



## 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.**

Certified



Corporation

DISCLOSURE QUESTIONNAIRE

Company Name: AeroFarms  
Date Submitted: 06/22/2022

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:

AeroFarms

UPDATED AS OF:

06/22/2022

<b>DISCLOSURE QUESTIONNAIRE CATEGORY</b>	Environmentally Intensive Industries
<b>TOPIC</b>	Energy and Emissions Intensive Industries
<b>SUMMARY OF ISSUE</b>	<p>As a Controlled Environment Agriculture ("CEA") grower, AeroFarms operates in an industry that is recognized as being energy intensive. The company builds and operates vertical farms and produces leafy green products sold to retail, wholesale, restaurants and communities. Through its proprietary growing technology platform, AeroFarms has also developed multi-year strategic partnerships ranging from government to major corporations to help uniquely solve agriculture supply chain needs.</p> <p>The fresh produce industry consumes energy in the growing and distribution of its products. Field-grown agriculture uses extensive energy-intensive fertilizer and pesticides, and energy for water transportation, and the harvesting, chilling and transportation of product. For leafy greens sold in the U.S., products are typically grown in California, Arizona or Mexico and distributed across the country, resulting in approximately 60% of products harvested being discarded before consumption.</p> <p>For controlled environment agriculture, water consumption, fertilizer and distribution are drastically reduced and pesticides entirely eliminated. However, sunlight is replaced with artificial lighting.</p>
<b>SIZE/SCOPE OF ISSUE</b> (e.g. \$ financial implication, # of individuals affected)	<p>100% of AeroFarms revenue from the previous fiscal year came from the sale of products and services attributable to CEA.</p> <p>Less than 10% of the retail sales price of the company's product is ultimately attributable to electricity used for the growing, harvesting and processing of its products.</p>
<b>IMPACT ON STAKEHOLDERS</b>	<p>CEA can be energy and carbon intensive due to the potential use of artificial lighting, heating, cooling and dehumidification to create the ideal environment for plant growth and photosynthesis. Environmental impact is dependent on the energy sources used. CEA avoids many of the uses of energy in traditional field farming, including fossil fuel-dependent tractors and harvesters and the process of extracting and moving water to fields. Environmental impact for field farming is also interrelated to the complexities of traditional supply chains which feature long food miles and energy impact associated with refrigeration and food loss.</p> <p>AeroFarms' energy is currently sourced from PJM (Pennsylvania, New Jersey and Maryland) grid on which it operates, which supplies electricity generated by renewable and nonrenewable resources.</p>



## B Corp Certification - Disclosure Questionnaire Documentation

<b>DISCLOSURE QUESTIONNAIRE CATEGORY</b>	Environmentally Intensive Industries Cont.
<b>TOPIC</b>	Energy and Emissions Intensive Industries Cont.
<b>IMPLEMENTED MGT PRACTICES</b>	<p>AeroFarms sources energy to power its farms. Their farming method was specifically designed to minimize the negative environmental impact of modern agriculture and the company is continually advancing solutions to grow more while using fewer resources. AeroFarms' proprietary LEDs, for example, are designed to reduce energy requirements. By growing in a fully controlled environment, AeroFarms utilizes up to 95% less water compared to a field farm and zero pesticides, each resulting in meaningful upstream reductions in energy and emissions impacts. AeroFarms also strategically locates its facilities on major distribution routes to bring together production and consumption and reduce the emissions intensity of cross-country distribution.</p> <p>AeroFarms uses energy for heating, cooling, and dehumidification, all chosen to provide the most suitable and efficient growing environment for the particular plants being grown. AeroFarms has a goal of reducing its energy footprint with its next iterations of farm design. The Company's priorities and compensation plans are tied directly to this achievement. As it works towards these targets, AeroFarms is also developing impact assessments to benchmark its performance and develop a roadmap to further conserve the environment and minimize its overall carbon footprint and the carbon footprint of the greens it sells.</p>
<b>OTHER MANAGEMENT COMMENTS</b>	<p>Since 2004, AeroFarms has been leading the way for indoor vertical farming and championing transformational innovation for agriculture. Through its proprietary growing technology platform, AeroFarms has also developed multi-year strategic partnerships ranging from government to major corporations to help uniquely solve agriculture supply chain needs.</p>