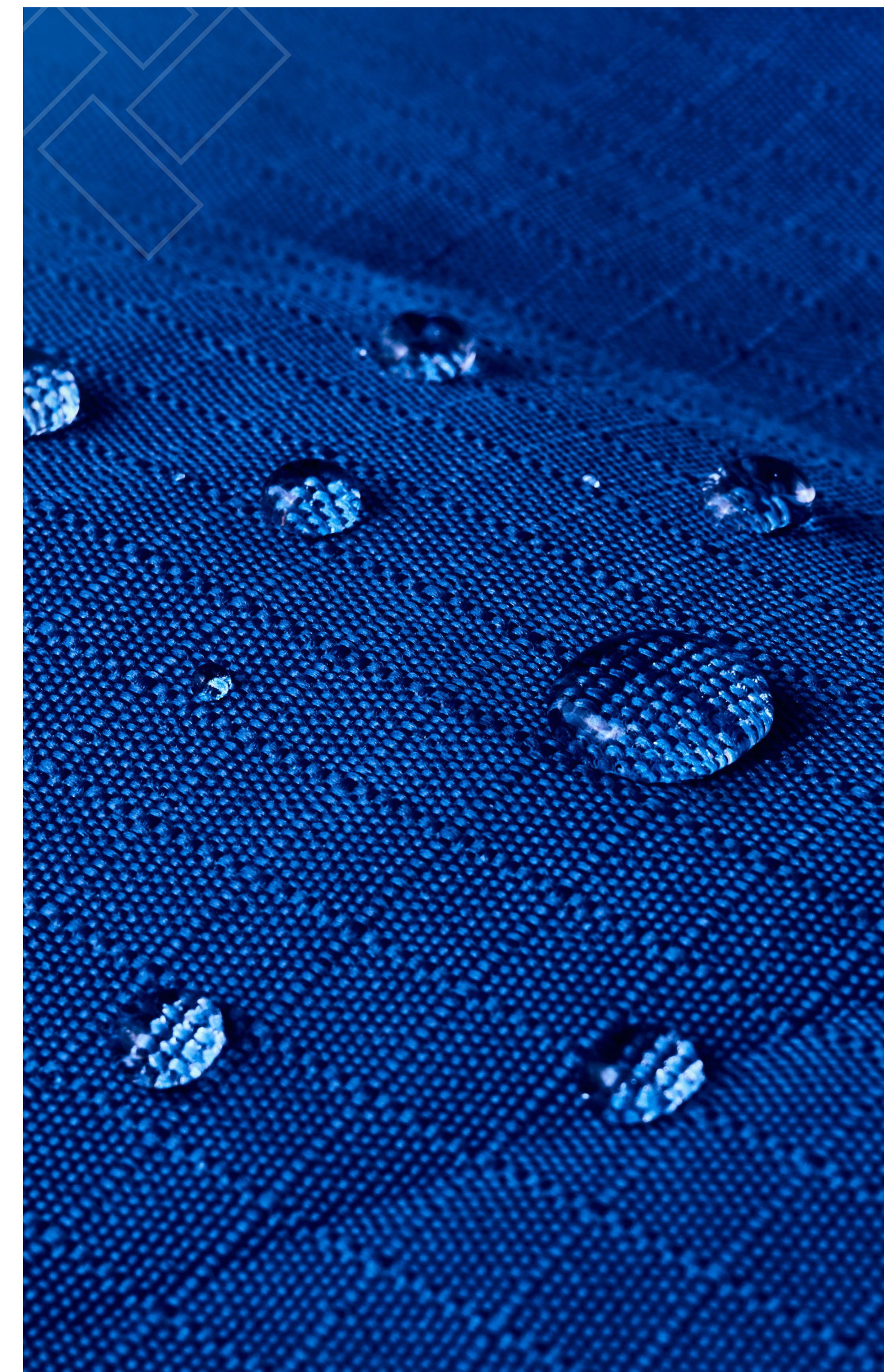


Technical and economic evaluation:

All our water-related programs and initiatives are meticulously evaluated both technically and economically by the Maintenance Area. After this evaluation, the projects are validated and approved by the General Management, which assigns the necessary resources for their implementation and continuous monitoring.

Extraction of water from our own wells:

Water is extracted from 2 wells located at our facilities for production processes. These are duly authorized by the National Water Authority (ANA), ensuring that our extraction is aligned with national regulations and in line with our commitment to sustainability.



In this same line, we also implemented a series of strategic actions that back up our commitment to protect our water resource:

Rigorous control of water consumption.

We monitor water consumption in each of our production processes. We establish and analyze monthly consumption ratios in collaboration with the areas involved. In addition, our sustainable water use practices are regularly audited by our main customers, ensuring that we meet the required standards.

Ongoing employee training.

We have an annual training program for our team on the responsible use of resources, including water. These trainings seek to raise awareness and educate our employees about the importance of conserving and effectively managing natural resources.

Environmental requirements for suppliers.

All our suppliers receive an induction in environmental management as a prerequisite for working with us. This ensures that they adopt practices aligned with our environmental policy and promote the responsible use of water and other natural resources.

Incident management of leaks or spills.

Through our Safety, Industrial Hygiene and Environment Department (SHIMA), we report events related to leaks or spills at our facilities. This allows us to act quickly to address any situation that could compromise the efficient use of water.

These measures and actions are part of our continuous effort to generate and promote a culture of environmental care and awareness in every level of our company.

Objectives

Our objective is to ensure 100% of treated effluents meet the current environmental standards and regulations. To reach this goal, we have implemented several important initiatives.

In line with the Development of Sustainable Industrial Zones in Peru Project, we started the installation of water meters in productive areas, including dyeing of fabrics, threads, finishes, prints and laundry. This monitoring allows us to collect essential data to reduce water consumption per kg of manufactured fabric.

In the same way, we have started testing a new equipment for fabric dyeing, we estimate it will reduce water consumption in this process up to a 20%, we expect to complete this trial period in 2024.

Our Waste Water Treatment Plant (PTAR) guarantees 100% of the production effluents will process according to the Maximum Acceptable Values (MAV) established by law. Additionally, we are doing a technical assessment of the reuse of treated water to reintegrate it in our productive processes by implementing biological treatment technologies and reverse osmosis⁷, avoiding the direct use of fresh water sources.

⁷ Reverse osmosis is a water purification process. It works by using a semi-permeable membrane that filters water, removing impurities and contaminants. The result is clean, safe water for drinking or industrial use.

Our achievements



In 2023, we reached an important milestone by getting the approval for the cofinancing of the installation of an advanced centralized sensing system in our plant, as part of the program Zonas Industriales Sostenibles (ZIS Peru), with the support of the Ministry of Production - PRODUCE, The United Nations Industrial Development Organization (UNIDO) and the financing of the Global Environmental Facility (GEF).

This system allows real time monitoring of resources consumption, such as water and steam in our main productive processes. Thanks to this technology, we can do an early identification of the inappropriate use of these elements and to optimize its management. This allows us to implement immediate corrective actions and to continuously evaluate the use of resources with specific consumption indicators.

Our goals



For 2024, we expect to finish the Development of Zonas Industriales Sostenibles (ZIS) in Peru.

Also, we will continue with our pilot test for the new equipment for fabric dyeing, since we have started with the renewal of dyeing machines that promises to achieve a meaningful reduction of 20% of water consumption for this process.

In parallel, we continue with the analysis and technical evaluation to select the most feasible alternative for the expansion of our PTAR. The objective is to improve even more the quality of treated water, so it can be reused in some of our productive processes.



Our perspectives



We recognize the water resource is essential for our productive processes and, aware of that, we are fully committed with the continuous identification of risks and opportunities to improve our water management.

Given the water stress situation in Lima, water availability is a constant concern. Our region is facing limitations in water supply due to the peoples’ growing needs. As a response to this challenge, we continually strive to reduce water consumption and to use it a more efficient way. This includes the technical and specialized evaluation of our processes and the exploration of market opportunities to finance these essential improvements.

One important opportunity we are exploring is the reuse of treated water, which could reduce significantly our fresh water consumption. In the textile sector, where the water use is intrinsically high, the reuse is not only a sustainable practice, but also a strategic need. To accomplish this, it is crucial to have better quality water, what drive us to implement continuous improvements in our PTAR.

GRI 3-3 GRI 303-1 GRI 303-2

Water extraction and consumption in megaliters during 2023

Water Consumption (in megaliters)		Puente Piedra	Los Olivos	Stores
Water Extraction by Source	Total Surface Water	0.000	0.000	0.000
	Freshwater (total dissolved solids <1000mg/l)	0.000	0.000	0.000
	Other waters (total dissolved solids >1000mg/l)	0.000	0.000	0.000
	Total Groundwater	530.993	0.000	0.000
	Freshwater (total dissolved solids <1000mg/l)	530.993	0.000	0.000
	Other waters (total dissolved solids >1000mg/l)	0.000	0.000	0.000
	Total Produced Water	0.000	0.000	0.000
	Freshwater (total dissolved solids <1000mg/l)	0.000	0.000	0.000
	Other waters (total dissolved solids >1000mg/l)	0.000	0.000	0.000
	Total Water Supplied by Third Parties	9.707	0.795	0.449
	Freshwater (total dissolved solids <1000mg/l)	9.707	0.795	0.449
	Other waters (total dissolved solids >1000mg/l)	0.000	0.000	0.000
	Other Water Source:	0.000	0.000	0.000
	Freshwater (total dissolved solids <1000mg/l)	0.000	0.000	0.000
	Other waters (total dissolved solids >1000mg/l)	0.000	0.000	0.000
Water Discharge by Destination	Surface Water	0.000	0.000	0.000
	Groundwater	0.000	0.000	0.000
	Water Allocated to Third Parties	407.952	0.795	0.449
	If applicable, indicate the volume of water allocated to third parties intended for use by other organizations.	0.000	0.000	0.000
Total Water Discharge		407.952	0.795	0.449
Water Discharges by Level of Treatment:	Without Treatment	0.000	0.795	0.449
	Physical-Chemical Treatment	407.952	0.000	0.000
Total Water Consumption (total water extraction - total water discharge)		132.748	0	0

GRI 303-3 GRI 303-4 GRI 303-5

6.4. Materials

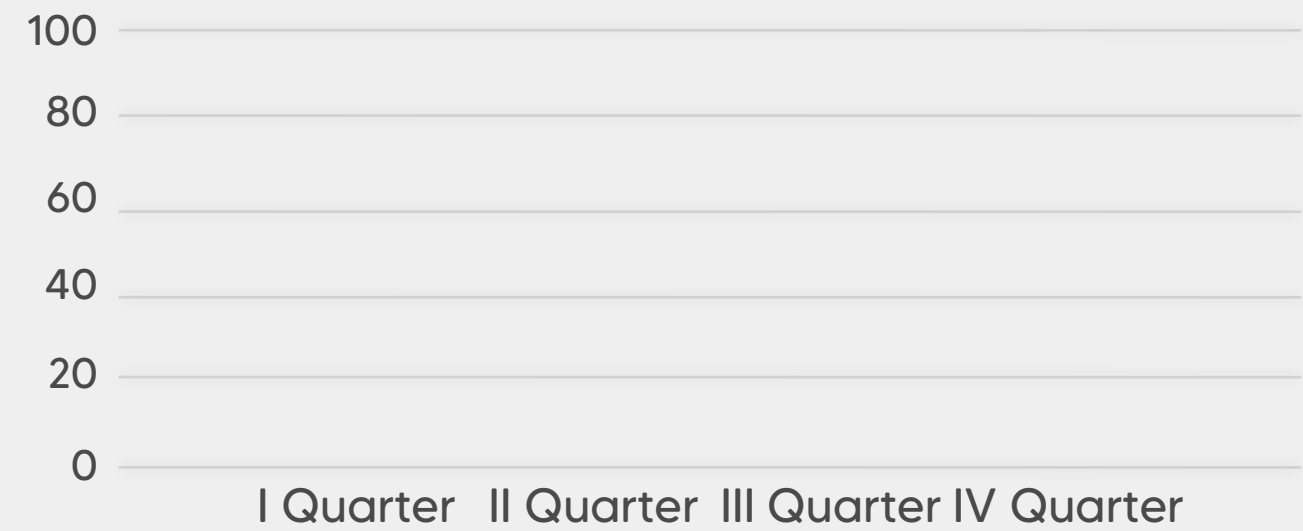
We are aware of the textile industry effect in the environment, we are committed to sustainability. That is why, by the creation and implementation of sustainable policies and strategies, we have been using sustainable fibers and supplies in most of our production processes.

