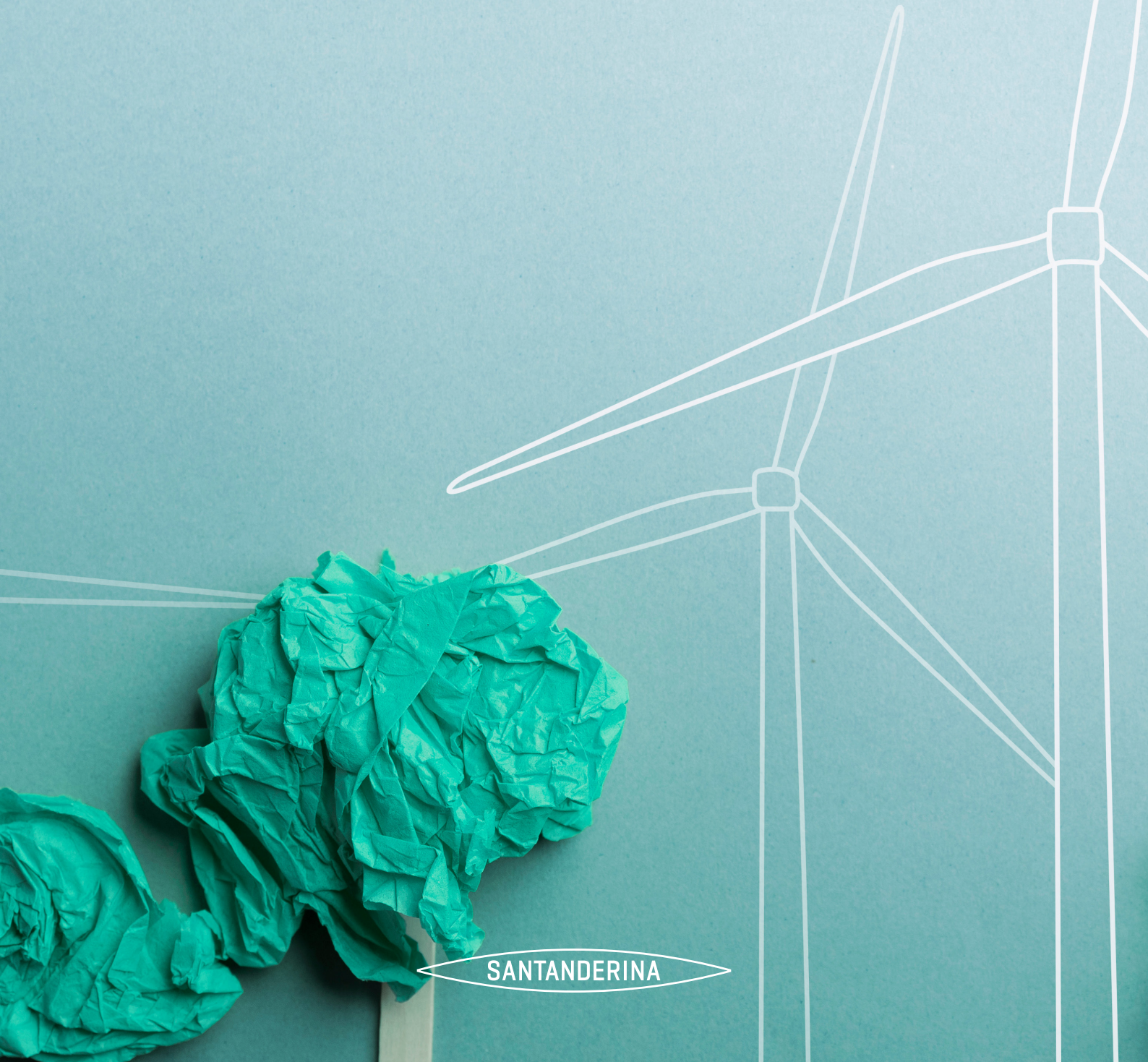


Green thread to stitch the planet's wounds



Santanderina is designing a Green Transition and Digital Transformation Plan based on innovation, energy efficiency and the best use of resources. The aim: to be working within the framework of a digital circular economy by 2030. The customer is always at the heart of this industrial textile group's strategy.

