



**CIRCULAR
FASHION
FOR ALL**



Sustainability report
2020

Contents

1. About this report	02
2. A word from the CEO	03
3. Recover™ at a glance 2020	04
4. Recover™ legacy	
70 Years of recycling history	05
Mission, vision and values	06
5. Committed to good governance	
Corporate governance	07
Organizational chart	08
Ethical and responsible governance	09
Relationship with stakeholders	10
Process of relevance	11
6. Expertise	
Our process	12
Our products	14
Product standards and certifications	17
Innovation and development	21
7. Integrated sustainability	
Our policy on social responsibility	22
Contribution to the SDGs	24
Committed to the environment	28
Committed to people	34
8. Leader of change	39

About this report

The report that we present is a basic instrument for analysing progress in sustainability, in addition, it is an external communication resource, through which we reflect our ambitions with our stakeholders and society as a whole. The information included in this report corresponds to the scope of Recover's activities in our first year as allies with Story3 Capital, a strategic alliance that will allow us to satisfy the growing demand for sustainable fashion around the world.

Sustainability is a fundamental part of our business strategy and this report is an exercise in transparency where we inform all of our stakeholders about the reality of our business.

This report has been prepared following the guidelines of the "Global Reporting Initiative (GRI) Standards", addressing the economic, environmental and social impacts of our activities and reporting on key issues for Recover™, which we have evaluated through a materiality study that we will reflect throughout the report.

In addition, as a sign of our commitment to sustainable development, we have aligned our business strategy with the Sustainable Development Goals (SDGs), to which we contribute directly with our initiatives as will be reflected throughout the document.

Through this report, we invite you to learn about the management of our activities and how we approached our first year to market during the COVID-19 pandemic.

A word from the CEO

Dear friends,

2020 will be an unforgettable year for all of humanity, as a strange pandemic forced us to understand how fragile the human being is and how important nature and the environment is for all of us.

2020, was also the year that Recover™ was born as an independent company. Our 73-year heritage as part of Ferre Yarns, the fact that our fiber is the most sustainable cotton option, the big hope that many investors are driving to disruptive but beneficial projects for the environment, and the talent and expertise of the Recover™ team, with 12 nationalities at the time of this report's release, are just some of the aspects that will make this project one of the most important building blocks for the new textile industry.

The Covid-19 pandemic has created a certain sensibility, not only in the supply chain and with brands and retailers, but also within our society. Many have started to reflect on their consumption habits and are looking more critically at the products that they buy. Consumers now increasingly recognize that the high levels of production and consumption of garments and other consumer goods result in ever-increasing global pollution and CO2 emissions and require a lot of natural resources that are becoming scarce. Governments around the world are now starting to pay attention to these facts and we hope they will govern accordingly to promote responsible and sustainable consumption habits, aligning with the SDG's.

Recover™, as a frontrunner of the circular textile industry, is completely committed to:

Be a strong material science company that develops low-impact, high-quality products at scale.

Be one of the Leaders of Change in the textile industry.

Manufacture globally with continued dedication to reducing the carbon footprint of our products and processes.

Actively support laws that will promote the responsible production and consumption of products.

Serve as a good example of a sustainable company, which is both environmentally and socially responsible.

Develop the talent and expertise of our team in line with our vision for a circular textiles industry.

I personally commit to maintaining and growing this positive energy that we have in the Recover™ team to allow us to enjoy this fantastic journey. Thank you for teaming up with us to help achieve Circular Fashion for All.

Alfredo Ferre García
CEO

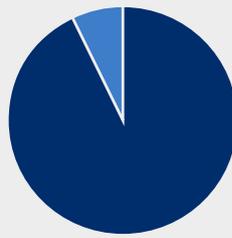
Recover™ at a glance 2020



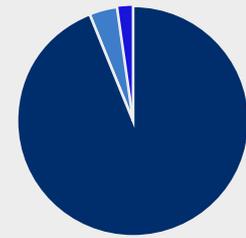
Main economic indicators

1.6€

Volume of business and results (in millions of €)



Sales per geographical area (in %)



Purchases per geographical area (in %)

Main indicators for the environment, ethics and diversity

Environmental



2.8€

Investment in equipment (in millions of €)



918,388

Energy consumption (kwh)



180.9

Carbon footprint (Tn Co₂)



1,776,255

Recycled fiber production (in kg)

Ethics and diversity

23

Members of staff

04

Number of women

19

Number of men

06

Number of nationalities

05

Hours of staff training

00

Cases of corruption and/or bribery

00

Cases of discrimination

Recover™ legacy →

70 Years of recycling history

Recover™ is a leading material sciences company and global producer of low-impact, high-quality recycled cotton fiber and cotton fiber blends.

We transform textile waste into sustainable recycled fibers, closing the loop on fashion.

Recover™ has been pioneering sustainable materials and recycling since 1947. Recover's expertise and trade secrets extend into the usage of the fiber in yarn spinning and textiles.

1914

Antonio Ferre opens a textile factory in his native Banyeres de Mariola, a small town in Alicante, Spain.

1947

A second generation of Ferres has a huge vision and introduces a game-changing innovation: turn textile waste into yarn.

2006

Recover™ is born. Ferre gives a name to its recycled product line: Recover™, a name that defines a process and a commitment to sustainability.

2014

Recover's unique recycling process is officially launched with major global brands and retailers worldwide

Today

A fourth generation of Ferres preserves its unique expertise in fiber recycling and remains dedicated to bring the lowest-impact recycled cotton fibers to the global market. The new strategic partnership with Story3 Capital allows Recover™ to scale its impact even further and close the loop on fashion.

Mission, vision & values

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

Mission

To deliver innovative, cost competitive, recycled fibers and circular solutions at scale.

Vision

Achieve circular fashion for all.

Values

Expertise

We innovate in materials and processes to develop circular fashion products that have the highest quality and the lowest impact.

- Science and technology
- Innovation
- Legacy and heritage
- Quality
- Solutions driven

Integrated sustainability

We integrate sustainability into our purpose and daily practice. It runs through all processes, products, collaborations and business decisions.

- Commitment to the planet
- Human values centric – people make the difference
- Systems thinking
- Inclusivity

Leader of change

We make change happen. We drive change from vision to reality. We collaborate with industry stakeholders to achieve circular fashion for all.

