



## 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: People Against Dirty – Method Products PBC and Ecover

Date Submitted: 05/17/2017

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)		✓
Chemical-intensive industries reliant on chemicals that meet the Substances of Very High Concern (SVHC) criteria under REACH		✓
<b>Disclosure Penalties</b>		
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		✓
<b>Disclosure Outcomes</b>		
Please indicate if the following statements are true regarding whether or not the company has experienced the following outcomes. Check all that apply.		
Company has had an operational or on-the-job fatality		✓
Company sites have experienced 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		✓	

**Disclosure**

PROVIDED BY: **People Against Dirty - Method Products PBC and Ecover**

UPDATED AS OF: **05/17/2017**

<b>DISCLOSURE QUESTIONNAIRE CATEGORY</b>	Material Litigation
<b>ISSUE DATE</b>	Q4 2016
<b>TOPIC</b>	Class action lawsuit related to product labeling and use of the words "natural" and "naturally derived."
<b>SUMMARY OF ISSUE</b>	A class action lawsuit was brought against People Against Dirty related to use of the words "natural" and "naturally derived."
<b>SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)</b>	In December 2016, the company reached a settlement agreement with the legal counsel representing the Class members. The voluntary settlement agreement sets aside \$2.8M of funds for administering the settlement, legal fees and consumer relief.
<b>IMPACT ON STAKEHOLDER(S)</b>	The class action alleged the company's use of the words "natural" or "naturally derived" may have misled consumers. The settlement agreement provides relief to affected consumers.
<b>RESOLUTION</b>	People Against Dirty entered into a voluntary settlement agreement and maintains the right to use the terms "natural" and "naturally derived," while also being required to comply with updated website and/or product labeling guidelines. The settlement agreement does not constitute admission of liability or any wrongdoing by People Against Dirty, and approval of the settlement by the Court will not be a finding of any such liability or wrongdoing.
<b>IMPLEMENTED MANAGEMENT PRACTICES</b>	N/A
<b>REPORT</b>	N/A
<b>OTHER MANAGEMENT COMMENTS</b>	In People Against Dirty's opinion, there's no merit to the claim that we misled consumers about our products being natural or naturally derived. People Against Dirty admitted no wrongdoing and no court found People Against Dirty misled consumers. Rather than shift our resources from innovation to litigation, we've elected to settle this dispute so that we can stay focused on our mission to make the world a cleaner, greener, more colorful place.
<b>RELATED INCIDENTS (YES/NO)</b>	no