



HOUND LABS

Marijuana *in the* Workplace
Survey Findings

Survey Methodology

- Reflects responses from **742** HR and general management employees
- Industries surveyed included construction, manufacturing, wholesale trade, retail, mining, hospitality and food services, transportation, and utilities
- Businesses surveyed ranged in size from 1-10 employees to more than 5,000
- Survey was conducted by the market research firm OnTarget and fielded January 10 - 22, 2018
- Margin of error is +/-5%
- Locations of businesses surveyed were in states where marijuana was legal, not legal, and both

WHERE OPERATIONS LOCATED	ABBREVIATION USED	TOTAL (742)
Only in states where marijuana is legal	Legal	28%
Only in states where marijuana is not legal	Not legal	24%
In states where legal and not legal	Both	45%

Question: Which best describes where your company's operations are located in context to marijuana legalization?

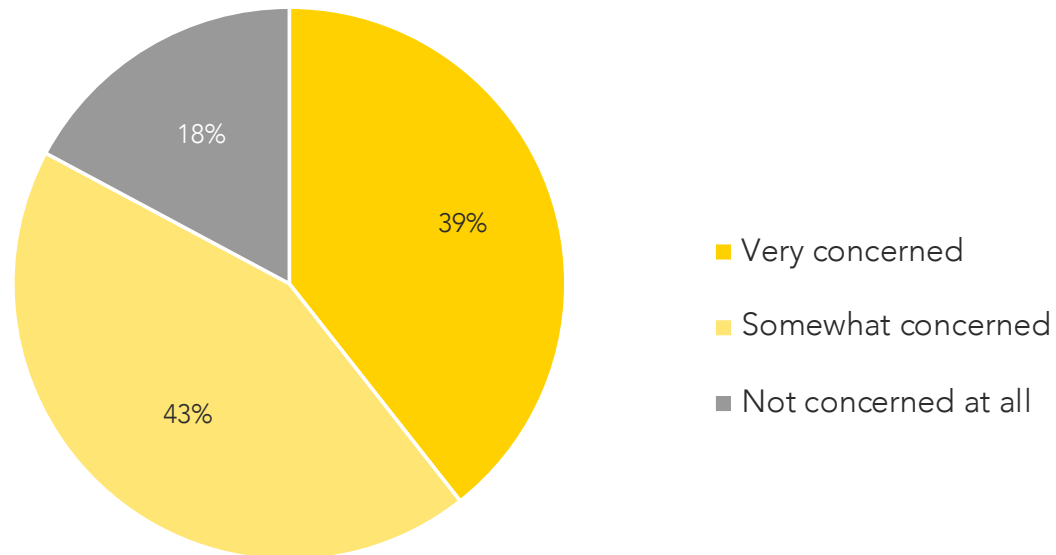
Note: 3% responded not sure. These responses were not included in the report.

Key Findings

1. Across the country, employers voiced a **high level of concern** in response to the expanding legalization and use of marijuana.
2. Regardless of the status of marijuana legalization or industry in which companies operate, there is **widespread concern regarding the impact of marijuana** on business.
3. The most significant areas of concern in response to increasing employee marijuana use are **employee safety, lost productivity, and increased costs.**
4. Employers are responding to expanding medical and recreational use with drug **policy modifications or plans to modify** drug policies.
5. Even where marijuana is legal, either medically or recreationally, a majority of employers have **limitations on off-duty use** and **do not make accommodations** for medical use.

