Sustainability report

2021
edition

recover™ | CIRCULAR FASHION FOR ALL

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1. Introduction

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Highlights in 2021

Recover™ milestone events 2021

JANUARY
- Recover™ becomes SAC member

FEBRAURY
- First independent GRS & Oeko-Tex Standard 100 certification for Recover™ in Spain
- Recover™ partners with Circular Fashion Partnership

MARCH
- Recover™ joins Accelerating Circularity Project Europe
- Recover™ participates in the Innovation Forum

APRIL
- Social Media launch
- Start up of new Blending plant in Spain

MAY
- Launch of the first Primark x Recover™ collection
- Recover™ partners with ADM
- Recover™ joins ReHubs initiative as Business Council member

JUNE
- Recover™ Trademark License Agreement created
- GFA panel talk participation
- ISEM talk participation
- Recover™ joins as a UN Global Compact Member

JULY
- Recover™ creates the Stronger Together partnership with Hansae and Happy Punt

AUGUST
- Website launch
- Recover's first Sustainability Report published
- Recover™ joins Textiles 2030
- Recover™ joins Policy Hubs

SEPTEMBER
- Fast Company Innovation by Design Honorable Mention
- Recover™ partners with Alkaram
- Recover™ becomes a Denim Deal signatory

OCTOBER
- Recover™ partners with Polopiqué
- The first Lovers and Friends collection launches in the Revolve and Recover™ partnership
- World Circular Textiles Day event
- Recover™ joins the AAFA

NOVEMBER
- Recover™ wins the Ryan Young Award
- Textile Exchange Conference
- Installation of Textechno's fibrotest

DECEMBER
- Recover™ wins at Drapers 2021
- Internal sustainability training

Message from the CEO

Dear Friends,

Continuing from 2020, the year that marked the beginning of Recover™, 2021 was a year that we grew our activity and begun our journey. It was a year for building new partnerships, with brands, global stakeholders, and customers, as well as increasing our production capacity with the launch of our manufacturing hub in Bangladesh. I am proud to have seen our team grow and welcome many new nationalities, and look forward to seeing where the next year ahead takes us.

Globally we are observing an increasing urgency to move to more sustainable alternatives, and at Recover™ we offer a solution that is one of the most sustainable fibers in the market today. People are now increasingly more aware of their consumption habits and the role that they play in climate protection, and our aim is to inspire customers on this sustainability journey through education and the circular solution that we can offer them. All the awards and accomplishments that we achieved in 2021 are great barometers of our success and speak of how positively our solution has been received.

As a materials science company, 2021 was also a year of innovation, with our projects to scale PCW recycling and to create our own fiber tracer system, just two highlights that show how we are continuing to push the boundaries of innovation. As our first full year in operation, the year allowed us to set the baseline for measuring all our sustainability KPIs, so that we can evaluate our impact, set goals to reduce our footprint and define our strategy for contributing to sustainable development going forward.

Sustainable action is a fundamental element of our strategy and through committing to the highest industry standards and joining the relevant initiatives we continue to drive circularity in the textiles industry. Throughout our 75-year history, the 17 Sustainable Development Goals have been engrained into our DNA and strategy at Recover™, and in 2021 we continued to show our commitment to achieving these and helped engage the fashion industry to accelerate action in achieving them.

We also remain dedicated to our policy commitments for responsible business conduct and respecting human rights, through our commitment to the UN Global Compact and SAC Coordinated Goals.

I want to thank all of the hard work done by our team, using their talent in the service of this ambitious project. I personally commit to maintaining and growing this positive energy that we have at Recover™ in our pursuit for Circular Fashion for All. Thank you for teaming up with us on our mission.

Alfredo Ferre Garcia
CEO

| 2021 |
Ryan Young
Climate+ Award

| 2021 |
Drapers
Disruptor Award

| 2021 |
Fast Company: Material & Sustainability
Innovation by Design

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.

Recover™ production network

The Recover™ headquarters and primary production hub is based in Banyeres de Mariola, Spain. In August 2020, the facility was equipped with state of the art machinery, increasing its production capacity.

In 2021, **the first additional Recover™ owned manufacturing hub** was established in Dhaka, Bangladesh.

In 2021, we implemented our proprietary Recover™ process in our Strategic Alliance Partner's facility in Pakistan.

1 R 2020
8 R 2024
6 R 2023
2 R 2021
3 R 2021
4 R 2022
7 R 2023
5 R 2022
9 R 2024

1 | 2021 | Spain
Latest technology machine (08/2020)
Innovation Headquarters; Delivers EMEA Region

2 | 2021 | Pakistan

3 | 2021 | Bangladesh

4 | 2022 | Bangladesh
2nd Hub estimated for August 2022

5 | 2022 | Vietnam
Supports Southeast Asia

6 | 2023 | Central America
(Q1 2023) Supports US Market

7 | 2023 | India
(Q3 2023)

8 | 2024 | Mexico
(Q1 2024) Supports US Market

9 | 2024 | Brazil
(Q3 2024) Supports US Market

Growth plans

We are investing greatly in the growth of the company with the objective to scale the production of recycled fiber to meet surging demand. To achieve this, we are opening new manufacturing facilities around the world.

Reinforcing our presence in Bangladesh, we will open a second hub in Dhaka in 2022, fully equipped with an RColorBlend installation, Recover's proprietary technology to provide fiber blends with color, at a lower environmental cost.

We will expand into Asia with a new facility in southern Vietnam. This facility will be vital to support the Southeast Asian market.

Operations in Spain will also be expanded with greater investment in product development and further strategic alliances and business partners will look to be established globally.

The hub locations have been carefully considered in Recover's expansion plans, with the new facilities situated close to the textile waste and/or textile manufacturing, thereby being close to both supply and demand. Choosing these locations also helps reduce our carbon footprint, as the transport of the raw waste material has a significant carbon impact. South Asia and North/Central America are two of the largest cotton waste producing regions and by establishing a presence in these countries, we can take another big step in closing the loop on fashion.

We also continue to join with actors in the industry to put in place infrastructure to help scale the recycling of pre- and post-consumer waste (PCW) textiles and invest in long-term purchasing agreements worldwide to lockup waste supply. We aim to have PCW represent up to 40 percent of our inputs by 2025 and in this way help tackle the post-consumer textile waste crisis.

