

## Responsible Textile Recovery Act Producer Responsibility Organization Application Form

Instructions: Type your responses into this form and save the final version as a PDF document.

All application materials are deemed public records, pursuant to the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code). To promote transparency, CalRecycle will be making portions of the application publicly available. To help facilitate the process, CalRecycle requests applicants to ensure the following:

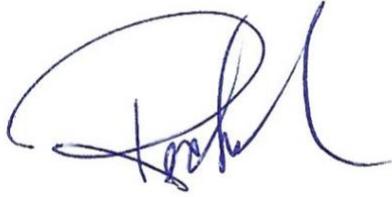
- All documents are in compliance with [Government Code section 7405](#) and the [Web Content Accessibility Guidelines 2.0](#) published in 2008 by the Web Accessibility Initiative of the World Wide Web Consortium at a minimum Level AA success criteria.
- Identify information that is deemed confidential and explain in a cover letter why the information should be kept confidential.

Please submit this form with all other documents to [Textiles@CalRecycle.ca.gov](mailto:Textiles@CalRecycle.ca.gov).

Applications are due on or before January 1, 2026, at 11:59 PM PST. This statutorily mandated deadline will not be extended. Direct any questions to [Textiles@CalRecycle.ca.gov](mailto:Textiles@CalRecycle.ca.gov).

<b>1. Organization Contact Information</b>		
Organization Name: Textile Renewal Alliance		
Employer ID No.: 41-2887342	Phone: (916) 443-1975	
Address: Textile Renewal Alliance c/o California Retailers Association 1121 L Street, Suite 607	Website: <a href="https://textilerenewalalliance.org">https://textilerenewalalliance.org</a>	
City: Sacramento	State: California	Zip Code: 95814
<b>2. Contact Person</b>		
Contact Person Name: Rachel Michelin		
Title: Chair, Board of Directors	Phone: (916) 443-1975	
Address: 1121 L Street, Suite 607	Email: <a href="mailto:rmichelin@calretailers.com">rmichelin@calretailers.com</a> ; <a href="mailto:info@textilerenewal.org">info@textilerenewal.org</a>	
City: Sacramento	State: CA	Zip Code: 95814

I certify under penalty of perjury under the laws of the State of California that to the best of my knowledge and belief, all foregoing and supporting information is true and complete.



Signature (by a contact authorized to represent the organization)

Date:  
12/31/2025

Print Name: Rachel Michelin

Title: Chair

### ***Information About the Organization***

- 1. Provide a summary of the organization and a description of how the organization is qualified to serve as the producer responsibility organization (PRO).***

#### ***Organization Summary***

Textile Renewal Alliance (TRA) is a 501(c)(3) nonprofit producer responsibility organization (PRO) focused on supporting all producers in meeting their obligations under California's first-in-the-nation extended producer responsibility (EPR) law for textiles, the Responsible Textile Recovery Act, (SB 707). Founded by the state's key apparel, footwear and retail associations, TRA is committed to building and implementing a program purposefully built for California's diverse geographies, communities, unique waste management challenges, and precedent-setting environmental ambitions. TRA brings together the full spectrum of California's textile<sup>1</sup> producers to further the Responsible Textile Recovery Act's goal of ensuring that more products are diverted from landfill and collected, repaired, reused, and recycled after use.

The organization was established by the California Retailers Association (CRA), the American Apparel & Footwear Association (AAFA), and the National Retail Federation (NRF) with the support of their members. Collectively, these associations represent a substantial share of producers placing covered products into the California market and span the full range of product categories subject to the statute. They bring national scale, sector-specific expertise, and deep local knowledge. They also bring longstanding relationships with California communities, governments, and many partners whose collaboration will be essential to launching an inclusive, affordable, and robust collection network with convenient access for consumers and strong collaboration with the repair, reuse, and recycling economy.

<sup>1</sup> Textile/textiles refer to all products covered under California's Responsible Textile Recovery Act, including apparel, footwear, home textiles, institutional textiles, and footwear.

TRA was incorporated on November 4, 2025, and is now governed by 13 obligated producers that are diverse in size and type and represent the diversity of covered products placed in the market, as required by the Responsible Textile Recovery Act (PRC section 42984.4(a)(2)(A)). The three organizations that established TRA also currently serve on the board of directors and bring additional diversity in producer representation to the organization. TRA's founding members are deeply embedded in the California business community; five founding members are headquartered in California, and all have significant employment and operations throughout the state.

### ***Mission, Vision, and Operating Principles***

TRA's mission is to support all producers in meeting their obligations under applicable U.S. EPR laws for textiles by implementing efficient, compliant, and scalable programs and practices.

TRA's vision is a producer-led stewardship system where textiles are thoughtfully designed and responsibly managed across their entire lifecycle.

Additionally, TRA has established the following operating principles to serve as a guide and foundation for how the organization carries out its mission and approaches implementation of the Responsible Textile Recovery Act:

- **Support textile circularity:** Reduce textile waste and support textile collection, reuse, repair, repurposing, and recycling by building systems that deliver measurable social and environmental benefits.
- **Foster innovation and market development:** Collaborate across the value chain to unlock opportunities for innovation in textile design and management and strengthen end markets for recovered materials.
- **Enable producer compliance:** Engage and educate producers on their obligations and collaborate with regulators to ensure compliance and equitable producer participation and program funding.
- **Operate locally, coordinate nationally:** Develop and implement textile EPR programs that reflect unique local market conditions, waste management challenges, and regulatory landscapes, while offering harmonized, consistent, and cost-efficient producer compliance services.
- **Enable consumer participation:** Promote consumer participation in textile collection, reuse, repair, repurposing, and recycling opportunities through education and access to services and infrastructure.
- **Maintain compliance and public confidence:** Work constructively with regulators to ensure legal compliance and program integrity. Promote performance measurement, financial accountability, and transparency to earn and maintain public trust in producer-led textile stewardship.

Collectively, TRA's leadership and advisors bring in-state expertise and relationships, proven success in producer and member engagement, deep familiarity with California's product stewardship landscape, and operational readiness to ensure that the Responsible Textile Recovery Act can be successful and serve as a national model for sustainable, effective, and cost-efficient producer-led textile stewardship.

**Organization Qualifications**

TRA’s 501(c)(3) tax-exempt nonprofit structure, inclusive governance, and strict financial controls and policies meet the requirements of this application and the statute and provide the foundation necessary for the organization to deliver a best-in-class textile recovery program that:

- Follows the waste hierarchy and centers on repair, reuse, and recycling to minimize textile waste and landfill use;
- Minimizes generation of hazardous waste, greenhouse gases, environmental injustices, and public health impacts; and
- Prioritizes collaboration across the value chain, in support of convenient service to consumers and strong program participation and environmental performance.

**Statutory Compliance**

<b>PRO Requirement (Public Resources Code)</b>	<b>Textile Renewal Alliance (TRA) Qualifications</b>
<b>Nonprofit Status (PRC §42984.3(t))</b>	TRA was incorporated as a nonprofit corporation on November 4, 2025, and has applied to the Internal Revenue Service for recognition as exempt from taxation under Section 501(c)(3) of the federal Internal Revenue Code of 1986.
<b>Producer-Led Governance with Diverse Representation (PRC §42984.4(a)(2)(A))</b>	TRA is governed by a board of directors composed of obligated producers that are diverse in size, business model, and product category.  TRA’s governing board is made up of 16 member companies and trade associations representing producers of all categories of covered materials and a range in annual revenue of \$5 million to >\$500 billion. This includes up to 2 seats reserved for California-based small businesses (global annual revenue <\$100M).
<b>Financial Responsibility and Internal Controls (PRC §42984.4(a)(2)(B))</b>	TRA has established robust financial controls and governance mechanisms, including segregation of duties, dual authorization for expenditures, board oversight, and formal financial policies governing budgeting, reporting, and fund management.  TRA will undergo an independent annual financial statement audit conducted by a qualified CPA firm, supplemented by internal control reviews and special audits as requested by the board of directors and/or CalRecycle.  TRA will maintain reserve funds sufficient to operate the approved plan for no less than six months. A board-approved Reserve Fund Policy governs reserve use, replenishment, and reporting. Reserve funds will be held in segregated, interest-bearing accounts subject to independent audit.

## ***Additional Qualifications***

### **California Expertise**

- TRA's board of directors comprises producers that have operated in California for decades and includes five California headquartered companies.
- TRA is advised by a California Implementation Working Group (IWG), comprising 12+ textile recovery value chain organizations that are either located in or have direct experience in California.
- TRA's leadership and advisors have decades of direct experience in California and have been engaged in a variety of efforts to advance the state's waste and climate goals. This includes involvement in the implementation of the state's existing product stewardship and EPR programs.
- TRA's leadership and advisors regularly participate in CalRecycle workshops and recently provided comments at CalRecycle's Informational and PRO Application workshops on the Responsible Textile Recovery Act.
- TRA has built strong relationships across the textile recovery landscape and has proactively engaged organizations representing California communities, producers, local governments, potential and existing material collectors and sorters, and those who currently champion and operate repair, reuse, and recycling programs.

### **Producer Relationships and Support**

- TRA is uniquely positioned to quickly and cost-effectively engage thousands of producers across the country and globally who have covered products and obligations under the Responsible Textile Recovery Act leveraging the founding associations' memberships and reach. Additionally, these associations have strong partnerships with other trade associations that have signed on in support of TRA's application ([Appendix A](#)). This supports scalable outreach and compliance, which is vital due to the statutorily mandated upcoming producer registration deadline (July 1, 2026).
- TRA has proactively engaged the producer community to build awareness of the Responsible Textile Recovery Act and clarify producer obligations. TRA's leadership and advisors have met directly with individual producers and connected with national and California trade associations through dedicated briefings, webinars, fact sheets, and outreach. To broaden access to information, TRA has leveraged existing communication channels and created new channels, such as:
  - TRA-hosted public webinars with Q&A;
  - A monthly newsletter that has grown to over 600 subscribers;
  - A managed [email inbox](#) for inquiries;
  - A public [website](#); and
  - A [LinkedIn](#) page.

If selected as the PRO, TRA will continue expanding these educational resources and forums to ensure all producers and other interested parties are informed and prepared to meet their compliance requirements.

- TRA's outreach to producers and other organizations across the textile value chain has resulted in 53 letters of support to date. Letter of support signatories as of December 31, 2025, can be found in [Appendix A](#).

### **Value Chain Relationships and Commitment to Collaboration and Transparency**

- TRA leadership and advisors have extensive relationships across the textile recovery and management value chain and have proactively reached out to organizations to raise awareness for TRA and gather initial input on upcoming activities.
- Through the California IWG, TRA has created the opportunity for non-producer organizations to formally participate in the organization's governance. The California IWG serves as an advisory body to the board and comprises 12+ organizations involved in the collection, sorting, repair, reuse, resale, recycling, and management of covered products, guaranteeing diverse and formal input into implementation and program planning.
- Throughout 2025, TRA has demonstrated a commitment to transparency and stakeholder participation. CRA, AAFA, and NRF publicly announced their intent to form a prospective PRO in July and hosted or participated in numerous stakeholder meetings and public webinars from that point forward. TRA has published its mission and vision on its website and has also used this channel – in addition to newsletters and press releases – to share information and promote engagement. Interested parties were given the opportunity to provide initial information and express interest in participating in the upcoming needs assessment, and to apply for a seat on the California IWG, as mentioned above. TRA recognizes that outreach efforts to date represent a fraction of what will ultimately be needed to ensure producer compliance and the inclusion of diverse perspectives and expertise in a program of this scope and scale.

### **Comprehensive Implementation Preparedness:**

In addition to collaborating across producer and textile management networks, establishing governance, securing funding, and making the relevant filings for PRO eligibility, TRA has been preparing to meet the imminent requirements of the Responsible Textile Recovery Act as follows:

- **March 1st, 2026, PRO Selection Deadline:** Recognizing that, if selected, TRA will need to meet significant requirements on fast-approaching deadlines, TRA developed a five-year "start-up plan", or roadmap, to guide activities and resource allocation from PRO approval through program implementation in 2030. This includes detailed requirements and planning for 2026. TRA's start-up plan extensively maps upcoming statutory requirements such as producer registration and the needs assessment, and ongoing activities including engagement with CalRecycle, communications, stakeholder engagement, IT systems development, hiring and staff development, consumer education and more.

To meet all obligations, TRA proposes an organizational structure that meets near-term needs and requirements while being mindful of costs and the state's affordability concerns. Hiring decisions – both the type and number of permanent roles we open – will be data-driven, sustainable, and oriented around securing the necessary subject matter expertise to build and deliver a strong program plan. Initial fractional roles to deliver 2026 requirements are outlined in the [Organizational Chart](#).

The start-up plan will be a living document that is updated as TRA begins collaborating with CalRecycle and proceeds through the needs assessment, rulemaking, and program planning processes.

- **July 1, 2026, Producer Registration Deadline:** From inception, TRA has prioritized producer education and outreach through webinars, monthly newsletters, and proactive outreach to individual organizations and trade associations representing obligated producers. This work has established a foundation for continued education and compliance support in 2026, as companies face their first, individual statutory obligation.

Throughout 2025, TRA worked to identify and document the expected obligated producer population and build internal systems allowing the team to track outreach across the value chain, segment engagement, and maintain up-to-date records of anticipated obligated entities and their brands. TRA has built an organization that, if selected, can “hit the ground running” in meeting the producer registration deadline.

With the foundation set in 2025, TRA is prepared to transition to producer recruitment and registration using systems designed to scale as the program grows. TRA's technology strategy is anchored in meeting upcoming milestones while leaving room for flexibility as program needs become clearer through the needs assessment, rulemaking, and consultation across the stakeholder landscape.

TRA leadership and advisors have direct experience selecting and implementing technology solutions to support producer compliance. The team understands the technology requirements at all stages of the producer journey – from registration to data reporting and invoicing. TRA will leverage existing solutions where possible, while pursuing customized approaches in response to producer and state-specific needs.

This approach ensures that TRA launches with secure, cost-effective systems, while maintaining the flexibility to build more sophisticated capabilities over time.

- **March 1, 2027, Needs Assessment Deadline:** TRA has begun preparatory work to support the statewide needs assessment required by the Responsible Textile Recovery Act. The team has drawn on its experience developing and responding to previous needs assessment proposals and conducting EPR needs assessments and other detailed systems-level research on textile recovery to draft a comprehensive scope of work and request for proposal (RFP) for immediate issuance upon PRO selection.

RFP development was informed by broad stakeholder consultation, beginning with a request for information (RFI) issued in August 2025. This process sought to understand the availability of baseline data and insights from across California's textile ecosystem. The RFP also solicited expressions of interest from entities that would like to support and/or contribute to the needs assessment in 2026.

TRA proactively reached out to nearly 300 stakeholders, including obligated producers, collectors, sorters, resale and repair operators, recyclers, local governments, NGOs, academic researchers, and technology providers. Through this process and by hosting public webinars, TRA established relationships with prospective needs assessment contributors, identified preliminary data resources, and developed a transparent framework for incorporating public input into the formal needs assessment. Ideas, suggestions, comments, and concerns collected through the RFI process, as well as the technical and research experience of TRA's leadership and advisors, were used to guide the development of a draft RFP for a comprehensive study of the California textile recovery landscape. A copy of the RFI, email distribution notice, and summary of RFI findings can be found in [Appendix D](#).

If selected, TRA intends to meet the Responsible Textile Recovery Act's requirement to develop and carry out the needs assessment in consultation with a broad diversity of local jurisdictions, recycling service providers, and processors that reflect the different needs and challenges presented by managing a variety of covered products through final disposition. TRA will also rely on expert input and guidance from the California IWG, which includes representatives from across the recovery value chain (for more information about the California IWG, please see the response to [Question 4](#)).

TRA envisions that the needs assessment will employ primary and secondary research methods to evaluate generation and recovery rates of covered products, fiber composition, available collection and processing infrastructure, consumer disposal and diversion behavior, stakeholder perspectives, innovations & technology, responsible end markets, market conditions, material flows, the regulatory environment, system costs, and more.

### ***Team Experience and Capabilities:***

TRA's leadership and advisors have firsthand experience launching, operating, and scaling PROs and EPR programs in California, the U.S., and abroad. This includes Circular Action Alliance, US Tire Stewardship, and Connecticut Tire Stewardship (for more details, see response to [Question 5](#)). TRA founding members have experience on other PRO boards and with EPR compliance and reverse logistics for textiles. This experience and operational expertise will help TRA deliver on statutory requirements related to governance, reporting, transparency, and program performance.

TRA includes a team of advisors with deep expertise and specialization in EPR policies, PRO development, and operation. Collectively, the team has experience in PRO governance, regulatory compliance, producer engagement and reporting, needs assessment planning, program plan consultation and development, PRO and non-profit

finance, consumer education and outreach, communications, textile waste and recovery, and more. More information on the team's experience is available in the bios in [Appendix B](#).

If selected as California's textile PRO, TRA will continue to build out the team. TRA will follow a hiring strategy that seeks and secures the experience needed to create an innovative, California-forward organization rooted in a deep understanding of textile recovery systems as well as California's textile waste management challenges and opportunities, and the political, regulatory and local government landscape.

## ***2. Explain why this organization is interested in serving as the PRO.***

TRA is dedicated to ensuring that textiles are diverted from landfill and collected, sorted, repaired, reused, and recycled after use. We are guided by our vision, and California's statutory requirement, of a producer-led stewardship system where textiles are thoughtfully designed and responsibly managed across their entire lifecycle.

The Responsible Textile Recovery Act represents a first-in-the-nation opportunity to scale responsible solutions and create a high-performing textile management system that can advance California's climate and waste goals. Several TRA leaders are based in California and have championed sustainability and circularity initiatives in the state, and all TRA founding members and advisors are committed to building a program that advances California's ambitious objectives and serves as a model for other jurisdictions in the U.S. and globally.

TRA is attuned to the state's priorities around environmental stewardship, fiscal responsibility, and long-term program viability. The organization aims to advance solutions that deliver meaningful waste reduction results while creating community benefits, relieving local governments and ratepayers of the financial burden of mismanaged waste, and prioritizing consumer affordability concerns. The organization is committed to building real value for producers, communities, and consumers alike.

A successful EPR program must balance aspiration with operational feasibility, fiscal responsibility, and a pragmatic approach that builds on existing efforts. As outlined in our response to Question 1, TRA brings the experience, expertise, and commitment to collaborate with parties across the value chain that is needed to build an efficient system that can evolve and deliver strong environmental outcomes over time.

**3. List the members and titles of the organization's governing board along with the following information:**

- **Term lengths for each member and information on whether a board member is eligible for reappointment.**
- **List of the producer(s) that each member represents.**
- **Description of how the governing board represents producers that are diverse in size and type and that represent the diversity of covered products in the market.**
- **List of covered products placed in the market by these entities. Please provide a detailed and specific list of products. Covered products are defined in Public Resources Code (PRC) sections 42984.3(a), (i), and (ae).**

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**List the members and titles of the organization's governing board:**

TRA begins 2026 with a board of directors composed of 16 founding member producers that are diverse in size and type and represent the diversity of covered products placed in the California market. Five of the founding member organizations are California headquartered companies. In addition to the voting directors from producer companies, one representative from CRA, NRF, and AAFA will serve as directors and officers with voting rights. The officers will retain their titles until PRO approval, at which time the board will hold an election to appoint producer founding members to officer roles. Directors from CRA, NRF, and AAFA will retain voting rights for a transition period, and the board will revisit the voting rights of these organizations after PRO approval.

Participation of the industry associations during the early transitional phase is intended to provide continuity from early formation and reflect the positions of the broader producer community, allowing time for TRA's board leadership to evolve as the organization progresses through its first year. It also brings a strong California focus and direct California expertise to the board's leadership while ensuring that diverse producer perspectives are represented on the board.

**Table 1: Founding Member Organization and Positions**

	<b>Founding Member Organization</b>	<b>Director Name</b>	<b>Title</b>	<b>Board Position</b>
<b>1</b>	California Retailers Association (CRA)*	Rachel Michelin	President and CEO	Chair
<b>2</b>	National Retail Federation (NRF)	Stephanie Martz	Chief Administrative Officer and General Counsel	Treasurer
<b>3</b>	American Apparel & Footwear Association (AAFA)	Steve Lamar	President and CEO	Secretary
<b>4</b>	Amazon	CJ Stolle	Head of U.S. Circular Economy Public Policy	Director
<b>5</b>	ASICS	Esther Nguonly	Sr. Corporate Counsel	Director
<b>6</b>	Eileen Fisher	Elizabeth Richman	VP of Corporate Affairs & General Counsel	Director
<b>7</b>	Everlane*	Liza Dunn	Head of Supply Chain	Director
<b>8</b>	Gap, Inc.*	Jennifer Liu	Manager, Zero Waste and Circularity	Director
<b>9</b>	New Balance	Patrick Malloy	Senior Counsel for Trade & Policy	Director
<b>10</b>	NIKE, Inc.	Kara Jones	Sr Manager, Circularity, North America Operations Sustainability	Director
<b>11</b>	Patagonia*	Jessica Madsen	Legal & Compliance EPR	Director
<b>12</b>	Regent Apparel*^	Alexis Miller Lettis	Director	Director
<b>13</b>	SanMar	Dana Steffens	Deputy General Counsel	Director
<b>14</b>	Target	Abby Donovan	Director, Sustainability, Policy & Governance, Corporate Responsibility	Director
<b>15</b>	Walmart	Alex Schenck	Director, Global Public Policy	Director
<b>16</b>	Zara	Natalia Maureira-Ray	Chief Legal Officer, North America & Public Affairs	Director

\*California-headquartered

^ California-based, small businesses (global annual revenue <100M)

***Term lengths for each member and information on whether a board member is eligible for reappointment.***

Each founding member organization designates a director to serve on the TRA board. Additional board seats, term lengths, and term limits may be adopted as implementation progresses and the governance of the organization evolves.

***List of the producer(s) that each member represents.***

The board comprises 13 individual producers and 3 trade associations, bringing national scale and deep California expertise. This total does not reflect the final number of brands owned or affiliated with these producers that would be subject to the Responsible Textile Recovery Act, as producers are still assessing their obligations pending further clarification of covered products through the rulemaking process.

Collectively, the reach of the trade associations creates a strong foundation for producer outreach upon selection. A brief description of each trade association follows:

**California Retailers Association (CRA)**

CRA is the only statewide trade association representing all segments of California's retail industry, from general merchandise and department stores to online marketplaces, retail pharmacies, supermarkets, and specialty retailers.

**American Apparel & Footwear Association (AAFA)**

AAFA is the national trade association representing apparel, footwear, and other sewn products companies and their suppliers that compete in the global market.

**National Retail Federation (NRF)**

NRF is the world's largest retail trade association. For over a century, NRF has been a voice for every retailer and every retail job, educating, inspiring, and communicating the powerful impact retail has on local communities and global economies.

***Description of how the governing board represents producers that are diverse in size and type and that represent the diversity of covered products in the market.***

Board composition intentionally reflects the diversity of California's textile market, covering apparel, footwear, home textiles, accessories, and institutional/commercial textiles, and includes representation from producers of different sizes with different business models. This structure supports decision-making that is responsive to the unique needs of different producers and considers the attributes, opportunities, and challenges associated with the management of all covered products.

Founding member companies range in annual global revenue from \$5 million to >\$500 billion, and their directors bring expertise from their leadership roles in supply chain, compliance, legal, public policy, and sustainability.

**List of covered products placed in the market by these entities. Please provide a detailed and specific list of products. Covered products are defined in Public Resources Code (PRC) sections 42984.3(a), (i), and (ae).**

Collectively, founding member companies represent all categories of covered products placed into the California market, as defined in PRC sections 42984.3(a), (i), and (ae), including those listed in Table 2.

