2025 Net Zero Report



Committed to net zero by 2040

Prepared with GreenNudge · October 2026

OUR COMMITMENT

Still on course for net zero by 2040

Our emission intensity rose through 2025. This is a transitional phase, not a change in direction.
A heat recovery system at our dye house was out of service, which pushed natural gas use up. The measures we committed to are now operational and are already cutting emissions in 2026.

2040

Net zero target, Scope 1 and 2

45%

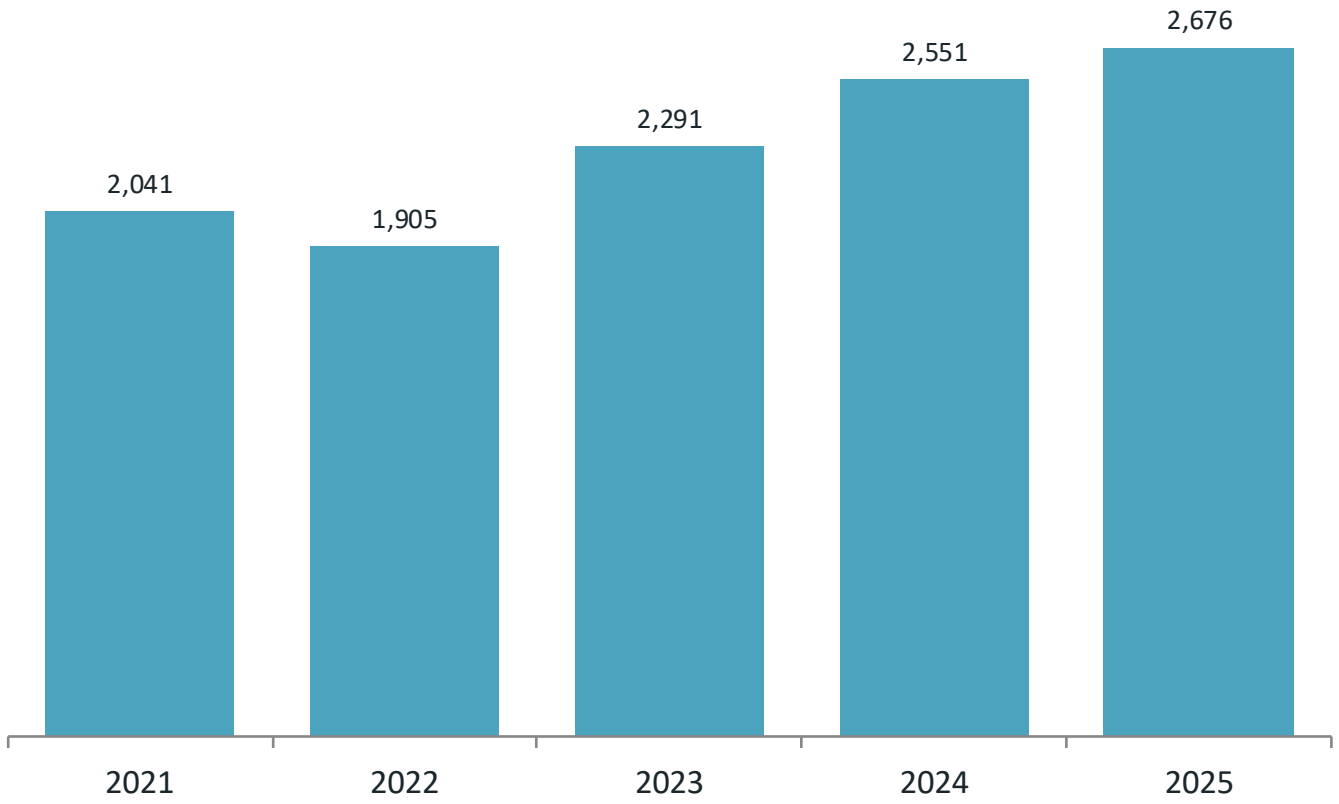
Reduction against 2021 by 2031

2026

Reductions already underway

OUR EMISSIONS

Scope 1 and 2, 2021 to 2025



2,041 t

Restated 2021 baseline

Emissions rose 31% from the baseline to 2,676 t in 2025.

Our electricity comes from Québec's hydro grid, so Scope 2 is negligible. Almost all of our footprint is natural gas burned for dyeing and finishing at Coraltex.

