



# Dairyworks

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Disclosure Report  
Date Submitted: November 2023



## 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 or trade in any of the following. Select Yes for all options that apply. |                                     |                                     |
| <a href="#">Animal Products or Services</a>                                                                                       | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| <a href="#">Biodiversity Impacts</a>                                                                                              | <input checked="" type="checkbox"/> | <input 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"/> |
| <a href="#">Energy and Emissions Intensive Industries</a>                                                                         | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| Fossil fuels<br>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 type="checkbox"/>            | <input checked="" type="checkbox"/> |
| <a href="#">Water Intensive Industries</a>                                                                                        | <input checked="" type="checkbox"/> | <input 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"/> |
| <a href="#">Litigation or Arbitration</a>                                                                                                                                                                             | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| On-Site Fatality                                                                                                                                                                                                      | <input type="checkbox"/>            | <input checked="" 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"/> |
| <a href="#">Recalls</a>                                                                                                                                                                                               | <input checked="" type="checkbox"/> | <input 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 type="checkbox"/> | <input checked="" 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 type="checkbox"/> | <input checked="" 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: Litigation, Arbitration, and/or Penalties

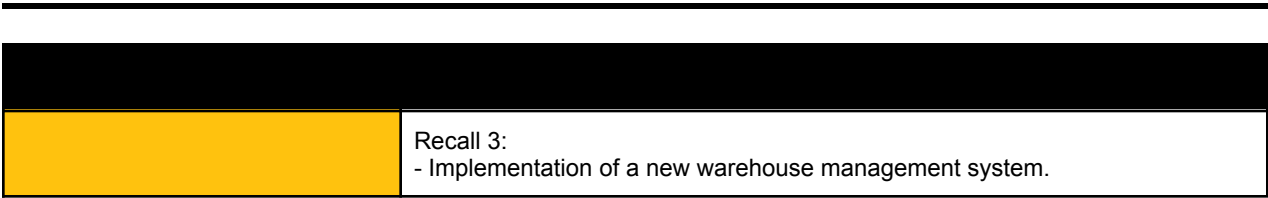
| <b>Issue Date</b>                                                                     | 2019-2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Topic</b>                                                                          | Litigation related to contract dispute with a customer                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Summary of Issue</b>                                                               | Company is involved in a litigation process related to a contract dispute with a customer - Life Health Foods New Zealand Limited.<br>The latter claims that batches of finished products supplied by Dairyworks were contaminated with Listeria (bacterium).<br>The contamination resulted in spoiled products (stock destruction) and caused a recall of certain products in the market sold by Life Health New Zealand, which caused financial losses to the complainant. |
| <b>Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)</b> | The case is pending and the amount request represents less than 1% of the company revenue.                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Impact on Stakeholders</b>                                                         | The Complainant (Life Health Foods New Zealand) and its customers (final consumers).                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Resolution</b>                                                                     | The case is pending. No resolution reached yet.                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Management Practices</b>                                                           | The facility that this claim relates to has been mothballed and is no longer in use.                                                                                                                                                                                                                                                                                                                                                                                         |



# Disclosure Questionnaire Statement

## Disclosure Questionnaire Category: Recalls

|                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|---------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Issue Date</b>                                                                     | 2020 - 2021                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Topic</b>                                                                          | Recalls due to quality-related issues in some of the products (presence of listeria monocytogenes, foreign matter and undeclared allergen).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Summary of Issue</b>                                                               | <p>Dairyworks had 3 recalls in the last 5 years:</p> <ol style="list-style-type: none"><li>1. Trade Level Recall (April, 2020) due to the pieces of plastic identified in the Alpine Edam Grated Cheese. Blue plastic has ended up with the product through the grater where it has been packaged with the product.</li><li>2. Consumer Level Recall (July, 2020) due to the presence of listeria monocytogenes bacteria identified in the Talbot Forest Cheese/Temuka.</li><li>3. Consumer Level Recall (Feb, 2021) due to the undeclared allergen (egg) in the Deep South Strawberry &amp; Cream Pavlova ice cream. The issue occurred due to a change from egg-free meringue pieces to an egg-containing meringue product without a change in labeling.</li></ol> |
| <b>Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)</b> | <p>Recall 1:<br/>- Alpine Edam Grated Cheese: of the 10,724 units made and distributed 1734 units were recalled, which amounts to 0.004% of total production units.</p> <p>Recall 2:<br/>- Talbot Forest Cheese/Temuka Recall: 161,000 units were recalled which amounts to 0.37% of total production units.</p> <p>Recall 3:<br/>- Deep South Strawberry &amp; Cream Pavlova ice cream: 5,018 units were recalled which amounts to 0.02% of total production units.</p>                                                                                                                                                                                                                                                                                             |
| <b>Impact on Stakeholders</b>                                                         | No illnesses or injuries were reported among consumers. Potential risks among susceptible populations could be: allergic reaction and pathogenic reaction in high-risk groups (pregnancy). In the recall 1, plastic could have caused discomfort (choking).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Management Practices</b>                                                           | <p>For each recall case, Dairyworks implemented new management practices to help mitigate similar quality control issues from arising in the future:</p> <p>Recall 1:<br/>- Retraining of staff, planning to remove soft plastics from the manufacturing plant (where possible), additional supervision on night shift. Detection camera prior to the grater.</p> <p>Recall 2:<br/>The cutting plant was not reopened (RMP disestablished). Environmental swabs include food contact surfaces, a new traceability system with the new warehouse management system.</p>                                                                                                                                                                                               |



