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HILATURAS  
**FERRE**

**SUSTAINABILITY  
REPORT  
2019**

Viol

Turquesa 02

Malva 029

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## 1.A WORD FROM THE PRESIDENT

Dear friends,

For the ninth consecutive year, I present this sustainability report, certain of the fact that the journey we started 73 years ago, with the commitment to improving our planet is now a reality.

This here report allows our stakeholders to learn about our activities and rest assured that for us, sustainability “is not an option”, but the only way forward.

Our company encourages and offers solutions for a circular textile industry, whilst being sustainable, with a minor impact on the environment and continuing to reinforce the values that our history is based upon: sustainability, transparency, product quality, innovation in processes, cutting-edge technology and maintaining our stamp in the world of yarn production through recycled cotton.

It’s time to reinvent, it’s time to lead the change and at Hilaturas Ferre, we are equipped with a magnificent team of staff who are ready to take charge, ready to make changes and innovate, while sharing the values that have always characterised us and the strong commitment to be respectful with the use of efficient and sustainable resources, whether they be production or energy related.

Let’s make a toast and hope that this project gets the social recognition and impact it deserves.

Alfredo Ferre García

President

## 2. ABOUT HILATURAS FERRE

### Hilaturas Ferre in numbers

#### Main economic indicators

Volume of business and results (in millions of €)	2019
Sales	15.87 €
Sales per geographical area (in %)	2019
America	40.4%
Spain	29.4%
The rest of Europe	22.3%
Asia	7.4%
Africa	0.5%
Oceania	0.0001%
Purchases per geographical area (in %)	2019
Spain	71%
Portugal	13%
Turkey	6%
Italy	4%
Germany	4%
Austria	2%

#### Main indicators for the environment, ethics and diversity

Environmental	2019
Investment in sustainability	6,316 €
Energy consumption	14,745,668
CO2 emissions (tons of CO2)	50.47
Reduction of CO2 emissions compared to 2018	98.78%
Consumption of fuel (litres)	23,050
Consumption of water (m3)	18,088
Kg of valuable waste/unit of production	5.12
Social	2019
Members of staff	94
Number of women	11
Number of men	83
Number of nationalities	7
Hours of staff training	3,885
Cases of corruption a/o bribery	0
Cases of discrimination	0

## History

Our company, HILATURAS FERRE, S.A. was established in 1947 and has been dedicated to manufacturing and commercialising yarn for the textile market. It is purely a family-run business with activity in the textile market which dates back to the beginning of the 20th century, when HIJOS DE ANTONIO FERRE, S.A. was founded in 1914. This was a company dedicated to manufacturing fabrics for industry and decoration. Currently, there are members of the fourth generation of the family seen in both stakeholders and executive positions.

The specialty of our company isn't just in the making of yarn itself but in the origin of the raw materials that we use, given that they are mainly from leftovers of textile products: for over four generations we have applied the concept of **CIRCULAR ECONOMY**.

In our strategic plan, we reflect upon one of the most important activities that we are working on, which is the communication of our values to our clients, suppliers, internal and external collaborators and all other stakeholders in our project. Sustainability as a value is without doubt, the most standout element in our company, seeing that it forms an essential part of our business model, since our yarn is manufactured from leftover cloth.

Since its establishment, we have been intent on maximising staff involvement, giving the best possible service and ensuring that our clients are always satisfied.

Our company's location is as follows:

 **Hilaturas Ferre S.A.**  
Les Molines, 2  
03450 Banyeres de Mariola  
**SPAIN**  
**P** +34 966 567 425  
hifesa@hifesa.com



DIRECCIÓN WEB

Hilaturas Ferre [www.hifesa.com](http://www.hifesa.com)  
Sistema Recover [www.recovertext.com](http://www.recovertext.com)

We understand that partnerships and association make us stronger. We belong to various associations and technological institutes that give us access to research, knowledge and new ideas and at the same time, learn about the society and market tendencies.

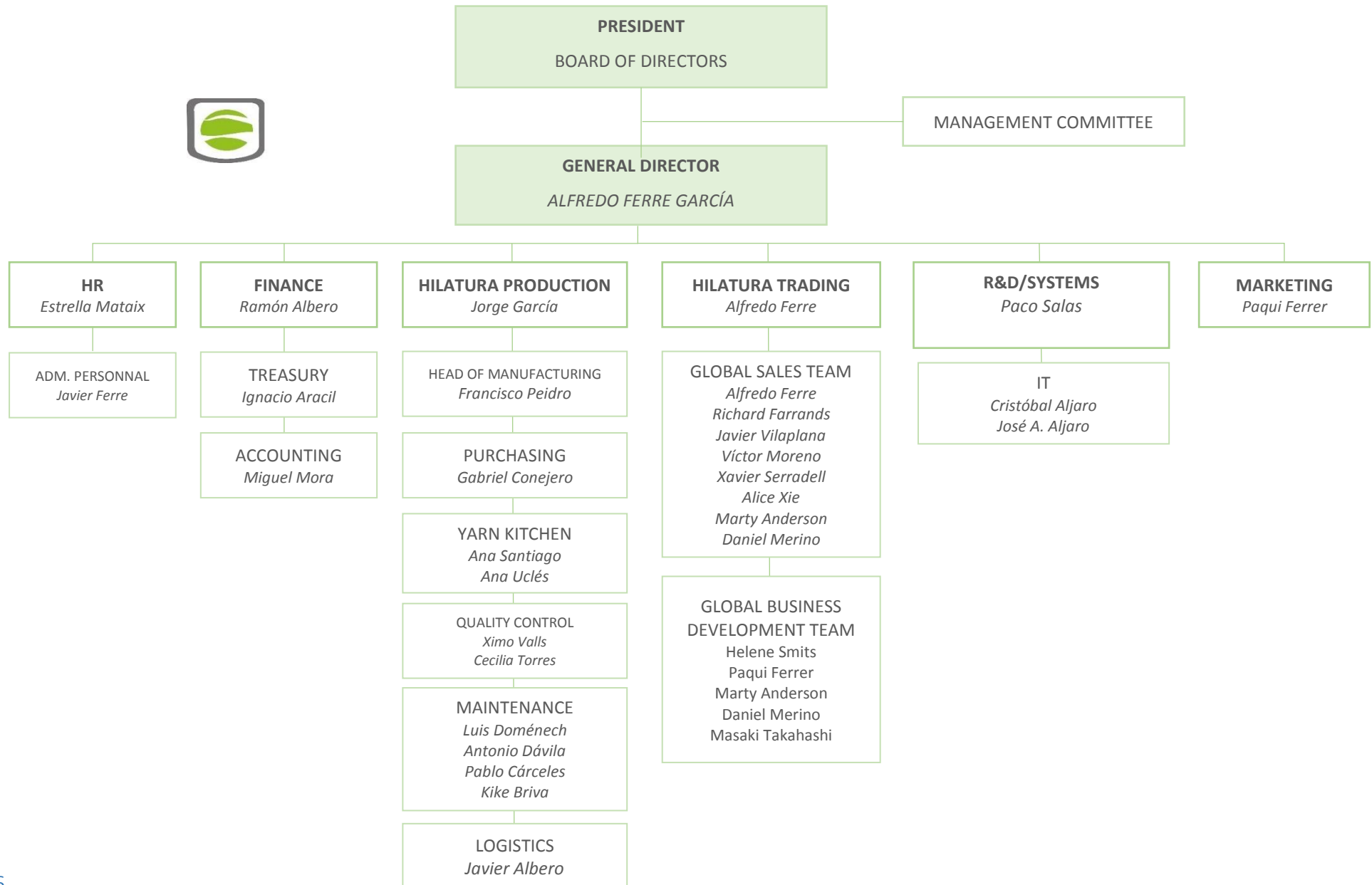
We also collaborate with non-profit seeking bodies, where we believe that we contribute our share in order to improve those in less favourable situations and to those whom we are not able to help directly. These are the most relevant associations and bodies that we belong to or collaborate with at the moment:

- AITEX
- ATEVAL
- PURCHASING CENTRE
- VALENCIAN ASSOCIATION OF BUSINESSES
- THE GREAT ART OF SILK COLLEGE
- THE VICENTE FERRER FOUNDATION
- THE INSTITUTE OF IT TECHNOLOGY
- COOPERATIVE CIRCLE ECONOMY U.A. (Recover)

As well as this, we collaborate with various local associations, and participate in promoting regional events. We provide support and promote local institutes and associations that allow us to aid those whom work in our closest environment, where the majority of our employees work and where we shrug off our company image. We believe that this method of contribution betters the quality of life in our closest environment.



# Organisation diagram



## Administrative structure

The highest governing body is the Board of Directors, chosen by the stakeholders, who supervise the company's evolution and make decisions regarding the strategic priorities that the company must follow. Each member has an equal vote, regardless of gender.

The President of the Board of Directors is Alfredo Ferre Miró, who does not have an executive position in HILATURAS FERRE. Alfredo Ferre García is the General Director and both form the Board of Directors.

On the Board of Directors, there are four vocal representatives of the stakeholders and one independent member. As an independent member, it is understood that there is no economic interest in the organisation on their part.

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

## Communication within the company

The communication of the decisions made by the Board of Directors is through the Management Committee, which is formed by representatives from all areas of the organisation. This communication is bidirectional.

The employees depend on the Work Council, as a means of formal communication, enabling them to direct their opinions and issues towards management and the direct contact to those in charge of human resources, with whom they have close and continuous contact. Additionally, there is a Health and Safety Committee that ensures the compliance of the Labour Risk Prevention Law.

If the company wishes to address a relevant event or matter, it arranges a general meeting whereby all members of staff attend. This was the case of our first Sustainability Report, which was presented to all members of staff over an informal breakfast, where they brought up and reinforced the values of our company.



## Mission, vision and values

### MISSION

HILATURAS FERRE is a company that is dedicated to European manufacturing for international open-end yarn markets in textiles with an innovative proposal and flexibility to meet demand with the special know-how in recycled fibres.

### VISION

We belong to a Group that has created employment, developed technology and attracted clients through efficient channels, honest hard work and reinvestment of results. The clients and others that form part of the group are our priority. Without committing to these people, we simply wouldn't retain our client base.

### VALUES

#### MARKET ORIENTED

**ETHICS:** honesty and respect towards people and promotion of skilled work.

**SUSTAINABLE:** *ecological products with sustainability credentials.*

**SERIOUSNESS:** *wisdom, professionalism and a good service.*

**PROACTIVE:** *capacity and adaptation for problems or future necessities*

**PERMANENT TECHNOLOGICAL INNOVATION:** *business solvency and a professional future.*

**REINVESTMENT OF PROFITS.**

## Our products

HILATURAS FERRE is basically cotton spinning with open/end technology and the specialised know-how in the production of colour yarn, using recycled cotton fibres. The company produces yarn for international textile markets.

The majority of the recycling process is carried out in our facilities and leads to the consumption of over four million kilograms of recycled fibre a year. As well as the recycled cotton, we add in synthetic fibres like polyester, which can either be virgin or from PET bottles or acrylic.

The main types that of yarn that we produce are the following, with up to 44 sub-types of each:



- COTTON + ACRYLIC
- COTTON POLYESTER
- VISCOSE
- FRESCURE
- RECOVER



## recover<sup>®</sup>

*A family of yarn inspired by contemporary commitment to circular fashion and sustainability.*

We design and produce premium ultra-recycled and highly sustainable yarn for all types of garments, accessories and home textiles. The company is in favour of the use of recycled materials and the RECOVER line, means we use over 4 million kilograms of recycled cotton each year.

The use of recycled materials makes our products sustainable, they contribute to the reduction of waste that ends up in landfills, the amount of greenhouse gases emitted and the environmental impact, which would otherwise be produced when using non-recycled materials.

A big effort is being made to communicate and market the awareness of these products as they are so important for the preservation of the environment.

**The result is high quality yarn that is made to create sustainable clothing:**

**“Sustainable fashion is possible”**





This new yarn comes from a **mix of ultra-recycled wool leftovers, recycled PET bottles and Nylon 6.6**, designed to obtain the highest possible firmness and softness.



**Yarn application:**

Knitwear, fabrics and hosiery.



This new yarn comes from a natural mix of ultra-recycled **Recover** cotton and virgin **organic cotton** to obtain comfort and durability.



**Yarn application:**

Knitwear, fabrics and hosiery.



This is the first family of **Recover recycled cotton** yarn that is combined with other **virgin fibres** (polyester and acrylic) for specific uses, while guaranteeing comfort.



**Yarn application:**

Knitwear, fabrics and hosiery.





This is a classic blend of **Recover recycled cotton and polyester** derived from recycling **used PET bottles** and these yarns are produced to guarantee comfort and can be applied to all types of garments.



**Yarn application:**

Knitwear, fabrics and hosiery.



This is a high-performance yarn designed for **technical application**. It's used to make breathable fabric that dries quickly. It's a mixture of **polyester** from recycled **used PET bottles and** from **Recover recycled cotton**.



**Yarn application:**

Knitwear and hosiery.



# recover<sup>®</sup>

## R3

UPCYCLED TRIBLEND

This is a pure and soft blend of: **Recover recycled cotton, used PET bottles and Tencel<sup>®</sup>**, used for special applications in clothing.

Tencel<sup>®</sup> is a registered trademark of Lenzing Group.



**Yarn application:**  
Knitwear, fabrics and hosiery.



# recover<sup>®</sup>

## RJEANS

UPCYCLED DENIM GARMENTS

Is obtained from **advanced ultra-recycled denim clothing**. A natural mix of Recover ultra-recycled cotton that comes from denim garments (**pre and post use**) and organic cotton.



