



VERTICAL KNITS

S.A. DE C.V.

Manufacturers of Fine fabrics and apparel

Vertical Knits

Company Profile

Table of Contents

01 __ Company At A Glance

About Us / Our Philosophy	
Mission / Vision	06/07
Our Location / Company Overview	08/09
Vertical Intergration / Our Customers	
The Journey Of Our Garments	12 / 13

02 __ Product Portfolio

Materials / Yarn	16/17
Chemicals / Packaging	18/19
Products & Capabilities	20/23

03__ Operational Models

Vertical Knits Capacity /	
Manufacturing Capabilities	26/29
Our Business Models /	
What Makes Vertical Knits Different?	30/31

04__ Sustainable Commitment

Our Environmental Policy / Our	
People / Our Culture of Safety	34/35
Sustainable Commitment /	
Recognitions	36/37



01_

Company At A Glance

| About Us

The journey started in 2003 when Vertical Knits, S.A. de C.V. was founded. Now the company is one of the largest vertically-integrated manufacturers of natural and synthetic fabrics and apparel in Mexico. We build supply chains without waste, we manufacture in a vertically-integrated process with a quick time response, higher quality and using a lean supply chain with sustainable practices.



| Our Philosophy

Our business model is based on agile, flexible, lean and sustainable practices that minimize environmental impact, ensure the health and well-being of our employees and create valuable opportunities that foster the economic and social development of our company and the community.



“ Always loyal to our sustainability values and putting the best effort to satisfy the needs of our customers, we have been dedicated to produce exceptional apparel product. ”

| Mission

Exceed our customers requirements based on continuous improvement, safety actions and using lean and sustainable strategies.

| Vision

Be chosen by customers and employees as the best company in North America to manufacture and deliver every garment on time and perfect quality, in a mutual trust and respected environment.

“ Strengthen the flexibility and adaptability of the team. ”





| Company Overview

We operate in a key producing country next to United States with manufacturing sites in the towns of Baca, Tizimin, Espita and Peto, located in the state of Yucatan and Campeche, Mexico. Diverse connections by air, sea and land make it easy to transport the product in a fast path to the final customer

Our products are present in more than 21 countries (USA, Canada, European Union, Japan, Australia, among others) and there is no finish line.

“ Where our products get done. ”



*Vertical Knits facility located in Baca,
state of Yucatan, Mexico.*



| Vertical Integration

Vertical Knits offers a vertically-integrated manufacturing process that allows direct control over our Tier 1 and Tier 2 processes and a continuous improvement mindset enables resource and operational efficiency.

This model sets us apart from other apparel manufacturers and allow us to offer our global customers with high quality products at competitive costs.

Facility capabilities include knitting, dyeing and finishing techniques such as peaching, napping, shearing for open width and tubular fabric, cut & sew, laser cutting, screen printing, digital printing, embroidery and embellishment.