27% collected

< 1% recycled into new clothes

14% downcycled

12% reused

73% landfilled or incinerated

waste crisis

You might see waste, we see circular solutions.

The Recover™ process is a textile-to-textile recycling system and falls under the mechanical recycling of textile waste. Through our proprietary system, we recycle three categories of textile waste: post-industrial, pre-consumer and post-consumer.

POST - INDUSTRIAL

This is textile fabric waste from garment manufacturing, also called clips or scraps.

In industry standards (eg. GRS), post-industrial waste is usually classified under the pre-consumer waste category.

PRE - CONSUMER

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

POST - CONSUMER

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 and focus of innovation is to scale the recycling of pre- and post-consumer waste.

The Recover™ process

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

Once textile waste is submitted, the large pieces of textile are cut into smaller ones, suitable for subsequent cleaning and shredding.

The small pieces of textile waste are later processed inside a shredding machine to create high-quality recycled cotton fiber.
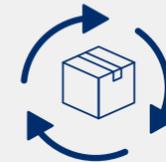
We work together with our strategic partners to integrate our process into the supply chain.
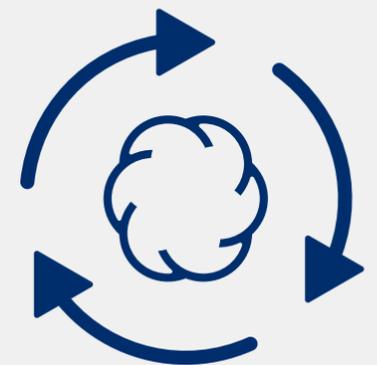
We provide a closed-loop end-to-end solution.

Our product line

RCotton

RPure ⟳
RMix ⟳ ⟲OF
RDenim ⟲ ⟲OF

RColorBlend

RBlue ⟳ + ⟳
REarth ⟳ + ⟳

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 PRure, 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.

≥90%
Recycled cotton

≤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
≥ 80% recycled cotton

≤20% other fibers (polyester, viscose...)

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. 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.

Custom blends available.

50%
Recycled cotton

50%
Organic cotton

2. Our sustainability approach

| Circular fashion for all | Our sustainability vision | Circular products | Responsible production and supply chain | 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 chains 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

Our key priority is to improve as much as possible the sustainability performance, both environmental and social, of our own products, processes, and overall facility operations and to have full traceability and transparency of our product and supply chains. This means for example that Recover™ continuously tracks environmental impacts at product, process, and company level through LCA tools and other indicators in our Environmental and Social Management System (ESMS). With the help of these tools Recover™ can identify key hotspots for improvement, identify effective interventions and track performance against a set of well-defined KPIs. In addition, we adhere to leading industry certifications and assessment schemes including GRS, OCS, Oekotex Standard 100, Higg FEM and Higg FSLM. These processes and standards are rolled out across all Recover™ hubs worldwide.

To be a frontrunner means we are at the forefront of change and disruption. Transforming our industry from linear to circular doesn't happen overnight and we cannot do it alone. Therefore, Recover™ has also set several objectives that require collaboration with business partners, suppliers, customers, and other industry stakeholders.

We have also formulated commitments and undertake actions that are designed to benefit the wider industry, community, and planet. Only together can we build and scale the traceable, resource efficient, resilient circular supply chains that we need to achieve the climate targets and stay within the planetary boundaries. The urgency for coordinated, collective action has never been greater, and Recover™ is strongly committed to do what we can to positively contribute.

For Recover™, 2022 is all about responsible growth. As we continue to expand our recycling capacity, supplier base and customer base by opening additional hubs in different geographies (Pakistan, Bangladesh, Vietnam), we will work closely with local teams to uphold the Recover™ quality and sustainability standards and frontrunner status on a global level. We aim to book progress across all environmental and social indicators, with particular focus on supply chain traceability, zero waste, GHG reduction, and scaling post-consumer waste recycling.

In 2022, Recover™ will also formulate climate targets for 2030, to be validated and tracked by the Science Based Targets Initiative.

We will continue to be part of relevant industry initiatives, organisations and conversations that aim to drive circularity in textiles, including ReHubs initiative, Accelerating Circularity, Policy Hub, WCTD, SAC, Textile Exchange, Denim Deal and Textiles 2030.

Hélène Smits
Chief Sustainability Officer
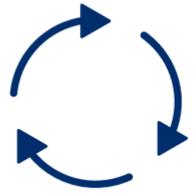
Circular products

Objective: Recover™ products are made with minimal environmental impact

| 6 CLEAN WATER AND SANITATION | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION |

In 2021 we changed to recycled polyester for all bale packaging.

Spain facility shifted to 100% renewable energy.
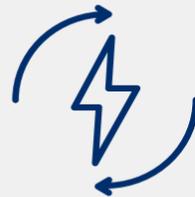
Recover™ selected an LCA service provider and started the implementation of the LCA tool in Recover™ Spain.

LCA

Recover™ implemented an Environmental and Social Management System (ESMS) to review, evaluate, and improve our environmental and social performance.

Recover™ set up environmental KPIs and goals for water, energy, waste and chemical products starting with the Spanish Hub. This process will be repeated for all Recover™ hubs worldwide.

Furthermore, we are assessing the environmental performance of our products and processes through the Higg Facility Environmental Module (FEM) and the Higg Materials Sustainability Index (MSI).

R

Circular products

Objective: Recover™ is a zero waste company.

PLASTIC	
TEXTILE	
CARDBOARD	
METAL	
PALLETS	
HAZARDOUS WASTE	

NO LANDFILL
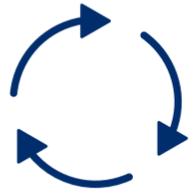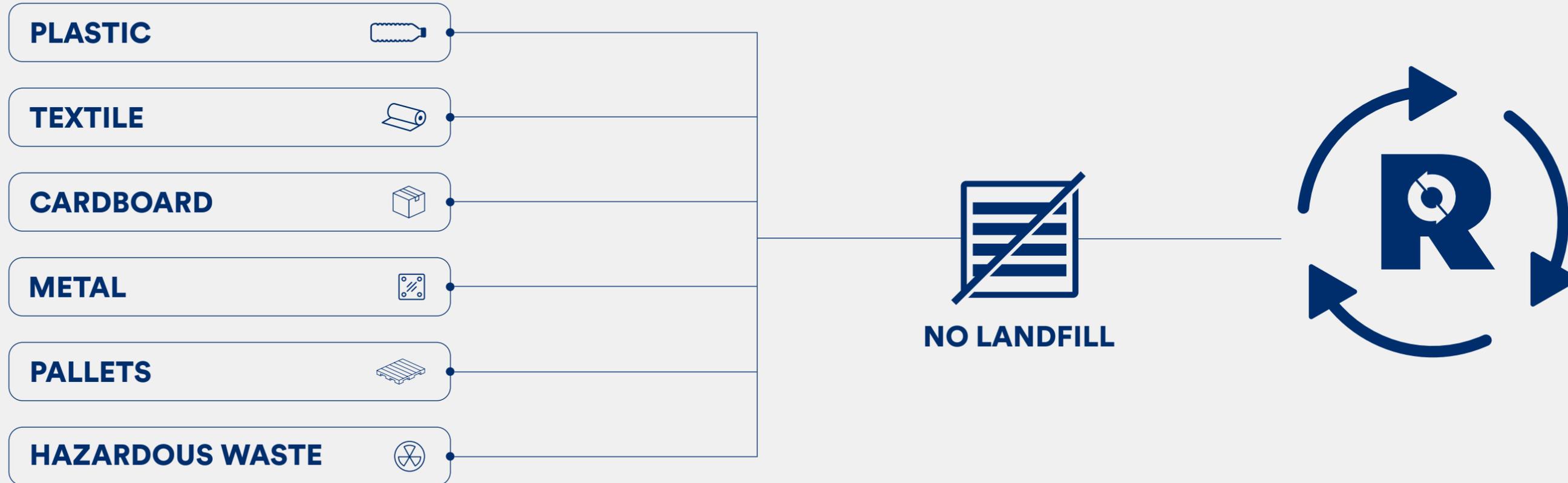
In 2021, Recover™ has mapped the waste streams allowing us to determine a baseline for setting ambitious targets for prevention, recovery, and recycling.

We have embedded sustainability requirements within waste management contracts, aiming for no waste to be sent to landfill.
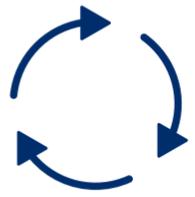
Circular products

Recover™ products are aligned with a Circular Textiles System.

In 2021, we recycled 310 Mt of post-consumer waste (PCW).
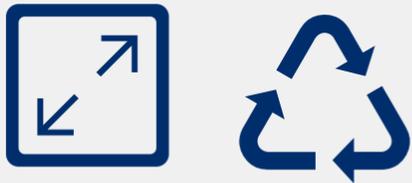
15 tonnes of textile waste were recycled through closed loop projects with brand partners.

All polyester used for our RBlue RColorBlend products are recycled and GRS certified.

We launched our PCW project, onboarded supply chain and brand partners for the project, indentified Recover's PCW sourcing network and started mapping the ecosystem of PCW suppliers. We collaborated on industry projects such as Accelerating Circularity Project and ReHubs, aiming to establish and scale circular supply chains for textiles.

The pre- and post-consumer waste recycled for the closed loop projects were used to create new textile products including jackets, polo-shirts and canvas bags.
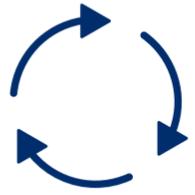
Circular products

Objective: Recover™ drives circular design practices.

Design for Cyclability

Recover™ input specifications were translated to Design for Cyclability guidelines that we share with our Alliance Partners.

Collaborations

Throughout 2021 we contributed to industry initiatives, such as Textiles 2030, ReHubs and ACP, with the aim to drive circular design practices.
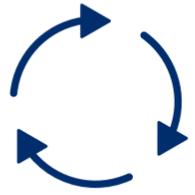
Circular products

Objective: Recover™ drives circular design practices & Recover™ products are made with minimal environmental impact.

Our impact | Facts

Products: we have set up Environmental KPIs for energy consumption, water usage, carbon emissions and waste reduction and recycling, starting with the Spanish hub. These KPIs will be replicated for all Recover™ hubs worldwide.

RESOURCES PURCHASED

Post-industrial waste	Post-consumer waste	Recycled polyester carrier fibers	Packaging (Plastic wrap PE, ropes/ strings, tape)
7,141,868.2 kg	**275,717.6 kg**	**862,482.6 kg**	**37,065.3 kg**

RESOURCES USED

Energy: 100% Renewable energy (kWh)	Water (liters)
3,175,546	**363,383.471**
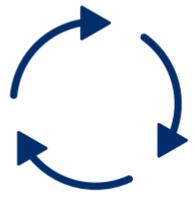
Circular products

Objective: Recover™ drives circular design practices.

Our impact | Facts

Emissions: we are measuring and disclosing our carbon footprint to the Ministry for the Ecological Transition in Spain.

Recover™ is committed and working to reduce its GHG emissions and we'll set up our 2030 climate targets aligned with the Science Based Targets Initiative (SBTi) by September 2022.

Scope 3:
Upstream emissions along the value chain

- Purchased goods and services
- Capital goods
- Fuel and energy related activities (not included in scope 1 or scope 2).
- Upstream transportation and distribution
- Waste generated in operations
- Business travel
- Employee commuting
- Upstream leased assets

Scope 2:
Indirect emissions from purchased energy for Recover´s fiber recycling plants

- 100% renewable energy
- 167.743,99 kg CO_2 eq

Scope 1:
Direct emissions of Recover´s fiber recycling plants

- Diesel used for vehicles
- 44.728,96 kg CO_2 eq

Recover™ fiber recycling plant

Scope 3:
Downstream emissions along the value chain

- Downstream transportation and distribution
- Processing of sold products
- Use of sold products
- End-of-life treatment of sold products
- Downstream leased assets
- Franchises
- Investments

Responsible production and supply chains

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

We have embedded respect for human rights in our relevant practices and policies, including our internal Code of Conduct. All of 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.

Recover™ implemented an Environmental and Social Management System (ESMS) to review, evaluate, and improve our environmental and social performance.

In 2021, we completed sustainability training for 100% of Recover™ staff.

Furthermore, all Recover™ production hubs evaluate on a yearly basis their environmental and social performance through the Higg Index, and seek external assurance through GRS, OCS and Oeko-Tex Standard 100 certification.

Achieved certifications:

The Higg Index is a suite of tools for the standardized measurement of value chain sustainability. Recover™ assesses the social and environmental performance of the value chain and the environmental impacts of products through the Higg Materials Sustainability Index (MSI), the Higg Facility Environmental Module (FEM) and Higg Facility Social & Labor Module (FSLM). All of Recover´s facilities submit the self-assessments of the FEM and FSLM on a yearly basis and undergo external verification of these.

Global Recycled Standard (GRS) is an international, voluntary standard that set 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. All Recover™ facilities are GRS certified.

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

STANDARD 100 by OEKO-TEX® is one of the world's best-known labels for textiles tested for harmful substances. It stands for customer confidence and high product safety. The tests consider numerous regulated and non-regulated substances, which may be harmful to human health. In many cases the limit values for the STANDARD 100 go beyond national and international requirements.

Responsible production and supply chains

Our People | Facts

Employment:
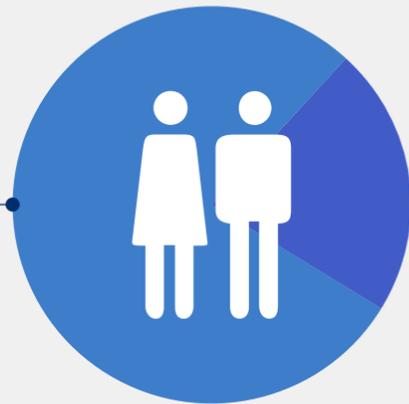
Recover™ Global
- 22% Female
- 78% Male
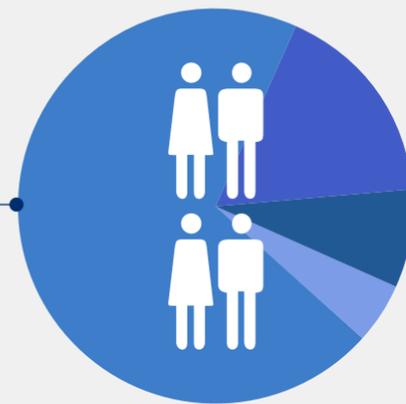
Permanent employees
- 17% Female
- 70% Male

Temporary employees
- 5% Female
- 8% Male

2,59 Contractors
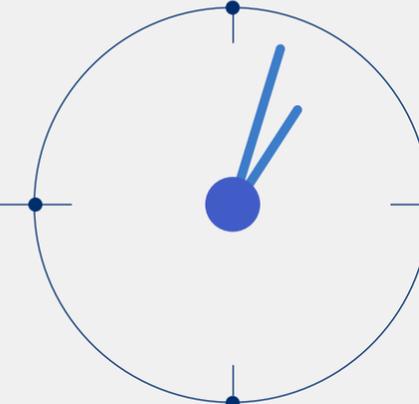
54h. Sustainability training
158h. Health & Safety training
508h. On-the-job training
4h. Personal training

Freedom of Association & Collective Bargaining

In Spain 100% of Recover™ employees are covered by the Convenio Textil, who negotiates on behalf of all textile workers the working conditions. In 2022, Recover™ will set up worker committees in Spain and Bangladesh.

Responsible production and supply chains

Our People | Facts

Discrimination:
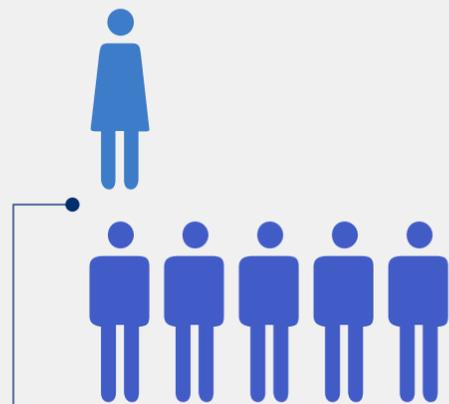
Diversity in management
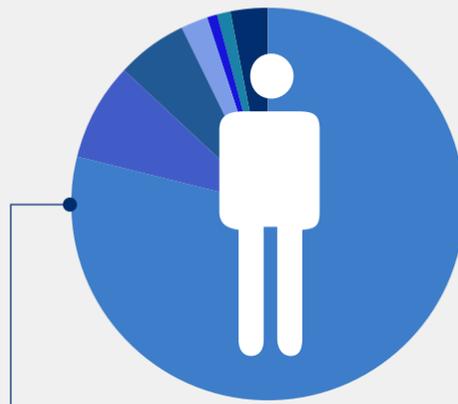
Nationality male
- 79% Spain
- 8% Bangladesh
- 6% France
- 3% US
- 2% Italy
- 1% Colombia
- 1% UK
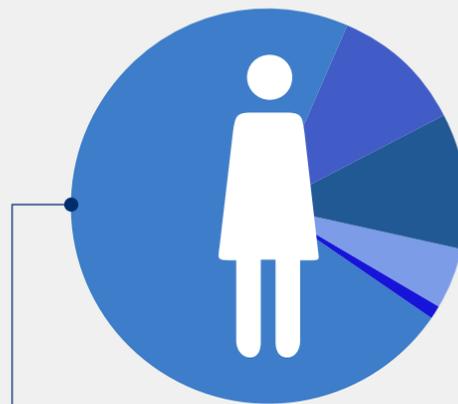
Nationality female
- 72% Spain
- 11% Czech Republic
- 11% Argentina
- 5% UK
- 1% Portugal
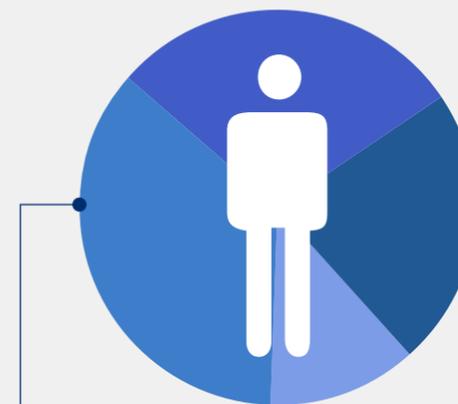
Age male
- 12% <30
- 36% 31-40
- 23% 41-50
- 29% >50
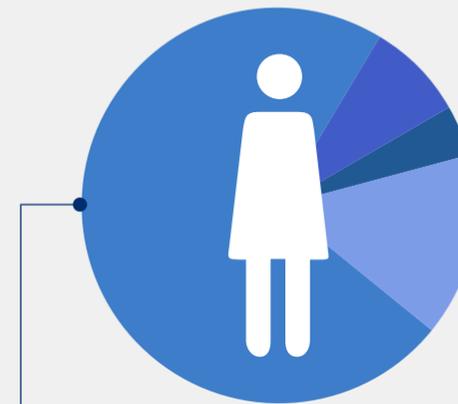
Age female
- 15% <30
- 73% 31-40
- 8% 41-50
- 4% >50

In 2021, no cases of discrimination have been reported.

