REDA

ENVIRONMENTAL DECLARATION
2022

Successori Reda S.B.p.A.

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1. CORPORATE ACTIVITIES AND DESCRIPTION OF THE SITE

1.1. General Information

Company name:	SUCCESSORI REDA S.B.p.A.
Year of foundation:	1865
Registered office:	Via Robiolio, 25 13835 Valdilana (Biella)
I.S.T.A.T. code:	139620
NACE code:	13.9
Activity sector:	Textiles
Addresses:	Factory and wastewater purification plant Frazione Crocemosso – Regione Fornace n° 27 13825 VALLE MOSSO (Biella) - Italy Warehouse and Shipping Via Cristoforo Colombo, 13A 13855 Valdengo (BI)
Telephone:	+39 015 -7049111
Fax:	+39 015 -7134868
Web Site	www.reda.it
e-mail	ercole.botto@reda.it

1.2. History

In 1816 in the Valle Mosso, the first stroke of a mechanical loom signals the start of the industrial revolution in Italy. The Biella area becomes the centre of the wool industry.
It is, in fact, in the town of Valle Mosso that approximately one century later the Botto Poala family purchases the Giovanni Reda e Figli wool factory, which later becomes Successori Reda S.B.p.A.

Right from the outset, the company focused its energies on goals such as specialisation, high creative content, constant industrial innovation, the tireless quest for quality and the continuous improvement of the service. Ambitions plans, always successfully brought to fruition despite the numerous difficulties faced and overcome throughout the years.
But thanks to these, the company has now become a world leader in gents pure combed wool fabrics reaching outputs of around seven million metres per annum, 70% of which are sold in leading foreign markets such as Europe, America and Asia. The need, therefore, to be competitive on the national and international market has acted as a stimulus for continuous renewal; in fact, the company now boasts high tech facilities, machinery and plant and all of its personnel is highly specialised.

The new factory

Over the course of the years, the company has progressively extended its facilities. At the end of the 1970's, it set up its first factory in the hamlet of Crocemosso – geographically speaking, the highest point of the municipality of Valle Mosso – attesting to its attachment to this area and its conviction with regard to the professionalism of its workforce. The factory, which at the outset had only spinning, warping and weaving departments, gradually became, as years passed, the reference point for the company's new plans.
The "dream" envisaged more than 20 years earlier was only realised at the end of the 1990s with the building of the new complex covering over 20,000 sq. m., which enabled the concentration and rationalisation of all the company's activities and services.
Currently, Australian and New Zealand wool is processed in the factory by over 400 employees, to obtain the pure combed wool fabrics which have always been and still remain an exclusive article of the Reda production.

Unused storerooms

The building in via Cavalieri di Vittorio Veneto N. 71 is no longer used by the company, in order to guarantee the possibility of any future rewards, Successori Reda takes care of its maintenance and conservation.
In particular, for the building where the dyeing and finishing activities took place from the acquisition of the company (year 1919) until the entry into operation of the departments in the current settlement, they are transferred to the Fornace Region.

1.3. Activities carried out

Production plant: textile activity

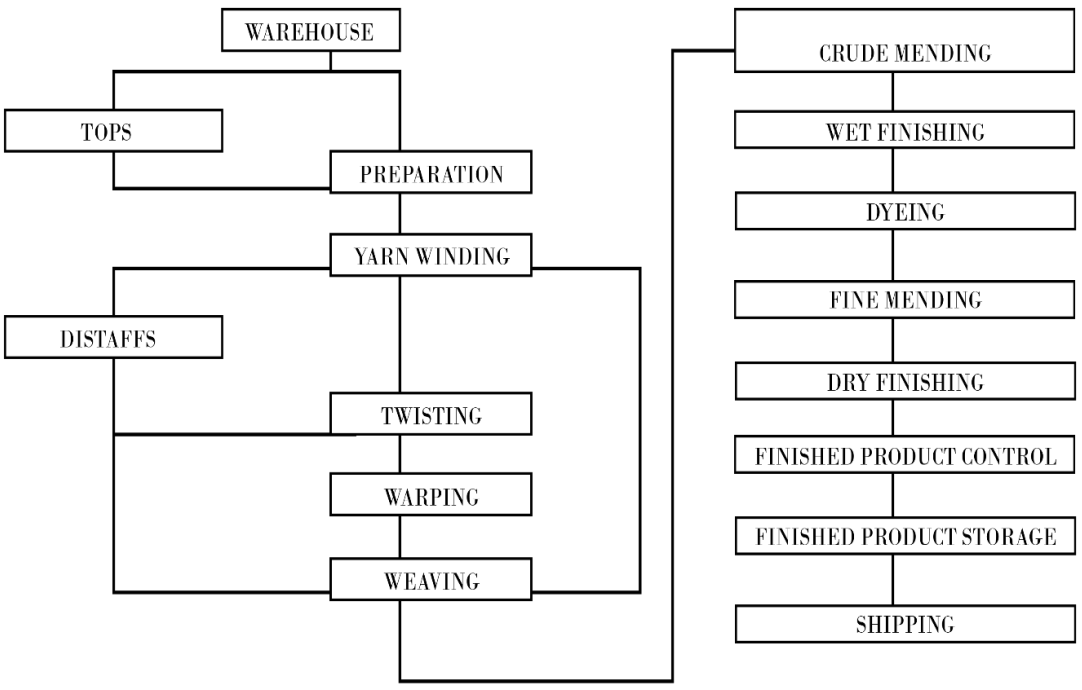
The following textile processes are carried out in the factory:

- Physical-mechanical (preparation, yarn winding, twisting, warping, weaving, mending, dry finishing)
- Chemical-physical (ennoblement: dyeing and wet finishing)

  According to the following flow.

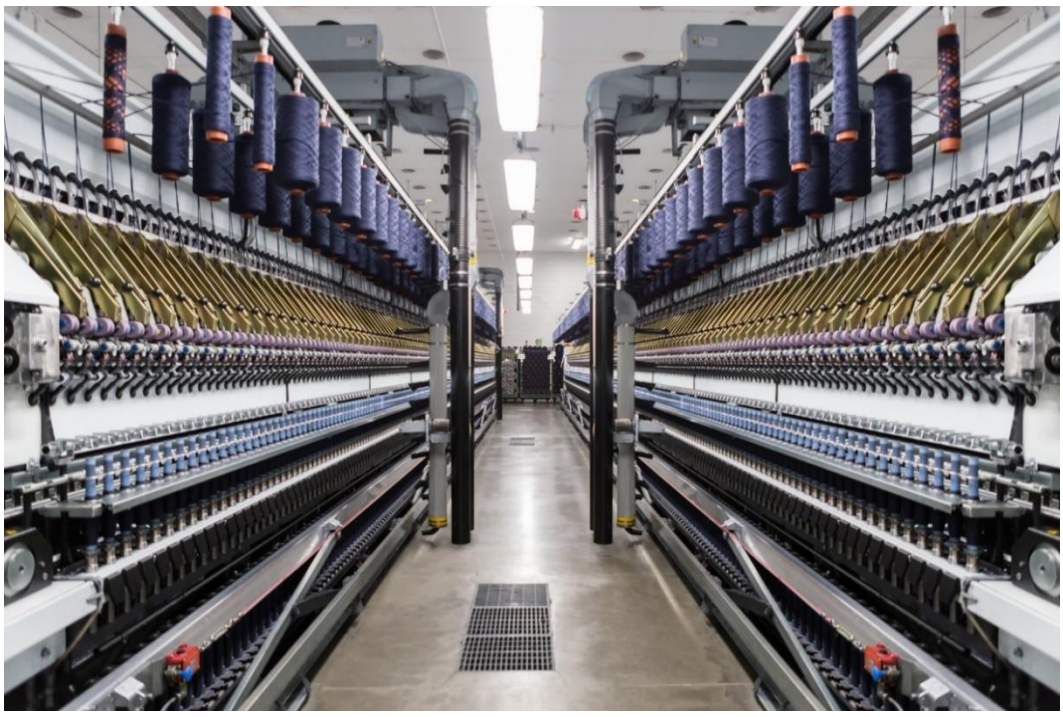
Wool washing and combing processes are outsourced.

GENERAL FLOW DIAGRAM OF THE MANUFACTURING PROCESS



SPINNING (Preparation, Yarn winding)

Series of operations for producing continuous yarn obtained through a number of elementary steps involving preparation and spinning, in order to reduce and regularise the diameter of the rove, parallelised during the subsequent phases of coupling and drawing; to make, with this rove, a continuous thread through drawing and twisting operations and, finally to remove defective lengths of thread and make units of thread suitable for the subsequent production operations (bobbins and reels).



The mixing consists simply in the even and uniform mixing of batches of different origins and/or with different colours of fibres, while scrupulously parallelising and cleaning them.

The preparation machines consist of a series of drawing cylinders and needle fields that operate with reciprocating or rotary motion and that have the capacity to parallelise the fibres of the various top roves by drawing them at the same time. Thanks to these operations, a final rove of parallelised fibres with a suitable and uniform diameter is obtained.

The yarn winding machines consist of a series of rotating heads on which the drawing of the rove and its subsequent twisting are carried out. Then when the rove has become a continuous yarn, it is wound into cops (on spools) and, after steaming in order to stabilise the yarn, wound onto a larger type of unit (reels).

TWISTING

Optional operation designed to make plied and multiple yarns, through coupling and twisting actions.

The twisting machines consist of a series of rewinding and twisting heads on which several single yarns are coupled and twisted, and when they have become multiple yarns, they are wound onto reels.

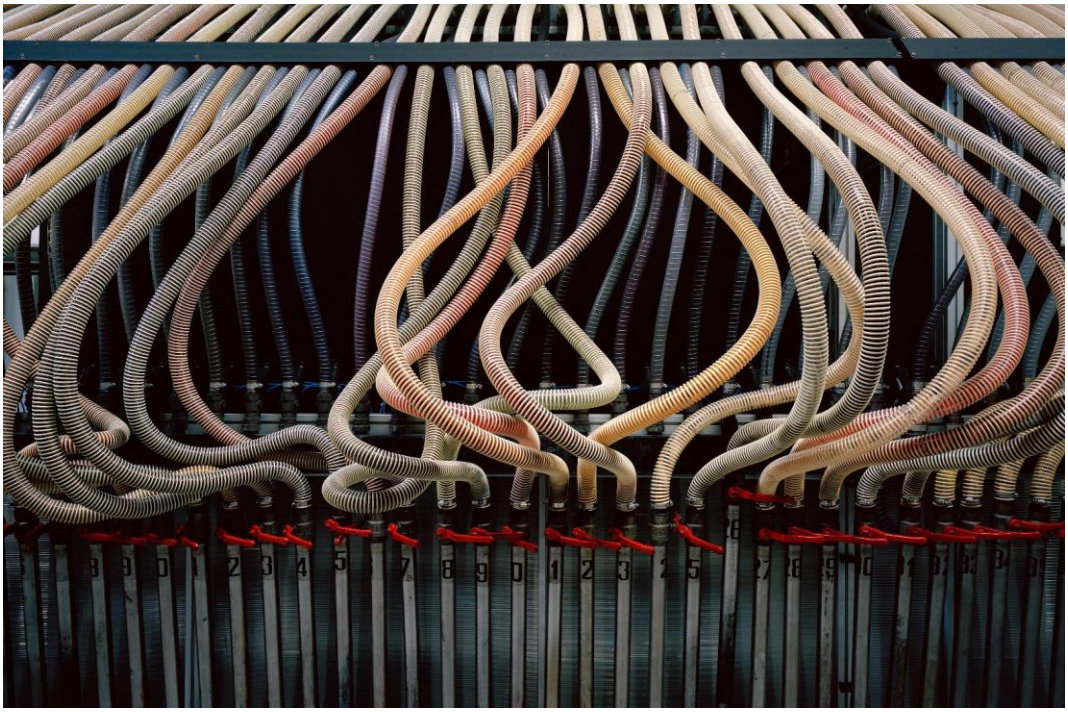
DYEING OF THE TEXTILE FIBRES (in tops, reels, bolts)

The production cycle in question transforms the textile material from the raw state to a dyed state, suitable for further uses.
The dyeing process is transversal with respect to the spinning phase as it may be applied, depending on specific production and/or quality requirements to various intermediate products in the cycle such as:

- tops:
- textile fibre yarn on reels
- woven cloth (see finishing process cycle)

Although these types of dyeing differ as to the type of equipment used, they follow a similar operational process that is carried out almost always discontinuously.

The dyeing process is carried out in a water bath in which the dyes are dissolved or dispersed together with the additives and chemical products required to fix the dye on the fibre.



The textiles and the dyebath, kept in constant reciprocal movement, follow a suitable heat cycle consisting of a heating phase, a high temperature maintenance phase (85-98 °C) and a cooling phase.

The aim of the first phase is to transfer the dye from the water bath to the fibre, the second to ensure the even distribution of the dye on the fibre and the last to permit discharging of the products.

The products are then centrifuged (reels only) to remove most of the water drenching the material and then dried; the latter operation is carried out using hot air dryers and radiofrequency devices.

WARPING AND WEAVING

The purpose of this production cycle is to transform the yarn into cloth.

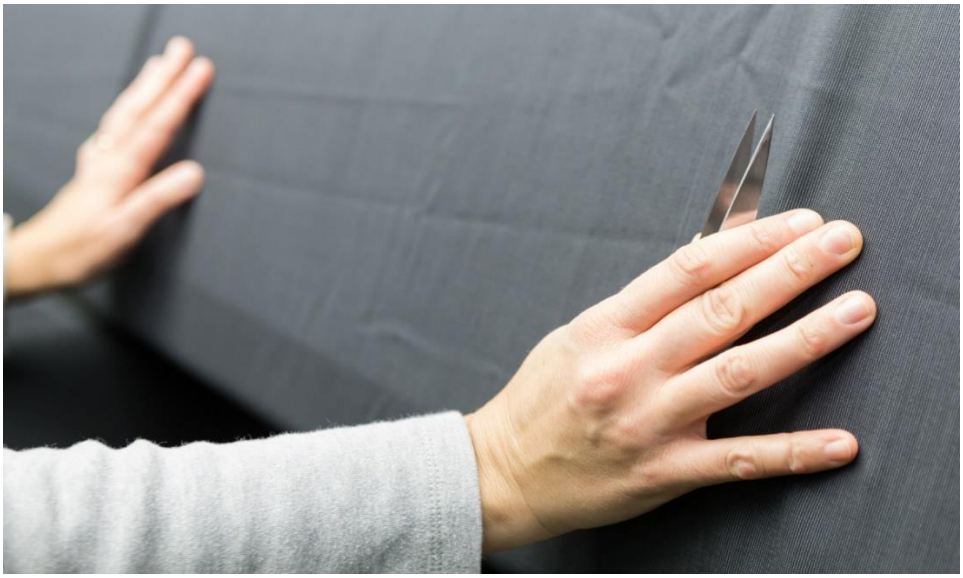
This operation is carried out in two fundamental phases which consist respectively of the forming of the warp yarn, consisting of a bundle of parallel yarns of suitable length wound around a support (beam) and of the construction of the textile surface, carried out by inserting the weft thread at right angles to the warp and mechanically compacting the weave thus obtained.

