



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: KF Miljø ApS
 Date Submitted: Jan 17 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:

KF Miljø ApS

UPDATED AS OF:

Jan 17 2022

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| DISCLOSURE QUESTIONNAIRE CATEGORY | Litigation, Arbitration, and/or Penalties |
| ISSUE DATE | 2018 and 2021 |
| TOPIC | Client claims and settlements requiring payment from the company |
| SUMMARY OF ISSUE | The underlying reasons for the two claims in question were that: The client had not followed through on the prerequisites regarding the funding and therefore the company could not follow through on the process to preserve its integrity (case found in favour of the client but has been appealed by the company); and the client provided incorrect information to the company about the size of a stable in order to secure more external funding (settled case). |
| SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected) | The settlement scope was approximately 5% of revenue. |
| IMPACT ON STAKEHOLDERS | The company has worked on 3000 client applications for funding in the past 10 years regarding funding. On average, 1/3 get the full funding, 1/3 get part of the funding and 1/3 are refused. There is always a potential risk for financial claims as clients do not get then external funding they are hoping for. The impact on such clients can vary depending on their financial situation. |
| RESOLUTION | The claims were partially settled by the company and their Insurance Company. |
| IMPLEMENTED MGT PRACTICES | "The company has implemented a case management system, where all tasks are included with a deadline, and it follows up with the clients proactively. The company has implemented a business process where the client gets at least two written notifications and a clear message when they have not provided the information and answers required, explaining that the company is unable to assist them further and are transferring the responsibility to them. When the company appeals for funding in processes, where it is dependent on the farmer sharing status updates, they send clear reminders when they suspect that the client has received information but forgotten to share it. The company updates its terms and conditions annually. It has clarified the terms and conditions highlighting that the only guarantee a client gets regarding external funding is that they won't get anything if they don't try and send an application." |
| OTHER MANAGEMENT COMMENTS | We support with possibilities for farmers and create transparency regard the terms and obligations for the clients so they are able to apply. However we are dependent on the clients to provide us with correct and sufficient input and facts. We are not in direct control of the actions of clients, prioritisations criteria and decisions about who gets external funding or if the terms are suddenly adjusted by the public administration. We encourage that external funding is a way to aim to increase the finances to invest in sustainable improvements. Not as a last way out for financially challenged clients looking at bankruptcy. |
| RELATED INCIDENTS (YES/ NO) | We are always clear with clients that we believe integrating environmental and social considerations into their business strategies will unlock value, and we work with them in a trusting role to nurture that outcome. |

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UPDATED AS OF:

Jan 17 2022

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|--|--|
| DISCLOSURE QUESTIONNAIRE CATEGORY | Significant layoffs of >20% of workforce |
| ISSUE DATE | November 2019 and March 2020 |
| TOPIC | Employees laid off due to impacts of COVID-19 |
| SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected) | 2 employees were laid off, representing 40% of the company's employees at that time. |
| IMPACT ON STAKEHOLDERS | Minimal impact on both employees. Both were given long notice periods, and found new relevant opportunities with the period. One went back to school and got a scholarship from the Government. She is studying IT in addition to her initial education as a librarian. The second found a new job where the commute time has reduced significantly. |
| IMPLEMENTED MGT PRACTICES | Management made it clear to everyone that it was taking a risk, and provided longer notice period. The employees were supported with career counselling, and they were able to utilise Management's personal networks. They were permitted to make job applications and to take job interviews during normal office hours without taking time off. All employees are hired through unions, and all the official rules and practices were followed. Both of the employees let go understood the company's position. Even though they were sad to go, they appreciated the open and constructive dialogue around the situation. But no one had hoped, expected or foreseen the kinds of obstacles that were faced. |
| OTHER MANAGEMENT COMMENTS | In 2019 we went from 1 to 5 full time employees which was a massive increase. All new employees were fully aware of this and chose to take a chance with us. If we had known that COVID-19 was coming we would never have increased in such a drastic way. |