Disability: 0

Responsible production and supply chains

Our People | Facts

Gender equality

In 2022, we are going to conduct a remuneration audit which will identify any gender pay gap. Together with other significant data and feedback from employee surveys, this information will be the baseline of the development of Recover´s gender equality plan.

All employees have the right to take parental leave. We support all employees to fulfil their career ambitions during and after parental leave. In 2021, one female employee was granted parental leave, and she returned to her position at Recover™ afterwards.

Child labor

No cases reported.

We do not tolerate any form of child labor. We do not employ people below the age of 15 or below the local minimum employment/mandatory school age – whichever is higher and relevant to the particular country.

Health & Safety

All of our employees are covered by an occupational health & safety management system.

Every year, we register the accidents that happen in our workplaces and take measures to avoid such accidents from occurring again in the future. In 2021, no accidents occured in Bangladesh, and in Spain 3 minor accidents involving absence and 6 accidents without absence occured for an average workforce of 39.35. employees in Spain in 2021. This represents a loss of 0,48% of hours of production due to accidents. In 2021, globally there have been no cases of work-related ill-health. This internal data is then shared and compared to the national indices.

Forced labor

No cases reported.

We do not tolerate any form of forced labor.

Grievance and whistleblowing

In 2022, we will set-up an anonymous grievance system for employees, and other stakeholders to raise any concerns relating to potential bribery, discrimination, fraud, corruption, environmental pollution, safety and health violations, harassment or other significant topics.

Responsible production and supply chains

Objective: Recover™ products and supply chains are traceable.
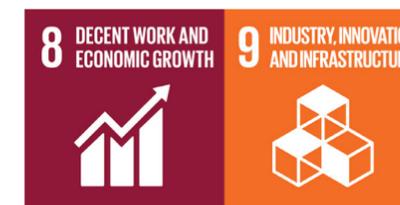
In 2021, we initiated our Fiber Tracer proof of concept, with milestones including the selection of the solution and the testing in applications.

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.

We introduced traceability requirements for our textile waste traders.

Responsible production and supply chains

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

Our Code of Conduct for Business Partners and suppliers covers requirements with regards to worker' rights, environment, ethics as well as compliance and reporting. All Recover™ production hubs worldwide are required to apply the Code of Conduct to their Business Partners and suppliers as a minimum standard, irrespective of the jurisdiction in which they operate and the laws applicable to the jurisdiction.

Our supplier engagement involves a number of processes to ensure suppliers meet our quality and sustainability expectations. They include supplier onboarding, supplier evaluation (quality, CoC compliance, stewardship), and continuous improvement.

Progress in 2021:

- **The Recover™ Code of Conduct for Business Partners and suppliers was created.**

- **Recover™ set standards and certification requirements for Recover's Business Partners and suppliers**

Agents of change

Objective: Recover™ is aligned with Science Based Targets.

Background

Given the environmental and business implications of increasing global emissions, the sector should actively mitigate GHG emissions to ensure that they are in line with what climate science says is needed to limit global warming to 1.5 degrees Celsius (°C) above pre-industrial temperatures.

2021 Action

Recover™ has chosen data measured from 2021 as the base year for setting ambitious, science based GHG emissions reduction targets (SBTi).

2021 GHG

Recover™ measured in 2021:

- Scope 1: 44.728,96 kg CO2 eq (Diesel)

- Scope 2: 167.743,99 kg CO2 eq (Green electricity)

This objective has been added for 2022 onwards and has no activities in 2021 to report on.

Agents of change

Objective: Recover™ is a leader in transparency.

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 re-asses them on a bi-annual basis. All of our claims adhere to regulations and relevant/ globally accepted industry guidelines.

- **We created the Recover™ impact calculator which can be found on our website: www.recoverfiber.com**

- **We published our Sustainability Report 2020 with reference to GRI Standard.**

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

Agents of change

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

Recover™ aspires 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.

Our fully integrated communication platforms focus on education, and sharing how the supply chain, brands and consumers can act together to achieve circular fashion for all.

We communicate to consumers through highly understandable messaging with relatable concepts. For example, water savings can be compared to the annual consumption of drinking water or to the equivalent of showers.

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.

Thanks to PR activities, ongoing collaborations, and strong communications, during 2021 the Recover™ name grew within the industry to become a recognized brand.

Recover™ ended 2021:

- 60 articles throughout the year.
- In a total of 31 media outlets (excluding pick-ups).
- A total of 258M potential impressions.
- 7 press releases.
- 3 major events: Sourcing Journal Summit 2021, Textile Exchange annual global conference and CFS+/ Innovation Forum.
- 2 awards: Ryan Young Climate+ Leader and Drapers Disruptor Award.

Links to articles

Traceability and Transparency

What is regenerative agriculture and why is it important for the fashion industry?

Scaling Textile-to-Textile Recycling of Used Garments – The Holy Grail of Circular Textiles

2021 New York Summit Companion Report by Sourcing Journal

How Primark and Recover Are Scaling Up Circularity

Revolve's Lovers and Friends Line Introduces Sustainable Denim Collection With Recover

Discover all clippings for 2021

CLICK HERE

1 kg* of Recover™ recycled cotton saves up to 250 showers

or

13.5 years of drinking water

*1 kg = 2.2 lb

Check the full impact of Recover™cotton

Agents of change

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

Recover™ contributed to industry projects & associations: SAC, Textile Exchange, Textiles 2030, Circular Fashion Partnership, ACP, Global Compact, ReHubs, Denim Deal, Policy Hubs, AAFA:

SAC: Sustainable Apparel Coalition is the apparel, footwear, and textile industry's leading alliance for sustainable production. As members of the SAC and leaders in sustainability, we have a continued commitment to improving our environmental performance and share the vision of the coalition to creating a more sustainable, equitable, and just world for all.

Textile Exchange: Recover™ is member of Textile Exchange, a global non for profit with a robust membership representing leading brands, retailers, and suppliers. Textile Exchange is positively impacting the climate through accelerating the use of preferred materials across the global textile industry.

