



Mantequeras Arias

Disclosure Report

Date Submitted: January 7th, 2024



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 that B Lab deems relevant for public stakeholders, then, as a condition of their certification, the company must:

- 1) Be transparent about details of 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 practices are in place to avoid similar issues from arising in the future, when necessary.

In all cases, the Standards Advisory council reserves the right to refuse certification if the company is ultimately deemed not to uphold the spirit and integrity of the community.

In addition to the voluntary indication of sensitive issues in the Disclosure Questionnaire, companies pursuing Certification also are subject to a background check 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

Industries and Products

	Yes	No
Please indicate if the company is involved in production or trade in any of the following. Select Yes for all options that apply.		
Animal Products or Services	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Biodiversity Impacts	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Chemicals	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Disclosure Alcohol	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Firearms Weapons	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Mining	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Pornography	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Tobacco	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Energy and Emissions Intensive Industries	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Fossil fuels Gambling	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Genetically Modified Organisms	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Illegal Products or Subject to Phase Out	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Industries at Risk of Human Rights Violations	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Monoculture Agriculture	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Nuclear Power or Hazardous Materials	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Payday, Short Term, or High Interest Lending	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Water Intensive Industries	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tax Advisory Services	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Outcomes & Penalties

	Yes	No
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	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Breaches of Confidential Information	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Bribery, Fraud, or Corruption	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company has filed for bankruptcy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Consumer Protection	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Financial Reporting, Taxes, Investments, or Loans	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Labor Issues	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Large Scale Land Conversion, Acquisition, or Relocation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Litigation or Arbitration	<input type="checkbox"/>	<input checked="" type="checkbox"/>
On-Site Fatality	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Penalties Assessed For Environmental Issues	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Political Contributions or International Affairs	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Recalls	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Significant Layoffs	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Violation of Indigenous Peoples Rights	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>



Practices

	Yes	No
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	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company prohibits freedom of association/collective bargaining	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company workers are prisoners	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Conduct Business in Conflict Zones	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Confirmation of Right to Work	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Does not transparently report corporate financials to government	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Employs Individuals on Zero-Hour Contracts	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Facilities located in sensitive ecosystems	<input type="checkbox"/>	<input checked="" type="checkbox"/>
ID Cards Withheld or Penalties for Resignation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
No formal Registration Under Domestic Regulations	<input type="checkbox"/>	<input checked="" type="checkbox"/>
No signed employment contracts for all workers	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Overtime For Hourly Workers Is Compulsory	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Payslips not provided to show wage calculation and deductions	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Yes	No
Sale of Data	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Tax Reduction Through Corporate Shells	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers cannot leave site during non-working hours	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers not Provided Clean Drinking Water or Toilets	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers paid below minimum wage	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers Under Bond	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Child or Forced Labor	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Negative Environmental Impact	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Negative Social Impact	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Environmentally Intensive Industries - Energy and Emissions Intensive Industries

