NILIT®

50 years

Impact Report 2024

NILIT® | 50 years

Impact Report
Edition 2024

In collaboration with

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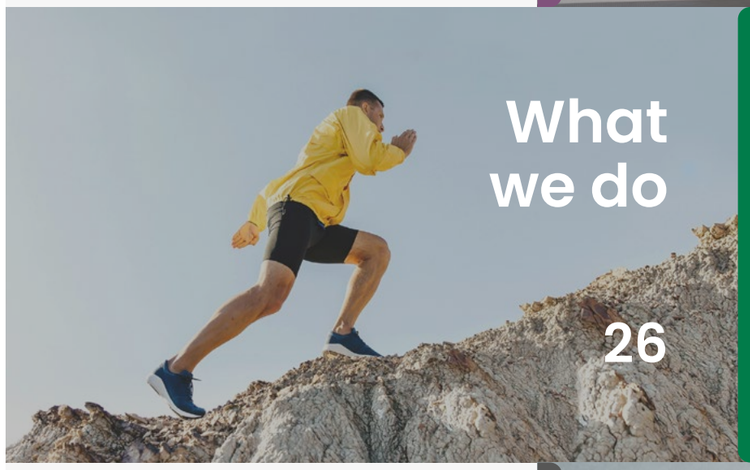

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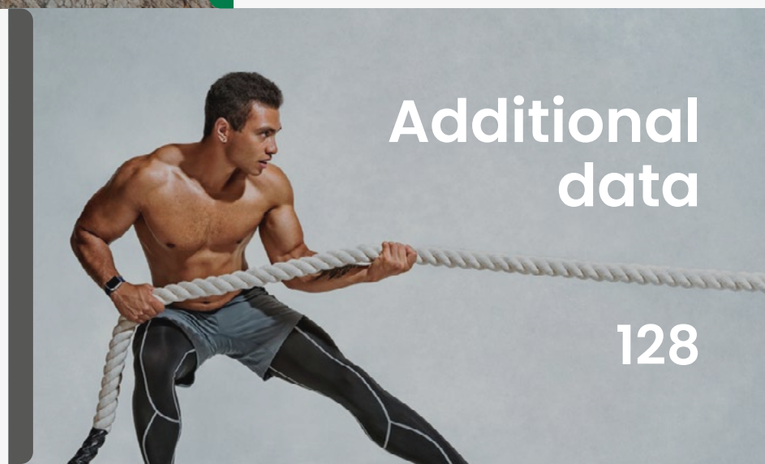

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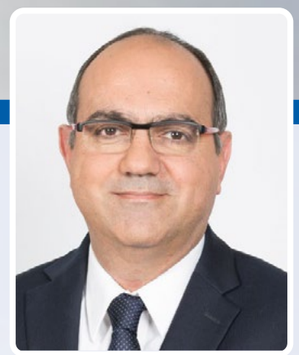
Who we are

Leading the change

Welcome to our Impact Report—an overview of NILIT's effort in shaping the sustainability landscape of the textile industry. As pioneers in customized Nylon 6.6 solutions, our goal is to go beyond mere production and supply **to build tangible impacts today, not tomorrow**.

With the name "Impact Report" we want to express our dedication to effective, immediate, measurable changes while anticipating forthcoming sustainability challenges. In addition to investing in product development and aiming for tangible and concrete results, we are proactively getting ready for the future Corporate Sustainability Reporting Directive (CSRD), reinforcing our commitment to adhere to its rigorous standards.

With our Impact Report, we wish to share our journey, outlining our strides towards a sustainable tomorrow while highlighting the steps we have taken today **to create a lasting impact within our industry and beyond**.



In our role as producer and global leader of high-quality Nylon 6.6, throughout 2024 we have reinforced our commitment to help move the textile industry to a more sustainable future. By channelling our energies and resources into setting more and more ambitious goals, we continue to inspire positive change and drive progress across the textile sector.

Considering our holistic impact approach, we are always strongly committed to lowering the carbon footprints of the manufacturing processes in our four plants in Israel, China, Brazil and the USA. Considerable investments have been made to increase renewable energy sources and energy efficiency and to lower water consumption. We are aiming towards excellence by implementing additional projects and processes to measure our efforts and increase transparency and accountability. We work every day to improve and deliver value, innovations and awareness while we walk on our sustainability journey. We serve our goal of creating positive change in our sector by building solid and lasting partnerships with our customers and suppliers.

As we celebrate our 50th anniversary this year, our ambitions are bigger than ever. 2024 marked the beginning of a new partnership with Samsara Eco, leader in enzymatic recycling. Together, we are working towards the opening of a Nylon 6.6 recycling facility, with the ambitious goal of drastically reducing Nylon 6.6 waste and achieving infinite recycling of this material. We also launched during 2024 "Sensil Flow" a product which enables post-consumer recycling.

Our Samsara partnership and the launch of "Sensil Flow" embodies our long-lasting commitment to circularity and environmental responsibility.

Finally, in 2024 we have formed a joint venture with Shenma Industry Co. to strengthen our presence in the Chinese sustainable textiles market. This collaboration will lead to the development of a new production facility powered entirely by green energy, strengthening our ability to serve customers in one of the world's largest and most dynamic markets while reinforcing our growth and commitment to sustainability. We are dedicated to building the market's legacy for future generations together with like-minded fashion stakeholders, ensuring that sustainable options are readily available for consumers to choose. Our progress was made possible by NILIT's passionate employees, who have embraced our core values and consistently acted upon them. The achievements outlined in this Impact Report are the outcomes of their dedication and vision. I am incredibly grateful for what we have accomplished over the past years and excited about the next steps that await us in our path towards excellence. The journey has only just begun.

Ilan Melamed
General Manager
Migdal Ha'Emek, June 2024

Our identity

Since 1969 we have produced and delivered Nylon 6.6 (PA 6.6) yarns and filaments to give innovation to the textile industry. Through the guidance of Ennio Levi and Michael P. Levi, for more than 50 years we have been providing tailor-made solutions to our partners and customers. And we continue to do so.

Combining our polymerization, spinning and texturing know-how with constant investments in research and development, NILIT can offer a wide selection of products defined by quality, care, awareness and low impact: SENSIL® is our sustainable premium collection of yarns where our holistic approach defines our outputs.

We will not stop there. We will expand the broadest sustainable portfolio available on the market with new low-impact products with the goal of improving the textile industry.

Our history

1969

NILIT®

NILIT foundation in Migdal Ha'Emek, Israel, where the headquarters is still located today.

1974

Production began in Migdal Ha'Emek facility.

1988

NILIT's 5 denier yarn has been declared the world's finest nylon yarn.

2008

Set-up of NILIT Nylon Technologies in Suzhou, China.

2009

Acquisition of NILIT America, in Martinsville, VA, USA.

Launch of SENSIL® EcoCare, recycled product.

2014

Acquisition of NILIT AMERICANA, in São Paulo, Brazil.

2021

Introduction of SENSIL® BioCare breakthrough in marine environmental protection

2022

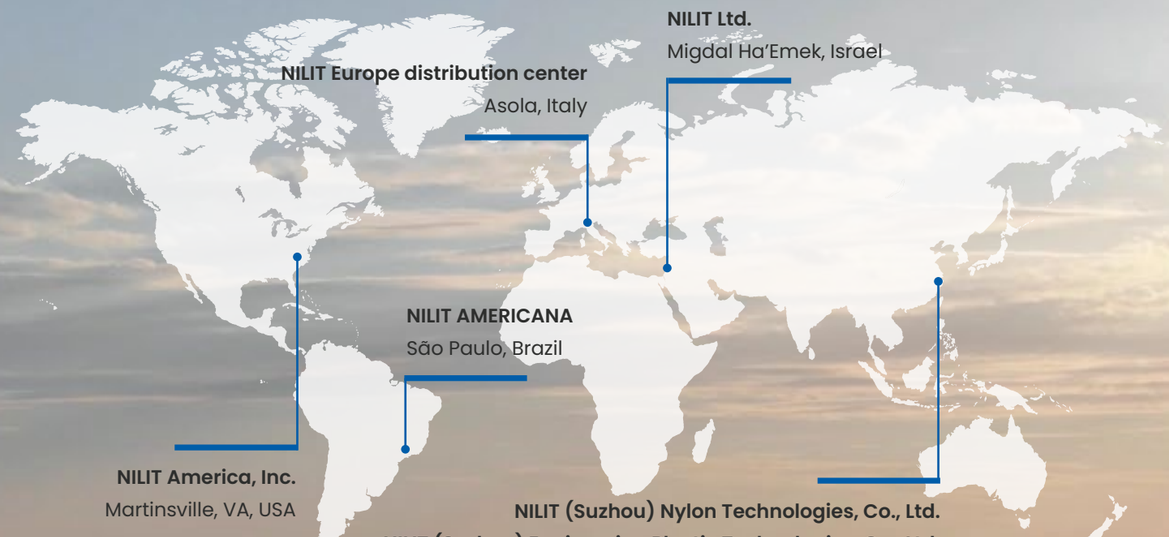
Launch of SENSIL® ByNature-first nylon yarn using non fossil biomass under the mass balance approach.

2024

New partnership with Samsara Eco. Joint venture with Shenma Industry Co.

Where we are

We are globally distributed to optimize and always improve our manufacturing and logistic process: **we are never too far from our customers and leading brands around the world.**



Our numbers

4

Our Manufacturing plants, to guarantee products where they are needed.

50+

The Countries where we are operating: serving leading brands around the world.

500+

The number of customers and partners we provide solutions to and meet their needs.

~850

Our employees in 2024, working every day with passion and competency.

50k

Tons per year of Nylon 6.6 capacity: we are the largest filament producer worldwide.

13

The number of family products in SENSIL® portfolio, where smart design meets lower impact.

Nylon 6.6: the best feelings in one fiber

Nylon 6.6 is a synthetic polymer produced from adipic acid and hexamethylene diamine. It has particular physical and chemical properties that translate into a great level of performance. It is our perfect choice to deliver high quality fibers for broad textile applications.

POLYNIL®: BROADEN SCOPE OF NYLON 6.6

Through our POLYNIL® division we provide our Nylon 6.6 expertise also to different sectors: our POLYNIL® offerings are certified to produce ISCC+ compliant, recycled and Biomass balance polymers to the market. Some of our custom-made products for the monofilament business includes polymers made with 50% postindustrial recycled yarns.

Governance: inspired leadership

NILIT's board of Directors defines our values and vision. It is committed to achieving quality and excellence and mastering innovation with the application of our holistic approach that combines the best customer experience with a low environmental impact.

The Board of Directors supervises the Senior Management Team, which includes General Managers and executives from the group's multiple operational business areas. NILIT's devotion to sustainability and reduction of environmental and social impact affects all the group's departments and is considered within the group's decision-making process.

All members of the Senior Management Team are also part of the sustainability strategy steering committee, that has been set up to overlook the implementation of the sustainability strategy and the Global Goals.

A sustainability taskforce is dedicated to managing the daily operation of the group's ongoing activities.

Board of Directors

Senior Management Team

Sustainability Steering Commitee

Sustainability Taskforce

What we believe in

Living our values every day

OUR VISION

Leading the change
Commitment to make concrete changes in the textile industry

At NILIT, our values are deeply ingrained in every facet of our operations and in each element of our strategy.

These values shape our identity and guide our actions, influencing our daily conduct towards our vision.

OUR VALUES

- **Multiculturalism and cooperation**
- **Reliability and transparency**
- **Diversity**
- **Innovation and sustainability**

Our Values

Reliability and transparency

At NILIT, we believe that reliability and transparency are the foundation of all successful relationships. Whether communicating with our employees, customers, suppliers or partners, we prioritize providing accurate and honest information, ensuring our current data are precise. This commitment fosters mutual respect and trust with our stakeholders, allowing us to cultivate enduring and robust partnerships that last over time.

Multiculturalism and cooperation

NILIT stands as a global community—a convergence of diverse cultures, religions, and nationalities interacting daily, regardless of external conflicts. We believe everyone is part of the same family and deserves acceptance and respect. Embracing this diversity makes us unique: we acknowledge and commemorate all holidays and religious observances of our employees to foster an environment of cooperation and mutual respect where all differences are embraced and celebrated, ultimately transcending cultural boundaries.

Innovation and sustainability

As pioneers in customized Nylon 6.6 solutions, we advance our product innovation to address our environmental impact today. We empower ourselves by constantly investing in non-fossil raw materials, new manufacturing technology, and inventive solutions—such as end-of-life product strategies and dye-free processes—to effect immediate and significant change within the textile industry.
Creating more recyclable products in the textile world is a considerable challenge; however, enhancing circularity is essential to improve the positive environmental impact of our industry. For this reason, we are committed to prioritizing recyclable processes and materials along our entire supply chain, from water, energy, and waste management to product innovation.

Diversity

At NILIT, we prioritize diversity and inclusion as fundamental values within our multinational and multicultural workplace. We are committed to creating an environment where individuals of all backgrounds, perspectives, and identities can thrive. By fostering an inclusive culture and ensuring equal opportunities across all levels of the company, we continue to build a stronger, more innovative organization.

Walking the talk

Our core values and commitments are strongly embedded in everything we do, from the products we make, to how we operate within and outside of our organization.

Our products are the results of our responsible and ethical management to guarantee the highest level of **quality, excellence** and experience for our customers and consumers.

We are enthusiastic to share our **Social and Environmental Responsibility** journey and we continue to do so in order to lead the change by spreading knowledge and awareness.

We are also determined to keep building impact by applying the values of **collaboration** and **integrity** among employees and partners relationships.

Our approach

We aim to contribute to a cleaner and safer world to ensure a better future for the next generations.
This is why our approach to product development and production is rooted in the philosophy of **Total Product Sustainability** and **Life Cycle Assessment**.

Our Total Product Sustainability (TPS) program is an internal initiative that harnesses our values across every aspect of our manufacturing process.
This entails an ongoing focus on reducing our carbon footprint, implementing **energy-efficient processes**, adopting **zero-waste** management practices, and **engaging in water conservation activities**.

The Life Cycle Assessment methodology is guiding us to make informed decisions, harnessing our choices through data analysis to ensure accountability and transparency of results for us and our partners. There is more to come.

Total Product Sustainability Program

- Measuring **Carbon Footprint reduction**
- Measuring **Energy Saving progress**
- **Zero waste management progress**
- **Water conservation practices**
- **Safety and respectful working environment**

Life Cycle Assessment application benefits

- **Informed Decision-making**
- **Holistic perspective**
- **Identifying Hotspots**
- **Continuous improvements**
- **Comparative analysis**
- **Data accountability**
- **Results transparency**

Our portfolio: values becoming products

Our **SENSIL®** portfolio, dedicated to our sustainable premium Nylon 6.6 products, is the tangible outcome of our values, combining Total Product Sustainability and Life Cycle assessment criteria, to focus on real positive impacts and performances.

Our portfolio is focused on a solutions-based approach, with products contributing to specific needs.

REDUCED FOSSIL FUEL — SENSIL BYNATURE

WATER PRESERVATION — SENSIL WATERCARE

RECYCLED CONTENT — SENSIL ECOCARE

REDUCED TEXTILE WASTE — SENSIL BIOCARE, SENSIL FLOW

Performance & Well-Being — SENSIL BREEZE, SENSIL HEAT, SENSIL INNERGY, SENSIL BODYFRESH, SENSIL AQUARIUS

Fashion Fibers — SENSIL COLORS, SENSIL SHINE, SENSIL SOFTEX

High-Abrasion Resistance — SENSIL TOUGHTEX

Reducing energy, water, content, waste: when less is more

In 2022 we launched **SENSIL® ByNature,** a disruptive sustainable fiber that stands as a *première* innovation. This remarkable product utilizes a biomass-balanced polymer feedstock derived from organic waste diverted from landfills. SENSIL® ByNature not only delivers the expected performance, comfort and durability synonymous with SENSIL® quality but also boasts a substantially reduced carbon footprint.

Our commitment continues with **SENSIL® EcoCare** that incorporates recycled nylon from operations, making the process more efficient in terms of raw materials, water and energy needs.

With **SENSIL® WaterCare** we address the environmental impact of water-intensive dyeing processes, saving significant amounts of water and energy from use and reducing the risk of pollution to oceans, lakes and rivers.

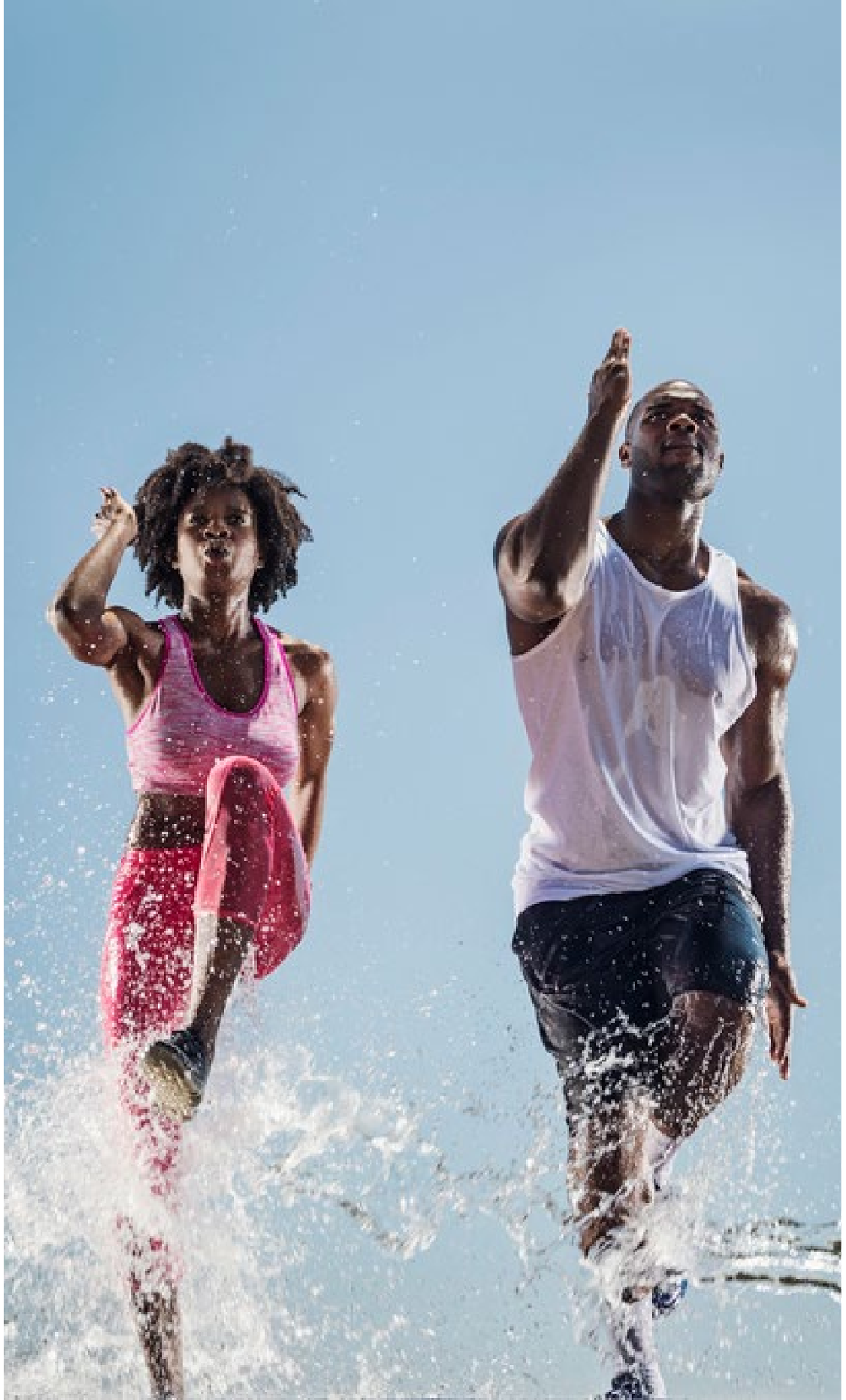
Care after disposal: reducing textile waste

We design and imagine our products to have the longest life possible, but we want to maintain the lowest impact even at the end of use: with **SENSIL® BioCare** we deliver innovation through technology that allows faster textile waste degradation in seawater and soil, fighting, as leader of the textile industry, the consequences of increasing garments in landfills and microplastics ocean pollution.

Technology for performance and well-being

Our developments and innovations have also been driven towards reaching the best fiber performance in terms of comfort and well-being for users:

- With **SENSIL® INNERGY**, a natural mineral additive converts the human body's thermal energy into Far Infrared Rays (FIR) that reflects back to the body to cause deep but soft heating that invigorates the body and enhances blood's circulation and oxygen flow;
- **SENSIL® HEAT** manages body heat through coffee charcoal and oxide added to the yarn to capture body heat while absorbing and neutralizing body odors;
- **SENSIL® BREEZE** supports cooling during warm weather by reducing body temperature, thanks to particular properties that allow the transfer of heat;
- **SENSIL® BODYFRESH** delivers permanent odor protection and bacteria elimination thanks to a special additive that gives the microfiber yarns the capacity to prevents bacterial growth and viral activity;
- **SENSIL® AQUARIUS** guarantees moisture management and perspiration and odor resistance through multiple technologies: triple-T cross section to increase surface area for rapid absorption, micro-channels to create capillary effects and wick moisture, hydrophilic properties to promote quick evaporation.



Products certifications

We develop a culture centered on quality by promoting awareness and granting responsibility to all stakeholders, encouraging them to effectively address the company's needs and expectations.

Our certifications serve as a testament to our commitment to elevate our quality standards, showcasing our performance for the benefit of both customers and partners.

Partnering with Samsara Eco: challenging the boundaries of Nylon 6.6 Recycling

In NILIT, we cultivate sustainability ambitions through strategic partnerships. We believe that partnership is a fundamental component of a comprehensive sustainability strategy, since ambitious sustainability goals can be achieved thanks to cooperation with partners, collaborators and stakeholders who share the same vision and anti-waste mindset.

2024 marks the beginning of an important partnership between NILIT and Samsara Eco, an enviro-tech innovator and leader in the field of enzymatic recycling. We teamed up with Samsara Eco to embark on an ambitious and highly innovative project: **the construction of a Nylon 6.6 textile-to-textile recycled polymer production site in Southeast Asia** to help close the loop on Nylon 6.6. Together with Samsara Eco, we are currently exploring the possibility to create the first circular pathway for Nylon 6.6.

Our cooperation with Samsara Eco is meant to contribute to putting an end to

Nylon 6.6 waste and pollution and aspires at delivering climate repair through infinite recycling.

Our SENSIL® sustainable solutions provide lower impact premium Nylon 6.6 products available on the market, so that consumers have the possibility to choose more environmentally friendly alternatives to the traditional textile products. With Nylon 6.6 textile-to-textile recycling, we aim to do our part in decreasing global carbon emissions and decrease the amount textile waste that is annually added to landfills.

> **“Together, NILIT and Samsara Eco have the potential to produce infinitely recycled Nylon 6.6 that delivers outstanding fabric quality and performance while benefitting the planet”**
> Ilan Melamed, NILIT’s General Manager

The new facility is expected to be operational by early 2028. In this enzymatic recycling, Nylon 6.6 downstream waste such as Nylon 6.6 is further broken down by enzymes into raw materials, that can be integrated into existing manufacturing supply chains, enabling the production of new high-quality textile products, in a perfectly closed and infinite loop. In NILIT, we do not put a limit to our ambitions, and we believe we have the duty to always push ourselves towards more and more groundbreaking solutions.

Shedding light on what matters

Sustainability has become a relevant element of every relationship and choice and still, much more clarity is needed around the topic. Our world is driven by innovation and sustainability, and NILIT stands as a beacon of commitment to its core values.

Our values are not just words on paper. As a leading force in the textile industry, we actively strive to enlighten the value chain, through our experience and knowledge. In an ever-evolving landscape, we believe that education is empowerment. In these years we have driven our efforts through informative initiatives and events as we aim to elevate the industry as a whole, with well-informed stakeholders, brands and consumers that are inspired to make more conscious choices, being able to focus on what really matters. Leading the change.

In the past months we have been protagonists and speakers at many events, industry fairs and sustainability panels: we live with enthusiasm and the responsibility of our role in the market, and we will continue to do in the future.

In 2024, we took part in **Performance Days**, the international fair for innovative high-tech sportwear and accessories which takes place in different locations around the world. We exhibited on 2nd and 3rd April in Shanghai, China, as well as on 22nd and 23rd October in Munich, Germany. Both exhibitions gave us the possibility to promote SENSIL® and our portfolio of cutting-edge yarns, bringing innovation, performance and sustainability at the center of the discussion.

Techtextile, the major textile international fair in Germany, hosted our exhibition of the best fibers and yarns we can offer. We took this opportunity to showcase the quality, resistance and performance of our SENSIL® Flow brand, as well as to demonstrate the fundamental role played by sustainability in defining our goals and strategies.

At **Febratex**, the largest fair for the textile industry in the Americas, which took place on 20th – 23rd August 2024 in Santa Catarina, Brazil, we had the opportunity, as exhibitors, to confirm our commitment on the Brazilian market, by promoting our sustainable approach to production and business.

We were also present at the Autumn Edition of **Intertextile Shanghai Apparel Fabric**, which happened on 27th – 29th August. We promoted the latest SENSIL® innovations, and in particular SENSIL® Flow, bringing it as an example of circularity as a game-changing approach to textile production and as a demonstration of the potential of minimum-waste garments.

From 28th to 31st October, we joined the **Textile Exchange conference** at the Pasadena Convention Center, in California, an influential hub for sustainability in the fashion industry. The 2024 conference was a great forum for meeting like-minded brands and stakeholders to exchange experiences and have insightful discussions about the next challenges to face in our sector.

