



FERRE

Empowering circular fashion since 1947

SUSTAINABILITY REPORT 2025.

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FERRE

Sustainability report 2025

01. VISION & INTRODUCTION



About this Report

This report presents the sustainability performance of Hilaturas FERRE S.A. for the 2025 reporting year, covering the Company's key economic, social and environmental performance. It has been prepared to provide a clear and transparent account of our sustainability approach and performance, while responding to the expectations and priorities of our stakeholders, identified through the materiality assessment carried out during the reporting period.

Reporting Period

January–December 2025

Reporting Scope

This Sustainability Report covers all activities carried out by Hilaturas FERRE S.A.

Contact

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Interactive Report

This report includes interactive features designed to enhance the reading experience, providing direct access to our corporate website and other key supporting documents through embedded links.



Message from the CEO

Dear friends,

As our company celebrates its 79th anniversary, we cannot help but reflect on the remarkable journey we have taken and express our gratitude for the opportunity to continue working in an industry that we are truly passionate about.

The Spanish textile spinning sector has faced a number of challenging years, marked by uncertainty and constant change. Yet, if there is one quality that defines both our company and our industry colleagues, it is resilience. This resilience has enabled us to overcome every challenge we have encountered and to continue moving forward with confidence.

For FERRE, 2025 has been a year of consolidation and renewed confidence. Following a demanding 2024, during which we adapted our business to changing market conditions and evolving customer demand, this year has confirmed that the strategic decisions we made were the right ones. It has been a year of progress, achievement and, above all, gratitude to everyone who has contributed to making it possible.

Our commitment to building a more sustainable future remains stronger than ever. Today, approxi-

mately 95% of the raw materials used in our production are recycled, and our manufacturing process does not require water or chemical dyeing. By giving textile waste a second life, we significantly reduce the environmental impact associated with the use of virgin fibres and contribute to a more circular and resource-efficient textile industry.

We are confident that the forthcoming implementation of Extended Producer Responsibility (EPR), Ecodesign requirements and other European sustainability regulations will accelerate the transition towards the large-scale recycling of post-consumer textiles. At FERRE, we have been preparing for this transformation for many years, and we are ready to play an active role in this new era for the textile sector. We look forward to the opportunities, partnerships and innovations that lie ahead.

Finally, I would like to express my sincere gratitude to our customers, suppliers and, above all, to our people for their continued trust, commitment and dedication. Your support is the foundation of everything we have achieved together.

Thank you for being part of our journey. Here's to many more years of shared challenges, innovation and success.

Luis Pita de la Vega
Chief Executive Officer Ferre



Our history

FERRE was founded in 1947 with the purpose of manufacturing and marketing yarns for the textile industry, an activity it has carried out continuously ever since. The company has deep family roots and forms part of a textile tradition dating back to the early twentieth century.

In 1914, HIJOS DE ANTONIO FERRE, S.A. was established as a manufacturer of fabrics for industrial and decorative applications, laying the foundations of what is today the FERRE Group. Over the

decades, this legacy has evolved in line with the changing needs of the textile industry, building extensive industrial expertise and a strong commitment to innovation.

Today, FERRE remains a family-owned company, with members of the fourth generation actively involved in its shareholding. This continuity reinforces our long-term vision and our commitment to innovation, sustainable growth and the future of the textile industry.

<https://ferreyarns.com/es/sobre-nosotros/>

📍 **BANYERES DE MARIOLA**
Alicante (Spain)



Our Products

Driving Zero-Impact Fashion

FERRE is a leading manufacturer of recycled cotton yarns, combining state-of-the-art open-end spinning technology with extensive expertise in the production of coloured yarns made from recycled cotton fibres. Our products are supplied to textile manufacturers in international markets.

In addition to recycled cotton, we incorporate other lower-impact fibres, including recycled polyester, recycled wool, organic cotton and natural cellulosic fibres such as linen, hemp and bamboo. This combination enables us to develop high-quality yarns that meet our customers' technical and performance requirements while reinforcing our commitment to sustainability and the principles of the circular economy.

We manufacture high-quality recycled yarns for applications across the fashion, accessories and home textiles sectors. A significant proportion of our product portfolio incorporates Recover™ fibres, recognised for their high recycled content and their contribution to advancing the circular economy.



Our products

<https://ferreyarns.com/products/>

FUNO



A family of recycled yarns combining Recover™ recycled cotton fibres with selected synthetic fibres to deliver enhanced performance, versatility and application-specific functionality.

FBLUE



A 100% recycled blend of Recover™ recycled cotton and recycled PET (rPET) from post-consumer plastic bottles, designed to provide comfort and versatility across a wide range of fashion applications.

FEARTH



A natural blend of Recover™ recycled cotton and organic cotton, developed to deliver comfort, durability and a lower environmental impact.

FWOOL



A premium blend of recycled wool, recycled PET (rPET) from plastic bottles and polyamide, engineered to provide exceptional softness, durability and abrasion resistance.

FJEANS



Our most advanced circular solution for textile-to-textile recycling. A blend of post-consumer recycled denim cotton from Recover™, combined with organic cotton, hemp or TENCEL™ fibres, specifically developed for fashion applications.

FTECH



A high-performance blend of Recover™ recycled cotton and recycled PET (rPET), designed for demanding technical textile applications.

FTRES



An exceptionally soft premium blend of Recover™ recycled cotton, recycled PET (rPET) and TENCEL™ fibres, developed for specialised fashion applications requiring superior comfort and performance.

FNATURE



A collection of premium yarns made from natural fibres such as hemp, linen and bamboo, offering high performance and outstanding quality for both home textiles and apparel.

FLOOP



FLOOP is our product range developed from post-consumer recycled (PCW) materials, providing circular solutions for the fashion and home textiles industries.

Circular Economy

At FERRE, our key competitive advantage lies not only in our spinning expertise, but also in the origin of the raw materials we use. The majority of these materials come from pre- and post-consumer textile waste, which we transform into high-value resources through a production model firmly rooted in the principles of the circular economy.

For more than seven decades, circularity has been at the heart of our business. Long before it became a defining trend within the textile industry, we had already embraced a production model that maximises the value of textile waste by returning it to the manufacturing cycle as a valuable raw material.

By recovering and recycling pre- and post-consumer textile waste, we help divert waste from landfill and incineration while reducing reliance on virgin raw materials. Resource efficiency is one of the cornerstones of our manufacturing process. Through the use of recycled raw materials, the conti-

nuous optimisation of our operations and close collaboration with strategic partners, we minimise water and chemical consumption, reduce manufacturing-related CO₂ emissions, and produce high-quality recycled yarns for the fashion, accessories and home textiles sectors.

We also develop lower-impact fibre blends that enable us to achieve a broad palette of colours without the need for resource-intensive dyeing processes. This approach enhances resource efficiency, strengthens traceability across our value chain, and supports the transition towards an increasingly sustainable, transparent and circular production model.



Towards a Lower-Impact Future

A Journey of Continuous Innovation



1914

Humble beginnings

Antonio Ferre established a textile mill in his hometown of Banyeres de Mariola, in the province of Alicante, Spain, laying the foundations for what would become the FERRE Group.



1947

Pioneering cotton recycling

Faced with severe raw material shortages in the post-war years, the second generation of the Ferre family introduced a groundbreaking idea: transforming textile waste into new cotton yarns. This pioneering vision marked the beginning of FERRE's commitment to circularity.



1957

The first major technological milestone

The introduction of the self-acting spinning mule (selfactina) represented a major step forward in the mechanisation of spinning, significantly increasing production capacity and operational efficiency.



1974

The arrival of "El Diablo"

Our commitment to circularity took another significant leap forward with the incorporation of the machine affectionately known as "El Diablo". This equipment enabled us to process large volumes of textile waste and transform them into high-quality recycled fibres, reinforcing our leadership in textile recycling.



1982

Open-end spinning technology

The adoption of state-of-the-art open-end spinning technology marked another milestone in our industrial development, improving both productivity and the quality of our recycled yarns.



1985

Achieving the perfect colour — sustainably

FERRE developed its own colour engineering system to achieve precise, consistent and distinctive shades without the use of water or chemical dyeing processes. This innovation not only strengthened our competitive position but also represented another important step towards reducing the environmental impact of textile manufacturing.

Towards a Lower-Impact Future

A Journey of Continuous Innovation

						
2000-2005 From local to global We took a major step towards international expansion by establishing subsidiaries in Hickory, North Carolina (USA), and Puebla, Mexico, strengthening our ability to serve customers across the Americas.	2008 Launch of our first 100% recycled yarn Made from recycled PET bottles and recycled cotton, our first 100% recycled yarn represented another significant milestone in our journey towards a lower-impact textile industry.	2014 Global launch of Recover™ Recover™ was launched as the brand representing FERRE's most sustainable fibre solutions. It quickly became an internationally recognised benchmark for high-quality recycled cotton fibres. https://recoverfiber.com/	2020 Recover™ begins a new chapter The fibre and yarn businesses were separated, allowing Recover™ to embark on its own journey as a global leader in mechanically recycled cotton fibre. FERRE continued to specialise in the manufacture of premium recycled yarns, with both companies remaining strategic partners across the textile value chain.	2022 Continuing to grow and innovate As FERRE celebrated its 75th anniversary of advancing circular fashion, the company continued investing in environmental and manufacturing improvements. Key milestones included the installation of a new photovoltaic system and the complete modernization of Production Plant 1 with state-of-the-art machinery.	2024 A Long-term commitment Building on more than a decade of continuous progress, FERRE has published annual Sustainability Reports since 2012 and has calculated its carbon footprint since 2013. These initiatives reflect our long-standing commitment to transparency, environmental responsibility and continuous improvement.	2025 Expanding our laboratory capabilities We have strengthened our innovation and quality assurance capabilities through the establishment of new physicochemical laboratories and the commissioning of a dedicated Color-Blend laboratory to enhance colour development and formulation.



Mission

To help our customers become sustainability leaders by developing high-quality recycled yarns with a lower environmental impact.



Vision

To be the preferred global partner for high-quality recycled yarns, recognised for innovation, reliability and sustainability.



Our values

Empathy
Sustainability
Transparency

Innovation
Quality & Expertise
Legacy

Ferre at a glance

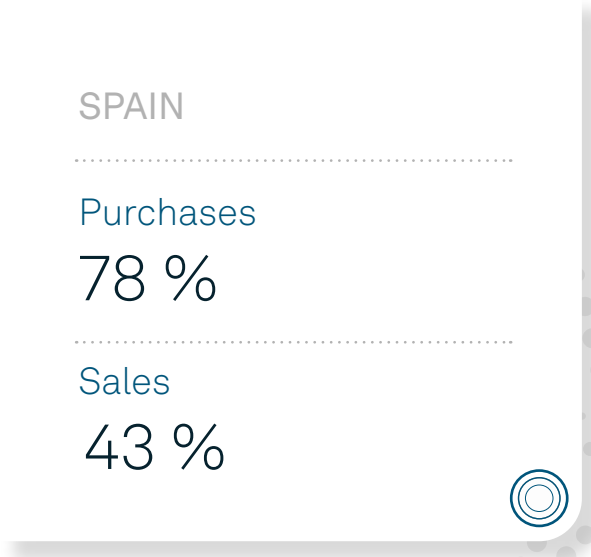
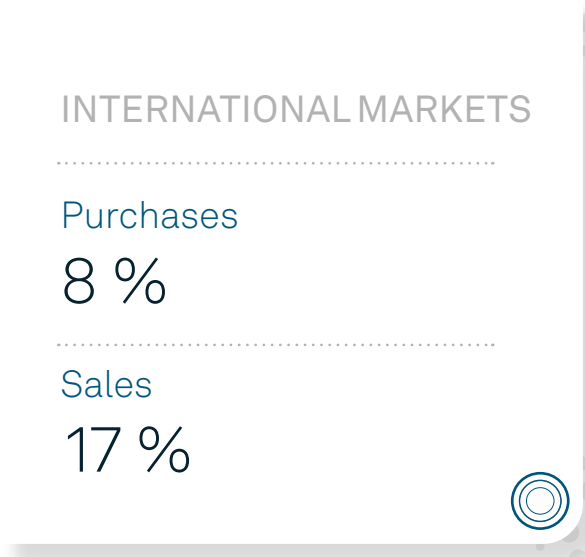
2025 Performance Highlights

Revenue and financial performance revenue (€ million)

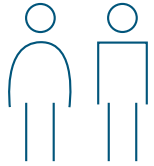
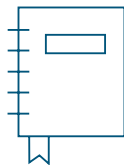
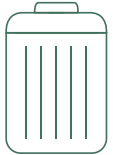
€10.36 million

Revenue Trend (€ million)

2019		15,87 €
2020		14,07 €
2021		14,36 €
2022		18,76 €
2023		14,67 €
2024		10,22 €
2025		10,36 €



Key performance indicators

Performance 2025 Change compared with 2024	Social performance
 Electricity consumption kWh per unit of production 1,43 % ↑	 62 employees 15 % Women 85 % Men
 Water consumption m³ per unit of production 27 % ↓	 Training hours 795
 Waste recovered Of total waste generated 99,99 %	 Discrimination cases 0
 Diesel consumption Litres per unit of production 20 % ↓	 Nationalities represented 8
 CO₂ emisons (t CO₂ eq) 8,87 % ↓	 Corruption and bribery incidents 0
	 Workplace accidents 0

FERRE

Sustainability report 2025

02.

SUSTAINABILITY STRATEGY



Made with Recover™

Our commitment to sustainability

Sustainability is more than a concept it is a fundamental commitment that guides our decisions and shapes the way we do business. We believe that meeting today's needs requires acting responsibly to preserve resources and create opportunities for future generations.

In a world facing significant social and environmental challenges, we are committed to playing an active role in driving positive change. Our approach is based on a development model that balances economic growth with environmental stewardship and social progress. Beyond adapting to change, we seek to make a meaningful contribution to a more sustainable future. At FERRE, this commitment is embedded

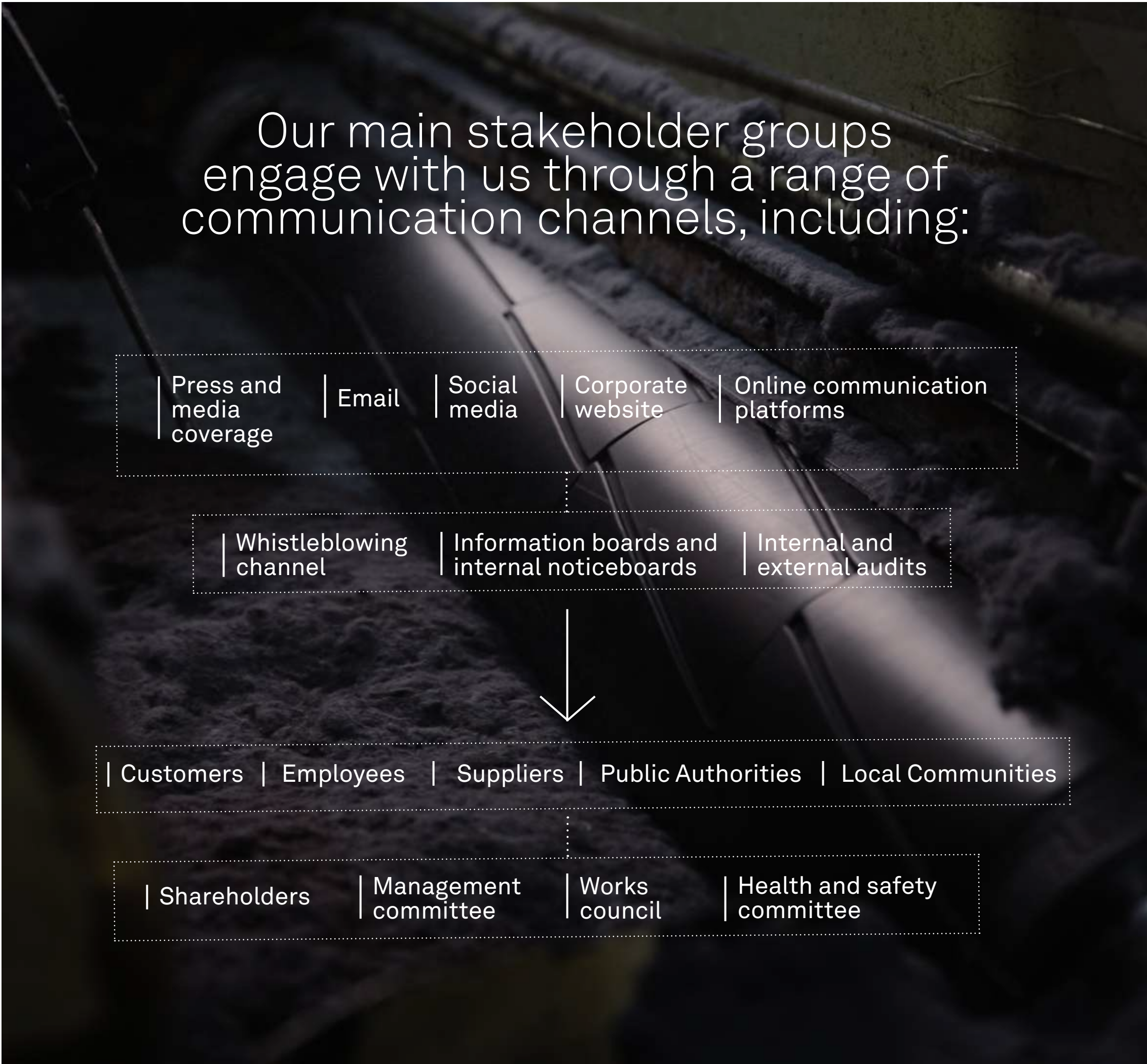
in a robust sustainability strategy built around Environmental, Social and Governance (ESG) principles. These principles guide our efforts to reduce environmental impacts, create long-term value for people and society, and ensure ethical, transparent and responsible governance. Every day, we work to advance a business model that is more sustainable, resilient and aligned with the challenges and opportunities of the future.

