

SUSTAINABILITY

REPORT

2019



Developed by CotoBlau, S.A.

RENEWED COMMITMENT

Seven years ago, **Cotoblau** joined the United Nation's Global Compact in order to support and promote the commitment with the **Ten Principles** related to human and labour rights, environmental protections and the fight against corruption included in the Global Compact. Once again, we are pleased to renew our commitment by offering our **Sustainability Report** where our main actions and projects carried out during 2019 are summarized.

During this last year, we have maintained our commitment to develop new sustainable products and R&D, we have increased our production capacity and production lines and we have incorporated latest technologies to our production systems in order to increase the efficiency of the process and guarantee optimum levels of quality. We focus our work on the Lean methodology and culture and on the continuous improvement in all we propose to do.

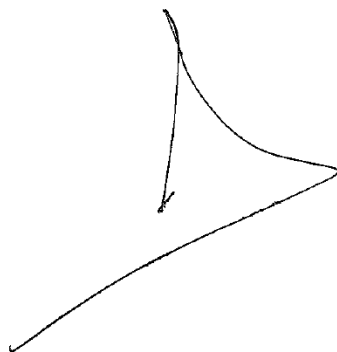
We continue to work in the field of social responsibility in order to enhance our commitment to respect the **Ten Principles of the Global Compact** as part as our company's aim and with the objective that our different stakeholders are knowledgeable about it.

Cotoblau's strategy for the coming years is to continue working in order to face new challenges, to implement new improvement processes, to focus in sustainable raw materials and to take care about people and environment. For all this, Cotoblau believe in a sustainable growth.

Through this report I invite you to know the details of the actions and projects carried out in 2019, that show how Cotoblau is constantly striving for innovate to run the business in a responsible and sustainable manner.

Càndid Penalba Peiró

CEO in COTOBLOU, S.A



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cotoblau, s.a.



Company Name	COTOBLOU, S.A.
Address	c/ L'Agulla, 7-9. Pol. Ind. El Pla. 46870. Ontinyent (Valencia)
Web site	www.cotoblau.com
Main Activity	Manufacturer of mattress protectors, quilts and covers mattresses.
Our Brands	Cotopur. Kamasana.
Direct Employees	212
Annual Turnover 2019	33.720.000€

ABOUT US

In 2002, Cándid Penalba Peiró founded its company Cotoblaú, SA with a clear vocation to offer a quality service to its clients and with the aim of consolidating and developing our market position. Years later, results are evident and we can see our products spread all over the world. We have become **the largest manufacturer of mattress protectors in Europe.**

Through our brands, Cotopur and Kamasana, we can fulfil needs of a wide audience and we can offer two ranges of quality products capable of providing comprehensive care for rest.

Our goal is working in innovation and high added value products. Therefore, we work with high quality fabrics and cutting-edge treatments that provide our products with the best characteristics to guarantee a healthy and comfortable rest.

Our customers have rewarded our work with their loyalty and they are the principal drivers to maintain and improve our spirit of evolution, innovation and continuous improvement.



OUR STRENGTHS

Innovative products

We support high-quality and sustainable fabrics and new treatments that give our product the best features to provide a healthy and comfortable rest.

Excellent customer care

We provide to our customers all information about our products through personalized service channels in order to establish a long and successful relationship.

Sustainability

We work for continuous improvement and for implementing policies of sustainability in the social, environmental and respecting working conditions of our workers.

High added value

Our long experience in the textile sector and our vision towards an automated industry bring added value to our products.

