



## 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: Vedacit  
Date Submitted: 1/6/2023

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:

Vedacit

UPDATED AS OF:

1/6/2023

<b>DISCLOSURE QUESTIONNAIRE CATEGORY</b>	Environmentally Intensive Industries
<b>TOPIC</b>	Chemical Intensive Industries
<b>SUMMARY OF ISSUE</b>	<p>"As a company in the construction industry, Vedacit operates in an industry in which chemical use is a material environmental issue. The company's processes, aimed at civil construction, require the use of raw materials considered chemical products, such as resins, emulsions, asphalts, etc.</p> <p>The company uses Substances of Very High Concern (SVHC) under EU Reach Regulations</p>
<b>SIZE/SCOPE OF ISSUE</b> (e.g. \$ financial implication, # of individuals affected)	<p>"In 2021, 0.8% of the company's annual revenue came from products containing chemicals of concern included in the REACH list.</p> <p>In the same year, Vedacit reduced by 82% the use of xylene solvent in its formulations at plants in Sao Paulo and Bahia."</p>
<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>RESOLUTION</b>	<ul style="list-style-type: none"> <li>- Vedacit makes available the Material Safety Data Sheet (MSDS) (FISPQ – Ficha de Informações de Segurança de Produtos Químicos). This form contains all the impacts that the product can cause, indicating the Personal Protective Equipment (PPE) necessary for the use of each product. In the company's packaging, PPEs are indicated for the application of each product, both in text and in image, to facilitate consumer's understanding;</li> <li>- The company's Customer Service is available to answer questions related to the topic and Vedacit also has a partnership with Pró-Química. In case of product spillage, Pró-Química workers are able to help consumers and the highway police;</li> <li>- The company has a goal for 2025 of not using any raw material that appears in lists such as REACH,</li> <li>- Over the last 3 years, Vedacit is using more sustainable alternatives to the solvents;</li> <li>- Vedacit classifies production wastewater as Class I waste, which is considered hazardous according to the Brazilian norm NBR 10.004. The main practices at Vedacit's factories are segregation, storage, transport, and final destination.</li> <li>- The company stores its wastewater in IBC (Intermediate bulk containers) with a capacity of 1000 liters and correctly destined it for a waste treatment company. To guarantee the disposal process the company has a CADRI (Certificado de Movimentação de Resíduos de Interesse Ambiental - Certificate of Movement of Waste of Environmental Interest).</li> </ul>
<b>RESOLUTION</b>	<p>More information about our practices can be found on our website and in our Sustainability Reports: <a href="https://vedacit.com.br/para-voce/institucional/sustentabilidade.html">https://vedacit.com.br/para-voce/institucional/sustentabilidade.html</a></p>



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<b>DISCLOSURE QUESTIONNAIRE CATEGORY</b>	Environmentally Intensive Industries
<b>ISSUE DATE</b>	Ongoing
<b>TOPIC</b>	Litigation and penalties related to tax, labor and environmental issues
<b>SUMMARY OF ISSUE</b>	<p>For the past 5 years, Vedacit has had different lawsuits filed against the company. There are 14 tax-related lawsuits and penalties, 96 labor, and 3 environmental litigations.</p> <ul style="list-style-type: none"> <li>- Tax litigations involve a range of actions filed by public regulatory bodies relating to, among other things, disputes in the legality of chargers and rates of taxes,</li> <li>- Labor suits involve a range of actions filed by former employees and third parties relating to, among other things, material and moral damages, overtime, hazards additional, unhealthy work conditions, severance funds, and health issues,</li> <li>- There is one legal action and two administrative procedures regarding environmental issues, filled by CETESB and the Public Ministry of the State of São Paulo, alleging soil contamination.</li> </ul>
<b>SIZE/SCOPE OF ISSUE</b> (e.g. \$ financial implication, # of individuals affected)	<p>The total value of tax-related lawsuits is R\$ 5,660,252.93.</p> <p>The total value of labor litigations is R\$ 50,417,308.06</p> <p>The total value of the environmental claims is R\$ 1,710.46.</p>
<b>IMPACT ON STAKEHOLDER(S)</b>	<p>Tax litigation may cause a financial impact on plaintiffs.</p> <p>The primary impact related to labor litigation is a financial impact on former employees and employees.</p> <p>There are environmental impacts associated with the claims such as pollution of air, land, and water, as well as potential human health risks to those exposed to it. The environmental cases related to Vedacit had limited impact due to the small area of contamination located in the factory area."</p>
<b>RESOLUTION</b>	<p>"All 14 tax lawsuits are open.</p> <p>As of the end of 2022, there were 96 open labor litigations cases and 28 cases were closed.</p> <p>The environmental cases are open since Vedacit is still following the proper soil contamination remediation plan monitored by CETESB."</p>