- Teaching and education
- Agile mindset
- Non-competitive collaboration
- Passion – we love what we do

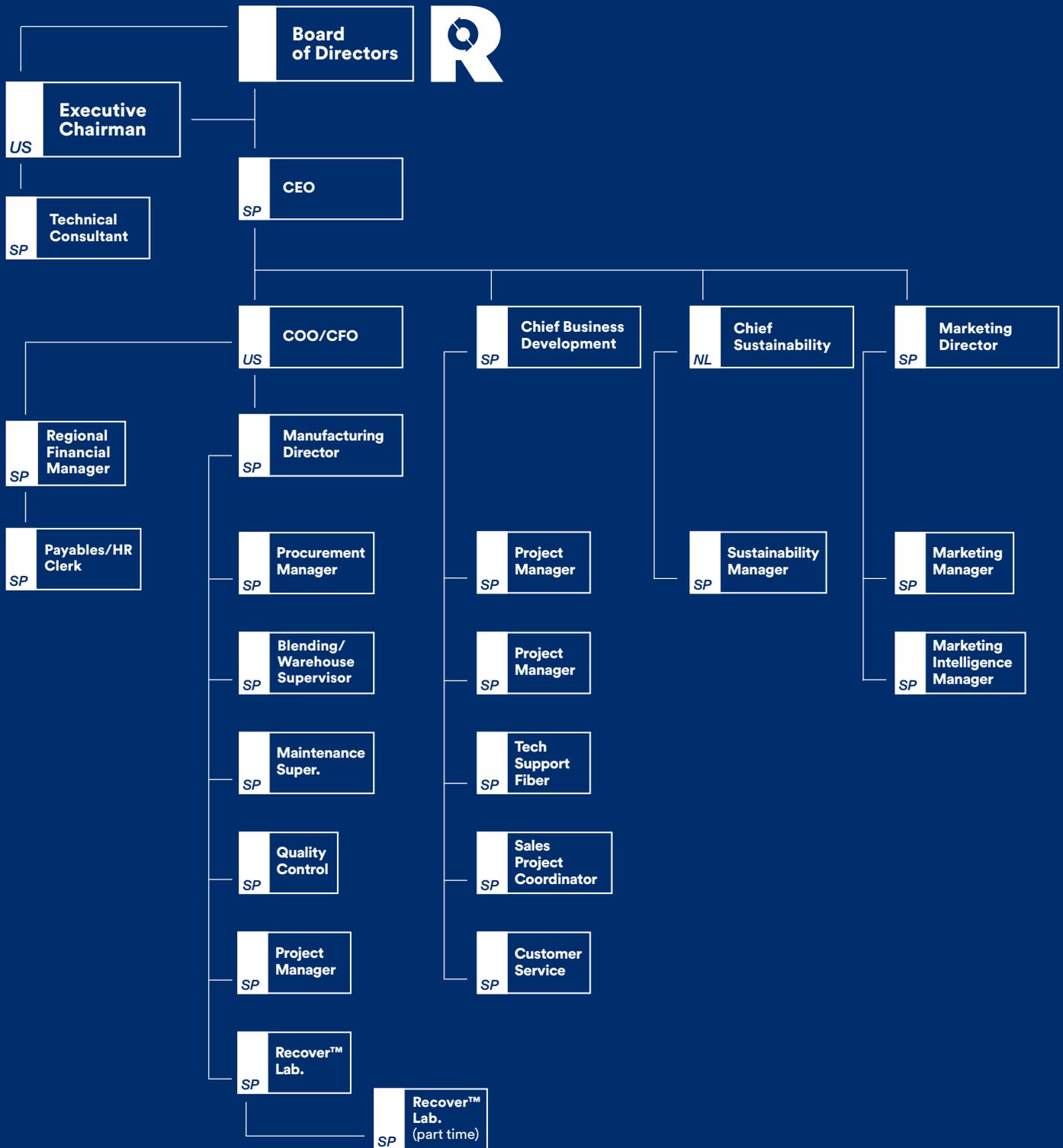
Committed to good governance

Corporate governance

At Recover™, we have a corporate governance model aligned with the best standards of transparency, ethics and integrity.

Recover Textile Systems, SL has its sole administrator, Alfredo Ferre, and the shareholder is Recover HoldCo.spinning and textiles.

Organizational chart



Ethical & responsible governance

At Recover™ we have a corporate governance model aligned with the best standards of transparency, ethics and integrity. For the moment, we have adopted the Hilaturas Ferre Code of Conduct, called “Our guidelines for ethics and professional conduct”, which contains the values, ethical principles and behavioural guidelines by which the company is governed. Recover™ is working to create its own Code of Conduct to be adopted by the global organisation. Areas of action of the Code of Conduct:

Employees:

- Hiring of personnel and internal promotion based mainly on performance, acquired knowledge, skills and professional trajectory.
- Regulation of gifts and invitations
- Regulation of the use of technologies and networks
- Commitment to the confidentiality of information
- Reconciliation of family and personal life with work activity
- Commitment to health, hygiene and safety at work
- Conflicts of interest

Customers:

We are committed to offering our clients excellence, quality and transparency in communication.

Suppliers:

We interact with our suppliers in a lawful, ethical and respectful manner. The activities in the matter of purchases and supplies will be developed following the good practice of the company.

Recover™ completely rejects any kind **of corrupt activity**, including bribery and extortion:

- The situation and the climate of trust that is breathed in the company by our hiring policy, makes people have full trust with their managers.
- The company’s principle is to refuse to participate in any commercial transaction that may or may not involve corruption, whatever the type.
- The company’s accounts are controlled and justified; it is difficult that there may be corrupt practices.
- Corruption cases are analysed, being denounced and analysed, these have been null and void to date.

