



## 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: Reserva  
 Date Submitted: 01/07/2020

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		✓
Other		✓

  

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		✓

  

Other Disclosures	Yes	No
		✓

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: Reserva

UPDATED AS OF: 01/07/2020

<b>DISCLOSURE QUESTIONNAIRE CATEGORY</b>	Material litigation or arbitration against company
<b>ISSUE DATE</b>	Ongoing
<b>TOPIC</b>	Labor lawsuits filed by Reserva employees
<b>SUMMARY OF ISSUE</b>	Labor suits have been brought against Reserva by employees primarily for the reasons of joint liability claims, disputes over overtime hours, disputes over intra-day breaks, and disputes regarding uniform costs paid for by the employee
<b>SIZE/SCOPE OF ISSUE</b> (e.g. \$ financial implication, # of individuals affected)	<p>In the past five years, Reserva has faced 265 lawsuits from employees or contractors of the company. Currently, 163 of these lawsuits are pending. Pending lawsuits represent a total claimed payout of ~\$2.2 million USD and a total expected payout of ~\$888,000 USD, yielding a 40.3% expected payout rate. The pending cases are classified as follows:</p> <ul style="list-style-type: none"> <li>- 86 employee lawsuits. When compared to Reserva's current workforce of ~1,570 employees, this represents 5.4% of employees. And, when compared to Reserva's workforce on the 5-year-period of ~7,570 employees, this represents 1.1% of employees.</li> <li>- 77 independent contractor lawsuits</li> </ul> <p>In the past five years, there have also been 38 lawsuits that were settled and 12 lawsuits that were found against the company, resulting in a total payout of ~\$335,000 USD.</p>
<b>IMPACT ON STAKEHOLDER(S)</b>	The primary impact is a financial impact on Reserva employees and contractors.
<b>RESOLUTION</b>	Of the 265 lawsuits, 163 are ongoing, 52 were dismissed, 38 were settled, and 12 were found against the company.
<b>IMPLEMENTED MGT PRACTICES</b>	<p>Reserve has taken some practices and processes to prevent new cases from arising in the future.</p> <ul style="list-style-type: none"> <li>- Training of all store managers to comply with all labor standards;</li> <li>- Reinforcement of guidelines on working hours and study on the viability of electronic means for working hours control;</li> <li>- Provision of uniform by the company at no cost to store employees;</li> <li>- Improved control of partners' outsourced employees;</li> <li>- Inventory policies improvements;</li> </ul>