



**CIRCULAR
FASHION
FOR ALL**



Sustainability report

2022 | EDITION

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1. Introduction

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Message from the CEO

Dear friends,

As I write this from my desk in Spain, the temperature reads 30°C, or 86° F. Objectively pleasant weather – but markedly warmer than April’s historic average. Irregularities, however, are increasingly the norm. This January, for example, we marked the lowest recorded temperatures in the region. Along with other extreme fluctuations and tragic natural disasters, this past year has served as a reminder of why we do what we do. Climate change is here, and so is the urgent need for sustainable alternatives.

I believe it is up to companies like Recover™ to provide these alternatives – to seek innovative technologies, to push for transparency, and to pursue regulations that enable and incentivize sustainable practices. In 2022, our team worked relentlessly to do just that.

In our 2022 Sustainability Report, you’ll see how we’ve worked hard to make an impact, not only by keeping end-of-life cotton textiles out of landfills, but also by partnering with some of the industry’s biggest names to edge the fashion and textile industries closer to circularity. Apart from our work externally, we’ve also taken steps to hold ourselves to the highest standards by recalibrating some of our calculations.

Last year’s investment from Goldman Sachs Asset Management was, without a doubt, one of 2022’s highlights as it has enabled us to scale our recycling technology as we continue to investigate and develop new innovations. We were thrilled to be able to go close to the source by opening a new recycling hub in one of the world’s biggest ready-made-garment centers, Bangladesh. We are optimistic that our new hub, one of the country’s largest textile recycling facilities, will be the first of many new strategic locations to increase our production of recycled cotton fiber. We also opened the doors of our new headquarters in Madrid, which has ushered in an exciting period of growth for our team.

To continue driving circularity in the textiles industry, we joined initiatives that share our commitment to the highest standards and sustainability. We also reaffirmed our support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment, and Anti-Corruption – applying this commitment to our own operations while encouraging it in our value chains (our suppliers, consumers, communities, other business relationships, etc.). We also established our Environmental Social and Governance (ESG) Steering Committee to support our company’s ongoing commitment to integrate sustainability in all aspects of our business and to be an active advocate for circularity in the industry.

There’s still a long way to go, but we’re honored to be a part of the solution. And, as with any real change, I know it takes a village. For that, I’d like to express my sincerest gratitude to our team, to our suppliers, to our stakeholders, and to each person who has taken the time to ask, ‘What goes on behind the clothes in my closet?’. Thank you to everyone who has supported us on our journey to making **Circular fashion for all** a reality. Together we can do so much more; together we can go further. For my part, I am personally committed to keeping Recover’s positive momentum going to get us one step closer to achieving our mission.



**Alfredo
Ferre Garcia**
CEO

About us

Recover™ is a leading materials science company and global producer of low-impact, high-quality recycled cotton fiber and cotton fiber blends. Using textile waste as our raw material, we deliver innovative, cost-competitive, recycled fibers to **close the loop on fashion.**

Vision & mission

To achieve **circular fashion for all** by delivering innovative, cost-competitive recycled fibers and circular solutions at scale.

What defines us?

We are a purpose driven company and our purpose shapes our culture and character and serves as the basis for how we act and make decisions.



In 2022, from the RCotton (RPure and RDenim) produced between our hubs in Spain, Bangladesh, and Pakistan, and the RColorBlend produced between our hubs in Spain and Bangladesh, we made the following environmental savings:



Water:
32 402 168 106 liters
equivalent to 12 960 Olympic-sized swimming pools



Global warming potential:
50 484 493 kg
equivalent to the annual emissions of 11 218 people



Eutrophication:
398 097 kg PO43-eq



Energy:
353 745 513 kWh
equivalent to the annual electricity use of 92 608 people



Land use:
58 781 940 m²
equivalent to 99.6% of Manhattan

These savings were calculated using data from our Recover™ LCA Spain verified by EcoReview (2022).

Total workforce: 253 employees

In our 2021 Sustainability Report, the total number of employees registered was 43. This number has grown significantly in one year due to the opening of our new Bangladeshi hub and of our Headquarters in Madrid.

Recover™ cares – about the planet, about people, and, of course, about our team. That's why 98% of our team has been hired and works under a permanent contract.

A diverse company

We respect and value diversity. Recover's ambition is to build a company with a diverse workforce that reflects the diversity of the countries in which we operate. We recognize individuals' needs and provide a fair and safe environment where employees feel the freedom to be themselves while feeling included.

We are, at our core, diverse and are honored to work with 16 different nationalities: Bangladeshi, 67%; Spanish, 24%; with the remaining 9% composed of other nationalities.

Our international executive team is formed by 7 different nationalities and consists of 22% women and 78% men.

Overall, our gender ratio is 21% women and 79% men, though in Spain this ratio is more balanced with 35% women and 65% men. We are gradually working to build a more gender diverse workforce.

We believe that talent exists at any age, that's why we are working to build a generationally balanced company in which all generations are represented in order to have a wide spectrum of knowledge and expertise.

As part of Recover's commitment to inclusivity, Recover™ supports the ONCE Foundation, a non-profit dedicated to hiring individuals with disabilities.



Our employee values



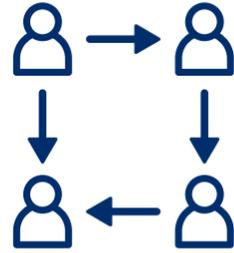
Care

We care for our planet, employees, and society.



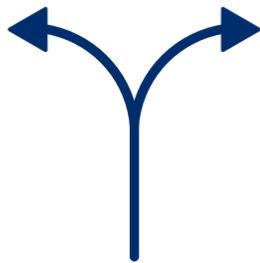
Integrity

We are honest, and we have strong ethical and moral principles.



Collaborate

We 'act as one'. We act together as one fusing the contributions of different departments and individuals to achieve the company's goals.



Flexibility

We make flexibility the norm. We provide and promote a flexible work environment and adapt to meet today's markets' needs.



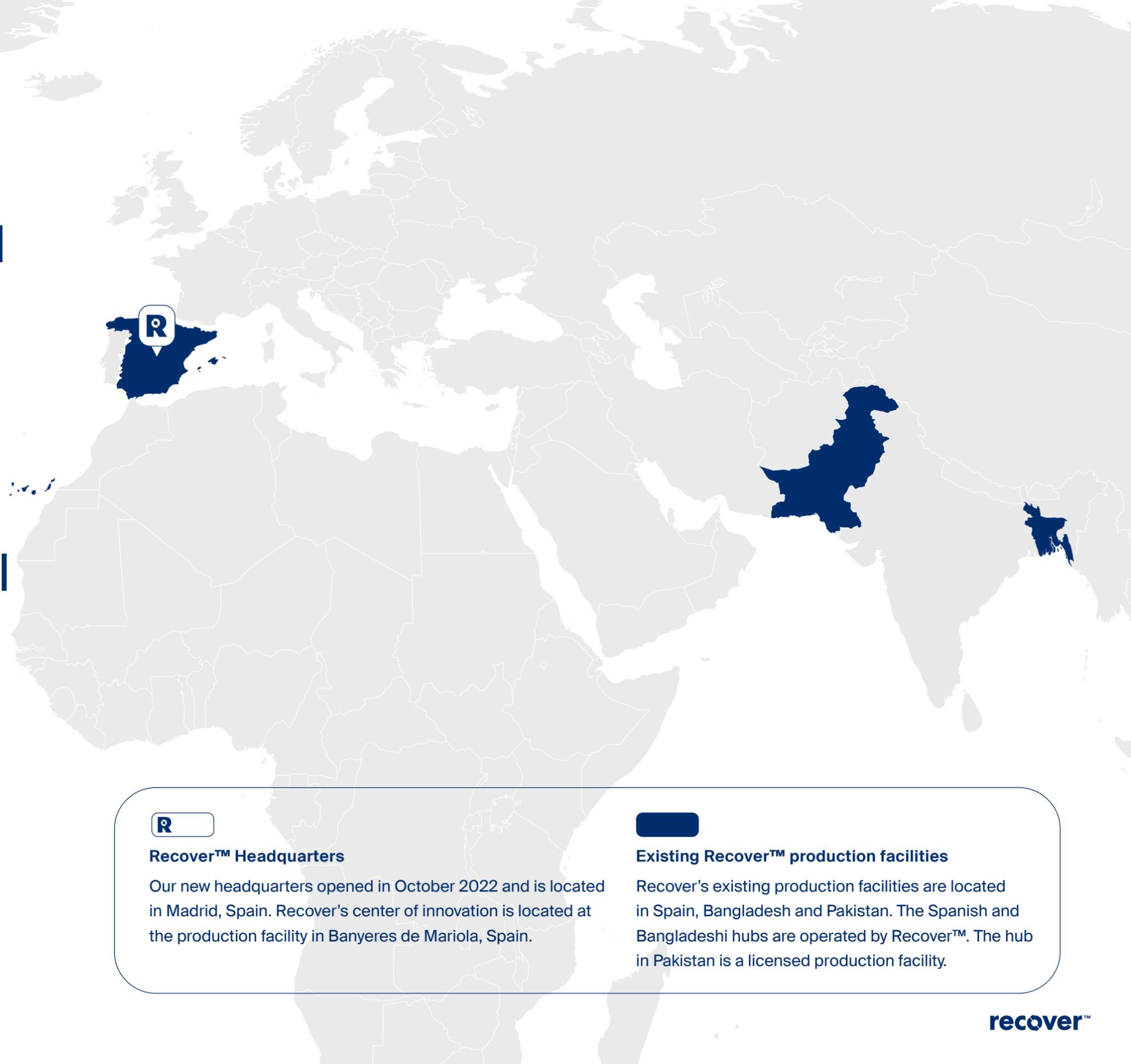
Respect

We work with respect, always. We believe it is essential to a healthy work environment. Treat others with respect, the same way you would like to be treated.



Recover™ production network

Recover™ offers a scaled solution that can support the largest global brands and retailers. Our global presence is rapidly expanding with additional locations planned for key textile hubs around the world.



