



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: Lake Champlain Chocolates
 Date Submitted: May 10th, 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:

Lake Champlain Chocolates

UPDATED AS OF:

May 10th, 2022

DISCLOSURE QUESTIONNAIRE CATEGORY	Outcomes and Penalties - Recalls
ISSUE DATE	April 2020 - April 2021
TOPIC	Recalls due to mislabeling and foreign objects found in product
SUMMARY OF ISSUE	<p>Lake Champlain Chocolates (LCC) makes premium chocolate with no GMOs, added preservatives, extenders, or additives, and uses organic and fair trade certified ingredients whenever possible.</p> <p>Lake Champlain Chocolates initiated 3 recalls in the last five years due to mislabeling (2) and foreign objects found in products (1).</p> <p>All recalls were a result of customer complaints.</p>
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	<p>"Recall Event 1 In April 2020, three consumers notified LCC that they had ordered Bulk Dark Chocolate Coins (180 ct). The product they received was Bulk Milk Chocolate Coins labeled as Bulk Dark Chocolate Coins. After an investigation, LCC determined the wrong chocolates were used in the job. The job was for 15 cases and 9 cases of incorrectly labeled product were shipped out to consumer. The 6 remaining cases remained on hand in the LCC warehouse and placed on hold. LCC contacted the consumers who purchased the product through www.lakechamplainchocolates.com, asked them to dispose of the product, and choose a refund or replacement. There was no need to make a public warning because all product was accounted for.</p> <p>Recall Event 2 In January 2021, a consumer notified us that they found a piece of hard plastic within their Hazelnut Five Star Chocolate Bar. Through our investigation it was determined that the piece of plastic came from a mixing paddle in a milk chocolate tank. LCC issued a voluntary recall on all potential products on the market from July 2020 through January 2021. The list of products can be found here: https://www.lakechamplainchocolates.com/blog/recall-update/ These products were distributed through retailers and distributors across all fifty states and in the company's three Vermont retail stores. LCC contacted the consumers and retailers and asked them to dispose of the product and choose a refund or replacement. We issued a public warning through press release.</p> <p>Recall Event 3 In April 2021, two consumers reported Sea Salt Almond Bunnies that were mislabeled as Mr. Goodtime Bunnies. Specifically, the tree nuts (almonds) present in the Sea Salt Almond Bunny are not included on the ingredient label. For this reason, we recalled the lot of 443 individual Sea Salt Almond Bunnies (Best By 11/20/2021) alerting to the undeclared allergen risk. LCC contacted the 74 consumers who purchased it through www.lakechamplainchocolates.com and 19 retailers; and asked them to dispose of the product, and choose a refund or replacement. We issued a public warning through press release.</p>

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ISSUE DATE	April 2020 - April 2021
TOPIC	Recalls due to mislabeling and foreign objects found in product
IMPACT ON STAKEHOLDERS	<p>Recalls can be made for a variety of reasons and may impact the health and wellbeing of the end consumer if proper detection and inspection measures are not in place.</p> <p>Products containing a hard or sharp foreign object that measures 7mm to 25mm in length, as defined by the FDA, can cause risk of choking or injury due to cuts or lacerations. The mislabeling of an undeclared allergen poses a risk of allergic reaction.</p> <p>All three recalls were classified as Class II by the FDA: a situation in which use of or exposure to a violative product may cause temporary or medically reversible adverse health consequences or where the probability of serious adverse health consequences is remote. https://www.fda.gov/safety/industry-guidance-recalls/recalls-background-and-definitions. There were zero reported injuries or illnesses in the three recalls.</p>
IMPLEMENTED MGT PRACTICES	<p>Recall Event 1 Root Cause for this occurrence was determined to be a lack of documented procedure for first case approval on a job resulting from limited staff working during the start of the pandemic. Corrective Action taken to prevent future occurrences was to document procedures for critical verifications that need to be completed if limited staff are available. If it's a rush, one person could complete the first case verification on their own. If it's not a rush the first case verification can wait until other team members are available.</p> <p>Recall Event 2 Root Cause for this occurrence was determined to be: 1) The tank scrapers were on an ANNUAL inspection schedule to determine breakage or wear and tear on these scrapers (too infrequent), in conjunction with 2) the product coming out of the melt tank was NOT screened prior to use in a product.</p> <p>Both gaps have been addressed through 1) increasing the inspection frequency of the scrapers with feedback from vendor to change when discolored and 2) screening chocolate and centers prior to use in products to prevent foreign material from entering product stream.</p> <p>Corrective Action taken to prevent future occurrences: 1) Tank scrapers are on an inspection schedule upon cleaning and re-assembly to identify scrapers at risk to break or fracture. Vendor identified color change as a means of indicating scrapers are aging and need replacement as they become more brittle over time. 2) All melted chocolate and centers are SCREENED prior to use in products to prevent foreign material from entering product stream.</p> <p>Screened FROM Melt Tanks when going into equipment hoppers or bucketed to other equipment.</p>