Our Stakeholders

Our stakeholders play a fundamental role in the continuous evolution of our business model. Maintaining close relationships and an open dialogue with them enables us to better understand their expectations and strengthen our approach to responsible and sustainable business.

This commitment is supported by accessible, two-way communication channels that ensure the timely, transparent and effective exchange of information.

Through our corporate website and social media channels, we regularly share updates on our progress, initiatives and projects, fostering transparency and building long-term relationships based on trust.



Materiality assessment

Our materiality assessment enables us to identify and prioritise the sustainability topics that are most significant to both our stakeholders and our business, taking into account the context in which we operate, as well as the key challenges and emerging trends shaping our industry.

This assessment guides our commitment to creating long-term value across the Environmental, Social and Governance (ESG) dimensions, ensuring that our strategy and actions are aligned with stakeholder expectations and with the principles of responsible and sustainable business.

We also map our material topics against the United Nations Sustainable Development Goals (SDGs), prioritising those where we can make the most meaningful contribution.



Identification

A total of 32 potential material topics were identified, reflecting the sustainability context in which Hilaturas FERRE operates. These topics were grouped into three key areas: Environmental, Social and Governance.

Prioritisation

The identified topics were assessed by our stakeholders to evaluate their relevance and significance for Hilaturas FERRE from a sustainability perspective.

Validation

The results of the materiality assessment were reviewed and approved by the Company's Management, leading to the identification of FERRE's most material sustainability topics.



High-priority material topics:

These topics are considered highly significant for both FERRE and our stakeholders. They require continuous oversight and priority management, as they have a direct and substantial influence on our long-term performance, resilience and sustainability.



Moderate-priority material topics:

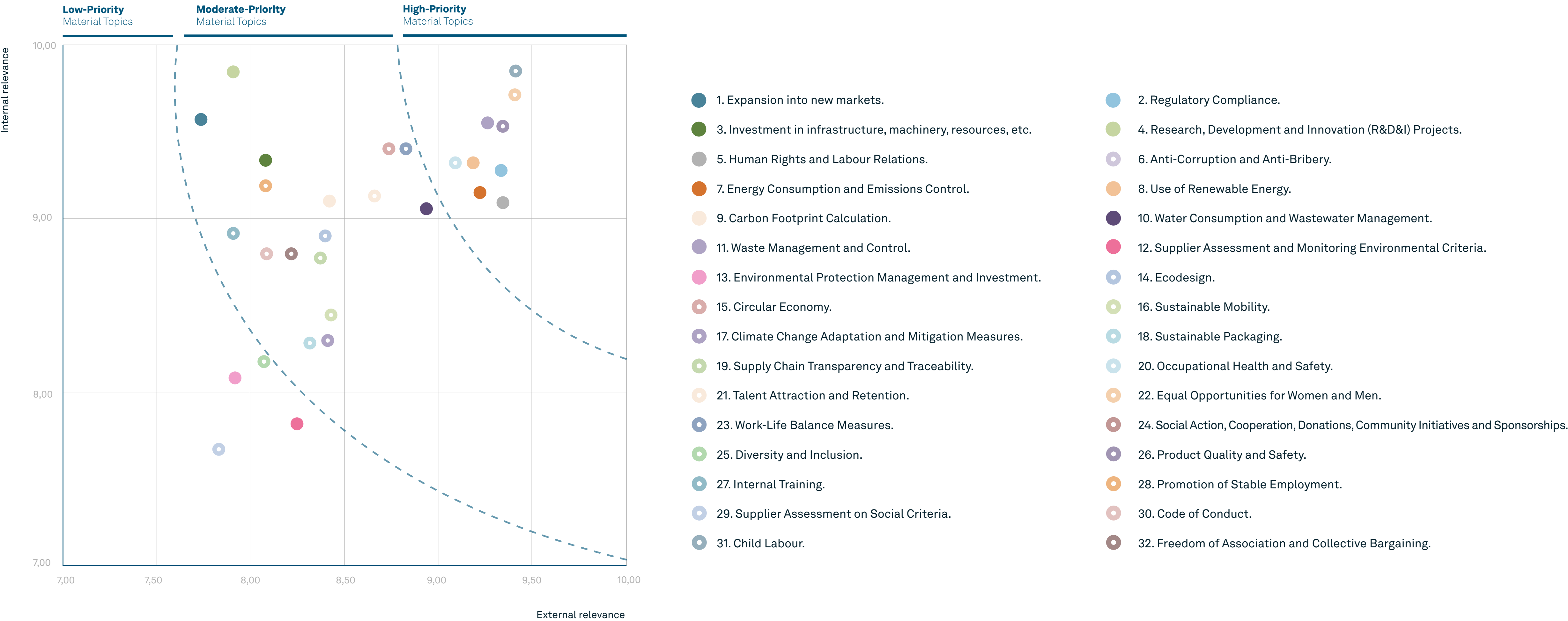
These topics are also important to our business and stakeholders, although their impact is less immediate or critical than that of the high-priority material topics. They are managed through a strategic, medium- to long-term approach, ensuring their integration into our sustainability objectives and continuous improvement initiatives.



Low-priority material topics

Although these topics are not currently considered critical, they may become more significant in the future or have a limited impact on specific stakeholder groups. They are therefore monitored on an ongoing basis, while immediate action is not considered necessary.

Materiality Assessment





United Nations sustainable development goals

As a company committed to sustainability, we integrate the principles of the United Nations 2030 Agenda for Sustainable Development into our strategy and decision-making processes. We believe that our business model should generate a positive impact while creating long-term value for society and the environment. Our circular business model, based on the recovery and valorisation of textile waste, enables us to contribute directly to reducing environmental impacts through more efficient resource use and the minimisation of waste generation.

Within this framework, we align our material topics with the United Nations Sustainable Development Goals (SDGs), identifying those areas where we can make the greatest contribution and create the most meaningful impact. This approach enables us to advance consistently towards a more responsible business model by integrating environmental, social and governance (ESG) considerations across our entire value chain.

We also view the SDGs as a strategic framework for driving continuous improvement, fostering innovation and strengthening collaboration with our stakeholders. Through this approach, we actively contribute to a more sustainable, efficient and resilient future, aligned with today's global challenges.



Our Sustainability Strategy

Environmental

Material topics	SDG's	UN SDG Target	What we're doing	Our goals
Waste control and management.		12.5	· Global Recycled Standard (GRS) Certificate. · Raw Materials. · Waste Management.	· Packaging optimization. · Increase waste reduction efforts. · Improve energy efficiency in production. · Reduce the carbon footprint and achieve climate neutrality by 2050. · Continue researching circular economy models and launch new projects. · Join the United Nations Global Compact.
Circular economy.		12.6	· Circular Economy. · Life Cycle Assessment (LCA). · PCW2Fashion project.	
Use of renewable energies.		7.2 7.3	· Carbon footprint calculation & registry. · Carbon reduction plan.	
Energy consumption and emissions control.		13.2 13.3	· Sustainable packaging. · Energy efficiency.	
Water consumption and discharge control.		6.3 6.4	· Water efficiency. · Low water impact from using recycled raw materials.	

Our Sustainability Strategy

Social

Material topics	SDG's	UN SDG Target	What we're doing	Our goals
Gender equality and equal opportunities.	 	5.5 10.2 10.4	- Equality Plan. - Protocol for Sexual Harassment and Gender-Based Harassment. - Training and Professional Development. - Non-Discrimination and Cultural Diversity.	
Work-life balance.		3.4 8.7 8.8	- Promotion of Remote Work. - Semi-Flexible Working Hours Adapted to Individual Needs. - Employees Living Near the Workplace.	- Achieve objectives of Equality Plan. - Include environmental & social clauses in contracts.
Occupational health and safety.			Health & Safety Committee, External OHS Service, specific training (emergency, chemicals, etc.)	- Improve Occupational Safety by Reducing Workplace Incidents. - Annex to Supplier Contracts Including Clauses Related to Environmental and Social Responsibility.
Child labor prevention.		8.7	- Code of Conduct. - Site audits. - Supplier clauses.	Join the United Nations Global Compact.

Our Sustainability Strategy

Governance

Material topics	SDG's	UN SDG Target	What we're doing	Our goals
Regulatory compliance.		16.5 16.3	· Code of Conduct. · External Legal Advisory Service on Environmental and Industrial Safety Matters.	· Commitment to the United Nations Global Compact and Adoption of Its 10 Principles.
Human rights and labor relations.			· Occupational Risk Prevention. · Audit compliance (e.g.Inditex). · Whistleblower Channel.	
Product quality and safety.	  		· Circular Economy. · Life Cycle Assessment (LCA). · OEKO-TEX® STANDARD 100. · Global Recycled Standard (GRS). · Organic Content Standard Blended (OCS). · Forest Stewardship Council (FSC).	

FERRE

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03. GOVERNANCE & RESPONSIBLE MANAGEMENT



Good corporate governance is a cornerstone of FERRE's business model. It encompasses the principles and practices through which the Board of Directors and the management team exercise their responsibilities with diligence, integrity, transparency and accountability, fostering sound decision-making and supporting the creation of long-term value.



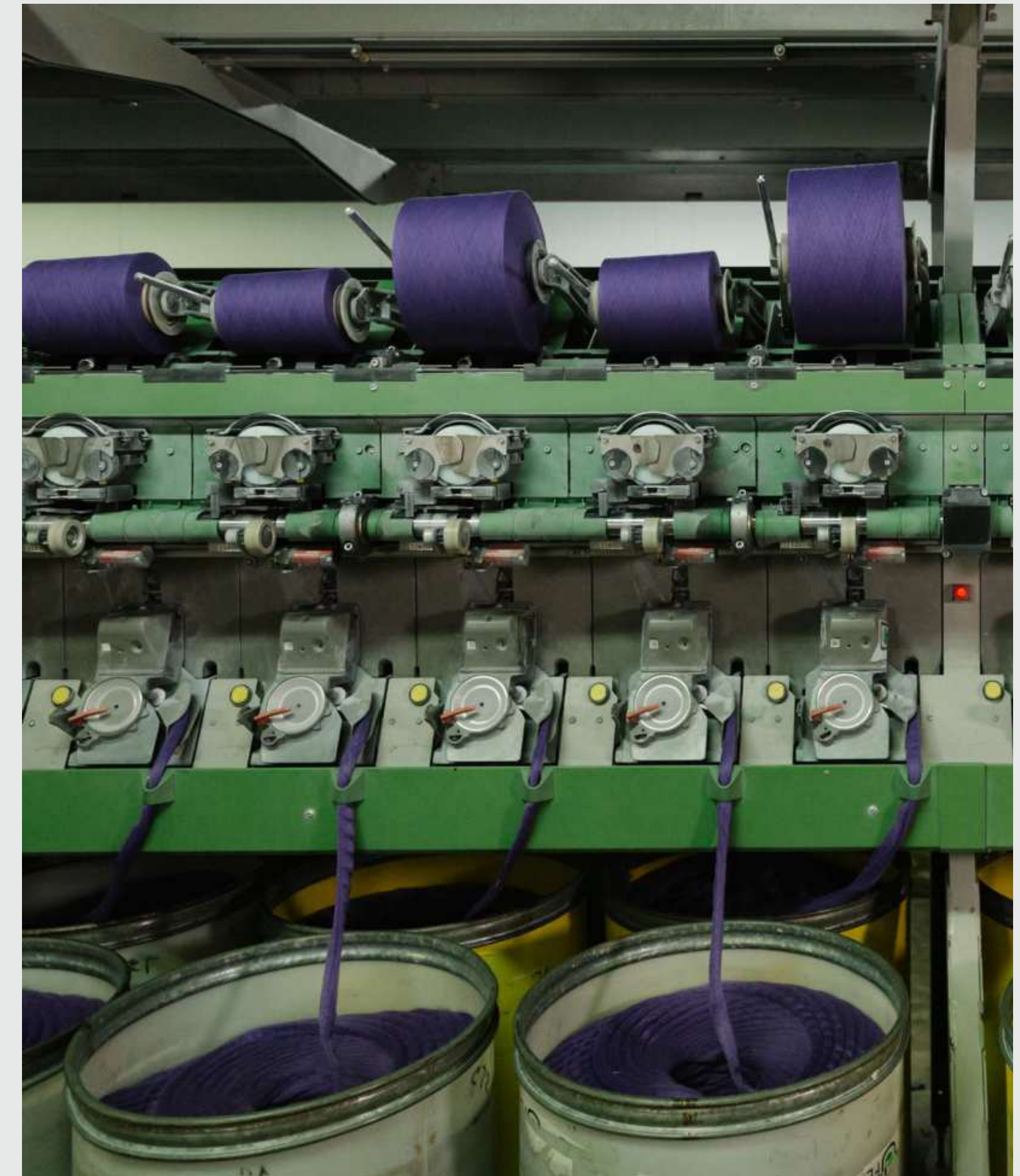
Our governance framework is built on the principles of transparency, ethical conduct and responsible business management. We operate in accordance with the highest standards of accountability, regulatory compliance and business integrity, embedding sustainability considerations across all areas of our operations.

This approach strengthens the trust of our stakeholders and supports a robust governance model aligned with our corporate values, enabling us to create sustainable value over the long term.

Corporate governance

The Board of Directors is the highest governing body of Hilaturas FERRE and is appointed by the General Shareholders' Meeting. The Board is responsible for defining the Company's strategic priorities, overseeing their implementation and monitoring performance to ensure the achievement of its long-term objectives.

The Board of Directors is composed of nine members, all of whom bring extensive industry experience, providing the expertise required for effective oversight and informed decision-making. In terms of gender diversity, the Board comprises 22% women and 78% men. It also has overall responsibility for overseeing the Company's economic, environmental and social performance.



Communication with governing bodies

At Hilaturas FERRE, we believe that effective communication with our governing bodies is essential to ensure that strategic and operational decisions remain aligned with the Company's objectives and the needs of our people.

Management committee

The decisions adopted by the Board of Directors are communicated and implemented throughout the organisation via the Management Committee, which is composed of representatives from all business areas. This structure facilitates the effective deployment of strategic decisions, promotes cross-functional coordination and supports consistent decision-making across the Company.

Health and Safety Committee

At Hilaturas FERRE, the Health and Safety Committee oversees compliance with occupational health and safety legislation and promotes a safe and healthy working environment. Protecting the wellbeing of our people is a fundamental priority and an integral part of our responsible business culture.

Works Council

Employees are represented through the Works Council, which serves as the Company's formal employee representation body and a structured channel of communication with Management. The Council enables employees to raise concerns, express their views and receive information on matters of common interest.

Works Council members are elected voluntarily by the workforce through a democratic voting process supervised by independent external representatives, ensuring transparency and fairness.

Human Resources and Occupational Health & Safety

The Human Resources and Occupational Health & Safety teams are responsible for managing day-to-day employment relations and supporting the Company's workforce. Through close and continuous engagement with employees, they help foster a positive working environment, identify emerging needs and contribute to the continuous improvement of workplace wellbeing and organizational culture.