Recover™ Headquarters

Our new headquarters opened in October 2022 and is located in Madrid, Spain. Recover's center of innovation is located at the production facility in Banyeres de Mariola, Spain.



Existing Recover™ production facilities

Recover's existing production facilities are located in Spain, Bangladesh and Pakistan. The Spanish and Bangladeshi hubs are operated by Recover™. The hub in Pakistan is a licensed production facility.

Recover™ Bangladesh production hub



To expand our manufacturing capabilities, in 2022, we officially opened our production hub in Bangladesh – one of the largest textile recycling facilities in the country. The facility is an integral part of Recover’s strategy for growth and scalability and comes fully equipped with our proprietary machinery, as well as RColorBlend installations.

The hub was constructed in partnership with the conglomerate Bangladesh Export Import Company Limited (BEXIMCO) whose commitment to sustainability coupled with its impressive presence in Bangladesh made it the perfect partner.

Strategically located in Dhaka, this facility is close to both the supply of textile waste and demand for recycled fibers, reducing transportation within the supply chain. By establishing a presence in such strategic locations, we aim to collaborate to circulate waste back into the value chain – taking another big step in closing the loop on fashion. The aim is to reduce textile waste as much as possible and increase the use of recycled fibers to create economic benefits in the country by accelerating the fiber recycling market.

With the knowledge that Bangladesh faces social and environmental challenges, Recover™ aims to assure the well-being of our employees in the country, the employees of our suppliers and local communities. We are also establishing partnerships with different organizations that operate in the region to align and foster common sustainable goals.

The Recover™ process

You might see waste, we see circular solutions.

Textile waste is our raw material. We transform it into sustainable recycled fiber, using minimal water and chemicals.

POST-INDUSTRIAL WASTE



This is textile fabric waste from garment manufacturing, also called clips or scraps. In industry standards (e.g. GRS), post-industrial waste is usually classified under the pre-consumer waste category.

PRE-CONSUMER WASTE



These are finished garments that could not be sold or used. These can be faulty goods, returns or overstock for example.

POST-CONSUMER WASTE



These are garments that have been worn. Recover™ recycles the fraction of garments that are not suitable for re-use.

Most of our raw material input currently is post-industrial waste, which is aggregated and sorted by color and composition by our suppliers. The company's ambition is to scale the recycling of pre- and post-consumer waste.



The Recover™ process



Our product lines

Every batch of fiber produced in our product lines is tested to assure the highest quality possible.



RCotton

RPure

RMix

RDenim

RColorBlend

RBlue +

REarth +

Our product lines

RCotton

RCotton fiber is made with 100% recycled fiber using minimal solvents and water and it is suitable for overdyeing. The composition of the final product must include a minimum of 15% RCotton fiber. Within our RCotton range, we have RPure, RMix and RDenim.

RPure

Recover™ fiber made from unblended recycled cotton fiber, suitable for overdyeing.

 100%
Recycled cotton

RMix

Unblended 100% Recover™ recycled cotton fiber from cotton mix textiles. RMix contains traces of other fibers (OF) due to their presence inside the textile waste that we recycle.

 $\geq 90\%$
Recycled cotton

 $\leq 10\%$ other fibers
(polyester, viscose...)

RDenim

Unblended 100% Recover™ recycled cotton fiber from pre- and post-consumer denim. RDenim contains traces of other fibers (OF) due to their presence inside the denim garments that we recycle.

 Pre- and post-consumer
 $\geq 80\%$ recycled cotton

 $\leq 20\%$ other fibers
(polyester, viscose...)

Our product lines

RColorBlend

Our RColorBlend product range is created using our highly valuable proprietary system that incorporates all of our expertise in fiber recycling. Recover™ recycled cotton fibers are blended with other carriers' fibers that have been low-impact dyed to create new fiber blends, with the desired color and ready to spin.

Within our RColorBlend range we have RBlue and REarth.

RBlue +

A vibrant blend of Recover™ recycled cotton and recycled polyester (RPET). Standard blend 52% Recover™ recycled cotton + 48% RPET. Custom blends available.

 52%
Recycled cotton

 48%
Recycled polyester

REarth +

A natural blend of Recover™ recycled cotton and organic cotton, OCS certified (Organic Content Standard).

Custom blends available.

 50%
Recycled cotton

 50%
Organic cotton

Recover™ fiber applications

Recover™ fiber can be used for a broad array of applications – most notably for apparel, accessories, and home textiles.



Flat knits



Circular knits



Denim & non-denim



Woven



2. Our sustainability approach

Circular fashion for all

Our sustainability vision

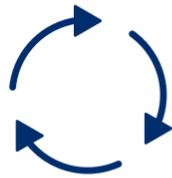
Circular products

Responsible production and supply chains

Agents of change

Circular fashion for all

As a frontrunner in sustainability and circularity in the textiles industry, Recover™ is always looking for the next step to take to achieve our mission: **circular fashion for all**. Our mission is the inspiration for our long-term sustainability strategy, which is supported by three key pillars: **Circular products, Responsible production and supply chains and Agents of change**. Within each pillar, we have defined several objectives to achieve by 2030, with key milestones along the way and in the following pages we will show the progress we have made towards achieving our objectives.



Circular products

2030 objectives:

- Recover™ products are made with minimal environmental impact.
- Recover™ is a zero-waste company.
- Recover™ products are aligned with a Circular Textiles System.
- Recover™ drives circular design practices.



Responsible production & supply chains

2030 objectives:

- Recover™ operates according to the highest environmental and social standards and is third party certified.
- Recover™ products and supply chain are traceable.
- Recover™ supply chains are sustainable and socially just.



Agents of change

2030 objectives:

- Recover™ is aligned with Science-Based Targets.
- Recover™ is a leader in transparency.
- Recover™ inspires and drives sustainable transformation and leadership within the company community and wider industry.

Our sustainability vision

For Recover™, being a sustainability frontrunner goes beyond having a recycled product. It is about integrating sustainable practices and a sustainability mindset in all aspects of the business. In 2022 we have shown continued commitment to improve the environmental and social performance of our own products and operations, as well as that of our supply chain.

2022 saw the opening of our Bangladeshi facility, where we have focused on embedding a culture of health, safety and environmental stewardship with our workers and where we are joining several initiatives and partnerships to drive and promote circular practices and policies in the country.

In Spain we have mainly focused on implementing further improvements and best practices, including performing a new LCA study, continued developments and trials with post-consumer feedstock and progressing towards our Zero Waste objective.

2022 was also the year that we measured for the first time our full carbon footprint (Scope 1, 2 and 3) for our global operations. This measurement is the first step in the process of setting a carbon target and implementing a robust long-term decarbonization plan. Mainly due to the fact that we are still ramping up production in Bangladesh, 2022 was not a representative year in terms of our carbon footprint. As we require a stable baseline year to set a suitable Science-Based Target, we have chosen to postpone setting our carbon target. Of course, this is not holding us back from already defining internal targets and implementing decarbonization actions wherever this is feasible.

In order to take the next step in our commitment to sustainability, and to drive engagement and effective integration of ESG practices across the entire organization, we established an ESG Operations and ESG Executive committee at the end of 2022. The ESG Operations committee includes representation from all departments and will report to the executive team. Together the committees will

oversee Recover's long-term sustainability strategy and reporting and ensure that year-on-year ESG goals are set, tracked, and achieved.

As Recover™ moves into 2023, we continue our commitment to being an *Agent of Change* in the fashion industry and take another step closer to achieving *circular fashion for all*.



Helene Smits

Chief Sustainability Officer, Recover™



Circular products

Objective: Recover™ products are made with minimal environmental impact.

What is an LCA?

Life Cycle Assessment (LCA) is a scientific method used to measure the environmental footprint of a product. An LCA is far from simple – there are countless factors involved as you evaluate the potential environmental impacts throughout the entire life cycle of a product. This also includes the upstream and downstream processes associated with the production, use phase, and disposal. It covers all relevant inputs from the environment (e.g., crude oil, water, land use) as well as emissions into air, water, and soil.

Recover™ measures the impact of its products and processes in all production hubs and continuously works to further reduce the footprint of its activities and products.

In 2022, we conducted a new LCA of Recover’s fiber products in Spain. This is a so called ‘cradle-to-gate’ LCA because it focuses on only the material stage of the full lifecycle of the final product. The methodology and data collection have been executed in accordance with the “PEF Methodology” version 3.0 based on ISO 14040 and ISO 14044.

To calculate the LCAs of Recover’s products across multiple production facilities, we worked with the Ecochain Helix footprinting tool, supported by the Ecochain expert team.

We submit our LCA results to the Higg Materials Sustainability Index (MSI). Higg MSI is a publicly available online tool that measures and scores the environmental impacts of materials. Apparel, footwear, and textile industry designers and product developers can use the Higg MSI to assess and compare the cradle-to-gate impacts of different materials.



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Circular products

Objective: Recover™ products are made with minimal environmental impact.

How did Recover™ calculate its impact savings?

The goal of an LCA is not only to measure and improve, but also to support our customers and final consumers to make informed decisions when they buy our products. To communicate the environmental advantages of Recover’s products efficiently and appealingly, without sacrificing legitimacy and integrity, we take great care in calculating impact savings. To do this, we compare the impacts of our recycled products to the environmental impacts of virgin conventional cotton. This is easier said than done, because the available reference data on the environmental impact of traditionally produced cotton fibers has a large variability.

Due to this complexity, we commissioned a study to better understand which impact categories we should focus on, how to ensure we are comparing correctly (apples with apples), and which reference data to use. The results of this study are the impact savings of 1 kg Recover™ RPure and RBlue fiber compared with conventional alternatives and can be found below.

1 kg of RPure

	Water	liters	2 116
	Eutrophication (PO43- eq)	Kg	0.0245
	Global Warming Potential (CO2 eq)	Kg	1.73
	Energy	kWh	15.29
	Land use	M ²	3.89

1 kg of RBlue +

	Water	liters	1 195
	Eutrophication (PO43- eq)	Kg	0.019
	Global Warming Potential (CO2 eq)	Kg	6.38
	Energy	kWh	35.57
	Land use	M ²	2.02

Recover’s impact data is compared with Ecolinvent 3.8 and Textile Exchange (TE) data.

For all **impact categories, except freshwater and climate change**, we used the Ecolinvent rest-of-world (ROW) datasets for comparison. These references showed most alignment with other reported figures by Textile Exchange (material snapshots) and data reported by the Higg Material Sustainability Index. Specifically, for the **freshwater-use impact category**, the Ecolinvent conventional cotton data showed large variations, so we chose to use the Textile Exchange global average data as reference values to calculate freshwater savings. This choice resulted in a more conservative estimate of water savings.

For **Global warming potential**, an average of Ecolinvent (ROW) and Textile Exchange global average data was used, which were very similar.





Circular products

Objective: Recover™ is a zero-waste company.

Recover™ aims to minimize the generation of waste and maximize the recovery of waste produced through our own operations.

Zero waste: The conservation of all resources by means of responsible production, consumption, reuse, and recovery of products, packaging, and materials without burning and with no discharges to land, water, or air that threaten the environment or human health.

Following our commitment to become a zero-waste company, we are segregating and tracking all the different waste flows in our production hubs and are identifying and implementing opportunities to reduce and recycle our waste.





Circular products

Objective: Recover™ is a zero-waste company.

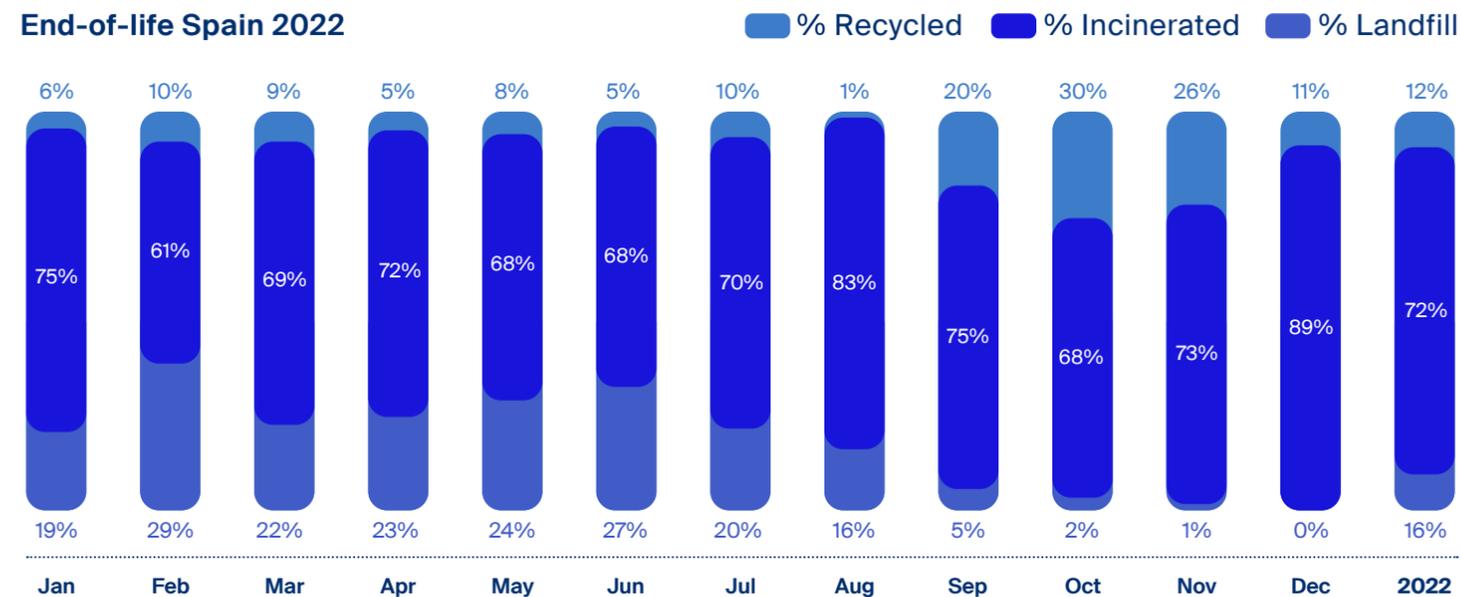
Spain

In 2022, Recover™ generated **600 tons** of waste in our Spanish hub. Following our commitment to become a zero-waste company, we are segregating and tracking all the different waste flows and are identifying opportunities to reduce and recycle, and different ways of waste valorization and recycling.

In line with our zero-waste goal, we performed waste segregation training to all factory workers from July 2022 onwards. This resulted in a reduction of contaminated waste streams and waste to landfill. For example: Textile scraps that were combined with mixed waste before, were now collected separately and could be recycled instead of landfilled. From September 2022 we achieved <5% waste to landfill.

RParticle is by far the highest volume by-product of our fiber production. RParticle has been incinerated during 2022 (waste to energy) but we have been looking for recycling options for this waste since July 2022. In 2023 we will continue to test and validate scalable recycling solutions for the RParticle, as we are conscious about its potential added value for different industries.

End-of-life Spain 2022



	Origin	End of life	Description	
Nonhazardous	99.6%			
RParticle	70.0%	Production	Incinerated	Small fibers, generally finer than 4 mm, which are absorbed by the extraction system across the entire production process.
Mixed	18.6%	Domestic & Textile waste	Landfill	Domestic and textile waste. Since August 2022 textiles have been collected separately.
Cardboard waste	3.8%	Packaging	Recycled	Cardboard, textile, metallic and plastic waste: correspond to the packaging of Recover™ inputs. Some of our suppliers pack the cotton clip with old textiles, others with plastic or metallic ropes.
Textile waste	2.9%	Production		
Metallic waste	2.2%	Packaging		
Plastic waste	2.1%	Packaging		
Hazardous waste	0.4%	Maintenance	Recycled	Cleaning rags. Used oil. Chemical containers. Hazardous waste is recycled by an authorized external waste manager.





Circular products

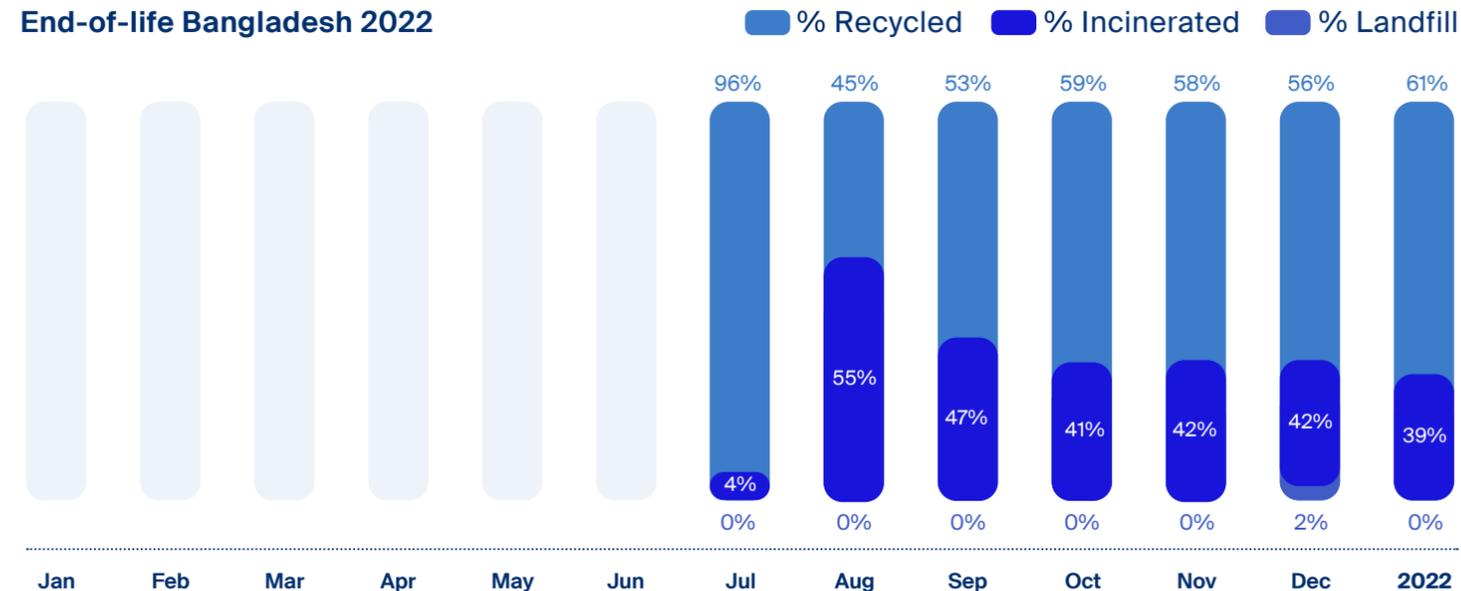
Objective: Recover™ is a zero-waste company.

Bangladesh

2022, Recover™ generated **520 tons** of waste in our Bangladeshi hub. In 2022, plastic and cardboard waste have not been correctly tracked in volume. We can confirm however that these waste streams have been collected by an authorized company for recycling. In Bangladesh we have found a company that can recycle the white RParticle material into pillow stuffing, For the moment, the colored and wet RParticle is going for incineration (waste to energy).

Waste segregation trainings will start in Q1 of 2023 in our Bangladeshi hub to train 100% of our workers. All best practices performed in the Spanish hub will be replicated in the Bangladeshi hub.

End-of-life Bangladesh 2022



	Origin	End of life	Description
Nonhazardous	98.4%		
RParticle (white)	50.4%	Recycled	Small fibers, generally finer than 4 mm, which are absorbed by the extraction system across the entire production process. White color
RParticle (Non-white & Wet)	40.2%	Incineration	Small fibers, generally finer than 4 mm, which are absorbed by the extraction system across the entire production process. Non white or wet material
Wood	5.1%	Recycling	Machinery boxes for new installations
Metallic waste	2.4%	Recycling	Diesel containers and metallic scraps from construction
Mixed	0.3%	Landfill	Domestic waste and mixed waste from construction
Hazardous waste	1.6%	Incineration / recycling	Contaminated rags. Chemical containers.

*All hazardous waste corresponds to contaminated rags that are been incinerated, and chemical containers that are taken back by the provider.





Circular products

Objective: Recover™ products are aligned with a circular textiles system.

Recover™ creates circular fashion.

One of the features that makes Recover™ fiber unique is that our tech support team works closely with spinners and weavers to optimize the yarns and fabric qualities and drive the creation and scaling of circular fashion.

Approved developments in 2022:

269 Yarn qualities
49 Fabric qualities

Developments pipeline in 2023:

159 Yarn qualities
301 Fabric qualities



Recover™ has circularity at its core.

96.07% of the purchased materials in weight are textile waste or recycled materials (Spain and Bangladesh).

All polyester used for RColorBlend is recycled and GRS certified.

All energy used in Spain comes from renewable sources. In 2022, 44.4% of Recover™ global electricity had a renewable origin. Unfortunately, in Bangladesh there are no renewable energy options available through the grid and alternatives are not readily available either. This will be a major point of attention for us moving forward.

Spain hub

Resources purchased	Post-industrial waste 7 646 724.8 Kg	Post-consumer waste 101 559.5 Kg	Recycled polyester carrier fibers 3 324 123.6 Kg	Packaging (Plastic wrap PE, ropes, tape) 70 223.0 Kg
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Resources used	Water 519 000 liters	Electricity 100% renewable energy 2 905 423 kWh
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Bangladesh hub

Resources purchased	Post-industrial waste 7 494 164.0 Kg	Recycled polyester carrier fibers 217 484.0 Kg	Packaging (Plastic wrap PE, ropes, tape) 66 758.0 Kg
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Resources used	Water 692 000 liters	Electricity 3 641 762 kWh
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Circular products

Objective: Recover™ products are aligned with a circular textiles system.

Scaling recycling of post-consumer textiles

As a high-value, textile-to-textile recycler, Recover™ has a key role to play in the transition to a circular fashion system. In 2022, ~1% of the RCotton production in our Spanish hub came from post-consumer waste.

Recycling of post-consumer textiles is considered by many industry leaders as the “holy grail”. Recover™, as well as others mechanical and chemical recyclers, face a challenge in their need to secure large volumes of suitable post-consumer feedstock for their process. The existing textile collectors/sorters business models are tailored to sorting for re-use and downcycling markets. High-value recyclers have very different needs with regards to sorting (composition, color, exclusion of garments with wax coatings, lurex yarns and so on) and pre-processing (removing rubber prints, care labels, buttons/zippers, etc.) of post-consumer textiles. To do this at scale in an economical way, new technologies and processes are required. Promising technologies for automated sorting and pre-processing of garments exist, but many of them still need to be finetuned and a large scale roll out of these technologies requires disruption of the existing business and strong capital investments.

Recover™ is committed to being an agent of change in this area, not only by scaling its own recycling of post-consumer textiles but also by being part of key industry projects like Accelerating Circularity Project and the ReHubs initiative that bring crucial stakeholders together to help build the infrastructure required.





Circular products

Objective: Recover™ drives circular design practices.

Under our **Circular Products** pillar, Recover™ is very active in supporting circular design practices where possible.

In 2022, we directly worked with different brand partners in creating and validating circular design guidelines, with the aim of placing garments on the market which can be more easily recycled.

Educating key players in the fashion industry on circular design and recyclability, is very important for Recover™ and in 2022 we came together with YOOX NET-A-PORTER, and The Prince's Foundation to support The Modern Artisan. Our Chief Sustainability Officer, Helene Smits, hosted a workshop for the program's participating designers, focused on making tomorrow's creators aware of the impact of their designs, from the sketch to its post-consumer lifespan.

As an active member of the Textiles2030 initiative, Recover™ also participated in the Design for Circularity working group, working alongside other businesses and industry leaders to align on good practice design principles.

Recover™ also followed closely the development of the European proposal for a new Ecodesign for Sustainable Products Regulation, published on March 30, 2022.

The proposal establishes a framework to set ecodesign requirements for specific product groups to significantly improve their circularity, energy performance and other environmental sustainability aspects. Recover™ is very aligned with the EU proposed policy framework for textiles and Recover™ continues its lobby and advocacy activities through a network of industry platforms and associations like the Policy Hub, AFIRM, Euratex, AAFA and Euric.





Responsible production and supply chains

Objective: Recover™ operates according to the highest environmental and social standards and is third-party certified.

Third-party certifications



Global Recycled Standard (GRS) is an international, voluntary standard that sets requirements for third-party certification of recycled input and chain of custody. The shared goal of the standards is to increase the use of recycled materials. The GRS includes additional criteria for social and environmental processing requirements and chemical restrictions.

Recover™ is globally certified under the GRS: All Recover™ owned and licensed facilities go through annual GRS audits by third-party certification bodies, in which the chain of custody system is verified, as well as high standards for environmental, social, and chemical management. In this way, Recover™ can offer its customers a high-quality recycled and traceable fiber assuring that it has been processed in **environmentally and socially responsible facilities.**



The Organic Content Standard (OCS) from Textile Exchange is an international, voluntary standard that certifies organic input and chain of custody. The goal of the OCS is to increase organic agriculture production.

Recover™ Spain is certified under OCS to assure the chain of custody of the organic fiber that is used to blend with recycled cotton for the REarth product that is produced in the Spanish hub.



Developed by the Sustainable Apparel Coalition (SAC) in partnership with its more than 250 member companies, the Higg Index is a suite of tools for the standardized measurement of value chain sustainability. The SAC and the Higg Index are accelerating a more sustainable industry.

As part of our SAC membership, Recover™ is committed to using and promoting the Higg Index tools to help us and other industry leaders make informed decisions about how to **improve our environmental and social performance.**





Responsible production and supply chains

Objective: Recover™ operates according to the highest environmental and social standards and is third-party certified.



Higg Facility Environmental Module (FEM), which measures the environmental performance of an individual facility, helps manufacturers find opportunities for improvement, empowering them to manufacture more responsibly. The FEM assesses environmental impacts such as energy use, greenhouse gas emissions, water use, air emissions and wastewater, chemical and waste management.



Spain

Our Spanish hub performed the Higg FEM assessment over 2021 data. The results were verified through a third-party offsite audit. We, unfortunately, were not able to ensure onsite verification (force majeure) which prevents us from publicly sharing our score.



Bangladesh

As the Bangladeshi hub was not yet operational in 2021, we could not perform a Higg FEM assessment in 2022.

Higg Facility Social & Labor Module (FSLM), which allows facilities to assess conditions for its workers, helping ensure they are creating safe and fair working conditions. The FSLM measures the following social areas: **recruitment and hiring, working hours, wages and benefits, worker treatment, worker involvement, health and safety, termination, management systems, above and beyond.**



Spain

In 2022, our Spanish hub performed the Higg FSLM assessment. The results were verified through a third-party onsite audit.

Higg FSLM score Recover Textile Systems (Spain): *66.7%



Bangladesh

As the Bangladeshi hub was not yet operational in 2021, we could not perform a Higg FEM assessment in 2022.

*Higg FSLM Benchmark: 62.26%
- Year 2022
- Industry sector: Apparel, Home Textiles, Other
- Facility type: Other
- Countries: Spain, Portugal, Italy, France, Germany





Responsible production and supply chains

Objective: Recover™ operates according to the highest environmental and social standards and is third-party certified.

Recover™ environmental and social standards

Recover Chemical Management System (CMS)

At Recover™, we have implemented our own reproducible and reliable **Chemical Management System (CMS)** to ensure the chemical compliance of our products and to provide a robust safety guarantee to our customers and protect the environment. In relation to chemical safety, due to the nature of the textile waste sector, this CMS has been developed specifically by Recover™, as it requires a higher intensity of the chemical testing due to the variety of the origins of the cotton waste.

Our CMS includes:

- Substance testing: Recover™ performs chemical testing aligned with the AFIRM RSL*. If there are any differences in accepted thresholds from country to country, Recover™ aligns with the most restrictive threshold.
- Testing frequency: Recover™ tests every lot of fiber that is produced.
- Testing quality: Recover™ works with external labs that are ISO 17025** certified.
- Non-compliance policy: If a non-compliance is detected, the fiber from this batch will not be sold to any Recover™ customers.
- Access to information: Recover™ test reports are generated per lot produced. These reports can be shared on request.
- Policy evaluation: Each year Recover™ will perform a risk assessment and adjust the testing protocol accordingly.

*AFIRM has created the following Restricted Substances List (AFIRM RSL) to assist supply chain participants seeking to increase product quality and safety, or to reduce their environmental impact by limiting the use of certain substances in apparel and footwear. AFIRM Group (Apparel and Footwear International RSL Management Working Group, established in 2004) is on a mission to reduce the use and impact of harmful substances in the apparel and footwear supply chains.

**ISO 17025: enables laboratories to demonstrate that they operate competently and generate valid results, thereby promoting confidence in their work both nationally and around the world.





Responsible production and supply chains

Objective: Recover™ operates according to the highest environmental and social standards and is third-party certified.

Recover™ Employee Code of Conduct

At Recover™, we have embedded respect for human rights in our relevant practices and policies, including our Employee Code of Conduct. All our factories follow these standards which are based on the Core Conventions of the International Labor Organization (ILO) as well as the United Nations Universal Declaration of Human Rights.

Some highlights include but are not limited to:

- Strict compliance with all applicable local, regional, national and international legislation.
- Zero tolerance for any kind of discrimination and harassment
- Recognition to associate or organize or to collectively bargain
- Zero tolerance for any kind of corruption
- All employees must have reached the legal working age in each country where we operate
- Wages shall respect the agreements of each sector in each country
- Forced labor is strictly prohibited

The Employee Code of Conduct was created in 2022. All people employed by Recover™ were trained during 2022 and the beginning of 2023. The Code is binding for the whole staff.

This Code sets out the standards of behavior that all employees should adhere to, so that their conduct is consistent with due respect for applicable laws and regulations, with integrity and transparency, acting with the prudence and professionalism appropriate to our environmental and social commitment.