**Yarn application:**  
Knitwear, fabrics and hosiery.



## THE UNIVERSITY OF VALENCIA ATTESTS TO THE POSITIVE IMPACT ON THE ENVIRONMENT THOROUGH THE USE OF RECYCLED COTTON

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

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

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

### Estimation of savings per ton of Recycled Cotton used vs

#### Virgin Cotton

*13,980 Kg of CO2*

*320 Kg of SO2*

*5,594,000 litres of water (on average)*

*2,487 M2 of farmland.*

*55,700 Kwh of energy.*

*1,000 Kg of waste that doesn't go to landfills*

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



As well as the use of recycled cotton, we also polyester that comes from recycled PET bottles, which is plastic that we give a second life to and would otherwise end up in a landfill or even in the sea.

According to the research that we have, we can see a comparison between the beneficial impact that the use of **Recover Blue** has (52% recycled cotton, 48% RPET), compared to the use of conventional yarn (50% cotton – 50% polyester):

### Estimation of savings produced per 1kg of Recover Blue used

*7.762 litres of water saved.*

*1.3 m2 of farmable land preserved.*

*500 g of cotton reused.*

*29 kwh of energy saved.*

*20.2 PET bottles given a second life.*

*11.9 kg less CO2 emitted into the atmosphere.*

*0.59 kg less polluting products used (Pesticides, fertiliser, etc).*

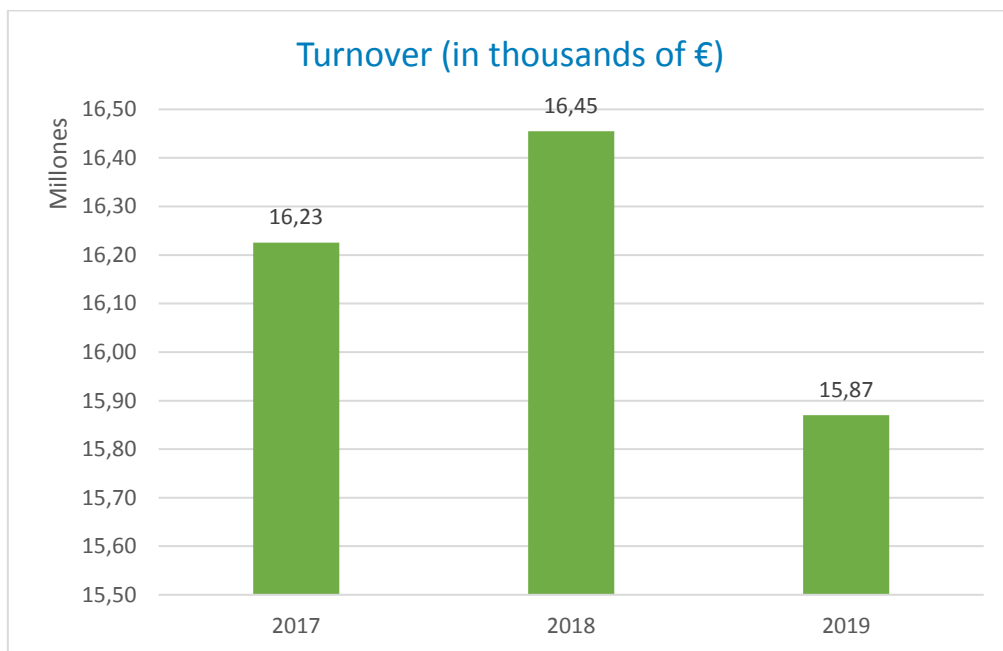


## Results

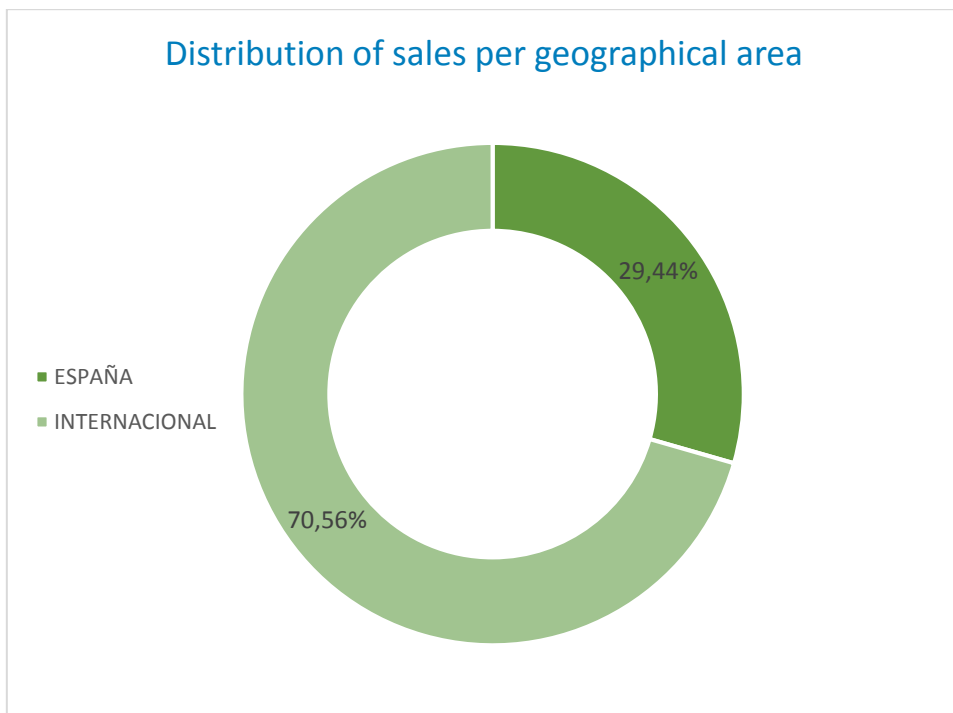
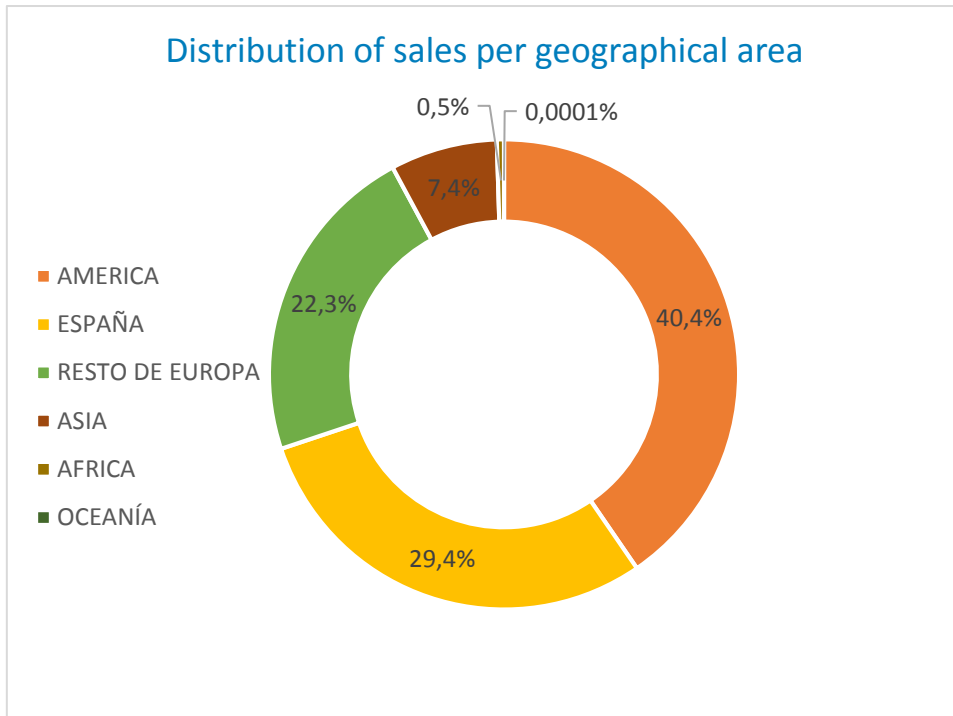
### Sales

Our turnover for 2019 was 15.87 million euros, which makes for a fall in sales compared to 2017 and 2018 by 2.24% and 3.69% respectively.

In 2019, we continued to grow and we believe to be in an optimal position in terms of production and we continue to reinvent ourselves every day, under the notion of our belief: responsible business practice.



International sales make up 29.44% of total sales, which is detailed in regard to distribution per country in the following chart:



## Innovation and development

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At Hilaturas Ferre, we understand that to be leaders in our sector, we must support technological innovation in processes and products.

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Our belief in modernisation, energy saving, product improvement, cost saving and a better final product, among others, are backed by economic investments that we strongly feel are quite considerable.

Over the last six years, the value of our investments has risen to 4.34 million euros and the biggest investments over these last years has come from:

### Investments in 2019

*New LED lighting system*

### Investments in 2018

*Our R&D project for the search of developing new processes to obtain yarn for fashion and home textiles.*

*Our “Business Intelligence” project.*

The investments made over the last few years have allowed us to modernise our machinery, improve product quality, reduce the energy consumed per unit of production, complete orders faster, gain more production flexibility and meet clients' needs more effectively, which in turn stops us from having to put so much into storage and produce exactly what the client wants.

As well as the investment in machinery, we have invested our time, capital and efforts into backing the University of Valencia in their “*Environmental impact of Recover cotton in textile industry*” study, mentioned in the previous section.

### 3. ABOUT THIS REPORT

This report has been created in conjunction with the “*Global Reporting Initiative Standards (GRI): Option Essential*”. With this in mind and via this report, we approach economic, environmental and social impact from our activity: manufacturing and commercialising yarn for the textile sector with a specialty in recycled fibres in our sole production centre in Spain. There’s also the inclusion of the Sustainable Development Goals (SDG) and United Nations Global Compact.

At Hilaturas Ferre, we know that transparency is fundamental in order to maintain trust-built relationships with our stakeholders. This is why the report before you comes with the aim of showing all of our stakeholders and interested parties how we create value and also contribute to sustainable development.

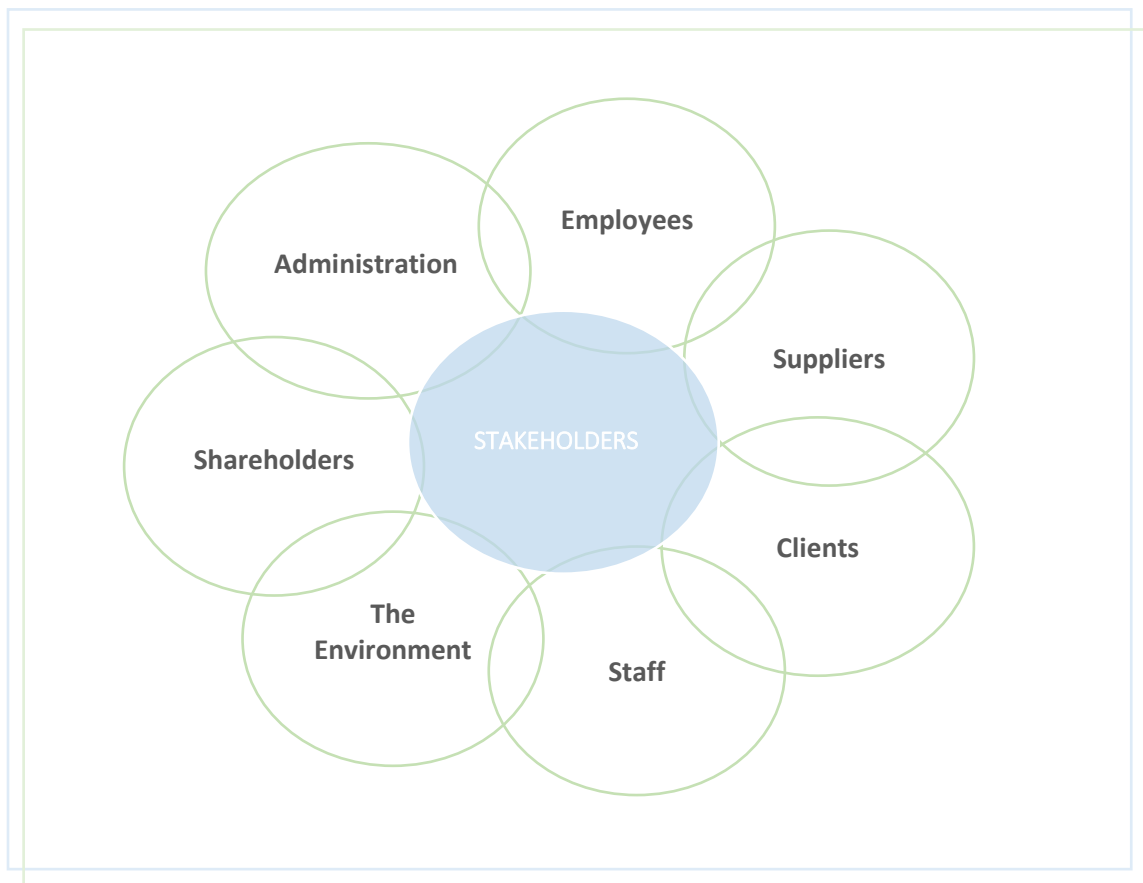
We present the information that has been compiled by our work teams, involving: Human Resources, Production, Payroll and Finance. These are the areas that hand us the information that we need and we display in this document. The financial details are presented here to official organisms and audited by external auditors and under current Spanish law.



## Relationship with stakeholders

In order to identify our stakeholders and groups of interest, we have taken the following into account:

- ✓ The effect that our activity has whilst taking social, environmental and economic aspects into account.
- ✓ Determine how to influence or how we can influence each stakeholder and study the capacity that they have to directly or indirectly offer our company activity.
- ✓ The needs and expectations of each group.
- ✓ Define adequate channels of communication in each case ensuring that there is always feedback present.



