REDA

ENVIRONMENTAL DECLARATION 2020

Successori Reda S.p.A.

ISO 14001 = OHSAS 18001

EMAS
INFORMAZIONE CONVALIDATA
N. REGISTRO I-000227

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1. CORPORATE ACTIVITIES AND DESCRIPTION OF THE SITE

1.1. General Information

Company name:	SUCCESSORI REDA S.p.A
Year of foundation:	1865
Registered office:	Via Robiolio, 25 13825 VALLE MOSSO (Biella) - Italy
I.S.T.A.T. code:	139620
NACE code:	13.9
Activity sector:	Textiles
Addresses:	Factory and waste water 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 SpA.

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 No. 71 and the premises in via Robiolio No. 34, owned by a real estate company, are no longer used by Successori Reda but the company has maintained the relative lease agreements so as to be able to use these premises in the future, should such need arise.
In particular, with regard to the premises in via Cavalieri di Vittorio Veneto, where the dyeing and finishing processes were carried out from the founding of the company in 1919 right up until the setting up of the departments in the current factory, all permits regarding emissions into the atmosphere have been transferred to the Regione Fornace area.

1.3. Activities carried out

production plant:textile activity

The following textile processes are carried out in the factory:

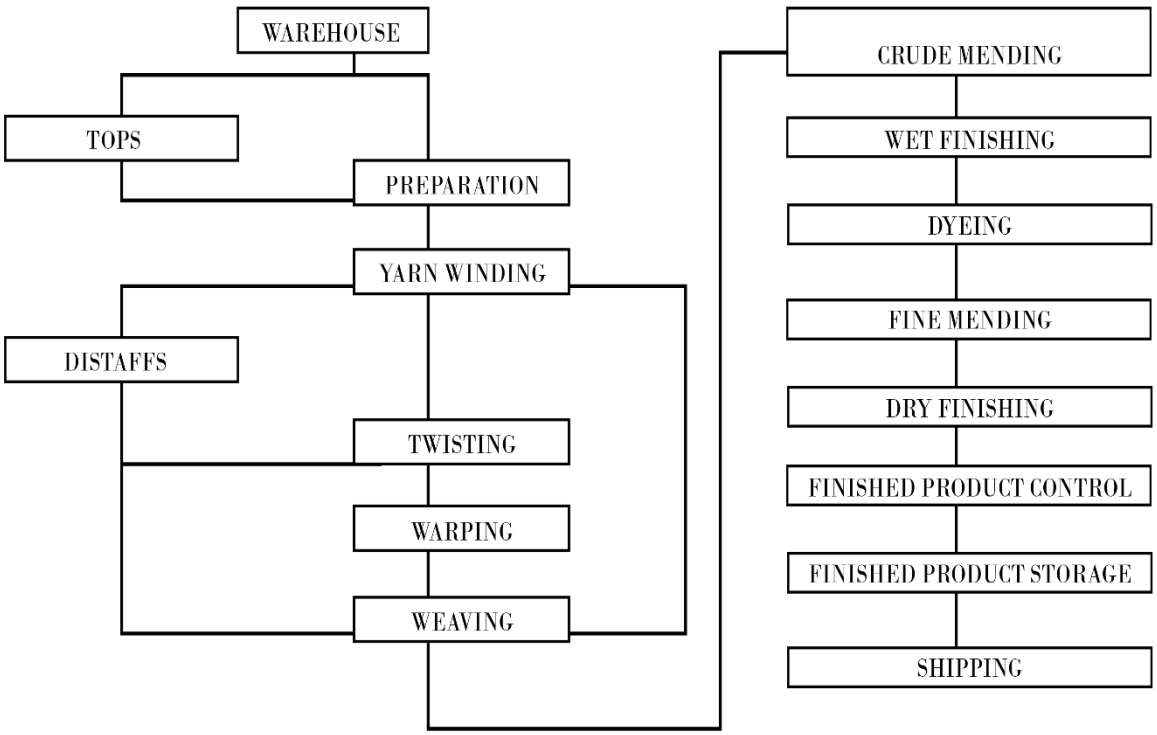
- physical-mechanical (preparation, yarn winding, twisting, warping, weaving, mending, dry finishing)
- chemical-physical (ennoblement: dyeing and wet finishing)

According to the following flow.

Wool washing and combing processes are outsourced

GENERAL FLOW DIAGRAM OF THE MANUFACTURING PROCESS

Combing (supplier)



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 conti-nuous 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.

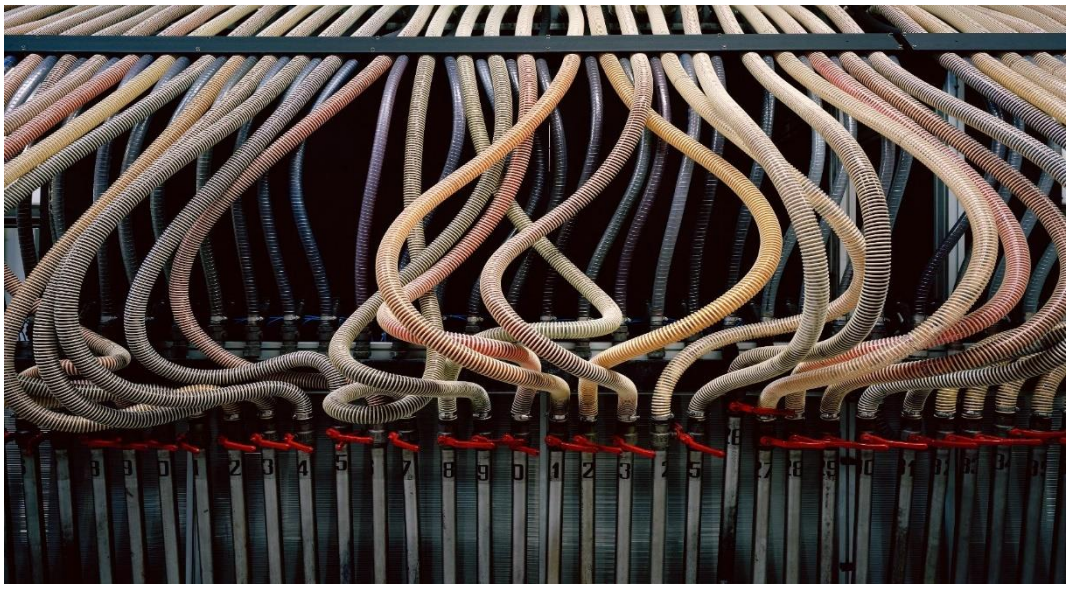
DYEING OF THE TEXTILE FIBRES (in tops, reels, bolts)

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) and a cooling phase.

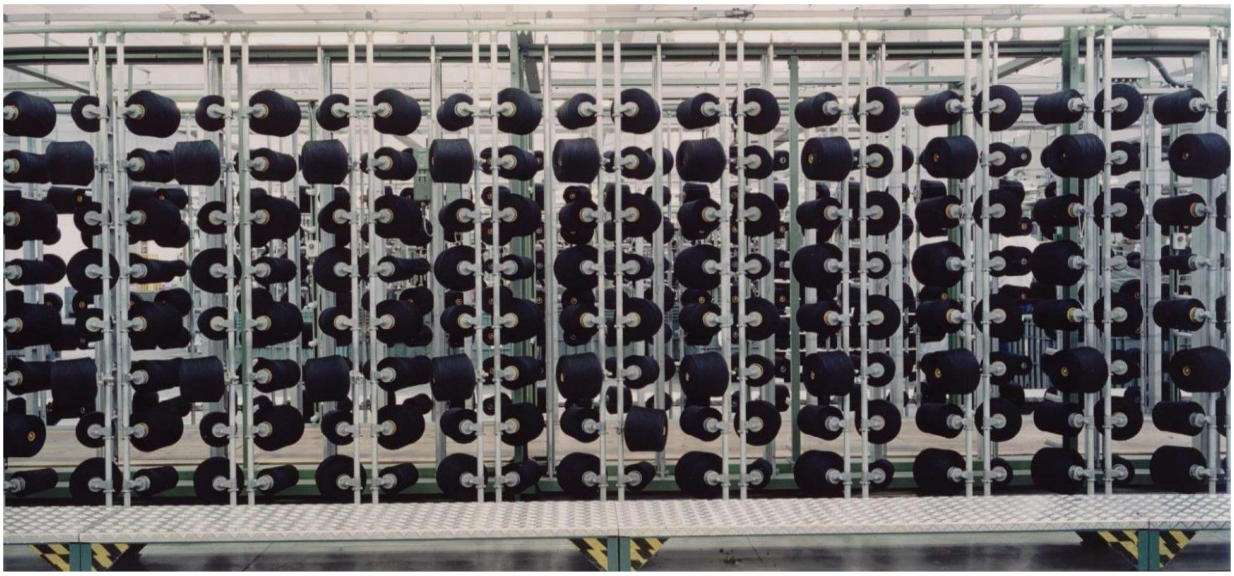
The aim of the first phase is to transfer the dye from the water bath to the fibre, the second to ensure the even distribution of the dye on the fibre and the last to permit discharging of the products.

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 dying 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.

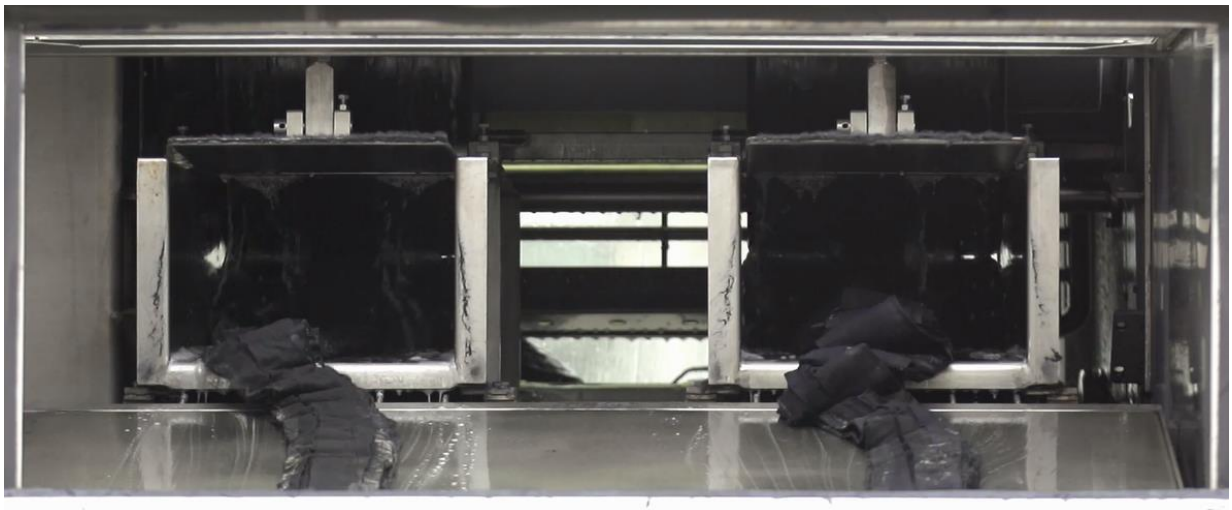
The operations in question may be subdivided into three groups consisting of washing-fulling, dyeing and finishing.

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.