Corporate governance

Management Committee



Luis Pita de la Vega
Chief Executive Officer (CEO)



Estrella Mataix
Human Resources Director



Fernando Buendía
Chief Financial Officer (CFO)



Miguel Ferrándiz
Production Director



Paqui Ferrer
Commercial & Marketing Director



Cristóbal Aljaro
Information Systems Director

Responsible and transparent management

Responsible and transparent management is at the core of the way we conduct our business. Our approach is founded on regulatory compliance, equal opportunities and continuous technological innovation, which together drive continuous improvement and support the long-term sustainability of our business.

Regulatory Compliance

We are committed to complying with all applicable legal and regulatory requirements across the social, economic and environmental dimensions of our business. To support this commitment, we work with specialised external advisors who help us monitor regulatory developments and ensure ongoing compliance.

Continuous Technological Innovation

We are committed to continuous investment in advanced technologies that enhance our operational efficiency, strengthen our competitiveness and support the ongoing development of more sustainable products and manufacturing processes.

Ethics, Integrity and Transparency

Honesty, integrity and transparency are the principles that underpin FERRE's corporate culture. We promote ethical behaviour throughout the organisation and expect all employees to conduct business responsibly, fairly and in accordance with the highest standards of professional integrity.

Respect for Human and Labour Rights

We are committed to respecting internationally recognised human and labour rights, in accordance with the Universal Declaration of Human Rights, the standards of the International Labour Organization (ILO) and the principles of the United Nations Global Compact.

Environmental Responsibility

Protecting the environment has been part of FERRE's identity since 1947. For more than seven decades, we have embraced sustainability and circular economy principles, recognising recycling not as a passing trend but as an innovative and effective solution for transforming the textile and fashion industry.

Ethical Requirements for Suppliers

In line with our commitment to integrity and transparency, all supplier agreements incorporate ethical clauses requiring compliance with internationally recognised human rights, environmental protection and responsible business practices. These requirements help ensure that our supply chain operates in accordance with the highest standards of social responsibility and sustainability.

Social responsibility policy

Our Social Responsibility Policy establishes the framework that guides our actions and reflects our corporate values. Through this policy, we are committed to integrating social, environmental, governance, transparency and trust principles across our strategy, decision-making processes and day-to-day operations.

 Environment	 Quality	 Human rights	 Labour practices and decent work
We are committed to: • Complying with all applicable environmental laws and regulations. • Maintaining a preventive approach to environmental protection. • Promoting initiatives that encourage greater environmental responsibility. • Supporting the development and adoption of environmentally friendly technologies. • Continuously improving environmental performance by promoting best environmental practices throughout the organisation. • Integrating sustainability criteria into purchasing and investment decisions.	We are committed to: • Delivering products and services that consistently meet our customers' quality expectations. • Maintaining close, professional relationships with our customers while fostering continuous improvement across all business processes. • Promoting employee development, participatory management and professional excellence throughout the organisation. • Driving innovation in manufacturing processes, product development, marketing and corporate communications.	We are committed to: • Prohibiting the use of, or support for, child labour. • Prohibiting all forms of forced or compulsory labour. • Respecting employees' rights to freedom of association and collective bargaining. • Ensuring equal treatment and prohibiting discrimination on the grounds of gender, race, ethnicity, sexual orientation or any other protected characteristic. • Promoting and respecting cultural diversity.	We are committed to: • Ensuring that base wages always comply with applicable legislation or relevant industry standards and are sufficient to meet employees' basic needs. • Providing a safe and healthy working environment by implementing effective measures to prevent work-related injuries, ill health and occupational risks. • Ensuring that all employees, including new recruits, receive regular, documented training and information on occupational health and safety relevant to their roles. • Establishing systems to identify, prevent and respond to potential occupational health and safety risks. • Maintaining appropriate hygiene and welfare conditions to safeguard employees' health, wellbeing and basic needs in the workplace.

Memberships and industry engagement

Our Strategic Plan identifies stakeholder engagement as a key priority. We are committed to communicating our values clearly and consistently to customers, suppliers, employees, external partners and all other stakeholders involved in our business.

At FERRE, sustainability is more than a corporate value—it is the foundation of our business model. The majority of our yarns are manufactured using recycled textile waste, making circularity an integral part of the way we create value.

We believe that collaboration is essential to driving meaningful change. For this reason, we actively participate in industry associations, research organisations and technology institutes that provide access to innovation, technical expertise and emerging market trends.

These partnerships strengthen our ability to anticipate regulatory developments, contribute to the advancement of the textile industry and continuously improve our environmental and business performance.



Memberships and industry engagement

Textil echange

FERRE is a member of Textile Exchange, a global non-profit organisation dedicated to reducing the environmental and social impacts of the textile industry while accelerating the adoption of more sustainable materials, responsible business practices and circular value chains.

Through this membership, we collaborate with leading organisations across the global textile sector, contributing to the development of best practices and supporting the transition towards a more sustainable industry.



Conama

FERRE has been a member of the CT-36 Technical Committee on Circular Economy in the Textile and Footwear Sector, established by CONAMA (National Environmental Congress Foundation). As part of this initiative, we actively contributed to the report Analysis of the Circular Economy in the Fashion Sector, which examines the current state of the industry, identifies its main structural challenges and proposes practical actions to accelerate the transition towards a more circular and sustainable business model. Our participation reflects FERRE's commitment to innovation, knowledge sharing and the promotion of circular economy principles within the textile industry. By collaborating with leading organisations and industry experts, we contribute to the development of solutions that strengthen both the sustainability and competitiveness of the sector.

<https://www.fundacionconama.org/economia-circular-en-la-moda-una-nueva-costura-para-impulsar-la-competitividad/>



Innovation and development

Our commitment to modernisation, energy efficiency, productivity improvement, cost optimisation and product quality is supported by substantial and continuous investment. We recognise that technological innovation is essential to maintaining our leadership in the recycled yarn industry and to delivering long-term value for our customers and stakeholders.

Over recent years, our investment programme has enabled us to modernise our production facilities, enhance product quality,

reduce energy consumption per unit of production, shorten lead times and increase manufacturing flexibility. These improvements allow us to produce smaller, customer-focused batches, reduce inventory levels and respond more efficiently to changing market demand.

In recent years, FERRE has invested more than €4 million in innovation, manufacturing excellence and sustainability. Some of the most significant milestones include:



2018

- R&D project focused on developing new spinning processes for fashion and home textile applications.
- Implementation of a Business Intelligence project to strengthen data analysis and decision-making.

2019

- Replacement of conventional lighting with energy-efficient LED technology.

2020

- Participation in the LIFE REWEART project:
"A 100% Real Circular Economy Process for Vegan, Organic and Recycled Footwear."

2021

- Installation of next-generation LED lighting throughout the facilities.
- Replacement of a diesel-powered forklift with an electric model.

2022

- Investment in environmental and manufacturing improvements.
- Expansion of the on-site photovoltaic solar installation.
- Modernisation of spinning equipment with state-of-the-art machinery to increase production capacity.

2023

- Investment in advanced quality control systems.
- Installation of an USTER testing system to optimise yarn quality control, enabling precise analysis of key parameters such as evenness, strength and yarn count, ensuring consistent product quality.

2024

- Optimisation of the compressed air system and electrical installations through the implementation of variable frequency drives (VFDs), improving energy efficiency and reducing electricity consumption.

2025

- Upgrading of compressors and drying systems.
- Adaptation of spinning machinery to manufacture smaller production batches, increasing operational flexibility and enhancing customer service.

Awards and recognition

FERRE's commitment to innovation, sustainability and responsible business has been recognised through a number of prestigious awards:



2002

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



2016

Finalist – Triodos Bank Awards, recognising companies with a positive social impact.



2017

Innovation Award, presented by the Cotton Textile Foundation.



2018

AITEX Business Award for Sustainability.



2020

Spanish National Fashion Industry Award – Textile Manufacturing Category.



2022

Corporate Social Responsibility Award, presented by ATEVAL (Textile Business Association of the Valencia Region).



2023

Centenary Company of the Valencian Community Award, presented at Forinvest.

FERRE

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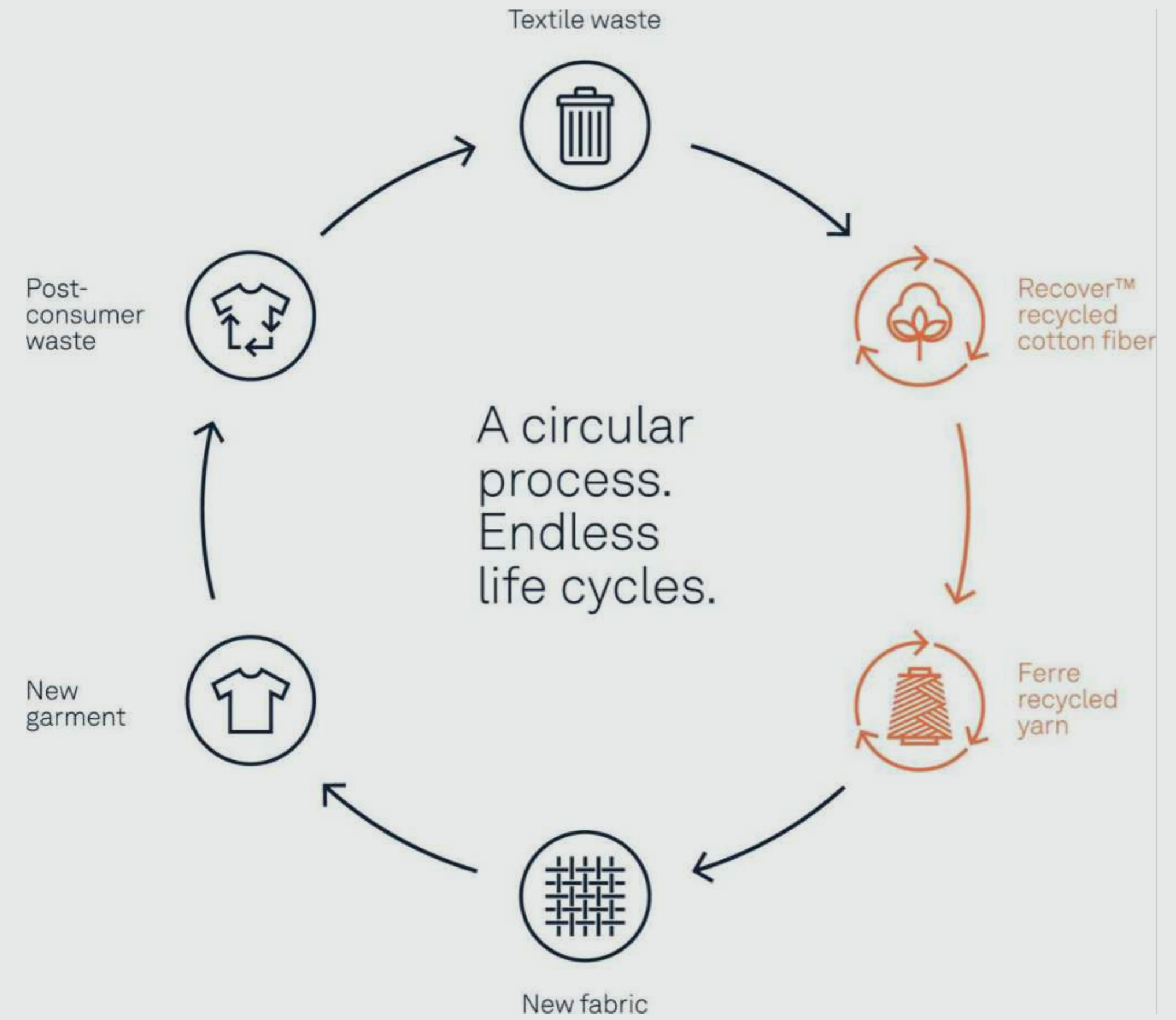
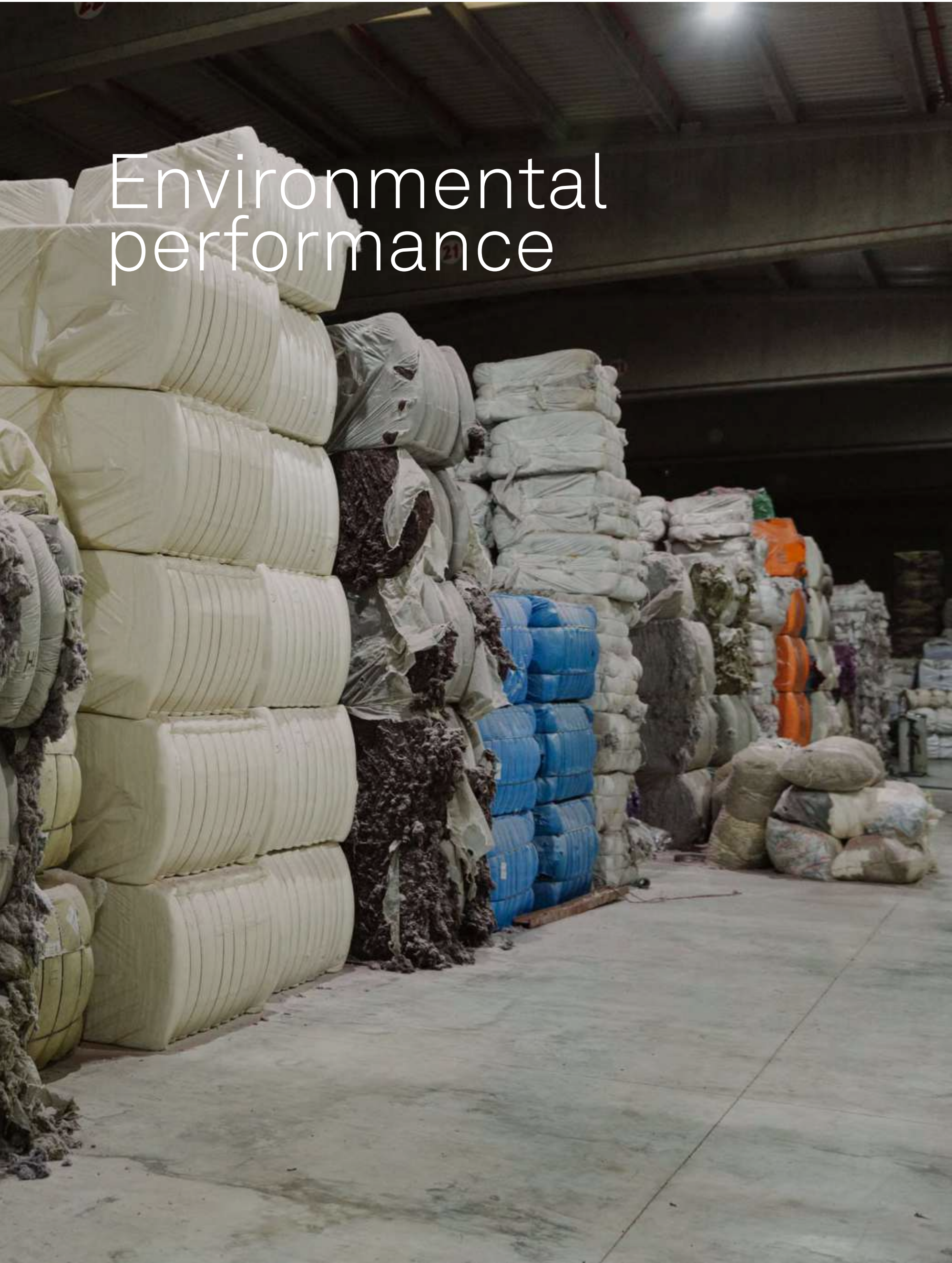
ENVIRONMENTAL
PERFORMANCE

Environmental responsibility is a fundamental pillar of FERRE's business, guiding our decision-making processes and the continuous improvement of our operations.

Driven by the principles of resource efficiency, environmental impact prevention and continuous improvement, we work to reduce our environmental footprint and advance towards a more sustainable, responsible and circular manufacturing model.



Environmental performance



From textile waste to yarn: A circular process

The growing pressure on natural resources requires more efficient and sustainable production models. One of the most effective solutions is to recover waste materials and reintroduce them as valuable raw materials, either within the same industry or across different sectors.

Against this backdrop, the principles of the circular economy have become increasingly important for businesses and organisations worldwide.

At FERRE, after more than seven decades of supplying recycled yarns to the fashion industry, circularity is embedded in our DNA. Our manufacturing model is built on recycled raw materials, water-free production, the elimination of chemical dyeing processes and low carbon emissions. Circular economy principles have always shaped our manufacturing processes, enabling us to maximise resource efficiency while minimising our environmental impact.



01. Textile waste as our raw material

Pre- and post-consumer textile waste is our primary source of raw material. By recovering these materials, we help divert textile waste from landfill and incineration while reducing our dependence on finite virgin resources.

