



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: Karen Kane

Date Submitted: 02/20/2020

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		✓

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: Karen Kane

UPDATED AS OF: 02/20/2020

DISCLOSURE QUESTIONNAIRE CATEGORY	Disclosure Outcomes & Penalties
TOPIC	Litigation or Arbitration
SUMMARY OF ISSUE	<p>1) Through the company's payroll processing company (ADP), Karen Kane calculated the payment for hourly employees by rounding time worked in segments of 5-minute increments. For example, if an employee clocked out at 5:01PM, they would be paid for working until 5:00PM; if they clocked out at 5:04PM, they would be paid for working until 5:05PM. As a result, some employees were accidentally underpaid for actual time worked.</p> <p>2) After the class action lawsuit was put in motion, an employee filed a separate claim against the company for wrongful termination in July 2016. The employee was a temporary employee who was employed at the company during a period of increased seasonal demand; after that period passed, Karen Kane did not need temporary workers as volume returned to normal levels. This employee was let go as a result. Two and a half years later, she filed a wrongful termination lawsuit against the company for terminating her due to pregnancy. The company was not aware that she was pregnant at the time of dismissal and this factor played no role in the decision that took place regarding her employment.</p>
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	<p>1) Financial implications: \$100,000-\$1 million</p> <p>2) The final settlement was less than less than 1% of company revenues.</p>
IMPACT ON STAKEHOLDER(S)	<p>1) Employees' payroll affected, some were underpaid.</p> <p>2) Employee laid off.</p>
IMPLEMENTED MGT PRACTICES	<p>1) Lawsuit was settled. Karen Kane implemented new payment guidelines through its current payroll processor (Paylocity). Instead of rounding to 5-minute increments, all hourly employees are paid to the minute for actual work performed. For example, if an employee clocks out at 5:02PM, their pay is calculated through 5:02PM, and not rounded to 5:00PM. Likewise, if an employee works until 5:04PM, their pay reflects payment through 5:04PM (not 5:05PM).</p> <p>2) The company has extensive policies that strictly forbid harassment and/or discrimination of employees, including pregnancy. These policies are documented in the employee handbook, publicly posted throughout offices, and reinforced with ongoing staff training.</p>