Textiles 2030: Recover™ is part of Textiles 2030, the WRAP's initiative to accelerate the fashion and textiles industry's move towards circularity and system change in the UK. Recover™ collaborates on carbon, water and circular textile targets, and also contributes to national policy discussions with UK governments to shape Extended Producer Responsibility and other critical regulatory developments.

Circular Fashion Partnership: As members of the Circular Fashion Partnership led by Global Fashion Agenda, we are working to achieve a long-term, scalable transition to a circular fashion system in Bangladesh, a country heavily reliant on the importation of textile fiber. Thanks to new analysis we can now see the significant value that would come from implementing this system and utilizing textile waste more efficiently there.

Accelerating Circularity (ACP): steering committee member. Recover™ is part of the Steering Committee of Accelerating Circularity, an apparel industry collaborative project, which has launched efforts to accelerate textile industry's move from linear to circular. Its project partners are ensuring broad stakeholder representation by collaborating with industry organizations on this work including sharing information, amplifying key messages and streamlining of efforts.

Global Compact: Recover™ joined the United Nations Global Compact in June 2021 as part of our commitment towards being a responsible company and achieving circular fashion for all. 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.

ReHubs: Recover™ is a Business Council member of Rehubs, a joint initiative unveiled by Euratex to upcycle textile waste and circular materials all over Europe. The aim is to create 5 hubs to process textile waste and become European coordination centers.

Denim Deal: The Denim Deal unites parties in the Post-Consumer Recycled (PCR) value chain and stimulates them to work together for a period of three years to achieve a more sustainable future in denim.

Policy Hubs: The Policy Hub unites the Apparel and Footwear industry to speak in one voice and propose policies that accelerate circular practices. Launched in 2019, the Policy Hub is supported by Sustainable Apparel Coalition (SAC), Global Fashion Agenda (GFA), Federation of the European Sporting Goods Industry (FESI), Textiles Exchange (TE), and the ZDHC Foundation. The Policy Hub uses this joint knowledge to advocate for better and more efficient policies that correspond to a shared vision– the circular apparel and footwear industry.

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.

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 its sustainable and cost-effective plug-and-play solution. In 2021, Recover™ received the following awards and recognitions:

| 2021 |
Ryan Young Climate+ Award.

Recover™ received the Ryan Young Climate+ Award at the Textile Exchange Conference 2021 for our overall commitment to meeting the Climate+ strategy goal, thanks to our work with key industry stakeholders to drive change, establish a new circular supply chain, and scale our production capacity.

| 2021 |
Drapers Disruptor Award.

Recover™ received the Disruptor Award during the 2021 Drapers Awards. We were recognized for our disruptive business model and efforts to scale recycled cotton fiber production to help more brands meet their sustainable goals and achieve circular fashion for all.

| 2021 |
Fast Company: Material & Sustainability Innovation by Design.

Recover™ received Honorable Mentions in the Fast Company's Innovation by Design Awards 2021 in two categories, Sustainability and Materials.

Agents of change

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

Recover™ contributed to:

Policy Hub: Policy papers

LINK HERE

Textile Exchange : Preferred fibers and materials market report 2021

LINK HERE

Textile Exchange : Insider series

LINK HERE
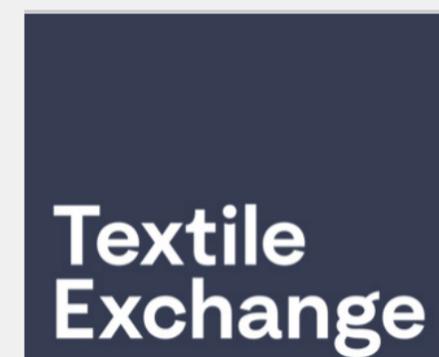
Textile Exchange : PFM Matrix

LINK HERE
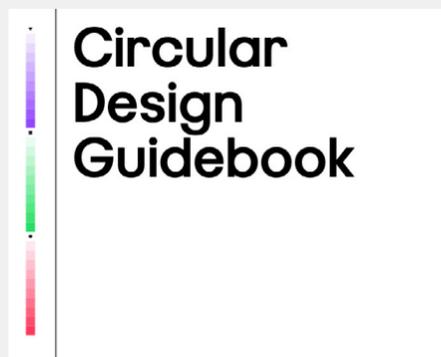
ASOS : Circular Design Guide

LINK HERE

WCTD: Roadmap to 2050

LINK HERE

Fédération de la Haute Couture et de la Mode (FHCM) : The challenges of textile recycling

LINK HERE

EU Strategy for Sustainable and Circular Textiles

LINK HERE

3. About this report

| Reporting standards and scope | Governance structure | Anti-corruption | Stakeholder engagement | Materiality analysis | Frameworks and assurance |

Reporting standards and scope

This 2021 Sustainability report was published on the 6th June 2022 and covers the financial year from 1st of January 2021 to 31st of December 2021.

This report provides a comprehensive view of Recover's approach to sustainability and our performance in 2021, 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.

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 2021, towards these principles.

It includes information relating 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

