



## 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: ComBio Energia S/A  
 Date Submitted: 06/27/2022

| 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: ComBio Energia S/A

UPDATED AS OF: 06/27/2022

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|--|--|
| <b>DISCLOSURE QUESTIONNAIRE CATEGORY</b>   | Other - Clients in Controversial Industries  |
| <b>TOPIC</b>   | ComBio supplies renewable energy for industries involved with mining, alcohol, and agribusiness.   |
| <b>SUMMARY OF ISSUE</b>  | ComBio offers steam production outsourcing service to other industries, using biomass as fuel. Their business model promotes the migration of their customers' energy matrix, switching from fossil fuel to renewable fuel in their boilers.   |
| <b>SIZE/SCOPE OF ISSUE</b><br>(e.g. \$ financial implication, # of individuals affected) | In 2020 clients in the mining industries accounted for 69% and clients in the brewery industries accounted for 8%. The customer pays only for the steam consumed.  |
| <b>IMPACT ON STAKEHOLDERS</b>  | The company's operation has an environmental gain for the customer by reducing their greenhouse gas emissions.   |
| <b>IMPLEMENTED MGT PRACTICES</b>   | <p>The company's service is applicable to a variety of customers in the industrial sector as thermal energy is essential for the industrial process. The company works together with their clients to create tailor-made projects and their project team plans the operation to suit the customer's physical availability conditions (available space for the boiler).</p> <p>By the end of 2021, the company had three clients in the mining sector. ComBio works with them as part of their broader sustainability strategy. ComBio monitors these company's sustainability performance via their annual sustainability report. The company is also in conversation with their mining customers to create partnerships and jointly promote socio-environmental actions.</p> <p>The company contracts are long-term and set to an average of 10 years. The useful life of the boiler can reach 40 years, and they therefore, believe in the renewal of the contract and strive to maintain the boilers so that they maximize their life cycle. Among the client's responsibilities are the provision of an area for the installation of the boiler, water point and electricity point. All implementation issues (licensing, fundraising, purchase of equipment and works) and operation (payroll, boiler maintenance and biomass supply) are the responsibility of ComBio. The company adapts its boilers so that they can burn multiple biomasses, either alone or mixed with others. Traditionally biomass boilers are designed to receive only one input, with eucalyptus chips and sugarcane bagasse being the most widely used.</p> |



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| <b>DISCLOSURE QUESTIONNAIRE CATEGORY</b>  | Facilities located in sensitive ecosystems  |
| <b>TOPIC</b>  | Company has one biomass facility located the Amazon Biome.  |
| <b>SUMMARY OF ISSUE</b>   | <p>The company has an operation located in the Amazon biome, in Barcarena, Pará. In states where the issue of illegal deforestation is more sensitive, the company only purchases reforestation wood with the proper forest guides and following all the proper procedures. In these locations, they have a stricter control on the supplier profile and also conduct on site visits. ComBio also designed a machine capable of burning the açai lump, which is generally discarded, generating a double environmental benefit: circular economy and transition to a cleaner energy matrix.</p> <p>In these sensitive ecosystem, government entities are charged with protecting and monitoring the region, such as the Ministry of the Environment with the ARPA Program – Protected Areas of the Amazon; the Brazilian Institute for the Environment and Renewable Natural Resources (Ibama); and the Chico Mendes Institute for Biodiversity Conservation (ICMbio). Recently, the Amazon Plan 2021/2020 was launched, which establishes guidelines for inspection actions and the fight against illegal deforestation, fires and other environmental crimes.</p> |
| <b>SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)</b> | One of the eight steam producing units is located in the Amazon biome, in the municipality of Barcarena, Pará. In 2020, this unit accounted for about 4% of the steam production and 6.7% of the company's revenue. The operation is located in the industrial and port region of the city, within the company client's plant.  |
| <b>IMPACT ON STAKEHOLDERS</b>   | Barcarena is in a region with high rates of illegal deforestation and therefore, the main risk is related to the purchase of raw material. The company also uses the açai lump as fuel, to reduce the amount of reforestation wood purchased in comparison with other ComBio operations.  |
| <b>IMPLEMENTED MGT PRACTICES</b>  | <p>The company acquires wood loads only with the proper forest guides and following all the procedures for receiving and issuing the guides. Therefore, in these locations, they company has a more rigorous control of the supplier profile. The company has also ceased sourcing from suppliers after on site visits.</p> <p>For the selection of supplier forest plantation areas, ComBio considers the location, condition of mechanized harvesting and transport operation, acquisition cost, environmental liabilities, disputes regarding land tenure and other applicable legal requirements. Their legal team (outsourced) evaluates the property documentation and only proceeds with the contract after the legal approval.</p> <p>Regarding wood chips, the guidelines are for suppliers that work with reforested wood and of legal origin. With regard to other biomasses, such as rice husks, priority is given to purchasing directly from the mill, that is, at origin and without the presence of a middleman. Additionally, there may be a credit analysis in situations where there is advance payment, but this scenario is quite rare.</p>    |



