



Lab
Global

FLORIM SPA SB

Disclosure Report

Date Submitted: July 23rd, 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.

B Lab's Public Complaints Process

Any party may submit a complaint about a current B Corp through [B Lab's Public Complaint Process](#). Grounds for complaint include:

- 1) Intentional misrepresentation of practices, policies, and/or claimed outcomes during the company's [certification process](#)
- 2) Breaches of the B Corp Community's core values as expressed in our [Declaration of Interdependence](#)

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 type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input 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 type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>

Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Litigations, Arbitrations, Penalties & Regulatory Complaints

Issue Date	2022 - 2025
Topic	Consumer and Supplier litigation, and penalties related to Labor Issues, Highway Code Violation, Environmental issues, and Tax penalties.
Summary of Issue	<p>In the past 5 years, Florim has had the following relevant cases:</p> <ul style="list-style-type: none"> • Consumer litigation about the quality of the finished product. • Supplier litigation of a contract dispute. • Labor dispute settlement for dismissal. • Highway code violation fines. • Environmental Administrative Penalties from ARPAAE related to noise, odor, and environmental impacts.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	<ul style="list-style-type: none"> • Florim had 306 consumer litigation cases. The overall financial value of these lawsuits was €1,628,426. • The company had 1 contract dispute litigation case with its supplier. With a financial value of €300,000. • The company received 1 penalty from the Labor Court for a Labor dispute settlement for dismissal. With a financial value of €140,000. • The company received 97 fines from traffic enforcement bodies due to violations of the highway code. With a financial value of €7,766. • The company received 4 administrative penalties from ARPAAE. With an overall value of €10,500.
Impact on Stakeholders	<p>The primary impact on consumer litigation is a financial and reputational impact on the consumers, while the direct impact for the contract dispute is a financial impact on the former supplier.</p> <p>The main impact of the penalties and fines was on the former employee, the general society, and the regulatory agencies.</p>
Resolution	All litigation, fines, and penalties have been settled with payment from the company.



Management Practices	Regarding the administrative penalties from ARPAE, the company has taken steps to invest in and implement additional controls to mitigate noise and odor emissions, and procedures aimed at reducing environmental and energy impacts

Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Other - Operations located in Conflict Zones

Topic	Company has operations in Conflict Zones and in Russia
Summary of Issue	<p>Among the regions that can be considered conflict zones due to current geopolitical situations, as identified by the Council on Foreign Relations, the company operates in Russia, Ukraine, and Israel. The company's activity in these areas is limited to selling ceramic materials through local distributors and retailers.</p> <p>Florim SPA primarily operates in other territories, with almost 98% of its sales directed to global markets outside conflict areas. The company's presence in these areas is purely commercial, aiming to provide ceramic-related products and services without influencing ongoing conflicts.</p> <p>The ongoing commercial activities in these areas are driven by the need to serve the company's existing customers, who had already established business relationships with them before the conflicts began. Florim SPA maintains these business relationships to support its customers and provide continuity in its services. Additionally, the presence of the company's Flagship Store "Florim RUS LLC" in Moscow mainly serves as a showcase for its ceramic materials, offering free consultations to architects without direct commercial purposes, and currently employs three people.</p>
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	In the fiscal year end of 2023, the company had generated a total revenue of 1.3% from Russia, 0.1% from Ukraine, and 1% from Israel.
Impact on Stakeholders	<p>Business activities located in conflict zones are considered high-risk as they are more likely to cause or contribute to the conflict and/or sociopolitical instability.</p> <p>Countries classified as conflict zones are more likely to have a weak rule-of-law or a corrupt judicial system, which could undermine the effectiveness of operational grievance mechanisms for these businesses and their suppliers. In addition, the safety of the company's workers and other potential human rights violations are at risk.</p>

