



## 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: Successori Reda SpA

Date Submitted: 01/27/2020

| Industries & Products   | Yes | No |
|---|-----|----|
| Please indicate if the company is involved in production of or trade 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  |     | √  |
| Industries at Risk of Human Rights Violations   |     | √  |
| Monoculture Agriculture   |     | √  |
| Nuclear Power or Hazardous Materials  |     | √  |
| Payday, Short Term, or High Interest Lending  |     | √  |
| Water Intensive Industries  | √   |    |
| 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   |     | √  |

  

| Other Disclosures | Yes | No |
|-------------------|-----|----|
|                   |     | √  |
|                   |     |    |

| 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 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   |      | √     |
| 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  |      | √     |
| 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  |      | √     |



## B Corp Certification - Disclosure Questionnaire Documentation

PROVIDED BY: Successori Reda SpA

UPDATED AS OF: 01/27/2020

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| <b>DISCLOSURE QUESTIONNAIRE CATEGORY</b>   | Animal Products or Services  |
| <b>ISSUE DATE</b>  | Ongoing  |
| <b>TOPIC</b>   | Company produces textile from sheep wool and owns sheep farms.   |
| <b>SUMMARY OF ISSUE</b>  | Successori Reda is a textile manufacturer that produces fabrics from sheep wool. The company also owns several sheep farms in New Zealand from which it sources some of the raw materials.   |
| <b>SIZE/SCOPE OF ISSUE</b><br>(e.g. \$ financial implication, # of individuals affected) | 100% of Successori Reda's revenue is generated from the sale of wool products. Considering the total volume, 28% of wool acquired are Sustainawool certified and 12% are ZQ certified.   |
| <b>IMPACT ON STAKEHOLDER(S)</b>  | The sale or use of animal products and animal-related services by businesses poses a risk to the humane treatment of animals if adequate management practices are not in place.  |
| <b>IMPLEMENTED MGT PRACTICES</b>   | <p>Specifically for what concerns animal welfare, both the SustainaWool and ZQ and Integrity Schemes acknowledge the internationally recognized “Five Freedoms” developed by the World Organisation for Animal Health (OIE) and requires growers to provide and care for their livestock in accordance to these principles:</p> <ol style="list-style-type: none"><li>1. Freedom from hunger, thirst and malnutrition</li><li>2. Freedom from discomfort by providing adequate shelter</li><li>3. Freedom from pain, injury and disease/parasites – based on prevention, or rapid diagnosis and treatment</li><li>4. Freedom to express normal patterns of behavior</li><li>5. Freedom from fear and distress.</li></ol> <p>The certified farms undergo periodic audits to check the requirements of the certification schemes which include among the rest: mulesing practices, handling of chemicals, traceability, environmental care and workplace safety.</p> <p>Specifically for what concerns the practice of mulesing, the selected scheme in New Zealand (ZQ) excludes the use of mulesing , while in Australia, given the different environmental conditions, the selected scheme (SustainaWool) is supportive of any research leading towards a “non-mulesed” Australian wool industry and currently only allows wool from sheeps that are not mulesed or ceased mulesed for the Green Standard or mulesed with use of pain relief for the Blue Standard.</p> |
| <b>REPORT</b>  | Details on SustainaWool scheme can be found here: <a href="http://sustainawool.com.au/">http://sustainawool.com.au/</a><br>Details on ZQ scheme can be found here: <a href="https://www.discoverzq.com/">https://www.discoverzq.com/</a>   |

