



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: Back Market

Date Submitted: 02/22/2023

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:

Back Market

UPDATED AS OF:

02/22/2023

DISCLOSURE QUESTIONNAIRE CATEGORY	Litigation and Arbitration
ISSUE DATE	2018 - 2022
TOPIC	Litigation cases in which Back Market is involved
SUMMARY OF ISSUE	<p>Litigation can be divided into three main categories: Customers, Sellers and Other</p> <p>Customers There have been 17 cases. 3 cases have involved accessibility issues of the Back Market website, which did not enable visually impaired users to interact with the website.</p> <p>The other 14 cases related to individual customers' devices being defective and/or damaged during shipping.</p> <p>Sellers There have been 2 cases. The cases involved sellers that had closed their accounts and challenged the amount of security deposits held back by Back Market.</p> <p>Other There have been 2 cases. Case 1 involved the Frankfurt Wettbewerbszentrale in Germany and was regarding the Back Market advertizing of "36 months warranty" without specifying who is the guarantor (the seller or Back Market) and for how long. This was not compliant with German consumer law due to lack of specificity. Case 2 is pending. In France, the UFC Que Choisir filed a lawsuit against Back Market in June 2022. UFC is challenging Back Market regarding its consumer warranty, cookies management, price policy, and service fee.</p>
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	<p>Customers cases: All cases were settled for a total of less than 1% of company revenue.</p> <p>Sellers cases: All cases were settled for a total of less than 1% of company revenue.</p> <p>Other cases: Case 1 was settled for less than 1% of company revenue. Case 2 is pending.</p>
IMPACT ON STAKEHOLDERS	<p>Customers cases: The cases related to accessibility of the website impacted the users from interacting on the web. The other cases impacted customers financially.</p> <p>Sellers cases: The cases impacted sellers financially.</p> <p>Other cases: Case 1 impacted German consumers who did not have clarity on the warranty being offered. Case 2 impacts French consumers in terms of the consumer warranty, cookies management on the website, price policy and service fee, but the case is pending.</p>
RESOLUTION	<p>Customers cases: All cases were settled and Back Market paid the required settlement.</p> <p>Sellers cases: Both cases were settled and the seller withdrew from their action before the courts; Back Market paid the required settlement fees.</p> <p>Other cases: Case 1 was lost on appeal and Back Market reimbursed legal costs for the procedure. Case 2 is pending.</p>



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MANAGEMENT PRACTICES	<p>Customers cases: For the accessibility cases, Back Market hired a service provider to be advised on that matter and started to implement corrective measures to make the US website compliant with the standards of the Web Content Accessibility Guidelines (WCAG) 2.0 Level AA. Expected completion is end of year 2023.</p> <p>Back Market has improved its communication on its role as an intermediary between seller and customers. Also, Back Market has launched a new service called CCBM by which Back Market handles after sales on behalf of sellers in order to ensure that customers' rights are fully respected by sellers and reduce complaints.</p> <p>Sellers cases: Back Market has improved its communication on the reason for each exit from the marketplace, aiming at more transparency. Back Market has also modified its security deposit terms. Since cash management is an important issue for sellers and a potential source of litigation, Back Market now guarantees the payment of at least 95% of the amounts available in each seller's virtual wallet every 10 days. The idea is to minimize the impact of the security deposit on the sellers' cash flow and build up their security deposit gradually. Sellers can find out the amount of the security deposit at each update directly on their Back Office. It also appears on the invoice issued by Back Market every 10 days. An article in the Seller Support Center also informs sellers of the criteria and methods of calculating and releasing the security deposit.</p> <p>Other cases: Back Market changed communication on warranties on the German platform.</p>
RELATED INCIDENTS (YES/NO)	No