



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: Blue Lagoon

Date Submitted: 05/15/2023

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: Blue Lagoon

UPDATED AS OF: 05/15/2023

DISCLOSURE QUESTIONNAIRE CATEGORY	Alcohol
TOPIC	Company serves and sells alcohol products
SUMMARY OF ISSUE	Blue Lagoon is a destination experience (Hotels, restaurants, spa) and product producer (skincare and food) that earns a material amount of revenue from the sale of alcohol
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	In the previous fiscal year, 6% of Blue Lagoon's revenue was earned from the sale of alcohol
IMPACT ON STAKEHOLDERS	Alcohol may have a negative impact on the health and well-being of individuals and their communities
IMPLEMENTED MGT PRACTICES	<p>Blue Lagoon has the relative licences both to sell alcoholic beverages as well as import them.</p> <p>According to Icelandic law and to maintain its liquor licence, Blue Lagoon is not allowed to serve guests alcoholic beverages under the age of 20. They control it by giving colour coded access bracelets to their guests in line with their age.</p> <p>In addition, the company has safety standards which outline that guests are only allowed to buy 3 alcoholic beverages in the lagoon and Blue Lagoon's staff have the right to refuse/withdraw access to anyone who arrives intoxicated or wants to enter/remain in the lagoon intoxicated.</p>
MANAGEMENT COMMENTS	Blue Lagoon offers selective alcoholic beverages to exclusive groups in a very relaxing and peaceful setting to enhance the experiences they offer.



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PROVIDED BY:

Blue Lagoon

UPDATED AS OF:

05/15/2023

DISCLOSURE QUESTIONNAIRE CATEGORY	Significant layoffs of >20% of workforce
ISSUE DATE	March 2020 and May 2020
TOPIC	Significant layoffs due to maintain the operation of the company during the COVID-19.
SUMMARY OF ISSUE	During the COVID-19 pandemic the company had two rounds of layoffs to maintain the operation of the company. Blue Lagoon had to close its operations in early 2020 for three months and for eight months, between October 2020 and March 2021, due to disease control measures and instructions from the authorities. The result of this was a 76% drop in the number of visitors between 2019 and 2020.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	<p>In March 2020, 164 employees were laid off, representing 21.5% of the company's employees at that time.</p> <p>In May 2020, 402 employees were laid off, representing 67% of the company's employees at that time.</p>
IMPACT ON STAKEHOLDERS	Primary impact was loss of employment for affected employees.
IMPLEMENTED MGT PRACTICES	<p>The company paid for the notice period upon layoff in line with collective wage agreements in each union. It offered as many employees as possible to temporarily reduce the employment rate and the government paid the remaining % and thereby maintained their employment. This was done in co-operation with the Iceland Directorate of Labor. Blue Lagoon also offered all employees that the company needed to lay off HR advice, for example, how to apply for unemployment benefits from the Iceland Directorate of Labour and consultation regarding how to create a CV.</p> <p>70% of the individuals who were laid off during the pandemic chose to return to work for the Blue Lagoon. They did not have to start from scratch when it came to benefits and deals they had earned, but started from where they had been when they were laid off.</p> <p>Finally, employees were not required to work during their notice period when the restrictions were at their peak and the facilities were closed. They could therefore use the time if they wished to look for other employment opportunities.</p>
MANAGEMENT COMMENTS	This was an unprecedented situation impacting all the tourism industry worldwide. Looking back we believe our decisions were imperative in ensuring the companies survival through these trying times and our management of the situation ensured that many of our employees came back, helping us to ramp quickly up again after the pandemic.
RELATED INCIDENTS (YES/NO)	There were no other group layoffs in the last 5 years.



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DISCLOSURE QUESTIONNAIRE CATEGORY	Facilities located in sensitive ecosystems
TOPIC	The company operates hotels, restaurants, and spas in the UNESCO global Geopark on the Rekjanes Peninsula, in Iceland
SUMMARY OF ISSUE	The company operates in the Blue Lagoon in Iceland, the Blue Lagoon is surrounded by the Svartengi Lava field which is a 'frozen in time' moss-covered volcanic rock that erupted from the earth in 1226 AD. Blue Lagoon is located in the heart of UNESCO global geopark on the Reykjanes peninsula. UNESCO, the United Nations Educational, Scientific and Cultural Organization, recognised Reykjanes as a UNESCO Global Geopark in 2015. UNESCO Global Geoparks are areas where sites and landscapes that are of international geological significance are managed with a holistic concept of protection, education and sustainable development.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	The majority of the company's facilities are based in the Blue Lagoon except for one office building in the capital and some supporting units in Grindavík (neighboring community), such as Laundry house, warehouse and workshop.
IMPACT ON STAKEHOLDERS	<p>The facilities are located inside/adjacent protected/sensitive ecosystems which could potentially impact the flora, fauna and quality of the ecosystem (e.g. noise & light pollution from the facilities, spills, air / soil / water pollution owing to company's operations).</p> <p>The main specific risk associated with the company's operations in this ecosystem is damage to the lava field and moss due to visitors not using the designated walking paths.</p>
IMPLEMENTED MGT PRACTICES	The company manages the use of safe walking paths through the lava field with signs to encourage visitors where to walk. Blue Lagoon maintains a business risk assessment tool to take into account all business related risks, high safety risks and risks to the environment. These are reviewed by management in a yearly management review and actions taken where and if needed. All work procedures are also risk assessed within the operations and appropriate controls set in place to minimize any impact on safety, health, quality and the environment. Blue Lagoon has assessed its key stakeholders and performed a stakeholder survey to assess their point of view on opportunities of improvement. Blue Lagoon reports all its CSR related work in the company's yearly sustainability report.
MANAGEMENT COMMENTS	We are proud to be working within such a prestigious environment. This natural surrounding is a key part of our guest experience and we design our services and facilities to minimize our impact while highlighting its importance.