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|-----------------------------------|--|
| DISCLOSURE QUESTIONNAIRE CATEGORY | Other - Agri Producers in Brazi Cont.  |
| TOPIC                             | ComBio produces bio energy from Eucalyptus forests in Brazil Cont.   |
| IMPLEMENTED MGT PRACTICES         | <p>All of the company's leased farms or farms entitled to tenure are covered by long-term contracts. Currently, ComBio has two ways of acting in its forestry units. In the first model, they buy the already developed forest massif (standing forest) from the owners of farms/areas, carry out the processing of the eucalyptus and transport the biomass to our boilers. This group includes old, burned and damaged forests, which would not have the commercial destination for which they were cultivated. As soon as the activities are completed, they return the clean area to the owner to proceed with a new planting. In the second model, started in 2021, they have forestry activities, where they lease the area and carry out all stages of forest management (soil preparation, pest control, planting, irrigation, mowing and replanting). At the moment, they only have young forests of a maximum of 1 year.</p> <p>Regarding areas for eucalyptus cultivation, they request some standard documentation from the owners: ITR, deed, operating license - if applicable - and other applicable environmental documents. There is also a verification of the land in the registry offices to validate if the area is not embargoed, as well as environmental diligence which is carried out with consultation of the Ministry of the Environment lists, and to confirm that the areas that have not been deforested from 2010 onwards.</p> <p>ComBio is planning ways to have a closer relationship with the communities where it operates, with the aim of improving communication, carrying out projects and supporting local development. In 2020, they had their first and only communication regarding the flow of trucks transporting biomass on public roads in the city of Piedade, in the state of São Paulo, causing dust to be suspended. As soon as the communiqué was received, the lead employee of the operation went to the City Hall to talk to the Secretary of Works. The parties agreed to send trucks with crushed stone and compaction equipment to avoid raising dust on the road. Finally, ComBio already has an Ethics Channel with mechanisms to receive and forward reports of facts considered inconsistent or in disagreement with our Code of Conduct, values and/or the legislation itself. The channel is open to internal and external audiences, who can contact the Ethics Channel via the website, mobile app or telephone.</p> <p>Internally, they are also mobilizing to structure actions to achieve the Net Zero Commitment, which includes the purchase of electricity from renewable sources and the prospection of suppliers of electric wheel loaders, as well as reducing their consumption of fossil fuels. In addition, due to the significant reductions in emissions from their operations, ComBio's projects allow the generation of carbon credits, which are shared between the client and the company. The credits generated can be used to offset residual emissions and/or those that do not yet present viable alternatives to avoid them, for example, emissions from air conditioning. The company have published their GHG emissions inventory since 2014 in the Public Emissions Registry of the Brazilian GHG Protocol Program. In 2014 and 2015, the inventory was awarded the Silver Seal. As of 2016, it began to be audited by a third party, winning the Gold Seal. Currently, their inventory includes the impact of their direct emissions (Scope 1) and indirect electricity emissions (Scope 2). Link: <a href="https://www.registropublicodeemissoes.com.br/participantes/1049">https://www.registropublicodeemissoes.com.br/participantes/1049</a></p> |



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ComBio Energia S/A

UPDATED AS OF:

06/27/2022

|   |   |
|---|---|
| <b>DISCLOSURE QUESTIONNAIRE CATEGORY</b>  | Litigation or Arbitration   |
| <b>ISSUE DATE</b>   | 9/23/2021   |
| <b>TOPIC</b>  | ComBio supplies renewable energy for industries involved with mining, alcohol, and agribusiness.  |
| <b>SUMMARY OF ISSUE</b>   | ComBio understands that the work category of their employees is not represented by any existing labor union in the region of Guaíba. Giving that, the company made a collective deal with the National Confederation of Workers in Guaíba/RS to represent their workers. However, in September 2021, the Union of Workers in the Pulp, Paper, Cardboard, Artifacts, Cork Industry of Guaíba (SINPACEL) filed a declaratory action against ComBio requesting recognition that SINPACEL should be representing ComBio's workers.  |
| <b>SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)</b> | All employees from ComBio are affected by the framing of their working category in collective deals and labor union representation.   |
| <b>IMPACT ON STAKEHOLDERS</b>   | Labor unions are important in the advocacy and defense of workers rights and interests.   |
| <b>RESOLUTION</b>   | The case is pending.  |
| <b>IMPLEMENTED MGT PRACTICES</b>  | ComBio denies the aforementioned Labor Union Framework.<br><br>ComBio understands that there is no local Labor Framework in Guaíba/RS applicable for ComBio's workers. Since the ComBio's client workers in Guaíba/RS are represented by Sinpacel, this labor framework union understands that ComBio workers should also be represented by Sinpacel. From the understanding of ComBio, under the Brazilian Labor Law, the applicable union framework is defined by the predominant activity of the Employer on a territorial basis where the services are rendered. ComBio's main activity in Guaíba/RS (and nationally, regarding ComBio's operations in the Southeast, West, North and Northeast regions of Brazil) is Production and distribution of steam, hot water and air- conditioned, which do not relate to the activities represented by Sinpacel (Union of Workers in the Pulp, Paper, Cardboard, Artifacts, Cork Industry of Guaíba/RS, South of Brazil). |
| <b>MANAGEMENT COMMENTS</b>  | Hearing is already designated for September 2022, when oral evidence must be produced, through witnesses, to prove that the activities performed by employees of ComBio do not fall into the category of employees of SINCAPEL.   |
| <b>RELATED INCIDENTS (YES/NO)</b>   | Yes. ComBio Energia S/A has four other pending labor litigation cases, though this is the only labor litigation regarding Labor Union Framework.<br><br>In all of them, the company is being sue in solidarity to its service providers. The total amount claimed in these cases is <1% of the company's annual revenue and affects <1% of their stakeholders.  |