



CIRCULAR
FASHION
FOR ALL

RECOVER™ CODE OF CONDUCT

Business Partners



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FOREWORD AND PRINCIPLES

Recover™'s mission is to achieve circular fashion for all by delivering high-quality, low-impact recycled fibers and circular solutions at scale.

We align with:

- United Nations Sustainable Development Goals (SDGs)
- UN Global Compact's Ten Principles
- OECD Due Diligence Guidance for Garment and Footwear Sector
- EU Corporate Sustainability Due Diligence Directive (CSDDD)

These commitments reflect our belief that circular fashion must be both environmentally responsible and socially just. Transparency drives change. We measure and report on environmental performance and social compliance in our operations and across business partner facilities.

LEGAL FOUNDATION

This Code is based on:

- International Labor Organization's (ILO) eight Core Conventions
- United Nations Universal Declaration of Human Rights (UDHR)
- United Nations Guiding Principles on Business and Human Rights (UNGP)

In addition, the environmental expectations in this Code align with recognized management and sector standards referenced in the body of the document, including ISO 14001 environmental management systems and the applicable standards of Textile Exchange. Recover may update this Code to reflect new laws or best practices.

THIS CODE OF CONDUCT APPLIES TO ALL BUSINESS PARTNERS:

This Code applies to ALL Business Partners and any organization with a business relationship with Recover™, regardless of their role in the supply chain. This includes suppliers, customers, licensees, service providers, subcontractors, and any other parties involved in our supply chain.

KEY BUSINESS PARTNER RESPONSIBILITIES:

1. Share this Code with all employees and subcontractors
2. Allow Recover™ or third-party audits (announced or unannounced) of your facilities
3. Provide compliance documentation when requested

Detailed audit, corrective action, and subcontracting rules are in Section 4.

01

WORKERS' RIGHTS

1.1 Forced labor (ILO 29, 105; UDHR)

1.1.1 No forced, bonded, prison, or involuntary labor is allowed, including no benefit from state-sanctioned forced labor programs.

1.1.2 Workers must keep their own identity papers and passports. They can leave employment as notice period required by law or employment contract, whichever is shorter.

1.1.3 Workers shall never pay recruitment fees, visa fees, medical exam fees, or travel costs. The employer or recruitment agency pays all hiring costs.

1.2 Freedom of association and collective bargaining (ILO 87, 98, 135, 154; UDHR)

1.2.1 Workers can join unions or form their own groups to discuss wages and working conditions. Employers must not stop or interfere with this.

1.2.2 Union leaders cannot be punished or treated unfairly. They can meet workers at work to discuss union business.

1.2.3 If local laws limit unions, employers must help workers create worker committees or other fair ways to represent themselves.

1.3 Child labor (ILO 138, 182; UNCRC; UDHR)

1.3.1 Workers must be at least 15 years old. If a country requires children to stay in school longer, they must finish school first before working.

1.3.2 No recruitment below minimum age.

1.3.3 No hazardous work/night work for under 18 years old. Workers under 28 shall not work in dangerous roles (heavy machinery, chemicals, heights) until trained and competent.

1.3.4 If a child underage is found working, the employer must stop the work immediately and pay for schooling and support.

1.4 Non-discrimination (ILO 100, 111; CEDAW; UDHR)

All workers must be treated fairly. Do not treat someone unfairly because of based on ethnicity, religion, age, disability, gender, marital status, sexual orientation, gender identity, union membership, political affiliation, pregnancy, or HIV status. This applies to hiring, pay, training, promotion, and firing.

1.5 Harassment and abuse (ILO 190; UNGP 24; UDHR)

1.5.1 All workers must be treated with respect and dignity. No form of harassment or abuse is allowed such as physical, sexual, psychological and verbal abuse or intimidation of any kind.

1.5.2 Employers must not use fines as punishment.

1.5.3 If anyone experiences harassment or abuse, they can report it without fear of losing their job.

1.6 Health and safety (ILO 155, 187; UDHR)

Recover™ Business partners shall provide a safe, healthy, and hygienic working environment for all workers. Employers must identify, prevent, and mitigate risks to health and safety and ensure full compliance with applicable laws and recognized industry standards.

1.6.1 Workplace conditions and hazard control

Employers shall maintain workplaces that are clean, safe, and free from known hazards. All equipment must be kept in good working condition;

damaged or unsafe machinery shall be immediately repaired, replaced, or removed from service.

Safety Data Sheets (SDS) for all chemicals shall always be available in the local language and accessible to workers. Chemicals must be properly labeled, stored safely, and handled only by trained personnel.

1.6.2 Personal Protective Equipment (PPE)

Employers shall assess workplace hazards and provide all necessary Personal Protective Equipment (PPE) free of charge. PPE may include, but is not limited to, gloves, goggles, masks, aprons, boots or helmets.