The warping machines consist of racks (creels) on which the yarn reels feeding the machine are positioned in order to form the warp, and of a rotating drum on which the yarn is wound in order to construct the warp of the desired lengths, in parallel sections.

The weaving machines (looms) comprise a mechanical system of controlled unwinding of the warp and winding of the cloth produced, and of a mechanical system for inserting the weft thread at right angles, through a prefixed weave made by control systems of the individual warp threads.

MENDING

"Raw" mending is carried out after weaving and serves to repair cloth construction errors (e.g. wrong thread) or mechanical errors (missing stroke, breaking of thread). Fine mending takes place during the finishing cycle, i.e. when the cloth has been washed and cleaned of impurities and before it is ready for packing (e.g. pieces of straw left in the cloth).
The only process that has not undergone change over time is carried out in an exclusively manual fashion by ladies able to imitate with needle and thread the work carried out by the weaving machine.



ENNOBLING (FINISHING)

The production cycle in question transforms the cloth made of weft and chain from a raw to a finished state suitable for further uses.

The dyeing and finishing phases consist of a precise series of specific production operations, from which the specific operations to be carried out are selected on each occasion, depending on the characteristics the cloth is to have and on its final use.

The operations in question may be subdivided into three groups consisting of washing-fulling, dyeing and finishing.

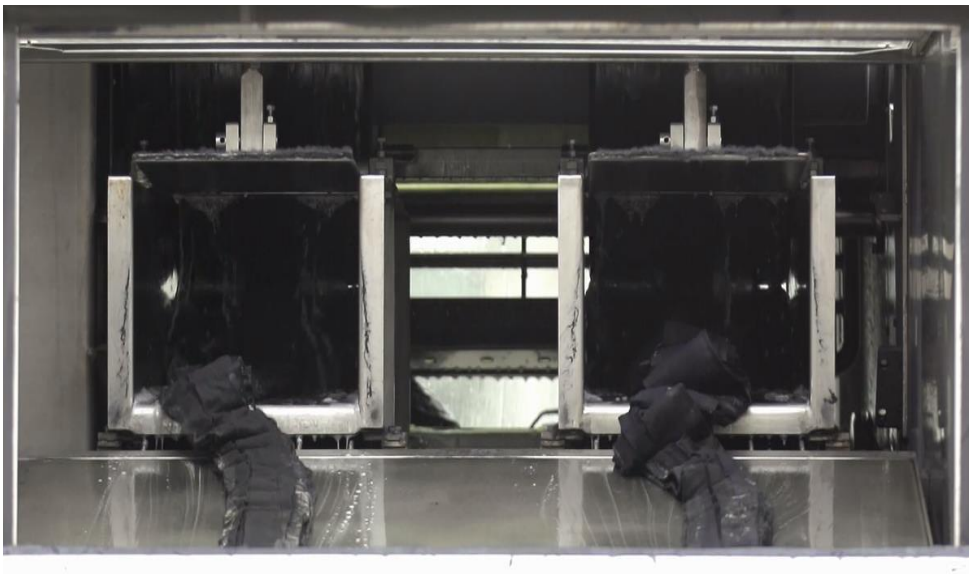
Singeing is carried out in order to eliminate, when required, the surface hairiness of the cloth through rapid combustion.

Washing-fulling is carried out in order to remove all the impurities from the cloth (by means of a special machine with a water/detergent bath) and, to compact the weave of the cloth by subjecting the damp cloth to a mechanical action.

Drying is carried out to dry the cloth by keeping it at a fairly high temperature for a preset time interval.

Cutting is then carried out in order to cut (shave) the hair on the surface of the cloth to a preset height, through drums with the capacity to extract the hair from the cloth, after which it comes into contact with rotating blades which cut the hair to the preset height.

The cutting machines are equipped with an suction system that aspirate the fibres generated by the operation and collect them in sleeve filtering systems.



Decatising in autoclave or in the atmosphere is carried out in order to fix the structure of the cloth thanks to the action of the steam, at a high temperature and for an adequate treatment time. This is done with the cloth secured in a special cloth holder.

Steaming is carried out in order to relax the cloth and revive its structure thanks to the action of the steam on the cloth as it moves on flat tables.

ENNOBLING (Knitwear finishing)

The knitwear finishing phase consists of a series of specific production operations from which, in the individual case and depending on the characteristics of the fabric and its final use, the individual operations to be carried out in an appropriate sequence are chosen.

The fabrics can undergo several operations through the following machines:

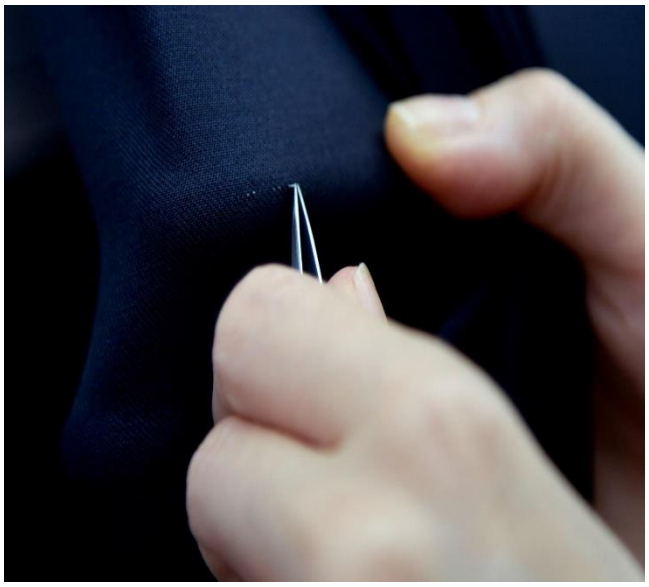
Flat coppers with the purpose of drying the fabric by maintaining it at a high temperature for a certain time previously fixed.

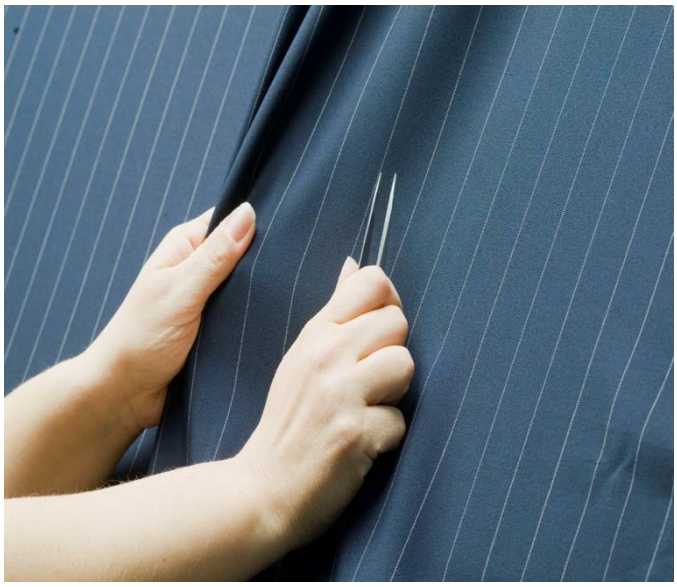
Decatising, whose processing is intended to give the fabric a compact and sustained hand to stabilize its size.

Lifting machine for drying and drying of the pieces.

FINAL CONTROL

Before being wrap for shipment, each fabric is further controlled to check if the conformity of every single meter matches with the sample presented during the negotiation





QUALITY CONTROL

Throughout the various production phases, our technical staff is backed up by our well-equipped laboratory that runs tests on the materials being processed; from the rove that arrives from the combing department and so on in the form of yarn and cloth in order to ensure that no damage or alterations that could modify the quality of the product have taken place. The material is subjected to over 30 different types of checking procedure.

WASTEWATER PURIFICATION PLANT

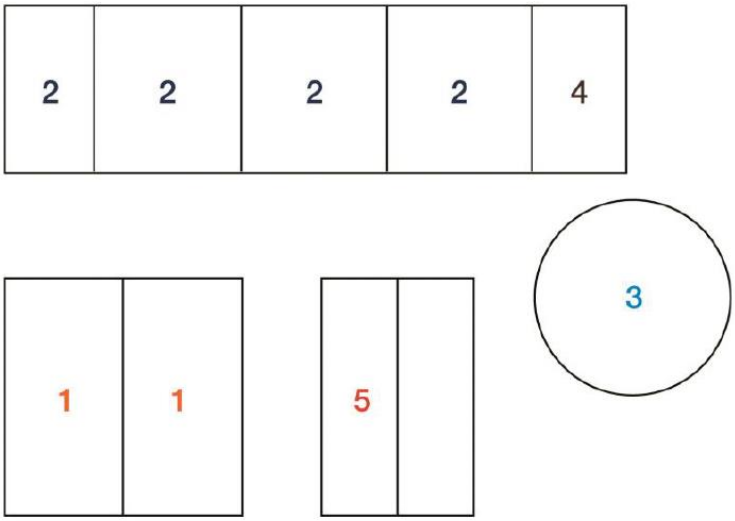
The new purification plant located adjacent to the factory that came into operation in the month of August 2004, was designed to guarantee the achievement of the following environmental benefits:

- Possibility to recover the discharged wastewater directly, in order to reuse it in the operating cycles as industrial water;
- Limited use of thirdparty systems (not subjected to direct control) for the purification of the waste produced by Reda;
- Optimisation of the "water consumption/kg of wool" ratio;
- Maintenance for emergencies only (e.g. Malfunctioning of new purification plant) of the Cordar connecting pipelines and hence a decrease of the risk of environmental accidents.

The purification process consists of the following phases:

- Primary treatment;
- Biological oxidation;
- Treatment of the mud to be disposed of;
- Activated carbon filter treatment.

PURIFICATION PLANT PLAN KEY



	LEGENDA
1	HOMOGENISATION TANKS
2	BIOLOGICAL OXIDATION TANK
3	SEDIMENTATIION TANK
4	MUD TREATMENT SECTION
5	TERTIARY TREATMENT SECTION

In the primary treatment section (1) filtering and neutralisation of the waste is carried out and the various flows coming from the factory are homogenised and accumulated to a sufficient degree to guarantee a constant flow rate to the biological oxidation section down line.
In the biological oxidation section, the sewage is purified thanks to aerobic microorganisms (that live in the presence of oxygen). This section comprises the oxidation basin (2) which is equipped with an aeration system and a sedimentation tank (3) which separates the various muds produced. The operational process adopted is of the "prolonged aeration" type, which means that
the waste is kept in the aeration compartment for a very long time in order to ensure the annihilation of high percentages of pollutants and a minimal production of mud.
The mud produced undergoes aerobic digestion (storage in the presence of air) in the excess mud section (4), in order to decrease its volume further prior to disposal.
The tertiary treatment section with activated carbon (5) consists of two sand columns and three activated carbon columns. Here a finishing operation on the purification is carried out which consists of the selective removal of dyes and residual surfactants that have survived the previous biological treatment. After this finishing operation, the water is purified and can be recycled in the production departments or discharged into the Rio Ponzone stream (resolution of the Provincial Authorities of Biella no. 4587 del 13/11/02).

An on-line check of flow rates, levels, turbidity, pH measurers and redox has been provided for, and any errors are displayed by means of alarms that can be seen by the plant manager and in the control room that is manned 24 hours per day. The series of controls on the system parameters is shown in chapter 4 Environmental Management System – Monitoring activities (page 19). To ensure greater safety, the company has also maintained the right to discharge to the CORDAR consortium, actually bypassing the system, in order to ensure the effective handling of even the most serious emergencies.

Ozone Treatment Plant

In order to improve the wastewater, Reda decided to invest in an ozone treatment plant (ozone: O3 symbol is a gas recognizable from the distinctive garlic-smelling and its molecules are composed of 3 oxygen atoms). This treatment lies in a depurative process of oxidation of the last final flowing back with the aim to get a visual improvement (decoloration).

This treatment grants a superficial dump in the hydric body, without any dilution problems and a contemporary superior use of the recycled water in the factory.

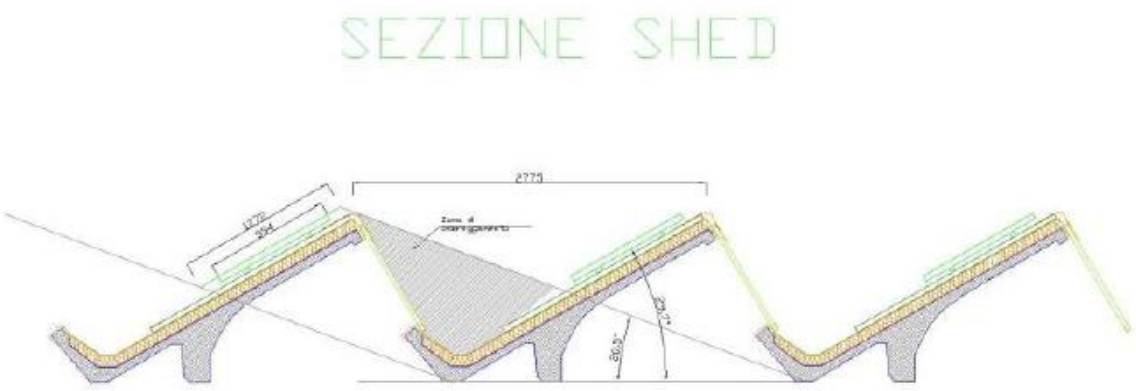
Under the technical point of view, the facility is a system with a generator and an ozone destroyer, physically separated, with a total volume of about 6m3 (2x2x1.5m) provided of an air alimentation, water cooling and an installed power of 12 – 15 Kw.

The functioning stands of in the damping of high voltage between electrodes through which an air flow passes; an oxygen part contained turns into ozone which is insufflated into the reaction tank through floor diffusors. At the end the air inside the tank is aspired and treated in order to thermally and catalytically destroy the remaining part of O3, which is a noxious gas for the environment.

Photovoltaic Plant and energy recovery in thermal power plant

With the goal of reducing the dependence from the external electric energy acquisition and its impact on the environment, Reda decided to invest on the electric energy production through renewable sources, setting up, during 2009, a photovoltaic completely integrated plant of about 200 kWp (194,7) covering the 2700 mq roof large area. The energy produced by this plant (FTV1) is self-consumed by the production cycle.

The propitious roof exposition (oriented toward south) together with its geometry (well inclined sheds) have been a further variable which boosted Reda in taking this decision.
Among several possible solutions, the company chose the integrated system with a better care about the environmental impact generated in terms of visible perception from outside.