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:

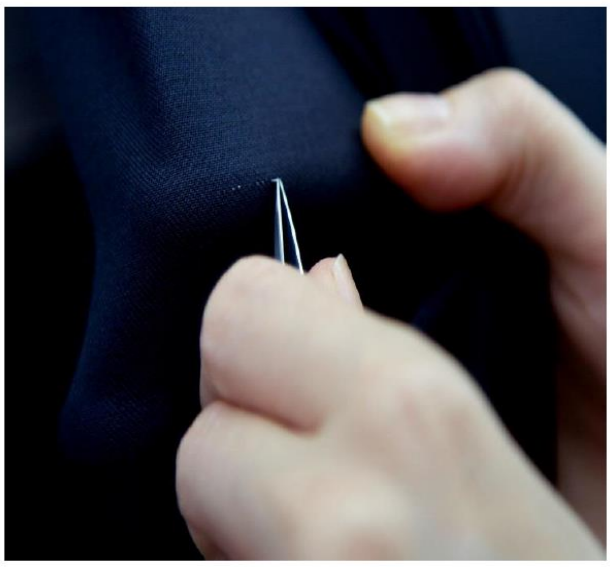
Flat coppers with the purpose of drying the fabric by maintaining it at a high temperature for a certain time previously fixed

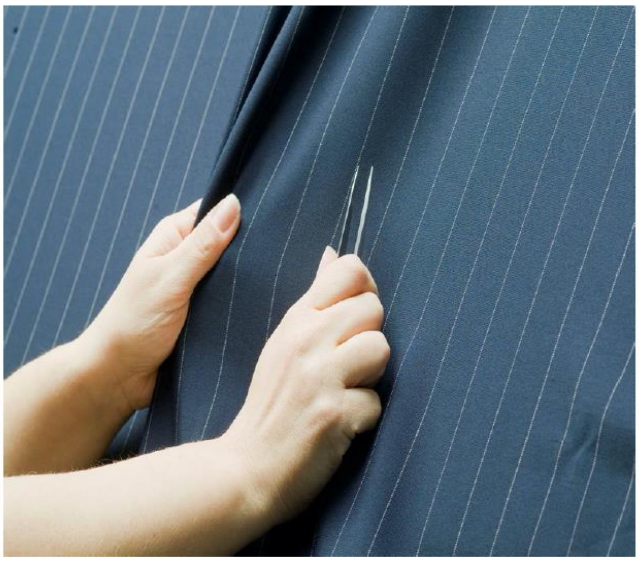
Decatising, whose processing is intended to give the fabric a compact and sustained hand to stabilize its size.

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.

Waste water purification plant

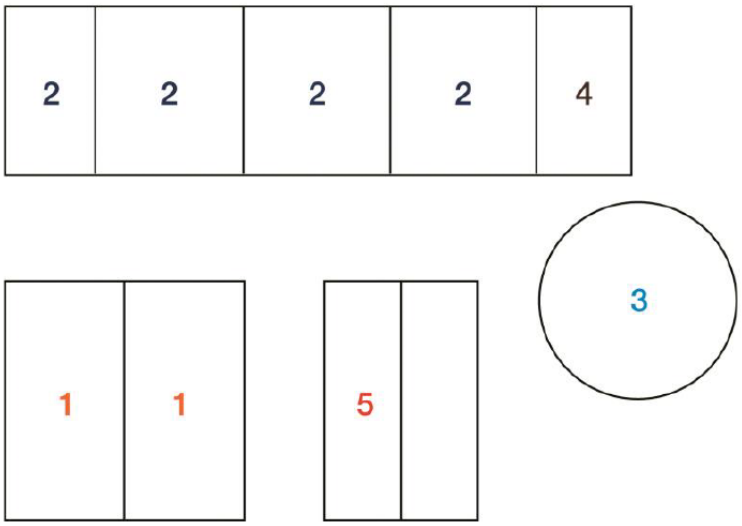
The new purification plant located adjacent to the factory that came into operation in the month of August 2004, was designed to guarantee the achievement of the following environmental benefits:

- Possibility to recover the discharged waste water 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).

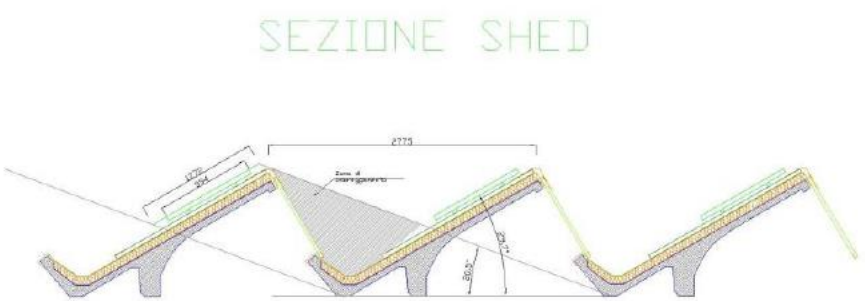
This treatment grants a superficial dump in the hydric body, without any dilution problems and a contemporary superior use of the recycled water in the factory.

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. Questo impianto (FTV2) produce energia che viene interamente venduta in rete.

This kind of application offers several advantages:

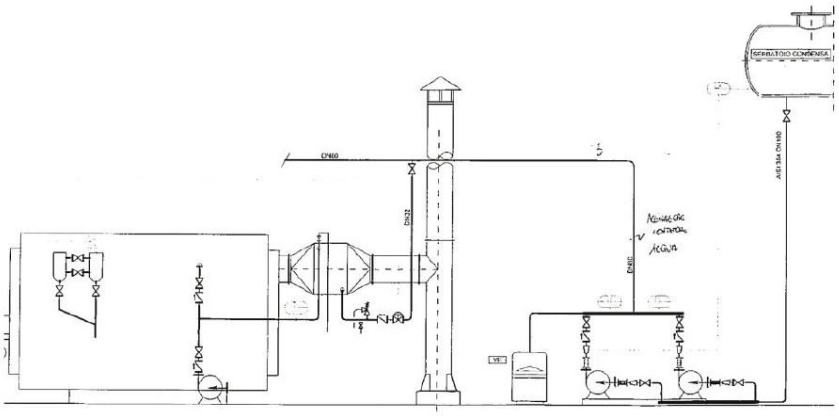
- Own electricity production (therefore less external consumption) for 550.000 kWh per year
- CO2 emission savings for a total of 406.60 CO2/year
- On-site electricity production and use and consequent saving on flow leaks over the amount of 215,000 kWh per year
- Electricity production in the middle 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 put into operation in the thermal power station permits a 7.5% reduction in the consumption of natural gas, thus reducing CO_2 emissions into the atmosphere (a decrease of approx.300 tCO_2 per year), through two different types of intervention:
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 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.

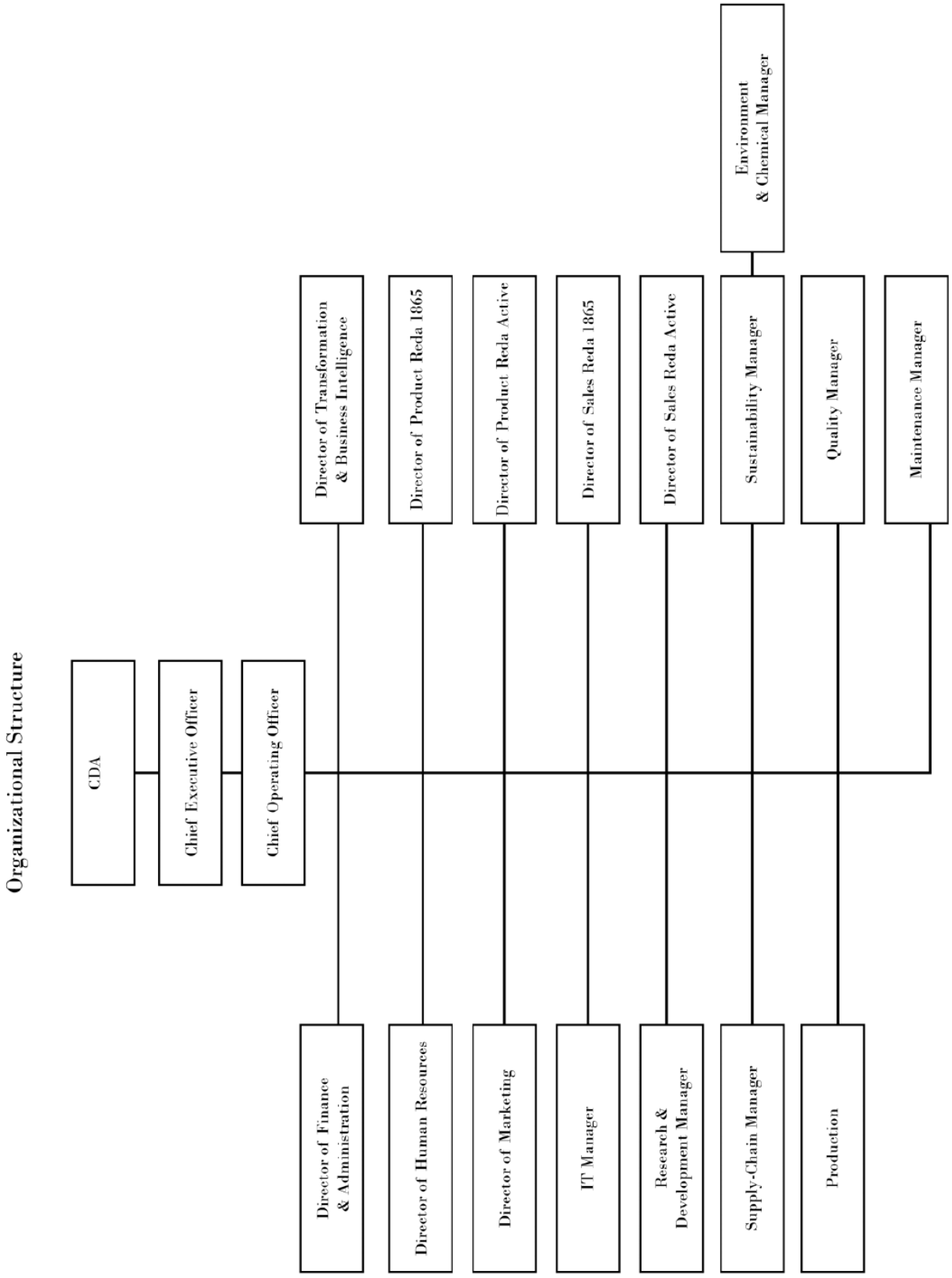
Staff

The company has 411 employees in the production plant of Croce osso, divided as follows:

- directors and executives no. 23
- office workers no. 87
- production workers no. 301

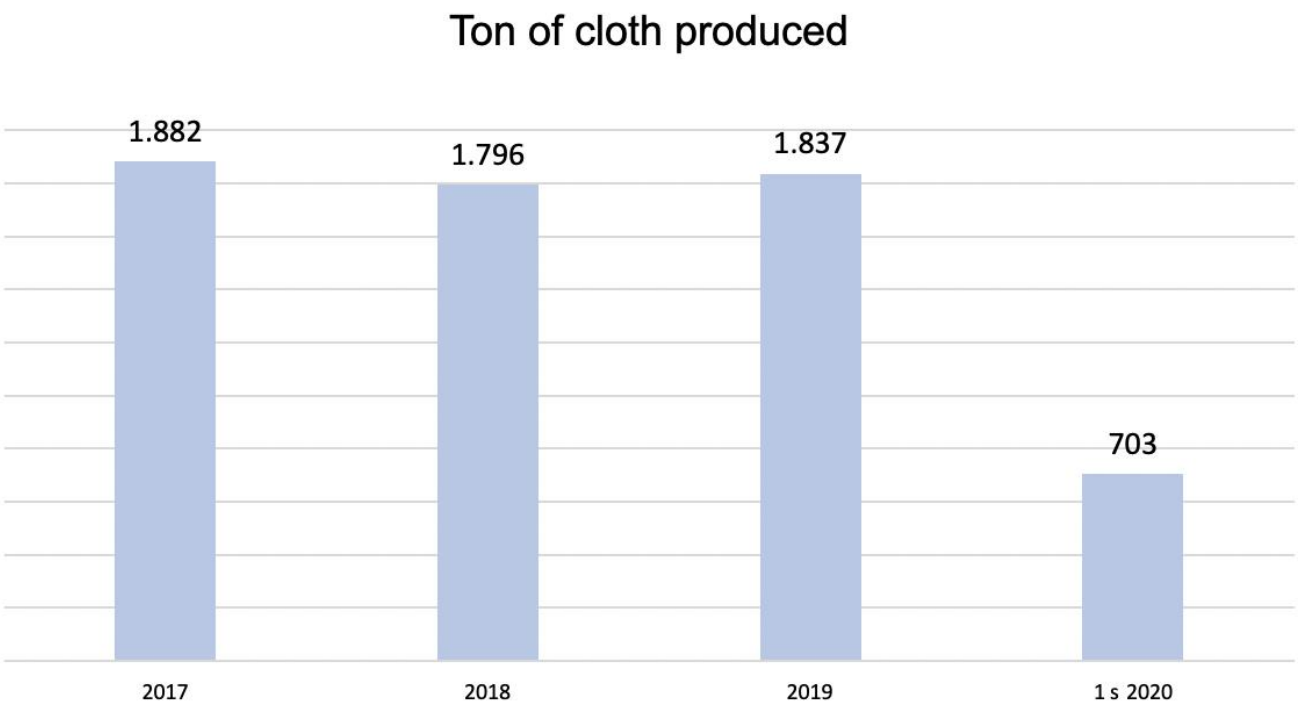
of which:

- 61 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
CDA
Chief Executive Officer
Chief Operating Officer
Director of Transformation & Business Intelligence
Director of Product Reda 1865
Director of Product Reda Active
Director of Sales Reda 1865
Director of Sales Reda Active
Sustainability Manager
Quality Manager
Maintenance Manager
Environment & Chemical Manager
Director of Finance & Administration
Director of Human Resources
Director of Marketing
IT Manager
Research & Development Manager
Supply-Chain Manager
Production

Production

The cloth production quantities are shown in the graph below:



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

ENVIRONMENTAL, HEALTH AND SAFETY POLICY

Our Mission:

As a leader of the textile industry, it is our duty to shape a better future for the next generations and do everything in our power to promote change through sustainable innovation, environmental awareness and social progress.

