



## 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.**

Certified



Corporation

## DISCLOSURE QUESTIONNAIRE

Company Name: Compañías CIC

Date Submitted: 06/09/2023

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:

Compañías CIC

UPDATED AS OF:

06/09/2023

<b>DISCLOSURE QUESTIONNAIRE CATEGORY</b>	Environmentally Intensive Industries
<b>ISSUE DATE</b>	Ongoing
<b>TOPIC</b>	Energy and Emissions Intensive Industries
<b>SUMMARY OF ISSUE</b>	As a mattress and furniture manufacturer, Compañías CIC operates in an industry that is energy and emissions intensive.
<b>SIZE/SCOPE OF ISSUE</b> (e.g. \$ financial implication, # of individuals affected)	<p>Mattress and furniture products represent 100% of the company's revenue.</p> <p>Compañías CIC carbon intensity per unit of product is: 0.0025367 tCO<sub>2</sub>eq</p>
<b>IMPACT ON STAKEHOLDERS</b>	Energy intensive manufacturing activities, pose an environmental risk due to the emissions produced by such energy use. The extent of environmental impact is dependent on the energy sources utilized and management practices in place to manage energy use.
<b>IMPLEMENTED MGT PRACTICES</b>	<p>The energy sources used by the company are Natural Gas, Liquefied Gas, Diesel and Electric energy.</p> <p>The contributors to the carbon footprint ordered from largest to smallest are:</p> <ul style="list-style-type: none"> <li>• Electric power (MWh) (renewable energy) = 1613.9 tCO<sub>2</sub>eq</li> <li>• Liquefied Gas = 714,08 tCO<sub>2</sub>eq</li> <li>• Natural Gas = 313.58 tCO<sub>2</sub>eq</li> <li>• Diesel = 48.74 tCO<sub>2</sub>eq</li> </ul> <p>To manage, and minimize energy use and carbon emissions, the company has implemented the following practices:</p> <ul style="list-style-type: none"> <li>• Staff awareness of energy consumption.</li> <li>• Implementation of meters in electrical substations to monitor consumption and apply reductions.</li> <li>• Reducing consumption by optimizing production shifts.</li> </ul> <p>Compañías CIC has a contract with Energía Coyanco S.A. that allows the company to consume 100% renewable energy, since June 2020. The company also set reduction goals for scopes 1 and 2 of 3%, achieving the following results:</p> <ul style="list-style-type: none"> <li>• Scope 1: Carbon footprint emission was reduced by 4.3% with the optimization of shifts to avoid fuel consumption in forklifts (liquefied gas).</li> <li>• Scope 2: Carbon footprint emission reduced by 14.5% with lower electricity consumption (combination of compressor project that started on 01/12/22, use of LED lights, and reduced shifts).</li> </ul>



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<b>DISCLOSURE QUESTIONNAIRE CATEGORY</b>	Environmentally Intensive Industries
<b>TOPIC</b>	Biodiversity Impacts
<b>SUMMARY OF ISSUE</b>	Compañías CIC is a furniture manufacturer. The company processes agricultural raw material such as wood in the elaboration of its products in which biodiversity impact is a material environmental issue. Compañías CIC is not directly involved in the management of forests or the direct extraction of wood, the company purchases melamine boards and MDF boards, among others which come from certified forests, with FSC certification, accredited to its suppliers.
<b>SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)</b>	In the previous fiscal year, 33% of the company's revenue was earned from furniture products, which utilize wood, melanine and MDF boards.  27.51% of the company's total raw material purchases correspond to the purchase of wood.
<b>IMPACT ON STAKEHOLDERS</b>	Using virgin wood poses risks to biodiversity if not appropriately managed. This can impact both animal species and natural ecosystems.
<b>IMPLEMENTED MGT PRACTICES</b>	91.54% of the wood the company purchases is FSC Certified.  Compañías CIC started to work only with formalized suppliers of raw materials (certification of origin of the wood), and in a second stage it seeks to work with 100% FSC wood. During the 3rd quarter of 2023, visits to suppliers and audits will begin.  Comañías CIC is reviewing the company's objectives for 2023 aligned with their corporate environmental policy and controlled by their environmental matrix.