Under the technical point of view the plant is composed by 885 polycrystalline silicon panels made in Japan with 220 Wp maximum potential each.
With the aim to obtain a better efficiency, the plant has been divided into 4 photovoltaic areas connected to an inverter room made on purpose and bound to an internal wire system.
In 2010 Reda has widen the investment in renewable energy by building a further plant of 322 kWp composed by 1400 photovoltaic polycrystalline silicon panels by 230 Wp. With this second plant (4500 m2 total area) totally integrated, Reda completed the shed covering of the first factory side. This plant (FTV2) produces energy that is entirely sold on the grid.

This kind of application offers several advantages:

- Own electricity production (therefore less external consumption) for 550.000 kWh per year
- CO2 emission savings for a total of 406.60 CO2/year
- On-site electricity production and use and consequent saving on flow leaks over the amount of 215,000 kWh per year
- Electricity production in the middle of the day and the consequent levelling of daily peaks on the network's demand curves.

The factory's thermal energy consumption, for processing and services, consists of natural gas, totalling an average of 2,900,000 Sm^3/year.

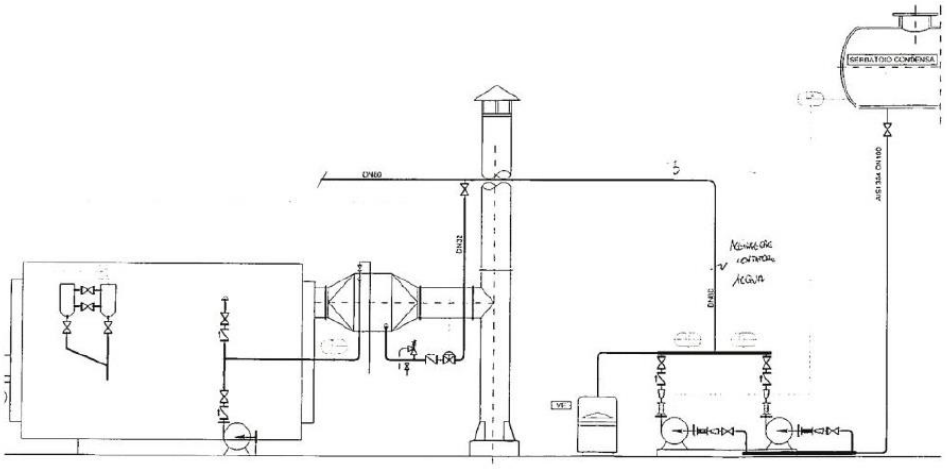
The thermal power station houses 5 boilers, each of which generates 3 t of steam per hour (total installed power 13,000 kW) and operates for a period of at least 16 hours per day, 240 days a year, equivalent to a total of 3840 hours.

The thermal energy required for the production of the cloth uses steam at a pressure of 6 bar as a carrier fluid. Once the steam has given up its latent heat, condenses and is then conveyed back to the thermal power station. The condensate, which is at a temperature corresponding to that of saturated steam at 5 bar, being in a circuit at atmospheric pressure, partially re-evaporates. The re-evaporation steam is lost in the form of mist in the condensate tank located in the thermal power station.
The combustion fumes are discharged at a mean temperature of 220°C and the re-evaporation mist of the condensate line is discharged into the environment.

The energy saving project implemented in the power plant allows a reduction in methane consumption of 7.5% and a consequent lack of CO2 emissions into the atmosphere (a decrease of approx.300 tCO_2 per year), through two different types of intervention:

1. Heat recovery of the combustion fumes discharged by the five boilers:

   the combustion fumes go through the air-water heat exchangers located at the outlet of each boiler and give up part of their energy – dropping from 220°C to 110°C – to the supply water of the boilers, which rises from a temperature of 94°C to a temperature of 125°C.
   This leads to a 4.5% reduction in the consumption of natural gas.



2. Heat recovery of the condensate re-evaporation steam:

   the condensate deriving from the production process is collected in a 10m³ tank (recently insulated). Through the system, the return condensate is undercooled, and the dispersion of mist is limited through the combined action of an ejector and a water-water heat exchanger. Through the latter, the excess heat is transferred to the hot water tank located in the waterworks, which collects the water that is superheated by some manufacturing processes and re-used by others.
   The energy recovery deriving from the condensate mist accounts for a 3% reduction in natural gas consumption.

Outsourced processes

In addition to wool washing and combing (totally outsourced), when necessary, processes such as spinning, spooling, twisting, weaving, mending and the removal of imperfections using tweezers.

Staff

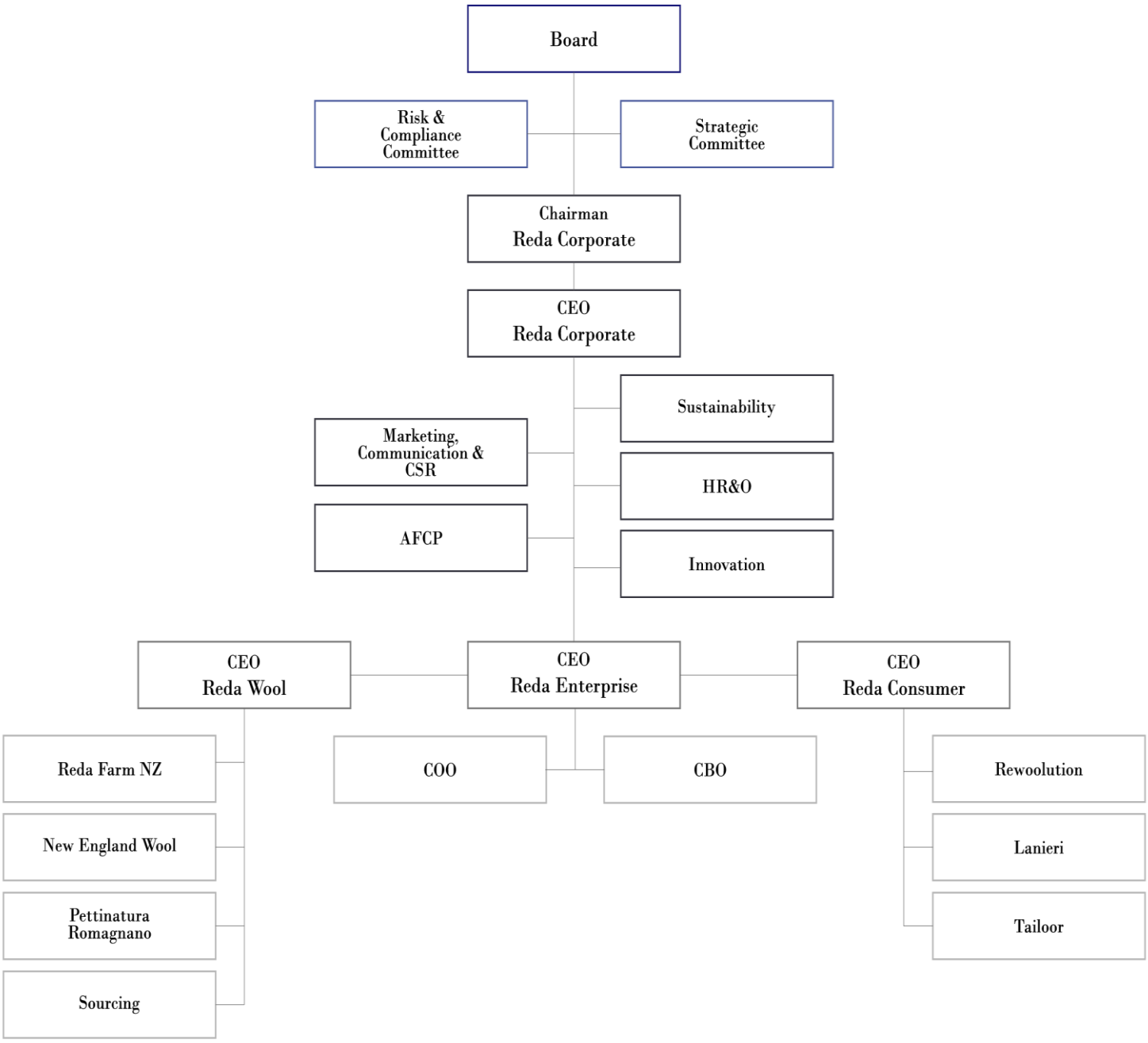
The company has 353 employees in the production plant of Croce Mosso, divided as follows:

- Directors and executives no. 18
- Office workers no. 74
- Production workers no. 261

of which:

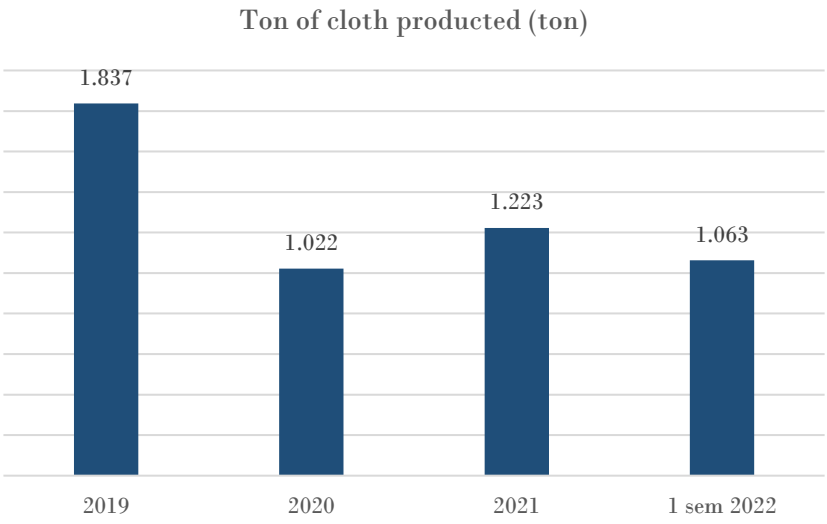
- No. 55 are either employees making up the teams, provided for by the prevention and protection system, for the management of emergencies (fire prevention and evacuation, first aid and environmental accidents) or inspectors assigned to ensure that the safety and emergency procedures are effectively applied.

Organizational Structure of the Group



Production

The cloth production quantities are shown in the graph below:



As shown by the chart, 2020 saw a sharp decrease in production as a result of COVID-19.
As a result, we will see a major change in numbers over the next paragraphs.

Product customers and use

The company's clientele is predominantly composed of retailers (99%) and to a small extent wholesalers (1%) located both throughout Italy (25%) and abroad (75%).

The bolts of cloth deriving from the company's production are destined for drapery (cloth for gents' suits).

Environmental considerations on the product

The raw materials used are made exclusively of top quality animal fibre from Australia and New Zealand. The company dedicates scrupulous attention to the selection, in the production cycle, of chemical auxiliaries with the capacity to guarantee the maximum degree of "naturalness" of the finished product, while creating the minimum degree of environmental impact in the course of production.

2. ENVIRONMENT, HEALTH AND SAFETY POLICY

OUR MISSION

As a leader of the textile industry, we are responsible for the promotion of change through sustainable innovation, all the while respecting the environment and seeking social progress to guarantee a better future for upcoming generations.

Monitoring the environment as well as the health and safety of its employees is a core value and a key part of Successori Reda's activities through a daily commitment to respecting conformity obligations, be they normative or voluntary. This is made possible through constant updates and thorough the monitoring of their enforcement, as well as that of other industry requirements.

Attention towards its employees is a fundamental aspect of Reda's philosophy, whose goal is to value and care for the people who make up the company by creating an inclusive workplace and ensuring their training to help every individual develop their skills and reach their full potential.

The company informs, trains and raises awareness amongst its entire staff so that they can carry out their tasks while fully respecting the environment alongside health and safety standards. Everyone is made responsible for their own area of competence, with a strong emphasis on involvement, participation and consultation, also helped by safety representatives.

In order to protect the environment inside and outside its production facilities, Reda constantly measures its environmental impact and monitors all the activities that may generate them. The company is also especially active and attentive to all environmental aspects: from raw materials (through a thorough selection of suppliers) to finished fabric, committing to manufacturing and operating in a responsible manner, through the use of advanced processes and technology with a view to limit environmental impact.

The company makes a daily commitment to reducing its impact towards people and the environment through the implementation of a ZDHC-compliant protocol, designed to gradually eliminate toxic and harmful chemicals from manufacturing processes. This system involves full control of the production cycle, from the emission of raw materials through to various production phases, all the way to waste management and finished products.

Reda involves the entire corporation to promote its policy and ensure it is transparent and efficient, defining a series of goals that are clear to everyone.

Valdilana, 1st July 2022

3. ENVIRONMENTAL ASPECTS OF ACTIVITIES - ENVIRONMENTAL PERFORMANCE -

Introduction

The company activity, as much as it is an industrial activity, generates various types of environmental impact, to which the company dedicates attention also in consideration of the special territorial context in which it is placed.
The company has proceeded to restore, as far as possible, the vegetation, also selectively, by planting trees and bushes designed to recreate a natural context compatible with the factory site.
A careful assessment of all the environmental aspects connected with the company's activities has been made, both directly and indirectly and, in particular, the activities assigned to outsourced suppliers including transport have been evaluated; a synthesis of the important environmental aspects is provided in the paragraphs that follow.

3.1. Water

3.1.1. Supplies

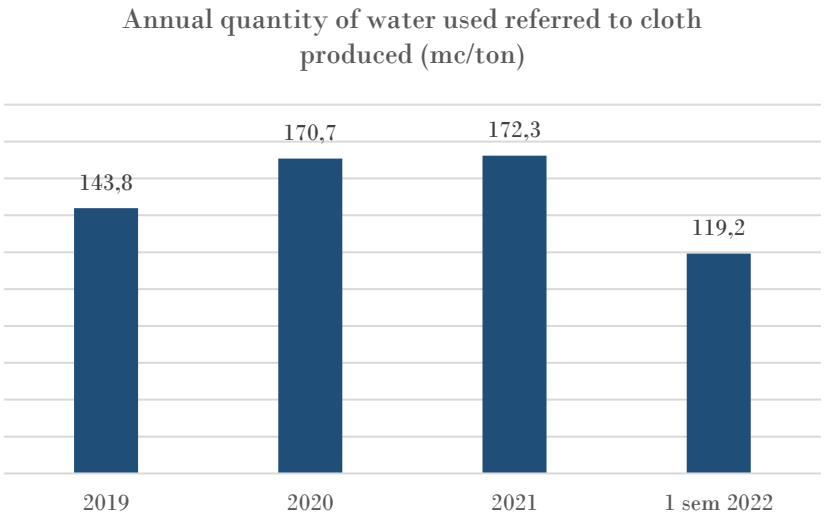
The water used in the Crocemosso factory is taken from aqueducts owned by the local authorities or by consortia, from surface waters and from wells, for the following purposes:

- Production;
- Toilet facilities;
- Drinking (this is the part of the water drawn from wells and rendered drinkable by Successori Reda through a purification system consisting of a quartz filtering stage, an activated carbon filtering stage and two uv sterilisation stages; specific quarterly analysis pursuant to legislative decree d.lgs. 31/2001;
- Company canteen;
- Fire prevention;
- Heating system;
- Cleaning of technological systems;
- Irrigation of green spaces.