Responsible production and supply chains

Objective: Recover™ operates according to the highest environmental and social standards and is third-party certified.

Whistleblowing corporate channel

In 2022, Recover™ launched the Whistleblowing Corporate Policy for all employees. It describes the options available to raise queries and/or doubts about the construction or enforcement of the Employee Code of Conduct and gives notice of any breaches of the Code as well as any other internal conduct regulations.

It is strictly confidential and all employees, regardless of their hierarchical level or their geographical location, can raise these doubts. One of the goals of the Employee Code of Conduct training is to ensure that all employees are aware of their rights and to encourage any employee that might suffer discrimination or identify potential concerns that need to be addressed, to use our Whistleblowing channel. We have a strong commitment to reinforce the fact that we do not tolerate any form of retaliation against any employee for raising a concern.

The Policy falls under the Employee Code of Conduct training and all employees are aware of the objectives of this channel and how to use it to guarantee their anonymity and confidentiality when reporting any concern.

Recover™ Equality Committee & Equality Plan

Our main goal is to eliminate any kind of gender discrimination and to promote equal treatment and access to equal opportunities between women and men throughout the entire organization. To achieve this purpose, in 2022, Recover™ began laying the foundation of the Equality Committee & Equality Plan in Spain to advocate for equality, foster transparent communication, raise awareness of gender equality issues and to solve any concerns that might arise on gender discrimination effective in all of Recover's hubs.

Freedom of Association & Collective Bargaining

In Spain, 100% of Recover™ employees are covered by the *Convenio colectivo general de trabajo de la industria textil y de la confección*, which negotiates on behalf of all textile workers in regards to their working conditions. In Bangladesh, we adhere to the Bangladeshi law to assure we follow the legality. Recover™ respects the internationally recognized rights of freedom of association and collective bargaining. The company also respects all the activities undertaken by organizations representing employees by the functions and competencies legally attributed to them, with whom relations shall be maintained based on mutual respect to encourage open, transparent, and constructive dialogue to consolidate the objectives of social harmony and occupational stability.

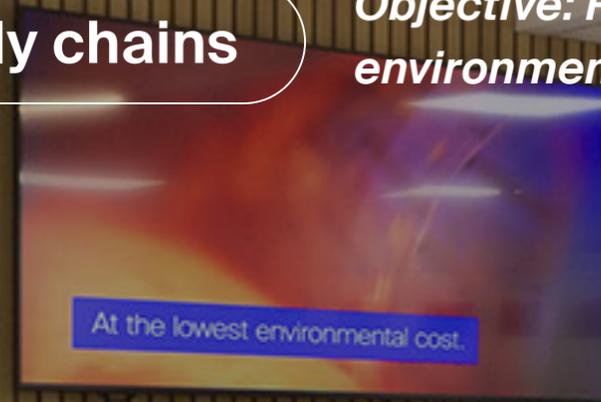


Responsible production and supply chains

Objective: Recover™ operates according to the highest environmental and social standards and is third-party certified.

Madrid office

In October 2022, the Recover™ headquarters in Madrid, Spain, were opened. These offices are located in the Gmp building, certified under the strictest environmental and social standards: LEED Platinum, ISO 9001, ISO 14001, ISO 45001.



Pioneering sustainable materials since 1947



Responsible production and supply chains

Objective: Recover™ operates according to the highest environmental and social standards and is third-party certified.

Health & Safety: Occupational Health and Safety Management System (OHSMS)

Recover™ implemented a robust and comprehensive Occupational Health and Safety Management System (OHSMS) consisting of a framework that allows us to identify and control our health and safety risks, reduce the potential for incidents, help us achieve compliance with health and safety legislation and continually improve our performance.

At Recover™ we have our own production centers, and specific induction trainings in Health & Safety and in emergencies have been developed for all workers. Moreover, for each shift change, production workers conduct toolbox meetings, which are short training sessions on different Health & Safety topics to reinforce the induction training and to involve all workers in the worker protection strategy.

100% of workers at Recover™ have been trained in Health & Safety during 2022, the general strategy was to follow the requirements and responsibilities necessary to limit and minimize the impact of the health crisis caused by COVID-19, and always under the premises of: protecting the people and guaranteeing the safety of all workers and their families and friends, collaborators and subcontractors, suppliers, and other stakeholders. We have always collaborated with the authorities on the basic principle of limiting the spread of the virus, and establishing containment measures compatible with the company's performance.

All accidents and "near misses" are investigated and addressed with the appropriate corrective actions necessary to prevent future incidents. Regarding absenteeism, the following statistics have been recorded:



Spain: Reporting period: January - December'22

- Lost time injuries: 5
- Injuries without lost time: 7
- Lost workdays: 297



Bangladesh: Reporting period: August - December'22

- Lost time injuries: 2
- Injuries without lost time: 3
- Lost workdays: 5

We have a health department to take care of the well-being of our employees in the Bangladeshi hub, consisting of a doctor and a full-time general shift nurse. Likewise, as an added benefit, for those workers that request it, quality accommodation and water/sanitation facilities are provided to all workers who cannot return to their home at the end of each day.





Responsible production and supply chains

Objective: Recover™ products and supply chains are traceable.

Our aim is to have full traceability of all our material inputs, production processes and products.

Due to the nature of the textile waste sector, tracking the origin of the post-industrial textile waste to the manufacturing facilities where it was generated is challenging. Once the waste is generated, it goes through multiple steps of aggregation and sorting, which often implies mixing the waste from different origins. Recover's first step to assure the traceability of the post-industrial textile waste origins, is to work very closely with our direct suppliers and assure that in the warehouses where all the textile waste is segregated, proper worker conditions are achieved.

Recover™ joined the Circular Fashion Partnership with Global Fashion Agenda, Reverse Resources, BGMEA and P4G, early 2021. In this project, we seek to enhance traceability of our post-industrial waste to the factory of origin via the Reverse Resources platform.

In order to assure the chain of custody of Recover™ recycled fibers along the supply chain, Recover™ is certified under the Global Recycled Standard (GRS), as well as under the Organic Content Standard (OCS) in the Spanish hub for organic cotton fibers.

Recover™ fiber tracer

In 2022, Recover™ tested and validated a physical and digital tracer system for our fiber. Using a physical tracer will allow Recover's customers to verify the presence of Recover™ recycled cotton to support making credible and substantiated sustainability claims about recycled content. In 2023, Recover™ will continue the development of this traceability solution in order to become market ready.

How does it work?

- Using an optical signature to give an individual fingerprint to Recover™ products.
- Assigning dosing data, weight, and other data to bale identities.
- Presence of the traceable recycled content can be verified with a scanner or lab test.
- Blockchain technology based digital tracing system applied alongside physical tracer.



Responsible production and supply chains

Objective: Recover™ supply chains are sustainable and socially just.

In addition to traceability, we aim to build strong and resilient supplier relationships to ensure compliance with Recover's Code of Conduct for Business Partners to promote an approach of continuous improvement to achieve best practice environmental and social performance. We seek high sustainability and social standards of our products, processes as well as of our whole business and value chain and we expect that each individual party involved in our supply chain respects our values and abides by the rules of our Code of Conduct.

In 2022 we established the Recover's Code of Conduct for Business Partners. This Code of Conduct applies to the direct operations, supply chain, and subcontractors of Business Partners (eg. Suppliers) which have a business relation with Recover™. The Code of Conduct is based on the Core Conventions of the International Labor Organization (ILO) as well as the United Nations Universal Declaration of Human Rights. National laws shall be respected, and where the provisions of law and these ethical trade principles address the same subject, the most stringent shall apply.

This Code of Conduct covers requirements with regards to workers' rights, environment, ethics as well as compliance and reporting. All Recover™ production hubs worldwide are required to apply this Code to their business and value chain as a minimum standard, irrespective of the jurisdiction in which they operate and the laws applicable to the jurisdiction.

At the end of 2022, we have accomplished that 100% of our current active suppliers committed to Recover's Code of Conduct for Business Partners, which addresses the following topics:

- Prohibition of child and forced labor
- Freedom of association and collective bargaining
- Non-discrimination
- Health and Safety of the workforce
- Decent pay or Living Wage
- Working hours in line with national laws and benchmark industry standards
- Regulated employment in accordance with the laws in force in each territory.
- Environmental protection in compliance with local and international legislation in force throughout the entire value chain regarding environmental
- Management and continuously endeavor to reduce the environmental footprint of the operations, as well as prohibition of cruelty to animals.
- Ethics: any form of corruption, extortion or embezzlement is strictly prohibited.

Our goal is to continue to have 100% of our suppliers committed to our Code of Conduct for Business Partners in 2023. Furthermore, to promote and ensure compliance of the Code of Conduct in our supply chain, Recover™ will implement a robust supplier due diligence program in 2023.





Agents of change

Objective: Recover™ is aligned with Science-Based Targets.

The Emissions Gap Report¹ from the UN shows that countries are bending the curve of global greenhouse gas emissions downward, but underlines that these efforts remain insufficient to limit the global temperature rise of 1.5°C by the end of the century. Given the significance from the apparel and footwear sector – fashion is responsible for 2-8% of humanity’s carbon emissions² – it seems obvious there is great potential for mitigation in the industry.

The Recover™ process enables the industry to divert industrial textile waste and end-of-use garments from landfills and incineration by creating recycled fibers that can replace some of the virgin cotton used in apparel products. Using Recover™ recycled cotton results in GHG emissions savings in the raw materials value chain tier, which is a part of Scope 3 emissions for brands and retailers. Recover™ was already measuring and disclosing its Scope 1 and 2 to the Ministry for the Ecological Transition in Spain and, as of 2022, is also measuring its Scope 3 GHG emissions.

Calculating the carbon emissions of a business can be quite a challenge. Especially when you start calculating emissions associated with Scope 3, the indirect emissions created by activities of suppliers, employees, and investments. For that reason, we have joined forces with Watershed. Watershed is an enterprise climate platform that delivers granular, audit-grade carbon measurement; one-click disclosure and reporting; and real emission reductions. Their experts are analyzing Recover’s emissions to build a detailed decarbonization and set ambitious goals in line with the rigorous standards of the Science-Based Targets initiative (SBTi).

