



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: MegaFood (Foodstate)

Date Submitted: 03/02/18

Disclosure Industries	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.		
Any product or activity deemed illegal under host country laws or regulations or international conventions and agreements		✓
Alcohol (excluding beer and wine)		✓
Commercial loggings and logging equipment		✓
Drift net fishing in the marine environment using nets in excess of 2.5km in length		✓
Firearms, weapons or munitions		✓
Genetically modified organisms		✓
Mining		✓
Nuclear Power		✓
Fossil fuel-based oil or coal utility		✓
Ozone depleting substances subject to international phase out		✓
Persistent organic pollutants (POPs) that are banned or scheduled to be phased out of production		✓
Pesticides/herbicides subject to international phase out or bans		✓
Pharmaceuticals subject to international phase-outs or bans		✓
Radioactive materials		✓
Tobacco		✓
Unbonded asbestos		✓
Wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)		✓
Disclosure 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.		
Diversity and equal opportunity		✓
Employee safety or workplace conditions		✓
Environmental issues		✓
Financial reporting		✓
Geographic operations or international affairs		✓
Investments or Loans		✓
Labor issues (internal and supply chain)		✓
Marketing		✓
Product Safety		✓
Political contributions		✓
Taxes		✓
Animal Welfare		✓
Bribery, Fraud or corruption		✓

Disclosure 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 "True." If false, select "False."		
Company is not formally registered in accordance with domestic regulations		✓
Company has reduced or minimized taxes through the use of corporate shells or structural means		✓
Company facilities are located adjacent to or in sensitive ecosystems		✓
Company employs workers under the age of 15 (or other minimum work age covered by the International Labour Organization Convention No. 138) and/or company does not keep personnel records that include evidence of the date of birth of each		✓
Overtime work for hourly workers is compulsory		✓
Company uses workers who are prisoners		✓
Company prohibits workers from freely associating and bargaining collectively for the terms of one's employment		✓
Animal testing is conducted		✓
Company exploitatively operates in conflict zones		✓
Company employs individuals on zero-hour contracts		✓
Disclosure Outcomes	True	False
Please indicate if the following statements are true regarding if the company has experienced any of the following in the past 5 years. Check all that apply. If the statement is true, select "True." If false, select "False."		
Company has had an operational or on-the-job fatality		✓
Company sites have experiences accidental discharges to air, land or water of hazardous substances		✓
Construction or operation of company facilities resulted in physical resettlement or economic displacement involving 5,000 or more people near your facility		✓
Material recalls due to quality control issues	✓	
Material litigation or arbitration against company	✓	
Company has filed for bankruptcy		✓
Construction or operation of company involved large scale land acquisition		✓
Construction or operation of company involved large scale land conversion and/or degradation		✓
Construction or operation of company involved the construction or refurbishment of dams		✓
Company has had material breaches of individual's confidential information		✓

Supplier Disclosure	Yes	No	Don't Know
Please indicate if any of the following statements are true regarding your company's significant suppliers.			
Significant Suppliers employ workers under the age of 15 (or other minimum work age covered by the International Labour Organization Convention No. 138)		√	
Significant Suppliers use any workers who are prisoners		√	
Significant Suppliers have had an operational or on-the-job fatality		√	
Significant Suppliers' sites have experienced accidental discharges to air, land or water of hazardous substances		√	
Construction or operation of Significant Suppliers' facilities resulted in physical resettlement or economic displacement involving 5,000 or more people near their facility		√	
Construction or operation of Significant Suppliers involved large scale land acquisition		√	
Construction or operation of Significant Suppliers involved large scale land conversion and/or degradation		√	
Construction or operation of Significant Suppliers involved the construction or refurbishment of dams		√	
Significant Suppliers have had material fines or sanctions in the last five years regarding the issues indicated in DQ4.1		√	
Significant Suppliers exploitatively operate in conflict zones		√	



B Corp Certification - Disclosure Questionnaire Documentation

PROVIDED BY:

Foodstate Inc.

UPDATED AS OF:

3.2.2018

DISCLOSURE QUESTIONNAIRE CATEGORY	Material Recall
ISSUE DATE	6-Apr-16
TOPIC	Voluntary class II recall of MegaFood Multi for Women 40+
SUMMARY OF ISSUE	This was a voluntary withdrawal of our Multi for Women 40+ product that we implemented due to packaging that inadvertently lacked child resistant caps and an iron warning on the label (as required by the Consumer Product Safety Improvement Act for all products containing 250 mg of Iron or more).
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	The scope of the recall affected 0.12% of products sold on a revenue basis for fiscal year 2016.
IMPACT ON STAKEHOLDER(S)	No negative impact on stakeholders.
RESOLUTION	Recall reports were completed identifying all customers to whom the product was shipped. New labels were ordered with the correct warning statement and the batch record was updated to include child resistant caps and shipping was resumed. All products in this line were thoroughly reviewed to ensure integrity which was confirmed. All eleven products in this line were thoroughly reviewed to ensure integrity which was confirmed. Voluntary Recall letters were sent to all retailers/distributors on 15-Apr-2016 including a withdrawal form. The customer experience team began making calls to customers (retailers) on 19-Apr-2016. The customer experience team has noted that after week two, 73.61% of letters sent out were returned completed (either by fax, email, or customer call-ins).
IMPLEMENTED MGT PRACTICES	Action taken to prevent future occurrences: A Corrective Action / Preventive Action plan was created to re-assign roles for label review process as well as packaging review. The label review procedure was modified to clearly indicate the responsibilities including reviewing the iron warning statement for products containing iron and the child resistant cap inclusion. Additionally, the the QC label inspection sheet was to include these steps.
REPORT	None
OTHER MANAGEMENT COMMENTS	None
RELATED INCIDENTS (YES/NO)	None

PROVIDED BY:

Foodstate Inc.

UPDATED AS OF:

3.2.2018

DISCLOSURE QUESTIONNAIRE CATEGORY	Litigation
ISSUE DATE	2011 to present
TOPIC	Consumer class action litigation regarding alleged product mislabeling
SUMMARY OF ISSUE	Two plaintiffs filed a putative class action on behalf of California consumers against FoodState in the U.S. District Court for the S.D. California. They alleged that FoodState misled consumers regarding the quantity of whole foods in its multivitamin products and omitted the presence of magnesium stearate. A demand letter was sent alleging that FoodState makes a "Made in the USA" claim on its Innate Response product labels that is false and misleading in violation of law because there are foreign components in the Innate Response products. A settlement in principle was reached following a mediation. Thereafter, the California complaint was dismissed and all three plaintiffs re-filed in federal court in New Hampshire, where approval of a settlement will be sought.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	The number of individuals potentially in the class is unknown, but includes all U.S. purchasers of FoodState products from 2011 to the present. The parties have agreed to a settlement that will be subject to final court approval.
IMPACT ON STAKEHOLDER(S)	No negative impact on stakeholders was reported.
RESOLUTION	A settlement in principle was reached voluntarily following a mediation. Once court approved, FoodState will have to pay the agreed upon settlement sum and make agreed-upon label changes to its products.
IMPLEMENTED MGT PRACTICES	None
REPORT	None
OTHER MANAGEMENT COMMENTS	None
RELATED INCIDENTS (YES/NO)	None