

2024

Annual  
Sustainability  
Report



**ORATEX**

DECARBONIZING THE  
TEXTILE INDUSTRY



# Our Vision

This year's report provides a clear overview of our current position in relation to our carbon emissions objectives. It outlines the progress we have achieved to date, while also acknowledging the areas that require continued focus and improvement. We invite stakeholders to review the results with a shared sense of purpose, as we remain committed to implementing data-driven strategies and responsible practices that align with our long-term sustainability goals.

Over the past year, we have strengthened our internal processes for emissions tracking, enhanced cross-functional collaboration, and initiated key projects aimed at reducing our environmental impact. These efforts represent not only compliance with evolving standards, but also a broader commitment to environmental standards. As we look ahead, we recognize that achieving meaningful and lasting reductions will require sustained effort, innovation, and engagement across all levels of the organization.

Estimates show that the textile industry produces up to 10% of the world's carbon footprint worldwide. Our goal is to make the adjustments to make a change on the global scale

"We will have the lowest carbon footprint in the entire textile manufacturing industry"

Andy Marotta  
Owner of Oratex Inc.

# Our Ambitious Net Zero 2040 Goal

Quebec has one of the cleanest grids in the world.

At Oratex Inc., our purpose is rooted in delivering high-performance textiles while setting a new benchmark for environmental responsibility in Textile manufacturing.

Our long-term vision is clear: to achieve the lowest carbon footprint in the global textile industry. This ambition drives every aspect of our operations from sourcing and production to innovation and planning. We believe that our competitive advantage lies in the sustainable growth of our business operations. We define success not only by the quality and reliability of our products, but by the measurable reduction of our environmental impact. Through continuous investment in cleaner technologies, circular practices, and rigorous emissions tracking, we strive to lead by example and inspire a shift toward more sustainable industry standards. Our mission is not simply to meet expectations, but to exceed them—proving that operational excellence and environmental stewardship can, and must, go hand in hand.

With over four decades of industry experience, Oratex Inc. has established itself as a leading manufacturer of high-quality textiles in North America. Known for its dedication to innovation, reliability, and technical expertise, Oratex delivers tailored solutions across a wide range of sectors including protective garments, next to skin applications, and stretch athletic wear. The company operates with a strong commitment to quality assurance, continuous improvement, and sustainable growth. Guided by a customer-centric philosophy and a long-term vision for operational excellence, Oratex continues to invest in technologies and practices that align with environmental responsibility and evolving market needs.

# 2025 Highlights

## Innovation, Partnerships, and Collaborations

### Main Achievement:

Oratex Inc. has taken a decisive step toward redefining sustainability benchmarks in the textile manufacturing sector by prioritizing low-carbon production methods across its operations. This commitment positions the company as a leader in environmentally responsible manufacturing practices in North America.

### What It Took:

This milestone was achieved through a multi-year investment strategy focused on energy-efficient production equipment, responsible sourcing of raw materials, and advanced emissions monitoring tools. Operational teams across all departments were engaged in re-engineering workflows to minimize waste, optimize energy consumption, and reduce greenhouse gas emission.

### Impact:

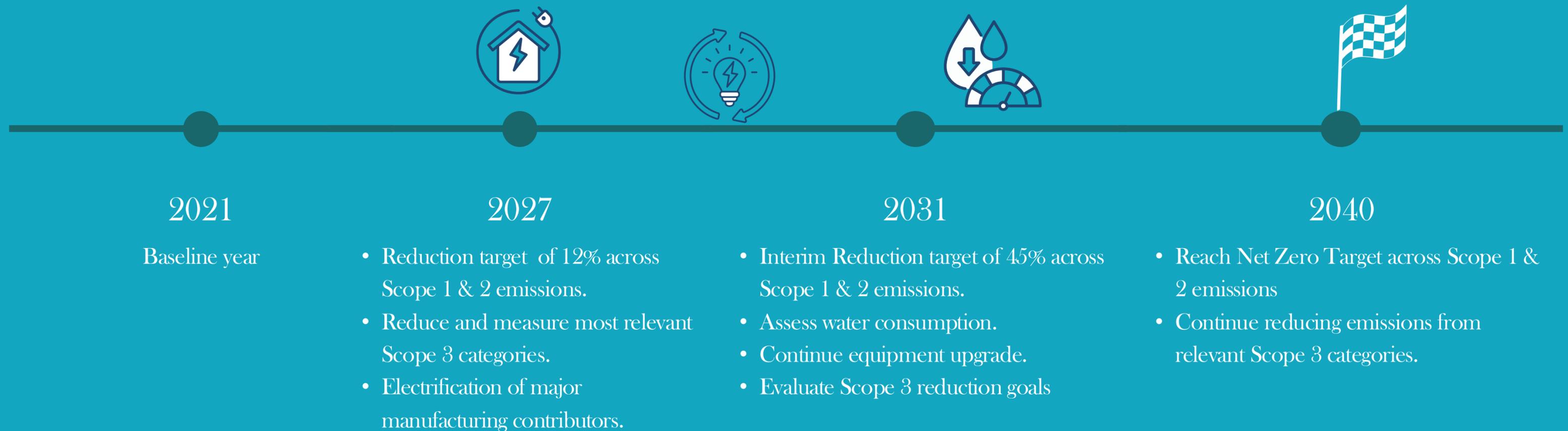
The outcome not only reinforces Oratex's dedication to reducing its environmental footprint but also enhances the value it delivers to customers who are increasingly seeking sustainable supply chain partners.