Currently, the offtakes from surface and underground public water supplies are authorised by resolution no. 112 of the Provincial Authorities of Biella, dated 15/02/2022.
The overall quantities of water allowed are set at not more than 22.60 litres per second for an average flow rate of 13 litres per second (12.1 for production purposes and 0.9 for domestic use and for drinking) which corresponds to maximum annual volume of 390,000.

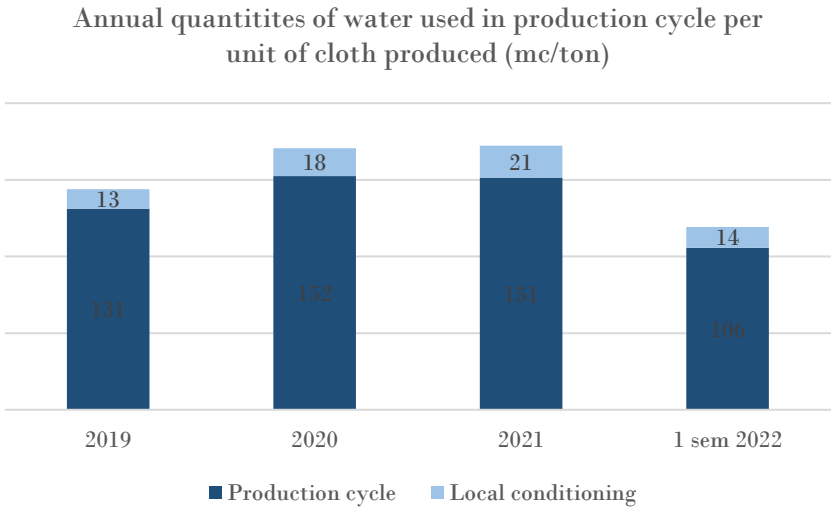
The quantities used per single water source are as follows:

Y EAR	QUANTITY OF WATER SUPPLIED (mc)			Total
	Aqueduct	Surface water	Wells	
2019	0	197.423	66.803	264.226
2020	0	116.784	57.677	174.461
2021	0	152.141	58.532	210.673
1 sem 2022	0	100.945	25.777	126.722



The quantities of water used annually are summarised in the following table:

Year	QUANTITY USED (mc)		Parameter mc/Ton product	
	Production cycle	Conditioning	Production cycle	Conditioning
2019	240.730	23.496	131	13
2020	155.777	18.684	152	18
2021	185.185	25.488	151	21
1 sem 2022	112.256	14.466	106	14



Note: thanks to increased use of recycled water in industrial processes, the trend is decreasing.

The types of use are:

- Industrial;
- Wetting;
- Drinking;
- Various (osmosis/steam generators);
- Evaporation.

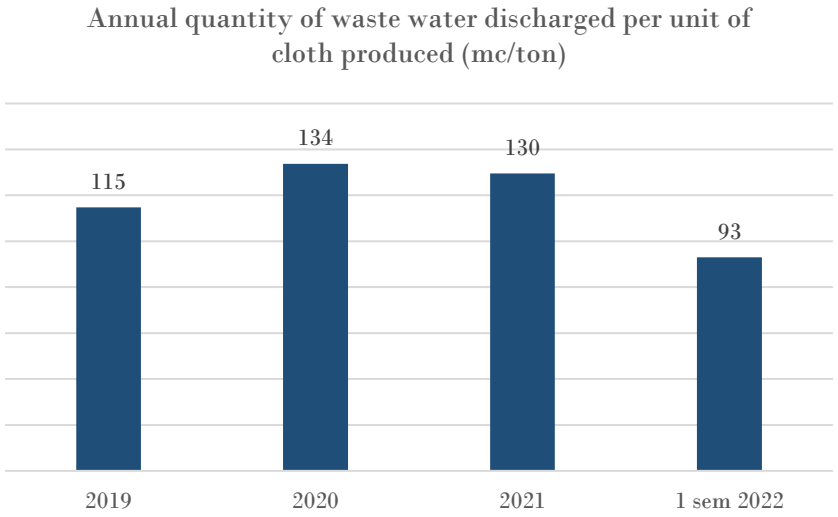
3.1.2. Discharges

Successori Reda S.B.p.A. wastewater is composed of:

- **Domestic waste**: waste from toilets, showers, basins and corporate cafeteria is directed towards the Managing Authority's (CORDAR) drainage system upon previous purification in a septic tank.
- **Industrial waste:** from the production process, dyeing and finishing operations in particular. They are released in the Rio Ponzone upon being purified as per AIA Authorization Final Provision n.974 of 25/07/2019 and Provincial Decision n.106 of 07/08/2019 (expires 06/08/2035).
- **Purification muds**: from the purification process, released at the consortium facility upon being analyzed by the managing authority as per AIA Authorization Final Provision n.974 of 25/07/2019 and Provincial Decision n.106 of 07/08/2019 (expires 06/08/2035).

The company is in possession of integrated environmental authorization Determines Executive n.974 of 25/07/2019 in which also flows the Authorization for discharge into surface water pursuant to Art.124 Legislative Decree 152/2006 and ss.mm.ii.

YEAR	QUANTITY OF WASTEWATER (mc)	mc/Ton PRODUCT PARAMETER
2019	210.723	115
2020	136.648	134
2021	158.511	130
1 sem 2022	98.937	93



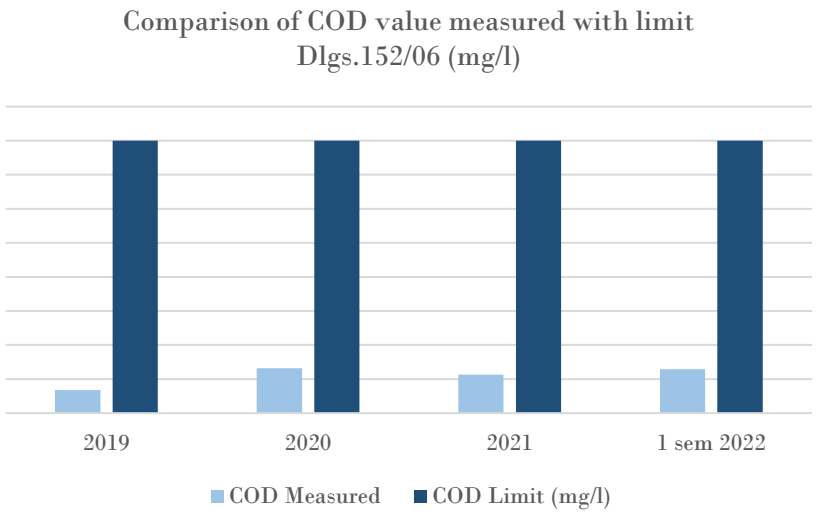
The tables below indicate the emission values with respect to the limits imposed by law for discharges into surface water Legislative Decree 152/06.

Note 1: If a value below the instrumental detection limit is found, a value of 0 is reported.

Note 2: the underlying values can be found in the analytical reports of the analyses that we carry out monthly as prescribed in the Executive Determination n.974 of 25/07/2020 (Integrated Environmental Authorization).

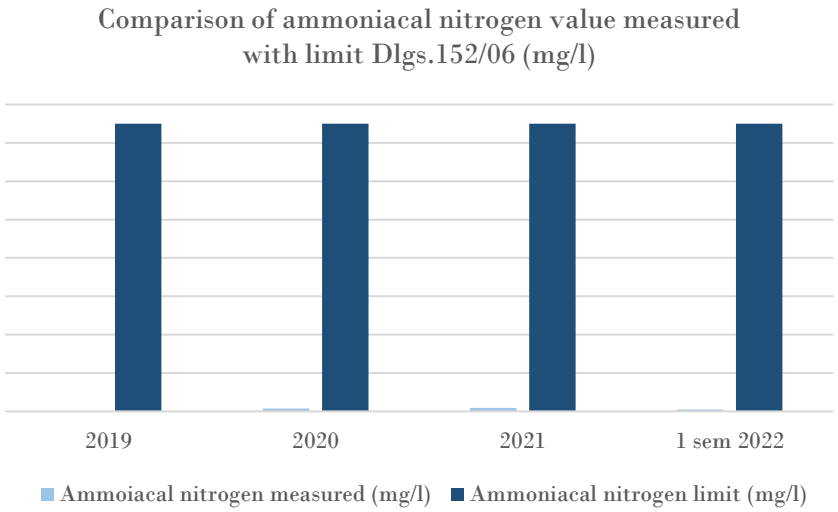
COD Parameter

YEA R	COD MEASURED (mg/l)	COD LIMIT (mg/l)
2019	13,6	160
2020	26,3	160
2021	22,66	160
1 sem 2022	25,83	160



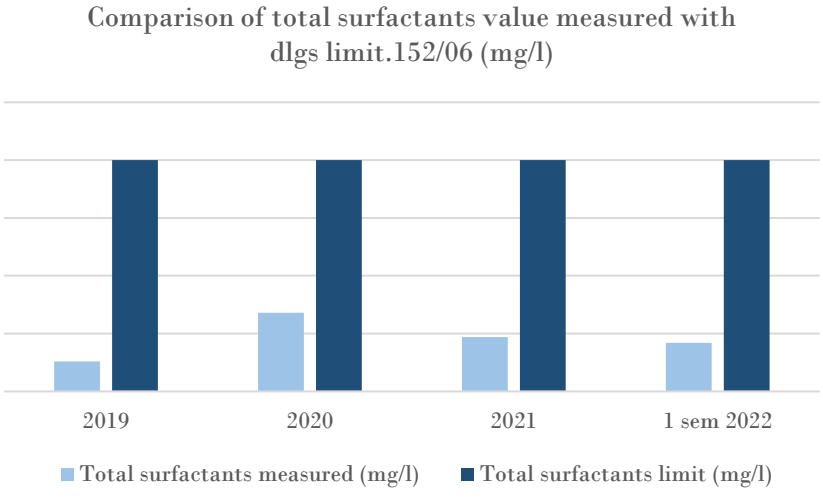
Ammoniacal nitrogen parameter

YEAR	Ammoniacal nitrogen measured (mg/l)	Ammoniacal nitrogen limit (mg/l)
2019	0	15
2020	0,145	15
2021	0,18	15
1 sem 2022	0,10	15



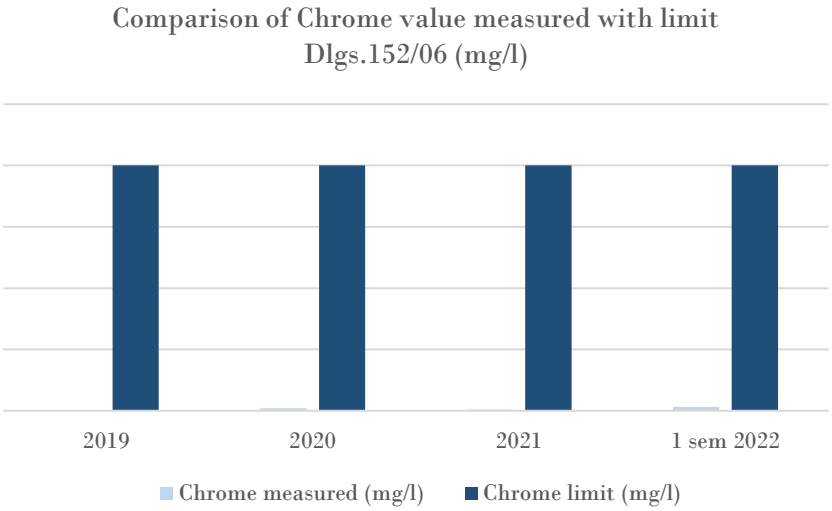
Total surfactants parameter

YEAR	Total surfactants measured (mg/l)	Total surfactants limit (mg/l)
2019	0,26	2
2020	0,68	2
2021	0,47	2
1 sem 2022	0,42	2



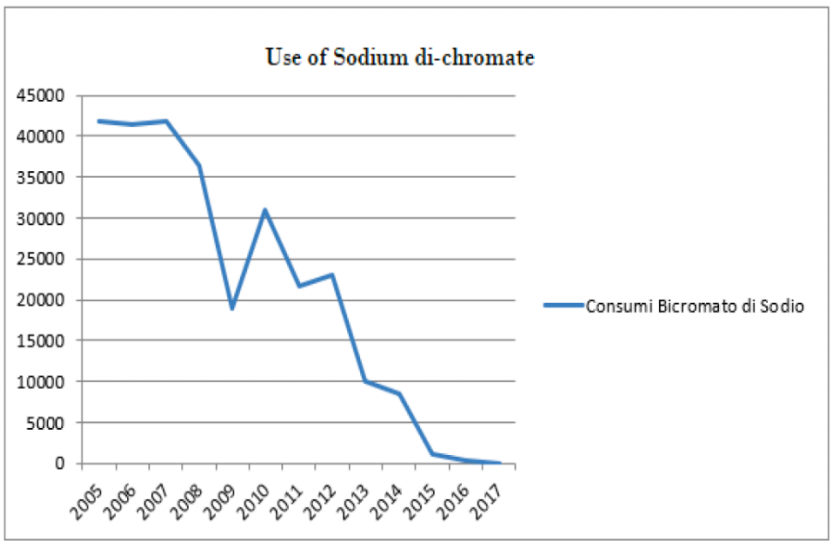
Chrome parameter

YEAR	Chrome measured (mg/l)	Chrome limit (mg/l)
2019	0	2
2020	0,021	2
2021	0,01	2
1 sem 2022	0,03	2



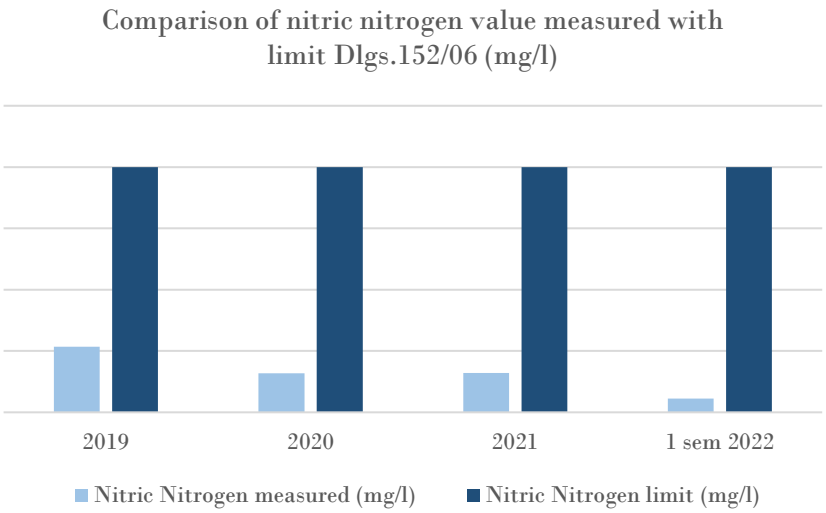
Note: a project focused on decreasing the use of sodium dichromate is underway in the company, which will conclude with the total elimination of this product.
The following table demonstrates the usage trends over the last 10 years.

