



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: LC Paper
 Date Submitted: 04/13/2021

| 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:

LC Paper

UPDATED AS OF:

04/13/2021

| | |
|--|---|
| DISCLOSURE QUESTIONNAIRE CATEGORY | Environmentally Intensive Industries |
| TOPIC | Energy and Emissions Intensive Industries |
| SUMMARY OF ISSUE | As a manufacturer of paper products, LC Paper operates in an industry in which energy and carbon emissions are material environmental issues. The company facilities have machines such as printers, cutting machines and crease and folding and gluing machines. |
| SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected) | <p>99.99% of the company's revenue comes from paper products.</p> <p>The company uses 100% renewable energies, which are distributed in:</p> <ul style="list-style-type: none"> • 3GWh photovoltaic solar park for self-consumption, on land adjacent to the Besalú manufacturing plant, Girona • 1 biomass plant • The rest of the energy the company uses exceeds that generated "in-house" in the 2 plants mentioned above, we buy from the BASSOLS ENERGIA trader with a 100% renewable certificate, that is, that trader guarantees that the source of energy is It is from its renewable plants |
| IMPACT ON STAKEHOLDERS | The carbon emissions associated with their operations and their contribution to climate change are the potential impacts of their energy intensity. |
| IMPLEMENTED MGT PRACTICES | <p>In terms of reducing energy consumption, the company has decided to voluntarily implement the processes that make up ISO 50.001 for energy saving. This ISO is an annual process for measuring energy use and its continuous reduction, setting milestones for incremental improvement, so that each year we have to define what actions we are going to take to continue reducing energy consumption, and review compliance with the actions. proposed the previous year. If necessary, we can provide both the certificate and the annual report of ISO 50.001. Compliance with these objectives is monitored by an external auditor (SGS).</p> <p>In terms of reducing carbon emissions, the company has decided to voluntarily implement the ISO 14.067 carbon footprint processes, setting the zero emissions target (carbon-neutral), defining specific milestones to achieve this target and monitoring progress with the standardized methods defined by ISO, which is audited by a third party (TUV Rheinland).</p> |

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|--|---|
| DISCLOSURE QUESTIONNAIRE CATEGORY | Environmentally Intensive Industries |
| TOPIC | Water Intensive Industries |
| SUMMARY OF ISSUE | As a manufacturer of paper products, LC Paper operates in an industry in which is water intensive. To create paper products, it is necessary to wet the raw material (recycled scraps / cellulose fibers) until it reaches a wet "paste", which allows the paper to be shaped into a sheet, the sheet to dry and roll it into a coil format. |
| SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected) | <p>99.99% of the company's revenue comes from paper products.</p> <p>Through the PRTR declaration, audited by the Departament de Territori de la Generalitat de Catalunya (regional government), LC Paper monitors water consumption (49,413 m3 / year for the last year that has been validated (2019) .</p> <p>In the same year, 36,500 tons of paper products were generated, so that the specific water intensity is 1.35 m3 / TN = 1,350 liters per ton of paper. Most of that water was returned to the river after going through an in-house purification process.</p> |
| IMPACT ON STAKEHOLDERS | As water intensive industries, paper and pulp processing poses risks such as water stress or depletion of local water sources if water use is not appropriately managed. |
| IMPLEMENTED MGT PRACTICES | <p>LC Paper has its own purification plant using a biological process (enzymes) that allows the company to return the water to the river in conditions of human consumption after industrial use. In this way the company is able to use water that can later be used again in the rest of the water cycle, either for crop irrigation, human / animal consumption, etc.</p> <p>LC Paper carries out a voluntary annual audit of the state of the river, in order to detect incidents in water purification in time, if applicable.</p> <p>Within the framework of ISO 14.001, LC Paper sets annual water consumption objectives, which are monitored in the following audit cycle.</p> <p>The company has a framework agreement with the Catalan Agency of l'Aigua (ACA) to implement the best water management practices, on a voluntary basis.</p> <p>Every year, LC Paper compares its specific water consumption in relation to the industry average, and captures it in the ISO 14.001 program.</p> |