**Table 2: Covered Products Represented by TRA Founding Members**

<b>Covered Product Category</b>	<b>No. of the 13 Producer Founding Members Representing this Category</b>
<p><b>Apparel</b>                      (Undergarments, shirts, pants, skirts, dresses, overalls, bodysuits, costumes, vests, dancewear, suits, saris, scarves, tops, leggings, school uniforms, leisurewear, athletic wear, sports uniforms, swimwear, formalwear, onesies, bibs, footwear, jackets, coats, snow pants, ski pants.)</p>	12
<p><b>Home Textiles</b>                      (an item customarily used in households or businesses that are made entirely or primarily from a natural, artificial, or synthetic fiber, yarn, or fabric. For purposes of this chapter, “textile article” includes only blankets, curtains, fabric window coverings, towels, tapestries, bedding, tablecloths, napkins, linens, and pillows.)</p>	7
<p><b>Institutional Textiles</b>                      (everyday uniforms for workwear, linens, and pillows, towels, tapestries, bedding, tablecloths)</p>	3
<p><b>Accessories</b>                      (Apparel or Home Textile: knitted and woven accessories, handbags, backpacks, etc.)</p>	11
<p><b>Footwear</b></p>	11

**4. List any ex officio members and titles of the organization's governing board, if applicable, and the following information:**

- **Term lengths for each member and information on whether an ex officio member is eligible for reappointment.**
  - **Describe how the members are involved in the collection, sorting, repair, reuse, recycling, or management of covered products.**
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**List any ex officio members and titles of the organization's governing board and describe how the members are involved in the collection, sorting, repair, reuse, recycling, or management of covered products.**

Six months after PRO approval, the board will evaluate whether CRA, NRF, and AAFA directors will be transitioned to non-voting/*ex officio* roles. The continued participation of CRA, NRF, and AAFA supports representation of a broad range of producer perspectives as well as continuity from TRA's early formation. In addition to representing thousands of producers and affiliate members, CRA, AAFA, and NRF have convened their own committees that solicit diverse value chain perspectives on policy, environmental issues and product stewardship, including perspectives from members who collect, sort, process or otherwise manage textiles after use.

**Term lengths for each member and information on whether an ex officio member is eligible for reappointment.**

Both *ex officio* opportunities and term lengths may be adjusted as implementation progresses and the governance of the organization evolves.

**California Implementation Working Group (IWG)**

TRA established the California IWG to give the board a structured mechanism to collaborate with non-producer organizations involved in the collection, sorting, repair, reuse, recycling, and management of covered products. This group was created to provide input to the board of directors and share expertise and feedback on the design, implementation, and continuous improvement of the California textile EPR program.

The California IWG will contribute on-the-ground insights in support of a variety of activities throughout the implementation process, including, but not limited to, the needs assessment, rulemaking, program plan development, and program operation. The California IWG may be asked to consult on other topics brought forward by the board of directors and/or PRO staff, in addition to raising considerations and priorities of the industries and communities they represent.

TRA solicited applicants through a widely advertised open application process in November of 2025 and appointed the first cohort of California IWG members in December 2025. TRA sought representation from for-profit and not-for-profit collectors, haulers, repair service providers, recyclers, environmental organizations, social enterprise organizations, circularity organizations, and local governments. Priority was given during the selection process to organizations with direct experience in California. TRA expects to fill the three local government seats in 2026. The makeup of the

California IWG may evolve as implementation progresses. A copy of the application form can be found in [Appendix E](#).

The California IWG will meet with the TRA board of directors quarterly, with additional meetings as needed. The California IWG meeting cadence will be determined at the first meeting and will be supported by TRA leadership and advisors. This ensures ongoing communication and input into PRO activities, plan development, and implementation.

California IWG representatives are appointed by the TRA board of directors to one-year terms and may serve consecutive terms. Term lengths may be adjusted as implementation progresses and the governance of the organization evolves. The California IWG’s terms of reference and charter will be finalized upon PRO selection.

Members of the first cohort of the California IWG follow in Table 3.

**Table 3: California Implementation Working Group (IWG) Members**

<b>Seat</b>	<b>No. Seats</b>	<b>Organization</b>	<b>Organization’s role in the collection, sorting, repair, reuse, recycling, or management of covered products</b>
Nonprofit textile recovery value chain	3	Salvation Army	Major nonprofit collector and seller of used clothing; operates donation centers and thrift stores that divert large volumes of textiles into reuse and secondhand markets.
		Goodwill of the San Francisco Bay	Large-scale nonprofit collector and sorter with a robust reuse and resale operations infrastructure; innovating downstream recycling and repair programs that prioritize opportunities for diversion and workforce development.
		Goodwill Southern California	Goodwill Serving Los Angeles, San Bernardino, and Riverside counties, a large scale non-profit Southern textile collector and sorter with robust reuse and resale operations; a significant California contributor to regional textile diversion and workforce development.
For profit textile recovery value chain	3	Secondary Materials and Recycled Textiles (SMART) Association	Trade association representing for-profit collectors, thrift, sorters, graders, brokers, exporters, resale experts, and recyclers of used clothing, wipers, and fiber; key industry voice for secondhand and recycling markets.

		USAgain	For-profit textile collector operating drop-box networks; focuses on increasing convenient public access to clothing and shoe recovery. Also a small business.
		Reju	Materials regeneration company with a California presence, focused on creating innovative solutions for regenerating polyester based post-consumer textiles taken from textile waste. The company aims to establish a circular textile system to regenerate and recirculate polyester textiles.
California hauler	1	Waste Management of California	A subsidiary of WM, North America's leading environmental solutions provider and largest recycler of post-consumer materials, that operates in California. Outside of California, WM has experience collecting textiles for recycling and reuse, and operating an automated textile sorting facility, which could potentially support SB 707.
Environmental NGO	1	California Product Stewardship Council (CPSC)	Policy and advocacy organization advancing EPR and product stewardship programs; sponsor of SB 707 and facilitator of stakeholder engagement.
Social justice NGO	1	Homeboy Threads	Los Angeles-based social enterprise focused on textile recovery, repair, and repurposing; contributes to domestic reuse, job training, and circularity initiatives.
Additional perspectives	3	Alternew	Digital platform that aims to expand public access to repair and increase overall repair activity as a core circularity strategy. Also a small business.
		Accelerating Circularity	Accelerating Circularity is an action-oriented nonprofit focused on textile-to-textile recycling at commercial scale through a collaborative, stakeholder-led approach.

		The Footwear Collective	Nonprofit initiative powered by EarthDNA and founded by 11 brands. Focused on circular collaborative solutions for the footwear industry, implementing projects that support reuse, repair, and material recovery to create markets with sustainable business models for all.
Local government	Up to 3	To be determined	Goal is to represent a diversity of community types and municipal solid waste management operating structures.

In addition to collaboration with the California IWG, TRA expects to hold formal consultations by sector to support and inform program plan development. These feedback sessions would address specific statutory requirements and elements of the program plan and help TRA ensure the program plan is rooted in locally relevant expertise. Subject to the learnings from that effort, and in consultation with CalRecycle, TRA may also establish additional working groups that can provide continuous feedback and expertise as the organization progresses through developmental and statutory activities and milestones.

**5. Describe how your organization can most effectively implement this chapter including, but not limited to, responding to the following:**

- **Describe the organization’s experience implementing textile or apparel collection, reuse, or recycling programs.**
- **Describe the organization’s experience establishing and/or operating producer responsibility organizations/stewardship organizations.**
- **Disclose any entities or organizations that the PRO has conducted business with or has any financial or contractual affiliation with.**
- **Provide a list of the producers, including the brands of covered products they produce, who are currently members of or are affiliated with this organization.**
- **Provide any other information to demonstrate that the organization can effectively implement the requirements of the law and is relevant to the organization’s qualifications to be the producer responsibility organization.**

**Describe the organization’s experience implementing textile or apparel collection, reuse, or recycling programs.**

TRA’s leadership and advisors bring deep, hands-on experience in textile recovery and circularity. With decades of experience in recycling, stewardship, and textile management, TRA’s team understands the unique challenges and opportunities in managing textiles as a complex, high-value materials stream, where solutions must

focus beyond simple disposal and towards diversion for repair, reuse, and recycling. Creating a stewardship system for textiles requires understanding the realities of used textile and apparel markets, where reusability is often the first and best outcome, and where consumer behaviors, irregular generation patterns, and material complexity all come into play.

The TRA team's expertise spans collection, sorting, resale operations, recycling, market development, and innovation. TRA team members have conducted research in California, including research into the fiber composition of textiles in California landfills, material flow mapping of California thrift operations, and analysis of consumer behaviors, which – along with new assessments of the waste management infrastructure from other EPR programs (e.g., SB 54, SB 212, AB 2440) – can be leveraged as a starting point for a comprehensive needs assessment.

The team's advisory work with municipalities on textile collection and diversion has highlighted the wide variation in local conditions that affect convenience and consumer participation. This experience will guide the needs assessment and inform program planning, collection approaches, fee design, and performance metrics, supporting solutions that are grounded in data, operationally feasible, and tailored to diverse community contexts.

Other technical projects with which TRA's team has previous experience include:

- Evaluations of the efficacy of equipment and technology solutions for automated textile sorting;
- Financial and operational feasibility assessments of full-scale textile sorting facilities;
- Emissions factor calculations for various forms and types of textiles for the purpose of developing impact calculators for reuse, and
- Support for textile circularity start-ups through accelerators like NextCycle, ReMade, and the Textile Recovery Summit's Innovation Stage.

The TRA team understands the broader context in which the Responsible Textile Recovery Act seeks to reduce textile waste and promote circularity. Because textiles have global movement and considerations, implementation of a successful EPR program in California requires a thorough understanding of cross-border flows and the potential tension between environmental, economic, and social goals. The team's participation in international consultations around global secondhand markets, waste definitions, and export controls for textiles positions TRA to effectively navigate a nuanced landscape while helping California and producers build systems that deliver improved social and environmental benefits.

TRA team members have held both participatory and advisory roles with organizations like the California Product Stewardship Council's (CPSC) Statewide Textile Recycling Advisory Taskforce, the Secondary Materials and Recycled Textiles (SMART) Association, local Goodwill organizations, Goodwill Industries International, recyclers, and for-profit collectors, sorters, and brokers. Through these ongoing dialogues, TRA

understands the diversity of perspectives, priorities, and capabilities in the market, and welcomes the opportunity for continued collaboration with these and other value chain partners to build a world-class textile EPR program.

TRA is grounded in the guidance and participation of founding members who bring direct experience in operating repair, reuse, and recycling programs. TRA's founding members have launched and managed – in some cases for decades – textile sustainability initiatives, making sustained investments in collection networks, material recovery programs, and innovation to manage textiles responsibly. This hands-on experience gives TRA an understanding of what works in practice, along with the constraints to be addressed while scaling durable solutions.

- **Collection:** TRA founding members have operated consumer-facing collection programs for decades, operating both permanent and pilot takeback programs across retail, digital, workplace, and community settings. One founding member has maintained a global in-store takeback program since the mid-1990s, now spanning hundreds of retail locations and accepting both apparel and footwear for donation and recycling.

Another founding member recently launched a statewide in-store textile collection program in California, designed to build volume and establish a foundation for future sortation and reutilization of recovered materials into owned-brand products.

Some founding members partner with service providers for collection, which helps achieve greater scale and consistent sortation quality, downstream traceability, and cost control.

- **Sorting:** Founding members have overseen sorting operations across multiple intake streams, including retail returns, resale trade-ins, repair, resale, and recycling-bound materials. This work has included establishing quality-control protocols, labor planning for intermittent recycling sorts, and determining appropriate downstream destinations based on condition, fiber composition, and end-market availability. For example, one founding member consolidates materials from retail, returns, repair, and resale operations at a centralized facility where items are inspected, laundered, and graded before being routed to resale, repair, donation, or recycling. Recycling-specific sorting is conducted periodically based on volume thresholds, providing insight into storage, staffing, and cost considerations associated with non-continuous sort operations.

Another founding member has operated an in-house takeback program for its products since 2009, sorting millions of items for resale, repair, and recycling. The insights gleaned from these activities inform realistic assumptions for program performance, cost drivers, and operational constraints that must be addressed to design durable, scalable textile recovery systems.

- **Repair:** Repair is a core competency across founding members, with some programs having operated for decades. Programs range from warranty-based

repairs to paid and free repair services, with demonstrated impacts on product life extension, waste reduction, and customer engagement.

Founding members collectively repair millions of units per year through centralized repair centers, in-distribution-center refurbishment programs, and third-party repair networks. Services include garment and footwear restoration, component replacement (e.g., zippers, buttons, trims), cleaning, and minor remanufacturing, allowing defective or returned products to be returned to sale or resale channels.

One founding member has operated a centralized repair facility for several decades that currently employs more than 100 technicians and repairs hundreds of thousands of garments and equipment items annually, making it one of the largest apparel repair operations in the United States.

Another founding member evaluates each incoming repair item and triages it for overdyeing (dyeing stained clothing with natural dyes and reselling them), resewing (where moderately damaged clothes are sewn together in new designs and resold), and mending (where moderately damaged clothes are repaired with visible stitching to celebrate the history of the garment and resold).

Several founding members support consumer-accessible repair services, offering online and in-store repair options for products, as well as educational resources to enable do-it-yourself repairs. These collective experiences provide a foundation for understanding the opportunities and challenges of integrating repair as a recognized waste-prevention and reuse pathway within an EPR program.

- **Reuse:** Founding members have implemented reuse systems that include donation, redistribution, and secondary use of textiles through nonprofit and community partnerships. Several founding members operate large-scale takeback systems that route collected apparel and footwear through established nonprofit partners, where items are sorted and directed first to donation or social resale channels before any recycling pathways are considered. In one example, a long-running, group-wide collection program recovers tens of thousands of metric tons of garments annually and consistently prepares many items for reuse through thrift retail, direct community distribution, and social enterprises, supported by regular downstream reporting to ensure accountability.

In parallel, some founding members manage large-scale redistribution of unsellable but wearable inventory through consolidators and nonprofit partnerships, supporting disaster relief, youth programs, and community-based initiatives while preventing usable textiles from entering the waste stream. These efforts inform operational requirements, data limitations, and market dependencies that shape reuse outcomes.

- **Resale:** Founding TRA members have launched resale platforms on a commercial scale that enable customer-to-customer and brand-facilitated resale. Some operate branded resale platforms, which enable customers to trade in, refurbish, and resell apparel and footwear, integrating resale directly into a

brand's core retail and e-commerce channels. For example, one founding member has operated a branded resale program, supporting both peer-to-peer resale and company-managed refurbishment, and has recently embedded "shop used" options alongside new products on primary product pages to normalize secondhand purchasing.

Others have partnered with established resale technology providers to operate takeback and recommerce programs across multiple brands, collectively diverting hundreds of thousands of items annually from disposal. These efforts include curated resale drops, refurbished product lines sourced from returns and warranties, and dedicated preloved storefronts that expand consumer access to secondhand goods while generating revenue.

Across these models, founding members have developed practical insight into pricing, quality standards, authentication, logistics, and customer experience, as well as the role resale can play in the broader textile recovery system.

- **Recycling:** Founding members have partnered with recycling companies, research institutions, and material innovators to identify ways to recover and reintegrate post-consumer textiles into new products. Several founding members manage recycling streams for unsellable returns, damaged products, and end-of-life consumer items, working with a range of downstream partners to process mono-material and blended textiles, as well as complex products such as footwear. These efforts include long-running programs that mechanically recycle footwear and apparel into secondary materials that are then used in new products, consumer goods, and other applications.

In addition to established recycling channels, founding members have piloted textile-to-textile recycling initiatives designed to reintegrate post-consumer fibers into new apparel. One founding member has built a program that transforms customer-returned, overstock, and damaged textiles that cannot be liquidated or donated into Global Recycled Standard-certified corporate merchandise through partnerships with specialized recyclers.

Other examples include programs that collect high-polyester-content textile scrap for textile-to-textile recycling, as well as pilots using post-consumer cotton recovered through takeback programs and reintroduced into new product lines. In one case, a member partnered with an industry nonprofit focused on scaling circular textile infrastructure to launch multiple apparel styles made with post-consumer recycled cotton. These products utilized fiber recovered from worn textiles, processed through emerging sortation, pre-processing, and recycling systems, and reintegrated it into new garments within the company's owned-brand supply chain. While volumes remain modest relative to total fiber demand, these launches demonstrate technical feasibility and provide valuable insight into quality, yield loss, cost, and supply chain coordination challenges.

Founding members have further invested in research collaborations and industry partnerships to address known constraints in textile recycling, including material complexity, contamination, and scale. These efforts reflect a clear understanding

that recycling is not a single solution, but a set of evolving pathways that must be matched to material type, available infrastructure, and realistic end-market demand. As a result, founding members bring TRA a grounded perspective on recycling performance, costs, data requirements, and the conditions needed to responsibly scale recycling within a broader circular system.

The collective experience of the TRA founding members and advisors informs program design, stakeholder engagement, and implementation planning, enabling TRA to develop practical, scalable approaches that align statutory requirements with on-the-ground realities.

***Describe the organization’s experience establishing and/or operating producer responsibility organizations/stewardship organizations.***

TRA’s leadership and advisory team bring direct experience establishing, governing, and operating producer responsibility organizations and administering EPR programs for different material streams. The TRA team has created governance structures, supported regulatory processes, engaged obligated producers, and overseen program operations in complex stakeholder environments.

More specifically, TRA leaders and advisors have experience building, operating, and governing state-selected, nonprofit PROs in California and elsewhere in the United States. Given mandatory EPR under a PRO-led framework is still being rolled out in other parts of the world, this domestic experience with programs that must operate under a single state-selected PRO is critical to building a system that works for every obligated producer and meets all statutory requirements.

TRA will draw on this experience to effectively implement California’s Responsible Textile Recovery Act. TRA’s leaders and founding members include companies that already participate in multiple EPR programs, as well as companies that are new to EPR or to managing textile recovery specifically, providing both informed and fresh insights into effective onboarding, compliance support, and ongoing engagement.

TRA leaders and founding member companies also hold advisory and governance roles on established PRO and stewardship organization boards, including:

- CalRecycle-appointed Packaging Producer Responsibility Advisory Board
- Circular Action Alliance National Board of Directors
- Circular Action Alliance California Board of Directors
- Carpet America Recovery Effort (CARE) California Carpet Stewardship Program Advisory Board
- The “Association for the Management of Textile and Footwear Waste” (in Spanish, “Asociación para la gestión del residuo textil y del Calzado”; better known as “REVISTE”) in Spain
- ERION TEXTILES in Italy
- Stitching UPV Texteil in the Netherlands
- European Recycling Platform in the Netherlands

TRA’s advisors previously led the development and early management of Circular Action Alliance (CAA), the first and only PRO approved to implement U.S. packaging EPR laws, including California’s Plastic Pollution Prevention and Packaging Producer Responsibility Act, SB 54. This included assembling a team of technical experts to support all PRO responsibilities and each stage of the implementation process and developing a plan and foundation to hire professional staff. TRA team members associated with CAA development recruited and retained founding members, secured reliable funding, registered thousands of producers, developed the foundation for a producer services function that scaled to meet statutory requirements, evaluated and established IT systems and tools to support data collection, and led a comprehensive and inclusive stakeholder engagement strategy. CRA along with several TRA founding members also serve on the state and national boards of CAA and were instrumental in CAA’s formation.

TRA advisors worked closely with the U.S. Tire Manufacturers Association to develop a stewardship organization and program plan to implement the first-in-the-nation tire EPR law in Connecticut. Through the process of establishing US Tire Stewardship and Connecticut Tire Stewardship, a drop-down LLC to manage the state program, the team developed a corporate structure, governance, membership, staffing, operational models, financing, and a program plan.

A founding member of the Board of TRA was also a founding member of REVISTE, which operates nationally in Spain as a PRO for textiles and footwear, assuming responsibility for the collection, sorting, recycling, and disposal of post-consumer products under a voluntary EPR framework. In the absence of a mandatory EPR scheme, REVISTE’s founding members collectively participated in this initiative and established a robust governance and operational structure, including formal bylaws, conflict-of-interest safeguards, and antitrust protections. The organization also implemented balanced voting rules and a centralized management model to ensure transparent, equitable decision-making and effective coordination of producer obligations.

Additional relevant EPR experience includes supporting the implementation of Niagara County, New York’s solar panel EPR program and executing a recycling system needs assessment for the Center for Sustainable Materials Management in New York in anticipation of a future packaging EPR program.

***Disclose any entities or organizations that the PRO has conducted business with or has any financial or contractual affiliation with.***

**Table 4: TRA Financial or Contractual Affiliations**

<b>Organization</b>	<b>TRA Affiliation</b>
<b>Clear Strategy, Inc.</b>	Managed services and principal consultant
<b>C+ C Communications</b>	Branding and marketing services
<b>Venable, LLP</b>	Outside legal counsel

***Provide a list of the producers, including the brands of covered products they produce, who are currently members of or are affiliated with this organization.***

A full list of founding members and their associated brands is included in [Appendix C](#). Aside from the founding members identified in the board of directors' section, TRA does not maintain formal affiliations with other producers or brands. To date, 53 organizations, including producers, have provided letters of support for TRA (see [Appendix A](#)), however, this support does not indicate membership or formal affiliation.

***Provide any other information to demonstrate that the organization can effectively implement the requirements of the law and is relevant to the organization's qualifications to be the producer responsibility organization.***

All relevant information and qualifications have been included in previous and subsequent responses and appendices.

### ***Financial Information***

***PRC section 42984.4(a)(2)(B) requires the PRO to demonstrate that it has adequate financial responsibility and financial controls in place to ensure proper management of funds. Responses to the following questions will assist CalRecycle's evaluation of these requirements.***

#### ***1. Describe the types of audits conducted and their associated audit schedule.***

TRA's operating principles emphasize transparency, accountability, and public confidence, and the organization seeks to uphold these values in all financial and operational activities. To ensure the integrity of program funds and compliance with the Responsible Textile Recovery Act, TRA will implement a structured audit framework encompassing both independent and internal reviews. These audits will evaluate financial accuracy, operational controls, data integrity, and regulatory compliance. Conducted on an annual basis and supplemented by special audits as needed, this approach provides CalRecycle and producers with ongoing assurance that program revenues and expenditures are managed prudently and in accordance with Generally Accepted Accounting Principles (GAAP). Activities will include:

- Independent annual financial statement audit conducted by a qualified CPA firm;
- Internal control review completed annually covering financial systems, segregation of duties and reconciliations; and
- Special audits as requested by the Board to support CalRecycle oversight.

#### ***2. Describe what fraud prevention measures the organization has implemented.***

TRA's operating principles shape the organization's approach to preventing, detecting, and responding to fraud. Consistent with nonprofit best practices and the requirements of the Responsible Textile Recovery Act, the organization has implemented a comprehensive set of internal controls, oversight mechanisms, and secure financial systems to protect against misuse, errors, or unauthorized activity. These controls include:

- Segregation of duties across authorization, custody, and record keeping;

- Dual authorization and approval thresholds guided by a delegation of authority matrix;
- Bank-issued payment systems (no physical check stock) and positive pay/debit block protections; and
- Monthly reconciliations and quarterly financial reporting to a finance & audit committee.

In addition to these procedural safeguards, TRA is implementing secure financial and payment systems designed to prevent unauthorized activity and strengthen auditability. These systems include an enterprise resource planning platform and integrated payment tools with user-access controls, audit trails, multi-factor authentication, and encryption. These technology safeguards are aligned with the organization's internal controls and ensure that financial transactions are properly authorized, recorded, and monitored.

TRA has also established the following policies to manage risk and safeguard against fraud:

- Internal controls policy
- Fraud prevention policy
- California reserve fund policy
- Financial statement audit policy
- Budget policy
- Treasury management policy
- Accounts receivable policy
- Accounts payable policy
- Financial reporting policy
- Delegation of authority matrix
- Whistleblower policy
- Conflict of interest policy
- Compensation policy
- Records retention policy
- Antitrust compliance policy

TRA will establish a finance & audit committee, if approved, which will provide oversight of financial operations and fraud response procedures, ensuring independence and transparency. (See [Appendix F](#) for a copy of all policies)

**3. Pursuant to PRC section 42984.10(b)(4), the PRO shall maintain reserve funds sufficient to operate the plan for no less than six months. How will the organization meet this requirement? What policies regarding reserve funding will the organization implement?**

TRA recognizes that maintaining a six-month operating reserve is not only a statutory obligation but essential to preserving public trust, supporting uninterrupted stewardship activities, and demonstrating long-term financial resilience. Consistent with its operating

principles of financial accountability and transparency, TRA has designed a phased funding and reserve-building strategy that ensures readiness well before fee collection begins, while balancing a commitment to cost efficiency and responsible management of producer funds.

TRA begins operations with secured capital with flexibility to move to a more diversified funding model over time, balancing producer investment with sustainable financial management practices.

### **Progressive Reserve Building**

While start-up funding covers early operational costs, TRA will formally begin building its statutory reserve once producer fee collection commences (no later than 2030). The reserve target, equivalent to six months of operating costs, will be incorporated into TRA's annual fee-setting model to ensure ongoing compliance with California's Responsible Textile Recovery Act (PRC §42984.10(b)(4)).