In March 2017 dichromate sodium was permanently eliminated.



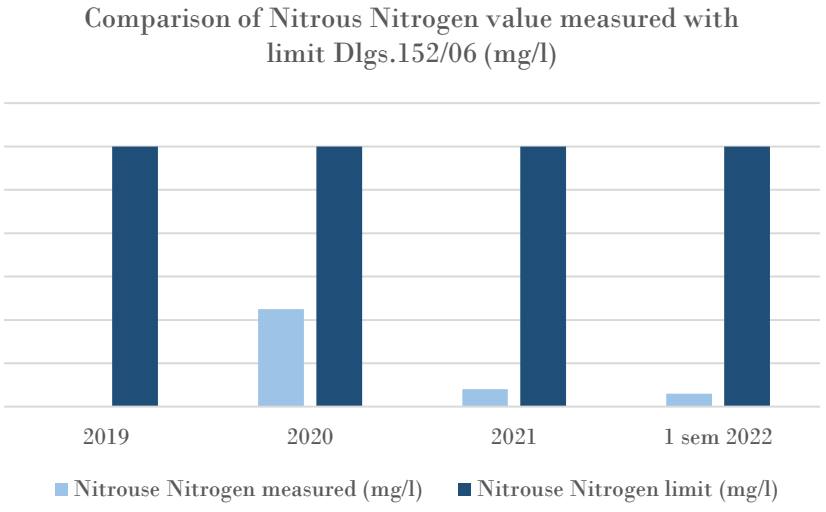
Nitric nitrogen parameter

YEAR	Nitric Nitrogen measured (mg/l)	Nitric Nitrogen limit (mg/l)
2019	5,35	20
2020	3,17	20
2021	3,21	20
1 sem 2022	1,13	20



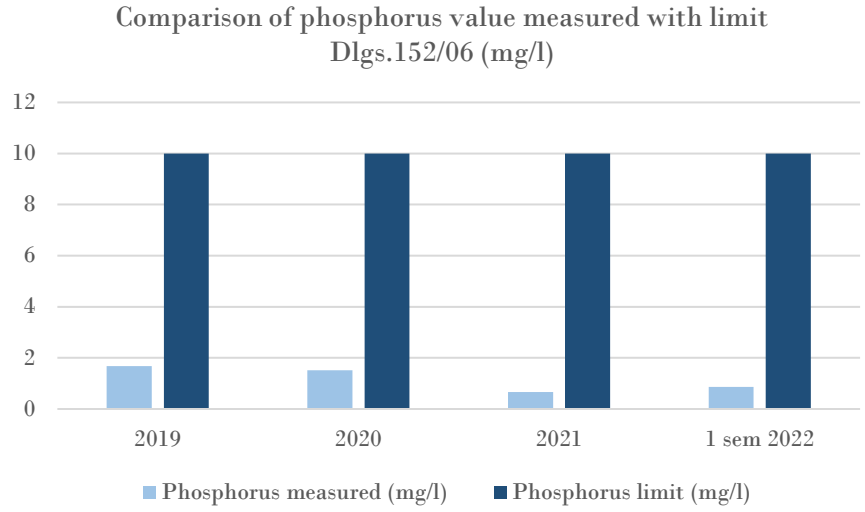
Nitrouse nitrogen parameter

YEAR	Nitrouse Nitrogen measured (mg/l)	Nitrouse Nitrogen limit (mg/l)
2019	0	0,6
2020	0,225	0,6
2021	0,04	0,6
1 sem 2022	0,03	0,6



Phosphorus parameter

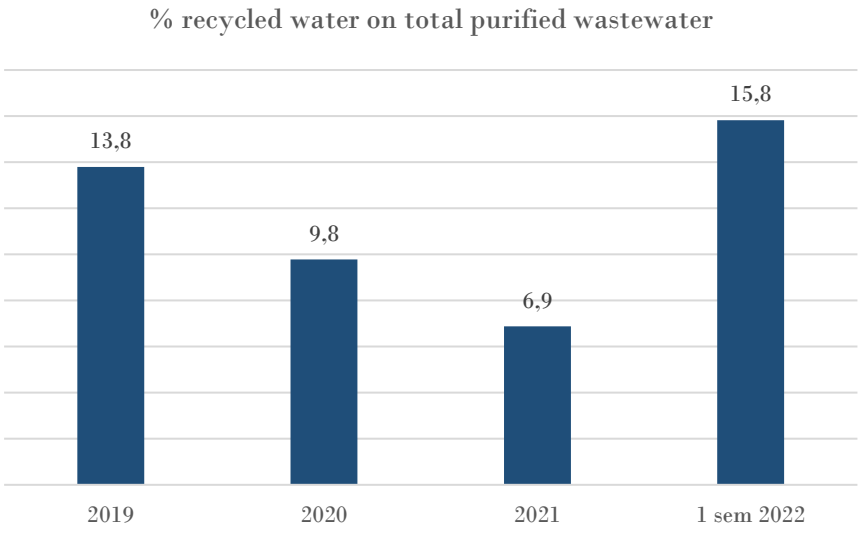
YEAR	Phosphorus measured (mg/l)	Phosphorus limit (mg/l)
2019	1,68	10
2020	1,51	10
2021	0,67	10
1 sem 2022	0,86	10



3.1.3. Discharges – recycling of purified waters

At the end of 2004, the water coming from the purification plant started being recycled and reused, first for the production cycle and then for some treatment plants and for domestic uses (toilet facility flushing).

YEAR	Quantity of wastewater (mc)	Quantity of recycled water (mc)
2019	210.723	29.079
2020	136.648	13.367
2021	158.511	10.902
1 sem 2022	98.937	15.656



3.2. Air

The following types of emissions into the atmosphere are generated by the production plant:

3.2.1. Emissions conveyed via piping

a) Emissions falling into the category of "Side atmosphere polluting emissions poorly" (activities generating insignificant levels of atmospheric pollution), for which no permit is required as per annexe 1 of Italian Presidential Decree, DPR 25/07/91:

- Straightening ovens;
- Emergency blow-offs;
- Canteen chimney stacks.

b) Authorised emissions:

The company is in possession of the Integrated Environmental Authorization with Management Determination n.974 of 25/07/2019.

The table below features the results of the samples collected from the towers in May 2022.

Point of emission	Description	Measured dust (mg/mc)	Dust limit (mg/mc)	Measured COV (mg/mc)	Limit COV (mg/mc)
E2	Hair burner	0,5	10	1,2	20
E3	1st washing tower	6,1	10	2,6	50
E4	2st washing tower	1,1	10	1,9	50
E77	3st washing tower	4,5	10	1,3	50
E83	Knitwear washing tower	0,4	10	1,1	50

Note: With the new authorization in force, the sampling times of chimneys (from annual to three-year) have changed with the exception of heat generators (annual).

Below are the results of the samples collected from the heat generators in November 2021 (annual sampling).

Point of emission	Description	NOx measured (mg/mc)	NOx limit (mg/mc)	CO measured (mg/mc)	CO limit (mg/mc)
E52	Heat generator 1	78	150	1	100
E55	Heat generator 3	78	150	1	100
E56	Heat generator 4	67	150	1	100
E57	Heat generator 5	65	150	1	100

The E53 emission point was stationary by maintenance rotation.

Note: the next control will be performed in November 2022.

3.2.2. Diffuse emissions

At certain moments of the day (change of shift) and for a period limited to the heating of car engines and the time required for the same to exit the company yard, an environmental impact exists consisting of exhaust gases from the vehicles of employees.

The vehicles that may be present at the same time are as follows: a maximum of approx. 210 cars (at 14.00 hours) (1st change - 2nd shift + normal), a mean number of 105 cars (1st - 2nd shift), and of 37 cars (night shift) and a minimum number of 14 cars for the weekend shift. Additionally, a private shuttle service was provided by the company for employees who did not wish to use private cars (at 06.00 - 14.00 - 22.00 hours), but this service was suspended due to lack of use by the employees.
Diffuse emissions are also produced by the vehicles of the carriers transporting raw and intermediate materials, production auxiliaries, waste and finished products:

Incoming:

- Deliveries to Reda of production auxiliaries: from 6 to 10 carriers per week;
- Delivery of machinery/components: occasionally;
- Receiving of semi-finished products from suppliers: mending 18 trucks per day;
- Diesel deliveries: occasionally;
- Express courier services (UPS etc.) Once a day.

Outgoing:

- Waste transportation
- Movements with company truck, 3/4 trips per day;
- Cloth delivered to customers: one collection per day by freight forwarder who is also responsible for sorting activities;
- By-products delivered to customers: 3/4 per month;
- Delivery of semi-finished products to suppliers (see above).

3.3. Waste

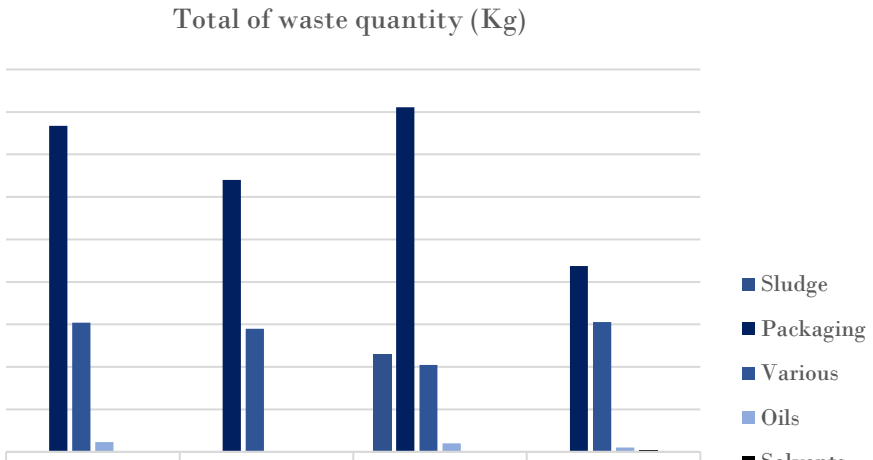
Successori Reda S.B.p.A. produces the following types of waste:

3.3.1. Solid waste

The waste mainly consists of:

- Mud (mud or solid waste materials containing halogenated solvents; mud from the treatment of industrial waste waters; sewage from waste water treatment plants; mud from septic tanks);
- Packaging (plastic packaging materials; packaging in various materials e.g. Cardboard, paper);
- Miscellaneous (not otherwise specified waste, other scrapped machinery, iron and steel, cables, other types of plastic, neons).

The graph below shows the quantities of solid waste disposed of, subdivided according to type:



	2019	2020	2021	1 sem 2022
Sludge	0	0	22.900	0
Packaging	76.735	63.990	81.120	43.730
Various	30.370	28.936	20.436	30.570
Oils	2.270	0	1.980	1.000
Solvents	0	0	0	280
Acids	0	0	0	0

3.3.2. Dangerous waste

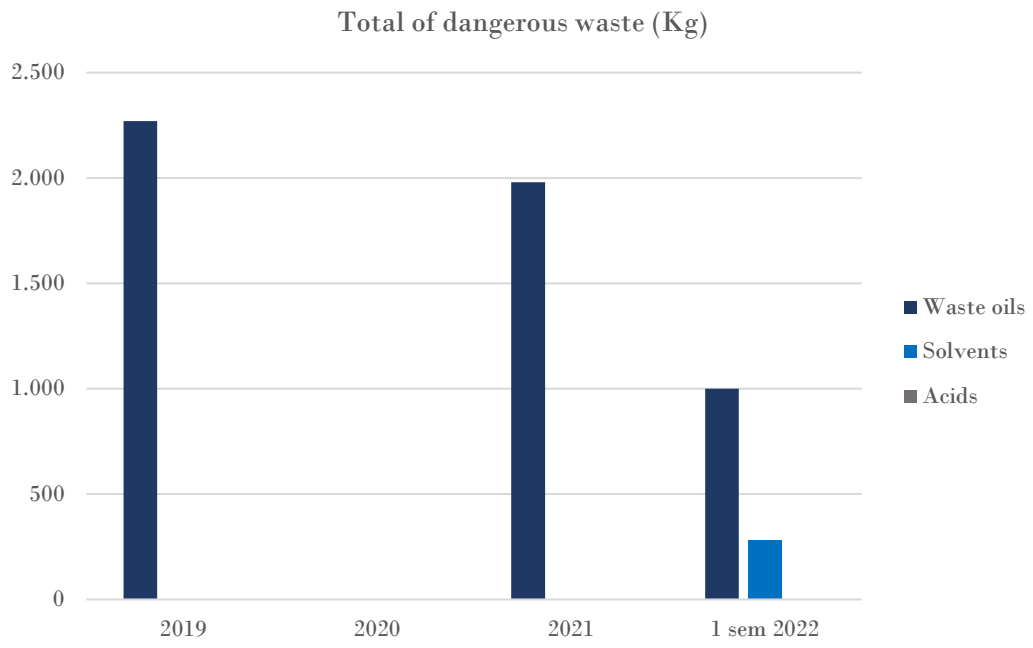
The waste mainly consists of:

- Used oil from machinery not containing halogen (non emulsion);
- Used oils from engines, transmissions and gears not containing chlorinated organic compound;
- Emulsions not containing chlorinated organic compounds;

Other oily waste not otherwise specified.

In the graph below are indicated the quantities of dangerous waste:

YEAR	Total quantities of dangerous waste (kg)	Q. of dangerous waste/cloth produced (kg)
2019	2.270	0,012
2020	0	0,000
2021	3.750	0,030
1 sem 2022	2.400	0,030



Note: Oily waste, essentially consisting of used oils from the hydraulic circuits of the machines, particularly the looms, is produced in quantities proportional to the loom replacement rate over the years.