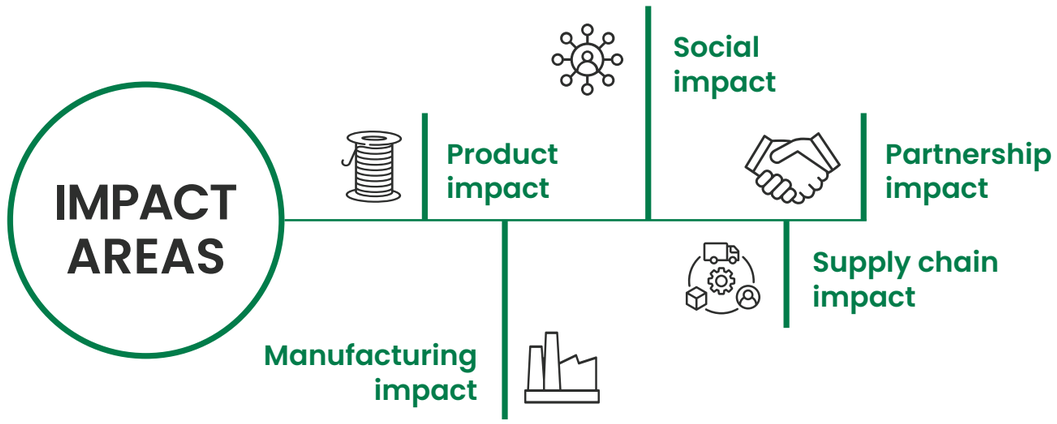
On 20th-21st November, we showcased our SENSIL® Flow and other SENSIL® eco-friendly solutions at the **Functional Fabric Fair** in Portland, USA, a dynamic event that gathers fabric innovators committed to bring sustainable products into the textile market.

What we do

Our impact approach

At NILIT we are fully committed to our vision: crafting and building the change in the textile, sportswear and fashion industry, by prioritizing the positive impact we can do with our activities.
We do put impact first when we gather ideas and design new products, improve our manufacturing processes and reduce consumption.

We want to leverage our positive impact when we invest in renewable materials, when we challenge our value chain with environmental and social criteria, when we team-up with partners to share know-how or spread sustainability education and awareness in the market.
This is why we have split our global goals into five strategic areas to maximize our impact and spread the change in our sector:



our global goals

Product impact

WHAT

Dedicated innovation efforts to support ongoing product development embedded with a solution-based approach that focuses on:

- **Waste reduction** – recycled, reduced microfiber pollution, circularity
- **Renewable inputs** – reduced dependency on fossil fuels
- **Water preservation** – with a focus on downstream processes
- **Longevity** – comfort and performance

HOW

Repurposing waste:

- Recycling 100% of our spinning extrusion waste;
- Recycling 100% of our POY yarn waste;
- Recycling 100% of our finished yarn waste by 2027;

Technical improvements:

- Offering a 100% recyclable closed loop solution with our new comfort stretch technology and mono component solution by 2025;
- Providing the market with a Nylon 6.6 yarn that breaks down by at least 90% in marine and landfill environments;
- Growing by 100% per year our offering of yarns that contribute to the reduction of microplastics in the oceans;
- Partnering with innovative companies who share the same values and purpose:
- Reducing dependency on fossil feedstock and providing the market with a solution to use more Biogenic carbon instead of fossil by means of Mass Balance;
- Growing by 100% per year our solutions based on Biomass Balance (BMB) approach.

Manufacturing impact

WHAT

Aiming for excellence in production sites with constant developments and stronger accountability

HOW

Investing in energy from renewable resources for our plants' needs:

- All offices and non-manufacturing buildings will get energy from 100% renewable sources by 2027;

Increase energy efficiency on sites;

Reduce Internal waste;

Decrease water consumption:

- By 2027, 90% of water used in Israeli production plant will be from regenerated sources.

Social impact

WHAT

Fostering NILIT employees' well-being and development and connecting with local communities to share social positive impact

HOW

Succession planning processes focused on inclusion and diversity;

Lower numbers of accidents with Global Safety Program;

Increase of training hours and skills development;

Support of local, cultural and sport events;

Supply chain impact

WHAT

Partnering with suppliers and customers to build positive transformation and promote active environmental and social responsibility

HOW

All of our suppliers read our new supplier Code of Conduct to spread sustainable processes across our value chain;

Integrate environmental and social criteria in the procurement process;

Increase of non-fossil raw materials sourcing;

Optimization of logistic processes;

Partnership impact

WHAT

As a key driver of sustainability, we want to spread our impact approach in the textile industry, to foster pivotal changes in the system

HOW

Collaboration with brands, recyclers and mills to introduce more circular solutions;

Co-development of renewable raw-materials;

Stronger downstream relationships to increase material resourcing and regeneration;

Leading more sustainability talks and events, being an active member of sector associations and collaborating with brands, recyclers and mills to introduce circular solutions.

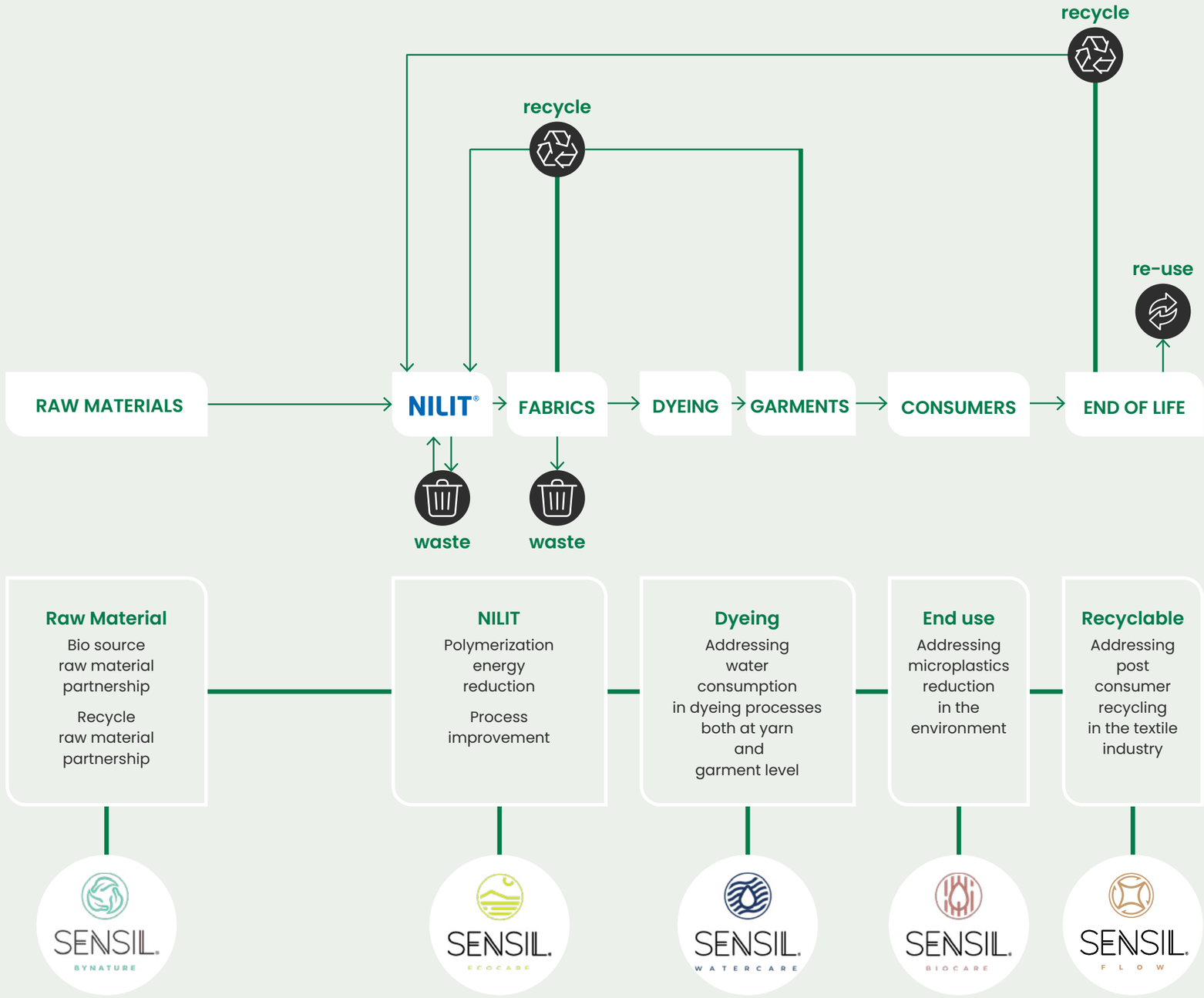
ACHIEVED

Product impact

Our company is the worldwide leader in the production of a broad range of products based on Nylon 6.6. As part of our commitment to leading the change in the textile industry, we have developed over the years our SENSIL® portfolio, that combines differentiated sustainable and premium solutions by emphasizing life cycle and impact approach, to address positive impacts in each phase of our fibers' production processes. We thoroughly evaluate the environmental effects of all our products and actively strive to minimize their impact wherever possible.

Our processes play a crucial role in the textile chain, positioned between the initial monomers production stage and the final disposal of garments. The impact of NILIT's processes, products and influence extends significantly throughout the entire chain.

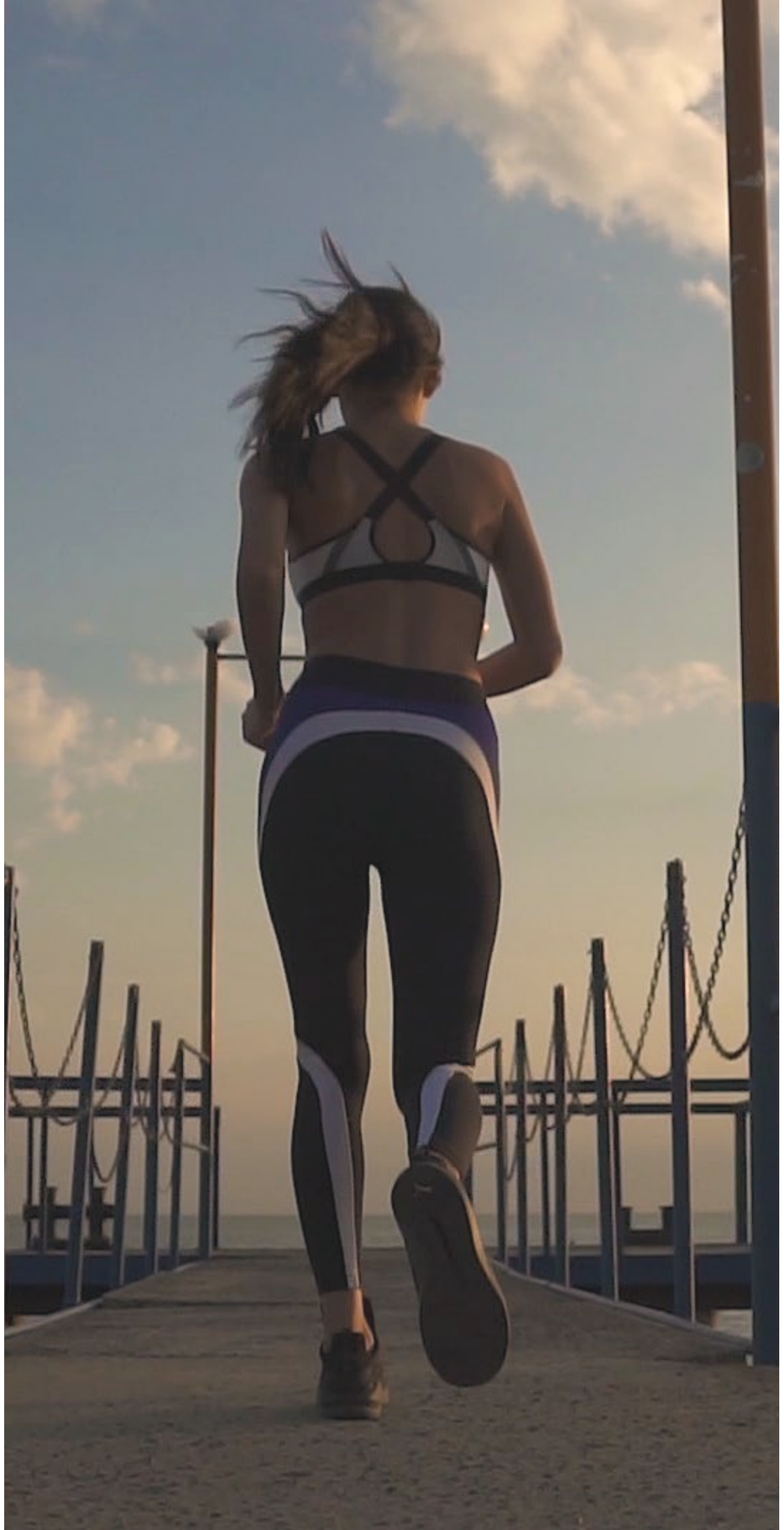
Our expertise in polymerization of polyamide 6.6 allows us to be flexible and to adapt the process to the use of different monomers that could come from bio sources or recycled garments. Our Polymers formulation includes additivities that guarantee the highest quality while allowing several process improvements along the products production and use: water and chemical reduction in dyeing phases, lower pilling to tackle the microplastics issues in the textile industry.



We also take a distinctive approach in the spinning phase of the processes, leading to additional product differentiation. In addition to engineered polymers, a considerable array of additives is introduced during spinning to impart additional benefits to the yarns. Through master batch addition, yarns offer diverse properties to the final garment, such as UV protection, enhanced sport performances, pre-dyed yarns that minimize the environmental impact of fabric dyeing and garments with accelerated natural degradation in marine environments.

Also, in our final step we deliver innovation: in yarn texturing, NILIT employs various technologies including air and friction texturing, to introduce a new level of differentiation. By combining innovative polymers with specific process conditions, we produce new yarns capable of providing the best comfort and elasticity to the final garment even without the use of spandex, contributing to the final recyclability of the products. In addition, through unique texturing parameters, we offer yarns that promote faster body cooling, efficient water management and superior comfort. We are enthusiastic about the numerous opportunities that our technologies allow, both in terms of innovation and environmental impacts.

There is more to come, since our Research and Development department is always focused on new solutions or processes that could deliver positive impacts. For instance, we want to highlight a new product development, a new range of yarns that will be able to provide significant contribution to the whole textile value chain, focused on the dyeing and finishing stage under our SENSIL® WaterCare family of products. We are so excited about the results our technologies have achieved so far but we are also committed to do more: more for the environment, more quality, more satisfaction for our partners, more collaborations, more positive impacts. Our commitment is evident as we mark significant progress towards achieving our objectives. In the following sections, we will showcase some of the products we have developed to expand our impact in our industry.



SENSIL® ByNature: the road to reduce the dependency on fossil feedstocks

With the launch of SENSIL® ByNature, NILIT is a pioneer in the textile industry. SENSIL® ByNature is the industry - first premium Nylon 6.6 on the market that requires a lower fossil fuels use for its production.

SENSIL® ByNature is a revolution, a product that enhances apparel sustainability by considering life cycle analysis results. Through the certified Biomass Balance (BMB) process, NILIT replaces a portion of fossil fuels in the production of the raw materials with renewable feedstocks, reducing greenhouse gasses emissions and decreasing dependence on non-renewable resources.

Compared to conventional Nylon yarns, this method utilizes renewable resources, specifically biogas sourced from organic waste, that are used as feedstock at the initial stages of production. The quantity of bio feedstock is subsequently assigned to specific products through the certified process. SENSIL® ByNature is ISCC+

certified, that is an independent sustainability certification program confirming the controlled use of renewable feedstocks throughout a supply chain.
SENSIL® ByNature fabrics provide consumers with a meaningful opportunity to reduce their carbon footprint while maintaining the comfort, well-being, performance and durability expected from SENSIL® products.

This revolutionary project has the goal of leading the change that NILIT is pushing in the textile industry. By lessening reliance on fossil fuels, with SENSIL® ByNature we can achieve a reduction of 1800 Kg of CO_2 eq. per ton of standard Nylon 6.6 fabric, minimizing impacts for brands while maintaining the same mechanical and physical properties as NILIT's traditional SENSIL® Nylon 6.6 and promoting the use of renewable raw materials. This solution technology is available today for high volume programs.

SENSIL® EcoCare: the road to pre-consumer waste

Made from pre-consumer waste, SENSIL® EcoCare reduces environmental impact as it is created from extrusion and spinning waste within the manufacturing process in NILIT facilities.
The production process of SENSIL® EcoCare recycled yarns is highly efficient, significantly reducing CO_2, energy and water consumption while realizing high quality fabrics. These fabrics and garments are not only eco-friendly but also offer the same level of comfort, softness and resilience.

Energy and Water saving for 100% recovered yarn

the **emissions saving*** from our mechanical recycling facility is at a total of 6 ton of CO_2 eq per 1 ton of yarn

80,5% reduction of water consumption, by saving 830 kg/ton polymer

*Compared to standard yarn manufacturing from virgin Polymer

This result has been possible through NILIT mechanical recycling advanced technology that allows the reduction of the polymer waste into small pieces that can be fed in our extruders. The polymer waste is entering again in the production process, to be then transformed into new yarns. SENSIL® EcoCare contributes to substantial savings in energy and water resources since it avoids the polymerization step, which is both an energy and water intensive process. SENSIL® EcoCare has the lowest impact also from a Life Cycle Assessment perspective, since there are no carbon emissions related with transport activities of the recycled materials used. The waste is collected and recycled in the plant itself, to maximize the circularity approach of the process.
The recycled polymer used in SENSIL® EcoCare is certified in accordance with the Global Recycling Standard (GRS) and Scientific Certification Systems (SCS), ensuring a commitment to rigorous recycling standards and sustainable practices.

SENSIL® WaterCare: the road to water and soils preservation

SENSIL® WaterCare, introduced on the market in 2020, has gained global recognition as a groundbreaking concept to eliminate the dyeing process in the downstream stage of garment production.
By incorporating natural coloring agents in the extrusion stage, with SENSIL® WaterCare is possible to eliminate the dyeing activities in the downstream of the garment, with a saving up to 60,000kg of water per ton of fabric while maintaining high quality fabrics and long-lasting colors.

Sustainable colors are achieved through environmental pigments like charcoal and coffee bean shells, providing coloration that resonates with the natural world.
Expanding on the WaterCare concept, at NILIT we are actively developing new technologies at the yarn level to address various aspects of water conservation and environmental impact in the dyeing process. These advancements aim to reduce the water required for dyeing, minimize the volume and chemical oxygen demand (COD) of wastewater, thereby mitigating potential risks in the event of spillage into soil and aquifer reservoirs, and enhance the productivity of the dyeing process.

The **upcoming technology**, patent pending, will not only lower the amount of dyestuff needed to achieve the desired color but also reduces the residual dyestuff in wastewater. Since many dyes are known to be toxic, their removal from wastewater is a critical

environmental consideration and potentially a great achievement to pursue. These new yarns will contribute to more effective wastewater treatment, thereby reducing the risk of freshwater eutrophication and supporting an overall lower environmental impact.

LCA studies for SENSIL® EcoCare and SENSIL® WaterCare

As we strive for engineering sustainable products, we are committed to quantify in a science-based manner their benefits. For this reason we launched in 2024 a Life Cycle Assessment (LCA) study on Ecocare and WaterCare product families to analyse in detail the manufacturing process and identify promising hotspots for further innovations.

These studies will provide us with reliable environmental figures related to:

- CO_2 savings thanks to the mechanical recycling of pre-consumer fibres implemented for EcoCare
- Water savings in further processing thanks to the innovative WaterCare process which prevents the further fibres dyeing

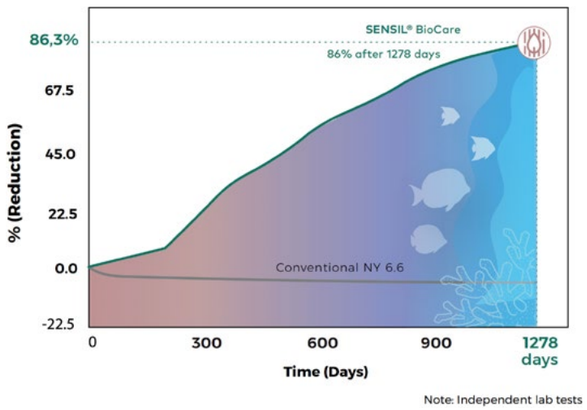
This exercise is expected to reinforce our process innovation and to enhance our environmental communication, eventually reaching the Environmental Product Declaration (EPD) which certifies our commitment in measuring our environmental impacts and communicating it with transparency.

SENSIL® BioCare: the road to reduction of microplastics

SENSIL® BioCare is a fiber specifically designed with a technology that accelerates its degradation in ocean water and landfill. During use, if any SENSIL® BioCare microfibres are released into the environment during washing or wearing, they decompose faster than conventional Nylon 6.6 thanks to the integrated technology. With this product we want to tackle the release of microplastics in water and protect marine ecosystems.

This is one of the main challenges that the textile industry faces and one that is gaining consumer attention and increasing international regulation (such as the newly approved European regulation 2023/2055/UE that will restrict the use of intentionally added microplastics).

The illustration shows the results for SENSIL® BioCare compared to conventional Nylon 6.6.



Note: Independent lab tests

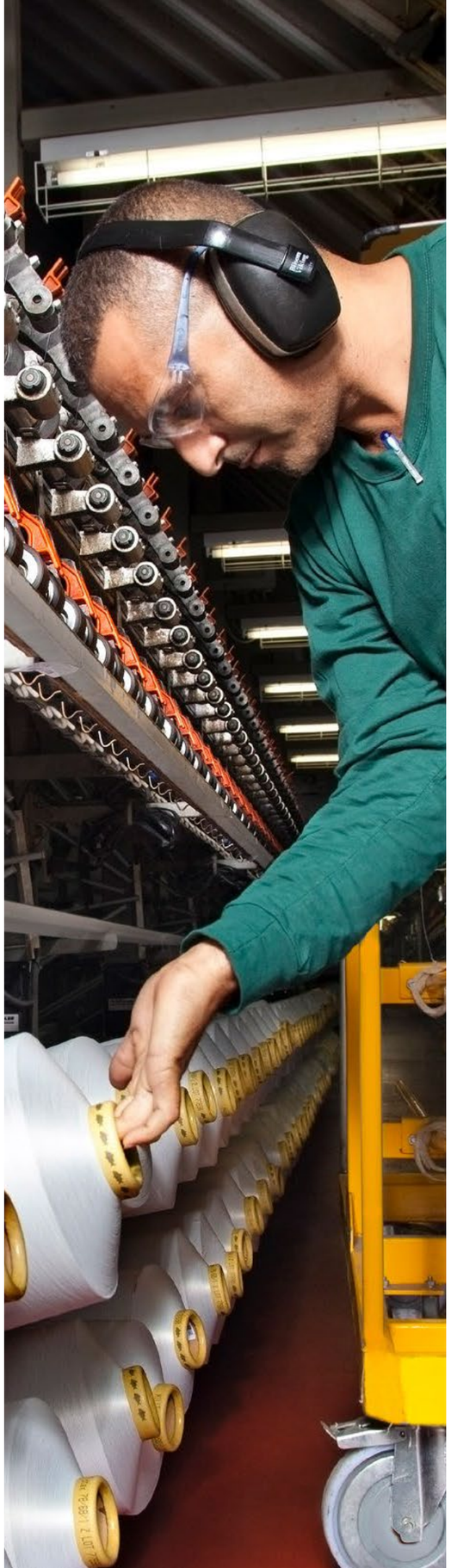
As each SENSIL® products, also SENSIL® BioCare maintains its best quality of strength, durability and comfort.

SENSIL® Flow: the road to real circularity

SENSIL® Flow represents a significant shift towards true circularity in textile design. Imaging the possibility of designing durable garments that last multiple lives while maintaining the same level of quality and also lowering their impact on the planet. The idea is to create clothing that is not only durable but also able to enter the recyclable process at various stages of the supply chain, with a lower impact compared to garments made from virgin material. SENSIL® Flow is how we envision the transition from a linear to circular design for textile products.

This premium Nylon 6.6 product enables a monocomponent comfort stretch fabric that has elasticity, beautiful color absorption. Unlike apparel blends that pose recycling challenges, SENSIL® Flow garments seamlessly re-enter the textile production process. Garments will flow from one life to another, while consumers can keep enjoying enduring softness, styles and durability of Nylon 6.6 and fostering longer lifespan of their purchases.

In response to the growing need for sustainable practices, SENSIL® Flow aligns with the EU's eco-design framework, emphasizing durability, repairability and recycled content.



As a key component in NILIT's comprehensive circular apparel system, SENSIL® Flow reflects a commitment to eliminating waste, reducing resource consumption, and promoting responsible, sustainable practices throughout the fashion industry.
The launch of SENSIL® Flow, in 2024, marks a significant step towards a more responsible textile production process. It represents a new example of how we put our values into practice by collaborating with partners that share our vision and purposes for a more ambitious textile market.

The value chain feedback during this first year has been intentional and open to developments, with key European mills partners already engaged and willing to include innovation.

Traceability in NILIT

The value of traceability at NILIT comes from transparent reliability of the information coming from a traceable system. When material sources and production techniques are verifiable, third-party certifications are able to confirm any claims being made. These are extremely useful as supply chains continue to increase in complexity, with nearly all products requiring the collaboration of multiple businesses to complete the development of raw materials into final goods.

Third-party certifications add trust to an otherwise opaque system from the consumer's view. They allow businesses and their customers to unite behind common goals and values, which in turn can significantly increase brand value.
Certification makes sure the identity of the content is maintained from feedstock to final product.

One of the certificates used a govern traceability is The International Sustainability and Carbon Certification (ISCC), a certification for circular materials whose traceability is ensured through the whole supply chain. ISCC also verifies that the certified companies meet precise environmental and social standards.
Further, NILIT has an internal world renown textile lab that certifies traceability of final fabrics and garments to their yarn content and to the intermediate products used to manufacture them.