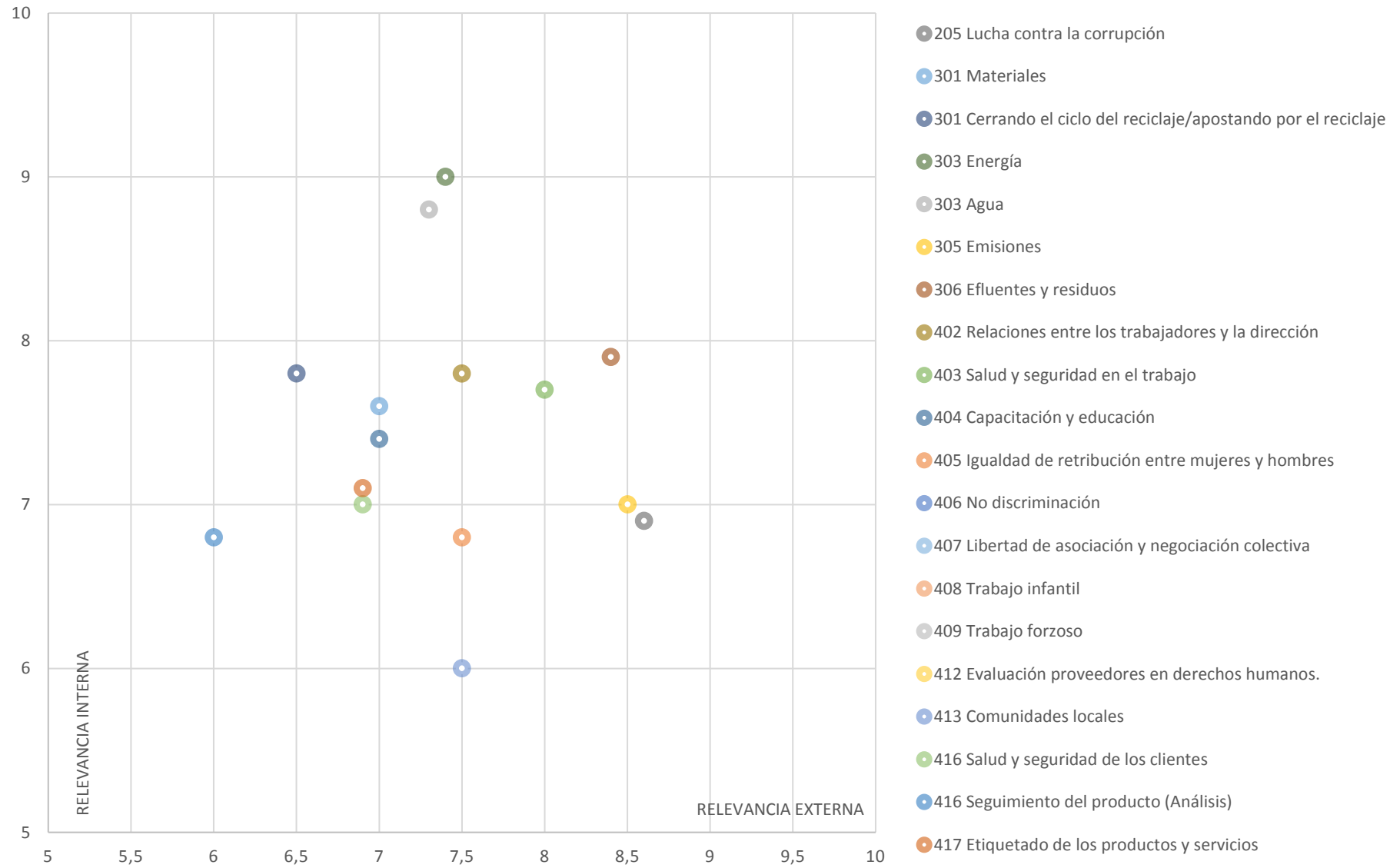
## Process of relevance

We have used the process of relevance as a tool to identify the areas that most concern or interest our stakeholders and it has been carried out via meetings and surveys within the company. An initial estimate was proposed to our stakeholders, focusing on the groups inside the business, with whom we have a direct relationship with, in order to establish a dialogue that allowed us to identify aspects which have a major impact and consequently cover more relevance for both the business and stakeholders.

The table below contains the 21 most relevant areas for our stakeholders and is a result of the participation from both the Management and other areas of the business:

GRI (INDICATOR)	ASPECT	Business	Stakeholders	Cover	
				INT.	EXT.
205	The fight against corruption	7.5	6	X	X
301	Materials	8.6	6.9	X	X
301	Closing the recycling process/supporting recycling	7.4	9	X	X
303	Energy	7	7.6	X	X
303	Water	6.5	7.8	X	X
305	Emissions	7.3	8.8	X	X
306	Effluents and waste	8.5	7	X	X
402	Relationship between staff and management	8.4	7.9	X	
403	Healthy and safety in the workplace	7.5	8	X	X
404	Training and education	8	7.7	X	
405	Diversity and equal opportunities	7	7.4	X	X
405	Equal pay for men and women	6.8	8.1	X	
406	Non-discrimination	7.5	6.8	X	X
407	Freedom of association and collective bargaining	8.2	6.5	X	X
408	Child labour	8.9	6.9	X	X
409	Forced labour	8	7	X	X
412	Evaluation of supplier work practices	7.3	7.4		X
413	Local communities	6.6	7.5		X
416	Client health and safety	6.9	7		X
416	Product monitoring (Analysis)	6.9	7.1	X	X
417	Product labelling and services	6	6.8		X

### HILATURAS FERRE SCATTER DIAGRAM



## 4. WORKING TOWARDS A MORE SUSTAINABLE MODEL: LOOKING TOWARDS A BETTER FUTURE

### Our Policy on Social Responsibility

#### ENVIRONMENT

- ✓ Ensure greater dissemination of environmental acts
- ✓ Comply with legal requirements and regulations that apply to us
- ✓ Maintain preventative measures that favour the environment
- ✓ Promote initiatives that encourage greater environmental responsibility
- ✓ Favour the development and widespread use of environmentally friendly technology
- ✓ Encourage and improve environmentally friendly practices in our company
- ✓ Make purchases and investments with sustainability in mind



Principles 7, 8 and 9 of the United Nations Global Compact

#### QUALITY

- ✓ Guarantee our clients a high standard of products and services
- ✓ Maintain a close and professional relationship with our clients and promote continuous improvements in all procedures
- ✓ Promote training and collaboration and professionalism of the organisation
- ✓ Be innovative in procedures, in the development of products and in the areas of marketing and communication



Principles 7, 8 and 9 of the United Nations Global Compact



HUMAN RIGHTS

- ✓ Neither using, nor supporting child labour
- ✓ Neither permitting, nor using any form of forced labour
- ✓ Working hours must comply with Textile Agreement Regulations
- ✓ Facilitate the relevant instruments so that staff can get acquainted freely and negotiate collectively
- ✓ Completely disregard all discrimination based on race, nationality, religion, disability, gender, sexual orientation, participation in unions, political views, age, upon employing, paying, training, promoting, firing or retiring employees
- ✓ Guarantee that the minimum wage always meets legal standards and requirements established by each respective industry, ensuring that it is sufficient to cover all basic needs of the personnel.



Principles 1 and 2 of the United Nations Global Compact

LABOUR PRACTICES AND DECENT WORK

- ✓ Establish a safe and healthy working environment and carry out necessary procedures in order to prevent accidents and harm to health in the workplace and during working hours, reducing all risk in the working environment to a minimum as feasibly as possible
- ✓ Guarantee that all employees, including new recruits, receive regular and documented training and information regarding health and safety at work for each position
- ✓ Establish systems to detect, avoid and respond to any potential health risks and staff safety
- ✓ Maintain hygienic conditions under optimal sanitation to cover all basic staff needs in the workplace



Principles 3, 4, 5, 6 and 10 of the United Nations Global Compact

## Contribution to the Sustainable Development Goals

As a demonstration of our commitment towards a sustainable development model, we have aligned our strategy with the 2030 United Nations Agenda, meaning that we uphold our commitment towards the attainment of the Sustainable Development Goals (SDG).

This means we are committed to the 10 United Nations Global Compact principles, whether it be Human Rights, Work Regulations, The Environment or the Fight Against Corruption, we have formed a part of the Spanish Global Compact Network since 2011.

To identify our contribution to the SDG and Global Compact principles, in the GRI contents table, we show the correlation between the aforementioned and the GRI indicators accordingly. Also, in the section above, we linked each area of our Social Responsibility Policy with the SDG. We briefly analyse and individualise how the company currently contributes to each SDG:

### How do we contribute to the SDG?



**Objective 1: No poverty.** The company is all for growth, to create new job roles and is intent on spreading its area of influence, with fair pay policies that are both inclusive and equal.



**Objective 2: Zero hunger.** To aid this goal, the company is collaborating with associations and charities that have this goal as a priority.



**Objective 3: Good health and wellbeing.** We highly support training in the workplace safety for all employees, so that we can guarantee their maximum safety. We promote healthy eating and we have initiatives to incorporate training in nutrition to employees. In 2019, we installed a coffee machine with 100% natural coffee (without unroasted beans) and we provide 100% skimmed milk with no added sugar.



**Objective 4: Quality education.** We train our employees and promote continuous training to encourage their personal and professional development.



**Objective 5: Gender equality.** We hire, train, dismiss, pay, and retire our employees based on worth and without any type of gender discrimination whatsoever.



**Objective 6: Clean water and sanitation.** Through the use of recycled products being the raw material in our production process, we reduce the amount of water that is necessary, in comparison to traditional methods, to produce the same quantity of products. In 2019, we collaborated in the “W-FREE” project.



**Objective 7: Affordable and clean energy.** The company has installed photovoltaic panels, calculated its carbon footprint and has reduced its carbon emissions by 98.78%, thanks to working with a greener supplier.



**Objective 8: Good Jobs and economic growth.** We support ethical and inclusive growth. We offer decent salaries and ensure there is no child or forced labour at any point in our chain of values. Our current staff cover 7 different nationalities.



**Objective 9: Innovation and infrastructure.** We continuously invest in whatever can deliver economic benefits, workplace safety, energy efficiency and production improvement. We have had a hand in developing new machinery, technologically innovating to be more competitive and efficient.



**Objective 10: Reduced inequalities.** We reject any kind of discrimination whatsoever based on race, origin, nationality, religion, disability, gender, sexual orientation, participation in unions, political views and age, upon employing, paying, training, promoting, sacking or retiring staff.



**Objective 11: Sustainable cities and communities.** Recycling, which is the second life that we give leftover textiles that would otherwise end up as waste that increases landfill levels, makes for more sustainable communities. Moreover, we aim to have all employees living in the

surrounding areas of the business in order to reduce the distance covered on their daily commute.

**Objective 12 Responsible consumption:** We believe in a circular economy, giving leftover products a second life and then recycling them once more.

The majority of our raw material comes from clothes and scraps of textiles (pre-consumer), discarded material and reusable plastic. We give these materials a second life and prevent them from ending up in landfills and the use of them as raw material produces significant savings when it comes to the consumption of water, energy and CO2 emissions.

We put value into most of our waste and promote responsible consumption in the day to day running of the business: in energy consumption, transport, the use of paper, water and so on.

Durante el 2019, hemos llevado a cabo el proyectos “LIFE REWARD”.



**Objective 13: Climate action.** In Hilaturas Ferre’s policies and strategies, climate change has become a major topic. In 2019, we switched energy supplier, using only renewable energy and in turn, **drastically reduced our CO2 emissions.**



**Objective 14: Life below water.** The use of recycled plastic in the production process reduces the amount of plastic that ends up in landfills which in turn contaminates the sea.



**Objective 15: Life on land.** We have reduced the amount of plastics that ends up in landfills upon incorporating it into our production process. We have also reduced the impact on the ecosystem, as this lowers the consumption levels of water, energy and emissions into



the atmosphere, which are normally greater when using non-recycled raw material.



**Objective 16: Peace, justice and strong institutions.** We comply with the current legislation, provide an ethical code and we adhere to the United National Global Compact. We collaborate with various associations and more. We believe that our collaboration with them will aid their continuance.



**Objective 17: Partnerships for the goals.** Unity is strength. We belong to various associations, which seek to unite their efforts to improve production processes, the quality of their products and the reduction of energy consumption amongst other factors. We have collaborated with the University of Valencia in order to carry out a study of environmental savings that are obtained through the use of recycled materials. We relate to our environment to fight for goals that benefit everyone.



## OUR PROMISE TO LOOK AFTER AND PROTECT THE ENVIRONMENT

2018

### AITEX Sustainability Award

In 2018, The AITEX Technological Institute awarded its Business Awards to those that demonstrated a great level of innovation and sustainability over said period. Hilaturas Ferre was awarded the first prize in sustainability thanks to their RECOVER system.

**recover**<sup>®</sup>

2019

### LIFE REWEART Project

The objective of this project is to generalise the proactive use of material and waste in the design phase and reduce the environmental impact that the textile products have when used for footwear. This project has created the opportunity to devise a new business model and specific tools, that used in the design phase, can help select the most efficient materials and processes to create a new footwear product that uses recycled and organic material.

### W-FREE Project

Thanks to this project, we can study, define and use yarn via water free methods and sustainable processes in the production of fashion and home textile products.

