



## 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.**

**In addition to the disclosures provided through the above Disclosure Questionnaire, Laureate Education has also been required to disclose their relationship to non-profit institutions included in the Laureate Network and compliance with relevant laws in jurisdictions where for-profit higher education institutions are prohibited by law. You can find this information in Laureate's Form 10Q online.**



## DISCLOSURE QUESTIONNAIRE

Company Name: Laureate  
Education Date Submitted: 1/5/2018

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		√
Firearms, weapons or munitions		√
Genetically modified organisms		√
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		√
Payday lending		√
Pornography		√
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	√	
Political contributions		√
Taxes	√	
Animal Welfare		√
Bribery, Fraud or corruption	√	

Higher Education Disclosure	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.		
Has your institution ever been placed on probation, lost accreditation, or lost and regained accreditation by any accreditation body?	√	
Have your institution's marketing and/or recruitment practices ever been subject to a federal or state investigation?		√

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		√
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		√	

\*Blue Mountains Laura campus is situated in the heritage listed Blue Mountains National Park.  
\*\*Laureate Education, Inc. owns or operates institutions in 24 countries and generates the majority of its income from jurisdictions outside the United States. Laureate has a very complex tax structure both as a result of acquisitions and because Laureate's international intellectual property and network products are developed and owned by a Dutch BV and licensed back to the network institutions by that entity.

**B Corp Certification - Disclosure Questionnaire Documentation**

PROVIDED BY:

Laureate Education Inc.

UPDATED AS OF:

01/05/2018

DISCLOSURE QUESTIONNAIRE CATEGORY	Student Complaints and Regulatory review
ISSUE DATE	2017
TOPIC	Student Complaints
SUMMARY OF ISSUE	Walden's doctoral programs, along with all other online programs in Minnesota, are currently under review by the Minnesota Office of Higher Education (MOHE) as a broader review of all online doctoral programs offered within the state.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	N/A
IMPACT ON STAKEHOLDERS	N/A
RESOLUTION	MOHE stated last year that the reason for initiating the review was based on receipt of student complaints through the Minnesota AG's office that were forwarded to MOHE for review. The Program Review process continues at this time and we continue to respond to information requests. Review is expected to occur in 2018.
IMPLEMENTED MGT PRACTICES	N/A
REPORT	N/A
OTHER MANAGEMENT COMMENTS	N/A
RELATED INCIDENTS (YES/NO)	No

DISCLOSURE QUESTIONNAIRE CATEGORY	Marketing
ISSUE DATE	2015-2016
TOPIC	Marketing and University degrees - Pearl Academy
SUMMARY OF ISSUE	Pearl has never offered university degrees but works with other institutions (Nottingham Trent, NTU) to facilitate their offer of degrees. Although the Pearl qualifications are highly regarded in their own right, some students also have a wish to receive a university degree and Pearl has worked with universities (e.g., NTU) to facilitate that. The institute received a notice from the University Grants Commission, asking it to stop awarding undergraduate and postgraduate degrees in collaboration with Nottingham Trent University (UK) since it is not a "university" within the definition of the UGC Act 1956.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	1 Student claimed to be let go of their employment because of this issue.
IMPACT ON STAKEHOLDERS	N/A
RESOLUTION	For students studying prior to 2017, there is no change to the academic model. For students who joined in 2017 or after, there was a new academic model.
IMPLEMENTED MGT PRACTICES	The new offering was communicated through a variety of mediums
REPORT	N/A
OTHER MANAGEMENT COMMENTS	Pearl reached an arrangement with IGNOU in relation to an Indian university degree and has an articulation agreement with Torrens University Australia under which relevant Pearl students may be able to continue their studies with Torrens University which, in due course, may lead to an Australian degree.
RELATED INCIDENTS (YES/NO)	No

DISCLOSURE QUESTIONNAIRE CATEGORY	Accreditation
ISSUE DATE	March 2016
TOPIC	UDLA Accreditation
SUMMARY OF ISSUE	Institutional Accreditation March 2016-March 2019 Universidad de Las América is a nonprofit university controlled by Laureate and is not itself a certified B Corporation. UDLA is located in Santiago, Chile, and had been nationally accredited by the Comisión Nacional de Acreditación on two prior occasions during the period 2008 to 2013. In 2013, it was denied renewal of its accreditation. After a new accreditation process, UDLA was notified in March 2016 that it had been accredited for three years until March 2019.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	N/A
IMPACT ON STAKEHOLDER(S)	N/A
RESOLUTION	Accreditation for a 3 year period, until march 2019
IMPLEMENTED MGT PRACTICES	UDLA took all measurable steps to address the areas of concern that were enumerated in the decision to deny its accreditation renewal. These include new full-time faculty, improved faculty/student ratio, the launch of a research program and policy and the increase of the number of accredited programs
REPORT	N/A
OTHER MANAGEMENT COMMENTS	N/A
RELATED INCIDENTS (YES/NO)	N/A