Internally, this shift has fostered a culture of **environmental accountability and innovation.**

Industry-wide, Oratex's actions set a precedent, demonstrating that commercial success can be aligned with ecological integrity and long-term responsibility.

As a clear expression of this commitment, Oratex's first interim target is a 45% reduction in Scope 1 and 2 emissions by 2031—focused on sources we can measure and control. This surpasses the ambition threshold of 31% set for Oratex under the NZC Technical Guide's methodology, underscoring our leadership in setting actionable, science-aligned goals.

# Net Zero by 2040 Roadmap



Oratex Inc. has three facilities in Montreal:

- 1) Knitting mill
- 2) Warehouse
- 3) Dyeing and Finishing mill (Coraltex)

# Our Emission Numbers

Year	Scope 1 (tCO <sub>2</sub> e)	Scope 2 (tCO <sub>2</sub> e)	Total (tCO <sub>2</sub> e)	Absolute Difference from Baseline (tCO <sub>2</sub> e)	YoY % Difference from Baseline
2021 (Baseline)	2420	3	2423	-	-
2022	2280	3	2283	▼ - 140	▼ 6%
2023	2706	3	2709	▲ 286	▲ 12%
2024	3005	3	3008	▲ 585	▲ 24%

Reduced energy consumption due to consistent schedule and color control

More energy consumption due to inefficient Water heat recovery system in 2023 and 2024

Scope 1 includes stationary combustion of natural gas and mobile sources

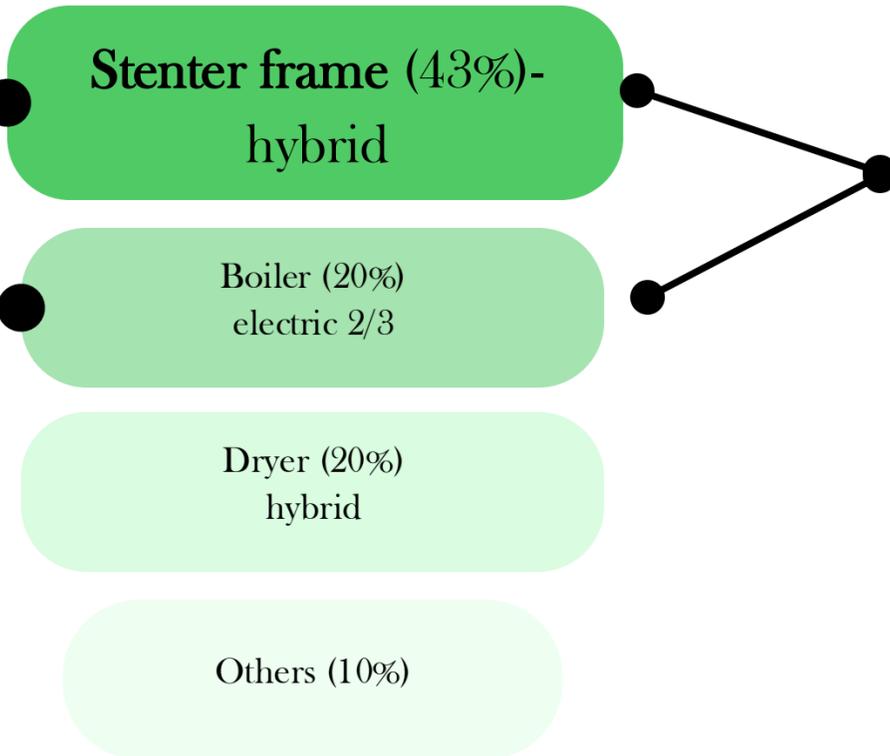
Scope 2 includes purchased electricity from Hydro Quebec

