



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: El Ordeño
 Date Submitted: 03/22/2023

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:

El Ordeño

UPDATED AS OF:

03/22/2023

DISCLOSURE QUESTIONNAIRE CATEGORY	Animal Products and Services
TOPIC	El Ordeño is a dairy company and while they do not source >50% of their supplier expenses directly from animal farms, they earn the majority of their revenue from the sale of animal products
SUMMARY OF ISSUE	As a company that purchases animal products (milk) and then transforms it into dairy products at it owns plants, El Ordeño operates in an industry in which biodiversity impact is a material environmental issue, as animal farms represent potential impacts on biodiversity.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	El Ordeño does not buy milk direct from farms. The company purchases from the Collection Centers that are entities constituted before the Superintendency of Popular and Solidarity Economy and that serve as the channel to connect small and medium sized producers. The farms where the milk comes from to the Collection Center entities are primarily small scale farms with an average ranging from three hectares and seven cows to 26 hectares with 58 cows.
IMPACT ON STAKEHOLDERS	The company makes continuous visits to the milk producers linked to the Collection Centers, during which different parameters are evaluated, and among them there is a focus on quality, animal welfare, etc. Additionally, through the work of technical assistance and training which the company provides, they can support the milk producer to have expertise on animal welfare practices.
IMPLEMENTED MGT PRACTICES	El Ordeño has not established formal targets related to animal welfare. The company does not track or measure quantitative metrics related to animal welfare of the farms, however there is general qualitative review through field visits that the company conducts. Additionally, given that the majority are small scale operations, the cows are raised on pasture and have free grazing access. They also have access to veterinary care, if there is a cow with deterioration of health, it has quick access to be assisted by the person in charge of caring for the cows or if necessary by a veterinarian. Additionally, the Collection Centers must be aligned with the standards of Agroquality and the Agency for Regulation and Control, which requires compliance with certain animal welfare parameters. In the case that the company identifies a case that goes against animal welfare, the technical team of El Ordeño will evaluate the best way to proceed and look to advise the producers to improve their livestock practices.



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UPDATED AS OF:

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DISCLOSURE QUESTIONNAIRE CATEGORY	Environmentally Intensive Industries
TOPIC	Water Intensive Industries
SUMMARY OF ISSUE	As a company that manufactures goods, El Ordeño operates in an industry that is water intensive.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	Nearly 100% of El Ordeño's revenue comes from the sale of dairy products, which are manufactured in the company's own production facilities
IMPACT ON STAKEHOLDERS	As a water intensive industry, animal agriculture and manufacturing poses risks such as water stress or depletion of local water sources if water use is not appropriately managed. The water used for the production process comes from underground wells. The company has 3 water wells, which maintain the respective permits granted by the relevant authorities and to ensure that it does not generate a negative impact to other interested parties. The company does not operate in a water stressed region.
IMPLEMENTED MGT PRACTICES	The company has taken steps to implement good practices to reduce water consumption and prevent pollution of water resources in different processes including; • The company tracks water usage across all operations and keeps a monthly record • Through a strategic alliance with the Metropolitan Public Company of Drinking Water and Sanitation of Quito, saving devices were installed in 18 sanitary areas at the industrial plant, with an average saving of 42% of water consumption. • A water recovery process is carried out from the cooling systems in the UHT equipment. In 2021, the plant recorded 15,552m3 of water saved. • There is a Wastewater Treatment Plant with a daily flow of 300m3 to 500 m3. Its treatment is physical-chemical; it consists of a fat trap, an aeration tank with micro membranes and a DAF system for the treatment and removal of suspended solids in the water to be treated. • Since 2021 El Ordeño has been part of the Coalition for Water Security of Ecuador, whose main objective is to work between the public, private, academia and civil society, to achieve water security in the country.



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UPDATED AS OF:

03/22/2023

DISCLOSURE QUESTIONNAIRE CATEGORY	Environmentally Intensive Industries
TOPIC	Energy and Emissions Intensive Industries
SUMMARY OF ISSUE	As a company that manufactures goods, El Ordeño operates in an industry in which energy and carbon emissions is a material environmental issue.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	Nearly 100% of El Ordeño's revenue comes from the sale of dairy products, which are produced in their facilities
IMPACT ON STAKEHOLDERS	Animal agriculture and manufacturing is a major contributor to global carbon emissions.
IMPLEMENTED MGT PRACTICES	El Ordeño has implemented an environmental policy that governs the entire organization and its collaborators to achieve the fulfillment and realization of established environmental objectives. Within the policy, there is a section on the appropriate use of renewable and non-renewable resources, as well as the control and reduction of emissions. One of the established objectives is reducing greenhouse gas emissions (GHG) through the Science Based Targets (SBT) methodology taking as reference year 2021. The company has set the goal to reduce its emissions by 21% by 2026, with the aim of achieving carbon neutrality in the same year (Scope 1 and Scope 2 emissions). The company has implemented practices to reduce energy consumption and mitigate its associated emissions, including; • El Ordeño tracks energy consumption and carbon emissions across all operations. They keep a monthly record, to ensure adequate monitoring of its consumption and take corrective actions if required. • A photovoltaic plant has been installed with 374 solar panels to reduce the consumption of non-renewable energies. The 125kW system has generated more than 342,660 kWh, which represents approximately 10% of the electricity consumed by the plant and thus avoiding 184,020 kg of carbon emissions. • They have updated machinery that meets the energy efficiency standards. • To raise awareness among employees about the proper consumption of energy, internal communication campaigns are carried out.