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UPDATED AS OF:

12/13/2022

<p><b>IMPLEMENTED MGT PRACTICES</b></p>	<ul style="list-style-type: none"> <li>- Regarding tax litigations, Vedacit annually reviews processes involving taxes calculation. Changes in tax law are monitored through updates provided by ABRAMAT (Brazilian Association of the Industries of Construction Materials) and an online tool that monitors those changes. In addition, new legal tax theses are evaluated monthly with Vedacit's legal area, regarding their applicability to the business. The company frequently updates the tax team's knowledge of changes in legislation during training sessions. Since 2020, Vedacit has been using a software to manage calculations and tax payments and send obligatory tax reports,</li> <li>- In regards to the labor litigations, Vedacit has improved the development and training processes, the benefits package, diversity and inclusion initiatives, and constant strengthening and engagement of employees in adopting safe behavior and participating in health and safety initiatives. As a result of these actions, Vedacit was recognized as a Top Employer 2022 and received the GPTW certification in 2022,</li> <li>- To understand the company's implemented management practices related to the environmental penalties, please check the disclosure below.</li> </ul>
<p><b>REPORT</b></p>	<p>"More details of people management practices are available at Vedacit's Sustainability Report: <a href="https://vedacit.com.br/para-voce/institucional/sustentabilidade.html">https://vedacit.com.br/para-voce/institucional/sustentabilidade.html</a></p> <p>About Top Employers certification: <a href="https://www.top-employers.com/pt-BR/">https://www.top-employers.com/pt-BR/</a></p> <p>Vedacit earns Top Employers Certification: <a href="https://www.vedacit.com.br/para-voce/institucional/sala-de-imprensa/releases/vedacit-conquista-certificacao-internacional-top-employers.html">https://www.vedacit.com.br/para-voce/institucional/sala-de-imprensa/releases/vedacit-conquista-certificacao-internacional-top-employers.html</a></p> <p>About Great Place to Work: <a href="https://gptw.com.br/">https://gptw.com.br/</a>"</p>

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PROVIDED BY:

Vedacit

UPDATED AS OF:

1/6/2023

<b>DISCLOSURE QUESTIONNAIRE CATEGORY</b>	Environmental Penalties
<b>ISSUE DATE</b>	Ongoing
<b>TOPIC</b>	Remediation for soil contamination
<b>SUMMARY OF ISSUE</b>	<p>The soil contamination occurred in the company's facility, located at Sao Paulo (Brazil), due to the decomposition of pipes and underground tanks installed more than 40 years ago, a time when the legislation did not establish technical standards for this equipment and how it was installed.</p> <p>In 2012, the State of São Paulo Environmental Company (CETESB - Companhia Ambiental do Estado de São Paulo) issued a Notice of Violation against Vedacit, and started an Administrative Procedure for the application of a warning penalty (not a fine), due to soil contamination. Then, Cetesb opened a second procedure to monitor the soil remediation activities undertaken by Vedacit. Both procedures are still open and the soil remediation works are also being carried out, with the monitoring of CETESB.</p>
<b>SIZE/SCOPE OF ISSUE</b> (e.g. \$ financial implication, # of individuals affected)	<p>"CETESTB did not impose a fine on Vedacit in 2012. However, in 2019, while the contaminated soil remediation plan was being conducted by Vedacit, CETESB changed its verification process and due to a miscommunication between the two organizations, Vedacit received another notification and a fine of R\$17,244.50.</p> <p>An area of 10,162 m2 was contaminated by hydrocarbons. The contamination did not cross the property boundaries."</p>
<b>IMPACT ON STAKEHOLDER(S)</b>	Hydrocarbons may pose risks to the environment such as pollution of air, land, and water, as well as potential human health risks to those exposed to it.
<b>RESOLUTION</b>	The soil contamination remediation plan is still ongoing.
<b>IMPLEMENTED MGT PRACTICES</b>	<ul style="list-style-type: none"> <li>- The installations that originated soil contamination with hydrocarbons, with a coverage area of 10,162 m2, were discontinued, as well as the product manufactured in this production line,</li> <li>- The whole remediation process has been carried out with the direct participation and guidance of the environmental agency, which is constantly monitoring it. Vedacit is reporting all stages and advances related to the remediation plan.</li> </ul>
<b>REPORT</b>	Vedacit's Sustainability Report: <a href="https://vedacit.com.br/para-voce/institucional/sustentabilidade.html">https://vedacit.com.br/para-voce/institucional/sustentabilidade.html</a>
<b>RELATED INCIDENTS (YES/NO)</b>	There were no related incidents in the past 5 years.