# Scenario Analysis & Impact Potential

## Oratex's Facilities

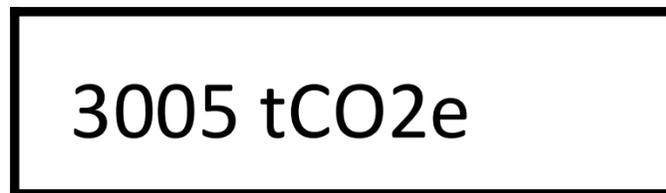


## Equipment

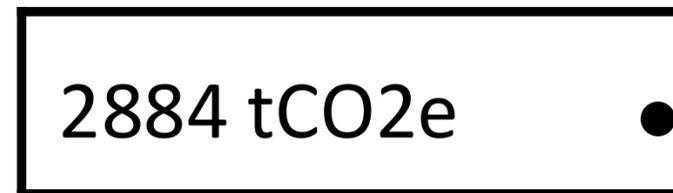


Any reduction in Scope 1 emissions

Equivalent Reduction in Overall Emissions as Scope 2 is negligible



2024 Total Emissions  
Scope 1 + Scope 2

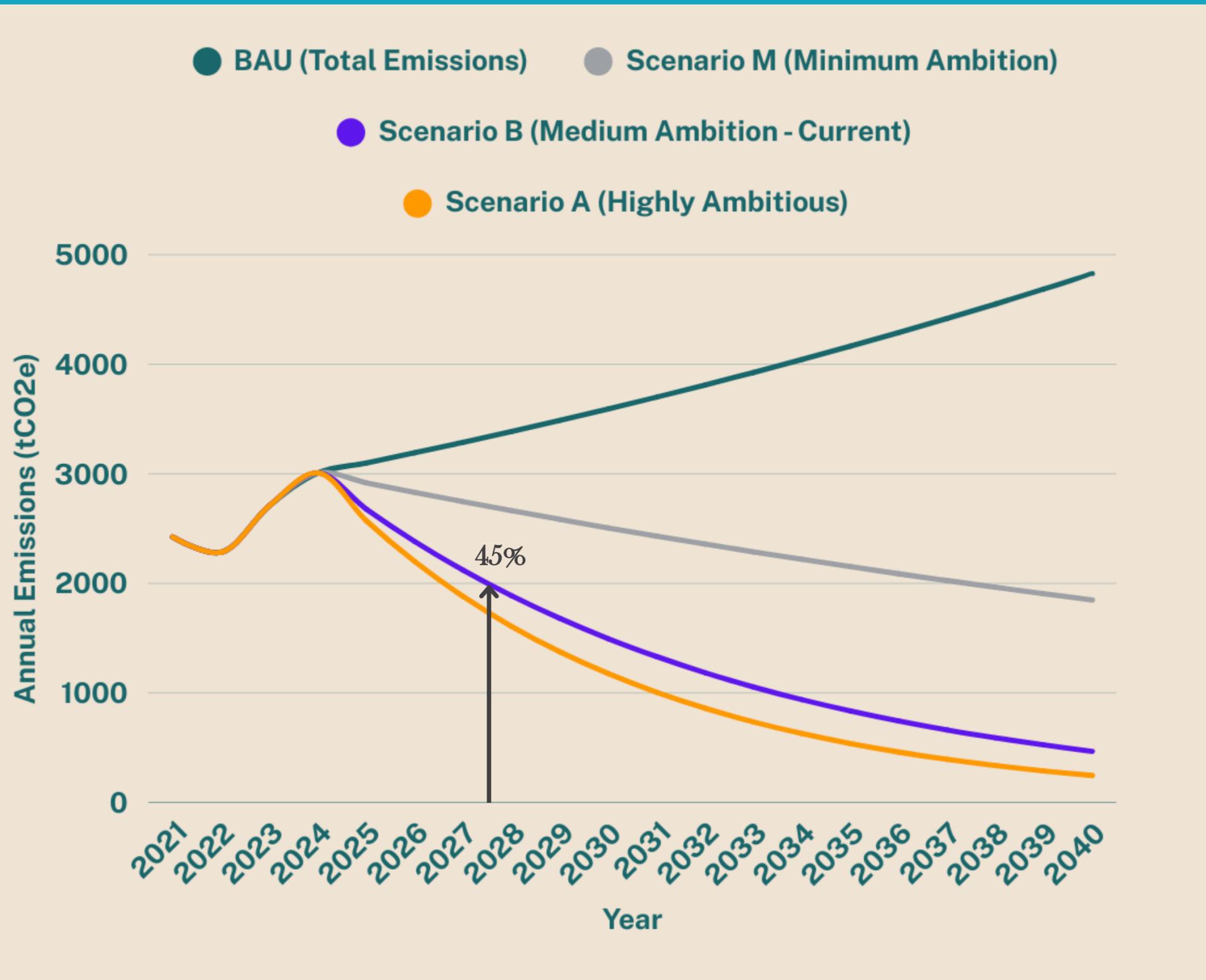


2024 Coraltex  
Only Scope 1 emissions



2026 Total Emissions  
8% Reduction Potential by 2026 from 2021 emission baseline due to a new hybrid Stenter frame replacing old fuel powered Stenter

# Our Scenario Plans



45%

reduction across Scope 1 & 2  
by 2031

Net Zero by 2040  
across Scope 1 & 2

- Current (Medium) Ambition of 45% reduction by 2031 is well above the Minimum Threshold of 31% Reduction.
- Tracking progress against Scenario B and aiming towards Scenario A as we start measuring the impact of our mitigation strategies.



Our goal is to become a zero-carbon textile manufacturer.