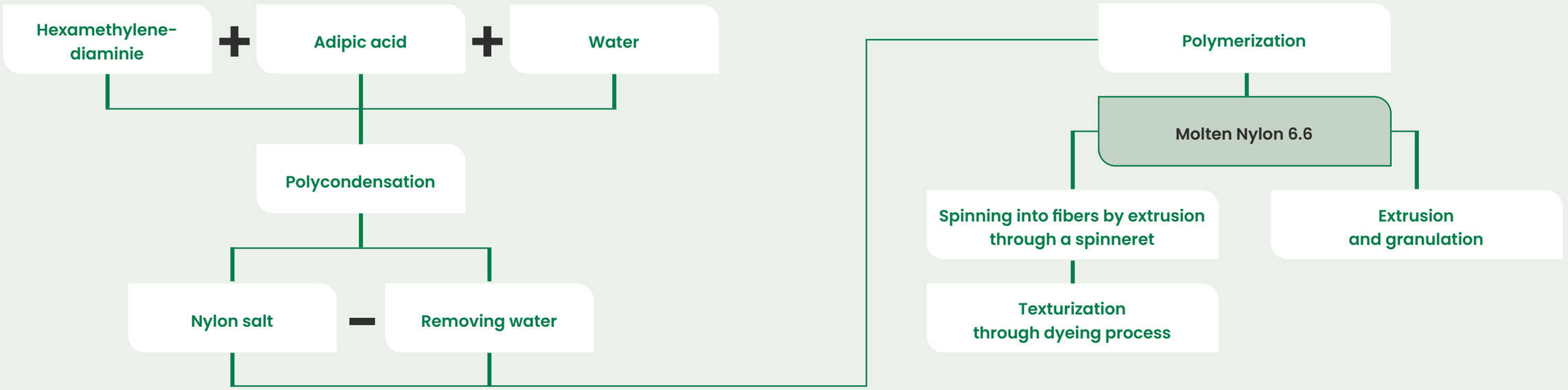
Manufacturing impact

At NILIT, the tangible application of our values passes through the experience, technical knowledge and innovation that we put into our manufacturing processes.

As part of our holistic approach towards impact, we are committed to keep exploring further improvements, to lower the environmental impact of our production activities while maintaining the same high level of efficiency, quality and optimization.
As part of our impact approach, we chase each small impact of our processes chain and we progress by tackling them, one by one, we go for them.

The same mindset is defined when our focus on the Health&Safety of NILIT's workers: our care is constant and our commitment to lower the number of accidents is shown by the global safety program set-up that will be described in this section. In our plants, the manufacturing and social impacts are intertwined in the goal on delivering positive impacts, for people and the planet.

Manufacturing Process of Nylon 6.6



ISO Management System Certifications

In order to qualify the excellence of our manufacturing processes and plants, NILIT has been adhering to the ISO certification criteria and management implementation, obtaining ISO 45001 and ISO 9001 in 2013 and ISO 14001 in 2015.
More recently, in 2023, we obtained the ISO 50001 certification, which is dedicated to the implementation of an energy management system. All our ISO qualifications apply to all NILIT plants in Israel.

GRS and ISCC Plus certifications

We believe internationally established certification systems provide consumers a proof of the quality and positive impact of the product they are purchasing. We take every opportunity to confirm our commitment to environmental sustainability and to communicate our transparency. This is why in 2024 we had the honour of having certain families of our products certified by third parties, namely by the GRS (Global Recycling Standard) and by the ISCC Plus (International Sustainability and Carbon Certification) to give our consumers the tools they need to make an informed choice when buying our products.

The GRS certification is currently owned by the Textile Exchange. The GRS is an international voluntary standard that defines the method for reclaimed material management though the entire supply chain, i.e. starting from Pre-Consumer/ Post-Consumer waste collection through manufacturing of sustainable product and up to storage, sales and transportation downstream to NILIT production. In 2024, GRS certified that NILIT's Sensil® EcoCare recycled yarns are made with internally collected Nylon 6.6 fibre waste, while Pre-consumer waste is rejected during internal quality inspection due to various quality issues. As a result, Sensil® EcoCare normally contains 65% of recycled Nylon 6.6 and 35% of virgin Nylon 6.6.

The ISCC certifies the compliance with sustainability of alternative feedstocks, with a focus on carbon footprint reduction. Two NILIT yarns were certified by ISCC in 2024: Sensil® ByNature and Recycled PA6.6. The Sensil® ByNature yarn is made with certified adipic acid supplied by BASF, and with renewable energy coming from methane emitted from controlled fermentation of organic waste.
The use of raw materials of energy purposes is governed by the principles of the Biomass Balance (BMB) approach, which goal is to drive the transition from fossil fuel to renewable energy resources. Recycled PA6.6 was also awarded the ISCC certification thanks to its composition of internally collected Nylon 6.6 yarn waste, which constitutes quality waste.

Empowering the Chinese market thanks to the new joint venture with Shenma Industry Co.

In 2024, we invested a significant effort in increasing the production and strengthening our position in the Chinese market. On 18th April 2024, we signed a joint venture agreement with Shenma Industry Co., subsidiary of China Pingmei Shenma Group, global leader in the industrial Nylon 6.6 market and a leading supplier to the automotive industry around the world. Shenma has been supplying textile material to many leading automotive brands, including key components such as airbags and tire cords. This new partnership is part of our broader strategy towards global customers growth, as several investments and cooperations demonstrate.

The joint venture combines our 50-year global experience in the production and marketing of high-quality Nylon 6.6 yarns, and Shenma's leadership and knowledge of the Chinese market, enhancing a synergy to enjoy mutual benefits, such as new alliances, market access, regulatory navigation, as well as competitive advantage.

The partnership with Shenma represents a valuable opportunity to enhance its production capability within China and develop new innovative products for the textile market, while strengthening its position in the Chinese market. For us, NILIT's expansion within China is not a mere economic matter, but a strategic goal, as it translates into empowering Chinese end consumers by giving them easier access to sustainable alternatives to traditional textile products.

The partnership with Shenma has also the purpose of expanding the catalogue of products, so that local and global consumers can choose between a variety of more environmentally oriented goods. The ultimate purpose is the production of premium specialized products in Fully Drawn Yarns (FDY) and Air Textured Yarns (ATY). These types of yarns are well-known for their strength, smoothness, softness and durability, as well as for their outstanding quality and performance, at highly competitive costs. These characteristics will be essential for the development of new home textile and automotive products.

A new production plant will be opened in Pingdingshan, also known as the China Nylon City, and will operate according to our Total Product Sustainability (TPS) standards for environmentally responsible production.

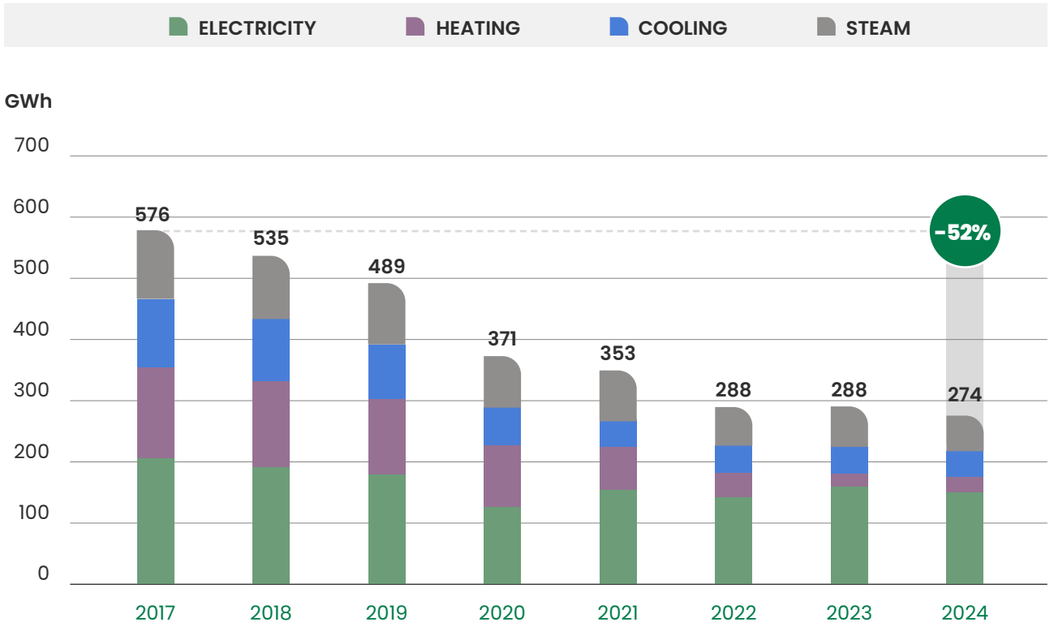
The facility is expected to yield a production capacity of 20,000 tons in the next few years with the goal of using 100% energy and electricity from renewable sources.

Our Global progress: environmental impact

During 2017 – 2024 time frame, NILIT as a Group managed to reduce their demand of energy and main fossil fuels employed, consequently reducing Greenhouse Gasses (GHG) emissions (Scope 1 and Scope 2). More in detail, energy consumption decreased by 52% from 2017 to 2024 and GHG emissions fell by more than 40%.

GHG emissions belong mainly (95% in 2024) to Scope 2, for purchasing of electricity, thermal energy and steam. At present, Scope 1 emissions are almost entirely due to natural gas consumption in Israel and Chinese plant.

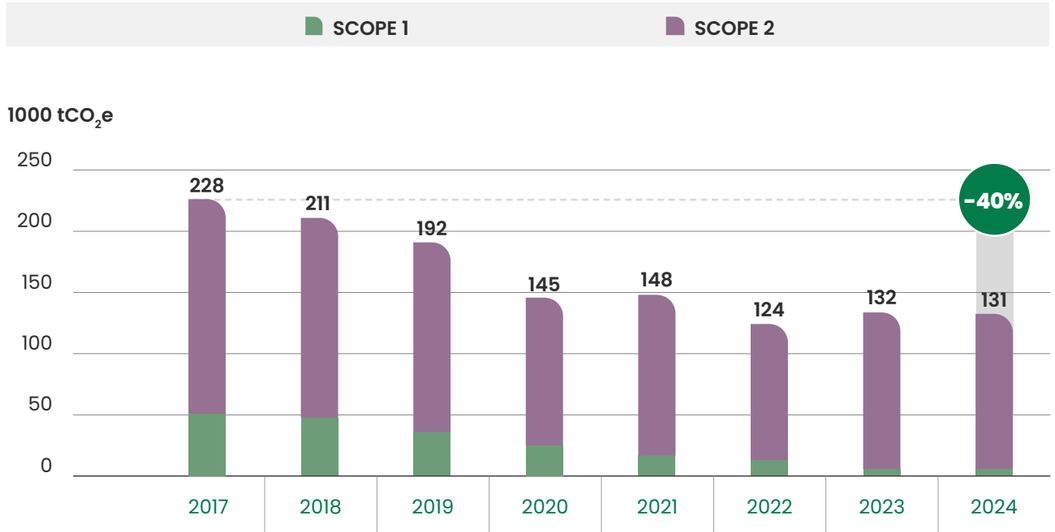
NILIT Global energy consumption



NILIT Global fuel consumption

		2017	2018	2019	2020	2021	2022	2023	2024
NATURAL GAS	m^3	991,460	1,092,636	6,440,603	9,449,543	6,768,498	3,772,931	2,049,112	2,423,392
GASOLINE	l	0	0	0	0	0	235	469	407
DIESEL	l	13,794,749	12,887,828	5,632,458	0	0	465	784	65,487
LPG	kg	0	0	0	0	0	20,188	18,810	52,097

NILIT Global Scope 1 and Scope 2 GHG emissions

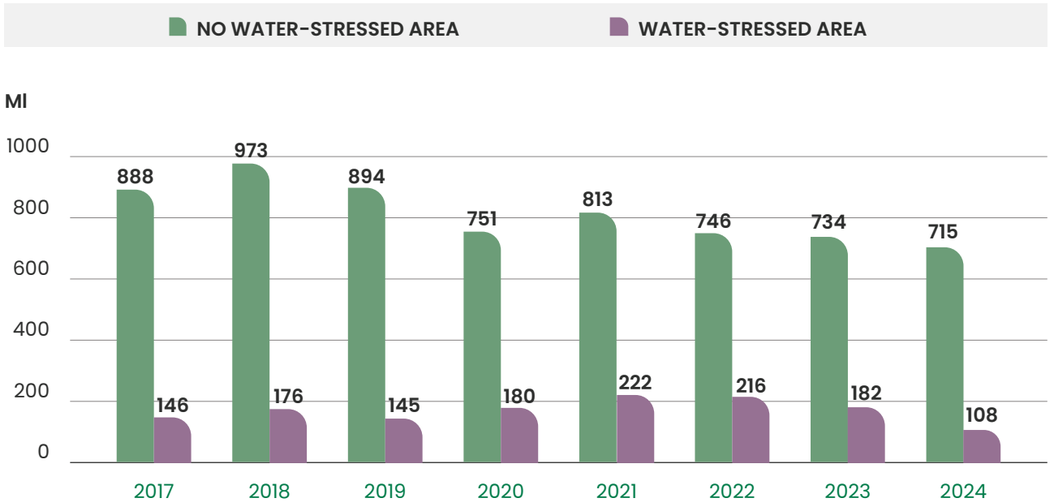


SCOPE 1 tCO2e	2017	2018	2019	2020	2021	2022	2023	2024
LPG	0	0	0	0	0	35	32	90
PETROL	0	0	0	0	0	1	1	1
DIESEL	48,579	45,385	19,835	0	0	2	3	231
NATURAL GAS	3,165	3,534	17,908	25,717	18,421	10,268	5,577	6,272
TOTAL	**51,744**	**48,919**	**37,743**	**25,717**	**18,421**	**10,305**	**5,613**	**6,594**

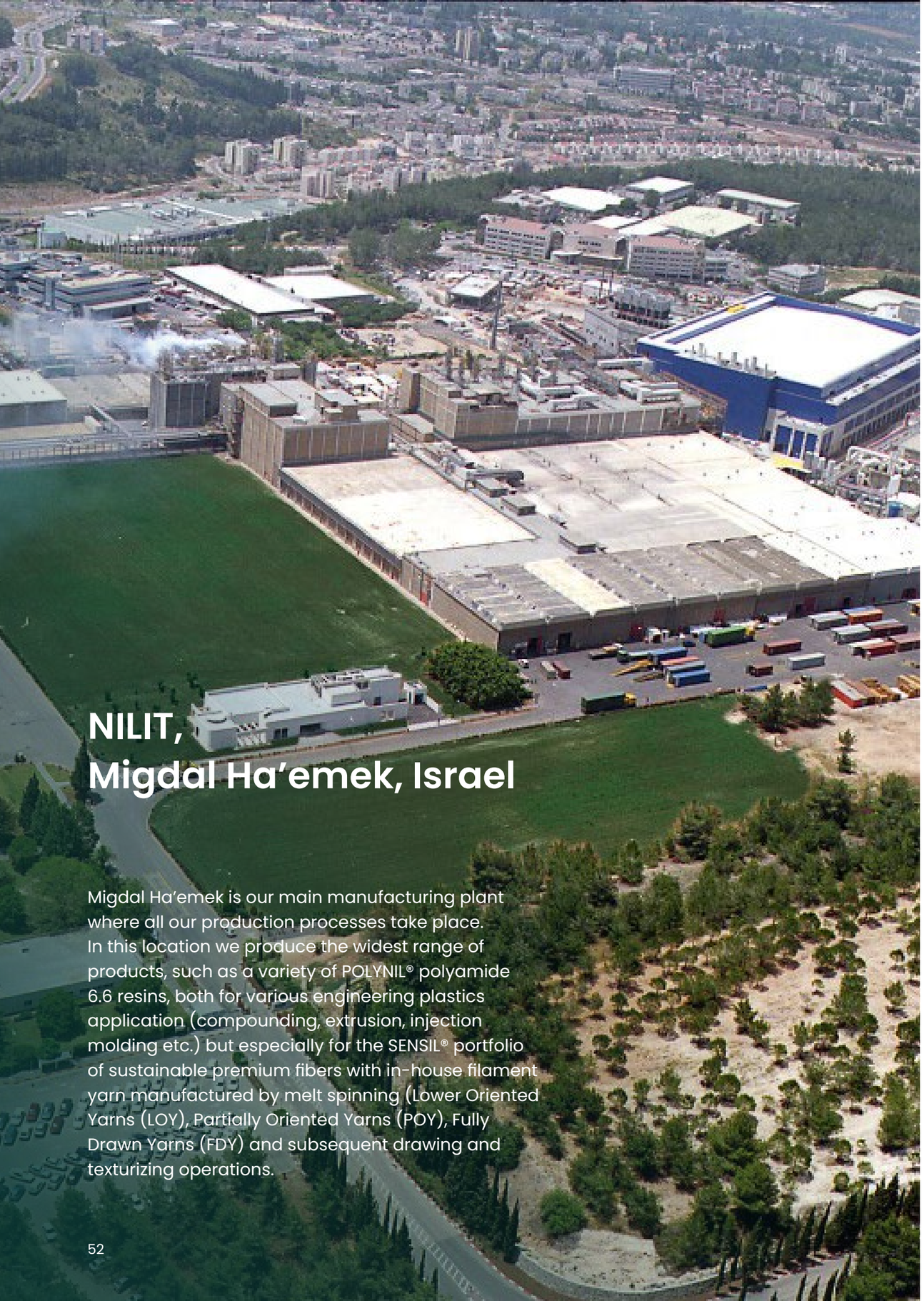
SCOPE 2 tCO2e	2017	2018	2019	2020	2021	2022	2023	2024
ELECTRICITY	102,815	95,624	90,688	67,368	82,428	75,637	87,774	88,681
HEATING	0	0	0	0	0	0	0	0
COOLING	24,973	22,740	19,920	13,800	9,994	9,926	9,649	9,422
STEAM	48,417	44,175	43,322	37,782	37,118	28,503	29,405	26,079
TOTAL	**176,205**	**162,539**	**153,930**	**118,950**	**129,540**	**114,066**	**126,829**	**124,182**

Water withdrawal as well has decreased in 2024 compared to 2017 (by 20%). In particular, in 2024 the Chinese plant, sole responsible of withdrawal from water-stressed area, managed to reduce considerably its water demand as the result of a monitoring campaign that allowed the identification of leaking spots and the subsequent repair interventions.

NILIT Global water withdrawal



Specific information per plant will be provided in the next paragraphs for energy, GHG emissions, water and waste categories.



NILIT, Migdal Ha’emek, Israel

Migdal Ha’emek is our main manufacturing plant where all our production processes take place. In this location we produce the widest range of products, such as a variety of POLYNIL® polyamide 6.6 resins, both for various engineering plastics application (compounding, extrusion, injection molding etc.) but especially for the SENSIL® portfolio of sustainable premium fibers with in-house filament yarn manufactured by melt spinning (Lower Oriented Yarns (LOY), Partially Oriented Yarns (POY), Fully Drawn Yarns (FDY) and subsequent drawing and texturizing operations.

Environmental impacts: our progress

Energy

Migdal Ha’Emek plant runs on electricity, thermal energy and steam. The former is used for both manufacturing processes and plant services (lighting, water and space heating/cooling), while the latter two are used only for manufacturing processes.

The above-mentioned energy flows are supplied almost entirely by a neighboring co-generation power plant, located in the same industrial area as the NILIT plant.

This facility, which produces electrical power, runs on natural gas. As a by-product of electrical manufacturing, the neighbouring plant provides NILIT with steam and cooling energy. NILIT uses steam to generate several energy products such as compressed air, secondary steam and cold water.

Unlike the other energy streams, thermal energy is directly produced in NILIT plant by direct combustion of natural gas[1]. This natural gas is purchased by the above-mentioned neighbouring company.

Since steam is sourced externally, the internal boilers previously used by NILIT were hence shut down. However, those can still be used as backup if necessary.
While not directly under control of NILIT, the shift to a co-generation power plant translates into a reduction of fuel consumption. In addition, any residual steam not directly used is redirected for reboiling to generate usable steam.

It is also employed in a series of energy-exchanging processes to produce cold water and compressed air, constituting a cost-effective and environmentally friendly energy-saving process, preventing its release into the atmosphere without exploiting its residual energy content.

From 2022, PV panels were installed on Migdal Ha’Emek rooftop, allowing the production of a small fraction of electricity needed.

1 NILIT switched to Natural Gas from the second half of 2019. Earlier, thermal energy was generated by burning oil.

Energy consumption flows are reported in the table below, providing a breakdown of energy carriers employed by Israel plant, for the reference time frame:

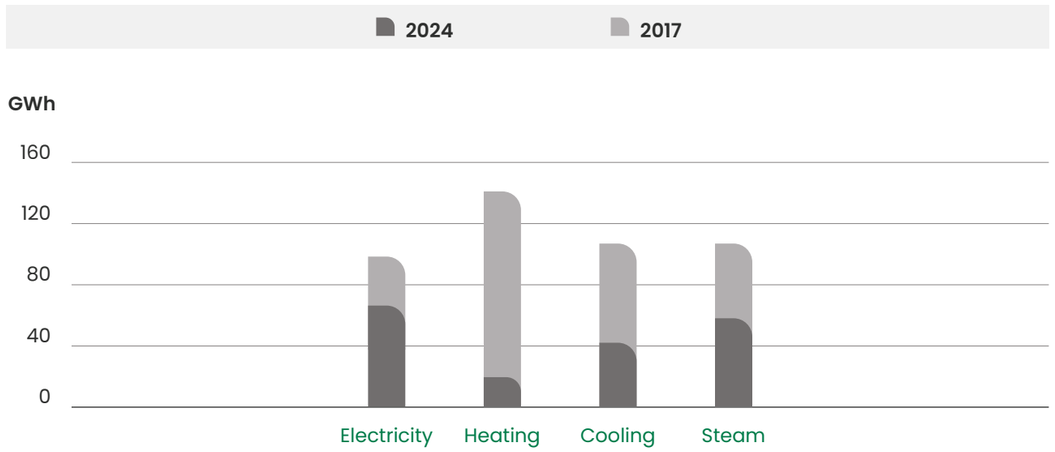
Energy consumption, NILIT Israel

		2017	2018	2019	2020	2021	2022	2023	2024
Total ELECTRICITY consumption	GWh	154.90	142.90	135.50	101.63	118.32	112.22	128.28	66.94
Total HEATING consumption	GWh	144.50	135.00	118.00	97.08	68.58	36.78	18.51	21.41
Total COOLING consumption	GWh	110.70	100.80	88.30	61.17	44.30	44.00	42.77	41.77
Total STEAM consumption	GWh	107.85	98.40	96.50	84.16	82.68	63.49	65.50	58.09

Below, a graph showing the different energy flows reduction from 2017 to 2024. All of them were decreased during the time frame, ranging **from 17% reduction for electricity to almost 90% for heating**, the latter thanks mainly to external purchase of steam.

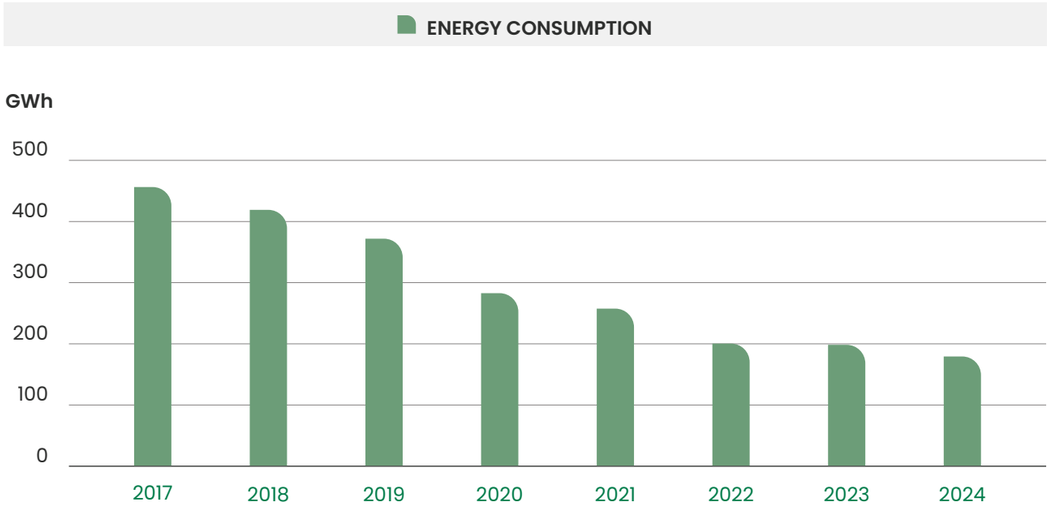
Regarding steam, continue research is being carried out for manufacturing processes improvements with the aim of reducing the amount of steam required.

2017 - 2024 Israel plant energy reduction



Looking more in detail at the yearly trends, considering the overall energy consumption, it is possible to clearly see the constant reduction over the years, as a result also of the energy efficiency improvements carried out by NILIT.

Energy consumption, NILIT Israel

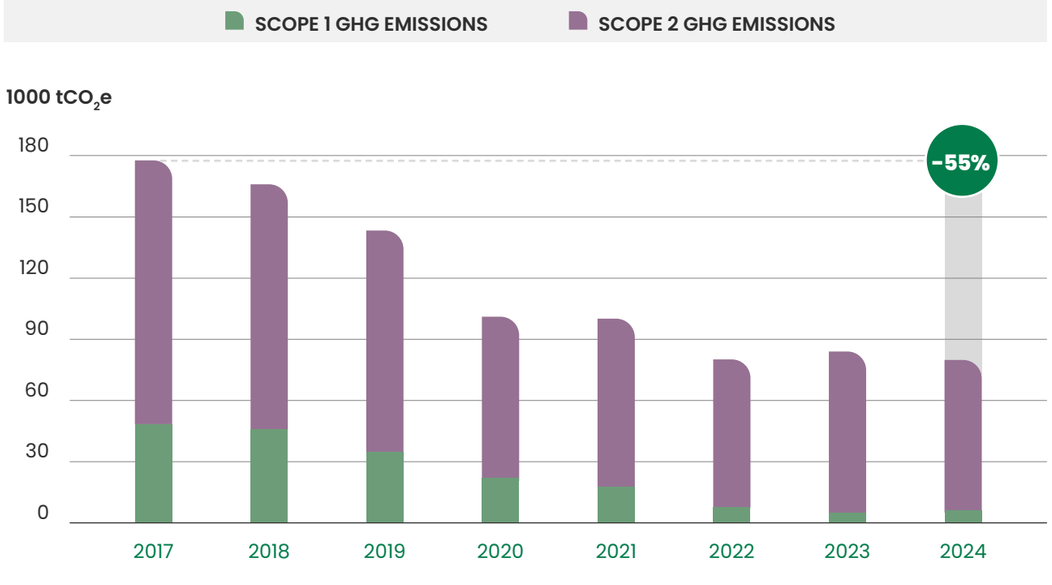


Emissions

GHG emissions trend over time reflects the energy consumption trend, showing a **reduction during 2017-2024 of ca. 55% (as indicated in the graph in the next page)**. In Israel plant only Scope 2 emissions are present, since all energy flows are purchased and generated in the external plant and no fuels are directly burnt by NILIT.

