



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: Beautycounter
 Date Submitted: 11/01/2021

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:

Beautycounter

UPDATED AS OF:

11/01/2021

DISCLOSURE QUESTIONNAIRE CATEGORY	Industries at Risk of Human Rights Violations
ISSUE DATE	Ongoing
TOPIC	Beautycounter uses mica and palm materials in their products, which are industries at risk of human rights abuses in their supply chain.
SUMMARY OF ISSUE	Beautycounter uses mica and palm materials in its products, the sourcing of these ingredients poses risks of violating human rights. Beautycounter has developed and implemented programs to ensure that all mica is sourced without the use of child, forced, compulsory labor, wage theft, etc. Additionally, they are working to increase the share of RSPO-certified palm materials used in their products, helping to mitigate the risk of human rights and labor abuses, environmental degradation in those supply chains.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	The company identifies their high risk raw materials as mica, palm and vanilla, and are in approximately 90% of their products: -Skin care and body care: 90% contain palm or palm derivatives. -Makeup: 90% contain either mica, palm or vanilla (or all three).
IMPACT ON STAKEHOLDERS	Illegal mica mining contributes to the worst forms of child labour. Besides deforestation, there is also evidence of severe human rights violations taking place on palm oil plantations, including child labour, sexual abuse, and unsafe working conditions.
IMPLEMENTED MGT PRACTICES	<p>Blueprint for clean: 12 safety standards that their Contract Manufacturers and business partners must abide by in order to business with Beautycounter. This includes specific language outlining a zero tolerance policy for labor abuses, especially for high risk ingredients. This compliance is also scored using their Partner Scorecard, an annual tool to ensure compliance.</p> <p>Supplier Code of Conduct: Their Supplier Code of Conduct details requirements and best practices for Suppliers. Beautycounter is committed to helping their Suppliers improve labor, health and safety, and environmental conditions in their operations, and to helping them transition from basic sustainability practices to comprehensive platforms that drive value. They require 100% compliance with and adoption of their Code of Conduct. To date, all manufacturers have signed and agree to the Code of Conduct.</p> <p>Compliance with the CA Supply Chain Transparency Act: Beautycounter discloses their efforts to eradicate slavery and human trafficking in their supply chain. They hold their business partners accountable to do the same and expect and require their partners to comply with all laws designed to protect people from unjust working conditions, including forced, child, and slave labor. As such, they use the California Transparency in Supply Chain Act as their guiding light.</p>

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<p>IMPLEMENTED MGT PRACTICES CONT'D</p>	<p>Auditing: All partners abide by their Blueprint for Clean and Supplier Code of Conduct and are committed to providing safe and responsible supply chains. They also audit high risk ingredients:</p> <p>Mica: Beautycounter partners with credible third-party firms to conduct desk and on-the-ground audits for mica suppliers. They have partnered with select suppliers to pilot implementing a bag tagging traceability initiative across their mica supply chain. To their knowledge, this is the first bag tagging system in this region of the mica industry. They are in the process of validating this system through their third-party audits and hope to standardize this process across other suppliers in the region.</p> <p>Palm Oil: Beautycounter is a member of the Roundtable on Sustainable Palm Oil who sets the highest standards for responsibly sourced palm oil and its derivatives. Beautycounter is in the process of obtaining its supply chain certification an additional step to ensure and claim the traceability of palm oil in their supply chain. They are also working closely with their contract manufacturers to become supply chain certified to ensure best practices are held up.</p> <p>They have internal and public goals for their responsible sourcing program that is focused on protecting humans rights in their supply chain. Some examples are below:</p> <ol style="list-style-type: none"> 1. They have audited 100% of their trusted mica suppliers in person (with validation of a third party) to gain visibility and transparency in their supply chain. They also launched their mica toolkit (can be found on their website) to share best practices for sourcing mica. See more information here: https://www.beautycounter.com/responsible-sourcing/mica 2. They have partnered with a third party auditor to vet a best in class vanilla supplier because of the lack of transparency in the vanilla supply chain industry. 3. They have an internal goal that by EOY 2021 75% of their contract manufacturer partners will be RSPO Certified.
<p>REPORT</p>	<p>https://www.greenbiz.com/article/inside-beautycounters-quest-transform-its-mica-supply-chain, https://www.greenbiz.com/article/how-transforming-mica-supply-chain-transforms-lives https://beautycounter.com/responsible-sourcing</p>