Flexibility and resilience are two values associated with the textile industry. A raw material as thin as yarn can become a fabric for fighting a forest fire. In times of change, being flexible and resilient helps with adaptation to new scenarios, and Grupo Textil Santanderina has had to adapt to many since 1923. During these 100 years, Santanderina has built a brand committed to quality, innovation and sustainability, and, above all, to its customers, who are always at the centre of all its processes, based on the circular economy.

This family business, which distributes 20,000 tonnes of yarn, 4 million garments and 25 million metres of fabric per year, takes care of the environment around it, both nearby and far away, because it is aware that human beings themselves are a threat to the planet. "If the Earth is in danger, we will be too," warned Juan Parés, President and CEO of the Santanderina Group. All the company's gestures, actions, processes and products are shot through with green: creating value in a sustainable way. Competitiveness and profitability are meaningless if they are not aimed at maximising the positive impact



of the business on all aspects of the environment. The goal is always to improve, making the sustainability chain stronger and stronger.

The company's trademark is to generate value for employees, suppliers, customers and, ultimately, for society. Its mission: to weave a better planet.

"You need actions that demonstrate your commitment and all the lines of action we are carrying out are geared towards the Sustainable Development Goals," said Juan Marcos Sanz Casado, RDI Manager of Grupo Santanderina. The company's comprehensive strategy is aligned with the SDGs, with a 360° approach, and it is constantly seeking new processes and solutions that help reduce the impact of its activity. The textile industry is constantly looking for ways to integrate its activity more closely with Nature, and the company has been working for decades to reduce its carbon footprint and counteract its impact on climate change. "We've been stressing the SDGs for a long time now, but we didn't know they were going to be called that. Perhaps what we haven't been doing very well is communicating everything we do, and it's important to do that to explain how we work in today's environment."

The company has signed the UN Global Compact. It knows this is part of an overall approach and its aim is to get closer to people and customers and to generate more value. Its goal is to be working within the framework of a digital circular economy by 2030. In recent years, Grupo Santanderina has developed many initiatives along these lines. And now on

the table is an ambitious **Green Transition and Digital Transformation Plan** that will allow further progress towards a more responsible industry. It includes actions aimed at achieving greater efficiency in resource management and improved traceability and flexibility. Customer satisfaction and generating business by and for people are Santanderina's priorities. It is a long road that requires investing in innovation, human resources, talent and technology, in an orderly and profitable way. "We must innovate not only to make profits, but also to have an impact on society," said Parés, who believes that the most important investment is in the production system. "A process is a joint innovation by the whole company: the process leads to efficiency and product innovation that is difficult to imitate."



Two driving forces: the customer and knowledge

Innovation and research are intrinsically related to the **company's three strategic Rs: reduce, regenerate and recycle**. "Everything we do is because the customer also wants to be sustainable," said Sanz. "It is important that everyone in the company knows that everything they do individually has a direct impact on CO₂ emissions, energy and water savings, the reduction of chemical products and the better use of raw materials." Continuous training of employees is essential, as well as communicating every step taken by the company to them. The better informed and trained and more aware they are, the more sustainable Santanderina will be.

During 2017, 2018 and 2019, 8,000 hours of training were provided.