1.6.3 Fire safety and emergency preparedness

Fire exits must be clearly marked, illuminated, unobstructed, and unlocked during working hours. Facilities shall conduct fire drills, at least once per year or more frequently if required by local law or facility-specific risk assessments.

Employers shall train all workers in emergency response procedures and ensure fire detection, alarm, and firefighting equipment is installed, maintained, and regularly inspected.

1.6.4 Health and safety training

Employers shall provide regular health and safety training, which must be documented, to all workers, including new hires and workers reassigned to new tasks or work areas. The training courses should cover workplace hazards, safe work procedures and emergency response and actions.

1.6.5 Welfare facilities

Employers must ensure access to clean, functional toilets and safe drinking water during all working hours. Where food is stored or consumed on-site, hygienic facilities shall be provided and maintained.

1.6.6 Dormitories (if provided)

Where dormitories are provided, they shall be safe, well-ventilated, and hygienic, with separate facilities for men and women. Adequate space, lighting, and secure storage must be provided. Dormitory buildings shall meet all safety, fire protection, and emergency access requirements.

1.6.7 Protection of pregnant and breastfeeding workers

Employers shall identify and manage risks for pregnant workers and breastfeeding mothers, including avoiding exposure to hazardous tasks or conditions. Reasonable accommodation must be provided, including exemptions for night work, heavy lifting, or other unsafe duties, and ensuring adequate rest periods.

1.7 Wages and benefits (ILO 131; UDHR)

1.7.1 Employers must pay at least the legal minimum wage for the country.

1.7.2 Before hiring, give workers a written contract in their local language showing job title and duties, wage amount and pay date, working hours and benefits.

1.7.3 Employers cannot deduct wages as punishment.

1.7.4 Every payday, give workers a written statement showing hours worked, gross wages, deductions and net wages.

1.7.5 Employers must pay all benefits required by law (vacation, sick leave, maternity leave, holidays, etc.).

1.7.6 Pay workers on the agreed schedule.

1.7.7 Business partners shall work progressively and demonstrate continuous progress toward payment of a living wage. Conduct annual wage gap analysis using for example, <https://www.globallivingwage.org/>

1.8 Working hours (ILO 1, 14; UDHR)

1.8.1 Regular work maximum 48 hours per week, or as per national labor laws.

1.8.2 Workers must get 1 full day off every 7 days.

1.8.3 Overtime is voluntary only. Maximum 12 hours overtime per week (total 60 hours per week). Overtime is only for unforeseen production emergencies, urgent orders or business circumstances beyond employer control.

1.9 Regular employment (ILO 158; UDHR)

1.9.1 Employers must hire workers as permanent employees, not temporary or casual workers, unless there is a real business need (seasonal peaks, sudden large orders). Employers must document and justify why temporary workers are needed.

1.9.2 Apprenticeships must be part of legal training programs only. No apprentices under 15 years old.

1.10 Grievance Mechanism (UNGP 31; Fair Circularity; UDHR; MMS)

1.10.1 Business Partners must have a process for directly engaging with workers on a regular basis and ensure that all workers are able and comfortable accessing the organization's grievance mechanisms. The grievance mechanism shall function as a whistleblowing channel, allowing anonymous reporting of serious concerns including human rights violations, corruption, or environmental misconduct.

1.10.2 The grievance system must include multiple ways to report for workers (for example: worker representatives, letterbox, hotline, app, or others).

1.10.3 Employers must register and investigate all grievances and tell the worker the result.

1.10.4 Workers who report problems cannot be fired, demoted, punished, or treated unfairly because they reported.

1.10.5 Employers must train all workers (new and existing) in how to use the grievance system.

02

ENVIRONMENT

2.1 Environmental management (ISO 14001; GRS; MMS)

Business Partners must comply with all applicable environmental laws and regulations.

Manufacturing and processing partners shall:

- Implement an Environmental Management System (EMS) compliant with ISO 14001:2015, GRS Certification, or equivalent, and conduct annual environmental footprint assessments.

- Treat wastewater to meet ZDHC/local discharge standards before release and manage treatment sludge per regulations.

- Control air emissions (dust, odors, VOCs) with filters/scrubbers and monitor against legal limits with improvement targets.

Textile waste sorters shall sort waste by material type, avoid burning or dumping waste in water sources, and follow local waste management regulations.

2.2 Product and chemical safety (REACH; ZDHC MRSL)

Manufacturing and processing partners shall not use harmful chemicals and must comply with the latest version of EU REACH (SVHC), ZDHC Manufacturing Restricted Substances List (MRSL), and OEKO-TEX Standard 100.