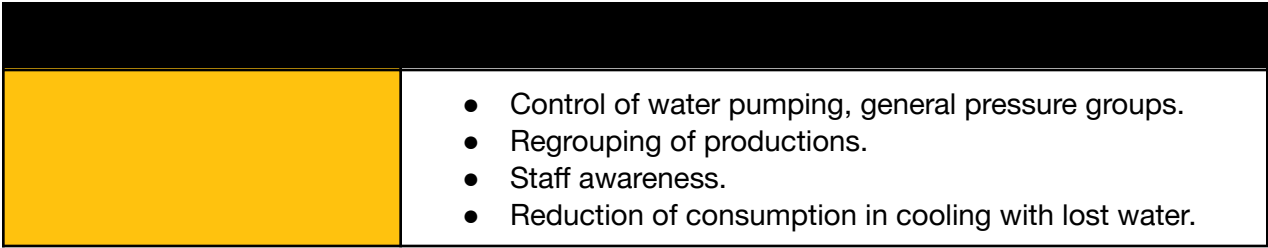
Topic	Energy and Emissions Intensive Industries
Summary of Issue	Mantequeras Arias is a subsidiary of the Saviencia Group, They manufacture diverse dairy products such as cheese and butter, an industry considered as energy and emissions intensive. Mantequeras Arias owns 5 manufacturing plants across Spain: Ronda, Vegalencia, Burgos, Valladolid, Albacete, and a central office located in Madrid. To produce its produce and sell its products the company sources fresh materials from third parties and distributes its products in refrigerated vehicles.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	In the previous fiscal year, 100% of the company's revenue was earned from the sale of food products and services. Currently, Mantequeras Arias (on average from January to June 2023) consumes 8.79 Gigajoules of energy per Ton of manufactured product and emits 452 Kg of CO2 equivalent per Ton of manufactured product (scopes 1 and 2).
Impact on Stakeholders	The food manufacturing industry and animal agriculture is energy and emissions intensive, contributing to global carbon emissions. Mantequeras Arias consumes natural gas in 4 of its production plants. And only one, Albacete, which is the smallest (2.7% of consumption), consumes diesel.
Implemente Management Practices	<p>Mantequeras Arias has implemented the following measures to manage its carbon footprint:</p> <ul style="list-style-type: none"> • Has been measuring its Scopes 1 and 2 emissions of its carbon footprint for 15 years. It has reduced its footprint in these areas by 56% since 2015. • Currently, 100% of the electricity the company consumes has a renewable Guarantee of Origin. • Since 2022, Arias has begun to measure the Scope 3 emissions of its carbon footprint. • Adhering to the international Lean&Green program, Arias has calculated the emissions of all its logistics and has received the Lean&Green Award for presenting an emissions reduction plan. • Arias carries out energy audits and annual energy

	<p>consumption reduction plans.</p> <ul style="list-style-type: none"> • In 2022, Arias has reduced its energy consumption by 30% compared to 2015. <p>Measures taken to reduce energy consumption include the following:</p> <ul style="list-style-type: none"> • Change to LED lighting with the following implementations or consumption levels: Vegalencia 99%, Burgos 96%, Valladolid 75%, Albacete 100% lightening, 60% screens, Ronda 70% • Installation of high-speed doors in the ripening chambers to reduce cold loss • Improvement of pipe insulation • Replacement of air treatment equipment in packaging rooms with free-cooling equipment • Installation of variations for the compressors • Improvement of air conditioning control • Grouping of productions • Continuous measurement of consumption and utilization of alarms for the immediate identification of deviations and excesses of consumption. <p>Arias participates in the working groups that the Savencia group has created to share among its subsidiaries information on consumption ratios, action plans, success stories and best practices in reducing energy consumption and emissions. In these groups, information is shared between dairy factories in different countries in Europe.</p>
Management Comments	<p>In 2023, Arias has also received the First Star of Lean&Green program because Arias has confirmed a reduction of 20% of its logistic emissions in 2022 vs 2019.</p>

Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Environmentally Intensive Industries - Water Intensive Industries

