



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: Betterfly
Date Submitted: 04/13/2023

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:

Betterfly

UPDATED AS OF:

04/13/2023

DISCLOSURE QUESTIONNAIRE CATEGORY	Litigation
ISSUE DATE	December 2022
TOPIC	Litigation and penalty related to labour lawsuit
SUMMARY OF ISSUE	<p>In the last 5 years, Betterfly has had 1 labor lawsuit considered material, filed by a former employee who is demanding compensation and stock options payments; the case is currently pending.</p> <p>The company attempted to reach conciliation with the former worker, but, since he did not accept it, the company responded to the labor lawsuit, explaining the conditions of the stock options and justifying that what the worker stated in his lawsuit was wildly inaccurate. The legal process is ongoing and there will be an evidential hearing in august.</p>
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	Only one individual is affected. The labor claim accounts for USD \$587,364.95
IMPACT ON STAKEHOLDERS	This one labor claim does not materially impact any Betterfly Stakeholders. The impact should be measured or assessed in a wider context, using a relevance or materiality criteria, otherwise any claim even one that is not judicial, might be deemed as impactful. For example if this were a claim by 30 employees or if it were a claim alleging widespread unlawful practices, we of course would agree that such claim would impact Betterfly or its stakeholders. But in this scenery in which there is an economic claim by one former employee there is no impact in Betterfly and or its stakeholders.
RESOLUTION	The labor claim is still pending.
IMPLEMENTED MGT PRACTICES	Betterfly hasn't changed its compensation/stock options policies or practices. The company understands that the stock plan and related policies do not require changes
MANAGEMENT COMMENTS	The interpretation of the company's stock plan by the former employee as presented in his claim is wildly inaccurate.
RELATED INCIDENT (YES/NO)	No



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DISCLOSURE QUESTIONNAIRE CATEGORY	Disclosure Industries
TOPIC	Volunteer placement to orphanages
SUMMARY OF ISSUE	Volunteering in institutional care facilities (orphanages) is part of the company's corporate social responsibility efforts. The company offers employees an optional volunteer service opportunity in orphanages which they can choose to sign up for. All volunteer work is organized through the MiColab Foundation which coordinates the relationship, communication and logistics process between Betterfly and foundations with which volunteer work is carried out. The work carried out by Betterfly employees involved restoration of the orphanage facilities.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	Over the past 5 years, the company carried out 6 visits to orphanages (37 hours dedicated to that in the period) and 90 employees had participated in this program.
IMPACT ON STAKEHOLDERS	<p>Volunteer programs at orphanages, if not managed appropriately, could potentially pose risks to children, such as disruption of development due to short term connections with caregivers, as well as, risks to children's safety and well-being.</p> <p>For more information please see B Lab's position statement on Orphanage-Based Volunteer Programs: https://www.bcorporation.net/en-us/standards/controversial-issues/</p>
IMPLEMENTED MGT PRACTICES	<p>Employees are screened and a background check is carried out. In addition volunteers must go through a short training process in relation to the type of volunteer work children and the stakeholders involved (eg. children, adolescents, children with disabilities).</p> <p>MiColab has required a certificate of suitability to work with children as well as a copy of the volunteer's ID card and company details. In addition, Betterfly requests from MiColab to connect with organizations that have the adequate structure to receive volunteers and carry out activities, where a secure connection can be established on both parts. Mi Colab ensures that the foundation they are connected with has a trajectory and has been carrying out serious and recognized work in social matters.</p>



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UPDATED AS OF:

04/13/2023

DISCLOSURE QUESTIONNAIRE CATEGORY	Significant layoffs of >20% of workforce
ISSUE DATE	January 2023
TOPIC	Significant layoffs due consolidation following mergers and acquisitions
SUMMARY OF ISSUE	During 2021 and 2022 the company completed 7 acquisitions in Chile, Brazil, and Spain. In order to consolidate operations under a new strategy and product approach, the company was forced to eliminate role duplications and reorganize its operations to consolidate the acquisitions, which led to layoffs across all of its operating locations.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	Layoffs represented approximately 1/3 of the company's workforce at the time.
IMPACT ON STAKEHOLDERS	Primary impact was loss of employment for affected employees.
IMPLEMENTED MGT PRACTICES	<p>All employees were openly informed about the workforce consolidation process, the process was performed in a single day. Private communications were held with all employees affected. For the remaining employees proper communication was sent out to stabilize the company and to reassure that they were not included in the Reduction in Force. The communication to the personnel was carried out virtually through a call with the company's CEO and CO-founder, where they explained the circumstances, reasons, form and output package that the process would have. The compensation packages provided by the company to all affected employees largely exceeded the legal requirements.</p> <p>The employees that were dismissed were paid severance according to legal law and in countries where severance was lower than 3 monthly base salaries, the company increased the severance to a minimum 3 salaries and for those whose length of services were higher than 24 months, the company paid one extra monthly base salary for each year of service. Also the company provided the laptop for all employees affected, 6 months of fully paid health insurance plan for employees and their families and outplacement services for all positions.</p>
REPORT	<p>More information about this can be found in the following links:</p> <ol style="list-style-type: none"> https://www.linkedin.com/posts/eduardodellamaggiora_gracias-a-todos-por-sus-mensajes-sobre-todo-activity-7022915061752950784-OcoE/?utm_source=share&utm_medium=member_desktop https://www.linkedin.com/posts/eduardodellamaggiora_carta-de-eduardo-della-maggiora-fundador-activity-7021519433256878081-G6VN/?utm_source=share&utm_medium=member_desktop https://www.linkedin.com/feed/update/urn:li:activity:7022296819267162112/?utm_source=share&utm_medium=member_desktop
RELATED INCIDENTS (YES/NO)	No