Measures

- In 2022, we measured our carbon footprint across our value chain, including upstream and downstream emissions, leveraging carbon accounting standard from the greenhouse gas protocol.
- As members of the Sustainable Apparel Coalition, last year we had the chance of joining the Decarbonization Top Action Club. As members, this forum offers a collaborative space where members can discuss carbon abatement options, types of programs, finance, and options to scale sustainable impact solutions across the global supply chain with shared facilities and key industry partners in key production countries.

¹Reference: <https://www.unep.org/resources/emissions-gap-report-2022>

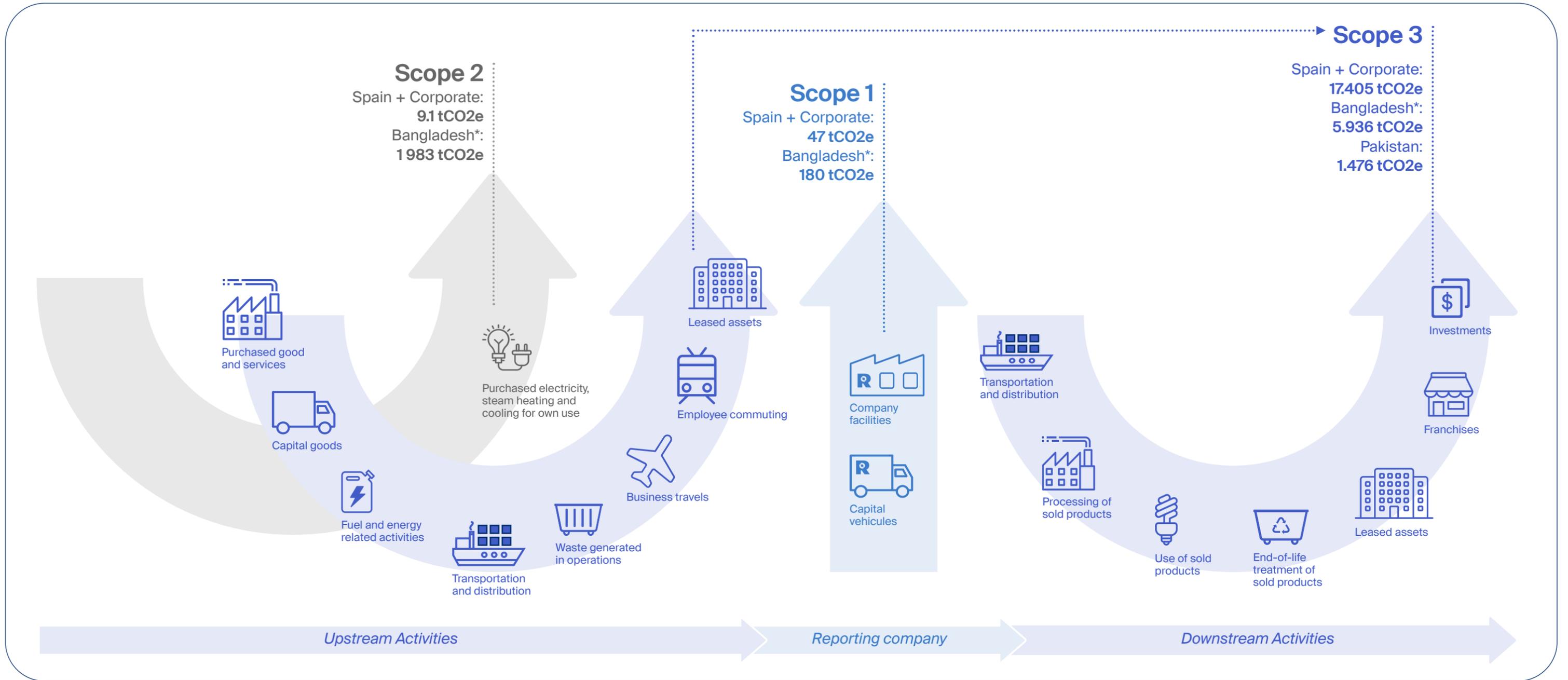
² Fashion Charter: the Climate Impact of Fashion / WRI and Aii (2021). Roadmap to Net Zero





Agents of change

Objective: Recover™ is aligned with Science-Based Targets.



*Please note that measurement of the carbon footprint in Bangladesh is not yet representative as is still in a construction and ramp up phase.





Agents of change

Objective: Recover™ is aligned with Science-Based Targets.

Next Steps

In 2023 we will continue tracking our global GHG footprint on Scope 1, 2, and 3. We will also continue implementing GHG reduction actions.

While we will not yet be able to set a target, Recover™ remains committed to setting a climate target that is to be validated and tracked using the Science-Based Targets Initiative.



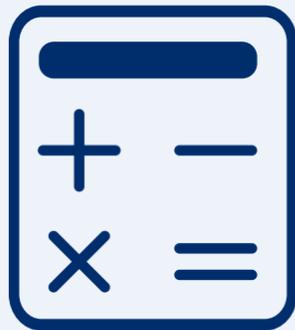


Agents of change

Objective: Recover™ is a leader in transparency.

Recover™ strives to meet the 17 Sustainable Development Goals as defined by the United Nations and participates in several forward-thinking industry initiatives that help drive systemic change towards a circular fashion industry. We believe that transparency is the principal driver of change in the industry. Recover™ measures and reports on the environmental performance and social compliance of its fiber products, facilities, and supply chain.

As a sustainable and ethical company, Recover™ is committed to being transparent and clear in our public messaging. We therefore carefully review our sustainability claims and reassess them on a bi-annual basis. All our claims adhere to regulations and relevant globally accepted industry guidelines.



We created the Recover™ impact calculator which can be found on our website:

[See calculator](#)



We published our Sustainability report 2021 and current 2022 report with reference to the GRI Standard (Global Reporting Initiative), to provide transparency on how we contribute or aim to contribute to sustainable development.



Public reporting requirements have been defined for Recover™, exceeding legal requirements.

As part of our commitment to ethical transparency, we hosted a learning lounge session at the Textile Exchange conference 2022 in Colorado Springs, CO, USA about unintentional greenwashing. As companies communicate more and more about the good things they are doing, there are several pitfalls that should be avoided. The most common reasons why unsubstantiated claims occur are due to incomplete data or unrealistic targets. An accurate, third-party certified measurement of the impacts generated throughout the whole supply chain is the most credible method to generate sustainability data that can be used in consumer facing marketing materials.

More information about this topic can also be found on our website. [Go to recoverfiber.com](https://www.recoverfiber.com)





Agents of change

Objective: Recover™ inspires and drives sustainable transformation and leadership within the company, community, and wider industry.

Recover™ provides a strong Marketing platform to support our partners, and our integrated communications ecosystem includes all the modern levels of brand communications.

We aspire to be the voice and leader to the consumer on recycled cotton, sustainability, and circularity. Within our communications, both on our social media channels, and brand/retailer collaborations we provide inspirational messaging with the aim to empower the consumer to participate in saving the planet.

We communicate to consumers through highly understandable messaging with relatable concepts such as washing machine cycles or kilometers driven by car. We also work with brands to help them define their messaging so that they can educate their customers on sustainable matters and position themselves as a recognized positive contributor to the industry.





Agents of change

Objective: Recover™ inspires and drives sustainable transformation and leadership within the company, community, and wider industry.

Thanks to our ongoing collaborations and strong communications, during 2022 we continued to grow Recover™ to become the brand of reference in recycled cotton.

Recover™ ended 2022 with:

- 259 articles throughout the year.
- A total of 122 media outlets (excluding pick-ups).
- A total of 1.3 billion potential impressions.
- 12 press releases.
- 17 events including: Berlin Fashion Summit; UN Conscious Fashion & Lifestyle; Copenhagen Fashion Summit 2022; South Summit; Future Fabric Expo; Sourcing Journal Summit; UN Round Table, Textile Exchange Conference.
- 3 awards won: Green Product Award: Fashion, ITMF Sustainable and Innovation Award, Business Insider Top Insiders 'Better Capitalism'.

Articles include:

[Massive momentum grows for scaling textile recycling in Europe](#) (Sourcing Journal)

[BEXIMCO and Recover™ partner to tackle textile waste and create a closed-loop industry](#) (textiletoday.com.bd)

[Understanding the pitfalls of unintentional greenwashing](#) (recoverfiber.com)

[Mastering Scope 3, an essential part of successful climate mitigation](#) (Sourcing Journal)

[Recover™ Circular fashion for all](#) (recoverfiber.com)



Discover all clippings for 2022

[Click here](#)



Agents of change

Objective: Recover™ inspires and drives sustainable transformation and leadership within the company, community, and wider industry.

Recover™ is the preferred partner to educate about circular fashion and we are establishing ourselves as the ingredient brand of reference in sustainable fibers, as demonstrated by our brand collaborations with leaders in the fashion industry. By partnering with leading global brands and retailers, we have had a large-scale impact and made low-impact clothing options accessible.

Some of our brand collaboration success stories from 2022 include:





Agents of change

Objective: Recover™ inspires and drives sustainable transformation and leadership within the company, community, and wider industry.



European retailer C&A joined forces with Recover™ in a strategic 4-year partnership to bring high-quality recycled cotton to the everyday garment. The partnership is driving change to place recycled cotton as the core ingredient of a more sustainable fashion industry, with Recover™ integrating its fiber into C&A's supply chain structure, as well as providing tech support to help the spinners and weavers optimize the yarns and fabrics.

The first collection in the partnership will launch in 2023.





Agents of change

Objective: Recover™ inspires and drives sustainable transformation and leadership within the company, community, and wider industry.



FRUIT OF THE LOOM.

Fruit of the Loom, the iconic and beloved apparel brand, partnered with Recover™ to release a new limited-edition collection of classic fit t-shirts, available on Fruit.com and Amazon.