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<b>DISCLOSURE QUESTIONNAIRE CATEGORY</b>	Environmentally Intensive Industries
<b>ISSUE DATE</b>	Ongoing
<b>TOPIC</b>	Chemical Intensive Industries
<b>SUMMARY OF ISSUE</b>	Compañías CIC use chemicals in the manufacture of foam, for the mattress products. The chemicals used are: Polyol, Amine and TDI.
<b>SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)</b>	23.92% of the company's total revenue is derived from the sale of chemical based products.
<b>IMPACT ON STAKEHOLDERS</b>	<p>As a chemical-intensive industry, the company's production process poses risks to the environment such as pollution of air, land, and water, as well as potential human health risks to those exposed to harmful chemicals.</p> <p>The company uses chemicals as raw material for its products, so there are environmental risks in the case of spills, such as land and water pollution, as well as potential human health risks to those exposed to harmful chemicals without personal protective equipment throughout the production of the products or its handling by customers.</p>
<b>IMPLEMENTED MGT PRACTICES</b>	<p>The company conducted an assessment of the industry through a life cycle analysis (LCA), concluding that there were no results of analysis in the industry regarding chemical use and how to manage its impacts.</p> <p>The treatment of chemicals is managed by an Ecological Waste Manager who disposes it at BravoEnergy (authorized disposal center).</p> <p>For chemical in foaming and for chemical waste the company has formal policies and processes for a better management and control.</p> <p>No wastewater is generated in the foaming process.</p> <p>Compañías CIC has set a goal to reduce the generation of hazardous waste generated by the use of chemicals. In 2022 a 72% reduction in hazardous waste generation was achieved due to the elimination of the use of methylene chloride. By 2023, the goal has been set to reduce liquid hazardous waste by 50%.</p>



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<b>DISCLOSURE QUESTIONNAIRE CATEGORY</b>	Litigations, Penalties
<b>ISSUE DATE</b>	2018 - present year
<b>TOPIC</b>	Litigation and Penalties related to i) Employment issues; ii) Consumer issues; iii) Sanitary regulations; iv) Urbanism and Construction
<b>SUMMARY OF ISSUE</b>	<p>As of 2023, and for the past 5 years, Compañías CIC had 78 cases - 49 settled with payment; 8 settled without payment; 9 with verdict against the company. There are 12 pending cases.</p> <p>Of the 66 settled cases, the actions have been motivated by different issues:</p> <ul style="list-style-type: none"> <li>A) 52 cases associated with employment issues (dismissal without cause, legal indemnities and occupational disease);</li> <li>B) 7 cases related to consumer complaint (violation of the legal statute of consumption);</li> <li>C) 5 cases related to supplier contract (claim for payment of invoice)</li> <li>D) 2 cases related to non-compliance with sanitary regulations (covid-19)</li> </ul> <p>Of the 12 pending cases, the actions have been motivated by different issues:</p> <ul style="list-style-type: none"> <li>A) 10 cases associated with employment issues (dismissal without cause, legal indemnities and occupational disease);</li> <li>B) 1 case related to consumer complaint (violation of the legal statute of consumption);</li> <li>C) 1 case related to General Law of Urbanism and Construction (occupation of the public highway without a municipal permit).</li> </ul>
<b>SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)</b>	The pending cases corresponds to 0.05% of the total income of the business and the settled cases corresponds to 0.001%.
<b>IMPACT ON STAKEHOLDERS</b>	Former employees, consumers and Government Agencies.
<b>RESOLUTION</b>	<ul style="list-style-type: none"> <li>• 49 cases agreements were reached with the plaintiff before there was a judgment - trial closed with a record</li> <li>• 3 cases the plaintiff withdraws the claim</li> <li>• 6 cases with judgment against Compañías CIC, in which the company assumed the corresponding payment</li> </ul>
<b>MANAGEMENT PRACTICES</b>	Compañías CIC is committed to enhance its internal processes, improve communication among its different departments upon identifying irregular situations, conduct thorough investigations and implement appropriate penalties
<b>RELATED INCIDENTS (YES/NO)</b>	No