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:
Date Submitted:

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		√

Other Disclosures		
		√

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	√	**More Details >>**
On-Site Fatality		√
Penalties Assessed For Environmental Issues		√
Political Contributions or International Affairs		√
Recalls	√	**More Details >>**
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	√	**More Details >>**
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		√

Certified B Corporation
bcorporation.net

B Corp Certification - Disclosure Questionnaire Documentation

PROVIDED BY: Arbonne

UPDATED AS OF: 12/19/2019

DISCLOSURE QUESTIONNAIRE CATEGORY	Compulsory Overtime
TOPIC	Hourly workers required to work overtime due to monthly demand.
SUMMARY OF ISSUE	When the company's distribution centers are especially busy, employees in the company's distribution centers must work weekends; typically one day in order to complete order fulfillment. Arbonne occasionally needs to mandate overtime, but first priority is given to volunteers.
SIZE/SCOPE OF ISSUE (e.g. $ financial implication, # of individuals affected)	In weeks where overtime is required, the average number of total hours/week worked for all full-time employees is 48 hours, and the maximum number of hours worked in a week by any employee is 56 hours. 75% of employees typically work overtime during 15 weeks of the year.
IMPACT ON STAKEHOLDER(S)	Employees that work compulsory overtime can experience increased stress and have less time to spend on activities outside of the workplace, such as spending time at home.
RESOLUTION	
IMPLEMENTED MGT PRACTICES	The pay rate for overtime hours is time and a half, and double time for Sundays and holidays. Arbonne uses temporary workers when necessary to reduce OT of full time staff. The company has improved planning and increased efficiencies so the work can be done quicker and more efficiently through floor space planning. If employees have to work on the weekends, Arbonne provides food to workers. There have a security guard available, and, on warm days, water and fans are added throughout the area. if hotter than usual, additional breaks are provided.
RELATED INCIDENTS	- Have there been any health or safety incidents related to working required overtime hours? If so, what were they? Response: "No."

DISCLOSURE QUESTIONNAIRE CATEGORY	Recalls due to quality control issues
TOPIC	Liquid eyeliner recall due to bacteria
SUMMARY OF ISSUE	In June 2016, Arbonne voluntarily recalled multiple lots of branded liquid eye liner because the third party manufacturer informed the company that standard safety testing of the most recent order of goods revealed the presence of a common type of bacteria. The recall was isolated to the liquid eyeliner product and no other products were affected.
SIZE/SCOPE OF ISSUE (e.g. $ financial implication, # of individuals affected)	Approximately 60,000 units of product were recalled. The retail value of recalled products represents the equivalent of 0.5% of Arbonne's revenues in that fiscal year.
IMPACT ON STAKEHOLDER(S)	Arbonne assessed there was a remote risk of an eye infection in immunocompromised individuals, however, no injuries were reported.

IMPLEMENTED MGT PRACTICES	Arbonne notified all of those who purchased the product pursuant to applicable regulatory guidelines in each country where the product was sold, and the recall was successfully closed in coordination with local regulatory and government officials in each of those countries. The product line was canceled, meaning that future orders were canceled as well.
OTHER MANAGEMENT COMMENTS	"Arbonne currently sells a liquid eyeliner product utilizing a new formula and made at a different manufacturer than the one involved in the recall."
RELATED INCIDENTS	Arbonne experienced two other quality control recalls in the last 5 years that did not pose any risks to consumers.

DISCLOSURE QUESTIONNAIRE CATEGORY	Litigation or arbitration against company either ongoing, settled, or found against the company
TOPIC	Ongoing and settled litigation
SUMMARY OF ISSUE	There were 10 litigation claims against Arbonne that are either pending or resulted in settlements in the last 5 years. 7 cases (4 of which were settled) were related to claims of wrongful termination, 2 cases (1 of which was settled) were related to claims of physical harm (liver failure) related to an Arbonne product, and 1 case (which was settled) was class action lawsuit alleging Arbonne operated an illegal pyramid scheme in violation of the law. To date, none of the litigation has been found against the company to date.
SIZE/SCOPE OF ISSUE (e.g. $ financial implication, # of individuals affected)	None of the settlements resulted in a payment greater than 1% of company revenue. In aggregate, the total amount of settlements paid in the last 5 years falls between $100,000 and $300,000 USD.
IMPACT ON STAKEHOLDER(S)	The stakeholder impacts alleged in this litigation included financial damages to employees, Independent Consultants, and/or independent contractors of the company and physical harm to consumers related to the company's products.
RESOLUTION	6 of the 10 claims were settled, and 4 are pending.
IMPLEMENTED MGT PRACTICES	Arbonne regularly reviews its policies and practices regarding employment practices in the regular course of business and makes changes or improvements as identified. With regard to its payout structure for Independent Consultants, all payments made to Independent Consultants are tied to product sales and based on a 35% commission for direct sales to customers, not on recruiting further Independent Consultants. No minimum purchases are required by Independent Consultants.
RELATED INCIDENTS	No