

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: Porta Hermanos
 Date Submitted: 02/10/2020

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		✓
Other		✓
Supply Chain Disclosures		
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		✓
Other Disclosures		
		✓

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		
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: Porta Hermanos

UPDATED AS OF: 02/10/2020

DISCLOSURE QUESTIONNAIRE CATEGORY	Material Arbitration or Litigation
ISSUE DATE	2013 - 2019
TOPIC	Various litigation regarding harmful emissions to nearby communities
SUMMARY OF ISSUE	Porta Hermanos has faced three cases of litigation against the company relating to allegations of harmful emissions from its production facilities that were affecting the health of the surrounding communities. 1) In August 2013, a group of residents from the communities surrounding the Porta Hermanos production plant, in Córdoba, Argentina, filed a criminal complaint to the province that argued the activities of Porta Hermanos was causing the release of particulate material, carbon dioxide, ethyl alcohol, and other emissions, which was seriously affecting the health of the community. 2) A second criminal complaint was filed in 2015 that was dismissed by the Judge as inadmissible, it was not appealed by the community. 3) In June 2016, the same group of people from the neighboring community presented an Amparo before the Federal Justice against the Ministry of Energy of the Nation for the non-registration of Porta Hermanos in that Secretariat as a producer of Biofuels, and that the company did not have the appropriate Environmental License from the Province of Córdoba.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	The nature of the litigation involved the local communities immediately adjacent to the company's production facilities. Regarding the scope, there is one household directly neighboring the plant, and the residents of neighborhood (San Antonio) are around 560 people.
IMPACT ON STAKEHOLDER(S)	From the first litigation to date, this group of citizens of the local area have alleged that pollution generated by Porta Hermanos has resulted in negative health effects.
RESOLUTION	Regarding the lawsuit filed in 2013, official experts conducted testing in the area in February of 2015 by order of the Office of the Prosecutor of the Chamber. The experts determined the absence of contaminants from Porta Hermanos; at the same time they detected the existence of other pollutants that had no connection with the productive processes of Porta Hermanos. In February 2016, the Office of the Prosecutor requested the final filing of the case, and instructed the Prosecutor to investigate the origin of other sources of environmental pollution. Regarding the lawsuit filed in 2016, the judge ruled in December 2019 to reject the amparo against the Ministry of Energy of the Nation, understanding that Porta Hermanos does not produce biofuels, and thus the company should not be subject to the environmental licenses and regulations for biofuel companies under national law. Still, the judge has ordered Porta to carry out an Environmental Impact study under the terms of provincial law 10,208 with a view to obtaining an environmental license at the provincial level. This resolution is currently being appealed by Porta Hermanos, arguing that this resolution is intended to apply retroactively to 2014, which is after the expansion of the company's production facilities (2010/2012).

IMPLEMENTED MGT PRACTICES	The company continues its productive activity under the regulatory legal regulations, with their respective ratings, keeping all your documentation up to date, having passed all audits both administrative and environmental, at the Municipal, Provincial and National levels. Regarding legal compliance, the company presents, as scheduled, the results of monitoring of environmental issues regarding frequent measurements points of air quality, atmospheric emissions, odors, liquid effluents, noise levels and vibrations. In addition, the company agreed with the authority to perform control frequencies and additional settings of monitoring to those legally required. Reporting of monitoring results are carried out by the CIQA (Laboratory of the National Technological University) registered in the ROLA (Official Register of Environmental Laboratories) with the presence of municipal inspector and are presented before corresponding governmental control entities. In addition to current requirements, other compounds that may generate odor are also being analyzed, despite the fact that these compounds have no health side effects. The results also comply with international regulations. After the enactment of Law 10,208, new Resolutions related to the Environmental Management, regulations that all companies must adhere, regardless of the start date of its activities, which Porta fully complies with. Among them, the company certified compliance with the Resolution “Air Standards of the Province of Córdoba”, regarding atmospheric emissions, air quality and odors. There have been no sanctions or fines of any nature.
REPORT	
OTHER MANAGEMENT COMMENTS	The following process and management practices ensure the compliance with air quality parameters and avoid possible discomfort in neighbors adjacent to the activity of the company: • The company carried out an odor study in 2014 by the Dutch company Odournet. Such study had never been conducted in the Cordoba. This study quantificated odors through sensory and analytical measurements. The methodology complied with European standards, such as the Dutch guides and ISO standards (at that time there were no standards in Argentina) and from its results, the company carried out improvements in the following years. • Recovery of CO₂ as a byproduct of fermentation for use in processing carbonated drinks, prior purification and compression thereof; • Installation of gas scrubbers which help retain in a stream of water organic compounds that are soluble to reduce the generation of odors; • Implementation of dust extraction system in the unloading of corn; • Use of bag filters that retain particulate matter; • Installation of a vacuum system for process vapors, to direct them to the boilers managing to decompose compounds that could generate odors; • Use of tarpaulin to cover the truck trays avoiding the contact of the burlanda wet with the air to avoid odors; • Development of green barriers at the level of the bordering area adjacent to a company dedicated to the recycling of industrial surpluses; • Incorporation of constant pressure valves in alcohol tanks; • Installation of fusel washers to avoid the generation of odors in the area of the distillery; • Standardization of operative procedures for opening and closing fermenters, of cleaning of gutters, periodicity of cleaning of ovens, cleaning of scrubbers, ,amongst others. The company's environmental management system is certified under the ISO 14001 standard.
RELATED INCIDENTS	No.

