



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

PROVIDED BY:

Charlotte's Web

UPDATED AS OF:

07/30/2020

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		✓
Hemp Related Products	✓	
Supply Chain Disclosures		
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		✓
On-Site Fatality		✓
Penalties Assessed For Environmental Issues		✓
Political Contributions or International Affairs		✓
Recalls		✓
Significant Layoffs		✓
Violation of Indigenous Peoples Rights		✓
Other		✓
Practices		
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

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Charlotte's Web

UPDATED AS OF:

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DISCLOSURE QUESTIONNAIRE CATEGORY	Hemp Related Products
TOPIC	Company grows, manufactures and retails dietary supplements and topicals made from their proprietary hemp genetics.
SUMMARY OF ISSUE	Charlotte's Web is a grower and manufacturer of hemp derived products and earns a material amount of revenue from the sale of full-spectrum hemp dietary supplements and skincare products.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	In the previous fiscal year, almost 100% of the company's revenue was earned from the sale of products produced from hemp extracted ingredients.
IMPACT ON STAKEHOLDER(S)	Per the 2018 Farm Bill, hemp and hemp derived products are legal in the United States.
IMPLEMENTED MGT PRACTICES	<p>Charlotte's Web complies with all relevant federal and state requirements for hemp production and sale, which includes biomass and finished products that are less than 0.3% THC.</p> <p>The company is not involved in the sale of medicinal or recreational marijuana products.</p> <p>A Certificate of Analysis is available on the company website for each product lot, which ensures that manufacturer's products are made to specification and indicates the quality of the cannabinoids found in each product such as the CBD. Charlotte's Web has also completed certification for:</p> <ul style="list-style-type: none">• The U.S. Hemp Authority Certification Program• Merieux Nutrisciences (fka Silliker) Dietary Supplement GMP and Food Safety Systems Audit• NSF International Dietary Supplement GMP and Quality• LegitScript CBD e-Commerce Certification Program for Topicals• Charlotte's Web, Inc. manufacturing and holding locations are registered with FDA (U.S. Food and Drug Administration) and licensed with CDPHE (Colorado Department of Public Health and Environment). The main cGMP federal regulations we follow include, 21 CFR 111, 117, and 507; and the Food Drug and Cosmetic Act (FD&C Act). Our manufacturing and holding locations have maintained annual third party Dietary Supplement focused cGMP audit participation with high scores• Kosher certification per product type as required• National Animal Supplement Council (NASC) <p>Charlotte's Web is in the process of USDA Organic certification.</p>
REPORT	Link to Charlotte's Web Certificate of Analysis search engine on website: https://www.charlottesweb.com/batch-reports