02. Recycled cotton fibre

Our strategic partner, Recover™, transforms textile waste into high-quality recycled cotton fibre, maximising fibre length and performance to ensure premium-quality recycled yarns.

03. Developing lower-impact fibre blends

Our ColorBlend technology combines Recover™ recycled cotton fibres with carefully selected support fibres—either undyed or coloured using low-impact processes—including recycled PET, recycled wool, recycled nylon and organic cotton. This enables us to create recycled fibre blends with precise, consistent colours without the use of water or conventional chemical dyeing.

04. Fibre Blending

These lower-impact fibre blends are reproduced at industrial scale and undergo a series of advanced blending stages until the optimal combination of colour accuracy, consistency and technical performance is achieved.

05. Spinning

The recycled fibre blends are transformed into premium recycled yarns for fashion, accessories and home textile applications, offering a broad palette of precise, consistent colours while maintaining a significantly lower environmental impact.

Our yarn portfolio

A portfolio of recycled yarns inspired by our commitment to sustainability and circular fashion.

We manufacture high-quality recycled yarns for applications across the fashion, accessories and home textiles sectors. By using recycled raw materials, our products help divert textile waste from landfill, reduce greenhouse gas emissions and lower the environmental impact associated with conventional yarns made from virgin materials.

To further advance our innovation and sustainability objectives, we have participated in a number of collaborative research and development projects:

2024 - 2025

PCW2CLOTHES project

2023 - 2024

PCW2Fashion project

2022 - 2025

NEO-RECYCLING project

2017 - 2018

W-FREE project

2018 - 2022

LIFE REWEART project



The result is a collection of premium-quality recycled yarns for the production of sustainable garments:

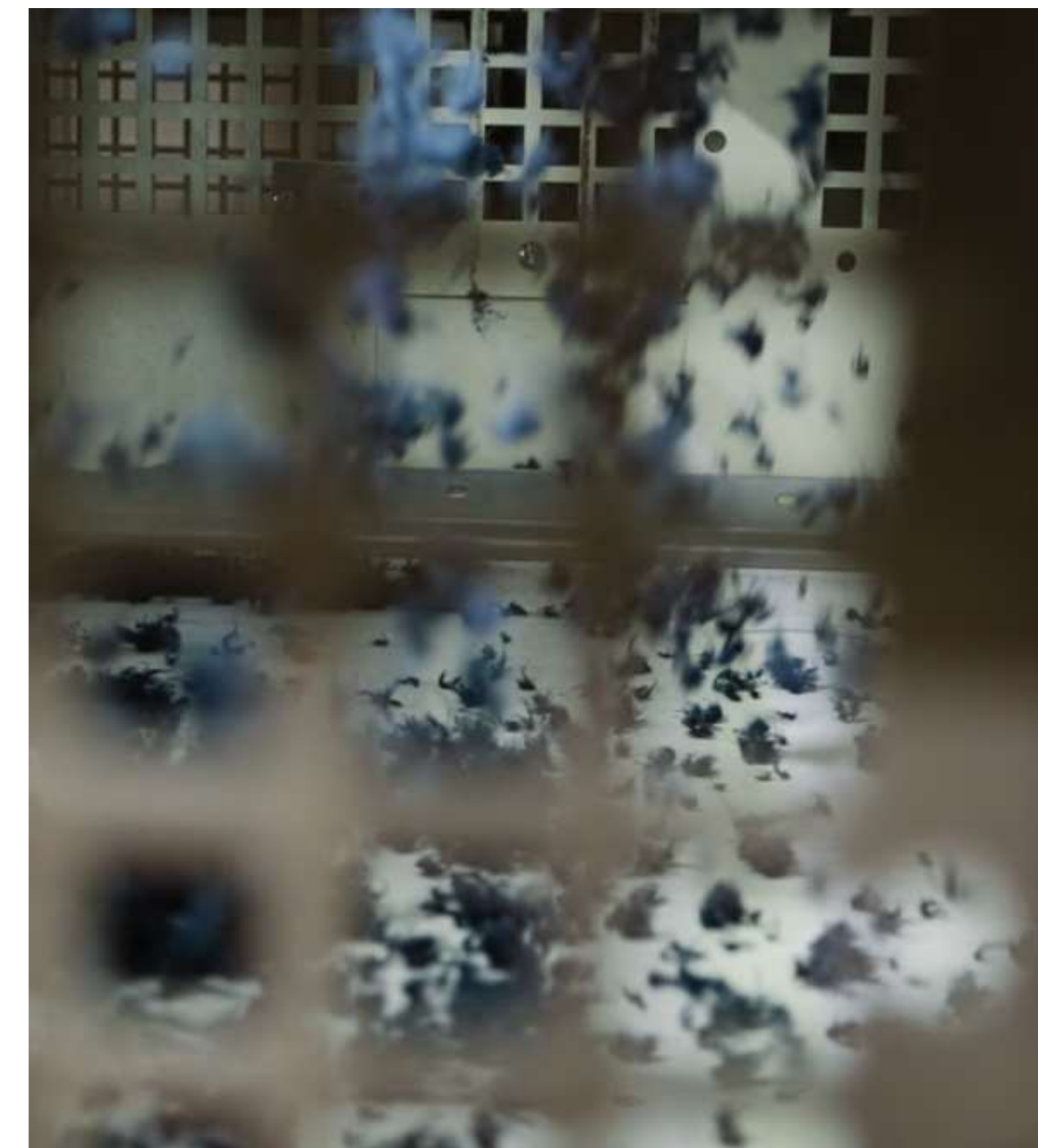
“Sustainable fashion is possible.”

These initiatives have enabled us to develop high-quality recycled yarns that support the production of more sustainable textiles and demonstrate that a more sustainable fashion industry is both achievable and scalable.

Our projects

NEO-RECYCLING project

In 2025, we successfully completed the NEO-RECYCLING Project, an initiative focused on developing lower-impact products and technologies for the textile industry. Through this project, we advanced the optimisation of manufacturing processes, improved resource efficiency, and incorporated eco-design principles and bio-based materials into product development, further strengthening our commitment to sustainability and the circular economy.



LIFE REWEART project

We continue to participate in the LIFE REWEART Project, which aims to reduce the environmental impact of textile materials used in footwear.

This initiative promotes the selection of recycled and organic materials from the product design stage onwards, supporting more sustainable, circular production models and encouraging the adoption of eco-design principles throughout the value chain.



Our projects



PCW2WorkClothes

During the year, we completed the PCW2WorkClothes Project, dedicated to the development of recycled yarns produced from end-of-life workwear and uniforms.

The project successfully demonstrated the technical feasibility of transforming post-consumer textile waste into high-quality secondary raw materials and new textile products, contributing to the advancement of circular economy solutions within the textile industry.



PCW2Fashion project

We continue to make progress on the PCW2Fashion Project, which focuses on developing innovative products from post-consumer textile waste.

This initiative strengthens circularity within the fashion industry while preparing FERRE to meet emerging European requirements relating to textile recycling, circular product design and recycled content in textile products.

Our environmental impact

Our sustainable environmental management

At FERRE, we recognise our responsibility to protect the environment and promote the responsible use of natural resources. Sustainable environmental management is therefore a fundamental pillar of our business and guides the way we design, manufacture and continuously improve our products and processes.

Our commitment is reflected in the following actions:

01. We measure the environmental impact of our products using the Life Cycle Assessment (LCA) methodology.

03. We give new value and purpose to natural and recycled fibres by transforming them into high-quality recycled yarns.

02. We promote the responsible use of natural resources while continuously working to reduce our greenhouse gas emissions.

04. We contribute to reducing the amount of textile waste sent to landfill by recovering and reintroducing valuable materials into the production cycle.

Recycled cotton vs. virgin cotton

Independent Assessment of Environmental Benefits.
The environmental benefits of using recycled cotton have been independently assessed by the University of Valencia.

In 2016, the University published the study “Environmental Impact of Recover Cotton in the Textile Industry”, to which FERRE contributed. The study evaluates the environmental performance of recycled cotton throughout the product life cycle and demonstrates the environmental advantages of using recycled cotton as a raw material in our manufacturing process compared with conventional virgin cotton.

This study, conducted by the University of Valencia, provides an independent scientific basis for quantifying the environmental savings associated with the use of recycled cotton as a raw material in our manufacturing process. The assessment measures estimated reductions in water and energy consumption, atmospheric emissions, air pollutants and waste sent to landfill.

The study compares the life cycle of a garment manufactured using conventional virgin cotton yarn with that of an equivalent garment produced using recycled cotton yarn. It demonstrates that recycled cotton eliminates several stages of the conventional production process, including cotton cultivation, ginning and dyeing, while also highlighting the environmental benefits associated with transportation.

The study concludes that replacing virgin cotton with recycled cotton delivers significant environmental benefits across multiple impact categories.

Estimated environmental savings



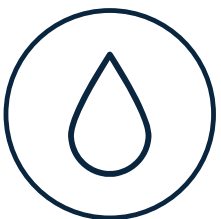
55.700
kWh of energy saved



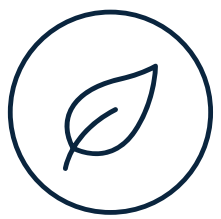
320
kg of SO₂ emissions avoided



13.980
kg of CO₂ emissions avoided



15.594.000
Billion litres of water saved



2.487
m² of agricultural land use avoided



1.000
kg of waste diverted from landfill

Estimated savings based on the comparative Life Cycle Assessment (LCA) conducted by the University of Valencia.

Environmental benefits

<https://ferreyarns.com/positive-impact/>

At FERRE, our commitment to the environment extends beyond measuring the impact of our own operations. We also assess the environmental benefits generated through the use of our products by quantifying savings in key indicators such as greenhouse gas emissions, water consumption, energy use, chemical use and raw material consumption.

This approach enables us to evaluate the positive contribution of our recycled yarns throughout the value chain while providing our customers with objective and transparent information on the environmental benefits associated with their use.

We apply the Life Cycle Assessment (LCA) methodology to evaluate the environmental performance of our products across every stage of their life cycle. This assessment enables us to quantify key environmental indicators, including carbon footprint, water consumption, chemical use and other relevant impact categories, providing a comprehensive and science-based understanding of their environmental performance.

To ensure the reliability and credibility of these results, both the methodology and the assessment have been independently verified by recognised organisations, including AITEX, the University of Valencia and UNESCO.



Our environmental savings in 2025



14.046

Million litres of water saved



51.8

Million kWh of energy saved



20.7

Million kg of CO₂ emissions avoided



22

Million PET bottles recycled



1.1

Million kg of chemicals saved



2.3

Million m² of farmland preserved



0.9

Million kg of textile waste recycled

Audits

During the reporting year, FERRE successfully completed the **Green to Wear** and **Clear to Wear audits**, two internationally recognised standards that assess the environmental performance of manufacturing processes and the chemical safety of textile products.

Successfully passing these audits demonstrates compliance with stringent requirements relating to environmental management, responsible resource use, chemical management and consumer health protection.

These certifications reinforce our commitment to continuous improvement, transparency and responsible supply chain management, while supporting compliance with the environmental and quality standards required by both our customers and applicable legislation.



Clear to Wear (CtW) is a product safety standard that regulates the use of legally restricted substances and establishes additional restrictions on certain chemicals that, while not yet regulated by legislation, may pose potential risks to human health. The standard also incorporates the requirements of the European Union's REACH Regulation (Registration, Evaluation, Authorisation and Restriction of Chemicals), ensuring compliance with one of the world's most demanding chemical safety frameworks across our supplier network.



The Green to Wear standard has been developed to assess the environmental performance of manufacturing facilities and suppliers while promoting practical measures to reduce their environmental impact and improve the efficient use of natural resources. Assessments are carried out by textile industry specialists using the Green to Wear evaluation framework, which measures sustainability performance across a range of key environmental areas, including: Raw materials, water management, manufacturing technologies and processes, chemical management, wastewater management, waste management and energy management.

Raw materials

In 2025, FERRE produced 82.38 million metres of yarn, reaffirming our commitment to more sustainable and responsible manufacturing. Of the total raw materials used in our yarn production, 94.4% consisted of recycled fibres, representing a 10% increase compared with the previous year.

This progress reflects our commitment to the circular economy and to reducing the environmental impact of our products. By combining recycled fibres—including recycled cotton, recycled wool and recycled PET—with carefully selected complementary fibres such as polyester, acrylic and lyocell, we develop high-performance yarns that meet demanding technical requirements while maintaining a lower environmental footprint.

These fibre blends enable us to produce durable, comfortable and high-quality textiles while promoting resource circularity, reducing waste generation and improving the efficient use of raw materials. In this way, sustainability, innovation and product performance go hand in hand across our entire product portfolio.

"We have continued to increase the use of recycled raw materials, achieving an average increase of three percentage points compared with the previous year."