We consider sustainable any material that is manufactured without using pollutant or toxic substances and that uses certified raw materials and chemical supplies. Also, the use of these materials is aligned with the natural resources preservation and are produced with social responsibility, guarantying the respect for our employees’ rights and all of our supply chain.

01.

We signed a Clean Production Agreement (APL) with the Ministry of Environment (MINAM). One of the key objectives of this agreement was to incorporate recycled material as raw material for product in our polycotton garment export line, with a goal of 80%. This agreement was implemented on April 2023 until March 2024.

% Recycled Yarn in Polycotton Line 2023-2024



BE GREEN



02.

We launched our sustainable product line BE GREEN. The development of this sustainable product line focused in 4 pillars:

Be Organic:
use of organic raw material.

Be Circular:
use of recycled raw material.

Be Green
By Textiles Camones

Be Ecofiber:
use of raw materials from natural sources like lyocell, bamboo, and hemp.

Be Chemistry:
use of non-toxic chemical inputs.

At the same time, we have an exclusive system called Camtex, that allows us to record all the product movement, from the raw material input until the process and final result.

For this indicator, we use our thread consumption data which is the main raw material for the manufacturing of our fabrics and garment.

Materials Used by Weight or Volume

	Classification	Material Type	Acquisition Type	Unit of Measure	Total Weight or Volume for the Reported Period	Variation Compared to the Previous Year
Renewable	Raw Material	Cotton	External	kg	71.40%	3.33%
	Raw Material	Organic Cotton	External	kg	0.01%	0.01%
	Raw Material	Cotton, bamboo/hemp	External	kg	0.02%	0.01%
	Raw Material	Cotton/lyocell/modal/viscose	External	kg	0.79%	0.73%
	Raw Material	Lyocell	External	kg	0.20%	0.18%
	Raw Material	Viscose	External	kg	14.20%	2.10%
Non-renewable	Raw Material	Spandex	External	kg	1.29%	-0.14%
	Raw Material	Polyester	External	kg	1.02%	-0.57%
	Raw Material	Recycled Polyester	External	kg	0.04%	0.01%
	Raw Material	Poly-Cotton	External	kg	10.25%	-4.25%
	Raw Material	Recycled Poly-Cotton	External	kg	0.77%	-1.40%
	Raw Material	Poly-Cotton/Lyocell	External	kg	0.01%	-0.01%

Finally, we present a table that classifies and defines the different types of fiber we use. This classification includes natural, artificial and synthetic fibers, highlighting its origins and distinctive properties.

Classification and Definition of Types of Textile Fibers Used in Our Production Processes

Fiber Types	Fiber	Definition
Natural	Cotton	Plant fiber.
Natural	Organic Cotton	Plant fiber obtained without the use of pesticides, toxic fertilizers, and modified seeds.
Natural	Hemp	Plant fiber, does not require pesticides or fertilizers, has minimal water consumption, in a compostable and biodegradable fabric.
Artificial	Bamboo	Natural regenerated cellulose fiber, made from bamboo cane.
Artificial	SeaCell	Cellulose fiber, made with renewable raw materials such as wood and seaweed.
Artificial	Viscose	Regenerated cellulose fiber, derived from eucalyptus trees.
Artificial	Lyocell	Regenerated cellulose fiber, derived from the cellulose of wood or other plants.
Synthetic	Spandex	Textile fiber composed of polyurethane derived from petroleum and natural gas.
Synthetic	Polyester	Textile fiber composed of terephthalic acid and ethylene glycol derived from petroleum.
Synthetic	Recycled Polyester	Polyester produced from recycled sources.



6.5. Chemical products management

Our Chemical Products Management Policy is based on the Sustainability Policy, where it is ratified and specifies the commitment to manage resources, raw material and chemical supplies properly certified and validated. This includes final products certification, such as fabrics and garments, through international organizations such as GOTS and OEKO-TEX Standard 100.

Objectives

At the beginning of year 2023 we decided to begin using Biobased supplies, introducing components in the line of special and functional finishes. We seek to add a differentiating value to our fabrics and garments compared to current products.

From this, we have planned to implement a Chemical Supplies Management System, complementing the current management integrated systems to ensure a more efficient and sustainable management of our chemical products.

Our achievements



Thanks to the acceptance and support of our clients for these new finishes, we managed to process 2.34% of our production with Biobased supplies.

We guarantee the final quality of our products through the recertification of the standards GOTS, OEKO-TEX STANDARD 100, RCS and GRS. Also, we achieved the recognition of the Brand Lenzing with the ID generation for the identification of our products manufactured based on the brand TENCEL™.⁸

Also, we comply with the recertification of the main Inditex audits in its different platforms, including GATEWAY and ZDHC.



Our goals



For 2024 our goal is to achieve that 20% of the chemical supplies used have Biobased compounds, that has a biodegradation degree is higher than the one of conventional chemical products.

Also, we will develop a Chemical Supplies Management System that will include short-, medium- and long-term objectives. This system will support our sustainability strategy, promoting circularity and guarantying that every supply and products meet the highest environmental quality and safety standards

GRI 3-3
 NO GRI Chemical products management

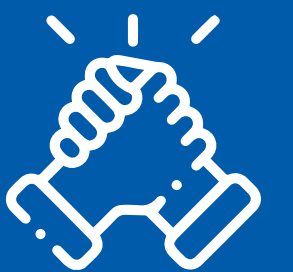


⁸ TENCEL™ is a brand of Lyocell and Modal fibers. These fibers are versatile, soft and skin-friendly. Their versatility to blend with a wide range of textiles, producing denim, bedding, home upholstery and more, defines a new standard of comfort¹. In addition, TENCEL™ fibers help maintain environmental balance by integrating into nature's cycle.



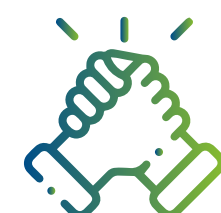
Chapter 7

OUR WAY OF ACTING



Chapter 7

Our Way Of Acting



7.1. Anti-corruption management

We keep our purpose to foster a business conduct with integrity and free of corruption in all of our operations and relations of the value chain. Our Code of Conduct and our policies establish the principles and ethical guidelines that govern the behavior of our staff and all the parties involved. We promote transparency, honesty and strict compliance with all the applicable laws and regulations, ensuring trust and respect in all of our actions.

Code of Conduct



In the same line, we also have our Anti-Corruption and Anti-Bribery Policy that establishes the main values and principles that guide our activity, such as sustainability, quality and leadership. This policy defines key principles and guidelines to prevent, detect and respond to situations that can involve corruption or bravery.

Anti-Corruption and Anti-Bribery Policy



We keep our commitment to actively disseminate and promote this policy among all of our staff and related third parties, such as suppliers and commercial partners. To make sure that everyone are informed and aligned with our highest ethical standards, we provide regular training and awareness on anticorruption.

Last but not least, we have the BASC⁹ certification, which is annually renewed. This certification endorses our strong commitment to safe international commerce and fight against corruption, such as smuggling and trafficking of illicit substances. In our Internal Work Regulation, specifically chapter 5, we clearly establish the different infractions and sanctions related to corruption related situations. It is important to highlight that during 2023 we did not have any case related with unfair competition or infractions related to applicable legislation about monopolistic practices and against free competition.

GRI 2-23

GRI 2-24

GRI 2-25

GRI 2-27

GRI 206-1



⁹ Business Alliance for Secure Commerce es una alianza comercial internacional, creada para promover el comercio internacional seguro en cooperación con gobiernos y organizaciones internacionales.

Main guidelines of our Anti-Corruption and Anti-Bribery Policy

1. We ensure that all our employees, customers, suppliers and any person related to us receive a copy of our Anti-Corruption and Anti-Bribery Policy, which is mandatory both inside and outside the work environment. We strongly prohibit the solicitation, receipt or making of any type of donation without proper authorization.
2. We carry out a rigorous selection and monitoring of suppliers to prevent any suspicious activity of corruption, money laundering or misuse of resources.
3. Our team is committed to act with honesty, professionalism and impartiality, avoiding any form of bribery, use of false information or illicit practices in administrative and contracting procedures.



Communication and Training of Anti-Corruption Policies and Procedures in the Board of Directors
 GRI 205-2

Number of Board Members	Directors who have been informed and trained in anti-corruption policies and procedures	%
4	6	100%

Communication and Training of Anti-Corruption Policies and Procedures in Employees
 GRI 205-2

Employment Category	Total Number of Employees	Employees who have been informed and trained in anti-corruption policies and procedures	%
Employees	690	690	100%
Workers	1156	1156	100%

Communication of Anti-Corruption Policies and Procedures in Business Partners
 GRI 205-2

Type of Business Partner	Number of Business Partners	Business Partners who have been informed and trained in anti-corruption policies and procedures	%
Suppliers	596	596	100%
Clients	104	104	100%

Finally, it is important to mention that during 2023 there were no confirmed corruption related cases reported at Textiles Camones.

GRI 205-3



7.2.Human Resources Management

For Textiles Camones, respect and promotion of human rights are a key factor, that is why our commitment expands to our staff wellbeing, our clients' satisfaction and safety, cooperation with ethical providers and support to local community. Now, we will present our commitments to protect and promote human rights for each one of these groups of interest:

GRI 3-3

GRI 407-1

GRI 408-1

GRI 409-1



Commitment to our employees

01. Ensure safe and healthy working conditions:

We provide a safe, clean and healthy working environment for all employees, complying with local occupational health and safety regulations.

02. Respect working hours and rest periods:

We respect the legal limits on working hours, ensuring that employees have sufficient rest time and paid days off.

03. Prohibition of child and forced labor:

We respect national and international laws and cooperate with the authorities in the prevention and eradication of these practices.

04. Promote equal opportunities and non-discrimination:

We foster an inclusive and diverse work environment, guaranteeing equal opportunities in access to employment, promotions, training and professional development, without discrimination based on gender, race, religion, sexual orientation, disability, ethnic origin or any other characteristic.

05. Establish fair wages and employment benefits:

We pay wages and benefits that comply with local laws and regulations, ensuring that employees receive fair and equitable compensation for their work.

06. Encourage dialogue and communication with employees:

We reaffirm our commitment to maintain an Open Door Policy and effective communication channels with our employees, allowing the exchange of opinions, concerns and suggestions in an environment of respect and collaboration.

07. Respect the right to freedom of association and collective negotiation:

In Textiles Camones, we recognize and respect the right of employees to freedom of association and negotiation, there is the freedom to join organizations of their choice. This fundamental right entitles our employees to organize collectively through groups or associations in order to address and express issues of common interest.

GRI 2-30

08. Guarantee the protection of personal data:

We safeguard the privacy and protect the personal data of our employees.

09. Implement whistleblower and non-retaliation policies

We are committed to establishing whistleblower mechanisms and ensuring that our employees can report human rights violations without fear of retaliation, discrimination or negative actions against them.

10. Promoting gender diversity:

We strive to encourage female representation in leadership and male-dominated positions, reduce the wage gap, and support women's professional development.

11. Support for the LGBTIQ+ collective:

We guarantee a work environment that respects and values sexual and gender diversity, promoting inclusion and tolerance through education and active support for LGBTIQ+ employees.

12. Extending our commitment to the value chain:

We remain committed to disseminating our values of diversity and inclusion to suppliers and contractors, promoting fair and respectful practices throughout our value chain.

13. Continuous training in diversity and inclusion:

We implement training programs aimed at all employees, in order to raise awareness and educate on the importance of diversity and inclusion.

Commitment to clients and providers

01.

Respecting customer privacy and data protection

We protect the privacy of our customers by ensuring that their personal data is treated confidentially and in accordance with applicable data protection laws and regulations.

02.

Promote ethical and fair trade:

We promote fair and ethical trade practices, ensuring that our suppliers and business partners comply with human and labor rights at all stages of the supply chain.

03.

Implement reporting and remediation mechanisms:

We reaffirm our commitment to guarantee communication and reporting channels so that suppliers' employees can report human rights violations safely and anonymously, and to collaborate in the identification and remediation of such situations.

04.

Establish ethical and responsible selection criteria:

We select suppliers based on ethical and responsible criteria, considering compliance with labor, social and environmental standards in their operations and supply chains.

05.

Facilitate access to information and training:

We provide our suppliers with relevant and up-to-date information on their policies, standards and expectations regarding human rights, as well as facilitate access to training and advice to improve their practices.

06.

