



Textil del Valle

Disclosure Report
Date Submitted: April 4th, 2024



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	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Biodiversity Impacts	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Chemicals	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Disclosure Alcohol	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Firearms Weapons	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Mining	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Pornography	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Tobacco	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Energy and Emissions Intensive Industries	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Fossil fuels Gambling	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Genetically Modified Organisms	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Illegal Products or Subject to Phase Out	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Industries at Risk of Human Rights Violations	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Monoculture Agriculture	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Nuclear Power or Hazardous Materials	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Payday, Short Term, or High Interest Lending	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Water Intensive Industries	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tax Advisory Services	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Breaches of Confidential Information	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Bribery, Fraud, or Corruption	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company has filed for bankruptcy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Consumer Protection	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Financial Reporting, Taxes, Investments, or Loans	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Labor Issues	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Large Scale Land Conversion, Acquisition, or Relocation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Litigation or Arbitration	<input type="checkbox"/>	<input checked="" type="checkbox"/>
On-Site Fatality	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Penalties Assessed For Environmental Issues	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Political Contributions or International Affairs	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Recalls	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Significant Layoffs	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Violation of Indigenous Peoples Rights	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>



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	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company prohibits freedom of association/collective bargaining	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company workers are prisoners	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Conduct Business in Conflict Zones	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Confirmation of Right to Work	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Does not transparently report corporate financials to government	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Employs Individuals on Zero-Hour Contracts	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Facilities located in sensitive ecosystems	<input type="checkbox"/>	<input checked="" type="checkbox"/>
ID Cards Withheld or Penalties for Resignation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
No formal Registration Under Domestic Regulations	<input type="checkbox"/>	<input checked="" type="checkbox"/>
No signed employment contracts for all workers	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Overtime For Hourly Workers Is Compulsory	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Payslips not provided to show wage calculation and deductions	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Yes	No
Sale of Data	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Tax Reduction Through Corporate Shells	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers cannot leave site during non-working hours	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers not Provided Clean Drinking Water or Toilets	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers paid below minimum wage	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers Under Bond	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Child or Forced Labor	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Negative Environmental Impact	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Negative Social Impact	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Chemicals Label

Issue Date	March 2024
Topic	Chemicals Label: Industries reliant on chemicals termed Substances of Very High Concern by REACH regulations.
Summary of Issue	Textil del Valle is a textile manufacturer based in Chinchu, Peru, and operates in an industry that is chemically intensive, particularly with regards to chemicals and Substances of Very High Concern (SVHCs) used during the dyeing process. Letters are periodically requested from the company's chemical product suppliers, in which they guarantee that the manufacturing of their products does not contain components from the REACH SVHCs list issued by ECHA.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	100% of Textil del Valle's revenue is generated from the sale of textiles.
Impact on Stakeholders	As a chemical intensive industry, textile production poses risks to the environment such as pollution of air, land, and water, as well as potential human health risks to those exposed to carcinogenic chemicals.
Implemented Management Practices	<p>All of the company's chemical suppliers are required to deliver to them in accordance with Oeko Tex or Reach certifications, which establish guidelines for making chemicals safe.</p> <p>As a specific objective in chemicals, the company had set in 2023 to reach between 80 to 90% compliance with the Zero Discharge of Hazardous Chemical (ZDHC) standard, and achieved 80%.</p> <p>Textil del Valle also carries out treatments on the effluents from textile processes, bringing them to permissible levels so that they can be evacuated from the company.</p> <p>The company has had a Wastewater Treatment Plant since 2003 and with which the company's wastewater is treated in order to eliminate any toxicity that may remain in it.</p>
Report	ZDHC

Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Environmentally Intensive Industries

Issue Date	March 2024
Topic	Water Intensive Industries
Summary of Issue	As a textile manufacturer, Textil del Valle operates in an industry that is water intensive, particularly with regard to the amount of water used during the dyeing process.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	100% of Textil del Valle revenue is generated from the sale of textiles.
Impact on Stakeholders	As a water intensive industry, textile production poses risks such as water stress or depletion of local water sources if water use is not appropriately managed.
Implemented Management Practices	<p>Company's water sources come from 3 underground wells that are within its operations, and it does not affect the water availability of the location's surroundings. They confirm to have a specific license for each of the 3 wells, granted by the National Water Authority (ANA), that the hydrographic basin is not affected and total availability of the source is not used on any occasion. It was confirmed by the company that no more than 40-50% of the availability is used from their wells.</p> <p>Within Chinchá, Peru where the main factory is located, there is a lack of water availability, since water is cut off at certain hours. The company, however, has implemented an Ultrafiltration and Reverse Osmosis plant, which allows 30% of the water in the plant to be recycled.</p> <p>The company has also had a Wastewater Treatment Plant since 2003, with which the company's wastewater is treated in order to eliminate any toxicity that may remain in it.</p> <p>As a reduction objective Textil del Valle has a goal of reducing the water footprint by 5% annually.</p>

Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Environmentally Intensive Industries