DISCLOSURE QUESTIONNAIRE CATEGORY	Construction Settlement
ISSUE DATE	August 2015
TOPIC	UIP Campus Construction Settlement
SUMMARY OF ISSUE	Out-of-court settlement with master contractor for main UIP campus - Desarrollos Urbanos Educativos, SRL ("DUE"), the real estate affiliate of Universidad Interamericana de Panamá ("UIP"), oversaw the construction of UIP's state-of-the-art, new main campus that celebrated its Phase I opening in early 2015. For performance disagreements DUE terminated the contract of its prime contractor and assumed direct control of the project until its completion. Upon the assumption of such direct control, DUE initiated contract termination procedures and suspended payments to the master contractor while a joint analysis of the work performed could be completed.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	N/A
IMPACT ON STAKEHOLDER(S)	N/A
RESOLUTION	Upon completion of such analysis, the prime contractor and DUE entered into contract termination negotiations whereby in June 2015, the parties entered into a settlement of claims/acceptance of construction works agreement. Subsequent to the settlement, DUE/UIP worked directly with the insurer to accomplish satisfactorily all of the construction deficiencies. Such repairs were completed in Q4 2016, thereby completing the settlement process.
IMPLEMENTED MGT PRACTICES	N/A
REPORT	N/A

OTHER MANAGEMENT COMMENTS	Such contract termination settlements occur in the ordinary course of business whenever a prime contractor is terminated or replaced. Amounts paid to the prime contractor derive from the amounts owed under the initial contract for works performed that otherwise would have been paid had the contract remained in effect.
RELATED INCIDENTS (YES/NO)	No

DISCLOSURE QUESTIONNAIRE CATEGORY	Litigation
ISSUE DATE	5 separate cases filed against USA 2012-2016
TOPIC	Litigation at University of St. Augustine
SUMMARY OF ISSUE	Cases claim breach of fiduciary duty, negligence, negligent misrepresentation and deceptive and unfair trade practices all relating to the Orthopedic Physician Assistant Program, during the period prior to Laureate Ownership
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	38 individuals among the 5 cases.
IMPACT ON STAKEHOLDERS	N/A
RESOLUTION	3 matters were resolved in late 2015/2016 and two other cases are proceeding.
IMPLEMENTED MGT PRACTICES	N/A
REPORT	N/A
OTHER MANAGEMENT COMMENTS	USA ceased new enrollment in the program in 2015 (with final teach out completed in summer 2016).
RELATED INCIDENTS (YES/NO)	No

DISCLOSURE QUESTIONNAIRE CATEGORY	Fines and Sanctions
ISSUE DATE	2013 - June
TOPIC	Antitrust Authority Commission Fine
SUMMARY OF ISSUE	Fine issued by CADE, Brazil antitrust Authority - In mid-2013 CADE, the Brazilian antitrust authority commission issued an unusual fine against Laureate in connection with its buyout of one of its minority partners, alleging that Laureate had provided potentially misleading information about the ownership relationship of its former partner and another unrelated, publicly traded higher education group. The information was provided by the partner and was information of the other public company which Laureate could not have been privy to. After a number of judgements and appeals, the court upheld the fine. We have appealed the decision.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	R\$ 2 million
IMPACT ON STAKEHOLDER(S)	N/A
RESOLUTION	The case is pending before the Brazilian courts.
IMPLEMENTED MGT PRACTICES	N/A
REPORT	N/A
OTHER MANAGEMENT COMMENTS	N/A
RELATED INCIDENTS (YES/NO)	N/A

DISCLOSURE QUESTIONNAIRE CATEGORY	Financial Controls/ Former Employee/Board Corruption
ISSUE DATE	2016
TOPIC	Hunan University - Financial Controls
SUMMARY OF ISSUE	There are two related lawsuits where former owned institution, HIEU, is listed as a co-respondent for a debt repayment case. HIEU is involved in these cases because its former legal representative signed a debt repayment agreement without HIEU board's approval, and mortgaged HIEU property by fabricating the Board's approval.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	In the first case, HIEU was asked to bear the joint and several liability of RMB170 million (~\$25 million usd) plus interest and all litigation costs, and in the other case, HIEU was asked to pay RMB12 million (~\$1.8 million usd) plus interest and all litigation costs. In the latter, a local bank applied to auction a piece of HIEU land to repay the owed debt due to the fabricated mortgage.
IMPACT ON STAKEHOLDERS	N/A
RESOLUTION	No judgement has been given in either case. HIEU has removed the director, chairman of board and legal representative titles of the person who fabricated the board approval. Also, the board secretary now keeps track of all board approvals.
IMPLEMENTED MGT PRACTICES	N/A
REPORT	N/A
OTHER MANAGEMENT COMMENTS	Hunan is no longer in the Laureate Network.
RELATED INCIDENTS (YES/NO)	No

