



FERRE

Empowering circular fashion since 1947

Sustainability
REPORT

2022

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01. Introduction

1.1 About this report

1.2 Letter from our CEO

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Introduction

At Ferre we know that transparency is the key basis for maintaining trust relationships with our stakeholders. Our sustainability report 2022 is presented with the aim of showing how we create value and contribute to a sustainable development.

Through this report, we want to communicate to our stakeholders how Ferre creates value and contributes to ESG criteria (Environment, Social and Governance), while presenting the information related to our activity in a transparent, relevant, and precise manner.

In this sense, we approach the environmental, social and good governance impacts of our activity; “manufacture and sale of sustainable and recycled yarns for the textile sector”, in our company located in Banyeres de Mariola.

It is worth highlighting our commitment to the 10 Principles of the United Nations Global Compact, both in Human Rights, Labor Standards, Environment and Fight against Corruption, BEING part of the Spanish Network of the Global Compact

since 2011. Therefore, we record our willingness to renew our commitment to the United Nations Global Compact initiative.

In addition, as a sign of our commitment to a sustainable development model, we have aligned our strategy with the United Nations 2030 Agenda, adopting a commitment to achieving the Sustainable Development Goals (SDG).

PERIOD

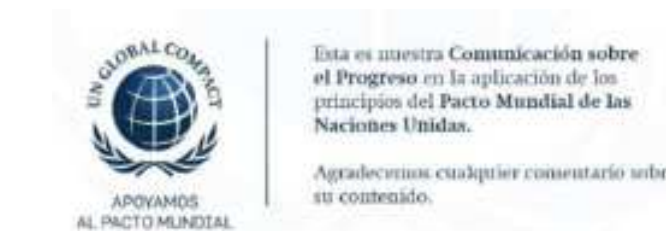
January - December, 2022

SCOPE

The content of this report covers all the activity of Hilaturas Ferre, S.A.

CONTACT DETAILS

*C. Molines, 2, 03450 Banyeres de Mariola, Alicante
hola@ferreyarns.com*



Letter from our CEO

Dear friends,

A few days ago at a conference on sustainability, I was greatly impacted by some shared data. Especially the fact that on average there are 500,000 deaths a year from wars, compared to tens of millions of deaths directly related to climate change. Shocking, right? And where do we have the most focused attention? Where are more resources and headlines dedicated? We are on a path of no return where we all have to push, evolve and quickly, towards a more sustainable model of life. And textiles is a fundamental element as it is one of the industries that contributes the most to this climate change.

At Hilaturas Ferre, now more than ever in our 76-year history, we see a clear reason to continue working to develop a more circular and sustainable textile industry, where we maximize reuse and recycling, and where the need for additional virgin fibers is minor time.

We have a great challenge ahead of us, which

is promoting the recycling of used garments, which accounts for 90% of textiles, and which is currently in a very incipient phase. The planet, society and legislation are demanding it. We are facing exciting years where we can make that qualitative and quantitative leap towards post-consumer recycling, and the commitment of Hilaturas Ferre is to be a pioneer in this new wave and contribute our expertise and capacity for innovation.

During 2022 we have carried out a renovation of part of our facilities, and we have expanded our product portfolio to other types of natural fibers, launching our collection FNature. We have also entered into other new applications, moving away from traditional textiles, and helping other industries to improve their degree of sustainability, evolving from current plastics towards sustainable cellulosic textiles.

A special thanks to our exceptional team, without whom it would not be possible to have come this far or face future challenges.

We look forward to having you on board in this exciting journey, and that within 5 – 10 years we can look back and be proud of what we have contributed to improve our quality of life and that of our children.

Luis Pita de la Vega
CEO Ferre



02. About us

2.1 Ferre in figures

2.2 Our history

2.3 Mission, vision and values

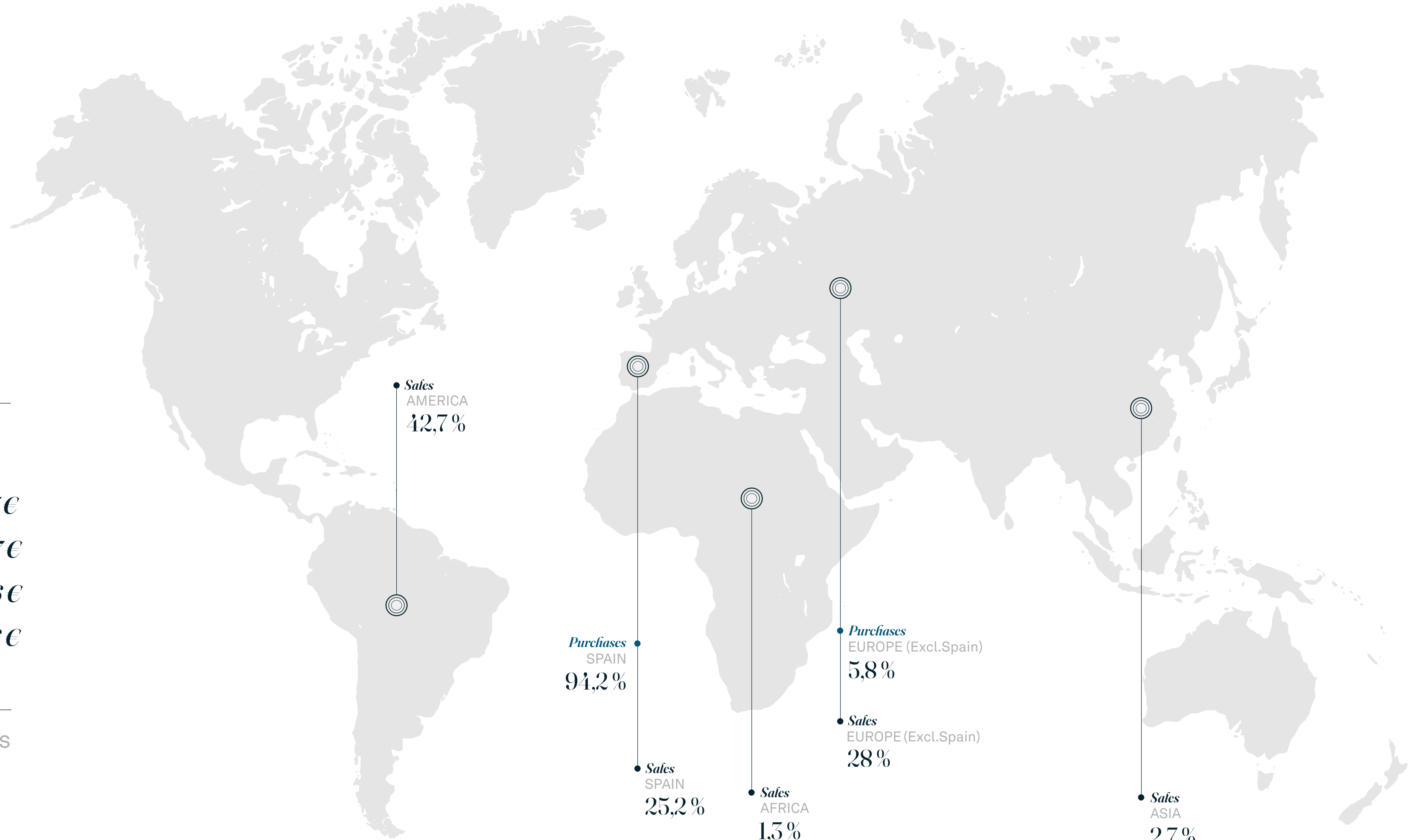
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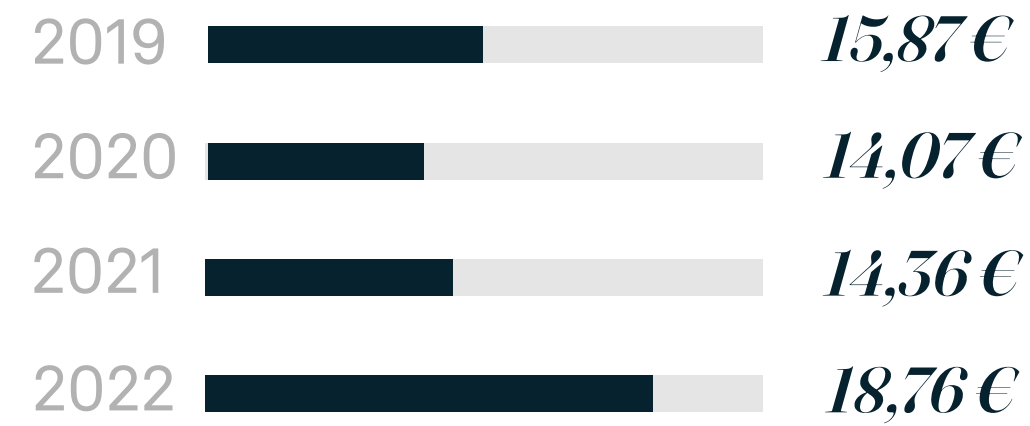


2.1 Results

2022



Turnover evolution (millions €)

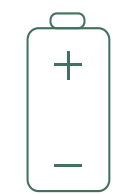


Bussiness volumen and results (millions €)

18,76 €

2.1 Relevant data

Environmental



Energy consumption (kWh)
Electricity (kWh) / production unit

18,2% ↓



Waterconsumption (m3)
Water (m3) / production unit

6,1% ↓



Valuable waste (unit/production)
Out of total waste generated

99,99%



Fuel consumption (liters)
Gasoil (liters) / production unit

81,7% ↓



CO2 emissions (tn of CO2 eq)

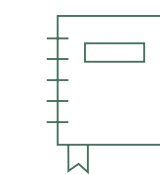
34,3% ↓

Social



98 Staff members

15% **85%**
Women Men



Staff training hours

2.412



Discrimination cases

0



Nationalities

8



Corruption cases a/o bribery

0



Work accidents (hours)

77% ↓

2.2 Our story

FERRE was established in 1947 and is dedicated to the manufacture and marketing of yarns for the textile sector since ever since. Its is purely a family-run business, with activities within the textile sector that dates to the beginning of the twentieth century when in 1914 HIJOS DE ANTONIO FERRE, S.A. was founded, a company dedicated to the manufacture of fabrics for home textile and decoration. At present, the shareholders include members of the fourth generation of the family.



📍 BANYERES DE MARIOLA
Alicante (Spain)

2.2 The pursuit of a zero-impact future

A continuous journey

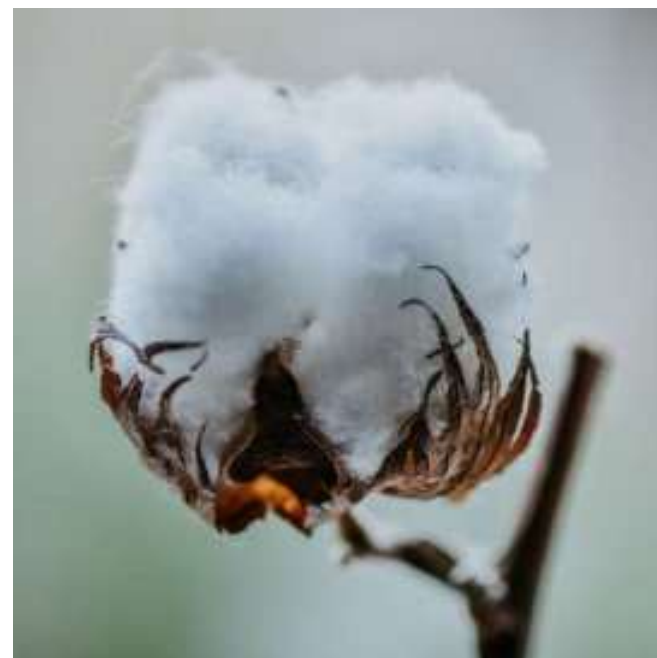
1914



Humble beginnings

Antonio Ferre opens a textile factory in Banyeres de Mariola, Alicante. It manufactures jute and other bast fibre fabrics and sells sacks for fertilizers in economically depressed Spain while most of Europe's countries are involved in World War I.

1947



The Ferres start recycling cotton

Faced with supply shortages during the difficult post-war years, a second generation of Ferres has an innovative vision that changes the rules of the game: to manufacture yarn with textile waste.

1957



First great technological innovation: The self-acting mule

The incorporation of the self-acting mule is a definite boost to the mechanization of spinning, as this automated spinning machine allows multiplying the production capacity with the labor of a single person.

1974



The "diablo" is here

Our circular spirit is reflected in this supermachine that will allow us to convert large amounts of textile waste into the best recycled fiber.

1982



Open-end spinning technology introduced

A technological innovation that allows us to increase the productivity and quality of our yarns.

2.2 The pursuit of a zero-impact future

A continuous journey



1985



We get the perfect color. It's sustainable

Ferre creates his own system, Color-Blend, to achieve precise and unique colors without using water or chemicals.

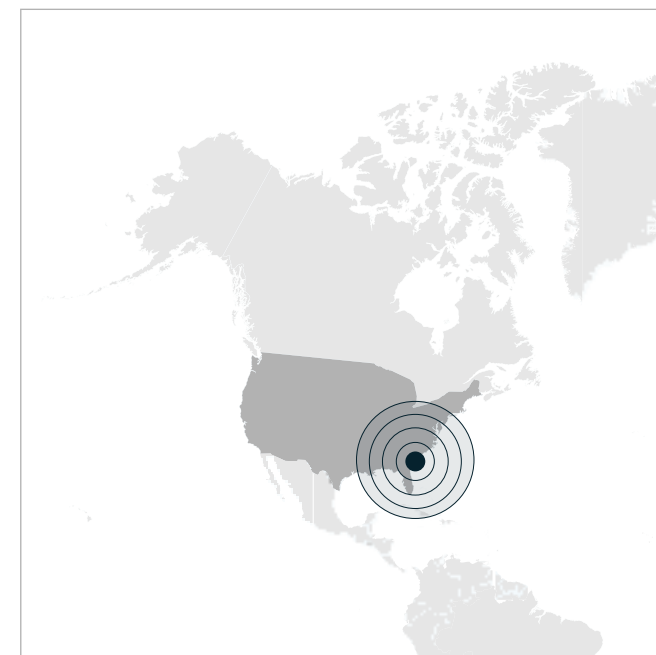
1996-99



We grow

We opened Factory 2 and the first automated fiber blending boxes.