Encourage sustainable and environmentally friendly practices:

We reaffirm our commitment to promote sustainable and environmentally friendly production practices among our suppliers, encouraging the use of cleaner and more efficient technologies and materials, supporting initiatives to reduce environmental impact.

Commitment to local community

1. Generate employment and opportunities for the local community

We promote the development of job skills and competencies, thus contributing to economic growth and improving the quality of life of the local community.

2. Support education and training initiatives:

We collaborate with local organizations to promote training and professional development programs to improve the skills and job opportunities of community members.

3. Promote environmental sustainability in the community:

We reaffirm our commitment to adopt responsible production and waste management practices, minimizing the environmental impact of our operations and collaborating in local environmental conservation and protection initiatives.

4. Encourage participation and dialogue with the community:

We guarantee open and effective communication channels with the local community, facilitating citizen participation in decision-making that affects the community and promoting collaboration in projects of common interest.

5. Establish alliances and collaborations with local organizations:

We reaffirm our commitment to establish alliances and collaborations with local organizations and stakeholders, working together on initiatives that address social, economic and environmental issues in the community.

6. Support social responsibility and philanthropy projects:

We allocate resources and efforts to the implementation of social responsibility and philanthropy projects that address the specific and priority needs of the local community.

All of these commitments are based on our policies:

Policy on Compliance with Labor Laws and Regulations	Forced Labor Policy
Compensation and Benefits Policy	Working Hours Policy
Wage Policy	Policy on the Prohibition of Child Labor
Policy on the Prohibition of Harassment and Abuse	Policy on the Prohibition of Discrimination
Freedom of Association and Collective Bargaining Policy	Open Door Policy
Diversity and Inclusion Policy	

Objectives

One of our main objectives was to strengthen the representativeness and participation of the WRAP Committee. Our representatives received trainings on policies and the process on how to do internal audits. These actions were validated by a successful WRAP audit, where no non-conformities were identified, proving the effectiveness of our management system and participation practices from our employees.

Additionally, we plan to guarantee the compliance with human rights in all of our operations. We do that through our verification controls to ensure the compliance with our Child Labor Prohibition Policy and our Policy Prohibiting Forced Labor.

Our achievements



In 2023, we consolidated our commitment to human rights, with the following achievements:

We successfully implemented and published our Human Rights Policy on our website, promoting transparency and access to information for all our stakeholders.

We performed the WRAP social compliance audit without any nonconformities

Our WRAP Committee participated in various WRAP Management System trainings and campaigns.

We successfully launched the second version of our virtual ethical channel Integridad Camtex, through its own web domain.

We do not have any cases of hiring minors or forced labor in our operations, thanks to the strict control of compliance with our policies.

GRI 2-26

GRI 408-1

GRI 409-1

We expanded our human rights training activities, reaching more employees and parts of our supply chain, and began planning a social impact study for 2025 that will allow us to evaluate and further strengthen our approach in this vital area.

Integridad Camtex



Our goals



GRI 3-3

GRI 408

GRI 409

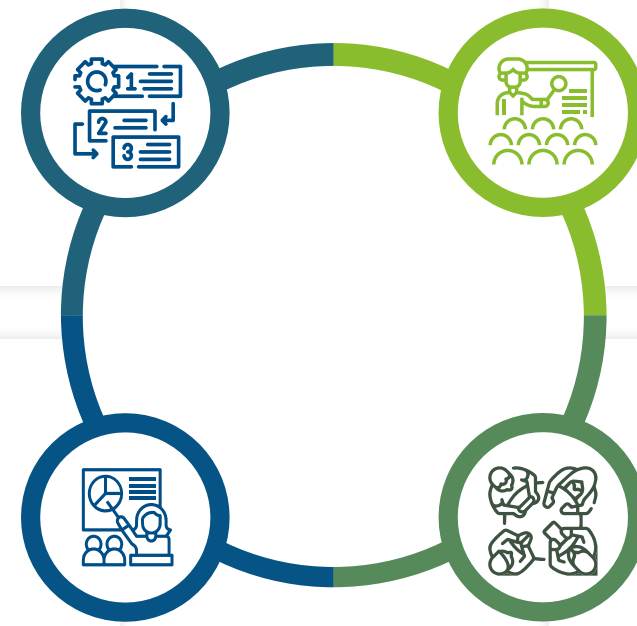
For 2024, at Textiles Camones we have planned several key initiatives in the human rights scope. Among them, we prioritize the following actions:

We will have workshops and training programs for all employees, focus on raising awareness and human rights practice.

We will initiate the development of a social impact study that will allow us to measure and improve our human rights performance. This study is planned to be launched and executed in 2025, with a preparation and design phase to begin in 2024.

We will implement a more strict follow up and evaluation procedure for our operations and supply chain to guarantee full adherence to our Human Rights Policy.

We will train our main service providers on our Human Right Policy.



Our perspectives



In the future, we will continue implementing Human Rights awareness talks for our recruiting staff, promoting an inclusive and respectful culture. We will disseminate our channels for complaints and/or claims to Social Wellbeing and we will keep our Open Doors Policy, on top of giving talks about discrimination and labor and sexual harassment for our operational staff. We will increase the hiring of disable staff. We will raise awareness on the importance of the compliance with the selection control procedure and we will immediately apply the child labor remediation procedure. Finally, we will continue measuring the environmental impact of our operations with regular monitoring, promoting sustainable practices and mitigating damage to the environment.



Chapter 8

OUR TEAM



Chapter 8

Our Team



Our team is the heart of our operation and the key to our success. We value the diversity, talent and commitment of each one of our employees, whom with their dedication and professionalism contribute to keep our leadership position in the textile industry.

We handle all of our recruiting and selection process under the standards of our Human Rights Policy, guarantying respect for equality and non-discrimination. We make sure that every person who participates in our selection process, from the publication of job vacancy up to the final candidate selection, is treated with equal opportunities and no discrimination. We will apply objective and appropriate criteria for the position, assessing every candidate based on their skills and competences.

In our selection processes, we do not make differences, exclusions or preferences based on race, color, sex, age, marital status, religion, political opinion, being member of a union, nationality, disability, sexual orientation or social origin, guarantying equal opportunities and treatment at work. In this way, we reiterate our commitment to respect of human rights and promotion of an equal work culture and non-discrimination, in our company as well as throughout the entire value chain.

Also, by establishing our work conditions and employment terms, we strictly follow our internal policies, we comply with all the current labor laws and we adopt the best practices in the sector. This approach allows us to ensure that all of our staff receive a fair treatment in a safe and healthy work environment,

according to current regulations. We keep our commitment to comply with all work regulations and to promote a work environment where our staff rights are respected, promoting their wellbeing.

GRI 2-7

GRI 3-3

GRI 401

Demographic Distribution of Textiles Camones Employees in 2023

Men
Women

Under 30 years old
Between 30 and 50 years old
Over 50 years old

8.1. Inclusion, diversity and gender equality

In 2023, we maintain our commitment with diversity, equality and inclusion. As part of our objectives, we set out to increase women participation in traditionally male-dominated areas. To achieve this, we implement recruiting and promotion policies that fostered equal opportunities and eliminated gender biases in our selection processes. In addition to this, we have corporate policies that establish appropriate guidelines for our diversity, equality and inclusion management:

Diversity and Inclusion Policy:

We foster a work environment that guarantees equal opportunities and non-discrimination, promoting optimal diversity among our collaborators. This policy is based on respect for individuality and the valuation of differences, creating an inclusive culture that prevents any form of discrimination, whether by sex, age, nationality, or any other personal condition. It applies both to our employees and to third parties legally linked to the company and committed to these principles. This approach is not only a competitive advantage that drives innovation, but is also crucial to the sustainability of our company.

Prohibition of discrimination:

We promote equal treatment and opportunities for all employees, regardless of age, gender, sexual orientation, national origin, race, color, religion, pregnancy, disability or marital status. This policy applies to all stages of employment, including selection, promotion, transfer, compensation, training, layoff and termination. We prohibit the requirement of a pregnancy test as a requirement to enter or continue working, whether the person is hired directly or for those who provide external services.

Salary Policy:

We are committed to equal treatment, opportunities and salary improvements between women and men, without direct or indirect discrimination on the basis of sex or any other kind.

Open Door Policy:

We encourage spontaneous and sincere communication. Therefore, we implement a management style that demonstrates transparency and openness, offering a close and friendly treatment. This philosophy promotes motivation and creativity, while avoiding rumors, thus strengthening our work environment.



Our achievements



In 2023, we have reached several meaningful milestones in the diversity, equality and inclusion scope, highlighting the following:

Awareness-raising talk: we organized a talk led by a specialist speaker from the community. It addressed issues of good treatment, respect and equality for all. The event was attended by more than 100 employees from different areas, including managers and operators.

Production of an awareness video: we made a short film on acts of discrimination in order to invite our employees to reflect on the subject. The video presented situations of discrimination based on gender, belonging to the LGBTIQ+ community, highlighting the importance of inclusion and respect in our work environment.

Dissemination of weekly awareness communication: during June, we sent messages every week to promote an environment of respect and equality. The distribution was done through corporate mailings and in the cafeterias. The phrases were designed to raise awareness and educate our employees about the importance of inclusion and mutual respect.

Increased female participation: we were able to increase the participation of women by 15% in areas such as Quality Assurance, Manufacturing, Warehousing, Transportation, General Maintenance and Weaving. This progress demonstrates our responsibility to equal opportunity and gender diversity in the workplace.

Hiring people with disabilities: we actively hire people with disabilities, setting specific goals for their inclusion in our workforce. We are pleased to report that during 2023 we managed to hire 17 people with different types of disabilities, thus strengthening our diverse and inclusive workforce.

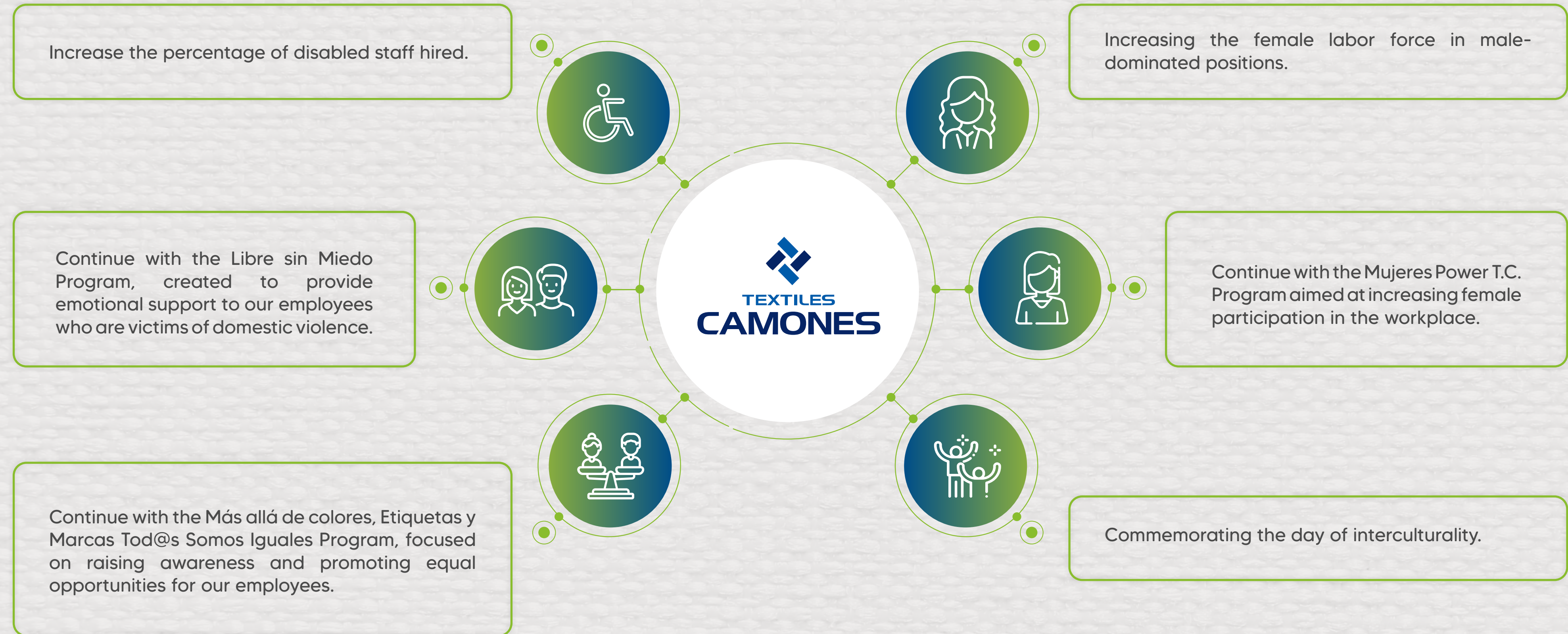
We received several recognitions from Great Place to Work™: we were ranked 13th in Best Places to Work™ for Women, 4th in Production & Operations, 17th in Equity, Diversity, and Inclusion, and 3rd in Sustainable Management.