Recycled cotton
71.1 %



Recycled PET
22.9 %



Recycled wool
0.3 %

Resource consumption

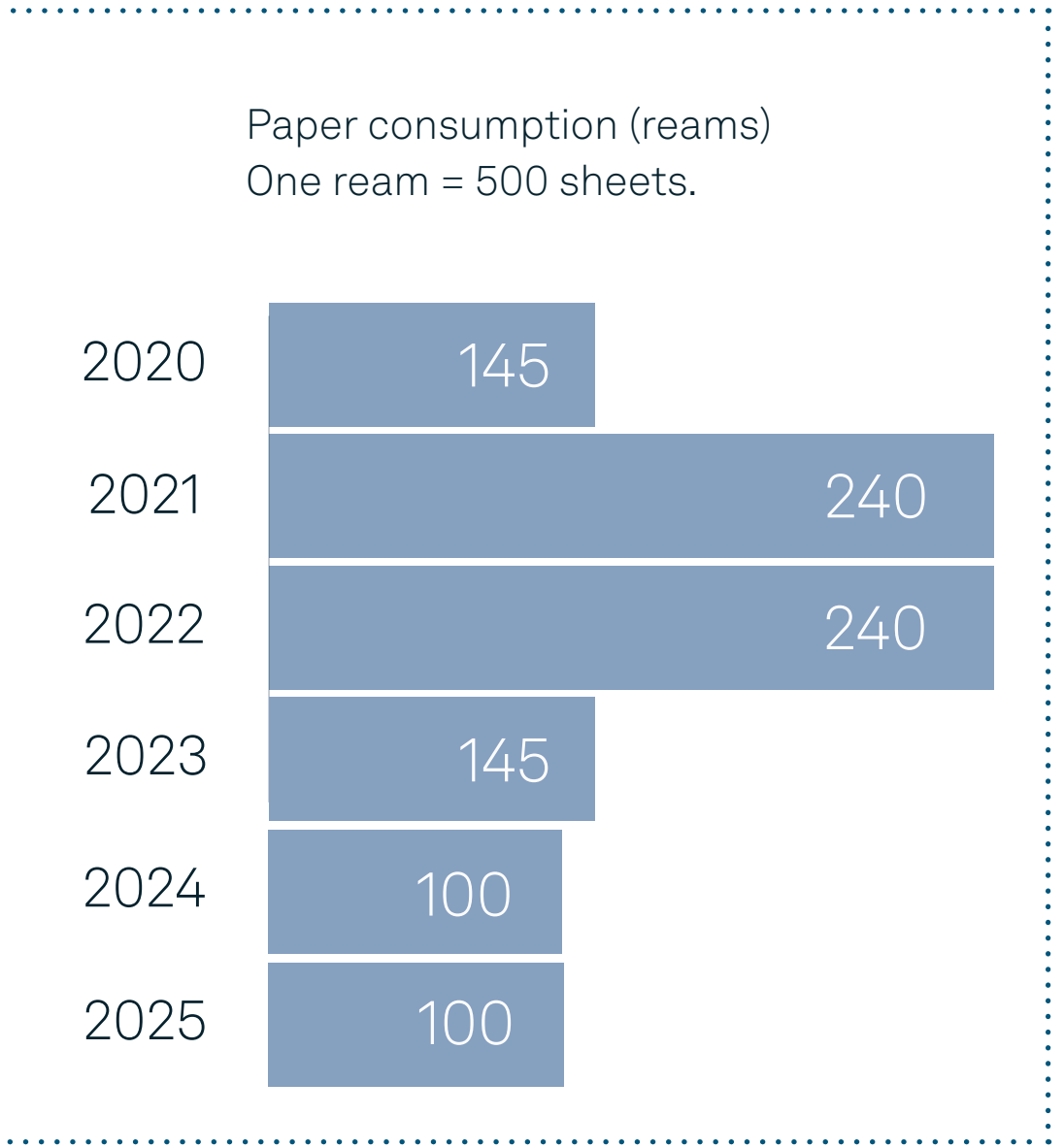
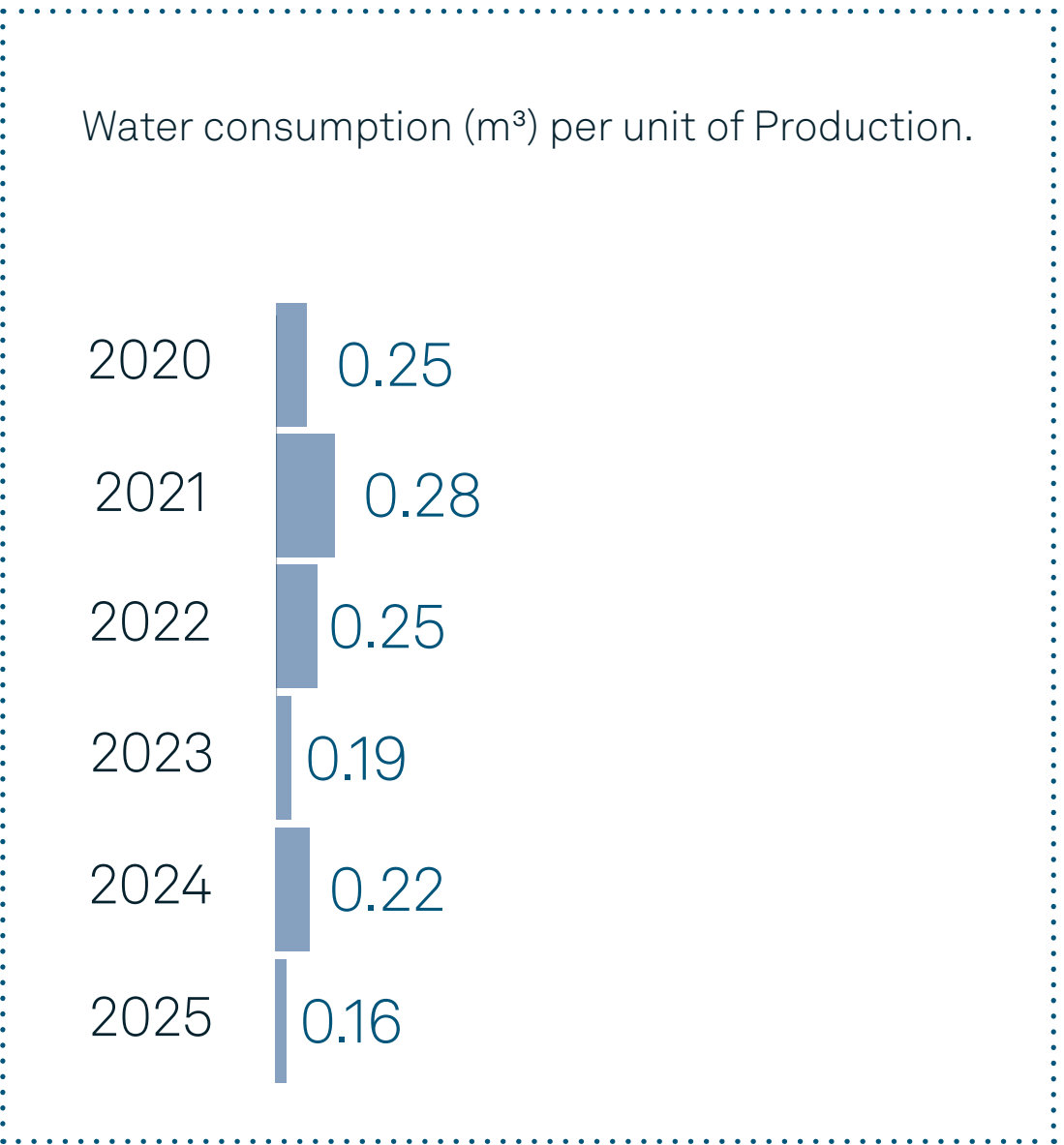
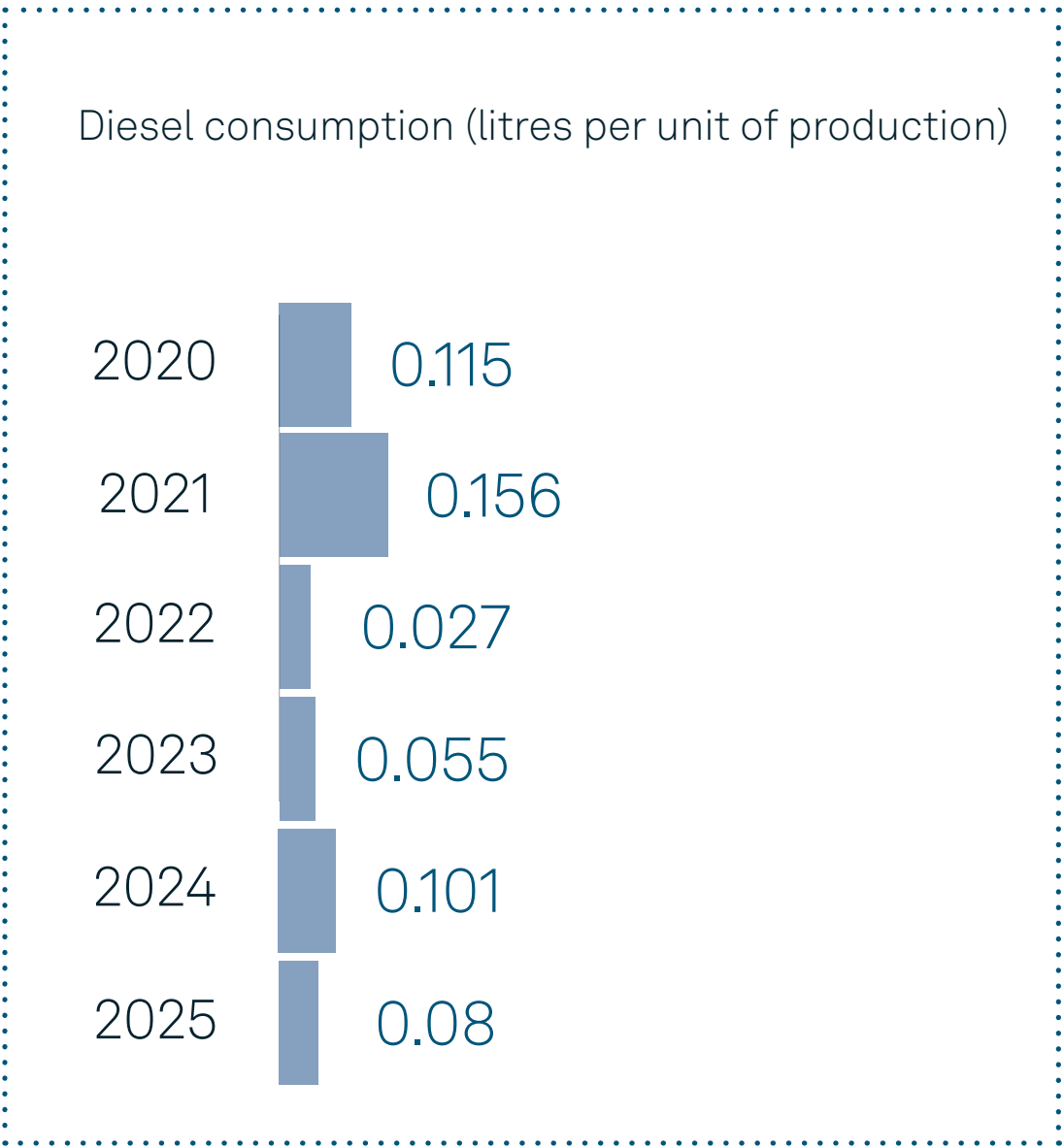
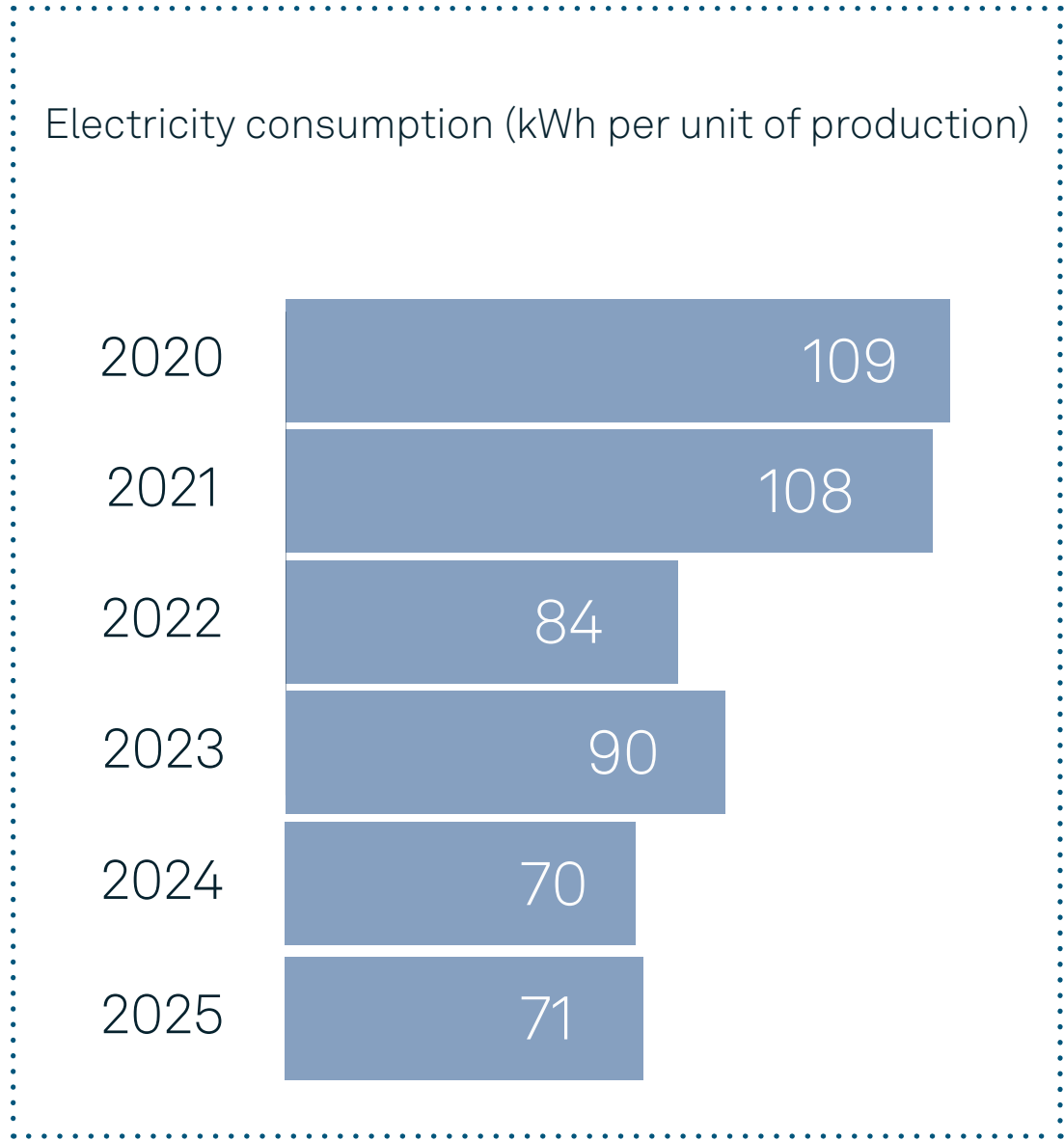
Change in resource consumption (2025 vs. 2024)

Electricity  1.43%

Diesel  20%

Water  27.27%

Paper 0%



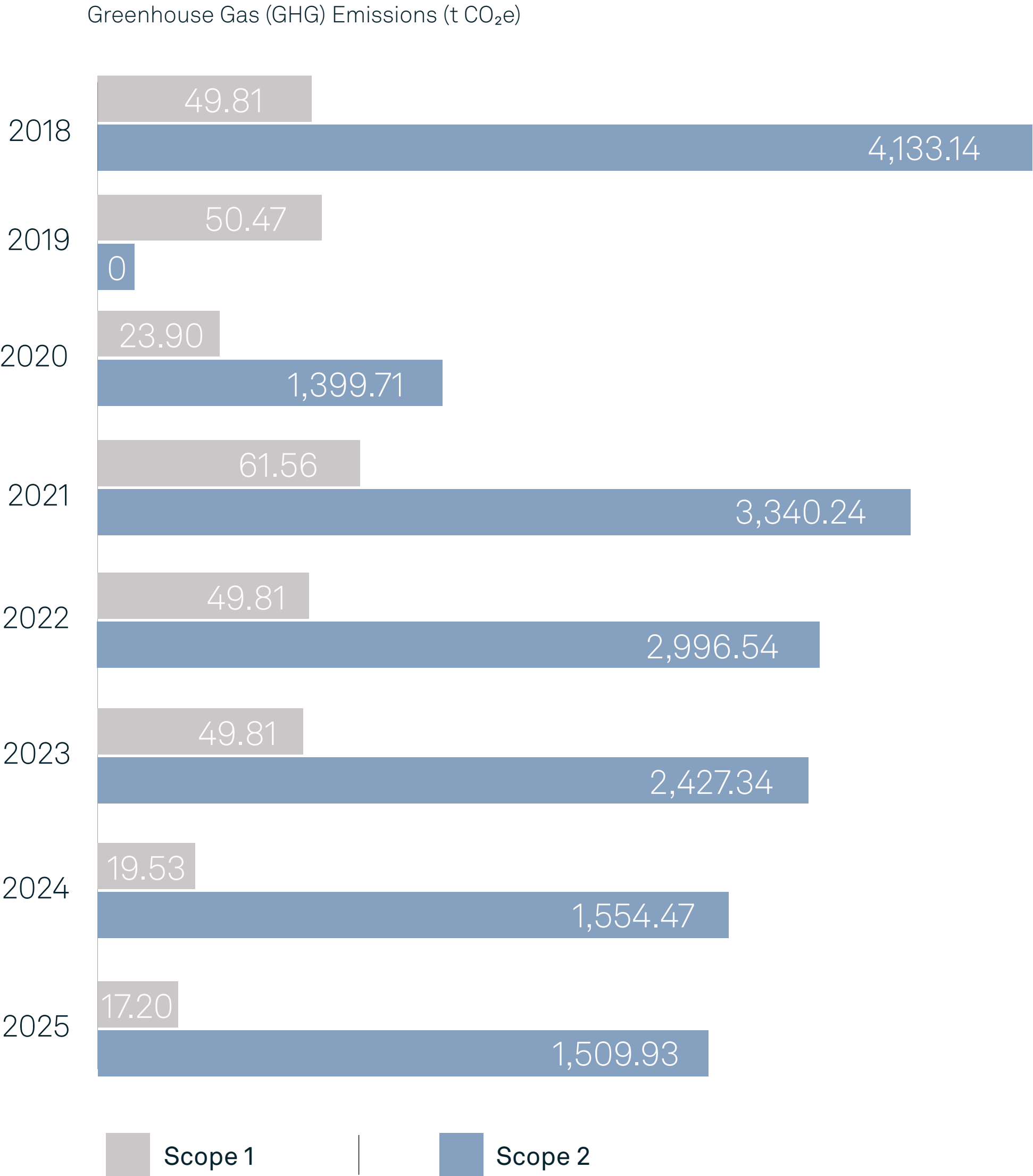
| Production unit = **82.380 million metres of yarn produced.**

Carbon Footprint: Progress in emissions reduction

We continue to make steady progress in reducing our carbon footprint, reinforcing our commitment to climate action and the continuous improvement of our environmental performance.

In 2025, we achieved reductions in both Scope 1 and Scope 2 greenhouse gas (GHG) emissions. Specifically, Scope 1 emissions decreased by 11.93%, while Scope 2 emissions were reduced by 2.90% compared with the previous year.

These results reflect the positive impact of the measures implemented to improve energy efficiency, optimise manufacturing processes and promote the responsible use of resources. They also encourage us to continue reducing our greenhouse gas emissions and advancing the transition towards a more sustainable, low-carbon manufacturing model.



Greenhouse Gas (GHG) Emissions

Scope 1:

Direct greenhouse gas (GHG) emissions generated from sources owned or controlled by FERRE, including:

- Company vehicle fleet (trucks and vans).
- Industrial equipment (forklift trucks).
- Fugitive emissions from air conditioning and refrigeration systems.

Scope 2:

Indirect greenhouse gas (GHG) emissions associated with the generation of purchased electricity consumed by the company.