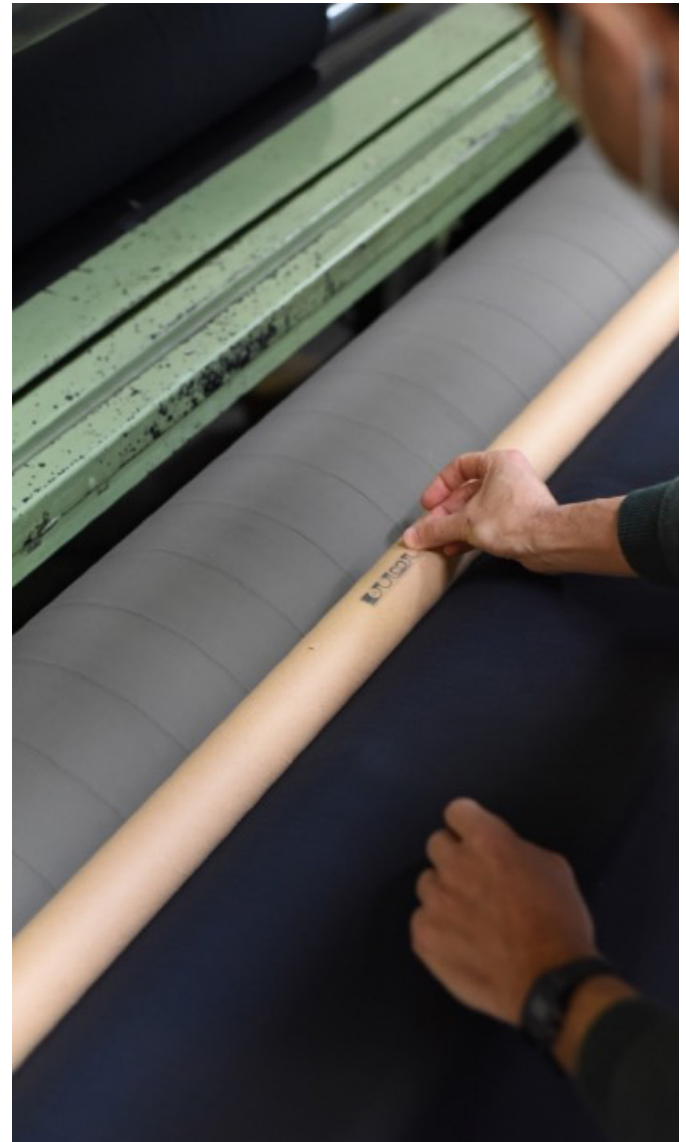
But the coronavirus crisis completely altered the plan for 2020. With the textile sector badly damaged at all levels, it was necessary to focus on production. Now, in 2021, it is time to relaunch the training strategy, with a particular focus on sustainability and Corporate Social Responsibility (CSR).

"We must clearly define what we want to promote and how – not only training, but everything related to people management, said José Antonio Mazorra, the Purchasing and CSR Manager. "The pandemic has exposed certain shortcomings, and that is one of the things we need to improve."

Santanderina is the largest Spanish textile industrial group, with plants in Spain and abroad. It has 12 companies, production sites in Morocco, more than 260 direct jobs at its headquarters in Cabezón de la Sal and

approximately 1,000 jobs worldwide. With these figures, there is no doubt that the role of employees is fundamental, so promoting their sense of belonging to a leading company is very important. Implementing a plan to transform the group, with action areas affecting all levels of the business, brings opportunities and advantages, but also dangers. And to better monitor the cultural risks, a Change Management Office has been set up, consisting of "people who are the driving forces and pollinators", as Juan Marcos Sanz, Head of Innovation and Development puts it. "A new-generation team that can grow within the company and is capable of keeping other colleagues informed about the initiatives we are carrying out, why we are developing them, and what our objective is. And collecting feedback from the workforce at the same time. This is the only way we can find out what staff need at any given time and how we can give it to them."





Increasing efficiency involves improving the digital skills of our workforce: both basic competences (IT and communication) and those associated with more advanced tools and applications. These allow Grupo Santanderina to make progress in strategic aspects such as traceability – a factor that directly affects the sustainability of all the company's products and has an impact on the SDG plan. "Everything ends up having an impact on the customer," said Sanz. "Our business is oriented towards them, to give them a sustainable product with quality and traceability, and to do so efficiently. At Santanderina we have always chosen the most ecological way."

The science of textile recycling

Customers, suppliers and the market identify Santanderina as an environmentally-friendly, sustainable company at the forefront of RDI. This good reputation is due, among other factors, to our use and manufacture of increasingly natural, ecological and recycled materials. One of the most important projects is Seaqual, a brand the company developed five years ago in cooperation with Antex Textil, involving the recovery of plastic waste from the sea to make recycled polyester fabrics.