Restated 2021 baseline: 2,041 tCO_2e, about 382 t (16%) below the previously reported 2,423 t. The prior figure used a natural-gas factor roughly 18% above Canada-specific values; all figures are recalculated on ECCC NIR Québec factors (Annex 6 and 7), IPCC AR6 GWPs. Consumption and production volumes are unchanged — only the emission factors changed.

EMISSIONS BY YEAR

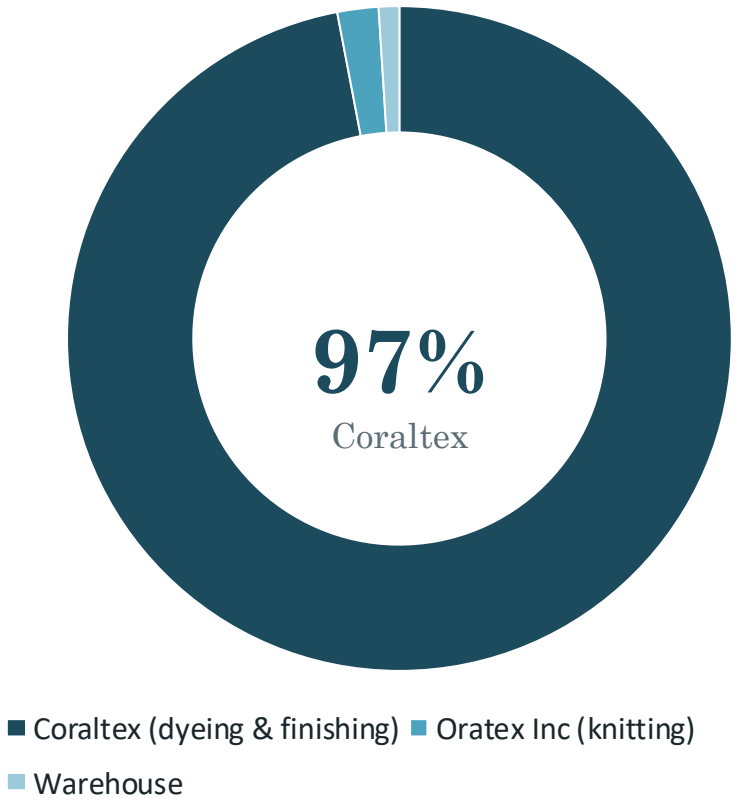
Our Emission Numbers

Year	Scope 1 (tCO_2e)	Scope 2 (tCO_2e)	Total (tCO_2e)	Abs. diff from baseline	vs baseline
2021 (baseline)	2,036.8	4.4	**2,041.2**	—	—
2022	1,901.5	3.9	**1,905.4**	−135.8	−6.7%
2023	2,286.2	4.9	**2,291.1**	+249.9	+12.2%
2024	2,543.6	7.2	**2,550.8**	+509.6	+25.0%
2025	2,669.3	6.9	**2,676.2**	+635.0	+31.1%

Scope 1 includes stationary combustion of natural gas and mobile sources. Scope 2 is purchased electricity from Hydro-Québec. Calculated on the GreenNudge platform using ECCC National Inventory Report factors (IPCC AR6). The 2021 baseline was restated from a prior method that overstated it. Nooffsets used.

WHERE OUR FOOTPRINT IS

Gas at the dye house is the whole story



Coraltex dye house

Dyeing and finishing is 96 to 97% of our footprint every year. This is where our reduction effort is focused.