3.4. By-products

During wool processing, by-products of various kinds are produced which are collected and sold to third parties. They are not, therefore considered waste. They consist of:

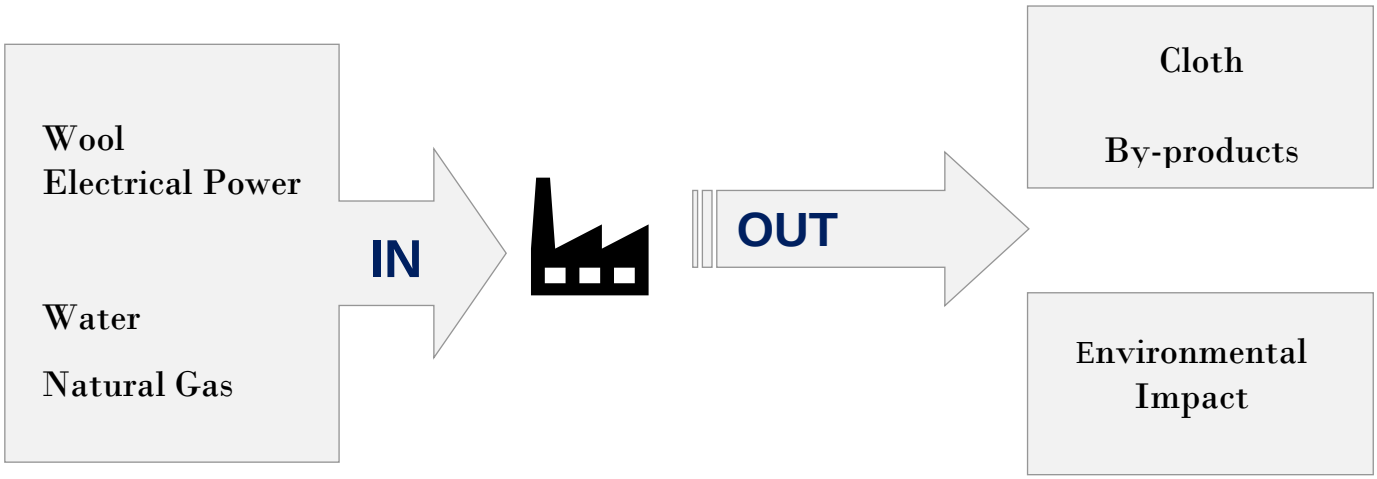
- Coloured or raw laps;
- Noil and dust;
- Loops, pneumafil, single or twisted waste end, coloured or raw;
- Sweepings;
- Bolt heads;
- Sample leftovers.

The company's decision to collect the by-products separately with a view to selling them to third parties leads to a reduction in the production of waste.

The total by-products in the year 2021 is equivalent to 188.436 kg, while for the first half of 2022 it is **168.062 kg.**

3.5 Use of resources

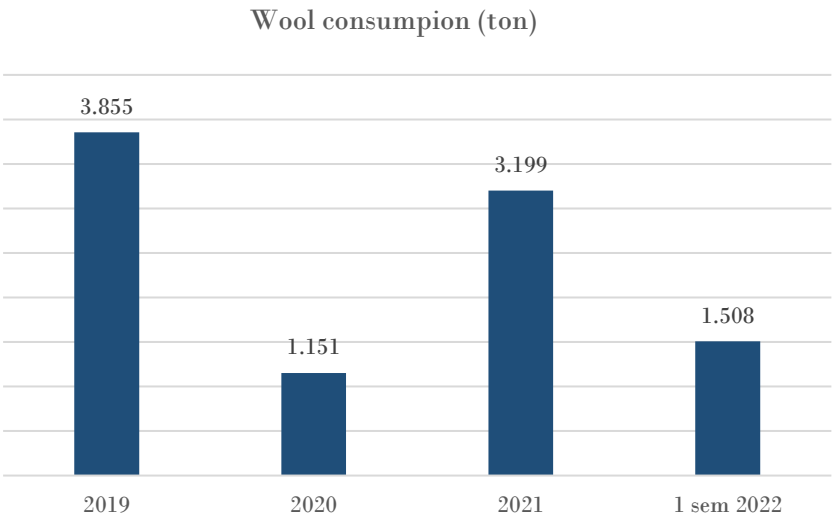
Successori Reda S.B.p.A uses raw materials, production auxiliaries and power for the manufacturing of its final products:



The consumption of natural gas and diesel are relative to:

- Technological uses;
- Running of the canteen;
- Running of the emergency generator.

3.5.1 Raw material



As may be observed from the following graphs, the decrease in the cloth produced – the consumption required for the factory's technological services remaining the same – produces a worsening of the indices per unit produced. This is also because the decrease in production does not correspond to a decrease in internal processes but in those outsourced.

Biodiversity

YEAR	Buit-up area (m2)	m2/ton product parameter
2019	20.493	11,1
2020		20,5
2021		33,9
1 sem 2022		19,3

The area dedicated to greenery is equal to **106.022 m2.**

Energetic Efficiency

YEAR	Total direct energy consumption (GJ)		Consumption of renewable energy (GJ)		Incidence on total consumption	Total production of renewable energy (GJ)		Incidence on total consumption
2019	ELETTRICAL H20+FTV1	85.030	Elettical FTV1	794	0,43%	ELETTRICAL FTV1+FTV2	2.085	1,14%
	THERMAL	97.766						
2020	ELETTRICAL H20+FTV1	61.313	Elettical FTV1	783	0,58%	ELETTRICAL FTV1+FTV2	2.099	1,54%
	THERMAL	74.550						
2021	ELETTRICAL H20+FTV1	69.667	Elettical FTV1	783	0,53%	ELETTRICAL FTV1+FTV2	2.116	1,38%
	THERMAL	83.228						
1 sem 2022	ELETTRICAL H20+FTV1	45.575	Elettical FTV1	443	0,45%	ELETTRICAL FTV1+FTV2	1.160	1,18%
	THERMAL	52.729						

FTV1: photovoltaic system n.1

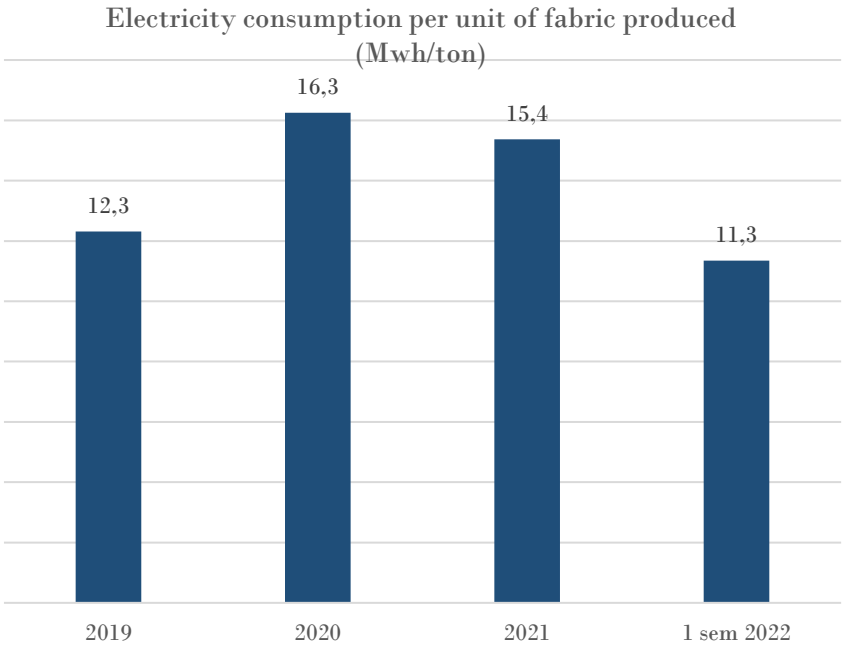
FTV2: photovoltaic system n.2

GHG Emission

YEAR	Emissions form energy	tCO2eq	tCO2eq/Ton product parameter	tNOxeq	tNOxeq/Ton product parameter	tPM10eq	tPM10eq/Ton product parameter
2019	ELECTRICAL only purchased	18.719	**10,19**	14,51	**0,008**	0,141	**0,00008**
	THERMAL	5.526	**3,01**	4,82	**0,003**	0,028	**0,00002**
202	ELECTRICAL only purchased	13.451	**13,16**	10,42	**0,010**	0,101	**0,00010**
	THERMAL	4.214	**4,12**	3,67	**0,003**	0,022	**0,00002**
2021	ELECTRICAL only purchased	15.300	**12,51**	11,86	**0,010**	0,115	**0,00009**
	THERMAL	4.704	**3,85**	4,1	**0,003**	0,024	**0,00002**
1 sem 2022	ELECTRICAL only purchased	10.029	**9,26**	7,77	**0,007**	0,075	**0,00007**
	THERMAL	2.980	**2,75**	2,6	**0,002**	0,015	**0,00001**

3.5.2. Electrical power

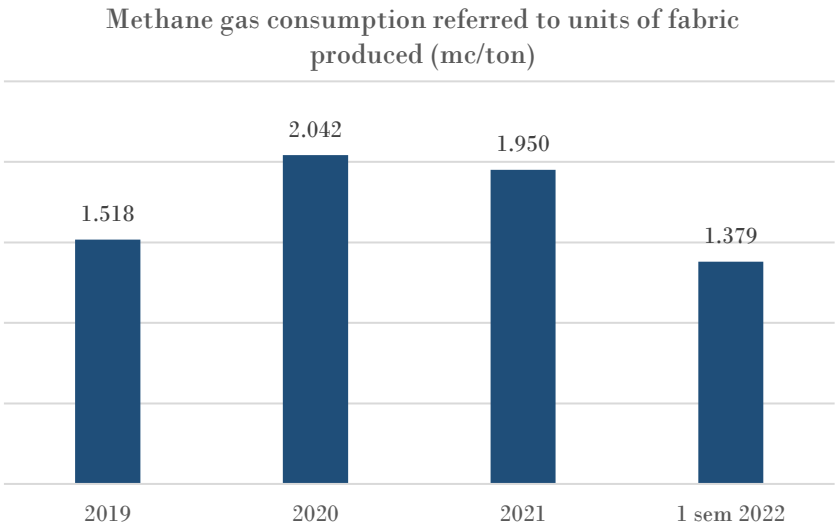
YEAR	Consumption of electrical energy (MWh)	MWh/t product parameter
2019	22.616	12,3
2020	16.608	16,3
2021	18.801	15,4
1 sem 2022	12.286	11,3



When designing the new factory, attention was focused in the reduction and optimisation of electrical consumption, particularly lighting. In fact, in the entire external area and the car parks the lighting is regulated by a combination of twilight switches and clocks so as to limit the time during which the lights are used and, at the same time, provide the best visibility conditions during the periods in which light is effectively required (shift changes). Throughout the entire ground floor (finishing, mending etc.) a covering with the capacity to gain maximum advantage from sunlight has been fitted and all artificial lighting is regulated by twilight switches.
As regards the electricity purchased from the grid, there is currently no presence of "green" quotas (renewable energy).

3.5.3 Natural gas

YEAR	Natural Gas consumption (mc)	Mc/Ton produced
2019	2.788.307	1.518
2020	2.086.528	2.042
2021	2.385.158	1.950
1 sem 2022	1.493.629	1.379

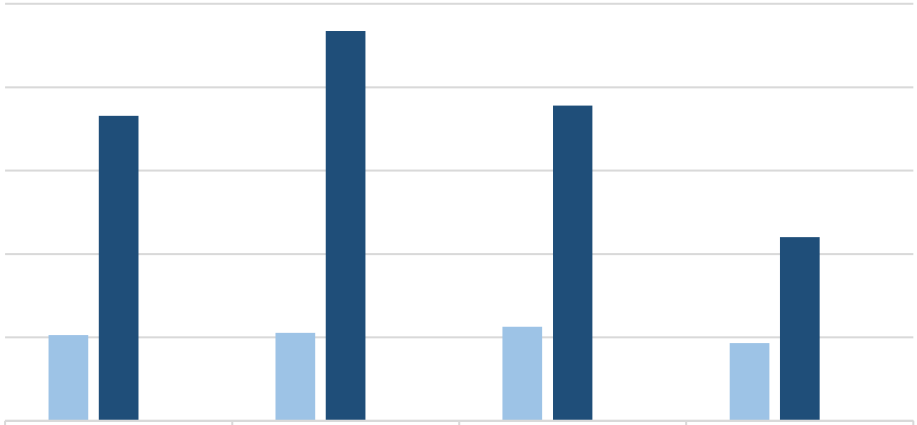


Note: the data is aggregated for the sites that are the subject of the declaration.

3.5.4 Textile auxiliaries and Dyes

YEAR	Quanties used (kg)			kg/ton product produced		
	Dyestuffs	Auxiliaries	Wastewater	Dyestuffs	Auxiliaries	Wastewater
2019	94.427	335.819	94.427	51	183	0
2020	53.848	238.804	53.848	53	234	0
2021	69.069	231.184	69.069	56	189	0
1 sem 2022	50.389	119.293	50.389	47	110	0

Auxiliary and dyes consumption referred to unit of fabric produced (kg/ton)



	2019	2020	2021	1 sem 2022
Dyestuffs	51	53	56	47
Auxiliaries	183	234	189	110
Wastewater	0	0	0	0

3.6 Fire prevention practice

The current situation is as follows:

CROCEMOSSO

- Procedure 17737
- CPI of 13/03/2020 (expires 12/02/2025)

VALDENGO

- Procedure 31571
- CPI of 05/10/2018 (expires 18/06/2023)

3.7. New Investments

Reda, in the course of 2022 continued its digital transformation path in the name of Cloud Computing in line with the constant attention to innovation as a key to excellence. The project revolves around the implementation of an integrated and scalable management system capable of supporting the continuous development of the company and supporting its business through a cloud platform. The choice was determined by the desire to make the company's strategic processes even more efficient - from production, to accounting, to the B2B sales and ecommerce world.
A highly integrated element of the project is represented by the integration of the ERP platform with the MES (Manufacturing Enterprise System), which interconnects machines, people between and systems and allows full company information. The solution will be used by the whole group and will see a subsequent integration with CRM, with the aim of making the management of processes, information and customer relations more and more efficient and intelligent in order to better respond to market needs. This ambitious project has initially involved designers, supply chain, dyeing, mending, finishing, finished control, quality control, sampling, sales, shipping, management control, business development and finance. The second phase of the transformation, scheduled for 2023, will involve organizing the wool purchase system, package and tops dyeing, spinning and weaving, anchoring the corporate digitalization process.

3.8. Noise

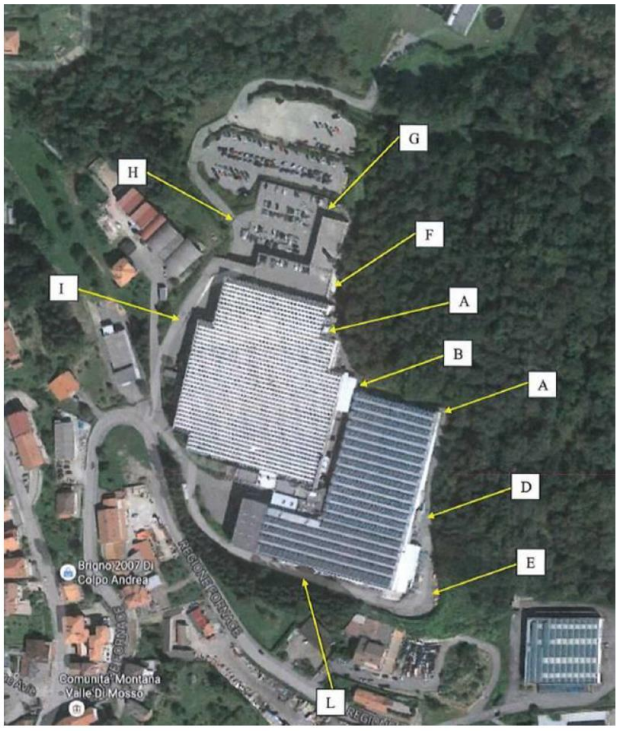
The main sources of **internal noise** come from the following departments:

- Weaving;
- Spinning;
- Twisting.