Protecting the environment and guaranteeing the health and safety of its employees are core values and key aspects of Successori Reda's activity, where daily efforts are made to ensure respect of conformity obligations, whether legal or voluntary. This implies constant updates, careful monitoring of norm applications and keeping up with other industry-specific requirements.

Attention towards its employees is a fundamental aspect of Reda's philosophy through actions of protection and prevention. In order to preserve the environment inside and outside its production facilities, Reda measures its ecological footprint and monitors every activity that may increase it.

Reda is especially active and attentive to all environmental aspects: from raw materials (through a careful selection of suppliers) to the production of finished fabrics. The company's commitment to promoting the supply and production of the highest quality wool translates into sustainable management of physical and natural resources.

The company informs, educates, trains and sensitizes all of its employees so that they are able to carry out their individual tasks in full respect of the environment while promoting health and safety in the workplace. Each and every one holds responsibility within their own area of competence, with particular emphasis on involvement, participation and consultation, further helped by dedicated security representatives.

Reda involves its entire corporate organization in order to promote its policy and ensure its transparency and efficiency by defining objectives that are clear to everyone.

The company makes day-to-day efforts to reduce the impact of chemicals that pose a threat to man and the environment based on the latest knowledge on the matter, while also managing, preserving and reducing the use of natural resources to the best of its abilities.

04/12/2019

3.ENVIRONMENTAL ASPECTS OF THE ACTIVITIES ENVIRONMENTAL PERFORMANCE

Introduction

The company activity, inasmuch 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

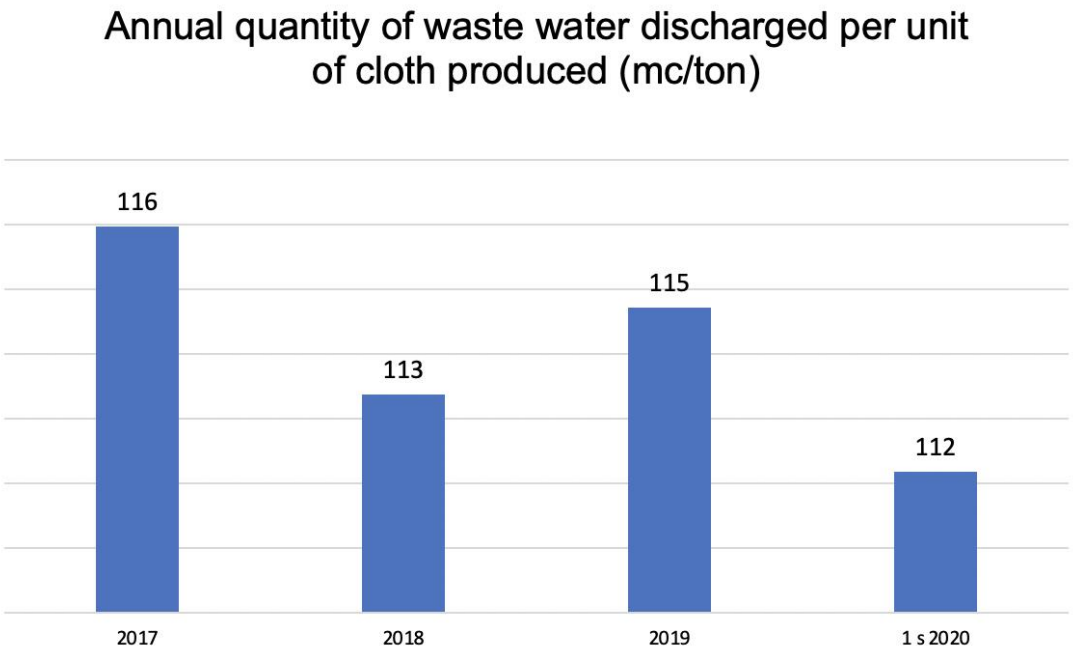
The water used in the Crocemosso factory is taken from aqueducts owned by the local authorities or by consortia, from surface waters and from wells, for the following purposes:

- production;
- toilet facilities;
- drinking (this is the part of the water drawn from wells and rendered drinkable by Successori Redi 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. 2955 of the Provincial Authorities of Biella, dated 07/08/2006 (expires 07/08/2021)
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:

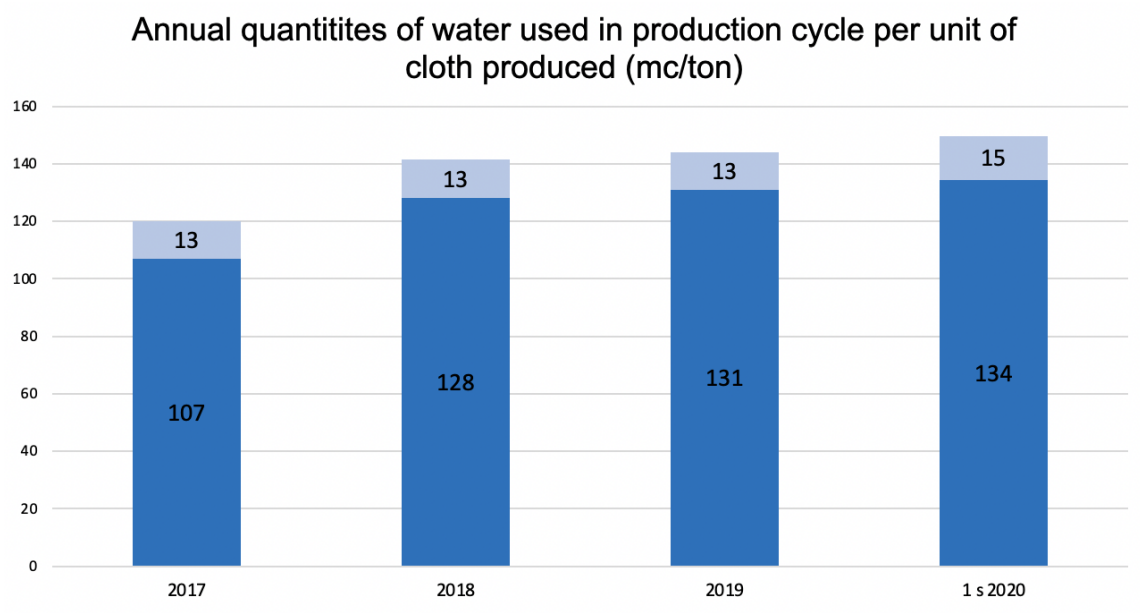
YEAR	QUANTITY OF WATER SUPPLIED M³			TOTAL
	Aqueducts	Surface waters	Wells	
2017	0	189.950	35.410	225.360
2018	0	206.441	47.558	253.999
2019	0	197.423	66.803	264.226
1 s 2020	0	70.151	35.091	105.242



Note: On 1 January 2005 we started recycling the purified water.

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

YEAR	QUANTITY USED M³		PARAMETER M³/Ton PRODUCT	
	Production cycle	Conditioning	Production cycle	Conditioning
2017	225.360	24.352	107	13
2018	229.830	24.169	115	13
2019	240.730	23.496	131	13
1 s 2020	94.538	10.704	134	15



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

The types of use are:

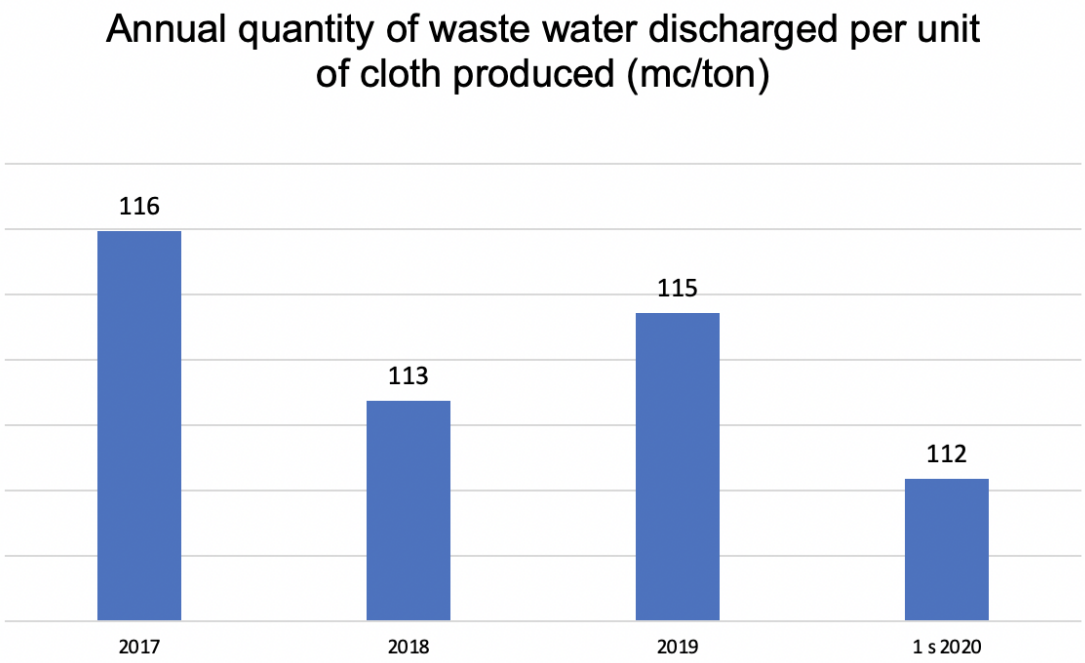
- industrial;
- wetting;
- drinking;
- various (osmosis/steam generators);
- evaporation.

3.1.2. Discharges

Successori Reda spa's 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).

YEAR	QUANTITY OF WASTE WATER M3	M³/Ton PRODUCT PARAMETER
2017	218.256	116
2018	203.620	113
2019	210.723	115
1 s 2020	78.862	112

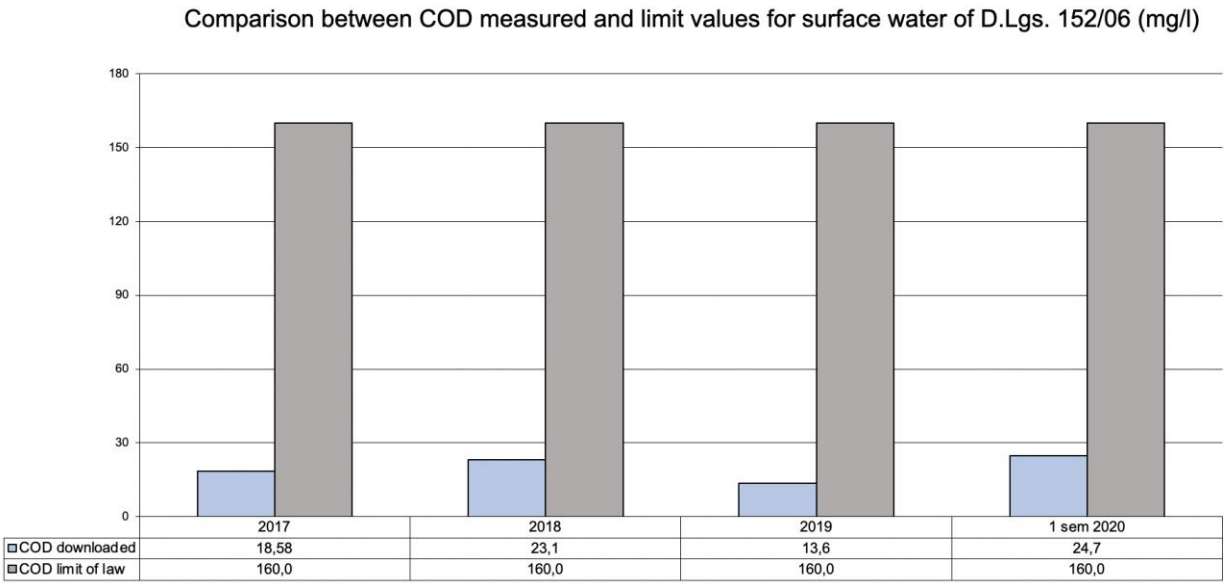


The table below shows the following:

- given the setting up of the water treatment system, the values of the emissions compared to the limits imposed by the law for discharges into surface waters, Legislative Decree D.Lgs. 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).