*For the development of this project, we have acquired financing through The Centre of Technological Industrial Development – CDTI, co-funded by the Regional European Development Fund – FEDER, via The Multi-regional Operations Program for Intelligent Growth.*

## Our values

### SUSTAINABILITY AND ETHICS AS A STRATEGIC VALUE

Our company, with four generations behind it, began a new journey at the start of the 21<sup>st</sup> century. We are in the midst of a change in the economic cycle, where new values in society and the economic world are becoming more prevalent each day. Over the last few years, we have integrated the concept of sustainability as a value and even to the point where it is now a **fundamental business strategy**. We consider this one of the biggest added values to the business and we wish to make it known to both our employees and our clients, as well as our suppliers and all interest groups in general.

### CIRCULAR ECONOMY AS A NEW BUSINESS MODEL WITH THE LATEST TECHNOLOGY

HILATURAS FERRE is basically cotton spinning with open/end technology and the specialised know-how in the production of colour yarn, using recycled cotton fibres. The majority of the recycling process is carried out in our facilities and leads to the consumption of over four million kilograms of **recycled fibre** a year.

### OUR RANGE OF COLOURS

Since the very start, the main purpose of the business has been the manufacturing and commercialisation of yarn for the textile market, with cotton being the main ingredient being one of its most significant characteristics, producing high quality yarn in a wide range of colours and blends.

## 5. CONTRIBUTION TO SUSTAINABLE DEVELOPMENT

### Our support for a Circular Economy

RECOVER is a circular economy project that drives the fashion industry without waste, via a recycling system that transforms this waste into high quality yarn. The leftovers used by RECOVER comes from other textile companies (pre-consumer textiles) or from end consumers, being articles of clothing or plastic bottles (post-consumer textiles). With this material, we make yarn with recycled cotton, polyester or wool that drastically reduces the environmental impact when compared to virgin fibres.

The main environmental contribution of RECOVER is circularity, given that through the transformation of the leftovers into new textile products reduces the consumption of water, energy, the use of chemical products, carbon dioxide emissions into the atmosphere, as well as avoiding the accumulation of waste in landfills or sent to be incinerated. In this sense, RECOVER helps protect our planet with three key objectives in mind:



**Offer a solution to circular economy to large clothing chains**



**Reduce the environmental impact on the textile industry**



**Reuse materials that would otherwise end up in landfills**



Economic agents are becoming more aware than ever that natural resources are limited. Due to this, the concept of circular economy has awoken interest from organisations and businesses all over the world. Basically, the concept of circular economy is the sustainable development of economic activities in the flow of materials and energy from linear system, to a circular one.

The typical flow of materials can be summarised in four steps:



However, the limitation of available resources we have at hand forces us to think about more efficient alternatives for the sake of the environment. One of these alternatives is reusing waste generated such as inputs or raw material within the industry or even from another. In this sense, RECOVER closes the cycle of the flow of materials that can be seen in this diagram here:





**Used clothes and leftover textiles as raw materials.** Old clothes and unwanted textiles are deposited into containers to be collected and are used again or recycled.



**We recover used clothing and unwanted garments.** Hilaturas Ferre collects and categorises leftover textiles that come from all over the world.



**Ferre ultra-recycled leftover textiles are transformed into new Recover fibres.** What was once considered “throwaway”, is now turned into new and valuable Recover yarn.



**Recover yarn produces new fabric.** Recover yarn is knitting yarn or fabric that can be used to create new fabrics for virtually any textile imaginable.



**New products are tailored with Recover fabrics.** Clothes, fashion accessories, home fabrics and more are all tailored and produced with Recover yarn.



**Recover products go to market.** Clothing, accessories and home fabrics are now available to be purchased and enjoyed once again. Once they’re used once more, they then return to the Ultra-recycled Recover Textile system.



**ULTRA-RECYCLED RECOVER YARN OBTAINED THE HIGHEST SCORE ON  
THE HIGG MSI INDEX**



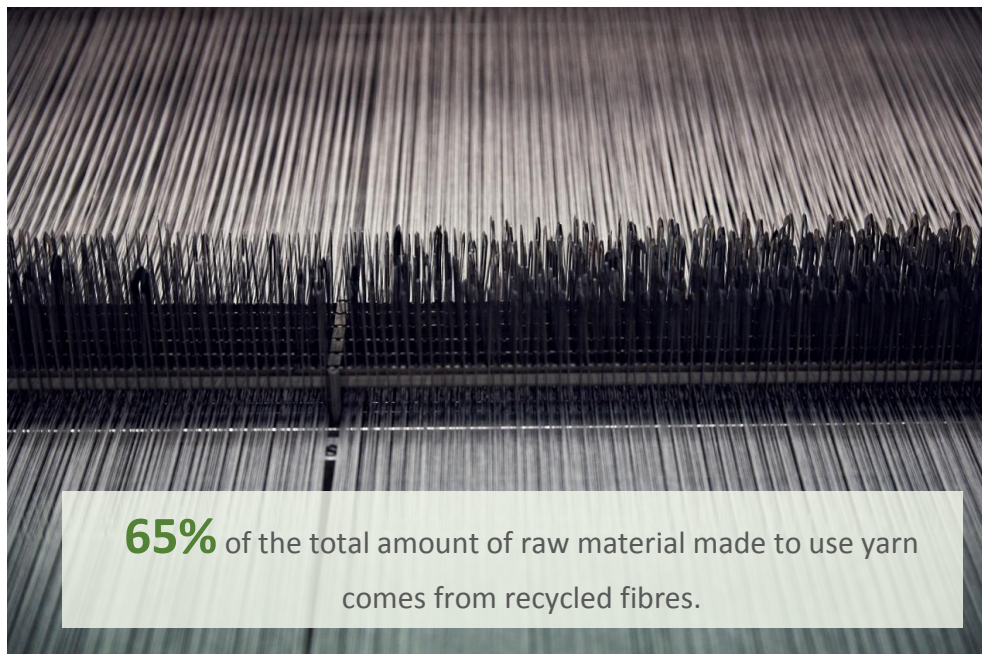
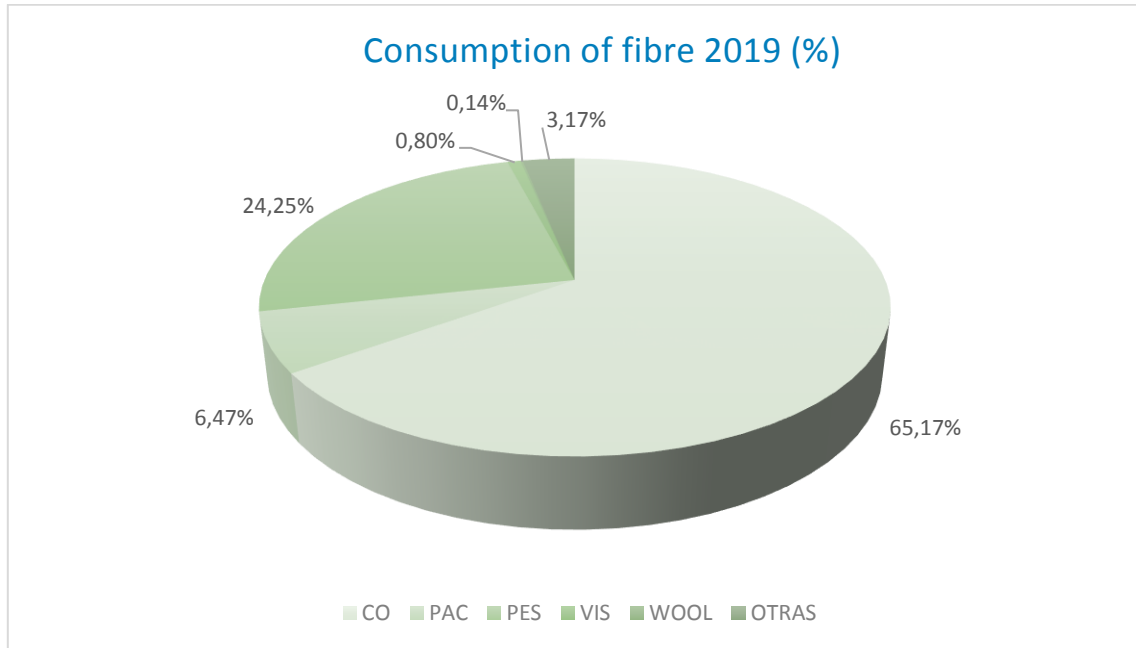
The Higg MSI index (Materials Sustainability Index) helps manufacturers measure and **score the environmental impact of the materials that they use in the production of their textiles**, compare their products with the rest of the industry and make better decisions about how to use materials.

The Higg MSI index shows **that the ultra-recycled cotton yarn that recover makes has the lowest impact in the global market** and easily beats its virgin equivalents in terms of sustainability.

**Measuring drives change.** We need transparency when it comes to the environment to make better decisions and make a positive impact.

The total amount of metres of yarn produced in 2019 reached 144.375 million and most of it came from the use of recycled fibres as raw material:

CO	PAC	PES	VIS	WOOL	OTRAS
3,592,035kg	356,813kg	1,336,550kg	44,181kg	7,557kg	174,851kg



## What environmental savings have we made with ultra-recycled Recover yarn in 2019? (\*)



### AGUA

**Recover ha ahorrado más de 39.851.142 m3 de agua en 2019.**

Incluso en el cultivo del algodón orgánico, el algodón consume enormes cantidades de agua. El desvío de cursos de agua para el riego de los campos de algodón ha causado episodios de casi-sequía en varias zonas del planeta.



### EMISIONES

**Recover ha ahorrado más de 54.479 toneladas de emisiones de CO2 en 2019.**

La industria textil es uno de los mayores productores de gases de efecto invernadero en el planeta, debido al uso generalizado de sintéticos derivados del petróleo.



### ENERGÍA

**Recover ha ahorrado más de 142.350 millones de kWh de energía en 2019.**

El consumo de energía estimado para una producción anual de 60.000 millones de kg de tejidos es de vértigo: 1.000 millones de kWh de electricidad y hasta 9.000 millones de litros de agua.



### RESIDUOS

**Recover supra-recicló más de 2.690 toneladas de residuos textiles en 2019.**

Se calcula que del 10 al 20% de todos los textiles que produce la industria de la moda acaban en vertederos.

El 95% de los textiles que acaban en vertederos podrían ser reciclados.



### BOTELLAS PET

**Recover supra-recicló 8.786.168 botellas PET post-consumo en 2019.**

El PET es 100% reciclable y puede volverse a utilizar para fabricar nuevos productos textiles.

El 70% de las botellas PET no se reciclan y acaban en los vertederos o en nuestros océanos.



### QUÍMICOS

**Recover ha ahorrado más de 2.926 toneladas de productos químicos tóxicos en 2019.**

Ningún colorante ni producto químico se utilizan en el proceso de producción de la fibra de algodón Recover.

El proceso de tinte convencional es una fuente masiva de contaminación de las aguas y de emisiones de CO2



### USO DE SUELO

**Recover ha ahorrado más de 6.690.845 de m2 de tierra de cultivo en 2019.**

La industria textil requiere grandes cantidades de tierra de cultivo para producir materias primas y fabricar tejidos. Este uso intensivo del suelo es uno de los principales causantes de la pérdida de biodiversidad.

*Environmental data by group: Textile Exchange, NRDC, EPA, UNESCO y Universitat de Valencia.*