	<p>B Lab is currently developing standards for companies operating and/or exiting operations in high-risk contexts (including Russia), and Florim SPA will be required to meet those standards during their next recertification cycle.</p>
<p>Implemented Management Practices</p>	<p>Florim SPA has implemented the Organizational Model 231, an extended code of ethics and supplier code of conduct to all group companies, which prohibit any form of corruption and unethical business practices.</p> <p>The company operates in compliance with the European regulations, ensuring that its products do not fall under the sanction packages imposed by the European Union on the Russian market. Additionally, the company's activities are independent of any parties involved in armed conflicts, and it has no financial ties with political or military entities in the affected regions.</p> <p>Prior to the Russian invasion of Ukraine in February 2022, the company's business operations in Russia mainly included the presence of "Florim RUS LLC," a Flagship Store located in Moscow. The showroom was tasked with displaying the company's product materials and offering free consultations to architects interested in the products, without direct sales to the public. The company operates in a B2B model, selling materials to its clients who are importers, distributors, and resellers of ceramic products for flooring and coverings.</p> <p>The company had 4 local employees and generated revenue enough to cover its operational costs (rent, staff salaries, bills, and depreciation) through transactions with FLORIM SPA SB.</p> <p>After the invasion, the Flagship Store "Florim RUS LLC" continued to operate with the same purpose of displaying product materials and providing free consultations, without engaging in direct commercial activities or expanding its presence in the Russian market. The client base and sales remained mostly unchanged, aside from normal market variations.</p> <p>The employees of the Flagship Store continued their activities without significant interruptions, and its local partners continued to receive support regarding consulting on the company's product materials.</p>

	<p>The company has maintained support for its employees and customers in Russia by ensuring the continuity of operations of the Flagship Store "Florim RUS LLC." The support has remained constant, providing the necessary resources to continue displaying materials and offering free consultations to architects. There have been no substantial changes in the way the company has supported its stakeholders compared to previous activities, despite the challenges posed by the conflict.</p> <p>Florim maintains constant contact with its employees and clients to control respect for the inalienable rights of every person in its activities, in accordance with the guidelines outlined in the Code of Ethics, which is also directed toward external stakeholders.</p>
Report	Code of Ethics Code of Conduct

Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Other - Operations located in Conflict Zones

Topic	Company has suppliers located in Conflict Zones
Summary of Issue	Florim's product is composed of 93% natural raw materials, including clay, a fundamental component for creating the material mix. For many years, Florim has been purchasing clay from Ukraine due to its unique and special technical properties, typical of the quarries located in the Donbass region. Ukraine is listed as a conflict zone in the FY25 List of Fragile and Conflict-affected Situations and the Global Conflict Tracker .
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	In 2023, 1.16% of the company's purchases came from Ukraine.
Impact on Stakeholders	<p>Business activities located in conflict zones are considered high-risk as they are more likely to cause or contribute to the conflict and/or sociopolitical instability.</p> <p>Countries classified as conflict zones are more likely to have a weak rule of law or a corrupt judicial system, which could undermine the effectiveness of operational grievance mechanisms for these businesses and their suppliers. In addition, the safety of the company's workers and other potential human rights violations are at risk.</p>
Implemented Management Practices	<p>Having become an integral part of FLORIM's way of doing business, the Code of Conduct is shared with every new employee, supplier, and business partner and has been periodically revised.</p> <p>It is committed to adopting responsible, ethical, and transparent behavior and invites its suppliers to follow the same direction. Florim requests that suppliers promptly inform the company if there are any difficulties in applying the requirements expressed in the Code of Conduct, including ethical, social, and environmental requirements.</p>



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Energy and Emissions Intensive Industry

Florim SPA is involved in the production/sale of products, or is part of an industry that can potentially be 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 activities or industries.

For more information about the company's practices, please visit the company's webpage/sustainability report, accessible [here](#).



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Water Intensive Industry

Florim SPA is involved in the production/sale of products, or is part of an industry that can potentially be 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 activities or industries.

For more information about the company's practices regarding this topic, please visit the company's webpage/ sustainability report, accessible [here](#).