OUR PRIORITIES

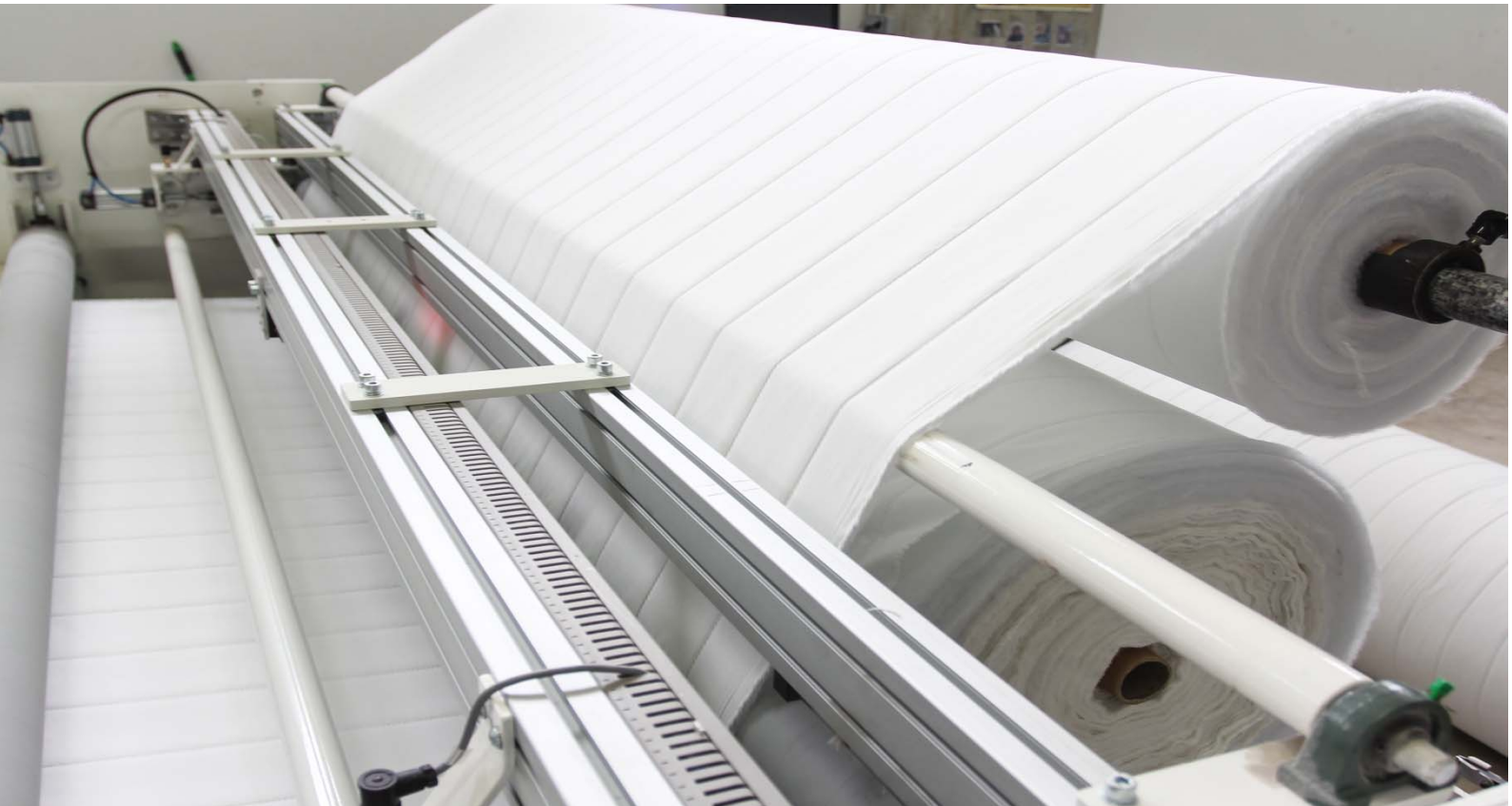
**Innovation and
continuous
improvement**

**Sustainable and
respectfully raw
materials which
take care of our
environment.**

**Process
automatization
and optimization**

Lean culture

**Contribution to
general well-being**



Evolution

in

2019

FACILITIES AND STUFF

2019 has brought changes to our company:

- We have invested in state-of-the-art machinery, increasing our productive capacity of the pillows with a new pillows section and a new machine to put the inner cover of the pillow.
- We have bought digital tablets to help our salesmen to do the orders and to reduce the quantity of paper used during this stage.
- We have increased our production capacity, through the installation of new sewing machines.
- We keep analysing, measuring and improving the performance, availability and OEE of different processes as quilting, cutting and automatic packaging through Lean tools and workshops.
- We have improved our organization structure with the creation of new departments and increasing existing ones such as quality, human resources and Planning and Lean promoter.