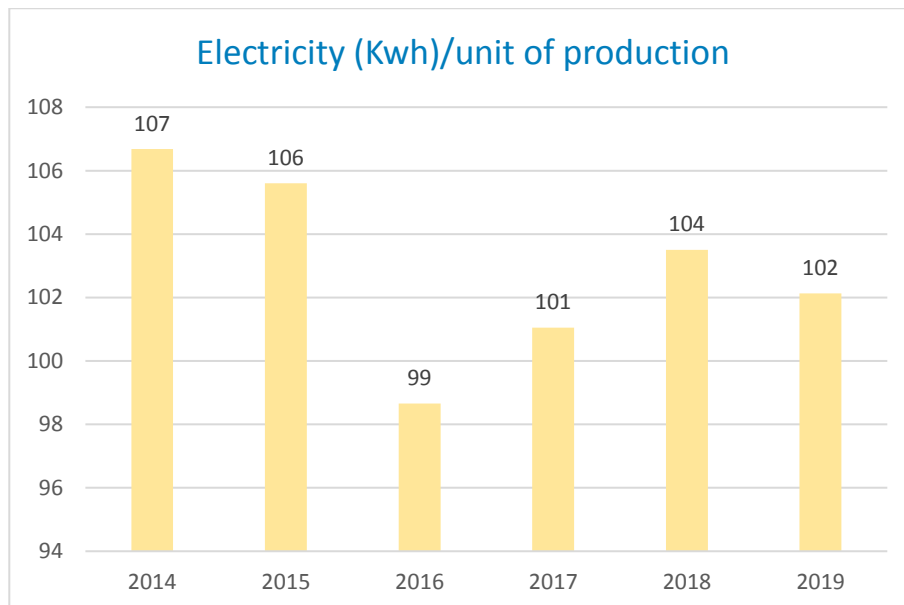
## Consumption

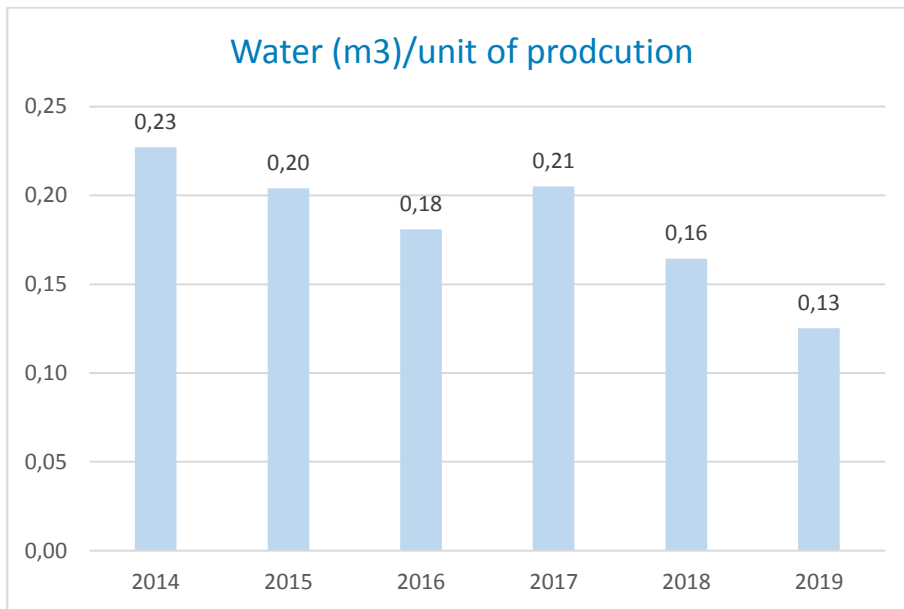
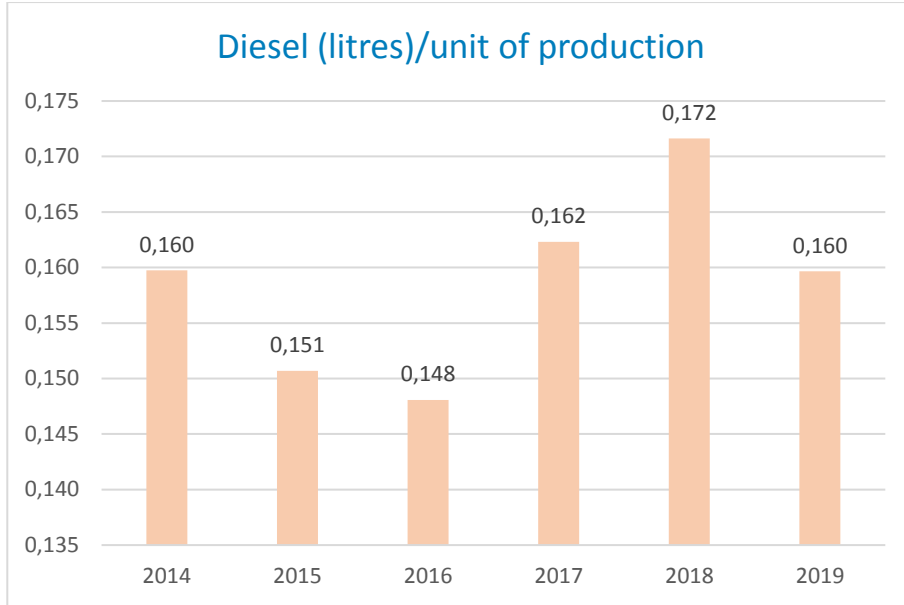
Over the course of 2019, production dropped by 6.8% compared to the previous year, reducing the consumption of electricity, diesel and water at the same time.

In the following table, we can see how consumption rates of these three factors have evolved over the last 6 years:

Year	Electricity (kwh)	Diesel (litres)	Water (m3)
2014	13,030,184	19,513	27,730
2015	14,637,297	20,889	28,271
2016	15,407,430	23,124	28,260
2017	14,866,789	23,881	30,181
2018	14,864,243	24,647	23,608
<b>2019</b>	<b>14,745,668</b>	<b>23,050</b>	<b>18,088</b>
	↓ 0.8%	↓ 6.5%	↓ 23.4%

If we compare previous data by *unit of production* (\*), the ratios we get are as follows:





**(\*) unit of production = 1000 km of yarn**

#### What is our aim?



We continuously support and invest in technological innovation in order to improve the quality and effectiveness of our products, whilst contributing to the caring of the environment and our employees.

## Emissiones

### CÁLCULO DE LA HUELLA DE CARBONO, UN COMPROMISO CON LA SOSTENIBILIDAD

HILATURAS FERRE in its interest in raising its contribution to improving the environment, decided to start calculating its carbon footprint. So, in 2016, we calculated the carbon footprint that the company is responsible for, corresponding to the year 2015 within the scope of 1 and 2 (Fuel and electricity consumption). We proceeded to voluntarily enrol in the National Carbon Footprint Register of the Ministry of Environment. They have obliged us to make the necessary calculations of current environmental greenhouse gas emissions and also come up with a plan to reduce them over the forthcoming years.

In 2017, upon calculating the carbon footprint, we realised that the reduction plan was having a real effect. It is for this reason we are increasing our efforts and calculating data from 2013 and 2014 to retrospectively apply for the 2016 REDUCTION stamp of approval and the 2017 and 2018 CALCULATE stamp of approval.

The result of the carbon footprint calculation for 2018 was 4,182.95 tons of Co2 eq, and if we relate this data to the operating hours of the company and the millions of metres produced throughout the year, we get:

**4,182.95 tons of CO2 eq**



**0.0291 tons of CO2 eq/ million metres produced**

**0.5806 tons of CO2 eq/ operating hour**



Origin of 2018's emissions	
Electricity	98.81%
Forklift trucks and lorries	0.86%
Business cars	0.32%
Vans	0.02%

By calculating our Carbon Footprint, we have been awarded the right to use logos from the Ministry of Environment. These logos recognise our work:



**CARBON FOOTPRINT CALCULATION STAMP 2018**



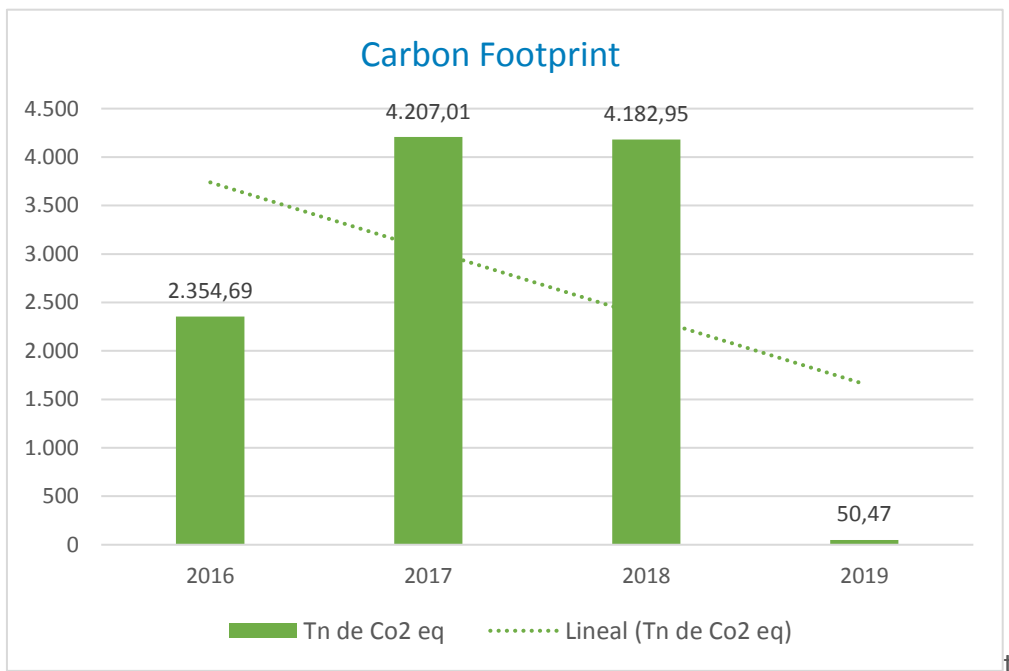
### What did we achieve in 2019?



One of the objectives we put forward in 2018, was **to reduce emissions produced from the consumption** electricity with the help from a sustainable energy supplier, sparking a drastic drop in the size of our Carbon Footprint.

In 2019, we contracted the services of ALDRO, who certify that the energy that they supply us comes exclusively from renewable sources.

Thanks to **ALDRO ZERO GREEN ENERGY**, we have managed to reduce COS emissions by 98.78% and going from emitting 4,182.95 tons of CO2 eq in 2018 to 50.47 tons of CO2 eq in 2019.



**aldro**  
zero

**CERTIFICADO DE ENERGÍA VERDE**  
Aldro Energía y Soluciones S.L.  
certifica que:  
**HILATURAS FERRE, S.A.**

contribuye de forma activa al desarrollo sostenible y cuidado del medio ambiente, al haber adquirido un total de

**1.145,20 MWh repartidos en 1 punto de suministro**

correspondientes al consumo energético del año 2019, con origen 100% renovable, reduciendo así las emisiones de CO2 y otros gases nocivos causantes del efecto invernadero.

La **ENERGÍA VERDE ALDRO ZERO** proviene exclusivamente de fuentes de energía renovables, como solar, eólica, hidroeléctrica, marina, etc., caracterizadas por su máximo respeto al medio ambiente. De esta forma, este suministro contribuye a cumplir el objetivo del Acuerdo de París (2015), negociado en la XXI Conferencia sobre Cambio Climático.

Este documento es meramente informativo. Puede obtener el documento oficial expedido por la CNMC en el siguiente enlace: <https://www.cnmccup.gov.do>

**We have reduced CO2 emissions by**  
**98.78%**

In 2008, we installed solar panels on the roofs of our buildings and they have brought forth a trifecta of benefits:

- 1) They reduce the temperature of the building they are installed on, saving the need to spend on air conditioning.
- 2) They contribute to the use of clean energy use.
- 3) Economic benefits in the long term.

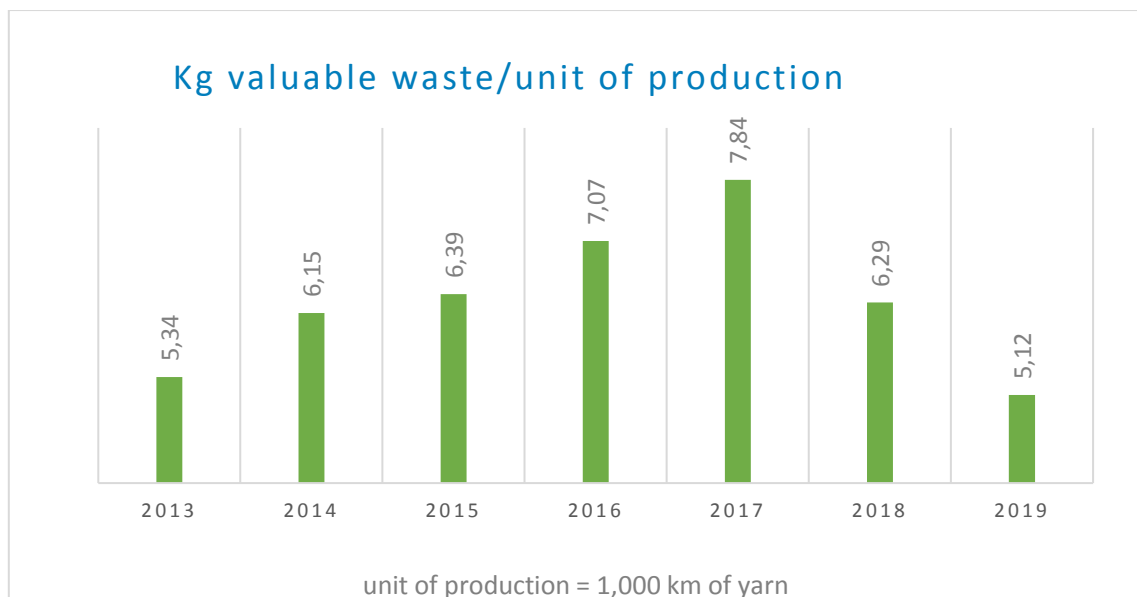
The solar panels installed have generated a total of **524,657 kWh** which accounts for **3.53%** of the energy consumed by the company.

## Waste management

We deal with our waste management very efficiently, both in its separation and its treatment. We aim to raise the amount of valuable waste, which means prolonging its life and making it reusable, to prevent it ending up in landfills. The following table shows what types of waste we currently generate:

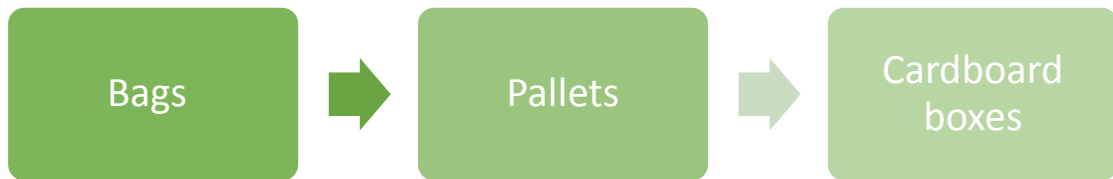
NON-VALUABLE WASTE	VALUABLE WASTE
OIL	MIXED PACKAGING
FILTERS	METALS
BATTERIES	PAPER AND CARDBOARD
POLLUTING PACKAGING	PLASTIC
POLLUTING ABSORBENTS	SCRAP TEXTILE
TUBING	RECOVERED TEXTILE
AEROSOLS	CARTRIDGES
SEWAGE	
LABORATORY REACTANTS	
BOTTLES	
WAX AND FATS	

The total amount of valuable waste in 2019 was 738,704 kg, which is 22.24% less than in 2018. If we compare the amount of valuable waste against production, whereby each unit of production accounts for 1,000 km of yarn, we can see that this has also gone down.



## Packaging

The packaging we use to deliver the yarn spools is:



Some of the pallets we supply are returned, while the bags and boxes are converted into waste in our clients' facilities.

### What did we achieve in 2019?



We understand that forests are responsible for many environmental benefits, including the prevention of climate change.