2000



We continue to grow · From local to global, we opened our first subsidiary in the USA

We take a giant step into the global market by opening our first subsidiary, Ferre Hickory, in North Carolina.

2002



Second subsidiary in Mexico

We opened our second subsidiary in Mexico to supply the Latin American market.

2005

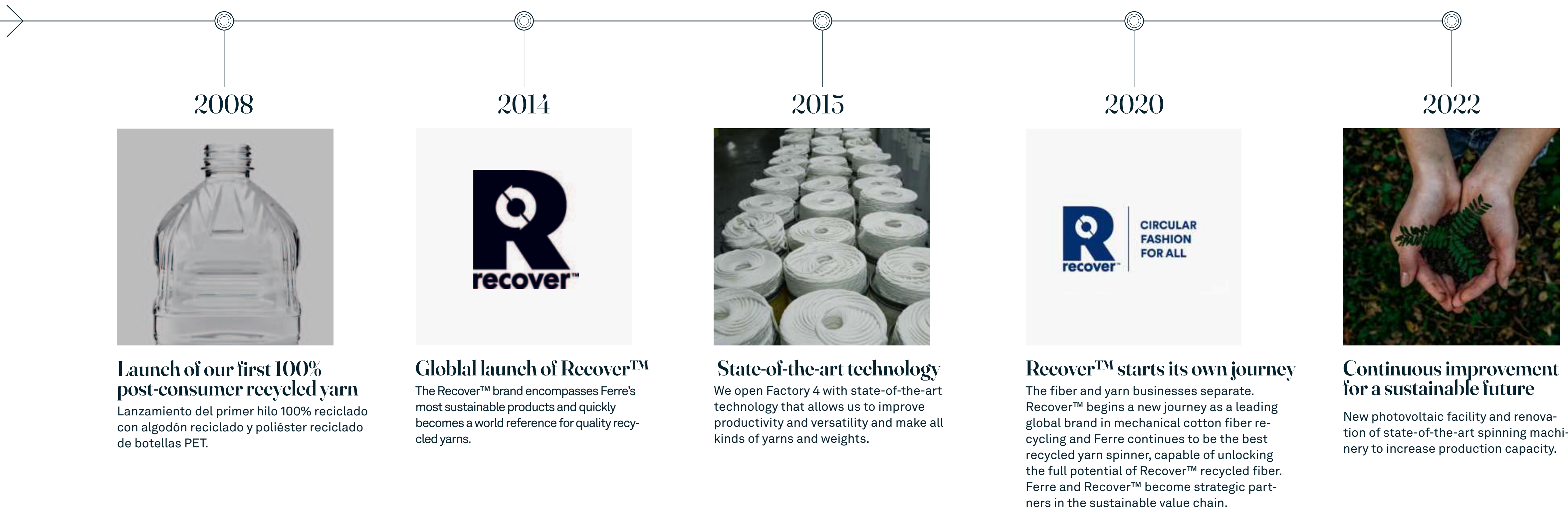


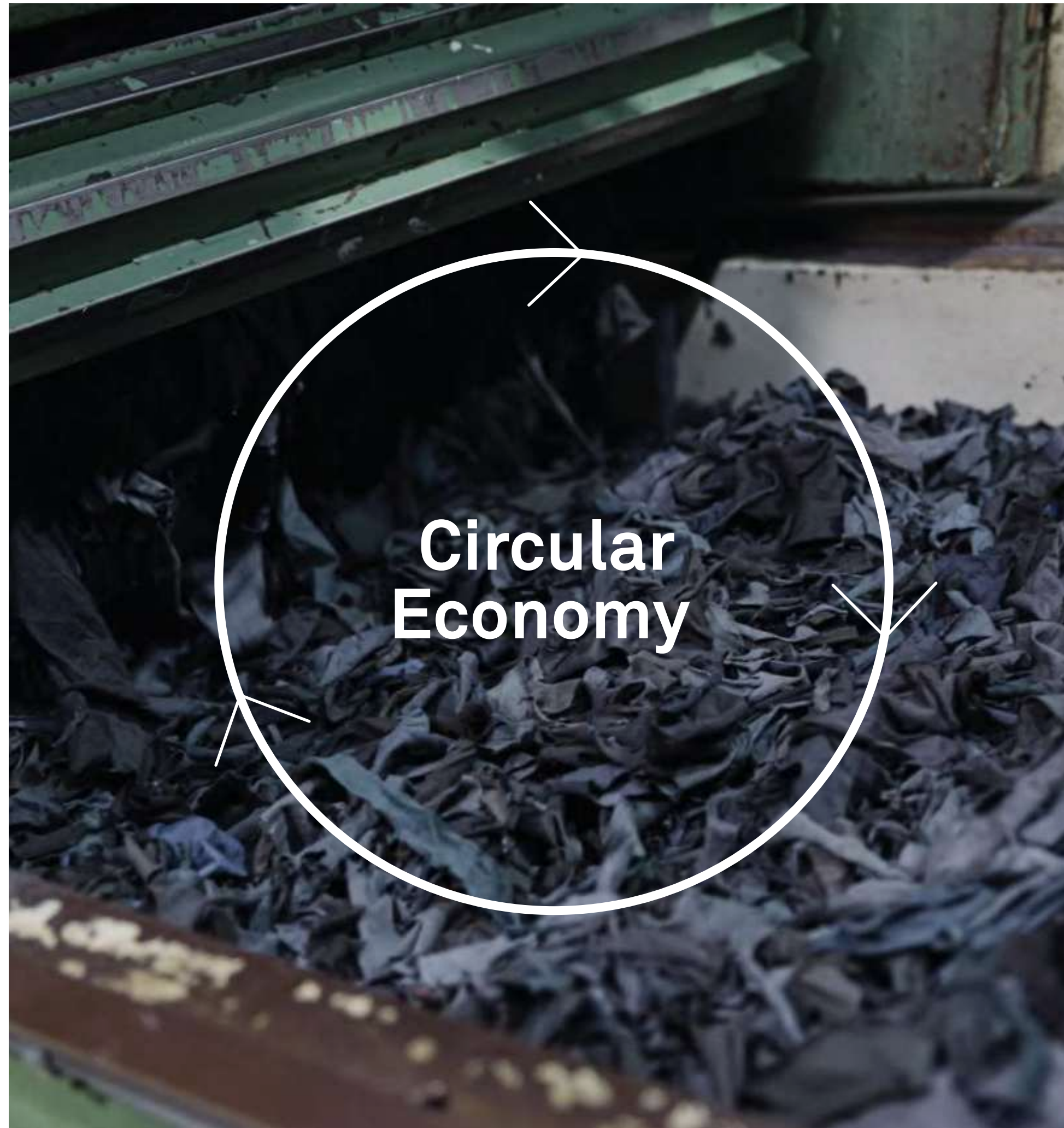
Standing up for sustainability

After more than 50 years of recycling, Ferre dares to use the term “recycling” to refer to his products when no one else did and becomes a leader of change.

2.2 The pursuit of a zero-impact future

A continuous journey





Our expertise and know-how is not in the manufacture of the yarn, but in the origin of the raw materials that we use, since, mostly have their origin in textile waste products. For four generations we are applying the concept of circular economy.

Mission
Vision
Values



Help our customers to be leaders in sustainability, creating the best recycled yarn with the lowest environmental impact in the market.



To be the reference partner in the global market of quality recycled yarn.



Transparency
Sustainability
Innovation
Quality and Expertise
Empathy



Our products

Building a zero-impact fashion

FERRE is a spinning company with state-of-the-art open-end technology and specialized know-how in the production of colour yarns using recycled cotton fibres.

The company produces yarns for international textile markets. This recycling process is mostly done in our facilities and involves a consumption of recycled cotton fibers of more than four million kilos per year. Along with recycled cotton we add fibers such as polyester, virgin or recycled, acrylic, organic cotton, recycled wool, polyamide, etc.

We manufacture high quality recycled yarns for all types of fashion products, accessories and home textile. Our products are made with Recover™ cotton fibre.





Our products

FUNO

Family of recycled yarns that blends recycled Recover™ cotton fiber with other synthetic virgin fibers for specific performance, versatility and performance.



FBLUE

100% recycled blend of Recover™ recycled cotton and rPET bottles, designed for comfort and all kinds of fashion applications.



F EARTH

A natural blend of Recover™ recycled cotton and organic cotton, designed for comfort and durability



F WOOL

A natural triple blend of recycled wool, rPET bottles and polyamide, designed for maximum strength and softness.



F JEANS

The latest in garment recycling. A natural blend of Recover™ recycled cotton from post-consumer denim with organic cotton, hemp or TENCEL™, for fashion applications.



F TECH

A high-performance blend of Recover™ recycled cotton and rPET bottles designed for technical applications.



F TRES

A super soft and transparent triple blend of Recover™ recycled something, rPET and TENCEL bottles™, for specific fashion applications.



F NATURE

A collection of yarns made with natural fibers such as hemp, linen and bamboo, high performance and value for home textiles and clothing.



03. Our Sustainability Model

- 3.1. Materiality analysis
- 3.2 Strategic plan

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Sustainability is understood as the model that meets the needs of the present generation without compromising the capacity of future generations.

We are aware of the challenges we face; therefore, sustainable development is a commitment to social development, environmental balance and economic growth. At Ferre we base our sustainable development model on ESG criteria: Environment, Social and Governance.



3.1 Materiality analysis

The materiality analysis is a tool that has allowed us to identify the most relevant issues, that is, the “material issues” for our stakeholders and thus advance in the creation of value in the areas: Environmental, Social and Governance..

During 2022, we have reviewed the materiality analysis to adapt it to the challenges, trends and current framework.

To carry out the process of identifying and prioritizing material issues, we have followed the indications of GRI (Global Reporting Initiative), which establishes materiality as one of the principles that defines the content of the sustainability report, as well as the context of sustainability and the inclusion of stakeholders.

Likewise, as part of our commitment to the United Nations Sustainable Development Goals (SDGs), we have related material issues to the 17 SDGs, prioritizing those with which we can contribute.

The process of preparing the materiality matrix has been as follows:

Identification

We have identified 32 possible relevant issues in the context of sustainability in which Ferre develops its activity, grouped in the Environmental, Social and Governance dimension.

Prioritization

The relevant issues identified have been presented to stakeholders in order to assess their relevance in the context of sustainability.

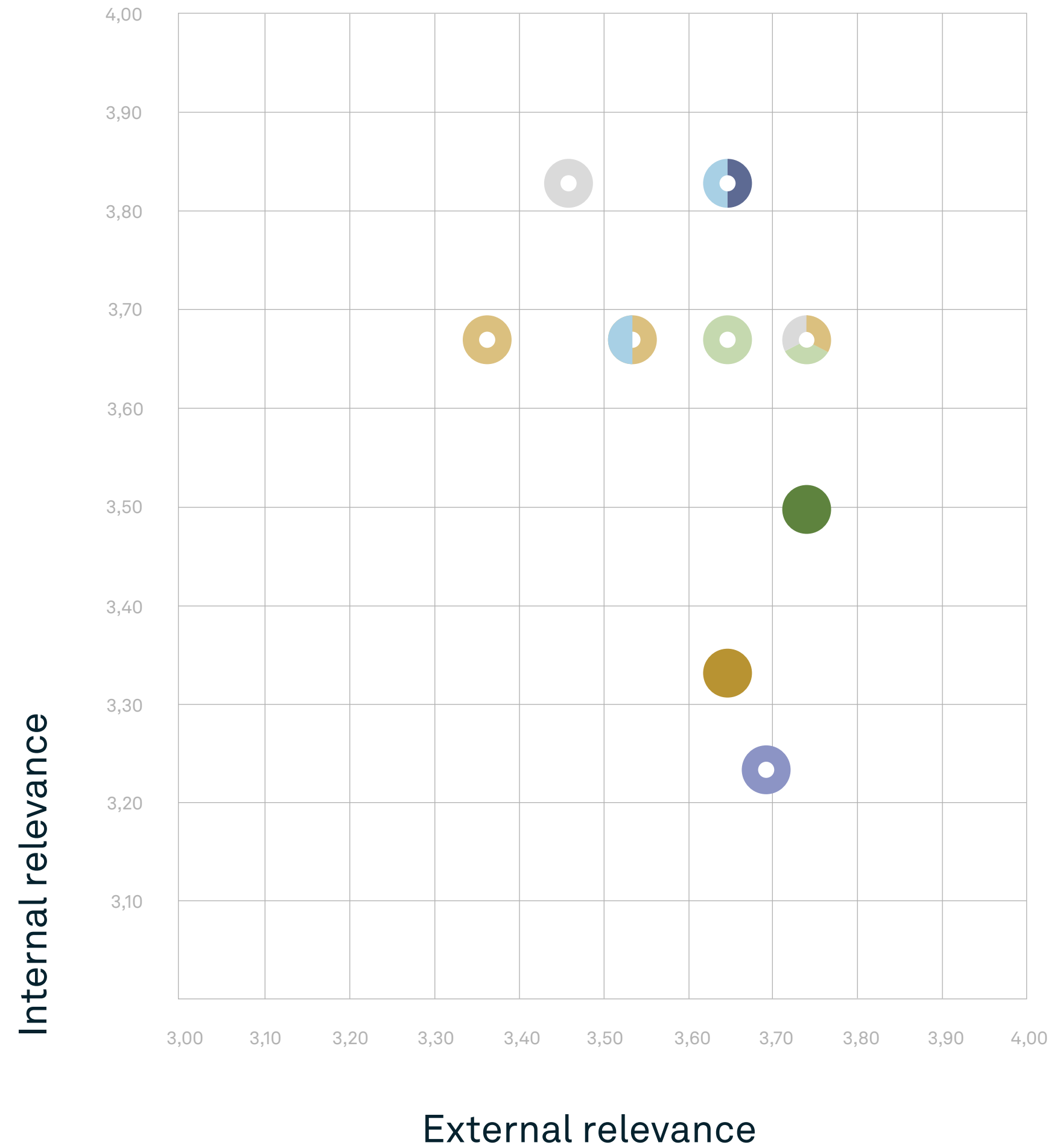
This assessment has been carried out through questionnaires, where the identified topics have been evaluated on a scale of 0 to 4 (being 0 “Not relevant” and 4 “Very relevant”).

Validation

The topics have been validated by Management, obtaining the “material topics”, that is, those most relevant to both the organization and the stakeholders.



