

## 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: Herbarium  
 Date Submitted: 10/12/2020

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	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:

Herbarium

UPDATED AS OF:

10/12/2020

<b>DISCLOSURE QUESTIONNAIRE CATEGORY</b>	Environmentally Intensive Industries
<b>TOPIC</b>	Water Intensive Industries
<b>SUMMARY OF ISSUE</b>	As a manufacturer of supplements and health related products, Herbarium operates in an industry that is water intensive. Water is not only a key ingredient in some of the final products but is also required for cleaning the manufacturing equipment.
<b>SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)</b>	The company uses around 755m3 of water per month and the total consumption for 2019 was 8282.67m3. 99.12% was extracted from an artisan well, 0.88% from the local concessionaire. Reuse water accounted for 9.82%. Purified water accounts for the largest water consumption of water at 24.44% of all water use in 2019.
<b>IMPACT ON STAKEHOLDER(S)</b>	<p>Industries that are water intensive risk impacting their local water tables and disproportionately consume water at a rate that contributes to the depletion of local water sources over time if not appropriately managed. Affected stakeholders may therefore include local agriculture, local ecosystems, and communities in water-scarce or water insecure areas.</p> <p>The company extracts water from an underground aquifer that is approved by the Aguas Parana, the Water Institute of Parana.</p>
<b>IMPLEMENTED MGT PRACTICES</b>	<p>Herbarium uses three sources of water in their production process: Harvested rain water, Drinking water from a local well with a maximum extraction capacity and reuse water, of which the company has the capacity to utilise 80 million litres.</p> <p>The company monitors and measures their monthly and annual water usage. All water to be discharged first passes through their effluent treatment center (ETE), after this stage the water is released into a pond that has already been purified, and then goes to a stream, the whole process is controlled by measurements to ensure purity of the released water.</p> <p>The company has set water targets for 2020 of 1.49 litres/Unit Produced, which they are currently meeting. Quantatively, they have a target to reduce water usage by 5% per year. The company facilities are not located in an area of high water stress, they are located in the hydrographic basin of the Iguacu River, the largest river in the State of Parana.</p>
<b>OTHER MANAGEMENT COMMENTS</b>	Herbarium regularly reports data on the quantity and quality of water drawn from the local well to the country's government agencies, thus ensuring transparency in this process, as well as fulfilling all requirements for it to be a sustainable source of water. In addition, the water treatment work after use, ensures that the water returns to the stream with excellent quality. The data can be consulted directly in government agencies.
<b>DISCLOSURE QUESTIONNAIRE CATEGORY</b>	Litigation or Arbitration
<b>TOPIC</b>	Litigation
<b>SUMMARY OF ISSUE</b>	Over the past five years, the company has been involved in a large amount of lawsuits relating to employee issues.

<b>SIZE/SCOPE OF ISSUE</b> (e.g. \$ financial implication, # of individuals affected)	Total pending cases and settled cases financial value accounts to >US\$1 million. - 16 settled cases - 34 pending cases
<b>IMPACT ON STAKEHOLDER(S)</b>	The range of issues from employees include: Workplace accidents, Difference in pay calculations, Trade Union and Overtime. There were no class action lawsuits, nor were there any serious injuries to employees.
<b>IMPLEMENTED MGT PRACTICES</b>	The company has implemented new management practices in order to reduce further labor lawsuits, such as more control during working time (management supervision; no access to internet).
<b>OTHER MANAGEMENT COMMENTS</b>	The majority of the cases involving overtime arose from the Rio Grande do Sul State, where there are special functions attributed to the entry and exit time (journey time) of an employee and hours worked and this is the root cause of all demands in that State - note: the Company has no journey control because (i) this is not possible with this function and (ii) there no existing practice of overtime in this function.