



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: Grupo San Jose
 Date Submitted: August 2021

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

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Grupo San Jose

UPDATED AS OF:

August 2021

DISCLOSURE QUESTIONNAIRE CATEGORY	Environmentally Intensive Industries
ISSUE DATE	Ongoing
TOPIC	Biodiversity Impact and Monoculture Agriculture
SUMMARY OF ISSUE	As a chocolate manufacturer, Grupo San Jose operates in an industry in which biodiversity impact and monoculture agriculture are material environmental issues.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	The company operates a total area of 320 hectares of which 168 hectares is under cultivation. The non-cultivated land is located in forested areas. 89.9% of cultivated land is planted with cacao every season.
IMPACT ON STAKEHOLDERS	Agriculture, particularly in cases where a single crop is cultivated at a time, poses a risk to local ecosystems of flora and fauna as well as the potential degradation of cultivated land.
IMPLEMENTED MGT PRACTICES	<p>The company applies biological controls to minimise the impact on the environment and the application of organic products such as Californian Worm Humus. The company implements a low impact agroforestry farming system with resilience capacity. Rotation is not managed in cocoa plantations, but soil management practices are carried out to guarantee their non-degradation.</p> <p>Pesticides are not used. An integrated pest management is used with the use of chemical products in low proportion and organic controllers. The company does not have any external party for sustainable certification on growing cocoa beans. (Government and legislations are the current main hurdle to attain this type of certification). The company has implemented 3 biological controls;</p> <ul style="list-style-type: none"> 1) Biocontrolers; Antagonistic & Entomopathogens Fungus. 2) Bacterial; Bacillus Megaterium & Subtilis. 3) Biostimulants; Beneficial microorganisms & Compost. <p>The Company created its own infographic of the local fauna and collected from identified species with corresponding scientific names. (mostly birds). Targets around biodiversity is underway upon data in-house collection.</p>



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DISCLOSURE QUESTIONNAIRE CATEGORY	Environmentally Intensive Industries
ISSUE DATE	Ongoing
TOPIC	Water Intensive Industries
SUMMARY OF ISSUE	As a company that owns and operates farms, Grupo San Jose operates in an industry that is water intensive. Aspects of the industry that make it water intensive include irrigation used in the implementation of a permanent water irrigation system for cocoa trees.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	The company uses water to irrigate cocoa trees on approximately 141 hectares. GSJ farms utilize water management by drip irrigation system either from sprinkling or manual and main source comes from "Rio del Pilar". Water collection is applied through Diesel and electrical pumping to fill up 2 tanks; one of 285K liters and other of 120K.
IMPACT ON STAKEHOLDERS	As a water intensive industry, agriculture production poses risks such as water stress or depletion of local water sources if water use is not appropriately managed. Cisterns and deep water wells are used so as not to depend entirely on the river. The company monitors and measures their water use on an annual basis with a total of 546,518 m3/Yr measured in the last calendar year.
IMPLEMENTED MGT PRACTICES	<p>The company has set the objective to implement irrigation systems that allow the optimization of the use of water resources, complying with the demands of the crop. They have compared different irrigation systems and techniques on neighboring farms in order to evaluate the efficiency of the use of water resources.</p> <p>Currently one of the practices that is used to improve the efficiency of water use is the use of a self-compensated Israeli drip irrigation system and irrigation in hours where the sun is not so strong so that the water is used to 100%.</p> <p>The company does not operate in a water stressed area.</p>

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DISCLOSURE QUESTIONNAIRE CATEGORY	Human Rights
ISSUE DATE	Ongoing
TOPIC	Industries at Risk of Human Rights Violations
SUMMARY OF ISSUE	Grupo San Jose operates in an industry which is at risk to human rights abuses through the production of cocoa.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	In the previous fiscal year, 0.05% of Grupo San Jose's revenue was earned from the sale of cocoa, produced on their own farms.
IMPACT ON STAKEHOLDERS	The cocoa sector is considered high risk for potential human rights abuses such as slavery, servitude, forced labour and child labour.
IMPLEMENTED MGT PRACTICES	The company has close to 100% traceability of their operations, with direct contact with farmers or local distributors. In regards to social and ethical certifications, the company states that these are not currently available in Venezuela. The company states that none of their suppliers have been involved in conflicts or complaints of forced labour or child labour. The company maintains constant contact with their suppliers, and makes regular visits to their facilities to verify their operations and compliance with the company's ethical standards. They also recently conducted an analysis of their purchasing supply chain to identify high, medium and low risk suppliers. They have plans to launch a pilot on sustainable business with their suppliers and have created a step by step process to engage with, evaluate and motivate their suppliers.



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DISCLOSURE QUESTIONNAIRE CATEGORY	Facilities located in Sensitive Ecosystems
ISSUE DATE	Ongoing
TOPIC	The company operates cocoa farms that are majority located in sensitive ecosystems.
SUMMARY OF ISSUE	Grupo San Jose operates its facilities including: Fermentation centers, cocoa bean drying and storage yards in sensitive ecosystems. One is formed by the Chicondal riverbed (El Pilar River), and another formed by the immediate environment existing on the banks of the same river formed by undergrowth.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	60% of the company facilities are located in the sensitive ecosystems.
IMPACT ON STAKEHOLDERS	Facilities located in Sensitive Ecosystems can have harmful impacts to local flora and fauna.
IMPLEMENTED MGT PRACTICES	Being agroecological crops, the company aims to maintain balance with each of the ecosystems that surround them. Likewise, the application of biological controls and organic products make the incidence of negative effects almost nil.