3.1 Materiality matrix



- 2 Legislative compliance
- 4 R+D+I Projects
- 6 Energy consumption and emission control
- 9 Waste control management
- 15 Use of renewable energies
- 16 Circular Economy
- 19 Climate change mitigation measures
- 20 Occupational health and safety
- 21 Attracting and retaining talent
- 22 Equal opportunities for men and women
- 26 Product quality and safety
- 31 Child labour

3.2 Strategic plan

Environmental

Material topics	ODS	Goal	What are we doing?	What are our purposes?
<p>Energy consumption and emission control.</p> <p>Climate change mitigation measures .</p> <p>Use of renewable energies.</p>	 	<p>13.3</p> <p>7.2</p>	<ul style="list-style-type: none"> · Calculation and Registration of Carbon Footprint. · Instalación placas solares fotovoltaicas. · Actions contemplated in the Plan of reduction of HC. 	<ul style="list-style-type: none"> · Launch of the Nature line, with new fibers such as flax, hemp and bamboo. · Launch of one new line of Threads with fibres of cellulose with certification FSC. · Involve the customer in environmental awareness and responsibility as part of our commercial chain. · Reduce the use of bags and study the possibility of using bags made of more ecological material. · Recovery of spinning residue to transform it into other products or uses.
<p>Waste control and management.</p> <p>Circular economy.</p>		<p>12.5</p> <p>12.6</p>	<ul style="list-style-type: none"> · Global Recycled Standard (GRS) and OCS 100 (Organic Content Standard) certification. · Recovery of 99,99 % of waste during 2022. · 80,8 % of raw material consumed comes from recycled fibers. · Measurement of the Environmental Footprint of our products through the Life Cycle Assessment (LCA) methodology. 	

3.2 Strategic plan

Environmental

Material topics	ODS	Goal	What are we doing?	What are our purposes?
Occupational health and safety.		3.9	<ul style="list-style-type: none"> Health and Safety Committee. Certificación STANDARD 100 by OEKO-TEX. Promotion of healthy habits: we have a 100 % natural coffee machine (without roasting) and 100% skimmed milk without added sugars. 	
Talent attraction and retention. Equal opportunities for men and women.	 	8.5 8.8 5.5	<ul style="list-style-type: none"> Equality Plan (2022-2026). Protocol of sexual harassment and harassment based on sex. Training plan: 2.412 hours of training delivered during 2022. 	<ul style="list-style-type: none"> Progress in meeting the objectives of our Equality Plan (2022-2026). Creation of a Committee on Harassment at Work and internal training in this area.
Product quality and safety.		12.4 12.5 12.8	<ul style="list-style-type: none"> Global Recycled Standard (GRS) and OCS100 (Organic Content Standard) certification. 	
Child labour.		8.7	<ul style="list-style-type: none"> Code of conduct. 	

3.2 Strategic plan

Environmental

Material topics	ODS	Goal	What are we doing?	What are our purposes?
Legislative compliance.		16.5	<ul style="list-style-type: none"> · Sustainability Policy. · Code of Conduct. 	<ul style="list-style-type: none"> · Elaboration of one manual of prevention of Crimes. · Implementation of a Channel of complaints and training about it.
Other investments in infrastructure, machinery, resources, etc. R+D+i projects.		9.4 9.6	<ul style="list-style-type: none"> · Investments in improvement of facilities and renovation of machinery. · Development of projects focused on the introduction of post-consumer waste in the value chain. · Project for the inclusion of a physical traceability system in the thread to guarantee the entire chain. 	

04. Governance

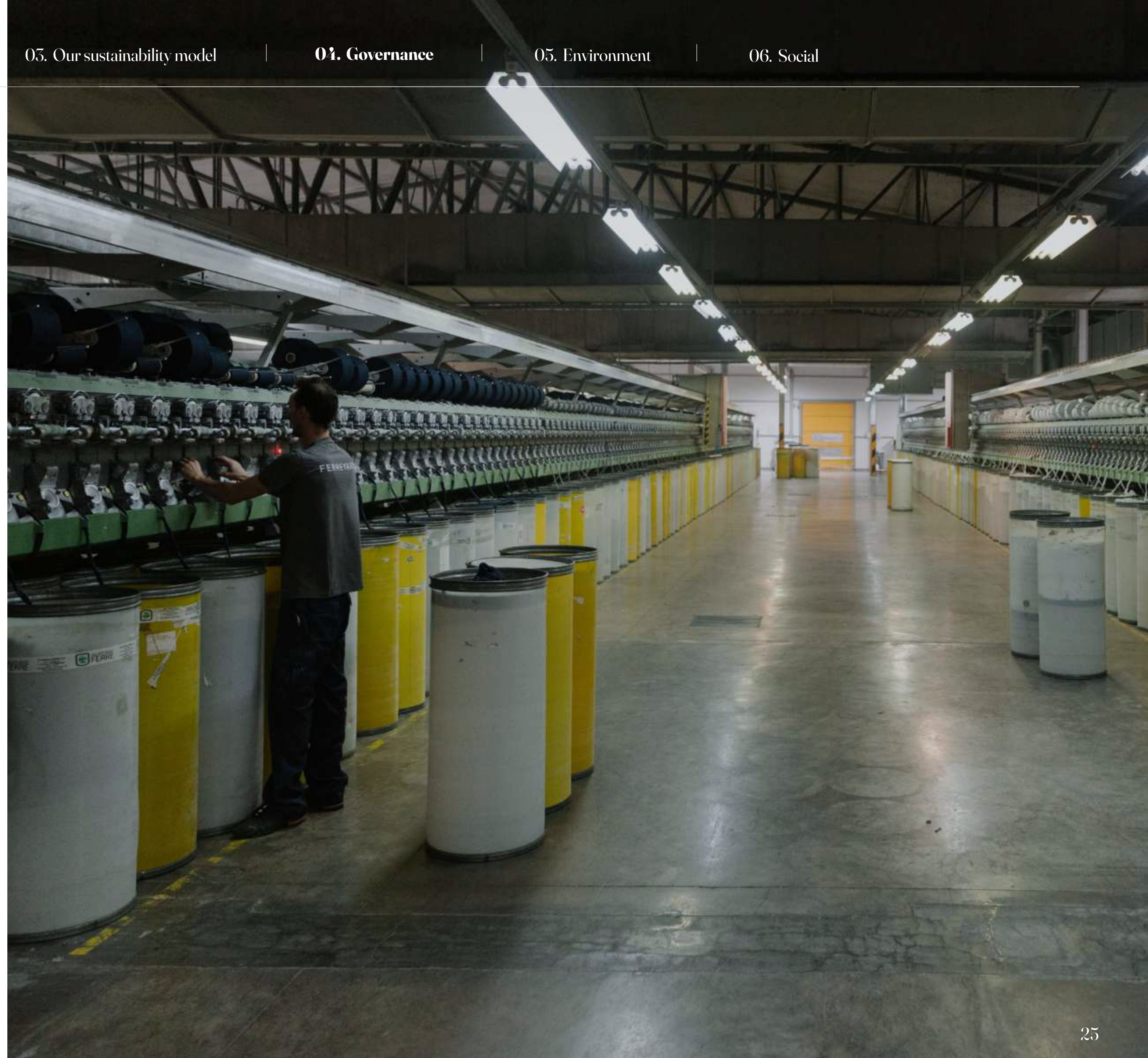
- 4.1 Corporate governance
- 4.2 Transparency and communication channels
- 4.3 Ethical and responsible governance
- 4.4 Innovation and development
- 4.5 Awards and recognitions

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At Ferre it is essential to talk about Good Corporate Governance, understood as the way in which the members of the Board of Directors and the management team exercise their functions under the principles of diligence, ethics and transparency.



4.1 Corporate governance

The highest governing body is the Board of Directors, appointed by the General Shareholders' committee, which makes decisions on the strategic priorities to be followed by the company and supervises its evolution.

The Board of Directors is made up of a total of 7 members, with extensive experience in the sector that guarantee the effective functioning of the body. Regarding gender diversity, the Board of Directors has 29% women and 79% men.

The Board of Directors has direct responsibility for economic, social and environmental performance.

How do we maintain direct and fluid communication with the Governing Body?

Management Team

The communication of the decisions acquired in the Board of Directors to the rest of the company is carried out through the Management Committee, formed by representatives of all areas of the organization.

Works Council

Employees have the Works Council, as a formal communication channel, to be able to direct their opinion to the Management and that it transmits matters of interest. The members of this Committee are the workers' representatives and are elected on a voluntary basis by all employees of the company through a voting system supervised by external persons.

Safety and Health

There is also a Health and Safety Committee, which ensures compliance with the Law on Occupational Risks.

Human Resources and Occupational Health and Safety

In addition, those responsible for Human Resources and Occupational Risk Prevention are responsible for managing the relationships and the work situation of the company on a day-to-day basis. They have a close and continuous relationship with the workers and form a good receiver of the work environment in the company.



4.1 Corporate governance

Corporate Management



Luis Pita de la Vega
CEO



Estrella Mataix
Human Resources



Fernando Buendía
Finance



Francisco Peidro
Production



Paqui Ferrer
Sales and Marketing



Cristóbal Aljaro
IT

4.2 Transparency and communication channels

Good governance implies that interest groups Have access a information relevant envelope the development of our activity.

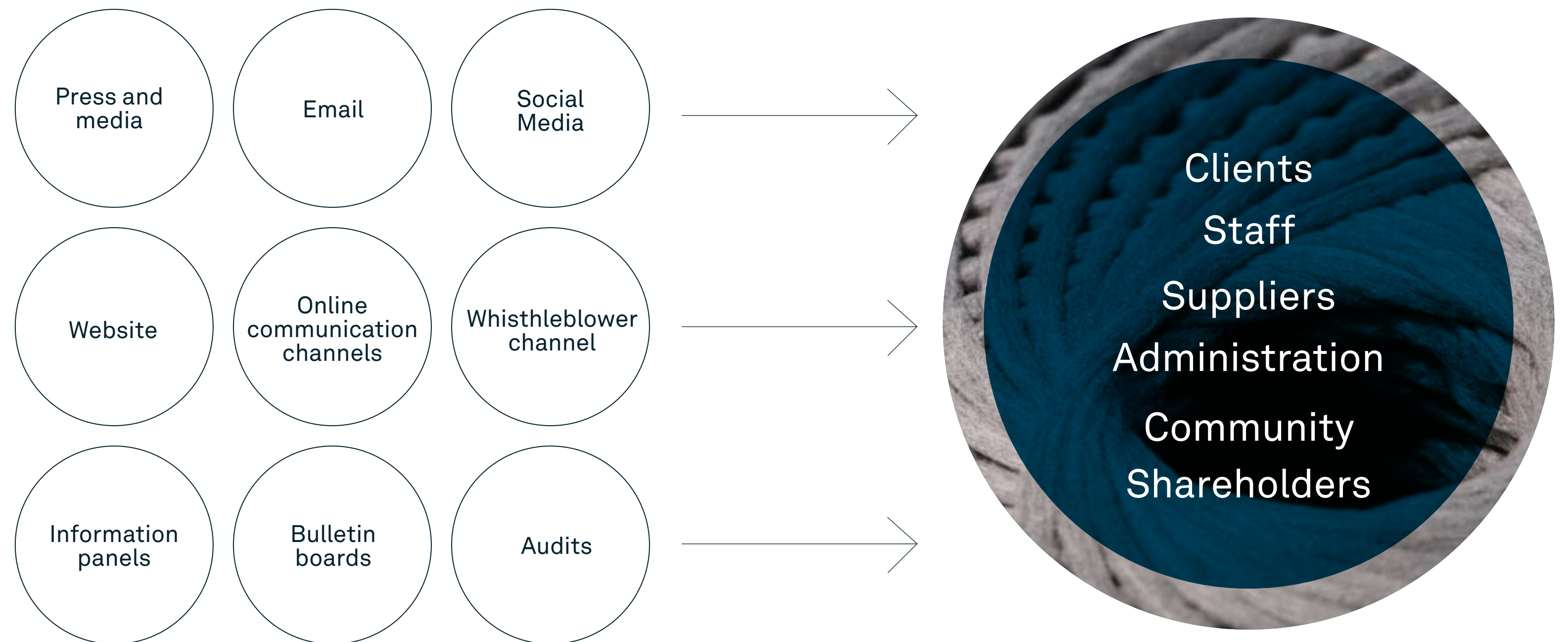
For Ferre, maintaining a constant dialogue with our stakeholders is a key tool to meet their needs and expectations and achieve ethical and responsible management of our activity.

Therefore, we have various information channels to ensure effective, constant and quality communication.

The information regarding Ferre’s activity is available on the corporate website.

We also have profiles on social networks such as Instagram or LinkedIn, where we regularly inform about the projects we carry out.

Our stakeholders and main communication channels are the following:



4.3 Ethical and responsible governance

Code of Conduct

Our “CODE OF CONDUCT FAITH GROUP - FERRE”, defines the values, ethical principles, and behavioral guidelines that govern the actions of all the people who are part of our organization.

Compliance with legality Respect for the principle of legality through compliance with the rules and cooperation with the authorities and institutions responsible for ensuring justice.

It constitutes a common framework for action in the development of professional activities of the people who are part of the organization and in relations with interest groups.

Below we name the values and ethical principles that form the basis of our code of conduct:

Compliance with legality

Respect for the principle of legality through compliance with the rules and cooperation with the authorities and institutions responsible for ensuring justice.

Permanent technological innovation

We are committed to constant investments in new technologies.

