



Lab
Global

EPPO Cidades Inteligentes

Disclosure Report

Date Submitted: June 3rd, 2025



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 that B Lab deems relevant for public stakeholders, then, as a condition of their certification, the company must:

- 1) Be transparent about details of 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 practices are in place to avoid similar issues from arising in the future, when necessary.

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

In addition to the voluntary indication of sensitive issues in the Disclosure Questionnaire, companies pursuing Certification also are subject to a background check 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

Industries and Products

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

Outcomes & Penalties

| | Yes | No |
|---|-------------------------------------|-------------------------------------|
| 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 | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Breaches of Confidential Information | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Bribery, Fraud, or Corruption | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Company has filed for bankruptcy | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Consumer Protection | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Financial Reporting, Taxes, Investments, or Loans | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Hazardous Discharges Into Air/Land/Water (Past 5 Yrs) | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Labor Issues | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Large Scale Land Conversion, Acquisition, or Relocation | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Litigation or Arbitration | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| On-Site Fatality | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Penalties Assessed For Environmental Issues | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Political Contributions or International Affairs | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Recalls | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Significant Layoffs | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Violation of Indigenous Peoples Rights | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Other | <input type="checkbox"/> | <input checked="" type="checkbox"/> |



Practices

| | Yes | No |
|--|-------------------------------------|-------------------------------------|
| 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 | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age) | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Company prohibits freedom of association/collective bargaining | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Company workers are prisoners | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Conduct Business in Conflict Zones | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Confirmation of Right to Work | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Does not transparently report corporate financials to government | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Employs Individuals on Zero-Hour Contracts | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Facilities located in sensitive ecosystems | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| ID Cards Withheld or Penalties for Resignation | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| No formal Registration Under Domestic Regulations | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| No signed employment contracts for all workers | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Overtime For Hourly Workers Is Compulsory | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Payslips not provided to show wage calculation and deductions | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

| | Yes | No |
|--|--------------------------|-------------------------------------|
| Sale of Data | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Tax Reduction Through Corporate Shells | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Workers cannot leave site during non-working hours | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Workers not Provided Clean Drinking Water or Toilets | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Workers paid below minimum wage | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Workers Under Bond | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Other | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

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 | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Child or Forced Labor | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Negative Environmental Impact | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Negative Social Impact | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Other | <input type="checkbox"/> | <input checked="" type="checkbox"/> |



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Biodiversity

EPPO Cidades Inteligentes is involved in activities that could affect local biodiversity, meaning that they are more likely to have significant impacts on the environment given its interference with the balance of local fauna and flora. Certified B Corps are required to make transparent their involvement in such practices.

For more information about the company's practices regarding this topic, please visit the company's webpage, accessible [here](#).



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Chemical Intensive industry

EPPO Cidades Inteligentes is involved in the production/sale of products, or is part of an industry that can potentially be classified as chemical intensive, meaning that they are more likely to have significant impacts on the environment, such as pollution of air, land, and water, as well as potential human health risks to those exposed to harmful chemicals if the use and disposal of chemicals are not properly managed. Certified B Corps are required to make transparent their involvement in such activities or industries.

For more information about the company's practices regarding this topic, please visit the company's webpage, accessible [here](#).



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Energy and Emissions Intensive industry

EPPO Cidades Inteligentes is involved in the production/sale of products, or is part of an industry that can potentially be classified as energy and emission-intensive, meaning that they are more likely to have significant impacts on the environment based on their carbon emissions associated with their operations and their contribution to climate change. Certified B Corps are required to make transparent their involvement in such activities or industries.

For more information about the company's practices regarding this topic, please visit the company's webpage, accessible [here](#).



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Water Intensive industry

EPPO Cidades Inteligentes is involved in the production/sale of products, or is part of an industry that can potentially be classified as water intensive, meaning that they are more likely to have significant impacts on the environment, such as water stress or depletion of local water sources if water use is not appropriately managed. Certified B Corps are required to make transparent their involvement in such activities or industries.

For more information about the company's practices regarding this topic, please visit the company's webpage, accessible [here](#).



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Facilities located in sensitive ecosystems

EPPO Cidades Inteligentes reported having facilities located in sensitive ecosystems in the past five years. Certified B Corps must make this transparent under their B Corp Profile.

Having facilities located in sensitive ecosystems can impact the flora, fauna, and quality of the ecosystem (e.g. noise & light pollution from the facilities, spills, air/soil/water pollution owing to the company's operations). In addition to the environmental risks, there is a risk of negatively impacting the local communities.

For more information about the company's practices regarding this topic, please visit the company's webpage, accessible [here](#).