Relationship with stakeholders +

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

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



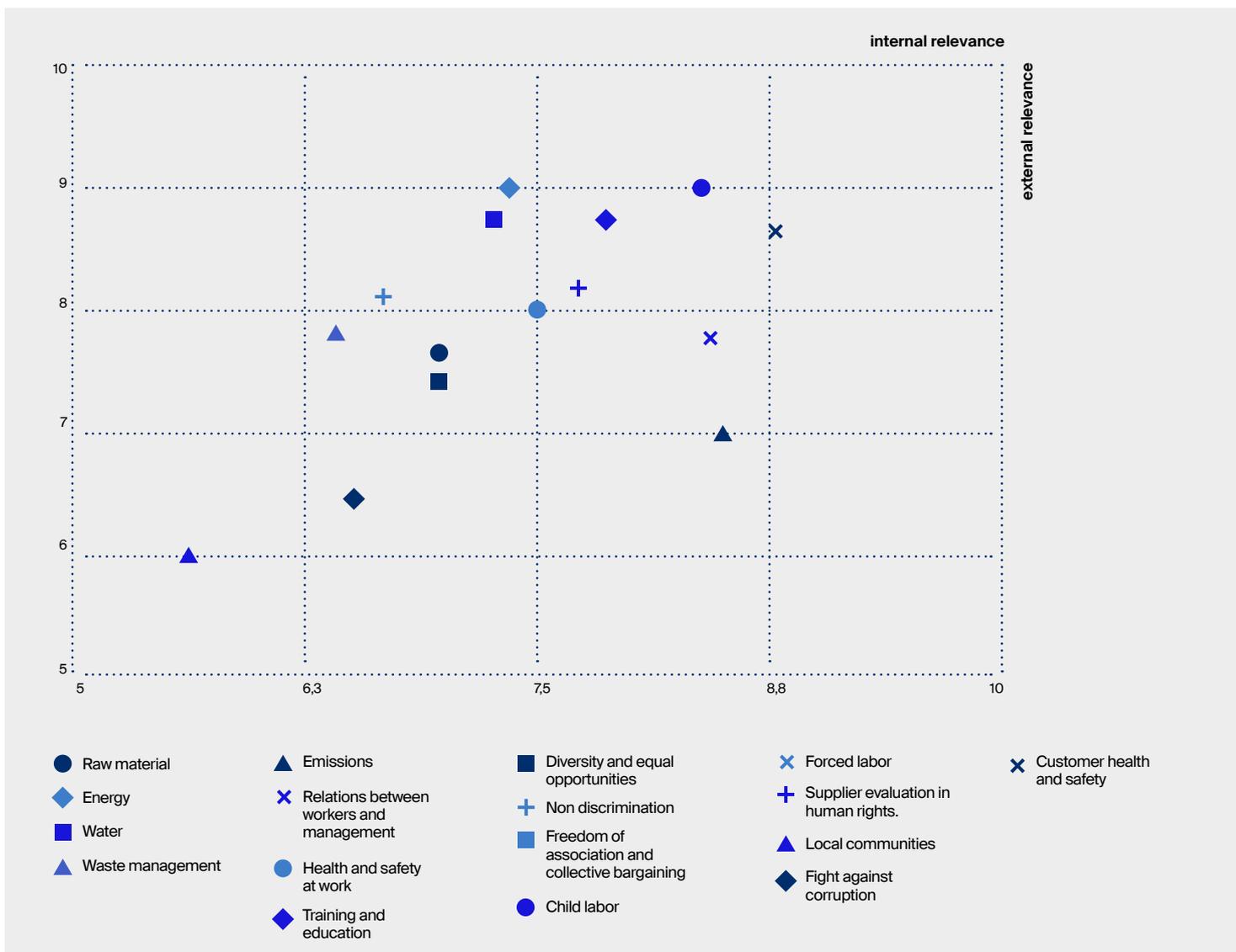
Process of relevance

This stakeholder mapping was performed in 2018.

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

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

Materiality analyses



Expertise

Our process

Recover™ fiber recycling process



Raw material

We use post-industrial and post-consumer textile waste as a source of raw material.



Cutting

We cut the large pieces of textile waste into smaller ones, suitable for subsequent cleaning and shredding processes.



Cleaning

We remove all non-textile materials from clothing thanks to an efficient automated extraction process.



Shredding

We recycle the small pieces of textile waste into new fiber ensuring the best quality and the maximum fiber length. (It's our proprietary Fiber Recycling process).



Recover™ cotton fiber is ready to be integrated into the supply chains of Recover's closed-loop partners.

RCotton

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

RColorBlend

Recover™ dye-free fiber is blended with other carrier fibers that have been low-impact dyed to create a new fiber blend.



Expertise

Our process



1. Used clothes and garment production waste is submitted.

2. Recover™ recycles textile waste into new Recover™ fiber.

3. Recover™ fibers are made into new yarns.

4. Recover™ fibers are made into new fabrics.

5. New products are made from Recover™ fabrics.

6. Products made with Recover™ are purchased.

Recover™ creates long-lasting, high-value products in each successive generation.

Textile waste is our raw material. We transform it into sustainable recycled fibers, without the addition of solvents or water.

Recover™ products +



Recover™ offers best in class recycled fiber product ranges that enable the industry to achieve circular fashion for all.

RCotton

RColorBlend

Recover™ products

RCotton

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

RPure

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



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.



RDenim

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



Recover™ products

RColorBlend

A highly valuable proprietary system that incorporates all of Recover's expertise in fiber recycling. Recover™ dye-free fiber is blended with other carriers' fibers that have been low-impact dyed to create new fiber blends. The new blends go through several intimate blending processes until achieving the perfect combination of performance and color matching accuracy, without the use of water or chemicals. The RColorBlend recipe developed in the lab is reproduced on an industrial scale, ready for spinners in a full spectrum of unique colors.

RBlue

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



REarth

A natural blend of Recover™ recycled cotton and organic cotton.
OCS certified.
Custom blends available.



Product standards & certifications

The quality and safety of our products is a very important aspect for us. That's why we put them to demanding verification tests on an annual basis, such as the Oeko-tex Standard 100 certificate, Organic Content Standard (OCS), Global Recycle Standard (GRS) and benchmark the environmental impact of our product in the Higg Materials Sustainability Index (MSI).



OEKO-TEX 100

Through the OEKO-TEX 100 regulation, we can affirm that our products contain zero harmful substances. This is a special regulation for the textile sector and has a list of over 300 products that can be harmful to one's health or damage our environment. In this regard, we study all Safety Labels on all of the new products incorporated since the latest renewal of the certificate, whether they come from new suppliers or habitual ones.

Based on this study, we can determine what kind of analysis must be done, what raw material and what quantity, with the aim to guarantee that our fiber is devoid of any harmful substances. This procedure also helps us evaluate suppliers, new supplies and also as a way to demand the highest levels in this aspect from our current suppliers.

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



Organic Content Standard (OCS)

The Organic Content Standard (OCS) applies to any non-food product that contains between 95% and 100% organic matter. It verifies the presence and quantity of organic matter in a final product, and it monitors the flow of raw materials from the source.

The OCS allows an independent, transparent, and complete evaluation and verification of the claims of organic matter content in the products. OCS 100 covers the processing, manufacturing, packaging, labelling, and trade and distribution of a product that contains at least 95% certified organic matter. It can be used as a "business-to-business" tool to give companies the necessary means to guarantee that they are selling quality and that they are receiving what they are paying for.



Global Recycled Standard (GRS)

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

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

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

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

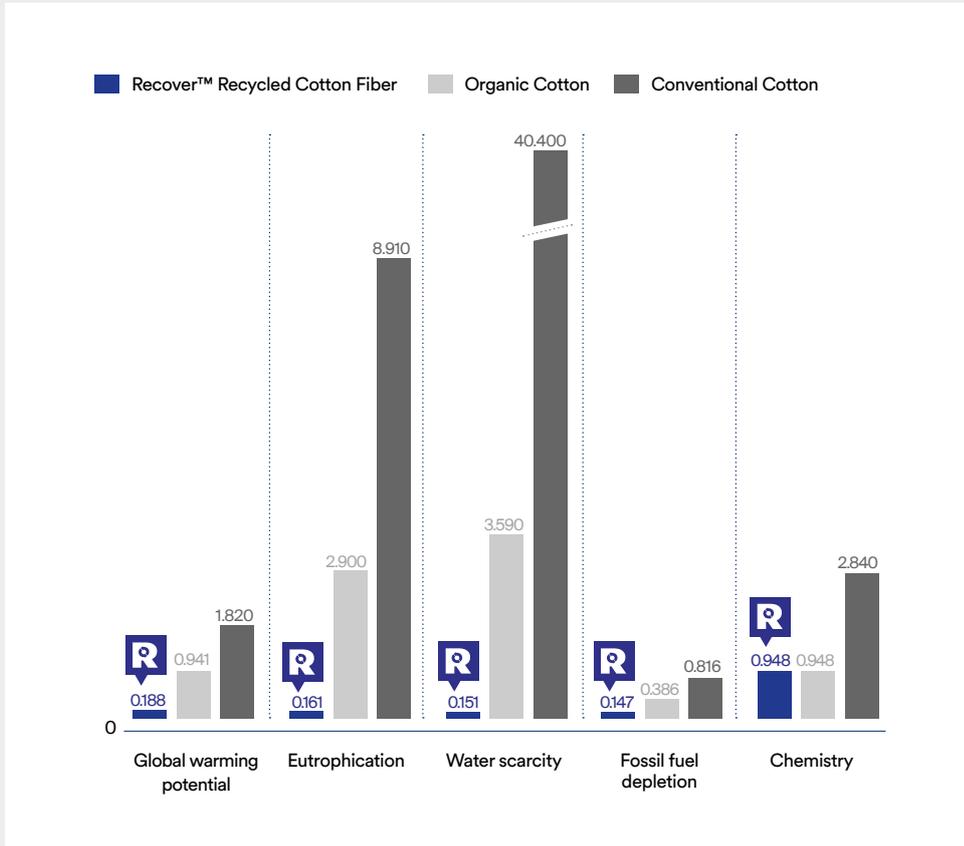
100% of Recover™ products are covered under the GRS scope certification. 17 % of total production has been traded with a GRS transaction certificate.