CARBON FOOTPRINT INTENSITY (tCO₂e per million metres of yarn produced)

2025	0.0185
2024	0.0203
2023	0.0237
2022	0.0227
2021	0.0270



Greenhouse Gas (GHG) Emissions

Our Carbon Footprint Reduction Strategy

Since 2017, FERRE has been implementing an ambitious Carbon Footprint Reduction Plan, with the objective of reducing its greenhouse gas emissions by 90% by 2025.

Since 2018, we have reduced our carbon footprint intensity by 36.4%, from 0.0291 to 0.0185 t CO₂e per million metres of yarn produced, demonstrating our continued commitment to reducing the environmental impact of our operations.

Approximately 99% of our greenhouse gas emissions are attributable to indirect emissions associated with electricity consumption. As a result, our decarbonisation strategy has focused primarily on reducing electricity demand through three key initiatives:

- Generating clean electricity through the installation of on-site photovoltaic solar systems.
- Investing in energy-efficient technologies to improve the performance and efficiency of our manufacturing processes.
- Procuring 100% renewable electricity, ensuring that our purchased electricity is sourced from renewable energy providers.

These achievements reinforce our commitment to continuous improvement and encourage us to further advance the implementation of our Carbon Footprint Reduction Plan.



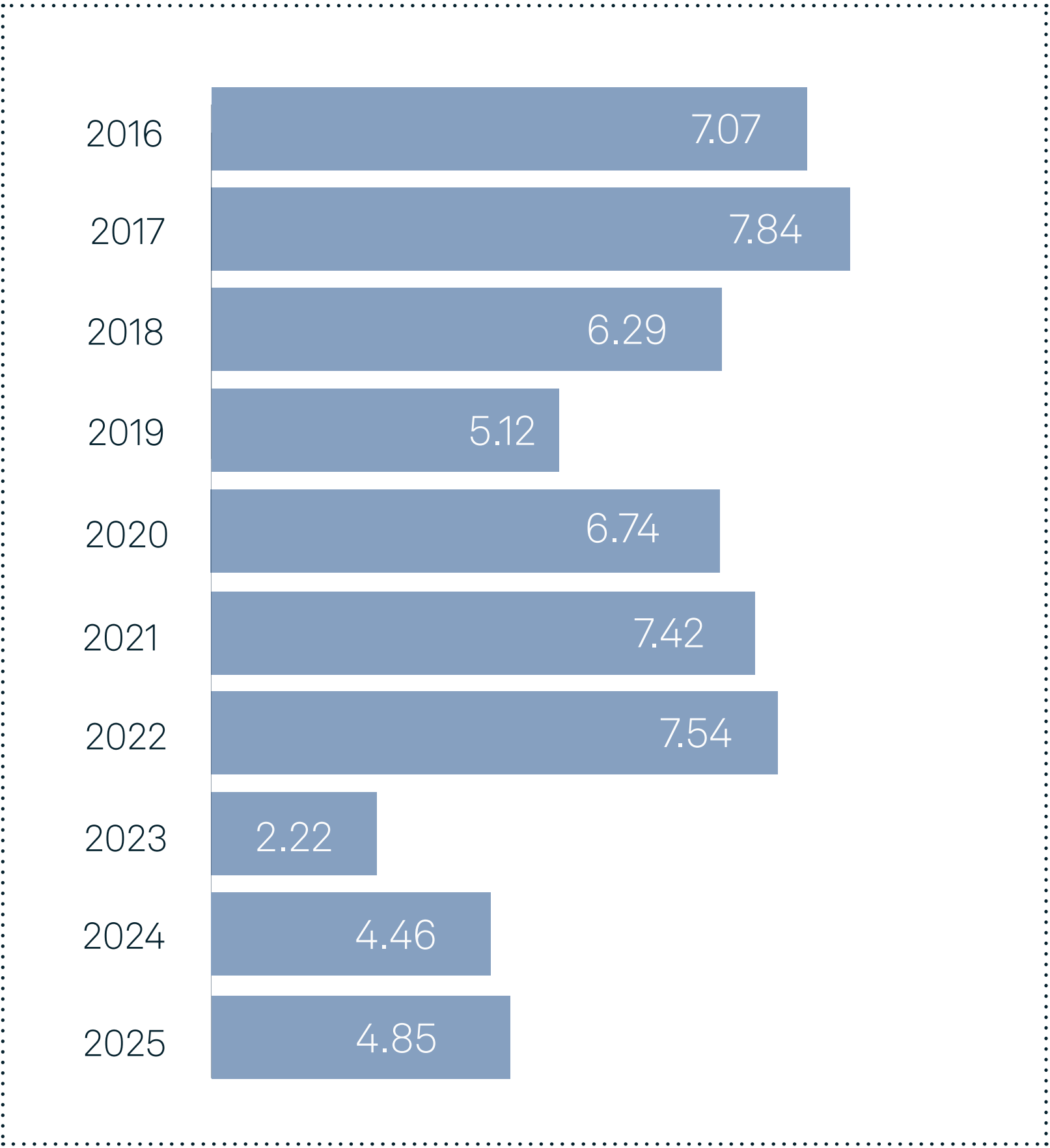
Waste management

At FERRE, we remain firmly committed to the principles of the circular economy and the recovery of valuable materials. Preventing waste generation continues to be one of our key priorities, supported by measures that optimise resource efficiency and minimise the environmental impact of our operations.

We also continue to improve waste segregation and management to maximise material recovery and promote the reintegration of recovered materials into new production cycles. In parallel, we are further optimising our packaging by reducing material consumption and implementing more sustainable and efficient packaging solutions, fully aligned with our circular production model.

KG OF RECOVERABLE WASTE PER PRODUCTION UNIT

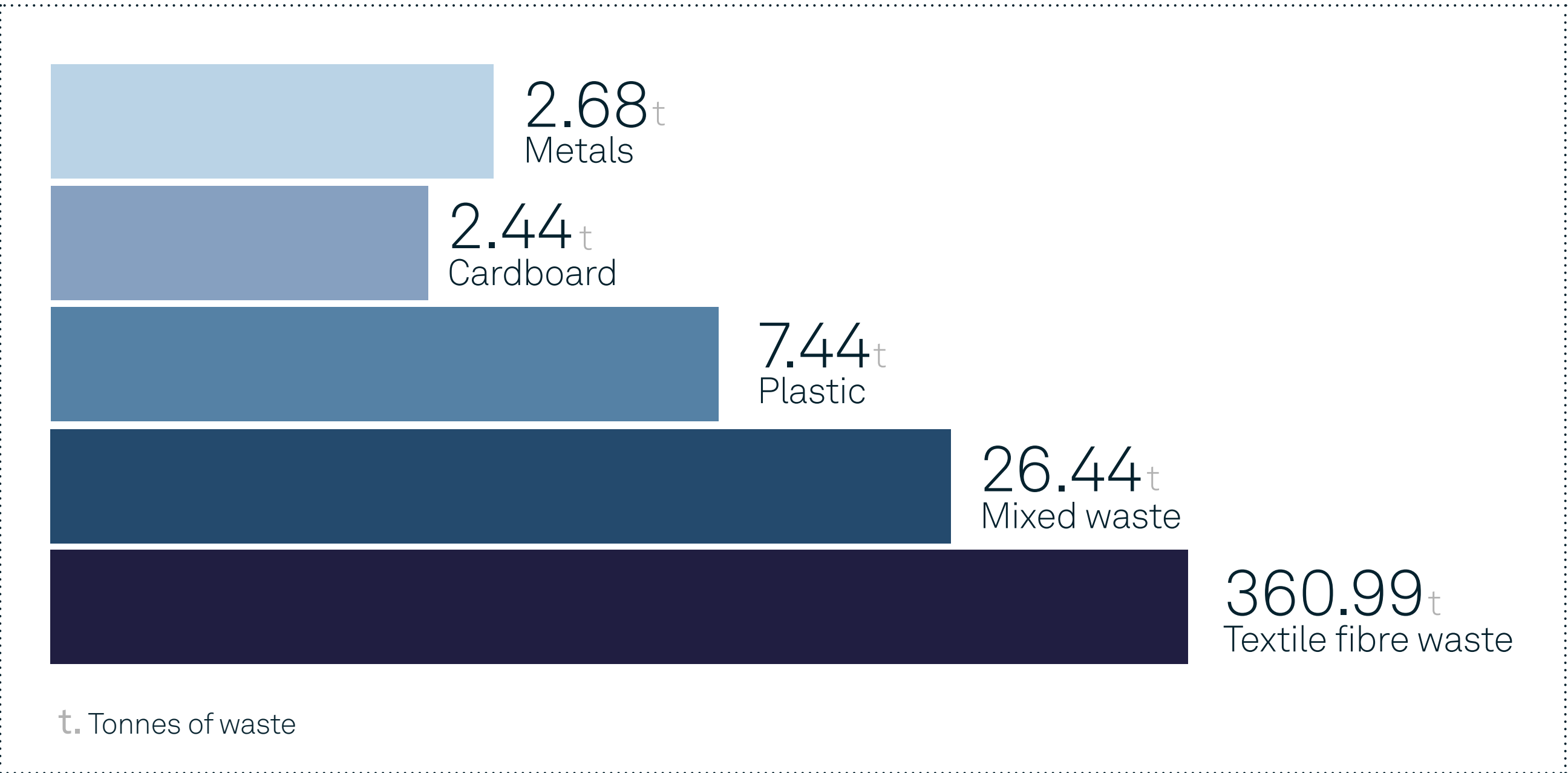
Production unit: 1.000 kilometres of yarn produced.



Waste recovery

At FERRE, waste recovery remains a fundamental element of our circular business model. During 2025, we continued transforming recovered materials into valuable secondary raw materials, enabling their reintegration into the production cycle while reducing the consumption of virgin resources.

This approach supports the transition towards a more sustainable textile industry by strengthening circularity, improving resource efficiency and reducing the environmental impact of our operations.



Certifications and environmental transparency

<https://ferreyarns.com/certifications/>

At FERRE, we reinforce our commitment to sustainability through internationally recognised certifications and environmental assessment tools that ensure the transparency, traceability and credibility of our products.

During 2025, we maintained key certifications including **STANDARD 100 by OEKO-TEX®**, **Global Recycled Standard (GRS®)** and Organic Content Standard (OCS®). These certifications verify the responsible use of materials, product safety, and the recycled and organic content of our textile products.

In addition, we continue to apply **Life Cycle Assessment (LCA)** methodology to measure and improve the environmental performance of our products. This science-based approach supports informed decision-making and drives continuous improvement, while reinforcing our commitment to the principles of the circular economy and the **United Nations Sustainable Development Goals (SDGs)**.



Certifications

Our commitment to sustainability is reflected in the internationally recognised certifications that support our products and manufacturing processes, including OEKO-TEX® STANDARD 100, Global Recycled Standard (GRS®), Organic Content Standard (OCS®) and PEFC. In addition, through the transparency provided by Life Cycle Assessment (LCA), we continuously measure, monitor and improve the environmental performance of our products.

OEKO-TEX ® Standard 100

100% of our yarns are certified to OEKO-TEX® STANDARD 100, ensuring that they have been tested for harmful substances and meet stringent human-ecological safety requirements.



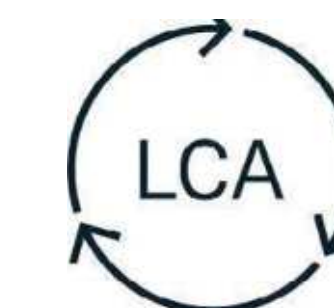
Global Recycled Standard (GRS)

95.5% of our production is GRS-certified, providing independent verification of recycled content, supply chain traceability and compliance with environmental and social criteria.



Ensuring transparency

All of our sustainability claims are supported by internationally recognised certifications and by independent environmental assessments based on the Life Cycle Assessment (LCA) methodology.



Organic Cotton Standard blended

0.97% of our products are certified to the Organic Content Standard (OCS®), verifying the presence and traceability of organically grown fibres throughout the supply chain.



PEFC – Programme for the Endorsement of Forest Certification

100% of the wooden pallets used by FERRE are PEFC-certified, ensuring that the timber originates from sustainably managed forests and other controlled sources.



FERRE

Sustainability report 2025

05.

SOCIAL & COMMUNITY
IMPACT

We believe that diversity and inclusion are fundamental drivers of our success. We therefore continue to foster an equitable and inclusive workplace that enables people to thrive while strengthening the overall performance of our organisation.



Our people

The commitment, expertise and innovative spirit of our people have been instrumental in driving our continued growth and strengthening our position as a leader in the development of recycled yarns and sustainable textile solutions.

Throughout 2025, we remained committed to professional development, continuous learning and fostering a workplace built on diversity, inclusion, equal opportunities and mutual respect. We also continued to prioritise the health, safety and well-being of our employees by promoting working conditions that support safe, healthy and high-quality performance.

Employment stability remains one of our defining strengths, with **99% of our workforce employed under permanent contracts**, reflecting our long-term commitment to stable employment and talent retention.

Our people continue to be the driving force behind Hilaturas Ferre.



Social indicators



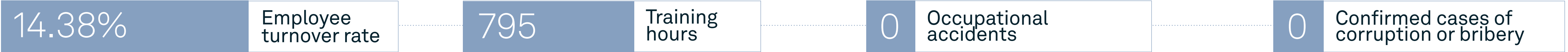
15%
Women



85%
Men

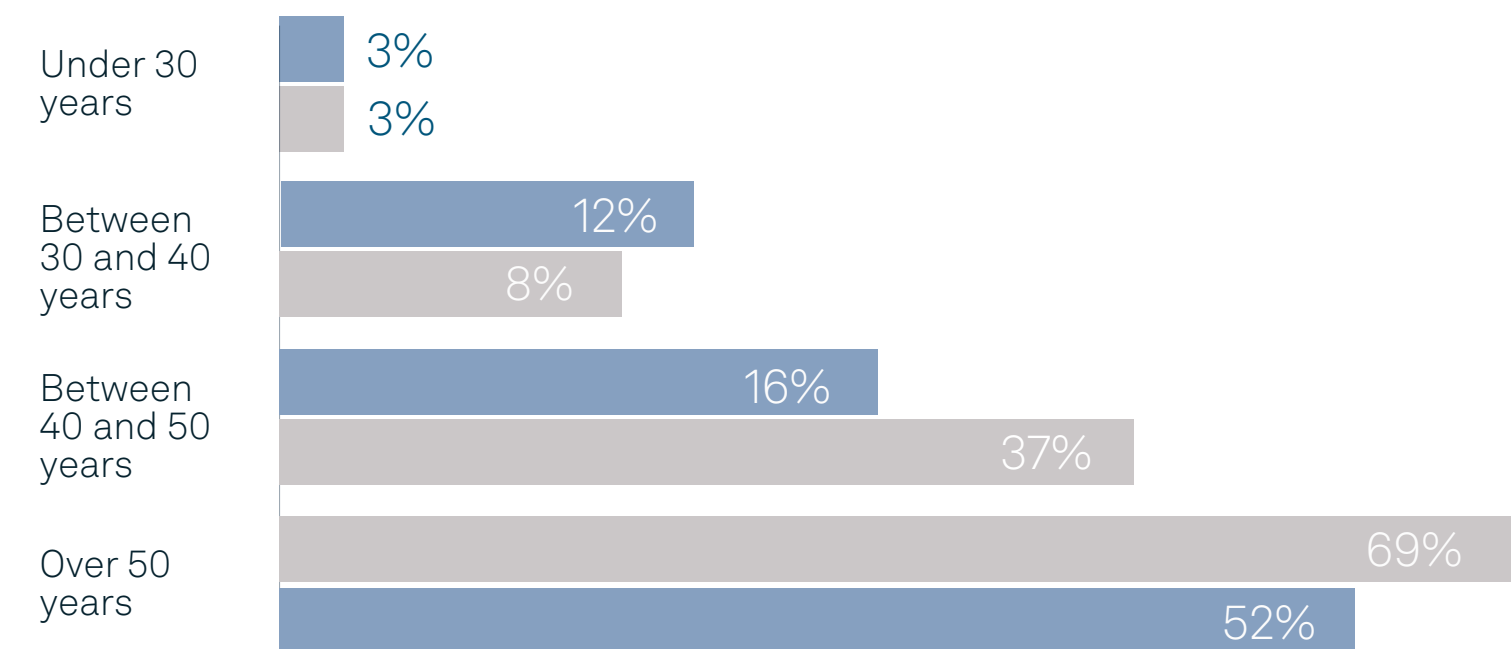
100% of employees receive remuneration above the Spanish National Minimum Wage.