Ethical behavior, principle of transparency and honesty

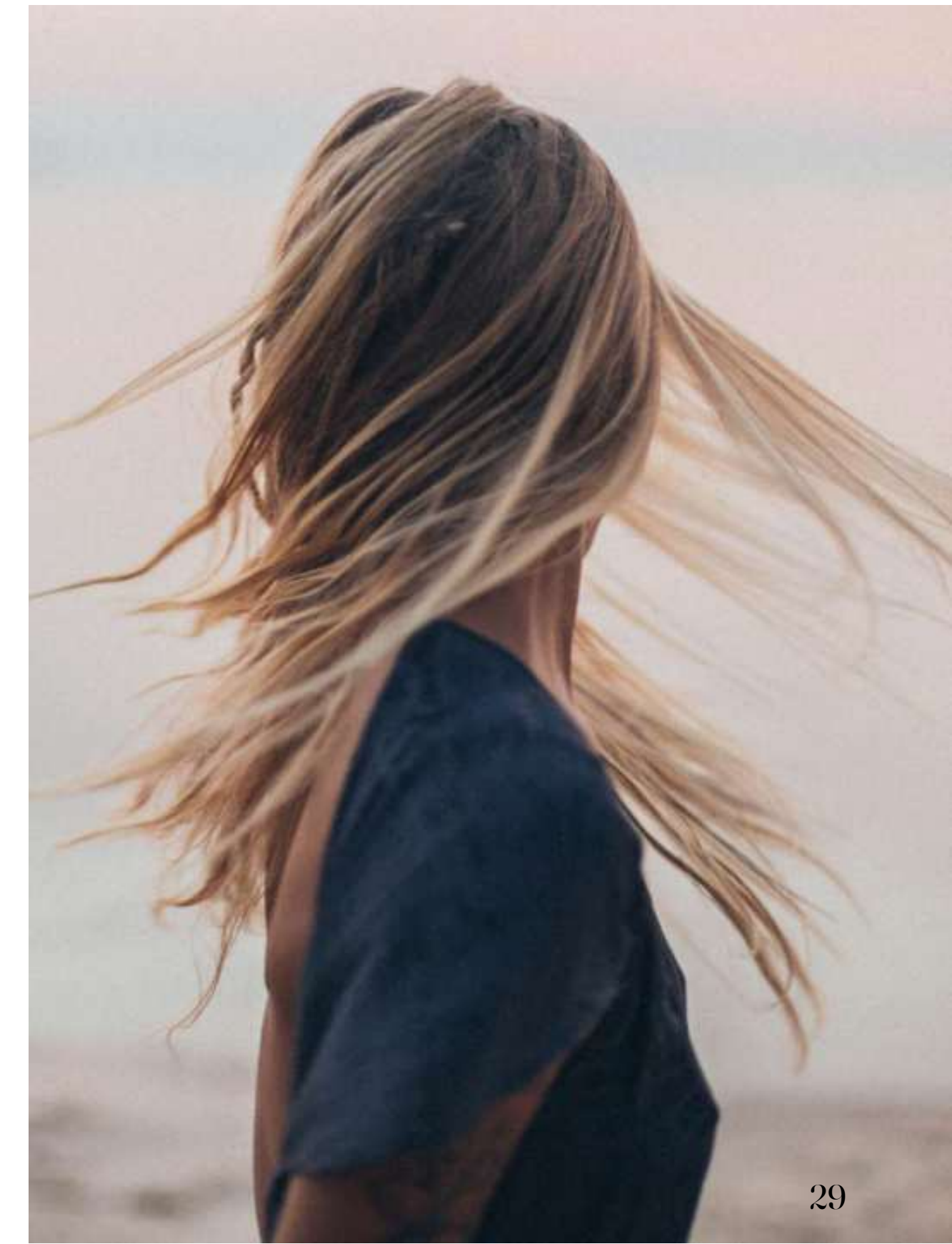
Ensure ethical behavior on the part of all members, based on universal principles such as honesty, integrity or transparency.

Equality and respect for human and labour rights

Commitment and respect for Human Rights internationally recognized in the Declaration Universal Human Rights, the Organization International labor (ILO) and the United Nations Global Compact.

Sustainable with the environment

Commitment to environmental protection. Since 1947, we have grown with the firm conviction that recycling is the most innovative way to transform the fashion industry.



1. Ethical and responsible governance

Social responsibility policy

Our “SOCIAL RESPONSIBILITY POLICY” establishes a frame of reference based on the values of our organization.

Through this policy we adopt the commitment to introduce social, environmental, trust and transparency and good governance issues into the company’s strategy.

Environment

- Comply with the legal and regulatory requirements that apply to us.
- Maintain a preventive approach that favors the environment.
- Encourage initiatives that promote greater environmental responsibility.
- Encourage the development and dissemination of environmentally friendly technologies.
- Promote and improve good environmental practices in our company.
- Make purchases and investments also assessing sustainability criteria.

Quality

- Guarantee our customers the quality of our products and services.
- Maintain close and professional contact with our customers and encourage continuous improvement in all processes.
- Promote training, participatory management and professionalism of the organization.
- Be innovative in processes, product development and in the area of marketing and communication.

Human rights

- Do not use or support the use of child labor.
 - Not to permit or use any form of forced or compulsory labour.
 - Provide relevant instruments to enable all workers to associate freely and bargain collectively.
 - Do not allow any type of discrimination based on sex, race, ethnicity, sexual orientation or otherwise.
- Promote and protect cultural diversity.
- Ensure that basic wages always comply with the legal regulations or minimum rules established by each respective industry, so that they are sufficient to cover the basic needs of the staff.

Labor practices and decent work

- Establish a safe and healthy work environment, taking appropriate decisions to prevent accidents and damage to health caused during work activity or associated with it, reducing as far as possible, the causes of the risks inherent to the work environment.
- Ensure that all workers, including new workers, receive regular and documented training and information on occupational health and safety at each job.
- Establish systems to detect, avoid, or respond to potential risks to the occupational health and safety of all workers.
- To maintain optimum hygienic and sanitary conditions so that the basic needs of workers at the workplace are met.

4.3 Ethical and responsible governance

United Nations World Compact

In Ferre, we are adhered since 2011 to the UNITED NATIONS GLOBAL COMPACT, the largest initiative to promote Sustainable Development and corporate social responsibility.

With this accession, we have made a firm commitment to support the Ten Universal Principles based on four pillars: Human Rights, Labour Standards, Environment and Anti-Corruption.

Our goal is to incorporate the Ten Principles and the Sustainable Development Goals into the sustainability strategy.

Human rights

Principle 1

«Support and respect the protection of fundamental human rights, within their sphere of influence»

Principle 2

«Not being complicit in the violation of Human Rights»

Labor standards

Principle 3

«Support freedom of association and recognition effective right to negotiate collective»

Principle 4

«Support the elimination of all forms of forced or coerced labor»

Principle 5

«Supporting the eradication of child labour»

Principle 6

«Support the abolition of discriminatory practices in employment and occupation»

Environment

Principle 7

«Maintaining a preventive approach that favours the environment»

Principle 8

«Encourage initiatives that promote greater environmental responsibility»

Principle 9

«Promoting the development and diffusion of environmentally friendly technologies»

Anti-corruption

Principle 10

«Work against corruption in all its forms, including extortion and bribery»



4.4 Innovation and development

Our commitment to modernization, energy savings, improved productivity, cost savings and improvement of the final product, among others, are backed by economic investments that, for us, are of a very considerable magnitude.

At Ferre we are aware that to be leaders in our sector we must bet on technological innovation of processes and products.

The investments carried out in recent years have allowed us to modernize our machinery, improve product quality, reduce energy consumption per unit of production, reduce delivery times, make production more flexible and make items more adjusted to the demand of our customers, this allows us to store less and produce what the customer needs.

In addition to the investment in machinery, we have invested time, capital and efforts supporting the University of Valencia in the preparation of the study “Environmental impact of Recover cotton in textile industry”, which we will detail in the next section.

In recent years, the value of the investments made exceeds 4 million euros, with the most significant investments in recent years being the following:

2022

Investments in environmental and productive improvements:

- Expansion of photovoltaic solar plant.
- Renovation of state-of-the-art spinning machinery to increase production capacity.

2021

- Renovation of luminaires by state-of-the-art LED screens.
- Replacement of a diesel truck with an electric one.

2020

- LIFE-REWEART “A 100% real circular economy process for vegane-organic-recycled footwear”.

2019

Lighting renovation. LED.

2018

- R+D project for the development of new processes for obtaining yarns for fashion and home textiles.
- “Business Intelligence” project.

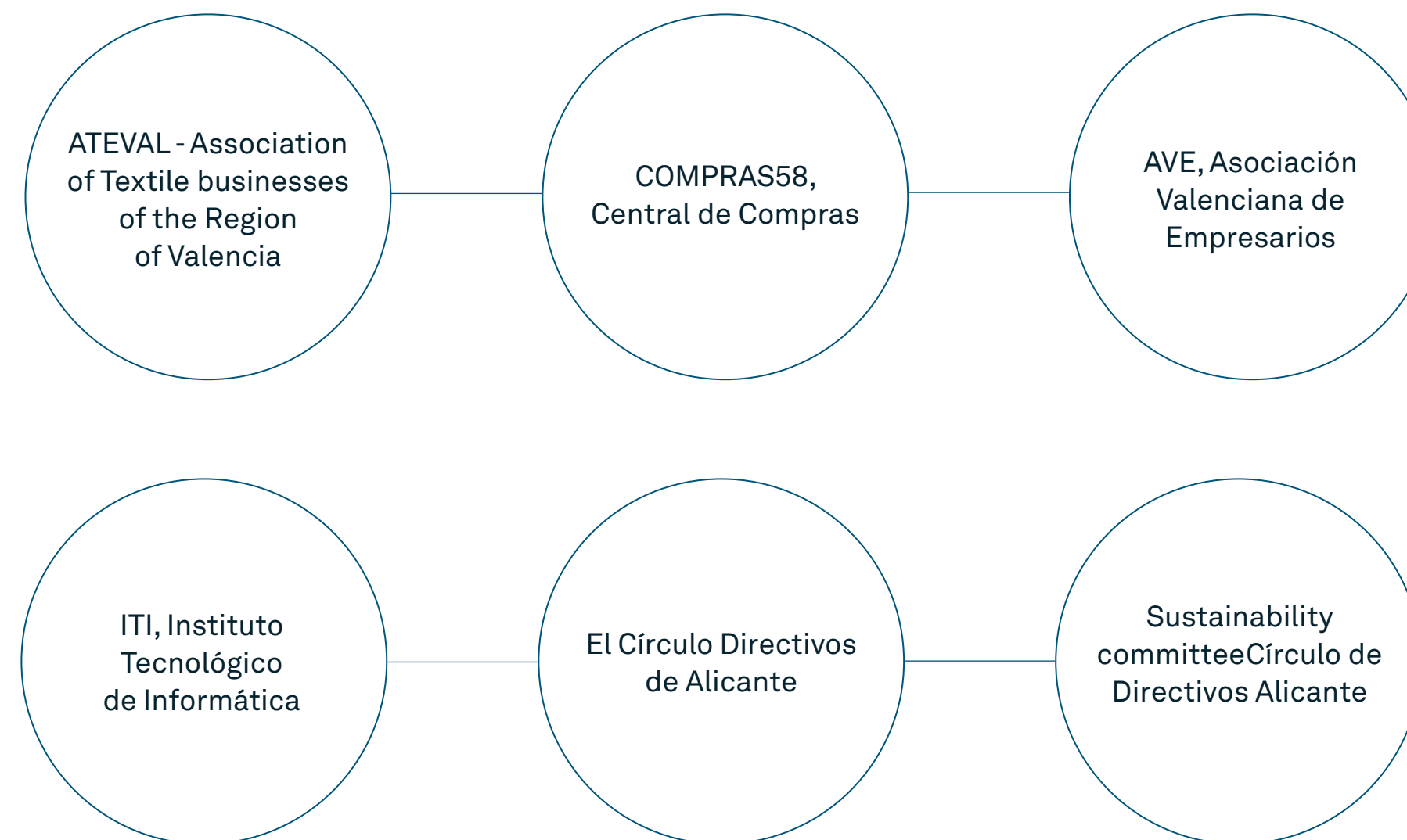
4.4 Innovation and development

Our Strategic Plan reflects, as one of the important activities to be developed, the communication of our values to our customers, suppliers, internal and external partners, and other stakeholders involved in our project.

For Ferre, the value SUSTAINABILITY is, without a doubt, the most outstanding element in our company, since it is an essential part of our business model, since our yarns are manufactured mostly from textile waste.

We understand that partnership and collaboration are strength. Therefore, we belong to different associations and technological institutes that allow us to access research, new knowledge, and ideas, at the same time it helps us to know the trends of society and markets.

These alliances place us in a strategic position to anticipate the regulations and developments that may affect our sector and accompany us on the path to excellence and continuous improvement.



4.5 Awards and recognitions

2022

Corporate Social Responsibility Award. Ateval.

2020

National Fashion Industry Award, which is promoted by the Spanish Ministry of Industry, Commerce and Tourism, in the Leading Industry category.

2018

AITEX Business Award, in the sustainability category.

2017

Innovative Company Award, awarded by the Spanish Cotton Textile Foundation.

2016

Finalist Triodos Company Awards, which recognize the positive social impact of companies.

2002

Family Business Award, awarded by the Valencia Chamber of Commerce.



