



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: Southbridge

Date Submitted: 09/02/2022

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:

Southbridge

UPDATED AS OF:

09/02/2022

DISCLOSURE QUESTIONNAIRE CATEGORY	Litigation and Penalties
ISSUE DATE	Ongoing
TOPIC	Contractual litigation related to insured clients' dissatisfaction regarding the amount paid by the insurance company.
SUMMARY OF ISSUE	The litigations are associated with the fact that the insured individuals were not satisfied with the amount paid to them, which was decided by the insurance adjuster. The clients partially or totally disagree with the amount paid to them regarding their cover of the following issues: a. Fire and Earthquake (Property related to Social Outbreak), b. Unemployment, c. Health, d. Guarantee (Guarantee for the faithful performance of the contract), and e. transportation.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	As of 2020, the company had 5 closed litigation (settled). The financial value of these lawsuits represented 3.3% of the company's annual revenue. Currently, there are 8 pending contractual litigation regarding similar matters and the total projected payout of these lawsuits is US\$ 100,000.00
IMPACT ON STAKEHOLDERS	The primary impact related to these litigations is a financial impact on the insured individuals.
RESOLUTION	The company has 5 closed litigations (settled) and 8 open cases (pending).
IMPLEMENTED MGT PRACTICES	<p>There are two practices in place to prevent new similar litigations:</p> <ol style="list-style-type: none"> 1. As a part of the continuous improvement process, Southbridge is constantly improving its policy wording to avoid any misunderstanding during the underwriting process. 2. Claims management process considers several experts review and works with the most recognized claim adjusters in the market, in order to ease the communication and conciliation between the client and the company. <p>According to the company, Southbridge has few litigations versus the market standard because of these two reasons.</p>
MANAGEMENT COMMENTS	An insurance contract is a legal agreement, insurance indemnization applied if the contract conditions are fulfilled. An independent claim adjuster (not part of the company) analyze the conditions of the claims to define if the insurance covers and contractual conditions apply. If the client disagree with the claim adjuster decision, the client can open a litigation (legal ruled complaint). It is important to underline that out of 30 000 Claims per year, only 10 of them end up with a litigation which is the 0.03% of the yearly claims opened.