



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: March 29, 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: **Reserva** UPDATED AS OF: **March 29, 2022**

DISCLOSURE QUESTIONNAIRE CATEGORY	Material litigation or arbitration against company
ISSUE DATE	Ongoing
TOPIC	Labor lawsuits filed by Reserva employees, suppliers and consumers
SUMMARY OF ISSUE	<p>"Recurrent labor suits have been brought against Reserva by employees for issues including overtime, vacations, joint and several liability, work rest, salary difference. Pending projected payout for labour lawsuits is less than <1% of company revenue. Cases by suppliers are related to non-payment due to failures in the deliveries of suppliers and subsequent processes brought by suppliers due to suspended payments. Consumer lawsuits are about problems in the delivery of products and any tax lawsuits are usually initiated by the company seeking recognition of the illegality of any collections it understands as improper, for example, collection of the rate differential in sales made online. There is one tax suit against the company that is still in the administrative phase.</p>
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	<p>"In the past five years, Reserva has faced 410 lawsuits from employees, suppliers and consumers of the company. Currently, 269 of these lawsuits are pending. An additional 130 cases are in the early stages of the process, for example, waiting for a hearing. In general, these are cases that are in the knowledge or instruction phase, that is, there is no final decision on the process.</p> <p>Of the 410 cases, 40% are labor cases, 45% are civil, 10% are tax-related and 5% are supplier-related. Cases from former employee represent <10% of the company's workforce. Only 6 suppliers have filed cases against the company</p> <p>Pending lawsuits with a likelihood of loss have a total projected payout is R\$ 1,400,000.</p> <p>In the past 5 years, 11 lawsuits have been settled and 410 lawsuits were found against the company, and the total value of financial or other damages was R\$ 3,200,000, which included R\$ 900,000 for uncollected rent.</p>
IMPACT ON STAKEHOLDERS	<p>The primary impact is a financial impact on Reserva employees and suppliers. When there is a problem with deliver, the Reserva seeks to serve consumers with the objective of finding the best solution, whenever possible: refund the purchase, sending a new product at the same value, crediting the account, etc. and innovation to clients in the fossil fuel industry.</p>
RESOLUTION	<p>"In the past five years, cases against the company have been settled for R\$3,200,000. Additional terms of the settlements included in some cases, there was an obligation to deliver a certain product to the customer and/or to remove his/her name from the restrictive credit record.</p>
IMPLEMENTED MGT PRACTICES	<p>"One of the practices adopted by Reserva was the provision of uniforms to employees, at no cost, considerably reducing labor cases involving this theme. Additionally, the company has implemented the following practices and processes to prevent new cases from arising in the future: training of all store managers to comply with all labor standards; reinforcement of guidelines on working hours and study on the viability of electronic means for working hours control; improved control of partners' outsourced employees; and inventory policies improvements.</p> <p>Another practice adopted by the company was the hiring of people in factories, distribution center and Customer Service (SAC) at the peaks of higher demand, in order to meet and respond to customers as soon as possible on dates of higher volumes of purchases.</p> <p>In addition, the company is in constant search for technological evolution that facilitates, even more, the lives of people who have relationships with the company and meets their desires.</p> <p>For customers, the company has SAC to handle any complaint and it can be accessed on the company's website.</p> <p>Internally, the company has ""Pronto, Falei!"" , an open communication channel with the CEO or HR, which may be anonymous or not (at the employee's discretion), to deal with issues such as complaints, criticisms, suggestions and compliments, for example.</p> <p>With the incorporation of Arezzo&Co, the company also relies on the Ethics Channel to deal with any complaint/conflict and/or conduct that violates ethical principles, standards of conduct or current legislation. This channel can be used by employees, suppliers, customers, investors and partners, and can be accessed through the link: https://www.canaldeetica.com.br/arezzoco/</p>



B Corp Certification - Disclosure Questionnaire Documentation

PROVIDED BY:

Reserva

UPDATED AS OF:

March 29, 2022

REPORT	https://docs.google.com/document/d/1DkrQNbaV8ICuOCYB5P5iN4sJcxElAvJZMUFIbuXLaq8/edit?usp=sharing
OTHER MANAGEMENT COMMENTS	<p>"Most cases refer to consumer demands (problem in the delivery of products) and many people use the judiciary to try to gain advantages over this fact. Reserva understands that it is not a high number of cases, considering retail companies and other players, and besides the fact that the values involved in such demands are not representative and do not present any risk to the company.</p> <p>In November and December, due to the high demand with Black Friday and Christmas, the company works with a large volume of hired temporary employees to support its operation. In other words, these workers have a fixed-term employment contract.</p> <p>One of the main Human First surveys for companies in Brazil, which assesses the perception of customers, employees, leaders, suppliers, partners and society in general, the Humanized Companies Survey, classified the Reserva, through its evaluation results, as one of the "Best Companies for Brazil", confirming the positive relationship with its audiences and highlighting it among the large fashion retailers in our country. Link: https://www.instagram.com/p/CbGVbRFOECc/"</p>