### **Governance and Oversight Framework**

The reserve will be governed by a board-approved reserve fund policy that defines permissible uses, withdrawal conditions, replenishment requirements, and reporting expectations. Any use of reserve funds will require explicit board authorization, documented justification, and oversight from the finance & audit committee. This framework ensures that the reserve fund functions strictly as a safeguard, not as an operating account. Withdrawals from the reserve will require explicit board authorization based on documented financial need, with oversight from the finance & audit committee.

### **Segregation and Safeguards**

To maintain financial integrity, reserve funds will be held in dedicated, interest-bearing accounts separate from operating and restricted funds. The reserve fund will be overseen directly by the board and subject to annual independent audits, along with quarterly financial reviews, ensuring ongoing compliance with GAAP and California's Responsible Textile Recovery Act. Together, these measures demonstrate that TRA will establish and maintain the required six-month operating reserve through disciplined financial management, phased funding, and transparent governance. This structure provides CalRecycle and producers with the assurance that the reserves are protected, transparent, and available to maintain program continuity.

**4. Explain any other ways your organization demonstrates that it has adequate financial responsibility and financial controls in place to ensure proper management of funds. For example:**

- ***Financial policies and procedures that outline guidelines for financial management, including budgeting, spending, procurement, and reporting, ensuring consistency and transparency in financial operations.***
- ***Qualified and trained staff who possess the necessary skills and knowledge to handle financial matters effectively.***
- ***Proper oversight of financial matters through regular review of financial reports and approval of budgets and expenses, ensuring the PRO's financial sustainability.***
- ***Internal financial controls, such as segregation of duties, multiple approvals for financial transactions, and regular audits or reconciliations, to prevent fraud, errors, and ensure accuracy and integrity of financial data.***

TRA has established a comprehensive financial management framework that provides the foundation for sound financial governance, internal controls, and transparency. These policies were developed in alignment with nonprofit best practices and GAAP.

TRA's financial responsibility is demonstrated through the following systems and safeguards:

- **Comprehensive Financial Policies and Procedures:** TRA has adopted a suite of nine formal financial policies that define standards for budgeting, spending, procurement, financial reporting, and audit oversight. These policies establish consistent processes for authorizing and recording all financial activity, ensuring transparency, accountability, and adherence to regulatory requirements. The following policies apply to TRA's financial operations:
  - Internal controls policy
  - Fraud prevention policy
  - California reserve fund policy
  - Financial statement audit policy
  - Budget policy
  - Treasury management policy
  - Accounts receivable policy
  - Accounts payable policy
  - Financial reporting policy
  - Delegation of authority matrix

(See Appendix F for a copy of all policies)

- **Qualified Financial Oversight and Expertise:** TRA's financial management activities are led by experienced professionals with backgrounds in nonprofit accounting, regulatory compliance, and producer responsibility system design. During TRA's initial operating phase, these functions are performed by specialized consultants and contractors who are aligned to the fractional roles and responsibilities defined in TRA's policies. As the organization transitions to permanent staffing, these functions will be maintained with appropriate continuity and training.
- **Robust Governance and Oversight:** TRA's board of directors and finance & audit committee (to be appointed if application is approved by CalRecycle) will oversee all financial matters, including review and approval of budgets, reserves, disbursements, and audit reports. The board approves the organization's annual budget and significant financial commitments, while the finance & audit committee provides detailed quarterly oversight and recommends corrective actions, as needed. This governance structure ensures financial accountability at both the policy and operational levels.
- **Internal Controls and Safeguards:** TRA's Internal Controls Policy defines a strong control environment, including segregation of duties, dual authorization for all payments and bank transfers, restricted system access, and regular bank reconciliations. No single individual has unilateral authority over financial transactions. All disbursements must be supported by documentation, verified by finance staff, and approved by appropriate management or board-level authorities in accordance with TRA's delegation of authority matrix.

Through this framework, TRA demonstrates financial maturity, transparency, and readiness to manage producer-contributed funds responsibly. The policies and controls in place ensure that every financial transaction is conducted with integrity, that producer funds are safeguarded from misuse, and that TRA can sustain operations and fulfill its obligations under California's Responsible Textile Recovery Act with confidence and accountability.

### ***Supporting Documentation Requirements from PRO Application***

CalRecycle requests the following application attachments:

- IRS Form 990 (if available)
- IRS 501(c)(3) determination or affirmation letter (if available)
- Organization's Articles of Incorporation of a nonprofit
- Organization's bylaws
- Organization's organization chart
- Copies of most recent audits (if available)

### ***Supporting Documentation Provided by TRA***

- ***Supporting Document 1: Organization's Articles of Incorporation of a nonprofit***
- ***Supporting Document 2: Organization's bylaws***
- ***Supporting Document 3: Organization's organization chart***

### **Supporting Documentation Not Included:**

- TRA was incorporated on November 4, 2025. It has applied for recognition from the Internal Revenue Service as a tax-exempt organization. It will provide a copy of its determination letter as soon as it is provided by the IRS.
- Since Textile Renewal Alliance was formed in November of 2025, there has not yet been a full fiscal year and therefore Form 990 and an annual audit have not yet been completed.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
DEPARTMENT OF LICENSING AND CONSUMER PROTECTION  
CORPORATIONS DIVISION



**C E R T I F I C A T E**

**THIS IS TO CERTIFY** that all applicable provisions of the District of Columbia Business Organizations Code have been complied with and accordingly, this ***CERTIFICATE OF INCORPORATION*** is hereby issued to:

TEXTILE RENEWAL ALLIANCE

**Effective Date:** 11/4/2025

**IN WITNESS WHEREOF I** have hereunto set my hand and caused the seal of this office to be affixed as of 11/4/2025 10:35 AM

Business and Professional Licensing Administration



*Rebecca Janovich*

REBECCA JANOVICH  
Superintendent of Corporations,  
Corporations Division

Muriel Bowser  
Mayor

Tracking #: BDSd4pyP

**ARTICLES OF INCORPORATION  
OF  
TEXTILE RENEWAL ALLIANCE**

The undersigned, acting as incorporator for the purpose of organizing a corporation pursuant to the provisions of the District of Columbia Nonprofit Corporation Act, as the same may be amended or supplemented (D.C. Code, Title 29, Chapter 4, hereinafter referred to as the “Act”), does hereby adopt the following Articles of Incorporation:

**ARTICLE I. NAME**

The name of the corporation (hereinafter referred to as the “Corporation”) is: Textile Renewal Alliance.

**ARTICLE II. DURATION**

The duration of the Corporation shall be perpetual.

**ARTICLE III. PURPOSES**

- a. The Corporation is incorporated as a nonprofit corporation under the Act and is organized and shall be operated exclusively for charitable, scientific, literary, and educational purposes as defined under Section 501(c)(3) of the Internal Revenue Code of 1986 and the Regulations thereunder, as they now exist or as they may hereafter be amended, or the corresponding provision of any subsequent federal tax laws (hereinafter collectively referred to as the “Code”). Specifically, and without limitation, the Corporation shall:
  1. Support governments in implementing applicable U.S. Extended Producer Responsibility (EPR) laws for textiles by building and operating efficient, compliant, and scalable programs and practices for obligated producers.
  2. Develop, implement, and operate community level, textile stewardship programs, in compliance with and as mandated by local and state and federal legislation (as well as where not mandated by law), which may include, but is not limited to:
    - a. Public outreach and education to businesses, consumers, the public, and other relevant stakeholders on reducing waste, how to repair, reuse, repurpose, recycle, and how to increase the recycling recovery of textiles;
    - b. The collection, repair, reuse, repurposing, and recycling of textiles;
    - c. Program administration related to and required by (a) and (b) above; and
  3. Undertake other activities consistent with purposes permissible for organizations described in Section 501(c)(3) of the Code.

4. The Corporation shall have and may exercise, to the extent that they are not inconsistent with the purposes of the Corporation, any and all powers conferred upon nonprofit corporations organized pursuant to the Act; provided, however that:
  - a. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributed to, any director, or officer of the Corporation, or any private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services actually rendered to the Corporation and to make payments and distributions in furtherance of Code Section 501(c)(3) purposes;
  - b. Except as provided and permitted under Sections 501(h) and 4911 of the Code, no substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in or intervene in (including the publication or distribution of statements) any political campaign on behalf of or in opposition to any candidates for public office;
  - c. Notwithstanding any other provisions of these Articles, the Corporation is organized and at all times shall be operated exclusively as a corporation not organized for profit, and the Corporation shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization described in Section 501(c)(3) of the Code, and exempt from taxation under Section 501(a) of the Code;
  - d. During any period that the Corporation is deemed to be a private foundation as described in Code Section 509(a), the Corporation:
    1. shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Code Section 4942;
    2. shall not engage in any act of self-dealing as defined in Code Section 4941(d);
    3. shall not retain any excess business holdings as defined in Code Section 4943(c);
    4. shall not make any investments in such manner as to subject it to tax under Code Section 4944; and
    5. shall not make any taxable expenditures as defined in Code Section 4945(d).
  - e. The Corporation shall not have authority to issue capital stock in the Corporation.

#### **ARTICLE IV. MEMBERS**

The Corporation shall have members, whose qualifications, rights and obligations shall be as prescribed in the Bylaws of the Corporation.

## **ARTICLE V. BOARD OF DIRECTORS**

Provisions for the regulations of the internal affairs of the Corporation shall be set forth in the Bylaws, which may contain any provision that is not inconsistent with law or these Articles. The business and affairs of the Corporation shall be managed under the direction of its Board of Directors. The number of directors and the method of election or appointment of the directors of this Corporation shall be as provided in the Bylaws of this Corporation.

## **ARTICLE VI. REGISTERED AGENT AND ADDRESS**

The principal office of the Corporation shall be located within or without the District of Columbia as determined by the Board of Directors. The name and address of the registered agent of this Corporation in the District of Columbia is:

C T Corporation System  
1015 15th Street, NW  
Suite 1000  
Washington, District of Columbia 20005

## **ARTICLE VII. INCORPORATORS AND INITIAL DIRECTORS**

The name and the address, including street and number, of the incorporators, who will also serve as the initial directors of the Corporation are as follows:

Stephen Lamar – Beneficial Owner  
740 6th Street, NW  
Washington, DC 20001

Stephanie Martz – Beneficial Owner  
1101 New York Ave, NW, Suite 1200  
Washington, DC 20005

Rachel Michelin – Beneficial Owner  
1121 L Street, #607  
Sacramento, CA 95814

## **ARTICLE VII. MISCELLANEOUS**

Other lawful provisions for the conduct and regulation of the business and affairs of the Corporation, for its voluntary dissolution, or for limiting, defining or regulating the powers of the Corporation or its directors are as follows:

- a. In the event of the termination, liquidation, dissolution, or winding up of the Corporation in any manner or for any reason whatsoever, and after paying or making provision for the payment of all of the liabilities of the Corporation, all assets of the Corporation shall be distributed for one or more of the Corporation's exempt purposes within the meaning of Code Section 501(c)(3), or shall be distributed to the federal government, or to a state or local

government, for a public purpose, in such manner as the Board of Directors may determine, and, to the extent required by the Act and the Bylaws, by the members.

- b. The personal liability of the officers and directors of the Corporation is hereby eliminated to the fullest extent permitted by law and by the provisions of the Act. Specifically, and without limitation, a director or officer of the Corporation shall not be liable to the Corporation or its members for money damages for any action taken, or failure to take action, as a director or officer, except for liability for (i) the amount of financial benefit received by the director or officer to which the director or officer was not entitled; (ii) an intentional infliction of harm; (iii) an unlawful distribution authorized by the officer or director in a manner outside the standards of conduct mandated for the officer or director by the Act; or (iv) an intentional violation of criminal law.
- c. To the fullest extent permitted by the Act, the Corporation shall indemnify and hold harmless each officer and director of the Corporation against any and all liabilities, costs and expenses (including attorneys' fees and expenses) reasonably incurred by him or her or on his or her behalf in connection with any proceeding to which he or she may be a party by reason of his or her being or having been an officer or director of the Corporation. Such indemnity shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any Bylaw, agreement or otherwise. Such indemnity shall inure to the benefit of the heirs, executors or administrators of each officer and director.
- d. The Corporation may purchase liability insurance for the indemnity specified above to the fullest extent as determined from time to time by the Board of Directors of the Corporation. If so purchased, as required by the Act, such liability insurance shall provide a minimum limit of coverage of not less than \$200,000 per individual claim and \$500,000 per total claims that arise from the same occurrence, or such other amount as provided by the Act.

#### **ARTICLE IX. AMENDMENT**

These Articles of Incorporation may be amended from time to time in any and as many respects as may be desired; provided: (i) that the Articles of Incorporation as amended may contain only such provisions as might be lawfully contained in original Articles of Incorporation; (ii) an amendment to the Articles of Incorporation may be proposed without approval of the Board of Directors if proposed by 25% or more of the members entitled to vote on the amendment, and any such proposed amendment must be adopted by the affirmative vote of two-thirds of the voting membership of the Corporation; and (iii) that otherwise any such amendments are made in the manner and pursuant to the procedures and requirements prescribed by the Act, provided, however that approval of the Board to an amendment to the Articles of Incorporation requires an affirmative vote of a majority of the total number of members of the Board of Directors then in office.

*[Remainder of page intentionally blank]*

Signed and affirmed under penalty for making false statements:

Stephen Lamar  
Stephen Lamar, Incorporator

10/31/2025  
Date

Stephanie Martz  
Stephanie Martz, Incorporator

10/31/2025  
Date

Rachel Michelin  
Rachel Michelin, Incorporator

10/31/2025  
Date

District of Columbia Government  
 DEPARTMENT OF LICENSING AND  
 CONSUMER PROTECTION  
 Corporation Division  
 1100 4th Street, SW  
 Washington, DC 20024

OFFICE OF FINANCE AND TREASURY  
 11/3/2025 10:44 AM  
 DEPT OF LICENSING AND CONSUMER PROTECTION  
 1060283  
 DEPARTMENT OF LICENSING AND CONSUMER PROTECTION  
 1060283  
 DEPARTMENT OF LICENSING AND CONSUMER PROTECTION  
 1060283  
 DEPARTMENT OF LICENSING AND CONSUMER PROTECTION  
 1060283

**Billing Voucher**

**Charge To:** Textile Renewal Alliance  
 1015 15th Street NW  
 Suite 1000  
 Washington, District of Columbia 20005

**Office Use Only**

Charge For	QTY	Price	Fund:	Source Code
1 Day Expedite Services	1	\$100.00	Fund	1010001 Acc 6211039
DNP-1 Articles of Incorporation Web	1	\$80.00	Fund	1060283 Acc 6211071
<b>Date: 11/3/2025</b>	<b>PAY THIS AMOUNT PAYABLE TO THE D.C. TREASURER</b>		<b>\$180.00</b>	<b>Total</b>

**Government of the District of Columbia - Office of the Chief Financial Officer**

**Returned Check Fee - \$65.00 - DCMR § 1-108**

**All checks returned are subject to electronic representment along with a \$65.00 fee.**



600 MASSACHUSETTS AVE., NW WASHINGTON, DC 20001  
T 02.344.4000 F 202.344.8300 www.Venable.com

November 3, 2025

202.344.4000  
202.344.8300  
RegCompliance@Venable.com

**SENT VIA COURIER**

Department of Licensing and Consumer Protection  
Corporations Division  
1100 4<sup>th</sup> St. SW  
Washington, DC 20024

***Re: Articles of Incorporation of Textile Renewal Alliance***

To Whom It May Concern,

On behalf of Textile Renewal Alliance (the "Corporation"), enclosed please find Articles of Incorporation for filing with the Corporations Division, along with a check in the amount of \$180.00 for the applicable filing and in-person processing fees.

Please file the Articles of Incorporation and then return evidence of the Certificate of Incorporation via email to me at [RegCompliance@Venable.com](mailto:RegCompliance@Venable.com).

Should you have any questions, please do not hesitate to contact me at (202) 344-4202. Thank you for your assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read "A. L. Steinberg".

Andrew L. Steinberg

Enclosures

## **Supporting Document 2: Organization's Bylaws**

### **BYLAWS**

**of**

### **TEXTILE RENEWAL ALLIANCE**

#### **ARTICLE I.**

##### **NAME, REGISTERED AGENT, AND OFFICES**

**Section 1.01. Name.** The name of this corporation (hereinafter referred to as the "Corporation") shall be Textile Renewal Alliance.

**Section 1.02. Registered Agent and Offices.** The Corporation shall maintain a registered agent and registered office in the District of Columbia. The Corporation may establish or close offices inside or outside the District of Columbia as may be necessary for the Corporation's business.

#### **ARTICLE II.**

##### **PURPOSES**

**Section 2.01 Purposes.** The Corporation is organized as a nonprofit corporation under the District of Columbia Nonprofit Corporation Act of 2010, as amended from time to time (the "Act"), for the purposes as set forth in the Corporation's Articles of Incorporation.

#### **ARTICLE III.**

##### **MEMBERS**

**Section 3.01. Membership Classes.** The Corporation shall have one class of members known as Founding Members. The Board may establish additional classes of membership in the future by amending these Bylaws. Founding Members of the Corporation are those companies who have been approved by the Board to be a Founding Member, agreed to support the purposes of the Corporation and entered into a Membership Agreement with the Corporation. Founding Members shall each be eligible to appoint one Director to serve on the Board and shall have no other governance rights.

**Section 3.02. Resignation and Termination of Membership.** Membership in the Corporation may be terminated by the member's written notice of resignation or non-renewal to the Corporation, or by the Board for cause with a majority vote of the Directors in office at a meeting of the Board called for that purpose. Circumstances constituting "cause" shall be solely determined by the Board, and includes but is not limited to (i) failure to timely pay fees, membership dues, or assessments, (ii) failure or refusal to comply with the Membership Agreement, or (iii) engaging in conduct that is detrimental to or inconsistent with the reputation, mission, or operations of the Corporation..

**Section 3.03. Timing of Termination and Resignation.** The termination of membership shall take effect immediately or as of a later date determined by the Board. The resignation of membership shall take effect at the time specified in the notice of resignation, or, if no time is specified, at the time such resignation is tendered. The non-renewal of membership will take effect as of the expiration of the then-current term of membership at the time the notice of non-renewal is provided.

#### **ARTICLE IV.**

#### **BOARD OF DIRECTORS**

**Section 4.01. General Powers.** The Board oversees management of the affairs of the Corporation. It shall be the Board's duty to carry out the objectives and purposes of the Corporation. The Board may exercise all powers of the Corporation, except such powers reserved to the Members as provided in the Act, the Articles of Incorporation, or these Bylaws.

**Section 4.02. Election, Number, and Term of Office.** The Board shall consist of two classes of Directors: (a) Association Directors and (b) Founding Member Directors. There shall be three Association Directors, and the number of Founding Members of the Corporation shall be the number of Founding Member Directors. The Executive Director shall serve as an ex officio nonvoting Director.

- (a) **Association Directors.** The California Retailers Association, the National Retail Federation, and the American Apparel & Footwear Association shall appoint an

individual to serve as an Association Director. Association Directors shall be voting Directors until such time as there are Founding Member Directors appointed pursuant to subsection (b) (or a later date as determined by the Founding Members), at which time the Association Directors shall serve as non-voting Directors.

- (b) Founding Member Directors.** Each Founding Member shall appoint one person to serve as a Director, and such person shall serve as a Director until the Founding Member appoints a different person to serve as the Director or the Director's earlier death, resignation, or removal.

**Section 4.03. Board Meeting.** The Board shall hold an annual meeting at a time and place determined by the Chair or the Board for the purpose of transacting such business as may properly come before the meeting. The Board may also hold other regular Board meetings at such times and places as may be determined by the Chair or the Board. Special meetings of the Board may be called by or at the request of the Chair or at least 20% of the Directors of the Corporation and shall be held at such time and place as set by the Directors calling the meeting.

**Section 4.04. Notice.** Notice of the place, if any, date, and time of each meeting of the Board shall be given to each Director at least 24 hours in advance, and at least two days in advance for any special meetings. Notice is effective if given in person, by telephone, mail, e-mail, or by other means of electronic transmission. Notice may be waived in writing, prior to or after the meeting, by those Directors not present. Attendance at a meeting shall constitute a waiver of notice of such meeting, except where the Director attends such meeting for the express purpose of objecting, at the commencement of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.

**Section 4.05. Quorum and Manner of Acting.** A majority of the Directors in office shall constitute a quorum for the transaction of business at any meeting of the Board, provided, that if less than a majority of the Directors are present at any meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice. The act of a majority

of the Directors then in office at a meeting at which a quorum is present shall be the act of the Board except when a greater vote is required by the Act. Directors shall not be permitted to vote by proxy.

**Section 4.06. Teleconferencing.** Any person participating in a meeting of the Board may participate by means of telephone or video conference or by any means of communication by which all persons participating in the meeting are able to hear one another, and otherwise fully participate in the meeting. Such participation shall constitute presence in person at the meeting.

**Section 4.07. Action by Unanimous Written Consent.** Board action may be taken without a meeting if all the voting Directors consent thereto in writing (including by electronic transmission).

**Section 4.08. Removal or Resignation of Directors.** Any Director may be removed from office with or without cause by the Board provided advance written notice of the intent to remove is provided to the Founding Member whose Director is being removed. Any Director may resign at any time by giving written notice to the Chair or the Secretary of the Corporation. Such resignation shall take effect at the time specified in such notice, or, if no time is specified, at the time such resignation is tendered.

**Section 4.09. Vacancies.** Vacancies are filled in the same manner as regular appointments.

**Section 4.10. Compensation.** Directors, including those Directors serving as Officers, shall not receive any compensation for services as such; provided, however, that Directors are not precluded from serving the Corporation in any other capacity and receiving reasonable compensation for such service with the approval of the Board.

## **ARTICLE V.**

### **OFFICERS**

**Section 5.01. Initial Officers.** Until the Founding Member Directors are appointed, the Officers of the Corporation shall include a Chair, Secretary, and Treasurer, which shall be elected

by the Association Directors at a meeting of the Board. Sections 5.04, 5.05, 5.06, 5.08, and 5.09 shall apply during the term of the Initial Officers.

**Section 5.02. Officers.** Once the Founding Member Directors have been appointed, the Officers of the Corporation may consist of a Chair, Treasurer, Secretary, and Executive Director, and such other Officers as may be determined by the Board, each to have such duties and authority as may be specified in these Bylaws or as shall be prescribed by the Board. The offices of Executive Director (or if there is no Executive Director, then Chair) and Treasurer may not be held by the same person; otherwise, the same individual may simultaneously hold more than one office.

**Section 5.03. Election and Term.** The Officers of the Corporation shall be elected by the Board at any meeting of the Board. Each Officer other than the Executive Director shall hold office for a one-year term; provided, however, that Officers shall serve until their successors are duly elected and qualified. The Executive Director shall serve at the pleasure of the Board. There shall be no limit on the number of terms, consecutive or otherwise, that an Officer may serve.

**Section 5.04. Removal or Resignation of Officers.** Any Officer may be removed from office at any time by the Board whenever in the Board's sole judgment the best interests of the Corporation would be served thereby. Any Officer may resign at any time by giving written notice to the Chair or Secretary of the Corporation. Such resignation shall take effect at the time specified in such notice, or, if no time is specified, at the time such resignation is tendered.

**Section 5.05. Vacancies.** Officer vacancies may be filled at any time by the Board for the unexpired portion of the term, if relevant.

**Section 5.06. Chair.** The Chair shall preside at all meetings of the Board. The Chair in general shall perform all duties incident to the office of Chair and such other duties as may be prescribed by the Board from time to time.

**Section 5.07. Vice Chair.** The Vice Chair, if any, shall assume the duties of the Chair in the Chair's absence and perform such other duties as from time to time may be assigned by the Chair or by the Board.

**Section 5.08. Treasurer.** The Treasurer oversees the Corporation's funds and financial records. The Treasurer shall cause to be kept complete and accurate financial records of the Corporation and in general shall perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the Chair or by the Board.

**Section 5.09. Secretary.** The Secretary shall cause minutes of the Board, State Boards, and Board Committees to be recorded and corporate records maintained, and in general perform all of the duties incident to the office of Secretary and such other duties as from time to time may be assigned by the Chair or by the Board.