The purchase of energy with lower carbon footprint from second half of 2019 (shifting to natural gas as primary energy source and energy product from co-generation as previously explained) helped as well to reduce the emissions.

GHG emissions, NILIT Israel



In the following table, GHG emissions per energy flow are reported.

SCOPE 1 - GHG emissions per energy flow, NILIT Israel

		2017	2018	2019	2020	2021	2022	2023	2024
NATURAL GAS	tCo_2e	0	0	15,211	25,029	17,681	9,483	4,772	5,521
DIESEL	tCo_2e	48,579	45,385	19,835	0	0	0	0	229
LPG	tCo_2e	0	0	0	0	0	0	0	60

SCOPE 2 - GHG emissions per energy flow, NILIT Israel

		2017	2018	2019	2020	2021	2022	2023	2024
ELECTRICITY	tCo_2e	56,690	50,252	45,463	25,862	35,520	31,991	41,284	38,737
COOLING	tCo_2e	24,973	22,740	19,920	13,800	9,994	9,926	9,649	9,422
STEAM	tCo_2e	48,417	44,175	43,322	37,782	37,118	28,503	29,405	26,079

In 2024, Scope 1 accounts for only 7% of total GHG emissions. This is due to the reduction, over the years, of direct natural gas consumption in NILIT plant thanks to external purchase of energy. In 2024, electricity was the highest contributor for Scope 2 GHG emissions, accounting for more than 50%, followed by steam with 35%. Cooling is responsible for around 12% of Scope 2 GHG emissions.

This behaviour is representative also for previous years, where however electricity had a lower relevance due to a higher contribution from heating/cooling.

Water

Water is extensively used in Migdal Ha'Emek plant, required for Nylon 6.6 production. This plant shows indeed higher water extraction values compared with other NILIT plants. due to polymerization activities.
100% of water used comes from municipal water supplies (tap water). In Israel, tap water is produced by desalination of sea water. Hence, **NILIT water demand does not contribute to the water stress issue Israel territory faces**.

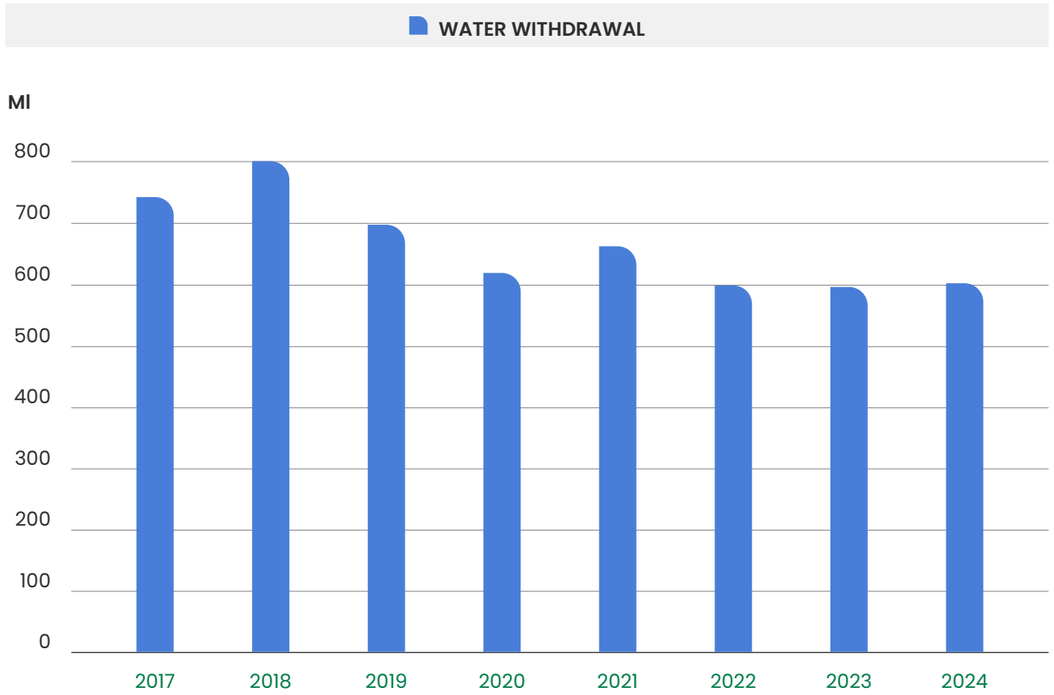
More in detail, water is used for the polymerization process, primarily for the preparation of monomer solutions (referred to as "nylon salt"), to generate steam for heating evaporators, to facilitate purging between reaction batches and as cooling water. Additionally, a significant portion of water is employed for air conditioning for the spinning process.

Not all the water extracted is discharged again to the environment. This is because part of the water used in the polymerization process is either absorbed in the product or it evaporates at the end of the chemical process. Around 30% of the drawn water is discharged back in the environment in liquid form, as a constant value in 2017 – 2024 period.
Water withdrawal experienced a reduction over the considered time frame, almost 20% lower in 2024 compared to 2017. Compared to 2023, 2024 figure can be considered as constant.

Water withdrawal and discharged, NILIT Israel

		2017	2018	2019	2020	2021	2022	2023	2024
TOTAL WATER WITHDRAWAL	Ml	742	801	696	618	661	605	595	606
TOTAL WATER DISCHARGED	Ml	222	240	209	185	198	223	179	218

Water withdrawal, NILIT Israel



Waste

NILIT puts all efforts to recycle whatever waste it is possible to recycle. There is a thorough separation between different waste flows, allowing high recycling rates (over than 80% in 2023 and 2024, 66% in 2022) thanks to the homogeneity of waste flows. All waste that cannot be diverted to recycling either internally or externally at third party facilities is disposed at either chemical waste dump site or at a municipal landfill.

The table below reports 2023-2024 waste generation in Israel plant. We can highlight a strong decrease of waste generated in 2024 compared to 2023 (-33%), mostly due to a reduction in production volume. The most relevant waste flow is indeed the polyamide waste, originated in all processing units, that decreased as well compared to last year.

The entire amount of polyamide waste is sent to recycling.

Waste Category		2023			2024		
		Waste generated	To recycling	To disposal	Waste generated	To recycling	To disposal
ELECTRICAL APPLIANCES	kg	1,120	1,120	1,120	3,060	3,060	0
SLUDGES	kg	51,620	51,620	51,620	72,720	0	72,720
SPENT CHEMICALS	kg	10,280	10,280	10,280	12,340	0	12,340
SPENT LUBRICANT OILS	kg	11,300	11,300	11,300	2,660	0	2,660
VARIOUS DANGEROUS WASTE	kg	17,400	17,400	17,400	19,220	14,940	4,280
VARIOUS WATERY WASTE	kg	4,220	4,220	4,220	NA	NA	NA
GLASS	kg	200	200	200	300	300	0
METALS (IRON, ETC)	kg	27,740	27,740	27,740	NA	NA	NA
PAPER	kg	295,707	295,707	295,707	168,860	168,860	0
PLASTIC	kg	2,472,885	2,472,885	2,472,885	1,529,280	1,529,280	0
WOOD	kg	108,556	108,556	108,556	164,920	164,920	0
OTHER	kg	27,671	27,671	27,671	3,740	3,740	0
CHEMICAL PROCESS WASTE	kg	9,500	9,500	9,500	2,200	2,200	0
MUNICIPAL WASTE	kg	360,840	360,840	360,840	348,020	0	348,020
SLUDGES FROM WASTEWATER TREATMENT	kg	43,660	43,660	43,660	1,260	0	1,260
WASTE FROM CHEMICAL PROCESS (NOT HAZARDOUS)	kg	54,150	54,150	54,150	4,280	0	4280
TOTAL	kg	**3,496,849**	**3,496,849**	**3,496,849**	**2,332,860**	**1,887,300**	**445,560**

Environmental projects

We improve our impact today and we plan the future

We have established a strong collaboration between Migdal Ha'emek plant and the power plant located in the proximity of the facility that provides all the electricity and energy that our production requires.

For the past 2 years we have been supporting each other by compensating their surplus production of steam by buying it instead of using our boilers, **avoiding then an increase of direct energy consumption on our side and their direct emissions in the atmosphere of useful steam**;

Since 2022 the plant has had a **photovoltaic roof**, which produces a small amount of renewable electricity directly used by the plant itself;

In 2023 we have proceeded with the **installation of a scrubber**, a system designed to condense the waste steam produced along the process in order to avoid emitting steam through the chimneys and to reduce the particles during the evaporation in the atmosphere.
As our next step we are exploring is the possibility of **recycling the waste steam condensed through the scrubber and reusing it** in our current production, as a way to explore further actions towards lowering our water consumptions.
Several research teams are involved because this is a complex engineering challenge as we only use high purity water in our production process in order to guarantee the best quality polymer chain building;

We are exploring the potential energy storage options with the **installation of batteries in order to optimize consumption during peak load**. We are currently in a preliminary engineering phase and dealing with government regulatory approval activities;

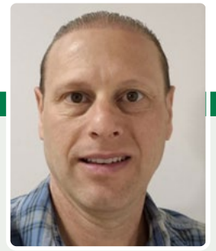
Since 2022 we have also **gradually transitioned from fluorescent lamp to LED** that so far have contribute to significant energy saving of 20,600 kWh per year. The aim for 2025 is to continue the lighting upgrade in the plant for an additional energy saving of 14,700 kWh per year.

We have established **an energy and system monitoring team** that meet with regular frequency to evaluate impacts and potential improvements.

In 2024 we have implemented some devices to monitor our air conditioning system consumption and build some future efficiency in the future. We also have upgraded our ATU water management system that aims **to deliver 36,500 cubic meters water saving every year**.
In 2024 we have also performed an air leakages and thermal insulation review to eliminate and replace improper insulation.

Since late 2024 we are gradually **upgrading our car company fleet to electric** and our intention is to continue this conversion also in 2025.

NILIT talks



with
Alon Peer
Global Supply Chain Manager

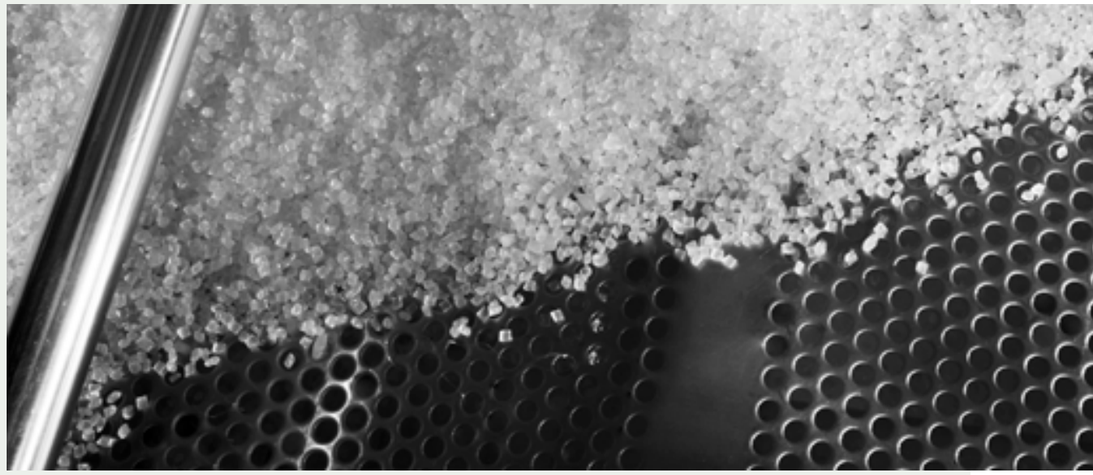
Could you describe your career path in NILIT and what is your current role?
When I started my career in NILIT as Global Planning Manager, I was responsible for defining and implementing a global sales & operation planning process to meet customers' demand while managing resources effectively. A year later, I took charge of the customer service team and the warehouse management. I ensured order fulfillment and on-time delivery, improved customer care, and managed warehouse efficiency and inventory accuracy. Last year I was promoted to Global Supply Chain Manager. Today, I lead end-to-end supply chain operations, manage supplier relationships and procurement processes and oversee risk management.

How would you explain the role played by logistics in the global NILIT supply chain?
Logistics is central to NILIT's success. As a global leader in premium nylon fibers and resins, NILIT operates manufacturing plants and distribution centres across multiple continents. This means we rely heavily on synchronized logistics to maintain high service levels. Logistics connect raw material sourcing, production scheduling across different sites, and final product delivery to brands and manufacturers. It's not just about transportation — it's about managing costs, reducing lead times, ensuring compliance with different countries' regulations, and increasingly, meeting sustainability targets by choosing greener transportation options.

As global planner for NILIT's logistics, what do you think are the essential skills to succeed at your job?
Among the critical skills, I would list the understanding of how production, demand planning, inventory, and logistics all interconnect, the ability to analyse shipping data, predict bottlenecks, and proactively plan alternative routes or modes, crisis management skills, communication and negotiation skills, ability to keep a focus on sustainability.

What challenging inputs did the new role of Global Supply Chain Manager give you?
Stepping into a global leadership role brought a whole new level of complexity and responsibility, considering each region's different regulatory frameworks, infrastructure quality, and customer expectations. As a premium brand, NILIT must ensure on-time, in-full delivery, balancing cost control with service levels. Moreover, the pandemic exposed reliance on single-source suppliers and vulnerable trade lanes, forcing us to push for diversified sourcing, enhanced inventory buffers, and stronger digital visibility tools. Lastly, customers increasingly ask for carbon footprint data linked to each shipment.

How is the logistics sector evolving and what are your plans and ambitions in this regard?
Logistics in the textile and industrial sectors is undergoing a major digital transformation. At NILIT, we see several important trends, such as using digital models of our supply chain to simulate disruptions and optimize inventory, developing real-time shipment visibility and building a more agile and resilient supply chain so we can respond faster to global disruptions. We are also working on our sustainability performances, by re-evaluating our transportation mix, increasing our use of eco-friendly packaging, and improving route planning to cut unnecessary emissions.



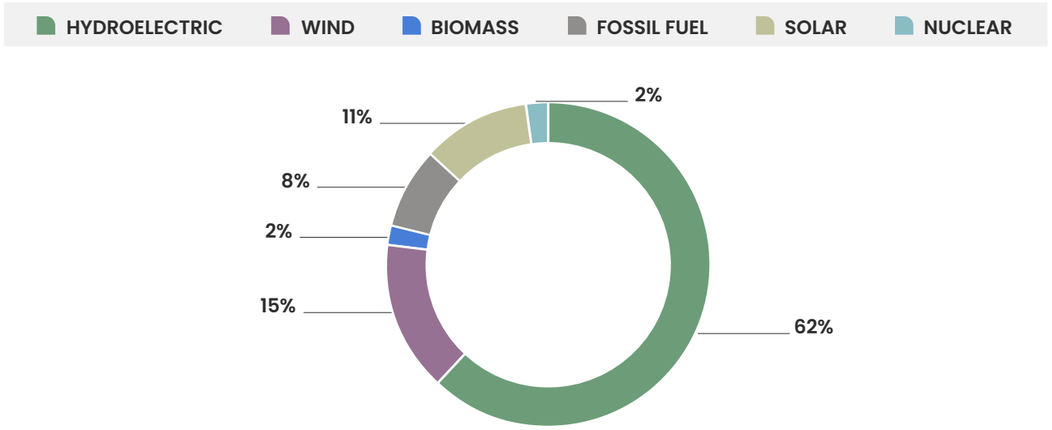
Environmental impacts: our progress

Energy

Brazilian plant only relies only on electricity as energy flow. In 2024, the electricity provider produced electricity nearly half in southeast and central-east regions, where São Paulo is located.

As shown in figure below, almost 80% of electricity is generated via renewable sources (hydro, wind, biomass and solar). Hydro power itself is responsible for around 62% of electricity generation. Even though still significant, the relevance of hydropower dropped compared to last year (almost 70%), mainly due to severe lack of rainfall. As a result, relevance of wind energy, solar energy and fossil fuels increased respectively by additional 1%, 2% and 4%.

Brazil plant electricity mix 2024



Not only is electricity employed as an energy carrier for the manufacturing processes, but it is also used for domestic water and space heating/cooling in the plant.

In the Brazilian plant, fossil fuels are employed only for internal logistic operations, such as fuels for forklifts, trucks, and cargo cars. LPG is the most extensively fuel used, along with gasoline and diesel. However, the energy embodied in such fuels is less than 1% of

NILIT AMERICANA, São Paulo, Brazil

The Brazilian manufacturing site is located in the proximity of São Paulo. The main manufacturing activities that are currently taking place there are related to spinning processes (POY), texturizing yarns (DTY) and covering.

the plant's overall energy demand, that is indeed covered almost entirely by electricity from the grid. Nevertheless, until 2019 natural gas was consumed in NILIT Brazilian plant, to produce thermal energy and steam necessary for manufacturing processes. Such production lines, spinning and polymerization, are currently not active.

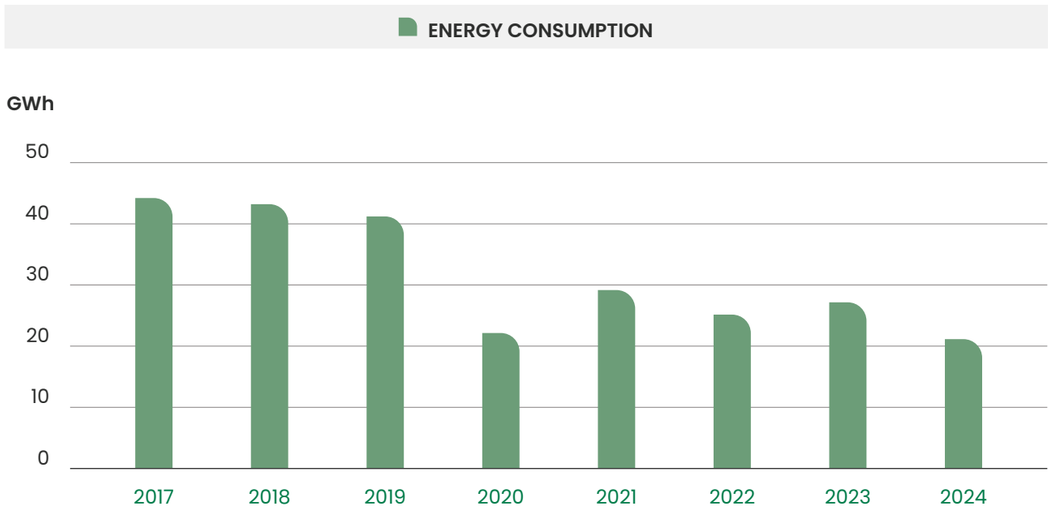
Electricity consumption flows employed by Brazil plant are reported in the table below, providing a breakdown among the different carriers for the reference time frame. As already mentioned, cooling energy is obtained by electric chillers. Its consumption is hence already included in the electricity figure.

Energy consumption, NILIT Brazil

		2017	2018	2019	2020	2021	2022	2023	2024
Total ELECTRICITY consumption	GWh	38.43	36.04	35.78	22.19	29.00	25.01	26.73	21.44
Total HEATING consumption	GWh	1.44	1.64	1.52	0.00	0.00	0.00	0.00	0.00
Total COOLING consumption	GWh	3.55	2.98	2.95	2.00	2.61	2.56	2.71	2.90
Total STEAM consumption	GWh	4.20	5.04	3.41	0.00	0.00	0.00	0.00	0.00

In 2017 – 2024 time frame, **a 44% reduction of electricity consumption was obtained.**

Energy consumption, NILIT Brazil



A relevant decrease in electricity consumption was experienced in 2020, compared to 2019, 2022 and 2023 electricity consumption numbers are similar and lower than 2021, an indication of the plant's commitment to reducing consumption.

A reduction of more than 20% was obtained in 2024 compared to 2023. This reduction was obtained through changes in the working pressure of the air texturing process (from 11 to 7 bar g), allowing the optimization of the use of existing compressors - the demand that until then was met by 2 compressors, is now met with just 1, promoting a great reduction in electricity consumption.

Emissions

Both Scope 1 and Scope 2 GHG emissions are present because of the fuels used by machinery. Tables below report, separately, Scope 1 and 2 GHG emissions per energy carrier.

Scope 1 Emissions, NILIT Brazil

		2017	2018	2019	2020	2021	2022	2023	2024
PETROL	tCo_2e	-	-	-	-	-	< 1	1	1
DIESEL	tCo_2e	-	-	-	-	-	2	3	2
LPG	tCo_2e	-	-	-	-	-	35	32	30
NATURAL GAS	tCo_2e	2,255	2,686	1,923	0	0	0	0	0

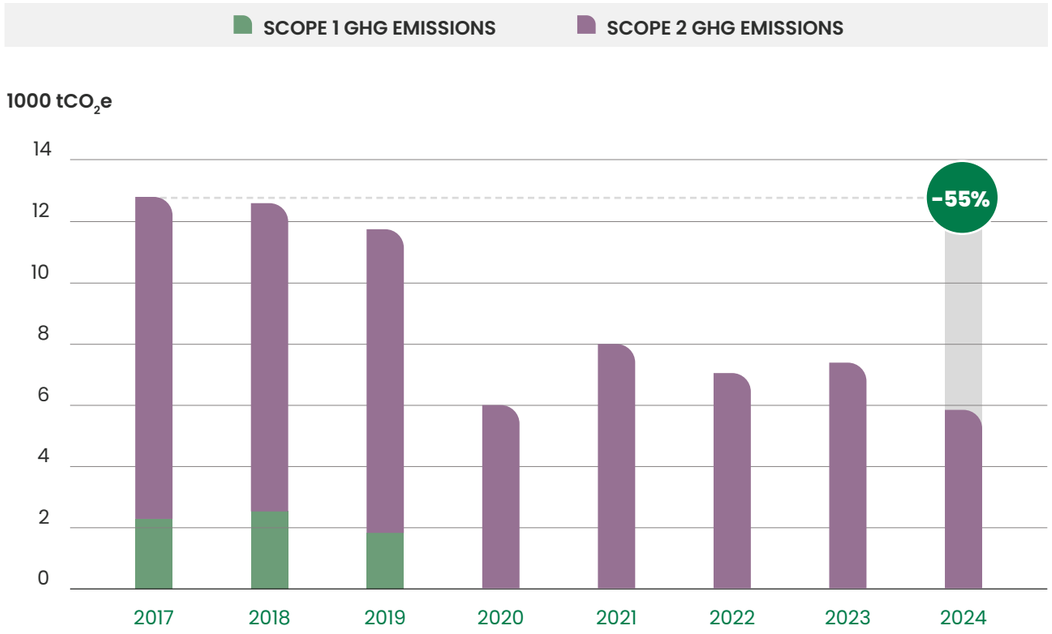
Scope 2 Emissions, NILIT Brazil

		2017	2018	2019	2020	2021	2022	2023	2024
ELECTRICITY	tCo_2e	10,562	9,905	9,834	6,099	7,970	6,874	7,346	5,891

Scope 1 emissions, almost entirely due to LPG consumption are lower than 1% of total GHG emissions in 2024, while by 2019 they were responsible of around 20% the total GHG figure.

As a general rule however, GHG emissions reflect mostly the electricity consumption trend, showing **a reduction during 2017-2024 of about 55%** (as indicated in the graph below).

GHG emissions, NILIT Brazil



Water

The water source used in the São Paulo plant is the Vicunha station. Surface water is withdrawn from a private company that collects water from the river Piracicaba, treats it for industrial purposes and sends it to NILIT. After industrial processes, NILIT sends back Vicunha wastewater to be treated, to properly discharge it into the river.

The water discharged has the same or better quality as the river's water.

The area where NILIT Brazil plant is located is not considered an area of water stress. There was only one event in 2021-2022 when the river water was decreased to a critical level. However, at NILIT we were able to secure the water we needed thanks to the huge water reservoir of the country, located near the plant.

As per Israel plant, not all the water extracted is discharged again into the environment. This is because part of the water evaporates in the cooling tower (around 50%).

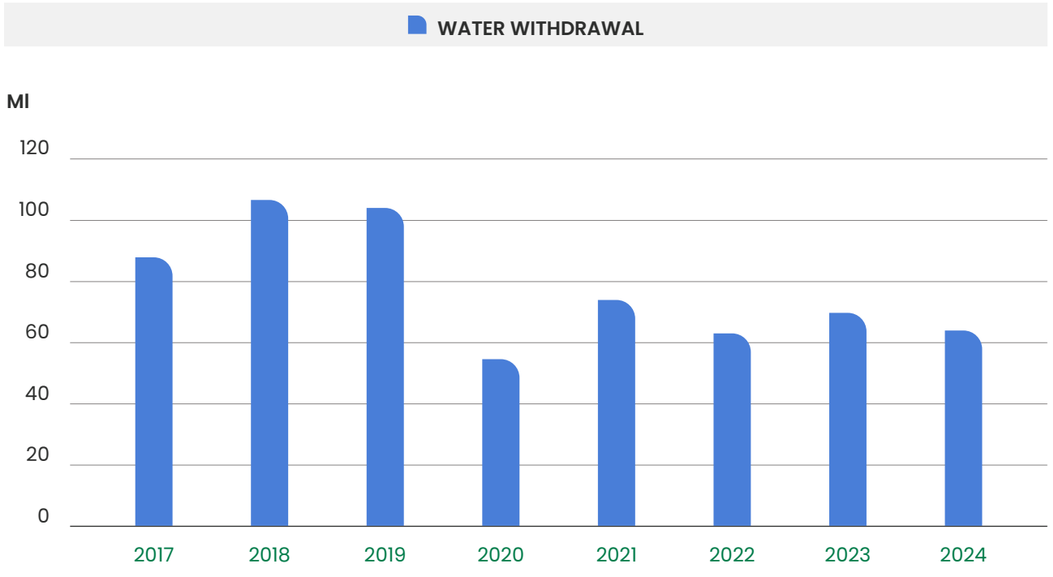
Due to Brazil's hot weather, the cooling tower works 24 hours per day to reduce plant air temperature (for conditioners) and equipment temperature (e.g., engine for compressed air). In 2024, around 60% of water was not discharged directly back into the river due to the above-mentioned reasons.

