



Horizon Organic

Disclosure Report
Date Submitted: June 26th, 2024



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.

B Lab's Public Complaints Process

Any party may submit a complaint about a current B Corp through [B Lab's Public Complaint Process](#). Grounds for complaint include:

- 1) Intentional misrepresentation of practices, policies, and/or claimed outcomes during the company's [certification process](#)
- 2) Breaches of the B Corp Community's core values as expressed in our [Declaration of Interdependence](#)

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.		
Animal Products or Services	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Biodiversity Impacts	<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"/>
Energy and Emissions Intensive Industries	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Fossil fuels 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"/>
Water Intensive Industries	<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"/>
Litigation or Arbitration	<input type="checkbox"/>	<input checked="" 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"/>
Recalls	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input 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: Animal Products and Services

Topic	Horizon Organic Dairy, LLC ("Horizon Organic" or "Company") produces dairy products and sources >50% of its supplier expenses from organic dairy farms
Summary of Issue	The company is part of the National Dairy FARM Program and requires all member farms to be compliant with their standards. This includes a full welfare evaluation at least every 3 years. A proportion of the farms supplying larger volumes to the Company's network also undergo a yearly Validus welfare audit which is a Professional Animal Auditor Certification Organization and International Organization for Standardization
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	Over 95% of the company's raw material supplier expenses comes from organic dairy farms which are considered animal farms.
Impact on Stakeholders	The Company's internal animal welfare evaluation occurs at least every 2 years (frequency dependent on findings of the evaluation). Additionally, the Company's contracted suppliers sign a Prohibited Practices Promise. Lastly, welfare experts & veterinarians provide resources to farmer partners and support welfare & quality needs through farm visits and follow ups.
Management Practices	Over the past 3 years the Company has collected information from farms to document progress towards targets and continuous improvement on critical benchmark indicators. On-farm outreach and information on specific projects are publicly shared on the Company's website: https://horizon.com/organic-dairy-brand/organic-cow-care/ .



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Environmentally Intensive Industries

Topic	Biodiversity Impact
Summary of Issue	As a dairy supplier Horizon Organics operates in an industry in which biodiversity impact is a material environmental concern.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	The Company produces dairy products and sources over 50% of their supplier expenses from organic dairy farms which are considered animal farms.
Impact on Stakeholders	Animal agriculture poses a risk to local ecosystems of flora and fauna as well as the potential degradation of farmed land.
Management Practices	The Company has reduced impacts by sourcing only organic milk, as reducing the use of synthetic chemicals, especially pesticides, can help support both on- and off-farm biodiversity. Organic farming takes the benefits of pesticide reduction a step further by pairing them with practices that increase agricultural diversity, such as crop rotations, cover crops and the use of hedgerows and windbreaks. Compared to conventional farms, organic farms have greater species richness (the number of species) and overall abundance (number of individuals within a species) of carabid beetles, spiders, earthworms, beneficial parasitoids, vascular plants, birds, bees and other native pollinators, soil microbes and fungi, and small rodents. Organic is also beneficial for species evenness--the relative abundance of species. Oftentimes, conventional agricultural pest management practices can ripple through the food web, affecting a wide range of organisms. As a result, many species will become rare while a small number dominate the landscape, further contributing to pest outbreaks. Organic farming methods assuage this ecological damage while simultaneously providing protection against agricultural pests by promoting evenness among natural enemies and other organisms.



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Environmentally Intensive Industries

Topic	Water Intensive Industries
Summary of Issue	As a dairy producer the company operates in an industry that is water intensive.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	The Company produces dairy products and sources over 50% of their supplier expenses from organic dairy farms which are considered animal farms.
Impact on Stakeholders	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.
Management Practices	The Company works with its farmers on regenerative agriculture measures, including water efficiency. Additionally, the Company's manufacturing facility continually reduces water use through efficiency measures. Water usage tracking and management continues as the Company establishes a new baseline as a standalone organization.