Textile waste suppliers shall use appropriate PPE when handling waste, avoid contaminated materials, and report unsafe conditions.

2.3 Resource Management (GRS; MMS; RMDF)

2.3.1 Manufacturing partners shall monitor and recycle process water, targeting recirculation in washing/shredding operations. Textile waste sorters shall prevent contamination of local water sources by avoiding open dumping or burning.

2.3.2 Record all incoming textile waste with date, source, material type/quantity, and payments to suppliers/sorters (including name, DOB, contact details) to enable chain-of-custody verification.

2.3.3 Factories shall regularly maintain all equipment, replace lighting with energy saving light where possible, and track electricity use monthly to find savings opportunities.

2.3.4 Implement contamination prevention protocols including visual inspection, rejection of hazardous materials, and segregation by fiber type/color/condition, with documented quality control checks.

2.4 Biodiversity (GRS)

If blending or mixing, ensure sustainable sourcing of biological resources (cotton, wool, natural fibers, etc.). Comply with certification standards that verify responsible sourcing and comply with certification standards that verify responsible and sustainable sourcing.

03

ETHICS

3.1 Anti-Corruption and integrity (UNGC 10; OECD)

3.1.1 Business Partners shall not offer, pay, accept, or receive bribes, extortion, kickbacks, or improper gifts to any public or private parties.

3.1.2 Business Partners shall treat workers with dignity (no harassment/discrimination, see sections 1.4/1.5); protect confidential information; and comply with all anti-corruption, anti-bribery, and anti-money laundering laws.

3.2 Conflict of interest (UNGC 10; OECD)

3.2.1 If you or your company have personal relationships or financial interests that could influence business decisions with Recover™, you MUST disclose them immediately.

3.2.2 No one shall use their position or relationship with Recover™ to gain personal financial benefit or unfair advantage.

3.3 Intellectual property (WIPO; OECD)

3.3.1 Business partners shall protect all Recover™ intellectual property, including trademarks, patents, designs, and proprietary processes. Prior written approval is required before using or sharing any Recover™ IP.

3.3.2 Business partners shall comply with data protection laws when handling worker/supplier personal data—obtain consent, secure storage, and delete when no longer needed.

3.4 Vulnerable populations (UNGP 24; Fair Circularity)

Business Partners shall ensure that operations do not harm the resources, rights, or livelihoods of marginalized groups, including:

3.4.1 Engage fairly with informal and formal waste pickers/sorters. Document engagement, mitigate human rights risks (child labor, forced labor, health/safety), and maintain transparent records per section 2.3.2.

3.4.2 For other vulnerable groups, assess and address risks for other vulnerable populations in the supply chain (women, migrants, indigenous peoples, persons with disabilities).

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COMPLIANCE AND REPORTING

4.1 General compliance (CSDDD)

4.1.1 Business Partners shall implement all Code requirements or submit 90-day Corrective Action Plan (CAP) if gaps exist.

4.1.2 Share this Code with all employees and subcontractors.

4.1.3 No subcontracting without Recover™'s prior written approval. Unauthorized subcontracting equals immediate suspension. To request subcontracting approval Business partners must submit written request 30 days before intended subcontracting.

4.2 Verification and corrective actions (AMFORI BSCI)

4.2.1 Recover™ may conduct audits (announced or unannounced) of your facilities and subcontractors (full cooperation required). Valid certifications (e.g., AMFORI BSCI) may reduce audit frequency and evidence requirements.

4.2.2 If non-compliances are identified during audits:

- 30 days for critical violations (child/forced labor)
- 90 days for standard violations
- Provide proof of correction.

4.3 Record keeping (GRS; MMS)

Keep all compliance records for minimum 7 years and respond to requests within 14 days.

4.4 Recover™ Whistleblowing Channel

Suppliers, workers, and stakeholders can anonymously report serious issues (corruption, safety violations, discrimination, code breaches) via Recover™'s secure Whistleblowing Channel, compliant with Spain's Whistleblower Protection Act (Ley 2/2023). Visit the Recover™ website to anonymously access the channel and find more information.

RECOVER™ CODE OF CONDUCT - ACKNOWLEDGEMENT FORM

After reading the complete Recover™ Code of Conduct for Business Partners, please complete this form, sign it, and return.

I confirm that:

- I have read and understand the Recover™ Code of Conduct
- My company will follow all requirements across our facilities
- We will not subcontract without Recover™'s written permission
- We accept Recover™'s right to conduct announced and unannounced audits, and corrective actions (if non-compliance is found), and understand that failure to remediate may result in contract suspension or termination.

Company: _____ Date: _____

Facility/Site address, city and country: _____

Name: _____ Title: _____

Email: _____

Signature: _____

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