Overall Level of Concern Related to Marijuana Legalization and Use

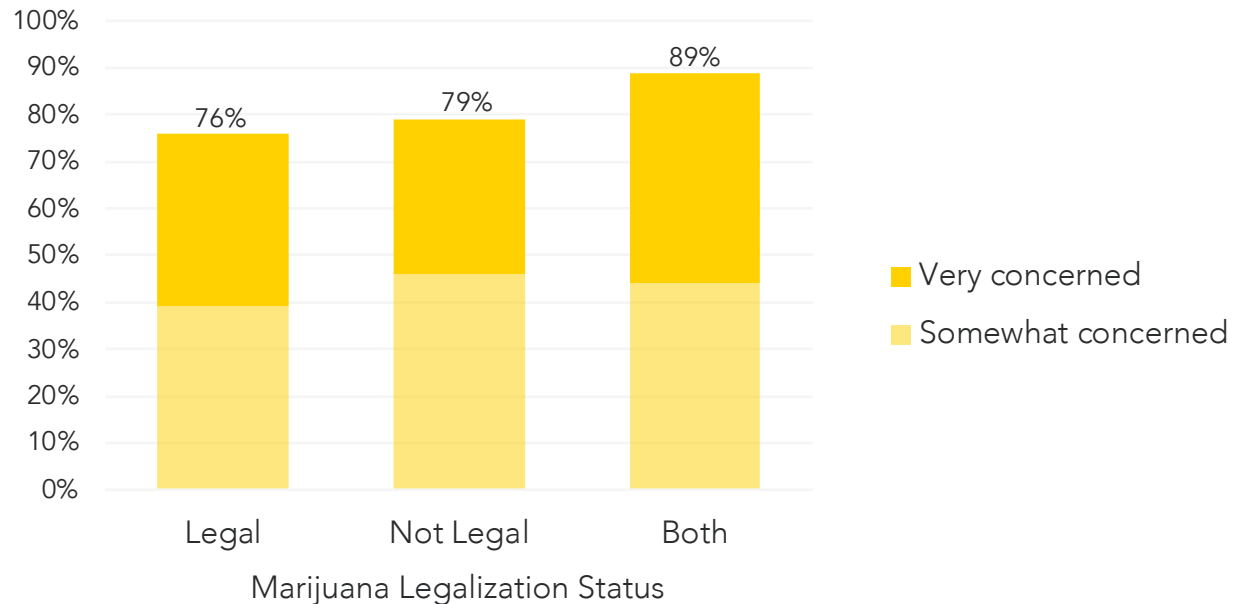
82% of companies are *somewhat or very concerned* by legalization



Question: Which of the following best describes your company's overall level of concern related to the legalization and increased use of marijuana?

Concern Regarding Marijuana Legalization and Increased Use is a National Issue

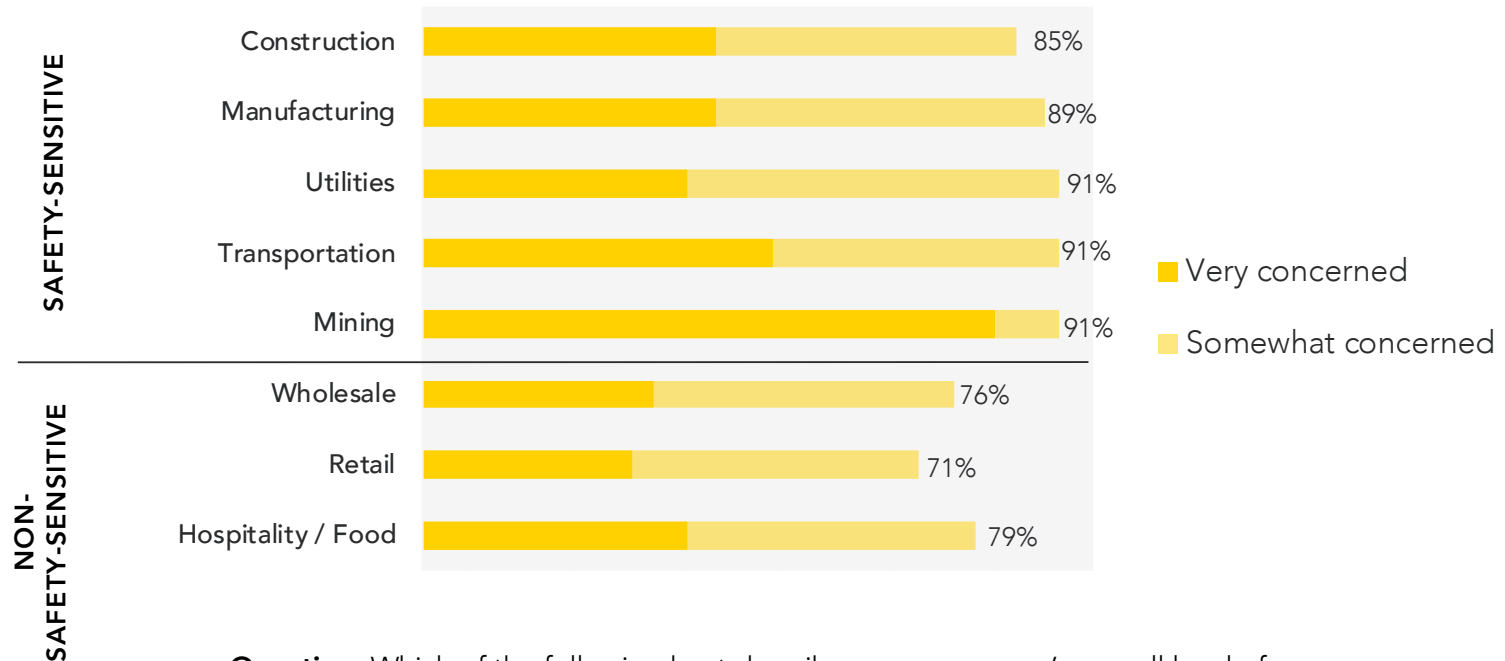
Employers expressed almost **equal concern** regardless of legalization status: **76%** in “legal” states and **79%** in “not legal” states