DISCLOSURE QUESTIONNAIRE CATEGORY	Bribery, Corruption, and Fraud
ISSUE DATE	2014
TOPIC	Turkey Bribery Corruption and Fraud
SUMMARY OF ISSUE	As previously disclosed, during the fourth quarter of 2014, the Company recorded an operating expense of \$18.0 million (the value of 40.0 million Turkish Liras at the date of donation) for a donation by the network institution in Turkey to a charitable foundation. The Company believed the donation was encouraged by the Turkish government to further a public project supported by the government and expected that it would enhance the position and ongoing operations of our institution in Turkey. The Company has learned that the charitable foundation which received the donation disbursed the funds at the direction of a former senior executive at our network institution in Turkey and other external individuals to a third party without its knowledge or approval.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	N/A
IMPACT ON STAKEHOLDER(S)	N/A
RESOLUTION	For more information and updates, please see the most recent 10Q (Part II, Item 1 – Legal Proceedings and Note 17, Legal and Regulatory Matters): <a href="http://investors.laureate.net/phoenix.zhtml?c=91846&amp;p=iro-l-sec">http://investors.laureate.net/phoenix.zhtml?c=91846&amp;p=iro-l-sec</a>
IMPLEMENTED MGT PRACTICES	For more information and updates, please see the most recent 10Q (Part II, Item 1 – Legal Proceedings and Note 17, Legal and Regulatory Matters): <a href="http://investors.laureate.net/phoenix.zhtml?c=91846&amp;p=iro-l-sec">http://investors.laureate.net/phoenix.zhtml?c=91846&amp;p=iro-l-sec</a>
REPORT	For more information and updates, please see the most recent 10Q (Part II, Item 1 – Legal Proceedings and Note 17, Legal and Regulatory Matters): <a href="http://investors.laureate.net/phoenix.zhtml?c=91846&amp;p=iro-l-sec">http://investors.laureate.net/phoenix.zhtml?c=91846&amp;p=iro-l-sec</a>
OTHER MANAGEMENT COMMENTS	For more information and updates, please see the most recent 10Q (Part II, Item 1 – Legal Proceedings and Note 17, Legal and Regulatory Matters): <a href="http://investors.laureate.net/phoenix.zhtml?c=91846&amp;p=iro-l-sec">http://investors.laureate.net/phoenix.zhtml?c=91846&amp;p=iro-l-sec</a>
RELATED INCIDENTS (YES/NO)	No

DISCLOSURE QUESTIONNAIRE CATEGORY	Labor
ISSUE DATE	N/A
TOPIC	Labor Suits- Brazil Region

SUMMARY OF ISSUE	Labor suits involve a range of actions which principally include claims for wrongful termination, re-characterization of the employment relationship; additional severance or benefits amounts.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	In the Brazil region there are 13 different institutions and one operational holding company operating in 8 different states. In 2017 there were a total of 925 labor cases outstanding, compared to an employee base of just under 12,555 full- and part-time, administrative staff and faculty members.
IMPACT ON STAKEHOLDER(S)	See above
RESOLUTION	See above
IMPLEMENTED MGT PRACTICES	N/A
REPORT	N/A
OTHER MANAGEMENT COMMENTS	Laureate Brazil's employment policies are aligned with Brazilian labor laws, and the employees are regularly trained on applications of such policies and the law.
RELATED INCIDENTS (YES/NO)	No