Issue Date	March 2024
Topic	Energy and Emissions Intensive Industries
Summary of Issue	<p>As a textile manufacturer, Textil del Valle operates in an industry that is energy and emissions intensive due to the nature of its production processes, the intensive use of machinery and transportation.</p> <p>Company's energy sources are: Fossil fuels, natural gas and solar panels.</p>
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	<p>100% of Textil del Valle revenue is generated from the sale of textiles.</p> <p>1.90 Kilowatt-hours consumed per kilogram of production.</p> <p>Company's carbon emissions for 2022 (ton CO₂e)</p> <p>Scope 1: 707.34</p> <p>Scope 2: 1,773.68</p> <p>Scope 3: 20,185.48</p>
Impact on Stakeholders	<p>Energy intensive manufacturing activities, such as mattress manufacturing, pose an environmental risk due to the emissions produced by such energy use. The extent of environmental impact is dependent on the energy sources utilised and management practices in place to manage energy use.</p>
Implemented Management Practices	<p>Textil del Valle has proposed the reduction of scope 3 emissions in its sustainable supply chain program. Company is identifying its critical suppliers and assessing how they could support them to reduce their carbon footprint by optimizing logistics processes.</p> <p>Among the main objectives of the company we have the following in terms of energy and emissions:</p> <ul style="list-style-type: none"> -Reduce 50% of greenhouse gas emissions that were measured in 2019. -Autogenerate 30% of the total electricity consumed in the plant with renewable sources. -Improve the ratio of electricity consumed per kg of production.

	Company achieved carbon neutrality by offsetting its 2022 emissions.
Report	https://www.textildelvalle.pe/es/2023/07/12/reporte-de-sostenibilidad-2022/ https://offset.climateutralnow.org/vchistory/details?orderId=32700



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Industries at Risk of Human Rights Violations

Issue Date	March 2024
Topic	Industries at Risk of Human Rights Violations
Summary of Issue	As a textile manufacturer, Textil del Valle operates in an industry that is at risk of human rights violations.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	100% of Textil del Valle revenue is generated from the sale of textiles. 10% of the products (by units) are Global Recycled Standards (GRS), Global Organic Textile Standard (GOTS), Organic Content Standard (OCS) certified
Impact on Stakeholders	The textile industry is considered high risk for potential human rights abuses such as low pay, discrimination, sexual harassment, forced labour and child labour.
Implemented Management Practices	<p>For the past sixteen years the company has produced textiles that have the global WRAP (Worldwide Responsible Accredited Production) certification, which establishes correct and ethical guidelines in terms of labor practices (safety, freedom of association, discrimination, among others). It is a certification that applies to the entire company.</p> <p>Textil del Valle has taken steps to avoid potential human rights violations in its supply chain. The company now shares its Code of Conduct & Ethics for Suppliers. The code outlines the requirements of the Environment, Social & Governance (ESG) criteria in which suppliers are required to follow. Some of the criteria listed under its Social requirement are ; Compliance with laws & regulations of the organization, Prohibition of Forced Labor, Prohibition of Minor Labor, Prohibition of Harassment or Abuse, Compensation & Benefits, Work Day, Prohibition of Discrimination and Health & Safety.</p> <p>The code ensures that suppliers comply with all anti-corruption, anti-money laundering and anti-terrorism financing legislation. Textil del Valle has also made a Confidential Complaint Channel accessible to all of its suppliers and related third-parties. If there are any concerns regarding suppliers related to Textil del Valle who participates or has participated in any quote or tender may</p>

	<p>report situations related to the request of payments, commissions, favors, bribes or suspicious activities, could be submitted through this channel. The complaints would be investigated by the internal Ethics Committee who would then decide if there would be a sanction/termination of contract.</p> <p>Besides only working with suppliers that are legally constituted under Peruvian regulations, the company acquires its materials from suppliers that are recommended by its own clients, which, according to the company, ensures the alignment of values and principles. For example, in the case of spinning mills, chemicals and dyes, they work with recognized companies in the sector; in the case of accouterments, the majority are recommended by their clients of recognized brands. The company also verified suppliers' certificates related to human rights issues.</p> <p>Textil del Valle carries out audits on certain suppliers on labor practices in their operations, using a prepared verification checklist at least once a year.</p> <p>The company sends communications in the form of letters, to their main suppliers about the WRAP standards, in an effort to promote these guidelines among these providers.</p>



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Compulsory Overtime

Topic	Most of the workforce worked overtime in the last fiscal year due to production needs.
Summary of Issue	Workers at Textil del Valle are required to work 48 hours per week under normal production conditions. When asked to work overtime, employees are not expected to work more than 12 hours per day in total. Workers are allowed to refuse working overtime when requested without any negative repercussions.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	In the previous fiscal year, approximately 75% of the workforce have worked overtime at some point during the year. On average, employees worked approximately 4 hours per week beyond their normal working hours.
Impact on Stakeholders	Employees that work compulsory overtime can experience increased stress and have less time to spend on activities outside of the workplace, such as spending time at home. At Textil del Valle, if an employee is unable to meet the overtime requirement or refuses to work overtime, the company claims there is no negative repercussions.
Implemented Management Practices	<p>It is communicated to employees if their working area is experiencing high production demand and reaffirmed that overtime is not mandatory, employees can always refuse a request to work overtime.</p> <p>Textil del Valle, when facing higher production demand periods, hires personnel, and organizes the processes by area so that delays do not affect other areas of the process, as to try to reduce the necessity of overtime. In addition to that, a work absence monitoring program was implemented, with which it is possible to identify in the work areas, the cases of workers with frequent records of absence. It helps the company to understand whether employees are facing medical or non-medical issues, evaluate related causes and issue a report to areas to take additional measures if applicable.</p>
Related Incidents (Yes/No)	No.