Higg Index

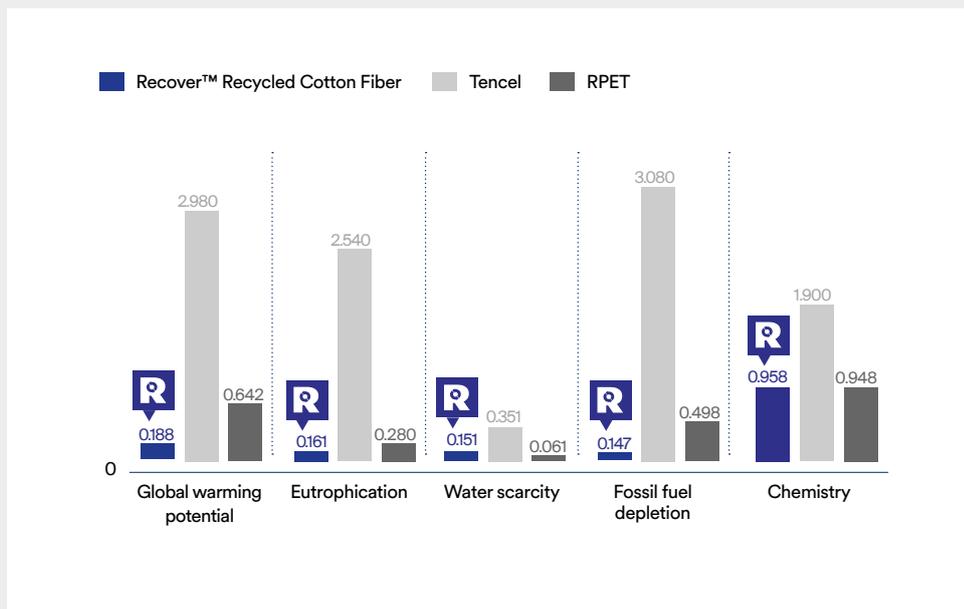
The Higg Materials Sustainability Index (MSI) helps manufacturers measure and **score the environmental impact of the materials that they use in the production of their textiles**, compare their products with the rest of the industry and make better decisions about how to use materials.

Recover™ recycled cotton fiber impacts according to Higg MSI.



According to the Higg MSI, **Recover™ recycled cotton fiber** generously outperforms conventional cotton across 5 impact categories (Global warming potential, Eutrophication, Water scarcity, Fossil fuel depletion and Chemistry) and organic cotton across 4 categories (Global warming potential, Eutrophication, Water scarcity, Fossil fuel depletion)

These results were calculated using the Higg MSI (Higg.org) V3.1.1.

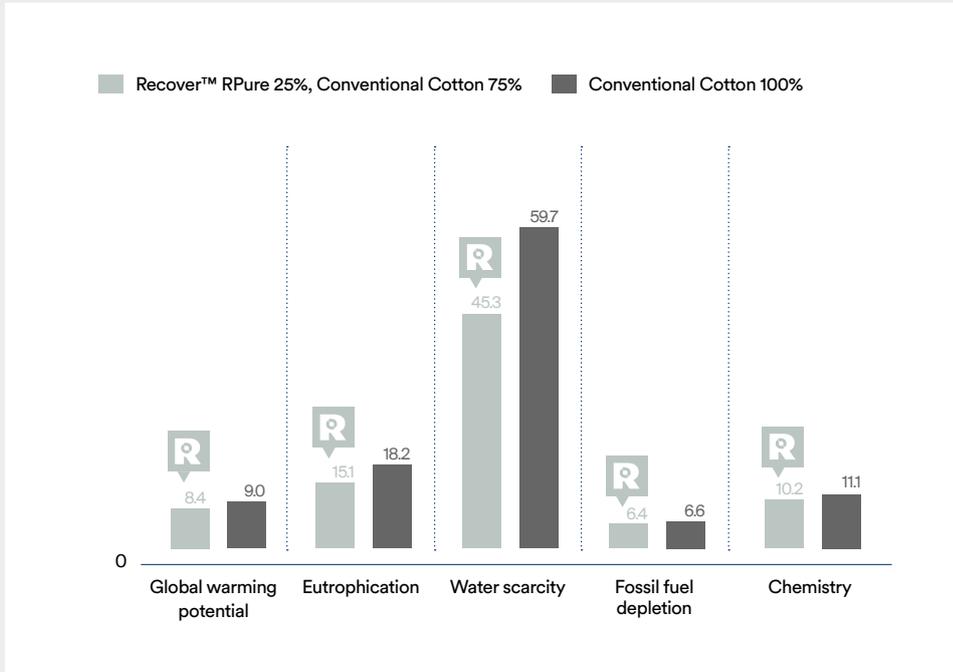


According to the Higg MSI, **Recover™ recycled cotton fiber** has a lower impact than Tencel on 5 impact categories (Global warming potential, Eutrophication, Water scarcity, Fossil fuel depletion and Chemistry) and RPET on 3 categories (Global warming potential, Eutrophication and Fossil fuel depletion).

These results were calculated using the Higg MSI (Higg.org) V3.1.1.

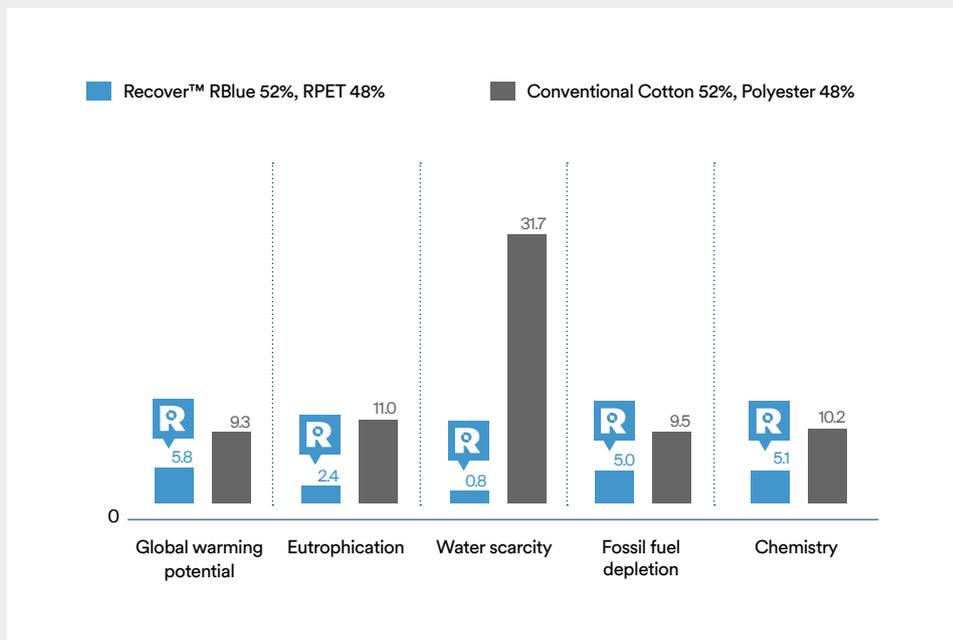


Recover™ recycled cotton fabric impacts according to Higg MSI.



