



CNY Group

Disclosure Report
Date Submitted: June 5th, 2024



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	☐	☒
Biodiversity Impacts	☐	☒
Chemicals	☐	☒
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	☐	☒

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	☐	☒
Breaches of Confidential Information	☐	☒
Bribery, Fraud, or Corruption	☐	☒
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

	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	☐	☒
Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)	☐	☒
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	☐	☒

	Yes	No
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	☐	☒

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	☐	☒



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Litigation or Arbitration

Issue Date	04/19/2024
Topic	Collection Matters, Covid Deferments and Owner Non-Payment
Summary of Issue	CNY is a construction management services company based in the City of New York. CNY has been involved as a plaintiff or third party in 28 cases of litigation originating from monies owed to CNY by its Developer clients for work performed by CNY and its vendors and / or suppliers for which CNY was not paid. Moneys owed to CNY are secured by liens against the property to which improvements were made. There is no material impact on CNY's operations as it pursues its collection efforts in litigation in courts of law.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	- 28 cases in the last 5 years - 12 cases are pending resolution as a result of CNY's lien filings and foreclosure action brought by CNY against delinquent clients on two completed projects. CNY continues its motion practice in pursuit of funds owed to it, and will pay its vendors their open balances once funds are received. In many cases CNY has advanced payment to smaller vendors to lessen the burden to their operations. - 11 cases were resolved favorably with payments recovered by CNY from delinquent clients and payments have been disbursed to vendors closing out all CNY liability. - 5 cases were resolved favorably with claims extinguished and no CNY liability.
Impact on Stakeholders	Owners, CNY and Vendors
Resolution	Ongoing CNY management of 12 cases which are still pending. Payment has been made from the release of funds by CNY clients for the 11 cases that were favorably settled, and 5 cases have been won in court by the Company.
Implemented Management Practices	'- Risk mitigation measures for consideration when work is underway include suspension of work and funds' control with dual payment from lenders to the Client and CNY, so payment is direct and timely. - Prospectively, CNY is giving more weight to client screening and qualifications in its Go/No evaluations before committing to pursue or take on an assignment. Clients with little to no experience in real estate development are being avoided.

	- History of non-payment is a demerit in our evaluation of a prospective client, giving CNY pause in considering whether or not to work with such a party. CNY now requires clients to represent that they have arranged adequate capitalization for their projects. - CNY advocates proactive conflict management to defuse disputes before conflict emerges and matters deteriorate to claims and costly legal engagements. Once known, material disagreements with the potential of litigation are addressed promptly to resolve issues fairly and timely through Arbiters and Mediators.. - Reinforcement of “open book policy“ and daily communication has aided to reduce conflicts. A majority of client defaults occurred during COVID as a result of client loans for their projects becoming out of balance. Open dialogue and communication among all stakeholders has resulted in increased collaboration and further avoidance of claim.
Related Incidents (Yes/No)	No.



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Litigation and Arbitration

Issue Date	04/19/2024
Topic	Insured Litigation (CNY Indemnified by Third Party)
Summary of Issue	CNY has reported to have been sued by individual people on multiple occasions for "Trip and Fall" incidents on jobsites
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	- 16 cases in the last 5 years - 13 are pending with unknown dispositions and expected monetary values which are also unknown - 03 settled with third party payment around \$450,000
Impact on Stakeholders	CNY, Vendors, and employees of Vendors and unrelated third parties claiming injuries.
Resolution	Payment made by third parties for cases that were settled. The remaining cases are still pending with active defense counsel provided by responsible parties.
Implemented Management Practices	Continual implementation of jobsite safety practices, including toolbox talks, safety meetings and dedicated site safety managers.
Related Incidents (Yes/No)	No.