All these changes, has also brought changes in our staff:

- We have reached 212 employees.
- We have recruited 27 new employees during 2019.



PRODUCTS AND SERVICES

For us, **the relationship with our suppliers and customers is based on a fair and transparent business.**

To guarantee our products quality, we work closely with our suppliers that must have a positive and transparent relationship, as well as a complete and updated information. All this is reflected in annual evaluations and audits.

Adapting to customer needs, we have created a wide range of products available on the following links:

Kamasana Products

<http://www.kamasana.com>

Cotopur Products

<http://www.cotopur.com>



SUSTAINABILITY

"Meeting the needs of the present without compromising the abilities of future generations to meet their needs"

Bruntland Commission Report - 1987

PRODUCTION AND QUALITY IN A SUSTAINABLE WAY

Taking care the people and our planet.

Everything we do must be socially and environmentally sustainable. It is all highly connected and equally important for our future growth.

For **Cotoblau**, a sustainable business is one that creates economic, environmental and social value in the short and long term, thereby enhancing the common good as well as contributing in a real progress in their overall environment.

Cotoblau integrates the concept of sustainability into its business strategy and for this reason, every interaction with all stakeholders, including suppliers, staff, customers and environment, is carried out by mutual respect, integrity, transparency and honesty. That is why we strive to communicate our commitment to a sustainable business throughout our network and stakeholders.

For us this means respecting human rights, taking a clear stand against corruption and embracing diversity and inclusion.

SUSTAINABILITY

CERTIFICATES

OEKO-TEX



We have renewed our commitment to the **OEKO-TEX Standard 100 Certificate in 2019**. OEKO-TEX certification is the world's leading eco-label for textile products. It is a guarantee of the safety evaluation of our fabrics, since our products have been tested and certified by internationally recognized institutes. With this certification, the consumer is sure that the textile products are free of harmful substances to health.

- Harmful substances.
- Specifications and regulations.
- CPSIA regulation.
- Formaldehyde, Heavy metals, APEOS

BETTER COTTON INICIATIVE (BCI)



The **Better Cotton Initiative** was created to improve the global cotton production. The aim of this initiative is to be part of something better and achieve sustainable cotton production, based on the three fundamental pillars: environmental, social and economic.

Cotoblau sustainability commitment by the use of cotton from sustainable sources and for this reason, our products are made by BCI certified cotton.

- Environmentally friendly processes
- Optimum health and safety.
- Socially acceptable working conditions.

RECYCLED ORIGIN FOR RAW MATERIALS



Cotoblau is committed to the circular economy, a production strategy that aims to reduce the use of resources in the manufacturing cycle. For us, it does not mean only a matters of corporate social responsibility literature, but it is our reality and future. We are focused on recycled materials to encourage the reutilization of raw materials and to take care of our environment, through the use of fibres and recycled yarn.

SOCIAL RESPONSABILITY

Our management principles commit to get a work environment based on trust and mutual respect, where we work hardly to prevent and control any undesirable event and where we work continuously to adapt our products to the applicable regulations and requirements of our customers.

From Cotoblau we encourage and carry out the following policies in order to facility and improve our employees work.

- **Employment stability.**
- **Labour flexibility.**
- **Support for integration and equal opportunities.**

TEN PRINCIPLES OF THE GLOBAL COMPACT

Since 2013, when Cotoblaui adhered to the United Nations Global Compact, the company committed to implementing the ten principles in its strategy and operation business. The Ten Principles are detailed below:

HUMAN RIGHTS

The company should:

- Support and respect the protection of internationally proclaimed human rights; and
- Make sure that they are not complicit in human rights abuses.

LABOUR STANDARDS

The company should uphold:

- The freedom of association and the effective recognition of the right to collective bargaining;
- The elimination of all forms of forced and compulsory labour;
- The effective abolition of child labour; and
- The elimination of discrimination in employment and occupation.

ENVIRONMENT

The company should:

- Support a precautionary approach to environmental challenges,
- Undertake initiatives to promote environmental responsibility; and
- Encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

- The company should work against corruption in all its forms, including extortion and bribery.