Including just 25% of **Recover™ recycled cotton**, improves water scarcity impacts of cotton fabrics by 25%.

These results were calculated using the Higg MSI (Higg.org) V3.1.1. They were calculated by Recover™ and are not verified.



Compared to conventional poly/cotton fabric, **RBlue fabric (52/48)** improves Eutrophication by 78%, water scarcity by 98% and Fossil fuel depletion by 48%.

These results were calculated using the Higg MSI (Higg.org) V3.1.1. They were calculated by Recover™ and are not verified.

Innovation & development +

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

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

In our first year, the value of our investments amounted to 2.8 million euros, which has allowed us to have new facilities and install a new fiber mixing line that allows us to apply our proprietary RColorBlend process with maximum efficiency and accuracy.

With the first investment, we have managed to double our production of recycled fiber from 6,000 to 12,000 tons per year.



Integrated sustainability

Our policy on social responsibility

Environment

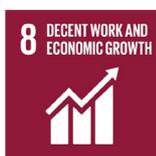
- Ensure greater dissemination of environmental acts.
- Comply with legal requirements and regulations that apply to us.
- Maintain preventative measures that favor the environment.
- Promote initiatives that encourage greater environmental responsibility.
- Favour the development and widespread use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



Principles 7, 9, 12, 13 and 15 of United Nations Global Compact

Quality

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



Principles 4, 8 and 9 of United Nations Global Compact

Human rights

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



**Principles 3,5
and 10 of United Nations
Global Compact**

Labor practices and decent works

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



**Principles 3 and 4
of United Nations
Global Compact**

Contribution to the SDGs



Recover™ has formalized its adherence to the largest initiative in Social Responsibility in the world, the United Nations Global Compact. With this adherence, we have acquired a commitment to support the Ten Universal Principles, both in Human Rights, Labor Standards, Environment and Fight against corruption, forming part of the Spanish Global Compact Network since this year.

In addition, as a sign of our commitment to a sustainable development model, we have aligned our strategy with the United Nations 2030 Agenda, extending our commitment to the achievement of the 17 Sustainable Development Goals (SDGs).

How do we contribute to the SDGs?



Objective 3 Good health and wellbeing

We highly support training in workplace safety for all employees, so that we can guarantee their maximum safety.



Objective 4 Quality education

We train our employees and promote continuous training to encourage their personal and professional development.



Objective 5 Gender equality

We are committed to establishing and developing policies that integrate equal treatment and opportunities between women and men, without discrimination directly or indirectly on the basis of sex, as well as the promotion of measures to achieve real equality in our organization.



Objective 6 ↓ Clean water and sanitation

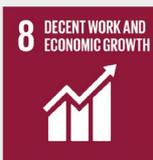
Through the use of recycled products being the raw material in our production process, we reduce the amount of water that is necessary, in comparison to traditional methods, to produce the same quantity of products.



Objective 7 ↓ Affordable and clean energy

50.2% of the total electricity consumption during 2020 is of renewable origin, which means that the CO2 emission from the consumption of this energy is zero. Our intention is to continue working to improve this indicator.

To do this, we will continue looking for marketers who guarantee us the renewable origin of our electrical supplies.



Objective 8 ↓ Good jobs and economic growth

We are committed to establishing and developing policies that integrate equal treatment and opportunities between women and men, without discrimination directly or indirectly on the basis of sex, as well as the promotion of measures to achieve real equality in our organization.



Objective 9 ↓ Innovation and infrastructure

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

AITEX Sustainability Award

The AITEX Technological Institute granted its Business Awards to those who demonstrated a high level of innovation and sustainability during said period and Recover™ system won the first prize in sustainability.



Objective 11 Sustainable cities and communities

Recycling, which is the second life that we give leftover textiles that would otherwise end up as waste that increases landfill levels, makes for more sustainable communities. Moreover, we aim to have all employees living in the surrounding areas of the business in order to reduce the distance covered on their daily commute.



Objective 12 Responsible consumption

We believe in a circular economy, giving leftover products a second life and then recycling them once more.

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

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



Objective 13 Climate action

In Recover™ policies and strategies, climate change has become a major topic. As a company committed to protecting the environment, we assume the commitment to minimize the environmental impact of the activities we carry out.

For this reason, we have decided to carry out the calculation of the carbon footprint of our organization. Our intention is to continue working to improve this indicator, to align with the “National Plan for Adaptation to Climate Change” and reach the goal of carbon neutrality by 2050



Objective 14 Life below water

The use of recycled plastic in the production process reduces the amount of plastic that ends up in landfills which in turn contaminates the sea.



Objective 15

Life on land

We have reduced the amount of plastics that ends up in landfills upon incorporating it into our production process. We have also reduced the impact on the ecosystem, as this lowers the consumption levels of water, energy and emissions into the atmosphere, which are normally greater when using non-recycled raw material.



Objective 16

Peace, justice and strong institutions

We have adopted the Hilaturas Ferre Code of Conduct, called “Our guidelines for ethics and professional conduct”, which contains the values, ethical principles and behavioural guidelines by which the company is governed.



Objective 17

Partnership for the goals

We collaborate and maintain strategic alliances with relevant organizations such as the Global Compact of Nations United, to advance towards a model of sustainable development and work continuously in the protection of Human Rights.



Committed to the environment

Our support for a circular economy

Recover™ is a circular economy project that drives the fashion industry without waste, via a recycling system that transforms this waste into high quality fiber. The leftovers used by Recover™ come from other textile companies (post-industrial textiles) or from end consumers, being articles of clothing or plastic bottles (post-consumer textiles). With this material, we make recycled cotton fiber and cotton fiber blends that drastically reduce environmental impacts when compared to virgin fibers.

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

Offer a circular economy solution to large clothing chains



Reduce the environmental impact on the textile industry



Reuse materials that would otherwise end up in landfills



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

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



The University of Valencia attests to the positive impact on the environment through the use of recycled cotton

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

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

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

Recover™ sustainability

Recover is the lowest impact recycled cotton fiber in the world.
1kg of Recover™ recycled cotton saves up to:



Water
14 740 liters
3 894 US gallons



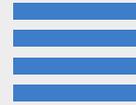
Pollutants
1.1 kg
3 lb



CO₂ emissions
23 kg
50 lb



Energy
56 kWh



Land use
10.5 m²
113 ft²

LCA study verified by AITEX, Universitat de Valencia and UNESCO.

