



## DISCLOSURE MATERIALS

Certified B Corporations must complete a Disclosure Questionnaire to identify potentially sensitive issues related to the company (e.g. historical fines, sanctions, material litigation, or sensitive industry practices).

This component does not affect the company's score on the B Impact Assessment. If the company answers affirmatively to any items in the Disclosure Questionnaire and B Lab deems them to be material, the company must:

- 1) Be transparent about the disclosure issues identified on the company's public B Impact Report
- 2) Describe how the company has addressed this issue.
- 3) Demonstrate that management systems are in place to avoid similar issues from arising in the future.

In all cases, the Standards Advisory council reserves the right to refuse certification if the company is ultimately deemed not to uphold the spirit of the community.

In addition to the voluntary indication of sensitive issues in the Disclosure Questionnaire, companies pursuing Certification also are subject to background checks by B Lab staff. Background checks include a review of public records, news sources, and search engines for company names, brands, executives/founders, and other relevant topics.

Sensitive issues identified through background checks may or may not be within the scope of questions in the Disclosure Questionnaire, but undergo the same review process and are subject to the same possible review by the Standards Advisory Council, including ineligibility for B Corp Certification, required remediation, or disclosure.

**This document contains a copy of the company's completed Disclosure Questionnaire and related disclosure documentation provided by the company.**

## DISCLOSURE QUESTIONNAIRE

Company Name: Mafado  
 Date Submitted: 07/04/2022

| Industries & Products   | Yes | No |
|---|-----|----|
| Please indicate if the company is involved in production of or trade in any the following. Select Yes for all options that apply. |     |    |
| Animal Products or Services   |     | ✓  |
| Biodiversity Impacts  | ✓   |    |
| Chemicals   |     | ✓  |
| Company Explanation Of Disclosure Item Flags  |     | ✓  |
| Disclosure Alcohol  |     | ✓  |
| Disclosure Firearms Weapons   |     | ✓  |
| Disclosure Mining   |     | ✓  |
| Disclosure Pornography  |     | ✓  |
| Disclosure Tobacco  |     | ✓  |
| Energy and Emissions Intensive Industries   | ✓   |    |
| Fossil fuels  |     | ✓  |
| Gambling  |     | ✓  |
| Genetically Modified Organisms  |     | ✓  |
| Illegal Products or Subject to Phase Out  |     | ✓  |
| Industries at Risk of Human Rights Violations   |     | ✓  |
| Monoculture Agriculture   |     | ✓  |
| Nuclear Power or Hazardous Materials  |     | ✓  |
| Payday, Short Term, or High Interest Lending  |     | ✓  |
| Water Intensive Industries  | ✓   |    |
| Tax Advisory Services   |     | ✓  |

  

| Supply Chain Disclosures  | Yes | No |
|---|-----|----|
| Please indicate if any of the following statements are true regarding your company's significant suppliers. |     |    |
| Business in Conflict Zones  |     | ✓  |
| Child or Forced Labor   |     | ✓  |
| Negative Environmental Impact   |     | ✓  |
| Negative Social Impact  |     | ✓  |
| Other   |     | ✓  |

| Outcomes & Penalties  | True | False |
|---|------|-------|
| Please indicate if the company has had any formal complaint to a regulatory agency or been assessed any fine or sanction in the past five years for any of the following practices or policies. Check all that apply. |      |       |
| Anti-Competitive Behavior   |      | ✓     |
| Breaches of Confidential Information  |      | ✓     |
| Bribery, Fraud, or Corruption   |      | ✓     |
| Company Explanation Of Disclosure Item Flags  |      | ✓     |
| Company has filed for bankruptcy  |      | ✓     |
| Consumer Protection   |      | ✓     |
| Financial Reporting, Taxes, Investments, or Loans   |      | ✓     |
| Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)   |      | ✓     |
| Labor Issues  |      | ✓     |
| Large Scale Land Conversion, Acquisition, or Relocation   |      | ✓     |
| Litigation or Arbitration   |      | ✓     |
| On-Site Fatality  | ✓    |       |
| Penalties Assessed For Environmental Issues   |      | ✓     |
| Political Contributions or International Affairs  |      | ✓     |
| Recalls   |      | ✓     |
| Significant Layoffs   |      | ✓     |
| Violation of Indigenous Peoples Rights  |      | ✓     |
| Other   |      | ✓     |

