



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: Metagenics, Inc.

Date Submitted: March 30, 2021

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:

Metagenics, Inc.

UPDATED AS OF:

March 30, 2021

DISCLOSURE QUESTIONNAIRE CATEGORY	Litigation
ISSUE DATE	May 2019
TOPIC	Settled class action litigation regarding classification of products as medical food
SUMMARY OF ISSUE	In 2015, three law firms in Southern California sued Metagenics, alleging that four of its medical foods were improperly classified as such. The case was brought as a class action on behalf of patients (not practitioners) who purchased one of the products. Metagenics denied the claim and defended the status of the products as medical foods. Three of the four products involved in the case are no longer manufactured by Metagenics.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	The total size of the settlement fund was \$1.3M USD.
IMPACT ON STAKEHOLDERS	The settlement agreement in this matter constituted a purely monetary settlement. There was no mandatory or injunctive relief granted as the products in question were either no longer manufactured, or were already re-classified according to FDA guidance.
RESOLUTION	Although the court never determined that the case was a proper class action, the class-action nature of the case substantially increased the potential cost of discovery and trial. To avoid that expense, Metagenics and its insurance company negotiated a settlement of the case, while continuing to deny the claims in the complaint. The settlement was approved by the court, and individual patients who purchased one of the four products were notified by publication that they could submit claims against the settlement fund.
	The FDA issued a Warning Letter in August 2013 regarding the medical food classification, and Metagenics fully updated its website and labels to the new classification (dietary supplement) in 2014, prior to any litigation being brought against the company.
REPORT	optional - Link to any external reports, press releases, supplementary documents pertaining to the reviewed issue.
OTHER MANAGEMENT COMMENTS	optional - Any management commentary/context to provide perspective on the issue or incident (e.g. compared to industry standards, norms or best practices).
RELATED INCIDENTS (YES/NO)	No

B Corp Certification - Disclosure Questionnaire Documentation

PROVIDED BY: Metagenics, Inc.

UPDATED AS OF: March 30, 2021

DISCLOSURE QUESTIONNAIRE CATEGORY	Animal Testing
ISSUE DATE	Ongoing
TOPIC	Company conducts animal testing as required by law.
SUMMARY OF ISSUE	The company conducts animal testing in accordance with applicable FDA guidelines concerning dietary supplements and medical foods.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	Animal testing, directly funded by the company, accounts for less than 5% of all of the testing conducted on ingredients contained in the company's products. No animal testing has been conducted on finished products.
IMPACT ON STAKEHOLDERS	"IACUC (Institutional Animal Care and Use Committees) are required to review protocols related to animal care and use in accordance with Public Health Service Policies as outlined in Policy (IV.C.1.a-g). This policy directs the minimization of discomfort, distress and pain (refine), the utilization of the minimum number of animals necessary to obtain valid results (reduce) and the use of mathematical models, computer simulations and in-vitro biological models wherever possible (replace)".
IMPLEMENTED MGT PRACTICES	<p>"All studies are conducted under IACUC (Institutional Animal Care and Use Committee) approved protocols. The company does not have an external facing position statement on animal testing.</p> <p>Metagenics follows the 3R/4R principles when deciding to pursue animal studies and further only places studies at third party research organizations that review animal research with a local IACUC committee. Where possible, in vitro, in silico or in human clinical studies are selected. Only in the case where safety or toxicology is required as regulated by the FDA for the utilization of ingredients in dietary supplements or medical foods, or the absence of relevant in vitro, in silico or human methods, will the company utilize animal models. In addition, for the purposes of safety and toxicology, as necessitated by laws governing the legal use of ingredients in dietary supplements and medical foods, Metagenics will continue to use the applicable model systems. "</p>
REPORT	optional - Link to any external reports, press releases, supplementary documents pertaining to the reviewed issue.
OTHER MANAGEMENT COMMENTS	optional - Any management commentary/context to provide perspective on the issue or incident (e.g. compared to industry standards, norms or best practices).
RELATED INCIDENTS (YES/NO)	No

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PROVIDED BY:

Metagenics, Inc.

UPDATED AS OF:

March 30, 2021

DISCLOSURE QUESTIONNAIRE CATEGORY	Other Disclosure Practices
TOPIC	Health supplements company with sales via healthcare practitioners
SUMMARY OF ISSUE	Metagenics is a health supplements company that sells its products primarily via a network of licensed practitioners, either through direct sales to Practitioners for re-sale and/or via other retail channels where patients are referred by a Practitioner. Practitioner's must apply and have a current license — examples include Medical Doctors, Registered Dietitians and Licensed Acupuncturists.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	Approximately 84% of Metagenics' sales from the previous fiscal year were made either directly to practitioners or via channels that require a practitioner referral
IMPACT ON STAKEHOLDERS	The sale of health-related products through healthcare providers can provide convenience for patients, and at the same time raises ethical challenges due to financial conflicts of interest. Metagenics does not and cannot control how its Practitioners interact with their patients or other companies. Its products are made available to customers through other channels that do not require a Practitioner referral, such as online retail.
IMPLEMENTED MGT PRACTICES	Metagenics has a Healthcare Compliance Policies and Procedures ("Policy") which governs its interactions with healthcare practitioners in the US and Canada. The policy addresses the sales and marketing interactions between Metagenics and its Practitioners. The Policy includes specific restrictions and/or requirements on the topics of business meals, entertainment, gifts, travel reimbursement, discounts/rebates, payments for services, and company controlled promotional programs. The company also has an anonymous compliance hotline, which is operated by a third-party service provider, Ethical Advocate.
REPORT	optional - Link to any external reports, press releases, supplementary documents pertaining to the reviewed issue.
OTHER MANAGEMENT COMMENTS	Metagenics adopted its healthcare compliance program, Policies and Procedures for Health Care Compliance, effective February 1, 2016. The decision to make healthcare compliance a core competency for the U.S and Canada organizations was taken with the full support, and indeed at the instance, of the company's Board of Directors and its parent company, Alticor Inc. We believe we were the first company in the dietary supplements industry to embrace healthcare compliance. Rather than being a competitive disadvantage, as some had feared, the Board and executive management believed that compliance with applicable healthcare laws and regulations actually is "good business". The healthcare compliance program was rolled out at the January 2016 national sales meeting, to overwhelmingly positive reviews. Starting at 2/1/2016, all new employees coming in to affected departments have been trained on healthcare compliance as part of their new hire on-boarding. In addition to the topics listed in the summary response, one of the program's most significant (and frequently implicated) topics is Fee-for-Service Payments to Healthcare Professionals (HCPs). Over the past five and one-half years, Metagenics has implemented and administered a robust Speaker Bureau program, by which more than 200 Healthcare Professionals have signed Speaker Agreements to present educational programs on behalf of the company. Metagenics carefully controls the dollar amounts of the honoraria paid to each Speaker, in order to assure that the company is receiving fair market value in return for the compensation paid to any HCP who is in a position to recommend the company's products in his or her professional practice. Recently, federal enforcement officials (the Office of Inspector General of DHHS) have shown increased concern with speaker programs sponsored by companies in the pharmaceutical industry. Metagenics was pleased to be well ahead of the industry in complying with the OIG's November 2020 fraud alert on speaker programs.