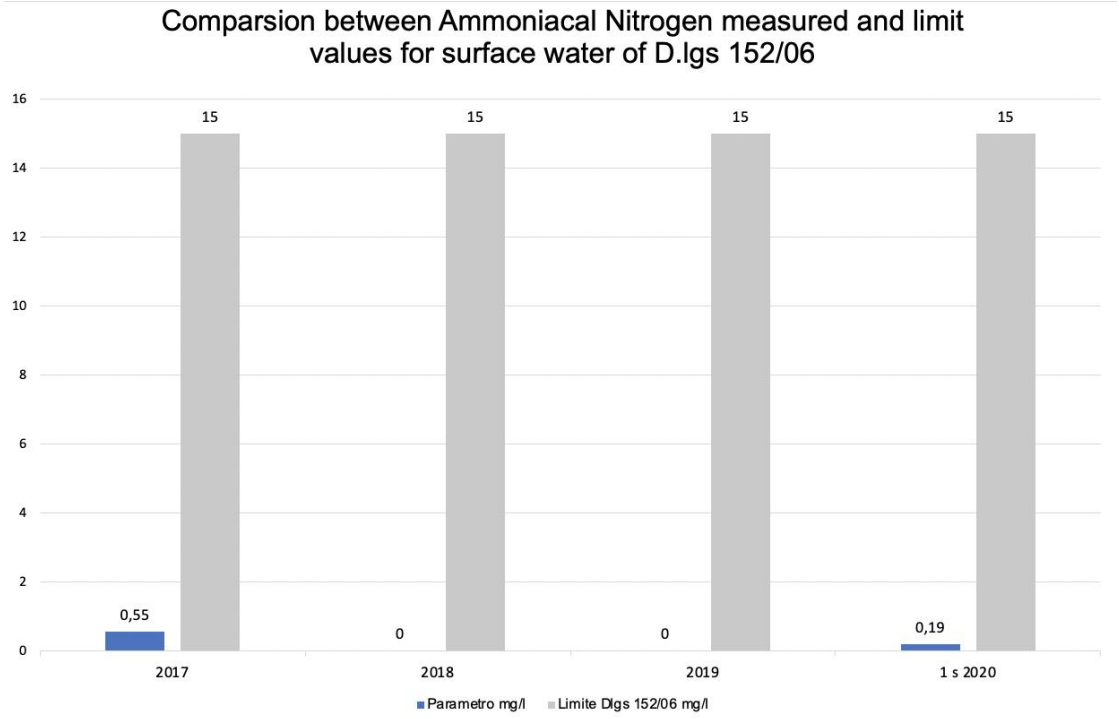
COD Parameter

YEAR	C.O.D. MEASURED (mg/l)	COD LIMIT (mg/l)
2017	18,58	160
2018	23,1	160
2019	13,6	160
1 s 2020	24,7	160



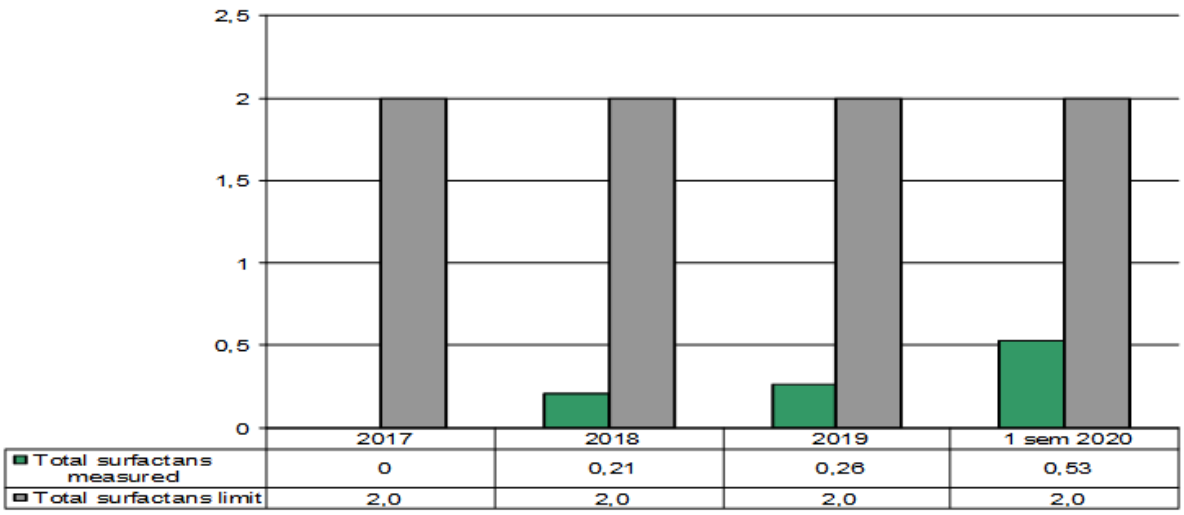
Ammoniacal nitrogen parameter

YEAR	AMMONIACAL NITROGEN MEASURED(mg/l)	AMMONIACAL NITROGEN LIMIT (mg/l)
2017	0,55	15
2018	0	15
2019	0	15
1 s 2020	0,19	15



Total surfactants parameter

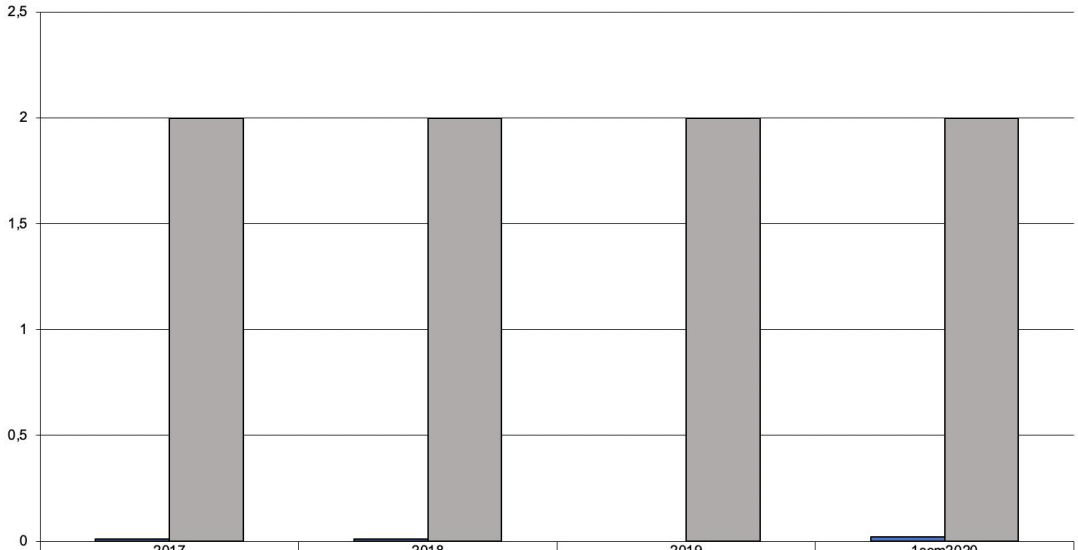
YEAR	TOTAL SURFACTANTS MEASURED (mg/l)	TOTAL SURFACTANTS (mg/l)
2017	0	2
2018	0,21	2
2019	0,26	2
1 s 2020	0,53	2



Chrome parameter

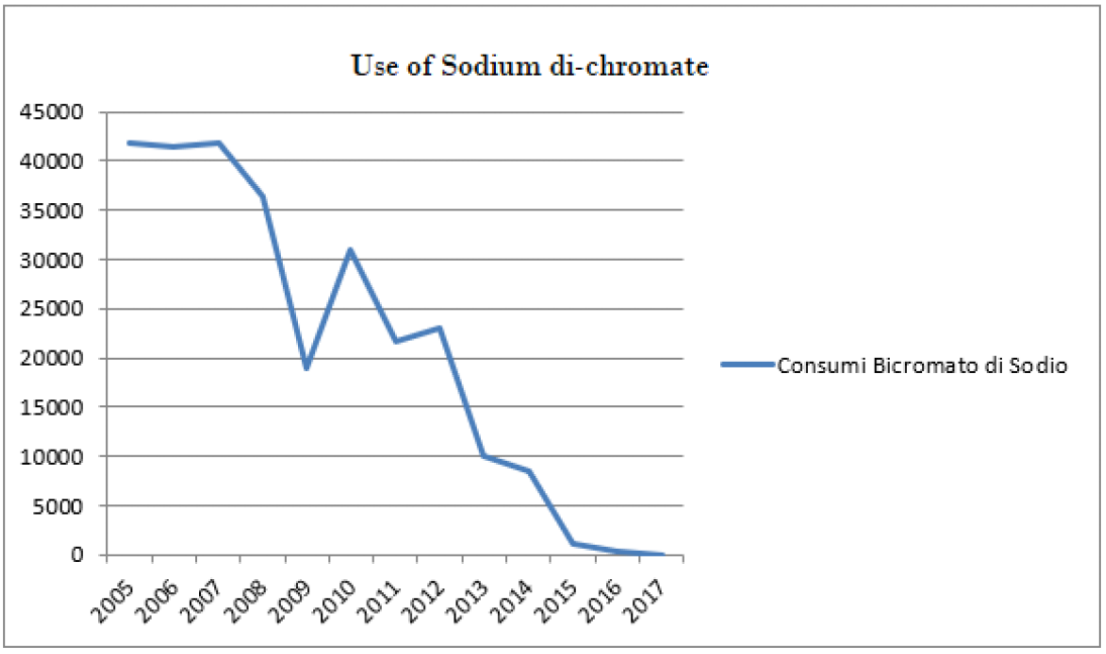
YEAR	CHROME MEASURED (mg/l)	CHROME LIMIT (mg/l)
2017	0,01	2
2018	0,01	2
2019	0	2
1 s 2020	0,02	2

Comparison between Chrome measured and limit values for surface water of D.Lgs. 152/06 (mg/l)



	2017	2018	2019	1sem2020
Total chrome measured	0,01	0,01	0	0,02
Total chrome limit	2,0	2,0	2,0	2,0

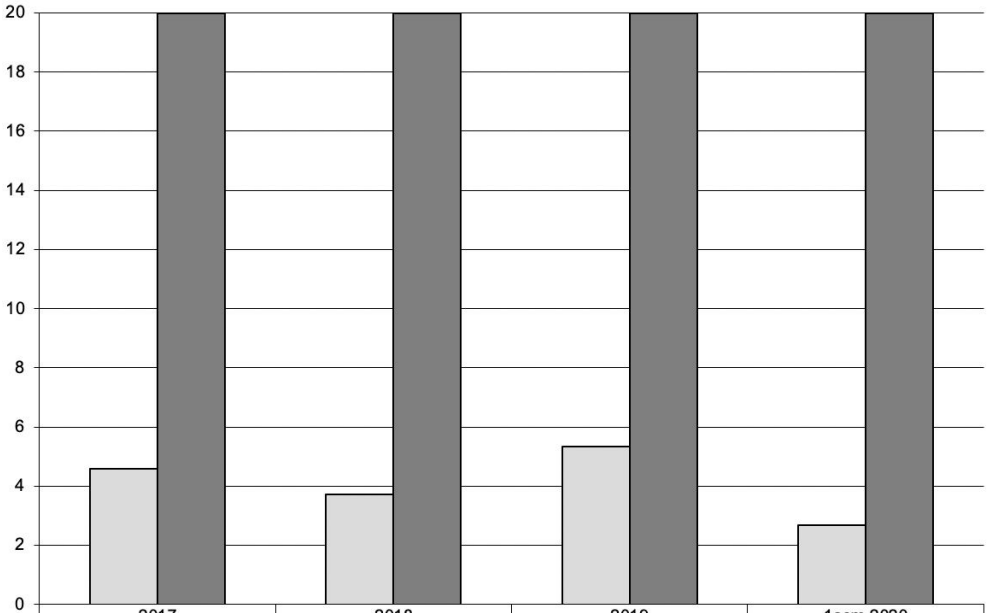
Note: a project focused on decreasing the use of sodium dichromate is underway in the company, which will conclude with the total elimination of this product.
The following table demonstrates the usage trends over the last 10 years.
In March 2017 dichromate sodium was permanently eliminated.