**Section 5.10. Executive Director.** The Board shall select and employ a Executive Director who shall be the President for purposes of the Act and responsible for the administration and management of the Corporation's business and operations. Subject to the oversight of the Board, the Executive Director shall: supervise, coordinate and manage the Corporation's day-to-day business and activities; formulate plans and advise on policies for the accomplishment of the Corporation's objectives; prepare an annual budget for approval by the Board; have charge of the Corporation's funds, discharge its obligations, and maintain its accounts; carry into effect all directions and resolutions of the Board; and perform such other duties and have such other powers as may be prescribed by the Board or these Bylaws. The Executive Director shall report to the Board and keep the Board apprised of his or her activities in carrying out his or her duties hereunder. The Executive Director shall serve at the pleasure of the Board. Any removal of the Executive Director will be without prejudice to any rights under a contract of employment, and the appointment of such person shall not itself create contract rights.

## **ARTICLE VI.**

### **COMMITTEES**

**Section 6.01. Committees of the Board.** The Board may, by resolution adopted by a majority of all the Directors then in office, create one or more committees (each a "Board Committee") Board Committees shall consist of three or more Directors, unless otherwise

provided for in a Board Committee charter approved by the Board. . Board Committees shall have and exercise the authority of the Board in the management of the Corporation, to the extent provided in the respective Board resolution or Board Committee charter approved by the Board. Notwithstanding the foregoing, a Board Committee may not (i) authorize distributions; (ii) approve action required by the Act to be approved by the Founding Members; (iii) fill vacancies on the Board or any Board Committee; or (iv) amend or repeal these Bylaws. The designation and delegation of authority to a Board Committee shall not operate to relieve the Board, or any individual Director, of any responsibility imposed upon them by law.

**Section 6.02. Term.** Board Committee members serve until successors are appointed or the Board Committee is terminated.

**Section 6.03. Removal; Resignation; Vacancies.** Any member of a Board Committee may be removed from office at any time by the Board. Board Committee members may resign at any time by giving written notice to the Chair or to the Secretary of the Corporation. Such resignation shall take effect at the time specified in such notice, or, if no time is specified, at the time such resignation is tendered. Vacancies in the membership of any Board Committee may be filled at any time by appointments made in the same manner as provided in the case of the original appointments.

**Section 6.04. Committee Meetings.** Meetings of any Board Committee shall conform to the same standards for notice, quorum, voting, manner and method of acting, and other procedures applicable to meetings of the Board as are set forth in Article IV of these Bylaws, except as otherwise provided by these Bylaws, a Board Committee charter, or resolution of the Board.

**Section 6.05. Minutes and Conflicts of Interest.** Board Committees must keep minutes and Board Committee members must disclose any conflicts of interest and recuse themselves from related discussions and votes in accordance with the Corporation's Conflict of Interest Policy.

## ARTICLE VII.

### SUNDRY PROVISIONS

**Section 7.01. Contracts.** The Board may authorize any Officer or Officers, agents or specified employees of the Corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

**Section 7.02. Checks, Drafts, Etc.** All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by the Chair, the Treasurer, or such Officer or Officers of the Corporation, or agent or agents or specified employees of the Corporation, and in such manner as shall from time to time be approved by resolution of the Board.

**Section 7.03. Deposits.** All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks or other depositories as authorized by the Board as shall from time to time be approved by resolution of the Board.

**Section 7.04. Books and Records.** The Corporation may engage the services of a recognized auditing firm which shall review the Corporation's books and statements, and which shall prepare annually, or more frequently if required, an operating statement, balance sheet and tax returns. The Corporation shall keep correct and complete books and records of account and shall also keep: (i) minutes of all meetings of the Board; (ii) records of all actions taken without a meeting by the Board; (iii) records of all actions taken by a Board Committee on behalf of the Corporation; and (iv) other records as required by law.

**Section 7.05. Limitation of Liability; Indemnification; and Insurance.** To the fullest extent permitted by the Act and the Internal Revenue Code of 1986, as amended, or the corresponding provisions of any future internal revenue laws of the United States (i) the personal liability of each Director, Officer, employee of the Corporation is hereby eliminated, and (ii) the Corporation shall indemnify and advance expenses to any individual who was, is, or is threatened to be made, a party to a proceeding because he or she is or was a Director, Officer,

employee, and/or agent of the Corporation. The Corporation may purchase liability insurance for the indemnity specified above, as determined from time to time by the Board

## **ARTICLE VIII.**

### **FISCAL YEAR AND BUDGET**

**Section 8.01. Fiscal Year.** The Corporation’s fiscal year is the calendar year unless otherwise provided by the Board.

**Section 8.02. Budget, Fees, Dues, and Assessments.** The Board shall approve an annual budget for each fiscal year, and set fees, dues, and other assessments including the amount and method of collection.

## **ARTICLE IX.**

### **STATE PROGRAM BOARDS**

**Section 9.01. Establishment of State Program Boards.** The Corporation may establish governing bodies for one or more state producer responsibility programs in which the Corporation or its subsidiaries participates as the designated producer responsibility organization, as authorized by the Board (each, a “State Board”). Each State Board shall function as a designated body of the Corporation as defined in D.C. Code section 29-406.12. Each State Board shall have responsibility to approve the program plan and provide strategic oversight and guidance to the Corporation regarding that state’s program, subject to final approval and oversight by the Board.

**Section 9.02. State Board Meetings.** Each State Board shall have a governing charter approved by the Board. The charter shall operate as internal operating rules for the State Board and shall address the composition, membership requirements, and term of members of the State Board, as well as the procedures for meetings, notice, quorum, and manner of acting of the State Board.

**Section 9.03. Minutes and Conflicts of Interest.** State Board meeting minutes and records of each action taken without a meeting by a State Board shall be recorded, shared with the Board and maintained permanently among the records of the Corporation, as required by law. State Board members must disclose any conflicts of interest and recuse themselves from related discussions and votes in accordance with the Corporation's Conflict of Interest Policy.

## **ARTICLE X.**

### **AMENDMENTS**

**Section 10.01. By the Board.** At any meeting these Bylaws may be altered, amended or repealed in whole or in part upon approval of a majority of the Directors then in office.

Adopted on November 26, 2025

### ***Supporting Document 3: Textile Renewal Alliance Organizational Chart:***

TRA is a producer-led PRO, led by a board with deep business and operational experience in California, including five California-headquartered organizations. The board sets the strategic direction on behalf of the PRO and obligated producers, approves budgets and policies, oversees performance, and ensures that the organization meets statutory requirements while maintaining cost discipline and transparency. The board also welcomes and accepts input from the California Implementation Working Group (IWG).

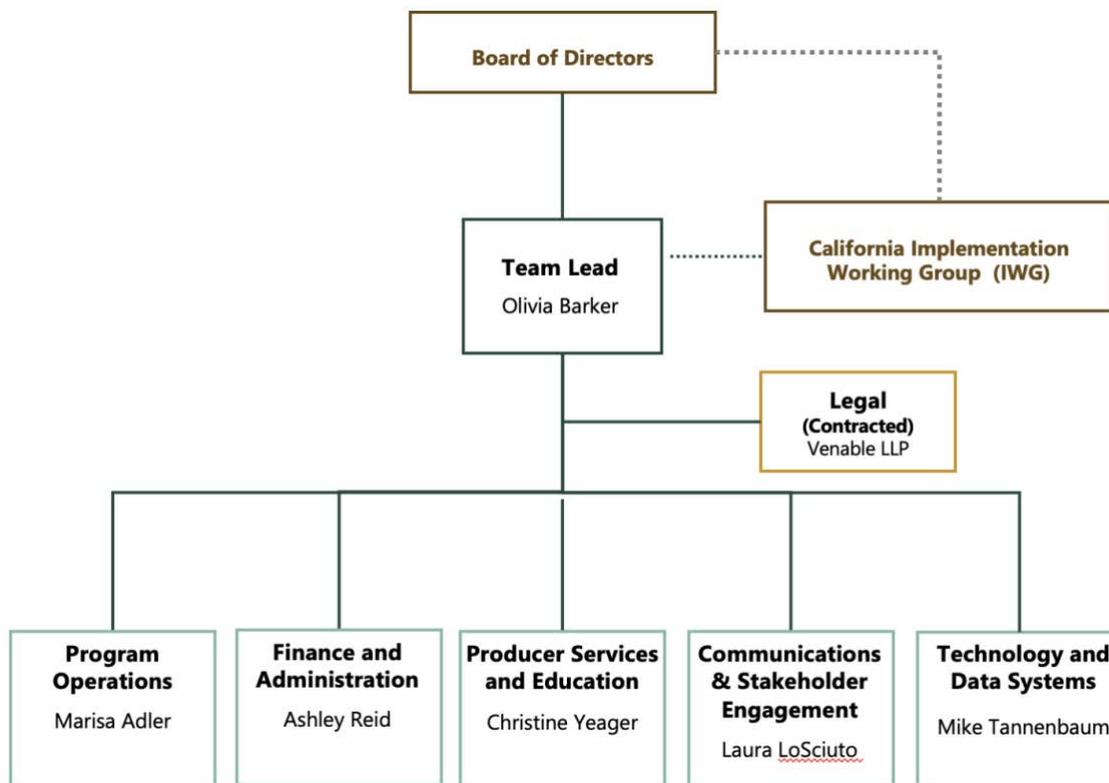
TRA's organizational chart is reflective of the commitment to develop and implement a program that is mission-focused, adequately resourced, cost-conscious, and positioned to scale effectively and strategically. The organization is organized into functions that align with short and long-term workstream priorities. Those functions are:

- **Producer Services:** This team educates and assists all obligated producers to support registration with the PRO by July 1, 2026, and facilitates ongoing producer requirements (e.g., reporting).
- **Program Operations:** This team oversees the needs assessment, program plan development, fee setting, regulatory engagement, service provider contracting, and program operations.
- **Finance and Administration:** This team oversees producer fees, invoices, program budget and human resources activities, including staff planning and hiring.
- **Technology and Data Systems:** This team develops and manages the producer registration portal and ensures a cohesive enterprise-wide technology system scaled to need.
- **Communications and Stakeholder Engagement:** This team ensures transparent and consistent communication, awareness building, and engagement with producer and non-producer stakeholders.

TRA plans to hire a full-time executive director in 2026, with a search commencing immediately upon selection. The executive director will subsequently build out the leadership team and oversee future hiring. TRA will have fractional roles prior to the transition to full-time, permanent staff, driven by program needs and statutory milestones, as well as informed by the needs assessment and hiring analyses.

The team outlined in the organizational chart was selected for their expertise in textile recovery systems, EPR, producer services, compliance systems, PRO operations, and direct experience operating in California's regulatory and market environment. Staffing decisions will be reviewed annually to ensure staffing levels remain adequate and aligned with program needs.

Bios of the individuals listed in the organizational chart can be found in [Appendix B](#).



**The following is a text-based version of the above organizational chart:**

- Board of Directors
- California Implementation Working Group has a dotted line to the board of directors and the TRA Team lead
  - TRA Team Lead: Olivia Barker, with support from Ron Soreanu
    - Legal: Venable LLP
    - Program Operations: Marisa Adler
    - Finance and Administration: Ashley Reid
    - Producer Services and Education: Christine Yeager
    - Communication and Stakeholder Engagement: Laura LoSciuto, with support from Sidney Roth
    - Technology and Data Systems: Mike Tannenbaum

## **Appendices**

### **Appendix A: Letters of Support (as of December 31, 2025)**

To date, 53 organizations have signed and submitted letters of support for TRA's application. These organizations include individual producers (24), trade associations and organizations representing producers (24) and other organizations (5).

#### **Producers: 24**

- 1** Best Buy
- 2** Carhartt
- 3** Catalyst Brands
- 4** Columbia Sportswear Company
- 5** Dollar Tree
- 6** Fanatics
- 7** Fillogic
- 8** Greenlynx
- 9** H&M Group
- 10** Hallmark
- 11** HUGO BOSS
- 12** IKEA U.S.
- 13** JB Martin
- 14** Lowe's
- 15** Lululemon
- 16** Macy's Inc
- 17** Pacific Sunwear of California LLC (PacSun)
- 18** Perry Ellis International, Inc.
- 19** QVC Group, Inc.
- 20** The Walt Disney Company
- 21** Tractor Supply Company
- 22** Universal Destinations & Experiences
- 23** Vera Bradley
- 24** World Market

#### **Trade Associations and Organizations Representing Producers: 24**

- 1** Accessories Council
- 2** Advanced Textiles Association
- 3** American Bridal and Prom Industry Association (ABPIA)
- 4** Association of Nonwoven Fabrics (INDA)
- 5** California Attractions and Parks Association (CAPA)
- 6** California Hotel and Lodging Association
- 7** California Restaurant Association
- 8** California Travel Association
- 9** Cascale (formerly Sustainable Apparel Coalition)

- 10** Council of Fashion Designers of America (CFDA)
- 11** Footwear Distributors & Retailers of America (FDRA)
- 12** International Apparel Federation (IAF)
- 13** Leather & Hide Council of America
- 14** National Council of Textile Organizations (NCTO)
- 15** Network Association of Uniform Manufacturing & Distributors (NAUMD)
- 16** Promotional Products Association International (PPAI)
- 17** Retail Industry Leaders Associations (RILA)
- 18** SEAMS (U.S. Sewn Products Industry Association)
- 19** Sewn Products Equipment & suppliers (SPESA)
- 20** Snowsports Industries America (SIA)
- 21** The American Association of Textile Chemists and Colorists (AATCC)
- 22** Travel Goods Association (TGA)
- 23** U.S. Fashion Industry Association (USFIA)
- 24** United States Footwear Manufacturers Association (USFMA)

**Other Organizations: 5**

- 1** Atrium916
- 2** Fibershed
- 3** LiquiDonate
- 4** Sneaker/Textile Impact
- 5** Soles4Souls

**A copy of the letter signed by the above organizations follows.**

Date: [month], [day], 2025  
Name:  
Position/Title:  
Organization:  
Street Address: State:  
City: Zip Code:  
Email:

Dear CalRecycle Staff,

My organization would like to express support for the producer responsibility organization (PRO) that has been formed by the California Retailers Association, the National Retail Federation, and the American Apparel & Footwear Association and is applying to serve as the PRO under California's Responsible Textile Recovery Act (SB 707). We strongly urge CalRecycle to approve this PRO as the PRO to represent all producers in California.

Sincerely,

*Signed by all companies listed above.*

- By signing this letter, I certify that I have authority to submit this form on behalf of the organization identified and that the California Retailers Association, the National Retail Federation and the American Apparel & Footwear Association are hereby authorized to indicate that the organization identified supports their PRO's application to be designated as a producer responsibility organization in California.

## Appendix B: TRA Team Bios

Program design and early implementation will be delivered by an experienced team with deep expertise in textile EPR, producer services, compliance systems, and program operations, including team members with direct experience operating in California's regulatory and market environment. Bios for those holding fractional roles that have supported the formation of TRA in 2025 and will continue to support the organization in 2026 follow.

### **TRA Officers:**

#### **Rachel Michelin**

#### **Organization: California Retailers Association**

**Title:** President/CEO

**TRA Role:** Board Chair

- Leads the statewide association representing retailers on environmental, packaging, and waste-management policy issues in California, including EPR and packaging regulation.
- Serves on California's Plastic Pollution Prevention and Packaging Producer Responsibility (SB 54) Advisory Board, providing a business and retail perspective on plastic pollution and packaging policy.
- Guides retail members through implementation of California's sustainability and packaging requirements, helping translate complex regulations into practical, operational strategies, as well as other EPR and product stewardship programs.
- Brings over 20 years of experience restructuring and expanding associations, including repositioning the California Retailers Association as a leading state retail organization on environmental and regulatory matters.
- Builds innovative coalitions that bring together business, environmental stakeholders, and government partners to advance policies that reduce waste, increase recycling, and mitigate pollution.
- Collaborates extensively with regulators, legislators, and advisory bodies at the local, state, and federal levels, drawing on a broad network to support environmental and economic goals.
- Strengthens organizational governance, administrative processes, and financial management, taking budgets from deficit to surplus and building reserves to sustain long-term program work.
- Deep knowledge of non-profit governance, financial stewardship, and risk management for mission-driven organizations.

#### **Relevant Past/Present Board and Committee Service:**

- Member, Plastic Pollution Prevention and Packaging Producer Responsibility (SB 54) Advisory Board/Committee, State of California

- Ex officio Member, California Circular Action Alliance California Board (SB 54)
- Chairwoman, California Policy Center for Intellectual & Developmental Disabilities (CPCIDD)
- Former Board Member, Los Angeles County Business Federation (BizFed)
- Former Gubernatorial Appointee, California State Board of Optometry (Executive Committee service in multiple years)
- Former Gubernatorial Appointee, Private Security Disciplinary Review Committee (North)
- Former Appointee, CA Dept. of Consumer Affairs – Bureau of Security and Investigative Services Statewide Advisory Committee
- Former Appointee of multiple local and state government advisory committees

**Stephanie Martz**

**Organization:** National Retail Federation

**Title:** Chief Administrative Officer and General Counsel

**TRA Role:** Board Treasurer

- 25 years of experience in law and public policy, advising clients on regulatory matters ranging from privacy laws to environmental compliance.
- Leads NRF's in-house counsel department, with responsibility for all governance issues.
  - Serves as staff lead for committees of general counsels, privacy lawyers, IP lawyers, and a variety of compliance functions.
  - Built out NRF's response to and guidance for businesses to comply with COVID-19-era regulations.
- With CRA, co-hosts a yearly summit for NRF members on California law and policy, featuring California lawmakers and regulators for candid discussions on topics such as ESG.
- Substantial experience working with nonprofits, including the National Association of Criminal Defense Lawyers and the US Chamber of Commerce.
- As Chief Counsel for Senator Schumer, oversaw almost all regulatory activities that were referred to Senate Judiciary Committee.
- As Senior Counsel and Special Assistant to the President during the Obama Administration, served as the chief compliance officer for the White House and oversaw all ethics and financial disclosure laws.

**Relevant Past/Present Board and Committee Service:**

- Council Member, Town of Chevy Chase, Md.
- President's Advisory Council, Appalachian Trail Conservancy
- Board of Directors, National Immigration Forum

**Steve Lamar**

**Organization:** American Apparel & Footwear Association

**Title:** President and CEO

**TRA Role:** Board Secretary

- Manages largest national trade association exclusively focused on industries covered by California's Responsible Textile Recovery Act.
- Nearly 30 years of experience advising industry and regulatory officials on textile, apparel, footwear, and accessories supply chain, including reverse supply chain operations.
- Founded AAFA's Environmental Committee and Product Safety Council, both of which have now been operated continuously for more than two decades.
- Created AAFA's Restricted Substance List (RSL), a key industry chemical management tool, more than two decades ago.
- Deep public policy experience in environmental and sustainability initiatives in the U.S. and around the world, including extended producer responsibility, circularity, chemical management, product safety, and social responsibility.
- Regular speaker on environmental, sustainability, and chemical management initiatives.
- Has produced dozens of industry-facing environmental and sustainability compliance and educational conferences, including numerous editions in the Los Angeles and San Francisco areas. Target audiences have included producers for all industry sectors with participants ranging from technical and operational to management and leadership (including C-Suite).

**Relevant Past/Present Board and Committee Service:**

- Returned Peace Corps Volunteers of Washington, DC
- Washington International Trade Association
- Operation Benjamin
- Boy Scout Troop 1818 and Cub Scout Pack 1818 (Fairfax, VA)
- Scrubs Addressing the Firearms Epidemic (SAFE) Advisory Board

## **TRA Founding Association Advisors:**

### **Scot Case**

**Organization:** National Retail Federation

**Title:** VP, Sustainability and Executive Director of the Center for Retail Sustainability

- Leads NRF Sustainability Council, EPR Working Group, Circularity and Reverse Logistics Committee and Fashion Returns & Reverse Logistics Working Group.
- Authored or co-authored dozens of recent reports and articles focused on retail sustainability and circularity, including multiple NRF blog posts highlighting retail circularity efforts and the NRF and Deloitte Retail Circularity: An Action Guide for Retailers report.
- Has worked at the intersection of business, environmental, and social concerns since the mid-1990s providing strategic leadership in the retail, quick-service restaurants, manufacturing, government, and nonprofit sectors.
- Led sustainability and circularity projects for the White House, World Bank, U.S. Environmental Protection Agency, and major corporations and governments worldwide.
- Owned and sold an environmental standard setting, certification, and consulting firm.
- Launched the Global Electronics Council and its EPEAT standard.

### **Relevant Past/Present Board and Committee Service:**

- Board of Directors, Goodwill Keystone Area
- Board of Directors, Sustainable Electronics Recycling Initiative

### **Chelsea Murtha**

**Organization:** American Apparel & Footwear Association

**Title:** Senior Director, Sustainability

- More than 10 years of experience advising industry and regulatory officials on the intersection of environmental and social responsibility issues with international trade and complex supply chains, including dedicated experience in textile, apparel, and footwear production and supply chains.
- Serves as the association's subject matter expert, lead advocate, and spokesperson on matters of sustainability, product safety, and chemical management.
- Serves as staff lead for AAFA's Environmental Committee (1,200+ individual members) and Product Safety Council (1,000+ individual members), as well as lead for numerous internal AAFA Working Groups. This includes AAFA's dedicated Textile EPR Working Group, which tracks and engages on global textile EPR and related circularity developments.
- Serves as the policy lead for AAFA's annual Product Safety and Compliance Seminar held annually in Long Beach, CA and Policy Co-Lead on AAFA's annual Traceability and Sustainability Conference.

**Relevant Past/Present Board and Committee Service:**

- AAFA Environmental Committee, Staff Lead
- AAFA Product Safety Council, Staff Lead
- AAFA Textile EPR Working Group, Staff Lead
- Cascale Public Affairs Strategic Council, Member
- Cascale U.S. Member Expert Team, Member
- Global Fashion Agenda Public Policy Forum, Member
- International Consumer Product Health and Safety Organization (ICPHSO) Annual Symposium Sustainability Planning Committee, Member

**Sarah Pollo Moo**

**Organization: California Retailers Association**

**Title:** Director of Sustainability, Public Affairs and Communications

- Manages all of Cal Retailers' sustainability and environmental-focused work, including packaging, textile, battery, carpet, household and hazardous waste, sharps and meds, used oil, and engagement on CA corporate climate disclosure laws, microplastics, and DTSC rules.
- Manages local, statewide, and national public relations and outreach campaigns.
- Planned and executed hundreds of events throughout the state including: California Women Lead's appointments, trainings, and Women's Empowerment Days, a series of public educational workshops for residents and business owners regarding the City of Sacramento's Accelerated Water Meter Program, and lobby/advocacy days for the Consumer Technology Association, First Five Los Angeles and California Community Colleges Career Technical Education Programs.
- Extensive experience in media relations and journalism, including bylines, op-eds and letters to the editor in local and community publications.
- Formerly held leadership roles with California nonprofit organizations, including California Women Lead and the Sacramento Area Human Resource Association (SAHRA).
- Experience working with a wide variety of national and California-based organizations, including: California Women Lead, Women Veterans Alliance, World Energy, Big Brothers Big Sisters of El Dorado County, RedRover, California Community Colleges, City of Sacramento, Sacramento Area Human Resource Association, California Association of Nurse Anesthetists, American Hospital Association, California Travel Association, Broadband For America, National Council of Textile Organizations, Western States Petroleum Association, Anaheim Orange County Visitors Center Bureau (OCVCB), Picayune Rancheria of Chukchansi Indians, California Valley Miwok Tribe.

### **Relevant Past/Present Board and Committee Service:**

- Member, California Carpet Stewardship Program Advisory Committee, Carpet America Recovery Effort (CARE)
- Lifetime Emeritus Board Member, Sacramento State's Policy & Politics Alumni Association chapter

### **TRA Fractional Roles:**

#### **Marisa Adler**

**Organization:** Resource Recycling Systems (RRS)

**TRA Fractional Role:** Program Operations

- Consultant with 20 years of experience in the waste and recycling industry, specializing in textile recovery systems.
- Founded RRS's textile circularity practice.
- Spent 9 years running waste reduction, reuse, and recycling policy and programming for the NYC Department of Sanitation.
- Has authored several industry publications
  - Textile Recovery in the U.S. – A Roadmap to Circularity (2020)
  - Textile Recovery in New York State: A Comprehensive Assessment of Data and Needs (2024)
  - Sorting For Circularity Usa: A Commercial Assessment of Fiber-To-Fiber Recycling in the U.S. (2024)

### **Relevant Research:**

- Financial and operational feasibility of large-scale automated textile material recovery facilities (Textile MRFs).
- Landfill textile waste analysis and fiber-based waste characterization studies, quantifying composition, condition, and recovery potential, including analysis at a Goodwill in California and a California landfill.
- Local, regional, and global textile waste flow mapping, traceability, and policy.
- Pre-needs assessment research for New York State, evaluating existing collection networks, processing capacity, market pathways, and policy gaps ahead of prospective statewide EPR legislation.
- Chemical-recycling feedstock sourcing studies for technology providers globally, including assessments of fiber composition, contamination profiles, logistics constraints, and market access.
- Facility siting evaluations for chemical recyclers, covering feedstock supply, permitting and regulatory context, logistics modeling, and community considerations.

