



CO2logic

Disclosure Report

Date Submitted: February 20th, 2025



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 of 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	☐	☒
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: Suppliers in Conflict Zones

Topic	Company's carbon credits provided by partners with projects in conflict zones and has operations in conflict zones.
Summary of Issue	CO2logic sourced from projects in Myanmar, Democratic Republic of Congo (DRC), Nigeria, and Burkina Faso, considered a Conflict-affected area, as well as from Zimbabwe, considered an area of Institutional and Social Fragility according to the Fragile and Conflict-affected situation list FY2024. These suppliers are considered Tier-one suppliers as they directly source the carbon credits CO2logic delivers to its customers. Additionally, CO2logic operates in both the DRC and Burkina Faso, having been involved in projects in Burkina Faso since 2012 and in the DRC since 2016.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	Project 1. Revenue from the sale of carbon credits sourced from 1 project in Myanmar in FY 2023 represented approximately 0.13% of the company's revenue. Project 2. Revenue from the sale of carbon credits sourced from 1 project in Nigeria in FY 2023 represented approximately 0.64% of the company's revenue. Project 3. Revenue from the sale of carbon credits sourced from 1 project in DCR in FY 2023 represented approximately 5.72% of the company's revenue. Project 4. