

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: Arbonne
 Date Submitted: 1/11/2023

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:

Arbonne

UPDATED AS OF:

1/11/2023

DISCLOSURE QUESTIONNAIRE CATEGORY	Compulsory Overtime
TOPIC	Hourly workers required to work overtime due to monthly demand.
SUMMARY OF ISSUE	There are times where Arbonne may request that workers exceed a 48 hour work week, usually during times of high sales volumes.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	There were no more than a few weeks in which the team was requested to work hours beyond the typical schedule over the last year. This has gone down significantly compared to prior years due to the decrease in production and through more efficient and flexible scheduling practices put in place and the use of outside labor as needed during peak times. For the last fiscal year, 157 hourly workers completed overtime. The average annual overtime hours per employee for the duration of the year was 69 hours.
IMPACT ON STAKEHOLDERS	Employees that work compulsory overtime can experience increased stress and have less time to spend on activities outside of the workplace, such as spending time at home.
IMPLEMENTED MGT PRACTICES	<ul style="list-style-type: none"> - Overtime rates follow the legal requirements of each territory and result in much higher hourly pay for individuals, - If an employee cannot meet overtime requests, the company will request other employees to fill the shift or will resort to temporary labor at times of high volume, - The company's HR and scheduling managers actively work to avoid this, however, during peak seasons - such as December during the holidays - Arbonne may see peak orders that require it to ask some of its hourly employees to work additional hours. This is outlined in the company's Employee Handbook.
RELATED INCIDENTS (YES/NO)	There were no health or safety incidents related to working required overtime hours.

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DISCLOSURE QUESTIONNAIRE CATEGORY	Litigation or arbitration against company either ongoing, settled, or found against the company
TOPIC	Ongoing and settled litigation
SUMMARY OF ISSUE	In the past 5 years, there were 17 litigation claims made against Arbonne that are either pending or resulted in settlements. 9 cases (5 of which were settled) related to claims of wrongful termination by former employees, 4 cases (1 settled) were related to claims of physical harm arising out of the use of Arbonne products and 1 case (also settled) was a lawsuit alleging Arbonne operated an illegal pyramid scheme in violation of the law. To date, none of the litigation has been found against the company. There are also 3 administrative actions (1 has since settled) brought up by various tax authorities regarding a formal dispute about the total calculation of taxes owed to each respective authority.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	None of the settlements resulted in a payment greater than 1% of company revenue. In aggregate, the average amount of settlements paid in the last 5 years is not greater than USD \$300,000.
IMPACT ON STAKEHOLDERS	The stakeholder impacts alleged in the current litigation include allegations of financial damages to former employees, Independent Consultants and/or independent contractors of the company, and allegations of physical harm to current or former consumers related to the company's products.
RESOLUTION	8 of the claims were settled and 9 are still pending.
IMPLEMENTED MGT PRACTICES	<ul style="list-style-type: none"> - Arbonne regularly reviews its policies and practices regarding employment practices in the regular course of business and makes changes or improvements as identified. - With regard to its compensation structure for independent sellers, all payments made to Independent Consultants are tied to product sales to end-user customers and based on a 35% commission for direct sales to customers, not on recruitment of other Independent Consultants. No minimum purchases are required by Independent Consultants. More information about the company's Multi-level marketing practices available on the specific disclosure for this topic.
RELATED INCIDENTS (YES/NO)	No

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DISCLOSURE QUESTIONNAIRE CATEGORY	Other - Multi Level Marketing Company (MLM)
TOPIC	The company has direct selling MLM practices
SUMMARY OF ISSUE	Arbonne is a U.S.-based company with subsidiaries in Europe, Australia, & Canada that sells its personal care products by means of a multi-level marketing structure through their global independent consultants.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	The company has over 210,000 Independent Consultants who are independent, self-employed distributors of the company's products. Arbonne also has over 600,000 loyal customers who purchase products regularly from Arbonne Independent Consultants.
IMPACT ON STAKEHOLDERS	B Lab has flagged the direct selling industry for upcoming risk review. Should the Standards Advisory Council determine specific performance requirements for companies in this industry, Arbonne would be required to meet these standards by a future recertification date.
IMPLEMENTED MGT PRACTICES	<ul style="list-style-type: none"> - The company has the following practices in place to mitigate risks to stakeholders: - Independent Consultants are paid based on the sales they make to their clients (end consumers) and the sales of their team to their teams' own clients. Also unique to Arbonne, any individual Independent Consultant can leap over another Independent Consultant in the compensation plan, meaning that consultants are paid based on their effort and work (recurring client sales, building a team, etc.) and not based on who is ahead of you in the compensation plan, - Arbonne Independent Consultants achieve more earnings by selling products to their Preferred Clients, who are their consumers, and by teaching other Arbonne Independent Consultants (who comprise their team) to do the same, i.e., sell products to their own Preferred Clients. Payments made to Independent Consultants are based on the 35% commission and not on recruiting further consultants, - Anyone can pay a fee of \$29 to the company to join as a Preferred Client (Consumer) and qualify for special product offers and discounts for one year, and/or pay \$49 to join as a seller, or Independent Consultant, for one year. The renewal fee for both (each additional year term) is \$29, - There are no minimum purchase requirements, - Arbonne's Independent Consultants are paid on product sales (own customers and team sales) up to six levels, - Arbonne provides transparency on the typical earnings per market for independent consultants listed in the report below. These figures do not account for additional expenses. Arbonne does not currently track Independent Consultant profits or expenses.
REPORT	<p>'What You Need to Know About Joining - Independent Consultant Earnings Statement: https://embed.widencdn.net/pdf/plus/arbonne/bnavepu80y/US-EN_ICCS.pdf</p> <p>Public disclosure of typical earnings can be found at earnings.Arbonne.com</p> <p>Arbonne also invites the public to file any concerns or questions at BEST.Arbonne.com</p>
OTHER MGT PRACTICES	Arbonne believes in multi-level sales and compensation and in offering an opportunity to empower people through sustainable, healthy living. Arbonne's compensation plan, called the SuccessPlan, is not an unlawful pyramid scheme but rather compensates independent sellers for products made to their end-user customers - individuals not participating in the Arbonne SuccessPlan.