RESULTS AND ACTIONS

The main lines of action in terms of human rights, labour rights, environment and anti-corruption are presented below:

HUMAN RIGHTS

To Cotoblau is a priority and a non-negotiable aspect the respect for fundamental human rights of staff and the different stakeholders. For this reason, **we agree not to work** with suppliers, customers or workers who exercise any kind of violation of human rights. Cotoblau put this message, clearly and convincingly, across to our entire value chain and our area of influence.

We promote a sustainable economic growth based on fair work for all.

LABOUR STANDARDS

Cotoblau has specific policies that ensure respect of human rights and ensure fair employment relations, such as any kind of non-discrimination and the integration and equal opportunities.

It is important to note the company's strong commitment to value all people for their skills and qualities without regard to gender, handicap, race or religion. We also defend **gender equality** and empower all women in the workplace. In Cotoblau, women are 79% of the total workers.

Similarly, **Cotoblau respects the right to freedom of association and to collective bargaining of all employees and we reject the abusive practices at work and reject any kind of child labour, committing ourselves to report any suspicion of child labour that we know about.**

In addition, **our understanding of the reconciliation of work and private life for our workers is fundamental.**

ENVIRONMENT

In Cotoblau S.A. we have a strong commitment to care for the environment and our natural surroundings and we understand that it is our duty as a leading company in textile sector, undertake initiatives to promote environmental responsibility and caring for the environment.

Main objectives such as the reduction of waste, the use of clean energy and the care of existing resources are included in our environmental policy.

Additionally, this year we have made a big effort in the research and performance of prototypes using recycled materials. We are focused on a circular and sustainable economy, which guarantee the quality of our products improving their added value. We have turned into reality new projects based on this new trend and at the end we got new mattress protectors, 100% recyclable and whose raw materials are certified as recycled.

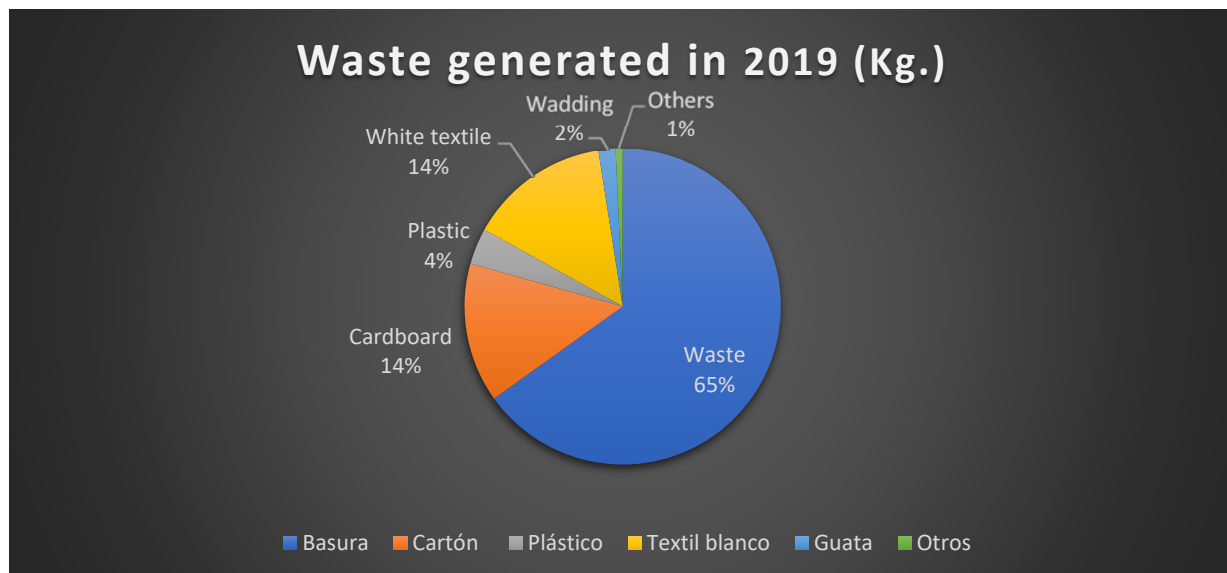
Furthermore, our entire share of energy comes from 100% renewable sources.