Certificación Empresa B - Documentación para Cuestionario de Divulgación

PROVIDED BY: Porta Hermanos

UPDATED AS OF: 02/10/2020

CATEGORÍA DEL CUESTIONARIO DE DIVULGACIÓN	Litigio o arbitraje relevante contra su empresa
FECHA DEL ASUNTO	2013 - 2019
Tema	Diversos litigios sobre emisiones nocivas para las comunidades cercanas.
DESCRIPCIÓN DEL TEMA	Porta Hermanos ha enfrentado tres casos de litigio contra la compañía relacionados con alegaciones de emisiones nocivas de sus instalaciones de producción que estaban afectando la salud de las comunidades circundantes. 1) En agosto de 2013, un grupo de vecinos de las comunidades que rodean la planta de producción de Porta Hermanos, en Córdoba, Argentina, presentó una denuncia penal a la Justicia Provincial. En la misma se argumenta que la actividad de la empresa genera: liberación de material particulado, dióxido de carbono, alcohol etílico y otros, que en combinación con la inversión térmica de la zona y la dirección e intensidad de los vientos, afectan la salud de los vecinos. 2) En el año 2015 se presentó una segunda denuncia penal que fue desestimada por el Juez por improcedente, esta no fue apelada por la comunidad. 3) En Junio de 2016, el mismo grupo de personas de la comunidad vecina presentó un Amparo ante la Justicia Federal contra la Secretaría de Energía de la Nación por la no inscripción de Porta Hermanos en esa Secretaría como productora de Biocombustibles aduciendo, además, que la Empresa no tenía Licencia Ambiental de la Provincia de Córdoba.
TAMAÑO / ALCANCE DE LA CUESTIÓN (Por ejemplo, \$ implicación financiera, número de individuos afectados)	La naturaleza del litigio involucró a las comunidades locales inmediatamente adyacentes a las instalaciones de producción de la compañía. Respecto al alcance, hay un hogar directamente vecino a la planta, y los residentes del barrio (San Antonio) son alrededor de 560 personas.
IMPACTO EN LOS GRUPOS DE INTERÉS (STAKEHOLDERS)	Desde el primer proceso penal hasta la fecha, este grupo de ciudadanos del área local han mantenido sus acusaciones que la contaminación generada por Porta Hermanos ha tenido efectos negativos en la salud.
RESOLUCIÓN	Con respecto a la denuncia penal presentada en 2013, en febrero de 2015, peritos oficiales, dependientes de la Universidad Nacional de Córdoba, realizaron pericias técnicas en la zona, por orden de la Fiscalía de la Cámara. Los peritos determinaron la inexistencia de contaminantes de la Empresa; al mismo tiempo detectaron la existencia de otros contaminantes que no tenían vinculación con los procesos productivos de Porta. En febrero de 2016, la Fiscalía de la Cámara confirmó lo resuelto por el Fiscal, solicitando el archivo definitivo de la causa, e instruyendo al Fiscal a investigar el origen de otras fuentes de contaminación ambiental. Con respecto a lo Amparo presentado en 2016, en diciembre de 2019, el juez ha resuelto rechazar el amparo contra la Secretaría de Energía de la Nación al entender que Porta Hermanos no produce biocombustibles, no correspondiéndole inscripción alguna en tal secretaría y mucho menos habilitación ambiental ni de ninguna índole por parte del estado nacional. A su vez, ordena a Porta la realización de un estudio de Impacto ambiental en los términos de la ley provincial 10.208 con vistas a la obtención de una licencia ambiental provincial. Esta resolución está siendo apelada actualmente por Porta Hermanos, ya que la misma pretende aplicar de manera retroactiva una ley del año 2014, posterior a la ampliación de la planta (2010/2012).

