



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: Menorca
Date Submitted: 03/30/2023

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:

Menorca

UPDATED AS OF:

03/30/2023

DISCLOSURE QUESTIONNAIRE CATEGORY	Environmentally Intensive Industries
TOPIC	Water Intensive Industries
SUMMARY OF ISSUE	As a construction company, Menorca operates in an industry that is water intensive. Its main business is in the related to Construction and Urban Development. The company builds neighborhoods and planned condominiums and sells in it plots and houses. They also provide Financial and Real Estate services. Aspects of the industry that make it water intensive include water used for concrete, cleaning the construction site and wetting for dust control.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	The company derived 81% of its revenue from the construction segment in 2021. The company's projects consume daily 3,120m3/day of water, ranging from 80 to 1,500m3/day. On average, 8% of the water is reused, varying between 0 and 50% according to the project. The consumption of reused water per constructed area is about 7 lts./m2 per day.
IMPACT ON STAKEHOLDERS	<p>Water intensive industries pose risks such as water stress or depletion of local water sources if water use is not appropriately managed.</p> <p>Menorca's water is supplied by a public water supply company treated groudwater. For the construction process, water is supplied by tanker trucks. Treated wastewater is managed through their own Wastewater Treatment Plants to irrigate parks and other green areas. In all cases, irrigation is controled to avoid excessive use of water and, at the same time, the company uses plants with low water consumption.</p> <p>For the construction of each project, hydrological studies, accepted by the National Water Authority (ANA), are carried out in the area in order to evaluate the groundwater availability to implement a water collection system and to guarantee that there are no negative effects on the other wells registered nearby in order to avoid harming the surrounding communities. Construction is only possible when the water supply company establishes the feasibility of the project.</p>
IMPLEMENTED MGT PRACTICES	<p>Menorca has a Water Resources Department, specialized in the technical aspects of water management and monitor the use of water in the entire lifecycle of projects (feasibility studies, start of work, maintenance, etc.). This area is constantly applying innovations for the efficient use of water, as well as for the reduction to a minimum of wastewater or its use, such as the implementation of Wastewater Treatment Plants, technical irrigation systems for irrigation programming and to determine the adequate quantity of the same, taking into consideration the climatic conditions. In addition, Menorca has water saving taps in most of the social housing projects such as in the Mala, Ica and Chiclayo squares.</p> <p>On the other hand, Menorca has a Safety, Occupational Health and the Environment Department with a group of specialists that assess the environmental impacts of each operation in all projects.</p>



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DISCLOSURE QUESTIONNAIRE CATEGORY	Environmentally Intensive Industries
TOPIC	Energy and Emissions Intensive Industries
SUMMARY OF ISSUE	As a construction company, Menorca operates in an industry that is energy intensive.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	The company derived 81% of its revenue from the construction segment in 2021.
IMPACT ON STAKEHOLDERS	<p>Energy-intensive construction activities, such as design and construction, pose an environmental risk due to the emissions produced during the construction process. The extent of environmental impact is dependent on the energy sources utilized and management practices in place to manage energy use.</p> <p>Menorca uses energy sources that come from fossil fuels, from the public power grid and, in some specific cases, from solar panels. Some specific pilots are being developed to continue implementing solar and wind energy in the Lambayeque, Lima and Ica projects, such as solar lighting, wind turbines, among others.</p>
IMPLEMENTED MGT PRACTICES	<p>Since Menorca operates in an industry with high energy consumption and emissions, it has a specialist structure in Safety, Occupational Health and the Environment, a professional in charge in each location/project to monitor the environmental impacts of the operation.</p> <p>Menorca is currently implementing some practices and controls to minimize its energy consumption, such as the use of LED lighting, natural lighting for work environments, computer equipment programming for energy saving, preventive and corrective maintenance, as well as staff training on the efficient use of energy.</p> <p>As part of these practices, the first measurement of the company's 2020 Carbon Footprint was carried out in order to establish a baseline that allows evaluating the reduction of the footprint and facilitating the awareness of workers. Menorca's Carbon Footprint per worker in 2020 was 0.34 tCO₂ per worker, it had presented the lowest carbon footprint per worker in comparison with others from the same sector registered on the National Carbon Footprint Registration Platform of the Ministry of the Environment. Menorca is in the process of measuring its 2021 Carbon Footprint and producing its report.</p> <p>As the 2020 Carbon Footprint revealed that almost 1/3 (24.63%) of Menorca's emissions were produced by the use of yellow line fuel, the company implemented the project "Desafío Ahorro" as part of the initiatives aimed at the efficiency of the company and aligned with the corporate strategy. It is a multidisciplinary project that involve the entire organization and is led by the workers themselves. Part of Desafío Ahorro is the Yellow Efficiency project which aims to reduce the use of yellow line fuel. Also, solar panel projects are being implemented to illuminate the entrance of Menorca's projects.</p> <p>Currently, Menorca has aimed at protecting and caring for the environment through the control and mitigation of negative impacts.</p>