Environmental savings of products made with Recover™

RPure	 Men's t-shirt	Water: 81 070 000 liters CO ₂ : 125 785 kg	<ul style="list-style-type: none"> Composition: 25% RPure 100 000 units Unit weight: 0.22 kg
RMix	 Women's sweatshirt	Water: 128 975 000 liters CO ₂ : 200 112 kg	<ul style="list-style-type: none"> Composition: 25% RMix 100 000 units Unit weight: 0.35 kg
RDenim	 Jeans	Water: 132 660 000 liters CO ₂ : 205 830 kg	<ul style="list-style-type: none"> Composition: 20% RDenim 100 000 units Unit weight: 0.45 kg
RBlue	 Women's sweatshirt	Water: 272 653 976 liters CO ₂ : 493 178 kg PET bottles: 852 348 uds	<ul style="list-style-type: none"> Composition: 52% RBlue 100 000 units Unit weight: 0.35 kg
REarth	 Men's t-shirt	Water: 295 636 000 liters CO ₂ : 285 670 kg	<ul style="list-style-type: none"> Composition: 50% REarth 100 000 units Unit weight: 0.22 kg

Impact savings have been calculated using the following sources: LCA study verified by AITEX, Universitat de València and UNESCO. Textile Exchange material snapshots for organic cotton, mechanically recycled polyester solution dyed and virgin polyester solution dyed.

What environmental savings have we made with Recover™ in 2020? (*)



Water

Recover™ has saved up to 26.5 million m³ of water in 2020

Growing organic cotton consumes huge amounts of water. The diversion of water courses for the irrigation of cotton fields has promoted episodes of drought in several areas of the planet.



CO₂ emissions

Recover™ has saved up to 40.499 tons of CO₂ emissions in 2020

The textile industry is one of the largest producers of greenhouse gases on the planet due to the widespread use of synthetics derived from petroleum.



Pet bottles

Recover™ has recycled up to 88.8 million of PET bottles in 2020

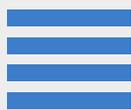
PET is 100% recyclable and can be reused to make new textile products. 70% of PET bottles are not recycled and end up in landfills or in our oceans.



Energy

Recover™ has saved up to 99.470 MWh of energy in 2020

The estimated energy savings for an annual production of 1,776 tons of dyed fiber using textile waste is 99,470 MWh.



Land use

Recover™ has saved up to 4.609 US acres of land use in 2020

The textile industry requires large amounts of farmland to produce raw materials and make fabrics. This intensive use of the soil is one of the main causes of the loss of biodiversity.



Waste saved from landfill

Recover™ has recycled up to 1.931 tons of waste in 2020

It is estimated that 10-20% of all textiles produced by the fashion industry end up in landfills. 95% of textiles that end up in landfills could be recycled.



Pollutants

Recover™ has saved up to 2 tons of pollutants in 2020

No dyes or chemicals are used in the Recover™ recycling process. The conventional dyeing process is a massive source of water pollution and CO2 emissions

*These statements have been calculated through LCA work, verified by Universitat de València and Unesco.

Carbon Footprint and Climate Change

Climate Change has become the greatest challenge facing humanity, and at Recover™, as a company committed to protecting the Environment, we are committed to minimizing the environmental impact of the activities we carry out.

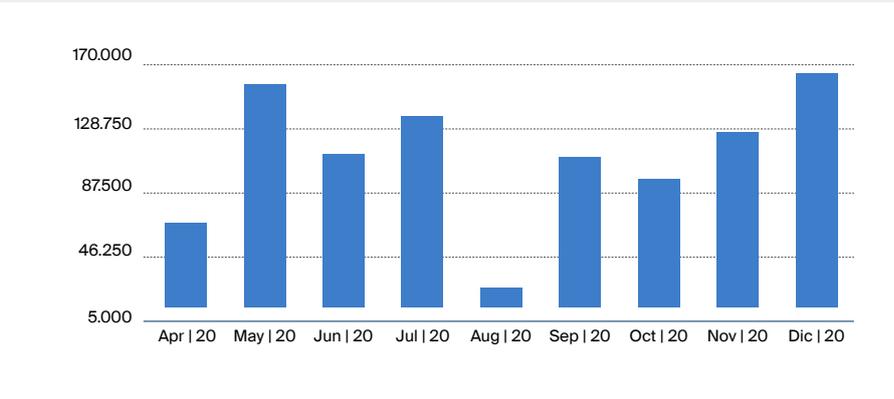
For this reason, we have decided to carry out the calculation of the carbon footprint of our organization, which affects our facilities located in Banyeres de Mariola, where our production center is located.

We have calculated the carbon footprint as a social and environmental commitment in the fight against climate change

For the calculation of the carbon footprint, Scope 2 or indirect emissions have been considered, that is, those derived from the consumption of electrical energy at our facilities.

The total consumption of electrical energy during 2020 was 918,388 kWh, of which 50.2% are of renewable origin, which means that the emission of CO2 from the consumption of this energy is 0. The following graph shows the evolution of consumption in our first year as Recover™:

Electricity (kWh)



During 2020, 50.2% Of energy consumption has come from renewable origin

Carbon footprint Tn CO2 eq (Scope 1 and 2)	2020
Scope 1	0
Scope 2	180.9

If we compare the previous data per tons of fiber produced, the ratios we obtain are the following:

kWh/ tn fiber produced	517.03
Tn CO2/ tn fiber produced	5.08

Our intention is to continue working to improving this indicator, to align ourselves with the “National Plan for Adaptation to Climate Change” and reach the carbon neutrality target for 2050, as proposed by the EU.

To do this, we will continue looking for energy trading companies that guarantee the renewable origin of our electricity supplies, and we will apply energy efficiency measures to reduce our energy demand as much as possible. In addition, with the acquisition of new machinery, we intend to reduce, in the coming years, the ratios of energy consumption per ton produced.

Committed to people

Our employees



The start of a new path such as Recover™, a large-scale project with the aim of expanding the supply of recycled cotton fiber in the largest textile producing countries in the world, would not be possible without the people who work in our organization.

In this sense, one of the most important aspects of our value of integrated sustainability is people. In this regard, we offer them better opportunities: we bet on continuous training as a fundamental pillar for their professional development, we promote a work environment based on ethical behaviours, respect and equal opportunities, and, above all, we provide optimal health and safety conditions at work.

83%

of workers have a permanent position

At Recover™, we are committed to stable and quality employment.

Health and safety in the workplace

The well-being and safety of our employees is one of our greatest concerns. We analyze, identify and evaluate the health and safety risks that each of the people who are part of Recover™ may face at some point.

100%

of our staff is covered by social security and the company's health and safety is carried out by the external prevention service



We promote sustainable mobility

In the hiring process, proximity to the place of residence is considered a primary factor with the aim of promoting local economic development and reducing greenhouse gases caused by commuting. In addition, it is a key factor to promote the reconciliation of work, family and personal life.

91.5%

of our staff have their place of residence within 22km



Community	Average staff	Km from work
Work from home	3	0
Banyeres de Mariola (Alicante)	5	1
Ontinyent (Valencia)	1	20
Alcoy (Alicante)	12	21
Castalla (Alicante)	1	26
Alicante (Alicante)	1	70

Equality, diversity and non-discrimination

We consider it essential to promote a work environment based on ethical and respectful behaviours that promotes equal opportunities between women and men and non-discrimination in all areas: access to employment and occupation, internal promotion, conciliation measures, internal training, working conditions and equal pay.

Our company is characterized by its commitment to equal opportunities, where the value of people lies in their abilities and professionalism.

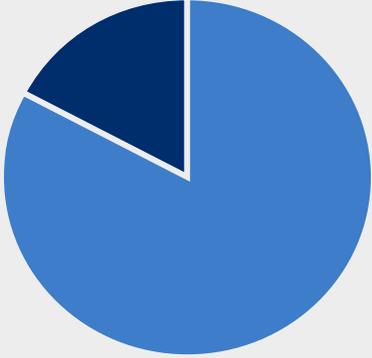
Our work team is made up of 96 people representing a total of 6 different nationalities.