PRÁCTICAS DE GESTIÓN IMPLEMENTADAS	La empresa continúa su actividad productiva bajo las normativas legales regulatorias propias de su actividad, con sus respectivas habilitaciones, manteniendo toda su documentación al día, habiendo superado todas las auditorias tanto de carácter administrativo como ambiental, a nivel Municipal, Provincial y Nacional. En lo que respecta a cumplimiento de requisitos legales, la empresa presenta ante los organismos de control un cronograma de monitoreos ambientales donde se fija la frecuencia y los puntos de medición de calidad de aire, emisiones atmosféricas, olores, efluentes líquidos, niveles de ruido y vibraciones. Además, la empresa acordó con la autoridad realizar frecuencias de control y puntos de monitoreo adicionales a los exigidos legalmente. Los informes de estos monitoreos, son realizados por el CIQA (laboratorio dependiente de Universidad Tecnológica Nacional) inscripto en el ROLA (Registro Oficial de Laboratorios Ambientales) con presencia de inspector municipal y se presentan ante cada ente de control gubernamental correspondiente. Aparte de los compuestos exigidos por la normativa vigente, también se analizan compuestos que puedan generar olor, aunque estos no tengan efectos en la salud. Los resultados también cumplen con las normativas internacionales. Posterior a la sanción de la ley 10.208, se dictaron nuevas Resoluciones relacionadas con la Gestión Ambiental, normativas que todas las empresas deben adherir, independientemente de la fecha de inicio de sus actividades, las cuales Porta cumple en su totalidad. Entre ellas, la empresa certificó el cumplimiento de la Resolución “Estándares de Aire de la Provincia de Córdoba”, respecto a emisiones atmosféricas, calidad de aire y olores. No ha habido sanciones ni multas de ninguna naturaleza.
REPORTE	
OTROS COMENTARIOS DE LA GERENCIA	A continuación, se detallan prácticas de proceso y de gestión que permiten asegurar el cumplimiento de los parámetros de calidad de aire y evitar posibles molestias en los vecinos colindantes asociadas a la actividad de la empresa: • Realización un estudio de olores en el año 2014, nunca antes realizado en la provincia, llevado a cabo por la empresa holandesa Odournet. Este estudio realizó la cuantificación de olores a través de mediciones sensoriales y analíticas. La metodología cumplió con estándares europeos, como las guías holandesas y la normativa ISO (en ese momento no existían estándares en Argentina) y de allí surgieron mejoras que luego la empresa llevó a cabo en los años siguientes. • Recuperación de CO2 como subproducto de la fermentación para su uso en elaboración de bebidas carbonatadas, previa purificación y compresión del mismo; • Instalación de lavadores de gases los cuáles ayudan a retener en una corriente de agua los compuestos orgánicos que son solubles para disminuir la generación de olores; • Implementación de sistema de aspiración de polvos en la descarga del maíz; • Utilización de filtros de mangas que retienen el material particulado; • Instalación de un sistema de aspiración de vahos de los procesos, para direccionarlos a las calderas logrando descomponer compuestos que podrían generar olores; • Utilización de lona para cubrir las bateas de camiones evitando el contacto de la burlanda húmeda con el aire para evitar olores; • Desarrollo de barreras verdes a nivel de medianera colindante con una empresa dedicada al reciclaje de sobrantes industriales; • Incorporación de válvulas de presión constante en los tanques de alcohol; • Instalación de lavadores de fusel para evitar generación de olores en la zona de la destilería; • Estandarización de procedimientos operativos de apertura y cierre de fermentadores, de limpieza de canaletas, periodicidad de limpieza de hornos, limpieza de scrubbers, entre otros. La gestión ambiental de la empresa está certificada bajo la norma ISO 14001.
INCIDENTES RELACIONADOS (SÍ/NO)	Non