Environmental Commitment

Result derived from Cotoblaú environmental commitment during 2019 are shown below:

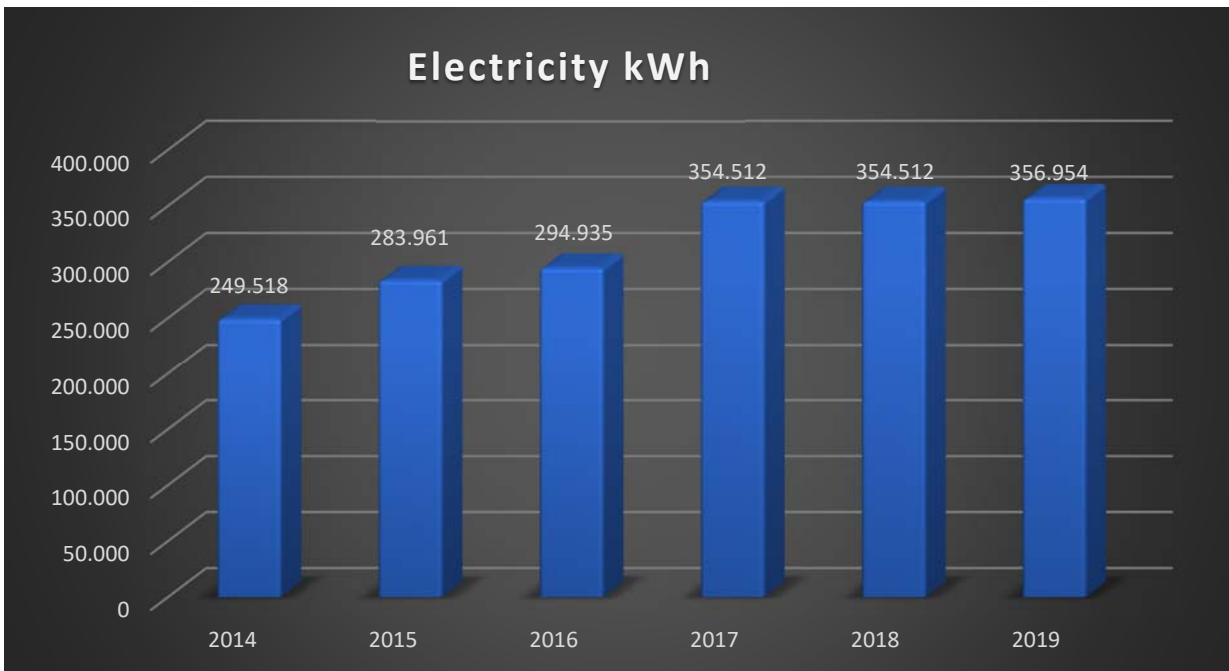
- Investment in clean and advanced technologies and machinery with less energy consumption.
- In the new production lines, energy efficiency is promoted and improved with the use of low consumption lighting technologies throughout the plant.
- 213 tonnes recycled (34% of our waste):
 - 88,5 tonnes of cardboard recycled.
 - 23 tonnes of plastic recycled.
 - 90 tonnes of white textile recycled.

Generation of electric power through solar photovoltaic panels located in the deck of the industrial warehouse (81.165 Kwh produced).