Compared to 2017, water withdrawal experienced a significant reduction, more than 25% lower in 2024. Compared to last year, figure is around 10% lower.

Water withdrawal and discharged, NILIT Brazil

		2017	2018	2019	2020	2021	2022	2023	2024
TOTAL WATER WITHDRAWAL	Ml	88	106	104	54	74	63	69	63
TOTAL WATER DISCHARGED	Ml	44	53	52	22	29	25	27	24

Water withdrawal, NILIT Brazil



Waste

NILIT puts every effort into recycling whatever waste it is possible to recycle.

There is a thorough separation between different waste flows, allowing high recycling rates thanks to the homogeneity of waste flows. While the total amount of waste generated is almost the same as 2023, in 2024 all waste flows were sent to recycling, hence achieving 100% of recycling rate at plant site, compared to 95% in 2023.

This is because of some waste flows whose recycling were not possible (spent filter coats and spent lubricant oils), that were not generated in 2024.

The table below reports 2023 and 2024 plant waste flow.

		2023			2024		
		Waste generated	To recycling	To disposal	Waste generated	To recycling	To disposal
LEAD BATTERY	kg	142	142	-	-	-	-
SPENT FILTER COATS	kg	414	-	-	-	-	-
SPENT LUBRICANT OILS	kg	15	-	-	-	-	-
GLASS	kg	-	-	-	-	-	-
METALS (IRON, ETC)	kg	7,820	7,820	-	7,700	7,700	-
PAPER	kg	404,283	404,283	-	401,026	401,026	-
PLASTIC	kg	49,968	49,968	-	44,774	44,774	-
WOOD	kg	162,150	162,150	-	185,000	185,000	-
OTHER	kg	12,185	12,185	-	6,900	6,900	-
TOTAL	kg	**636,976**	**636,547**	**0**	**645,400**	**645,400**	**0**

Environmental projects

We improve our impact today and we plan the future

Chiller operation optimization: in 2024, we did some utilization optimization of this tool that operates for the cooling of water. According to the seasons, we have been reducing the level of operation of the chiller when the outside temperature was lower than inside the plant; through this optimization of use, we have increased our energy efficiency in order to reduce our energy consumption;

Manufacturing process optimisation: texturizing process waste reduced, achieving hence higher process yield.

Automation of pump-cooled water to the cooling tower: through the installation of an inverter we have been able to better control the flow and the actual utilization of the pump-cooled tower according to the weather seasons, that in the past was running 100% of the time and at 100% of its capacity. With this implementation project we can level the operation and reduce the energy consumption due to a lower pump usage.

Air compressor machines use optimization: by better optimizing the production plan, we have been able to use our air compressor machines in a more efficient way by producing higher quantities of products that require air jet texturizing process and then building a good amount of stock.

As of 2024, we are able to produce what we need and avoid the frequent usage of those machines for shorter operations, as the system is now fully optimised. With this optimization we have been able to increase our energy efficiency, since this initiative has led to a significant energy saving of 4,147 MWh in 2024.

Environmental projects

In 2024 we have implemented manufacturing improvements due to some internal procedure change and we have reduced the waste generation in the texturing process, decreasing from 1.7% to 1.2% in two years.

Waste management: we collaborate with some local companies to repurpose the wooden pallets containing raw materials from Israel and use them in the manufacture of medium density fiberboard for furniture building. with this intervention our wooden pallets are diverted from disposal.

Energy monthly meeting: since 2021 we have set-up energy council monthly meetings, to discuss several alternatives to save energy and brainstorm potential news ideas.

People representing different departments are joining the meetings, from the general and financial managers to the production, maintenance, and energy leaders; we are building our bank of ideas in order to implement the best ones and try to tackle every relevant impact. So far, our meetings over the past two years have lead to a 20% savings in energy consumption for the Brazilian plant.

The goal is to set-up these meetings in each plant and the initiative has been already extended to Israel plant in 2024.

Sustainability monthly council: sustainability monthly meetings have been established to monitor all recycling activities, water quality check and proper waste management;

With the support of these meetings, **we aim in 2025 to implement more waste reduction initiatives, energy consumption activities and extend the reuse of more packaging materials.**

Meio Ambiente: NILIT Brazil stands out in the country

At the beginning of 2025, NILIT Brazil has been selected among the winners of the GREEN SEAL Environmental Certificate, an award conferred by the Jornal do Meio Ambiente, a Brazilian journal covering and advocating for environmental issues.

Jornal do Meio Ambiente awards companies standing out for their best environmental sustainability practices, and particularly those implementing the Environmental Preservation and Education practices.

The purpose of GREEN SEAL is to acknowledge and award the commitment to environmental and social sustainability, as well as to encourage further improvements.

The conferring of the award is made possible by the Environmental Committee, which conducts a survey with environmental agencies to investigate sustainability in the different operational stages of public and private companies and identify those incorporating sustainability principles in their daily business operations.

In NILIT, we are honoured to be eligible to receive this prestigious award and proud to demonstrate every day that a sustainability-oriented business model is truly possible.

NILIT talks

with
Thierry Gasparini Luize
Site Manager at NILIT Brazil

Could you walk us through your career journey in NILIT and describe your present position?
My career at NILIT began in 2014, when NILIT started operations in the site of the city of Americana. This journey began with the installation of new machines and the starting of the production that enabled me to learn about NILIT's quality and innovation culture. In 2017, I stepped into the role of Technology and Quality Manager and then I became Site Manager Brazil in 2021.

What are the main site management challenges in the case of the NILIT Brazil plant?
Our goal is to maintain NILIT's quality and excellence in a safe environment. The main challenge is to manage people and operations to maintain high performance and excellence in a sustainable way.

You have been working in NILIT for the past 10 years: what are the main changes and innovations that you witnessed over time?
The investment in state-of-the-art machinery allowed NILIT to replicate the technological production in the Brazil plant and supply innovative quality yarns into our national market. In 2017, we began a program to improve and modernize internal controls involving costs, production, quality, maintenance, utilities and safety in our operations at the Brazilian site. Today, we have more accurate and complete online reports for full control, moving towards Industry 4.0.

What role does sustainability play in the everyday site management activities?
Sustainability is the driving force in conducting our site operations. When choosing suppliers and materials, we always take sustainability into account, in addition to quality. When thinking about possible improvements, we always focus on waste reduction, reuse, recycling and production optimizations that save energy and/or materials consumption.

What kind of leader do you aspire to be for your team players?
I believe that several things are important for the success of companies: the best technology machines, quality materials and resources, but people are the key driver of success. A leader must create a safe, respectful, open and challenging work environment. People in a leadership position must encourage commitment and act as a positive example for workers. Achievements should always be celebrated, but the team should always feel motivated to do better and better. I believe a leadership model solely based on hierarchy brings obedience and good results, but a leadership based on sharing knowledge and expertise will bring admiration, respect and outstanding results. I have always chosen the second option.

Environmental impacts: our results

Energy

NILIT Chinese plant relies on both electricity and thermal energy to run its operations, both for manufacturing processes and plant services.

Energy consumption flows employed by Chinese plant are reported in the table below, providing a breakdown among the different carriers for the reference time frame.

Electricity is supplied by the Chinese national grid, while thermal energy (in form of heat and steam) is generated by internal boilers powered by natural gas. In particular, steam is used for the POY process. However, only natural gas consumption figure is provided as primary data by NILIT, while heating and steam energy figures are not indicated. Hence, for the sake of simplicity, all energy generated by natural gas combustion is calculated and indicated in the table below as heating consumption.

Energy consumption, NILIT China[2]

		2017	2018	2019	2020	2021	2022	2023	2024
Total ELECTRICITY consumption	GWh	28.62	28.21	29.31	31.10	34.32	32.39	36.08	42.27
Total HEATING consumption	GWh	3.53	3.29	3.00	2.67	2.87	3.05	3.12	2.91
Total COOLING consumption	GWh	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total STEAM consumption	GWh	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

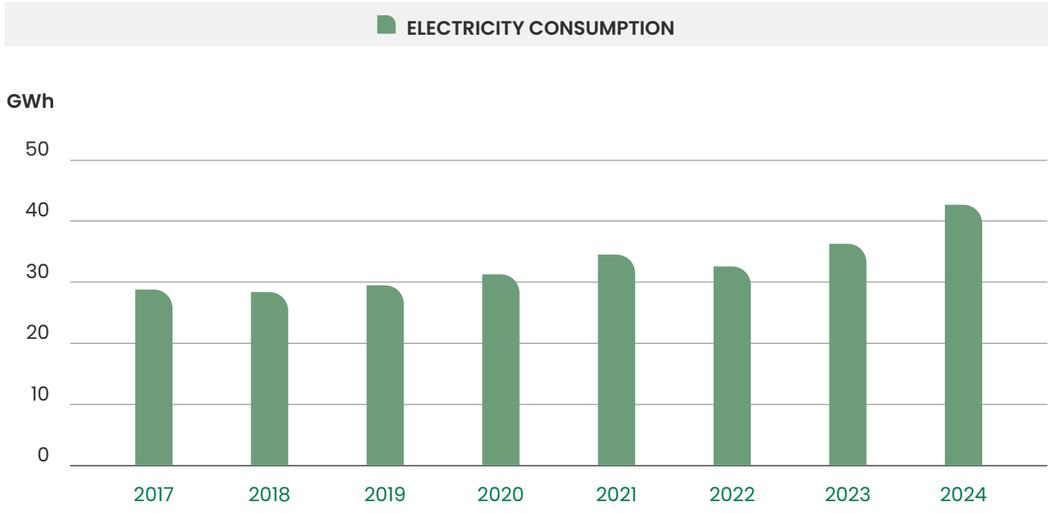
The graph below shows the yearly trend of electricity consumption. Over the years, electricity consumption experienced a slight but constant increase, most notably in 2024, due to the implementation of new production processes in the plant.

2 In 2023 report, "Total heating consumption" item reported the amount of electricity used for heating purposes. However, such value was already included in "Total electricity consumption" figure. The figures reported in this year's report are referred to the thermal energy generated by internal combustion of natural gas.

NILIT Nylon Technologies, Suzhou, China

The Chinese manufacturing site is located in Suzhou, in the west area of Shanghai. The main manufacturing activities that are currently taking place there are related to spinning (POY) and texturizing (DTY) processes.

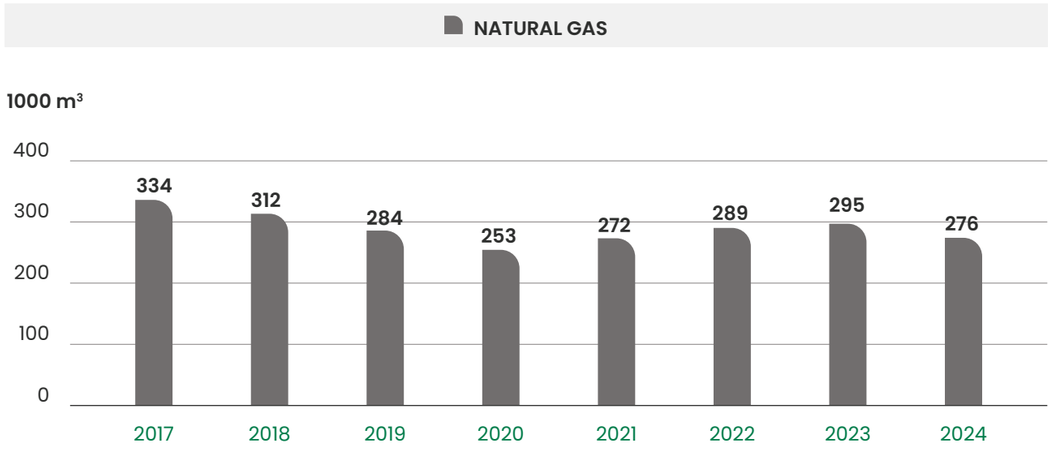
Electricity consumption, NILIT China



Unlike electricity consumption, natural gas consumption was reduced during the reference period, about 17% lower in 2024 compared to 2017. While from 2021 to 2023 natural gas consumption was almost constant, 2024 value marks a significant 6% reduction compared to 2023.

This result was obtained by the reduction of steam consumption for a specific product, whose production process was modified not requiring steam anymore (for quality purposes).

Natural gas consumption, NILIT China



Emissions

As the Brazilian plant, Scope 1 GHG emissions are also present at the Chinese plant due to the natural gas consumed by internal boilers. Tables below report, separately, Scope 1 and 2 GHG emissions per energy carrier.

Scope 1 Emissions, NILIT China[3]

		2017	2018	2019	2020	2021	2022	2023	2024
NATURAL GAS	tCo_2e	910	848	774	688	740	786	804	752

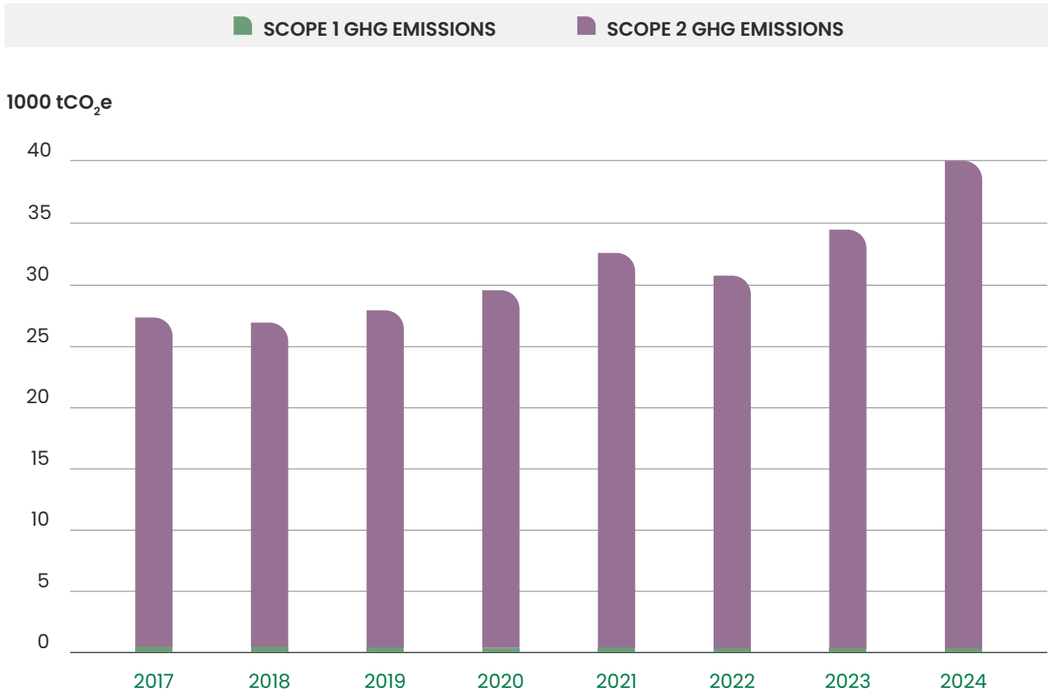
Scope 2 Emissions, NILIT China

		2017	2018	2019	2020	2021	2022	2023	2024
ELECTRICITY	tCo_2e	26,834	26,449	27,481	29,159	32,178	30,371	33,828	39,632

Scope 1 is responsible of around 2% of total GHG emissions. Because of this, GHG emissions reflect the electricity consumption trend.

3 Compared to 2023 report, 2017-2024 period figures are here updated, due to an update in NG combustion emission factors. However, figures changed only slightly and are fully comparable with 2023 ones.

GHG emissions, NILIT China



Water

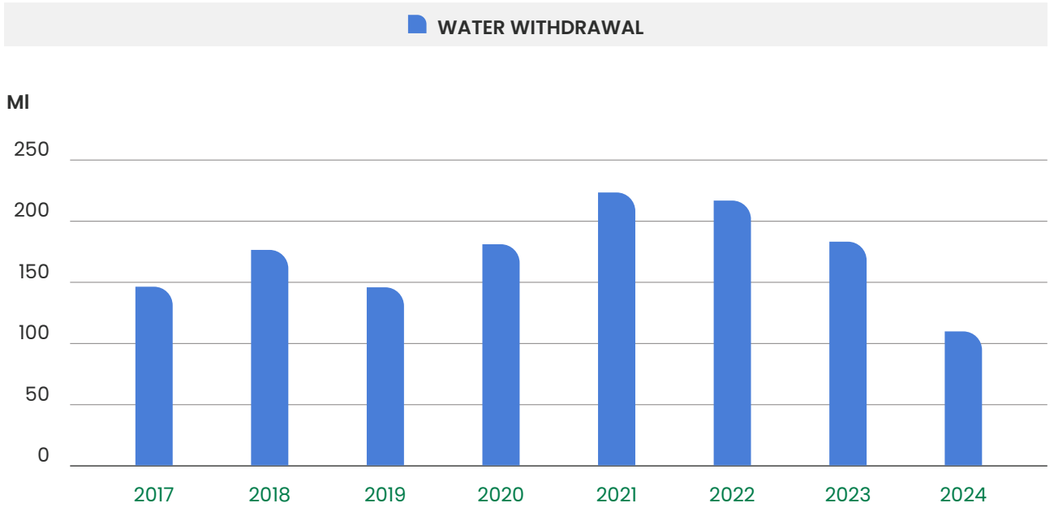
Water consumed by the plant comes from municipal supplies. Unlike electricity and natural gas, water consumption does not show a regular trend over 2017-2024, as shown in the picture in the next page. 2020 to 2021 were the years where more water was consumed.

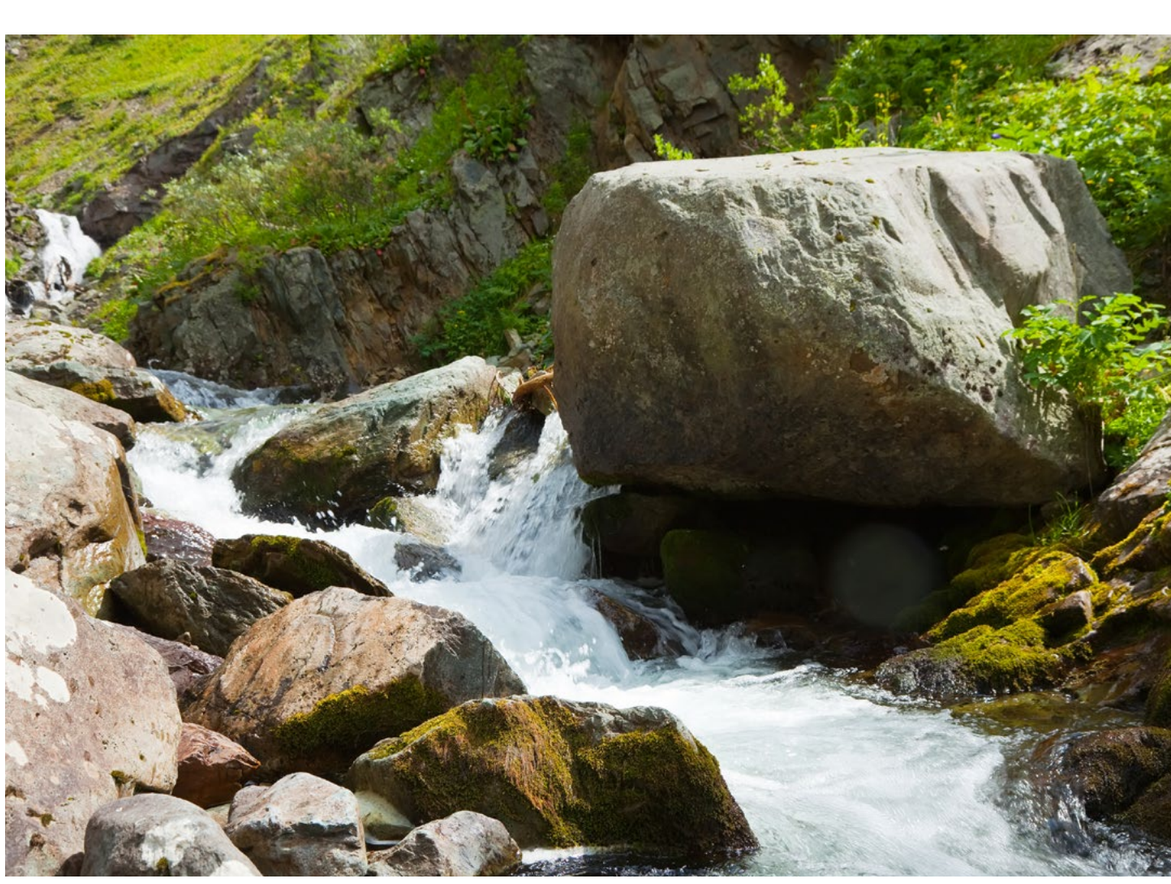
From 2022 however water withdrawal started to decrease significantly, with 2024 value being 40% and 50% lower, compared respectively to 2023 and 2022. This reduction is the result of a monitoring campaign, that allowed the identification of leaking spots and the subsequent repair interventions.

Water withdrawal and discharged, NILIT China

		2017	2018	2019	2020	2021	2022	2023	2024
TOTAL WATER WITHDRAWAL	Ml	146	176	145	180	222	216	182	108

Water withdrawal, NILIT China





Waste

In NILIT China plant there is a thorough separation between different waste flows as well, allowing high recycling rates thanks to the homogeneity of waste flows. Around 50% of all waste flows generated in Chinese plant is sent to recycling. This figure was kept constant from 2022.

2024 overall waste flows only increased around 5% compared to 2023, probably due to the increase of production volumes. Waste flows involved are the same generated in 2023 and amounts fully comparable.

The table below reports 2023 and 2024 waste flow figures.

		2023			2024		
		Waste generated	**To recycling**	**To disposal**	**Waste generated**	**To recycling**	**To disposal**
FAT OIL	kg	4,700		4,700	2,820		2,820
SPENT FILTER COATS	kg	16,080		16,080	16,440		16,440
SPENT LUBRICANT OILS	kg	2,500		2,500	2,500		2,500
VARIOUS DANGEROUS WASTE	kg	503		503	146		146
VARIOUS WATERY WASTE	kg	88,850		88,850	97,750		97,750
PAPER	kg	104,112	104,112		113,000	113,000	
PLASTIC	kg	9,322	9,322		10,400	10,400	
OTHER (MEAL WASTE)	kg	4,500	4,500		4,500	4,500	
MUNICIPAL WASTE	kg	19,000		19,000	19,000		19,000
TOTAL	kg	**249,567**	**117,934**	**112,633**	**266,556**	**127,900**	**138,656**

Environmental projects

We improve our impact today and we plan the future

Water consumption optimization system: in the past year we have focused on maintenance activities and fixing leakages, with steady improvements in weater consumption, driving the reduction of 120,000 ton of water consumption per year;

Metal packaging: in the past years we have decided to switch the usage from carton boxes to metal packaging leading to the reduction in consumption of 720 sets of cartons per year;

Reuse of steam: by recycling steam generated by the production process and using it to heat our boilers, we have reduced energy consumption and now recycle 1,050,000 liters of water per year.

Carbon filters: a VOC system has been implemented in the past year in the spinning and DTY processes, with the goal of capturing air pollution and also collecting quantitative data. Through this improvement activity we have seen a reduction of 6.33t/year in VOC emissions.

Recycling of spinning bobbins: 517,000 reused bobbins in 2024, with an increase of 12% compared to the previous year;

Recycling of plastic covers: saved 156,000 plastic cover each month, 100% of the Partially Oriented Yarns (POY) covers;

Recycling of wooden pallets: saved about 5,900 wood pallets each month, 100% of the amount used;

Cooling water system improvement: in 2024 several improvements have been introduced to the cooling water system to reduce the needed replacement of the cooling water. With this technology water change is not needed every day while maintaining the proper water quality for the cooling process. In 2025 improvement in water data consumption are going to be evident.

Optimization of process activities: in the past years some changes have been implemented in order to optimize activities and reduce shipping costs by setting up a local supply chain for the polymerization process, that previously was only implemented in the Migdal Ha'emek plant, with higher shipping costs.

Environmental projects

The new facility

In the past years significant investments have been made by NILIT in order to build and establish the new Suzhou facility, that has started operations at the beginning of 2024 with great characteristics to lower the environmental impact of NILIT productions:

- The new facility has been designed and built considering the installation of a photovoltaic panel system with an energy production capacity of 1,000 kWh, that would potentially lead us to reduce our fuel consumption of 16,900 litres per year and our environmental impact. The installation of solar panels is currently in progress;
- A new warehouse has been imagined and constructed with eco-friendly design principles, with wide windows to incorporate ample natural light. The new warehouse is located in the production site and there will be no need to continue using the current remote warehouse. As a positive consequence, in the first running year the new facility logistics outcome is a reduction of 28,500 Km trucks transportation, approximately 8,550 litres of diesel not consumed;
- The new warehouse has a centralized trolley area, where all the storage vertical space is used and in which we keep a certain level of temperature and moisture, with a significant efficiency improvement of the air condition system.

NILIT talks

with
Sasa Chan
Marketing Director at NILIT Asia

Could you describe your career path in NILIT and what is your current role?
As the Asia Marketing Director, I manage marketing strategy and market activities across Asia, supporting sales growth in China and expanding our customer base. My journey with NILIT started when the outdoor sports market was experiencing rapid growth. My 7 years of cross-industry marketing experience, combined with my passion for fashion and sports bring valuable consumer insights and understanding of market. This unique blend of experience allows me to contribute meaningfully to NILIT Asia.