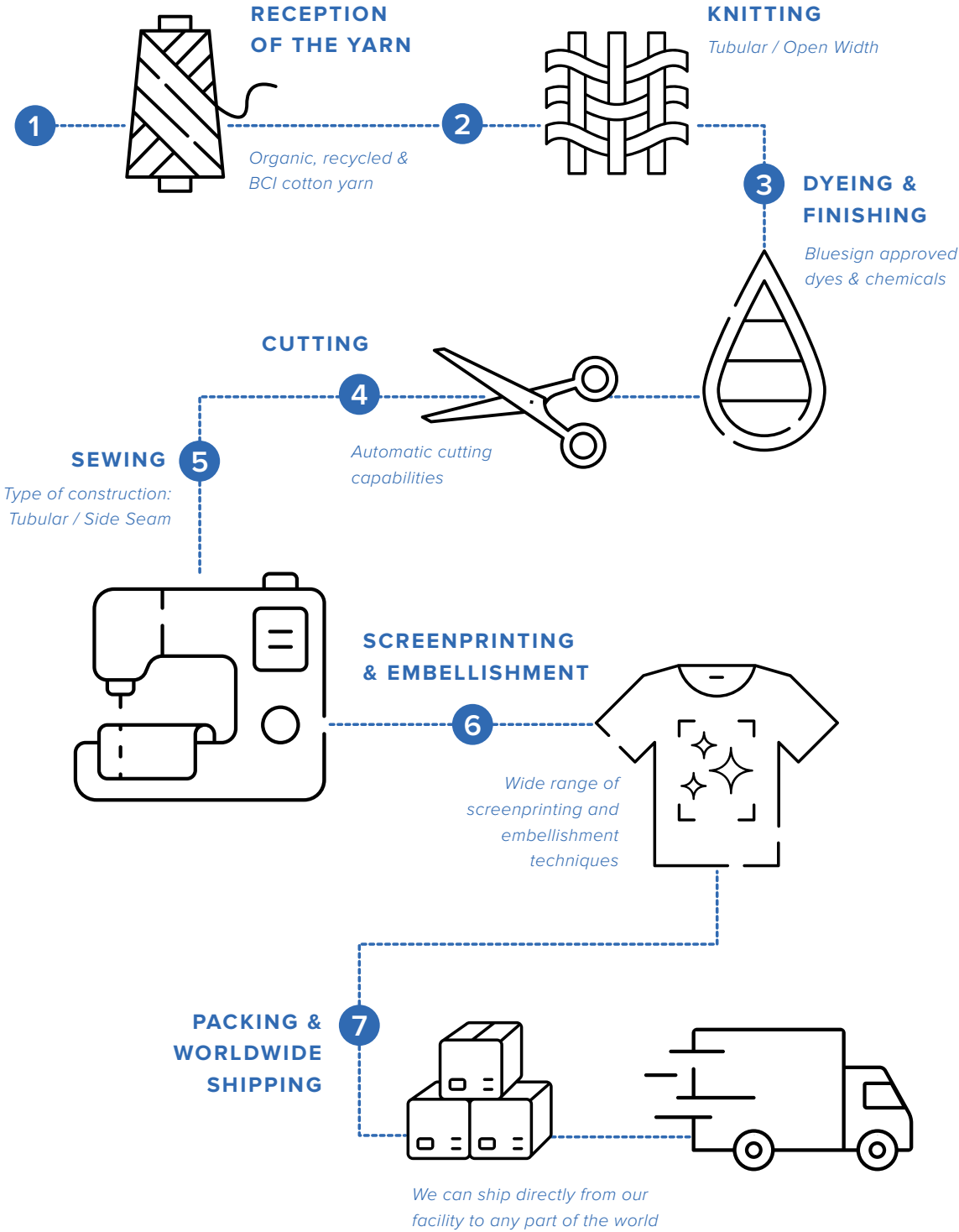
| Our Customers

Our company manufactures products for renowned global athletic and lifestyle brands according to their specifications, offering a whole range of social, environmental and supply chain certifications.

Our customers have come to trust Vertical Knits as a strategic partner for reasons including our personalized customer service, sustainability commitment and manufacturing expertise.



The Journey Of Our Garments





02__ Product Portfolio



Vertical Knits offers proposals to make products with a holistic approach, from fabric to shipping, breaking the walls between processes and reducing waste.

When the products are created, Vertical Knits teams work closely with customers to understand their needs and create what they really expect.

Our product portfolio includes cotton blended fabrics to produce all knits tops and bottoms (blank or embellished t-shirts, fleece sweatshirts, fleece hoodies and fleece pants).

| Materials

Our commitment is that all the fibers used in our garments are sustainable and we are proud to say that we only work with Organic, Recycled cotton/polyester, Cotton USA, BCI Better Cotton and SEAQUAL. As the largest environmental impact of our products is from growing the raw material. Likewise, we follow a process to verify the use of chemicals approved by bluesign®.

As part of the design process we continue exploring new sustainable fabrics and fibers and carry out a process of traceability verification through third-party certification schemes.

Yarn

01. Global Recycled Standard	We manufacture products with certified recycled polyester.
02. Global Organic Textile Standard	We manufacture products with certified organic cotton by Organic Content Standard or Global Organic .
03. Organic Cotton Standard	We manufacture products with certified organic cotton.
04. BCI Better Cotton	We manufacture products with certified sustainable grown cotton.
05. COTTON USA	We manufacture products that contain greater than 50% U.S. cotton.
06. SEAQUAL® YARN	We manufacture products with yarn that contains approximately 10% Upcycled Marine Plastic (from plastic marine litter).
07. Textile Exchange	Global nonprofit that creates leaders through accelerating the use of preferred fibers across the global textile industry.



Chemicals

Our challenge is to reduce the use of harmful chemicals and to increase the use of better chemicals.