- Landscape studies for municipalities and state agencies assessing current textile management systems, infrastructure gaps, and opportunities for reuse, repair, and recycling expansion.
- Consumer insight research, including surveys assessing attitudes, motivations, and behaviors around reuse, repair, donation, and end-of-life handling.
- Economic market analyses evaluating opportunities for textile-to-textile recycling, reuse markets, resale growth, and domestic processing capacity.
- Strategic advisory for collectors, non-profit thrift, and NSF Engine exploring expansion into fiber identification, preprocessing, and circular-loop logistics.

**Relevant Past/Present Board and Committee Service:**

- Chair of the New York State Association of Reduction, Reuse and Recycling's Textile Recycling Council
- Board of Directors, Secondary Materials and Recycled Textiles (SMART) Association
- Textiles advisor to the NextCycle accelerator program and peer-reviewer for research institutions assessing textile-focused grant proposals

### **Olivia Barker**

**Organization:** Clear Strategy, Inc.

**TRA Fractional Role:** Team Lead

- Consultant with 17 years of experience in policy, public affairs, sustainability, communications, and organizational management, specializing in the circular economy and EPR.
- Leads the global sustainability practice at Clear Strategy, advising PROs, coalitions, brands, retailers, restaurants, and nonprofits on policy, compliance and sustainability strategies.
- More than a decade of experience working in the CPG and retail sectors, including senior roles with responsibility for circularity and related policy strategies at The Coca-Cola Company and Amazon.
- Served on the initial leadership team for Circular Action Alliance (CAA) and played a key role in supporting the development of the organization from formation through PRO approval in multiple states. From 2022-2025:
  - Led recruitment of CAA founding members and board development.
  - Served as CAA's primary spokesperson.
  - Led all external communications, stakeholder and producer engagement efforts to support collaboration and compliance with SB 54 and other packaging EPR programs.

#### **Relevant Past/Present Board and Committee Service:**

- Board of Directors, Save the Harbor/Save the Bay

### **Laura LoSciuto**

**Organization:** Clear Strategy, Inc.

**TRA Fractional Role:** Communications & Stakeholder Engagement

- Consultant with more than 10 years of experience engaging stakeholders and advising companies on a wide range of sustainability issues and climate-related policy, with an emphasis on circularity.
- Led Rocky Mountain Institute's Battery Circular Economy Initiative, which aims to advance a circular, resilient, and responsible EV battery supply chain through research and analysis, thought leadership, stakeholder engagement, and policy support.
- Former Senior Manager on the Company Network team at Ceres, working with Fortune 500 companies in five sectors to integrate environmental and social sustainability into their business practices and strategic planning.
- Led efforts to make circular economy a strategic priority for Ceres and Ceres' members and served as in-house circularity expert.

### **Ashley Reid**

**Organization:** Independent Advisor

**TRA Fractional Role:** Finance & Administration

- More than 15 years in nonprofit and public benefit finance, accounting, and operations leadership.
- CFO at The Ready, leading financial strategy, treasury management, and business operations for a global professional services firm.
- Fractional CFO and consultant, supporting startups and small businesses in modernizing financial systems for scale.
- Played a key role in the foundational financial and operational development of Circular Action Alliance (CAA).
- Experienced in building PRO financial infrastructure, accounting systems, and audit frameworks that ensure transparency and scalability.
- Former Senior Director of Finance at The Recycling Partnership, overseeing finance, accounting, and compliance.

**Sidney Roth**

**Organization:** Clear Strategy, Inc.

**Fractional TRA Role:** Communications & Stakeholder Engagement

- Consultant with experience in sustainability, policy, stakeholder and community engagement, and communications, specializing in circularity and circular economy and EPR.
- Supported initial operations for Circular Action Alliance (CAA) across the communications, stakeholder engagement and producer services teams, including support for producer registration, onboarding, and education across producers and recycling system stakeholders.
- Led in-state advocacy, stakeholder engagement and in-state coalition building for the Every Voice Coalition in Virginia.
- Managed communications, stakeholder engagement and community education for the Center for the Advancement of Sustainable Energy at James Madison University, the Virginia League of Conservation Voters and the League of Women Voters of the Fairfax Area.

**Relevant Past/Present Board and Committee Service:**

- Represent Clear Strategy as a Knowledge Partner for the Canadian Circular Textiles Consortium formed by Fashion Takes Action

**Ron Soreanu**

**Organization:** Clear Strategy, Inc.

**TRA Fractional Role: Senior Advisor to Team Lead**

- CEO and Founder of consultancy Clear Strategy, with 20 years of experience in the public, private and non-profit sectors.
- Leads engagements with clients in the U.S., Canada, and globally, with expertise in EPR policy and implementation, including PRO-building and management.
- Led the development of Circular Action Alliance (CAA), helping companies organize to build the United States' first and only PRO for packaging. Built and oversaw a team of subject matter experts who served in initial, fractional roles, oversaw board and organizational development, and supported the transition to full-time staff.
- Helped establish Circular Materials, a national non-profit PRO for paper and packaging in Canada, serving as co-chair of the producer working group.
- Served as Vice President of Public Affairs, Communications and Sustainability for The Coca-Cola Company, leading the company's sustainability strategy and execution in Canada.

**Relevant Past/Present Board and Committee Service:**

- Board of Directors, Stewardship Ontario
- Chair of the Board, Canadian Beverage Association
- Board of Directors, Alberta Beverage Container Recycling Corporation
- Chair, Public Affairs Committee, Alberta Beverage Container Recycling Corporation

**Mike Tannenbaum**

**Organization:** Independent Advisor

**TRA Fractional Role:** Technology and Data Systems

- Technology and operations leader and organizational builder with 20+ years building data infrastructure, collaborative systems, and strategic programs that enable distributed organizations to work more effectively.
- Built Sustainable Packaging Coalition's advisory services practice from zero, generating ~\$1M in revenue across a dozen scoped projects, supporting projects in circular economy innovation, recycling and recovery systems, responsible sourcing, EPR compliance readiness, and more.
- Designed and implemented a national nonprofit's first Program Management Framework, improving transparency and decision making across their \$40M+ strategic portfolio.
- Streamlined productivity systems for The Recycling Partnership's 80+ person team by implementing a collaborative shared workspace as the single source of truth (SSOT).
- Led a nonprofit organizational strategy development through an executive leadership transition: implemented OKRs, designed strategic framework, developed 3-year roadmap.

- Established B2B business development, CRM and marketing infrastructure for enterprise tech startup.
- Led design and implementation of new cross-functional processes including fundraising management, responsibilities handoffs, and marketing coordination.

**Relevant Past/Present Board and Committee Service:**

- Board Chair, Circular Philadelphia

**Christine Yeager**

**Organization:** CSY Impact

**Fractional TRA Role:** Producer Services

- Consultant with 17 years of experience driving sustainability strategy, stakeholder engagement, technology deployment, and process improvement across the CPG value chain.
- Advises brands, retailers, reuse operators, and recycling service providers on EPR compliance, collection models, reuse infrastructure, responsible end-market development, and operationalizing rPET and other secondary material supply chains.
- Helped shape producer engagement and program planning for Circular Action Alliance (CAA) across Oregon, Colorado, and California—building practical systems for data mapping, producer registration, reporting readiness, and stakeholder communications under SB 54 and emerging EPR laws.
- Former Coca-Cola sustainability leader with 11 years of enterprise-scale execution experience, directing strategy for North America’s World Without Waste portfolio, including large-scale technology deployments, business planning, and cross-functional alignment.

**Appendix C: Brands Represented by TRA Founding Members**

Below you'll find a list of brands represented by TRA. This list is as comprehensive as possible at this time. Producers are still assessing their obligations and awaiting further clarification on covered products through the rulemaking process.

<b>Founding Member</b>	<b>Affiliated Brands</b>
Amazon	Amazon Basics
	Amazon Essentials
ASICS	ASICS
Eileen Fisher	Eileen Fisher
Everlane	Everlane
Gap	Gap
	Old Navy
	Athleta
	Banana Republic
New Balance	Brine
	New Balance
	Warrior Sports
Nike	Nike
	Converse
	Jordan
Patagonia	Patagonia
Regent Apparel	Regent
	Shamron Mills.
SanMar	Port Authority
	Port & Co.
	Red House
	District
	Mercer + Mettle
	Sport-Tek
	Cornerstone
	AllMade
	Volunteer Knitwear

Target	A New Day
	All in Motion
	Universal Thread
	Wild Fable
	Ava & Viv
	KBB by KAHLANA
	Auden
	Shade & Shore
	Dealworthy
	JoyLab
	Goodfellow & Co.
	Original Use
	Cat & Jack
	Art Class
	Cloud Island
	Room Essentials
	Threshold
	Threshold Studio McGee
	Casaluna
	Parachute for Target
	Pillowfort
	Hearth & Hand with Magnolia
	Figmint
	Embark
	Boots & Barkley
	Hyde and EEK! Boutique
	Wondershop
	Bullseye's Playground
	Sun Squad
	Open Story

Walmart	Allswell
	Athletic Works
	Avia
	Better Home & Gardens
	Earth Spirit
	Free Assembly
	George
	Holiday Time
	Joyspun
	Mainstays
	No Boundaries
	Ozark Trail
	Pioneer Woman
	Scoop
	Terra & Sky
	Time and Tru
	Weekend Academy
Wonder Nation	
Zara	ZARA USA INC.
	ITX USA LLC
	MASSIMO DUTTI USA INC

**Appendix D: Request for Information (RFI) Engagement, Summary of Responses and Copy of the Needs Assessment RFI**

- RFI engagement through webinar attendance:
  - No. Registered: 87 total
  - No. Attended: 86 total
- RFI summary of responses:
  - 30 organizations responded
  - 50+ referenced reports and resources
  - 30 offers for further support and/or sharing of data under data-sharing agreements
- Type of information shared:
  - Company overviews and contact information
  - Covered product descriptions and questions
  - Types of data collected and willing to share under appropriate data-sharing agreements (e.g., information about current capacity, operational scope, and cost/pricing of collection infrastructure)
  - Number and types of collection sites and activities
  - Tonnages collected
  - Types of covered products collected
  - Regulatory barriers at the local level
  - Descriptions of local sorting infrastructure and current barriers
  - Experience with new technologies and innovations
  - Future vision and projections for textile recovery
  - International end market information
  - Consumer survey findings
  - University initiatives
  - Textile recycling partnerships, trials, and pilots,
  - Desired/suggested standards
  - Ideas for servicing underserved areas
  - Economic barriers of sorting, repair and resale
  - Confirmation of elusive data
  - Recommendations for further research

<b>Respondent Category</b>	<b>Number of Respondents</b>
<b>Collectors/Collector Associations</b>	7
<b>Consultant/Prof Service Provider</b>	7
<b>NGOs / Industry Initiatives</b>	4
<b>Producers/Producer Associations</b>	3
<b>Equipment Providers</b>	2
<b>Recyclers</b>	2
<b>Resale/Rental</b>	3
<b>Government</b>	1
<b>University</b>	1
<b>Total</b>	<b>30</b>



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## Fw: Request for Information (RFI): Seeking Your Feedback on CA's Textile Recovery Needs Assessment

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From Marisa Adler <marisa@clearstrategyinc.com>

Date Fri 2025-11-14 9:10 AM

To 243958615@forward.na2.hubspot.com <243958615@forward.na2.hubspot.com>

1 attachment (378 KB)

CA Textile PRO Needs Assessment - Request for Information.pdf;

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**From:** RFI

**Sent:** Friday, August 8, 2025 1:07 PM

**To:** RFI <rfi@catextilepro.org>

**Subject:** Request for Information (RFI): Seeking Your Feedback on CA's Textile Recovery Needs Assessment

Dear Valued Colleague,

We are reaching out to invite your input in shaping the future of textile reuse and recycling in California.

As you may know, the **Responsible Textile Recovery Act of 2024 (SB 707)** requires the Producer Responsibility Organization (PRO) to conduct a **Needs Assessment** to identify existing infrastructure, data gaps, and opportunities for textile collection, reuse, repair, and recycling across the state. This work will serve as foundational input into the PRO's Program Plan, which will be submitted to the California Department of Resources Recycling and Recovery (CalRecycle) for approval.

As a prospective PRO, we are issuing the enclosed **Request for Information (RFI)** to help shape the development of a Request for Proposals (RFP) for the Needs Assessment. Through this RFI, we're seeking insights from stakeholders across the textile value chain, including:

- Textile reuse, repair, and recycling service providers
- Collectors, sorters, and graders
- Brands, retailers, and manufacturers
- Local governments and public agencies
- Consultants
- Nonprofits, academic institutions, and researchers
- Environmental advocates and community-based organizations

We are especially interested in understanding data that already exist, where gaps remain, and your thoughts on how this Needs Assessment can be most useful and impactful.

We welcome you to review the RFI and respond with any relevant data, insights, resources, or feedback by **5pm ET on Friday, September 5, 2025**.

**SUBMISSION INFORMATION**

1. Please submit responses to: [rfi@CAtextilePRO.org](mailto:rfi@CAtextilePRO.org)
2. Please include “RFI –CA Textile Needs Assessment” in the subject line of your email.
3. Please include any supporting data tables, spreadsheets, reports, and other informational sources as attachments.

## INFORMATION SESSIONS

We are hosting optional virtual information sessions where you can learn more about the purpose, timeline, and process for the Needs Assessment. Both sessions will contain the same information; we kindly ask that you sign up for only one.

- Session #1: August 19, 1 pm ET - [https://zoom.us/webinar/register/WN\\_ufvzmRUiQa2U7S40xwke7A](https://zoom.us/webinar/register/WN_ufvzmRUiQa2U7S40xwke7A)
- Session #2: August 20, 1 pm ET - [https://zoom.us/webinar/register/WN\\_Q\\_bwBaBZSq2tTw3tF6Bwxw](https://zoom.us/webinar/register/WN_Q_bwBaBZSq2tTw3tF6Bwxw)

We are grateful for your time and support. You are welcome to share this consultation with others in your network that may have valuable input to contribute.

Sincerely,

National Retail Federation (NRF), American Apparel and Footwear Association (AAFA), and California Retailer’s Association (CRA)

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***[Sign up for our Newsletter](#) to receive regular updates on the PRO’s activities and be notified of upcoming meetings and info sessions.***

# REQUEST FOR INFORMATION



## **Request for Information (RFI) to Inform the Needs Assessment RFP for the California Responsible Textile Recovery Act of 2024.**

### **INTRODUCTION**

The National Retail Federation (NRF), the American Apparel and Footwear Association (AAFA), and the California Retailer’s Association (CRA) are collaborating to establish an independent, 501(c)(3) non-profit organization to serve as the Producer Responsibility Organization (PRO) under California’s Responsible Textile Recovery Act of 2024 (SB 707). NRF, AAFA, and CRA are among the largest trade associations representing the retailers, manufacturers and other producers affected by the law.

SB 707 requires the PRO to conduct and deliver a Needs Assessment to the California Department of Resources Recycling and Recovery (CalRecycle) by March 1, 2027. The Needs Assessment will inform the development of the PRO’s Program Plan. This RFI seeks information from participants across all aspects of the textile recovery, hauling, sorting, resale/thrift, repair and recycling industry to inform the development of a Request for Proposals (RFP) for the Needs Assessment. The RFP for the Needs Assessment will be released following selection by CalRecycle as the winning PRO on or about March 1, 2026.

We invite industry, NGOs, government, and other interested parties to submit comments on the content of this RFI or to provide information that would help inform the development of a comprehensive RFP.

We welcome and appreciate any information you are willing to share in response to this RFI. Participation is entirely voluntary, and you are not required to respond to all questions—partial or complete responses are both acceptable.

Please share only information (or knowledge of information) that is public or that you have the authority to disclose. Do not disclose proprietary, confidential, or business-sensitive information unless you have explicit permission to do so. Respondents are welcome to indicate that certain data exists without providing the data itself.

All information submitted will be used to help inform the development of a comprehensive Request for Proposals (RFP). This RFI is solely for information and planning and is not a solicitation.

The Associations will consider all written responses received during the consultation period. Further distribution of this document is welcomed.

Thank you for your time and input.



## SUBMISSION INFORMATION

Please submit responses to: [rfi@CAtextilePRO.org](mailto:rfi@CAtextilePRO.org)

Please include “RFI –CA Textile Needs Assessment” in the subject line of your email.

Please include any supporting data tables, spreadsheets, reports, and other informational sources as attachments.

**The due date for responses to this RFI is 5 pm EDT on Friday, September 5, 2025.**

Responses received past this date may not be considered.

**INFORMATION REQUESTED** The following questions aim to assess data and insights to inform the development of a Needs Assessment RFP to satisfy the requirements under the Responsible Textile Recovery Act.

### Postconsumer Textile Waste Generation Questions

- What data sources are available that provide estimates of postconsumer textile waste generation in California from the residential and commercial sectors?
- Are there examples of Apparel and Textile Articles that are not included in the definition of Covered Product as described in section 42984.3 of the Responsible Textile Recovery Act of 2024 that usually show up in the postconsumer textile recovery stream?
  - Covered Products: Apparel and textile articles.
  - “Apparel” means clothing and accessory items intended for regular wear or formal occasions and outdoor activities. For purposes of this chapter “apparel” includes only undergarments, shirts, pants, skirts, dresses, overalls, bodysuits, costumes, vests, dancewear, suits, saris, scarves, tops, leggings, school uniforms, leisurewear, athletic wear, sports uniforms, swimwear, formal wear, onesies, bibs, footwear, handbags, backpacks, knitted and woven accessories, jackets, coats, snow pants, ski pants, and everyday uniforms for workwear.
  - “Textile article” means an item customarily used in households or businesses that are made entirely or primarily from a natural, artificial, or synthetic fiber, yarn, or fabric. For purposes of this chapter, “textile article” includes only blankets, curtains, fabric window coverings, knitted and woven accessories, towels, tapestries, bedding, tablecloths, napkins, linens, and pillows.



- Not included: PPE, military textiles, mattresses, carpet, single-use products including paper towels, paper napkins, toilet paper, facial tissue, and wet or dry wipes.
- Are there examples of products that are not clearly included or excluded from the scope of Covered Products as described in section 42984.3 of the Responsible Textile Recovery Act of 2024?
- What data or data sources are available about the quantity and composition of textiles in California landfills (disposed textiles)?
- What data or data sources are available about the quantity and composition of recovered or diverted postconsumer textiles in California?

## Collection Infrastructure Questions

- What informational sources are available about the current capacity, operational scope, and cost/pricing of collection infrastructure? Please indicate if you have data you are willing to share.
- What informational sources are available about the current capacity, operational scope, and cost/pricing of repair infrastructure? Please indicate if you have data you are willing to share.
- What data sources are available to quantify (by tonnage or units) formal and informal resale of postconsumer textiles (e.g., peer-to-peer, brand recommerce, managed marketplaces, etc.)?
- How quickly can collection of postconsumer textiles scale in California (based on your own operations or in general)? What are the key considerations? What are the key barriers?
- Are there limitations to the current infrastructure for collecting and processing postconsumer textiles that must be addressed?
- What programs do you know of that collect textiles for resale or recycling directly from homes or businesses?
- What collection programs do you know of require textiles to be brought to a drop off point?

## Innovation Questions

- Do you know of any proposed technology (commercial or pre-commercial) to enable automation of sorting and grading processes, and/or identification and sorting based on fiber type and content? What are the common issues with these technologies that impact their accuracy or speed, and how can these issues be



overcome? Please describe the technology and, if pre-commercial, include technology readiness level.

- Which AI technologies exist or need to be developed to facilitate postconsumer textile collection, sorting, grading, reuse, repair, repurposing, recycling, transport, tracking, traceability, data collection, and/or reporting? Please provide examples if possible.
- What is the likely 10-year and 20-year trajectory for availability of textile-to-textile recycled content (globally)? Please be as specific as you can.

## Policy Questions

- Which regulations, laws, policies, or practices exist that could affect the collection of postconsumer textiles. Are you aware of any repositories or aggregation of this policy data? Examples might include zoning, permitting, municipal codes, setback requirements, bin regulation, retail lease stipulations, etc.
- Are you aware of any standards or industry guides for reuse, durability, repairability, recyclability? If not, please share how you believe standards might be developed, and what are the risks to industry in developing and following these standards?

## End Market Questions

- What are the mature end use categories for postconsumer textiles? Please share any resources that describe the size and significance of these markets.
- What are the current challenges and threats faced by the existing reuse and resale industry in California?
- What is the size of the reclaimed wiping cloth industry and what is its capacity to absorb higher quantities of postconsumer textile inputs? Who are the largest players?
- What are the emerging end use markets for postconsumer textiles (e.g., textile-to-textile recycling; domestic recommerce). Please share any resources that describe the size and significance of these markets.
- What technical and economic barriers must be addressed to develop new end markets and/or expand existing end markets for postconsumer textiles? Please be as specific as possible (e.g., pricing, costs, etc.)
  - E.g., What are the cost and revenue gaps in the textile-to-textile recycling business model that need to be addressed for textile-to-textile recycling to be economically viable?



## Consumer Behavior Questions

- What consumer behavior data is available to inform convenience thresholds for participation in collection programs?
- Is contamination a problem in textile collection programs? What sources and types of contamination occur and what are most problematic?

## Other Questions

- What kind of collaboration, skills, and investments are needed to increase recovery and responsible management of postconsumer textiles from California?
- What types of incentives mechanisms can encourage consumer participation?
- Are there underserved or underrepresented stakeholders in the circular textile economy? (E.g., communities/areas that are underserved with existing collection programs; under-resourced sorters or repair providers; underrepresented downstream handlers domestically or abroad; etc.)?
- Do you have any other comments or recommendations that you wish to make about the Needs Assessment or data availability for postconsumer textile management?

## **Appendix E: Copy of the California Implementation Working Group Application**

# California Implementation Working Group Application

**Due date:** 5:00 PM Pacific Time, Friday, November 21, 2025

### **About Textile Renewal Alliance**

Textile Renewal Alliance is a 501(c)(3) formed by the California Retailers Association (CRA), the American Apparel & Footwear Association (AAFA) and the National Retail Federation (NRF) to support all producers in meeting their obligations under applicable U.S. Extended Producer Responsibility (EPR) laws for textiles. As a prospective Producer Responsibility Organization (PRO), Textile Renewal Alliance is dedicated to ensuring that apparel and textiles are diverted from landfill and collected, repaired, reused, and recycled after use in compliance with California's first-in-the-nation EPR law for textiles, SB 707.

- **Our mission:** To support all producers in meeting their obligations under applicable U.S. EPR laws for textiles by implementing efficient, compliant, and scalable programs and practices.
- **Our vision:** A producer-led stewardship system where textiles are thoughtfully designed and responsibly managed across their entire lifecycle.

We are committed to collaborating across the textile value chain and operating a PRO that reflects California's unique market conditions, waste management challenges, and regulatory landscape – creating both formal and informal opportunities for information sharing and inclusion of diverse perspectives.

The California Implementation Working Group comprises non-producer organizations and serves as a formal mechanism for collaboration with entities involved in the collection, sorting, repair, reuse, recycling, or management of covered products in California.

### **About the California Implementation Working Group**

Pending Textile Renewal Alliance's selection as California's textile PRO, the California Implementation Working Group will provide input to the Board of Directors, sharing expertise and feedback on the design, implementation, and continuous improvement of the California textile EPR program.

California Implementation Working Group members will contribute on-the-ground insights in support of a variety of activities throughout the implementation process, including, but not limited to, the needs assessment, rulemaking, program plan development, and program operation. The California Implementation Working Group may consult on other topics brought forward by the Board of Directors and/or PRO staff, in addition to raising considerations and priorities of the industries and communities they represent.

While the working group does not possess voting rights, its input is a valued component of the PRO's inclusive and transparent planning and implementation process.

*Participation is voluntary, with no financial obligations. Only authorized representatives from your organization may submit an application.*

### **Selection and Terms**

- Members are appointed by the PRO Steering Committee following an application process.
- Priority will be given to organizations that demonstrate direct experience in California.
- The PRO will strive to maintain a balanced and diverse representation of stakeholder interests and expertise on California's unique market conditions, waste management challenges, and regulatory landscape.
- The California Implementation Working Group's terms of reference and charter will be finalized upon PRO selection.

