

# Grosomono

Disclosure Report Date Submitted: July 30th, 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:

- 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.

#### **B Lab's Public Complaints Process**

Any party may submit a complaint about a current B Corp through B Lab's Public Complaint Process. Grounds for complaint include:

- Intentional misrepresentation of practices, policies, and/or claimed outcomes during the company's certification process
- 2) Breaches of the B Corp Community's core values as expressed in our Declaration of Interdependence

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 **Animal Products or Services** $\boxed{}$ **Biodiversity Impacts** $\square$ Chemicals $\boxed{}$ **Disclosure Alcohol** $\square$ **Disclosure Firearms Weapons** $\boxed{}$ **Disclosure Mining** $\boxed{}$ **Disclosure Pornography** $\boxed{}$ **Disclosure Tobacco** $\boxed{}$ **Energy and Emissions Intensive** $\boxed{}$ Industries Fossil fuels $\square$ Gambling **Genetically Modified Organisms** $\overline{\mathbf{A}}$ Illegal Products or Subject to $\overline{\mathbf{A}}$ **Phase Out** Industries at Risk of Human $\square$ **Rights Violations Monoculture Agriculture** $\square$ **Nuclear Power or Hazardous** $\overline{\mathbf{A}}$ **Materials** Payday, Short Term, or High **Interest Lending Water Intensive Industries** $\overline{\mathbf{A}}$ Tax Advisory Services

#### **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		$\checkmark$	
Breaches of Confidential Information		N.	
Bribery, Fraud, or Corruption		N.	
Company has filed for bankruptcy		$\triangleright$	
Consumer Protection		V	
Financial Reporting, Taxes, Investments, or Loans		$\searrow$	
Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)		V	
Labor Issues		$\checkmark$	
Large Scale Land Conversion, Acquisition, or Relocation		K	
Litigation or Arbitration			
On-Site Fatality		$\searrow$	
Penalties Assessed For Environmental Issues		V	
Political Contributions or International Affairs		$\searrow$	
Recalls		V	
Significant Layoffs		V	
Violation of Indigenous Peoples Rights		V	
Other		N	



### **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		V
Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)		V
Company prohibits freedom of association/collective bargaining		V
Company workers are prisoners		$\searrow$
Conduct Business in Conflict Zones		
Confirmation of Right to Work		V
Does not transparently report corporate financials to government		$\checkmark$
Employs Individuals on Zero-Hour Contracts		K
Facilities located in sensitive ecosystems		N
ID Cards Withheld or Penalties for Resignation		\
No formal Registration Under Domestic Regulations		V
No signed employment contracts for all workers		V
Overtime For Hourly Workers Is Compulsory		V
Payslips not provided to show wage calculation and deductions		V

	Yes	No
Sale of Data		K
Tax Reduction Through Corporate Shells		$\searrow$
Workers cannot leave site during non-working hours		$\searrow$
Workers not Provided Clean Drinking Water or Toilets		K
Workers paid below minimum wage		K
Workers Under Bond		
Other - Breastmilk Substitute Products Other - Client in Controversial Industries	$\searrow$	

### 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		$\checkmark$
Child or Forced Labor		$\checkmark$
Negative Environmental Impact		$\checkmark$
Negative Social Impact		$\checkmark$
Other		$\checkmark$



### **Disclosure Questionnaire Statement**

**Disclosure Questionnaire Category: Other - Breastmilk Substitute Products** 

Topic	Company provided marketing services to clients selling breastmilk substitute products
Summary of Issue	Grosonomo is a communication company operating in Argentina that provides marketing and advertising services to clients in the breastmilk substitutes industry. B Lab recognizes the marketing of breast milk substitutes as a controversial industry and has implemented additional risk standards for companies operating in this sector.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	In 2023, revenue from clients in the breast milk substitute industry accounted for 3% of overall revenue.
Impact on Stakeholders	The marketing practices of companies involved in the production and sale of breastmilk substitutes (defined by the WHO as products for infants aged 36 months and under), are controversial because of the risk that certain marketing practices may create an undue influence on a mother's choice to breastfeed, which could in turn negatively impact the health of infants.
Resolution	In line with B Lab standards, Grosomono has created an internal policy for the responsible marketing of breastmilk substitutes that outlines a commitment to the Breastmilk Substitutes Call to Action –The Road to Code Compliance. The scope of the policy applies to formula products for infants 0-12 months of age.  Examples of some the commitments outlined in the policy are as follows:  • Grosomono is committed to complying with all national
	laws and regulations in each country where it operates. In jurisdictions with less stringent regulations or no specific regulations for BMS, this policy will serve as the minimum standard of compliance. In cases where national laws are stricter than this policy, the national regulations will be followed (extract translated from original in Spanish).



## Implemented Management Comments

In order to comply with the company's policy, training is provided on the WHO Code and national laws regarding the marketing of breast milk substitutes. Training is also provided on the client's policy for the marketing of breast milk substitutes. The company agrees to share information about its policies and practices with the Access to Nutrition Initiative (ATNI) as needed, acknowledging ATNI as an independent stakeholder responsible for monitoring the company's progress in adhering to its compliance plans. The company's policy compliance and oversight will be led by the Sustainability Committee.



## **Disclosure Questionnaire Statement**

Disclosure Questionnaire Category: Other - Company serves clients in Controversial Industries

Topic	Company serves clients in Controversial Industries
Summary of Issue	Grosonomo is a communication company operating in Argentina that provides services to clients in controversial industries such as Pharmaceuticals. Their services can also be sold to non-controversial industries.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	For the fiscal year 2023, the revenue generated from clients in the Pharmaceuticals industry accounted for approximately 43% of the company's overall revenue.
Impact on Stakeholders	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.  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.
Implemented Management Comments	The company has entered into an agreement with colleagues and stakeholders in the communications industry, promising not to work for clients involved in the fossil fuel industry. This initiative is known as <u>Clean Creatives</u> . The company in the pharmaceutical industry mainly deals with dermocosmetic products, such as campaigns for sunscreens and creams that improve dermatological conditions. Before taking on projects in this industry, the company conducts internal debriefs that include evaluating the potential negative effects on people or the environment.