In 2019, **100%** of the new pallets that we acquired came with the **PEFC** certificate, the forestry certificate that guarantees that our packaging comes from a sustainable source

This certification guarantees the traceability of forestry products, via the Custody Chain, promoting the sustainable management of forests, achieving social, economic and environmental balance at the same time.



We believe there is still work to be done in order to make the clients aware of the prevention of waste generation from these sources.

### What is our aim?



To continue promoting the reuse of pallets by increasing the amount returned by the client. We need to instil the importance of environmental responsibility as part of our commercial supply chain.

Reduce the number of bags used and study the possibility of using some that are made from a more ecological source.

## 6. PRODUCT QUALITY AND SAFETY

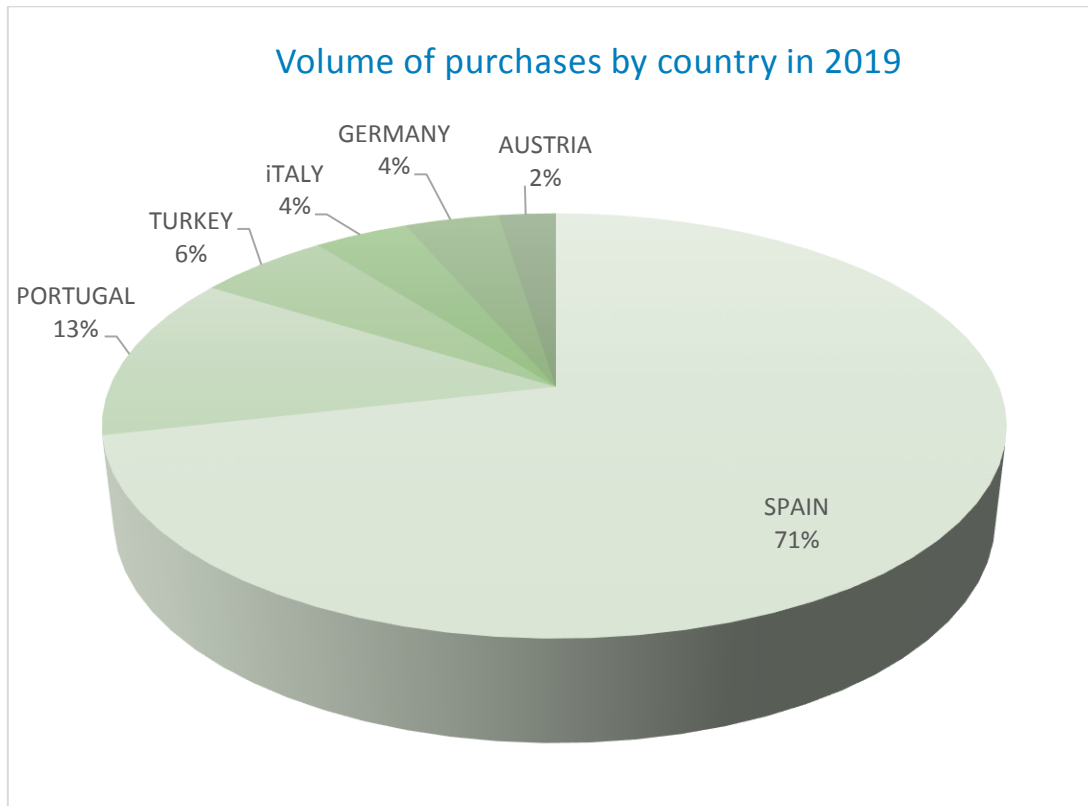
### The supply chain

In order for us to be proud to say that our products have intangible value that comes from: our values, our awareness of the environment, respect for our staff, etc., our supplier, who is the link of the chain that precedes the product, must align with our guidelines.

We actively ensure that our supply chain complies with the imperative requirements that make up a fruitful relationship: levels of quality, delivery times, price, etc. As well as this, our suppliers must meet legal and moral requirements such as: comply with laws, not use child or forced labour, offer decent work, respect the environment, etc.

In 2019, **71%** of purchases were made with **Spanish suppliers** and **94%** with suppliers from the **European Union**

The volume of purchases in 2019 rose to 5,303,737€, which come from the countries seen in the pie chart below:





## Certificates

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

### OEKO-TEX 100



Through the OEKO-TEX 100 regulation, we can affirm that our products contain zero harmful substances.

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

Based on this study, we can determine what kind of analysis must be done, what

raw material and what quantity, with the aim to guarantee that our yarn is devoid of any harmful substances. This procedure also helps us evaluate suppliers, new supplies and also as a way to demand the highest levels in this aspect from our current suppliers.

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

## GLOBAL RECYCLE STANDARD (GRS)



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

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

social and communicational aspects and brand.

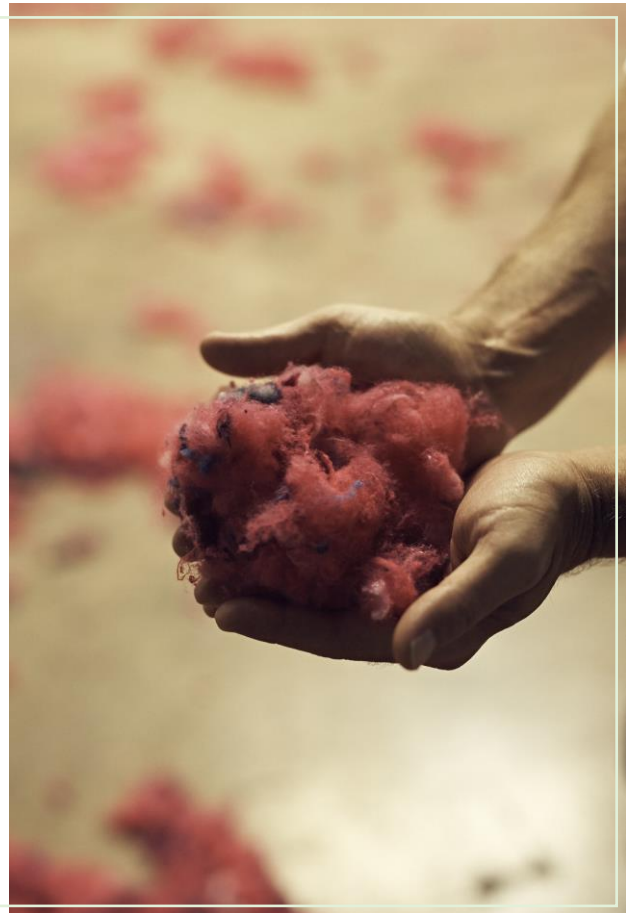
This certificate does not only guarantee that our products come from recycled material and that they benefit the environment, but also that they are produced while respecting social and environmental principles and necessities.

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

## Evaluation of suppliers

The company maintains a firm stance on human rights, just as it does with its suppliers and clients, through their respective websites. One of the company policies to improve on this subject is looking out for suppliers and clients who hold the ISO 9001:2015 certification. This compels the company to do an evaluation of their suppliers, creating a chain of evaluations that covers the entire life cycle of the products.

Furthermore, the company is unaware of any companies in their trade network that either violates human rights or any working practice laws. Any sign of the aforementioned would automatically rupture the commercial relationship with our company.



## What are our objectives when evaluating suppliers?



The company set itself the goal of delving into this commitment in human rights and is to extend it to its suppliers, continuing with the intention of educating and urging them to join the United Nations Global Compact, valuing the suppliers at the same time. We believe that in order for the supply chain to comply with these principles, each and every link of the chain is to influence the next. Awareness letters will be sent to the suppliers and we will wait for an active response to our initiative. We will evaluate the result of our proposal, along with the percentage of suppliers that have not responded and also those that confirm their alliance with the Global Compact.

The alliance to the United Nations Global Compact implies a commitment to adopt a series of work practices and human rights that are considered essential. For those suppliers that do not wish to join said Compact, we will request an affidavit that accredits them with the compliance of the Compact's requirements and that their work practices are in accordance with the demands of Spanish law.

In the evaluation of suppliers, we are also going to incorporate the verification of their work practices and their obligation to human rights.

## Health and safety of clients

The client is the final destination of our product and when we mention the end user, we do not think of a machine using our yarn, but of whoever uses garments made from our yarn.

We are happy to believe that the end product will satisfy the needs of the those that have bought it without causing any detrimental effects. It's because of the clients that we believe in providing our products with the highest quality, subjecting them to the strictest of checks, hence holding the OEKO-TEX 100 and GRS certifications.

These certificates oblige the company to carry out analyses and methodical checks that guarantee the quality and safety of our products. The quantity of articles subjected to tests has progressively risen, reaching the current figures, of which we are very proud.

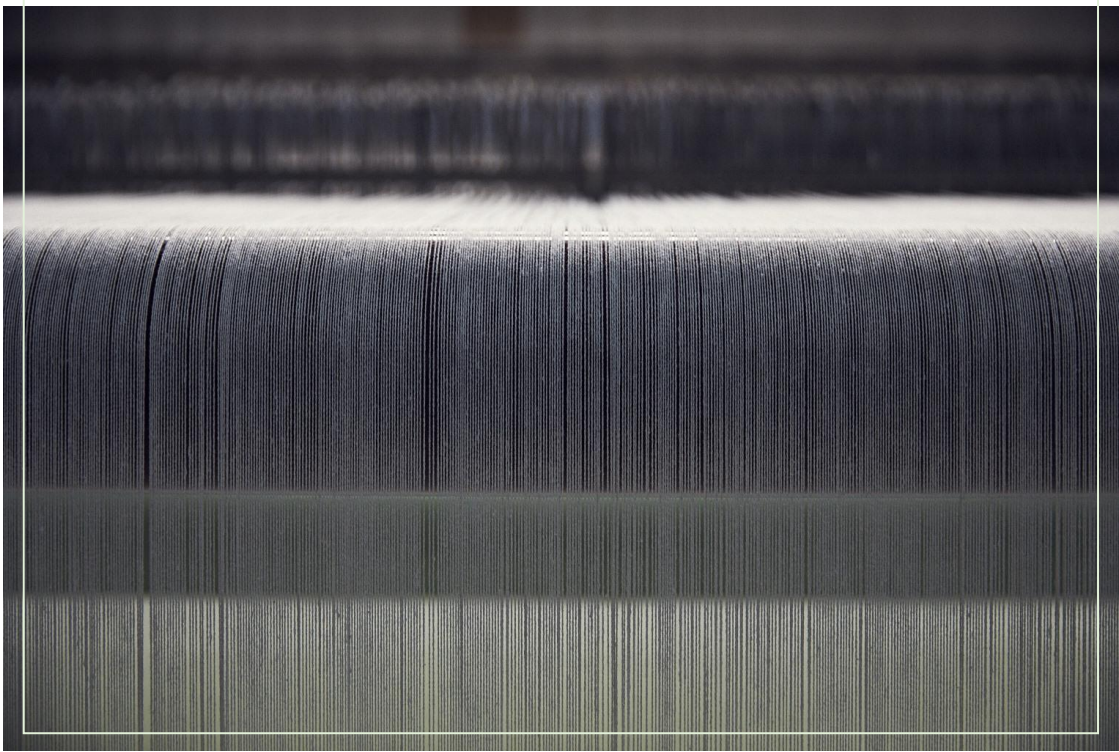


**98.72%** of Hilaturas Ferres' yarns are certified with the OEKO-  
TEX STANDARD 100



**95.04%** of total production is certified with the Global  
Recycled Standard (GRS)

Also, 100% of our products comply with the labelling regulations of the market. They leave our facilities identified correctly and comply with the certifications that each article carries.



The safety and quality of the product is the foundation of our work



This is why we will continue to comply with the rules and regulations applicable to product safety and labelling.

## 7. COMMITTED TO PEOPLE

### Our employees

People are one of the most important values of the company: a collection of staff and their joint efforts are what maintains the business, with their daily job done well, collaborating and adding values that the business strives for.

This is the reason that from within the company, the staff are looked after, given security in a decent job, with optimum conditions, all attributing to and making professional stability in the workplace possible. If the circumstantial conditions permit, we aim to provide permanent employment, by forming a cohesive and collaborative human team.



### Proximity of place of residence

Within the characteristics of recruitment, factors such as proximity have been prioritised to promote the economic development in the local area, the reduction of greenhouse gases from commuting and the chance to reconcile work life, which is simply much more achievable if the current place of residence of the staff is near their place of work. This year we have researched into where our staff live:

COMMUNITY	AVERAGE STAFF	KM FROM WORK
<i>BANYERES (Alicante)</i>	<i>36.12</i>	<i>1.00</i>
<i>ALCOY (Alicante)</i>	<i>46.89</i>	<i>21.00</i>
<i>ALICANTE (Alicante)</i>	<i>2</i>	<i>70.00</i>
<i>BENEIXAMA (Alicante)</i>	<i>1.25</i>	<i>14.00</i>
<i>BOCAIRENT (Valencia)</i>	<i>1.30</i>	<i>13.00</i>
<i>CANYADA (Alicante)</i>	<i>1.00</i>	<i>17.00</i>
<i>COCENTAINA (Alicante)</i>	<i>1.13</i>	<i>32.00</i>
<i>IBI (Alicante)</i>	<i>1.00</i>	<i>20.00</i>
<i>ONTINYENT (Valencia)</i>	<i>1.00</i>	<i>20.00</i>
<i>VILLENA (Alicante)</i>	<i>2.12</i>	<i>28.00</i>

**38.5%** of our staff comes from the same community that the business resides in. The second most significant place of residence is Alcoy, from where **50%** of the staff travel from.