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DISCLOSURE QUESTIONNAIRE CATEGORY	Litigation and Penalties
ISSUE DATE	2017 - 2022
TOPIC	Litigation, Arbitration, and/or Penalties related to Civil and Administrative issues
SUMMARY OF ISSUE	The company has experienced 4 cases of litigation as defendant between 2018 and 2021 that has been settled and other 15 pending cases. Of these 4 settled cases, 3 are civil, and 1 is an administrative dispute. The pending cases are all being considered in a civil court.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	All 4 cases settled represent, in total, 0.069% of the company's revenue. And it is estimated that the value of pending cases represents 0.60% of Company's revenue. Settled and pending cases, represent an estimated 0.67% of company's revenue.
IMPACT ON STAKEHOLDERS	For cases in which the company is a defendant, the stakeholders involved are customers, local communities, and other third parties.
RESOLUTION	Of the 4 settled cases in which Menorca was the defendant, 3 did not have a suggested amount to be paid to the other party. For the other case, the company paid the contract fines due to its client.
MANAGEMENT PRACTICES	Menorca has implemented practices to reduce new incidents. As an incorporated practice, Menorca, prior to acquiring a property, performs an exhaustive analysis of the registry items and filed titles corresponding to the property, as well as conducts a field visit to determine the areas and boundaries. Also, prior to resolving a contract, Menorca communicates with the client to provide payment facilities; otherwise it terminates the contract in accordance with the contractual clauses agreed upon and accepted by the contracting parties.
RELATED INCIDENTS (YES/NO)	No



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UPDATED AS OF: 03/30/2023

DISCLOSURE QUESTIONNAIRE CATEGORY	Litigation, Arbitration and/or Penalties due Labor Issues
ISSUE DATE	2018 - 2022
TOPIC	Litigation, Arbitration, and/or Penalties related to Labor Issues
SUMMARY OF ISSUE	The company has experienced 25 formal claims or reports to Superintendencia Nacional de Fiscalización Laboral (SUNAFIL) between 2018 and 2021. 14 are on file and 11 are pending in face of the corresponding authority.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	Menorca has been fined only once, due to an error in the notification of the complaint, causing MENORCA to be unable to exercise its right to defense. The total amount of fine represents 0.02% of Menorca's revenue.
IMPACT ON STAKEHOLDERS	Employees
RESOLUTION	Of the 14 settled cases, Menorca was ordered to pay a fine for 1 case. The company has paid the corresponding fine.
MANAGEMENT PRACTICES	The Menorca Legal Department has been training the construction and administrative team, by reviewing these cases and their regulatory treatment. This action will seek for process improvements and to reduce the rate of labor complaints in front of SUNAFIL.
RELATED INCIDENTS (YES/NO)	No



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DISCLOSURE QUESTIONNAIRE CATEGORY	Environmentally Intensive Industries
TOPIC	Chemical Industries
SUMMARY OF ISSUE	Menorca uses chemical products to build and maintain green areas in its developments, for general maintenance and cleaning, and external finishing . For the treatment of green areas, the company uses agricultural insecticides, fungicides and fertilizers. For maintenance and cleaning, they use disinfectant, liquid soap, air freshener. For product finishes, they use varnish, solvents, latex paint and finishes, others.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	In 2022, the company had 10.47% of its operational costs from chemical products.
IMPACT ON STAKEHOLDERS	If not properly managed, crop protection, and hygiene and building maintenance products 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 harmful chemicals.
IMPLEMENTED MGT PRACTICES	<p>Menorca's treatment of materials and chemical products is carried out according to the specifications of each product. A procedure applied establishes operational controls for the risks associated with the entry, storage, transportation and handling of hazardous materials. This procedure involves the areas in charge of logistics, management and execution of work in each project, occupational health and safety and the environment, warehouse, suppliers and workers who are exposed to the treatment of these materials.</p> <p>There is no estimated financial value for the impact per chemical product used. However, all workers in Menorca have accident insurance, and in the case of construction workers with significant time in the projects, Complementary Risk Work Insurance (SCTR) is provided.</p> <p>Menorca has an Integrated Management System and an Environmental Impact Assessment tool has been applied for administrative and operational areas. According to this tool, the negative environmental impact of the administrative areas is low and of the operational areas is moderate to low.</p>



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DISCLOSURE QUESTIONNAIRE CATEGORY	Litigation, Arbitration and/or Penalties
ISSUE DATE	ongoing
TOPIC	Consumer Protection
SUMMARY OF ISSUE	<p>Consumer Protection litigation involve a range of actions filed by customers relating to lack of information and service adequacy.</p> <p>One of these cases is related to the San Antonio de Pachacamac (SAP) project in which the company allegedly has not informed consumers that the water and sewage service would temporarily not be provided by Sedapal.</p>
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	As of 2022, Menorca has 12 open consumer protection litigation cases and 42 cases closed in the last 5 years. The total value claimed in the lawsuits that are currently pending judgment is equivalent to 0.046% of the company's revenue. The total amount paid in closed cases is equivalent to 0.12% of the company's annual revenue.
IMPACT ON STAKEHOLDERS	The primary impacts related to consumer protection litigation is breach in consumers' rights with potential wellbeing negative impacts.
RESOLUTION	In the last five years, 9 out of 42 cases closed resulted in a verdict against the company, from which 3 the company is appealing because are not in accordance with the INDECOPi resolution. Other 12 cases are still pending.
IMPLEMENTED MGT PRACTICES	<p>To increase transparency in its communications and provide clear and accurate information to its customers, Menorca has implemented the following practices:</p> <ul style="list-style-type: none"> i) Established prices in both Soles and US Dollars (and their exchange rates) in all its contracts; ii) Included the data of their legal representative and the number of units available for sales in all their projects; iii) Incorporated an express clause into the contracts about the contractual position transfer procedure and reinforced trainings offered to Customer Service and Sales department; iv) Adopted new internal measures to improve the process of issuing property transfer minutes in favor of their clients; v) Highlighted the penalty clause in the contracts in case of resolution due to non-payment by the client; vi) Excluded grace periods in installment payments in their contracts; vii) Reinforced the procedure for the delivery of information to customers in the sales office: training for sales personnel and forms that accredit the delivery of relevant information; viii) Carried out trainings for the sales staff so that they comply with the delivery of the Urban Enabling Resolution (HU) in the corresponding cases, implementing a delivery format.