It is a traceable, transparent system that contributes to regenerating marine ecosystems and reducing the environmental impact of plastic. “We cooperate with fishermen’s associations, NGOs and institutions to collect plastic,” says Parés, the Techs Manager, who is head of Grupo Santanderina’s technical, employment and protective fabrics division. “We send it to fibre manufacturers who convert it into recycled polyester yarn, with which we make some of our fabrics.”

Other initiatives show that the firm has managed to go a step further in terms of green transformation, as it not only buys sustainable materials, such as recycled polyester and organic cotton, to make its fabrics, but it also manufactures its own fibres, even selling these products.

Internal Recycling is a recycling system implemented three years ago to recover textile material waste generated during the production process: “We discard between 5% and 10% of yarns and textiles and manage to recycle them for reuse as raw material,” said Parés. “We separate by materials and colours, grind and obtain fibre. And what we cannot reuse in our own spinning, we sell, and other companies use it for cushion stuffing or wall insulation, for example. Before, we didn’t separate these materials and we virtually had to pay to have them taken away.”

S360° is an innovative, sustainable cycle to give fabrics a new lease of life. Santanderina opened a plant in Tangier to manufacture recycled cotton out of surplus material from garment manufacturing. During this process, between 10% and 15% of textile material is wasted, and this waste can be turned into an opportunity. “We shred the waste generated in various garment workshops in Morocco, where some of our customers, such as Inditex, are based, and we produce recycled cotton. The more we are able to manufacture fabrics from recovered materials, the more competitive we will be.”



The textile company is gradually increasing the percentage of recycled fibre in its products and the constant challenge is to improve quality. Innovation, in this sense, involves applying the scientific method and investing in talent and knowledge. “When you work with something new, it’s difficult to predict how the item will turn out,” said Parés. “Most of the time you try, you make a mistake and try again. We are getting a better understanding of the manufacturing adjustments we need to make to get the best performance without sacrificing quality.”



Reducing the ecological footprint

Recycling and efficient resource management extend to the entire production line. In the finishing process we find one of the big issues facing the entire textile industry: **reducing the use of chemical products**.

“We have a very diverse portfolio which means using 400 different chemical compounds. We need to be aware that it is difficult to deal with the problem with such a large volume,” admitted dyeing technician Saúl Luguera.

It is difficult to square the circle, as each substance requires a different treatment to reduce its ecological impact.

RDI projects are crucial in this field, with a strategy based on four key points: reusing products, modifying the production process, searching for more sustainable alternatives, and reducing the end consumer's ecological footprint.

The company uses around 700 tonnes of caustic soda a year: “It is one of the most widely used substances,” said Luguera, “and it can neither be reduced nor eliminated from the processes, but it can be reused. We do this through a closed circuit of cleaning, treatment, evaporation, condensation and filtering.” In 2019, for example, **2,600 cubic metres of soda and 68,000 cubic metres of water** were recovered. This is fed back into the circuit and used for other processes.

Dyes, oxidants, soaps and water baths are essential in the dyeing process, and the company has highly innovative measures in place to minimise the chemical impact and save water and energy, thus reducing carbon emissions.

“We modify parts of the process, change or limit water consumption and reduce the use of



compounds,” said Luguera. One example is **Ecolandye Pluss**, a highly ecological dyeing system that does not require water and achieves “very strong” results: 85% less water consumption, 54% less energy and 4% less chemical use.

Finding chemical alternatives that cause less impact is one of the most difficult challenges due to Santanderina’s wide range of fabrics. They each have very different characteristics and they are manufactured using acids, dyes, reagents, soda, colourants and many other substances. “We are balancing the scales with innovation,” said Luguera. “Many chemical products are indispensable and what we do is to look for others with similar but more sustainable properties. Research is key.”