Question: Which of the following best describes your company's overall level of concern related to the legalization and increased use of marijuana?

Employers in Non-Safety-Sensitive Industries also Expressed Concern about Marijuana Legalization

For safety-sensitive industries, the level of concern was **above 85%** and for non-safety-sensitive industries the level of concern was **above 70%**



Question: Which of the following best describes your company's overall level of concern related to the legalization and increased use of marijuana?

Safety and Economic Impact are Top Concerns for the Majority of Employers

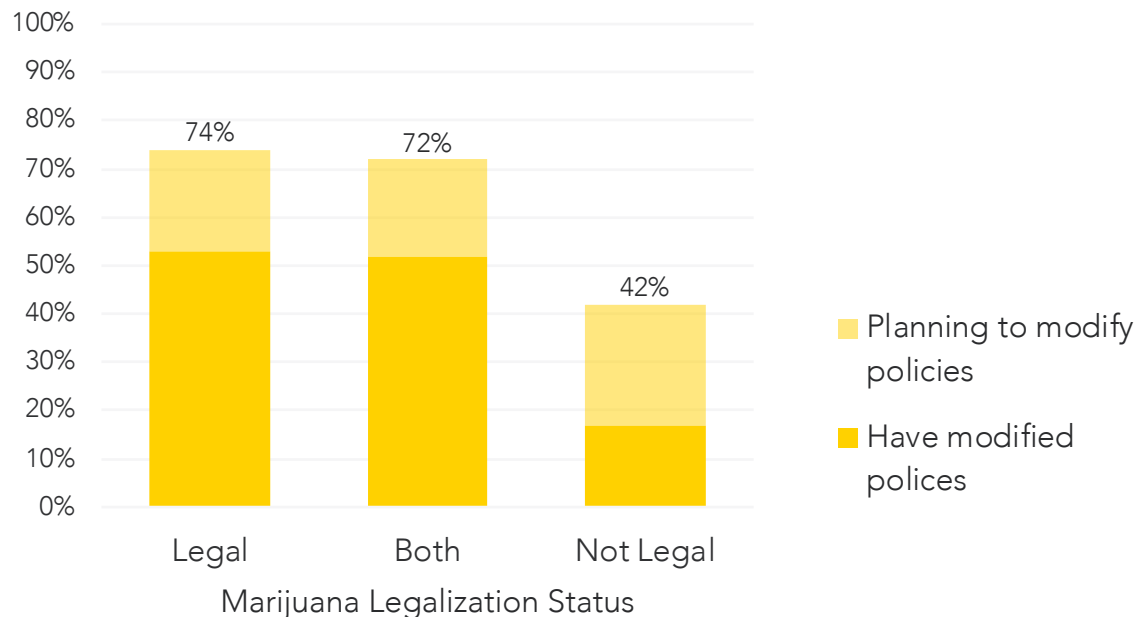
Workplace safety is biggest concern at **65%**, followed by **productivity and workers' comp costs** at **near 60%**

	TOTAL (742)	CONS (144)	MANU (128)	UTILITIES (34)	TRANS (96)	MINING (11)	WHLSALE (82)	RETAIL (152)	HOSP/ FOOD (95)
Workplace safety	65%	74%	70%	77%	74%	73%	67%	50%	52%
Lost productivity	59	63	65	62	59	73	56	47	62
Higher workers' comp incidents & costs	57	64	64	41	66	73	57	46	50
Absenteeism	51	51	57	59	52	36	49	44	53
Employee Retention	50	57	48	53	52	73	44	43	53

Question: How would you rate your company's current level of concern with the following workplace issues related to the use of marijuana on a scale of 1 – 7, where seven means very concerned and one means not concerned at all? Percentages reflect combined 6 and 7 scores.