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PROVIDED BY:

Reserva

UPDATED AS OF:

March 29, 2022

DISCLOSURE QUESTIONNAIRE CATEGORY	Other - Negative news
TOPIC	Reserva was called out for negative marketing practices by stakeholders.
SUMMARY OF ISSUE	Several marketing campaigns undertaken by Reserva was accused of being inappropriate along with allegations of racism, sexism, and discrimination.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	The company was called out for various marketing campaigns on their social media, clothes, and website over the past five years.
IMPACT ON STAKEHOLDERS	Reserva engages in dialogues with the public in relation to these issues. The company reacted to the negative news caused by their different marketing campaigns by gathering internally to develop action plans, projects and initiatives, along with the creation of new strategies and goals related to diversity.
IMPLEMENTED MGT PRACTICES	<p>"The company has partnered with different organisations focused on diversity and inclusion who have supported them in building a more inclusive company. They are: Blend Edu, Ricca Consultoria, Empodera, Papo de Homem, MEMOH, Diversitera and, more recently, Transempregos.</p> <p>Throughout 2021, they conducted, for the first time, a diversity census in partnership with the company Diversitera, to have a diagnosis of the identity of their employees and to understand the representation of minority groups within the Company. Based on the results, they developed their first Diversity and Inclusion Strategy, which includes actions and goals for inclusive results in all areas of the company. Examples of goals include the hiring of transgender people and people with disabilities (PwD), in addition to increasing the representation of women and Black people at all levels of leadership.</p> <p>In partnership with Ricca Consultoria, they created a Diversity and Inclusion Booklet to help their teams from all areas to understand more about diversity and inclusion. The book acts as a reference for everyone on how to act when they witness a situation of prejudice, whether at work or in other spaces, regardless of the type of discrimination. It is a guide for good practices on these topics to strengthen an inclusive atmosphere throughout the Company. This booklet was the basis for training the entire retail team (own stores and franchises), with 90% engagement and extremely positive feedback.</p> <p>With Blend Edu (a diversity and inclusion consultancy), they are working on training 100% of their leaders and other employees on the following topics: gender equity, anti-racism, the LGBTQIA+ community and biases related to people with disabilities. The training will be segmented for two audiences: leaders (partners, brand managers, directors and managers) and other employees. For leaders, the following topics will be addressed in face-to-face meetings: Gender Equality, Anti-racism, LGBTQIA+ Community and Capacity Building, accounting for 8 hours of training. For the other employees, they will have an online learning path, with basic concepts about diversity and a specific topic about racial literacy, totaling 6 hours of training. For the onboarding of new employees, they will also have a 2-hour virtual training on unconscious biases and anti-discrimination. Participation in training is mandatory for all employees.</p> <p>Senior Management participates in the construction of the diversity strategy and with the validation of actions, goals and commitments, which are then presented to all employees in an internal communication event. In addition, the remuneration of the Company's leaders is subject to diversity goals. In partnership with Blend Edu, they will create a working group to develop a strategic plan to increase the representation of minority groups in the company's top leadership.</p> <p>The company abides by the parent company's, Arezzo&Co', Code of Ethics. They recognize the importance of responsible marketing and value their relationship with the public. They engage with the public through their communication channels. The Reserva website has a fully humanized and inclusive SAC (Customer Service), in which users can make any criticism, suggestion and/or praise through the link: https://usereserva.zendesk.com/hc/en-us/requests/new. The Group Code of Conduct can be publicly accessed at the link: https://ri.arezco.com.br/governanca-corporativa/codigo-de-etica/. On pages 36 and 37, there is specific information about the Ethics Channel, to deal with any complaint/conflict and/or conduct that violates ethical principles, standards of conduct or current legislation. This channel can be used by employees, suppliers, customers, investors, partners and can be accessed through the link: https://www.canaldeetica.com.br/arezco/</p> <p>They also sponsored the largest research on masculinities in Brazil, which generated, in 2019, the documentary "O Silêncio dos Homens".</p>
OTHER MANAGEMENT COMMENTS	Diversity and inclusion are essential values of our brand and we are aware of our responsibility to take concrete actions and be more inclusive. Throughout 2021, we have partners specialized in the subject to support us in building an effective strategy for diversity and inclusion, based on three main pillars: inclusive culture, representativeness and equal opportunities. We reaffirm our commitment to respecting diversity, making ourselves available to build more collaborative environments, in addition to working towards a more just, equitable and welcoming society.