



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: Lake Flato Architects
Date Submitted: 05/31/2023

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:

Lake Flato Architects

UPDATED AS OF:

05/31/2023

DISCLOSURE QUESTIONNAIRE CATEGORY	Litigation, Arbitration, and Penalties
ISSUE DATE	Year 2014 - 2022
TOPIC	Civil case lawsuits filed against Lake Flato Architects, Inc
SUMMARY OF ISSUE	Accion Headquarters San Antonio TX completed 2015. Claim: non-code compliant roof slope leading to water intrusion and building damage Status: mediation currently in depositions stage damages, claim is for \$6,000,000 to the design team and roof constructor In this case the plaintiff's attorney, Marc Gravely, is known in the industry for engaging in predatory practices thus bloating the claim value well beyond anything reasonably accurate. Thus the actual damages are considered to be approximately 5% of the claim, 300,000 USD. San Antonio Childrens Museum San Antonio TX, completed in 2014: Claim: Poor HVAC design resulting in inadequate crawl space ventilation (TLC MEP Engineers), water ponding on roof, foundation waterproofing, cracks in concrete assemblies. Claim is for \$2,250,000 of which \$50,000 is attributable to Lake Flato Status: mediation Holdsworth Center Austin TX, completed in 2022 Claim: Inadequate HVAC design for humid climate (Integral MEP Engineers), non-ADA compliant bathrooms. Damages claim for \$6,000,000 the bulk of which is redesign and install of HVAC system. The vast majority of the claim for damages on the Holdsworth project was for replacement of the HVAC systems. There were costs to upgrade the bathrooms to ADA compliance of \$200,000 which are due to Lake Flato. There are also perhaps \$1,000,000 in damages to wood finishes due to humidity from the substandard HVAC design, it is unclear who will bear the cost, since the case is still being prepared for mediation. Status: mediation preparing for depositions
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	4.75% of total revenue of FY2021
IMPACT ON STAKEHOLDERS	The key stakeholder group negatively impacted are customers (building owners) whose properties have HVAC designs that are not meeting specifications
RESOLUTION	The cases are in mediation stage.
IMPLEMENTED MGT PRACTICES	The commonality of 2 claims is the HVAC design executed by MEP (mechanical, electrical and plumbing) sub-consultants. Accordingly Lake Flato is in the process of hiring a Director of Project Delivery to oversee the development of a more robust QAQC and documentation standards process. In particular the Company is adopting the practice of third party MEP design review as part of the design process for complex buildings in order to ensure appropriate mechanical designs.
RELATED INCIDENTS (YES/NO)	No