05. Environment

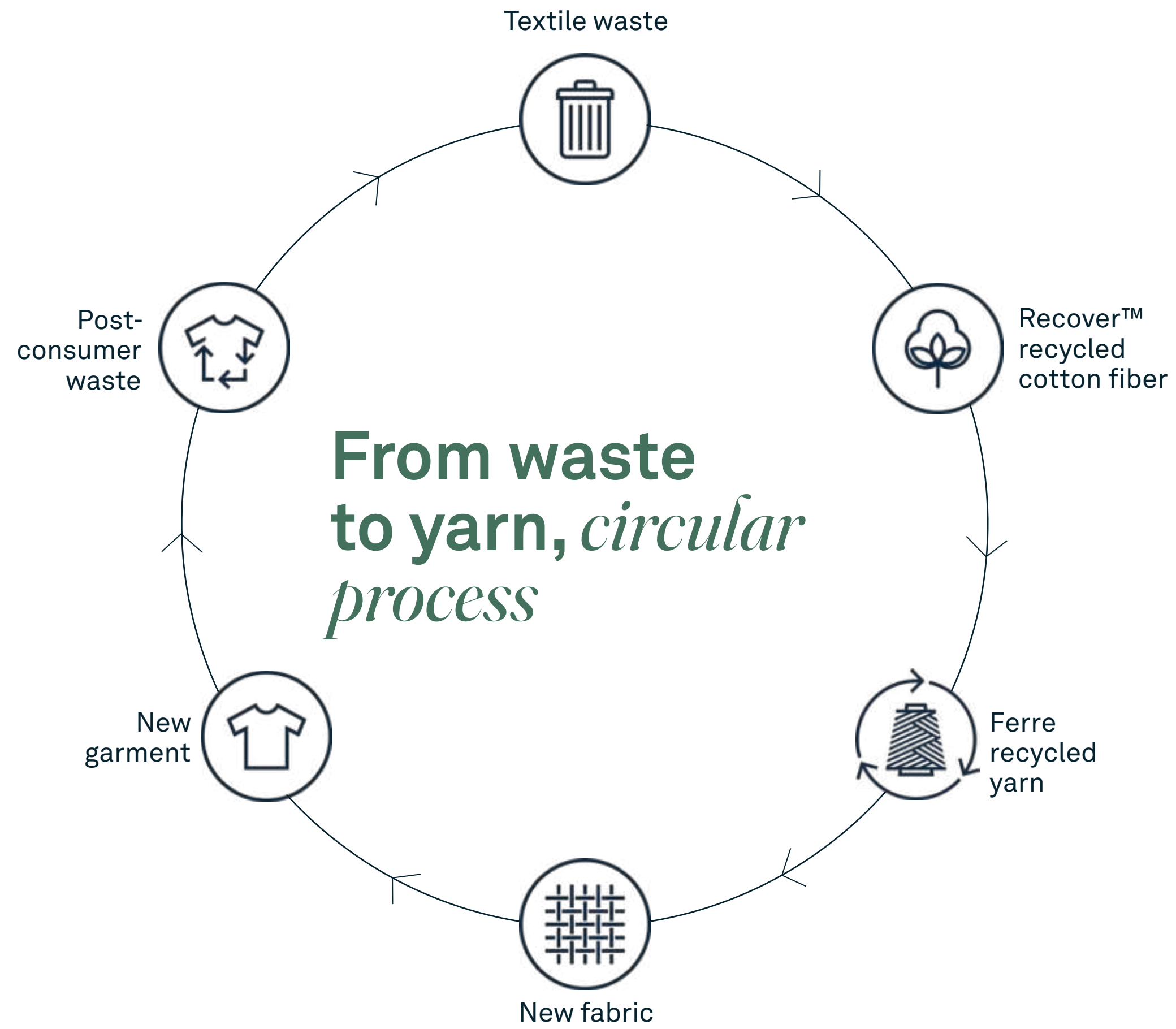
- 5.1. From waste to yarn, a circular process
- 5.2 Our sustainable environmental management
 - 5.2.1 Measuring our environmental impact
 - 5.2.2 Raw materials
 - 5.2.3 Consumptions
 - 5.2.4 GHG emissions
 - 5.2.5 Waste management
- 5.3 Certifications

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In Ferre it is essential to talk about *Good Corporate Governance*, understood as the way in which the members of the Board of Directors and the management team exercise their functions *under the principles of diligence*, ethics and transparency.



From waste to yarn a circular process

The limitation of available resources in our sector forces us to think about more efficient alternatives with the environment in mind. One of these alternatives is reusing leftover material generated as inputs or raw material in the same or in other industries.

In this sense, the circular economy concept has awoken the interest of organizations and businesses around the world.

For Ferre, after more than seven decades supplying yarn to the clothing industry, circular is a word that runs in our blood. Recycled raw material, zero chemical products, zero water and the lowest possible CO2 emissions. The circular economy models have always had a positive effect and influence in our efficient manufacturing of yarn and have helped us to reduce our impact on the environment.

01. *Textile waste is our raw material*

We use pre and post consumer textile waste as a main source of raw material. Upon doing so, we prevent this waste from heading to landfills or to incineration plants, as well as being less dependent on virgin or finite raw material.

02. *Cotton fibre recycling*

Recover™, our strategic partner in the sustainable supply chain, transforms textile waste into new recycled cotton fibre, ensuring the very best quality and longevity.



03. *The creation of low impact blends*

The Recover™ ColorBlend system mixes recycled cotton fibre without dyeing Recover™ but with other support that have been dyed with less impact (recycled PET, wool and nylon and organic cotton), to create new recycled fibres with accurate and unique colours, without the use of a single drop of water or chemicals.

04. *The blends*

Low impact fibre mixtures are carried out at an industrial level and then put through minor processes in the mixing rooms until the perfect combination of colour precision and performance is reached.

05. *Yarn*

The recycled cotton fibre blends are turned into low impact premium yarns and can be used for all types of fashion, accessories home textiles, in a range of accurate and unique colours.



A family of yarns inspired by the contemporary promise with sustainability and circular fashion

We manufacture high quality recycled yarn for all types of clothing products, accessories and home textiles. Using recycled materials makes our products sustainable as they contribute to reducing waste in landfills, greenhouse gases and a general impact on the environment when compared to products made with non-recycled raw material.

** To improve in this theme we have undertaken the following projects:*

2022 - 2025

NEO-RECYCLING project

2018 - 2022

LIFE REWEART project

2017 - 2018

W-FREE project



This results in high quality recycled yarn, used to create sustainable clothing:

“Sustainable fashion is possible”

NEO-RECYCLING project

The purpose of this project is to research and develop products and technologies with low environmental impact in the textile manufacturing process. Through this project we will achieve:

Reduce the *ENVIRONMENTAL IMPACT* as a result of:

1. Application of new production processes.
2. Acquisition of more efficient technologies that allow us to manage more efficiently the use of energy and water.
3. The eco-design of products considering environmental aspects throughout their life cycle.

Apply state-of-the-art *BIOMATERIALS* in the manufacture of textile products to contribute to sustainable fashion.

Contribute to the *CIRCULARECONOMY* in the waste recovery process in order to obtain textile products with high added value and a reduced environmental impact.

LIFE REWEART project

The objective of this project is to generalise the use of proactive management of waste and material in its design stage whereby we reduce the environmental impact they have when used in footwear.

This gives us the chance to produce a new business model and tools, which when used in the design stage, allow for the best selection of materials and processes to create new footwear that uses organic and recycled material.

W-FREE project

This project enables the study, definition and functionalisation of yarn products via water free technology, with sustainable production values to be applied to end products in clothing and home textile.

To develop this Project, we have obtained funding through the Centre for the Development of Industrial Technology – CDIT, in conjunction with the European Regional Development Fund – ERDF, thanks to the Multiregional Operational Programme for the Growth of Intelligence.

Our sustainable environmental management

Aware of our responsibility in the conservation of the environment and the rational use of natural resources, the sustainable environmental management of our activities is a priority for Ferre.

We measure our environmental impact with the Life Cycle Assessment (LCA) methodology.

We are committed to a responsible use of natural resources and a reduction in CO2 emissions.

We work with natural fibers and recycled fibers. We recycle materials to give them a new value, a new life.

We contribute to reducing the amount of waste that is deposited in landfills



Measuring our environmental impact

The University of Valencia attests to the positive impact on the environment through the use of recycled cotton

In 2016, a study was published that was carried out by the University of Valencia called, “Environmental impact of Recover cotton in textile industry”. This study with which HILATURAS FERRE has collaborated with, analyses the environmental advantages of the life cycle of products that are made through the use of recycled cotton as the raw material in our manufacturing process compared to the use of natural cotton.

This new and much more rigorous study, updated and backed by the University of Valencia, allows us to show estimated data related to the amounts we have saved on: water, energy, polluting materials, greenhouse gases and waste that does not reach dumps, by using recycled natural materials as raw material in the manufacturing process.

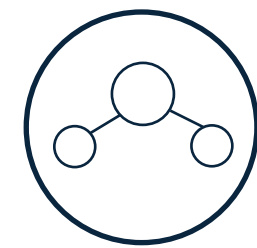
This study analyses the manufacturing process of a garment made from natural cotton compared to one made from recycled cotton. The use of recycled cotton allows us to avoid various phases of the manufacturing process, such as farming, ginning and dyeing and the study even mentions the advantages that come from the transport process. The most important conclusions of the study reveal that the use of recycled cotton against farmed cotton produces some considerable savings that benefit the environment.



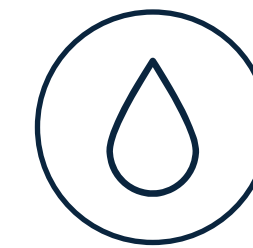
**Estimated savings per ton of recycled cotton vs virgin cotton*



13.980
Kg of CO saved



320
Kg de SO2 saved



15.594.000
Litres of water (máxi-
mum amount) saved



2.487
M² of farmland



55.700
Kwh of energy saved



1.000
Kg of waste that doesn't
go to landfills

According to this study, for every 1 Kg of Recover™ fibre used, we can save up to 15,000 litres of water.

Measuring our environmental impact

In addition to the use of recycled cotton, we also use polyester from recycled PET bottles, giving a second life to this plastic, which would otherwise end up in landfills, and possibly in the sea.

According to the studies we have, for example, we can see a comparison of the beneficial impact of using our **FJEANS yarn (50% recycled cotton, 50% recycled cotton).**



11,4
Kg de CO2 saved



0,57
Kg pollutants (pesticides, fertiliser, dyes...) saved



7.464
Millions of litres of water saved



1,4
M2 of cultivated surface



28
KWh of energy saved

Estimated savings per ton of recycled cotton vs virgin cotton

FJEANS



TENCEL™



Measuring our environmental impact

What environmental saving did we achieve with our products in their full life cycle in 2021?

We use the Life Cycle Assessment (LCA) methodology to measure the environmental footprint of all of our products from cradle-to-grave. For this, we observe metrics such as the carbon footprint, the water footprint, the use of chemicals and others. This assessment of the environmental impact of our products has been third-party reviewed by AITEX, Universitat de València and UNESCO, to ensure transparency.

We share our metrics with manufacturers and brands because this is not just about reducing our impacts, this is also about creating sustainable supply chains and meeting consumer demand for true transparency in fashion.

Our environmental savings in 2022



24,961
Millions of liters of water saved



93,6
Million kWh of energy saved



38,1
Million kg of CO₂ emissions saved



62,6
Million PET bottle units saved



1,9
Million kg of chemicals saved



4,2
Millions of m² of arable land preserved arable land



1,7
Million kg textile waste recycled

Raw materials

The total meters of yarn produced during 2022 amounts to 132,315 million meters, most of the raw materials used for its manufacture, come from recycled fibers:

Of the total raw materials consumed to produce our yarns, **80.8%** come from recycled fibers