Our goals



For 2024, we have the following goals:



Our perspectives



For 2024, we will continue our approach on rising awareness on human rights and discrimination, as well as the dissemination of our channels for suggestions and our open policies, with the purpose to address topics related to discrimination in the selection process, and among employees.

We recognize diversity in our team fosters creativity and innovation, that is why we will promote interdisciplinary and multicultural work teams to take advantage of different perspectives. These actions validate our commitment to a fair, inclusive and dynamic work environment, strengthening our corporate culture and our competitiveness.

GRI 3-3

GRI 405-1

Diversity in the Board of Directors

GRI 405-1

Board of Directors	Under 30 years old	Between 30 and 50 years old	Over 50 years old	Total
Men	0	0	3	3
Women	0	1	2	3
Total	0	1	5	6

Employees Broken Down by Gender, Job Category, and Age

GRI 405-1

Job Category	Gender	Under 30 years old	Between 30 and 50 years old	Over 50 years old	Total
Administrative	Men	25	66	13	104
	Women	43	94	10	147
Operational	Men	320	428	62	810
	Women	316	430	39	785
Total		704	1018	124	1846

The effort to include people with communication disabilities highlights our non-discrimination policy and our objective to provide equal treatment and opportunities in all our working areas. This is essential to foster a diverse working environment that, at the same time, promotes innovation and organizational performance.

In 2023, we had the following indicator that reflects our efforts to diversity and inclusion:

Other Diversity Indicators

Job Category	Other Diversity Indicator: Communicative Disability	Total
Workers	17	17

GRI 405-1

8.2. Training and performance

For this year, we maintain our commitment to develop and strengthen our employees' skills through training and continuous education programs under 3 approaches:

1. Intellectual capital



Patrocina tus Sueños Program:

We provide our staff the opportunity for academic development with an agreement with SENATI. This agreement allows them to study a technical career, with all the expenses covered by the company. Currently, we have 11 employees enrolled in this CTS modality (Careers for Employees). The objective of this initiative is for our staff to acquire new knowledge that will allow them to perform functions of greater responsibility in the company. When completing their studies we facilitate their transition to other areas where they can apply their new skills, fostering a career line.



Courses at SENATI

We offer our employees short free courses in virtual modality, focused on reinforcing both, soft skills and technical knowledge, related to textile production processes. Within the year, we had 36 enrollments, accumulating a total of 405 training hours.



Integrated Management System Program:

We trained our middle management staff on the Integrated Management System (SIG) for them to acquire knowledge and can be applied in practice, participating as internal auditors. This training not only promotes their personal and professional growth, but also reinforces our commitment to our certifications ISO 9001, ISO 14001 and ISO 45001. In 2023, every employee receipt a total of 32 training hours, with the participation of 21 women and 10 men from different areas.



1. Intellectual capital



Potencia tu Talento Program:

Program oriented to offer specialized training to people with no previous experience in sewing and textile operations areas, providing practical skills and technical knowledge.

To accomplish this, we have developed two specific sub-programs:

- **Sewing manuals and sewing assistants' program:** we identify basic skills for handling the sewing machine. The employees that overcome this filter will go to the training process to become sewing machinists. The evaluation, performed by the sewing instructor, includes machine skills, attendance and punctuality. Also, they receive quality talks and a productive incentive table, where to date, we promoted 53 employees.
- **Training by agreement with the Municipality of Puente Piedra:** we call upon unemployed people and young people 18 and older through social media and communication channels from the municipality. By the end of the training, we selected those who met the evaluation criteria. In 2023, 52 people were suitable and completed training.

Transfórmate para Transformar Program:

We did trainings to the leaders of our company with the objective to provide them with advanced tools to manage their staff and to orient them to accomplish their goals. In 2023, we trained 140 leaders, who as part of their daily functions manage groups, influence and motivate their work teams within a framework of values.



Forjando tu Futuro with Camtex Program:

We encourage the collaboration with different educational institutions, searching for agreements, trainings, payment agreements and faster enrollment processes. In this way, we generate greater opportunities for our employees to continue their academic development, offering differentiated benefits for them and their families.

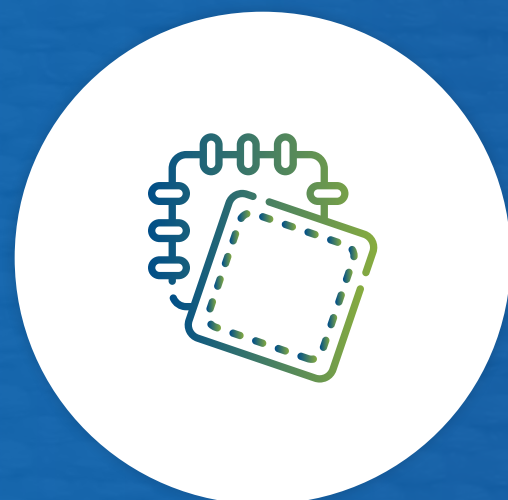
- **First academic fair:** 9 educational institutions came to our facilities, providing information about careers and courses.
- **Educational agreements:** agreements with IPCNA, UPN, CIBERTEC and ESAN, facilitating the access to quality educational programs.
- **Enrollment in Excel courses - CEPS UNI:** we provide loans for our employees to enroll in Excel courses at CEPS UNI, with classes provided in their facilities. In 2023, we had a total of 150 employees enrolled.

1. Intellectual capital



Tejiendo Habilidades para el Desarrollo Personal Program:

His program is designed to strengthen our team soft skills. For that, we hired a specialized psychologist that conducts workshops and individual interviews. The program includes group and individual session with employers from the Quality Assurance, Manufacturing, Maintenance and Sowing Areas, promoting their personal and professional development.



Forklift Training Program:

We have a training program where internal facilitators provide theoretical and practical knowledge on the use of forklifts and stackers to a selected group, according to their experience and skills in the operational areas. In 2023, we trained 33 employees, providing a total of 14 hours of training per person.



Más Allá de Colores, Etiquetas y Marcas, Todos Somos Iguales Program:

During June we gave an awareness talk with the objective to give visibility to our employees from the LGBTQ+ community. This initiative seeks to foster respect and raise awareness on the importance of providing equal opportunities, regardless their sexual orientation. The talk was given in the company's facility with a capacity for 100 people.



2. Social Capital



Yo Soy Tu Voz training program:

To ensure effective communication and to provide the necessary support to our employees with hearing disability, every member of our Human Resources Department was assigned to offer personalized assistance. This program guarantees our employees with this condition receive the same attention that the rest of the staff.

Also, we have a support team composed of sowing supervisors and members of our departments of Human Resources, Social Wellbeing, Nursing, Medicine, Engineering, Safety and Garment Finishing. A total of 24 people is participating in a Sign Language Training Program given by the Lima Association of the Deaf (ASSORELI).



LGBTIQ+ community awareness campaign:

As an inclusive company in the textile sector, we prioritize the knowledge and experience in the sector. This allows us to have employees from the LGBTIQ+ community in different productive areas. We understand that to identify yourself publicly as part of this community is a personal decision, so we cannot have an exact number. However, according to surveys and previous reports, we estimate that approximately 4% of our employees identified themselves as part of the LGBTIQ+ community.

To raise awareness of this fact, we implemented awareness campaigns that want to raise awareness to all of our staff on the importance of equal opportunities. These initiatives are carefully planned and approved by General Management, with the purpose of keeping and promoting an inclusive and equitable work environment for everyone.



3. Emotional Capital



Vida Sana program:

Has as main objective to promote healthy life styles through habits of good nutrition and physical activity. It is addressed to all of our employees, in the administrative and operational areas. Through this program Textiles Camones wants to promote and maintain a good health providing personalized nutritional support, dance and aerobics sessions, and weight monitoring and control during a 4-month period.



Libres Sin Miedo Program:

Started in 2022 with the goal of providing emotional support to employees' victims of family violence. This program extended in 2023 to include any employee that need psychological support. Its main purpose is to offer personalized attention to those who are facing family violence problems, emotional dependency or personal conflicts. We have a clinical psychology that provides 30-minute sessions twice a week, Tuesdays and Thursdays. These initiatives highlight our commitment with our employee's emotional wellbeing, providing the necessary support so they can perform with security and confidence in their work and personal environment.



Padres en Acción Program:

The main objective of this program is to provide all of our employees the necessary techniques, tools and information to perform their role as parents. It promotes spaces where our employees can share experiences that favor their children personal and social development through interactive workshops led by a family specialist psychologist.



Average Training Hours per Employee in 2023

GRI 404-1

Job classification	Gender	No. of Hours	Average Hours	No. of Employees
Collaborator	Women	5766	18.84	306
	Men	6450	16.79	384
	Total	12 216	17.70	690
Worker	Women	4492	7.21	623
	Men	3719	6.97	533
	Total	8211	7.10	1156

Percentage of Employees by Gender Who Received Regular Performance and Career Development Reviews in 2023

GRI 404-3

Gender	No. of Employees Reviewed	Headcount at the Time of Performance Review	%
Women	929	929	100%
Men	917	917	100%
Total	1846	1846	--

Percentage of Total Employees by Job Classification Who Received Regular Performance and Career Development Reviews in 2023

Job Classification	No. of Employees Reviewed	Headcount at the Time of Performance Review	%
Employees	691	691	100%
Workers	1155	1155	100%
Total	1846	1846	--

GRI 404-3

8.3. Health and Safety at work

We have a Management Integrated System Policy that establishes key commitments in several important aspects for health and safety at work for our operation.

- We provide safe and healthy working conditions to prevent injuries and the deterioration of the health of our employees and third parties.
- We conduct safety inspections and reports to identify and improve working conditions, and implement an ongoing program of internal and external audits to evaluate working conditions.
- We monitor occupational hygiene to measure and control environmental agents present in the workplace, thus reducing the risk of exposure.
- We execute awareness campaigns to prevent injuries and promote a culture of safety among our staff.

- We promote the consultation and participation of our employees and their representatives through one of our management mechanisms, the Occupational Health and Safety Committee, which holds monthly and extraordinary meetings to follow up on the Management System.

- We guarantee that all employees have the right to stop their activities in the event of an imminent danger that constitutes a significant or intolerable risk to their safety or health, as established in the latest revision of our policy.

Likewise, our policy ensures the compliance with the laws and legal requirements in relation to health and safety through clear guidelines that guarantee a safe working environment. Because of this why our goal was to ensure 100% compliance with the legal requirements of our Occupational Health and Safety Management System, which we successfully achieved. Also, we are committed to train our staff to promote knowledge and awareness related to health and safety.

GRI 403-4

In relation to the accident rate reduction, we committed to reduce it in an 80% compared to the previous year. Although we did not reach our goal, we are still focused on improving our strategies and practices to achieve reduction in the future. On the other hand, we successfully complied with our objective to implement at least 85% of the necessary corrective actions in our Occupational Health and Safety Management System.

GRI 403-1

GRI 403-2

GRI 403-7

GRI 403-10

Our achievements



In 2023, we were able to train 100% of our employees in safety topics through specialized talks and awareness workshops. Additionally, we raised awareness campaigns to avoid hand injuries, that included demonstrations and effective communication.

GRI 403-5

In the same line, we had the following important achievements for our health and wellbeing programs:

GRI 403-3

GRI 403-6

We implemented our Program for Pregnant, Recent Childbirth or Breastfeeding Workers, which aims to protect the health of our employees in these stages. In 2023, we carried out follow-up and timely monitoring of 47 pregnant women, none of whom presented risks during pregnancy, thus achieving a healthy gestation period.

We implemented our Solar Radiation Exposure Protection Program in order to promote healthy behaviors and photoprotection among our employees, reducing the incidence of injuries due to prolonged exposure to solar or ultraviolet radiation (UVR) in the workplace. Although in 2023 there were no jobs requiring more than 30 minutes of exposure to the sun, we implemented sun protection supply points in our facilities.

We implement awareness programs on communicable diseases such as HIV and TB, focused on education and prevention, providing our employees with information and resources for their well-being.