Weaving an increasingly sustainable planet means acting throughout the entire textile chain life cycle, and the company is also working to reduce even the end consumer’s ecological footprint. Santanderina is leading the RDI project **Fiberclean**, which aims to reduce the emission of microfibres – particles smaller than one millimetre in size – which are released from clothes in each wash and end up becoming marine waste.



Commitment to clean energy

The Santanderina Group is aware of the environmental problems associated with its industrial activity. The Green Transition Plan requires improved processes, new lines of work to counteract the effects on the environment, and facing new challenges to achieve more efficient resource management. To achieve these objectives, it is important to focus on renewable energies. The company has just installed **2,400 photovoltaic solar panels** on the roofs of several buildings at its headquarters in Cabezón de la Sal. These are connected to the internal power grid and will generate almost 5% of the energy consumed by the company. The installation consists of a generator with a rated power of 770 kW and 840 kW of peak power and has required an investment of around 570,000 euros.

This is the first phase of an energy consumption reduction plan. This time, the company has been eligible for public aid to develop energy transformation based on renewable solutions and the Government of Cantabria's Department of Industry has provided 40,000 euros in funding. The European Union's recovery funds will give priority to projects that promote the circular economy, and Santanderina hopes to receive more support from the authorities to achieve the objectives it has set for itself in terms of energy and sustainability.

For the past 25 years, the plant has also had a **CHP plant** powered by a natural gas turbine. It generates electricity, together with gases at



high temperature, which are piped to two boilers and burned to produce steam and heat thermal oil. Both these products are used throughout the textile manufacturing process. The electricity is consumed at the plant and the surplus is sent into the grid. This system has allowed Grupo Santanderina to be practically self-sufficient, but the company "is analysing other alternatives," according to Purchasing and CSR Manager José Antonio Mazorra.

"Firstly, the turbine has completed its life cycle and changing it requires a heavy investment. Secondly, using gas to produce energy generates significant CO₂ emissions and this entails high costs to purchase quota," he said. The purchase of carbon dioxide emission rights quota affects the profitability of industries and the company maintains that, to be profitable, it must operate under the seal of sustainability. "The purchase of electricity from the grid may be an alternative, and we would go with green energy," said Mazorra.

As well as incorporating renewables into the production process, another way to improve energy efficiency to renew our machinery. “Emission reduction systems involve replacing obsolete equipment with more efficient ones,” said Silvia Migoya, one of the heads of the Quality, Environment and Occupational Risk Prevention Department. “They consume less fuel and therefore generate lower emissions. For example, high-efficiency boilers produce steam under better conditions.”

As well as these strategic actions, there are others with a lesser, but no less important, impact. The company’s headquarters will soon have a charging point for electric cars. And, as well as the many employees who use of bicycles, some are now riding electric scooters.



Our water strategy

Another fundamental aspect is reducing water consumption: “Less water, more control and more reuse.” Santanderina has its own wastewater treatment plant, but wants to continue promoting formulas to optimise its production processes and improve recovery levels. “All the water discharged is treated in our treatment plant and then sent to the one at Casar de Periedo plant – the municipal sewage network,” says Migoya. “There it receives more treatment and is finally returned to the river.” José Antonio Mazorra is also involved in this aspect.

“We are not satisfied with the percentage of water we currently reuse in our processes,” he said. “We are conducting studies so that once we purify the water ourselves, we will reintroduce it back into the manufacturing system.”

Sustainability is one of the hallmarks of the business project. Having the best-known circular economy certifications (GRS and RCS, from Textile Exchange) and taking an active part in some of the sector’s leading associations are proof of this. The company belongs to the International Textile Manufacturers Federation (ITMF), whose Vice-President is Juan Parés, president and CEO of Santanderina. It is also a member of the Fashion Industry Charter for Climate Action (FICCA) group, an initiative promoted by the UN to reduce textile industry emissions. “We receive training and information;

we maintain relationships with other companies; and we learn new tools,” said Mazorra. “It helps us a lot. In the global textile environment, we are very small compared to the giants in China, Pakistan and Turkey.”

The greatness of the Santanderina Group lies, not in its size, but in its innovative vision and its commitment to people to make the Earth a better place for everyone, every day.