Nitric nitrogen parameter

YEAR	NITRIC NITROGEN MEASURED (mg/l)	NITRIC NITROGEN LIMIT (mg/l)
2017	4,58	20
2018	3,72	20
2019	5,35	20
1 s 2020	2,68	20

Comparison betweeb Nitric Nitrogen mesuared and limit value for surface water of D.lgs. 152/06 (mg/l)

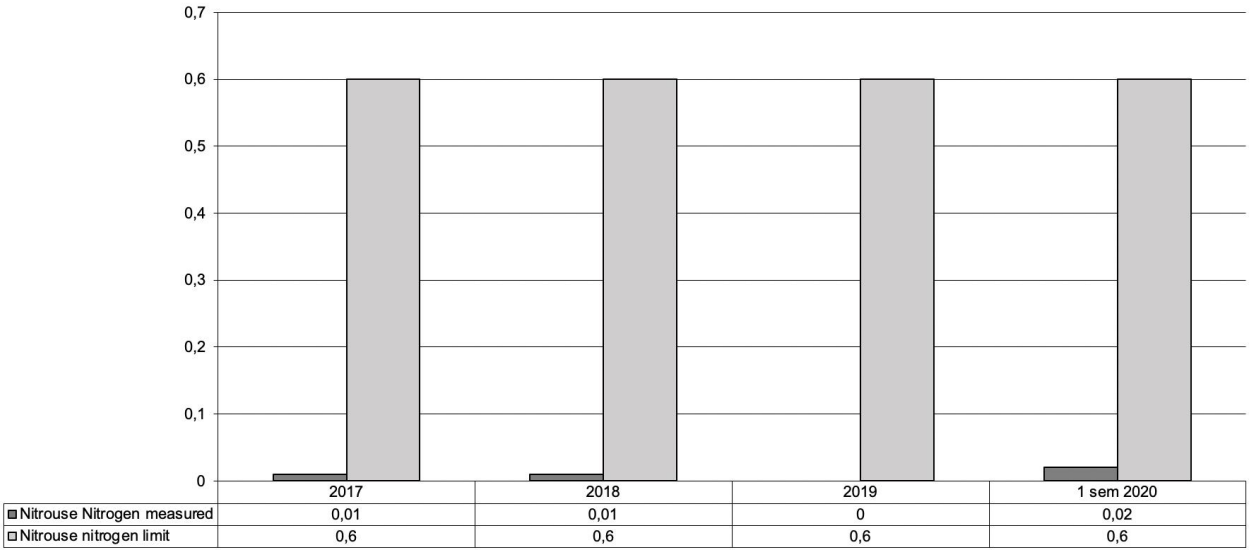


	2017	2018	2019	1sem 2020
Nitric nitrogen measured measured	4,58	3,72	5,35	2,68
Nitric nitrogen limit	20,0	20,0	20,0	20,0

Nitrouse nitrogen parameter

YEAR	NITROUSE NITROGEN MEASURED (mg/l)	NITROUSE NITROGEN LIMIT (mg/l)
2017	0,01	0,6
2018	0,01	0,6
2019	0	0,6
1 s 2020	0,02	0,6

Comparison between Nitrouse Nitorgen measured and limit values for surface water of D.lgs 152/06 (mg/l)

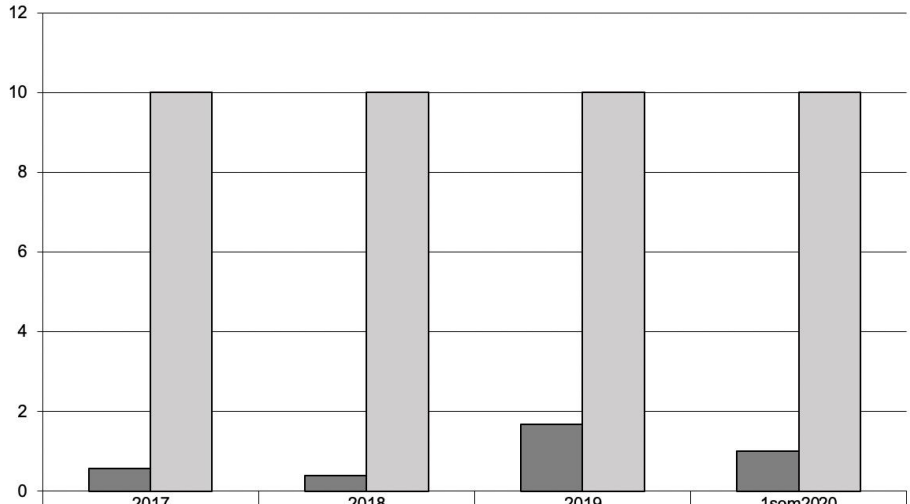


	2017	2018	2019	1 sem 2020
Nitrouse Nitrogen measured	0,01	0,01	0	0,02
Nitrouse nitrogen limit	0,6	0,6	0,6	0,6

Phosphorus parameter

YEAR	PHOSOHORUS MEASURED (mg/l)	PHOSPOHOURS LIMIT (mg/l
2017	0,58	10
2018	0,39	10
2019	1,68	10
1 s 2020	1	10

Comparison Total phosphorus measured and limit value for surface water of of law D.lgs. 152/06 (mg/l)

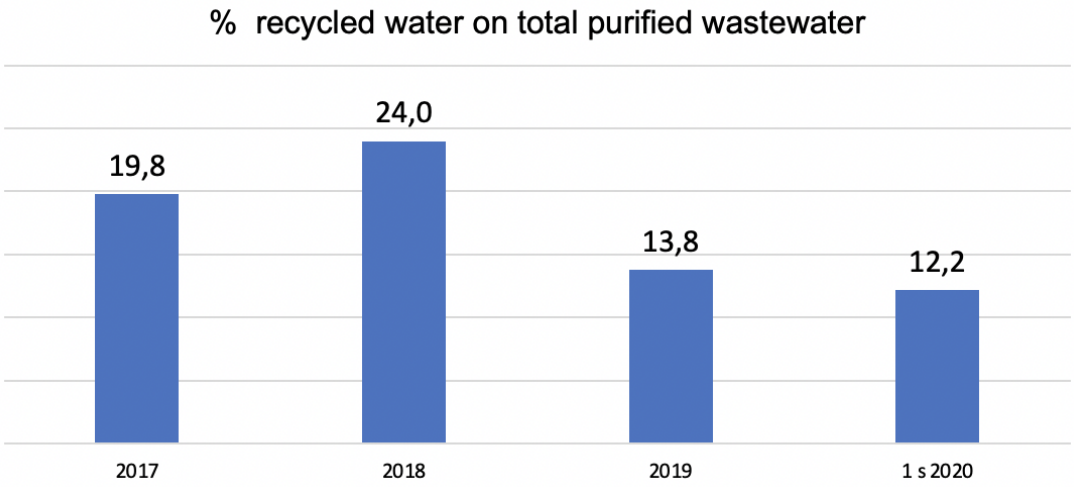


	2017	2018	2019	1sem2020
Total phosphorus measured	0,58	0,39	1,68	1
Total phosphorus limit	10,0	10,0	10,0	10,0

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 WASTE WATER M³	QUANTITY OF RECYCLED WATER M³
2017	218.256	53.799
2018	203.620	48.870
2019	210.723	29.079
1 s 2020	78.862	9.603



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 2019.

Point of emission	Description	Measured dust (mg/m³)	Dust Limit (mg/m³)	Measured SOT (mg/m³)	SOT Limit (mg/m³)
E2	singeing 2nd brushing	**1,6**	**10,00**	**2,6**	**20,00**
E3	1st washing tower	**3,2**	**10,00**	**1,1**	**50,00**
E4	2nd washing tower	**1,8**	**10,00**	**3,6**	**50,00**
E77	3rd washing tower	**1,9**	**10,00**	**4,3**	**50,00**
E83	knitwear washing tower	**6,1**	**10,00**	**4**	**50,00**

The next controls are planned for the second semester of 2020.

Below are the results of the samples collected from the heat generators in 2018 (annual sampling).

Point of emission	Description	NOx measured (mg/m³))	NOx limit (mg/m³)	Measured CO (mg/m³))	CO Limit (mg/m³)
E53	Heat generator 2	75	150	2	100
E55	Heat generator 3	100	150	2	100
E56	Heat generator 4	81	150	2	100
E57	Heat generator 5	76	150	2	100

Nota1: the next control will be performed in November 2020

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 services 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:
<u>incoming:</u>

- 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.

<u>outgoing:</u>

- 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

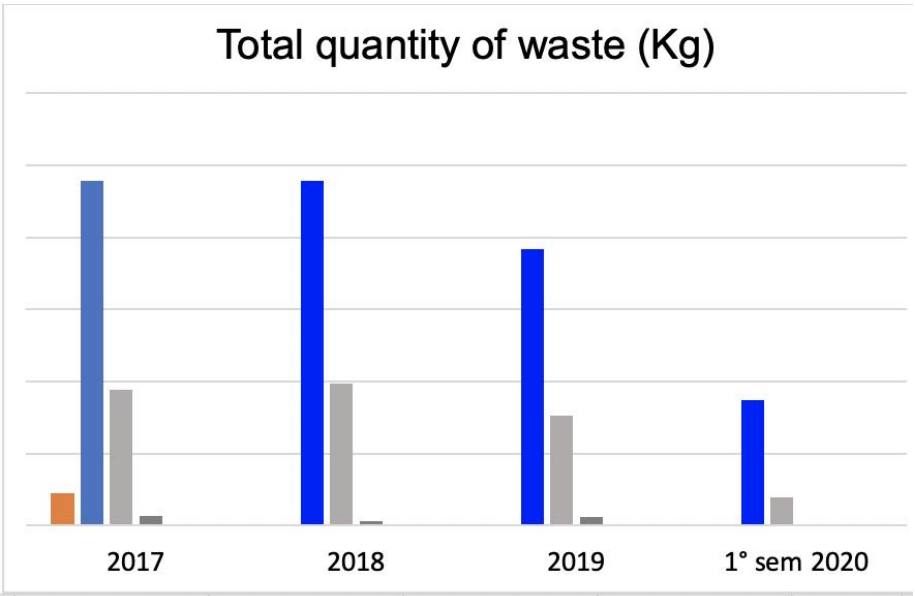
SUCCESSORI REDA SpA produces the following types of waste:

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:



	2017	2018	2019	1° sem 2020
Sludge	9.000	0	0	0
Packaging	95.755	95.755	76.735	34.920
Various	37.744	39.506	30.370	7.810
Olis	2.660	1.250	2.270	0
Solvents	0	0	0	0
Acids	0	0	0	0

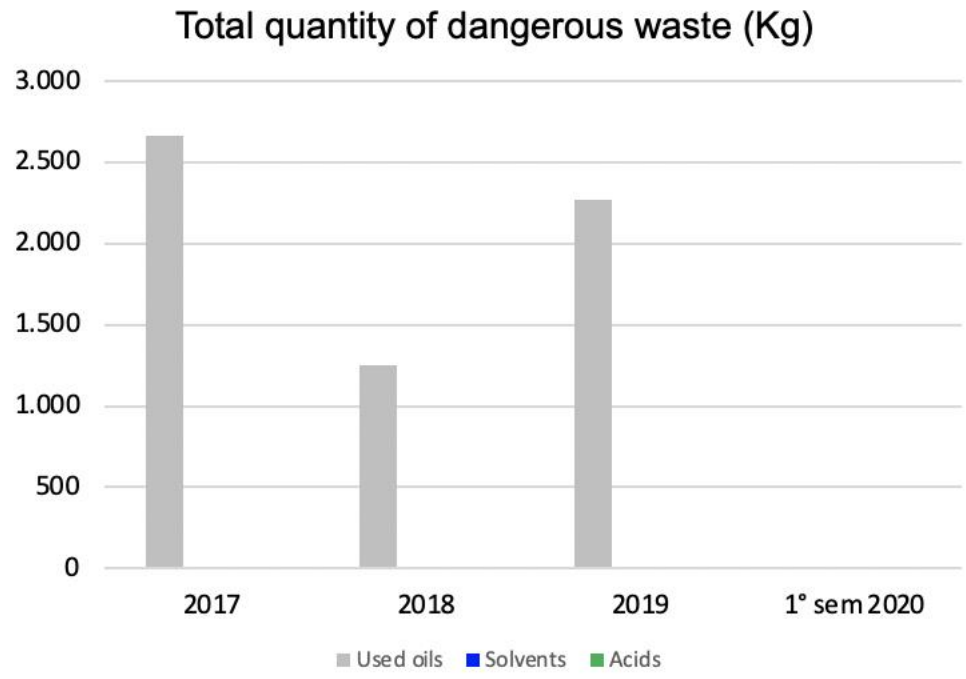
3.3.2. Dangerous waste

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:



	2017	2018	2019	1° sem 2020
Used oils	2.660	1.250	2.270	0
Solvents	0	0	0	0
Acids	0	0	0	0

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.