Topic	Water Intensive Industries
Summary of Issue	As a company in the food production industry, Mantequeras Arias is in an industry that is water-intensive. Currently, Mantequeras Arias uses water throughout its value chain, water is also used to clean pipes and machinery to carry out adequate hygiene of the equipment.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	In the previous fiscal year, 100% of the company's revenue was earned from the sale of food products and services. In 2022 Arias will have consumed 24.77m3 of water for every Ton of product it has manufactured.
Impact on Stakeholders	As a water-intensive industry, the manufacturing industry poses risks such as water stress or depletion of local water sources if water use is not appropriately managed. The company sources water as follows: Valladolid's water collection is the Canal de Castilla, equivalent to taking it from a river, or surface water. The collection of Vegalecia and Albacete is groundwater, from a well. The factories in Burgos and Ronda consume from the urban network. None of the company's water sources are considered water stressed areas.
Implemente Management Practices	<p>Arias, within the Oxygen plan, the CSR plan of the Savencia group, had set the objective of reducing its water consumption in 2025 by 10% compared to 2015. In 2022 it has exceeded the objective 3 years ahead of time, achieving a reduction of 10,8% in m3 per ton manufactured, compared to 2015. The company adopted the following measures to reduce water consumption:</p> <ul style="list-style-type: none"> • Reuse of Whey Reverse Osmosis water. • Installation of partial water meters and improvement of control and monitoring of consumption. • Optimization of equipment and processes, in particular UF Plants, RO Plants, Cleaning Machines and CIP's. • Installation of water guns on cleaning hoses. • Identification of leaks and repair.



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Animal Products and Services

Topic	The company has significant raw material supplier expenses from direct purchases from primary producers (dairy farmers).
Summary of Issue	Mantequeras Arias is a food production company. In 2022, the company spent 45.4 million euros on milk (from cows, sheep and goats) purchases, which represents 48% of the company's spending. 80% of milk purchases are made directly from farms (independent farmers and cooperatives) and the rest is purchased on the spot, which can sometimes be from farmers and other times from intermediaries.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	In the previous financial year, 100% of the company's revenue came from the sale of dairy products made from raw materials sourced from dairy farms. that came from Animal farms. 48% of the company's total expenditure in 2022 was spent on the purchase of milk. 80% of milk purchases are made directly from dairy farms (independent farmers and cooperatives) and the rest is purchased from Spot, which can sometimes be from farmers and other sometimes from intermediaries.
Impact on Stakeholders	The sale or use of animal products and animal-related services by businesses poses a risk to the humane treatment of animals if adequate management practices are not in place
Implemente Management Practices	<p>Mantequeras Arias is in the process of implementing the Savencia Animal Welfare Charter, a reference developed by the Savencia group based on Welfare Quality and endorsed by Compassion in World Farming (CIWF). Until 2022, the KPI measured was only in reference to the audits according to the Best Farming Practices Charter that Arias' milk suppliers are required to comply with, which includes a section on Animal Welfare. Starting in 2023, reference will also be made to a specific Animal Welfare audit. This KPI is published in the company's CSR report.</p> <p>compliance with the Best Farming Practices Charter is 100% by 2030. From 2023 to 2030 is the adaptation period to meet the objectives following the action plans derived from each audit. In 2022, 99.5% of the dairy cow farms have been audited, which is very close to the 100% target set for 2025, The audits</p>

	<p>are renewed every two years to assess the evolution of each of the commitments of new producers joining the company's routes. The company audits their regular suppliers: independent ranchers and cooperatives. Fundamentals on good practices of dairy farmers for the animals:</p> <ol style="list-style-type: none"> 1. Freedom of hunger and thirst 2. Freedom of discomfort 3. Freedom from pain, injury, and disease 4. Freedom to express normal and natural behavior 5. Freedom from distress 6. The possibility of having positive experiences: conditions conducive to experiencing positive emotions.
Report	<ol style="list-style-type: none"> 1. Plan Oxygen 2. Memoria de Sostenibilidad e Informe de Estados No Financieros (EINF) 3. Carta de Buenas Practicas Ganaderas

Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Environmentally Intensive Industries - Chemical Intensive Industries