Recycled cotton

62%



Recycled PET

18,6%



Recycled wool

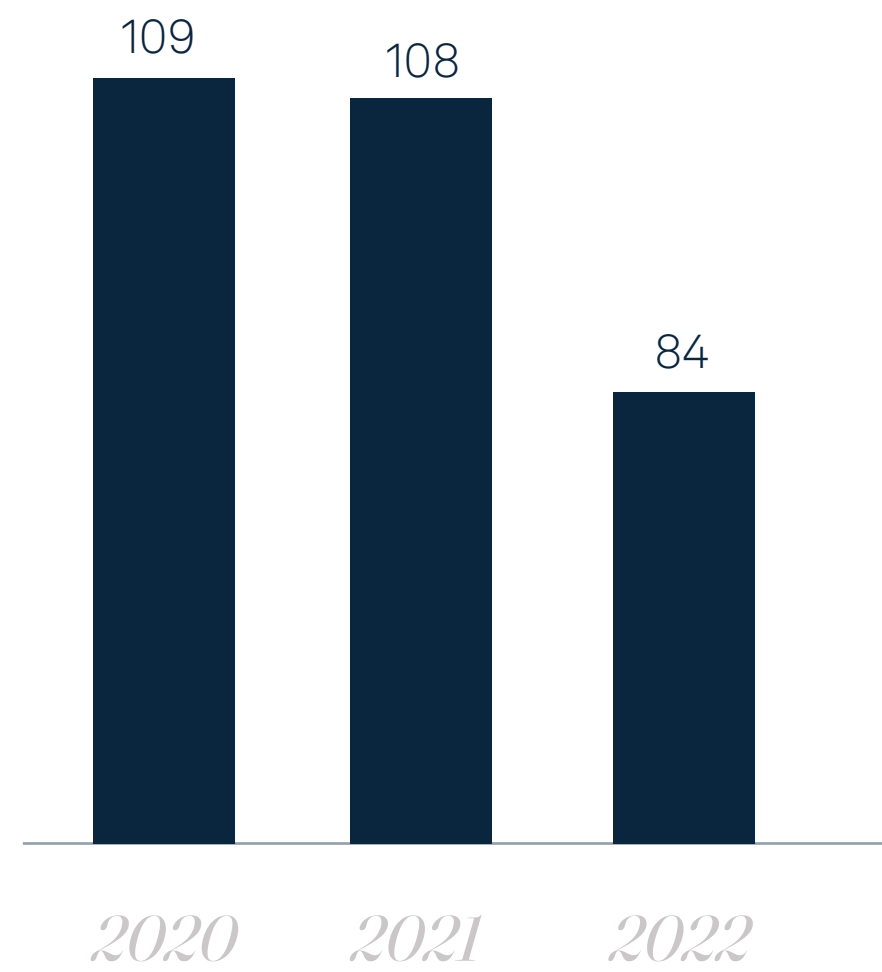
0,2%



Consumptions

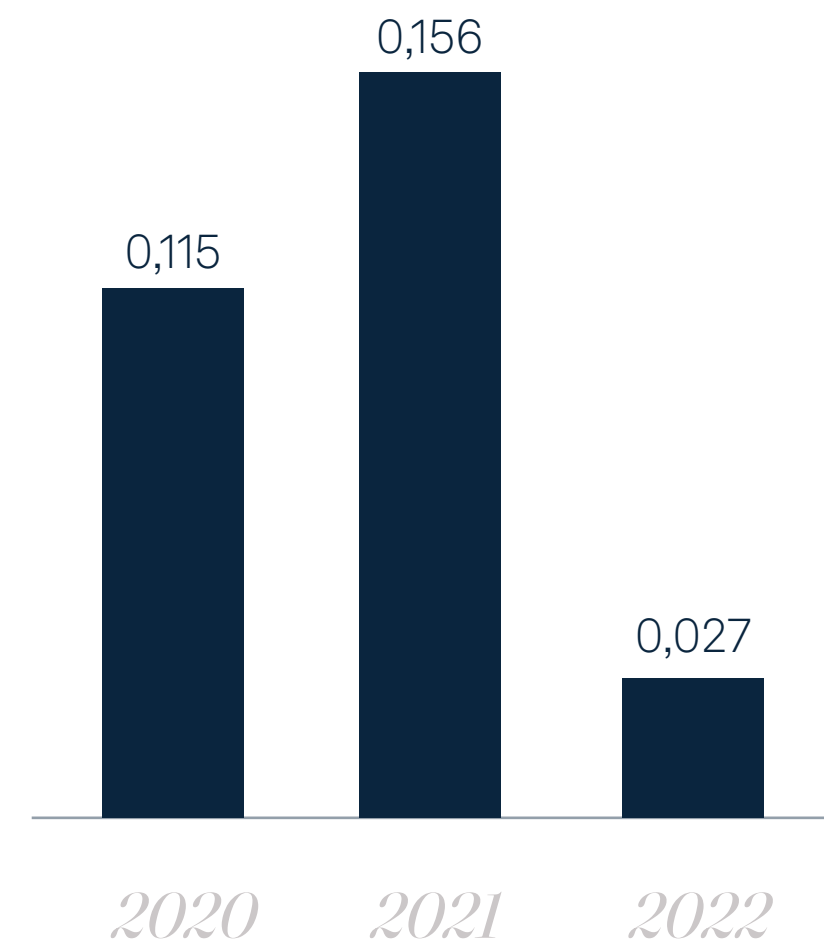
Electricity ↓ 18,2%

Electricity (Kwh)/ unit of production



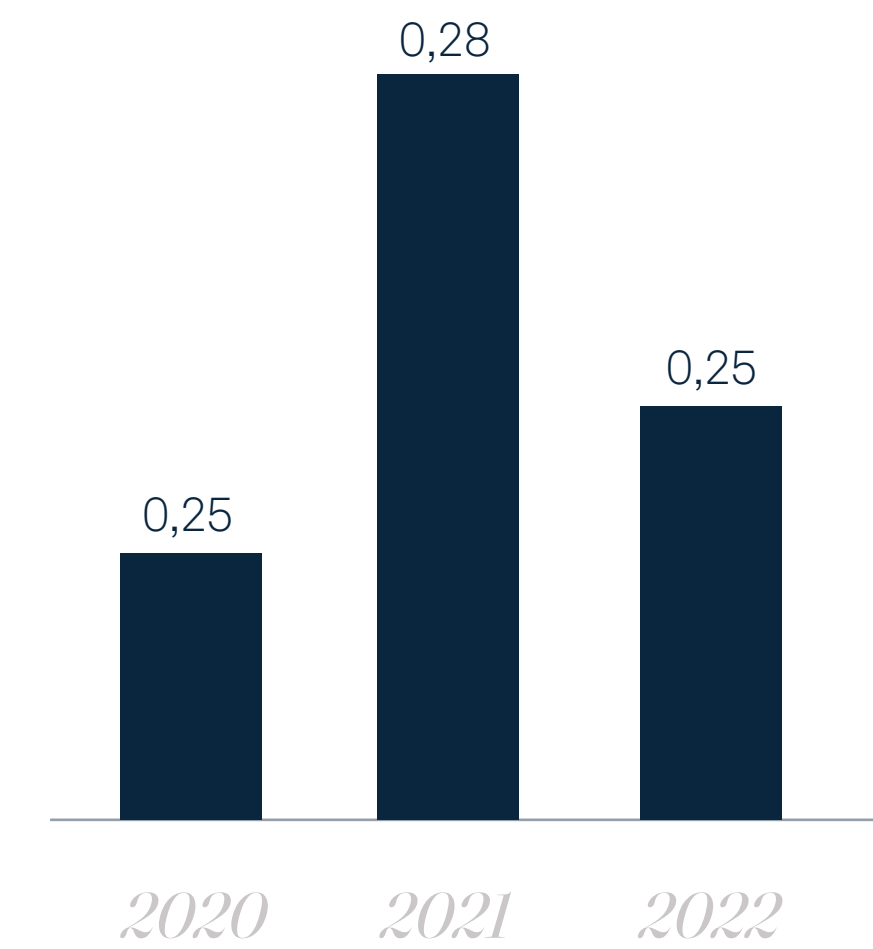
Fuel ↓ 81,7%

Diesel (litres)/production unit



Water ↓ 6,1%

Water (m3)/ production unit



GHG emissions

The calculation of the carbon footprint, a commitment in the fight against climate change

As part of our commitment to the fight against climate change, we maintain a firm commitment to reduce greenhouse gas emissions associated with the development of our activities.

In 2022, and for the sixth consecutive year since 2016, we have calculated and registered our Carbon Footprint in the Registry of carbon footprint, compensation and carbon dioxide absorption projects of the Ministry for the ecological transition and the demographic challenge.



The “I calculate and reduce” seal means that Hilaturas Ferre is registered in the “carbon footprint and greenhouse gas emission reduction commitments” section of the Registry and that it has complied with the commitments acquired to reduce emissions.

GHG emissions

The scope of the calculation of the Carbon Footprint is our facilities located in Banyeres de Mariola (Alicante). For the calculation of the Carbon Footprint corresponding to the 2022, the following emissions have been considered:

*** SCOPE 1**

- Direct emissions.
- Emissions emitted directly by the company.

*Vehicle fleet:
Trucks and vans.*

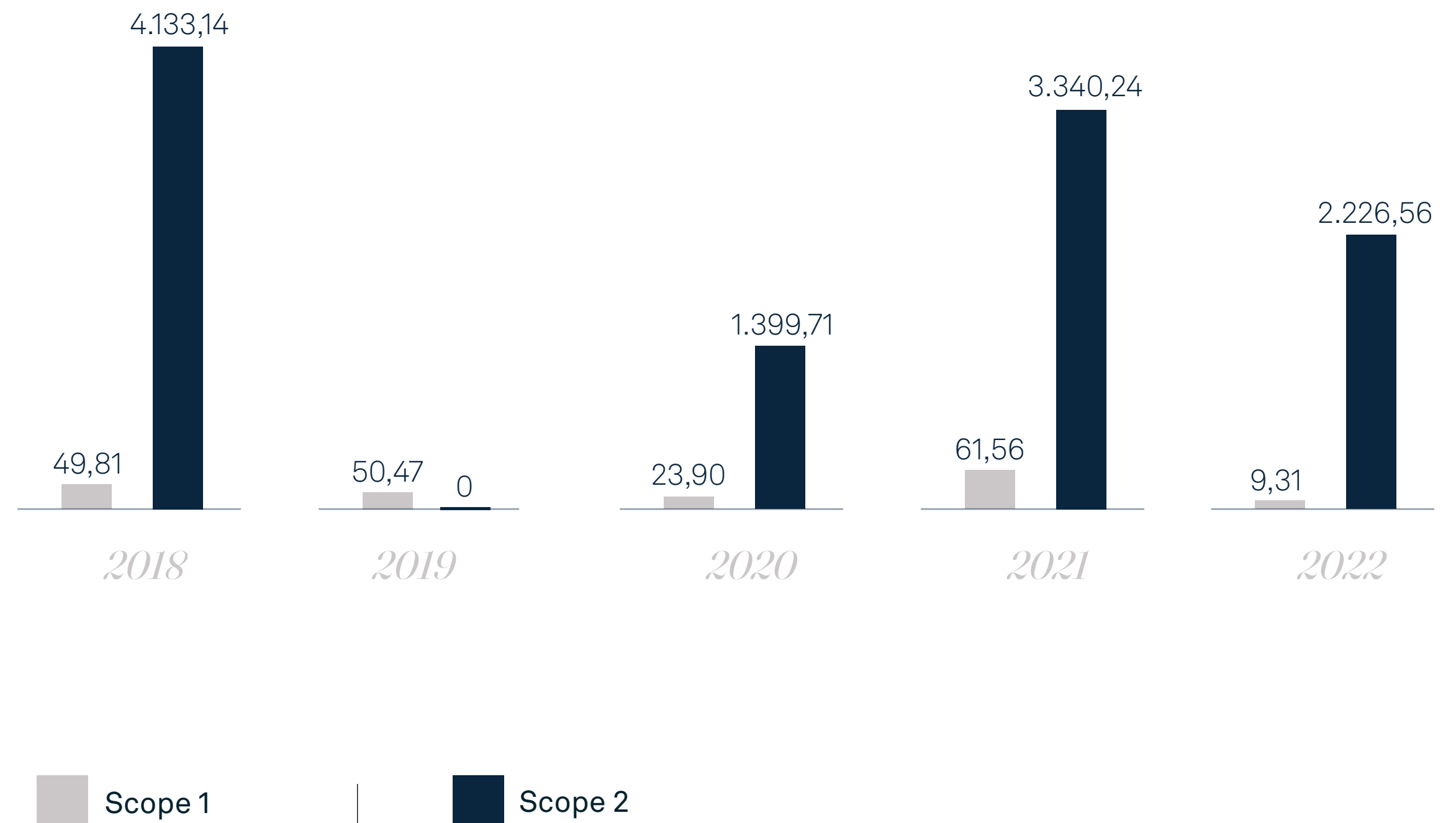
*Mobile machinery:
Forklift*

*** SCOPE 2**

- Indirect emissions.
- Emissions associated with electricity consumption.

*Vehicle fleet:
Trucks and vans.*

GHG EMISSIONS (TCO2EQ)



GHG emissions

The set of actions we have carried out in terms of energy efficiency together with the commitment to renewable energies, has resulted in the reduction of our emissions in recent years.

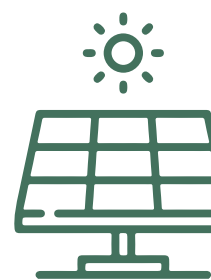
- Obtaining clean electrical energy thanks to the installation of photovoltaic solar panels.
- Commitment to investments in technological innovation to increase the quality and efficiency of our processes.
- Commitment to renewable energy marketers .

The favorable results of recent years encourage us to continue with the efforts to continue reducing our CO2 emissions and continue working with the actions contemplated in the Carbon Footprint Reduction Plan, aligning ourselves with European and national policies that seek to achieve carbon neutrality by 2050.

During 2022



26% of the electrical energy consumed comes from renewable energy sources.



The share of self-consumption, that is, the ratio between photovoltaic solar energy consumed and produced, stood at **8%**.



Waste management

For Ferre, optimal waste management is essential to move towards a circular economy and contribute towards a more sustainable future. Therefore, firstly the main priority for Ferre is the prevention in the generation of waste, and, secondly, to work actively to improve the separation and its treatment.

Year after year, our goal is to increase the amount of waste recovered, that is, to extend its useful life through reuse and prevent it from ending up in landfill. It is, therefore, that this waste serves as raw material for other processes.

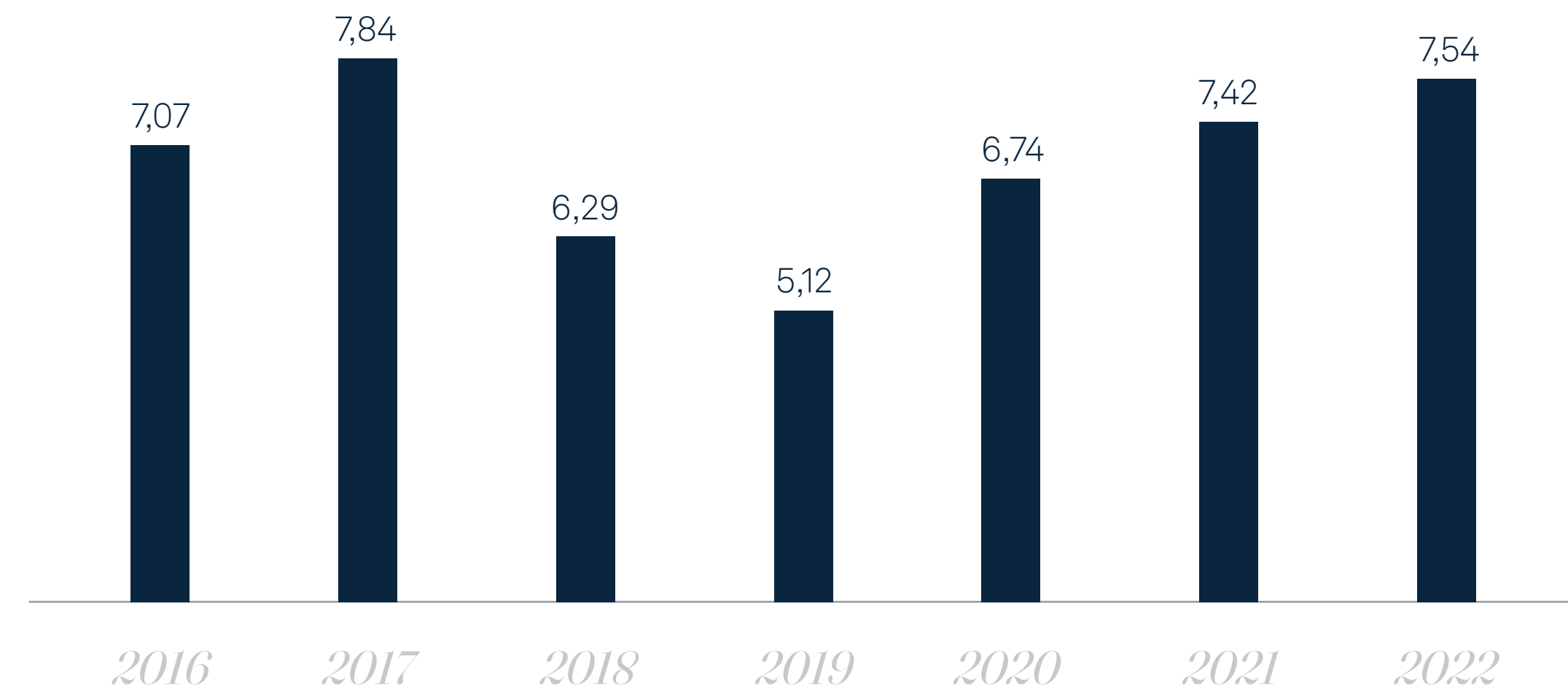
The packaging we use to deliver the rolls of yarn are bags, pallets and cardboard boxes: part of the pallets supplied are returned, while the bags and cardboard boxes are returned. They become waste in the facilities of our customers.

Aware that forests provide numerous goodand.

By 2022, 100% of the new pallets we have acquired have PEFC certification, which guarantees the sustainable origin of our packaging.

KG RECOVERABLE WASTE / PRODUCTION UNIT

Production unit = 1,000 km of yarn



During 2022, we have recovered 99.99% of the total waste generated.



This certification guarantees through the Chain of Custody the traceability of forest products, promoting the sustainable management of forests to achieve a social, economic and environmental balance of the same.