2021 Recover™ organogram
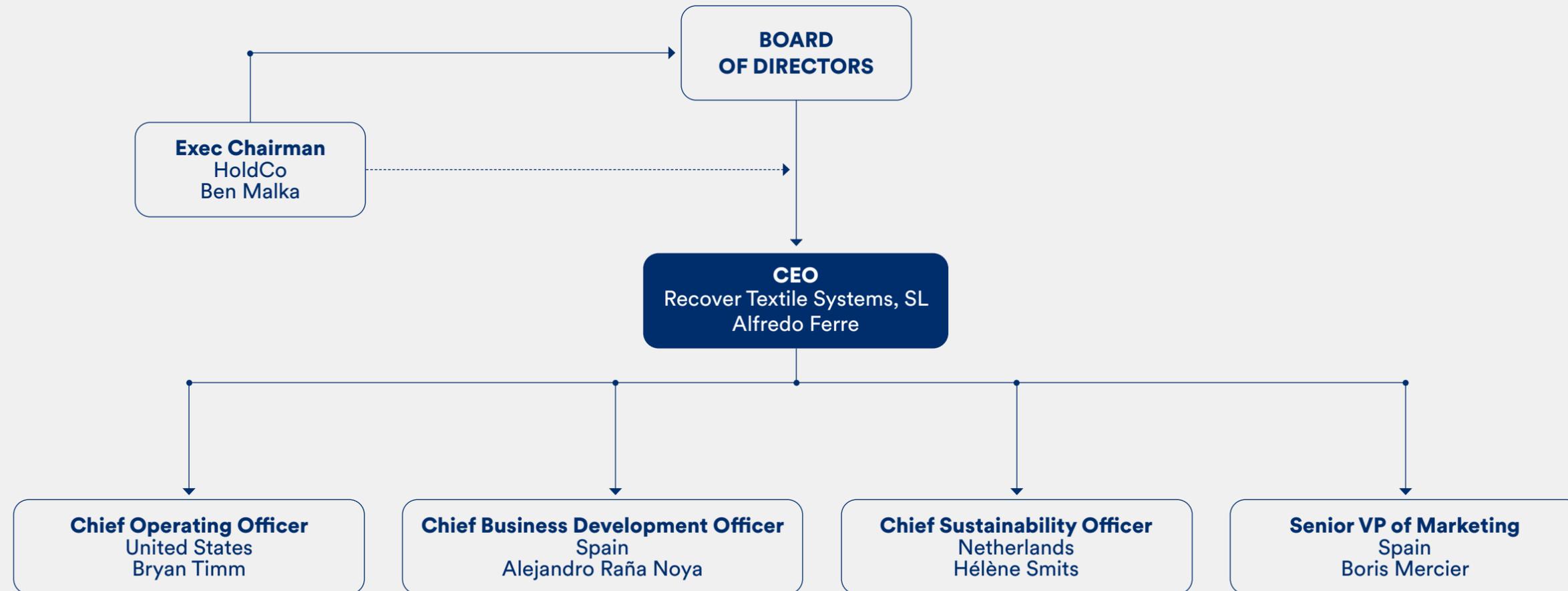
Recover Textile Systems, SL based in Spain and RBD Fibers Limited based in Bangladesh are affiliate companies of Recover Hold Co. spinning and textiles based in California, United States.

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. In 2022, we are planning to implement a whistleblowing procedure which allows employees to anonymously report suspected cases of non-compliance.

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.

Recover™ Code of Conduct

Corruption in any form is not accepted, including bribery, extortion, kickbacks and improper private or professional benefits to 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 benefit, or benefit for customers, agents or suppliers.

Stakeholder engagement

SHAREHOLDERS

ADMINISTRATION

STAFF

STAKEHOLDERS

SUPPLIERS

CUSTOMERS

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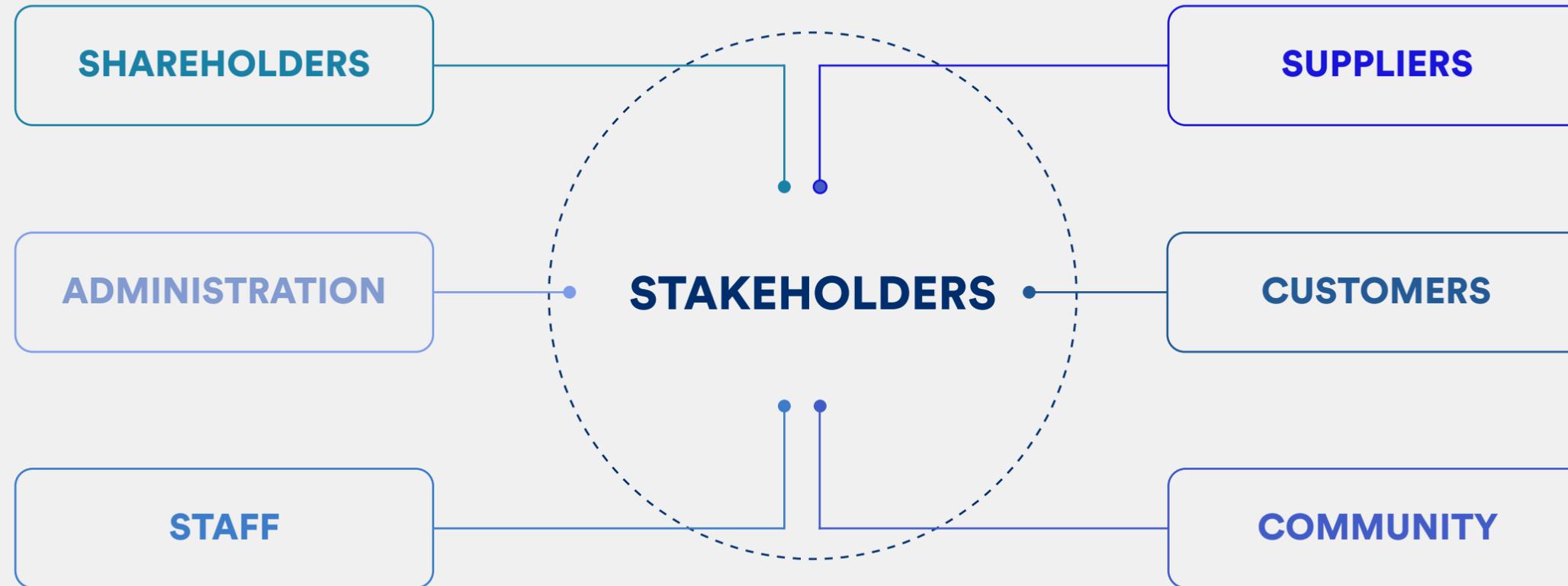
In order to identify our stakeholders and groups of interest, Recover™ has taken the following into account:

- The effect that our activity has whilst taking social, environmental and economic aspects into account.

- The needs and expectations of each group.

- Define adequate channels of communication in each case ensuring that there is always feedback present.

Materiality analysis

INTERNAL RELEVANCE

EXTERNAL RELEVANCE

Legend:
- ● Raw material
- ◆ Energy
- ■ Water
- ▲ Waste management
- ▲ Emissions
- ○ Relations between workers and management
- ● Health and safety at work
- ◆ Training and education
- ■ Diversity and equal opportunities
- ✛ Non discrimination
- ○ Freedom of association and collective bargaining
- ● Child labor
- ✕ Forced labor
- ✛ Supplier evaluation in human rights.
- ▲ Local communities
- ◆ Fight against corruption
- ✕ Customer health and safety

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 above table contains the most relevant 17 areas for our stakeholders and is a result of the participation from both the Management and other areas of the business.