We improved the well-being of more than 1,500 employees through various health campaigns and programs, ensuring their access to the care and resources necessary to maintain good health.

There were no cases of occupational diseases, underscoring the effectiveness of our workplace prevention policies and programs.

We launched mental health programs aimed at our employees and their families, addressing emotional well-being issues and providing the necessary support.

We established a specific program for the prevention and control of diabetes among our employees, promoting healthy habits and monitoring the health of participants.

We performed 1002 tests for cholesterol, triglycerides, hemoglobin and glucose, ensuring continuous and preventive monitoring of our employees' health.

Our goals



According to our Health Work Plan for 2024, we have considered the following projects and goals:



ISO 45001 certification: we plan to obtain ISO 45001 certification in the first quarter of 2024.

Diabetes evaluation and screening: we will continue to evaluate and screen our employees for diabetes, ensuring a preventive and continuous monitoring of their health.

Psychological care: we will continue to provide psychological care to the children of our employees, promoting the emotional well-being of their families.

Hearing Protection Program: we will continue to implement our program to protect the hearing health of our employees.

Ergonomics Program: we will establish a program to improve working conditions and reduce the risk of work-related injuries.

Talk on communicable diseases awareness: we will hold an awareness talk on the subject on Health and Safety Day, promoting awareness and prevention among our employees.

Our perspectives



The main opportunity we have for the future is to develop a solid safety culture between the staff and the implementation of a Occupational Health and Safety Management System, based on the ISO 45001 standard, that will complement our Integrated Management System under the ISO 9001 and ISO 14001 standards. To capitalize this opportunity, we will take concrete actions, including our system certification. Also, we will continue implementing occupational health and safety awareness programs, educating and training our employees on safety and healthy practices.

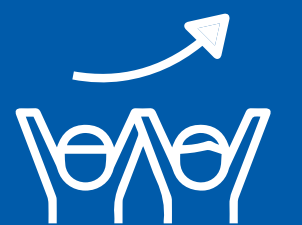
GRI 3-3

GRI 403



Chapter 9

WE GENERATE SOCIAL VALUE



Chapter 9

We Generate Social Value



9.1. Suppliers' management

In the area of procurement of goods and services within our supply chain management, we set ourselves, since 2022, the challenge to implement solid sustainable purchasing practices, following the principles of the ISO 20400¹⁰ standard.

To guarantee a safe and responsible supply chain we have developed detailed policies and procedures that regulate the control and operation of our supply chain, ensuring the compliance with our objectives Among them, we include:



Sustainability Policy.



Responsible Purchasing Policy.



Code of Conduct and Ethics for providers.



Supplier Selection and Evaluation Procedure: focused on the goods and services that impact the production, transportation and plant operations.

These policies and procedures provide a solid and sustainable framework for our supply chain management, ensuring the compliance with the ethical and sustainability standards that we are committed to.

Objectives

During 2023, we committed to assess the performance in environmental, social, operational and financial criteria of 75% of our providers considered as high risk. With this action we managed to complete the performance evaluation process of these criteria with a coverage of 77%, that is, 99 evaluations in total.

These providers committed to comply with our standards by signing the Act of Acceptance and Understanding of our Sustainability Policy, Responsible Purchasing Policy, Anticorruption and Antibribery Policy, and the Code of Ethics and Conduct for Providers. This achievement reinforces our strong commitment with the implementation of sustainable and ethical practices in all of our supply chain, ensuring that our commercial partners share and comply with our sustainability standards.

¹⁰ ISO24000 Sustainable Procurement: an international standard that provides guidance to organizations, regardless of their activity or size, on how to integrate sustainability into procurement.

Our achievements



In 2023, we have reached important milestones in our commitment with sustainability:

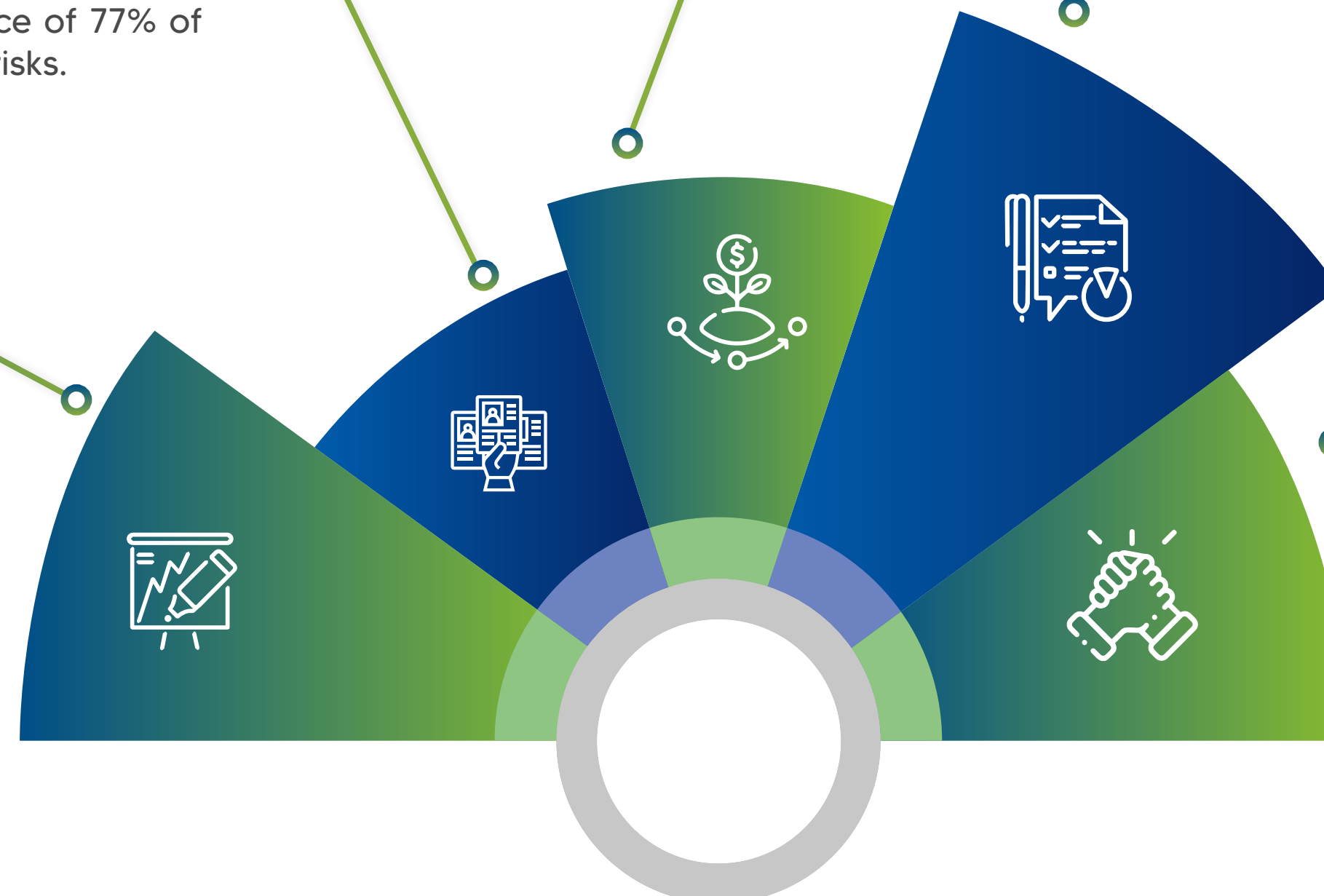
We implemented rigorous supplier selection and evaluation criteria, focused on sustainability and encompassing environmental, social, operational and financial aspects. As a result, we evaluated the sustainability performance of 77% of our suppliers considered to be high sustainability risks.

We developed a comprehensive methodology to identify suppliers that represent risks in terms of sustainability. This methodology takes into account the supplier's financial and operational importance to our organization, as well as their environmental and social impact in their sector.

We conducted an awareness campaign for our purchasing managers, highlighting the importance of sustainability in commercial interactions with suppliers.

We initiated audits at manufacturing and textile service providers to verify compliance with basic occupational safety standards, thus ensuring a safe and ethical work environment.

We established an agreement with the NGO Asociación Solidaridad Países Emergentes (ASPEm) to launch the Activa Crece y Progreso MYPE Sostenible (ACPM-s) program. This program is part of the Textile Innovation Accelerator Project, funded by AL-INVEST, and aims to introduce circular economy and sustainability tools to our MSE suppliers in the manufacturing and textile sector, as well as to other small and medium-sized enterprises. In 2023, we managed to train 53 people through this program.



Our goals



Our projections for 2024 for goods and services management within our supply chain management are the following:



Continue with the transversal integration of sustainable procurement throughout the organization.

Complete sustainability performance assessments for 80% of our high-risk suppliers.

Continue with the Activa Crece y Progresá MYPE Sostenible (ACPM-s) Program, to provide business management, circular economy and sustainability tools to our suppliers in the garment and textile manufacturing sector, including the measurement of their carbon footprint.

Train 100% of our purchasing managers in sustainability practices.

Implement the Sustainability 360 Program, which aims to train and provide environmental, quality and social management tools to suppliers on their path to sustainability.

Recognize and reward our suppliers who demonstrate outstanding performance in sustainability.

Our perspectives



For the future our objective is to completely integrate these sustainable purchasing practices in all of the organization, ensuring that every purchase is conducted under responsible and sustainable criteria. This includes continuous training of our purchase managers and a strict evaluation of our providers to guarantee they comply with our highest sustainability standards.

GRI 3-3

GRI 414-2

9.2. Generation of social value

Our objective is to foster the socioeconomic development and to strengthen relationships with our local communities through training and employment. To achieve this, our goal is to implement programs that promote inclusion, equity and professional growth of the community members. Through our flagship programs, *Tejiendo Sueños*, *Potencia tu Talento* and *Emprende Mujer*, we want to improve their life conditions and strengthen our community relationships, promoting equitable and sustainable opportunities. It is important to mention that 100% of our operations are involved with our participation programs for local communities and generation of social value.

GRI 413-1



Tejiendo Sueños Program



This initiative is important and demonstrates our commitment to generating social value and strengthening our relationship with our stakeholders. Through this program, we support vulnerable communities by distributing food, clothes and toys to families in need, making donations to local soup kitchens. With the voluntary participation of our employees, we promote awareness and the collection of donations through a solidarity raffle that involves the entire organization.

Emprende Mujer Program



Our program trains and supports the wives or partners of our employees to develop and manage their own businesses. This approach not only improves the family economy by generating additional income, but also promotes women's economic autonomy, strengthening our relationship with the local community through equitable and sustainable employment and training opportunities.

Potencia tu Talento Program

This program demonstrates our commitment to social value and strong relationships with our stakeholders by providing opportunities for professional growth in the community. It is focused on job training and development, especially for those with no previous experience, valuing their enthusiasm and willingness to learn.

Likewise, in collaboration with the Municipality of Puente Piedra, we expanded our reach to train and employ local youth in the textile industry, prioritizing gender equality and empowerment through knowledge and practical skills. Our Engineering Department monitors progress and ensures the successful integration of new collaborators into our production chain, reaffirming our investment in human potential and strengthening the local economy.

In 2023, we renewed the agreement with the municipality in order to generate job opportunities for those who could not enter the formal labor market. Citizens who were trained as skilled labor were hired directly by Textiles Camones or other textile companies. During this period, we trained 80 people from scratch to take on the role of sewing machinists.



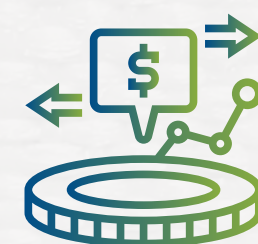
Our program focused on:



Insert

80 young

people per year as skilled labor in the labor market.



Increase the economically active population of **Puente Piedra.**



Minimize unemployment in the **Puente Piedra.**



Increase the purchasing power of the residents of **Puente Piedra.**



To reduce the potential crime rate due to unemployment.