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Litigation, Arbitration, and/or Penalties

| Issue Date | 2020-2025 |
|-------------------------|---|
| Topic | Litigation and Penalty related to labor, stakeholder safety and tax. |
| Summary of Issue | <p>EPPO Cidades Inteligentes currently has;</p> <ul style="list-style-type: none">- 3 ongoing labor claims involving requests for material and moral damages, hazard pay and attorney's fees- 1 ongoing tax lawsuit filed by city hall regarding the difference in (Imposto Sobre Serviços) ISS collection from service providers in the period from 02/2018 to 12/2021- 3 ongoing tax lawsuit filed by city hall regarding active administrative tax proceedings charging ISS differences in progress- 2 tax lawsuit cases filed by city hall concluded with verdict against company due to unfavorable closed processes involving active debt certificate and ISS collection via infraction notice- 48 unfavorable labor lawsuits concluded with verdict against company related to overtime, unhealthy and dangerous work allowances, severance pay, undue discounts, moral and material damages, reinstatement, stability, salary differences, lifetime pension, medical expenses, and attorney's fees- 40 active labor lawsuits filed by former employees, with various requests including: additional payment for unhealthy or dangerous conditions, overtime, intra- and inter-shift breaks, undue discounts, salary differences, severance pay, moral damages, material damages, aesthetic damages, lifetime pension, accumulation of functions, PPP, FGTS and respective fines (articles 467, 477 and 479), PLR, reimbursement of medical expenses and attorney's fees- 1 ongoing lawsuit requesting for loss of profits, material damages and moral damages due to an accident that occurred inside the EPPO establishment, by a third-party driver.- 1 ongoing lawsuit related to material damage due to a vehicle accident that occurred in the Municipality of Linhares/ES- 6 civil litigations with verdict against the company, related to accidents with third parties during the execution of public services on urban roads and highways in the municipalities of Capivari, Itu, Linhares and Cachoeira Paulista, involving claims for moral, material and aesthetic damages- 1 lawsuit concluded with verdict against company for material and moral damages due to a run over that occurred in the |

| | |
|--|--|
| | <p>Municipality of Lorena/SP - 1 penalty imposed by the Municipality of Itu due to discrepancy in the retention and collection of ISS with the Municipality</p> |
| <p>Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)</p> | <p>The estimated value for the 3 pending cases related to labor claims and the 40 active labor lawsuits filed by former employees would be 1-5% of the company's revenue in the last fiscal year. Each other pending cases are estimated to be less than 1% of the company's annual revenue and for the cases that were closed with the verdict against the company each were valued less than 1% of the company's revenue in the last fiscal year.</p> |
| <p>Impact on Stakeholder(s)</p> | <p>The primary impact in the cases were the potential safety and financial/reputational harm to employees and other stakeholders at the facility of the company.</p> |
| <p>Resolution</p> | <p>Payment was made by EPPO through the court and Municipality for the cases in which the verdict was against the company. The remaining cases are ongoing in court and pending a verdict.</p> |
| <p>Implemented Management Practices</p> | <p>For the cases related to former employees claiming additional payment for unhealthy or dangerous conditions, overtime, intra- and inter-shift breaks, undue discounts, salary differences, severance pay, moral damages, material damages, aesthetic damages, lifetime pension, accumulation of functions, PPP, FGTS and respective fines (articles 467, 477 and 479), PLR, reimbursement of medical expenses and attorney's fees, overtime, unhealthy and dangerous work allowances, severance pay, undue discounts, moral and material damages, reinstatement, stability, salary differences and lifetime pension, the company had implemented the following mitigation and remediation plans;</p> <ul style="list-style-type: none"> - Revised team route plan aimed at implementing digital timekeeping to facilitate faster and more accessible timekeeping, reducing the chances of discrepancies. - Strengthening of the CIPA (Comissão Interna de Prevenção de Acidentes - the Brazilian Internal Commission for Accident Prevention) to monitor risks related to unhealthiness and dangerousness. - Retention of an occupational safety engineer to prepare the Risk Management Program (PGR). - Strengthening of communication on the Alô Ética reporting channel and periodic review of the employee handbook. |

- Whistleblower Channel (“Alô Ética”): Enhancements to the whistleblower system enable early detection of risks and compliance issues.

For the litigation cases related to tax lawsuits by the City Hall and the penalty by the Municipality of Itu, the company has done an analysis of contracts reviewed with the client, individually correcting "Classificação Nacional de Atividades Econômicas" (CNAE - National Classification of Economic Activities) and services with undeclared taxes. The company has also strengthened its tax compliance controls and provided additional training for the tax team. The company also has an internal governance system (Hola Spirit) that allows multiple people to check, on a weekly basis, whether the regulatory compliance checklist is being fulfilled. In addition, the company now tracks metrics that are presented monthly regarding taxes, interest, and other levies.

To address issues surrounding accidents, the company does an annual defensive driving training Strengthening of Weekly Safety Dialogue focusing on good driving practices.