- bluesign® approved
- RSL of the Apparel and Footwear International RSL Managment (AFIRM) Working Group
- Manufacturing Restricted Substances List (MRSL) created by the Zero Discharge of Hazardous Chemicals (ZDHC) initiative.

The restrictions for many listed chemicals go beyond the legal requirements and are in line with best practices in the textile industry.

Packaging

Our packaging materials such as plastic bags, cardboard boxes, trims and wood pellets are third-party certified.

We take responsibility in all steps of the supply chain, and for all material decisions taken and we have continued to work towards replacing for more sustainable options.



Embroidery



Color Lab



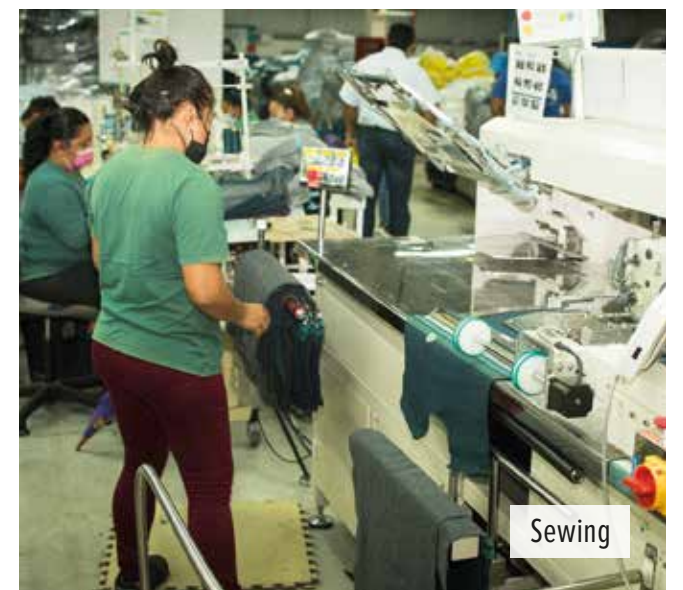
Automatic Chemical Dispenser



Dyeing

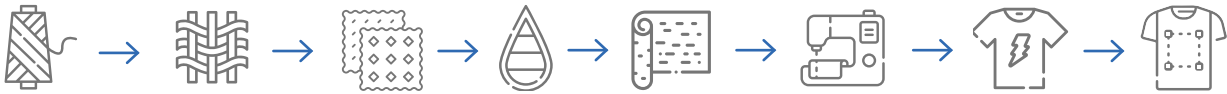


Finishing



Sewing

PRODUCTS & CAPABILITIES

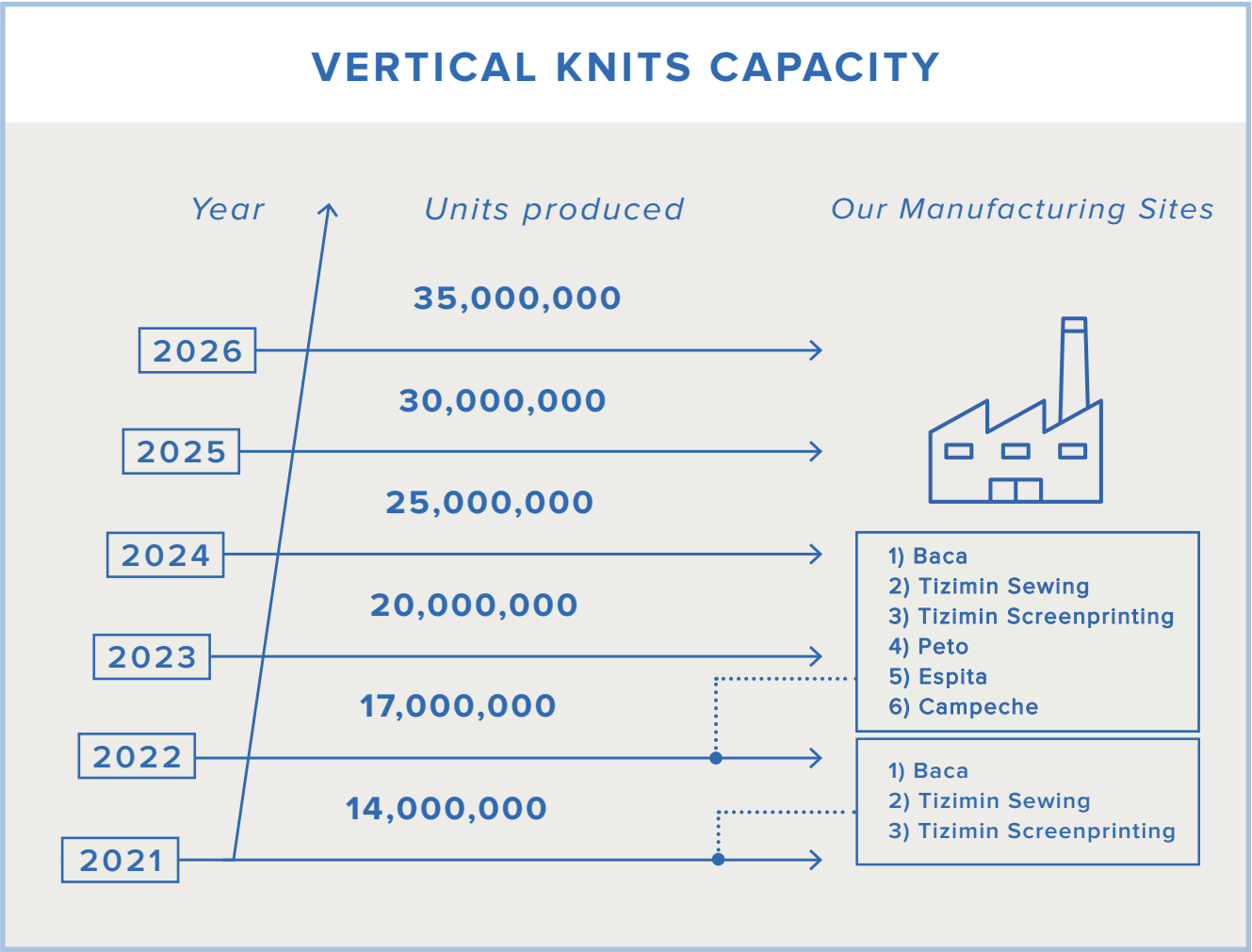


Type of Yarn	100% Cotton	100% Spun Fibers	Blended Spun Fibers	Filaments Fibers	100% Organic Cotton	50% Cotton	50% Regenerated Cotton	Recycled Polyester	Polyester	Spandex	Slub				
Fabric Construction	Plain Jersey	Plated Jersey	Single Knit Piqué	2nd and 3rd Fleece	French Terry	Interlock	Flat Knit (Cuff and Collars)	Rib							
Knitting Techniques	Tubular Weights 150 - 240 gr/m2 Tube Sizes 16” - 35”	Open Width <u>Weights</u> 110 - 400 gr/m2 <u>Widths</u> 43” - 76”													
