



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: Roy Farms
 Date Submitted: 16/02/2021

| 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

PROVIDED BY:

Roy Farms

UPDATED AS OF:

16/02/2021

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| DISCLOSURE QUESTIONNAIRE CATEGORY | Environmentally Intensive Industries |
| TOPIC | Biodiversity Impacts |
| SUMMARY OF ISSUE | As an agriculture producer, Roy Farms 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 derives 81% of its revenue from the sale of agricultural products. The company operates 218 fields that accounts for a total of 1,631.40 hectares - 2019. The company operates 192 fields that accounts for a total of 1,604.04 hectares. |
| IMPACT ON STAKEHOLDER(S) | 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>Roy Farms maintains sustainable farming practices, which include; preserving soil health, protecting water quality, and reducing the impact on wildlife in the company's fields. Soil health is preserved through the growth of cover crops, organic mulches, use of drip irrigation and sprinklers, and efficient farming practices. Cover crops are used to reduce weed growth and introduce nutrients into the soil. Tree pruning's are mulched to preserve moisture and reduce water usage. Sprinkler and drip irrigation on all commodities at all sites has reduced soil erosion and run-off problems.</p> <p>Through the use of science-based technology drip irrigation, excess water usage is reduced. This helps to lower soil erosion and canal and river run off. Fertilizer applications are better utilized to eliminate leaching nutrients down into the water table. Water quality analysis is conducted annually on all water sources. The company segregates the waste stream to allow for recycling opportunities. There is no allowed burning of dry waste products, and everything that is not recycled is disposed of through waste disposal contractors or landfill sites. An oil recycling service picks up waste oil and used filters. Roy Farms is aware and concerned with the importance of nurturing an environment that enhances wildlife. Many predators, such as coyotes, hawks, owls and snakes are important for the control of meadow moles and gophers. Beneficial predators, such as ladybugs, for example are introduced to various sites throughout the farm. Using lower impact pesticides in an IPM program allows these diverse predators to thrive. Propane cannons, netting, and falcons are used as a deterrent for birds consuming fruit. Windbreaks and natural vegetation on the borders and headlands provide habitat for many other types of wildlife as well, and form the basis for a complex biosphere on the farm. Roy Farms, Inc. received "Salmon-Safe" certification for all organic hop acreage in 2013. Salmon-Safe farming practices have been adopted farm wide by using softer chemistries when possible. Biodiversity is enhanced by; dedicated sites where natural native habitat is preserved, planting of beneficial wildflowers in borders and rows where permitted. Roy Farms has committed to enhancing biodiversity by 5% farm wide, and has contracted BFI Native Seeds to assist with a comprehensive project to restore habitat and biodiversity. The use of Solar Panels has been implemented at Roy Farms Main And Desserault Pellet Mill facilities. Expansion to other buildings is planned to happen as it becomes finically viable.</p> |
| DISCLOSURE QUESTIONNAIRE CATEGORY | Environmentally Intensive Industries |
| TOPIC | Water Intensive Industries |

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|--|---|
| SUMMARY OF ISSUE | As an agriculture producer, Roy Farms operates in an industry that is water intensive. Aspects of the industry that make it water intensive include irrigation used in the cultivation of crops. |
| SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected) | The company derives 81% of its revenue from the sale of agricultural products. The company operates 218 fields that accounts for a total of 1,631.40 hectares - 2019. The company operates 192 fields that accounts for a total of 1,604.04 hectares. |
| IMPACT ON STAKEHOLDER(S) | As water intensive industries, agriculture production poses risks such as water stress or depletion of local water sourced if water use is not appropriately managed. The majority of their water is sourced from nearby wells which contain natural bodies of water. |
| IMPLEMENTED MGT PRACTICES | <p>For managing our water resources, Roy Farms has consultants who work with the company on the drip irrigation system. Consultants trend the plants, and only give the exact amount of water each plant needs for it to grow so the company is not wasting any water.</p> <p>Roy Farms uses VFD (variable frequency drives) which are more energy efficient for the farm. The VFD pumps deliver the desired amount of flow by providing variable speed pump operations. This will result in reducing the pressure within the system and allow the pumps to operate at their best efficiency point.</p> <p>The company also employs the use of irrigation reservoirs; by being able to collect and hold this amount of water it allows the company to be flexible with how and when it uses water. When there is not a reservoir in place, we take water directly from the irrigation district and straight to pumps. The issue arises when we are done irrigating and have nowhere to put the water. In this scenario the common practice is to divert the water back into the irrigations district's canals. The water we return is counted against us and we end up paying for water we did not apply to the crop.</p> <p>When we have a pond, we are able to control how and when we take water. The idea is to maintain the ponds half full. By doing so when we finish our daily irrigations, we are able to collect the water into our pond and not return it to the irrigation district. We have it calculated so when we arrive the following morning our ponds are full and we did not return any water at all. This is a huge saving in water within Roy Farms, we are able to be more efficient and divert the saved water to other areas within the farm.</p> <p>On a weekly basis the company collects multiple different data points in preparation for the following weeks irrigations program. Included are previous and post average temperature, etc, sensor moisture. All these sources are put into an excel spreadsheet which generates a recommended irrigation times.</p> |
| | |
| DISCLOSURE QUESTIONNAIRE CATEGORY | Labor practices |
| TOPIC | Compulsory overtime |
| SUMMARY OF ISSUE | Roy Farms, Inc. is an agriculture company which requires compulsory overtime work during seasonal harvest operations. Overtime work is required for almost all workers at Roy Farms. The assignment of overtime work is based on the specific tasks and roles needed at a given time |
| SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected) | Almost all, on average 500, employees from all departments with seasonal work engage in compulsory overtime for approximately 32 weeks out of the year |
| IMPACT ON STAKEHOLDERS | Some employees rely on a large number of hours for their personal budget. Throughout the year, during normal growing operations, an average work week can range from 40-60 hours and overtime work has been as high as 104 hours in one week |
| RESOLUTION | The company will voluntarily implement attrition and engagement tracking practices to monitor employee perceptions of overtime practices. The company will also inform workers of mandatory overtime before hiring and orientation |
| IMPLEMENTED MGT PRACTICES | The company voluntarily started paying time and half for overtime work as of January 1, 2021 although it is not a legal requirement for agriculture producers. New workers are being trained based on overtime needs and a senior manager was hired to address concerns for employee welfare. The company also has dedicated safety staff that do visual walkthroughs for any safety related issues and an employee committee with employee representatives in each department where employees can bring up concerns and issues to discuss and resolve |