



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: Libro Credit Union

Date Submitted: August 23, 2021

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: Libro Credit Union

UPDATED AS OF: August 23, 2021

DISCLOSURE QUESTIONNAIRE CATEGORY	Clients in Controversial Industries
TOPIC	Credit union serves some businesses operating in alcohol, fossil fuel, gambling, firearms, and tobacco industries
SUMMARY OF ISSUE	<p>Libro Credit Union is a credit union focused on supporting small and growing businesses in southwestern Ontario. The company provides financial services such as loans and business accounts to a small number of clients in controversial industries as defined by B Lab. The nature of its clients involvement is as follows:</p> <p>Alcohol - breweries, wineries, distilleries, and food service businesses that serve alcohol Fossil Fuels - one client in oil & gas sector, small businesses that retail gas and propane (e.g. gas stations) Gambling - one client that operates a casino Firearms - recreational shooting ranges, retailers that sell firearms (e.g. sporting goods stores) Tobacco - small tobacco farms, convenience stores that retail tobacco products</p>
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	In total, clients in potentially controversial industries account for less than 3% of Libro Credit Union's annual revenue.
IMPACT ON STAKEHOLDERS	Industries included in the Disclosure Questionnaire are recognized as having a risk for negative stakeholder impact. Providing financial services to such clients does not directly relate to the harmful aspects of these industries, but does provide operational support to these industries financially.
IMPLEMENTED MGT PRACTICES	Libro Credit Union is a purpose-driven business focused on serving local businesses. The company has a High Risk Business Owner Onboarding Policy that identifies certain higher risk activities / industries and triggers additional compliance measures during the onboarding process, or outright prohibits certain businesses from opening accounts (e.g. online gambling). Guidelines are reviewed and updated periodically.
OTHER MANAGEMENT COMMENTS	<p>At Libro, we have a purpose beyond profit, helping our customer-owners achieve their goals, supporting businesses to create a thriving local economy, and contributing to strong and prosperous communities. Libro is proudly committed to making positive social and environmental impact as a certified B Corporation, as an associate member of the Responsible Investment Association, and as Living Wage employer.</p> <p>We believe in transparency and therefore have disclosed our relationship with clients in B Impact identified controversial industries, even though they make up a very small percentage of our business.</p> <p>We will continue to support small businesses that may operate in the brewery/microbrewery/ winery industry, as well as restaurants and other food & beverage retailers that serve alcohol. Offering loans to entrepreneurs and small/growing businesses helps to promote employment and economic development.</p> <p>We do not invest in fossil fuels. As a management practice we would not lend directly to fossil fuel industry. We currently have one client who operates in Oil & Gas, the services provided are not material.</p> <p>Gambling, Firearms and Tobacco are industries that we do not proactively seek to support.</p>