Additionally, to our main initiatives, we have implemented programs designed to generate social value. An outstanding example is our work with Textile MSME's through the Sustainable Drive Program for Impact MSME's, whose objective was to improve their competitiveness through the adoption of sustainable practices. During this initiative, we had 4 key modules:

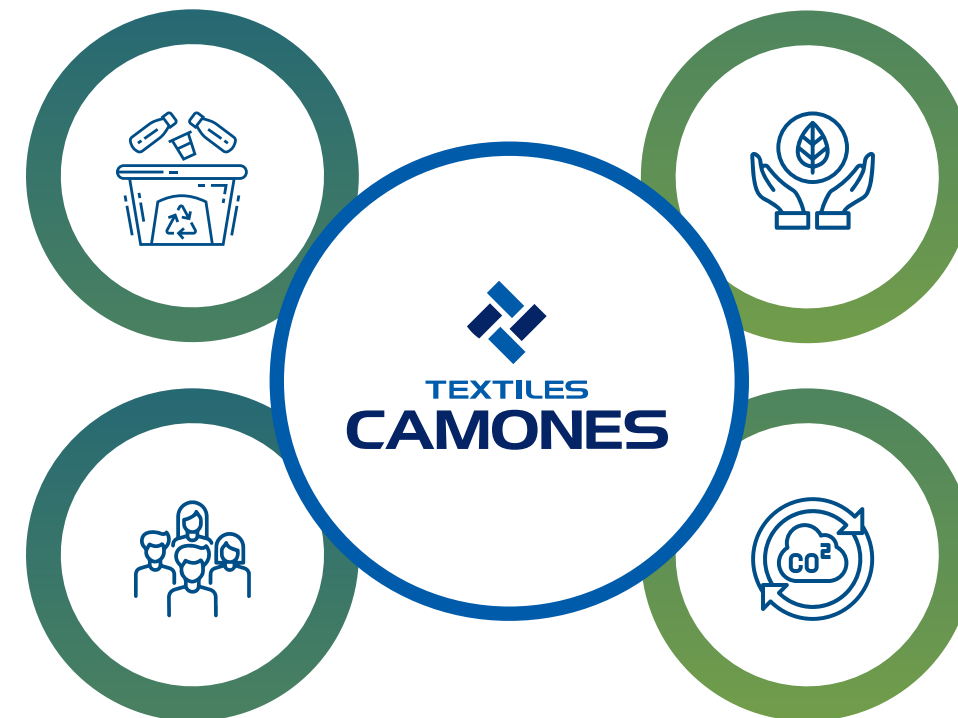
Recirculando Nuestros Residuos Program:

We delivered fabric wastage to every participating MSME's in cooperation with the NGO *Asociación Solidaridad Países Emergentes* (ASPEM).

Sustainable Internship Program:

Through internships in different areas of the company, participants acquired the necessary skills for the creation and manufacturing of textile products.

We successfully concluded the program with a closing ceremony that had the participation of members of the European Union and other authorities.



Construyendo Juntos una Gestión Sostenible Program:

We evaluate the current environmental conditions of the MSME's and we provided improvement opportunities to implement an Environmental Management System.

Conociendo Mi Huella Program:

The participating companies quantified their environmental impact using the Carbon Footprint Peru - HC Peru platform of the Ministry of Environment.

Our achievements



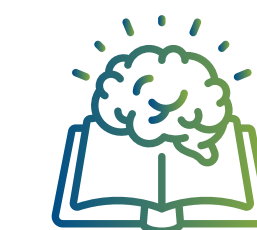
Inclusion and community Support:

Program: Tejiendo Sueños
Beneficiaries: Families from our surrounding communities
Results: Contribution to improving the quality of life of people



Training and employability:

Program: Potencia tu Talento
Participants: Youth and adults
Results: Integration into the textile sector and improvement in economic conditions



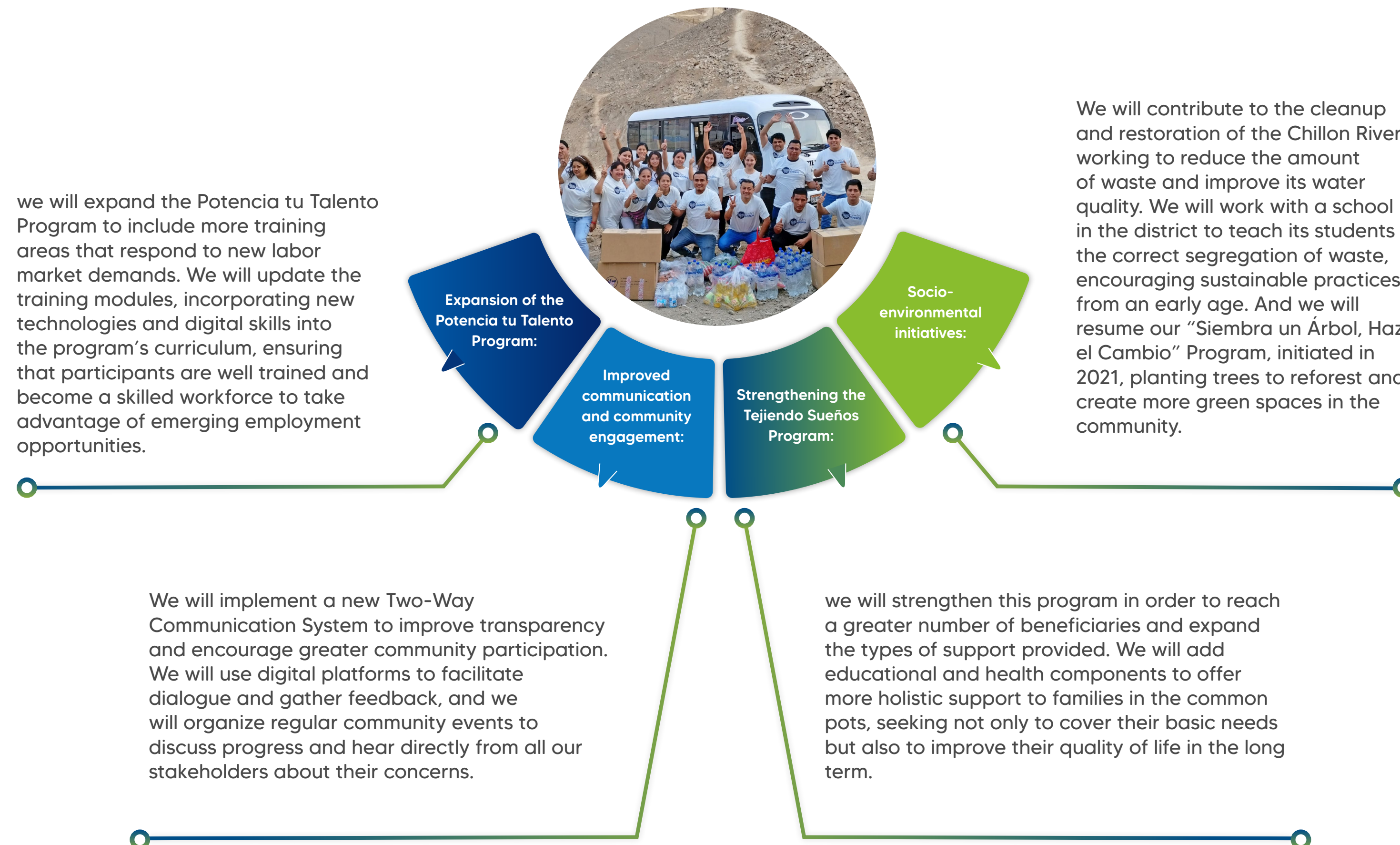
Empowerment through education:

Collaboration: Municipality of Puente Piedra
Impact: Gender equality and social inclusion
Results: People fit to work in the company

Our goals



For 2024, we have planned several actions and projects focused in the generation of social value and the strengthening of our relationships with the local community. These initiatives are designed to address risks identified and to take advantage of the opportunities for a continuous positive impact:



Our perspectives



In 2024, we will continue raising awareness and communication with the community, highlighting their role in our programs, such as Tejiendo Sueños and Potencia tu Talento. We will focus on better understanding the community needs by having a continuous dialogue and constructive feedback.

Also, we value the relevance and constant update of our training programs. We are committed to understand and anticipate work trends, working with experts to ensure our training programs continue being appropriate and high quality, aligned to the industry and society needs.

GRI 3-3

GRI 413

Chapter 10

ABOUT THIS REPORT



Chapter 10

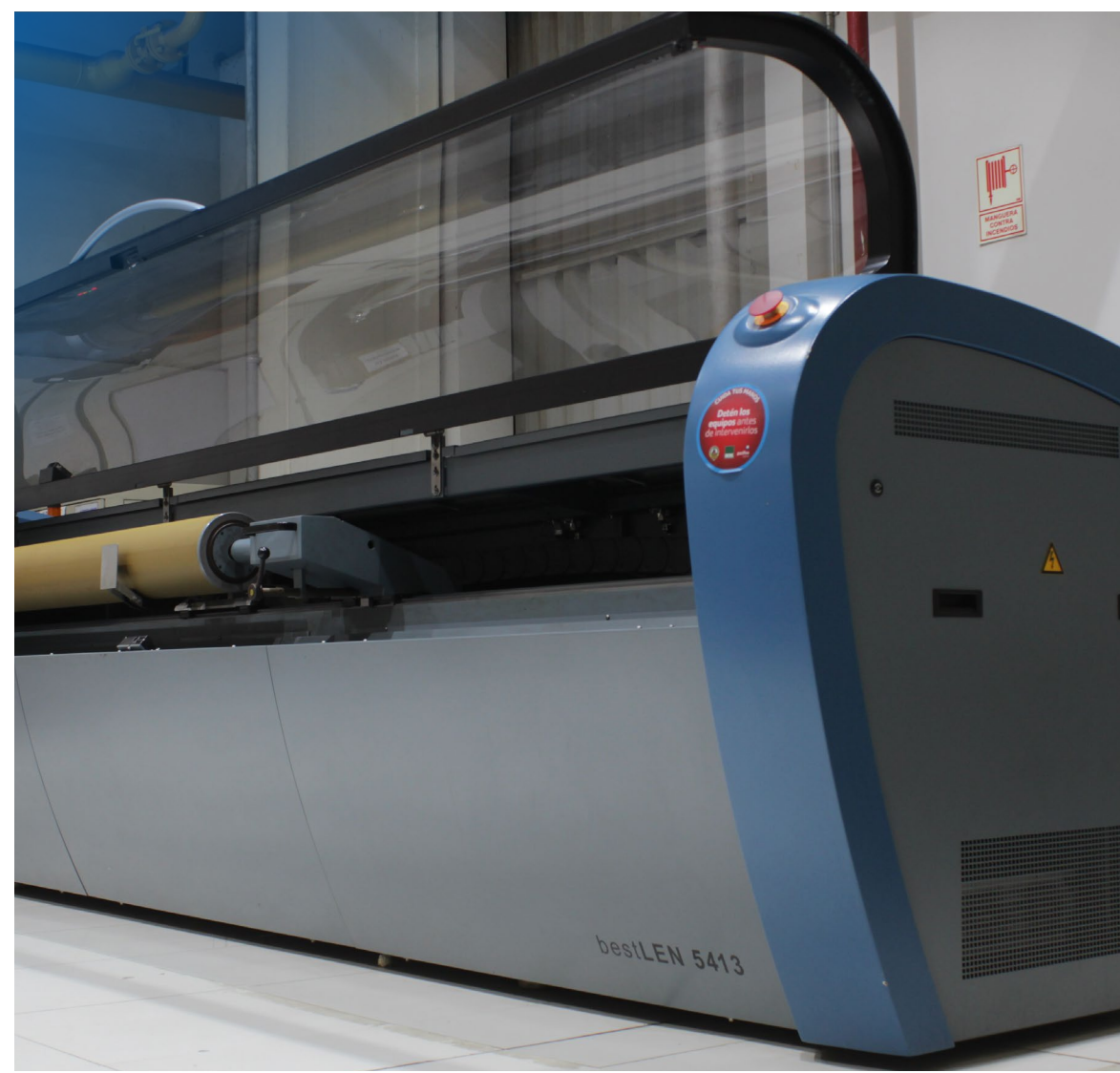
About This Report



10.1. Our groups of interest

In 2023, we maintained our focus in an active listening and continuous dialogue process with our groups of interest. We will now mention our groups of interest:

GRI 2-29



10.2. Materiality

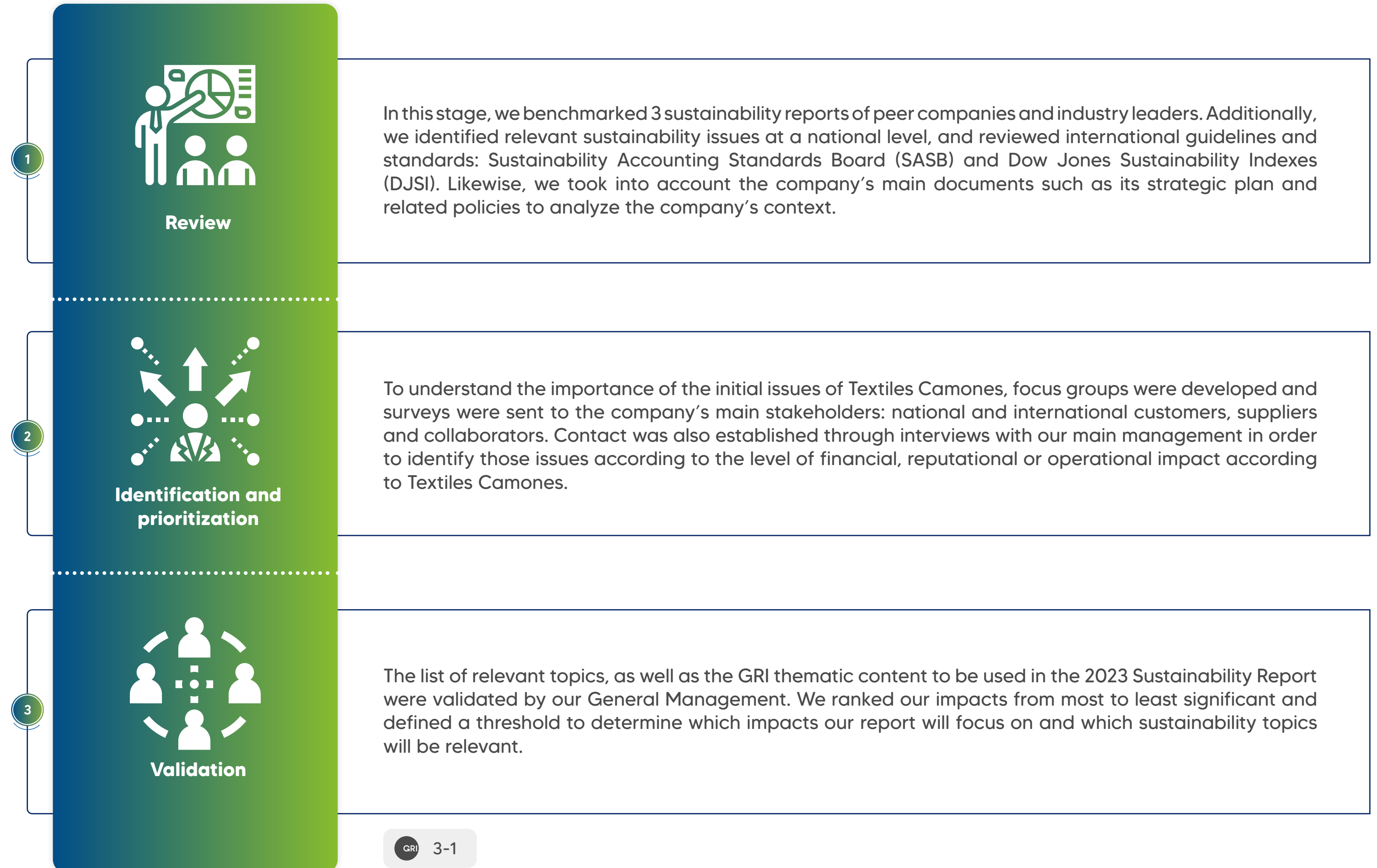
Our third sustainability report has been prepared following the Global Reporting Initiative (GRI) guidelines, and presents a detail analysis of our management in economic, environmental and social areas during the period between January 1st and December 31st 2023. It is important to highlight that this document is only focused in the actions carried out by Textiles Camones S.A. BIC of Peru, and does not include information about the performance of associated or related companies.

GRI 2-2

GRI 2-3

For the preparation of the Sustainability Report 2023, aligned with the Global Reporting Initiative (GRI) International Standards, we follow the stages of double materiality suggested by this methodology. This approach allows us to identify and prioritize, in cooperation with our groups of interest, those material topics and real and potential impacts of our activities in economy, environment and people, including impact in human rights:

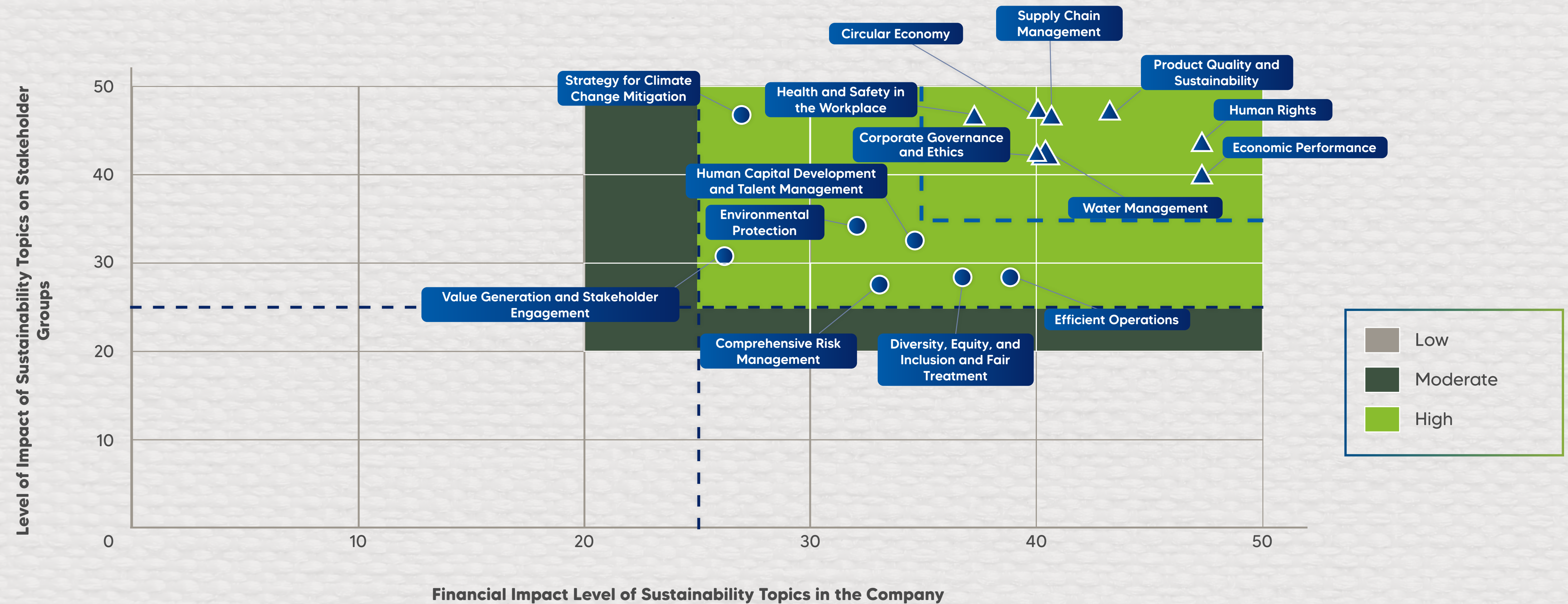
GRI 3-1



As a result of the aforementioned process, we obtained a Double Materiality Matrix that highlights the priority of sustainability topics, where items with higher score represent the ones with higher impact:

GRI 3-2

Double Materiality Graph



Chapter 11

APPENDICES



Chapter 11

Appendices



11.1. Social indicators tables

Number of employees by gender and job category in 2023 ¹¹

GRI 2-7

2023	
Employees by Gender	
Total number of employees	1846
Men	917
Women	929
Number of employees with permanent/indefinite contracts (full-time and part-time)	
Number of full-time employees	1846
Men	917
Women	929
Number of employees with fixed-term contracts	
Men	917
Women	929

Significant fluctuations in the number of employees during 2023

GRI 2-7

Number of employees				
2021	2022	2023	Fluctuation from 2021 to 2022	69
1861	1930	1846	Fluctuation from 2022 to 2023	-84

Workers who are not employees

GRI 2-8

Name of contracting company:	Number of non-payroll workers	Activity description	Work location
Safe Clean	16	Cleaning staff	Puente Piedra Plant, Los Olivos Plant, and stores in Gamarra
Prosegur	23	Security staff	Puente Piedra Plant, Los Olivos Plant, and stores in Gamarra
Merced	16	Food concessionaire staff	Puente Piedra Plant
Civil works	8	Civil works and maintenance staff	Puente Piedra Plant
Total	63		

¹¹ We do not have part-time employees or non-guaranteed hours in 2023.

New employee hires and employee turnover in 2023

Location/Gender	Under 30 years	Between 30 and 50 years	Over 50 years	Total per region and gender	New hire rate per region and gender
Lima and Callao	52	33	4	89	1
Women	26	14	2	42	0.47
Men	26	19	2	47	0.53
Provinces	0	0	0	0	0
Women	0	0	0	0	0
Men	0	0	0	0	0
Total by age group	52	33	4	89	
New hire rate by age group	0.58	0.37	0.04		

GRI 401-1

Total number and turnover rate of personnel, by age group, gender, and region in 2023

Location/Gender	Under 30 years	Between 30 and 50 years	Over 50 years	Total per region and gender	Turnover rate
Lima and Callao	52	35	4	91	1
Women	28	16	2	46	0.51
Men	24	19	2	45	0.49
Provinces	0	0	0	0	0
Women	0	0	0	0	0
Men	0	0	0	0	0
Total by age group	52	35	4	91	
Turnover rate	0.57	0.38	0.04		

GRI 401-1

Workers covered by a workplace safety and health management system

Type of worker	Total number of workers	N No. of workers covered by the OHS system	%
Direct employees	1846	1846	100%
Contract workers	63	63	100%

GRI 403-8

Indicators of work accidents among employees by number and rate in 2023

Indicator	2023
Total of recordable fatalities (TRF)	0
Number of lost time injuries (LTI)	41
Total recordable injuries (TRI)	96
Number of lost days	905
Lost Time Injury Frequency Rate (LTIFR)	8.88
Total Recordable Injury Frequency Rate (TRIFR)	20.8
Severity Rate (SR)	196.11
Number of hours worked	4 614 690
Total of recordable fatalities (TRF)	0
Number of lost time injuries (LTI)	0
Total recordable injuries (TRI)	1
Number of lost days	0
Lost Time Injury Frequency Rate (LTIFR)	0
Total Recordable Injury Frequency Rate (TRIFR)	6.60
Severity Rate (SR)	0
Number of hours worked	151 616

GRI 403-9

Indicators of occupational diseases among employees in 2023

Indicator	N°
Deaths from occupational diseases	0
Number of occupational diseases	0

GRI 403-10



11.2. Environmental Indicator Tables

Energy Consumption 2023

GRI 302-1

Energy Consumption	Unit	2023		
		Puente Piedra Plant	Los Olivos Plant	Stores
Consumption of fuel from non-renewable sources	Gigajoules	272 936.11	0	0
Diesel	Gigajoules	938.53	0	0
LPG	Gigajoules	0	0	0
Natural Gas	Gigajoules	271 991.94	0	0
Gasoline	Gigajoules	5.64	0	0
Carbon	Gigajoules	0	0	0
Consumption of fuel from renewable sources	Gigajoules	96 108.00	2786.96	104.37
Other source: Solar panels installed in 2023	Gigajoules	34.63	0	0
Total electricity consumption	Gigajoules	47 907.43	2786.96	104.37
Total heating consumption	Gigajoules	0	0	0
Total refrigeration consumption	Gigajoules	38.61	0	0
Total steam consumption	Gigajoules	48 127.33	0	0
Total energy consumption	Gigajoules	369 044.11	2786.96	104.37

Our Carbon Footprint is organizational and was calculated considering an operational control approach. The operations planned and carried out in the facilities of the Puente Piedra plant, Los Olivos Plant, and the 5 stores located in Gamarra are considered.

