

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 and B Lab deems them to be material, the company must:

- 1) Be transparent about 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 systems are in place to avoid similar issues from arising in the future.

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

In addition to the voluntary indication of sensitive issues in the Disclosure Questionnaire, companies pursuing Certification also are subject to background checks 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

Company Name: Algoselan Flandria Date Submitted: 05/09/2023

Industries & Products	Yes	No
Please indicate if the company is involved in p		ade in any the
following. Select Yes for all options that apply		
Animal Products or Services		
Biodiversity Impacts		√
Chemicals		
Company Explanation Of Disclosure Item Flags		
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		, V
Industries at Risk of Human Rights Violations		, V
Monoculture Agriculture		J.
Nuclear Power or Hazardous Materials		J.
Payday, Short Term, or High Interest Lending		
Water Intensive Industries		
Tax Advisory Services		v
	L	iv
Supply Chain Disclosures	Yes	No
Please indicate if any of the following stateme	nts are true regar	dina vour
company's significant suppliers.		
Business in Conflict Zones		
Child or Forced Labor		
Negative Environmental Impact		
Negative Social Impact		
Other		

Outcomes & Penalties	True	False		
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 Explanation Of Disclosure Item Flags				
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	True	False		
Please indicate if the following statements are true regarding whether or not the				

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 Explanation Of Disclosure Item Flags	\checkmark			
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	\checkmark			
Sale of Data	\checkmark			
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				



B Corp Certification - Disclosure Questionnaire Documentation

PROVIDED BY:	Algoselan Flandria	UPDATED AS OF:	05/09/2023
DISCLOSURE QUESTIONNAIRE CATEGORY	Litigation, Arbitration, and/or Penalties		
ISSUE DATE	March 2018 and December 2021 - August 2022		
TOPIC	Labor issues		
SUMMARY OF ISSUE	In 2018, Algoselan Flandria was facing some economic and financial difficulties that led the company to cease its employees activities for 30 days. Giving the situation, the company also let go a part of their workforce.By the end of 2021 and the beginning of 2022, the union representing textile workers requested the companies of this industry to adjust the wages offered to workers giving inflation rates and salary gap resulting from COVID-19 economic circunstances. This resulted in protests and strikes involving Algoselan Flandria workers.		
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	32 employees had their contracts terminated in 2018, in which voluntary withdrawal agreements were reached. In 2022, the company had 14 cases of union proposal agreements. Of those 11 requests were already solved and 3 are being implemented.		
IMPACT ON STAKEHOLDERS	Loss of employment by 32 previous employees.		
RESOLUTION	 In 2018, Algoselan Flandria offered a deal to their employees to leave the company. Workers that accepted the deal received bonus payments for 4 months and 50% of wage as labor indemnity. The agreement was ratified by the Ministry of Labor. In 2022, the company was involved in several rounds of negotiations with the Union representing their workers. In July 2022, the Ministry of Labor ratified the agreement established between the company and the union to readjust salaries and provide financial compensation for employees involved in the strike. 		
MANAGEMENT PRACTICES	After the events presented, the company decided to intensify the approach to labor relations of the company-unions by systematizing, monitoring and following up on claims through monthly meetings with the internal commissions. Algoselan Flandria also invested in reforming the facilities their workers have inside the company to socialize and take breaks (bathrooms, changing rooms, staff canteens).		
RELATED INCIDENTS (YES/NO)	No		



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B Corp Certification - Disclosure Questionnaire Documentation Disclosure Questionnaire category: Water Intensive industry Updated as of: 04/24/2023

Algoselan Flandria is involved in the production or sale of products that are classified as water intensive, meaning that they are more likely to have significant impacts on the environment, such as water stress or depletion of local water sources if water use is not appropriately managed. Certified B Corps are required to make transparent their involvement in such industries.

If you or someone you know is aware of any specific practices of this company related to their involvement in the sensitive industry that have had a negative impact, and that may constitute a violation of the B Corp standards, please contact us via our <u>public complaints</u> <u>procedure</u>.



B Corp Certification - Disclosure Questionnaire Documentation Disclosure Questionnaire category: Energy and Emissions Intensive industry Updated as of: 04/24/2023

Algoselan Flandria is involved in the production or sale of products that are classified as energy and emission-intensive, meaning that they are more likely to have significant impacts on the environment based on their carbon emissions associated with their operations and their contribution to climate change. Certified B Corps are required to make transparent their involvement in such industries.

If you or someone you know is aware of any specific practices of this company related to their involvement in the sensitive industry that has had a negative impact, and that may constitute a violation of the B Corp standards, please contact us via our <u>public complaints</u> <u>procedure</u>.



B Corp Certification - Disclosure Questionnaire Documentation Disclosure Questionnaire category: Chemical Intensive industry Updated as of: 04/24/2023

Algoselan Flandria is involved in the production or sale of products that are classified as chemical intensive, meaning that they are more likely to have significant impacts on the environment, such as pollution of air, land, and water, as well as potential human health risks to those exposed to harmful chemicals if the use and disposal of chemicals are not properly managed. Certified B Corps are required to make transparent their involvement in such industries.

If you or someone you know is aware of any specific practices of this company related to their involvement in the sensitive industry that has had a negative impact, and that may constitute a violation of the B Corp standards, please contact us via our <u>public</u> <u>complaints procedure</u>.