Textile Dyeing Production (Lot 500 to 1000 kg)	<u>Techniques:</u> Reactive Dyes Disperse Dyes Acid Dyes	Garment Dye/Wash Garment Washing Capability													
Textile Finishing	Open Width	Tubular	Napping	Shearing	Peaching/Sueding										
Sewing Construction (Tubular/Side Seam)	Short Sleeve Tee, Long Sleeve Tee, Raglan Tee, Ringer Tee, Tank Tops, Yokes, Inserts, Hoodies, Sweat-shirts, Pants and Shorts	Gender: Men's Women Boys Girls Toddlers													
Embellishment Techniques	Screen Print	Panel Print	Heat Transfer Pad Print	Embroidery											
Screenprinting	PVC and Phtalate Free Inks	Discharge	Foil	Flock	Crackle	High Density	Suede	Burn out	Glitter	Gel	Glow in the dark	Pearlescent	Push Throught	Silicone	Digital Print





03_— Operational Models



01. PRODUCT DEVELOPMENT

Team in charge to create a product solution for customers and achieve their specifications including 3D capabilities.



Manufacturing Capabilities

We do not envision a trade-off between profit and people, or between manufacturing and environmental responsibility.

One of Vertical Knits competitive advantages is the vertically-integrated business model built over a lean supply chain and sustainable practices, covering the entire value chain: product development, manufacturing and distribution.

**Tier 1: Manufacturing facilities.*

**Tier 2: Mills or fabric facilities, supplier for Tier 1 to produce.*

02. KNITTING

Our fabrics are knitted with yarns certified organic, recycled and BCI Cotton.