Quebec hydro grid

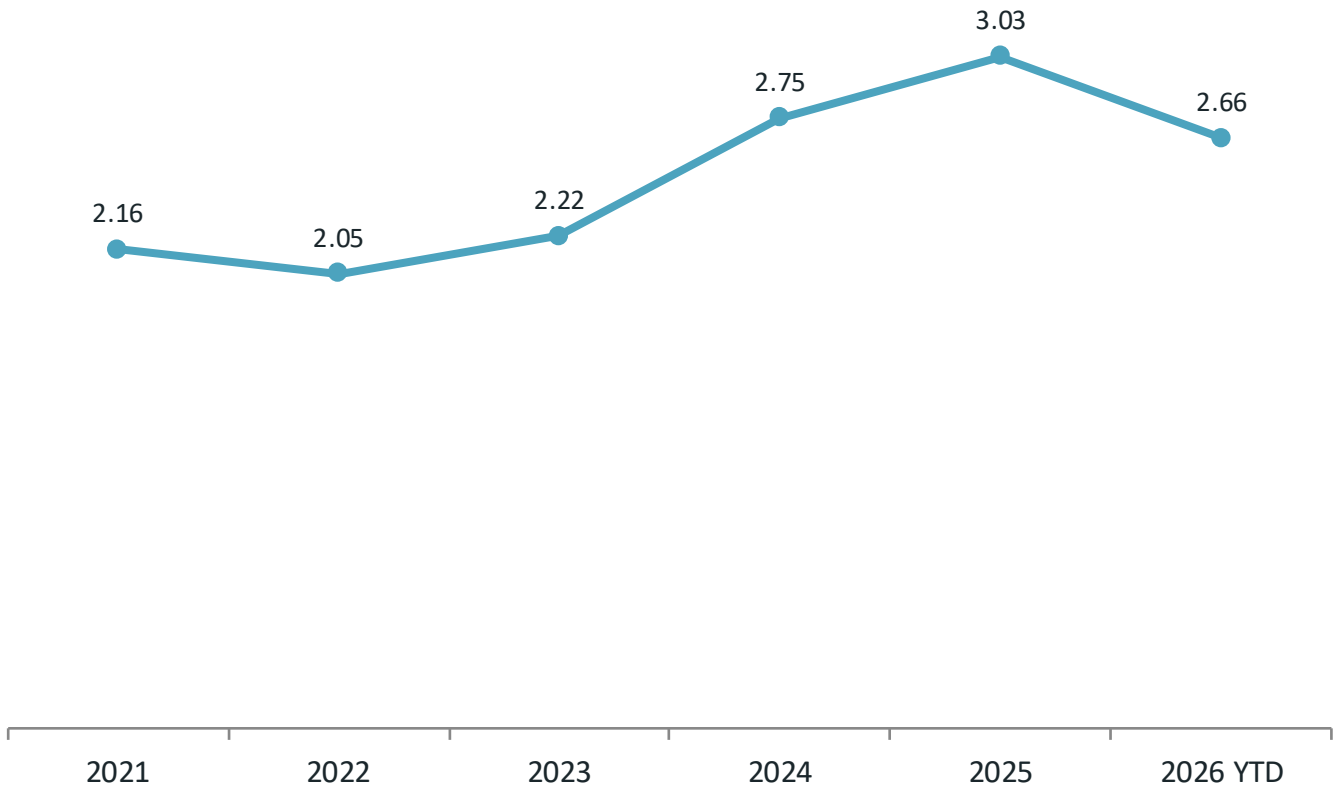
Our purchased electricity is almost carbon-free, so cutting emissions means cutting natural gas, not changing power.

One lever

Nearly our entire footprint is thermal energy for dyeing, which is exactly what heat recovery and insulation address.

EMISSION INTENSITY

The curve is turning in 2026



t CO_2e per tonne of finished product

Intensity climbed from 2.16 to 3.03 between 2021 and 2025 while the heat recovery system was offline.

With the system back in service, the first nine months of 2026 are already down to 2.66.

Emission intensity = total group emissions (all facilities) ÷ Coraltex finished production. It rose 40% (2.16 to 3.03 t CO_2e/t) between 2021 and 2025, driven mainly by the 2023 Coraltex heat-recovery breakdown. 2024 production covers 11 of 12 months, so 2024 intensity is slightly overstated.

OUR ACTIONS

Three measures, already in motion

01

Heat recovery restored

Live since 2026

The dye house water heat recovery system is back in service, running from March to July 2026. It captures waste heat so less gas is burned for the same dyeing load.

02

Hybrid stenter frame

Ramping to 2027

We replaced our gas-powered stenter frame with a hybrid unit, already reaching up to 33% efficiency. Full operation in 2027 is where the largest reductions land.

03

Pipe and tank insulation

In progress

We are insulating the steam pipes that feed our machines and our water storage tanks, cutting the energy lost as heat before it reaches the process.