Certifications

The customer is the final recipient of our product, and when we say end user, we do not think of the machine that will use our thread, but in that person who will use a garment made with our thread.

At Ferre, we are pleased to think that this final product will satisfy the need for which the customer has purchased it, and that it will not cause any harm. It is for them, for which we think of giving the highest quality to our article, and we subject it to the strictest controls, that is why we have the OEKO-TEX 100 and GRS certifications.

These certifications oblige the company to carry out methodical analyses and controls that guarantee the quality and safety of our products. The number of articles submitted for review has been progressively increasing, reaching the current figures of which we are very proud.

99.6% of Ferre yarns are certified with **OEKO-TEX STANDARD 100**



99.4% of total production is certified with the **Global Recycled Standard (GRS)**



In addition, 100% of our products comply with the labeling standards of the market, leave our facilities correctly identified and complying with the certifications that each article has.



Certifications

The quality and safety of our products is a very important aspect for us. That's why we put them to demanding verification tests on an annual basis, such as the OEKO-TEX 100 certificate, the GLOBAL RECYCLE STANDARD (GRS) and the OCS BLENDED (Organic content standard).

OEKO-TEX 100

Through the OEKO-TEX 100 regulation, we can affirm that our products contain zero harmful substances. This is a special regulation for the textile sector and has a list of over 300 products that can be harmful to one's health or damage our environment. In this regard, we study all Safety Labels on all of the new products incorporated since the latest renewal of the certificate, whether they come from new suppliers or habitual ones.

Based on this study, we can determine what kind of analysis must be done, what raw material and what quantity, with the aim to guarantee that our yarn is devoid of any harmful substances. This procedure also helps us evaluate suppliers, new supplies and also as a way to demand the highest levels in this aspect from our current suppliers.

By complying this regulation, we attest to complying the requirements of annex XVII of the REACH regulation (including the use of azos, nickel, etc.) and the criteria from America regarding the amount of lead that children's clothing contains.



GLOBAL RECYCLE STANDARD (GRS)

This certificate guarantees that all of our yarn is from mostly or entirely recycled raw material. It's a very prestigious certificate in the world of textiles and we are immensely proud to have obtained it.

The GRS certificate is dedicated to companies that are especially in the sector of textiles that manufacture or sell products with recycled contents. This certificate applies to the whole company supply chain and focuses on traceability, environmental principles, social and communicational aspects and brand.

This certificate does not only guarantee that our products come from recycled material and that they benefit the environment, but also that they are produced while respecting social and environmental principles and necessities.

Every year we are audited by a third party, totally independent from our organisation, who check and prove that we comply with all of the mentioned requirements.



Certifications

OCS BLENDED / ORGANIC CONTENT STANDARD

Ferre is OCS certified. The Organic Content Standard (OCS) applies to any non-food product containing 5-100 percent organic material.

It verifies the presence and amount of organic material in a final product. Further OCS tracks the flow of a raw material from its source to the final product. This process is then certified by an accredited third party.



06. Social

6.1. Our team

6.2 Staff training

6.3 Equality, diversity and non-discrimination

6.4 Health and safety in the workplace

Sustainability
REPORT

2022





At Ferre we are aware that a *diverse and inclusive* work environment is not only beneficial for the people who are part of the organization, but also to contribute to the *continuous improvement of our business* performance.







Our team

The manufacture of our recycled yarns would not be possible without the people who are part of the Ferre team. The experience, talent and commitment of more than 90 people who work in our organization have made possible the continuity and growth of Ferre during all these years.

In this sense, one of the most important values for our organization are people. Therefore, we provide them with the best job opportunities, we are committed to continuous training as a fundamental pillar for their professional development, we promote a work environment based on ethical behavior, respect and equal opportunities and, above all, we provide optimal conditions of prevention for the development of work safely.

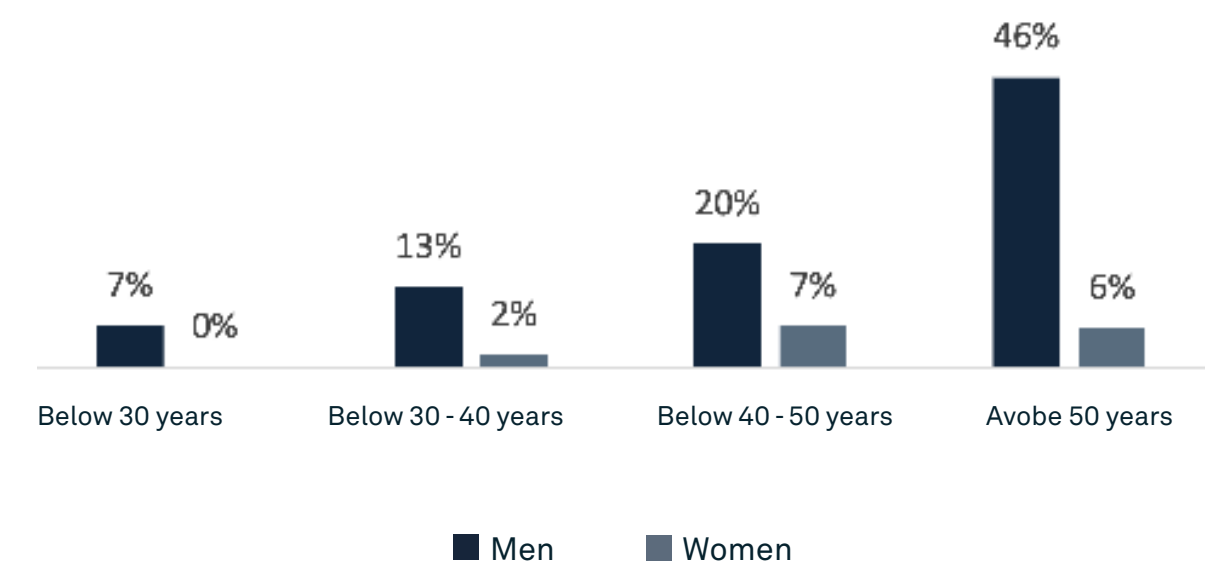
At Ferre, we are committed to generating and maintaining stable employment: **95% of the workforce has an indefinite contract.**

<i>*2022</i>	% Growth of women in the workforce	+ 53,4 % compared to 2020
<i>*2022</i>	% fixed staff growth	+ 8 % respect to 2021

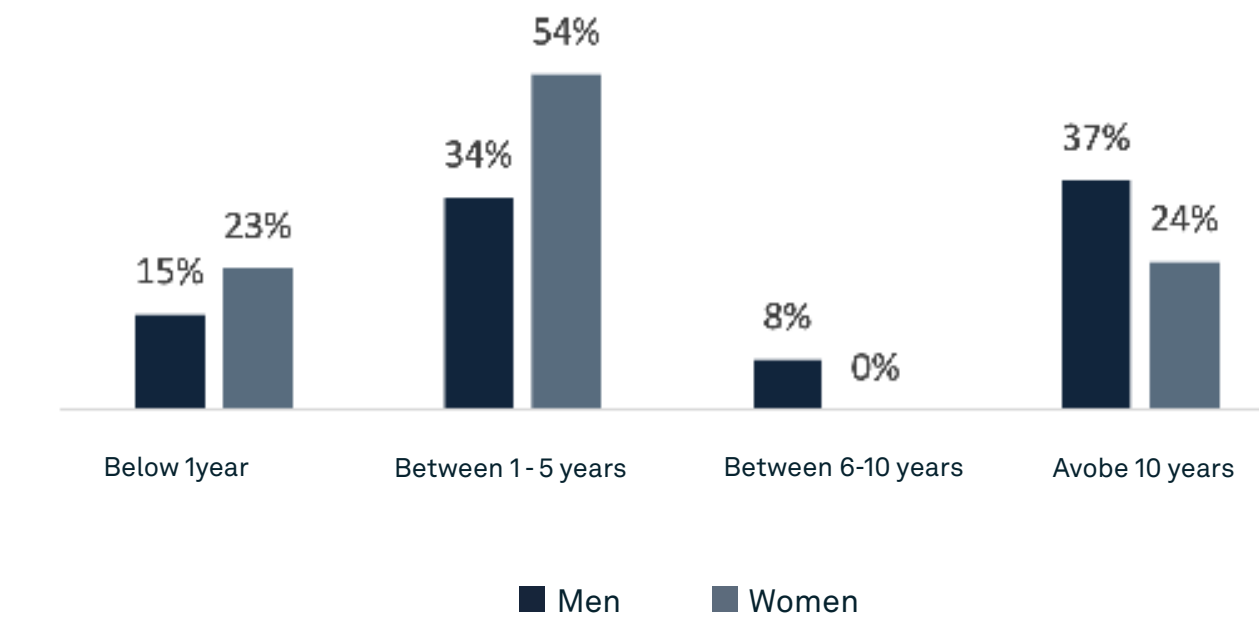
<i>Staff distribution people</i>		<i>Staff distribution by sex</i>	
<i>2022</i>	95	 15%	 85%
<i>2021</i>	98	 12%	 88%
<i>2020</i>	96	 10%	 90%

Our team | 2022

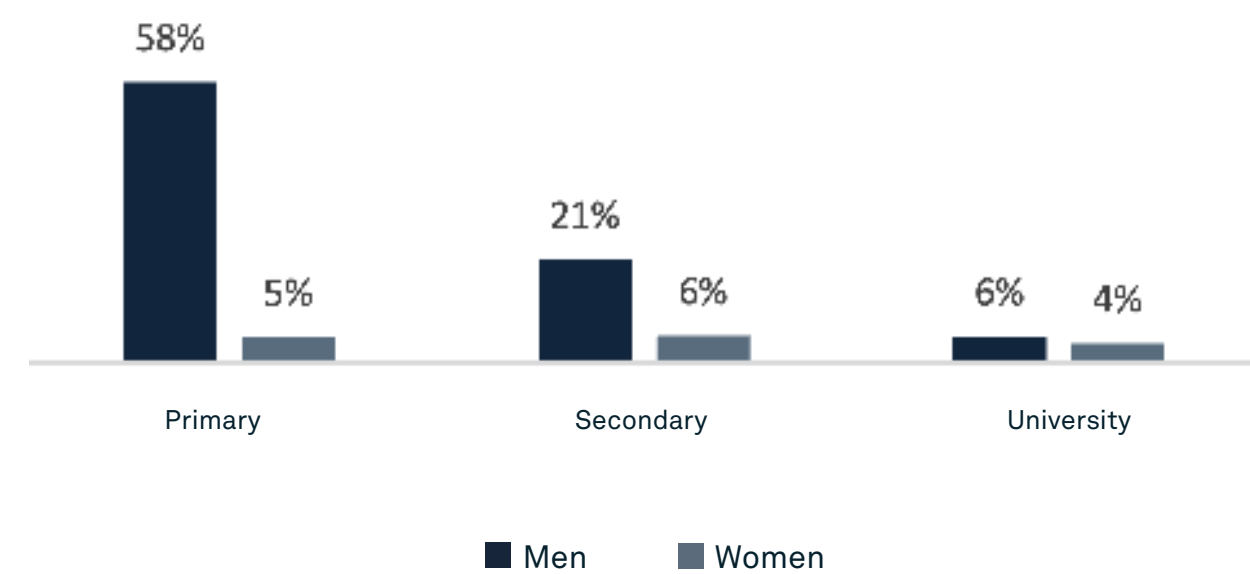
Distribution of the workforce by age



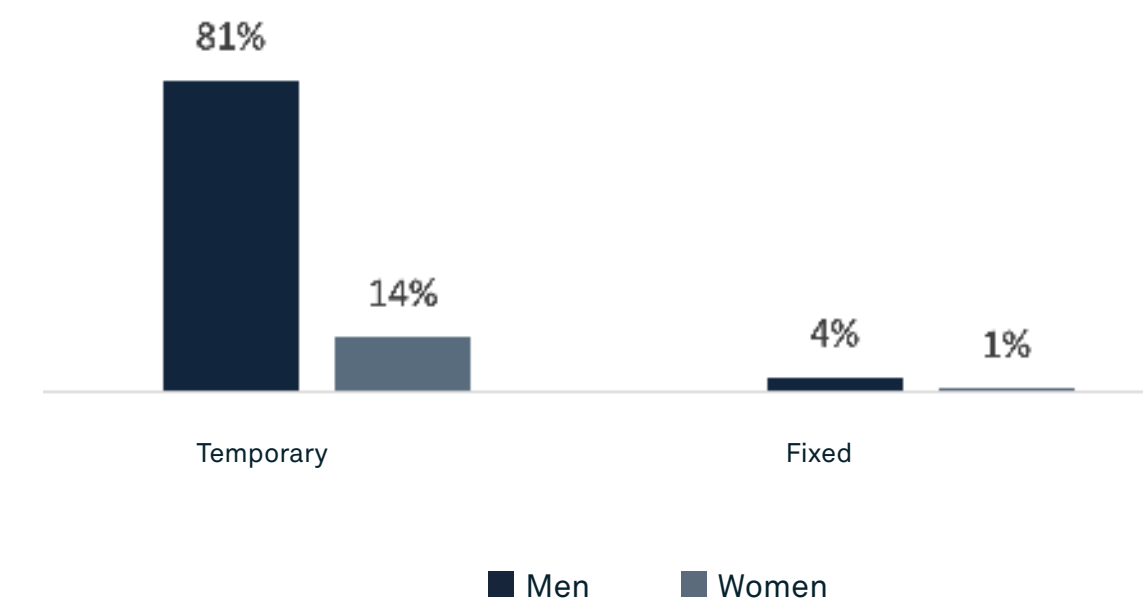
Distribution of the workforce by seniority