23

employees

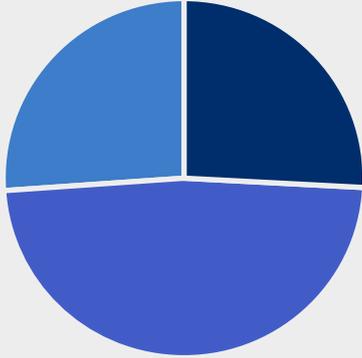


Our employees



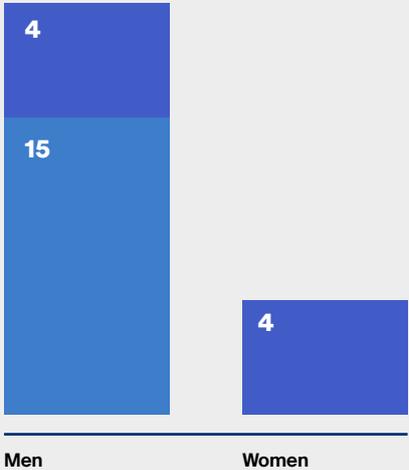
By Gender

- Women (17%)
- Men (83%)



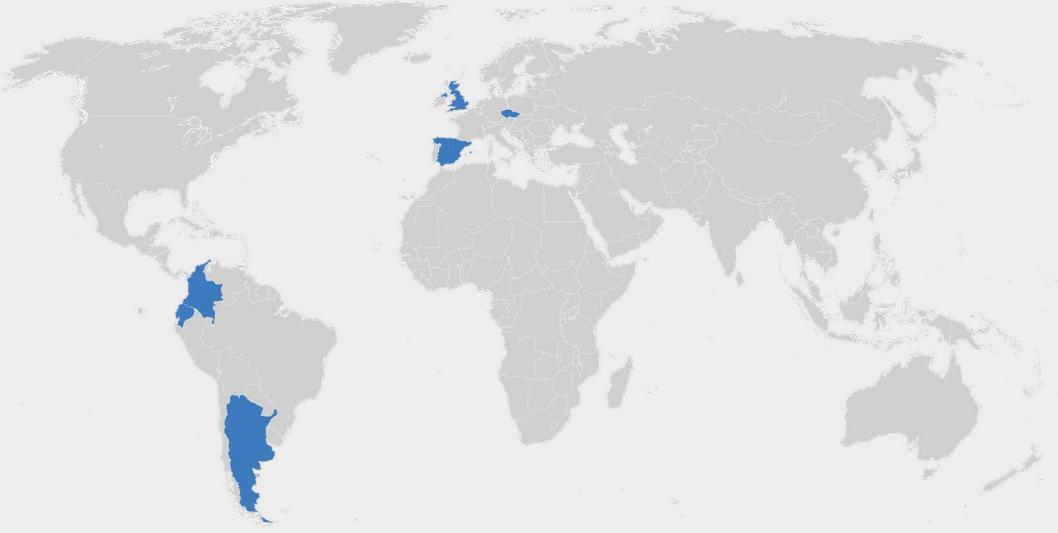
By age group

- Between 30 and 40 years (48%)
- Between 40 and 50 years (26%)
- Over 50 years (26%)



By type of contract

- Permanent
- Temporary



By geographic area



The importance of internal training for the professional development of people

Continuous training helps drive the professional and personal development of our team. The training we offer equips our people with the necessary tools to carry out their functions with more professionalism, safety and efficiency.

Training in the prevention of labor risks

Training in occupational risk prevention and safety at work aims to train staff on all risks and preventive measures that may occur in the workplace.

Training on the job

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

100% of our employees have gone through this initial training period and in 2020, all newly hired operators received on-the-job training.

608

Hours of training



Health and safety in the workplace

6 hours

Road-safety education

6 hours

Training on the job

600 hours

Sustainable sourcing

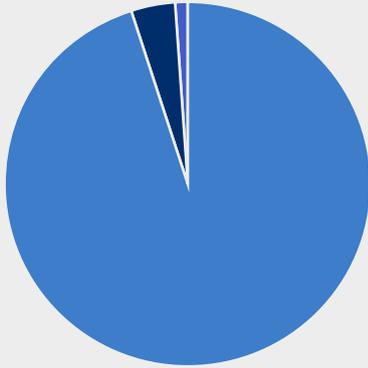
One of the fundamental pieces of our supply chain are our suppliers, who must be aligned with our business strategy, where transparency prevails to maintain a solid and lasting relationship. We encourage, whenever possible, the hiring of local and proximity suppliers, thus contributing to the local community.

95%

of purchases were made with Spanish suppliers (2020)



The volume of purchases in 2019 rose to 628.000€, which came from the countries seen in the pie chart below:



Volume of purchases by country in 2019

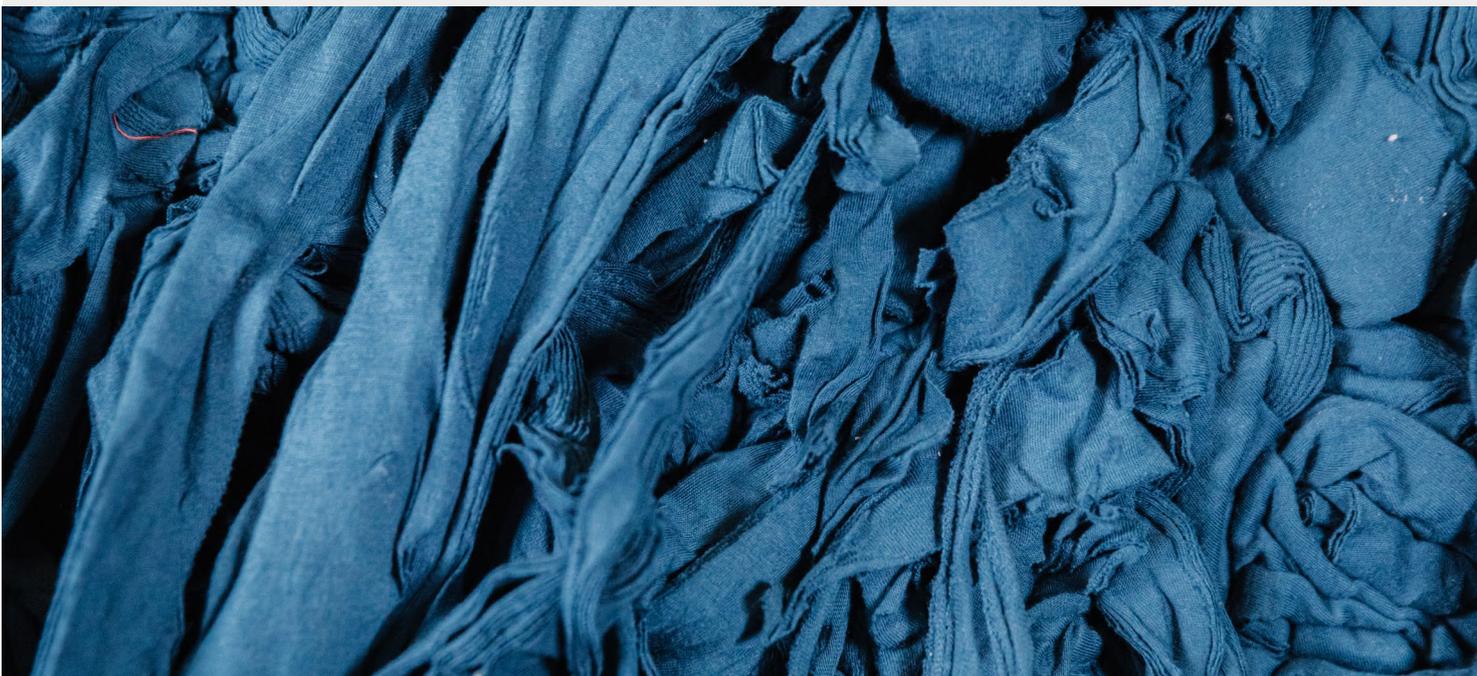
- Spain (95%)
- Portugal (4%)
- Salvador (1%)