2026 PROGRESS

The first results are in

–9%

Gas use per tonne at the dye house, 2026 vs 2025

1,352

m^3 gas per tonne in 2026, down from 1,493

Mar–Jul

Months the heat recovery system ran in 2026

A real reduction, honestly measured

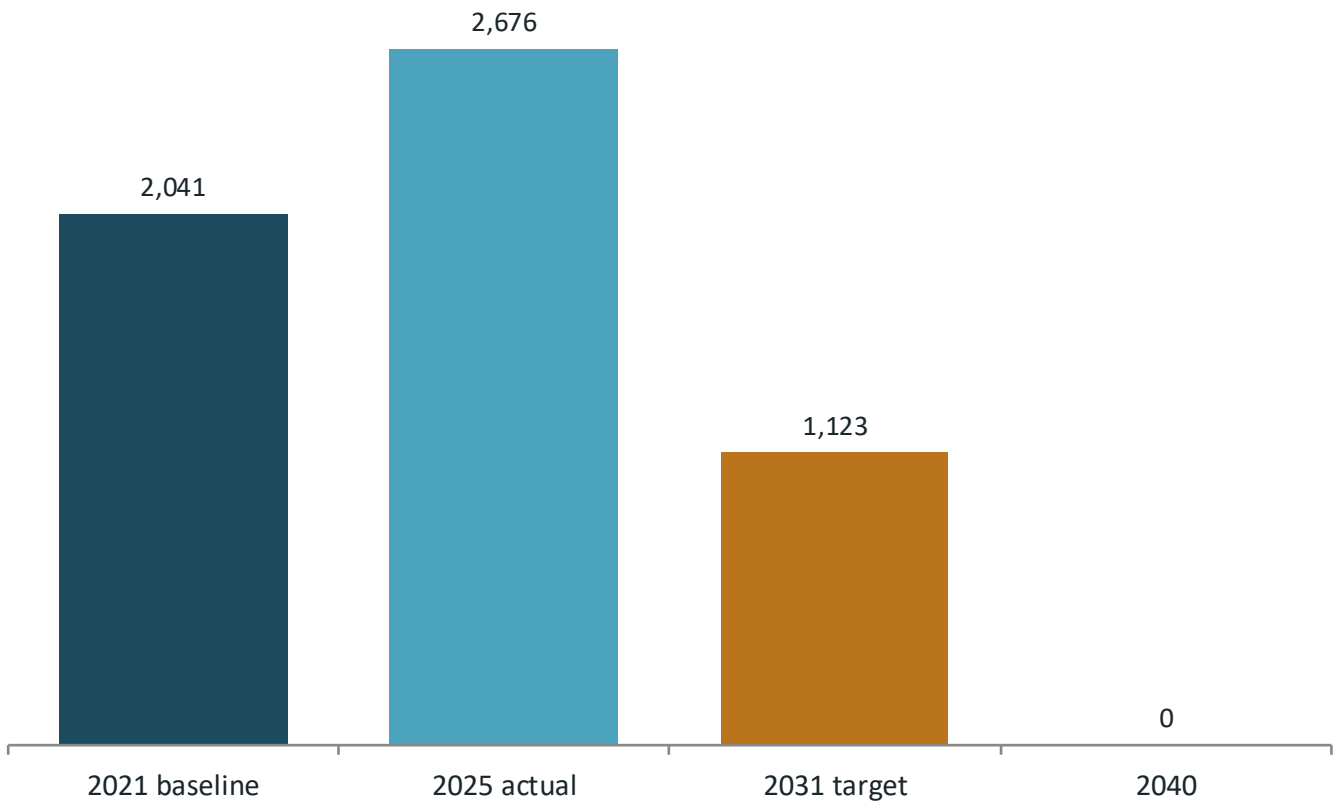
Over the first nine months of 2026, with heat recovery running again, gas intensity at Coraltex fell about 9% against 2025.

These figures are year-to-date and not seasonally adjusted, so we report them as directional. They are the first measured sign that our actions are working, and they come from the heat recovery measure alone. The hybrid stenter and insulation are still ramping, so more is expected from 2027.

The GreenNudge platform measures this progress as it happens, so each measure's effect shows the moment it lands rather than at year-end.

OUR TARGETS

The path to net zero



Where we are headed

45% below our 2021 baseline by 2031

an emissions ceiling of about 1,123 t.

Net zero across Scope 1 and 2 by 2040.

Our 45% interim target is well above the Net-Zero Challenge minimum of 31%. The 2026 turn is the first step down from the 2025 peak toward that path.