### **Meetings**

- The California Implementation Working Group will meet at least quarterly, with additional meetings scheduled as needed.
- Meetings may be held virtually, in person, or in hybrid formats to facilitate participation.
- IWG meetings will be attended by representatives from the Textile Renewal Alliance Board of Directors and staff and minutes will be recorded to ensure discussions and recommendations are effectively reflected back to the broader organization.
- Recommendations and feedback from the IWG will be documented and submitted to the Textile Renewal Alliance Board of Directors for consideration.

To apply, please complete the following form by the due date: **5:00 PM Pacific Time, Friday, November 21, 2025**

25%



**Next**

## Company & Contact Information

Which seat are you applying for?\*

- Non-profit textile recovery value chain representative (e.g., collector, sorter, grader, broker, thrift operator, resale service provider, repair service provider, reclaimed wiping cloth industry, mechanical recycler, chemical recycler, equipment provider) (1 seat)
- For-profit textile recovery value chain representative (e.g., collector, sorter, grader, broker, thrift operator, resale service provider, repair service provider, reclaimed wiping cloth industry, mechanical recycler, chemical recycler, equipment provider) (1 seat)
- California hauler representative (1 seat)
- Environmental NGO representative (1 seat)
- Social justice NGO representative (1 seat)
- Local or regional government representative (up to 3 seats)
- Small business (<\$30M) representing any of the above areas of expertise (1 seat)
- Other (please specify in next question) (up to 3 seats)

Other Implementation Working Group Seat

Please specify if "Other" was selected in the question before.

Which activities does your organization, or the organizations you represent, participate in?\*

- Collection
- Sorting
- Repair
- Reuse
- Recycling Management

Organization Name\*

Employer Identification Number (EIN)\*

Type of Organization\*

Other Type of Organization

First Name\*

Last Name\*

Job Title\*

Phone Number\*

Email\*

Company Street Address\*

Please populate with the address of the company's headquarters

Company Street Address 2 (if needed)

City\*

State/Region\*

Postal Code\*

Company Website URL\*

50%



Previous

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## Demonstration of Expertise

Please describe your organization (mission, values, key areas of work, leadership).\*

Please describe why your organization is interested in serving on the California Implementation Working Group.\*

Please describe your organization's relevant experience, core activities, and operations as well as any previous involvement or experience in product stewardship.\*

Please describe your organization's achievements in used textile management, environmental conservation, environmental or social justice, municipal representation, and/or related areas.\*

Please describe the value your organization brings to the implementation of textile EPR in California.\*

Please demonstrate specific experience in and knowledge of the California market.\*

75%



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## Complete Submission

Please list any potential conflicts of interest.\*

Additional Supporting Documents (Optional). For example:

- Relevant reports/publications demonstrating expertise or knowledge in the sector.
- Any certifications or accreditations related to environmental or social sustainability.

No file chosen

**By submitting this application, I affirm that my organization:**

- Agrees to be named in Textile Renewal Alliance's PRO application to CalRecycle
- Will commit exclusively to the application of Textile Renewal Alliance
- Can commit to uphold the [mission, vision](#) and [operating principles](#) of Textile Renewal Alliance
- Has no significant legal violations, unpaid fines, or sanctions
- Employs ethical practices (e.g., no history of fraud)
- Will prioritize the best interest of the industries and communities that our seat represents
- Will serve as a subject matter expert, providing sound technical guidance
- Will provide timely reviews and recommendations
- Will attend scheduled meetings and execute assigned tasks
- Will maintain confidentiality and adhere to anti-trust policies\*

100%



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## **Appendix F: Policies:**

These policies are provided to demonstrate that Textile Renewal Alliance maintains appropriate policies, controls, and oversight mechanisms consistent with statutory and regulatory requirements. Following this page, you will see a copy of the policies below:

- Internal controls policy
- Fraud prevention policy
- California reserve fund policy
- Financial statement audit policy
- Budget policy
- Treasury management policy
- Accounts receivable policy
- Accounts payable policy
- Financial reporting policy
- Delegation of authority matrix
- Whistleblower policy
- Conflict of interest policy
- Compensation policy
- Records retention policy
- Antitrust compliance policy

## **Financial Management Policy Framework**

Textile Renewal Alliance (TRA) is committed to managing producer-contributed funds with integrity, transparency, and sound financial stewardship. These financial management policies establish the systems, controls, and governance structures that ensure TRA can responsibly manage and safeguard funds collected through Extended Producer Responsibility (EPR) programs.

The framework was initially developed in preparation for the implementation of California's *Responsible Textile Recovery Act of 2024 (SB 707)*, the first statewide EPR program for textiles in the United States. While the California program served as the foundation for this work, these policies are written for TRA as a national Producer Responsibility Organization, designed to apply across multiple states and EPR programs as they emerge.

Each policy reflects nonprofit financial management best practices and is informed by the compliance expectations of state oversight agencies. Collectively, they create a cohesive framework for accountability, transparency, and long-term sustainability.

One exception is the California Program Reserve Fund Policy, which remains specific to the requirements of SB 707. That policy outlines TRA's obligation to establish and maintain a reserve sufficient to operate the California Program Plan for six months once the program becomes fully operational. All other financial policies are written broadly to serve TRA's ongoing operations and future EPR program implementations nationwide.

### **Note on Current Organizational Structure and Role Responsibilities**

Until additional state programs are established, TRA's National and State functions are carried out by the same individuals and teams. The National Board, California Board, Committees, and consulting staff currently serve in dual capacities; providing both national oversight and California program management under SB 707.

References in these policies to specific roles or entities, including, but not limited to, the Board of Directors, Finance & Audit Committee, Executive Director, Finance Director, Finance Manager, Program Leads, or other staff, should therefore be interpreted as encompassing responsibilities across both the national organization and the California Program.

During TRA's initial operating phase, staff functions will be fulfilled primarily by consultants and contractors rather than employees. Each consultant will perform the duties associated with their functional role and is expected to adhere to the standards, processes, and controls described in these policies. This ensures that, even in a

contractor-based model, the governance structure, accountability, and segregation of duties remain consistent with nonprofit best practices.

For clarity:

- National-level responsibilities relate to TRA's overall governance, strategy, and financial oversight as a multi-state producer responsibility organization (PRO)
- California-level responsibilities relate to the implementation, compliance, and financial management of the California Program Plan under SB 707

As TRA expands to include additional state programs and hires dedicated staff, these roles and responsibilities may be distributed or redefined. The principles of role separation, accountability, and oversight described throughout this policy framework will continue to apply regardless of whether functions are performed by employees, consultants, or contractors.

### Guiding Principles

TRA's financial management practices are grounded in:

- **Stewardship:** Protecting and managing producer funds as entrusted assets
- **Integrity:** Upholding transparency, accuracy, and consistency in all financial processes
- **Accountability:** Establishing clear oversight roles and decision-making authority
- **Resilience:** Maintaining the financial strength to operate continuously, even amid uncertainty
- **Compliance:** Ensuring adherence to all applicable laws, regulations, Generally Accepted Accounting Principles (GAAP), and state EPR program requirements
- **Efficiency:** Designing financial systems, tools, and processes that enable TRA to function in a timely, scalable manner; advancing work without unnecessary complexity or administrative burden

### Policy Framework

Each policy follows a consistent structure; defining its purpose, objectives, roles and responsibilities, standards and practices, and oversight mechanisms to ensure clarity, alignment, and usability.

The core policies include:

1. **Internal Controls Policy:** Defines the systems and processes that safeguard TRA's assets and ensure accurate financial reporting
2. **Fraud Prevention Policy:** Establishes TRA's zero-tolerance stance on fraud and procedures for prevention, detection, and response
3. **California Reserve Fund Policy:** Sets the framework for maintaining financial resilience through a six-month reserve aligned with the SB 707 requirements
4. **Financial Statement Audit Policy:** Outlines the process for independent audits to validate TRA's financial integrity and compliance
5. **Budget Policy:** Guides the development, approval, and monitoring of TRA's annual budget

6. **Treasury Management Policy:** Governs cash, banking, and investment management to ensure security and liquidity
7. **Accounts Receivable Policy:** Defines procedures for invoicing, collecting, and recording producer fees and other receivables
8. **Accounts Payable Policy:** Establishes standards for authorizing, documenting, and processing payments to vendors and partners
9. **Financial Reporting Policy:** Ensures timely, accurate, and transparent internal financial statements for governance and decision-making
10. **Delegation of Authority Matrix:** Defines TRA's financial and contractual approval thresholds and decision-making authority by role. The matrix ensures clarity, accountability and appropriate oversight for all commitments, spending and personnel decisions; reinforcing the controls outlined across the financial management policy framework

### **Oversight and Integration**

These policies are interdependent, collectively forming a comprehensive financial management system. They are overseen by TRA's Board of Directors and Finance & Audit Committee, led operationally by the Finance Director, and supported by the Executive Director to ensure alignment with TRA's mission and applicable Program Plan(s).

Policies will be reviewed annually to maintain relevance, incorporate lessons learned, and reflect evolving operational needs and regulatory compliance requirements.

### **1. Internal Controls Policy**

Created Date: 11/18/2025

Last Updated On: 11/25/2025

Board Approval Date: 11/25/2025

#### **1. Purpose and Context**

TRA manages producer-contributed funds to design and operate systems that fulfill EPR requirements under applicable state legislation. Strong internal controls are essential to uphold trust across system stakeholders and regulators, ensure transparent operations, and demonstrate compliance with statutory requirements.

This policy establishes TRA's internal control framework to:

- Safeguard assets from loss, misuse, or fraud
- Ensure the integrity of financial, operational, and environmental reporting
- Promote efficient use of resources
- Support compliance with applicable EPR regulations, nonprofit governance standards, and GAAP

#### **2. Guiding Principles**

TRA's internal control system is based on five guiding principles:

1. **Accountability:** All financial actions must be traceable to responsible individuals
2. **Transparency:** Records and approvals must be documented, accessible, and auditable

3. **Segregation of Duties:** Key financial responsibilities are divided to prevent concentration of power
4. **Proportionality:** Controls must balance rigor with operational efficiency, ensuring compliance without unnecessary administrative burden
5. **Continuous Improvement:** Controls will be evaluated and adapted as TRA scales

### 3. Roles and Responsibilities

- **Board of Directors:** Provides ultimate oversight; approves this policy and reviews/approves audit findings
- **Finance & Audit Committee:** Monitors internal controls quarterly; commissions annual external audits; escalates deficiencies to the Board
- **Chief Executive Office or Executive Director:** Ensures day-to-day compliance with internal controls
- **Finance Director:** Designs, implements, and enforces controls; reports compliance status
- **Finance Manager:** Execute transactions in accordance with established procedures; prepares reconciliations; maintain documentation
- **IT Director:** Maintains secure access and system-level audit trails for financial systems

### 4. Control Framework

TRA adopts a layered approach, with controls grouped as preventive, detective, and corrective.

- **Preventive Controls**
  - Delegation of Authority Matrix establishes approval thresholds for contracts and disbursements
  - Vendor onboarding requires W-9, business verification, and conflict-of-interest disclosure
  - Budget approval is required before any expenditure is incurred
  - Access to accounting and treasury systems is restricted by role and requires multi-factor authentication
- **Detective Controls**
  - Monthly bank reconciliations by staff independent of payment authority
  - Quarterly variance analysis between budget and actual expenditures, reviewed by the Finance & Audit Committee
  - Sample audits of invoices, reimbursements, and service provider contracts
  - Exception reporting in accounting software to flag unusual transactions
- **Corrective Controls**
  - Documented remediation plans for audit findings
  - Board-approved corrective action for significant control failures
  - Adjustments to Delegation of Authority when process weaknesses are identified

### 5. Key Internal Controls in Practice

#### 1. Segregation of Duties

- a. No single individual may authorize, record, and reconcile a transaction

## **2. Delegation of Authority**

- a. Authority thresholds are maintained in a Delegation of Authority matrix approved annually by the Board
- b. All exceptions must be documented and reported to the Finance & Audit Committee

## **3. Bank & Treasury Controls**

- a. Positive Pay and ACH debit block services are required on all accounts
- b. Wire and ACH transfers above \$25,000 require dual authorization
- c. Reconciliations must be completed within 10 business days of month-end

## **4. Producer Fee Verification**

- a. Fee revenue is recorded by producer and reconciled quarterly to ensure full alignment with the Board-approved fee schedule
- b. Reports must be auditable back to individual producer obligations

## **5. State-Specific Fund Separation**

- a. All state-specific program funds are maintained in accounts distinct from any other funds
- b. Allocations must be coded to state-specific cost centers within the ERP

## **6. Monitoring and Oversight**

- The Finance Director prepares quarterly control compliance reports for the Finance & Audit Committee
- Independent auditors test internal controls annually as part of the financial statement audit
- Relevant state oversight agencies will receive documentation of internal control effectiveness as required in the PRO's annual reports

## **7. Exceptions and Violations**

- Any intentional override of internal controls must be documented and reported immediately to the Finance & Audit Committee
- Failure to comply with this policy may result in disciplinary action, up to and including termination of employment or contract
- Suspected fraud will be addressed in accordance with the Fraud Prevention Policy

## **8. Policy Review and Approval**

This policy will be reviewed annually by the Finance & Audit Committee to ensure it reflects current operations, regulatory expectations, and nonprofit best practices. Updates require approval from the Board of Directors.

### **2. Fraud Prevention Policy**

Created Date: 11/18/2025

Last Updated On: 11/25/2025

Board Approval Date: 11/25/2025

## 1. Purpose and Commitment

TRA is built on trust: between producers who fund its operations, the relevant regulatory agencies, and the communities that depend on its impact. Because fraud undermines that trust, TRA adopts a zero-tolerance stance toward fraudulent, dishonest, or deceptive behavior in any form.

This policy establishes the framework for preventing, detecting, and responding to fraud. It applies to all employees, contractors, consultants, Board members, and any external parties conducting business with or on behalf of TRA.

## 2. Guiding Principles

Fraud prevention at TRA is not merely a compliance activity; it is a culture of integrity anchored in three values:

- **Transparency:** Every financial transaction, agreement, and communication should withstand public and regulatory scrutiny
- **Accountability:** Each individual involved in financial or operational processes is responsible for acting ethically and reporting concerns
- **Responsiveness:** TRA will take timely, fair, and decisive action in investigating and addressing suspected misconduct

## 3. Roles and Responsibilities

- **Board of Directors:** Provides ultimate oversight and ensures the organization's ethical standards are upheld
- **Finance & Audit Committee:** Oversees fraud prevention systems, reviews reports of suspected fraud, and ensures corrective actions are implemented
- **Executive Director:** Maintains operational accountability for enforcing this policy and establishing internal procedures for reporting and investigation
- **Finance Director:** Monitors financial systems and controls to prevent and detect irregularities
- **All Employees and Contractors:** Must act with honesty, avoid conflicts of interest, comply with all policies, and report suspected fraud immediately

## 4. Definition and Scope

Fraud includes any intentional act or omission designed to deceive others, resulting in a financial or reputational loss to TRA or an unlawful gain for any individual or organization. Examples include, but are not limited to:

- Misrepresentation of financial information or program data
- Theft, embezzlement, or misuse of TRA funds or assets
- Manipulation of procurement or contracting processes
- Submission of false invoices or reimbursement claims
- Collusion with vendors or producers to gain unfair advantage
- Unauthorized alteration of documents or records

## 5. Prevention and Controls

TRA integrates fraud prevention measures across its operations, including:

- **Segregation of Duties:** Consistent with the Internal Controls Policy, financial authorization, payments, and reconciliation are separated among staff
- **Vendor Vetting:** All vendors must complete due diligence, W-9 verification, and conflict-of-interest disclosures before engagement
- **Treasury Safeguards:** Positive Pay, no self-approvals, dual approvals for wires, and restricted user access to prevent unauthorized payments
- **Conflict Disclosure:** Staff and contractors must disclose any potential conflict annually or upon change of circumstances
- **Whistleblower Mechanism:** Anonymous reporting channels are available for concerns, supported by non-retaliation protections

## 6. Detection and Reporting

All employees and contractors share responsibility for detecting and reporting suspicious activity.

- **Reporting:** Any individual who suspects fraud must report it promptly to the Executive Director, Finance Director, or the designated whistleblower channel
- **Confidentiality:** Reports may be submitted anonymously. Information will be shared only with those directly involved in investigation and resolution
- **Immediate Escalation:** The Executive Director will inform the Chair of the Finance & Audit Committee upon receipt of a credible allegation

## 7. Investigation and Response

- **Oversight:** The Finance & Audit Committee will oversee investigations into suspected fraud. Independent counsel or external forensic accountants may be engaged where appropriate
- **Process:** Investigations will be conducted promptly, fairly, and in accordance with applicable laws
- **Outcomes:** Confirmed fraud will result in corrective actions, including restitution, termination of employment or contract, notification to funders or regulators, and, if warranted, referral to law enforcement
- **Documentation:** All findings, conclusions, and corrective measures will be recorded and maintained by the Finance Director for audit review

## 8. Enforcement and Continuous Improvement

- TRA prohibits retaliation against anyone who reports concerns in good faith.
- Failure to report known or suspected fraud, or participation in fraudulent acts, constitutes a violation of this policy and may result in disciplinary action
- Lessons learned from investigations will be incorporated into future updates to TRA's control framework, risk assessments, and staff training
- This policy will be reviewed annually to ensure ongoing relevance as TRA expands its programs and financial operations

### **3. California Program Reserve Fund Policy (SB 707 Requirement)**

Created Date: 11/18/2025

Last Updated On: 11/25/2025

Board Approval Date: 11/25/2025

#### **1. Purpose and Intent**

This policy establishes the specific reserve fund required under California's Responsible Textile Recovery Act of 2024 (SB 707). Section 42984.10(b)(4) of the statute requires the Producer Responsibility Organization (PRO) to maintain reserves sufficient to operate the approved Program Plan for no less than six (6) months once the program is fully operational.

TRA adopts this policy to ensure compliance with that statutory requirement. This reserve is not a general organizational reserve; it applies solely to the California Program Plan once producer fee collection and full operations have begun.

#### **2. Objectives**

The California Program Reserve Fund ensures that TRA can:

- Maintain uninterrupted operations of the California Program Plan during revenue delays or unforeseen circumstances
- Demonstrate financial stability and compliance with SB 707 to CalRecycle
- Provide a contingency mechanism to manage emergencies, unexpected costs, or regulatory adjustments
- Establish and sustain the reserve within the statutory timeline

#### **3. Roles and Responsibilities**

- **Board of Directors:** Approves the creation and use of the California Program Reserve Fund and reviews and adopts any changes to this policy or to the reserve target calculation
- **Finance & Audit Committee:** Monitors reserve status and adequacy and reviews reserve reports quarterly and recommends replenishment actions when needed
- **Executive Director:** Ensures that reserve management aligns with program priorities and regulatory obligations and authorizes the use of reserve funds as approved by the Board
- **Finance Director:** Calculates reserve targets annually based on the approved California Program Plan budget and manages reserve fund accounts, maintains documentation, and ensures compliance with SB 707 requirements

#### **4. Standards and Practices**

- **Activation and Timing**
  - This policy becomes effective once CalRecycle approves TRA's Program Plan and producer fee collection begins
  - The reserve will be funded progressively during the first two years of program operation to achieve the six-month target

- During the start-up phase, TRA will plan for the reserve through budget forecasting but will not hold or report a balance until operations are fully active
- **Target Level**
  - TRA will maintain a reserve equal to six (6) months of average total operating expenses for the California Program Plan, as required under SB 707 §42984.10(b)(4)
  - The target will include all California-specific program, administrative, and compliance costs
- **Funding and Maintenance**
  - Reserve funding will be sourced from California producer fees and other program revenues, as authorized by the Board
  - Funds will be maintained in a separate, interest bearing account restricted for the California program
  - Reserve contributions will be reviewed annually as part of TRA's California Program budget process
- **Use of Funds**
  - Reserve funds may be accessed only to sustain California Program operations during revenue interruptions, emergencies, or extraordinary circumstances that threaten compliance or continuity
  - Use of the reserve requires Board approval following a recommendation from the Finance & Audit Committee
  - Funds may not be used for TRA's national operations or for any other state program, including engagement in states with pending legislation
  - **Replenishment**
    - If the reserve balance falls below the six-month target, the Finance Director will prepare a replenishment plan to restore the balance within three fiscal years
    - The plan must be reviewed by the Finance & Audit Committee and approved by the Board

## 5. Oversight and Review

- The **Finance & Audit Committee** will review reserve balances quarterly and report to the Board on compliance with this policy and SB 707 requirements
- The **Finance Director** will include reserve activity in the annual audited financial statements and in regulatory reports submitted to CalRecycle

## 6. Review and Approval

This policy will be reviewed annually by the Finance & Audit Committee and updated as needed to reflect changes in TRA's operating environment, risk profile, and regulatory context.

## 4. Financial Statement Audit Policy

Created Date: 11/18/2025

Last Updated On: 11/25/2025

Board Approval Date: 11/25/2025

## 1. Purpose and Commitment

TRA is committed to maintaining transparency, accountability, and strong governance in all financial matters in connection with its responsibilities as PRO operating under applicable state EPR legislation. As a producer-funded nonprofit compliance organization, TRA must demonstrate to producers, regulators, and the public that funds are managed responsibly and in accordance with Generally Accepted Accounting Principles (GAAP).

An independent financial audit provides reasonable assurance that TRA's financial statements are presented fairly, free of material misstatement, and supported by appropriate accounting records. This policy defines TRA's approach to conducting annual audits, overseeing the auditor relationship, and acting on audit findings.

The National Board of Directors commissions TRA's annual independent financial audit. State Program Boards may review and discuss state-specific financial statements or audit findings relevant to their jurisdictions. Program-level audits or agreed-upon procedures may be conducted as needed to meet state regulatory or contractual obligations, but the National Board retains overall audit oversight and accountability.

## 2. Objectives

TRA's annual financial statement audit serves to:

- Provide the Board, producers, and the relevant state oversight agency with independent verification of TRA's financial position and results of operations
- Confirm adherence to GAAP and compliance with nonprofit reporting requirements under FASB ASC 958
- Assess the adequacy and effectiveness of TRA's internal controls over financial reporting
- Identify any material weaknesses, deficiencies, or areas for improvement
- Strengthen confidence in TRA's stewardship of producer funds

## 3. Scope and Applicability

This policy applies to TRA's annual external audit of financial statements, including all entities and activities within TRA's control. The audit covers:

- Balance Sheet, Income Statement, Cash Flow, and Statement of Functional Expenses
- Notes to financial statements and disclosures required under GAAP
- Evaluation of internal control processes relevant to financial reporting
- Compliance with laws and regulations materially affecting financial statements
- Review of TRA's adherence to its key financial policies

## 4. Roles and Responsibilities

- **Board of Directors:** Adopts the final audited statements following the Finance & Audit Committee's endorsement
- **Finance & Audit Committee:**
  - Selects and oversees the external audit firm
  - Reviews audit scope, engagement terms, and fees

- Meets independently with the auditors (without management present) at least once annually
- Reviews the audit report, management letter, and corrective action plans
- **Executive Director:** Ensures cooperation and access to information during the audit process and implements corrective actions
- **Finance Director:** Coordinates the audit process, prepares documentation, and responds to auditor inquiries
- **Independent Auditor:** Conducts the audit in accordance with Generally Accepted Auditing Standards (GAAS) and issues an opinion on TRA's financial statements

## 5. Auditor Selection and Engagement

- The Finance & Audit Committee will select an independent, licensed public accounting firm with demonstrated experience auditing nonprofit compliance organizations of similar complexity
- The Committee will review and approve engagement letters annually, ensuring independence and objectivity are maintained
- The same firm may serve for multiple consecutive years, but TRA will review auditor performance at least every three years and consider rotation after five years to preserve independence
- The auditor must disclose any actual or potential conflicts of interest before engagement

## 6. Audit Process and Deliverables

The annual audit will follow this general sequence:

1. **Planning & Risk Assessment:** Review of TRA's operations, internal controls, and financial systems to identify areas of potential risk
2. **Fieldwork:** Detailed examination of financial records, including tests of transactions, confirmations, reconciliations, and documentation review
3. **Draft Findings & Management Review:** The auditor provides preliminary findings to management for response and clarification
4. **Final Audit Report:** The auditor issues an opinion on whether the financial statements present fairly, in all material respects, TRA's financial position and activities
5. **Management Letter:** The auditor delivers a separate letter outlining internal control weaknesses or process improvements, if any

All documentation and reports are the property of TRA but must remain accessible to the auditor for regulatory review or inspection.

