



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: Prose
Date Submitted: 05/15/2023

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:

Prose

UPDATED AS OF:

05/15/2023

DISCLOSURE QUESTIONNAIRE CATEGORY	Environmentally Intensive Industries
TOPIC	Energy and Emissions Intensive Industries
SUMMARY OF ISSUE	As a manufacturing company for custom hair care products, Prose's products are energy and emissions intensive. The primary energy sources are natural gas and electricity. Additionally, the company receives raw material and supplies through air freight (5%) and ground freight (95%). Finally, the company relies on fossil fuels for the delivery of products to customers.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	100% of Prose's revenue comes from energy-intensive products, produced through a manufacturing process at their facilities.
IMPACT ON STAKEHOLDERS	Operating in a energy and emissions intensive manufacturing industry, this can pose risks to stakeholders. The manufacturing process consumes natural gas and electricity. Emissions are released from the transportation of raw materials and finished products.
IMPLEMENTED MGT PRACTICES	<p>Prose measures carbon emissions on an annual basis and has done so since 2019, one year after the company was founded. As part of the company's Climate Neutral Certification, the company offsets all emissions through strategic investments in energy and forestry with key investments in sub-Saharan Africa as well as Latin America to mitigate carbon for those populations disproportionately affected by climate change. Additionally, the company has a reduction action plan (RAP) through Climate Neutral Certification, which allows the company to zero in on high emissions areas and look to reduce them. These include supply chain localization projects, ingredient refinement to decrease emissions, or behavioral/education initiatives to include consumer action. Prose reduced emissions per revenue 47% from 2020 to 2021.</p> <p>The company's target is to decrease emissions per revenue as stated on the company goals in 2022. The company has a facility in New York where rainwater is collected and solar panels are in use. The main corporate office is LEED Certified. The company's office in France is within a green zone where 100% of the employees are commuting to work without the use of a car.</p> <p>The Sustainability Team is managed by the VP of Social Impact and works cross-functionally with internal teams to emphasize best practices as well as internal aggregators for innovative ways to reduce emissions. Some examples are revamping packaging to more sustainable options, limiting the use of Air Freight, and sourcing ingredients and taking emissions into consideration.</p>



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DISCLOSURE QUESTIONNAIRE CATEGORY	Environmentally Intensive Industries
TOPIC	Water Intensive Industries
SUMMARY OF ISSUE	Prose is a manufacturing company that utilizes water in all of its products. The company sells hair products (shampoo, conditioner, mask, leave-in conditioner, and curl cream) that are 60%-80% water by formulation.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	100% of revenue comes from selling products that the company manufactures and uses water within the products.
IMPACT ON STAKEHOLDERS	<p>Operating in a water intensive manufacturing industry, this can pose risks such as water stress or depletion of local water sources if water use is not appropriately managed.</p> <p>Prose's manufacturing facility is based in Brooklyn, NY, which has a Medium-High water risk, according to the World Resources Institute. New York City's Department of Environmental Protection declared a Drought Emergency most recently in April 2002, with normal conditions being restored in January 2003.</p>
IMPLEMENTED MGT PRACTICES	Prose has not determined its water intensity (such as gallons per unit of product). However, a Life Cycle Assessment is being conducted in 2023 with a focus on water impact. The Life Cycle Assessment will focus on water consumption, marine eutrophication, marine ecotoxicity, and freshwater ecotoxicity. Prose will use the information from the Life Cycle Assessment to set Key Performance Indicators.
MANAGEMENT COMMENTS	Prose is actively working on getting key climate legislation passed.