Despite the fact that "noisy" work processes typical of the textiles industry are carried out in the factory, the sound level measurements taken in the external environment indicate a minimal environmental impact compared to the legislation in force. In addition to the noise emissions coming from the production departments, the main sources of **external noise** are:

- Air conditioning units;
- Compressors in the compressor room;
- Burners of the boilers in the thermal power station;
- Scrubbing systems;
- Electricity generator;
- Vehicle traffic.

PLAN OF THE FACTORY



Measure area		Noise Level (Leq)		
		Measured period	Reference	
		Daytime	Daytime	Nighttime
A	Finishing- Emergency exit	**59,9**	70	70
B	Corner of the building - Weaving	**65**	70	70
C	Corner of the building (2) - Weaving	**51,3**	70	70
D	Enclosure - emergency exit	**57,2**	70	70
E	Enclosure – internal courtyard	**49,2**	70	70
F	Enclosure – Thermal central and compressor	**63,3**	70	70
G	Enclosure – stock waste area	**51,1**	70	70
H	Parking - near hermal central and compressor	**54,1**	70	70
I	Entrance gate	**61**	70	70
L	Emergency exit	**50,9**	70	70

These parameters date back to 2016.

Note: despite the fact that "noisy" processes typical of the textile sector are carried out inside the plant, the values found instrumentally indicate a slight external acoustic impact, falling well within the limits set by the acoustic class in force in the area. In light of the above, no further information is required unless specifically requested by the relevant bodies and / or substantial changes to activities, plants, processes within the company perimeter.

The Municipality of Valle Mosso drew up a zoning proposal pursuant to Laws 447/95 approved by the A.R.P.A. Department of Biella (A.R.P.A.= regional agency for the protection of the environment); in this proposal a large part of the area occupied by Successori Reda S.B.p.A. is classified as: class VI "exclusively industrial areas" and only one portion relative to the parking and to the site to Via Robiolio site, 34 is in class IV "areas of intensive human activity" according to table C of Prime Ministerial Decree DPCM 14/11/1997 the absolute immission limits of which are:

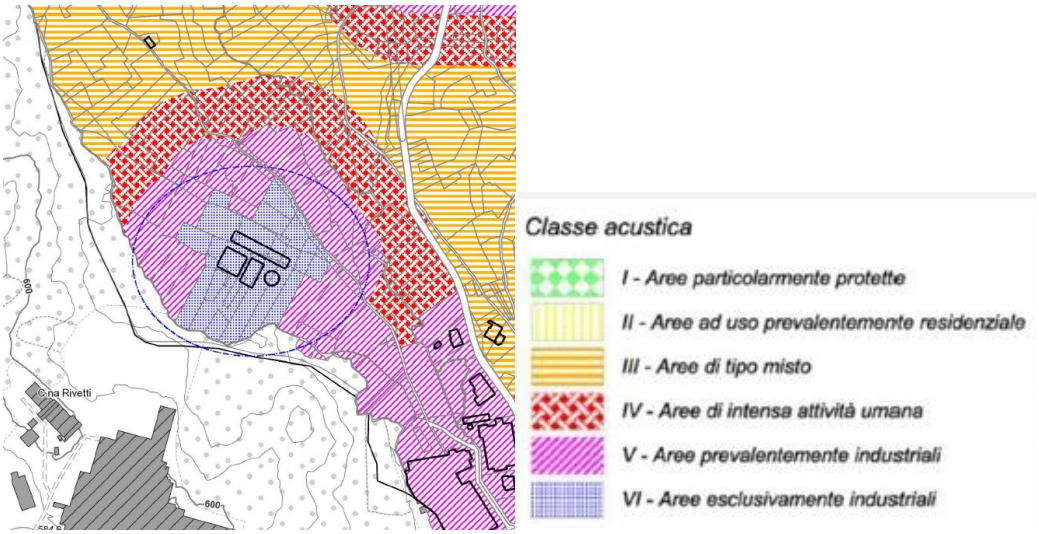
- Class VI exclusively industrial areas:
  dB(A) **70** during the day (06.00 - 22.00) and dB(A) **70** during the night (22.00 - 06.00);
- Class IV areas of intensive human activity:
  dB(A) **65** during the day (06.00 - 22.00) and dB(A) **55** during the night (22.00 - 06.00).

In April 2019 the evaluation of the external noise related to the purification area was carried out (report Studio Envia - Turin) according to the points marked on the map below:

Diurnal reference time			
Receiver	**Equivalent level expected dB (A)**	**Reference limit db (A)**	**Verification of conformity**
P01	48,5	70	compliance
P02	49,0	70	compliance
P03	49,5	70	compliance

Night reference time			
Receiver	**Equivalent level expected dB (A)**	**Reference limit db (A)**	**Verification of conformity**
P01	48,5	70	compliance
P02	49,0	70	compliance
P03	49,5	70	compliance

The area is not affected by the vehicular traffic of the surrounding roads, but it is prevalent the sound emission constituted by the purification plant that has constant operation during 24 hours a day. The document below is an excerpt of the scenario outlined in the acoustic compatibility check of the final design of the partial variant 14 of the PRGC in force in Trivero that has been modified due to the variation of the settlement status.



3.9. Odours

The company has identified the plants that are likely to generate diffuse emissions into the working environment and it has carried out an environmental hygiene survey with a view to assessing a series of potentially "odorous" chemical pollutants. The survey was conducted within the various departments and external to the working environment, along the perimeter of the company near to the openings leading to the work rooms: in this way it was possible to check the concentrations of pollutants likely to be released into the external environment. The results demonstrated that the dispersion of chemical agents, including odorous ones, to the external environment is negligible.

This analytical data is confirmed by design calculations relative to the extraction-conditioning systems which show negative air flow balances (rooms with negative pressure, with inflow of air from the outside towards the inside of the working environment).

With the start-up of the purification plant, the need to prevent the formation of odorous emissions from the equalisation tanks became a priority.
The following operations were carried out on the tanks themselves:

- Installation of a fine screen in order to eliminate wool fibre residues in the waste waters prior to accumulation;
- Installation of an aeration system consisting of two disperser meshes and a volumetric blower.

Subsequently, representatives from the ARPA department of Biella (regional agency for the protection of the environment) and the mayor of Valle Mosso were invited to attend an on-site inspection at the plant, where they were able to witness the absence of odour nuisance and the efficient operation of the systems implemented to combat their formation.
The last visit of ARPA technicians, for the control of the proper functioning of the purification plant, occurred in July 2020.

3.10 Dust

The company activity does not produce environmental impacts due to dust, nor in the form of diffuse emissions (as confirmed by the analyses conducted, as the plants capable of producing dust/fibres are equipped with localised or floor extraction systems). Neither does it produce emissions that are conveyed via piping (as the effluents coming from the extraction systems undergo filtration prior to being released into the atmosphere), neither does it produce emissions from the external areas as these are all asphalted.

3.11. Visual impact

The factory is harmoniously set against a natural backdrop; the only visual impact is that of the chimney stacks of the extracted emissions, from which steam can be seen to rise in the cold, damp season. Fantastic attention to this aspect has been taken in the design and construction of the treatment plant in order to camouflage as possible. This result was obtained by limiting the height above ground tanks and the building that houses the tertiary system. It is also provided for the creation of a pond and a green area.

3.12 Workers' Health and Safety

Constant adaptation to the new legislative provisions introduced by legislative decree D.Lgs. 81/2008 and subsequent additions together with the scrupulous attention dedicated by the company to aspects relative to health and safety in the workplace, have led to the implementation of an occupational health and safety management system (HSMS) in compliance with the ISO 45001:2018 norm.
The driving force behind the HSMS is the Environmental, Health and Safety Policy, a document signed by the company management which testifies to the commitment of the same to pursue and disseminate the improvement goals relative to the health and safety of the workers.
The starting point of the safety system consists in the drawing up and development of a risk assessment report in which the risks themselves are classified and those to be eliminated or controlled are identified; the methodology on which it is based is defined in accordance with its purpose, nature and set time intervals in order to ensure that it is "preventive" rather than "corrective".
In accordance with the provisions introduced by legislative decree D.Lgs. 81/08, the risk assessment document deals first and foremost with the elimination of the causes generating a risk for the workers, subsequent to the technological, procedural, preventive and protective measures for containing them.
The company, also, maintains and updates an IT System (Keystone) to keep track of all the activities carried out in the field of health and safety, including the management of the health protocol and staff training. The persons responsible for achieving the health and safety objectives are thus identified and managed through Keystone, indicating the various tasks to be performed and specifying the means and times within which these objectives must be achieved. The program is also associated with specific staff training courses, providing for the dissemination of information and coordination of supervision activities.

4. INDIRECT ENVIRONMENTAL ASPECTS

4.1. Selection and handling of raw materials

The company has chosen to mostly use pure wool sourced from Australia and New Zealand, known for their superior environmental awareness and territorial management skills. The selection of wool suppliers followed specific guidelines defined by Reda to always search for the best quality while limiting the environmental impact of raw materials during the production process.
To strengthen its environmental commitment, in 2009, an agreement was established with the Merino New Zealand Company for the exclusive purchase of wool from ZQ-certified farms. This New Zealand certification focuses on the natural performances of the wool fibre as well as ensuring animal welfare via mulesing-free wool and full traceability along the entire chain.
Similarly to what was achieved in New Zealand, REDA launched SUSTAINAWOOL in March 2015 via New England Wool. Specifically created for Australian breeders, this certification program promotes the production of the highest quality wool through sustainable management of physical and natural resources, all the while ensuring animal welfare. In July 2019, this certification was transferred free of charge to the Australian Wool Exchange (AWEX).
In accordance with the aforementioned principles, REDA received the RWS (Responsible Wool Standard) and GRS (Global Recycled Standard) certifications in 2020, both promoted by Textile Exchange.
Confirming its commitment to sustainability and the desire to keep improving, REDA joined the ZQRX (ZQ Regenerative Index) program in 2021, a platform created to monitor farms by evaluating their sustainability performances, as well as their strengths and weaknesses in order to seek constant improvement.

4.2. Supplier selection

The environmentally friendly and safety aspects of all suppliers of goods and services were considered in order to:

- Identify the suppliers to which to send the questionnaire on the environmental and safety management system adopted by them;
- Identify the suppliers who need to be contractually bound to the observance of possible internal company procedures or who could affect the operability of internal procedures;
- Identify the suppliers to be subjected to inspection;
- Identify the main environmental impact directly or indirectly correlated to the activities conducted by the supplier.

On stipulation of the contract, the contracting company receives the order integrating environmental contractual clauses for supplies of goods and services.

Supply chain and subcontractor mapping

In order to have greater control over its supply chain, Reda, in 2022, started the 4TRACE project with the 4Sustainability® consultancy company, aimed at tracing internal processes and monitoring the supply chain, involving it in the transformation of its business, thus to create a mapping and management system of the socio-environmental qualification. This path, in addition to being undertaken to be sure that each stage of production complies with national legislation and international standards, has as its ultimate goal the correct management of the socio-environmental impacts of internal processes and the supply chain through assessment, tracking , monitoring and improvement of the conditions in which production takes place. The way forward is the implementation of a controlled and responsible supply chain management system, possible only in the presence of high levels of transparency and shared by all.

Qualification of chemical product suppliers

Regarding chemicals, the company subscribes to 4Sustainability®, a system and label that certifies sustainability performances in the fashion and luxury industry. The release and maintenance of the brand depend on the regular verification of KPIs based on an innovative framework aligned with the best methodologies, standards and practices. The change process has given way to the implementation of the Chem 4Sustainability project for the elimination of harmful and toxic chemicals from production chains through the ZDHC (Zero Discharge of Hazardous Chemicals) MRSL guidelines. Reaching and maintaining the excellence level still means having exceeded the requirements required by the market and by current regulations, setting the necessary actions to perform even better in a logic of continuous improvement.
All these initiatives allow the company to build a complete environmental strategy, from the very source all the way down the production chain to the finished fabric.

4.3. Functionality of transport vehicles

This is guaranteed through the shipping department, by the use of a single carrier who agrees to achieve the dual objective of decreasing trips and using the maximum carrying capacity of the vehicle.

B CORP and BENEFIT

In 2020, Reda reached an important milestone by becoming the first textile company in Italy and one of the first worldwide to receive the B Corporation certification, the most advanced international standard established to measure the economic, environmental and social impact of companies.
To receive and maintain the certification, companies must reach a minimum rating based on a structured questionnaire created to evaluate environmental and social performances and state their commitment towards Stakeholders through official corporate documents.
Companies such as a Reda who subscribe to the B Corp model commit to observing the highest performance, transparency and responsibility standards with a clear goal: have a positive impact on people and the environment, beyond profit.
Thanks to its continued commitment, Reda managed to get certified through its many sustainability initiatives.
In 2021, Reda decided to widen its social scope by becoming a Benefit company. As such, the commitment to pursuing common interest goals and operating in a responsible, sustainable and transparent manner towards people, the environment and various stakeholders was officially included in the company's legal status. This change involved the nomination of an Impact Manager and the preparation of an annual impact report to assess the declared common benefit goals.

5. ENVIRONMENTAL OBJECTIVES AND GOALS

Introduction

With a view to pursuing continuous improvement of its own environmental performance, the company has drawn up programmes for the achievement of the environmental objectives and targets that derive from the application of the environmental policy, involving all the company functions.