What are the differences and main challenges of the Asian market for NILIT?
The Asian market stands out globally for its unique opportunities and challenges and serves as a critical hub in NILIT's global supply chain. The region is highly competitive and fast-paced, driving continuous innovation. Large-scale manufacturers dominate the market, but their portfolios often include a low proportion of Nylon 6.6. An intense competition characterizes the market, with Nylon 6 suppliers aggressively entering the Nylon 6.6 space through pricing strategies and leveraging existing infrastructure. Competitors in Asia respond rapidly, often claiming to offer similar products, which underscores the need for a clear differentiation strategy.

What is the key strategy to ensure successful sales in the Asian market?
The core strategy for achieving success in Asia revolves around differentiation and innovation. To maintain a competitive edge, NILIT must continuously develop new technologies that offer tangible and unique benefits. Customers must be able to see, feel, and test the differences to justify paying a premium. Having a well-defined innovation roadmap is crucial. Maintaining consistently high quality and exceptional service is essential, while adapting to local market dynamics ensures that we deliver value and keep a competitive edge. NILIT's value proposition must extend beyond cost competitiveness to performance, reliability, and long-term partnerships.

What do you do in your workplace to foster cooperative teamwork among your coworkers? How would you define the NILIT work culture?
At NILIT, fostering cooperative teamwork is essential, especially as a global company that relies on cross-regional collaboration. I prioritize open communication, knowledge sharing, and mutual support among team members to ensure we work effectively together. NILIT's work culture is built on collaboration, innovation, and a shared commitment to excellence. By connecting teams across different regions, we create a cohesive environment where diverse perspectives are valued, and collective goals are achieved. This collaborative spirit not only strengthens our internal dynamics but also enhances our ability to meet the needs of our customers worldwide.

Who or what inspires and guides you in your daily journey in NILIT?
My passion for fashion and sports, combined with my role as a consumer, keeps me deeply connected to the market and its needs. Having worked across multiple industries in the past helps me bring a fresh perspective, stay innovative and adaptable in a rapidly changing environment. The collaborative culture at NILIT and the dedication of my colleagues further fuel my motivation. I am driven by the challenge of understanding diverse markets and working with my colleagues to deliver innovative solutions that create real value. This journey at NILIT is not just about professional growth, it's about pushing boundaries, embracing new opportunities, and making a meaningful impact in an industry that never stands still.

Environmental impacts: our results

Energy

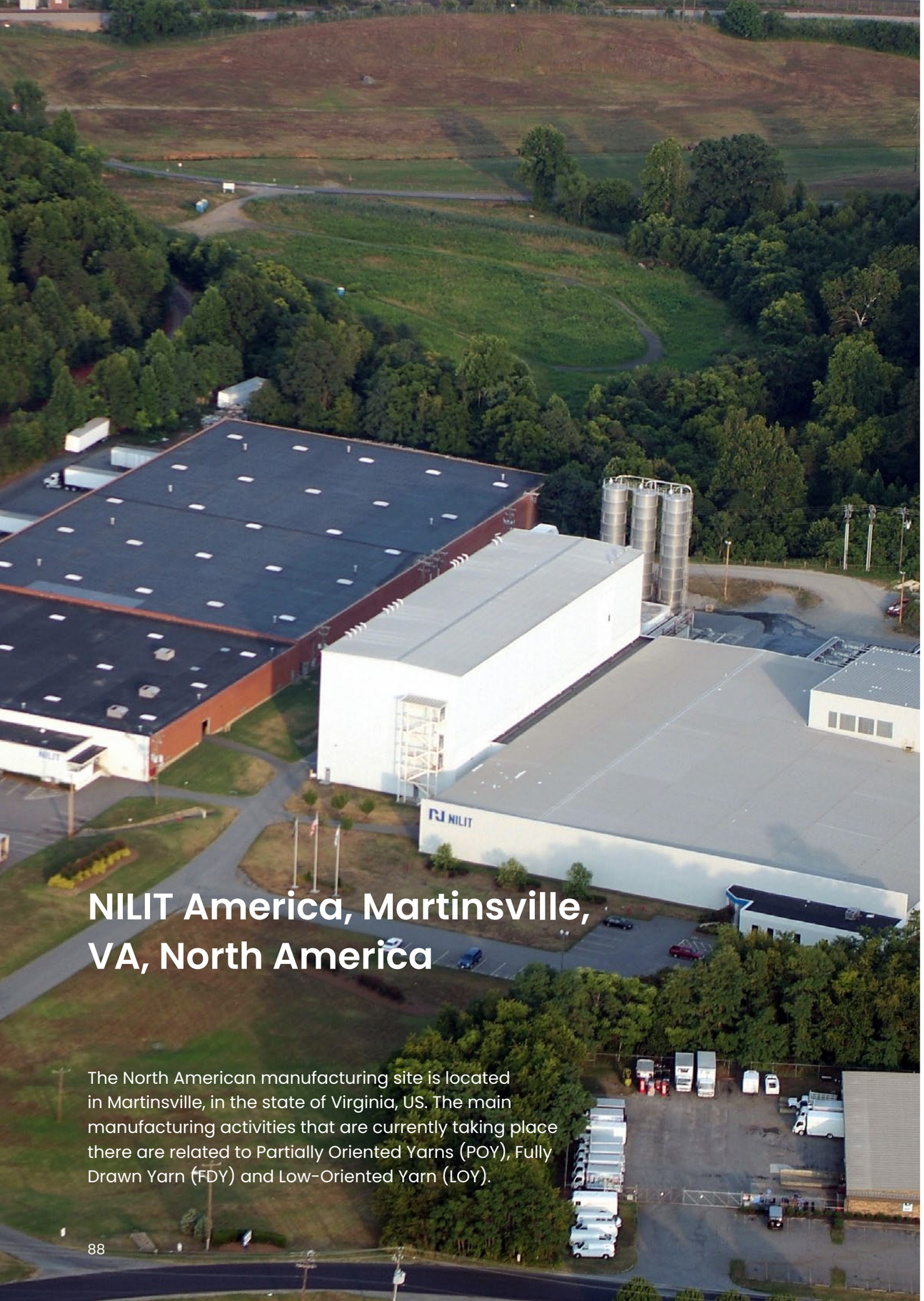
Martinsville NILIT plant runs on electricity, purchased from the grid. Natural gas is consumed for the internal boilers.

Energy consumption, NILIT America

		2017	2018	2019	2020	2021	2022	2023	2024
Total ELECTRICITY consumption	GWh	38.71	39.99	35.08	27.71	29.98	28.39	23.58	19.61

Graph below shows the electricity consumption over 2017 – 2024 time frame: **over the years, a 50% reduction of electricity demand was accomplished**.

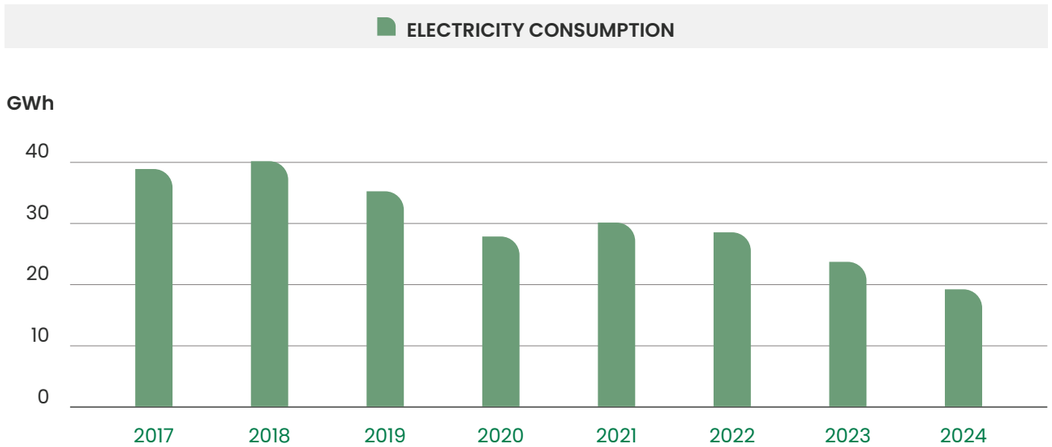
These results have been possible thanks to the energy efficiency projects implemented: for instance, replacing the chiller water system and shutting down the high pressure air compressor by replacing the string up sucker guns devices.



NILIT America, Martinsville, VA, North America

The North American manufacturing site is located in Martinsville, in the state of Virginia, US. The main manufacturing activities that are currently taking place there are related to Partially Oriented Yarns (POY), Fully Drawn Yarn (FDY) and Low-Oriented Yarn (LOY).

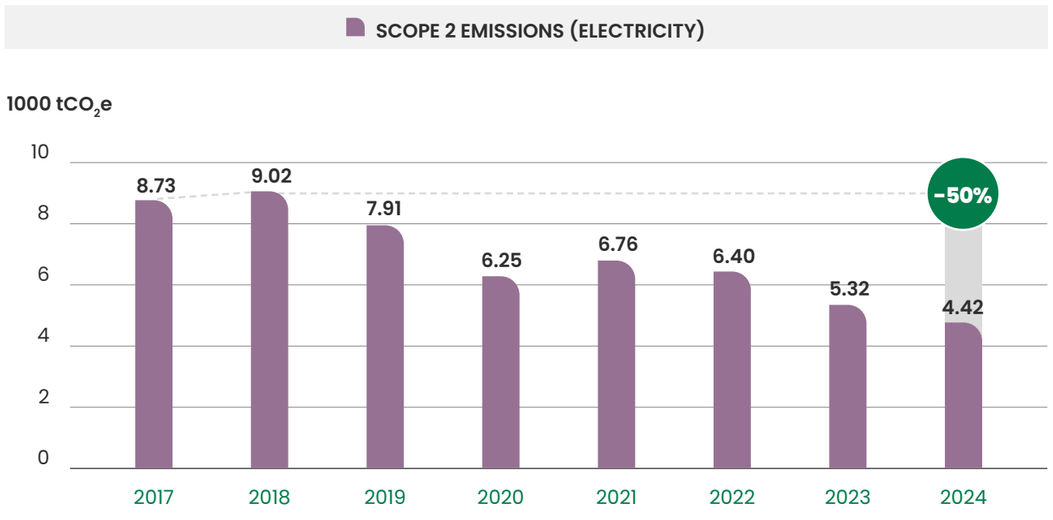
Energy consumption, NILIT America



Emissions

GHG emissions trend over time reflect the energy consumption trend, showing a **reduction during 2017-2024 of about 50%** (as indicated in the graph below). In USA plant only Scope 2 emissions can be calculated, related to electricity purchased from the grid.

GHG emissions, NILIT America

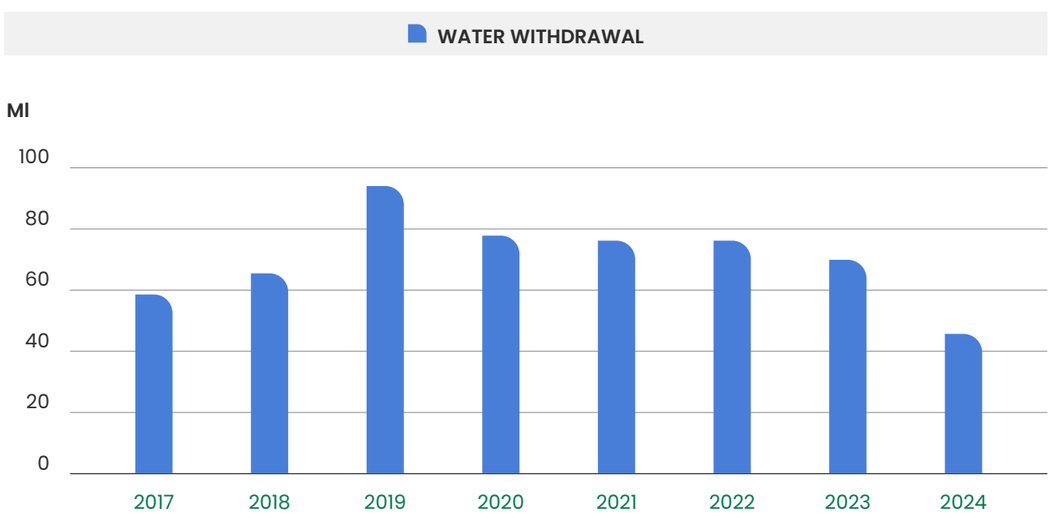


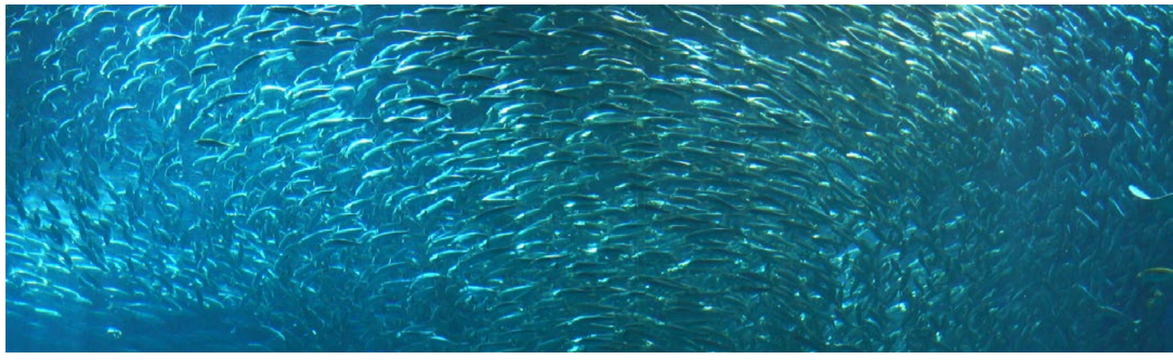
Water

Water in Martinsville plant is used for two main purposes: for the boilers-steam generation and to prepare the finish oil solutions. Water is provided by the municipality supplier and NILIT returns it to municipal water treatment station. Additionally, rainwater is collected free of contaminants and is addressed in a containment pond.

Water is not reused in the plant and there is no total mass flow meter for discharge. Only an input mass flow meter is present. It is assumed that the output equals the input. 2024 water demand considerably dropped compared to previous year, being almost 35% lower than 2023. This is likely to be linked to the reduction in plant production volume. In addition, 2024 water consumption value is the lowest registered from 2017.

Water withdrawal, NILIT America





Environmental projects

We improve our impact today and we plan the future

We have undertaken several projects aimed at reducing energy consumption in terms of energy unit consumption for the same level of production:

New Air Bar Compressor and new string up gun: in the past years we have been able to achieve some significant optimization objective in terms of reduction of energy consumption. We have successfully switched to string up guns and new bar compressors characterized by a lower pressure that translate into less energy consumption.

Flat area improvements: modernization efforts were implemented in the flat area to save electricity and minimize waste. We acquired a modern Draw Twist Machine with higher productivity. This machine is able to produce the equivalent of 2.5 old machines, which allows us to save relevant amounts of energy.

Less paper: Our products are sold in pallets with each pallet having a big box and cardboard to cover the box to save paper. We fulfilled the goal completely switching from lateral cardboard to partial pallets.

Manufacturing scrap reuse: significant amount of scrap is generated during the start-up phases of production campaigns. We are implementing procedures for the internal reuse of such waste as input in our manufacturing processes, to decrease the virgin raw material demand.

Reused tubes: in order to emphasize sustainability and the importance of lowering the environmental impact, we are working on encouraging the reuse of bobbins tubes, by asking customers to send back tubes.

Emission reduction: thanks to the employment of an after burner, a chemical filter absorbing volatile compounds generating from the polymers carbonization during spinners' head cleaning.

Optimization of shipping activities: in 2023 we succeeded in upgrading our availability of products made in US, leading to a reduction of imports from Israel, with lower shipping costs and lower emissions due to transportation.

EcoCare: since 2023 we have been able to produce EcoCare fibers in the US, leading to the possibility of reusing polymer waste in our facility. Currently, this measure is successfully implemented.

Eliminating particles emissions: in January 2024, we started to implement the Afterburner, a solution that prevents the emissions of particles produced during the cleaning process of the reused packs in our extruders. The Afterburner burns the remaining polymer in the packs, that otherwise would produce particles of carbonized polymer decomposition.

NILIT talks

with
Pedro Martinez
Quality Lead at North America

Could you explain your career path in NILIT and what is your current role?
Four years ago, I joined NILIT America (NIA) as Process Engineer. One of my first assignments was to ensure that the site obtained the ISO 9001 certification for the first time. Working all together we achieved the goal. A year later, I was promoted to Quality Manager and became responsible for the Inspection and Packing area, textile lab, implementation of new standards (GRS), and more recently for the planning of the site. I have seen several changes in the organization and all departments, the NIA culture has entered in a transition process where everyone at the plant tries their best to exceed our customer expectations.

What do you like the most about your role of Quality Manager in NILIT?
I like to learn new things and understand the interaction between all the areas and processes, aware that this knowledge allows me to make better decisions. I also like to work with people with different experiences and drive my team to improve every day and learn from each other.

How are product quality and sustainability connected?
I think they are connected in three ways. The first will be by producing yarn efficiently with a lower consumption of natural resources and energy. The second one is by reprocessing our second-grade waste to avoid contaminating the environment. The third one is by producing products that can reduce the consumption of water downstream (Watercare) or that break down faster.

What opportunities and challenges does the journey towards a more and more sustainable business represent for the quality sector?
NILIT can be the leader of Nylon 6.6 sustainable products and strengthen its reputation by driving innovation, enhancing our products to be more reliable, and encouraging our suppliers with the implementation of sustainable practices. The challenges are to find the balance between the cost and the quality, implement more regulations on this matter, and integrate sustainability into the existing Quality Management System.

In your opinion, what is the most fascinating aspect of your job and of NILIT products?
Working as a team and supporting each other is the most fascinating aspect of my job. Through constant communication with our internal and external customers, we can improve continuously to deliver the best quality products.

Health&Safety in the workplace: our Global Safety Management System

At NILIT, we are dedicated to providing a healthy and safe environment for the well-being of our employees, visitors, contractors, and the community. This commitment is integral to our sustainable and profitable growth, **aligning with our corporate social responsibility principles**.

To translate our commitment into concrete actions, we adopted a **Global Safety Management System (GSMS)** in 2019 in one plant (Israel) then extended to all our plants since 2022.

Thanks to the GSMS, we continually enhance our work processes, adopting best practices and behaviors to ensure a safe operational environment free from accidents.

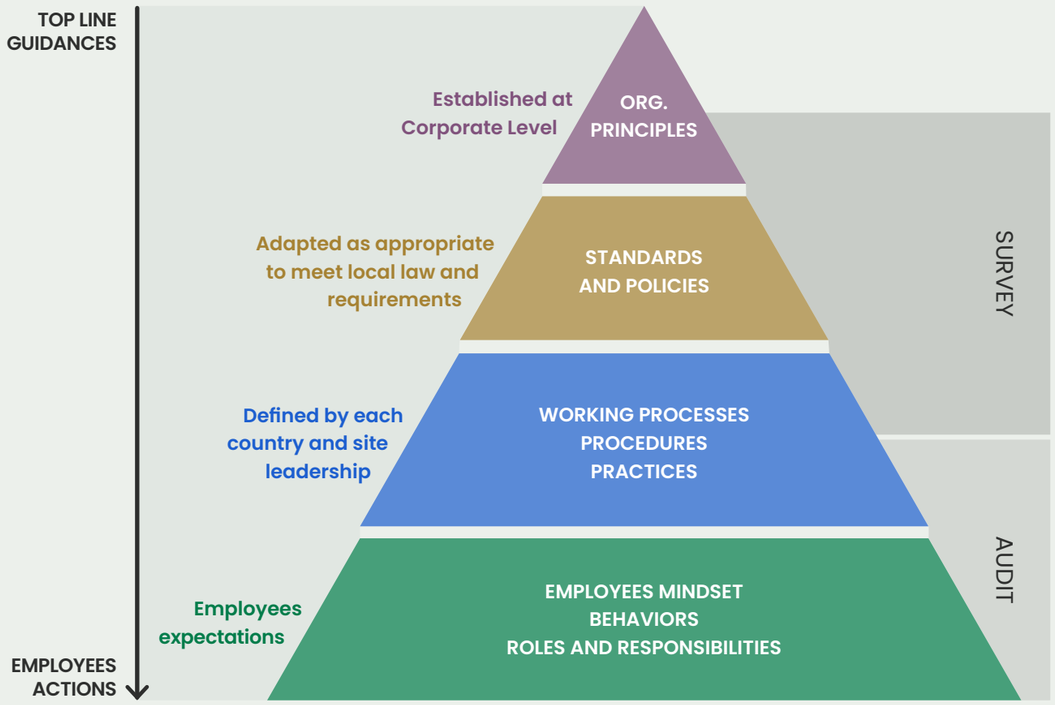
OUR GOALS

- Establish a basic level of Global Safety Management System focused on Operations, taking advantage of the existing experience in the group
- Manage the implementation of a fit system according to the company need, hazard level, and have a safety culture on top of mind
- Have Safety as one of the strongest values for the company to contribute to the business, bringing real value for sustainable growth

Our Safety Pyramid

Our Global Safety Management System was initially established at the top management level.

After that, we adapted our health and safety policies to comply with all relevant laws and regulations, **integrating the GSMS into all aspects of our business activities**, from the corporate level down to our employees.



To meet the health and safety standards of our GSMS, we keep track of the following **metrics**: Lost Time Cases, Non-Lost Time Cases (First Aid), Incidents/Near Misses, and Hazard Identification, **which provides us with essential data to monitor the safety level in our production plants worldwide**.

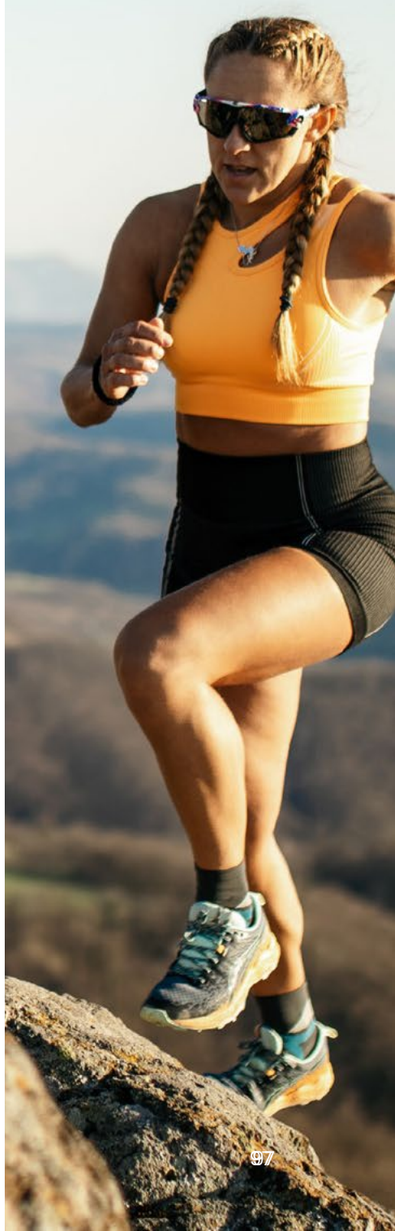
For each of these metrics, every plant must:

- Create, within 48 hours of the event, a Standard Accident Report in accordance with the official guidelines.
- Execute a training program to cover newcomers and a refresh program to ensure all operators have time to review concepts and hazard operations/processes (training material must be under the responsibility of the Safety Leader of each plant).
- Establish an Action plan that must cover the root cause prevention and possibly include the communication plan when convenient.

At the same time, to reinforce the effectiveness of our GSMS, we have adopted the following actions:

- Implementation of the Global Safety Committee, that is composed of site managers and safety technicians;
- Set-up of periodic gatherings to discuss, review and learn from all the registered accidents in the company;
- Established monthly meetings focused on Safety Programs and KPIs results;
- Safety Survey done in 2018 will be updated and completed again in 2025.

Overall, we have built a safety culture that is growing among employees and worldwide. People at NILIT are strongly encouraged to report every hazard they experience and witness and they are trained to easily recognize potentially dangerous situations before the risks become real.
Hazard identification is at the base of our pyramid as a powerful exercise to make people more aware of potential improvements to the work environment.



Our GSMS trend

The Health Indicators data below identify trends related to our global GSMS application. The tables highlight the numbers of fatalities, lost time and first aid cases injuries and hours worked both for NILIT employees and not-employed workers in our plants, because in NILIT we care about everyone's safety.

Our GSMS is showing its application results also in 2024: we have experienced a significant drop in lost time cases (only 1 in 2024!) and -38.6% in first aid work related injuries[4].
2024 data are the evidence of how a proper management system in place and consistent training can lead to the safest working environment.

Health&Safety Key numbers

1,681

Hours provided in Health&Safety training (more than 50% increase compared to 2023)

-38.6%

First aid work-related injuries compared to 2023

0

First aid and lost time cases in Sao Paulo plant, Brazil since 2021

4 In NILIT we elaborate health and safety data according to these definitions:
- Lost time case: Any occupational injury or illness which results in an employee being unable to work at least one full work day/shift.
- First-Aid case: A first aid incident refers to any injury that can be treated but with no loss of working days.

Healt&Safety data - Employees

	2017	2018	2019	2020	2021	2022	2023	2024
Fatalities	0	0	0	0	0	0	0	0
Lost time cases	17	18	14	6	3	7	6	1
Rate of Lost time cases	6.39	7.79	6.82	3.71	1.64	3.67	3.04	0.59
First aid cases	89	99	52	41	55	67	57	35
Rate of First aid cases	33.4	42.8	25.3	25.4	30.1	35.1	34.7	20.0

Healt&Safety data - non Employees

	2017	2018	2019	2020	2021	2022	2023	2024
Fatalities	0	0	0	0	0	0	0	0
Lost time cases	6	2	4	0	0	1	0	0
Rate of Lost time cases	67.0	21.6	34.9	13.5	0.0	10.7	0.0	0.0
First aid cases	6	2	1	1	3	0	1	2
Rate of First aid cases	67.0	21.6	8.7	13.5	33.3	0.0	10.2	21.3

In the tables above are visible NILIT progress in terms of injuries case reduction especially for the company employees. Both for lost time cases and for first aid ones.