  

| Practices  | True | False |
|--|------|-------|
| Please indicate if the following statements are true regarding whether or not the company engages in the following practices. Check all that apply. If the statement is true, select "Yes." If false, select "No." |      |       |
| Animal Testing   |      | ✓     |
| Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)   |      | ✓     |
| Company Explanation Of Disclosure Item Flags   |      | ✓     |
| Company prohibits freedom of association/collective bargaining   |      | ✓     |
| Company workers are prisoners  |      | ✓     |
| Conduct Business in Conflict Zones   |      | ✓     |
| Confirmation of Right to Work  |      | ✓     |
| Does not transparently report corporate financials to government   |      | ✓     |
| Employs Individuals on Zero-Hour Contracts   |      | ✓     |
| Facilities located in sensitive ecosystems   |      | ✓     |
| ID Cards Withheld or Penalties for Resignation   |      | ✓     |
| No formal Registration Under Domestic Regulations  |      | ✓     |
| No signed employment contracts for all workers   |      | ✓     |
| Overtime For Hourly Workers Is Compulsory  |      | ✓     |
| Payslips not provided to show wage calculation and deductions  |      | ✓     |
| Sale of Data   |      | ✓     |
| Tax Reduction Through Corporate Shells   |      | ✓     |
| Workers cannot leave site during non-working hours   |      | ✓     |
| Workers not Provided Clean Drinking Water or Toilets   |      | ✓     |
| Workers paid below minimum wage  |      | ✓     |
| Workers Under Bond   |      | ✓     |
| Other  |      | ✓     |



## B Corp Certification - Disclosure Questionnaire Documentation

PROVIDED BY:

Mafado

UPDATED AS OF:

07/04/2022

|  |  |
|--|--|
| <b>DISCLOSURE QUESTIONNAIRE CATEGORY</b>   | Environmentally Intensive Industries   |
| <b>ISSUE DATE</b>  | June 2022  |
| <b>TOPIC</b>   | Biodiversity Impact  |
| <b>SUMMARY OF ISSUE</b>  | As a construction company, Mafado operates in an industry in which biodiversity impact is a material environmental issue.  |
| <b>SIZE/SCOPE OF ISSUE</b><br>(e.g. \$ financial implication, # of individuals affected) | <p>Approximately 100% of Mafado's revenue comes from architectural projects and construction services. The construction projects of MAFADO take place mostly in urban areas and for them, in cases where it is necessary, trees are uprooted.</p> <p>"The construction industry generates an impact on the environment, through soil movement, the use of combustion machinery, noise pollution and, when necessary, the felling of trees.</p> <p>The construction projects of MAFADO take place mostly in urban areas and for them, in cases where it is necessary, trees are uprooted. Before cutting down the trees, the corresponding permit is requested, where the authorities indicate how to compensate said felling. Example: planting trees or donating dumpsters to encourage recycling.</p> <p>It is worth noting that MAFADO, independent of the compensation resolutions, carry out actions to mitigate the environmental impact. This year the company participated in #paraguayplanta where the company collaborated with the planting of 750 trees with the Fundación A Todo Pulmón Paraguay Respira (certificate attached). <a href="https://atodopulmon.org/sobre-a-todo-pulmon/">https://atodopulmon.org/sobre-a-todo-pulmon/</a>"</p> |
| <b>IMPACT ON STAKEHOLDERS</b>  | The construction industry generates an impact on the environment, through soil movement, the use of combustion machinery, noise pollution and sometimes the felling of trees.  |