03. DYEING AND FINISHING

We only use Bluesign approved dyes and chemicals.

Our automatized chemical dispenser and color dye system, is an added value to achieve the best quality.

05. SEWING

Our highly skilled employees operate on lean manufacturing principles. A range of products are Fair Trade Certified.



06. SCREENPRINTING AND EMBELLISHMENT

We offer a whole range of screen-printing techniques and embellished products.

04. CUTTING

The fabric is cut to shape with state of the art cutting machines, allowing resource efficiency.



07. SHIPPING

From our facility we ship to service our global customers.



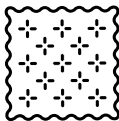
Our Business Models

*Note: All business models are based on forecast.
(Short lead time/Quality Control and Assurance)*



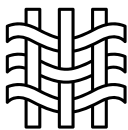
MADE TO ORDER

- MOQ 1200 style/color/print
- 90 day lead time
- Manufacture according to customer's specifications



BLANK STAGING

- MOQ 1200 style/color
- 1 Silhouette
- 4 Colorways
- Generic sewing trims
- 30 day lead time for embellished goods



GREIGE STAGING

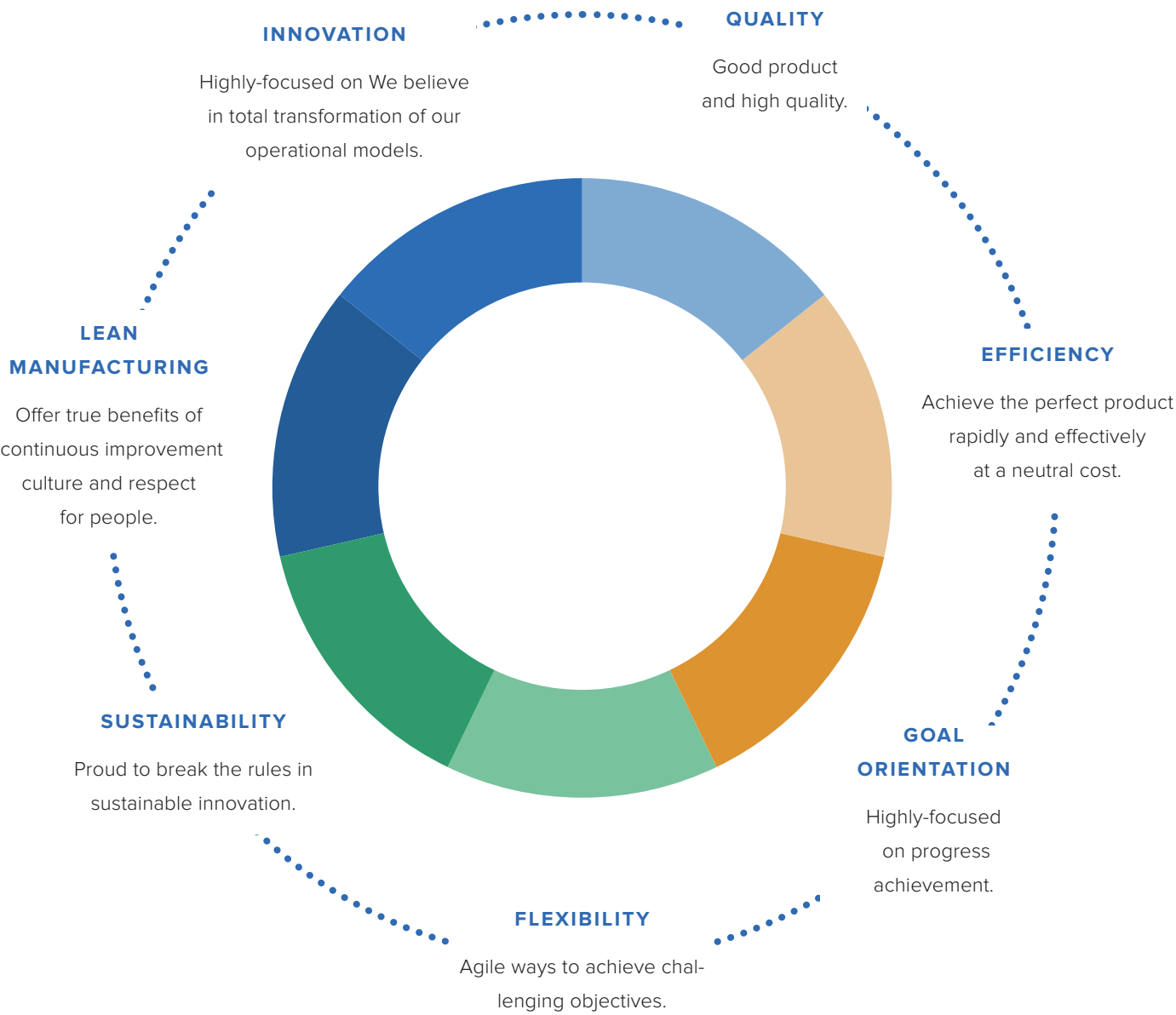
- MOQ 1200 style/color/print
- Open Width Fabric
- Specific agreed fabrics
- Generic trims
- 60 day lead time for embellished goods



