

# **Tomorrow GmbH**

Disclosure Report Date Submitted: July 15th, 2024

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## **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 that B Lab deems relevant for public stakeholders, then, as a condition of their certification, the company must:

- Be transparent about details of 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 practices are in place to avoid similar issues from arising in the future, when necessary.

In all cases, the Standards Advisory council reserves the right to refuse certification if the company is ultimately deemed not to uphold the spirit and integrity of the community.

In addition to the voluntary indication of sensitive issues in the Disclosure Questionnaire, companies pursuing Certification also are subject to a background check 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.

#### **B Lab's Public Complaints Process**

Any party may submit a complaint about a current B Corp through B Lab's Public Complaint Process. Grounds for complaint include:

- Intentional misrepresentation of practices, policies, and/or claimed outcomes during the company's certification process
- Breaches of the B Corp Community's core values as expressed in our Declaration of Interdependence

This document contains a copy of the company's completed Disclosure Questionnaire and related disclosure documentation provided by the company.



## **Disclosure Questionnaire**

#### **Industries and Products**

#### Yes No Please indicate if the company is involved in production of or trade in any of the following. Select Yes for all options that **Animal Products or Services** $\boxed{}$ **Biodiversity Impacts** $\square$ Chemicals $\boxed{}$ **Disclosure Alcohol** $\square$ **Disclosure Firearms Weapons** $\boxed{}$ **Disclosure Mining** $\boxed{}$ **Disclosure Pornography** $\boxed{}$ **Disclosure Tobacco** $\boxed{}$ **Energy and Emissions Intensive** $\boxed{}$ Industries Fossil fuels $\square$ Gambling **Genetically Modified Organisms** $\overline{\mathbf{A}}$ Illegal Products or Subject to $\overline{\mathbf{A}}$ **Phase Out** Industries at Risk of Human $\square$ **Rights Violations Monoculture Agriculture** $\square$ **Nuclear Power or Hazardous** $\overline{\mathbf{A}}$ **Materials** Payday, Short Term, or High **Interest Lending Water Intensive Industries** $\overline{\mathbf{A}}$ Tax Advisory Services

#### **Outcomes & Penalties**

	Yes	No	
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		$\searrow$	
Breaches of Confidential Information		V	
Bribery, Fraud, or Corruption		N.	
Company has filed for bankruptcy		$\vee$	
Consumer Protection		$\checkmark$	
Financial Reporting, Taxes, Investments, or Loans	V		
Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)		V	
Labor Issues		V	
Large Scale Land Conversion, Acquisition, or Relocation		N	
Litigation or Arbitration		N	
On-Site Fatality		V	
Penalties Assessed For Environmental Issues		$\searrow$	
Political Contributions or International Affairs		$\supset$	
Recalls		V	
Significant Layoffs		V	
Violation of Indigenous Peoples Rights		N	
Other		<	



### **Practices**

	Yes	No
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		$\checkmark$
Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)		V
Company prohibits freedom of association/collective bargaining		<b>✓</b>
Company workers are prisoners		$\checkmark$
Conduct Business in Conflict Zones		$\checkmark$
Confirmation of Right to Work		$\checkmark$
Does not transparently report corporate financials to government		$\searrow$
Employs Individuals on Zero-Hour Contracts		V
Facilities located in sensitive ecosystems		V
ID Cards Withheld or Penalties for Resignation		V
No formal Registration Under Domestic Regulations		V
No signed employment contracts for all workers		
Overtime For Hourly Workers Is Compulsory		
Payslips not provided to show wage calculation and deductions		

	Yes	No
Sale of Data		V
Tax Reduction Through Corporate Shells		V
Workers cannot leave site during non-working hours		V
Workers not Provided Clean Drinking Water or Toilets		$\searrow$
Workers paid below minimum wage		N
Workers Under Bond		<b>V</b>
Other		$\checkmark$

## 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		V
Child or Forced Labor		$\checkmark$
Negative Environmental Impact		V
Negative Social Impact		$\checkmark$
Other		<b>✓</b>



## **Disclosure Questionnaire Statement**

Disclosure Questionnaire Category: Financial Reporting, Taxes, Investments, or Loans

Issue Date	December 2022
Topic	Banking partner fined due to deficiencies found in its risk management and money laundering prevention practices
Summary of Issue	Tomorrow is a FinTech company. Because Tomorrow does not hold a banking license yet, all banking services are provided by their partner Solaris SE. In March 2024, Solaris SE received a fine from the German Federal Financial Supervisory Authority (BaFin) related to suspicious activity reports from 2021 that were filed with delay. In December 2022, Solaris SE was ordered to take measures to ensure proper business organization in risk management and money laundering prevention and to limit risks.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	Currently, 90% of Tomorrow's banking services are provided by Solaris SE.
Impact on Stakeholders	Based on the banking relationship between the company and Solaris SE, Tomorrow is not responsible for the KYC process or the reporting of suspicious activities according to the German Money Laundering Act (Geldwäschegesetz, GWG). This is solely the obligation of Solaris as the banking license holder.
	Solaris SE claims to work very closely with the authorities, other market participants and the regulator to combat financial crime and protect customers and their deposits.
Resolution	Solaris SE has released <u>press information</u> about this issue.
Implemented Management Practices	Tomorrow was not cited nor the company has received any fines or penalties. The company only supported audits of the BaFin on Solaris in the past by explaining their investment setup for a better understanding of how the processes work between Solaris and their clients.
	As a regulated institution, Solaris has its own responsibilities and internal processes that underlie completely different



regulatory requirements compared to Tomorrow. Solaris is not allowed to disclose detailed strategies regarding their internal anti-money-laundering (AML), anti-financial-crime (AFC), and fraud protection processes with Tomorrow. Part of the BaFin investigation was related to Solaris' internal AML-processes, which were in need of improvement. However, Tomorrow claims they could not have known about this situation and this would not have been any different with another comparable regulated institution, since Tomorrow, as a financial service provider and not a regulated bank, is prohibited from having the relevant insights.

It is inevitable that some processual changes on the part of Solaris impact the interfaces to Tomorrow. Thus, some details have also changed for Tomorrow, e.g. new regulatory features to decrease AML & AFC risks have been implemented and adapted from a regulatory perspective. That being said, Tomorrow regularly monitors cases of fraud, account closures, transactions, and AML due diligence processes where possible and proactively approaches Solaris to resolve eventual negative trends. Generally, Tomorrow took action to further reduce risks in the future through increasing capacities of its Compliance department, expanding its staff for data protection, and by moving forward with plans to hire an Information Security Officer to secure all relevant areas in the best possible way.

Solaris SE has shared in its press information that since 2022, it has invested heavily in AFC compliance, strengthened its controls, implemented new technology and restructured and reinforced its organization. The deficiencies that led to delayed reports have been rectified. At the same time, the measures have helped to sustainably reduce the number of potentially suspicious transactions by over 90% since 2022.

Tomorrow is partnering with new banking companies to reduce risks by diversifying its providers.