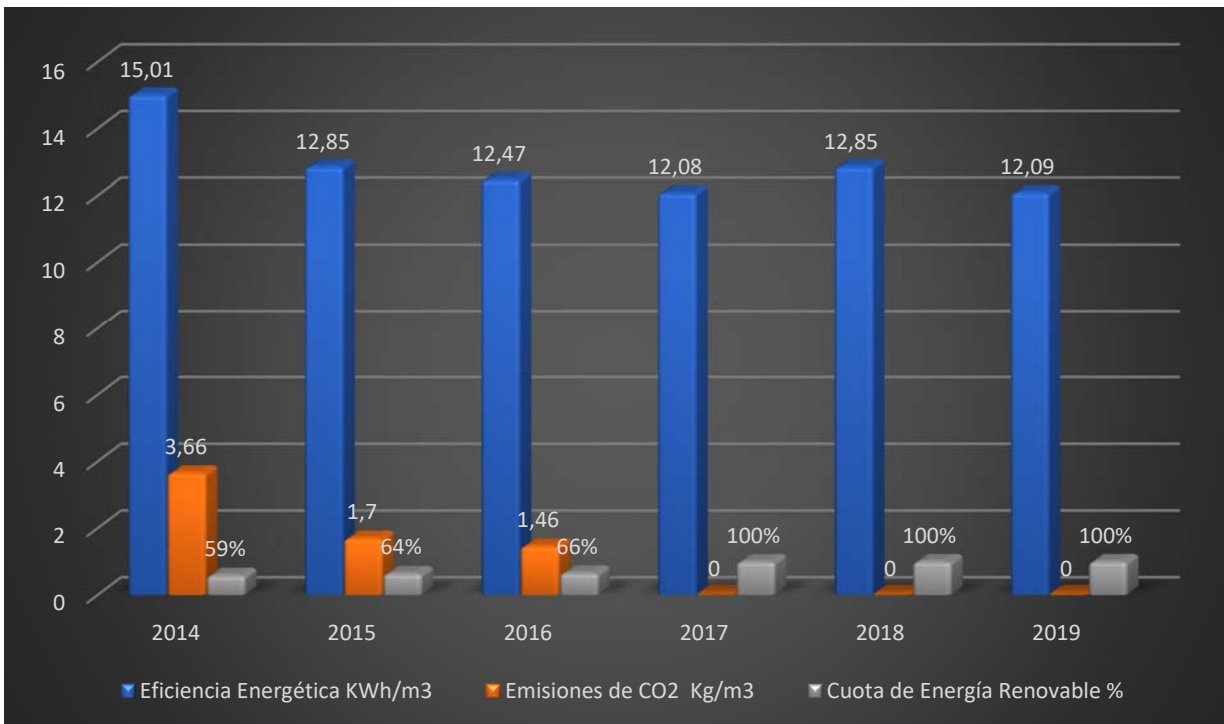


Over 2019, Cotoblaú has increased its productive capacity as well as the number of workers and machines used.

That is why despite implementing improvements in energy and recycling, electricity consumption has increased slightly compared to the previous year.



Energy efficiency and CO2 emissions, energy efficiency and renewable energy ratio indicators are shown below:



Analysing results, we can see that measures taken in our facilities have improved our energy efficiency, have reduced our CO2 emissions and have increased the use of renewable energy.

Currently, all electricity used in Cotoblaú comes from renewable sources

ANTI-CORRUPTION

COTOBLAU, S.A. rejects and works against corruption in all its forms, from our suppliers and workers until the delivery of end customer service.

We convey to our employees and other stakeholders that we have a transparent and accountable practices and we reject any kind of corrupt practice, acting firmly, as we understand that this type of behaviour is a burden for a society that aims to evolve. Cotoblau has a commitment to promoting a competitive business environment right where there is no place for corrupt practices.

SOCIAL ACTION AND SOLIDARY CAMPAIGNS

We have carried out the activities below as part of our company's ongoing commitment to economic development on the improvement of quality life for society at large.

- Collaboration with **UNICEF**'s Children's Multiply Program for third year.
- Collaboration with **AFAO** (Associació de Familiars, amics i amigues de malats i malaltes d'Alzheimer i altres demències d'Ontinyent) through the plastic caps collection.
- Collaboration with **ATEVAL** Association (Textile Sector Business Association of la Vall d'Albaida).
- Collaboration with **INNOVALL** Association, national cluster for Innovation and Sustainability located at Ontinyent.
- Participation in Solidarity Markets in the region.
- Collaboration with the Colegio de San José Teresianas in textile articles for re-use and helping the needy.



- Donations to Albaida Motoclub.



- Donations to Albaida Football Club.
- Donations to Albaida Athletics Club.
- Donations to Albaida Basketball Club.



- Sponsors of Club de Fútbol Ontinyent



cotoblau, s.a.



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