DISCLOSURE QUESTIONNAIRE CATEGORY	Labor
ISSUE DATE	November, 16, 2016
TOPIC	United States- labor issues
SUMMARY OF ISSUE	On November 16, 2016, Michael S. Ryan, the former chief accounting officer of the Company, filed a complaint with the Occupational Safety and Health Administration of the U.S. Department of Labor alleging retaliatory employment practices in violation of the whistleblower provisions of the Sarbanes Oxley Act (Michael S. Ryan vs. Laureate Education, Inc., Case No. 3005017011). The complaint also alleges a lack of compliance with U.S. GAAP and violations of certain SEC rules and regulations.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	N/A
IMPACT ON STAKEHOLDER(S)	N/A
RESOLUTION	For more information and updates, please see the most recent 10Q (Part II, Item 1 – Legal Proceedings and Note 17, Legal and Regulatory Matters): <a href="http://investors.laureate.net/phoenix.zhtml?c=91846&amp;p=iro1-sec">http://investors.laureate.net/phoenix.zhtml?c=91846&amp;p=iro1-sec</a>
IMPLEMENTED MGT PRACTICES	For more information and updates, please see the most recent 10Q (Part II, Item 1 – Legal Proceedings and Note 17, Legal and Regulatory Matters): <a href="http://investors.laureate.net/phoenix.zhtml?c=91846&amp;p=iro1-sec">http://investors.laureate.net/phoenix.zhtml?c=91846&amp;p=iro1-sec</a>
REPORT	For more information and updates, please see the most recent 10Q (Part II, Item 1 – Legal Proceedings and Note 17, Legal and Regulatory Matters): <a href="http://investors.laureate.net/phoenix.zhtml?c=91846&amp;p=iro1-sec">http://investors.laureate.net/phoenix.zhtml?c=91846&amp;p=iro1-sec</a>
OTHER MANAGEMENT COMMENTS	For more information and updates, please see the most recent 10Q (Part II, Item 1 – Legal Proceedings and Note 17, Legal and Regulatory Matters): <a href="http://investors.laureate.net/phoenix.zhtml?c=91846&amp;p=iro1-sec">http://investors.laureate.net/phoenix.zhtml?c=91846&amp;p=iro1-sec</a>
RELATED INCIDENTS (YES/NO)	No

DISCLOSURE QUESTIONNAIRE CATEGORY	Taxes
ISSUE DATE	2010
TOPIC	Tax Issues - Spain
SUMMARY OF ISSUE	During 2010, ICE WAS notified by the Spanish Taxing Authorities ("STA") (in this case, by the Regional Inspection Office of the Special Madrid Tax Unit) that an audit of some of the Spanish subsidiaries was being initiated for 2006 and 2007. On June 29, 2012, the STA issued a final assessment to Initiatives Culturales de España, S.L. ("ICE"), the Spanish holding company, for approximately EUR 11.1 million (\$12.4 million at September 30, 2016), including interest, for those two years based on its rejection of the tax deductibility of financial expenses related to certain intercompany acquisitions and the application of the Spanish ETVE regime.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	N/A
IMPACT ON STAKEHOLDER(S)	N/A
RESOLUTION	For more information and updates, please see the most recent 10Q (Part II, Item 1 – Legal Proceedings and Note 17, Legal and Regulatory Matters): <a href="http://investors.laureate.net/phoenix.zhtml?c=91846&amp;p=iro1-sec">http://investors.laureate.net/phoenix.zhtml?c=91846&amp;p=iro1-sec</a>
IMPLEMENTED MGT PRACTICES	For more information and updates, please see the most recent 10Q (Part II, Item 1 – Legal Proceedings and Note 17, Legal and Regulatory Matters): <a href="http://investors.laureate.net/phoenix.zhtml?c=91846&amp;p=iro1-sec">http://investors.laureate.net/phoenix.zhtml?c=91846&amp;p=iro1-sec</a>
REPORT	For more information and updates, please see the most recent 10Q (Part II, Item 1 – Legal Proceedings and Note 17, Legal and Regulatory Matters): <a href="http://investors.laureate.net/phoenix.zhtml?c=91846&amp;p=iro1-sec">http://investors.laureate.net/phoenix.zhtml?c=91846&amp;p=iro1-sec</a>
OTHER MANAGEMENT COMMENTS	For more information and updates, please see the most recent 10Q (Part II, Item 1 – Legal Proceedings and Note 17, Legal and Regulatory Matters): <a href="http://investors.laureate.net/phoenix.zhtml?c=91846&amp;p=iro1-sec">http://investors.laureate.net/phoenix.zhtml?c=91846&amp;p=iro1-sec</a>
RELATED INCIDENTS (YES/NO)	No

DISCLOSURE QUESTIONNAIRE CATEGORY	Taxes
ISSUE DATE	December, 2016
TOPIC	Chilean Internal Taxes Service Audit
SUMMARY OF ISSUE	SII audit - In December 2016, SII, the Chilean IRS, notified separately UDLA Chile and UNAB that as part of the general audit program called "Auditoria Integral a Universidades," it was requesting supporting documentation from them for the tax periods between November 2013 and October 2016. Each institution will submit responsive documents that support taxes paid related to its revenues and expenses, including to the extent such revenues and expenses involve financial dealings with Laureate for profit entities.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	N/A
IMPACT ON STAKEHOLDER(S)	N/A
RESOLUTION	N/A
IMPLEMENTED MGT PRACTICES	N/A
REPORT	N/A
OTHER MANAGEMENT COMMENTS	N/A
RELATED INCIDENTS (YES/NO)	No