

PRESS RELEASE

Avery Dennison strengthens its circularity ambitions with investment in Circ for textile-to-textile recycling

- The investment will help fund the build and engineering requirements for Circ's industrial-scale recycling plants
- Circ's game-changing textile recycling technology keeps materials in constant play, making new clothes out of old and reducing waste
- Avery Dennison's digital identification technologies and atma.io product cloud platform will provide the textile composition and supply chain data needed by fashion brands using the Circ facilities to recycle their textiles

MENTOR, Ohio—March 2, 2023—Avery Dennison (NYSE:AVY), a global materials science and digital identification solutions company, has invested in Circ, a U.S.-based chemical recycler focused on harvesting new yarns from mixed textile waste.

Avery Dennison's investment will help accelerate the commercialization of Circ's innovation. Circ's industrial-scale polycotton recycling pilot plants are in development. Once up and running, the sites will allow apparel brands and Avery Dennison to recycle mixed textile waste streams, such as polyester-cotton blends, into high-quality cellulose-based or PET-based yarns for use in apparel production. With this investment, Avery Dennison joins leading apparel brands like Inditex in piloting the Circ technology.

The partnership represents Avery Dennison's collaborative approach to providing solutions - not just products - to the global apparel market. As a provider of market-leading digital identification solutions for apparel supply chain traceability, Avery Dennison will work with Circ to test its own technologies in a real-world environment. With digital identification solutions, such as RFID and QR codes, and the [atma.io](https://www.atma.io)¹ cloud product platform, it's possible to create digital product passports that can enable the circular economy, where materials are captured and re-used throughout the lifecycle.

Textile-to-textile recycling facilities are urgently needed by the world's fashion brands and their suppliers who must reduce their carbon footprint, particularly their upstream and downstream (scope 3) emissions.

It's estimated that [92 million tons](#)² of textile waste is created annually by the fashion industry. It's also anticipated that textile waste is to increase by [around 60% between 2015 and 2030](#)³, reaching an annual total of 148 million tons, unless circular models are adopted at scale. A recent research report carried out by Avery Dennison titled "The Missing Billions," uncovered that on average 6% of apparel inventory is wasted

¹ <https://www.atma.io/>

² <https://www.nature.com/articles/s43017-020-0039-9>

³ <https://globalfashionagenda.org/product/pulse-of-the-fashion-industry-2017/>

due to overproduction or damaged stock, the equivalent of 3% of annual profits - an estimated \$15.3 billion globally.

Michael Colarossi, vice president, innovation, product line management and sustainability, Avery Dennison said, "The time for circular strategies and their enabling technologies is now. Using intelligent labeling in garments, we are working with Circ and other supply chain partners to drive a paradigm shift in the textile and fashion industries. Together we provide a solution for the take-back and sorting of waste at scale."

He added, "Cutting-edge solutions like this are so valuable and are advancing rapidly alongside critical market trends and demands. We are excited to support Circ in its next steps, driving the creation of a collaborative, circular economy for textiles."

"Transforming the fashion economy requires leadership from influential players in the textile industry, the financial community, as well as technology innovators," said Peter Majeranowski, chief executive officer at Circ. "The Circ team, which includes not only our employees but also our investors and partners, encompasses a diverse group of retail, manufacturing and engineering leaders across the U.S., Europe and Asia. We share a common view that a clean future for the fashion industry is not only possible but also essential for humanity. With each funding round and expansion in our partner base, we become more capable of ending the costly and preventable cycle of garment waste. I couldn't be more excited."

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About Avery Dennison

Avery Dennison Corporation (NYSE: AVY) is a global materials science and digital identification solutions company that provides branding and information labeling solutions, including pressure-sensitive materials, radio-frequency identification (RFID) inlays and tags, and a variety of converted products and solutions. The company designs and manufactures a wide range of labeling and functional materials that enhance branded packaging, carry or display information that connects the physical and the digital, and improve customers' product performance. The company serves an array of industries worldwide, including home and personal care, apparel, e-commerce, logistics, food and grocery, pharmaceuticals and automotive. The company employs approximately 36,000 employees in more than 50 countries. Reported sales in 2022 were \$9.0 billion. Learn more at www.averydennison.com.

About Circ

[Circ](http://www.circ.earth) is on a mission to power the clean closet with patented technology that recycles global fashion waste back into textiles, over and over again. We are protecting our planet by reducing the need and demand for petroleum, trees, and other materials harvested from nature to manufacture clothes. Circ is building a truly circular eco-economy for the fashion industry. Headquartered in Danville, Virginia, a former epicenter of textile production in the United States, Circ is revitalizing the future of material technology and manufacturing. To learn more about Circ, visit www.circ.earth.

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