Distribution of the workforce by level of education

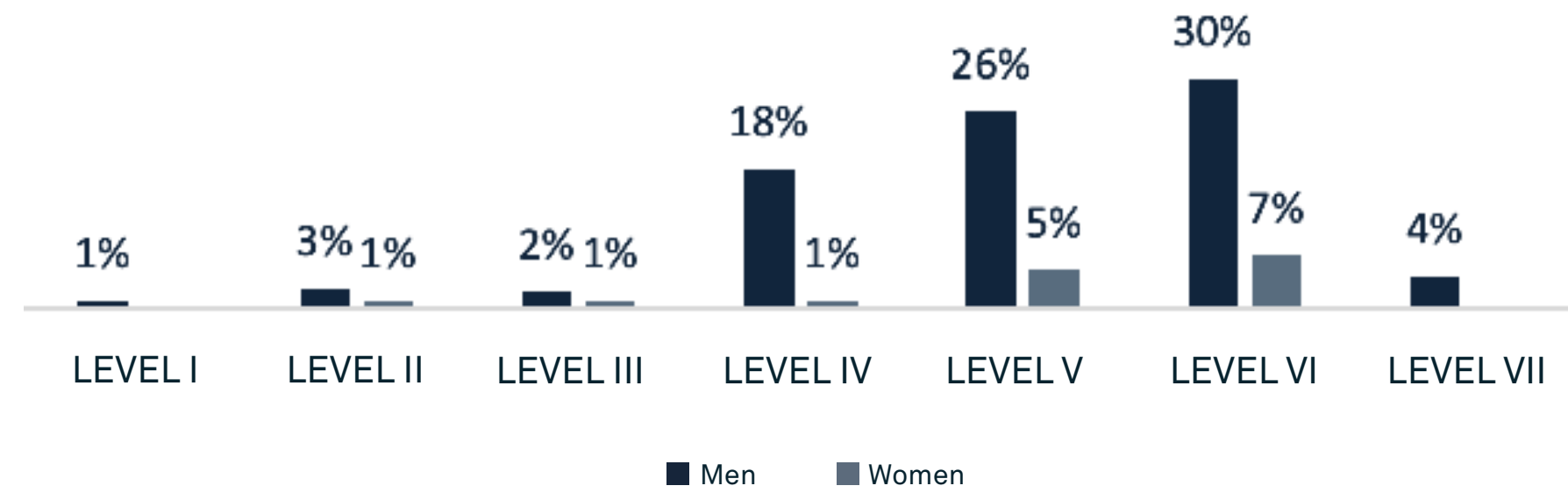


Distribution of the workforce by type of contract

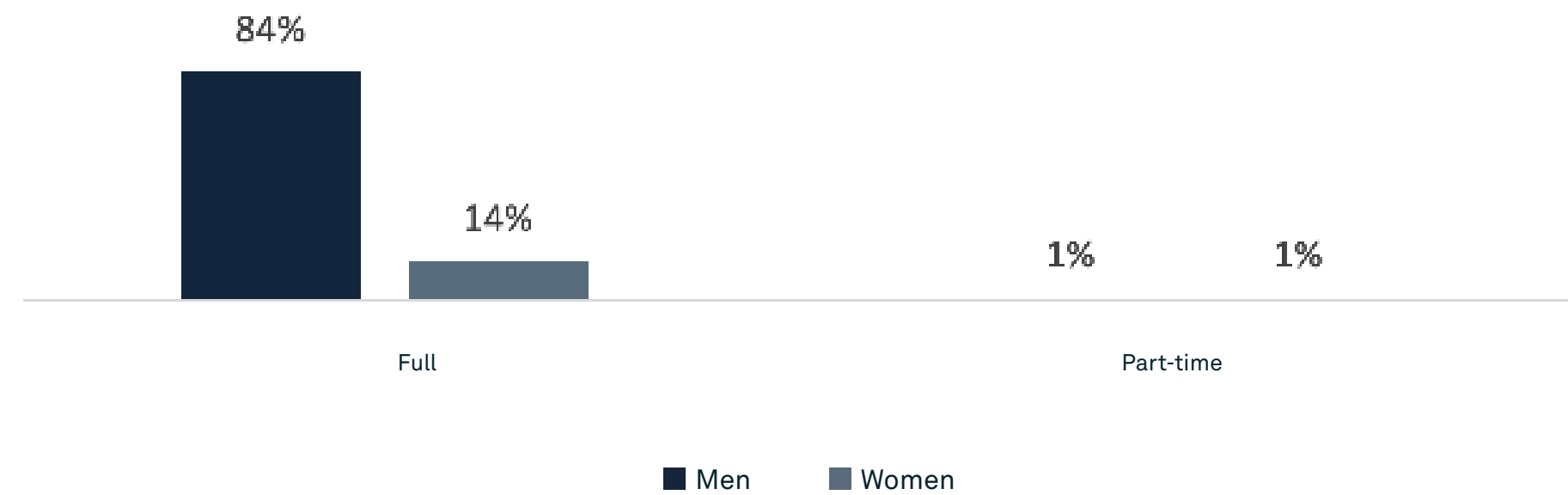


Our team | 2022

Distribution of the workforce by professional category



Distribution of the workforce by type of working hours



Level 1

General management.

Level 2

Commercial, production and operations management.

Level 3

Sales and production managers.

Level 4

Middle managers and technical staff.

Level 5

Production, warehouse, maintenance and general and administrative services officers.

Level 6

Preparation and spinning specialists, warehouse specialists and laboratory assistants.

Level 7

Warehouse, production, maintenance and general services assistants.

Our team

Within the premises of hiring new personnel, factors such as the proximity of the place of residence to our workplace have prevailed, in order to promote the reconciliation of work, personal and family life and promote the economic development of the area. In addition, this factor promotes sustainable mobility by reducing greenhouse gases caused by job displacement.

At Ferre, we promote sustainable mobility: **86.08%** of our workforce has their place of residence less than **30km away**.

Place of residence	Staff – average	Distance to work (km)
BANYERES (ALICANTE)	35,03	1
ALBAIDA (VALENCIA)	0,5	30
ALCOI (ALICANTE)	36,36	21
ALFAUIR (VALENCIA)	0,31	60
ALICANTE (ALICANTE)	1,98	70
BENEIXAMA (ALICANTE)	1	14
BOCAIRENT (VALENCIA)	1,6	13
CANYADA (ALICANTE)	1	17
CASTALLA (ALICANTE)	1	26
CAUDETE (MURCIA)	0,78	37
COCENTAINA (ALICANTE)	1,05	32
ELDA (ALICANTE)	1	50
IBI (ALICANTE)	1	20
ONIL (ALICANTE)	1	15
SAN VICENTE DEL RASPEIG (ALICANTE)	0,28	49
ONTINYENT (VALENCIA)	0,04	20
PETRER (ALICANTE)	3,26	46
VILLENA (ALICANTE)	8,05	28
XÀTIVA (VALENCIA)	0,2	46

Staff training

At Ferre, we are aware that continuous training helps to boost the professional and personal development of our team. The training we offer equips our people with the tools and mechanisms they need to perform their duties more confidently, manage and manage their duties and effectiveness, being the most relevant areas of training those related to occupational risk prevention and on-the-job training.

For Ferre, training is essential for development professional and personal of the people who are part of our organization.



Training in occupational risk prevention (OHS)

The training in risk prevention and occupational safety aims to make employees aware of all the risks and preventive measures that may be found in their workplace.

2022 | 132 hours 2021 | 114 hours 2020 | 44 hours

On-the-job training

Every worker who joins the company, receives intensive training for his job, and for a period of training of not less than 15 days has an assigned tutor who is responsible for supervising and supervising the work done.

100% of the workforce has gone through the initial training period and in 2021, all the people who have joined the company have received on-the-job training.

2022 | 1.800 hours 2021 | 1.993 hours 2020 | 1.921 hours

Staff training

During 2022, a total of 2,412 hours of training.

Average hours of training by sex

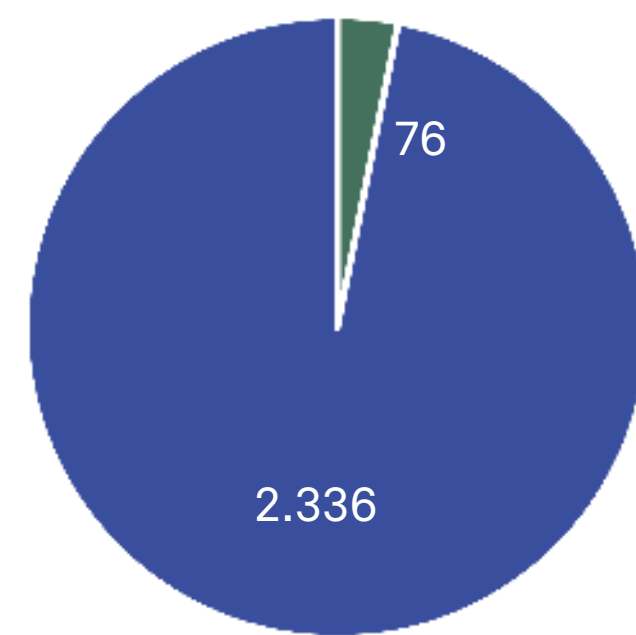


54,7 H



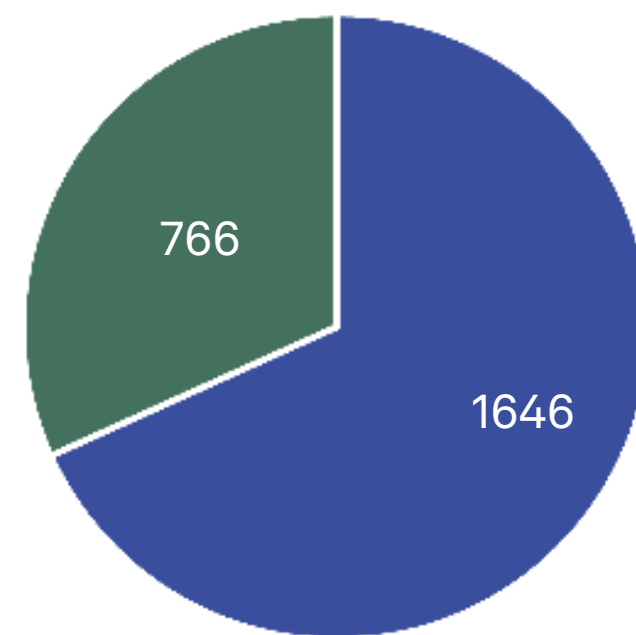
20,3H

Distribution of training by modality (in hours)



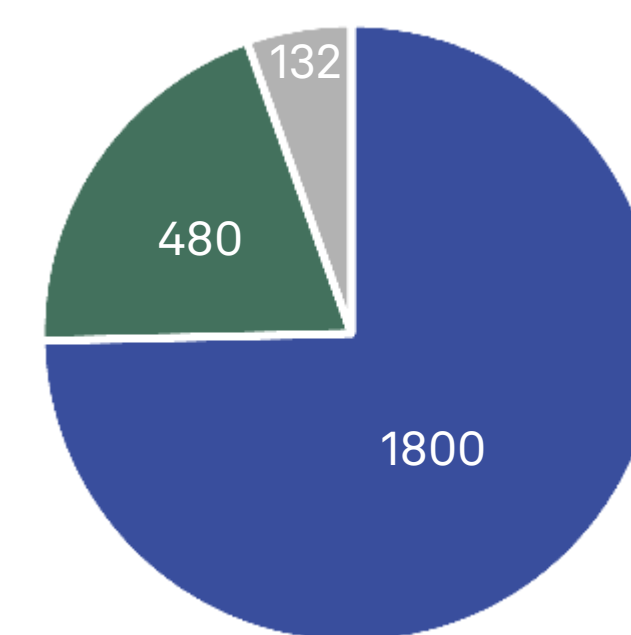
- Online
- Face-to-face

Distribution of training by sex (in hours)



- Men
- Women

Distribution of training by area (in hours)



- On-the-job training
- Others (Lean Manufacturing)
- Occupational Risk Prevention

Equality, diversity and non-discrimination

We consider it essential to foster a work environment based on ethical, respectful behavior that promotes equal opportunities between women and men in all areas.

Equal opportunities for women and men

Our company is characterized by its commitment to equal opportunities, where the value of people lies in their skills and professionalism.

In the last two years, the female workforce has grown by 53.4%

During 2022, we have continued with the process of preparing and implementing our I Equality Plan.

This plan will include a series of measures related to different work areas, such as the selection and hiring of personnel, promotion, training, remuneration, reconciliation of family, personal and family life or occupational health.

These measures shall aim to achieve equal treatment and opportunities between women and men and eliminate any discrimination on grounds of sex within the organisation.



We guarantee equal opportunities both in access to employment and in internal promotion, rejecting discrimination based on sex, nationality, belief, or any other personal or social condition or circumstance.

We promote the reconciliation of work, family and personal life of the people who are part of our team. Among the conciliation measures we highlight: flexible hours of entry and exit to work and intensive working day every Friday of the year for office staff.

We guarantee the principle of equal pay for work of equal value.

Non-discrimination and diversity

We are committed to the fight and prevention against situations of workplace harassment. For this reason, we have a “Protocol of action against sexual harassment and harassment based on sex” that aims to prevent and treat situations constituting harassment. During 2022, no case of workplace harassment has been detected.

At Ferre, we see it as a positive thing to have a diverse workforce, made up of people from different countries, cultures or religions. Thus, we reflect it in our “Ferre Group Code of Conduct”, in which we commit ourselves to guarantee a work environment based on equality, respect and non-discrimination, and include the rejection of forced labor and the prohibition of child labor. Currently, our team consists of 95 people representing a total of 8 different nationalities. During 2022, no case of discrimination has been detected .

2022 Distribution of the workforce by geographical area



Health and safety in the workplace

One of our main concerns is the safety of our employees in their job roles, as is providing the best possible conditions for them to work in.

This is where the Health and Safety Committee comes into play, through whom we analyse, identify and evaluate the health and safety risks in the workplace. It gives us the necessary experience and education in how to become a company that operates at 100% safety, which in turn gives our staff peace of mind and enables them to enjoy their work to the fullest.



OHS Training during 2022

- Safety and health at work
- Office Security
- Emergency Plan
- Chemical Handling
- Forklifts
- Legionella Treatments

Throughout 2022, hours of absenteeism from work accidents was reduced by 79.6%

	2021	2022
Number of accidents with sick leave during working hours	7	2
Incidence rate with discharge	7%	2%
Number of occupational diseases	0	0
Number of deaths due to work accident or occupational disease	0	0
Accidents temporary employment company	0	0
Hours of absenteeism due to work accid	898	205



FERRE

Empowering circular fashion since 1947

Sustainability REPORT

2022

Tecnic direction and design:

grupoInnova
www.grupoinnova.org

Financed by:

 **GENERALITAT
VALENCIANA**
Conselleria d'Economia
Sostenible, Sectors Productius,
Comerç i Treball

 ferreyarns.com/es

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