



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: KeHE

Date Submitted: February 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 Casualty Liability Claims	✓	

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: KeHE

UPDATED AS OF: February 2020

DISCLOSURE QUESTIONNAIRE CATEGORY	Penalties Assessed Regarding Company's Employee Safety
ISSUE DATE	2014 - 2018
TOPIC	Occupational Safety and Health Administration (OSHA) penalties related to employee injuries.
SUMMARY OF ISSUE	<p>In the past 5 years, OSHA has assessed 4 penalties relating to incidents in the workplace that resulted in injury:</p> <p>(1) Two individuals in a warehouse turret, that was leased from another company, were injured after the turret dropped suddenly.</p> <p>(2) A KeHE driver injured their ankle due to a dock plate shifting.</p> <p>(3) A forklift driver injured their leg after sticking it outside of the vehicle to brace for anticipated collision.</p> <p>(4) A third party contractor emerged suddenly from between two staged pallets and was struck by a KeHE forklift driver. This penalty is currently being contested by the company.</p>
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	Five individuals sustained injury as a result of these incidents. The penalties assessed by OSHA ranging from \$1,200 to \$10,875 (this penalty is currently being contested by KeHE).
IMPACT ON STAKEHOLDER(S)	Each incident resulted in injury to 1-2 individuals.
RESOLUTION	3 of the OSHA cases have been closed with a penalty paid by KeHE 1 OSHA case is currently being contested by the company
IMPLEMENTED MGT PRACTICES	<p>For each of the four incidents described above, KeHE has been proactive and taken corrective actions to improve safety in the workplace:</p> <p>(1) KeHE implemented a policy that does not allow any individuals on any equipment except for the operator and other trained KeHE employees</p> <p>(2) KeHE's Safety and Transportation teams created a dock plate inspection form and training for all drivers. Drivers are required to complete the inspection at any time a portable dock plate is in use.</p> <p>(3) KeHE revised its Powered Industrial Truck (PIT) Training Program to better develop the skillsets of its forklift drivers.</p> <p>(4) KeHE began issuing hi-visibility vests that must be worn at all times in the warehouse, and established temporary "cone-zones" that are visible to equipment operators indicating that a pedestrian is present in a particular workspace.</p>
REPORT	None
OTHER MANAGEMENT COMMENTS	KeHE is committed to providing a safe work environment for its employees, contractors and guests. We are continuously reviewing policies and processes to improve safety standards.
RELATED INCIDENTS	There is one pending lawsuit related to the accident involving a turret operated by a KeHE employee in which the Plaintiff is seeking punitive damages. KeHE disputes the claims and is currently defending the matter.



DISCLOSURE QUESTIONNAIRE CATEGORY	Material Litigation
ISSUE DATE	2014-2019
TOPIC	Class action labor lawsuit settlements in the state of California
SUMMARY OF ISSUE	KeHE has had four class action labor lawsuits filed against the company in the last 5 years that all claimed various unpaid wages and related penalties (such as unpaid overtime) in the state of California. Three of the four claims were consolidated into a single claim for the purposes of a settlement agreement, and a large portion of these claims related to a predecessor entity prior to its acquisition by KeHE.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	One claim settled for a nominal sum on a confidential basis. One claim regarding incorrect overtime calculations was settled for \$1.3 million and impacted approximately 500 employees. Two claims regarding incorrect wage and hour calculations were consolidated into a single claim and impacted several thousand employees. The company has negotiated a settlement which is pending final approval with the court.
IMPACT ON STAKEHOLDER(S)	All claims related to wage an hour issues, including claims of providing proper meal and rest periods, and incorrect overtime calculations.
RESOLUTION	KeHE has disputed an continues to dispute any liability, but has settled in order to avoid further litigation costs.
IMPLEMENTED MGT PRACTICES	KeHE has since engaged in an audit of all Human Resources and wage/hour practices to ensure compliance with national and state laws.
REPORT	None
OTHER MANAGEMENT COMMENTS	KeHE is committed to complying with all laws related to wage and hours and ensuring its employees are properly compensated.
RELATED INCIDENTS	All FLSA litigation is summarized above

DISCLOSURE QUESTIONNAIRE CATEGORY	Other Casualty Liability Claims
ISSUE DATE	2014-2019
TOPIC	Claims submitted through KeHE's auto, general, and employment practices liability insurance
SUMMARY OF ISSUE	As a larger company, KeHE has various claims filed via the company's auto, general liability, and workers liability insurance policies relating to vehicle accidents and human errors that occur during regular business.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	KeHE has roughly 500 trucks on the road and 4,000 employees. The claims rates and amounts under each of the casualty insurance policies have been consistent with industry standard claims rates for similar companies.
IMPACT ON STAKEHOLDER(S)	These types of claims related to KeHE employees drivers typically include property damage, collision, and bodily injury.
RESOLUTION	91% of claims filed in the last five years have been closed, and 9% are still open. While the average claims are between \$2-\$5,000, although in rare cases there are individual settlements that exceed \$100,000. The average settlement amounts are as follows: (1) Auto - Average: \$5,738 (2) General - Average: \$2,776 (3) Workers Comp - Average: \$6,808



<p>IMPLEMENTED MGT PRACTICES</p>	<p>KeHE has various policies and practices in place that govern conduct of commercial driver employees and are essential to the successful safe operation of our business.</p> <p>Hiring and Retention – KeHE has internal motor vehicle grading criteria which is utilized when making hiring decisions and retaining current employee drivers. Such criteria includes number of preventable violations and number of preventable accidents in a given period of time.</p> <p>Training --</p> <p>A. “Guardians of the Road” – In 2017, KeHE developed our own internal insight based training program for professional truck drivers called “Guardians of the Road.” This program is an interactive classroom, broken into five (5) four hour sessions based on KeHE’s five (5) basic pillars of safe driving:</p> <ol style="list-style-type: none"> 1. Pillar I “Stay Alert” focuses on distracted driving. 2. Pillar II “Engaged at the Wheel” focuses on driver fitness, fatigue, health, etc. 3. Pillar III “Work Smart” focuses on workplace safety outside the vehicle. 4. Pillar IV “You Got My Attention” focuses on attention and alertness. 5. Pillar V “It’s the Right Thing To Do” focuses on decision making and obeying the rules of the road. <p>B Monthly Online Training – KeHE recently added Vertical Alliance as our online training provider, adding more resources to our monthly recurring training. Drivers are assigned an online training assignment each month. Training consists of tutorial, video and test. All training records are housed within the system for retention.</p> <p>Safety Practices—Notable safety practices include the use of both inward and outward in-cab camera technology, capturing events that can be utilized in a training setting as an opportunity for drivers to learn about behaviors or aspects of their driving technique that may require improvement. The driver is then coached by Supervisor, Manager, and/or Safety Manager.</p> <p>Corrective Disciplinary Actions -- “KeHE Driver Work Rules” is an internal policy that outlines the disciplinary actions taken when a driver is involved in an incident that merits correction of behavior or performance.</p> <p>The recent updates to Guardians of the Road and Vertical Alliance Training have resulted in a positive reduction in claims.</p> <p>KeHE takes a proactive approach to understanding and training our drivers. KeHE has in depth conversations with our drivers around topics like their personal technique in driving, and how it is unique to each person. We ask drivers to take a close look at their personal strengths and weaknesses, and how such analysis affects personal growth and impacts the decisions they make when behind the wheel or outside the vehicle.</p>
<p>REPORT</p>	<p>None</p>
<p>OTHER MANAGEMENT COMMENTS</p>	<p>None</p>
<p>RELATED INCIDENTS</p>	<p>No</p>