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Environmentally Intensive Industries

Topic	Energy and Emissions Intensive Industries
Summary of Issue	As a dairy producer the company operates in an industry that is energy intensive.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	The Company produces dairy products and sources over 50% of their supplier expenses from organic dairy farms which are considered animal farms.
Impact on Stakeholders	Animal agriculture is a contributor to global carbon emissions. More information on the amount of emissions can be found here .
Management Practices	Through climate smart practices, the Company partners with farms to reduce methane emissions. Additionally, the Company's engineering teams are continually looking for ways to lessen the carbon footprint of the Company's manufacturing facilities.



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Other disclosure practices

Issue Date	November 20th, 2023
Topic	Allegations of disrespect to Animal Welfare on Horizon Organic's milk supplier
Summary of Issue	<p>Horizon Organic Dairy was a wholly owned subsidiary of Danone North America for the duration of the reporting period in the B Impact Assessment (2022 FY), and therefore was included in scope of their assessment for recertification. In April 2024, Platinum Equity announced that the acquisition of a majority interest in Horizon Organic from Danone had been completed. Danone North America will continue to own a minority interest in the legal entity.</p> <p>During the verification process, Media coverage was discovered which shows a letter sent by People for the Ethical Treatment of Animals (PETA) alleging animal welfare issues at a farm that supplies to Horizon Organic Dairy, from whom Danone North America buys organic milk. As the claim was made within the years under Danone North America's ownership, B Lab must assess the case linked to Horizon Organic Dairy as part of Danone North America's recertification.</p>
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	<p>Danone North America shared that this was an isolated matter on a single third party organic dairy farm.</p> <p>At the time of the incident, approximately 1 % of direct supplier expenses were related to the farm in question.</p>
Impact on Stakeholders	If animal welfare practices are not properly documented, implemented and monitored, Dairy farms may present a risk of causing cows physical pain, psychological distress, suffering, reduction of animal's quality of life in other ways, and/or death
Resolution	As soon as Danone North America became aware of the allegations, the first step was immediate suspension of milk intake from the farm and deployment of a thorough review of the farm documentation and records, and at least 3 visits to the farm that resulted into a 10-point plan. After verifying satisfactory progress to the 10-point plan and recertification from VALIDUS and FARM (National Dairy Farmers Assuring Responsible Management), Danone reinstated milk sourcing on a 12-month probationary basis. This probation period includes both ongoing mandatory independent and Danone farm audits. Internally Danone deployed full communication steps with specific updates to all stakeholders and immediate engagement with our consumers via social and email to answer questions.
Management Practices	Danone North America shared that they have taken the allegations seriously and moved quickly to take the appropriate actions. The company immediately suspended all sourcing of milk from this farm, pending a full investigation. Since then, four different investigations have been conducted on the farm. Three of the four investigations were led by independent third-party experts, and the fourth by Danone. The company has worked with urgency, together with a new farm management and oversight team, to agree and implement immediate and specific actions to improve the care of the animals. These remedial actions have been verified, on farm, by Danone's team. With these

	<p>improvements, Danone North America reinstated milk sourcing, on a 12-month probationary basis. This probation period includes both ongoing mandatory independent and Danone farm audits.</p> <p>Horizon Organic released a public update to the recent animal welfare issue on its webpage regarding cow care.</p> <p>Danone North America expects all of its suppliers to always uphold Danone's high standards of animal welfare and quality. Under Danone US LLC's Responsible Sourcing Policy, all the company's suppliers are required to adhere to the company's Sustainability Business Principles, by signing a formal contract. All Danone subsidiaries partners have to sign the group's Code of Conduct for Business Partners. To monitor compliance with these principles, the company has an internal to assess supplier performance and, when necessary, ensure corrective actions are taken.</p> <p>For organic dairy producers, the company requires an animal welfare audit either performed by a third party or an internal auditing team in addition to participating in the FARM animal welfare program.</p>
Report	<p>Media coverage:</p> <ul style="list-style-type: none"> - Horizon Organic Suspends Supplier Following Reports of Cows Stuck in Fecal Soup, Dying in Doves <p>Company's public policies:</p> <ul style="list-style-type: none"> - DANONE ETHICS LINE WHISTLEBLOWING STATEMENT - Integrity Policy
Management Comments	<p><i>"Danone is committed to transparency and continuous improvement within our supply chain to address social risks in a responsible manner. In addition to rigorous internal processes, Danone has a whistleblower hotline where we accept anonymous, protected reports from any stakeholders pertaining to our own business or our suppliers. We also monitor news pertaining to our supplier sites to be aware of any reports of bad practices. We take received reports seriously, and in most instances require urgent on-site audits to identify and correct any issues that are raised to our attention."</i></p> <p><i>"We believe that fostering a culture of care is critical to maintaining good animal welfare. We are continuing to assess our animal welfare program and want to work with farms to help create this culture of care".</i></p>
Related Incidents (Yes/No)	No