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| <b>DISCLOSURE QUESTIONNAIRE CATEGORY</b> | Environmentally Intensive Industries Cont.   |
| <b>ISSUE DATE</b>                        | June 2022  |
| <b>TOPIC</b>                             | Biodiversity Impact Cont.  |
| <b>IMPLEMENTED MGT PRACTICES</b>         | <p>The construction projects of MAFADO take place mostly in urban areas and for them, in cases where it is necessary, trees are uprooted. Before cutting down the trees, the corresponding permit is requested, where the authorities indicate how to compensate said felling. Example: planting trees or donating dumpsters to encourage recycling. Internal steps: Mafado replaces common paper with recycled ones, Ecological and recycled furniture, Waste Treatment and Recycling. The company participates in the Environment table of the Global Pact, Employees are constantly reminded to turn off the lights and air conditioners. Options for clients: Mafado offers clients proposals that mitigate the environmental impact of the projects to be executed. Examples:</p> <p>Avant-garde design options, in which natural lighting is handled in a special way. It is necessary to mention that it is not necessary to turn on lights during the day. Also in a large part of the floors, pavers and ecological floors are used, to allow the permeability of rainwater and avoid discharge into the street. The lighting is calculated for its maximum optimization and the company insists that the lamps used are low-consumption LEDs, all the toilets are double-flushed as for a conscious use of water, taps, etc.</p> <p>Another option offered to clients is the implementation of roofs that have good thermal insulation, which allows the air conditioning equipment to maintain a good temperature, whether in the heat or in the cold, the house is maintained and conserved.</p> <p>In one project- sinks were implemented that fulfill the function of accumulating rainwater, since the house has a lot of green space, so water is needed to keep it green and thus be able to feed what is irrigation, in case of problems with the water, these sinks have stopcocks that allow that water to be recirculated again for use, generally the house has a tank with 2,500 liters.</p> <p>The division of the drainage into two parts, the drainage of light water such as that of sinks and showers goes to a special reservoir, which is also connected to the irrigation; only what is the sewage discharge goes to the septic system.</p> |



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| <b>DISCLOSURE QUESTIONNAIRE CATEGORY</b>   | Environmentally Intensive Industries  |
| <b>ISSUE DATE</b>  | June 2022   |
| <b>TOPIC</b>   | Water Intensive Industries  |
| <b>SUMMARY OF ISSUE</b>  | As a construction company, Mafado operates in an industry where water is an essential element to execute construction projects.   |
| <b>SIZE/SCOPE OF ISSUE</b><br>(e.g. \$ financial implication, # of individuals affected) | In the previous fiscal year, 100% of Mafado's revenue was earned from architectural projects and construction services. In the construction industry, water is a fundamental element for the development of the sector, it is considered as a raw material for the preparation and curing of concrete, and it must comply with certain quality standards. Water fulfills two vital functions in the manufacture of concrete. As mixing water and as curing water.   |
| <b>IMPACT ON STAKEHOLDERS</b>  | The MAFADO company has several projects and most of them are located in urban areas, where the supplier is the Empresa de Servicios Sanitarios del Paraguay – ESSAP. MAFADO uses drinking water provided in urban areas by the national supply system whose sole provider is the Empresa de Servicios Sanitarios del Paraguay - ESSAP (Public Company), while in rural areas we use private companies that provide the water supply system. The company considers that the use of water in its projects does not have a great impact on the use of the members of the community.  |
| <b>IMPLEMENTED MGT PRACTICES</b>   | The company keeps a record of water consumption in their administrative offices only. Water efficiency options offered to clients for their construction projects: Sinks that fulfill the function of accumulating rainwater, since the house has a lot of green space so water is needed to keep it green and thus be able to feed what is irrigation, In case of problems with the water, these sinks have stopcocks that allow that water to be recirculated again for use, generally the house has a tank with 2,500 liters. Another method is the division of the drainage into two parts, the drainage of light water such as that of sinks and showers goes to a special reservoir, which is also connected to the irrigation; only what is discharged sewage goes to the septic system. The company has started the process of measuring water consumption in order to be able to set goals to optimize said consumption. |



