

## 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: Nisolo  
 Date Submitted: 3/30/2021

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:

Nisolo

UPDATED AS OF:

3/30/2021

<b>DISCLOSURE QUESTIONNAIRE CATEGORY</b>	Significant layoffs of >20% of workforce
<b>ISSUE DATE</b>	March 2020
<b>TOPIC</b>	Significant layoffs due to COVID-19
<b>SUMMARY OF ISSUE</b>	Company had to layoff staff as a result of COVID-19 circumstances outside of the company's control in March 2020.
<b>SIZE/SCOPE OF ISSUE</b> (e.g. \$ financial implication, # of individuals affected)	39 employees were laid off, representing 50% of the company's employees at that time. The decision to make these layoffs was done with the intention to hire back employees at a later date, which Nisolo has already started to achieve.
<b>IMPACT ON STAKEHOLDERS</b>	Primary impact was loss of employment for affected employees.
<b>IMPLEMENTED MGT PRACTICES</b>	All employees received some amount of severance pay. All full-time employees received at least 2 weeks pay, or more, in certain cases, based on length of time at the company. Nisolo also provided resources and instructions related to unemployment benefits, if applicable, and other helpful resources.
<b>RELATED INCIDENTS (YES/NO)</b>	Nisolo had one other round of layoffs in October 2016.

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UPDATED AS OF:

3/30/2021

<b>DISCLOSURE QUESTIONNAIRE CATEGORY</b>	Animal Products and Services
<b>TOPIC</b>	Nisolo is a manufacturer and sources >50% of their raw material expenses from animal products
<b>SUMMARY OF ISSUE</b>	100% of Nisolo's leather is a by-product of the meat industry, and comes from farms in the United States and northern Mexico. The farms are regulated for their animal welfare practices, transparent about their practices, and are committed to ongoing improvement.
<b>SIZE/SCOPE OF ISSUE</b> (e.g. \$ financial implication, # of individuals affected)	In 2020, 92% of the company's revenue came from leather products.
<b>IMPACT ON STAKEHOLDERS</b>	The farms from which Nisolo sources have practices driven by the 5 freedoms of animal welfare: Freedom from Hunger and Thirst. Freedom from Discomfort. Freedom from Pain, Injury or Disease. Freedom to Express Normal Behavior. Freedom from Fear and Distress.
<b>IMPLEMENTED MGT PRACTICES</b>	Nisolo recently started working with Textile Exchange in an effort to build out and implement a benchmarking tool for responsible leather that evaluates animal welfare, social, and environmental practices. The company has also connected with Patagonia's Senior Manager of Animal Welfare to help identify and implement best practices.  Nisolo measures, guarantees, and shares that 100% of their leather is a by-product of the meat industry.
<b>OTHER MANAGEMENT PRACTICES</b>	Nisolo is a Climate Neutral Certified brand. They measure and offset 100% of carbon emissions from the farm level all the way to shipping to customers. Additionally, 95% of Nisolo's tanneries are Leather Working Group Certified, which is the highest recognition a tannery can receive for its environmental practices.