



Gojo & Company, Inc.

Disclosure Report

Date Submitted: June 26th, 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 of or trade in any of the following. Select Yes for all options that apply. | | |
| Animal Products or Services | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Biodiversity Impacts | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Chemicals | <input type="checkbox"/> | <input checked="" 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 type="checkbox"/> | <input checked="" type="checkbox"/> |
| 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 checked="" type="checkbox"/> | <input type="checkbox"/> |
| Water Intensive Industries | <input type="checkbox"/> | <input checked="" 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 checked="" type="checkbox"/> | <input 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 type="checkbox"/> | <input checked="" 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 type="checkbox"/> | <input checked="" 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 checked="" type="checkbox"/> | <input 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 checked="" type="checkbox"/> | <input 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: Other - Clients in Controversial Industries

| Topic | Company serves clients in Controversial Industries |
|---|--|
| Summary of Issue | Gojo & Company Inc provides capital and operations know-how to screened micro-financing institutions who in turn serve low income clients in controversial industries such as Fossil Fuels, For-profit Higher Education, and Pharmaceuticals. The company provides services to both controversial and non-controversial industries. |
| Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected) | <p>In the last year, the average revenue generated from Clients in Controversial Industries accounted for about 6% of the company's total revenue.</p> <ul style="list-style-type: none">- Client(s) operating in the Fossil Fuels industry represented 0.5% of the revenue.- Client(s) operating in For-Profit Higher Education industry represented 0.5% of the revenue- Client(s) operating in Pharmaceuticals industry represented 0.5% of the revenue |
| Impact on Stakeholders | <p>Companies that work with clients in controversial industries can indirectly increase the harmful impact to stakeholders by enabling business growth. Therefore, companies that work with clients in these industries should have practices in place to ensure that their impact is aimed at decreasing the negative impacts of the industry.</p> <p>B Lab has flagged the involvement of companies with clients in controversial industries as a material issue and new standards will be created to address possible risks related to this matter.</p> |
| Implemented Management Practices | Gojo & Company Inc places dedicated risk assessment teams in each partner micro-financing institutions, establishes Know Your Customer processes, conducts international blacklist checks, and has in place loan eligibility criteria. |

Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Operations in Conflict Zones

| Topic | The company has a subsidiary in Myanmar |
|---|---|
| Summary of Issue | Gojo's has a subsidiary company, Microfinance Delta International Co., Ltd. (MIFIDA) operating in Myanmar. The company intends to continue operating in this area, providing loans and savings to local clients. Myanmar is considered a conflict affected zone according to the World Bank and is currently experiencing a civil war. |
| Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected) | Approximately 7.8% of Gojo & Company Inc's consolidated revenues came from Myanmar in the last fiscal year. |
| Impact on Stakeholders | As per the OECD, conflict zones are often characterized by widespread human rights abuses and violations of national or international law. |
| Implemented Management Practices | MIFIDA has closed down operations in five out of 13 regions of Myanmar where they operate, which experienced higher levels of conflict. The branches that remain open are being closely monitored by Gojo in order to take action in case risk is presented to their employees. For employee safety, MIFIDA has a Security Policy providing guidance to employees based on various potential situations as well as the extent to which the company covers any losses. To ensure that their operations are not tied to the conflicts in this region, MIFIDA has an Anti-Money Laundering & Combating the Financing of Terrorism Policy in place. |



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: On-site Fatalities

| Topic | Fatalities involving employees during their commute |
|---|---|
| Summary of Issue | Gojo&Company subsidiary in India has registered 5 fatalities involving their employees during their commute in the last 5 years. The company highlights that the fatalities did not happen on the way to client visits. |
| Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected) | 5 fatalities in the last 5 years. |
| Impact on Stakeholders | In addition to the fatalities, accidents have emotional, mental and financial implications to family members, friends and colleagues of the people involved in the occurrence. |
| Resolution | The accidents were reported to India's Employees' Provident Fund Organisation to ensure smooth transfer of the employees' provident fund to their nominee. |
| Implemented Management Practices | The company equips their employees in India with helmets. During onboarding and training, the company educates them on the significance of adhering to driving practice and encourages safe driving. Employees are covered by life and accident insurance, and the company provided financial aid for the family of the affected employees. |
| Related Incidents (Yes/No) | No. |



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Payday, Short Term and High Interest Lending

| Topic | Gojo&Company offers short-term loans in India, Myanmar, Cambodia, Sri Lanka, Tajikistan and Singapore |
|---|--|
| Summary of Issue | Gojo&Company offers short-term loans to customers and small companies that might have difficulty accessing traditional financial services. |
| Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected) | Approximately 76% of Satya's revenue comes from loan interest, and 7% from fees and commissions. 88% of Humo's revenue comes from loan interest, and 3% from fees and commissions. |
| Impact on Stakeholders | <p>Gojo&Company indicates nearly 100% of their clients are underserved by the mainstream financial system. The company tracks the impact of its services to underserved clients through the commissioning of independent external customer research, and social performance audits.</p> <p>B Lab recognises the payday, short term loan, and high interest lending industries as potentially controversial and will be undergoing an eligibility review with the aim of creating additional risk standards for this industry as part of their wider upcoming Financial Services Standards review. Any companies that fall into the scope of those risk standards will be required to meet them before becoming a Certified B Corps. All existing Certified B Corps will have one recertification cycle to implement and meet any additional standards.</p> |
| Implemented Management Practices | To ensure stronger performance for all partners, Gojo & Company develops action plans with each partner to improve on the weak spots that emerge following every audit. Gojo's team supports the partners to implement the action plan through weekly calls. The company also raise the issues with each partner company's management and at their board meetings. Gojo uses the SPI audits to detect the risk of overindebtedness and to mitigate it. Through the audit, Gojo checks aspects such as whether the partner/subsidiary are following best practices regarding preventing aggressive sales, if there are any flags, Gojo closely monitors the situation and potentially propose remediation actions. They also occasionally conduct additional surveys to check the level of overindebtedness of the country and discuss actions to be taken with the group company |

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|-----------------------------------|---|
| | <p>management.</p> <p>Information related to terms and conditions of financial products is conveyed in simple terms in the local language on loan documents, in advertisements, and in the explanatory materials displayed in the branches. The information is also explained verbally during in-person meetings, with the opportunity for the clients to ask questions. All partner field staff is trained to provide basic financial literacy advice during the regular in-person meetings they have with the clients.</p> <p>The company shared that the highest APR charged is 45.3%.</p> <p>The company does not charge compound interest nor capitalise on arrears balances for any customer; there are no consequences regarding fees for any customer who does not maintain payments.</p> |
| Report | Gojo&Company's Impact Report |
| Related Incidents (Yes/No) | No. |