## 7. Corrective Action and Continuous Improvement

- The Executive Director and Finance Director will prepare a written remediation plan for any audit findings within 30 days of receiving the final audit report
- The plan will identify responsible parties, corrective steps, and target completion dates

- The Finance & Audit Committee will monitor progress quarterly until all actions are closed
- Lessons learned from the audit will inform updates to TRA's financial policies, procedures, and internal control framework

## **8. Transparency and Reporting**

- The audited financial statements and accompanying audit opinion will be presented to the full Board for approval
- Upon Board acceptance, the final audit report will be:
  - Shared with the relevant state oversight agency as part of required regulatory filings
  - Posted on TRA's website for public transparency, unless otherwise restricted
- TRA's Form 990 (Return of Organization Exempt From Income Tax) will be reviewed alongside the audit by the Finance & Audit Committee to ensure consistency between audited financials and public disclosures

## **9. Review and Policy Maintenance**

This policy will be reviewed annually by the Finance & Audit Committee to ensure it remains consistent with regulatory expectations, nonprofit best practices, and TRA's governance framework. Updates require approval by the Board of Directors.

## **5. Budget Policy**

Created Date: 11/18/2025

Last Updated On: 11/25/2025

Board Approval Date: 11/25/2025

### **1. Purpose and Intent**

TRA is responsible for managing producer-contributed funds to meet TRA's stewardship objectives under applicable EPR frameworks, ensuring transparent allocation of producer funds across programs and jurisdictions. The annual budget is the organization's most important financial planning and accountability tool; defining how TRA allocates producer resources to achieve environmental impact, regulatory compliance, and organizational sustainability.

This policy establishes the principles, processes, and governance standards for developing, approving, and managing TRA's annual operating budget and multi-year financial plans.

### **2. Objectives of the Budget**

The TRA budget serves to:

- Translate strategic priorities and statutory obligations into an annual financial plan
- Ensure that producer contributions are used solely for purposes consistent with applicable EPR regulations and the approved Program Plan(s)
- Promote fiscal discipline and transparency in all spending decisions

- Provide early visibility into funding needs and program investments to support the relevant state oversight agency approval and oversight
- Create a structured mechanism for tracking and reporting financial performance to the Board and stakeholders

### 3. Guiding Principles

Budget development and management at TRA are grounded in the following principles:

- **Alignment with Mission:** All expenditures must support TRA's purpose and approved Program Plan(s)
- **Accountability to Producers:** TRA will use and report funds in a manner that clearly links costs to program outcomes and producer obligations
- **Transparency and Oversight:** The budget process will be participatory and include multiple levels of review and approval
- **Sustainability:** Budget decisions will balance near-term implementation with long-term financial resilience and reserve-building targets

### 4. Roles and Responsibilities

- **Board of Directors:** Reviews and approves the annual budget before the start of each fiscal year. The Board may approve mid-year amendments as needed
- **Finance & Audit Committee:** Reviews budget assumptions, revenue forecasts, and expenditure allocations; recommends budget to the Board
- **Executive Director:** Provides strategic guidance and organizational priorities to inform the budget process, reviews major assumptions, and ensures the budget supports TRA's mission and regulatory obligations
- **Finance Director:** Leads the annual budget development process, prepares financial forecasts, validates assumptions, consolidates functional inputs, and ensures compliance with TRA's financial policies and GAAP
- **Functional Leads and Consultants:** Provide input on program and operational costs, timelines, and resource needs to support budget accuracy

State Program Boards oversee the development and review of budgets for their respective state programs, ensuring alignment with local regulatory requirements and program priorities. These state-level budgets are then consolidated into TRA's organization-wide budget, which is reviewed and approved by the National Board of Directors. The National Board maintains ultimate fiduciary responsibility for all TRA budgets and reserves the authority to approve material amendments or reallocations that impact the organization's overall financial position.

### 5. Budget Development Process

The annual budgeting process follows a structured cycle to ensure coordination and accountability:

1. **Planning and Forecasting (Q3):**
  - a. The Finance Director prepares preliminary revenue forecasts, including producer fee projections, grants, and other income
  - b. Functional leads develop proposed workplans and cost estimates

- c. Budget assumptions are reviewed by the Executive Director and Finance & Audit Committee
- 2. Draft Budget Preparation (Q4):**
  - a. The Finance Director consolidates input into a draft operating and capital budget
  - b. Draft includes summary of key assumptions, staffing plan, and reserve funding
- 3. Committee Review and Recommendation:**
  - a. Finance & Audit Committee reviews the draft budget, ensures alignment with policies, and recommends adjustments
- 4. Board Review and Approval:**
  - a. The final draft is submitted to the Board for review and approval no later than the last meeting of the fiscal year
  - b. Approved budgets are documented in the meeting minutes and retained in TRA's official records

## 6. Budget Structure and Content

The annual budget will include:

- **Revenue Projections:** Producer fee income, grants, and other funding sources.
- **Program Expenditures:** Core stewardship program costs, including collection, repair, reuse, recycling, education, and reporting
- **Administrative Expenses:** Staff, governance, technology, facilities, and overhead costs
- **Reserve Contributions:** Funding to maintain target levels as set in the California Reserve Fund Policy
- **Capital and Strategic Investments:** One-time expenditures for infrastructure, technology, or capacity building

The Finance Director will present both operating and cash flow budgets to provide a clear picture of funding requirements throughout the year.

## 7. Monitoring, Reporting, and Amendments

- **Monthly Monitoring:** The Finance Director will track actual results against the approved budget and report variances to the Executive Director
- **Quarterly Reporting:** The Finance Director will prepare quarterly budget-to-actual statements for the Finance & Audit Committee and the Board, including narrative explanations of significant variances (typically >10%)
- **Mid-Year Amendments:** The Executive Director may recommend adjustments based on updated forecasts, new funding, or operational changes. Amendments >10% must be approved by the Board
- **Link to Forecasting:** Budget reviews will feed into a rolling 3-year financial outlook to anticipate future funding needs and support regulatory planning

## 8. Integration with Other Policies

This policy is designed to operate in coordination with TRA's:

- **California Reserve Fund Policy**, to ensure required reserves are appropriately funded through the budget process
- **Internal Controls Policy**, to maintain proper authorization and review of expenditures
- **Treasury Management Policy**, to ensure cash availability for approved budgeted expenditures

## 9. Policy Review and Approval

This policy shall be reviewed annually by the Finance & Audit Committee to ensure continued alignment with regulatory requirements, producer expectations, and nonprofit best practices. Material revisions require approval by the Board of Directors.

## 6. Treasury Management Policy

Created Date: 11/18/2025

Last Updated On: 11/25/2025

Board Approval Date: 11/25/2025

### 1. Purpose and Intent

TRA manages producer-contributed funds in compliance with EPR requirements established by state legislation and oversight authorities. Effective treasury management ensures that these funds are secure, liquid, and available to support continuous operation of the approved Program Plan(s).

This policy establishes TRA's approach to banking, cash management, and investment practices to safeguard assets, maintain liquidity, and comply with financial and regulatory requirements.

### 2. Objectives

TRA's treasury management activities are designed to:

- Protect assets through prudent banking, investment, and fraud-prevention controls
- Support efficient cash flow management aligned with TRA's budget and reserve targets
- Maintain sufficient liquidity to operate the Program Plan(s), consistent with the state-specific Reserve Fund Policy(s)
- Ensure transparency, accountability, and compliance with GAAP and the relevant state oversight agency expectations

### 3. Roles and Responsibilities

- **Board of Directors:** Approves this policy and delegates banking and investment authority through formal resolutions
- **Finance & Audit Committee:** Oversees treasury operations, reviews liquidity and investment reports, and monitors compliance
- **Executive Director:** Provides strategic oversight to ensure treasury practices align with TRA's mission and operational priorities
- **Finance Director:** Leads treasury management activities, including cash forecasting, account maintenance, and investment execution

- **Finance Manager:** Carry out authorized transactions, reconciliations, and documentation consistent with internal controls

#### 4. Banking and Cash Management

- TRA will maintain separate accounts for operating, reserve, and restricted funds, including distinct accounts or sub-accounts for each state program, as appropriate for transparency and compliance
- Authorized signers and transaction limits will be established by Board resolution
- The Finance Director will maintain a rolling 12-month cash forecast to anticipate liquidity needs and plan transfers between operating and reserve accounts
- Cash receipts must be deposited and recorded promptly
- Disbursements must be supported by documentation and approved according to TRA's Internal Controls Policy and Delegation of Authority matrix
- TRA's preferred method of disbursement is electronic payment through its designated banking or payment processing platform. The organization does not maintain blank check stock or issue manual checks. All exceptions must be approved by the Finance Director and executed as bank-issued checks directly from TRA's financial institution

#### 5. Liquidity Management

- Once fully operational, TRA will maintain liquid assets (cash and near-cash equivalents) sufficient to cover at least six (6) months of average total operating expenses as defined in the approved Program Plan(s)
- Liquidity will be monitored monthly by the Finance Director and reported quarterly to the Finance & Audit Committee
- The Executive Director will ensure liquidity decisions align with operational priorities and regulatory obligations

#### 6. Investment Guidelines

TRA's investment activities will prioritize capital preservation and liquidity over yield.

##### **Selection of Investment Manager:**

If TRA engages an external investment manager, the firm will be chosen based on independence, experience with nonprofit or public-sector portfolios, reasonable fees, and ability to provide clear, periodic reporting. The Finance & Audit Committee will oversee the review and recommend a manager for Board approval.

- **Permissible Instruments:**
  - U.S. Treasury securities and government-backed money market funds
  - FDIC-insured certificates of deposit
  - Other low-risk, short-term instruments approved by the Finance & Audit Committee
- **Investments Requiring Board Approval:** Equities, corporate bonds, cryptocurrencies, derivatives, or any speculative instruments
- **Diversification:** TRA will maintain a prudent level of diversification across financial institutions and investment types to minimize counterparty risk

- **Maturities:** Investments may not exceed 12 months in duration without explicit Board approval

## **7. Treasury Controls and Risk Mitigation**

- Dual authorization is required for electronic transfers and wire payments, with thresholds determined by management
- All accounts must utilize available fraud protection tools (Positive Pay, ACH debit blocks, MFA)
- Bank reconciliations will be completed monthly and independently reviewed by the Finance Director or designee
- The Finance Director will review all bank access rights quarterly
- Any suspected irregularities or breaches must be reported immediately to the Executive Director and the Chair of the Finance & Audit Committee

## **8. Reporting and Oversight**

- The Finance Director will provide monthly liquidity and cash flow reports to management
- The Finance & Audit Committee will receive quarterly Treasury Reports detailing account balances, investment holdings, compliance with the Reserve Fund Policy, and any exceptions or corrective actions
- Treasury activities will be reviewed annually as part of the independent financial audit

## **9. Policy Review and Approval**

This policy will be reviewed annually by the Finance & Audit Committee and updated as needed to reflect evolving best practices, risk tolerance, and regulatory requirements.

## **7. Accounts Receivable Policy**

Created Date: 11/18/2025

Last Updated On: 11/25/2025

Board Approval Date: 11/25/2025

### **1. Purpose and Intent**

TRA is responsible for managing producer-contributed funds that support textile stewardship programs operated under applicable state EPR frameworks. Timely and accurate collection of producer fees and other receivables is essential to maintaining operational stability, funding program activities, and demonstrating fiscal responsibility to both producers and regulators.

This policy establishes TRA's framework for invoicing, recording, collecting, and monitoring receivables in a manner that ensures accuracy, transparency, and consistency with generally accepted accounting principles (GAAP) and nonprofit best practices.

### **2. Objectives**

The Accounts Receivable (A/R) process is designed to:

- Ensure timely collection of producer fees and other receivables owed to TRA

- Maintain accurate and complete records of all amounts billed, collected, and outstanding
- Protect the integrity of TRA's financial reporting by properly recognizing revenue and receivables in accordance with GAAP
- Promote transparency and accountability in producer billing and payment tracking
- Support the relevant state oversight agency by ensuring producer payments are verifiable, auditable, and tied to fee schedules established in TRA's approved Program Plan(s)

### 3. Guiding Principles

TRA's approach to A/R management is grounded in:

- **Accuracy:** All invoices and receipts must reflect correct producer data, fee schedules, and reporting periods
- **Consistency:** Collection procedures are standardized to ensure fair and equitable treatment of all obligated producers
- **Transparency:** Records are clear, traceable, and available for internal and regulatory review
- **Accountability:** A/R balances are monitored closely, and nonpayment or delinquency is addressed promptly

### 4. Roles and Responsibilities

- **Board of Directors:** Reviews periodic reports on collection status and approves policies governing producer fee administration
- **Finance & Audit Committee:** Monitors aging reports and reviews significant delinquencies or disputes
- **Executive Director:** Ensures that collection processes align with producer engagement strategies and regulatory compliance requirements
- **Finance Director:** Leads the A/R function, oversees invoicing, payment application, reconciliation, and reporting
- **Finance Manager:** Issue invoices, process receipts, and maintain accurate documentation within TRA's accounting system

### 5. Invoicing and Revenue Recognition

- TRA will issue invoices to obligated producers in accordance with fee schedules approved by the Board and incorporated into the Program Plan(s)
- Invoices will specify the payment amount, due date, remittance instructions, and reference to the statutory obligation under applicable EPR regulations
- Standard payment terms are net 30 days from invoice date unless otherwise authorized
- Revenue is recognized when the producer's obligation becomes fixed and determinable, in accordance with GAAP and TRA's revenue recognition procedures
- The Finance Director will ensure invoices are entered into the accounting system upon issuance and linked to producer accounts for tracking and reconciliation

## 6. Collection and Delinquency Procedures

- **Reminders:** Payment reminders will be sent 10 days before and 10 days after the due date
- **Delinquent Accounts:**
  - Accounts more than 30 days overdue will receive a written notice and follow-up communication from TRA's finance team
  - Accounts 60 days overdue will be escalated to the Finance Director for further action
  - Accounts 90 days overdue will be reported to the Executive Director and the Finance & Audit Committee, with potential referral to the relevant state oversight agency for non-compliance if unresolved
- **Payment Plans:** In exceptional cases, the Executive Director may authorize temporary payment plans to maintain participation while addressing cash flow challenges
- **Suspension:** Producers with unpaid obligations may be deemed non-compliant with applicable EPR requirements until payment is received

## 7. Write-Offs and Adjustments

- Uncollectible accounts may be written off only after all reasonable collection efforts have been exhausted
- The Finance Director will recommend write-offs to the Finance & Audit Committee, which will review and approve any account write-offs before Board ratification
- Adjustments to invoices (for calculation errors, misapplied payments, or other discrepancies) must be documented and approved by the Finance Director
- All write-offs and adjustments will be recorded in the accounting system with full audit trail documentation

## 8. Reconciliation and Monitoring

- Accounts receivable will be reconciled monthly to the general ledger
- The Finance Director will review and certify each reconciliation for accuracy and completeness
- An A/R aging report will be produced monthly and reviewed quarterly by the Finance & Audit Committee
- The Executive Director and Finance Director will jointly review delinquency trends, identify systemic issues, and recommend process improvements

## 9. Reporting and Transparency

- TRA will include a summary of producer fee collections, outstanding balances, and write-offs in quarterly financial reports to the Board
- Annual audited financial statements will disclose receivable balances and any material collection risks
- TRA will maintain documentation sufficient to demonstrate compliance with the relevant state oversight agency's reporting requirements for producer fee collection and program funding

## 10. Policy Review and Approval

This policy will be reviewed annually by the Finance & Audit Committee to ensure continued effectiveness and alignment with TRA's financial framework, regulatory requirements, and operational scale.

## 8. Accounts Payable Policy

Created Date: 11/18/2025

Last Updated On: 11/25/2025

Board Approval Date: 11/25/2025

### 1. Purpose and Intent

TRA is committed to maintaining rigorous financial management practices that ensure timely, accurate, and well-documented payment of obligations. As a producer-funded nonprofit compliance organization implementing producer-funded stewardship programs under applicable EPR legislation, TRA has an obligation to demonstrate that all disbursements are properly authorized, transparent, and aligned with the organization's mission and Program Plan(s).

This policy establishes TRA's standards and procedures for processing, approving, recording, and reporting all payables to vendors, consultants, and service providers

### 2. Objectives

The Accounts Payable (A/P) process is designed to:

- Ensure all expenditures are properly authorized, accurately recorded, and paid in a timely manner
- Maintain complete and auditable documentation supporting every payment
- Promote fair and ethical treatment of vendors and service providers
- Prevent errors, misuse, or fraud through strong internal controls and segregation of duties
- Support compliance with TRA's financial policies, budget, and regulatory commitments under applicable EPR regulations

### 3. Guiding Principles

TRA's A/P practices are grounded in:

- **Accuracy:** Every payment must reflect a valid obligation supported by appropriate documentation
- **Accountability:** All expenditures must be approved in accordance with TRA's Delegation of Authority and budget authorization process
- **Integrity:** Payments are made only for goods and services that have been received and verified, except when deposits or advance payments are expressly authorized by contract or purchase order. Such payments must be approved in advance and recorded as prepaid expenses until the goods or services are received
- **Transparency:** Financial transactions are traceable, consistent with GAAP, and easily auditable

- **Efficiency:** TRA strives to balance timely vendor payment with careful review and control

#### 4. Roles and Responsibilities

- **Board of Directors:** Approves the annual budget and financial policies governing expenditures
- **Finance & Audit Committee:** Oversees A/P practices and reviews any unusual or significant payments, exceptions, or vendor issues
- **Executive Director:** Provides strategic oversight and ensures spending decisions align with TRA's mission, priorities, and approved Program Plan
- **Finance Director:** Leads the A/P function, ensures compliance with internal controls, oversees vendor setup, invoice processing, and payment scheduling
- **Finance Manager:** Process invoices, verify supporting documentation, and record disbursements accurately in the accounting system

#### 5. Vendor Setup and Maintenance

- New vendors must provide a completed W-9 form, proof of insurance (as applicable), and a signed agreement or purchase order before payments can be processed
- The Finance Director will ensure vendor master data is accurate, current, and includes tax identification numbers, addresses, and banking details
- Vendor records will be reviewed annually to deactivate inactive accounts and prevent duplicate or fraudulent entries

#### 6. Invoice Review and Approval

- All invoices must reference a valid contract, purchase order, or approved engagement letter
- Invoices are date-stamped and logged upon receipt, with supporting documentation attached
- The staff member who received the goods or services must verify satisfactory completion and accuracy of charges
- Approval must follow TRA's Delegation of Authority matrix, with dual review for payments above management-defined thresholds
- Invoices that do not meet approval or documentation requirements will not be processed until discrepancies are resolved

#### 7. Payment Processing

- Standard payment terms are net 30 days, unless otherwise specified by contract
- Payments may be made via electronic transfer, ACH, or bill pay check, as approved by the Finance Director
  - TRA does not maintain or issue physical check stock. All payments are processed electronically through TRA's approved banking platform or payment software to ensure security, authorization control, and audit documentation
- All disbursements must be matched to supporting invoices, purchase orders, and approvals prior to release

- Electronic payments and wire transfers require dual authorization, consistent with TRA's Treasury Management and Internal Controls Policies

## **8. Expense Reimbursements**

- Employee and consultant reimbursements must be submitted within 30 days of incurring the expense and accompanied by receipts and a completed expense request
- Reimbursements must be approved by a supervisor or the Finance Director
- Personal purchases or expenses unrelated to TRA business will not be reimbursed under any circumstances

## **9. Recordkeeping and Audit Trail**

- All payment documentation, including invoices, approvals, and correspondence, will be retained for a minimum of seven years
- The accounting system will maintain an audit trail showing each payment's approval path, supporting documentation, and method of disbursement
- Bank reconciliations will be performed monthly to confirm all disbursements are properly recorded
- The Finance & Audit Committee and independent auditors will review A/P transactions as part of the annual audit process

## **10. Monitoring, Reporting, and Compliance**

- The Finance Director will monitor A/P aging reports and cash disbursements monthly, ensuring timely payments and accurate accruals.
- Significant variances, unusual trends, or exceptions will be reported to the Executive Director and Finance & Audit Committee
- TRA will include a summary of disbursements and payables in quarterly financial reports to the Board
- Any suspected irregularities will be reported immediately under TRA's Fraud Prevention Policy

## **11. Policy Review and Approval**

This policy will be reviewed annually by the Finance & Audit Committee and updated as necessary to ensure continued alignment with TRA's financial framework, operational needs, and regulatory obligations

## **9. Internal Financial Reporting Policy**

Created Date: 11/18/2025

Last Updated On: 11/25/2025

Board Approval Date: 11/25/2025

### **1. Purpose and Intent**

TRA is committed to transparent, accurate and timely financial reporting that supports informed decision-making by leadership, accountability to producers, and compliance with nonprofit standards and state-specific textile stewardship requirements in support of TRA's accountability to producers and regulators across all EPR programs and jurisdictions.

Internal financial statements provide a clear picture of TRA's financial position and performance, ensuring the Board, Finance & Audit Committee, and management can effectively monitor program delivery, financial health, and stewardship of producer-contributed funds.

## 2. Objectives

This policy establishes TRA's standards for internal financial reporting to:

- Produce consistent and accurate financial information for management and governance
- Enable proactive oversight of revenues, expenses, and reserves
- Support transparency and accountability to producers and regulators
- Facilitate alignment between budget performance, cash flow, and Program Plan implementation
- Maintain readiness for annual external audits and the relevant state oversight agency reporting

## 3. Guiding Principles

TRA's financial reporting framework is grounded in the following principles:

- **Accuracy:** Financial statements must reflect the organization's true financial performance in accordance with GAAP and FABS ASC 985 for nonprofit entities
- **Timeliness:** Reports will be prepared and distributed regularly to enable informed and timely decisions
- **Clarity:** Reports should be understandable to both financial and non-financial stakeholders
- **Consistency:** Standardized formats and account structures will be used to facilitate comparability across reporting periods
- **Transparency:** Financial data must be supported by documentation and open to review by authorized parties, including the relevant state oversight agency and independent auditors

## 4. Roles and Responsibilities

- **Board of Directors:** Receives and approves quarterly financial statements following Finance & Audit Committee review as part of its fiduciary oversight and responsibilities.
- **Finance & Audit Committee:** Reviews quarterly reports monitors variances and financial trends and escalates significant issues to the Board
- **Executive Director:** Provides strategic interpretation of financial data, linking financial performance to organizational goals and program outcomes
- **Finance Director:** Prepares, reviews and distributes monthly financial reports to Executive Director and management, ensures compliance with accounting standards, and maintains underlying records and reconciliations
- **Finance Manager:** Support the preparation of journal entries, reconciliations and financial schedules as directed by the Finance Director

## 5. Reporting Frequency and Content

### Monthly Financial Reports

Prepared by the Finance Director and reviewed by the Executive Director to include:

- Statement of Activities
- Statement of Financial Position
- Budget-to-Actual Comparison
- Cash Flow Report
- Variance analysis with explanations for material differences (>10%)
- Reserve balance and liquidity summary

### Quarterly Financial Reports

Quarterly reports reviewed by Finance & Audit Committee will be certified and advanced to the Board for governance-level approval. Quarterly reports to include:

- Consolidated financial statements for the quarter and year-to-date
- Narrative commentary on key variances, trends, and risks
- Reserve Fund status relative to target levels
- Forecasts for year-end performance
- Discussion of any corrective actions or adjustments needed

**Annual Financial Reports** form the basis for TRA's external audit and regulatory filings. The Finance Director will prepare year-end statements in accordance with GAAP, reconcile all accounts, and coordinate with the external auditor to ensure completeness and accuracy.

## 6. Reconciliation and Quality Control

- All bank, investment, and key balance sheet accounts will be reconciled monthly
- Revenue and expense accounts will be reviewed quarterly for accuracy and classification
- The Finance Director will verify that all reconciliations are complete and signed off before issuing internal statements
- Any adjustments identified during internal review or audit will be documented and approved by the Finance Director prior to posting

## 7. Variance Analysis and Forecasting

- Variances exceeding 10% of the approved budget line will be analyzed and explained in quarterly reports
- Management will develop forecasts for revenue, expenses, and cash flow at least twice per year to anticipate emerging risks or funding needs
- Forecasts and variance reports will be reviewed by the Finance & Audit Committee and shared with the Board to inform financial planning and resource allocation decisions

## 8. Data Integrity and System Security

- Financial data will be maintained in TRA's designated accounting system with appropriate access controls and audit trails

- System permissions will be reviewed quarterly to ensure that only authorized users have access to financial data
- Backups will be performed regularly

### **9. Policy Review and Approval**

This policy will be reviewed annually by the Finance & Audit Committee to ensure continued effectiveness, alignment with best practices, and compliance with regulatory and audit standards.