100% of our employees are covered by the General Collective Bargaining Agreement for the Spanish Textile and Clothing Industry.

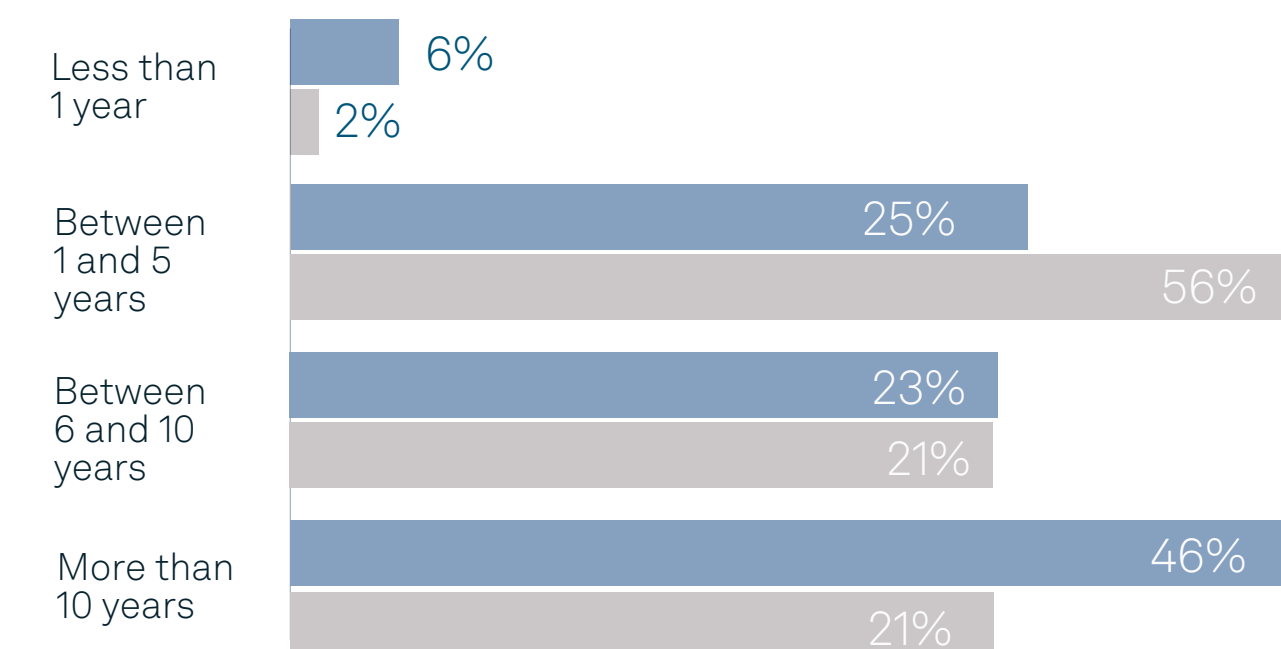


Our people

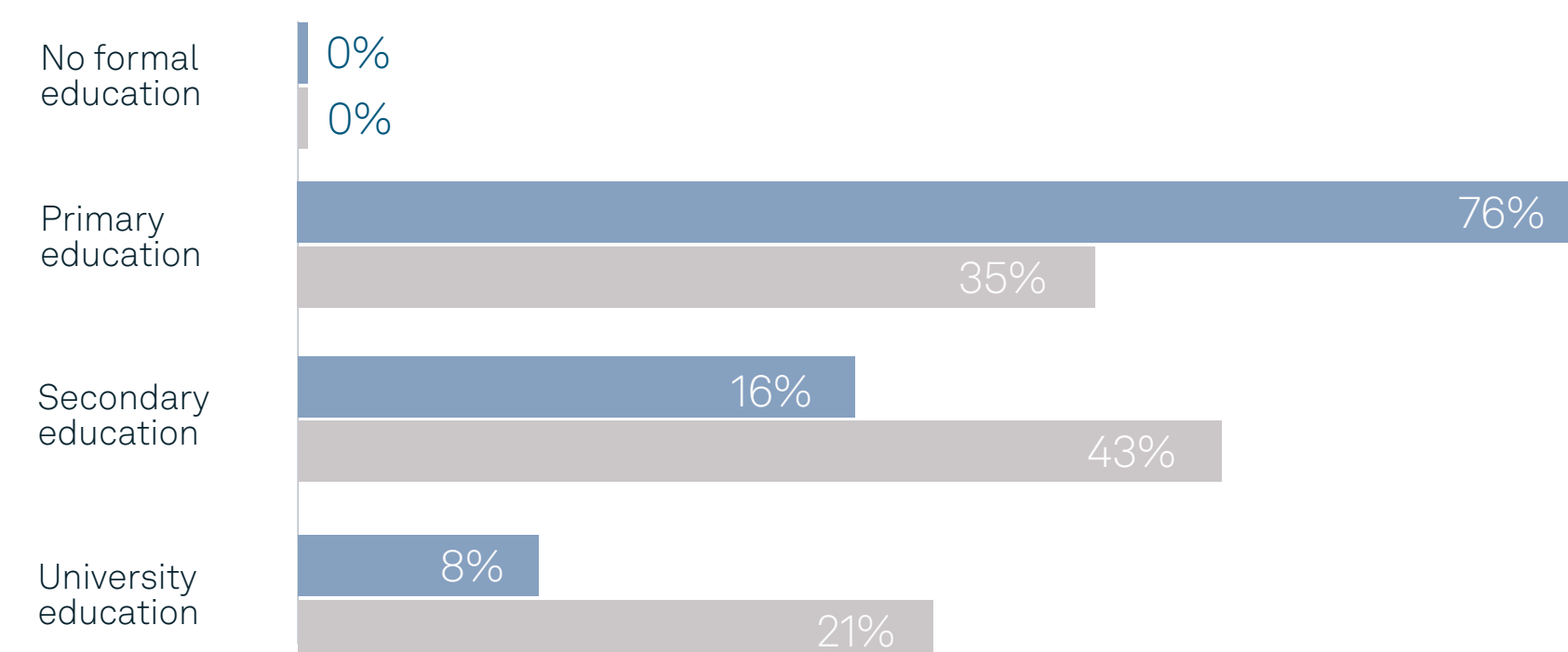
Workforce distribution by age



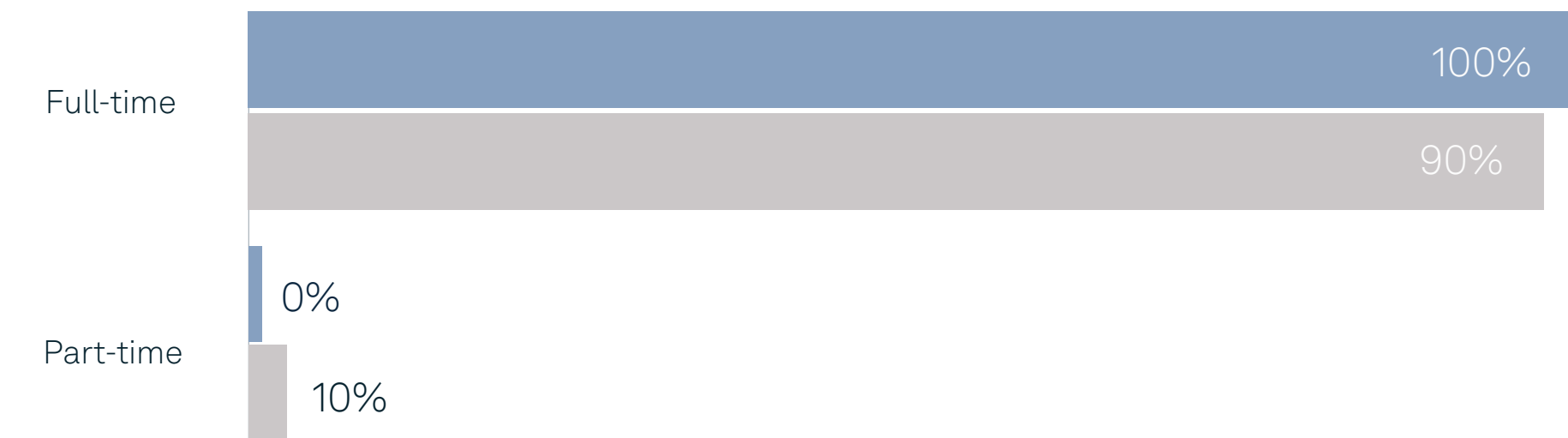
Workforce distribution by length of service



Workforce distribution by education level



Workforce distribution by employment type



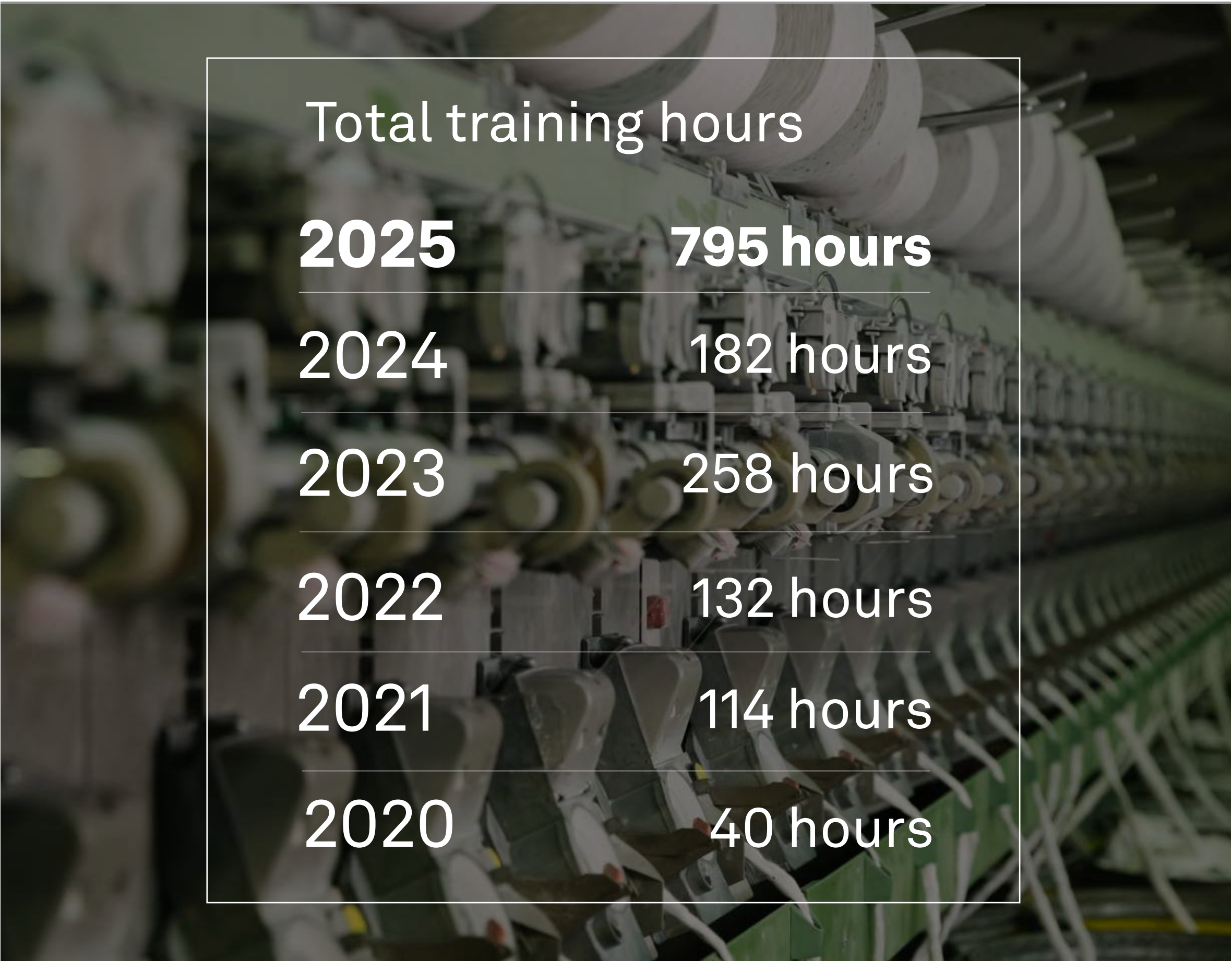
Men Women

Continuous learning

We continue to invest in continuous learning as a key driver of our employees' professional development and the ongoing improvement of our operations. During 2025, we delivered specialised training in both occupational health and safety and technical skills development, as well as job-specific training programmes.

In the area of health and safety, training covered workplace safety, office health and safety risks, emergency preparedness, the use of fire-fighting equipment, working at height, ergonomics and noise exposure.

In addition, we strengthened the technical capabilities of our workforce through specialised textile industry training and structured on-the-job training programmes, supporting the successful integration of new employees while fostering skills development and long-term talent growth across the organisation.



Our training programmes

During 2025, we implemented a comprehensive training programme focused primarily on occupational health and safety, technical skills development and on-the-job training. These initiatives combined both online and face-to-face learning formats, adapting to the operational needs of the organisation while strengthening workplace safety and enhancing the skills and capabilities of our workforce.

Participation by gender



Training delivery format

- Online: 4 training programmes → **57.1%**
- Face-to-face: 3 training programmes → **42.9%**

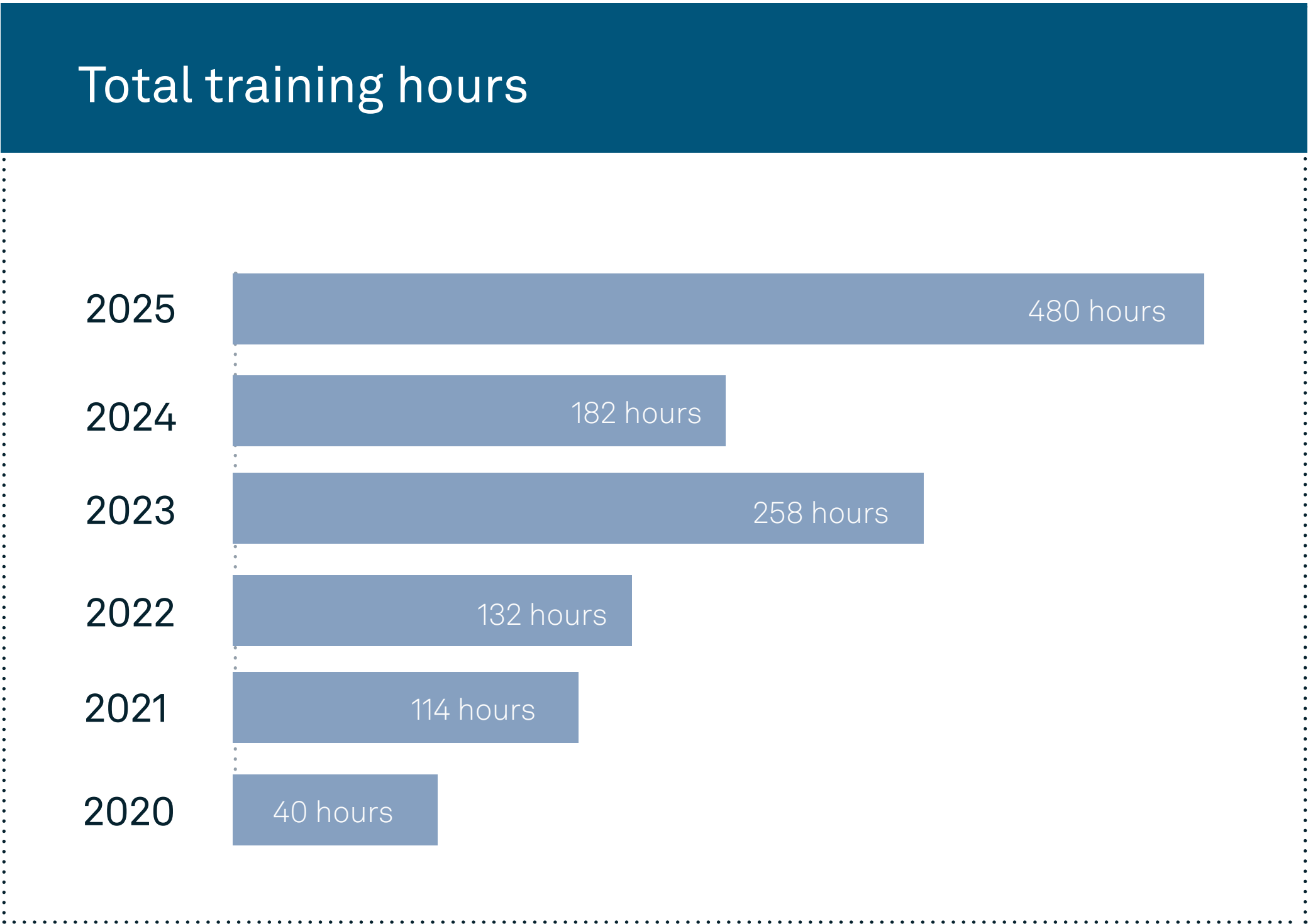
Training course	Number of Participants	
		
Workplace health and safety	88	0
Office health and safety risks	4	3
Emergency response plan and use of fire-fighting equipment	7	0
Working at height safety	8	0
Ergonomics and noise exposure	37	3
Textile industry technical training	0	3
Induction and on-the-job training	3	0

On-the-Job Training

At Hilaturas Ferre, we believe that the effective integration of new employees is essential to their professional development and successful adaptation to the organisation.