Also the rate in the table (base of the year working hours) is confirming the decrease of first aid cases among employees, as a results of GSMS progress activities.

Results data from GSMS implementation

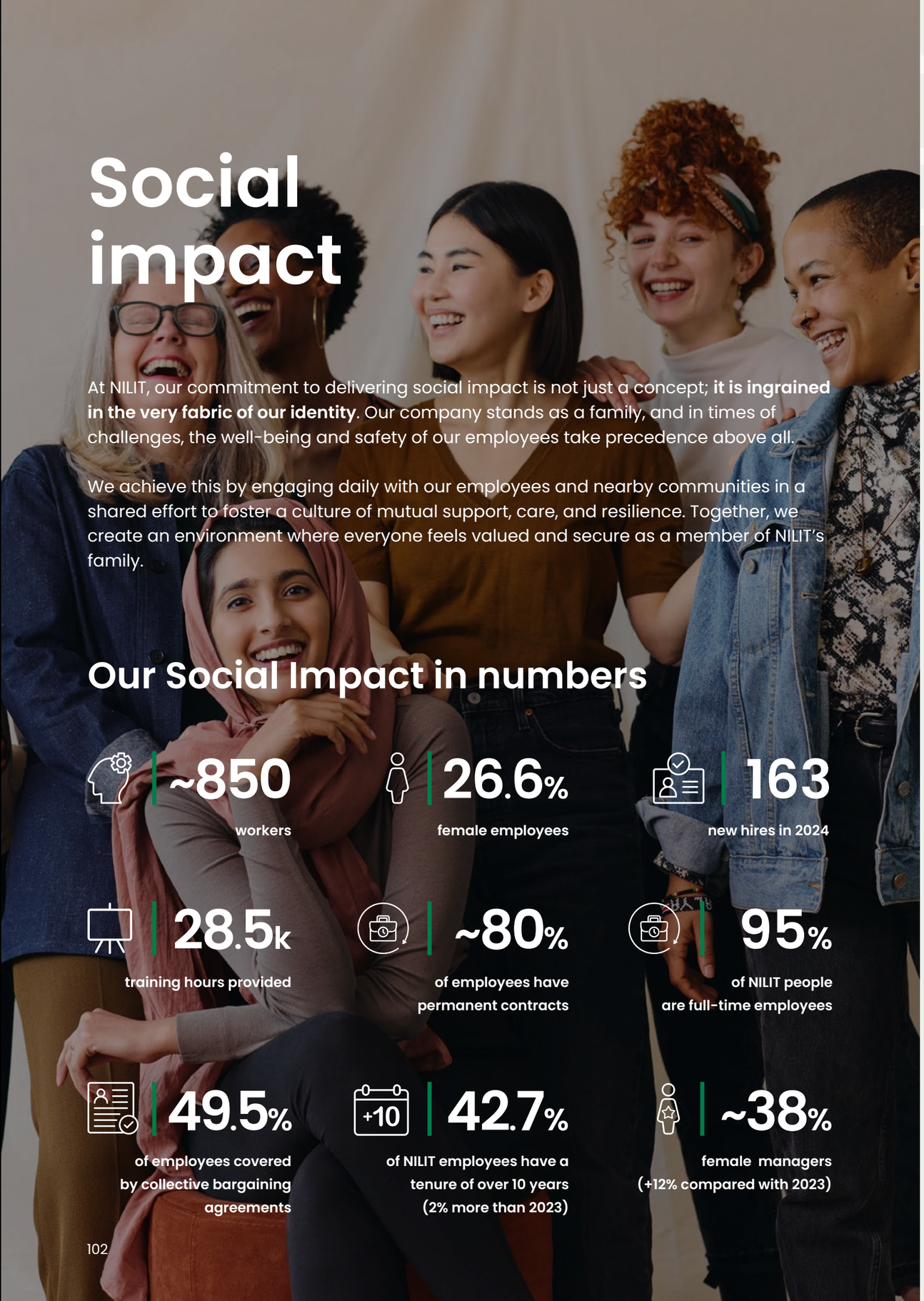
	2018	2019	2020	2021	2022	2023	2024
Incidents and Near Miss	280	242	86	270	498	469	521
Lost Time Case/ Worked Hours	87	44	33	20	58	36	7
First aid/Worked Hours	390	234	398	361	496	416	240
Hazard Identification/ Operations Employee each month					1.2	1.2	1.1
Hazard Identification per year					949.0	882.8	863.4

The chart shows additional data such as incidents and near miss episodes, hazard identification per year and per month for each employee. The trend is clear with every KPI showing improvement.

Also, the stable numbers of near misses are the consequences of the employees' incentives to share cases in order to learn from them and share knowledge in all plants.

In order to define the 2025 Safety Plan, we are participating in the Future of EHS 2025 Congress, which took place from 18th to 20th February in St. Louis, Missouri, USA.

We strongly believe the congress represents a starting point for reflection on further potential improvement and next EHS goals to be set.



Social impact

At NILIT, our commitment to delivering social impact is not just a concept; **it is ingrained in the very fabric of our identity**. Our company stands as a family, and in times of challenges, the well-being and safety of our employees take precedence above all.

We achieve this by engaging daily with our employees and nearby communities in a shared effort to foster a culture of mutual support, care, and resilience. Together, we create an environment where everyone feels valued and secure as a member of NILIT's family.

Our Social Impact in numbers

~850 workers

26.6% female employees

163 new hires in 2024

28.5k training hours provided

~80% of employees have permanent contracts

95% of NILIT people are full-time employees

49.5% of employees covered by collective bargaining agreements

42.7% of NILIT employees have a tenure of over 10 years (2% more than 2023)

~38% female managers (+12% compared with 2023)

Our code of conduct

In line with the principles of Corporate Social Responsibility, we are committed to maintaining the highest standards of ethical conduct, integrity, and accountability in every activity of our organization. For this reason, we have created a Code of Conduct that outlines the principles and guidelines that all employees are expected to follow in their interactions with colleagues, customers, suppliers, business partners, and stakeholders.

Compliance with Laws and Regulations

We make sure to adhere to the laws and regulations in the countries of operation, ensuring legal compliance and ethical conduct.

Ethical Conduct

All NILIT employees must conduct themselves with integrity, honesty, and fairness in all busness transactions.

Confidentiality

Confidentiality is imperative for safeguarding NILIT's business interests and fostering trust within our relationships.

Fraud

We unequivocally prohibit all forms of fraud, encompassing misrepresentation, forgery, embezzlement, and other deceptive practices.

Whistleblower Protection

At NILIT, we promote a culture of reporting any unethical behavior, violations of laws, or breaches of this Code of Conduct, fostering an environment where employees feel secure in raising concerns without the fear of retaliation.

Environmental and Social Responsibility

NILIT is devoted to reducing its environmental footprint and upholding human rights. For this reason, all employees are expected to conduct business responsibly, considering the social and environmental implications of their actions.

One NILIT

In the ever-evolving landscape of social responsibility, we decided to establish a lasting culture that embodies our commitment to excellence across all operations. To achieve this, in 2016 we launched “ONE NILIT,” a collective approach that integrates social and environmental responsibility into our daily practices.

ONE NILIT is the framework that supports our commitment to social excellence. It enables us to put our shared values into practice through tangible actions, which are implemented daily across all levels of the organization and in NILIT’s sites worldwide. From employees’ programs and benefits to diversity and gender promotion, ONE NILIT helps us unite our multicultural, international family as a whole, where members feel seen, understood and recognized into one welcoming culture, NILIT’s culture.

Here are some examples of our ONE NILIT culture in action as we work together with our communities and employees.

Good Deeds Day
giving back to our communities

Good Deeds Day is an annual international day of community service that is set-up by NILIT to encourage people to take positive action.

This initiative provides us with an opportunity to give back to the communities where we operate, and we celebrate it by actively participating in local activities that create small but significant changes in the well-being of the people and the urban spaces around us. Over the years, we have been involved in many local community activities, from promoting culture and health among kindergartens to donating valuable items to nursing homes.

Today, more than ever, we believe in taking concrete, positive actions for those who need it the most, laying the foundation for a better future.

In March 2024, NILIT Israel employees once again took active part in the Day of Good Deeds. This year, NILIT volunteers organised and delivered an activity focused on road safety for the third-grade children of the Migdal Ha’Emek and Zarzir elementary school.

In April 2024, employees of NILIT Brazil conducted a food donation campaign for the Benaiah Residential, a charitable association that has been providing elderly citizens a shelter in the city of Americana for over 60 years. Currently, Benaiah hosts 44 guests in need aged between 64 and 97. During the Good Deeds Day, 50% of donations were provided by NILIT and the remaining 50% were generously donated by NILIT Brazil employees.

NILIT's donations

We firmly believe that sports play a crucial role in shaping characters and children and teenagers' education. For this reason, for the past 41 years we have been sponsoring the Gabriel Maurizio Levi tennis tournament, which is part of the annual round of competitions organized by the Israel Tennis Association.

מפעלות הרב גרוסמן
Rabbi Grossman Enterprises

To support those in need, NILIT has been providing financial aid to Chag Saveah, a nationwide campaign that supplies food for families and children.

NILIT is actively contributing to the community by daily donating surplus food from our cafeteria to support the local community, minimizing waste, and promoting a sustainable approach.

Krembo Wings
Social Educational Knowledge Center
Knowledge • education • development • research

Recognizing the importance of empowering the younger generations, NILIT is proud to support Krembo Wings, a youth movement promoting awareness, social accessibility, and the well-being of children with disabilities for children with and without special needs.

Blood Donation Drive

In 2024, NILIT Israel welcomed the blood donation mobile of the Magen David Adom UK organisation on its premises.

Magen David Adom is a no-profit National Blood and Medical Emergency Service operating in Israel and around the world to save lives and provide essential medical assistance to those in need.

Our employees' readiness to donate blood and contribute to the cause of medical emergency assistance makes us immensely proud.

Celebrating veterans employees

Every year, we organise a ceremony to celebrate our senior employees' 10th, 20th, 30th, 40th or 50th anniversary of employment in all our factories.

As a sign of our gratitude and appreciation, we award all of them a Safety Award to mark such an important milestone.

Employee programs and benefits

At NILIT, our commitment to Social Impact extends to our employees through various programs and benefits.

Employees Education Initiatives

We prioritize the educational pursuits of our employees and their children by offering scholarships and financing academic studies to enhance their career prospects. At the same time, we provide language courses to advance their communication skills.

Communication and Collaboration

Our internal communication tool, ‘Connecteam,’ facilitates seamless connection for NILIT’s people, with the possibility to share events and organizational structure changes among employees while also providing a safe space to collect anonymous suggestions and complaints for all employees. In addition, ‘Round tables’ opens a forum for informal discussions between management and employees, fostering a sense of community, which we believe to be particularly important during challenging times.

Team-building activities

In 2024, NILIT China offered its employees an outdoor team-building event in charming Moganshan, a traditional mountain town located in the Jiangnan region of China. Coworkers strengthened their connection and teamwork potential through sports competitions and mountain hikes, enjoying delicious food and building everlasting memories.

Training Initiatives

All our new employees receive personalized onboarding sessions to emphasize our company culture, where doors are always open for guidance. Tailored training programs and global HR procedures further help to facilitate the entrance of new employees all over the world.

After the exceptional training year of 2023, NILIT keeps investing in its employees' development, and during 2024 training hours have steadily increased compared to 2022 (+12.28%); even if the absolute numbers of training hours have decreased compared to 2023, the average numbers of training hours offered is increased both for the managers and clerical category, more than doubled in both cases.

Here's a detailed table that shows the number of training hours for each category, where it is highlighted the growth of linguistic and health&safety training.

Hours of training and categories

	2022	2023	2024
Managerial training	531	878	260
Professional training	10,460	34,309	10,780
Linguistic training	35	55	217
Training on Code of Ethics	248	407	347
Health&Safety training	969	1,106	1,681
Other	13,133	14,910	15,206
Total	**25,374.5**	**51,665**	**28,491**

Thanks to our dedication in offering a diverse range of benefits and programs for all our employees globally, the ratio of our employees' seniority remains high in time and keeps growing, with 42.7% of our people being employed at NILIT for more than ten years in 2024, 2% more compared to the previous year. We are also building the next generation of experienced employees, marking a 22% increase from 2023 of NILIT people with 2-5 years of working experience in the company. We value our expert employees, and we know how to keep them happy to stay.

In the table below it is represented NILIT population seniority, by gender.

Employees seniority

	2022			2023			2024		
	Man	Women	**Total**	Man	Women	**Total**	Man	Women	**Total**
>30 years	54	6	**60**	46	4	**50**	53	8	**61**
>20<=30 years	93	28	**121**	86	21	**107**	71	19	**90**
>10<=20 years	146	55	**201**	141	49	**190**	147	50	**197**
>5<=10 years	112	52	**164**	94	48	**142**	86	43	**129**
>2<=5 years	117	36	**153**	97	38	**135**	115	51	**166**
<=2 years	162	68	**230**	175	65	**240**	126	46	**172**
Total	**684**	**245**	**929**	**639**	**225**	**864**	**598**	**217**	**815**

Safety training

At NILIT, we are committed to properly train all employees on health and safety work procedures, ensuring that everybody complies with NILIT's Safety and Hygiene policy and worldwide safety standards: **1,681 hours of training were offered to our people in 2024, with a 52% increase compared to 2023.**

Additionally, to celebrate and reinforce our safety culture, our Safety Manager annually leads a ceremony recognizing the employee or team that has made the most significant contributions or improvements to our safety protocols. This prize is awarded across all our sites and aims to encourage our workers to follow strict safety measures daily.

Initiatives for employees' families

NILIT is committed to playing a positive role in employees' families. In our Israel plant, an event was organised in 2024 for employees' children who are entering first grade to celebrate the beginning of their educational adventure and prepare them for successfully attend school.
We donate school backpacks to all our employees' children who are entering first grade, in Israel as well as in all other plants across the world.

In NILIT America families also had a chance to get to know their beloved ones' workplace more closely during an Open Doors event. Family members of NILIT employees were offered a guided tour of the plant and enjoyed an outdoor social lunch.

Diversity Assurance

As a global and international company, we are dedicated to creating a secure and respectful work environment for all, and our safety initiatives go beyond just accident prevention.

We have put in place comprehensive measures to address harassment and discrimination and ensure a safe working environment for everyone.

For instance, we have established an anonymous suggestion/complaint channel, which is open to all employees in the "Connecteam" application. Additionally, we share information about the federal laws against discrimination in the workplace with our USA employees.

Employees Well-being

In line with our commitment to employees' well-being, our plants are equipped with an occupational doctor. Medical professionals play a vital role in various aspects of NILIT's operations, including the treatment of workers with long-term illnesses and providing professional opinions for their return to work. The doctor also manages the treatment of workers returning from work accidents, conducts medical inquiries, and oversees long-term leave of absence cases.

Diversity & Gender Promotion

As a global and multicultural community, diversity and gender promotion are two essential core values of our social excellence. To enforce these values, we dedicate time and energy to fostering an environment where everyone is heard and valued.

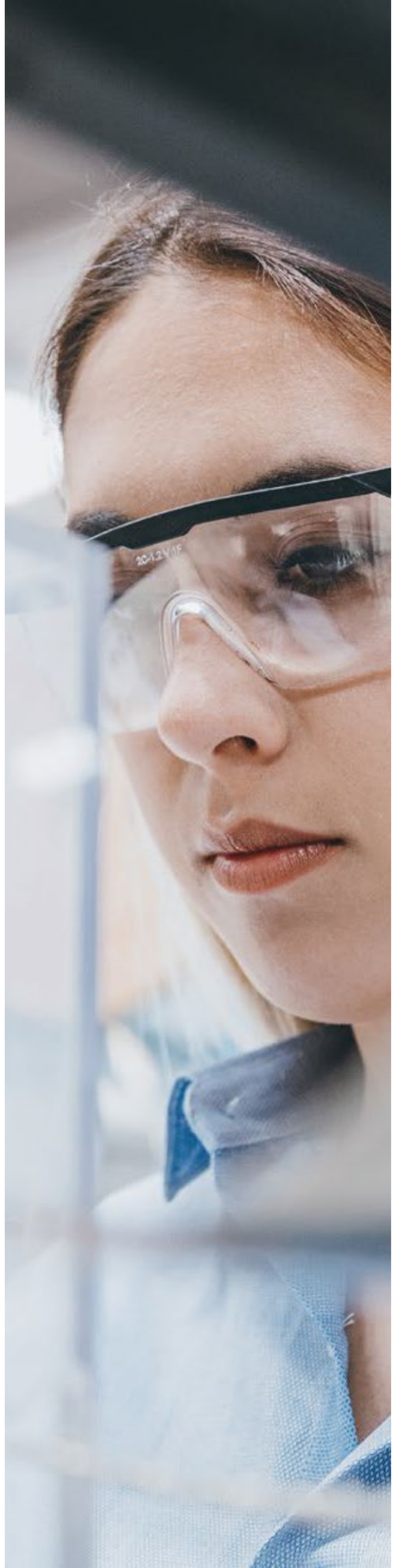
Celebrating all holidays

At NILIT, our commitment to Social Excellence extends to fostering Diversity and promoting gender inclusivity within a diverse workforce that includes individuals from various religious backgrounds.

This exceptional diversity is exemplified by our inclusive celebration of all holidays and religious cultures observed by our employees, whether it is Christmas, the New Year, Passover, Carnival, Eid al-Fiter, Chinese Spring Festival, Rosh Hashanah or Eid al-Adh, creating a unique environment of integration and respect.

Breast Cancer awareness

Since 2012, every October we take concrete action for Breast Cancer Awareness Month. In every site, a lecture by a woman who has navigated this journey serves as a source of inspiration, encouraging our female workforce to prioritize regular check-ups. At the same time, we want to go beyond awareness by bringing in a breast surgeon who offers immediate on-site clinical breast exams for those women who are interested.



Female leadership

With a goal to empower female leaders and women in operational roles, we actively provide opportunities for their portrayal across different channels, recognizing and amplifying their contributions. Notably, we commemorate International Women's Day and Mother's Day, celebrating the achievements of women within our organization.

As part of our ongoing efforts to increase gender diversity, 38% of our leaders are female, even if women represent only 26% of NILIT overall population. In North American and Chinese facilities these percentages grow to 47% and 50% respectively. We strive to bridge the gap and keep increasing female representation in every role.

Affirmative Action Program

As an Equal Opportunity Employer, we actively encourage women and minorities to apply to our Affirmative Action Program, a set of policies and initiatives designed to address systemic discrimination within the workplace. The goal is to promote equal opportunities for individuals from underrepresented groups, such as minorities and women, who have faced discrimination in the past.

Supply chain impact

Creating a sustainable supply chain in the textile industry can represent a significant challenge as vendor choices are not always within our control, and limited options demand a delicate balance between economic viability and sustainability. However, at NILIT we want to push for a major change in our industry and by embracing national and international environmental and social objectives, we invite companies and suppliers worldwide to collaborate in a joint effort to rethink traditional practices, foster transparency, and prioritize eco-friendly alternatives.

For this reason, over the last few years, our procurement department has integrated sustainability into its core procedures. On the one hand, we engage in periodic meetings with vendors, emphasizing our commitment to sustainable practices and actively asking our suppliers what activities they are implementing in to address their environmental and social performance.

These dialogues are essential to inspire collaborative ideas on developing sustainable products and enhancing our positive impact along the supply chain. On the other hand, we focus our efforts on product development by prioritizing recycling initiatives, such as increasing recycled content in packaging and transparent communication about materials. We have a very complex supply chain and we are working with leading companies that are also focused on sustainable activities.

Impact awareness

We believe awareness to be the first indicator of an impactful relationship.

To formalize our suppliers' commitment to sustainability and ensure that we share the same values, we require both new and long-term suppliers **to sign our Supplier Ethical Code periodically**.

This is the first essential step in creating a more sustainable supply chain, as it gives us the confidence that our partners are aligned with our goals and oriented towards building a better world for the next generations, just like us.

Our supplier Ethical Code

Environment

NILIT seeks environmentally conscious suppliers, requiring compliance with laws, promoting awareness, and implementing corrective plans.

Health and safety

All suppliers must ensure a safe, clean, and healthy work environment for their employees, adhering to safety and health laws.

Human rights

NILIT requires suppliers to commit to human rights and lawful employment practices, refraining from hiring underage workers or employing individuals without proper wages and avoiding involvement with forced labor, prisoners, or enterprises engaging in non-compensated work.

Employees wellbeing

NILIT is dedicated to upholding the rights of its employees, prioritizing fair and respectful treatment. This commitment extends to our suppliers, whom we expect to adhere to relevant labor laws and uphold employees' rights in their operations.

Compliance with the law

Suppliers commit to compliance with all relevant laws, regulations, industry standards and agreements, ensuring the validity of required licenses, including business and manufacturing licenses.

Business integrity

Suppliers are expected to prioritize NILIT's best interests, demonstrating business integrity through a commitment to avoiding conflicts of interest, refraining from bribery, ensuring accurate record-keeping, and upholding principles of free and fair competition in compliance with all relevant laws.

Hangtags

To increase the use of **recycled materials** and **transparent communication** among our value chain, NILIT has been focusing on communicating product benefits on Hangtags, to garantee the authenticity and high-quality of our ingredients to consumers.

Through this initiative, all apparel products meeting SENSIL® Certification Program standards can receive eco-friendly hangtags crafted from recyclable materials to comunicated consumer education content.

In this way, suppliers and brands are encouraged to reinforce and promote their commitment to both performance and sustainability.

Example of HangTag – SENSIL® BioCare

Product composition

Through a collaboration between our Quality and Purchasing Departments, in 2023 at NILIT we have started a comprehensive review of the packaging supply chain. With this initiative we are reaching out to all our packaging vendors and asking them to provide detailed composition information on their supply packaging materials. Despite the absence of readily available data, we persisted in our quest for transparency.

Thanks to this initiative, we can now present to our partners a detailed breakdown of our packaging composition. This includes insights into the proportion of recycled materials used and the recyclability potential of each component. This achievement marks a significant step in our commitment to **transparency, accountability, and informed decision-making** across our supply chain.

Preparing for the new CSRD

In 2022, the new **Corporate Sustainability Reporting Directive (CSRD)** was approved, which paved the way towards the next step of our impact journey. The new CSRD mandates companies to disclose data related to upstream emissions (Scope 3) and failing to do so could result in negative assessments. This represents a great challenge that we are ready to embrace since we thrive on building even more open and honest relationships with our suppliers.

In light of this, we are actively engaging with our vendors, especially those crucial to our supply chain, to facilitate data sharing and prepare for the future requirements of CSRD.
NILIT is monitoring with attention the latest development of the “Omnibus” European Commission proposal for CSRD modification in order to be proactive and ready for future requirements.

Partnerships impact

At NILIT, honesty, trust, and credibility are the cornerstones of our relationships with **like-minded partners** across the value chain. Through education and collaboration, our partners share our commitment to the environment, actively participating in the ongoing improvement of our **collective impact** on people and the planet.

We are also committed to **educating consumers and the fashion industry**, a goal we pursue through partnerships with brands and retailers. This underscores the importance of our relationships with our partner brands, as consumer awareness and behavior change are critical for a more sustainable fashion industry. “How can we do this together?” is the question that drives our efforts to create a **more sustainable fashion industry.**

In the next pages a few examples of the winning collaborations that we have developed in the past years.

Live!
SENSIL® EcoCare

LIVE! is not just an activewear brand; it's a lifestyle movement born in the vibrant heart of Brazil in 2002. On a mission to make a difference and embrace sustainability as a core value, LIVE! integrates eco-friendly practices into every aspect of their production process. From recycled materials to innovative solutions like SENSIL® EcoCare and SENSIL® Innergy, LIVE! is paving the way for ethical and environmentally conscious fashion.

Over the past three years, LIVE! has introduced several SENSIL® solutions, beginning with the recycled SENSIL® EcoCare in their Fit Green collection, followed by SENSIL® Innergy, and now advancing with SENSIL® Innergy ByNature, a collection set to debut in all LIVE! stores in May 2024 with reduced CO_2 emissions. Fueled by a passion for fitness and fashion, LIVE! continues to inspire and empower individuals to lead active, healthy lifestyles while looking and feeling their best.

The partnership between LIVE! and SENSIL® is about more than just products. It's about a shared commitment to empowering individuals to live a healthier and more active life. Through initiatives like LIVE! Run, an annual flagship event that draws thousands of runners nationwide, both brands are inspiring a community of fitness enthusiasts to reach their goals while proudly wearing t-shirts made with SENSIL® technology.

ZARA-BASF-NILIT collaboration

NILIT has partnered with ZARA, the Spanish fashion brand and with BASF, the chemical company, to introduce an innovative polyamide capsule collection.

Launched in March 2023, the "NILIT&BASF x ZARA" collection features our SENSIL® ByNature, with three garments whose fibers include raw materials derived from biomass, a shift from the traditional production methods of using fossil resources. In this collaboration, BASF sources biogas from the methane of organic waste, such as food waste.

This initiative has been developed in the Sustainability Innovation Hub of Inditex and represents a significant step towards impactful textile practices, potentially able to change to industry.

C.L.A.S.S.
Material hub

C.L.A.S.S. is an **eco-platform** that aims to promote an environmentally responsible textile industry by disseminating data and information about sustainable textiles. In 2023, we participated in SMART VOICES, a virtual program where we had the pleasure of **sharing ideas and innovations on how to accelerate change in the fashion system**.
On International Water Day, we joined like-minded individuals to discuss solutions for addressing the water and water health crisis, showcasing our SENSIL® BioCare yarns as an example of a product that **reduces microplastics in water ecosystems**.