With inclusive sizing and responsibly sourced fabric and materials, each sustainably designed t-shirt is made with 20% of Recover's cotton fiber and is available in eight gender-neutral colors.





Agents of change

Objective: Recover™ inspires and drives sustainable transformation and leadership within the company, community, and wider industry.

TILLYS
CLOTHING • SHOES • ACCESSORIES

In collaboration with Recover™, American clothing retailer Tillys brought sustainability-conscious garments to consumers with its new RSQ capsule collection. The capsule collection features wardrobe staples like classic-inspired denim, a made-to-last tee, and a timeless chore jacket – all of which contain a minimum of 20% of Recover’s low-impact recycled cotton fiber.





Agents of change

Objective: Recover™ inspires and drives sustainable transformation and leadership within the company, community, and wider industry.



Recover™ and Primark continued their long-term partnership with the launch of their second collection made with Recover™ fiber, this time becoming the first retailer to introduce garments using Recover's RColorBlend on a global scale.





Agents of change

Objective: Recover™ inspires and drives sustainable transformation and leadership within the company, community, and wider industry.

We partner with other committed actors in the industry, developing sustainable and circular solutions to drive the fashion industry towards a closed-loop system.

In 2022, Recover™ contributed to the following industry projects and associations: SAC, Textile Exchange, Textiles 2030, Circular Fashion Partnership, Accelerating Circularity, Global Compact, ReHubs, Denim Deal, Policy Hub and American Apparel and Footwear Association.

Sustainable Apparel Coalition (SAC)

The SAC is a global, multi-stakeholder non-profit alliance for the fashion industry. It's made up of over 250 leading organisations working to reduce environmental impact and promote social justice throughout the global value chain. The Coalition also develops the Higg Index. As a corporate member, Recover™ participates in several meetings with other members to drive improvements in industry. Recover™ has also adopted the Higg Index tools: Recover recycled fiber is included as a material in Higg MSI and all Recover™ facilities implement the Higg FEM and Higg FSLM assessments.



Textile Exchange

Textile Exchange is a global non-profit, driving positive action on climate change across the fashion, textile, and apparel industry. Textile Exchange guides and supports a growing community of brands, retailers, manufacturers, farmers, and others committed to climate action toward more purposeful production, right from the start of the supply chain. Recover™ is a long standing member and supporter of Textile Exchange. In 2021, Textile Exchange honoured our ongoing work as an agent of change and Climate leader in the industry by awarding Recover™ with the Ryan Young Climate+ Awards for sustainable textile industry leaders.





Agents of change

Objective: Recover™ inspires and drives sustainable transformation and leadership within the company, community, and wider industry.

Textiles 2030

Textiles 2030 is WRAP's award-winning UK-based initiative working to move the UK fashion and textile industries towards circularity by forming agreements with sustainably minded brands and businesses. Initiative signatories, like Recover™, commit to shared sustainability goals to be met by 2030 – and beyond. In fact, Recover™ is an active member of three of the initiative's Working Groups: Design for Circularity, Closing the Loop, and Policy. Working alongside other businesses and industry leaders, hope to make a real positive impact.



Circular Fashion Partnership (CFP)

The Circular Fashion Partnership is a cross-sectorial project to support the development of the textile recycling industry in Bangladesh by capturing and directing post-production fashion waste back into the production of new fashion products. As supporters of the project, Recover™ collaborates with brands, manufacturers, NGOs, policy makers and other stakeholders to support the scale up of circular supply chains in Bangladesh.



Accelerating Circularity

Accelerating Circularity is an action oriented non-profit focused on scaling textile-to-textile recycling through a collaborative, stakeholder-led approach. The mission is to catalyse new supply chains and business models to turn spent textiles into mainstream raw materials. Accelerating circularity is active in both the United States and Europe. Recover™ is part of the Steering Committee of Accelerating Circularity (EU) and is the recycling partner in two recycling pilots, one in the US and one in Europe. Both pilots aim to create to new commercial fabrics that include a combination of post-industrial and post-consumer recycled content.



UN Global Compact

A voluntary initiative based on CEO commitments to implement universal sustainability principles and to take steps to support UN goals. As a participant we commit to operate responsibly, in alignment with universal sustainability principles, take actions to support society, and report to the UN Global Compact annually on our ongoing efforts. Recover™ reports to UN Global Compact on an annual basis to ensure our activities are aligned with the Ten Principles and broader UN goals.





Agents of change

Objective: Recover™ inspires and drives sustainable transformation and leadership within the company, community, and wider industry.

ReHubs

The goal of ReHubs is to set up an integrated system based on recycling hubs in Europe to upcycle textile waste and industrially scale up the collecting, sorting, processing and recycling of pre-consumer and post-consumer materials. As part of Business Council, Recover™ was one of the founding companies of the ReHubs initiative. In this role, Recover™ provided information for the Techno Economic Study and was a driving force for the launch of the first ReHubs projects.

ReHubs

Denim Deal

The Denim Deal unites parties in the PCR value chain and stimulates them to work together to achieve a more sustainable future in denim. The parties have agreed to work together towards the new industry standard of at least 5 percent recycled textile in their whole denim collection. Recover™ is a signatory and partner of the Denim Deal since November 2021. As a recycler of cotton, Recover™ commits to supporting the optimisation of the feedstock sorting process and invest in knowledge and technological innovations for the efficient recycling of post consumer denim. In addition, Recover™ works closely with spinners, manufacturers and brands to improve the production of high-grade recycled yarn and new denim fabrics.

DENIM DEAL

Policy Hub

The Policy Hub - Circularity for Apparel and Footwear unites the apparel and footwear industry to develop ambitious policies that accelerate sustainable practices. They gather the technical expertise and knowledge from members of their partner organisations: Sustainable Apparel Coalition (SAC), Global Fashion Agenda (GFA), Federation of European Sporting Goods (FESI), and Textile Exchange. As an active member, Recover™ contributes to policy papers and public consultations of key EU policies to engage policymakers. The main workstreams where we are contributing are related to Waste (Extended Producer Responsibility, Waste Framework Directive, Waste Shipment Regulation, End of Waste criteria), Eco-design, Transparency (Substantiating green Claims, Empowering Consumers), and Due Diligence.



American Apparel & Footwear Association (AAFA)

American Apparel & Footwear Association represents more than 1,000 world famous name brands, retailers, and manufacturers. AAFA is the trusted public policy and political voice of the U.S. apparel and footwear industry and helps its members navigate the complex regulatory environment offering opportunities for networking and collaboration. As a member, Recover™ obtains information and insights on US regulation and policy. We can address challenges through active participation in the different committees like Labelling Team, the Environmental Committee, or the Customs Team & Trade Policy Committee.





Agents of change

Objective: Recover™ inspires and drives sustainable transformation and leadership within the company, community, and wider industry.

World Circular Textiles Day (WCTD)

World Circular Textiles Day, which takes place every year on 8th October, has been launched to celebrate the efforts of a growing community of companies, organisations and individuals actively working towards a circular textiles future. It is a living, breathing time capsule to record the progress and chart the momentum of circularity in textiles. Recover™ is signatory of World Circular Textiles Day and contributes insights and learnings in the form of case studies to support the mapping of the state of circularity in textiles.



**world circular
textiles day**

countdown to 2050!

Observatorio Textil y Moda

The aim of the “Observatorio del Textil y de la Moda” is to activate the transformation of the textile sector, adding more value to the Spanish textile and fashion industry. One of the main challenges is to improve digitalization and sustainability throughout the textile value chain. For that, the “Observatorio” has already started the work to manage the projects funding from the EU Next Generation funds. Recover™ has been a partner of the “Observatorio del Textil y de la Moda” since its creation in 2022. We are Group leaders of the working group focused on managing the fund calls for Circularity projects, while actively participating in the other working groups focused on decarbonization, innovation and sustainability.

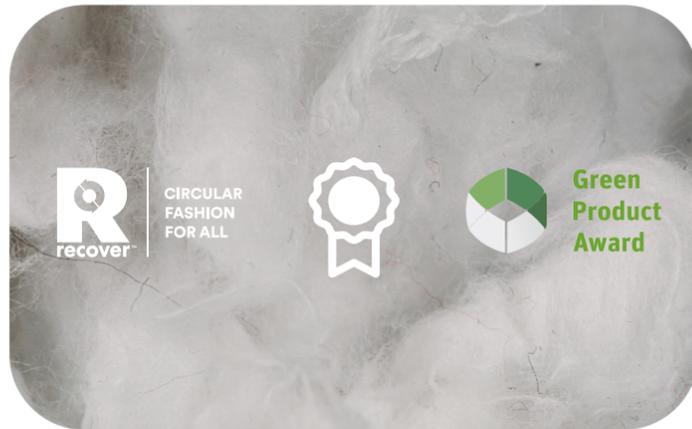




Agents of change

Objective: Recover™ inspires and drives sustainable transformation and leadership within the company, community, and wider industry.

Recover™ has been recognized numerous times by the industry for its efforts to achieve **circular fashion for all** through our sustainable and cost-effective plug-and-play solution.



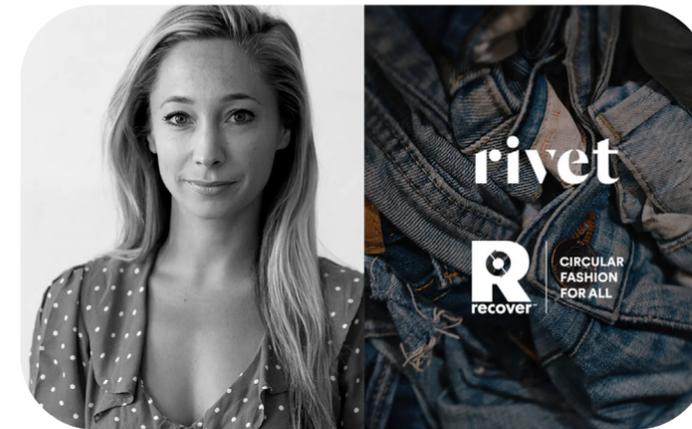
2022 Green Product Award in the category fashion

The company was acknowledged for its innovative, environmentally friendly products, which are created in partnership with the supply chain, offering an end-to-end sustainable solution for major brands and retailers.