# Disclosure Questionnaire Statement

## Disclosure Questionnaire Category: Animal Products and Services

|                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|---------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Topic</b>                                                                          | Dairyworks is a dairy product processing company that sources from animal farms.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Summary of Issue</b>                                                               | The company's business model relies on dairy cow farming. Dairyworks specializes in the processing, packaging and marketing of dairy products as yogurt, butter and sources its bulk cheese from pastoral grass based dairy farms.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)</b> | 72% of the Dairyworks' supplier expenses come directly from animal farms. The company works with 2 key dairy product suppliers: Fonterra dairy co-operative and Open Country family-owned dairy, both located in New Zealand. The majority of New Zealand farms are pastoral-based systems and the average dairy herd size is 450 cows.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Impact on Stakeholders</b>                                                         | <p>Animal welfare in New Zealand is regulated by the Animal Welfare Act (1999) and the company's suppliers adhere to the following standards:</p> <ul style="list-style-type: none"> <li>– Animal welfare of dairy cattle is described in the Code of Welfare (Regulations 2018).</li> <li>– Compliance with the New Zealand Animal Welfare Act and Code of Welfare is enforced by the New Zealand Ministry for Primary Industries (MPI) and Society for the Prevention of Cruelty to Animals (SPCA) animal welfare inspectors.</li> </ul> <p>The company's main supplier Fonterra dairy co-operative works with the New Zealand Government, other dairy industry organizations and farmers to ensure the welfare of dairy cattle conforms to regulatory standards and best practice guidelines. Under Fonterra's terms and conditions of supply, they may refuse to collect milk from farmers where there are significant animal health or welfare issues</p> |
| <b>Management Practices</b>                                                           | Dairyworks relies on its suppliers' animal welfare standards, but at this moment does not screen them.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |





# Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Environmentally-Intensive Industry

| <b>Topic</b>                                                                          | Water Intensive industry                                                                                                                                                                                                                                                      |
|---------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Summary of Issue</b>                                                               | As a dairy products processing company that sources from animal farms, Dairyworks operates in an industry that is water intensive.                                                                                                                                            |
| <b>Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)</b> | Approximately 72% of Dairyworks' supplier expenses come directly from animal farms. The company's cheese suppliers source milk from across New Zealand, most of the regions do not use irrigation with the exception of Canterbury which is not currently under water stress. |
| <b>Impact on Stakeholders</b>                                                         | As a water-intensive industry, animal agriculture poses risks such as water stress or depletion of local water sources if water use is not appropriately managed.                                                                                                             |
| <b>Management Practices</b>                                                           | Currently, Dairyworks does not measure its suppliers' water usage.                                                                                                                                                                                                            |



# Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Environmentally-Intensive Industry

| <b>Topic</b>                                                                          | Biodiversity Impacts                                                                                                                                                 |
|---------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Summary of Issue</b>                                                               | As a dairy product processing company, Dairyworks, operates in an industry in which biodiversity impact is a material environmental issue.                           |
| <b>Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)</b> | Approximately 72% of the Dairyworks' supplier expenses come directly from animal farms.                                                                              |
| <b>Impact on Stakeholders</b>                                                         | Animal agriculture poses a risk to local ecosystems of flora and fauna as well as the potential degradation of farmed land.                                          |
| <b>Management Practices</b>                                                           | Currently Dairyworks does not measure its suppliers' dairy farming impact on biodiversity, nor does it have any specific land degradation targets for its suppliers. |



# Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Environmentally-Intensive Industries

| <b>Topic</b>                                                                          | Energy and Emissions Intensive Industries                                                                                                                                                                                       |
|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Summary of Issue</b>                                                               | As a dairy products processing company, Dairyworks operates in an industry in which energy and carbon emissions are a material environmental issue.                                                                             |
| <b>Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)</b> | Approximately 72% of Dairyworks' supplier expenses come directly from animal farms.                                                                                                                                             |
| <b>Impact on Stakeholders</b>                                                         | Animal agriculture is a major contributor to global carbon emissions.                                                                                                                                                           |
| <b>Management Practices</b>                                                           | Currently, Dairyworks does not measure its suppliers' energy and/or emissions usage. One of the company's significant suppliers, Fonterra, invests in reducing carbon emissions, but Dairyworks does not measure or audit this. |