The Majority of Businesses Have Modified or Plan to Modify Policies Concerning Marijuana Use

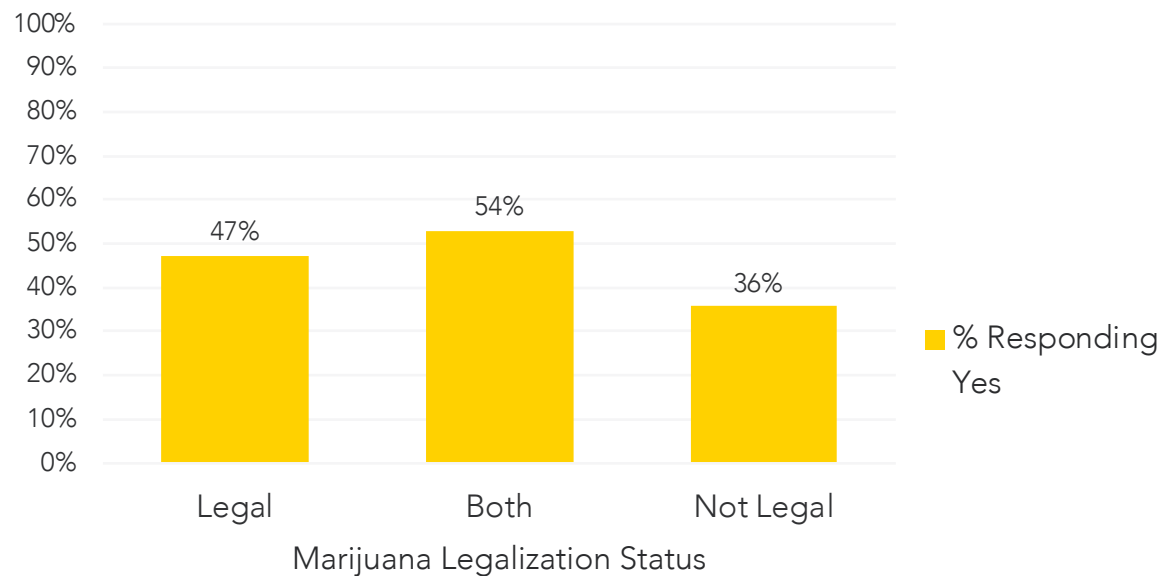
Over 70% of respondents in **legal states** and **over 40%** in **not legal states** have **modified or plan to modify** marijuana policies concerning its use



Question: In response to the expanding legalization of marijuana, has your company already modified existing policies concerning its use? Is your company planning on modifying its policies concerning the use of marijuana in response to the expanding legalization of marijuana?

Companies are Still Struggling with Whether to Accommodate Medical Marijuana

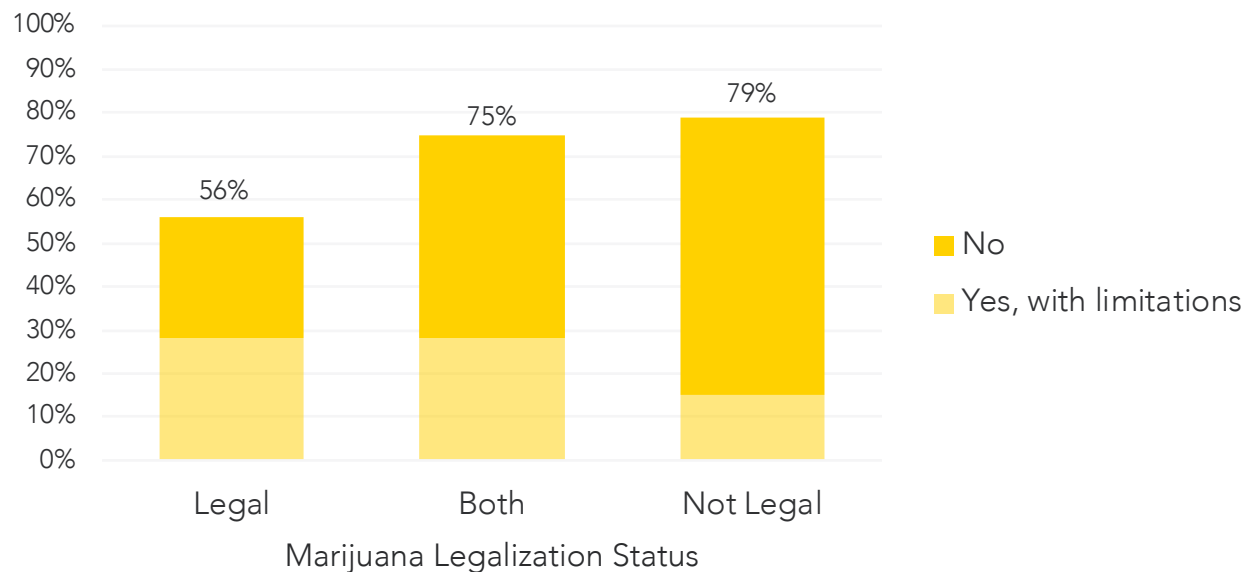
Less than 50% of respondents from companies operating in states where **medical marijuana is legal** report currently **making accommodations** for medical marijuana use



Question: Does your company make accommodations for employees to use medical marijuana?