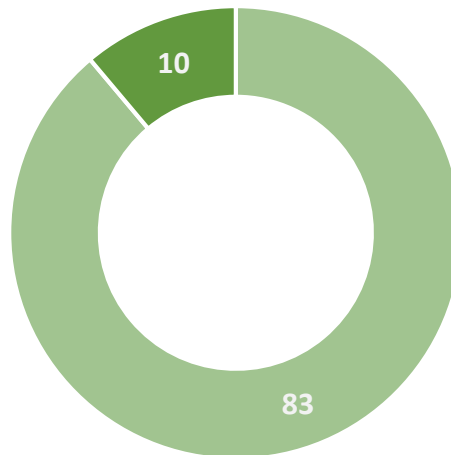
**Within its limits, the company tries to encourage car sharing in this community, in order to reduce the amount of fuel consumed in commuting.**



## STAFF DISTRIBUTION IN 2019

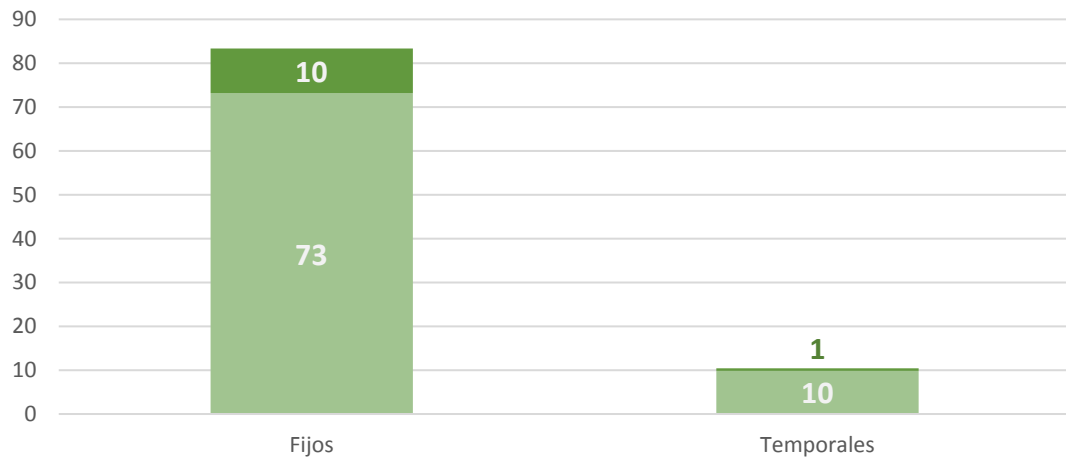
### By gender

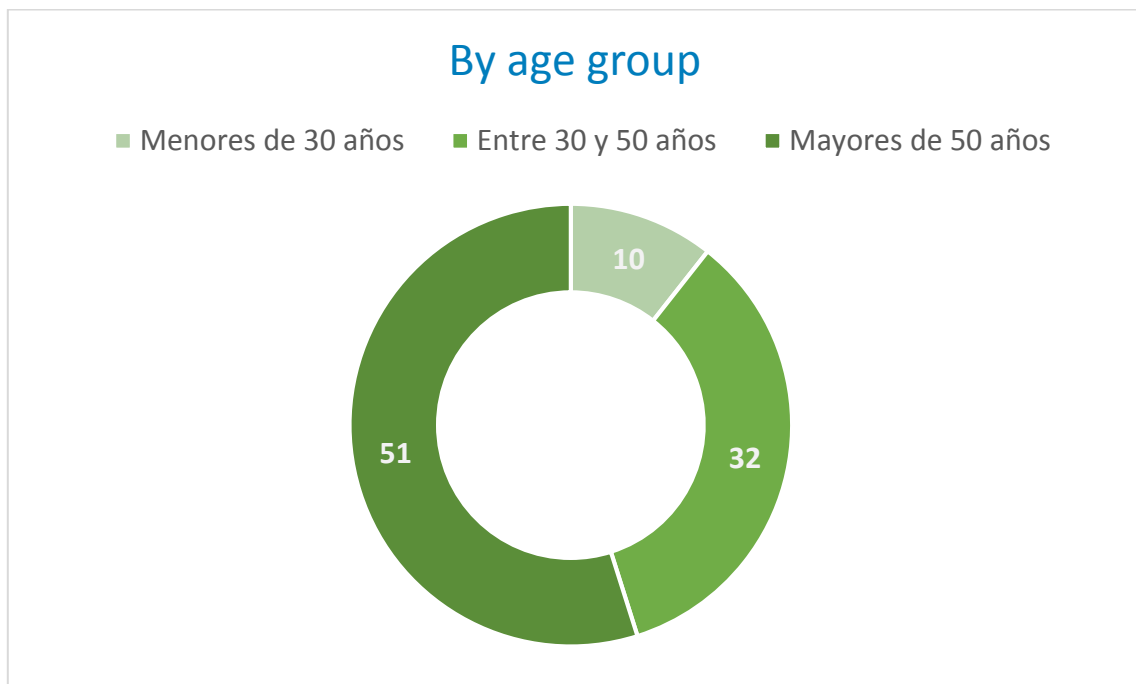
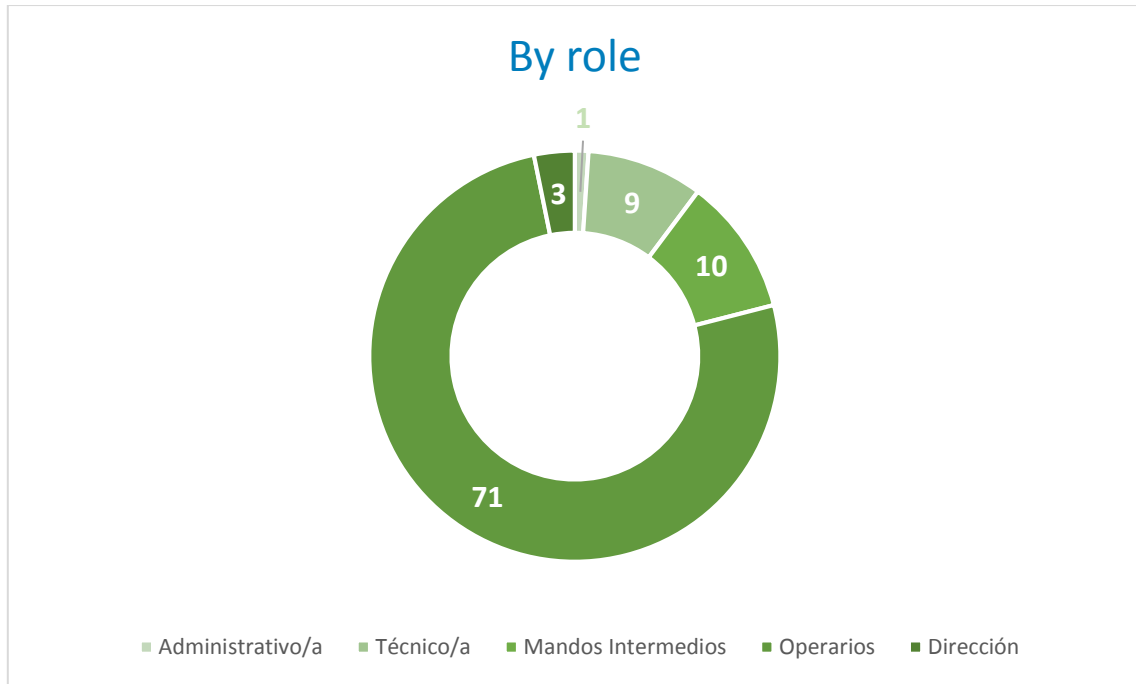
■ Hombres ■ Mujeres



### By type of contract

■ España ■ Extranjero





## Relationship between staff and management

How do we maintain direct and fluid communication with management?



The communication of the decisions made by the *Board of Directors* towards the rest of the company is done through the **Management Committee**, formed by representatives from all areas of the organisation.



Staff depend on the **Company Committee** as a means of formal communication, enabling them to direct their issues and opinions towards Management, who transmit subjects of interest to others. The members of this Committee are representatives of the staff who are voluntarily chosen by all employees via an externally supervised voting system.

Additionally, there is a **Health and Safety Committee**, that ensures compliance with the Labour Risk Prevention Law.



The heads of **Human Resources and Labour Risk Prevention** are in charge of managing the relationships and working situations of the business on a daily basis. They have continuous and close contact with staff and help form what is a good working environment in the company.

The right to collective bargaining is one that is recognised by Spanish law and is fully backed by HILATURAS FERRE, who confer the importance of this Principle through our **Social Responsibility Policy**, from which we have taken an extract:

*Facilitating the relevant instruments so all employees can associate themselves freely and negotiate collectively.*

## Health and safety in the workplace

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

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

Throughout 2019 a total of 9141 hours of absenteeism have been recorded for the following reasons:

### PAID HOURS OF ABSENTEEISM RECORDED IN 2019

Sickness	1902	21%
Accidents	4599.5	50%
Marriage	8	0%
Doctors visits	131	1%
Doctors visits with kids under and over 12	30.5	0%
Maternity / Paternity leave	601	7%
Death	181.5	2%
Family sickness	380.5	4%
Change of residence	24	0%
Unions	255	3%
Personal Matter Agreement	961.5	11%
Other permission	66.5	1%

## Training and education

Special, adequate and continuous training is key for the company. The development of personnel has an impact on the improvement of their performance attributes and the output of their duties. The special training equips staff with the necessary tools to undertake their work with more security, diligence and efficiency.

### Training in the prevention of labour risks.

The training in the prevention of labour risks and safety at work has the objective of teaching the staff about all risks and preventative measures that they can encounter at work.

### Training on the job.

All staff that come in to form part of our company receive intense training for their specific role and during a period of no less than 15 days, they are assigned a tutor that takes charge of supervising the work they do.

100% of our employees have undergone this initial training period and in 2019, all of the newly incorporated operators received training on the job.

## DISTRIBUTION OF TRAINING HOURS IN 2019

**3,885 hours**

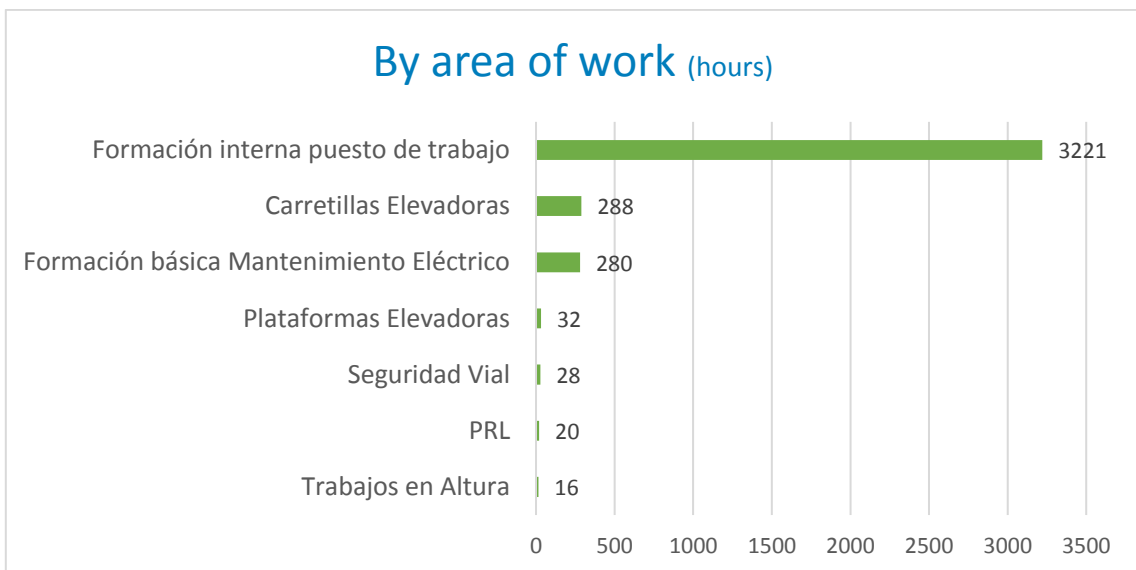
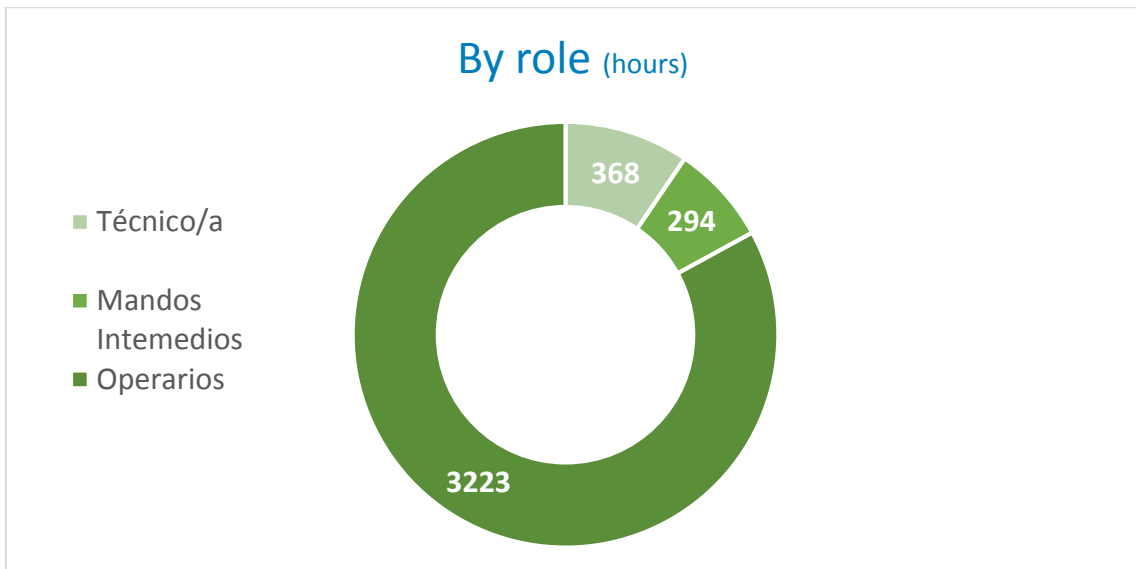
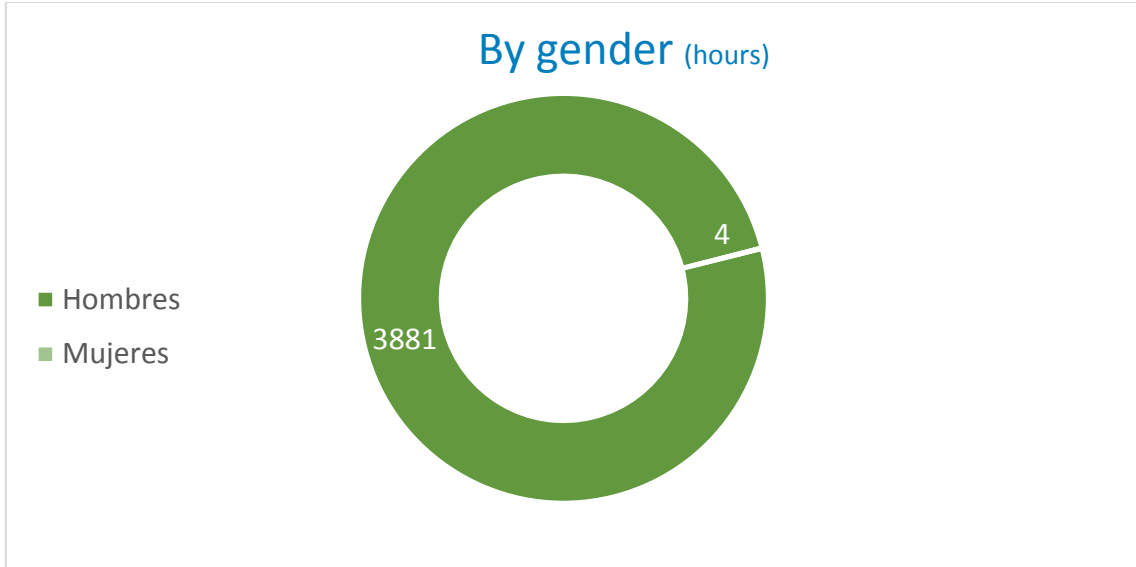
of training