Details on the Calculation of Emissions in 2023

GRI 305-1

GRI 305-2

GRI 305-3

Gases included in the emissions calculation (CO ₂ , CH ₄ , N ₂ O, HFC, PFC, SF ₆ , NF ₃ , or all)	Scope 1	CO ₂ , CH ₄ , N ₂ O, HFC
	Scope 2	CO ₂
	Scope 3	CO ₂ , CH ₄
Biogenic CO ₂ emissions (in tons of CO ₂ equivalent) derived from the combustion or biodegradation of biomass:	Scope 1	2.08
	Scope 3	--
Base year for emissions calculation, justification for selecting the base year, and emissions in the base year in tons of CO ₂ equivalent:	The year selected as the base year was 2021, as it was the first year we measured and verified our Organizational Carbon Footprint.	
	Scope 1	16095.42
	Scope 2	2747.06
	Scope 3	1671.75
Source of emission factors and global warming potential (GWP) rates used or reference to the source of GWP:	Scope 1	<ul style="list-style-type: none">Peru Carbon Footprint PlatformGlobal Warming Potentials from the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC)
	Scope 2	<ul style="list-style-type: none">Peru Carbon Footprint Platform, MINAMGlobal Warming Potentials from the Fifth Assessment Report of the IPCC

Source of emission factors and global warming potential (GWP) rates used or reference to the source of GWP:	Scope 3	<ul style="list-style-type: none">Peru Carbon Footprint Platform, MINAM.Global Warming Potentials from the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC).Department for Environment, Food & Rural Affairs (DEFRA), United Kingdom.UK Government GHG Conversion Factors for Company Reporting.
Standards, methodologies, assumptions, and calculation tools used	Scope 1	<ul style="list-style-type: none">Peru Carbon Footprint Platform, MINAM.ISO 14064-1.GHG Protocol.
	Scope 2	<ul style="list-style-type: none">Peru Carbon Footprint Platform, MINAM.ISO 14064-1.GHG Protocol.
	Scope 3	<ul style="list-style-type: none">Peru Carbon Footprint Platform, MINAM.ISO 14064-1.GHG Protocol.

Main categories and activities related to other indirect GHG emissions (Scope 3) included in the calculation and CO₂ equivalent tons

GRI 302-1

Sources	Description of categories and activities included in the calculation
<p>Source 1:</p> <p>(X) Goods and services -upstream:</p> <ul style="list-style-type: none">Paper consumptionWater consumption	<ul style="list-style-type: none">Paper consumption: 7.58 tCO₂eq Corresponds to the paper sheets used by the organization, which include bond, continuous, bulky, and letterhead types.Water consumption: 4.88 tCO₂eq This source considers the potable water consumed in the administrative areas, as in the production process well water (non-potable) is used. Indirect emissions from the extraction of potable water are included in the consumption of electric energy (electric pump for water extraction).
<p>Source 2:</p> <p>(X) Waste generated in operations (composting, incineration):</p> <ul style="list-style-type: none">Waste generated	<ul style="list-style-type: none">Waste generation: 49.15 tCO₂eq These are the non-recyclable wastes generated by the organization.
<p>Source 3:</p> <p>(X) Business travel:</p> <ul style="list-style-type: none">Air travelTaxis	<ul style="list-style-type: none">Air travel: 59.25 tCO₂eq Corresponds to the air travel made by the employees of Textiles Camones.Taxis: 4.57 tCO₂eq Corresponds to land travel made by the employees of Textiles Camones, through the hiring of taxi services.
<p>Source 4:</p> <p>(X) Commuting of personnel to work:</p> <ul style="list-style-type: none">Contracted busesHome-to-work transportation	<ul style="list-style-type: none">Contracted buses: 71.47 tCO₂eq This refers to the mobility service offered by the company for transporting employees to the production plant from established stops and vice versa.Home-to-work transportation: 823.56 tCO₂eq This refers to the emissions generated by employees who do not use the company's mobility service to the workplace, potentially using public or private transport.
<p>Source 5:</p> <p>(X) Distribution and transport - downstream:</p> <ul style="list-style-type: none">Product distribution	<ul style="list-style-type: none">Product distribution: 210.95 tCO₂eq This corresponds to the emissions generated from distributing products from the plant to the shipping area (air or sea) or to the destination port where the client is located. The destination location varies depending on the client.

Chapter 12

GRI CONTENT INDEX

GRI



Chapter 12

GRI Content Index



Declaration of use:

Textiles Camones S.A. BIC has reported in accordance with the GRI standards for the period from January 1 to December 31, 2023.

GRI 1 used:

GRI 1: Foundations 2021

GRI Standard

Content

Page

SDG

Omission

Requirement or omitted

Reason

Explanation

General Contents

GRI 2: General contents 2021

2-1: Organization details

15

Textiles Camones S.A. BIC

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No

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--

2-2: Entities included in the organization's sustainability reports

93

--

No

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--

2-3: Notification period, frequency, and point of contact

93, 114

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No

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--

2-4: Restatements of information

--

--

No

--

--

2-5: External verification

This document has not been subjected to external verification or any audit mechanism.

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No

--

--

2-6: Activities, value chain, and other business relationships

15

--

No

--

--

2-7: Employees

96

--

No

--

--

2-8: Non-employee workers

96

--

No

--

--

GRI Standard	Content	Page	SDG	Omission		
				Requirement or omitted	Reason	Explanation
General Contents						
GRI 2: General contents 2021	2-9: Governance structure and composition	23	--	No	--	--
	2-10: Nomination and selection highest governance body	24	--	No	--	--
	2-11: Chair of the highest governance body	23	--	No	--	--
	2-12: Role of the highest governance body in overseeing the management of impacts	25	--	No	--	--
	2-13: Delegation of responsibility for managing impacts	25	--	No	--	--
	2-14: Role of the highest governance body in sustainability reporting	23	--	No	--	--
	2-15: Conflicts of interest	26	--	No	--	--
	2-16: Communication of critical concerns	26	--	No	--	--
	2-17: Collective knowledge of the highest governance body	24	--	No	--	--
	2-18: Evaluation of the performance of the highest governance body	24	--	No	--	--
	2-19: Remuneration policies	27	--	No	--	--
	2-20: Process to determine remuneration	27	--	No	--	--
2-21: Annual total compensation ratio	--	--	This indicator is not reported for confidentiality reasons.	--	--	

GRI Standard	Content	Page	SDG	Omission		
				Requirement or omitted	Reason	Explanation
General Contents						
GRI 2: General contents 2021	2-22: Statement on the sustainable development strategy	6	--	No	--	--
	2-23: Policy commitments	61	--	No	--	--
	2-24: Embedding policy commitments	61	--	No	--	--
	2-25: Processes to remediate negative impacts	61	--	No	--	--
	2-26: Mechanisms for seeking advice and raising concerns	66	--	No	--	--
	2-27: Compliance with laws and regulations	61	--	No	--	--
	2-28: Membership associations	22	--	No	--	--
	2-29: Approach to stakeholder engagement	92	--	No	--	--
	2-30: Collective bargaining agreements	63	--	No	--	--
Material Topics						
GRI 3: Material Topics 2021	3-1: Process to determine material topics	93	--	No	--	--
	3-2: List of material topics	94	--	No	--	--

GRI Standard	Content	Page	SDG	Omission		
				Requirement or omitted	Reason	Explanation
Economic Performance						
GRI 3: Material Topics 2021	3-3: Process for determining material topics	30	--	No	--	--
GRI 201: Economic Performance 2016	201-1: Economic performance	30	8, 9	No	--	--
Business Ethics						
GRI 3: Material Topics 2021	3-3: Management of material topics	91	--	No	--	--
GRI 205: Anti-corruption 2016	205-2: Communication and training on anti-corruption policies and procedures	62	16	No	--	--
	205-3: Confirmed cases of corruption and actions taken	62	16	No	--	--
GRI 206: Anti-competitive Behavior 2016	206-1: Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	61	16	No	--	--
Human Capital Management						
GRI 3: Material Topics 2021	3-3: Management of material topics	69, 78	--	No	--	--
GRI 401: Employment 2016	401-1: New employee hires and employee turnover	97	5, 8, 10	No	--	--

GRI Standard	Content	Page	SDG	Omission		
				Requirement or omitted	Reason	Explanation
GRI 404: Training and Education 2016	404-1: Average hours of training per year per employee	79	4, 5, 8, 10	No	--	--
	404-2: Programs for upgrading employee skills and transition assistance programs	78	--	No	--	--
	404-3: Percentage of employees receiving regular performance and career development reviews	79	--	No	--	--
Diversity, Equality, and Inclusion						
GRI 3: Material Topics 2021	3-3: Management of material topics	73	--	No	--	--
GRI 405: Diversity and Equal Opportunity 2016	405-1: Diversity in governance bodies and employees	73	5, 8, 10	No	--	--
Employee Health and Safety						
GRI 3: Material Topics 2021	3-3: Management of material topics	80	--	No	--	--
GRI 403: Occupational Health and Safety 2018	403-1: Occupational health and safety management system	80	8	No	--	--
	403-2: Hazard identification, risk assessment, and incident investigation	80	3, 8	No	--	--

GRI Standard	Content	Page	SDG	Omission		
				Requirement or omitted	Reason	Explanation
GRI 403: Occupational Health and Safety 2018	403-3: Occupational health services	81	3, 8	No	--	--
	403-4: Worker participation, consultation, and communication on occupational health and safety	81	8, 16	No	--	--
	403-5: Worker training on occupational health and safety	81	8	No	--	--
	403-6: Promotion of worker health	81	3	No	--	--
	403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	80	8	No	--	--
	403-8: Workers covered by an occupational health and safety management system	98	8	No	--	--
	403-9: Work-related injuries	98	3, 8, 16	No	--	--
	403-10: Work-related ill health	98	--	No	--	--
Human Rights						
GRI 3: Material Topics 2021	3-3: Management of material topics	63	--	No	--	--
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1: Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	63	8	No	--	--
GRI 408: Child Labor 2016	408-1: Operations and suppliers with a significant risk of incidents of child labor	63	8, 16	No	--	--

GRI Standard	Content	Page	SDG	Omission		
				Requirement or omitted	Reason	Explanation
GRI 409: Forced or Compulsory Labor 2016	409-1: Operations and suppliers at significant risk for incidents of forced or compulsory labor	63	8	No	--	--
Community Engagement and Shared Value						
GRI 3: Material Topics 2021	3-3: Management of material topics	86, 90	--	No	--	--
GRI 413: Local Communities 2016	413-1: Operations with local community engagement, impact assessments, and development programs	87	1, 2, 3, 4, 5, 6, 8, 9, 10, 15, 16, 17	No	--	--
Climate Change Management						
GRI 3: Material Topics 2021	3-3: Management of material topics	75	--	No	--	--
GRI 302: Energy 2016	302-1: Energy consumption within the organization	99	--	No	--	--
GRI 305: Emissions 2016	305-1: Direct GHG emissions (Scope 1)	100	--	No	--	--
	305-2: Indirect GHG emissions from energy (Scope 2)	100	--	No	--	--
	305-3: Other indirect GHG emissions (Scope 3)	100	3, 12, 14, 15	No	--	--

GRI Standard	Content	Page	SDG	Omission		
				Requirement or omitted	Reason	Explanation
Water Management						
GRI 3: Material Topics 2021	3-3: Management of material topics	55	--	No	--	--
GRI 303: Water and Effluents 2018	303-1: Interaction with water as a shared resource	55	6, 12	No	--	--
	303-2: Management of water discharge-related impacts	55	--	No	--	--
	303-3: Water withdrawal	55	--	No	--	--
	303-5: Water consumption	55	6	No	--	--
Supply Chain Management						
GRI 3: Material Topics 2021	3-3: Management of material topics	86	--	No	--	--
GRI 414: Social Assessment of Suppliers 2016	414-2: Negative social impacts in the supply chain and actions taken	86	3, 6, 8, 11, 12	No	--	--
Circular Economy						
GRI 3: Material Topics 2021	3-3: Management of material topics	49	--	No	--	--

GRI Standard	Content	Page	SDG	Omission		
				Requirement or omitted	Reason	Explanation
GRI 301: Material 2016	301-1: Materials used by weight or volume	57	--	No	--	--
GRI 306: Waste 2020	306-1: Waste generation and significant waste-related impacts	49	3, 6, 11, 12	No	--	--
	306-2: Management of significant waste related impacts	49	3, 6, 8, 11, 12	No	--	--
Innovation and Digital Transformation						
GRI 3: Material Topics 2021	3-3: Management of material topics	43	--	No	--	--
No specific GRI Standard is associated with this material topic	No GRI Innovation and Digital Transformation	43	9	No	--	--
Management of Chemical Products						
GRI 3: Material Topics 2021	3-3: Management of material topics	59	--	No	--	--
This material topic does not have a specific GRI Standard associated	No GRI Management of Chemical Products	59	9	No	--	--

GRI Standard	Content	Page	SDG	Omission		
				Requirement or omitted	Reason	Explanation
Sustainability and Product Quality						
GRI 3: Material Topics 2021	3-3: Management of material topics	40	--	No	--	--
This material topic does not have a specific GRI Standard associated	No GRI Sustainability and Product Quality	40	9	No	--	--



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Prepared, designed, and diagrammed
with the advice of Avanza Sostenible
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