## 10. Delegation of Authority Matrix

10. Delegation of Authority Matrix	Board of Directors	Finance & Audit Committee	Team Lead (Eventually Executive Director)	Finance and Administration	Technology and Data Systems	Functional Leads
<b>Financial management</b>	Approves annual budget and major amendments >10% or affecting reserves	Reviews draft budget; recommends approval to Board	Provides strategic guidance; reviews assumptions	Leads preparation and forecasting	N/A	Provides program-level cost inputs
- Budget approval	Approves unbudgeted or strategic expenses >\$250,000	Reviews variances and spending reports quarterly	Authorizes expenditures up to \$250,000	Authorizes expenditures up to \$100,000	N/A	Initiates approved program expenditures per budget
- Operational spending/expenses	Approves reserve or unbudgeted payments >\$250,000	Receives quarterly disbursement summary	Dual authorization over \$100,000	Dual authorization up to \$100,000	N/A	N/A
- Payments/disbursements (wires/ACH)	Opens/closes accounts; approves signers	Reviews banking relationships annually	Authorized signer: no unilateral control	Authorized signer: manages daily cash	N/A	N/A
- Bank account authority						
<b>Contracts and procurement</b>	Approves >\$750,000 or strategic multi-year agreements	Reviews and recommends >\$250,000 compliance	Signs up to \$750,000 with legal review; co-sign required by FAC if >\$250,000	Signs up to \$100,000 for cross-functional services	N/A	Sign up to \$50,000 within approved budget; must confirm fund availability with Finance Director prior to execution
- Contract signing/approval thresholds	Approves policy & conflict disclosures	Oversees procurement audit compliance	Approves vendor awards >\$250,000	Oversees selection ≤\$100,000	N/A	Initiates purchase requests per budget
- Vendor selection/procurement						
<b>Human resources</b>	Approves hiring >\$250,000 salary or new executive positions; approves executive compensation plans	N/A	Hires staff earning \$125,001-\$250,000; approves compensation adjustments ≤10%	Hires staff up to \$125,000 salary	N/A	May hire up to \$125,000 within approved budget and role scope
- Hiring	Approves ED termination	Consulted for senior-level terminations	Approves all staff terminations except self	Implements terminations	N/A	N/A
- Firing/termination	Approves executive salaries, raises >10%	Reviews overall salary structure	Approves adjustments ≤10% within budget	Reviews and advises on equity/consistency	N/A	Provides input for staff evaluations
- Compensation/adjustments						
<b>Programmatic and operations</b>	Approves major program initiatives or contracts >\$750,000	Reviews quarterly performance reports	Approves new projects and changes ≤\$250,000	Oversees financial compliance for programs	N/A	Leads program implementation within approved scope
- Program/project decisions	Approves material policy updates	Reviews and recommends policy changes	Develops and implements approved changes	Drafts financial procedures	Implements IT security procedures	Follows approved procedures
- Operational policy/procedure changes						
<b>Governance and policy</b>	Approves new or revised policies	Reviews drafts and recommends adoption	Provides operational input	Drafts revisions; ensures implementation	N/A	Provides feedback on operational feasibility
- Financial policy approval/changes	Reviews and accepts compliance reports; oversees risk mitigation	Monitors audit findings and control testing	Implements risk management actions	Ensures compliance and control maintenance	Oversees IT/cyber controls	Implements local safeguards
- Risk/compliance oversight	Approves corrective action plans and resource allocations	Reviews and recommends remediation	Leads implementation of management responses	Drafts remediation plans	N/A	N/A
- Audit responses/findings						
<b>Authorities and controls</b>	May delegate to FAC or ED through formal resolution	May delegate review functions to FD	May delegate to ED or FM for operations	May delegate to FM for transactions ≤\$25,000	N/A	N/A
- Delegation rights (who may delegate and to whom)	Receives quarterly FAC and ED reports; approves annual summaries	Reviews quarterly financials and risk issues	Escalates financial or compliance risks to FAC/Board	Escalates procedural issues to ED	Escalates IT incidents to ED	Escalates operational issues to ED
- Escalation/appeals paths	Approves IT investments >\$100,000	Reviews IT/cybersecurity controls annually	Approves IT purchases ≤\$100,000	Approves system integrations ≤\$50,000	Leads procurement, security, and implementation	Initiates technology requests per program needs
- Information Technology						

## **Textile Renewal Alliance Whistleblower Policy**

Textile Renewal Alliance (the “Alliance”) is committed to high standards of ethical, moral, and legal business conduct, as well as financial transparency. The Alliance is further dedicated to acting in good faith with those employees and volunteers who raise concerns regarding incorrect financial reporting, unlawful activity, or otherwise improper conduct.

This Whistleblower Policy aims to provide employees and volunteers with an avenue for raising such concerns, and to reassure such employees and volunteers that they will be protected from reprisal or victimization as a consequence of reporting the alleged wrongdoing of any officer, director, employee, volunteer or agent of the Alliance.

### **Statement of Policy**

No officer, director, member of a State Board, employee, volunteer or agent of the Alliance shall take any harmful action with the intent to retaliate against any person, including interference with employment or livelihood, for providing to a law enforcement officer any truthful information relating to the commission or possible commission of any offense. Nor will any officer, director, member of a State Board, employee, volunteer or agent of the Alliance take any harmful action with intent to retaliate against any person for reporting to an appropriate senior management or elected official of the Alliance the suspected misuse, misallocation, or theft of any Alliance resources.

### **Safeguards**

**Harassment or Victimization – The Alliance will not tolerate the harassment or victimization of any employee or volunteer who raises concerns under this policy.**

**Confidentiality – The Alliance will make every effort to treat a complainant’s identity with an appropriate regard for confidentiality, with the understanding that the details of complaints may need to be shared with others in order to investigate such complaints properly.**

**Anonymous Allegations –** Because a thorough investigation often depends on an ability to gather additional information, the Alliance encourages complainants to put their names to allegations of wrongdoing. The Alliance will explore anonymous allegations to the extent possible, but will weigh the prudence of continuing such investigations against the likelihood of confirming the alleged facts or circumstances from attributable sources.

**Bad Faith Allegations –** Allegations made in bad faith may result in disciplinary action.

## **Procedure**

### **Process for Raising a Concern:**

**Reporting** – The Alliance intends this policy to be used for serious and sensitive issues. Such concerns, including those relating to financial reporting or unethical or illegal conduct, may be reported directly to the *Chair of the Alliance*. In the event that an individual’s concern rises to the level that he/she reasonably believes that notice to the *Chair* will be disregarded or otherwise not fairly considered, the individual may then report violations or suspected violations to any member of the Board. Employment-related concerns should continue to be reported through supervisors and the Human Resources department.

**Timing** – The earlier a concern is expressed, the easier it is to take action.

**Evidence** – Although a complainant is not expected to prove the truth of an allegation, he or she should be able to demonstrate that he or she has made a report in good faith.

### **How the Report of Concern Will Be Handled:**

*Initial Inquiries* – The Chair will make initial inquiries in consultation with legal counsel, if necessary, to determine whether or not further investigation is necessary or appropriate.

*Further Information* – The Chair may seek further information from any officer, director, employee, volunteer or agent of the Alliance, and shall take all reasonable precautions to protect the identity of the complainant to the extent possible while doing so.

*Reporting* – The Board of Directors shall receive information on each complaint. In consultation with the Chair and, if necessary, legal counsel, the Board of Directors will determine an appropriate response to a report of concern. Officers, directors, employees, volunteers, and agents of the Alliance who may be implicated in such reports shall not participate in any deliberation of the Board of Directors related to the complaint, except to present information directly to the Board on his or her own behalf.

\* \* \*

*This policy was adopted by the Board of Directors of the Alliance on November 26, 2025. For additional information, please contact the Chair of the Alliance. The Alliance reserves the right to modify or amend this policy at any time.*

## **Textile Renewal Alliance Conflict of Interest Policy**

This Conflict of Interest Policy reflects the policy and practices of Textile Renewal Alliance (the “Alliance”) from its date of inception. Officers, directors, members of a State Board, and employees (collectively, “Covered Officials”) of the Alliance each have an affirmative obligation to act at all times in the best interests of the Alliance. This policy serves to define the term “conflict of interest,” to assist Covered Officials in identifying and disclosing such conflicts, and to minimize the impact of such conflicts on the Alliance whenever possible.

*Duty of Loyalty.* Each Covered Official owes a duty of loyalty to the Alliance, which requires the Covered Official, when acting within his or her capacity as a Covered Official, to subordinate personal, business, third-party, and other interests to the Alliance’s welfare and best interests. Covered Officials must act in the best interest of all producers, not just the employer of the Covered Official.

*What is a Conflict of Interest?* A conflict of interest may arise when a Covered Official has an existing or potential financial or other material interest that impairs or might appear to impair his or her independence and objectivity in the discharge of responsibilities and duties to the Alliance. Such circumstances may involve, for example, family relationships, business or financial transactions, professional activities, or personal affiliations.

*Disclosure.* Each Covered Official shall disclose any and all facts that may be construed as a conflict of interest, both through an annual disclosure process and whenever such actual or potential conflict arises. The Board of Directors recognizes that conflicts of interest are not uncommon, and that not all conflicts of interest are necessarily harmful to the Alliance. Covered Officials are nonetheless encouraged to err on the side of disclosure.

*Process and remedy.* The Board of Directors, a committee of the Board of Directors, or an official designated by the Board will review submitted disclosures, determine whether or not a conflict of interest exists, and determine whether or not such conflict materially and adversely affects the Alliance’s interests. If the reviewing body or official determines that an actual or potential conflict of interest exists, the reviewing body or official shall also determine an appropriate remedy. Such remedy may include, for example, (i) waiver of the conflict of interest as unlikely to affect the Covered Official’s ability to act in the best interests of the Alliance; (ii) recusal of the conflicted Covered Official from participating in certain matters pending before the Alliance, the Board, or other Alliance body; or (iii) resignation or separation of the conflicted Covered Official from his or her position with the Alliance (subject to the terms of any pertinent employment agreement).

A Covered Official whose potential conflict is under review may not debate, vote, or otherwise participate in such determination except to disclose material facts and to respond to questions, and shall further abstain from participating in any Alliance matter affecting the interest under review pending a determination from the reviewing body or official.

All disclosures and determinations or actions of the Board made pursuant to this policy shall be properly documented in meeting minutes or other appropriate records of the Alliance.

*Delegation.* The Board of Directors may delegate its authority to review and remedy potential conflicts of interest to a committee of disinterested board members. Such committee shall inform the Board of its determination and recommended action. The Board shall retain the right to modify or reverse such determination and action, and shall retain the ultimate enforcement authority with respect to the interpretation and application of this policy.

*Annual disclosure process.* On an annual basis, each Covered Official shall be provided with a copy of this policy, and shall complete and sign the acknowledgement and disclosure form below.

\* \* \*

*This policy was adopted by the Board of Directors of the Alliance on November 26, 2025. For additional information, please contact the Chair of the Alliance. The Alliance reserves the right to modify or amend this policy at any time.*

### Acknowledgement and Disclosure Form

I have read the Conflict of Interest Policy of the Textile Renewal Alliance (the “Alliance”) and agree to comply with it during my service as an officer, director, member of a State Board, or employee (collectively, “Covered Officials”) of the Alliance. To the best of my knowledge and belief, I certify that:

1. Other than my employment relationship with a member of the Alliance (if applicable) and my employer’s relationship as a member of the Alliance or participant producer in EPR program plans (if applicable), neither I nor any person or organization with whom I have a personal or business relationship:
  - a. is engaged in or has a direct or indirect financial interest in any transaction or activity that may represent a conflict with my obligations to the Alliance; or
  - b. intends to engage in or have any direct or indirect financial interest in any transaction, to acquire any interest in any organization or entity, or to receive any substantial gift or favor that may represent a conflict with my obligations to the Alliance.
2. I do not expect to receive compensation from the Alliance other than any employment compensation (if applicable based on my position) or reimbursement of reasonable expenses.
3. No member of my family expects to receive any compensation or material financial benefit from the Alliance.
4. I have no family relationship with any current director, officer, member of a State Board, or any employee of the Alliance.
5. I am not serving as a director, officer, employee, consultant, or agent of any other producer responsibility organization.

**Any exception to the above statements should be disclosed in full below. If you are a Board Member or State Board Member, you do not need to disclose an exception based solely on your employment relationship with a member or producer.**

Without Exception \_\_\_\_\_ With Exception (describe below and add pages if needed) \_\_\_\_\_

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Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: \_\_\_\_\_ Alliance Position: \_\_\_\_\_

Producer Company and Title: \_\_\_\_\_

If I become aware of any actual or potential conflicts of interest at any time following the submission of this form, or if the information provided below becomes inaccurate or incomplete, I will promptly notify the person or persons to whom I am required to disclose pursuant to the Policy.

## **Textile Renewal Alliance Compensation Policy**

In compliance with Internal Revenue Service (“IRS”) guidelines for approval of senior management compensation, the Board of Directors of Textile Renewal Alliance (the “Alliance”) will follow the following review and approval guidelines.

Individuals Subject to this Policy (defined as “Covered Individuals”):

- Chief Employed Executives: The individual or individuals who have the ultimate responsibility for implementing the decisions of the Alliance’s governing body or for supervising the management, administration, or operations of the Alliance, including the Alliance’s top management official and top financial official. If this ultimate responsibility resides with two or more individuals who may exercise such responsibility in concert or individually, then each individual should be included.
- Officers: A person elected or appointed to manage the Alliance’s daily operations, such as a Chair, Vice Chair, Treasurer, or Secretary. The officers of an organization are determined by reference to its organizing document, bylaws, and include, at a minimum, those officers required by applicable state law.
- Key Employees: Individuals who are not a Chief Employed Executive or an officer of the Alliance, but who meet all of the following criteria:
  1. \$150,000 Threshold. The individual receives reportable compensation<sup>1</sup> from the Alliance and all related organizations<sup>2</sup> in excess of \$150,000 for the calendar year ending with or within the Alliance’s tax year;
  2. Responsibility Criteria. The individual:
    - a) has responsibilities, power or influence over the Alliance as a whole that is similar to those of officers, directors, or trustees;
    - b) manages a discrete segment or activity of the Alliance that represents 10% or more of the activities, assets, income, or expenses of the organization, as compared to the organization as a whole; or
    - c) has or shares authority to control or determine 10% or more of the Alliance’s capital expenditures, operating budget, or compensation for employees.
  3. Top 20 Limitation. In addition to meeting the \$150,000 threshold and the Responsibility Criteria, the individual is one of the top 20 most highly compensated employees (including all income from the Alliance and related organizations) for the calendar year ending with or within the Alliance’s calendar year.

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<sup>1</sup> Compensation that is reported on Form W-2, Box 5, or in Box 1 if the employee’s compensation is not reported in Box 5, or Form 1099-MISC, Box 7, filed for the calendar year ending with or within the organization’s tax year.

<sup>2</sup> An organization that stands in one or more of the following relationships to the filing organization: (1) Parent – an organization that controls the filing organization; (2) Subsidiary – an organization controlled by the filing organization; (3) Supporting/Supported – an organization that is (or claims to be) at any time during the organization’s tax year (i) a supporting organization of the filing organization within the meaning of Section 509(a)(3), if the filing organization is a supported organization within the meaning of Section 509(f)(3), or (ii) a supported organization, if the filing organization is a supporting organization.

## Procedure for Approving Compensation

In reviewing and approving the compensation of any Covered Individuals, the Alliance's Board of Directors, or a delegated committee of the Board (referred to as the "Approval Body" below), will utilize the following process:

1. Impartial Decision Makers. The compensation arrangement must be approved in advance (before any payment is made) by the Approval Body of the Alliance composed entirely of individuals who do not have a conflict of interest with respect to the compensation arrangement (example: neither the executive whose compensation is being determined nor any of his/her family members may be present during the discussion/debate or participate in the vote).
2. Comparability Data. When the Approval Body is considering compensation to Covered Individuals, it must rely on comparability data that demonstrate the fair market value of the compensation in question. For example, when crafting compensation packages, the Approval Body must secure data that documents compensation levels for similarly qualified individuals in like positions at like organizations. This data may include the following:
  - a) expert compensation studies by independent firms;
  - b) written job offers for positions at similar organizations;
  - c) documented telephone calls about similar positions at both nonprofit and for-profit organizations; and
  - d) information obtained from the IRS Form 990 filings of similar organizations.
3. Concurrent Documentation. The Approval Body must document how it reached its decisions, including the data on which it relied. To qualify as concurrent documentation, written or electronic records of the Approval Body (such as meeting minutes) must note:
  - a) the terms of the compensation and the date it was approved;
  - b) the members of the Approval Body who were present during the debate on the compensation that was approved and those who voted on it;
  - c) the comparability data obtained and relied upon and how the data was obtained; and
  - d) any actions taken with respect to consideration of the compensation by anyone who is otherwise a member of the Approval Body but who had a conflict of interest with respect to the decision on the compensation.

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*This policy was adopted by the Board of Directors of the Alliance on November 26, 2025. For additional information, please contact the Chair of the Alliance. The Alliance reserves the right to modify or amend this policy at any time.*

## Textile Renewal Alliance Records Retention Policy

- 1. General.** It is the policy of Textile Renewal Alliance (the "Alliance") to maintain complete, accurate and high quality organizational records and documents ("Records"), and to dispose of Records in an appropriate, legally sound, and orderly manner. Records are to be retained for the period of their immediate use, unless longer retention is required for historical reference, contractual, legal or regulatory requirements, or for other purposes as may be set forth herein. Records that are no longer required, or have satisfied their required periods of retention, shall be destroyed.

No officer, director, member of a State Board, employee, volunteer, or agent ("Personnel") of the Alliance shall knowingly destroy a document with the intent to obstruct or influence the investigation or proper administration of any matter within the jurisdiction of any government department or agency or in relation to or contemplation of any such matter or case.

- 2. Responsibility for Administration.** The Chair of the Alliance (or his/her designee) (the "Compliance Officer") shall be responsible for administering this Policy. As part of this role, the Compliance Officer, in consultation with legal counsel, shall ensure that the Alliance documents and records retained by Personnel are stored or destroyed in a manner consistent with this Policy.

- 3. Record Retention Guidelines.** The following items will be permanently retained:

- **Corporate Records:** Articles of Incorporation, Bylaws, and Board resolutions, meeting agendas, and meeting minutes;
- **Real Estate:** Deeds; and
- **Tax:** IRS exemption determination and related correspondence.

Human resources records (*e.g.*, employee personnel files) shall be retained for three years following an employee's termination or separation from the Alliance.

All other corporate records, financial, and administration records (*e.g.*, financial statements, payroll records, check registers and checks, general ledgers and journals, contracts and agreements, intercompany lease fee and management fee calculations, tax returns, etc.), insurance, real estate, and technology licenses and agreements shall be retained for seven years.

From time to time, the Compliance Officer (or his/her designee) may issue a "legal hold," suspending the destruction of Records due to pending, threatened or otherwise reasonably foreseeable litigation, audits, government investigations or similar proceedings. No Records specified in any legal hold may be destroyed, even if the scheduled destruction date has passed, until the legal hold is withdrawn in writing.

- 4. Electronic Records.** Electronic Records will be retained as if they were paper Records.

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*This policy was adopted by the Board of Directors of the Alliance on November 26, 2025. For additional information, please contact the Chair of the Alliance. The Alliance reserves the right to modify or amend this policy at any time.*

## **Textile Renewal Alliance Antitrust Compliance Policy**

It is the policy and practice of Textile Renewal Alliance (the “Alliance”) to comply fully with the federal and state antitrust laws and with all other applicable laws and regulations. Any organization in which competitors participate carries with it the danger of providing a forum for activities that may fall within the proscriptions of the antitrust laws. Consequences of failing to abide by the antitrust laws can be severe, including, for example, substantial fines, prison sentences and suits for damages by injured parties. In addition, antitrust litigation is burdensome, expensive and time-consuming for all concerned, even if the outcome is ultimately favorable. Accordingly, members, prospective members and/or the Directors, officers, employees and staff of this Alliance (collectively, “Participants”) shall abide by the guidelines set forth in this Antitrust Compliance Policy.

A. All meetings must have a clearly spelled out and proper purpose. Each meeting shall be conducted pursuant to a written agenda, circulated in advance (and the agenda shall provide more detail than "(1) old business, (2) new business, and (3) other"). All meetings shall be attended either by legal counsel or with legal counsel’s concurrence by a qualified Alliance staff member. Written minutes of all meetings shall be prepared (and reviewed with legal counsel before finalized) and shall accurately reflect the participants in the meeting and the subjects discussed.

B. Participants shall not participate in any "rump sessions" or other “break out” meetings before, after or during Alliance meetings unless such meetings are approved in advance by a qualified staff member and adhere to the requirements of this policy. In addition, Participants shall not engage in discussions or conduct at social events incidental to Alliance meetings which would not be proper at the meetings themselves.

C. Participants shall avoid any discussions of competitively sensitive subjects; thus, Participants shall not engage in any discussions or agreements regarding: prices, price lists, discounts, promotions, pricing policies, allowances, or any other matter related to price, profits or profit margins, costs, freight charges, currency fluctuations, accounting practices, production limits, volume levels, standardizing or differentiating products, formulas, credit terms and other conditions of sale, market shares, the geographic areas or types of customers served, relationships or terms of dealing with individual customers, future business plans or strategies, forecasts, company hiring practices or employee compensation information (wages and/or benefits).

D. Participants shall not engage in any discussions or agreements regarding any allocation of markets or division of customers.

E. Participants shall not discuss or enter into agreements to boycott a particular industry participant – including competitors, suppliers or customers. Even discussing legitimate trade abuses committed by certain firms could be characterized as a boycott and should not be raised. Similarly, Participants shall not discuss or agree to take a particular course of action relative to a single member or small group of members.

F. Statistical data collection and reporting programs shall relate only to past transactions, and data shall be reported in an aggregate form that does not permit identification of individual transactions or reporting companies. Membership participation in such programs shall always be voluntary.

G. The Alliance will not develop standards or practices which restrict the business of any firm or individual. Legal counsel shall be consulted before engaging in standard-setting efforts to ensure that the substance and process of standard-setting does not create any material antitrust risk.

H. Member standards and the content of all Alliance programs are subject to this Antitrust Compliance Policy and are to be cleared by legal counsel before implementation.

I. Participants shall be careful in their choice of words and shall never, even in jest, use words that indicate approval of or participation in prohibited conduct. Participants shall avoid conjecture, exaggeration or colorful language that might be misinterpreted.

J. All documents of the Alliance are subject to scrutiny by legal counsel, and it shall be the responsibility of Alliance staff to see that legal counsel is informed before any document which could be construed to raise questions under this Antitrust Compliance Policy is circulated or approved.

K. If any subject with any anticompetitive implication or appearance is raised at any meeting or any other Alliance event, persons attending the meeting or event shall object immediately to an Alliance staff person and request that the subject be dropped.

L. Participants shall promptly contact legal counsel for guidance in resolving all questions that may arise concerning the propriety of any proposed program, activity or discussion.

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*This policy was adopted by the Board of Directors of the Alliance on November 26, 2025. For additional information, please contact the Chair of the Alliance. The Alliance reserves the right to modify or amend this policy at any time.*

## **Textile Renewal Alliance Acknowledgment of Board Member Confidentiality Obligations**

Thank you for agreeing to serve on the Board of Directors (“Board”) of Textile Renewal Alliance. As part of each Board member’s fiduciary obligations to act in the best interests of Textile Renewal Alliance, we ask for your assistance in maintaining the confidentiality of information disclosed to you in the course of your service on the Board.

By signing below, you understand and agree that:

1. You will keep all Board discussions and disclosures made to you at Board meetings, or otherwise in your capacity as a Board member, to be confidential unless otherwise directed. This may include but is not limited to information about Textile Renewal Alliance’s operations, strategic plans, policies and practices, finances, personnel, members, or matters requiring the advice of counsel;
2. Your confidentiality obligation is ongoing and continues during and after the conclusion of service on the Board; and
3. Disclosure of confidential information could harm Textile Renewal Alliance and may violate your responsibilities as a Textile Renewal Alliance Board member.

Questions regarding confidentiality obligations should be addressed to the Chair of the Board.

Signature: \_\_\_\_\_

Printed name: \_\_\_\_\_

Date: \_\_\_\_\_