2022 ITMF Sustainability & Innovation Award

The International Textile Manufacturers Federation (ITMF) recognized Recover™ for its sustainable and innovative achievements in the textile industry with a focus on innovation, design, development, and production under the strictest standards of sustainability and respect for the environment.



2022 Rivet 50 list

Our Chief Sustainability Officer, Helene Smits, was nominated and voted as part of Rivet 50 in the category Sustainability. As Chief Sustainability Officer at Recover™, Helene is the driving force behind the companies continued dedication to maintaining its best-in-class sustainability performance and social responsibility.



2022 Business Insider España Top Insiders 'Better Capitalism'

Recover™ was nominated in the 'Better Capitalism' category at the 2022 Business Insider Awards alongside Heura, IKEA and Marsi Bionics. This award celebrates those whose products and services stand out for their innovation and capacity to transform their sector for the better. This nomination highlights our pioneering contribution to the fashion industry – as we get one step closer to closing the loop.



3. About this report

Reporting standards and scope

Governance structure

Anti-corruption

Stakeholder engagement

Materiality assessment

Frameworks and assurance

Reporting standards and scope

This Sustainability report 2022 was published on the 25th of May 2023 and covers the financial year from the 1st of January 2022 to the 31st of December 2022.

Recover™ is committed to updating and publishing its Sustainability report on an annual basis.

This report provides a comprehensive view of Recover's approach to sustainability and our performance in 2022, with a focus on environmental and social issues. It has been prepared with reference to the Global Reporting Initiative (GRI) Standards. We also report our performance against the Sustainable Development Goals (SDG) by the United Nations.

As a signatory to the United Nations Global Compact (UNGC) we have aligned this report with the UNGC's 10 universally accepted principles in the areas of human rights, labor, environment, and anti-corruption. The report highlights progress made in 2022, towards these principles.

It includes information related to all of Recover's manufacturing locations worldwide as well as our global head office based in Spain.

Please contact us with any questions about our sustainability report at circularity@recoverfiber.com

Governance Structure



Recover Textile Systems, SL based in Spain and RBD Fibers Limited based in Bangladesh are subsidiary companies of Recover Hold Co. spinning and textiles based in California, United States.

Anti-corruption

We are committed to ensuring that all Recover™ companies globally meet their legal obligations and prevent, detect and eliminate corrupt practices, and cooperate to reduce opportunities for bribery and corruption. We require all our employees at all times to act honestly and with integrity and to follow the company's internal Code of Conduct.

We have launched our Whistleblowing Corporate channel where all our employees can anonymously report suspected cases of non-compliance. All Recover™ employees have received training about the internal Code of Conduct, which includes details on the Whistleblowing Corporate Channel, during 2022 and ending at the beginning of 2023.

We also expect that all business partners apply the highest ethical standards in their business relationships and commit to a zero tolerance towards corruption by signing the Business Partner's and supplier's Code of Conduct (external Code of Conduct).



Code of Conduct

Corruption in any form is not accepted, including bribery, extortion, kickbacks and improper private or professional benefits for customers, agents, contractors, suppliers or employees of any such party or government officials. Neither Recover™, nor any of its employees, shall ever offer or accept illegal or unlawful monetary gifts or other forms of remuneration in order to secure business-related or private benefits, or benefits for customers, agents or suppliers.

Stakeholder engagement

Our stakeholders are very important to the success of the company. Understanding and engaging with them is critical to building our relationships, managing risks, and achieving long-term success at Recover™.



Stakeholder engagement helps to identify and prioritize stakeholder concerns, understand their expectations, and involve them in decision-making processes. By engaging with stakeholders, organizations can build trust, reduce conflict, and create more sustainable outcomes.

In order to identify our stakeholders and groups of interest, Recover™ has taken the following into account:

- The effect that our activity has whilst taking social, environmental, and governance aspects into account.
- The needs and expectations of each group.
- The definition of adequate channels in each case ensuring a continuous flow of feedback.

Materiality assessment



1. No Child Labor
2. Safe Conditions at Work
3. No Harassment & Abuse
4. No Forced Labor
5. Equal Pay
6. No Discrimination
7. Payment of Living Wages
8. Socially Compliant Suppliers
9. Effective and Trustworthy Grievances Handling
10. Hazardous Substance Management
11. Reduction and Recycling of Waste
12. Compliance with Regulations and Responsible Practices
13. Traceable Supply Chains
14. Reduce Water Scarcity
15. Environmentally Compliant Suppliers
16. Anti-Bribery and Anti-Corruption
17. GHG Emissions Management

In Q4 of 2022 we performed a new materiality assessment. Following the stakeholder mapping exercise, we identified key areas of concern for the industry and Recover™ in particular by reviewing several internal and external documents: the OECD Guidelines (Organization for Economic Co-operation and Development), as well as the ESG requirements from Goldman Sachs Investment Management, our Code of Conduct and policies from our stakeholders. An initial survey was performed to all internal and external stakeholders with a total of 53 topics that represent potential environmental, social and governance risks. We obtained a total of 69 replies. The most relevant 17 topics were then surveyed to the organization’s extended management team and the results are presented in the graph.

Analysis of the results shows that the 9 highest rated topics are social ones. Through some additional questioning we determined that the reason behind this is connected to the opening of the new hub in Bangladesh and the fact that this country is perceived as a high-risk country for social issues and that in general, risks associated with human rights are prioritized over environmental risks.

Recover™ is addressing most of the topics included in the top 17 with policies and processes already in place. In addition, we are ensuring that these topics continue to be part of our long term ESG strategy, are represented in our 2023 ESG goals and remain a core focus for our stakeholder engagement efforts moving forward.

Frameworks and assurance

Statement of use: Recover™ has reported the information cited in this GRI content index for the period of the 1st of January 2022 to the 31st of December 2022 with reference to the GRI Standards.

GRI 1 used: GRI 1: Foundation 2021

GRI Standard	GRI Disclosure	Page	SDG	Comments
GENERAL DISCLOSURES				
GRI 2: General Disclosures 2021	2-1 Organizational details	9, 55		
	2-2 Entities included in the organization's sustainability reporting	54, 55		
	2-3 Reporting period, frequency and contact point	54		
	2-6 Activities, value chain and other business relationships	11, 12, 13, 14, 15, 16, 35, 36	SDG 6, 9	
	2-7 Employees	7	SDG 5,8	BGD: 171.50 / ESP: 78.17 / USA: 3.00 / NLD: 1.00 Calculated as annual average subdivided per the number of worked months.

Frameworks and assurance

GRI Standard	GRI Disclosure	Page	SDG	Comments
	2-8 Workers who are not employees	7	SDG 8	BGD: 171.50 / ESP: 78.17 / USA: 3.00 / NLD: 1.00 Calculated as annual average subdivided per the number of worked months.
	2-9 Governance structure and composition	7, 55		
	2-22 Statement on sustainable development strategy	4, 18, 19	SDG 12,13	
	2-23 Policy commitments	31, 36	SDG 8	
	2-25 Processes to remediate negative impacts	31, 32	SDG 8	
	2-26 Mechanisms for seeking advice and raising concerns	31, 32	SDG 8	
	2-27 Compliance with laws and regulations	31	SDG 12	
	2-28 Membership associations	26, 27, 37, 39, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52	SDG 17	
	2-29 Approach to stakeholder engagement	57		
	2-30 Collective bargaining agreements	31, 32, 35, 36	SDG 16	

Frameworks and assurance

GRI Standard	GRI Disclosure	Page	SDG	Comments
GRI 3: Material Topics 2021	3-1 Process to determine material topics	58	SDG 8	
	3-2 List of material topics	58		
MATERIAL TOPIC: NO CHILD LABOR				
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	31, 32, 35, 36	SDG 17	
MATERIAL TOPIC: SAFE CONDITIONS AT WORK				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	29, 33, 34, 35, 36		
	403-5 Worker training on occupational health and safety	34	SDG 3	
	403-9 Work-related injuries	34		

Frameworks and assurance

GRI Standard	GRI Disclosure	Page	SDG	Comments
MATERIAL TOPICS: NO HARASSMENT & ABUSE, NO DISCRIMINATION				
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	8, 31, 32, 35, 36	SDG 17	
MATERIAL TOPICS: NO FORCED LABOR				
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	8, 31, 32, 35, 36		
MATERIAL TOPICS: EQUAL PAY				
GRI 405: Diversity and Equal Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men	32, 35, 36	SDG 5	
MATERIAL TOPICS: PAYMENT OF LIVING WAGES				
GRI 3: Material Topics 2021	3-3 Management of material topics	31, 35, 36	SDG 5	

Frameworks and assurance

UN Global Compact Principles		Page	SDG	Comments
UN GLOBAL COMPACT PRINCIPLES: HUMAN RIGHTS				
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and	4, 31, 32	SDG 8	
Principle 2	make sure that they are not complicit in human rights abuses.	4, 31, 32	SDG 8	
UN GLOBAL COMPACT PRINCIPLES: LABOR				
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	31, 32, 35, 36	SDG 8	
Principle 4	the elimination of all forms of forced and compulsory labour;	31, 32, 35, 36	SDG 8	
Principle 5	the effective abolition of child labour; and	31, 32, 35, 36	SDG 8	
Principle 6	the elimination of discrimination in respect of employment and occupation.	8, 31, 32, 35, 36	SDG 5	

Frameworks and assurance

UN Global Compact Principles		Page	SDG	Comments
UN GLOBAL COMPACT PRINCIPLES: ENVIRONMENT				
Principle 7	Businesses should support a precautionary approach to environmental challenges;	8, 11, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 33, 35, 36, 37, 38, 39, 51, 52	SDG 6, 7, 9, 13	
Principle 8	the elimination of all forms of forced and compulsory labour;			
Principle 9	encourage the development and diffusion of environmentally friendly technologies.			
UN GLOBAL COMPACT PRINCIPLES: ANTI-CORRUPTION				
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	page 8, 40, 56	SDG 16	

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