YEAR	Total quantities of dangerous waste	Quantities of dangerous waste/ cloth produced (ton)
2017	2660	0.0014
2018	1250	0.6959
2019	2270	0.0123
1 sem 2020	0	0

3.4. By-products

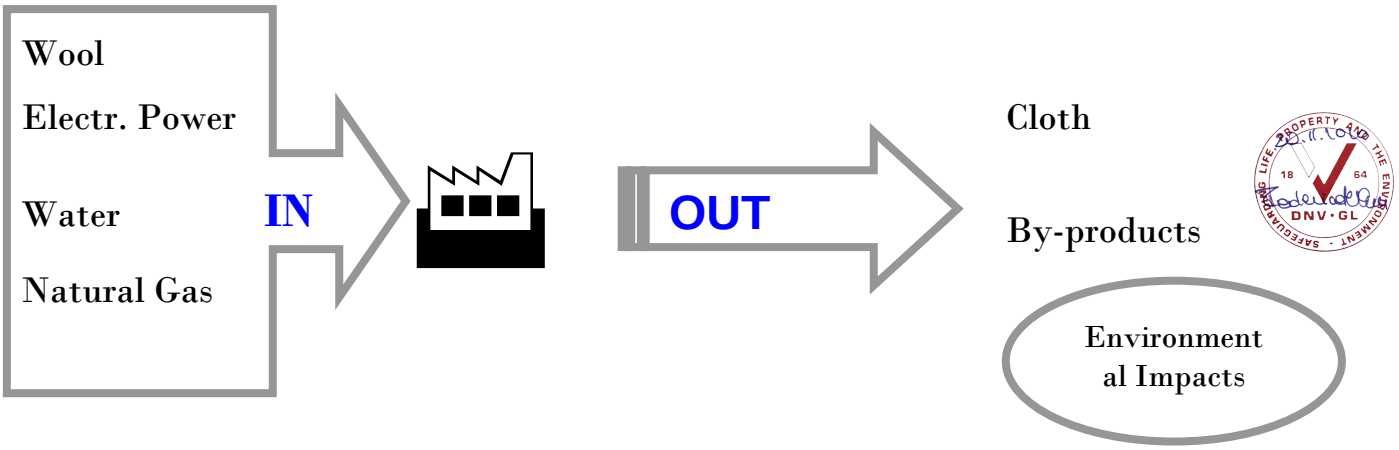
During wool processing, by-products of various kinds are produced which are collected and sold to third parties. They are not, therefore considered waste. They consist of:

- 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 2019 is equivalent to 220,195.8 kg, while for the first half of 2020 it is 92,773 kg.

3.5 Use of resources

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



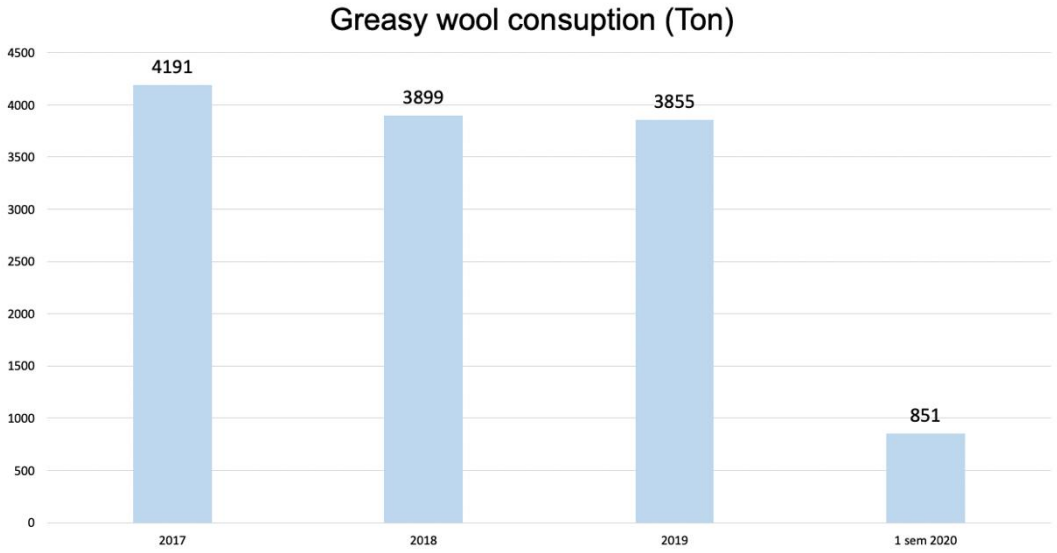
The consumption of natural gas and diesel are relative to:

- technological uses;
- running of the canteen;
- running of the emergency generator

The chemical agents used in manufacturing activities consist of dyes and auxiliaries, i.e. chemical products that facilitate the dyeing and finishing operations.

The data relative to consumption of resources is shown below:

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	BUILT-UP AREA M2	M2/Ton PRODUCT PARAMETER
2017	20.493	10,8
2018		11,4
2019		11,1
1 s 2020		29,15

Energetic Efficiency

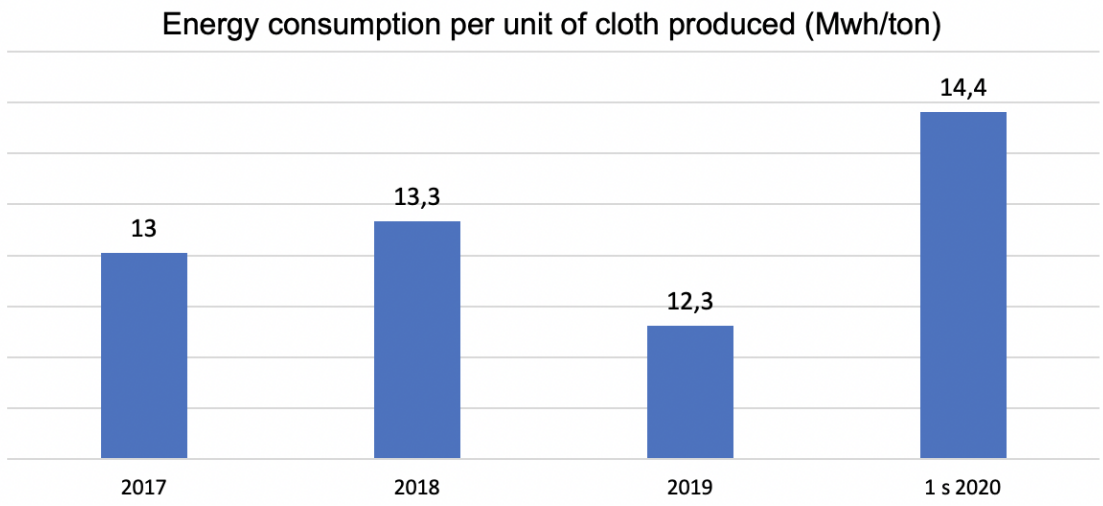
ANNO	TOTAL DIRECT ENERGY CONSUMPTION (GJ)		TOTAL CONSUMPTION OF RENEWABLE ENERGY (GJ)		INCIDENCE ON TOTAL CONSUMPTION	TOTAL PRODUCTION OF RENEWABLE ENERGY (GJ)		INCIDENCE ON TOTAL CONSUMPTION
2017	ELETTRICAL purchased+FTV1	89.092	Elettrical FTV1	840	0,46%	Elettrical FTV1+FTV2	2.236	1,23%
	THERMAL	92.371						
2018	ELETTRICAL purchased+FTV1	88.332	Elettrical FTV1	769	0,41%	Elettrical FTV1+FTV2	2.045	1,09%
	THERMAL	98.551						
2019	ELETTRICAL Purchased+FTV1	85.030	Elettrical FTV1	794	0,43%	Elettrical FTV1+FTV2	2.085	1,14%
	THERMAL	97.766						
1 sem 2020	ELETTRICAL Purchased+FTV1	37.219	Elettrical FTV1	427	0,53%	Elettrical FTV1+FTV2	1.144	1,41%
	THERMAL	43.820						

GHG Emission

YEAR	EMISSIONS FROM ENERGY	t of CO2eq	t of CO2eq/Ton PRODUCT PARAMETER	t of NOx eq	t of NOx eq/Ton PRODUCT PARAMETER	tons of PM10 eq	T t of PM10 eq/Ton PRODUCT PARAMETER
2017	ELECTRICAL only purchased	19.611	10.4	15.20	0.008	0,147	0.00008
	THERMAL	5.221	2.78	4.55	0.002	0,027	0.00001
2018	ELECTRICAL only purchased	19.485	10,73	14,95	0,008	0,145	0,00008
	THERMAL	5.483	3,05	4,78	0,002	0,028	0,00001
2019	ELECTRICAL only purchased	18.719	10,18	14,51	0,008	0,141	0,00007
	THERMAL	5.526	3	4,82	0,003	0,028	0,00001
1 s 2020	ELECTRICAL only purchased	8.176	11,63	6,34	0,009	0,061	0,00008
	THERMAL	2.477	3,52	2,16	0,003	0,013	0,00001

3.5.2 Electrical power

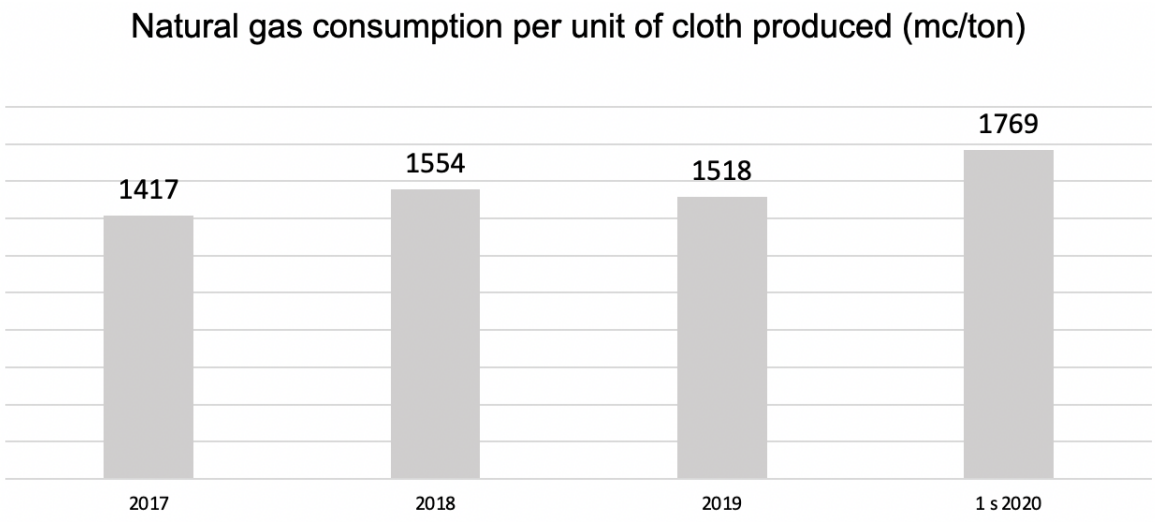
YEAR	CONSUMPTION OF ELECTICAL POWER Mwh	Mwh/Ton produced
2017	24.506	13
2018	23.951	13,3
2019	22.616	12,3
1 s 2020	10.127	14,4