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|  |   |
|--|---|
| <b>DISCLOSURE QUESTIONNAIRE CATEGORY</b>   | Environmentally Intensive Industries  |
| <b>ISSUE DATE</b>  | June 2022   |
| <b>TOPIC</b>   | Energy and Emissions Intensive Industries   |
| <b>SUMMARY OF ISSUE</b>  | As a construction company, Mafado operates in an industry that is energy and emissions intensive.   |
| <b>SIZE/SCOPE OF ISSUE</b><br>(e.g. \$ financial implication, # of individuals affected) | In the previous fiscal year, 100% of Mafado's revenue was earned from architectural projects and construction services.   |
| <b>IMPACT ON STAKEHOLDERS</b>  | Decisions made in construction and architectural design process such as machinery selection, building energy efficiency, construction materials, and energy source availability - impact the long-term energy and emissions performance of a structure.   |
| <b>IMPLEMENTED MGT PRACTICES</b>   | <p>Construction companies biggest negative impact on the environment is caused by the burning of fossil fuels, like gas and diesel, Mafado uses renewable energy from the country's Hydroelectric Power Plants. Example of actions: Recycled and differentiated dumpsters, recycled leaves, recycled construction materials, etc. Some of the practices that are implemented in the company are:</p> <p>Reduce carbon emissions during the use of the building: The company looks for ways to influence the occupancy and use that will be given to buildings and infrastructure. The company proposes that the insulation be adequate, natural lighting and shading, complying with the aforementioned the company can considerably reduce the need to use a greater amount of energy in the future.</p> <p>Understand the materials specified in the project and where they come from. Mafados insists that its work team manage the extraction, production and transportation of basic construction materials used on site, due to the enormous amount of energy and carbon they use.</p> <p>During the construction phase; the company considers the impact of heavy machinery, the transportation of materials and the generation of waste, therefore Mafado implements strategies to reduce use with time management. No specific energy and/or carbon reduction goals</p> <p>Has begun the process of measuring water consumption in order to set goals that allow optimization of said consumption. The company has started the process of measuring energy consumption</p> |



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PROVIDED BY: **Mafado** UPDATED AS OF: **07/25/2022**

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| <b>DISCLOSURE QUESTIONNAIRE CATEGORY</b>   | On-site Fatality   |
| <b>ISSUE DATE</b>  | November 2018  |
| <b>TOPIC</b>   | Operational on the job fatality  |
| <b>SUMMARY OF ISSUE</b>  | In 2018, an outsourced employee suffered an accident in a construction site. The victim fell from the 3rd floor of the building and remained hospitalized for 3 days until his death.  |
| <b>SIZE/SCOPE OF ISSUE</b><br>(e.g. \$ financial implication, # of individuals affected) | In the last 5 years, the company has had one case of on-site fatality.   |
| <b>IMPACT ON STAKEHOLDERS</b>  | One person died. In addition to that, on-site fatalities and accidents have emotional, mental and financial implications to family members, friends and colleagues of the people involved in the occurrence.   |
| <b>IMPLEMENTED MGT PRACTICES</b>   | <p>The company offered on-site and immediate first aid assistance to the victim. An specialized medical assistance was requested, and the person was quickly transferred to an specialized hospital. The incident was informed to the appropriate local government bodies and authorities. An official investigation was conducted, confirming the reason of the death.</p> <p>The construction company Mafado S.A has safety policies for work at height or places with risk of falls and an Industrial Safety Management Manual.</p> <p>In addition, all their projects have private emergency and ambulance service coverage, who are responsible for providing first aid and in the event that they need transfers, they are referred to the nearest medical center to receive the necessary care.</p> |