



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: Gaia Herbs
 Date Submitted: 09/05/2022

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:

Gaia Herbs

UPDATED AS OF:

09/05/2022

DISCLOSURE QUESTIONNAIRE CATEGORY	Facilities located in sensitive ecosystems
ISSUE DATE	Ongoing
TOPIC	Company has headquarters and farm located adjacent to the Pisgah National Forest, which is a nationally protected land.
SUMMARY OF ISSUE	Gaia Herbs is located adjacent to Pisgah National Forest, which lies in parts of 12 counties in western North Carolina: Transylvania, McDowell, Haywood, Madison, Caldwell, Burke, Yancey, Buncombe, Avery, Mitchell, Henderson, and Watauga counties. This forest is classified as a Targeted Local Watershed (TLW). These areas are chosen based on an evaluation of three factors—problems, assets, and opportunities. Problems reflect the need for restoration, assets reflect the ability for a watershed to recover from degradation and the need for land conservation, and opportunity indicates the potential for local partnerships in restoration and conservation work.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	<p>The company operates on a 350-acre farm, where they grow about 25% of their annual crop need. Gaia Herbs' manufacturing facility adjacent to the farm manufactures approximately 60-65% of our product mix.</p> <p>60-65 % of the company's production, in terms of volume, occurs in the facilities located adjacent to a sensitive ecosystem.</p>
IMPACT ON STAKEHOLDERS	The facilities are located inside protected/sensitive ecosystems which could potentially impact the flora, fauna and quality of the ecosystem (e.g. noise & light pollution from the facilities, spills, air / soil / water pollution owing to company's operations).
IMPLEMENTED MGT PRACTICES	<ul style="list-style-type: none"> - Gaia Herbs promotes regenerative organic farming on its farm, - The company stated that it consults with environmental management firms as well as the Army Corp of Civil Engineers to make sure that the watershed is managed appropriately.

B Corp Certification - Disclosure Questionnaire Documentation

PROVIDED BY:

Gaia Herbs

UPDATED AS OF:

09/05/2022

DISCLOSURE QUESTIONNAIRE CATEGORY	Industries at Risk of Human Rights Violations
ISSUE DATE	Ongoing
TOPIC	Forced labor, child labor, and human trafficking risks
SUMMARY OF ISSUE	Gaia Herbs as a purchaser of glycerin operates in an industry that is at risk of human rights abuses because of the production of palm oil.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	<p>Approximately <0.5% supplier expenses come from palm oil.</p> <p>100% of the glycerin bought by the company can be traced back through the supply chain to the original source. Gaia Herbs sources this product from Daabon, located in Colombia.</p>
IMPACT ON STAKEHOLDERS	High risk supply chains such as cocoa, coffee, tea and palm oil have a history of forced and child labor, which subjects workers to poor working conditions, low wages, and puts children at risk for human trafficking.
IMPLEMENTED MGT PRACTICES	<ul style="list-style-type: none"> - Gaia Herbs has Sourcing Standards in place that are shared with its suppliers to share the company's expectations around social and environmental quality, - The company conducts a sourcing risk assessment, on a quarterly basis, on ingredients that Gaia Herbs may have a concern about (sourcing from an environmentally sensitive area, political instability, or social concerns). This is reviewed with a cross-functional team, and the company addresses concerns accordingly through supplier intervention, discussions, or visits, - Daabon is RSPO certified and Gaia Herbs procures RSPO segregated palm oil from them, - Daabon has visibility and monitoring systems in place to ensure all palm glycerin is sourced sustainably and they control glycerin production in their own facility, - This supplier owns a majority of the plantations they source from. For the smaller plantations they operate with, they have transparency mechanisms in place to ensure ethical treatment of workers and have an anonymous complaint process for workers to reach out if there is a concern.

B Corp Certification - Disclosure Questionnaire Documentation

PROVIDED BY:

Gaia Herbs

UPDATED AS OF:

09/05/2022

DISCLOSURE QUESTIONNAIRE CATEGORY	Hazardous Discharges Into Air/Land/Water
ISSUE DATE	Ongoing
TOPIC	The company was accidentally not properly disposing its waste water.
SUMMARY OF ISSUE	The company had an accidental discharge was in 2017. There was an accidental septic failure. In 2018, there was a violation and Gaia Herbs installed a monitoring system in place to test wastewater. One of the tests failed. This issue is still under annual monitoring requirements. The company received a fine related to this accident and paid it in 2019. A neighbor was concerned about an area by Gaia that had dead vegetation.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	The company paid a fine of \$130,000 related to its improper discharge of waste water.
IMPACT ON STAKEHOLDERS	<p>The wastewater was a mixture of food-grade alcohol, herbal extracts, and organic certified cleaning products. This discharge had the potential for environmental impact on the groundwater on the company's property. The river next to Gaia Herbs's facility was tested and results found that it did not get into any ecosystem.</p> <p>The groundwater was tested and not impacted. The groundwater only showed visual aesthetic impacts as above ground vegetation turned dark green/black.</p>
RESOLUTION	The company immediately cut off the line, physically removed the discharging line. Brought in frac tank and started hauling wastewater offsite. Since then, Gaia Herbs has implemented a treatment system and is about to tie it into the sewer system.
IMPLEMENTED MGT PRACTICES	<p>To reduce the risk of further incidents, the company has implemented the following management practices:</p> <ul style="list-style-type: none"> - Gaia Herbs initiated a \$1m+ wastewater project to ensure proper disposal - Since project completion Gaia Herbs is now tied into a new sewer line it established with the county and there was a recent ground-breaking celebration. - Since project completion, Gaia Herbs has a regulatory agency monitor the wastewater project and sewer line - Since project completion Gaia Herbs is monitoring any indicators related to water management. This practice is also tied into sewer system and monitored by the county.