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| <b>OTHER MANAGEMENT COMMENTS</b> | <p>Since 2009, Successori Reda purchases from New Zealand all the available ZQ certified wool that meets our quality requirements. Also, to replicate this positive experience in Australia, in 2015 the company created the SustainaWool standard with New England Wool in collaboration with DNV, an external certification body. In July 2019 the scheme was donated with over 900 farms certified to AWEX, an industrial body owned by Australian farmers, in order to make the scheme available for the world market without restrictions. Currently, more than 1100 farms have been certified. On January 2020, AWEX received the ISO 9001 certification for provision of independent quality assurance services to the Australian and international wool supply chain through the Sustainawool integrity scheme and National Wool Declaration Integrity program. Despite all these efforts to evolve the entire Australian industry, today the company's demand is higher vs. current market availability so is still not able to buy 100% certified wool, but there has been significant progress toward this goal year after year.</p> |
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| <b>DISCLOSURE QUESTIONNAIRE CATEGORY</b>   | Environmentally Intensive Industries  |
| <b>TOPIC</b>   | Water Intensive Industries  |
| <b>SUMMARY OF ISSUE</b>  | As a textile manufacturer, Successori Reda operates in an industry that is water intensive, particularly with regard to the amount of water used during the dyeing process.   |
| <b>SIZE/SCOPE OF ISSUE</b><br>(e.g. \$ financial implication, # of individuals affected) | 100% of Successori Reda's revenue is generated from the sale of textiles.   |
| <b>IMPACT ON STAKEHOLDER(S)</b>  | 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.   |
| <b>IMPLEMENTED MGT PRACTICES</b>   | <p>Over the past 15 years, the company has reduced the consumption of water per kg of fabric produced by 30%. This is the result of a continuous innovation effort to research and apply new improved dyeing recipes, new process machinery, new air conditioning systems and an advanced water treatment plant.</p> <p>Investments in the water treatment plant have allowed progressively improving the water purification performance; in particular, thanks to the addition of 2 extra purification steps (tertiary filtration plant and ozonization), waste-water discharges produced by Successori Reda consistently register 10 times lower parameters compared to the limits mandated by the very stringent European law. Also, these practices allow Successori Reda internally re-using in the production process 20% of the purified water.</p> <p>Moreover, since 2004 Successori Reda applies an environmental management system compliant with the ISO 14001 and the EMAS Regulation that foresees the continuous improvement of its environmental performance. Thus, in the context of the EMAS certification, Successori Reda publicly reviews and sets further water consumption reduction targets together with all the other material aspects of our industry. In particular, Successori Reda plans to further increase the amount of recycled water, which requires additional significant investments on the purification steps to enable reusing of water also in very delicate processes (e.g., the vapor generation step that requires very low ions salt concentration).</p> |
| <b>REPORT</b>  | <p>Details on the water management practices can be found in the Environmental Declaration: <a href="https://www.reda1865.com/media/pdf/DA-timbrata-2019.pdf">https://www.reda1865.com/media/pdf/DA-timbrata-2019.pdf</a></p> <p>Details on the required Best Available Techniques are available in the Brefs (BAT Reference Documents) that are regularly updated by the European Commission: <a href="https://eippcb.jrc.ec.europa.eu/reference/textiles-industry">https://eippcb.jrc.ec.europa.eu/reference/textiles-industry</a></p>  |

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| OTHER MANAGEMENT COMMENTS | <p>As of today, Successori Reda remain the only vertically integrated wool textile production facility in the world to be EMAS certified so meaningful benchmarks at industry level are not available. Nevertheless, Successori Reda applies the best practices in the sector and constantly researches for further improvements.</p> <p>In order to achieve the highest possible level of environmental protection, Successori Reda is also subject to AIA (Autorizzazione Integrata Ambientale - Integrated Environmental Authorization) a very strict Italian environmental authorization, which mandates for periodic checks of its environmental impacts and requires to identify and adopt the best available techniques (BAT), i.e. plant engineering, control and management techniques that - among those that are technically feasible and economically sustainable for each specific context - guarantee low levels of pollutant emissions, optimization of the consumption of raw materials, products, water and energy and adequate accident prevention. All useful information on BAT is contained in the Brefs (BAT Reference Documents), specific reference documents for the various categories of activities, which are constantly updated by the European Commission.</p> |
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| DISCLOSURE QUESTIONNAIRE CATEGORY   | Environmentally-Intensive Industry  |
| TOPIC   | Chemical Intensive Industries   |
| SUMMARY OF ISSUE  | <p>As a textile manufacturer, Successori Reda operates in an industry that is chemically intensive, particularly with regard to chemicals and Substances of Very High Concern (SVHCs) used during the dyeing process. Successori Reda has successfully eliminated all SVHCs from the production of their products, particularly, bichromate that is a known carcinogenic substance still widely used in the industry.</p>   |
| SIZE/SCOPE OF ISSUE<br>(e.g. \$ financial implication, # of individuals affected) | 100% of Successori Reda's revenue is generated from the sale of textiles.   |
| IMPACT ON STAKEHOLDER(S)  | <p>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.</p>   |
| IMPLEMENTED MGT PRACTICES   | <p>Successori Reda applies strict chemical management practices in their entire production. Being in Europe, the chemical products that Successori Reda buys must comply with Reg UE1907 / 2006 REACH and with regulation UE1272 / 2008 CLP.</p> <p>As a major result of more than 10 years of extensive R&amp;D effort, since 2017 Successori Reda has completely eliminated the use of sodium dichromate, a known genotoxic carcinogen still widely used as textile dyeing ingredient in the industry.</p> <p>The company has also joined the ZDHC program to reduce its chemical impact throughout the entire production process, which includes:</p> <ul style="list-style-type: none"> <li>-- Input: a strict control of the safety of the chemical inputs</li> <li>-- Process: good procedures and best practices to minimize the environmental impact in the process phase with strict chemical management procedures</li> <li>-- Outputs: strict controls on waste-water quality, sludge quality and air emissions.</li> </ul> <p>Particularly for what concerns the waste-water quality, 100% are treated by the owned water treatment plant and discharge are strictly monitored as required by the Italian regulation (d.lgs. 152/06) and the ZDHC Wastewater Guidances.</p> |
| REPORT  | <p>Details on the ZDHC protocols can be found at <a href="https://www.roadmaptozero.com">https://www.roadmaptozero.com</a></p> <p>Details on the environmental management practices can be found in the Environmental Declaration: <a href="https://www.reda1865.com/media/pdf/DA-timbrata-2019.pdf">https://www.reda1865.com/media/pdf/DA-timbrata-2019.pdf</a></p>  |