



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: Banco Finandina
Date Submitted: 08/09/2022

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:

Banco Finandina

UPDATED AS OF:

08/09/2022

DISCLOSURE QUESTIONNAIRE CATEGORY	Litigation, Arbitration, and/or Penalties
ISSUE DATE	8/9/2022
TOPIC	Litigation related to insurance, loans, fraud, and transit accidents
SUMMARY OF ISSUE	"In total, Banco Finandina has had 161 cases in the past 3 years, of which 48 are pending and 113 have been closed. (2020 - 12 pending and 64 closed, 2021 - 12 pending and 37 closed, 2022 - 25 pending and 11 closed)
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	The value of the settlement or damages assessed in pending, settled or closed litigation cases in 2020 - 2022 was 8.2% of revenue for closed cases and 34.4% of revenue for pending cases.
IMPACT ON STAKEHOLDERS	"If the closed cases and open legal claims alleged by plaintiffs during litigation are admitted, it may affect primarily the financial consumers of the entity, meaning, actual or potential users or customers of banking or financial services offered by the company.
IMPLEMENTED MGT PRACTICES	<p>Banco Finandina has implemented the following management practices or internal controls in relation to the most common causes of legal claims:</p> <p>To avoid litigations related to car accidents where the bank is the owner of the vehicle due to leasing transactions, if the leasing transaction remains in force, the bank pleads the dismissal of the case due to lack of cause of action. If the leasing transaction has ended, the sales representatives of the bank execute their best efforts to obtain the transfer of the vehicle ownership to the leasing customer.</p> <p>To avoid litigations related to insurance claims, the bank grants continuous training to its sales representatives, so they are able to provide sufficient information to financial customers about their insurance policies.</p> <p>To avoid litigations related to disagreement with the application of financial reliefs due to COVID-19 sanitary emergency, the bank grants financial education to its clientes about the reliefs authorized by the Government of Colombia. Furthermore, the Bank assure due notice to its clients about the application of a financial relief to their credit obligations.</p> <p>To avoid litigations related to identity theft to open and/or use credit cards, the Bank implements early alert systems tha notifies customers about financial transactions made with their credit cards, and warns the entity if the transaction behaviour is not concordant with the profile defined by the client.</p> <p>To avoid litigations related to tax charges or fines arising from the ownership of a vehicle subjeeto previously to a leasing transaction, the Bank notifies the client in due time about the tax charges or fines imposed over the vehicle, with prior validation about bank statements and no debt certifications.</p>



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UPDATED AS OF:

08/09/2022

DISCLOSURE QUESTIONNAIRE CATEGORY	Litigation, Arbitration, and/or Penalties Cont.
ISSUE DATE	8/9/2022
TOPIC	Litigation related to insurance, loans, fraud, and transit accidents Cont.
SUMMARY OF ISSUE	<p>From January 2020 until today, the settled and/or closed litigation cases were resolved as detailed below:</p> <p>From a total of 113 closed cases:</p> <ul style="list-style-type: none">a.) 17 cases were settled with payment of compensation or damages to the plaintiff.b.) 26 cases were settled without payment of compensation or damages.c.) 27 cases were dismissed by the plaintiff without order of court.d.) 4 cases were dismissed due to no correction of the claim ordered by the court.e.) 26 cases were ruled in favour of Banco Finandina.f.) 13 cases were ruled in favour of the plaintiff.