



Red Megacentro

Disclosure Report

Date Submitted: November 23rd, 2023



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:

- 1) 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.

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 or trade in any of the following. Select Yes for all options that apply.		
Animal Products or Services	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Biodiversity Impacts	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Chemicals	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Alcohol	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Firearms Weapons	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Mining	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Pornography	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Tobacco	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Energy and Emissions Intensive Industries	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Fossil fuels Gambling	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Genetically Modified Organisms	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Illegal Products or Subject to Phase Out	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Industries at Risk of Human Rights Violations	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Monoculture Agriculture	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Nuclear Power or Hazardous Materials	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Payday, Short Term, or High Interest Lending	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Water Intensive Industries	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Tax Advisory Services	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Breaches of Confidential Information	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Bribery, Fraud, or Corruption	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company has filed for bankruptcy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Consumer Protection	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Financial Reporting, Taxes, Investments, or Loans	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Labor Issues	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Large Scale Land Conversion, Acquisition, or Relocation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Litigation or Arbitration	<input checked="" type="checkbox"/>	<input type="checkbox"/>
On-Site Fatality	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Penalties Assessed For Environmental Issues	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Political Contributions or International Affairs	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Recalls	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Significant Layoffs	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Violation of Indigenous Peoples Rights	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>



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

	Yes	No
Sale of Data	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Tax Reduction Through Corporate Shells	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers cannot leave site during non-working hours	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers not Provided Clean Drinking Water or Toilets	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers paid below minimum wage	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers Under Bond	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Child or Forced Labor	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Negative Environmental Impact	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Negative Social Impact	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Litigation, Arbitration, and/or Penalties

Issue Date	Ongoing
Topic	Litigation/ Arbitration related to labor issues
Summary of Issue	<p>Labor suits involve a range of actions filed by former employees and third parties relating to, among other things, unjustified dismissal, collection of labor benefits, workplace accident. 49 cases are related to unjustified dismissal and collection of labor benefits (3 pending and 46 closed), 8 cases related to labor protection (2 pending and 6 closed), 5 cases related to self-dismissals (all closed), 4 cases related to work accidents (1 pending and 7 closed) and 1 case related to anti-union practice (closed).</p> <p>A large part of the layoffs were carried out in the subsidiary Servicios Integrales de Seguridad SpA.</p> <p>Of the 6 pending cases, there is only one case pending in 2022 and 5 corresponding to 2023.</p>
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	<p>In the last five years (from 2019 to May 2023), the organization has had 67 cases of labor litigation. The total projected payment of pending cases represents 0.0179% of accumulated revenue from 2019 to June 2023.</p> <p>In the last five years:</p> <ul style="list-style-type: none"> - 49 are related to unjustified dismissal and collection of labor benefits: 3 pending (0.00263% of the accumulated revenue) and 46 closed (0.0351% of the accumulated revenue) - 8 under labor protection: 2 pending (0.0151% of accumulated revenue) and 6 closed (0.0205% of accumulated revenue) - 5 self-dismissals all closed (0.0083% of accumulated revenue) - 4 work accidents: 1 pending (0.00124% of accumulated revenue) and 7 closed (0.01399% of accumulated revenue) - 1 for anti-union practice closed (0,0014% of accumulated revenue)
Impact on Stakeholders	The primary impact related to labor litigation is a financial impact on former employees and employees.
Resolution	Cases related to unjustified dismissal resulted in verdicts against the company, and 65 cases related to unjustified dismissal, collection of unpaid labor dues, workplace accidents,

	and sexual harassment are still pending.
Implemented Management Practices	A human resources management team associated with the subsidiary Servicios Integrales de Seguridad SpA was assigned. Megacentro's legal area was strengthened to deal with unjustified dismissals, and the company's internal regulations were updated.
Report	More details of Red Megacentro Whistleblowing Policy and Code of Ethics are available at: https://secure.ethicspoint.com/domain/media/es/gui/85248/index.html



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Animal Products and Services

Topic	Company has direct control over animals as part of their security operations
Summary of Issue	The company has dogs in some of its centers as part of the security services it provides.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	In 2022 there were 21 dogs in total, distributed in 7 facilities. As of 2023, Red Megacentro has only 4 dogs, which are located in Megacentro Carrascal facility.
Impact on Stakeholders	The use of dogs as a security measure is commonly used and can be of concern if the animals do not receive the appropriate veterinary treatment, disease prevention, appropriate shelter, management, nutrition, and handling.
Implemented Management Practices	The company is committed to the concern, good treatment and care of dogs, by having a veterinarian who follows up on all care processes, vaccinations and controls, ensuring the well-being of each one of them. In addition, the company has two people in charge of visiting the dogs daily, with the aim of giving them a walk, feeding and cleaning them. Lastly, they have a staff of 28 canine guards/handlers who were trained by a certified trainer. The dogs are monitored by veterinary staff which carries out checks with the aim of identifying any problems. So if their health and well-being is affected, their recovery is prioritized. Starting in 2024, the company's goal is to not have dogs, giving as a gift to a family or person who needs and wants to have dogs.