The 2031 ceiling of about 1,123 tCO_2e is 45% below the restated 2,041 tCO_2e baseline — it exceeds the Net-Zero Challenge minimum ambition of 31% for 2031 and meets the Gold-tier threshold.

HOW WE MEASURE

Numbers you can audit

Every figure in this report is calculated from Government of Canada emission factors, with a full trail back to the source table and cell.

What	Source
Natural gas factors (Scope 1)	ECCC National Inventory Report 1990–2024, Annex 6 (Québec marketable natural gas)
Grid intensity (Scope 2)	ECCC National Inventory Report 1990–2024, Annex 7 (Québec, location-based)
Global warming potentials	IPCC AR6
Method	GHG Protocol-aligned, activity-based; replaces our prior manual approach

Our 2021 baseline was restated this year following adoption of the GreenNudge platform, which uses regionally specific Government of Canada factors in place of generic ones.

APPENDIX A · METHODOLOGY

How each number is calculated

Every figure traces to an ECCC National Inventory Report factor (Annex 6 and 7), on IPCC AR6 global warming potentials.

What	Calculation
Scope 1 (tCO_2e)	Natural gas (m^3) × 1.9359 kg CO_2e/m^3 ÷ 1,000, plus mobile sources (fleet diesel)
Scope 2 (tCO_2e)	Electricity (kWh) × grid intensity (g CO_2e/kWh) ÷ 1,000,000
Combined gas factor	CO_2 1,925.851 + CH_4 0.037 × 27.0 + N_2O 0.033 × 273 (AR6) = 1.9359 kg CO_2e/m^3
Emission intensity	Total group emissions (all facilities) ÷ Coraltex finished production (t CO_2e / tonne)

Scope 2 is location-based; consumption intensity already includes transmission and distribution losses (ECCC). The 2024 Québec grid intensity is preliminary in the NIR. Mobile sources (fleet diesel) are in Scope 1; process and fugitive emissions, including refrigerants, are not yet captured.

APPENDIX B · SOURCES

Emission factor sources

Every factor below comes from ECCC's National Inventory Report 1990–2024, Annexes 6 and 7.

Input	Value	Source
Natural gas CO_2 (QC, marketable)	1,925.851 g/m³	NIR Annex 6, Table A6.1–1 (H25–H27)
Natural gas CH_4 (manufacturing)	0.037 g/m³	NIR Annex 6, Table A6.1–4 (C11)
Natural gas N_2O (manufacturing)	0.033 g/m³	NIR Annex 6, Table A6.1–4 (D11)
Global warming potentials	CO_2 1 · CH_4 27.0 · N_2O 273	IPCC AR6
Combined natural gas factor	1.9359 kg CO_2e/m³	Calculated from the rows above
QC grid intensity 2021–2024	1.816 / 1.572 / 1.873 / 2.565 g/kWh	NIR Annex 7, Table A7–6 (2024 prelim.)
QC grid intensity 2025	2.565 g/kWh	Latest published year (2024) applied

Edition: NIR 1990–2024. Integrity: SHA-256 Annex 6 bcb0ecea2dac, Annex 7 199417b3da47 (ECCC Data Mart download).

Glossary

Term	Definition
Scope 1	Direct emissions from fuel we burn — natural gas plus mobile sources (fleet diesel).
Scope 2	Indirect emissions from purchased electricity, reported location-based.
tCO_2e	Tonnes of carbon dioxide equivalent; all gases weighted by global warming potential.
Emission intensity	Total group emissions ÷ Coraltex finished production (t CO_2e per tonne).
Restated baseline	The 2021 figure recalculated on ECCC factors, replacing the prior platform values.
Location-based (Scope 2)	Grid-average intensity including transmission and distribution losses, per ECCC.
GWP / AR6	Global warming potentials from the IPCC Sixth Assessment (CH_4 27.0, N_2O 273).
NIR	ECCC National Inventory Report 1990–2024; Annex 6 (gas), Annex 7 (grid).
Greige fabric	Unfinished knit from Oratex Inc, dyed at Coraltex; counted once, at the finished-good stage.

Progress You Can Measure

Our journey to net zero is driven by measurable action, continuous improvement, and transparency. Every step forward brings us closer to a more sustainable future for the textile industry.

Net zero by 2040. 45% by 2031. Measured honestly, every tonne traced to source.

Oratex · 2025 Net Zero Report · Prepared with GreenNudge