



## 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: Papirus  
Date Submitted: 01/27/2023

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:

Papirus

UPDATED AS OF:

01/27/2023

<b>DISCLOSURE QUESTIONNAIRE CATEGORY</b>	Energy Intensive Industry
<b>TOPIC</b>	As a paperboard manufacturer, Papirus operates in an energy intensive industry.
<b>SUMMARY OF ISSUE</b>	The company operates in an energy intensive industry as a paperboard manufacturer. They switched out oil and natural gas consumption and moved to biomass energy production in 2015. They only use natural gas as a reserve fuel and meet the MP (material particulado) e NOx (nitrogen oxide) emissions criteria set by Cetesb (Environmental Company for the State of Sao Paulo) for biomass boiler emissions.
<b>SIZE/SCOPE OF ISSUE</b> (e.g. \$ financial implication, # of individuals affected)	<p>100% of annual revenue comes from paperboard production. The drying process is the most energy intensive process and accounts for almost 60% of scope 1 energy usage.</p> <p>The company has calculated the following:</p> <ul style="list-style-type: none"> <li>• Natural gas (average of 90,000m<sup>3</sup>/month) – used in production</li> <li>• Biomass (average of 7,779m<sup>3</sup>st/month) - used in production</li> <li>• Electric energy (4,086 Mwh/month) – used in production</li> <li>• GLP (8.190 kg/month) – Moving equipment</li> <li>• Diesel oil (2.788 liters/month) – Moving equipment</li> </ul> <p>For electric energy, they are at 450 Kwh/ton of paperboard.</p>
<b>IMPACT ON STAKEHOLDERS</b>	Companies that operate in energy intensive industries are expected to decrease their emissions in line with global planetary boundaries.
<b>IMPLEMENTED MGT PRACTICES</b>	<p>The company does not make any comparisons with other industry players for carbon emissions and they are not currently measuring their own carbon footprint. For electric energy, they do make comparisons with the paper industry. They have plans to measure their carbon footprint and set carbon related reduction goals in the future. The biomass boiler had as its main objective to be an alternative energy source to gas.</p> <p>For electric energy, they have implemented the following best practices: high-performance motors, demand control, potency factor control, and switching out conventional lighting for LED lighting. To reduce carbon emissions, they give preferential use to the biomass boiler.</p>
<b>REPORT</b>	Cetesb: <a href="https://cetesb.sp.gov.br/">https://cetesb.sp.gov.br/</a>



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<b>DISCLOSURE QUESTIONNAIRE CATEGORY</b>	Water Intensive Industry
<b>TOPIC</b>	As a paperboard manufacturer, Papirus operates in a water intensive industry.
<b>SUMMARY OF ISSUE</b>	Water is crucial for paper and paperboard making. It is used for fiber transportation, deflaking, refining and desegregation of the principal raw material.
<b>SIZE/SCOPE OF ISSUE</b> (e.g. \$ financial implication, # of individuals affected)	<p>The company uses two water sources: superficial (Rio Jaguari) and groundwater (four artesian wells). In 2021, their water use minimally affected the captured/declared consumption of water. 1.3% did not return to the water table. The company is obliged to return the volume of captured water, in line with parameters established by Cetesb. The company measures their water use per product.</p> <p>They are not located in a water-stressed region. During the water crisis between 2014 and 2015, they drilled wells in an emergency condition. However, the conferment (license) for water use was above what they needed. To avoid unnecessary use of this natural resources, they asked for a reduction in their license to contribute to the environment. Therefore, in 2019, Papirus requested a reduction in the concession of wells 3 and 4 (well 3 is 41m<sup>3</sup> to 29m<sup>3</sup> / well 4 is 36m<sup>3</sup> to 12m<sup>3</sup>).</p>
<b>IMPACT ON STAKEHOLDERS</b>	The cities close to and downstream of the company water intake are impacted stakeholders. The positive impact can be considered by the volume used (remembering that they return the water to the river almost the same quantity caught) and the quality of the water returned. In 2022, for the recirculation process (reuse), they increased the volume from 50m <sup>3</sup> /hour to 70m <sup>3</sup> /hour, positively influencing the volume captured (reduction of water from de river). Papirus has met regulatory requirements over the years and recently, has planted around 6,000 seedlings of native trees in the forest near their company.
<b>IMPLEMENTED MGT PRACTICES</b>	<p>The company uses water as a tool to transport fibers. They work within the concession of the DAEE (Department of Water and Electric Energy) and are in consultations to assess the reduction of water usage, beyond the reductions achieved in the previous decade. They have consumption targets, which are linked with a strategic indicator evaluated monthly by company management.</p> <p>They have carried out a comparative assessment with other similar companies, yet there are many types of paper, quality demands, microbiological count, among other variables, even paper to be in contact with foodstuffs or medicine that makes them different. Another point with regard to comparisons would be the types of equipment from the paper industry, which have different characteristics.</p> <p>The company is working with a consultancy to assess the outcomes of their comparative assessments to finalise their reduction and consumption targets.</p>



