



Hilana

Disclosure Report

Date Submitted: December 21st, 2023



Disclosure Materials

Certified B Corporations must complete a Disclosure Questionnaire to identify potentially sensitive issues related to the company (e.g. historical fines, sanctions, material litigation, or sensitive industry practices).

This component does not affect the company's score on the B Impact Assessment. If the company answers affirmatively to any items in the Disclosure Questionnaire that B Lab deems relevant for public stakeholders, then, as a condition of their certification, the company must:

- 1) Be transparent about details of the disclosure issues identified on the company's public B Impact Report
- 2) Describe how the company has addressed this issue
- 3) Demonstrate that management practices are in place to avoid similar issues from arising in the future, when necessary.

In all cases, the Standards Advisory council reserves the right to refuse certification if the company is ultimately deemed not to uphold the spirit and integrity of the community.

In addition to the voluntary indication of sensitive issues in the Disclosure Questionnaire, companies pursuing Certification also are subject to a background check by B Lab staff. Background checks include a review of public records, news sources, and search engines for company names, brands, executives/founders, and other relevant topics.

Sensitive issues identified through background checks may or may not be within the scope of questions in the Disclosure Questionnaire, but undergo the same review process and are subject to the same possible review by the Standards Advisory Council, including ineligibility for B Corp Certification, required remediation, or disclosure.

This document contains a copy of the company's completed Disclosure Questionnaire and related disclosure documentation provided by the company



Disclosure Questionnaire

Industries and Products

	Yes	No
Please indicate if the company is involved in production or trade in any of the following. Select Yes for all options that apply.		
Animal Products or Services	☐	☒
Biodiversity Impacts	☐	☒
Chemicals	☐	☒
Disclosure Alcohol	☐	☒
Disclosure Firearms Weapons	☐	☒
Disclosure Mining	☐	☒
Disclosure Pornography	☐	☒
Disclosure Tobacco	☐	☒
Energy and Emissions Intensive Industries	☐	☒
Fossil fuels Gambling	☐	☒
Genetically Modified Organisms	☐	☒
Illegal Products or Subject to Phase Out	☐	☒
Industries at Risk of Human Rights Violations	☐	☒
Monoculture Agriculture	☐	☒
Nuclear Power or Hazardous Materials	☐	☒
Payday, Short Term, or High Interest Lending	☐	☒
Water Intensive Industries	☐	☒
Tax Advisory Services	☐	☒

Outcomes & Penalties

	Yes	No
Please indicate if the company has had any formal complaint to a regulatory agency or been assessed any fine or sanction in the past five years for any of the following practices or policies. Check all that apply.		
Anti-Competitive Behavior	☐	☒
Breaches of Confidential Information	☐	☒
Bribery, Fraud, or Corruption	☐	☒
Company has filed for bankruptcy	☐	☒
Consumer Protection	☐	☒
Financial Reporting, Taxes, Investments, or Loans	☐	☒
Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)	☐	☒
Labor Issues	☐	☒
Large Scale Land Conversion, Acquisition, or Relocation	☐	☒
Litigation or Arbitration	☐	☒
On-Site Fatality	☐	☒
Penalties Assessed For Environmental Issues	☐	☒
Political Contributions or International Affairs	☐	☒
Recalls	☐	☒
Significant Layoffs	☐	☒
Violation of Indigenous Peoples Rights	☐	☒
Other	☐	☒



Practices

	Yes	No
Please indicate if the following statements are true regarding whether or not the company engages in the following practices. Check all that apply. If the statement is true, select "Yes." If false, select "No."		
Animal Testing	☐	☒
Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)	☐	☒
Company prohibits freedom of association/collective bargaining	☐	☒
Company workers are prisoners	☒	☐
Conduct Business in Conflict Zones	☐	☒
Confirmation of Right to Work	☐	☒
Does not transparently report corporate financials to government	☐	☒
Employs Individuals on Zero-Hour Contracts	☐	☒
Facilities located in sensitive ecosystems	☐	☒
ID Cards Withheld or Penalties for Resignation	☐	☒
No formal Registration Under Domestic Regulations	☐	☒
No signed employment contracts for all workers	☐	☒
Overtime For Hourly Workers Is Compulsory	☐	☒
Payslips not provided to show wage calculation and deductions	☐	☒

	Yes	No
Sale of Data	☐	☒
Tax Reduction Through Corporate Shells	☐	☒
Workers cannot leave site during non-working hours	☐	☒
Workers not Provided Clean Drinking Water or Toilets	☐	☒
Workers paid below minimum wage	☐	☒
Workers Under Bond	☐	☒
Other	☐	☒

Supply Chain Disclosures

	Yes	No
Please indicate if any of the following statements are true regarding your company's significant suppliers.		
Business in Conflict Zones	☐	☒
Child or Forced Labor	☐	☒
Negative Environmental Impact	☐	☒
Negative Social Impact	☐	☒
Other	☐	☒

Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Disclosure Industries - Prison Labor

Topic	Prison Labor
Summary of Issue	Hilana sells textiles made from reused or recycled cotton in Chile and the USA. In Chile, the company carried out a campaign called Tejer Esperanza (Weaving Hope) in 2022 involving a group of female, senior, previously incarcerated individuals in charge of the care of minors. The program offered these individuals the opportunity to learn an artisan trade (crochet or textile basketry) , learn about upcycling techniques and become micro-entrepreneurs, working from home. In addition to learning a new skill, the participants were offered payment for the finished products they produced. The program was carried out in conjunction with the non-profit Organization Fundación Paternitas, Fundación Banco de Ropa and T & W Eco- Market. The finished products were subsequently sold to Fundación Banco de Ropa who provided them as corporate gifts to different stakeholders as well as offer them for sale in large retailer Almacenes Paris.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	The Weaving Hope program was a one time initiative that lasted 6 months. Hilana no longer participates in this program.
Impact on Stakeholders	While some stakeholders have indicated that prison labor is inherently unjust or coerced, others have highlighted the potential benefits of such programs, such as the potential to assist people who are incarcerated to reintegrate into society. Among the risks and issues involved in prison labor arrangements highlighted by ILO are coercion, wages, work conditions, health and safety and post-release benefits.
Implemented Management Practices	Participants in this program did so voluntarily and were free to withdraw when they saw fit. Hilana had direct communication with these individuals to motivate them and know them better, mainly through a group chat created in the social media platform WhatsApp. Payment was offered for finished products, but the individuals who participated in the workshops and programs were not

	obligated to sell their finished products. As this was not an employment relationship, no contract was offered to participants. Hilana does not participate in any lobbying or advocacy or political activities nor has in place policies and practices to address concerns of mass or increasing rates of incarceration and the prison industry. Although the program had the objective of increasing work opportunities for individuals that have reduced work opportunities, the company has not measured whether this outcome was achieved. The observed results of the program included an increase in self esteem and improvement in social life, due to interaction with other participants. The company has discontinued their participation in this program.
Report	Fundación Paternitas Tejer Esperanza Project