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ISSUE DATE	April 2020 - April 2021
TOPIC	Recalls due to mislabeling and foreign objects found in product
IMPLEMENTED MGT PRACTICES	<p>Recall Event 3</p> <p>Root Cause for this occurrence was determined to be multiple rolls of labels used during the packaging run of these bunnies, in the middle of the run the wrong label was pulled for use and were not verified as they should have been.</p> <p>Corrective Action taken to prevent future occurrences: Documented verification of all rolls of labels pulled for use in packaging jobs, a sample label from EACH roll is now placed on the lot paperwork and verified before use and release. Training completed for all manufacturing staff to ensure awareness and understanding of new process.</p>
OTHER MGT COMMENTS	<p>The Quality Assurance Manager provides a Quality Report monthly to the Senior Leadership Team. The Summary consists of non-conformance incidents, near misses, customer complaints, and general Quality program updates including Hazard Analysis Critical Control Program (HACCP), Good Manufacturing Program (GMP), and Standard Operating Procedure (SOP) changes.</p> <p>The last completed annual SQF audit of Lake Champlain Chocolates facilities was in August 2021, receiving a rating of "excellent" and a score of 96 (out of 100).</p>

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UPDATED AS OF:

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DISCLOSURE QUESTIONNAIRE CATEGORY	Industries at Risk of Human Rights Violations
ISSUE DATE	Ongoing risk
TOPIC	Forced labor, child labor, and human trafficking risks in cocoa/chocolate industry
SUMMARY OF ISSUE	<p>As a chocolate confectioner, Lake Champlain Chocolates (LCC) operates in an industry in which human rights issues such as forced labor, child labor, and human trafficking are prevalent globally in the cocoa supply chain.</p> <p>LCC makes premium chocolate confections with no GMOs, added preservatives, extenders, or additives, and uses organic and fair trade certified ingredients whenever possible.</p> <p>The company manufactures chocolate confections using couverture. This couverture is purchased from processors who transform raw material cocoa, sugar, vanilla and other ingredients into chocolate.</p>
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	<p>100% of the chocolate used in LCC confections is Fair Trade Certified. 78% of the chocolate is traceable to a farm and 22% is mass balance.</p> <p>The company's chocolate and cocoa products are supplied by multiple suppliers which source from the Dominican Republic, Peru, Uganda, Ivory Coast, Nigeria, Ghana, Sierra Leone, and Cameroon.</p> <p>The company has a target to achieve 100% traceable to the farm chocolate products by 2027.</p>
IMPACT ON STAKEHOLDERS	The global cocoa industry has a history of forced and child labor, which subjects workers to poor working conditions, low wages, and puts children at risk for human trafficking.
IMPLEMENTED MGT PRACTICES	<p>LCC works with its suppliers of fine chocolate to identify sourcing that is traceable and Fair Trade Certified. When traceability to co-operative is not possible, the company purchases chocolate that is Fair Trade Mass-Balance Certified.</p> <p>LCC purchases cocoa ingredients that are Fair Trade USA and FLO certified.</p> <p>LCC requests suppliers provide current certificates for all 3rd party certifications on an annual basis and reports purchases and sales on a quarterly basis to Fair Trade USA. The company does not provide a guarantee that the cocoa is conflict free, however they rely on the strict labor standards that 3rd party certifications have in place to mitigate child labor on farms. They do not have any boots on the ground initiatives that go beyond certification at this time.</p>