QUICK TURN/EVENTS

- MOQ 1200 style/color/print
- Blanks produced prior to event
- 1 Silhouette
- Generic trims
- Basic Print
- 1 week lead time for embellished goods

What Makes Vertical Knits Different?



A photograph of a mangrove forest. The dense green foliage of the trees is at the top, with a complex network of light-colored, woody roots extending down into the dark, still water. The roots are reflected in the water's surface. On the right side, there is a white rectangular overlay containing text.

04__ **Sustainable** **Commitment**



“ *Leading the change towards a more sustainable future.* ”

Ensuring the safety of our people, customers and the environment

Vertical Knits is attributed to the true commitment to grow the business with people’s support, a positive relationship with the local community and reduce the environmental impact derived from our activities.

Promote sustainability through the supply chain needs to set controls starting with raw materials. That is the reason why we only manufacture with the highest quality and environmentally friendly products, creating the best solution for our customers, Vertical Knits adopted a management system based in diverse regulations and global certifications, which create a customized system to meet highest regulations for sustainable business.



OUR PEOPLE

Our most important strength is the people that work at our different processes and it is the main driver of success for our company. Thanks to the effort and dedication of the employees that work with us we are able to contribute to the creation of opportunities to improve their quality of life.

- Give our employees continuous training opportunities so they can acquire new skills and pursue their personal development.
- We strive to be a responsible employer and offer our employees all the benefits necessary to help improve their quality of life.



OUR CULTURE OF SAFETY

One of our main priorities is to promote safe and healthy work environments for all of our employees, taking all the necessary actions to guarantee their well-being.

Through the adoption of a health and safety management model based on ISO 45001:2018, our employees and representatives of the administration work together for the identification of risks, definition of controls and constant training to make a safe workplace.



RECOGNITIONS



To help the preservation of our planet, we connect with programs in an effort to build a strong and collaborative environmental system in order to be part of industry change.

We were awarded the Lighthouse Awards 2020 along with Nike for our efforts to help reduce Nike’s overall water footprint:

<https://www.braveblue.world/blog/pioneering-water-projects-celebrated-by-inaugural-lighthouse-awards>



SUSTAINABLE COMMITMENT

Our sustainability journey has resulted in an Environmental Management System by integrating the sustainability approach in our business model to minimize the environmental impact of our processes that lead to positive change in our community.



FAIR TRADE CERTIFIED

We promote safe, healthy working conditions, environmental protection, transparency and community empowerment.



BLUESIGN SYSTEM PARTNER

Use of approved chemicals, processes, materials and products that are safe for workers, end customers and the environment.



ISO 14001:2015

We minimize the impact of our operations (processes) on the environment.



ISO 9001:2015

We ensure consistency and quality of operations in our wastewater treatment plant.

Ø ZDHC

ZDHC

The ZDHC Roadmap to Zero Programme is a collaborative initiative of fashion brands, chemical suppliers, manufacturers and laboratories working to reduce the chemical footprint of apparel and footwear.



HIGG INDEX

The Higg Index is a suite of tools that enables brands, retailers and facilities of all sizes at every stage in their sustainability journey - to measure social and environmental sustainability performance.



SOCIAL AND LABOR CONVERGENCE

The Social and Labor Convergence (SLCP) aims to bring together unique perspectives to create an efficient, scalable and sustainable solution for social audits.



PUBLIC REPORT

GRI (Global Reporting Initiative) is the independent, international organization that helps businesses and other organizations take responsibility for their impacts, by providing them with the global common language to communicate those impacts.



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