Respondents Limit or Prohibit Marijuana Use while Off-Duty— Even where Legal

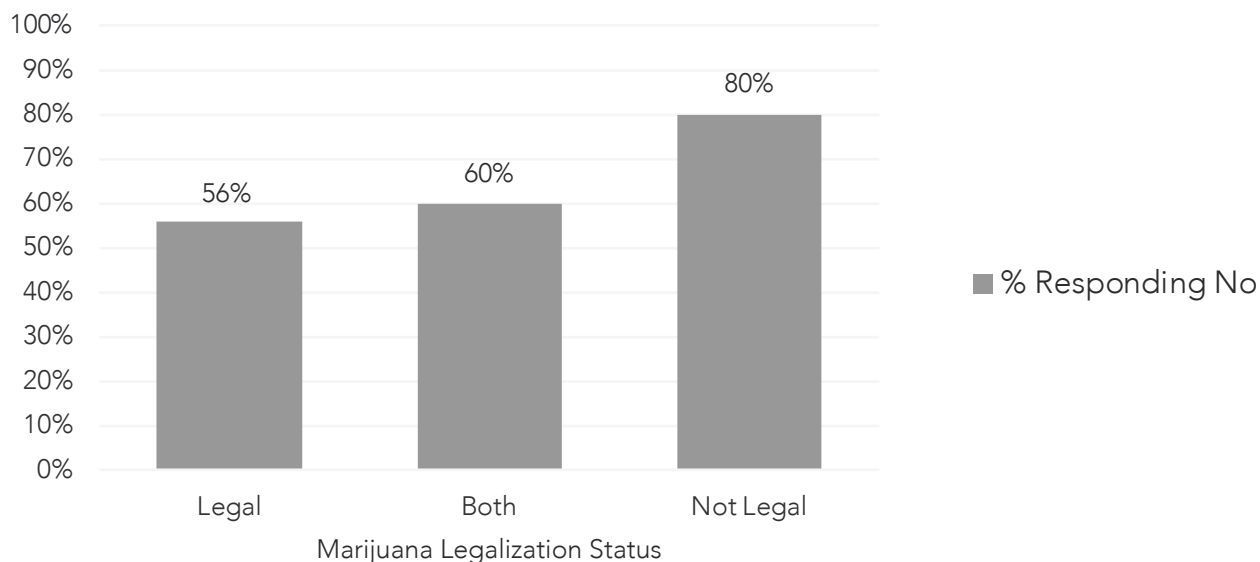
56% of respondents from **legal states**
limit or do not allow marijuana use outside of work hours



Question: Does your company allow employees to use recreational marijuana outside of work hours?

The Majority of Employers Surveyed Still Would Not Hire a Candidate for Employment if They Tested Positive for Marijuana

56% of respondents **would not hire** a candidate if they **tested positive** in legal states



Question: Based on your company's existing drug use policies, would a potential employee be hired if they tested positive for marijuana during a pre-employment screening?

Note: this question was asked only of 547 respondents who conduct pre-employment drug tests.

About Hound Labs

Hound Labs is a scientific research and device company that has developed the world's first marijuana breathalyzer.

The Company has conducted pioneering research to understand recent marijuana use and how the duration of THC in breath correlates with the peak window of impairment (up to 3 hours after smoking) identified by government research groups. The ultra-sensitive and accurate Hound® marijuana breathalyzer measures marijuana use at levels lower than forensic laboratory equipment and provides objective data to help determine if someone recently smoked marijuana at the roadside or workplace.

The Hound Labs team believes in the importance of developing tools based on rigorous scientific research that deliver common sense solutions to the complex issues related to marijuana impairment. The Company is committed to the mission of balancing public safety with fairness so lives are saved and rights are protected.

Founded in 2014, Hound Labs (www.houndlabs.com) is headquartered in Oakland, California and backed by Benchmark.