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<b>DISCLOSURE QUESTIONNAIRE CATEGORY</b>	Biodiversity Impacts
<b>TOPIC</b>	As a paperboard manufacturer, Papirus operates in an industry with Biodiversity impacts.
<b>SUMMARY OF ISSUE</b>	The company is a producer of paperboard. They source FSC certified cellulose as a prepared input material, as well as mechanical pulp, and reclaimed fibers.
<b>SIZE/SCOPE OF ISSUE</b> (e.g. \$ financial implication, # of individuals affected)	<p>The company sources the following materials in their paperboard manufacturing:</p> <ul style="list-style-type: none"> <li>• Certified pulp (FSC) - 79%</li> <li>• Recycled - 17%</li> <li>• Controlled wood - 4%</li> <li>• Total - 100%</li> </ul>
<b>IMPACT ON STAKEHOLDERS</b>	Papirus also uses eucalyptus as fuel in their biomass boiler. The eucalyptus comes from reforested forests. Their suppliers monitor the origin of the forest as per the demands of the company.
<b>IMPLEMENTED MGT PRACTICES</b>	<p>The company only uses certified cellulose as an input material for their paperboard products. Their suppliers have "Manejo Florestal Sustentável" through FSC certification, which evaluates environmental and social risks. There are goals in place for maintaining their FSC certification and just using fiber from sustainable forest management.</p> <p>For one of their fiber suppliers, who is not certified, they conduct an evaluation of Controlled Wood according to the FSC-STD-40-005 - Controlled Wood standard, based on the FSC Standards. Papirus does not have a code of conduct for suppliers, but has the topic of Environmental Responsibility in its Suppliers Manual. This Manual can be found on the Papirus website and is available for all suppliers.</p> <p>The company also uses some fibers from reclaimed materials pre- and post-consumption (recycling). Reclaimed materials suppliers are also audited based on the FSC-STD-40-007 - Reclaimed Material, where they verify labor- and social-related items, work safety, and operating documents.</p>
<b>REPORT</b>	FSC certification and environmental responsibility, these are the links <a href="https://www.papirus.com/fsc/">https://www.papirus.com/fsc/</a> and <a href="https://www.papirus.com/politicas-e-codigos/">https://www.papirus.com/politicas-e-codigos/</a>



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Papirus

UPDATED AS OF:

01/27/2023

<b>DISCLOSURE QUESTIONNAIRE CATEGORY</b>	Chemical Intensive Industry
<b>TOPIC</b>	As a paperboard manufacturer, Papirus operates in an industry that is chemical intensive.
<b>SUMMARY OF ISSUE</b>	<p>As a company that produces paperboard from wood input materials, Papirus operates in an industry in which chemical use is a material environmental issue. In all paper production, from pulping until winding, is used products chemical.</p> <p>The aspects of the production process that are chemically intensive are:</p> <ol style="list-style-type: none"> <li>1. Virgin Pulp BEKP ECF</li> <li>2. Filler/Coating - Calcium Carbonate</li> <li>3. Cationic Tapioca Starch</li> <li>4. Coating – Styrene Butadiene Copolymer</li> <li>5. Coating - Kaolin</li> <li>6. Internal ASA Sizing – 2,5-Furandione, dihydro-, mono-C15-20-alkenyl derivs.</li> <li>7. Moisture - Water</li> </ol>
<b>SIZE/SCOPE OF ISSUE</b> (e.g. \$ financial implication, # of individuals affected)	100% of annual revenue comes from paperboard production.
<b>IMPACT ON STAKEHOLDERS</b>	<p>As a chemical intensive industry, paperboard production 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>Papirus uses chemical products that are in compliance with the positive lists of the FDA, BfR, and REACH. They do not use products that are not authorized by these bodies.</p>
<b>IMPLEMENTED MGT PRACTICES</b>	<p>The company has a chemical consumption indicator in place to monitor their chemical usage.</p> <p>The company states that they do not have plans in place to reduce the use of chemicals in their manufacturing processes as the formulation of their products undergo very few changes. There are domestic (ANVISA) and international (FDA and BfR) rules for limits of accepted chemicals use with which the company must comply.</p> <p>The treatment of their effluent or residual water is basically a normal chemical treatment (physical and biological).</p>

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PROVIDED BY: **Papirus** UPDATED AS OF: **01/27/2023**

<b>DISCLOSURE QUESTIONNAIRE CATEGORY</b>	Labor Litigation
<b>ISSUE DATE</b>	Ongoing
<b>TOPIC</b>	Labor Litigation
<b>SUMMARY OF ISSUE</b>	Labor suits involve a range of actions filed by former employees and third parties relating to, among other things, overtime, vacations, unhealthy work conditions and work accidents.
<b>SIZE/SCOPE OF ISSUE</b> (e.g. \$ financial implication, # of individuals affected)	As of 2022, Papirus had 21 open labor litigation cases and 19 cases closed in the last 5 years. The total value claimed in the lawsuits that are currently pending judgment is R\$ 2.354.478,03. The total amount paid in closed cases is R\$1.478.840,51
<b>IMPACT ON STAKEHOLDERS</b>	The primary impacts related to labor litigation is financial impact on employees and third parties.
<b>RESOLUTION</b>	In the last five years, 2 cases resulted in a verdict against the company, 17 cases were settled out of court, and the remainder are still pending.
<b>IMPLEMENTED MGT PRACTICES</b>	<p>All work related accidents are communicated to the competent authority and to the Unions through CAT (Communication of Accident at Work). In addition, the company conducts internal investigations to identify the causes of accidents and adopt measures to prevent recurrence. The company regularly improves the safety of its machines, in compliance with the NR-12 (Regulatory Norm of the Ministry of Labor that provides for safety at work in machines and equipment). It maintains an internal commission for accident prevention (CIPA), as well as a Specialized Service in Safety Engineering and Occupational Medicine (SESMT), made up of professionals in the area of health and safety at work, whose main function is to protect physical integrity of workers within the company. Safety inspections are carried out periodically by Occupational Safety Engineers and Technicians. Papirus points out that there are practically no two occurrences involving the same equipment. In addition to that, Papirus offers Regulatory Standards Safety trainings, Operational trainings, 'Weekly Dialogues' to discuss safety issues, and an emergency brigade is available onsite.</p> <p>The company has an internal commission to prevent accidents (CIPA), and safety inspections are carried out by Occupational Safety Technicians. Papirus also highlights that there are practically no two occurrences involving the same equipment.</p> <p>Beyond safety measures, the company has taken action to guarantee compliance to Brazilian laws and regulations, being some of them:</p> <ul style="list-style-type: none"> <li>• Monitoring and responding with quick actions to meet Ministry of Labor quotas requirements;</li> <li>• Complying with the correct interval between working hours;</li> <li>• Building air conditioning system installations;</li> <li>• Implementing shifts in the shipping department to reduce excessive overtime;</li> <li>• Reviewing job descriptions to avoid function deviation;</li> <li>• Implementing Code of Conduct to avoid moral damages;</li> <li>• Implementing an ergonomics program;</li> <li>• Eliminating unhealthy conditions due to contact with hydrocarbons in the Biomass Boiler;</li> <li>• Isolating Pit Stop, with closure of the LPG gas risk area, used to supply forklifts;</li> <li>• Using chemical application kits (polymers) automatically without operator manipulation.</li> </ul>