Due to significant changes with our new facilities starting to open at the end of 2021 in new countries, we will perform a new stakeholder identification and materiality analysis in 2022, to incorporate those changes and views of all Recover™ facilities.

Frameworks and assurance

GRI Content Index

Statement of use: Recover™ has reported the information cited in this GRI content index for the period of 1st of January 2021 to 31st of December 2021 with reference to the GRI Standards.

GRI 1 used: GRI 1: Foundation 2021

GRI Standard	GRI Disclosure	Page	UNGC Principles	SDG	Comments
GENERAL DISCLOSURES					
GRI 2: General Disclosures 2021	**2-1 Organizational details**	**6,36**			
GRI 2: General Disclosures 2021	**2-2 Entities included in the organization's sustainability reporting**	**35,36**			
	2-3 Reporting period, frequency and contact point	**35**			
	2-6 Activities, value chain and other business relationships	**8,12**	**Principle 9**	**SDG 6,9,12,13**	
	2-7 Employees	**23-24**	**Principle 6**	**SDG 5,8**	**Total number of employees 43,12 – calculated as annual average, e.g. if a full-time worker has been in the company for half a year, it counts as 0.5 workers. Similarly, if a 50% part-time worker has been there all year, it counts as 0.5 workers.**

GRI Standard	GRI Disclosure	Page	UNGC Principles	SDG	Comments
GENERAL DISCLOSURES					
	2-8 Workers who are not employees	**23**	**Principle 6**		**Total number of agency workers in the factory: 5,45** **Total number of consultants: 2,59** **Both are calculated with the same methodology as above.**
	2-9 Governance structure and composition	**24, 36**			
	2-22 Statement on sustainable development strategy	**4, 14-15**	**Principle 1** **Principle 2**		
	2-25 Processes to remediate negative impacts	**25, 37**	**Principle 1** **Principle 2**		
	2-26 Mechanisms for seeking advice and raising concerns	**25, 37**	**Principle 1** **Principle 2**		
	2-28 Membership associations	**31**	**Principle 8**	**SDG 17**	
	2-30 Collective bargaining agreements	**23**	**Principle 3**	**SDG 16**	
MATERIAL TOPICS					
GRI 3: Material Topics 2021	**3-1 Process to determine material topics**	**38**			
GRI 3: Material Topics 2021	**3-2 List of material topics**	**39**			

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GRI Standard	GRI Disclosure	Page	UNGC Principles	SDG	Comments
MATERIAL TOPIC: MATERIAL					
GRI 301: Materials 2016	**301-1 Materials used by weight or volume**	**20**			
	301-2 Recycled input materials used	**20**	**Principle 8**	**SDG 9,12,13**	**Total instead of percentage of recycled input materials as 100% of input in Recover´s process comes from recycled fiber, fabric, and clothes**
MATERIAL TOPIC: ENERGY					
GRI 302: Energy 2016	**302-1 Energy consumption within the organization**	**20**	**Principle 7 Principle 8 Principle 9**	**SDG 12, 13**	**No details provided on standards, methodologies, assumptions, and/or calculation tools used.**
2-28 Membership associations	**2-28 Membership associations**	**31**	**Principle 8**	**SDG 17**	
2-30 Collective bargaining agreements	**2-30 Collective bargaining agreements**	**23**	**Principle 3**	**SDG 16**	
MATERIAL TOPIC: WATER AND EFFLUENTS					
GRI 303: Water and Effluents 2018	**3-1 Process to determine material topics**	**20**	**Principle 7 Principle 8 Principle 9**	**SDG 6, 12, 13**	**No details provided on standards, methodologies, assumptions, and/or calculation tools used. Source: 100% third-party water.**

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GRI Standard	GRI Disclosure	Page	UNGC Principles	SDG	Comments
MATERIAL TOPIC: EMISSIONS					
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	21	Principle 7 Principle 8 Principle 9	SDG 12, 13	No details provided on standards, methodologies, assumptions, and/or calculation tools used
	305-2 Energy indirect (Scope 2) GHG emissions	21	Principle 7 Principle 8 Principle 9	SDG 12, 13	No details provided on standards, methodologies, assumptions, and/or calculation tools used
MATERIAL TOPIC: WASTE					
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	16, 18	Principle 7 Principle 8 Principle 9	SDG 12	
MATERIAL TOPIC: ANTI-CORRUPTION					
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	37	Principle 10	SDG 16	
MATERIAL TOPIC: SUPPLIER ENVIRONMENTAL ASSESSMENT					
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	27	Principle 7 Principle 8 Principle 9		
MATERIAL TOPIC: EMPLOYMENT					
GRI 401: Employment 2016	401-3 Parental leave	25	Principle 6		Return to work and retention rate of employees that took parental leave: 100%

GRI Standard	GRI Disclosure	Page	UNGC Principles	SDG	Comments
MATERIAL TOPIC: OCCUPATIONAL HEALTH AND SAFETY					
GRI 403: Occupational Health and Safety 2018	**403-8 Workers covered by an occupational health and safety management system**	**25**		**SDG 3**	
	403-9 Work-related injuries	**21**		**SDG 3**	
	403-10 Work-related ill health	**21**		**SDG 3**	
MATERIAL TOPIC: TRAINING AND EDUCATION					
GRI 404: Training and Education 2016	**404-1 Average hours of training per year per employee**	**23**		**SDG 8**	**We do not currently report this data split by gender and employee category**
MATERIAL TOPIC: DIVERSITY AND EQUAL OPPORTUNITY					
GRI 405: Diversity and Equal Opportunity 2016	**405-1 Diversity of governance bodies and employees**	**23-24**	**Principle 6**	**SDG 5**	**We do not currently report this data split by employee category**
MATERIAL TOPIC: NON-DISCRIMINATION					
GRI 406: Non-discrimination 2016	**406-1 Incidents of discrimination and corrective actions taken**	**24**	**Principle 6**		
MATERIAL TOPIC: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING					
GRI 407: Freedom of Association and Collective Bargaining 2016	**407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk**	**22-23**	**Principle 3**	**SDG 8**	

GRI Standard	GRI Disclosure	Page	UNGC Principles	SDG	Comments
MATERIAL TOPIC: CHILD LABOR					
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	22, 25	Principle 5	SDG 8	
MATERIAL TOPIC: NO FORCED OR COMPULSORY LABOR					
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	22, 25	Principle 4	SDG 8	