Topic	Chemical Intensive Industries
Summary of Issue	Mantequeras Arias is a food production company that consumes chemicals to clean pipes and machinery.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	Mantequeras Arias in their food production process uses chemicals to clean pipes and machinery. 100% of their revenue comes from products that require cleaning processes in their pipes and machinery.
Impact on Stakeholders	As a food producer company, Mantequeras Arias is a chemical-intensive industry; cleaning products for manufacturing 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.
Implemente Management Practices	<p>Mantequeras Arias has implemented the following practices to manage its chemical consumption:</p> <ul style="list-style-type: none"> • The company monitors chemical product consumption. As part of their philosophy of continuous improvement, they try to reduce its consumption and ask their suppliers to propose reduction plans to them. • Arias relies on the Good Practices Guide for the design and management of cleaning equipment written by the Savencia group for use by its subsidiaries, to optimize the use of chemical products in their factories. • Arias does not consume any SVHCs. • The vast majority of cleaning of equipment and facilities is carried out with CIP (Clean In Place) systems, which recover the cleaning solutions, that is, they do not work with a lost solution, minimizing spills. • Automatic basket and mold washing machines save water and chemical product consumption compared to manual washing. • All factories have their own treatment plants managed to ensure that the discharge waters fully comply with the parameters established in the discharge authorizations.

	<ul style="list-style-type: none">• The company is planning to calculate its consumption ratio of chemical products in their CIP (line washing systems) and mold washers ratio by the end of 2023. This ratio will be compared to the other plants in the group and other industries. This calculation is a project of the Savencia group in collaboration with the supplier Kersia.

Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Recalls

Topic	Recalls due to potential presence of elemental impurities
Issue Date	2018-2020
Summary of Issue	Mantequeras Arias is a food production company. they had in the last 5 years four recall incidents. all recalls were made before consumers could buy the products, and no individuals were affected
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	<p>Mantequeras Arias had 4 voluntary recall events in the last 5 years, related to ensuring the quality (including organoleptic) of the product and in no case with a risk to the health of the consumer.</p> <ul style="list-style-type: none"> Recall 1: Milk product recall representing 0.19% of milk production. Recall 2 San Millan product recall representing 0.09% of Arias production. Recall 3 Milk product recalls representing 4.78% of Arias production. Recall 4 (2020) Skyr yogurt product recall representing 1% of Arias production.
Impact on Stakeholders	As a food manufacturing company, Mantequeras Arias has the obligation to recall productions that may potentially harm consumers.
Implemente Management Practices	<p>Although the recalls were preventative, to prevent quality (including organoleptic) related recalls from occurring in the future the company has implemented the following:</p> <ol style="list-style-type: none"> In cases where the risk lies with the suppliers (raw materials), The company has worked on its recipe to make it more robust against identifying risks. In other cases where products are subjected to prospective (non-routine) analyses of annual frequency, they have been organized so that Mantequeras Arias can have the results before the product becomes available to customers.

Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Others - Fines & Penalties

Issue Date	2014-2017
Topic	Fines and Penalties for late financial reporting and late or incorrect tax payments
Summary of Issue	In 2018, Mantequeras Arias started a Tax Control related to 2014-2017 about Income Tax, VAT and Personnel Retention. As a result of this control, the Tax office has proposed 3 penalties (less than 0,5% of the company's annual revenue). Arias has refused the proposal and recently the tax office has partially accepted the Arias criteria. Final penalties amount is still not determined but it will be not significant.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	In 2018, Mantequeras Arias started a Tax Control related to 2014-2017 about Income Tax, VAT and Personnel Retention. As a result of this control, the Tax office has proposed 3 penalties (less than 0,5% of the company's annual revenue).
Impact on Stakeholders	In addition to the many different aspects of value that businesses provide to society, businesses have an obligation to contribute their share of taxes. As businesses exist within the context of society; their proper role is to serve society. Moreover, healthy businesses can only exist over the long term in a healthy society. A healthy society depends upon public expenditures made possible by taxes. These public expenditures benefit business in both direct and indirect ways.
Resolution	Arias has refused the proposal and recently the tax office has partially accepted the Arias criteria. Final penalty amount is still not determined but it will be not significant..
Implemented Management Practices	The company has hired an independent auditing company to review its annual reportings to provide an extra assurance that the amount of overall taxes paid over time appropriately reflects the actual amount of income generated by the business.