OBJECTIVES AND TARGETS - YEAR 2022/2025					
OBJECTIVES	**EXPECTED GOALS**	**INDICATOR**	**PLANNED REALIZATION**	**ACTION PLAN**	**STATUS**
REDUCTION OF DIFFUSE EMISSIONS	Improved recirculation air kitchen colors (dyeing). 5% decrease in diffuse emissions compared to 2021	Decrease of pollutants	31/12/2023	Study of a new conditioned system	Study phase
ZDHC (Zero Discharge of Hazardous Chemical)	78 % increase in level 3 classified products	% of products level 3/total products used	01/07/2023	Increase products with level 3 of MRSL ZDHC V.2	On going
ZDHC (Zero Discharge of Hazardous Chemical)	Maintenance of the Excellence level of the 4CHEM certification	/	01/07/2023	Reduction of hazardous chemicals in production processes, transition from ADVANCE to EXCELLENCE	On going
ZDHC (Zero Discharge of Hazardous Chemical)	Maintaining the score (94%) of the 4CHEM certification	/	01/07/2024	Maintaining the score (94%)	Planned
CO2 COMPENSATION PRODUCED (SCOPE 2)	Compensation of 100% of the emissions generated by SCOPE 2	Tons/CO_2	31/12/2024	Purchase of energy from renewable sources or compensation programs	Study phase
PHOTOVOLTAIC SYSTEM	Realization of a third photovoltaic system	New photovoltaic system	31/12/2025	Feasibility study for the construction of an additional photovoltaic system	Study phase
DECREASE OF SUPPLIED WATER	Increase in the use of recycled water to at least 24%	Total recycled water/total reclaimed water	31/12/2025	Increased use of recycled water	Study phase
B-CORP CERTIFICATION	Improved score compared to the first certification	B-CORP score >80,2 points	31/10/2023	Improved B-CORP score (International standard aimed at measuring the economic, environmental and social impacts of member companies)	On going
SUPPLIER RATING	At least 50 mapped farms	n.mapped farms/total farms	31/12/2022	Start of the project mapping selected breeders with Reda Farm Sustainability Index	On going
NEW SUBCONTRACTING/SUPPLIER ACCREDITATION SYSTEM	Go live sistema	Accreditation system	30/06/2023	Creation of a new supplier accreditation system	On going
PROMOTION OF CORPORATE SUSTAINABILITY	/	/	31/10/2022	Renovation of the sustainability section of the site, balance in pills, participation in specific events on the subject, collaboration with national newspapers	Planned
PROMOTION OF CORPORATE SUSTAINABILITY	Dissemination of the company's sustainability values to schools, customers and interest groups	At least 10 visits/year	31/12/2023	Promotion of company visits, participation in events related to sustainability issues and promotion of company values	Planned
GRS (Global Recycled Standard)	Maintaining and increasing the offer of GRS certified fabrics within the collections	n.o new certified items/total items	continuous	Continuous improvement of GRS certification to meet new market needs	On going
SUSTAINABILITY CUSTOMER REQUESTS	Increased knowledge and awareness of marketing and commercial staff. At least 1 training/year	n.o training/year	continuous	Monitoring of customer requests + awareness of staff	On going
POLLUTION PREVENTION	Waste and circularity on soil, water, atmosphere and material delivery operations to be recycled	/	31/12/2022	Feasibility study with external partner on packaging	Planned
MEASUREMENT OF ENVIRONMENTAL IMPACTS OF PRODUCTS	/	PEF certification on T-shir	31/10/2023	LCA-PEF project for Rewoolution t-shirts; Product life cycle analysis and drafting of the PEF document - Product Environmental Footprint (tool that regulates the calculation, assessment, validation and communication to all stakeholders of the environmental footprint of products and services	Study phase
DECREASE OF SUPPLIED WATER	Total recycled water / total purified water	Increase in the use of recycled water by 3% compared to the currently % (about 10% of total purified water)	31/12/2022	Increased use of recycled water	On going

OBJECTIVES AND TARGETS ACHIEVED - YEAR 2022					
OBJECTIVES	**EXPECTED GOALS**	**INDICATOR**	**PLANNED REALIZATION**	**ACTION PLAN**	**STATUS**
REDUCTION OF PLASTIC PACKAGING	Total reduction of plastic packaging used to protect stretchers	Plastic decrease	30/10/2021	Study of alternative methods to protect stretchers in transit to Valdengo	Finished
BETTER WASTEWATER CONTROL	Compliance MRSL	Water analysis	30/10/2021	Control of additional parameters provided by MRSL ZDHC	Finished
SUSTAINABILITY REPORT	Publication	Documentation	01/09/2021	Publication of our annual sustainability report	Finished
CERTIFIED FARMS	ZQ RX certified group farms	Certification	15/04/2021	ZQ RX accreditation	Finished
CERTIFIED FARMS	Prototype creation	Measurement tool	31/07/2021	Creating of Reda Farm Sustainability Index	Finished
SUSTAINABILITY CUSTOMER REQUESTS	/	Managed requests and training	31/10/2021	Monitoring of customer requests + awareness of sales and marketing staff	Finished
ZDHC (Zero Discharge of Hazardous Chemical)	70% increase in level 3 classified products	% of level 3 products / total products used	31/12/2022	Increased products with level 3 of MRSL ZDHC V.3	Finished
ZDHC (Zero Discharge of Hazardous Chemical)	>60%	% products with level >0	30/10/2021	Increased products with level >0 of MRSL ZDHC V.2	Finished
ZDHC (Zero Discharge of Hazardous Chemical)	/	Upgrading of 4CHEM certification from Advance to Excellence level	31/12/2024	Reduction of hazardous chemicals in production processes, transition from ADVANCE to EXCELLENCE level	Finished
CERTIFIED RAW MATERIAL	% of wool No Mulesing out of total wool purchased	Increase in the % of wool No Mulesing (invasive surgical procedure for the animal) compared to the previous season (64% of total purchases)	30/06/2022	% Increase in the purchase of ZQ, RWS, SUSTAINAWOOL certified wool	Finished

6. ENVIRONMENTAL MANAGEMENT SYSTEM

The formal implementation of the environmental management system began in 2002 and covers all company functions, directly involving all the directors (owners) with specific functions.
The environmental management system recently formalised is none other than the expression of a working practice consolidated over the years which has always seen the Reda management committed to the identification of environmental and safety problems and to the improvement of the level of protection of the workers' health and to the integrity of the external environment.
To this end, specific procedures and operative instructions have been drawn up and applied.
In particular, the company has proceeded to formalise an extensive series of preventive measures already implemented some time ago and based on selection and control systems of incoming materials, and surveillance and measuring of all the corporate activities likely to produce an environmental impact, according to the principle of procedurizing controls the absence of which could present a significant risk factor.

Identification of significant environmental aspects

In order to define the reference framework of the environmental aspects, an initial analysis of all the corporate activities was carried out, including:

- Site;
- Buildings and perimeter areas;
- Lines of production/systems/machinery/equipment;
- Raw materials and production auxiliaries;
- Types and quantities of cloth produced;
- Depots and storage areas for raw materials, semi-finished products, chemical agents and temporary waste deposits;
- Auxiliary and service activities.

For the systematic identification of all environmental aspects/impacts related to corporate activities, it was divided into individual departments/activities.

These aspects were then assessed (both respect to the activity in normal conditions and that characterised by potentially anomalous and emergency situations), taking into consideration the following criteria of significance and matching each of them with a numerical number obtained by an increasing risk / gravity scale.

This procedure made it possible to draw up a shortlist from which significant aspects have emerged as priorities for Environmental Management System.

The significance evaluation process is updated and reviewed on an annual basis with a view to ensuring that:

- The procedures and the criteria of significance are appropriate;
- The environmental effects identified maintain their significance level and that the correct priority is attributed to them in the light of the improvement/development of knowledge, technical-scientific proof, changes in the situations internal or external to the site, including the interests of particular external groups;
- The increase or decrease of the significance of the effects are considered also as a result of modifications in the processes, in the plants and/or in the products.

To control the entire monitoring and procedure system, an internal Audits programme has been drawn up, with a view to verifying:

- The correct application of the Company's Environmental Management System;
- Conformity with the organisation's policy and programme;
- Legislative conformity and the achievement of the objectives that the EMS itself intends to pursue.

The internal audits ensure that the organisation's activities are carried out in conformity with the procedures established, and they make it possible to identify problems and carry out improvements with regard to the aforementioned procedures.

The company departments/services involved in the EMS are audited at least once a year. The frequency interval is different (six monthly) for those activities/departments that generate a more significant environmental impact (as shown on the Annual Programme of the internal audits).

Internal audits can involve:

- Interviews with the personnel;
- Inspection of the plants and the operating conditions;
- Inspection of the registers, procedures and other documentation (analytical certificates, measuring reports, survey reports, formal documentation attesting to controls having been carried out, ….).

Internal audits are composed of the following phases:

- In-depth examination of the management system;
- Assessment of the management system's strong and weak points;
- Gathering of the pertinent evidence;
- Assessment of the results of the internal audits;
- Drawing of the conclusions;
- Report on the results and conclusions of the internal audits.

The management guarantees the authority for the running of the internal Audit programme; those responsible for running it establish, implement, monitor, review and improve the said programme, identifying the resources required and ensuring that they are made available.

The responsibility for the management of the Audit programme is assigned to personnel with knowledge of the Auditing system principles.

The significance criteria were based on:

- **Probability (P):** indicates the probability/frequency of occurrence of the impact generated by the identified environmental aspect.
- **Severity (G):** indicates the severity of the impact generated on the surrounding environment, both in terms of extent of impact and toxicity to humans and the environment.
- **Prevention and protection tools (**S): indicates the ability to control the environmental aspect, i.e. the possibility of having adequate prevention and protection tools to manage the environmental impact generated.

For each theme a score from 1 to 5 is assigned, then these three factors are multiplied among themselves and a final score is obtained. (If > to 15 is **significant**).

The following table highlights the most significant environmental aspects

Activity / Department	**Environmental ASPECT**	**Environmental IMPACT**
Emissions into the atmosphere	Scrubber	External odour
Emissions into the atmosphere	Rameuse	Nox Pollution
Induced vehicular traffic	Transport	Pollution
Waste	Hazardous waste disposal and management	Soil and groundwater contamination
Water	Rainwater discharge	Soil and groundwater contamination
Noise	Plant noise	Noise pollution

7. RELATIONS WITH THE COMMUNITY

Control Organisms

The company has always maintained good and constructive relations with the surrounding community and with the controlling bodies. Such relations were further consolidated by construction of the new site in Crocemosso and designing of the new purification plant, activities that involved all of the institutional bodies responsible for granting the necessary permits/authorisations under the coordination of the one-stop-shop for production activities of the Mountain Community of Valle Mosso.
The only "inspection" carried out by the ASL (Local Health Authorities) is in connection with the "Regional monitoring for the application of Legislative Decree D.Lgs. 626-94 and subsequent amendments and additions", as the company was selected – through the drawing of lots – to fill out an extensive questionnaire which consented verification of the effective observance of the terms laid down in legislative decree D.Lgs. 626-94 and subsequent amendments and additions; this monitoring achieved totally favourable results, hence no requests for further integration were made by the inspection body.
In 2018 Arpa Biella carried out an inspection in order to verify the performance of the thermal power plant and the relative afferent emission points.
In 2019, the Valdengo warehouse was audited as a result of the Company requesting an extension for the EMAS registration.

In 2020, Arpa conduced three inspections, one regarding the sampling of the E83 tower (wool finishing), one for the control of waste storage and in November the IPPC verification.
In March 2021, Arpa Biella conducted a survey of the thermal plant and controlled emission from the E57 chimney (heat generator).
In September 2022, Arpa Biella conducted an inspection and sampling following control activities on the output parameters from the wastewater purification plant.

Educational initiatives

"As a leader in the textile industry, we have a responsibility to promote change through sustainable innovation, all the while respecting the environment and seeking social progress to guarantee a better future for upcoming generations."
This corporate mission is expressed through numerous formative initiatives led by the company in order to encourage connections between people, future talents in particular, and the wool industry.
Every year, Reda welcomes many students, from primary schools to the best Universities in Italy and abroad. In the first semester of 2022 Reda was able to reopen its doors after the period of restrictions due to the pandemic hosting more than 80 students.
The company also welcomes interning students from schools specialized in the textile industry and more, some from the local Biella province, others from best universities in the Piedmont and Lombardy regions. The company actively collaborates with these schools via contests and business simulation projects; it also offers financial support to the most talented students (Collège des Ingénieurs – Master's in Business Administration). It also offers guidance to PhD students and other students who wish to conduct research on the textile industry.
Established in 2018, the *Reda Academy* manages the *Young Flock Project*, a paid action-learning program created for brilliant Italian, New Zealand and Australian graduates under 25. Once a year, for six months at a time, participants can immerse themselves in Reda's culture, processes and departments through project work, gamification and English/Italian classes, all with a view to create the perfect technical profiles for our present/future. This project, interrupted with the 2020 edition due to the pandemic, saw

the participation of young students not only from Italy but also from Australia and New Zealand, demonstrating Reda's support for the communities of those territories in which it carries out a significant part of its activities.

Beyond schools, educational activities also involve collaborating with local cooperatives (*Il Filo da Tessere, Tantintenti, ecc.)* in order to establish laboratories for local youths. The ultimate goal is to help them gain a better understanding of the career opportunities offered by the Biella territory, in the textile sector specifically.

External reports

The table lists the only episodes involving reports from the community relative to environmental "disturbances".

YEAR	DESCRIPTION	RESPONSE
2008	Complaints from neighbourhood about odours	The emergence of odours was assessed not to be attributable to either malfunctions nor to special maintenance works. A common plan of action was developed with ARPA and the Municipal Authorities involving inspections with a view to determining the extraneousness of the company to the problem.
2010	Complaints from neighbourhood about odours	The company purification plant was checked to see that it was working properly and it was surmised that the sources of the odours may not be associated with the plant.
2011	Complaints from neighbourhood about odours	The company purification plant was checked to see that it was working properly during an inspection and ARPA technicians conducted checks on the waste waters and no anomalies were found.
2021	Complaints from neighbourhood about odours	The company purification plant was checked to see that it was working properly, no anomalies were found.

8. CONVALIDATION AND EXPIRY OF THE ENVIRONMENTAL DECLARATION

This environmental declaration was drawn up in conformity with the terms laid down in annexe III of EC Regulation no. 1505-2017 of the European Council of 28/08/2017 (EMAS) and EC Regulation 2018/2026 amending Annex IV.
The next complete environmental declaration will be drawn up within the month of December 2021 for the purpose of subsequent validation.
In the intermediary period, a simplified environmental declaration will be presented within the month of December each year.
This simplified environmental declaration will contain a summary of the quantitative data regarding the main environmental performance connected with the site's activities, placing emphasis on the variations with respect to the previous declarations.

The present environmental declaration has been validated by:

DNV GL Business Assurance Italy Srl
Via Energy Park, 14
20871 Vimercate (MB)
Accreditation No. 009 P – REW.08-Cod.EU: IT -V-003

On 04th November 2022
Registration No. IT - 000227

The following took part in the preparation and drawing up of the declaration:

- Environmental Management System Manager, **Mr Francesco Botto Poala**
- Plant Operation Manager, **Eng. Giovanni Bertoglio**
- Environmental Service Manager **Dott.ssa. Marianna Demarco**

The document was drawn up by the executive officer for external communications,

Mr Ercole Botto Poala.

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