

RECOVER: Circular Fashion for All¹

In January 2023, at RECOVER Textile Systems headquarters in Banyeres de Mariola, in Spain's Alicante region, Alfredo Ferre had a lot on his mind. As RECOVER's CEO, Ferre was responsible for leading the company towards the goal for which it had been established some two years earlier. RECOVER sought to become the global leader in textile recycling, firmly establishing the superiority of its mechanical processes over the chemical procedures used by others.

RECOVER had already developed a superior, proprietary process and product but had only recently secured the financial backing it would need to create a comprehensive ecosystem that would allow it to scale. Amid a rising demand for post-industrial, pre-consumer and post-consumer textile recycling waste, RECOVER saw the opportunity to position itself as the leading global ingredient brand in the industry. Ferre and his team would have to determine the best strategies to seize the moment.

RECOVER Textile Systems

RECOVER was a materials science company and a global producer of low-impact, high-quality recycled cotton fiber and cotton fiber blends. RECOVER sought to provide "Circular Fashion for All" by delivering innovative, cost-competitive, premium recycled fibers and circular solutions at scale.

Years of tradition and expertise in the recycling industry provided RECOVER with a unique competitive advantage. Hilaturas Ferre had perfected the art and science of handcrafting sustainable recycled cotton fiber over the course of more than seven decades, spanning four generations of the Ferre family.

The proprietary recycled cotton fiber the company developed, RECOVER™, delivered dyed fiber with minimal use of solvents and water, allowing for a closed-loop system. The Higg Materials Sustainability Index² had given RECOVER's recycled cotton fiber the

¹ Case of the Research Division of San Telmo Business School, Spain. Prepared by professor Miguel Ángel Llano.

Copyright © September 2025. Fundación San Telmo, Spain.

The reproduction, in whole or in part, of this document, nor its archiving and/or transmission in any form or by any means, whether electronic, mechanical, by photocopy, by registration or by other procedures, is not permitted without express authorization and written by Fundación San Telmo. To request copies or permission to use this case, please contact the Case Editing department at +34 954 975 004 or by email at ventas@santelmo.org.

² Recent criticism of the Higg Index, voiced by *New York Times* reporter Hiroko Tabuchi in June 2022, focuses on the Higg Index's rating of fabrics. Critics argue that the index favors synthetic materials over natural fibers.

lowest environmental impact score in the world. (**Watch Video 1:** [Sustainability performance and impacts | RECOVER™.mp4](#)).



This recycling process (**Watch Video 2:** [Our Process | RECOVER™.mp4](#)) was led by a team of experts in materials science, textiles, fashion, and sustainability.



RECOVER Scaling Efforts

The RECOVER technology had piqued investor interest, fueling expectations that its ability to scale was imminent. In June 2022, RECOVER announced that it had closed a new \$100 million minority equity capital investment led by the sustainable investing business within Goldman Sachs' Asset Management division (GSAM) for 10% of the company to complement the existing investment by majority shareholder STORY3 Capital Partners.

The RECOVER brand was beginning to be part of leading retailers' and brands' sustainability commitments and credentials, and a growing number of its customers (Inditex, H&M, Primark, C&A, DL1961, Revolve, Fruit of the Loom, Florence Marine X, Tillys...) were co-branding product capsules with RECOVER to showcase that they had been produced with RECOVER's trademarked recycled cotton fiber.

Since the company was launched in December 2020 as a spin-off as part of Hilaturas Ferre's scaling strategy, RECOVER had inaugurated new manufacturing hubs in Pakistan and Bangladesh, with Vietnam's hub due to open in the near term. Alfredo Ferre knew that RECOVER was not alone in the race to be the dominant category of technology in textile recycling. Numerous funds and sector retailers were investing in divergent technological options. How many of them would survive, and which would emerge as the dominant category? RECOVER was determined to influence that result.

Hilaturas Ferre: The Origins

In 1914, Antonio Ferre launched Hijos de Antonio Ferre, a company with a clear family vocation. In response to current demand, he opened a textile factory in his native Banyeres de Mariola - a small town in Spain's Alicante region - with a loom for producing jute bags. His company grew swiftly from those origins. By 1947, Spain was relegated to an autarchic economic system due to post-war boycotts on the ruling dictatorship. Dealing with the resulting severe cotton import limitations, contingents and tariffs, a second generation of Ferres had the foresight to introduce a game-changing revolution: the conversion of textile waste into yarn. Creating Hilaturas Ferre, the family business launched an economic innovation with a product that yielded margin and continued to pioneer sustainable materials since then. The company would later extend its 75 years of experience, expertise and trade secrets into using the fiber in yarn spinning and textiles.

Hilaturas Ferre had created recycled yarn since its origins, albeit for varying end uses. The group progressed from producing this type of raw material for making sacks and, later on, mops and cleaning cloths to making ingredient-branded shirts, sweaters, jeans, socks, etc. Since those early, more industrial and lower-value applications, the company had been introducing technological improvements in the production process in order to replace traditional yarns with its own recycled ones.

Color Innovation

In 1985, through R&D investment, Hilaturas Ferre obtained colors that were not only perfect but also sustainable. The company created its own system - RColorBlend **Watch Video 3: [What is RColorBlend?](#) | RECOVER™.mp4** -to achieve precise and unique colors using neither water nor chemicals. The textile industry was the world's second-largest polluter.



Conventional cotton production required large quantities of water and pesticides, involved a highly contaminating dyeing process, and used large areas of land. The chemicals in the dyes and finishing treatments used to cultivate fibers and produce textiles accounted for a total of 43 million tons of non-renewable resources. RColorBlend, on the other hand, required no further dyeing and used minimal water and chemicals. Created from feedstock textile waste, RColorBlend produced a colorful low-impact fiber - RBlue - comprised of 52% recycled RCotton blended with a carrier fiber (48% recycled polyester), reducing not only the use of water and chemicals but also that of virgin raw materials. Because its color-matching process was entirely mechanical,