I 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

3.5.3 Natural gas

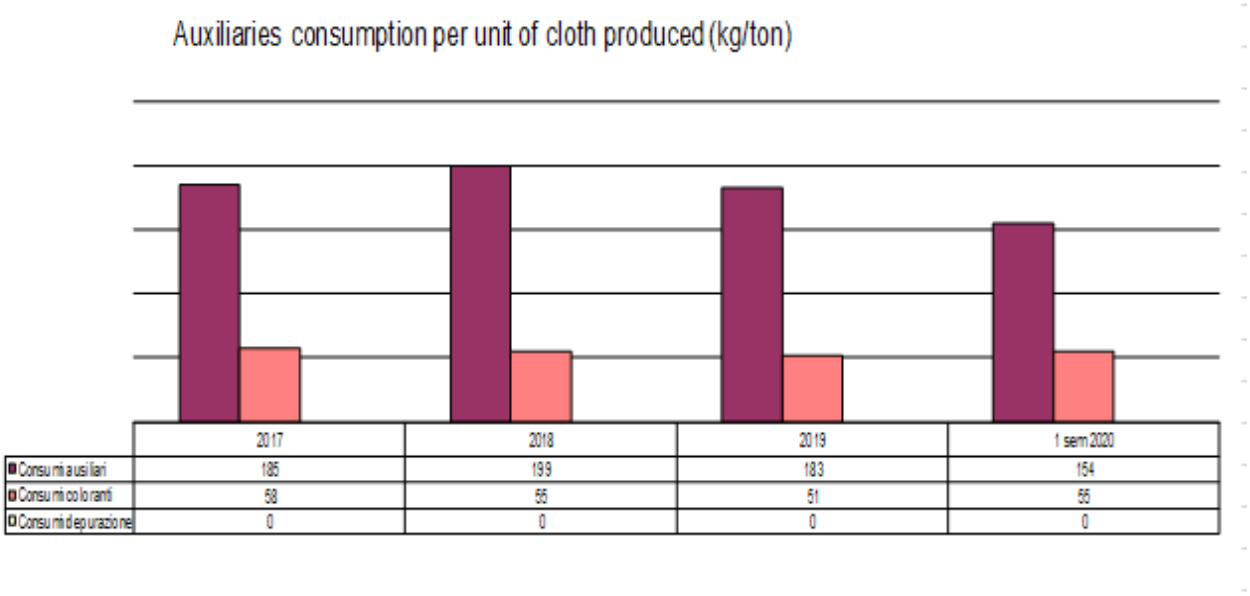
YEAR	NATURAL GAS CONSUMPTION cM	Mc/Ton produced
2017	2.667.290	1.417
2018	2.791.276	1.554
2019	2.788.307	1.518
1 s 2020	1.343.941	1.769



Note: The 2018 value is due to a peak in production that then decreased in 2019.

3.5.4 Textile auxiliaries and Dyes

YEAR	QUANTITIES USED			Kg/Ton produced		
	Waste water	Auxiliaries	Dyestuffs	Waste water	Auxiliaries	Dyestuffs
2017	0	348.390	108.966	0	69	57
2018	0	358.031	98.700	0	199	69
2019	0	335.819	94.427	0	183	51
1 s 2020	0	108.534	38.794	0	154	55



3.6 Fire prevention practice

The current situation is as follows:

CROCEMOSSO (procedure 17737):

CPI factory: renewal for expiration sent 04/06/2019 (expires 24/06/2024)

CPI new finishing: SCIA sent on 24/06/2019 (expires 24/06/2024)

VALDENGO (procedure 31571):

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

VILLA (procedure 105067):

3.7 New Investments

In 2018, the Reda Group bought Comero S.p.A., a historic full-cycle woolen mill based in Gattinara (Vercelli) specialized in the production of fabrics for menswear and womenswear. With facilities spread over 26,000 covered square meters, Comero has 140 employees, an annual production of 1.2 million meters and 15 million euros in revenue for the year 2017.

While the two companies remain separate entities, the common strategy is to join forces, competencies and technical skills so that each can benefit from the other's productive capacity and technological development. At the same time, Comero will be able to benefit from the new production technology and research & development activities carried out by the Reda Group.

B CORP

In 2020, Reda reached another important milestone by become the first textile company in Italy and one of the first worldwide to be granted the B Corporation certification, the most advanced international standard designed to measure the economic, environmental and social impact of participating companies.

The B Corporation certification is represented across 71 countries and 150 industries; it is granted by B Lab, a nonprofit international organization. To receive and keep the certification, companies must reach a minimum grade based on a structured questionnaire designed to analyze their environmental and social performance, as well as integrate their commitment towards Stakeholders in company documents. While 130,000 companies have applied, only 3,000 have managed to qualify for the certification.

Companies such as Reda that adhere to the B Corp scheme are committed to respecting the highest performance, transparency and responsibility standards with a view to make a positive impact on people and the enviromnent, beyond sole profit. Thanks to its constant efforts throughout the years, Reda has managed to qualify and be certified by promoting its numerous sustainable initiatives.

3.8 Noise

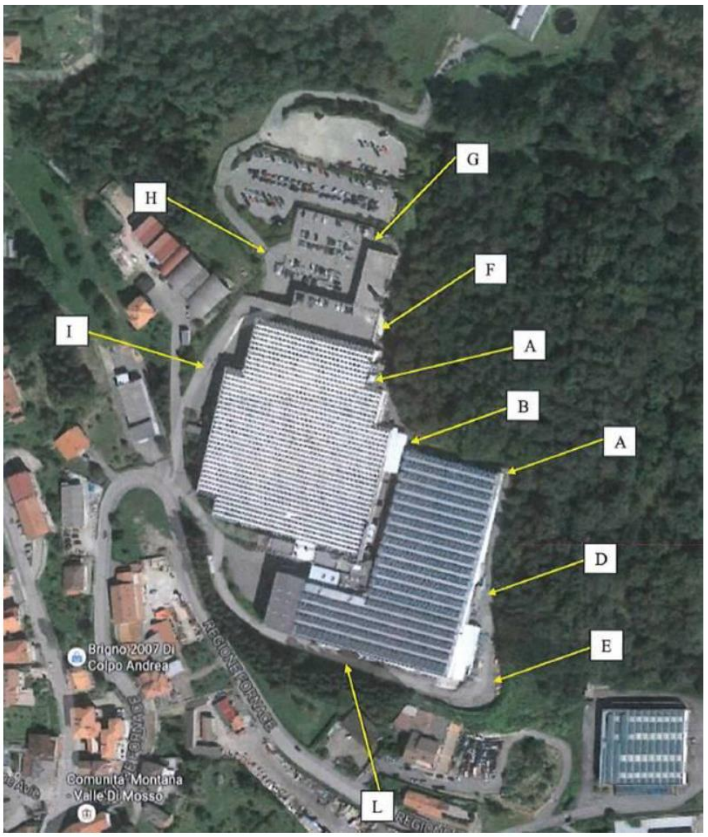
The main sources of **internal noise** come from the following departments:

- 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)		
	Time	Daytime	
	Day time	Daytime	Nighttime

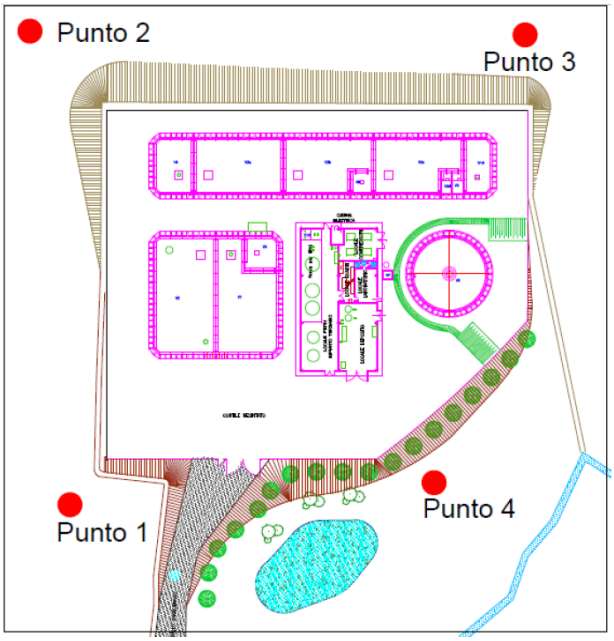
A	Finishing- Emergency exit	**59,9**	70	70
B	Corner of the building - Weaving	**65,0**	70	70
C	Corner of the building (2) - Weaving	**51,3**	70	70
D	Enclosure - emergency exit	**57,2**	70	70
E	Enclosure – internal courtyard	**49,2**	70	70
F	Enclosure – Thermal central and compressor	**63,3**	70	70
G	Enclosure – stock waste area	**51,1**	70	70
H	Parking - near hermal central and compressor	**54,1**	70	70
I	Entrance gate	**61,0**	70	70
L	Emergency exit	**50,9**	70	70

These parameters date back to 2016

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.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).

On 20/10/04, an external noise assessment was carried out relative to the purification plant area (report drawn up by the company EPA – Turin) according to the points marked on the map of the surrounding area.:



	Measuring Point	Noise level (Leq) Day time	Limits	
		Measured	Daytime	Nighttime
1	at purification plant entrance, left side	**46,2**	60,0	50,0
2	at upper left corner towards woodlands	**44,8**	60,0	50,0
3	at upper right corner of purification plant	**45,2**	60,0	50,0
4	at purification plant entrance, right side	**45,7**	60,0	50,0

The area is not affected by the traffic of the surrounding roads but the sound emissions generated by the purification plant which operates constantly, 24 hours a day, are predominant.
The measurements carried out during the day also apply to the nighttime.

- The municipalities of Valle Mosso and Trivero have completed the zoning pursuant to Italian Law 447/95. For both local authorities, the area was identified as "class III areas– mixed areas" according to table C of Prime Ministerial Decree DPCM 14/11/1997, the absolute limit values for which are:
  - dB(A) **60** in daytime (06.00 - 22.00) e dB(A) **50** in nighttime (22.00 - 06.00);
  - class IV areas of intense human activity
    dB(A) **65** during daytime (06.00 - 22.00) and dB(A) **55** during nighttime (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:

Tempo di riferimento diurno

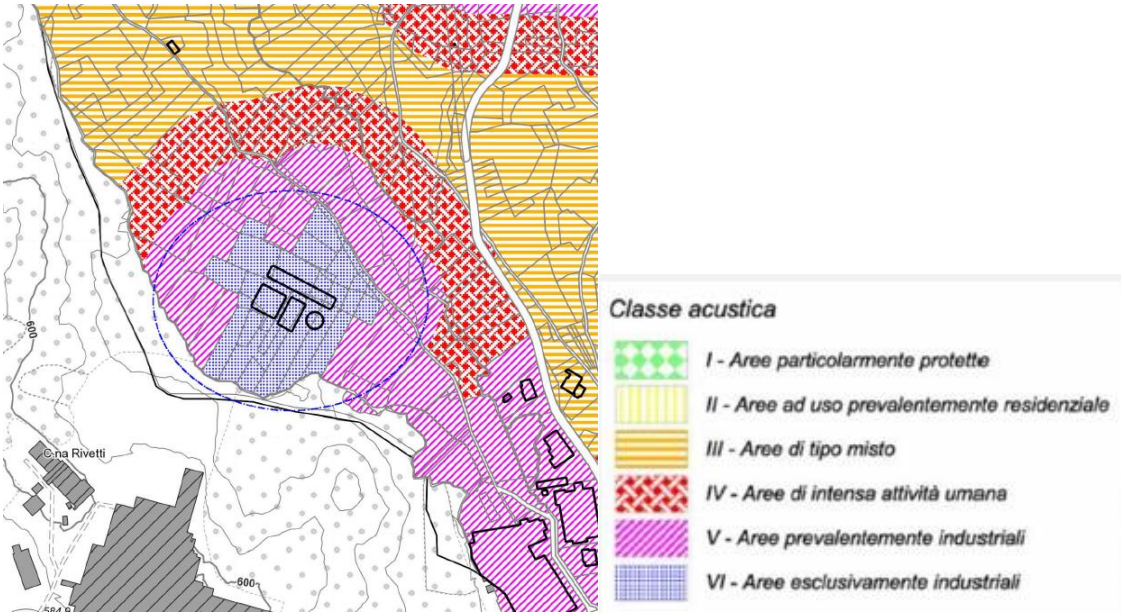
Ricettore	Livello equivalente previsto dB(A)	Limite di riferimento dB(A)	Verifica di conformità
P01	48,5	70	conformità
P02	49,0	70	conformità
P03	49,5	70	conformità

Tempo di riferimento notturno

Ricettore	Livello equivalente previsto dB(A)	Limite di riferimento dB(A)	Verifica di conformità
P01	48,5	70	conformità
P02	49,0	60	conformità
P03	49,5	70	conformità

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 A.R.P.A. 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.

