



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: Paclín
 Date Submitted: 06/14/2023

| 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:

Paclín

UPDATED AS OF:

06/14/2023

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|--|--|
| DISCLOSURE QUESTIONNAIRE CATEGORY | Environmentally Intensive Industries |
| TOPIC | Water Intensive Industries |
| SUMMARY OF ISSUE | As a company that manufacture paints and supplies for protection, decoration and restoration of surfaces, Paclín operate in an industry that is water intensive |
| SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected) | Approximately 100% of the company's revenue is from paint and surfaces supplies products |
| IMPACT ON STAKEHOLDERS | <p>Water intensive industries pose risks such as water stress or depletion of local water sources if water use is not appropriately managed.</p> <p>Water sources for the company's manufacturing operations come from Córdoba, Argentina, which is not a water stressed region. Paclín consume about 7,000 liters of water per day for product manufacturing and cleaning of equipments. In latex products, an average of 40% water per liter of product is used.</p> |
| IMPLEMENTED MGT PRACTICES | Paclín track and measure its water consumption, but does not have a reduction target. The company does not conduct an assessment of how it compares to others in its industry in terms of water use or management. Paclín reuse the water used for cleaning the equipments. |



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| DISCLOSURE QUESTIONNAIRE CATEGORY | Environmentally Intensive Industries |
| TOPIC | Energy and Emissions Intensive Industries |
| SUMMARY OF ISSUE | As a company that manufacture paints and supplies for protection, decoration and restoration of surfaces, Paclín operate in an industry that is energy intensive. |
| SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected) | Approximately 100% of the company's revenue is from paint and surfaces supplies products |
| IMPACT ON STAKEHOLDERS | Energy intensive manufacturing activities, such as paint manufacturing, 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. |
| IMPLEMENTED MGT PRACTICES | The company does not track or monitor its energy intensity or carbon intensity per unit of product. Paclín implemented the use of LED lights as best practice. |

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| DISCLOSURE QUESTIONNAIRE CATEGORY | Environmentally Intensive Industries |
| TOPIC | Chemical Intensive Industries |
| SUMMARY OF ISSUE | <p>As a company that manufactures paints and supplies for protection, decoration, and restoration of surfaces, Paclín operates in an industry in which chemical use is a material environmental issue.</p> <p>The company uses some Substances of Very High Concern (SVHC), under EU Reach Regulations, such as:</p> <ul style="list-style-type: none"> • Chrome Yellow pigment • Molybdenum orange • O-toluidine • Nonylphenol |
| SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected) | <p>In the previous fiscal year, these were the % of annual revenue coming from the following substances:</p> <ul style="list-style-type: none"> • 1.5% of Paclín's income was derived from the sale of Synthetics and enamels with chrome and molybdenum pigments, • 0.18% of the company's income was derived from products that use toluidine, • 29% of the company's income was derived from products that use nonylphenol. |
| IMPACT ON STAKEHOLDERS | As a chemical-intensive industry, the manufacturing and use of paint and restoration products pose 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. |
| MANAGEMENT PRACTICES | <ul style="list-style-type: none"> • Paclín is in the process of developing a project to switch from chromium and molybdenum pigments to organic pigments to manage its chemical intensity regarding Chrome Yellow Pigment and Molybdenum orange pigment. • O-toluidine replacements have been sought and one of the company's product lines has already replaced this pigment with graphtol, • The company does not currently have any plans in place to reduce the chemical intensity of its products containing Nonylphenol as no replacements have been found with a similar cost, • In order to mitigate the impact on water from the use of chemicals in its production process, in the case of washing white products, water is left in the tank and is used as raw material for the next product. In the case of colors, since this cannot be done, the washing water from pots and machines is recovered by flocculating in a tank. The crystalline water is reused for washing equipment and the final sludge is deposited. |