Average amount of training for  
men

**45.55 hours**

Average amount of training for  
women

**0.38 hours**



## Equality, diversity and non-discrimination

We believe it's vital we promote a workplace that radiates ethical behaviour, equality and respect between all members of staff. This is why we have created a document with some guideline that carry the objective of extending our values to becoming basic principles of behaviour. The document is called *"OUR CODE OF ETHICS AND PROFESSIONAL CONDUCT"* and it can be found on our website.

### Gender equality and equal opportunities

Our company is characterised by its support for equal opportunities, valuing the abilities of possible candidates for a role in the workplace, regardless of their origin, religion, gender or any other discriminative motive.

The company does not discriminate by gender and advocates staff selection and internal promotions, solely and exclusively on merit, without any importance given to gender, nationality, belief or any other discriminative judgment.

On top of this, we promote the finding of the balance between work, family and personal aspects of our staff.

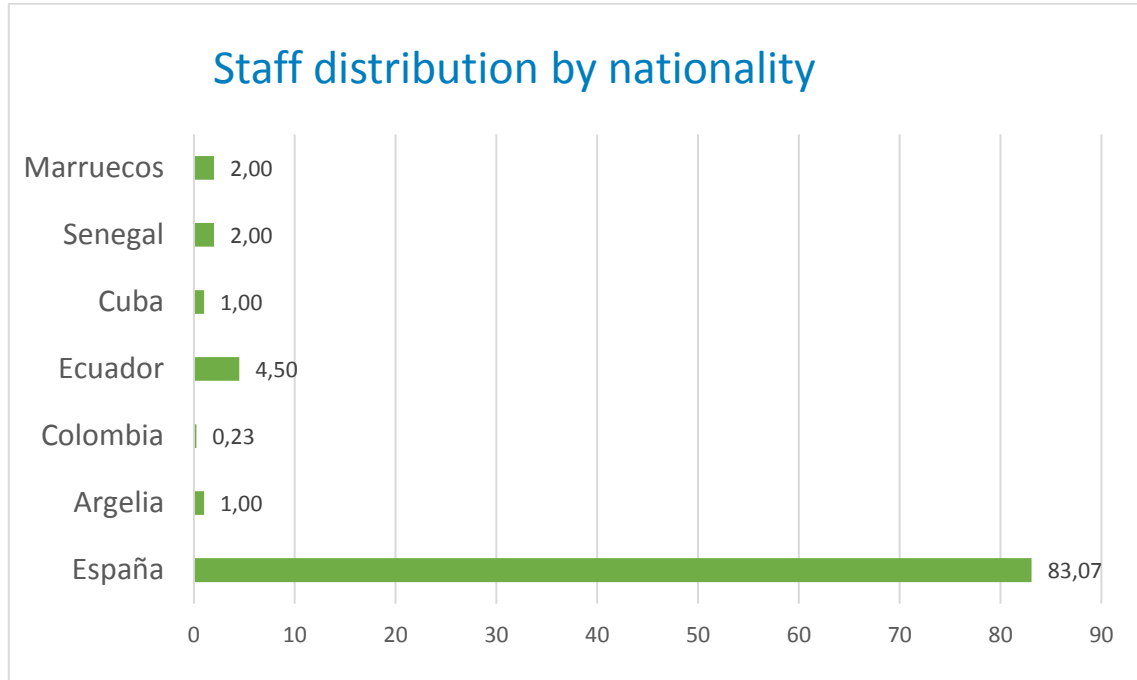
Staff given parental leave	2
Staff granted reduced hours	2

### EQUAL PAY

We have defined salary ranges based on job roles, with total disregard to gender, nationality or any other social condition of the employee.

## Non-discrimination and diversity

Our team of staff, made up of 107 people, represent a total of 7 different nationalities:



As a company, we reject any kind of discrimination whatsoever based on race, origin, nationality, religion, gender, sexual orientation, participation in unions, political views and age, upon employing, paying, training, promoting, sacking or retiring staff.

This means that:

- All female staff have a permanent contract.
- No cases of discrimination have occurred.
- Maximum respect towards all staff, whether temporary or permanent.
- We seek out win-win solutions for the company and employee so that their work life can be as pleasurable as possible.

As a control method, there is an anonymous allegation system to combat any suggestion against these principles.



## Child and forced labour

HILATURAS FERRE totally rejects all manner of child labour, forced labour and coerced work. Honesty and respect to others is of utmost importance to us. We understand that this is one of the values that promotes skilled and stable work.

The policy under which the company operates prioritises the employment of staff that live in the surrounding areas, helping to create a more trusted and family-like working atmosphere. This fosters a working atmosphere of mutual respect, disregarding any chance of forced or coerced work present in our organisation.

Our firm commitment as seen in our **Code of Ethics**, is based on the **International SA8000 Regulation**, which establishes minimum conditions to be met to create a safe and healthy working environment with ethical guidelines and professional conduct along with it. Also:

- We aid the reduction of working hours for childcare.
- We are intent on finding the balance between the employee and company when one requires leave to look after sick relatives.
- We facilitate taking leave from work for staff that have conditions that require regular medical attention.
- The company accepts and makes full use of Spanish legislation.

### How do we detect possible cases of child labour in our suppliers?



As an analysis of whether one of our suppliers could be operating with the use of child or forced labour, we research into the home countries of each one. In cases where one is found to be in a high-risk country, we solicit a formal check, a declaration of responsibility or external auditing to certify their good intentions.

**94%** of the company's purchases made in 2019 came from countries in the European Union, where the use of child and forced labour is prohibited by law.

## The fight against corruption

HILATURAS FERRE completely rejects any kind of corrupt activity, including bribery and extortion. These practices stain the company's continuous efforts and endeavours for good.

### Our Compliance Officer against corruption



Within our team of staff, we have a Compliance Officer/Director of Regulatory Compliance, who is present with the purpose to prevent any criminal acts that could occur in our sector.

We are completely against any acts of this nature and strive for transparency and fair business ethics:

- The situation and climate of trust from our employment policy that the company breathes, assures staff that they have the trust of the executives and managers. To date, we have not needed to address this issue or found a need to employ anti-corruption mechanisms.
- As a company, we reject the participation of any sort of financial transaction that might carry illegal or corrupt implications.
- As the company accounts are controlled and justified, any corrupt activity could be easily spotted.
- All cases of corruption will be investigated and analysed.

### What is our aim here?



With the intention of forcing the rules upon our company, we aim to soon produce a Crime Prevention Manual, and train all staff training in the use of our internal complaints system.

## 8. GRI CONTENT INDEX

### GRI STANDARDS - GLOBAL REPORTING INITIATIVE (GRI)

#### GRI 101

#### FUNDAMENTOS (2016)

#### GRI 102

#### CONTENIDOS GENERALES (2016)

#### PROFILE OF THE ORGANISATION

102-1	Name of the organisation	<i>Page 4</i>
102-2	Activities, Brand, products and services	<i>Pages 9-13</i>
102-3	Site location	<i>Page 4</i>
102-4	Operating locations	<i>Page 4</i>
102-5	Ownership and legal form	<i>Page 4</i>
102-6	Markets served	<i>Page 17</i>
102-7	Size of the organisation	<i>Pages 16 and 56</i>
102-8	Information on staff and new employees	<i>Pages 54-58</i>
102-9	Supply chain	<i>Pages 46-51</i>
102-10	Changes in the organisation and the supply chain	<i>Pages 46-51</i>

102-11	Precautionary approach	<i>Pages 23-24</i>
102-12	External initiatives	<i>Pages 23-24</i>
102-13	Affiliations and associations	<i>Page 5</i>
<b>STRATEGY</b>		
102-14	Declaration of executives	<i>Page 2</i>
<b>ETHICS AND INTEGRITY</b>		
102-16	Values, principles, standards and rules of conduct	<i>Page 8</i>
<b>ADMINISTRATIVE STRUCTURE</b>		
102-18	Administrative structure	<i>Page 7</i>
<b>STAKEHOLDER PARTICIPATION</b>		
102-40	List of stakeholders	<i>Page 20</i>
102-41	Collective bargaining agreement	<i>100% of staff</i>
102-42	Identification and selection of stakeholders	<i>Pages 20 and 21</i>
102-43	Focus of participation of stakeholders	<i>Pages 20 and 21</i>
102-44	Key subjects and concerns mentioned	<i>Pages 20-22</i>
<b>PRACTICES FOR THE CREATION OF REPORTS</b>		
102-45	Entities included in the consolidated financial statements	<i>Page 2</i>
102-46	Definition of report content and subject coverage	<i>Page 19</i>

102-47	List of material issues	<i>Pages 20-22</i>
102-48	Expression of information	<i>Page 19</i>
102-49	Changes in the report's format	<i>Pages 20-22</i>
102-50	Target period of report	<i>2019</i>
102-51	Date of last report	<i>2018</i>
102-52	Creation cycle of reports	<i>Annual</i>
102-53	Point of contact for questions about the report	<i>Page 4</i>
102-54	Declaration of the creation of the report in accordance with GRI Standards	<i>Page 19</i>
102-55	GRI Content Index	<i>Page 66</i>
102-56	External verification	<i>Not applicable</i>

## MATERIAL ISSUES



### ECONOMIC

#### 204. ACQUISITION PRACTICES (2016)

204-1 Proportion of expenditure on local suppliers

Page 3, 46 and 47



Principles 1, 2 and 6

#### 205. ANTI-CORRUPTION

205-3 Confirmed cases of anti-corruption

Page 3 and 65



Principles 1, 2 and 6

### ENVIRONMENTAL

#### 301. MATERIALS (2016)

301-1 Materials used by weight or volume

Pages 35



Principles 7, 8 and 9

#### 302. ENERGY (2016)

302-1 Energy consumption within the organisation

Page 37



Principles 7, 8 and 9

**305. EMISSIONS (2016)**

305-1 Direct emissions from GEI

Pages 39-42



Principles 7, 8 and 9

**306. WASTE (2016)**

306-3 Waste generated

Pages 42-43



Principles 7, 8 and 9

**SOCIAL**

**401. EMPLOYMENT (2016)**

401-1 New employee recruitment and staff rotation

Pages 54-57



Principles 1, 2, 3, 4, 5 and 6

401-3 Parental leave

Pages 59 and 62



Principles 1, 2, 3, 4, 5 and 6

**404. TRAINING AND EDUCATION (2016)**

404-1 Average annual training hours per employee

Pages 60-61



Principles 1, 2, 3, 4, 5 and 6

**405. DIVERSITY AND EQUAL OPPORTUNITIES (2016)**

Page

406-1 Diversity in management and staff

Page 57



Principles 1, 2, 3, 4, 5 and 6

**406. NON-DISCRIMINATION (2016)**

408-1 Cases of discrimination and corrective measures taken

*No cases of discrimination have been detected*

**407. FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING**

407-1 Operations and suppliers whose right to freedom of association and collective bargaining could be at risk

Page 58 and 65



Principles 1, 2, 3, 4, 5 and 6

**416. HEALTH AND SAFETY OF CLIENTS**

416-1 Evaluation of the impact on health and safety of categories of products or services

Pages 50-53



Principles 1, 2, 3, 4, 5 and 6