This visit took place in July 2015, i.e. in the period in which the phenomenon was most likely to occur.

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 (OHSMS) in compliance with the standard BS OHSAS 18001:2007.

The driving force behind the OHSMS is the 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 maintains and updates an occupational health and safety programme which is periodically revised in the course of a meeting specifically dedicated to the management review and which allocates, for each task, financial, human and logistical resources as well as the most suitable equipment for the performance of the same. Thus responsibility for the achievement of the health and safety objectives is duly assigned to members of staff, the various tasks to be carried out for the achievement of each safety objective are indicated and the means and timescales within which the said objectives are to be completed are specified. The programme is, moreover, combined with specific personnel learning paths, which duly deal with the dissemination of the information and the coordination of supervision activities.

Special attention is dedicated to the management of the problems typical to contract work; through preliminary meetings, during which the works are planned and the specific risks of the work processes and workplaces are shared, interference risks are identified and all the necessary prevention and protection measures are implemented in order to eliminate them. A supplier database is, moreover, drawn up in which information, skills and specialisations are filed and which serves as a basis on which to formulate judgements of suitability.
A revision of the environment and safety system is underway in order to best integrate the documentation, in accordance with the new ISO 45001:2018 norm

4. INDIRECT ENVIRONMENTAL ASPECTS

4.1. Selection and handling of raw materials

The company has chosen to use exclusively pure wool from two areas (New Zealand and Australia) which are renowned for their optimal environmental and area management. Wool suppliers are selected by following the specifications defined directly by Successori Reda with a view to improving quality and yield; as a consequence, the environmental impact of the raw materials during production – particularly during the combing phases, which are outsourced - is limited due to the low content of extraneous substances to be removed (earth, plant residue).
During 2003 the Environmental Service Manager, in his capacity as the Italian delegate of IWTO (International Wool Textile Organisation), championed the campaign for **raw material awareness**, which concerned the use of recyclable and non-polluting packaging.
In order to reinforce its commitment to safeguarding the environment an agreement was reached during meetings with the representatives of the Merino New Zealand Company (a company which processes more than 85% of the wool produced in New Zealand) in 2009 for the exclusive purchase of raw materials from farms with the Zque "Ethical Wool" certification.
This accreditation, the first of its kind in the world, combines the natural performance of the fibre with a programme designed to guarantee respect for the environment, economic development and social responsibility, combined with animal well-being and the traceability of the wool supply chain from the farm to the companies that use it.
Similar to what was done in New Zealand, REDA, through New England wool, launched in March 2015 its accreditation scheme for Australian farmers called SUSTAINAWOOL. The basic philosophy is to promote the production of the best wool through sustainable management of physical and natural resources, respecting animal welfare and tracing the entire wool route.
After only 3 years, the certified farms are over 900. In July, REDA, through New England Wool, will transfer ownership of the SustainaWOOL scheme to the Australian Wool Exchange (AWEX). Thanks to this new ownership from an independent industrial institution, the scheme will be in a position to grow and be used by "ethical breeders" around the world.
In keeping with these principles, Reda has started making a line of technical clothing for outdoor sports using pure Merino wool with the project: Rewoolution is meant to highlight the total natural character of the fiber combined with high performances. The evolution of the initiative implies implementing sustainable production that allows to optimize the use of raw materials and energy, and avoid making unsold items.

The development of the initiative aims to achieve sustainable production that enables us to optimise the use of raw materials and energy thereby avoiding the production of non-purchased garments.
Moreover, in order to reduce its impact on product and consumer, REDA is implementing a system to reduce use of chemicals according to the ZDHC (Zero Discharge of Hazardous Chemicals) protocol. In order to respect the limits established by ZDHC, the company works with its supplies in order to purchase chemicals that contain fewer hazardous substances. Moreover, wastewaters are frequently tested to ensure those requisites are met.

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 environmentale contractual clauses for supplies of goods and services.

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.

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.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PROCEDURE: OBJECTIVES, TARGETS AND ENVIRONMENTAL PROGRAMME

Within the scope of the management review, particularly following the results of the environmental audits, of the update of the environmental aspects analysis or, in the case of projects regarding new developments / activities / products /services or major amendments to the same, the objectives may be revised.

OBJECTIVES ACHIEVED BY THE ENVIRONMENTAL MANAGEMENT SYSTEM IN EARLIER PERIODS

examination period by 01/2012

OBJECTIVES	GOALS	IMPLEMENTATION DATE	RESOURCES	ACTION PLAN
Reduced resource consumption: methane	Emission of preheated air new flat stenter	01/2014	To be defined	Insert heat recuperation system on new machine
	Improve combustion parameters by increasing meters processed per cubic meter consumed by 25%	12/2014	€ 400.000	Replace singeing machine
Information / Awareness Employees - Suppliers – Community	Environmental policy disclosure	Continuous	Internal resources	School visits + delegations
	Creation of computerized archive	12/2012	Internal resources	Insert pages in Emas link
	Awareness of environmental impact via EPD	01/2019	€25.000	Study LCA and establish EPD
	Knowledge and ease of finding procedures	02/2020	Internal resources	Insert procedures on MyDear intranet
Fewer diffuse emissions	Implement closed circle color dissolution operations	12/2013	€ 150.000	Replace color dissolution system
	Eliminate vapors from wastewater discharge from color department	12/2013	€ 4.000	Install piping system
	Eliminate vapor emission in the environment	06/2015	€ 130.000	Purchase of tub for pressure dyeing
	Localized welding fume absorption	06/2015	€ 1.200	Purchase of portable vacuum cleaner for welding department
	Eliminate exhaust fumes from hydrocleaning machines	12/2015	€ 2.600	Move hydrocleaning machine
Reduced resource consumption: electrical energy	Use of new technological solutions	12/2012	To be defined	Replace oven on calendering machine
		12/2012	To be defined	Replace decatizing machine
		12/2013	€ 200.000	Modify spinning machine
		12/2015	€ 680.000	Create new compressor station
		12/2015	€ 48.000	Replace engine headers on finishing machines

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		12/2013	€ 200.000	Modify spinning machine
		12/2015	€ 680.000	Create new compressor station
		12/2015	€ 48.000	Replace engine headers on finishing machines

	Optimization of lighting management	06/2012	Internal resources	Define new lighting control plan for department in charge of repair and raw and finished control
		12/2013	Internal resources	Define vacuum cleaner control plan with anemometer
		12/2013	To be defined	Use LED lightbulbs for emergency lighting
		12/2014	Internal resources	Conduct study to replace spinning department system with LED technology
		12/2016		Create a LED-based system for preparation, spinning and dyeing departments
		12/2018		Redo installation in twisting department
		08/2019	Internal resources	Create a LED-based installation for warping department
		12/2019	Internal resources	Create a LED-based installation for mending department
	Decrease air-conditionning consumption in spinning department by 70%	02/2015	€ 250.000	Replace installation management system
		08/2016		Replace air conditioning system in twisting department
		08/2016		Replace weaving machine management system
	Use more advanced technological solutions	12/2018		Replace air conditioning system in weaving department for expected 40% decrease in consumption
Fewer atmospheric emissions	Reduce NOx quantity in thermal power station combustion	12/2013	To be defined	Change a burner to reduce emissions by 50% and replace remaining nozzles
		12/2014		Modify 4 remaining burners to reduce emissions by 40%
		12/2017	Internal resources	Study and evaluate new "cascade" management system
	Use hybrid vehicles for corporate travel	12/2016	€ 35.000	Purchase of two cars
	Improve quality of emissions from finishing towers	08/2018	To be defined	New management program with instant measurements


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Prevent soil/subsoil pollution from the disposal of chemicals	Prevent infiltration in dyeing department flooring	12/2013	€ 13.000	New flooring
	Prevent dripping	12/2013	€ 1.500	Create metering pump system
	Replace chrome-based dyes with other types	12/2013	Internal resources	Pursue study on new dye formulas to reduce consumption from 23,000 to 10,000 kgs per year
		03/2017	Internal resources	Completely eradicate product use
	Improve chemical storage area	12/2013	Internal resources	Organizational changes to auxiliary arrival grill areafinishing deparment
Improve quality of reflux towards surface water bodies	Eliminate dye residue	06/2012	€ 90.000	Create ozone processing system
Prevent soil/water/atmospheric pollution from waste storage	New logistical measures for storage area	12/2014	Internal resources	Estimate potential alterations
Prevent soil/water/atmospheric pollution from the disposal of recyclable materials	Eliminate machines that contain R22 gas	12/2015	See above	Create new compressor station
	Reduce number of transportations	12/2016	Internal resources	Estimate shredding/compacting system for polyethylene waste
Improve management control of Environment and safety system	Software for deadline and procedure management	12/2015	€ 50.000	Purchase, customization and installation of software
Reduced resource consumption: water	Increase percentage of recycled water use	12/2015	Internal resources	Optimization of ozone system and evaluation of new potential uses
		12/2017	Internal resources	Create pilot installation to further lower chloride levels in reflux and evaluate new potential uses
	Use more advanced technological solutions	12/2018	To be defined	Replace air conditioning system in weaving department for expected 60% decrease in consumption
Reduced resource consumption: methane	Replace existing machines with more advanced technical solutions	12/2018	To be defined	Replace steam stenter with gas stenter for expected 9% decrease in consumption per produced unit

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.
In particular, in order to be qualified as an internal auditor, the trainee involved must be shadow-trained by external auditors for two years, during the scope of which training two audits will be carried out at the factory and a further two audits at third party companies totalling an overall training period of 20 working days. Additionally, the trainee must enrol in a specific training course conducted by the EMS certifying body, and pass the same.
The most important environmental aspects are highlighted in the following table. It is important to point out that no aspects classified in category A are involved (significant environmental aspects that can be selected for defining objectives and short-term goals);

Activity/ department	Environmental ASPECT	Environmental IMPACT
All	Use of water in technological/domestic cycle	Consumption of water resources
Dyeing of tops and reels	Dyeing: production of industrial water waste: breakage/leakage of Valle Mosso pipeline	Contamination of soil, groundwater
Dyeing of tops and reels	Dyeing plant activities: production of industrial water waste: breakage/leakage of pipelines and/or vats	Contamination of soil, groundwater
All	Use of electrical power in the plants	Consumption of electrical power
All	Production of solid waste/mud	Disposal
Dyeing of pieces	Dyeing plant activities: production of industrial water waste: breakage/leakage of pipelines and/or vats	Contamination of soil, groundwater

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 2006, the A.R.P.A. department of Biella requested an integrated control of all the environmental aspects of the company, with positive results.

In the year 2007, the company was selected, as part of the regional plan of the textile sector, for monitoring of the airborne pollutants suspected of having a sensitising effect on the health of the workers. The company is currently awaiting the results on the samplings taken in cooperation with the A.R.P.A. department of Turin and the local health unit.

In the course of 2009, the A.R.P.A. department of Biella carried out sampling of the tos parameter on the finishing towers, and full observance of emission limits was confirmed.

Training initiatives

The company has hosted visits from schools on numerous occasions (from primary school to technical institutes to universities). It has expressed its willingness to offer internships to students from all schools falling within the textile category in the Biella area, in some cases stipulating specific agreements (ITIS, Texilia, Salesian Institute etc.) which offer the possibility of study grants.

In particular in the month of may 2006, the company sponsored the "Aziende Aperte" (Open Companies) initiative proposed by the young entrepreneurs of confindustria and SMI (Italian Federation of Textile

and Fashion Companies), which provided for the opening of the factory to the public, in order to demonstrate the number and kind of opportunities the sector was able to offer and to attract the people of the territory, especially young people, to the world of textiles. The day was a great success with over 140 persons choosing Successori Reda as a standard bearer of this evolution
In particular, in the course of the year 2008, it supported the project "Andar per lane" (Going for wool) promoted by the association *Piccola Fata* (Little Fairy) with a view to recovering the territory's cultural identity, especially as regards the long wool tradition that has always been, historically, its main common characteristic and distinguishing feature. The project itself took place over the course of 2008 and 2009 during which time the factory was visited by schoolchildren.

At the end of March 2016, the company was involved in the "FAI Days" initiative in collaboration with the Italian Environmental Fund. During the weekend the company remained open to the public, with guided tours by staff working in the various departments. The initiative was a great success as the site was the most visited in the Province with about 1000 visitors.

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 the 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 the 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.

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 s.r.l
Via Energy Parck, 14
20871 Vimercate (MB)
Accreditation No. 009P-rew 00-Cod.EU n°IT – V003

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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