We guarantee that no company in our supply chain, in any way violates Human Rights or any laws on labor practices, including forced labor or labor carried out under duress. In addition, we ensure that they support the abolition of discriminatory practices in employment and the eradication of child labor. Any indication of this would automatically lead to the severance of business relations with this company.

In addition, we ensure that our suppliers comply with quality standards and minimum requirements, both social and environmental, in order to establish fruitful relationships.

100%

of the raw materials consumed come from textile waste (2020)



Leader of change

To make our vision of achieving circular fashion for all a reality, there are several things that we as Recover™ can do directly to improve and innovate our processes and products. However, many things that are needed to shift the industry from linear to circular require coordinated and committed collaboration from a variety of stakeholders, including the supply chain, brands and retailers, non-profit sector, policy makers and also consumers.

For Recover™, to be a leader of change means

-  **To inspire**
and educate others on the urgency and opportunity for sustainability and climate action.
-  **To work**
together with other industry stakeholders in a non-competitive way towards the shared goal of creating a planet positive and resilient circular fashion industry.
-  **& To work**
at the level of policy and regulation in order to advocate for the rules and incentives that are needed to shape a sustainable, resilient and circular future.

Industry collaboration



As part of our commitment to sustainability, Recover™ continues to support Textile Exchange through membership and has also joined the Sustainable Apparel Coalition (SAC). By participating in sessions and sharing knowledge and experience to these industry platforms, Recover aims to contribute to a collaborative Both industry platforms serve as As a member of both has Membership TE, SAC



In 2020, Recover™ laid the groundwork to participate in several concrete multistakeholder projects including Accelerating Circularity Project (ACP), the ReHubs project, Circular Fashion Partnership, and the Denim Deal. In all of these projects, Recover™ aims to play an active, leading role.



Furthermore, in 2020, Recover™ started to build a roadmap for the scaling of pre- and post-consumer waste (PCW) recycling. Recover™ formulated the goal to have >40% of inputs coming from pre- and post consumer sources by 2025 (±85.000 Mt). Roll out of the roadmap is planned to start in q1 of 2021.

Advocacy



Policy and regulation are essential drivers to achieve a circular fashion industry. As part of the Circular Economy Action Plan, many European and national policies are currently in development. At Recover™, we aim to follow developments closely and contribute actively to consultations and other vehicles for providing feedback on suggested policy.



Recover™ also actively advocates for changes in policy regarding the transport and management of waste textiles. In many countries, regulation regarding the handling, transport, import and management of waste is not in favor of circular practises including recycling. For Recover™ textile waste is considered a resource and we are part of a growing group of stakeholders advocating for new policies that reflect that.

Inspire & educate



Through our social media channels we try to reach end consumers to educate them about Recover™ and the benefits of recycled cotton, raise awareness about industry issues and initiatives, and empower them by offering guidance on sustainable practises.



Throughout all B2B presentations to customers, Recover™ provides context and facts regarding the climate crisis, waste crisis and other environmental issues that require urgent action. Sustainability is at the core of Recover™ and our teams not only try to educate our customers and partners on environmental issues, we also provide tools and solutions that can help them adopt more sustainable practises. One example is the Recover™ circular design guide that we share with brands & retailers to help them design for circularity.



Recover™ has regular speaking engagements at industry events, universities and research institutes where Recover™ ambassadors talk about the problems in the industry and the urgency to address them and why we do what we do.

GRI contents index

GRI standards - global reporting initiative (GRI)

GRI 101

Fundamentos (2016)

GRI 102

Contenidos generales (2016)

Profile of the organisation

102-1. Name of the organisation	4
102-2. Activities, brand, products and services	9-13
102-3. Site location	4
102-4. Operating locations	4
102-5. Ownership and legal form	4
102-6. Markets served	7
102-7. Size of the organisation	16-56
102-8. Information on staff and new employees	54-58
102-9. Supply chain	46-51
102-10. Changes in the organisation and the supply chain	46-51
102-11. Precautionary approach	23-24
102-12. External initiatives	23-24
102-13. Affiliations and associations	5

Strategy

102-14. Declaration of executives	2
-----------------------------------	---

Ethics and integrity

102-16. Values, principles, standards and rules of conduct	2
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Administrative structure

102-18. Administrative structure	8
----------------------------------	---

Stakeholder participation

102-40. List of stakeholders	20
102-41. Collective bargaining agreement	100% of staff
102-42. Identification and selection of stakeholders	20-21
102-43. Focus of participation of stakeholders	20-21
102-44. Key subjects and concerns mentioned	20-22

GRI content index

Practices for the creation of reports

102-45. Entities included in the consolidated financial statements	2
102-46. Definition of report content and subject coverage	19
102-47. List of material issues	20-22
102-48. Expression of information	19
102-49. Changes in the report's format	20-22
102-50. Target period of report	2019
102-51. Date of last report	2018
102-52. Creation cycle of reports	annual
102-53. Point of contact for questions about the report	4
102-54. Declaration of the creation of the report in accordance with GRI Standards	19
102-55. GRI Content Index	66
102-56. External verification	Not applicable

Material issues



Economic

204. Acquisition practices (2016)

204-1. Name of the organisation 1,2,6

205. Anti-corruption

205-3. Confirmed cases of anti-corruption 1,2,6

Environmental

301. Materials (2016)

301-1. Materials used by weight or volume 7,8,9

302. Energy (2016)

302-1. Energy consumption within the organisation 7,8,9

305. Emissions (2016)

305-1. Direct emissions from GEI 7,8,9

306. Effluents and waste (2016)

306-1. Water dumping regarding quality and destination 1,2,6

306-2. Waste by type and method of elimination 1,2,6

Social

401. Employment (2016)

401-1. New employee recruitment and staff rotation 1,2,3,4,5,6

404. Training and education (2016)

404-1. Average annual training hours per employee 1,2,3,4,5,6

405. Diversity and equal opportunities (2016)

406-1. Diversity in management and staff 1,2,3,4,5,6

406. Non-discrimination (2016)

408-1. Cases of discrimination and corrective measures taken **No cases of discrimination have been detected**

407. Freedom of association and collective bargaining

407-1. Operations and suppliers whose right to freedom of association and collective bargaining could be at risk 1,2,3,4,5,6

416. Health and safety of clients

416-1. Evaluation of the impact on health and safety of categories of products or services 1,2,3,4,5,6