For this reason, throughout 2025 we further strengthened our on-the-job training programme, providing new employees with the knowledge, skills and guidance required to perform their roles safely, efficiently and confidently.

The increase in the number of training hours dedicated to this programme reflects our commitment to attracting and developing new talent, while ensuring the transfer of the knowledge, expertise and values that define our corporate culture.



Equality, diversity and work-life balance

At Hilaturas Ferre, we are firmly committed to promoting equal opportunities, diversity and respect in the workplace. Our approach is based on ethical conduct and on recognising people for their skills, capabilities and professional merit.

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During 2025, we continued implementing the measures set out in our First Equality Plan (2023–2027), which covers key areas including recruitment and hiring, career development, training, remuneration, work-life balance and occupational health and safety. The plan is designed to ensure equal treatment and equal opportunities for women and men throughout the organisation.

We also maintain a Harassment Preven-

tion Protocol, which has been updated to include specific measures for preventing discrimination and harassment based on sexual orientation, gender identity and gender expression, reflecting our commitment to fostering an inclusive workplace that respects LGBTI diversity.

To support work-life balance, we continue to promote initiatives such as flexible start and finish times and compressed working hours on Fridays for office-based employees.

We are committed to the principle of equal pay for work of equal value, reinforcing our commitment to pay equity and non-discrimination across the organisation.



Whistleblowing channel

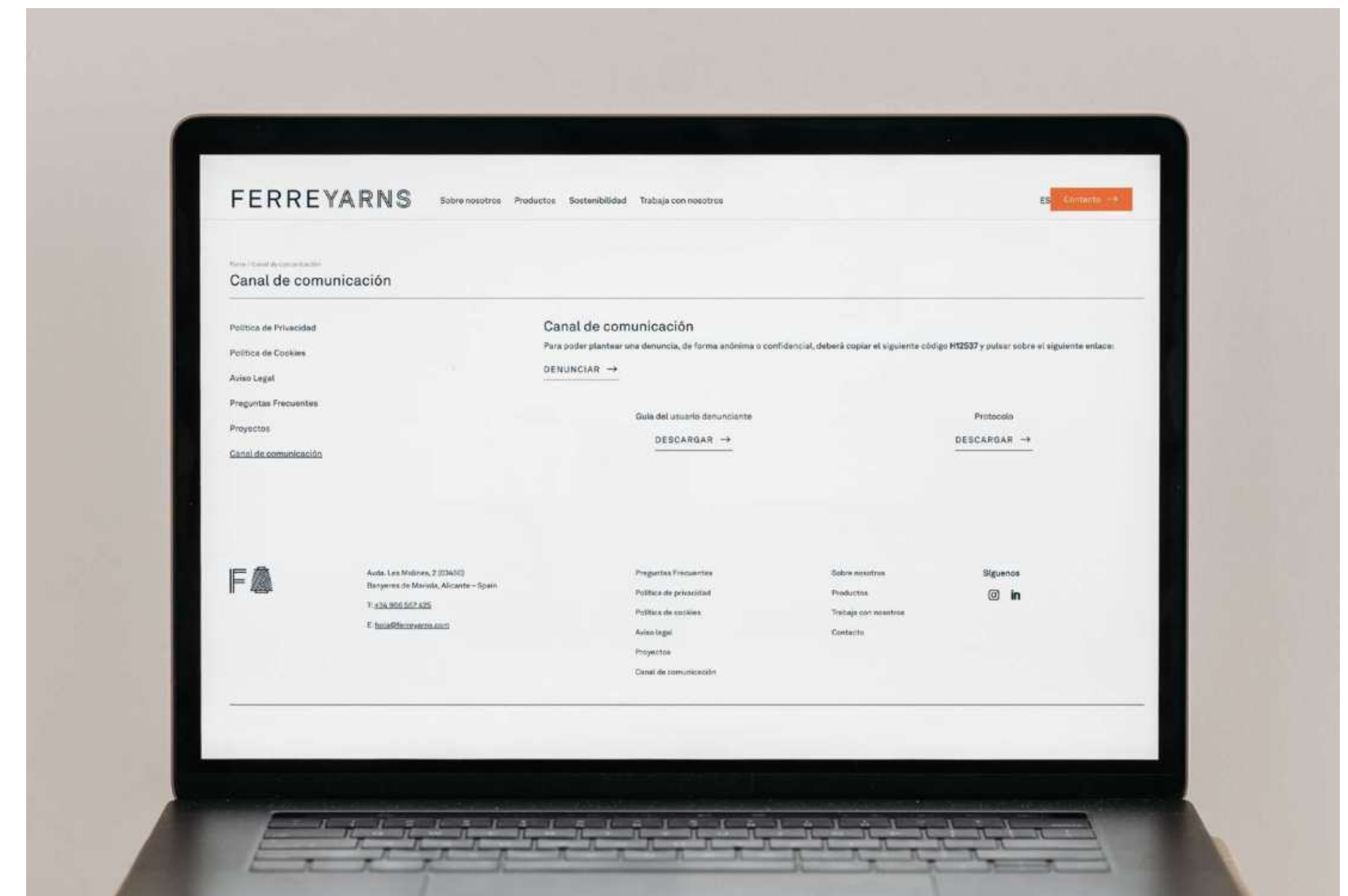
At Hilaturas Ferre, we maintain a Whistleblowing Channel (Communication Channel) that enables employees and other stakeholders to report, confidentially and, if they choose, anonymously, any suspected breaches of applicable legislation, the Code of Conduct or other irregular or unethical behaviour.

The channel ensures the protection of whistleblowers, safeguards the confidentiality of all communications and guarantees the appropriate handling of every report received, in line with our commitment to ethics, transparency and regulatory compliance.

During the 2025 reporting period, no reports were received through the Whistleblowing Channel.

The channel is available through our corporate website:

<https://ferreyarns.com/es/canal-comunicacion/>



Occupational health and safety

We remain firmly committed to protecting the health, safety and well-being of our employees by providing the resources and preventive measures necessary to ensure that all activities are carried out under safe working conditions.

Throughout 2025, we continued to regularly review and update workplace risk assessments across all positions, with the aim of preventing, reducing and effectively managing the occupational risks associated with our operations.

100% of our workforce is covered by an external Occupational Health and Safety Service, which supports our preventive management system and ensures compliance with applicable health and safety legislation.

We also provide occupational health and safety training for all employees, particularly during the onboarding process, equipping them with the knowledge and skills required to perform their duties safely and effectively.

Through these initiatives, we continue to strengthen our commitment to creating a safer, healthier and more sustainable workplace.



FERRE

Sustainability report 2025

06.

GRI - VSME

GRI - VSME

GRI 2: GENERAL DISCLOSURES 2021

GRI Estandard	Disclosure	Location	VSME
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1. THE ORGANIZATION AND ITS REPORTING PRACTICES

Disclosure 2-1	Organizational details.	4, 6, 7, 13	B1 - Basis for the preparation of the sustainability report.
Disclosure 2-2	Entities included in the sustainability reporting.	04	
Disclosure 2-3	Reporting period, reporting frequency and contact point.	04	
Disclosure 2-4	Restatements of information.	14	
Disclosure 2-5	External assurance.	Not applicable	Not applicable

2. ACTIVITIES AND WORKERS

Disclosure 2-6	Activities, value chain and other business relationships.	7, 8, 9,13 ,31 ,33	B2 – Practices, policies and future initiatives for the transition to a more sustainable economy.
Disclosure 2-7	Employees.	14, 61, 62, 63	B9 – Own workforce: general characteristics.
Disclosure 2-8	Workers who are not employees.	Not applicable	Not applicable

GRI 2: GENERAL DISCLOSURES 2021

GRI Estandard	Disclosure	Location	VSME
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3. GOVERNANCE

Disclosure 2-9	Governance structure and composition.	28, 29, 30, 31	
Disclosure 2-10	Nomination and selection of the highest governance body.	28, 29, 30, 31	C2 – Governance: sustainability roles and responsibilities.
Disclosure 2-11	Chair of the highest governance body.	30	
Disclosure 2-12	Role of the highest governance body in overseeing the management of impacts.	28, 29, 30, 31	
Disclosure 2-13	Delegation of responsibility for managing impacts.	30	B2 – Sustainability practices, policies and actions. C2 – Governance: sustainability roles and responsibilities.
Disclosure 2-14	Role of the highest governance body in sustainability reporting.	30	C2 – Governance: sustainability roles and responsibilities.
Disclosure 2-15	Conflicts of interest.	27, 32	
Disclosure 2-16	Communication of critical concerns.	Not applicable	Not applicable
Disclosure 2-17	Collective knowledge of the highest governance body.	Not applicable	
Disclosure 2-18	Evaluation of the performance of the highest governance body.	Not applicable	
Disclosure 2-19	Remuneration policy.	Not applicable	
Disclosure 2-20	Process for determining remuneration.	Not applicable	
Disclosure 2-21	Annual total compensation ratio.	Not applicable	

GRI 2: GENERAL DISCLOSURES 2021

GRI Estandard	Disclosure	Location	VSME
4. STRATEGY, POLICIES AND PRACTICES			
Disclosure 2-22	Statement on sustainable development strategy.	16	B2 – Sustainability practices, policies and future initiatives. C2 – Governance: sustainability roles and responsibilities.
Disclosure 2-23	Policy commitments.	32, 56	
Disclosure 2-24	Embedding policy commitments.	16, 32, 56, 57	
Disclosure 2-25	Processes to remediate negative impacts.	67, 68, 69	
Disclosure 2-26	Mechanisms for seeking advice and raising concerns.	68	C2 – Governance: sustainability roles and responsibilities.
Disclosure 2-27	Compliance with laws and regulations.	48	
Disclosure 2-28	Membership associations.	33, 34	
5. STAKEHOLDER ENGAGEMENT			
Disclosure 2-29	Approach to stakeholder engagement.	17, 18, 33	B2 – Sustainability practices, policies and future initiatives. C2 – Governance: sustainability roles and responsibilities.
Disclosure 2-30	Collective bargaining agreements.	62	B9 – Own workforce: general characteristics. C9 – Own workforce.

GRI 3: MATERIAL TOPICS 2016 · ENVIRONMENTAL

GRI Estandard	Disclosure	Location	VSME
GRI 301. MATERIALS 2016			
Contenido 301-1	Materials used by weight or volume.	9, 10, 41, 49	C8 – Resource Use and Circular Economy.
Contenido 301-2	Recycled input materials content.	45, 47, 49, 54	
Contenido 301-3	Reused products and packaging materials.	52, 45, 49, 54	
GRI 302. ENERGY 2016			
Disclosure 302-1	Energy consumption within the organization.	14, 45, 47, 50, 52, 53, 54	B3 – Energy and Greenhouse Gas Emissions. C3 – Energy and Greenhouse Gas (GHG) Emissions.
Disclosure 302-3	Energy intensity.	50, 51, 52, 53	C3 – Energy and Greenhouse Gas (GHG) Emissions.
GRI 303. WATER AND EFFLUENTS 2018			
Disclosure 303-1	Interaction with water as a shared resource.	45, 47, 50	C8 – Resource Use and Circular Economy.
Disclosure 303-3	Water withdrawal.	45, 47, 50	
Disclosure 303-5	Water consumption.	45, 47, 50	
Disclosure 303-2	Management of water discharge-related impacts.	45, 47, 50	C4 – Air, Water and Soil Pollution.

GRI 3: MATERIAL TOPICS 2016 · ENVIRONMENTAL

Estandard GRI	Disclosure	Location	VSME
GRI 305. EMISSIONS 2016			
Disclosure 305-4	GHG emissions intensity.	51, 52, 53	B3 – Energy and Greenhouse Gas Emissions.
Disclosure 305-5	Reduction of GHG emissions.	51, 52, 53	C3 – Energy and Greenhouse Gas (GHG) Emissions.
GRI 306. WASTE 2016			
Disclosure 306-2	Waste by type and disposal method.	54, 55	C8 – Resource Use and Circular Economy.
GRI 308. SUPPLIER ENVIRONMENTAL ASSESSMENT 2016			
Disclosure 308-1	New suppliers that were screened using environmental criteria.	31, 48	C7 – Business Conduct (Value Chain and Suppliers).

GRI 3: MATERIAL TOPICS 2016 · ECONOMICS

Estandard GRI	Disclosure	Location	VSME
GRI 201. ECONOMIC PERFORMANCE 2016			
Disclosure 201-1	Direct economic value generated and distributed.	13	C7 – Business Conduct (Value Chain and Suppliers).
GRI 202. MARKET PRESENCE 2016			
Disclosure 202-2	Proportion of senior management hired from the local community.	28, 29, 30	C9 – Own workforce.
GRI 205. ANTI-CORRUPTION 2016			
Disclosure 205-3	Confirmed incidents of corruption and actions taken.	14	B11 – Convictions and Incidents Related to Corruption and Bribery. C7 – Business Conduct (Value Chain and Suppliers).

GRI 3: MATERIAL TOPICS 2016 · SOCIALS

Estandard GRI	Disclosure	Location	VSME
GRI 403. OCCUPATIONAL HEALTH AND SAFETY 2016			
Disclosure 403-5	Worker training on occupational health and safety.	14, 64, 65, 66	B9 – Own workforce: general characteristics. C9 – Own workforce.
Disclosure 403-6	Promotion of worker health.	64, 65, 69	
GRI 404. TRAINING AND EDUCATION 2016			
Disclosure 404-1	Average hours of training per employee.	64, 65, 69	B9 – Own workforce: general characteristics. C9 – Own workforce.
Disclosure 404-2	Programs for upgrading employee skills and transition assistance.	64, 65, 69	
GRI 405. DIVERSITY AND EQUAL OPPORTUNITY 2016			
Disclosure 405-1	Diversity of governance bodies and employees.	30	B9 – Own workforce: general characteristics. C9 – Own workforce.
GRI 406. NON-DISCRIMINATION 2016			
Disclosure 406-1	Incidents of discrimination and corrective actions taken.	14	B9 – Own workforce: general characteristics. C9 – Own workforce.

GRI 3: MATERIAL TOPICS 2016 · SOCIALS

Estandard GRI	Disclosure	Location	VSME
GRI 407. FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016			
Disclosure 407-1	Operations and Suppliers in which the right to freedom of association and collective bargaining may be at risk.	62	C7 – Business Conduct (Value Chain and Suppliers).
GRI 408. CHILD LABOUR 2016			
Disclosure 408-1	Operations and suppliers at significant risk for incidents of child labour.	14	B2 – Sustainability Practices, Policies and Actions. C7 – Business Conduct (Value Chain and Suppliers).
GRI 413. LOCAL COMMUNITIES 2016			
Disclosure 413-1	Operations with local community engagement, impact assessments and development programs.	33, 34	B2 – Sustainability Practices, Policies and Actions. C7 – Business Conduct (Value Chain and Suppliers).
Disclosure 413-2	Operations with significant actual and potential negative impacts on local communities.	33, 34	
GRI 414. SUPPLIER SOCIAL ASSESSMENT 2016			
Contenido 414-1	New suppliers that were screened using social criteria.	31	C7 – Business Conduct (Value Chain and Suppliers).

GRI 3: MATERIAL TOPICS 2016 · SOCIALS

Estandard GRI	Disclosure	Location	VSME
GRI 416. CUSTOMER HEALTH AND SAFETY 2016			
Disclosure 416-1	Assessment of the health and safety impacts of product and service categories.	7, 8, 9, 35	B2 – Sustainability Practices, Policies and Actions. C7 – Business Conduct (Value Chain and Suppliers).

GRI 417. MARKETING AND LABELING 2016

Disclosure 417-1	Requirements for product and service information and labeling.	7, 8, 9, 35	B2 – Sustainability Practices, Policies and Actions. C7 – Business Conduct (Value Chain and Suppliers).
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