ISPO
Textrends Awards

In an exciting partnership with our mill collaborators, NILIT is thrilled to announce its triumphant recognition with **three prestigious ISPO Textrends Awards for the Fall/ Winter 25/26 season**:

- **SENSIL® BioCare by Pontetorto**: NILIT enters the top 10 in the second layer category with Pontetorto's 9154/M/Bio, a masterpiece crafted from eco-friendly and biodegradable SENSIL® BioCare
- **SENSIL® BioCare by Eusebio**: In the Base Layer Selection, NILIT stands out with Eusebio's Kimmy Bio fabric, which incorporates the environmentally friendly and biodegradable SENSIL® BioCare
- **SENSIL® ByNature by Cifra**: Cifra's B90MF fabric for Street Sports Selection is crafted using SENSIL® ByNature, an innovative premium Nylon 6.6. This revolutionary material uses biogas derived from recycled organic waste to substitute traditional fossil feedstocks, marking a significant step forward in sustainability.

Breakthrough Innovation Awards
Lululemon

It is so inspiring when our company's innovation is recognized and celebrated also by our partners. This is why NILIT was honored to receive the "Breakthrough Innovation Awards" by Lululemon.
On this occasion, we had the chance to reflect on the profound impact of collaboration and innovation within our industry. The receipt of this award holds special significance as it symbolizes the collective efforts of our team and underscores the vital role of partnership.

Circularity
2023

In 2023, NILIT actively engaged in the Circularity 2023 event, a prominent gathering dedicated to the promotion of circular initiatives in the field of sustainability.
The event brought together professionals from diverse fields, fostering the exchange of insightful keynotes, cutting-edge solutions, and actionable breakout sessions.
Through an established collaboration with our partner BASF, we participated in a panel session during the event, to discuss the challenges and opportunities of the biomass balance approach, as an innovative tool to replace fossil fuel feedstock with bio-based one.
The participation at Circularity 23 was a great chance to showcase our SENSIL® ByNature solutions.

Diadora’s Hidden Power Jacket powered by SENSIL® Heat

In 2024, we had to honour of being chosen by Diadora to power their Hidden Power Jacket with our SENSIL® Heat. Diadora is an Italian producer of quality sport clothing, shoes and accessories, with a long tradition of continuous research for product excellence and efficiency.

The Diadora Hidden Power Jacket is an outdoor running jacket that combines comfort, durability and impeccable style. SENSIL® Heat provides the best materials to create sportwear that preserves body heat while ensuring moisture control, body microclimate regulation, odours neutralisation, and oxygenation improvement, providing at the same time the maximum comfort, confidence and freedom of movement to the user. This co-branding opportunity represents a remarkable recognition of the quality and unique properties of the SENSIL® Heat materials.

Additional data

Environmental data

Energy consumption, NILIT Global

		2017	2018	2019	2020	2021	2022	2023	2024
ELECTRICITY	GWh	204	191	179	126	155	141	158	150
HEATING	GWh	149	140	123	100	71	40	22	24
COOLING	GWh	111	101	88	61	44	44	43	42
STEAM	GWh	112	103	100	84	83	63	66	58
TOTAL	**GWh**	**576**	**535**	**489**	**371**	**353**	**288**	**288**	**274**

Social data

Global employees gender

	2022	2023	2024
MEN	684	639	598
WOMEN	245	225	217
TOTAL	**929**	**864**	**815**

Employees gender by area

	ISRAEL			USA			CHINA			BRAZIL		
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
MEN	400	366	332	86	65	57	89	117	113	109	91	96
WOMEN	77	74	68	82	63	51	50	56	65	36	56	33
TOTAL	**477**	**440**	**400**	**168**	**128**	**108**	**139**	**173**	**178**	**145**	**123**	**129**

Global type of contracts

	2023					2024				
	Full-time		Part-time			Full-time		Part-time		
CONTRACT	MEN	WOMEN	MEN	WOMEN	**TOTAL**	MEN	WOMEN	MEN	WOMEN	**TOTAL**
INDEFINITE OR PERMANENT	590	208	17	8	**823**	504	173	18	6	**644**
TEMPORARY AND FIXED TERM	31	7	1	2	**41**	69	30	7	8	**171**
TOTAL	**621**	**215**	**18**	**10**	**864**	**573**	**203**	**25**	**14**	**815**

Global gender diversity per each role

	2023			2024		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
SENIOR EXECUTIVES, DIRECTORS & GENERAL MANAGERS	12	4	16	11	4	15
MANAGERS	55	20	75	34	24	58
CLERICAL	51	46	97	44	51	95
WORKERS	521	155	676	509	138	647
TOTAL	**639**	**225**	**864**	**598**	**217**	**815**

Global age range per each role

	2023				2024			
	<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL
SENIOR EXECUTIVES, DIRECTORS & GENERAL MANAGERS	0	5	11	16	0	4	11	15
MANAGERS	2	41	32	75	3	28	27	58
CLERICAL	3	58	36	97	4	60	31	95
WORKERS	116	358	202	676	111	344	192	647
TOTAL	**121**	**462**	**281**	**864**	**118**	**436**	**261**	**815**

Average hours of training per category, Global

	2022	2023	2024
EMPLOYEES	27.31	59.80	34.96
FEMALE EMPLOYEES	39.49	68.72	44.42
MALE EMPLOYEES	24.11	54.51	31.52
SENIOR EXECUTIVES, DIRECTORS & GENERAL MANAGERS	20.24	33.88	24.14
MANAGERS	24.35	24.31	65.23
CLERICALS	14.08	16.36	36.67
WORKERS	**29.51**	**70.58**	**32.24**

Work related injuries for employees and not employees, Israel

Employees	2017	2018	2019	2020	2021	2022	2023	2024
FATALITIES	N/A	N/A	N/A	N/A	N/A	0	0	0
LOST TIME CASE	17 (with absence)	17 (with absence)	11 (with absence)	4 (with absence)	3	7	4	1
RATE OF LOST TIME CASES	11.39	12.88	8.96	4.72	3.18	7.01	4.73	1.19
FIRST AID CASES	80	77	39	24	39	38	32	14
RATE OF FIRST AID CASES	53.60	58.32	31.76	28.3	41.3	38.0	37.9	16.7
MAIN TYPES OF WORK-RELATED INJURIES	Laceration, Sprain, Burn, Chemical Splash	Laceration, Sprain, Burn, Chemical Splash	Laceration, Sprain, Burn, Chemical Splash	Laceration, Sprain, Burn, Chemical Splash Burn	Laceration, Sprain, Burn, Chemical Splash Burn	Laceration, Sprain, Burn, Chemical Splash Burn	Cuts, "Dry hits", fractures, "other"	Laceration, bruises, sprains

Not Employees	2017	2018	2019	2020	2021	2022	2023	2024
FATALITIES	0	0	0	0	0	0	0	0
LOST TIME CASE	6	2	4	1	0	1	0	0
RATE OF LOST TIME CASES	256.41	85.47	170.94	82.0	0.0	56.5	0.0	0.0
FIRST AID CASES	6	2	1	1	2	0	1	0
RATE OF FIRST AID CASES	256.4	85.5	42.7	82.0	88.9	0.0	55.9	0.0
MAIN TYPES OF WORK-RELATED INJURIES	Laceration, Sprain, Burn, Chemical Splash	Laceration, Sprain, Burn, Chemical Splash	Laceration, Sprain, Burn, Chemical Splash	Laceration, Sprain, Burn, Chemical Splash Burn	Laceration, Sprain, Burn, Chemical Splash Burn	Laceration, Sprain, Burn, Chemical Splash Burn	Laceration	N/A

Work related injuries for employees and not employees, USA

Employees	2017	2018	2019	2020	2021	2022	2023	2024
FATALITIES	0	0	0	0	0	0	0	0
LOST TIME CASE	0	0	0	0	0	0	0	0
RATE OF LOST TIME CASES	0	0	0	0	0	0	0	0
FIRST AID CASES	7	19	11	14	14	28	21	11
RATE OF FIRST AID CASES	20.7	61.1	56.8	65.2	53.3	97.1	82.6	56.7
MAIN TYPES OF WORK-RELATED INJURIES	Laceration	Laceration	Slip, trip, fall	Hands	Hands	Hands	Hands	Hands

Not Employees	2017	2018	2019	2020	2021	2022	2023	2024
FATALITIES	0	0	0	0	0	0	0	0
LOST TIME CASE	0	0	0	0	0	0	0	0
RATE OF LOST TIME CASES	0	0	0	0	0	0	0	0
FIRST AID CASES	0	0	0	0	0	0	0	2
RATE OF FIRST AID CASES	0	0	0	0	0	0	0	134.4
MAIN TYPES OF WORK-RELATED INJURIES	None	None	None	N/A	N/A	N/A	N/A	N/A

Work related injuries for employees and not employees, China

Employees	2017	2018	2019	2020	2021	2022	2023	2024
FATALITIES	0	0	0	0	0	0	0	0
LOST TIME CASE	0	1	3	2	0	0	1	0
RATE OF LOST TIME CASES	0.00	2.86	10.02	6.68	0,00	0.00	3.43	0.00
FIRST AID CASES	1	2	1	1	2	0	4	9
RATE OF FIRST AID CASES	2.7	5.7	3.3	3.3	5.8	0.0	13.7	21.1
MAIN TYPES OF WORK-RELATED INJURIES	Trip while monitoring equipments	slip from DTY operate trolley	slip from DTY operate trolley	sprain/fingers cut	Traffic accident on the way to work.	N/A	Hands & Foot	Hand injury

Not Employees	2017	2018	2019	2020	2021	2022	2023	2024
FATALITIES	0	0	0	0	0	0	0	0
LOST TIME CASE	0	0	0	0	0	0	0	0
RATE OF LOST TIME CASES	0	0	0	0	0	0	0	0
FIRST AID CASES	0	0	0	0	0	0	0	0
RATE OF FIRST AID CASES	0	0	0	0	0	0	0	0
MAIN TYPES OF WORK-RELATED INJURIES	None	None	None	N/A	None	None	None	N/A

Work related injuries for employees and not employees, Brazil

Employees	2017	2018	2019	2020	2021	2022	2023	2024
FATALITIES	0	0	0	N/A	0	0	0	0
LOST TIME CASE	0	0	0	0	0	0	0	0
RATE OF LOST TIME CASES	0	0	0	0	0	0	0	0
FIRST AID CASES	1	1	1	2	0	0	0	0
RATE OF FIRST AID CASES	2.2	3.0	3.0	7.9	0.0	0.0	0.0	0.0
MAIN TYPES OF WORK-RELATED INJURIES	Forearm cut	Head cut	N/A	Fingers cut	N/A	N/A	N/A	N/A

Not Employees	2017	2018	2019	2020	2021	2022	2023	2024
FATALITIES	0	0	0	0	0	0	0	0
LOST TIME CASE	0	0	0	0	0	0	0	0
RATE OF LOST TIME CASES	0	0	0	0	0	0	0	0
FIRST AID CASES	0	0	0	0	1	0	0	0
RATE OF FIRST AID CASES	0	0	0	0	51.4	0	0	0
MAIN TYPES OF WORK-RELATED INJURIES	Cut in the forearm	Head hitting against trolley, Falling materials on forklift handling, Sharp object injury	Cut in the finger, Farklift small colision, Falling materials in forklift handling, Fire Principle	N/A	Finger cut - no stitches/ suture	N/A	N/A	N/A

Work related ill health, Global

All Employees	2017	2018	2019	2020	2021	2022	2023	2024
FATALITIES DUE TO WORK-RELATED ILL HEALTH	0	0	0	0	0	0	0	0
CASES OF RECORDABLE WORK-RELATED ILL HEALTH	0	0	0	0	0	0	0	0
MAIN TYPES OF WORK-RELATED ILL HEALTH	None	None	None	None	None	None	None	None
ALL WORKERS WHO ARE NOT EMPLOYEES								
FATALITIES DUE TO WORK-RELATED ILL HEALTH	0	0	0	0	0	0	0	0
CASES OF RECORDABLE WORK-RELATED ILL HEALTH	0	0	0	0	0	0	0	0
MAIN TYPES OF WORK-RELATED ILL HEALTH	None	None	None	None	None	None	None	None

Percentage of total employees, by gender and category, who received a regular performance and career development review

	2017	2018	2019	2020	2021	2022	2023	2024
FEMALE	100%	100%	100%	100%	100%	100%	100%	100%
MALE	100%	100%	100%	100%	100%	100%	100%	100%
E.G. SENIOR MANAGEMENT, PRODUCTION	100%	100%	100%	100%	100%	100%	100%	100%
E.G. MIDDLE MANAGEMENT, ADMINISTRATIVE	100%	100%	100%	100%	100%	100%	100%	100%

Appendix 1

Ownership and management

NILIT Ltd. is a privately owned corporation, and the Board of Directors comprises highly accomplished executives from a wide range of industries and disciplines, all committed to strong corporate governance and business practices. The Board of Directors are listed in the table below.

NILIT Group Chairman	Michael P. Levi
Members	Hans Van de Sanden Ron Ben Haim William Ghitis Carlo Hassan

NILIT's management team brings together highly experienced executives within depth familiarity with our industry and markets. Their commitment to strong corporate governance and business practices sets an ethical tone from the top that serves the interests of our customers and employees.

NILIT Group Chairman	Michael P. Levi
General Manager	Ilan Melamed
Chief Financial Officer	Zohar Houri
Chief Internal Auditor	Iris Cohen
Chief Operation Officer, GM NILIT Israel	Tal Oren
Chief Marketing and Sustainability Officer	Michelle Lea
Senior Vice President and General Manager Asia	Shay Kastoriano
Chief Commercial Officer (ROW)	Sagee Aran
Global R&D Director	Richard Macret
Chief Business Officer, South America	Paulo De Biagi
General Counsel and Corporate Secretary	Hadas Lavi Benderman

Impact management

Our management approach to all sustainability aspects can be described as follows:

- The sustainability steering committee includes all members of the management team;
- Our Chief Sustainability Officer oversees and coordinates the definition of the impact strategy and programs;
- A small group from the steering committee manages the ongoing coordination and operation of the impact strategy, while locally there are people responsible for every area covered in the strategy;
- We regularly review our goals (see the section "Our Impact Strategy"), our projects and our impacts, risks, and opportunities and adjust as needed;
- We evaluate our management approach and its effectiveness on a regular basis, addressing monitoring results, our own judgment of our success, and any input from stakeholders;
- We engage the entire company in the roll-out of the strategy.

Materiality and Assessment of Impacts, Risks and Opportunities

NILIT has evaluated key sustainability impacts, risks and opportunities through a materiality assessment that considers the entire textile value chain. The following sustainability aspects have been defined as relevant while detecting key impacts, risks, and opportunities for the company:

- Environment
- Health and Safety
- Social
- Business Ethics
- Community Outreach
- Collaboration

The listed material topics are classified into categories with corresponding subtopics. Under these, more specific parameters are defined to ensure a thorough assessment of the respective sustainability aspects along the value chain. The comprehensive list is included in Appendix 2.

Key Sustainability Impacts, Risks and Opportunities

Our materiality assessment confirms that the initiatives we have implemented, the projects in progress and future plans match our impact program. We recognize that our efforts are ongoing, and we have committed to regular assessments and updates to ensure we continue to lead the change in the textile industry. The materiality results are fully supported and approved by our board of directors and management team.

As sustainability continues to drive the decisions made by brands, retailers, and consumers, we are well positioned to take advantage of these opportunities. We are providing the high quality, responsibly made, environmentally considerate Nylon products they require, and we strive for continuous improvements. We cultivate partnerships with our supply chain colleagues to more rapidly advance this critical endeavor.

We applaud the sustainability contributions made by our competitors because we understand that meaningfully and rapidly reducing our industry's environmental impact requires involvement from the entire value chain. Brands are increasingly asking for more and we are responding. Our strategies and our actions substantiate our deep commitment to sustainability and establish us as leaders in the sustainability movement.

While there are inevitably risks associated with the market and industry factors that are beyond our control, we will continue to advance the internal initiatives that make us a more sustainable entity overall. These include ongoing investment in quality control, process improvements, and product development; collaborative engagement with our business partners; and operating and communicating with integrity in a transparent manner with employees, partners, customers, and consumers.

Stakeholder Engagement

NILIT's stakeholders are both internal and external stakeholders. Among internal stakeholders count Shareholders, Owners and Board of Directors, and Employees. External stakeholders are Suppliers, Customers classified as indirect (brands and retailers) and direct (mills), Consumers, Government/ Authorities, Society (or Community), NGOs and multi-stakeholder initiatives and other programs.

Throughout our work to identify stakeholders, we are guided by the AA 1000 Stakeholder engagement standard and the AA 1000 accountability principles of inclusivity, materiality, and responsiveness. We have identified our core stakeholders and engage with them on a continuous basis.

Key topics that stakeholders raise are: Work–Life balance, community outreach, employer responsibility, health and safety, environmentally preferable fibers, recycling, biodegradability. These topics align with the topics we have identified in the materiality assessment.

About This Report Methodological Framework

The reporting period of this Impact Report includes calendar year 2024. Report contents and topic boundaries have been defined by following the reporting principles of Stakeholder Inclusiveness, Sustainability Context, Materiality, and Completeness.

Within those principles, relevant material topics have been identified by first exploring and reviewing the company's needs and value chain, followed by a detailed materiality assessment, identifying impacts, risks, and opportunities. Furthermore, the work on the impact strategy and the results, as well as a significant number of environmental and social results according to the list of material aspects, have been included in the report.

NILIT's impact report follows the "with reference" approach to the GRI Standards (Global Reporting Initiative), one of the most used standards in sustainability reporting. The examination of GRI disclosures has defined the matches between GRI topics and requirements with the initiatives, projects and results we want to disclose.

By following the "with reference" approach, in this report the GRI environmental, social and governance indicators disclosed have been expanded, thanks to the set-up of a dedicated team to collect and elaborate more data especially about energy, emissions and waste.

This approach establishes a preparatory activity and a more solid foundation for NILIT to welcome in the next future the compliance to the ESRS standards. GRI topics and disclosures are listed in Appendix 2 (GRI Index).

Regarding consumption and emission figures indicated in chapter 3.3, some modifications occurred with respect to 2023 report:

ISRAEL PLANT

- Israel plant 2017-2024 electricity consumption figures listed in 2024 report are different from the ones indicated in 2023 report. The former values were including also electricity sold to third parties, not consumed by NILIT plant for its manufacturing purposes. Scope 2 emissions were hence recalculated accordingly.
- Heating energy is generated by internal combustion of natural gas and not directly purchased externally (as indicated in 2023 report), hence the resulting GHG emissions were included in Scope 1 category. Israel Scope 2 emissions for thermal energy are thus set to zero.

BRAZIL PLANT

- Cooling energy is generated by electric chillers, hence the cooling energy consumption figure provided as primary data is already included in the total plant electricity consumption. Scope 2 GHG emissions were hence recalculated, avoiding any double counting.
- Natural gas combustion was necessary for thermal energy and steam supply until 2019, for spinning and polymerisation processes. Natural gas consumption and Scope 1 GHG emissions figures were hence updated. In 2023 report, heating and steam-related emissions were included in Scope 2 category, since deemed as purchased directly from external sources.

CHINA PLANT

- China plant 2017-2024 Scope 1 GHG emissions (from natural gas combustion) listed in 2024 report slightly vary from the ones indicated in 2023 report. This variation is due to the different calculation methodology employed. In 2023, Scope 1 emissions were calculated from the GWh of thermal energy and the respective emission factor (kg CO_2e/kWh), while in 2024 the emissions are calculated from the amount consumed in m^3 and hence with the respective emission factor for the combustion of 1 m^3 of natural gas. The latter approach is more representative because it is linked to the actual consumption of natural gas (as primary data). However, the two approaches lead to fully comparable results. The variation is indeed limited (less than 10% as an average).

Due to such changes, global consumption and emission figures were updated as well.

Regarding the disclosing of GRI 403-9 NILIT is elaborating data regarding loss time and first aid cases instead of high consequences work related injuries and recordable work related injuries, as those are the KPIs collected and elaborated by the Global Safety Management System in place in NILIT.

The contents of this report, as the material topics defined has been reviewed and approved by the management team and Members of the Boards of Directors.

For further information about this report, please reach out to: *noaml@NILIT.com*

Appendix 2

Material Sustainability Topics

The following table provides an overview of the material topics delineated through sustainability aspects.

SUSTAINABILITY ASPECTS	HEAD TOPICS AND SUBCATEGORIES
Environment	Management • Local/global standard • Legal situations • EMS (ISO 14001) • ISO 9001 • Plant Infrastructure Resources • Raw Materials • Energy Consumption • Water Use • Waste Emissions • GHG Emissions • Wastewater Discharge • Air Emissions; Noise • Soil and groundwater contamination Chemicals • Chemicals management & RSL/MRSL • Antibacterial treatments Process • Recycling • Bio based materials • Biodegradability • Packaging (excl. product)

SUSTAINABILITY ASPECTS	HEAD TOPICS AND SUBCATEGORIES
Health & Safety Management Systems	Management • OHSAS 18001; ISO 45001
Social	Labor compliance (supply chain) • Working conditions (ILO conventions) Human Resources • Diversity • Training & Development • Work-life balance
Business Ethics	Corporate Governance Ethical guidelines Anti-corruption Fair competition Responsible political involvement Consumer interests • Product Safety
Community Outreach	Donations Volunteering activities
Collaboration	Partnerships with Brands and Mills

GRI Content index

Statement of use	NILIT has reported the information cited in this GRI content index for the period 1.1.2022-31.12.2023 with reference to the GRI Standard.
GRI1 used	GRI 1: Foundation 2021
Relevant GRI Sector Standards	GRI Sectors Standard for NILIT sector are not currently available.

GRI 2: General Disclosures 2021

GRI STANDARD		LOCATION	NOTES AND KEY WORDS
The organisation and its reporting practices			
2-1	Organizational details	1.3 Our Identity	
2-2	Entities included in the organization's sustainability reporting	1.3 Our Identity	
2-3	Reporting period, frequency and contact point	Appendix 1	
Activities and employees			
2-6	Activities, value chain and other business relationships	1.3 Our Identity 3.2 Product impact 3.6 Partnership Impact	#valuechain
2-7	Employees	3.4 Social Excellence 4. Additional data	#employeesdata

GRI STANDARD		LOCATION	NOTES AND KEY WORDS
Governance			
2-9	Governance structure and composition	1.3 Our Identity Appendix 1	#governance #boardcomposition #boardsknowledge
2-11	Chair of the highest governance body	1.3 Our Identity Appendix 1	
2-12	Role of the highest governance body in overseeing the management of impacts	1.3 Our Identity Appendix 1	
2-13	Delegation of responsibility for managing impacts	Appendix 1	
2-17	Collective knowledge of the highest governance body	Appendix 1	
Strategy, policies and practices			
2-22	Statement on sustainable development	1.2 Letter to stakeholders	
2-23	Policy commitment	3.4 Social Impact 3.5 Supply chain impact	#valuesandethics #reputation
2-24	Embedding policy commitments	3.4 Social Impact 3.5 Supply chain impact	#policies #transparency #conductintegrity #riskmanagement #corruption
2-27	Compliance with laws and regulations	Appendix 2	In 2022 and 2023, we did not experience instances of non-compliance with law and regulations
2-28	Membership associations	2.2 Walking the talk 3.6 Partnership impact	#memberships

GRI STANDARD		LOCATION	NOTES AND KEY WORDS
Stakeholder engagement			
2-29	Approach to stakeholder engagement	Appendix 1	#materiality #stakeholdersengagement
2-30	Collective bargaining agreements	3.4 Social excellence	#employeescontract
Material Topics			
GRI 3: Material topics – 2021			
3-1	Process to determine material topics	Appendix 1	#materiality
3-2	List of material topics	Appendix 1	
GRI 302: Energy – 2016			
302-1	Energy consumption within the organization	3.3 Manufacturing impact	#energyefficiency #renewableenergy
302-4	Reduction of energy consumption		
GRI 303: Water – 2018			
303-3	Water withdrawal	3.3 Manufacturing impact	#watermanagement #wateruse
303-4	Water discharge	3.3 Manufacturing impact	
GRI 305: Emissions – 2016			
305-1	Direct (Scope 1) GHG emissions	3.3 Manufacturing Impact	#GHGemissions #emissionsreduction
305-2	Energy indirect (Scope 2) GHG emissions	3.3 Manufacturing Impact	

GRI STANDARD		LOCATION	NOTES AND KEY WORDS
GRI 306: Waste – 2020			
306-3	Waste generated	3.3 Manufacturing Impact	#waste #wastemanagement
306-4	Waste diverted from disposal		
306-4	Waste directed to disposal		
GRI 302: Energy – 2016			
403-1	Occupational health and safety management system	3.4 Social excellence	#employeeswellbeing #employeeswelfare #training #professionaldevelopment #healthandsafety #accidents #lostworkedhours
403-2	Hazard identification, risk assessment, and incident investigation	3.4 Social excellence	
403-3	Occupational health services	3.4 Social excellence	
403-4	Worker participation, consultation, and communication on occupational health and safety	3.4 Social excellence	
403-5	Worker training on occupational health and safety	3.4 Social excellence	
403-6	Promotion of worker health	3.4 Social excellence	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3.4 Social excellence	
403-8	Workers covered by an occupational health and safety management system	3.4 Social excellence	
403-9	Work-related injuries	3.4 Social excellence	
403-10	Work related ill health	3.4 Social excellence	

GRI STANDARD		LOCATION	NOTES AND KEY WORDS
GRI 404: Training and education – 2016			
404-1	Average hours of training per year per employee	4. Additional data	#training #professionaldevelopment
404-3	Percentage of employees receiving regular performance and career development reviews	4. Additional data	#performancereview
GRI 405: Diversity and equal opportunity– 2021			
405-1	Diversity of governance bodies and employees	4. Additional data	#diversity #equalopportunity
GRI 413: Local communities – 2016			
413-1	Operations with local community engagement, impact assessments, and development programs	4. Additional data	#vulnerablecommunities #relationswithcommunity #communitycontributions

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