



## 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: Propeller Coffee Co  
Date Submitted: 24 March 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:

Propeller Coffee Co

UPDATED AS OF:

24 March 2023

<b>DISCLOSURE QUESTIONNAIRE CATEGORY</b>	Suppliers Chain Disclosure - Operation in Conflict Zones
<b>TOPIC</b>	Coffee bean purchases from Ethiopia considered a conflict zone according to the World Bank's FCS List.
<b>SUMMARY OF ISSUE</b>	Propeller Coffee sources part of its coffee from Ethiopia. Growing, processing (from fruit to dried seed), and preparing for export are all carried out in Ethiopia. Propeller Coffee has a longstanding relationship with its Ethiopian supplier (see ""Management Practices"" below). This relationship and the benefits it brings to Ethiopian coffee-farming communities were determined to be worth preserving. Furthermore, Ethiopian coffees account for a large portion of the Specialty Coffee market and hold an important place in the industry due to Ethiopia's historical role as the birthplace of coffee.
<b>SIZE/SCOPE OF ISSUE</b> (e.g. \$ financial implication, # of individuals affected)	8.6% of the company's green coffee beans (1.4% of total purchases) in the FY 2021 came from Ethiopia
<b>IMPACT ON STAKEHOLDERS</b>	<p>High risk supply chains such as cocoa, coffee, tea and palm oil have a history of forced and child labor, which subjects workers to poor working conditions, low wages, and puts children at risk for human trafficking.</p> <p>As per the OECD, conflict zones are often characterized by widespread human rights abuses and violations of national or international law.</p>
<b>MANAGEMENT PRACTICES</b>	<p>The company's Ethiopian coffee supplier sources green coffee from the regions of Sidama, Yirgacheffe, and Harrar, which are far from the area of conflict, near the Tigrean border. This supplier sources these coffees directly, bypassing the Ethiopian Coffee Exchange (ECX) and is therefore not directly entangled with the Ethiopian government. Their head offices are located outside of Ethiopia, in Baltimore, MD, USA, due to their focus on selling coffee to the North American market.</p> <p>In the period since the conflict began in November 2020, the company has limited its purchases of Ethiopian coffee to a single trusted, longtime supplier, a transnational Ethiopian/American company which is vertically integrated through Tiers 1-4 with operations for the importing/Tier-4 layer of their operations located in USA.</p> <p>Purchases of coffee in Ethiopia is not certified by a third party and the company does not currently have in place any policies practices or mechanisms to ensure that the company's purchases are not tied to conflicts with this region.</p>
<b>REPORT</b>	[OPTIONAL]
<b>OTHER MANAGEMENT COMMENTS</b>	[OPTIONAL]



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<b>DISCLOSURE QUESTIONNAIRE CATEGORY</b>	Energy and Emissions Intensive Industry
<b>SUMMARY OF ISSUE</b>	<p>Propeller Coffee Co is involved in the production or sale of products that are classified as energy and emission-intensive, meaning that they are more likely to have significant impacts on the environment based on their carbon emissions associated with their operations and their contribution to climate change. Certified B Corps are required to make transparent their involvement in such industries.</p> <p>If you or someone you know is aware of any specific practices of this company related to their involvement in the sensitive industry that has had a negative impact, and that may constitute a violation of the B Corp standards, please contact us via our public complaints procedure.</p>