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Other

Issue Date	August 2021
Topic	Non-renewal of milk purchasing agreements with organic farms in New York, Vermont, Maine, and New Hampshire
Summary of Issue	Danone US, LLC communicated that they would not renew contracts with 89 suppliers consisting of small organic dairy farms in the US North East, and offered the impacted farmers an option to enter into new contracts until August 2022 (as of December 2021, Danone US, LLC offered to extend the term of the new contract from August 2022 to February 2023).
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	At the time of farmer contract cancellation, Danone US, LLC sourced from about 600 US farms and 89 farmers were impacted by the decision.
Impact on Stakeholders	At the time of cancellation, 89 farms needed to find a new buyer for their milk before the expiry of their contract and could suffer loss of revenue if they were unable to. Furthermore these farms were operating in a local ecosystem consisting of local veterinarians, feed and farm suppliers etc, who could have also been impacted. The impact on each of the 89 farmers varied depending on the specific situation of their farm.
Management Practices	<p>Danone US, LLC has taken the following steps to help mitigate the impacts of the decision for farmers, animals and the communities impacted:</p> <ol style="list-style-type: none">1) Danone US, LLC provided the impacted farms an option to enter into an 18-month contract with the same pricing, premiums, and other terms (substantially exceeding both contractual and statutory notice requirements for non-renewals) in order to help and provide adequate time for impacted farmers to find a new buyer or path forward that is right for the individual needs of each farm.2) During the 6 months after noticing the affected Northeast farmers, Danone US, LLC provided a transition payment. This transition payment was additional dollars per hundredweight on top of the price Danone US, LLC paid for organic milk.3) Danone US, LLC offered consulting services to each impacted farm in partnership with a third-party company. This was completely voluntary and came at no-cost to the farmers.4) At the time of contract notice, Danone US, LLC expected to maintain approximately 500 USDA Organic Standard farms across the US. Around the time of these notices, Danone US, LLC onboarded more than 50 small family farms that were closer to [with routes within 300 miles] the company's manufacturing footprint. This was also consistent with Danone US, LLC's expectation to sustain the 25% baseline volume of milk sourced from small farms.5) Danone US, LLC contributed \$500,000 to the nonprofit The Organic Center which then leveraged our money with federal funds to create grants to support organic farming and particular dairy in the Northeast.
Report	<p>Media coverage identified:</p> <ul style="list-style-type: none">- Nearly 90 Northeast Organic Dairy Farms To Lose Their Market (Aug, 2021),- Demand Danone/Horizon Stand with Northeast Organic Dairy Farmers,

	<ul style="list-style-type: none">- Danone Abandons Organic Farmers- Upstate Dairy Farms Are Facing an Uncertain Future (Oct, 2021)- Upstate organic dairy farms facing crisis as key contract ending (Sep, 2021)- Danone North America Ignores Specific Requests to help the 89 Dropped Organic Dairy Farm Families- With Danone Cutting the Contracts of 89 Small Organic Dairy Farmers, B Corp has Made a Decision About the Company's Certification Status (Oct, 2021).
Related Incidents (Yes/No)	From 2018 to 2019 Danone US, LLC issued non-renewals to 25 farmers in the Pacific Northwest due to similar transportation and logistical issues cited above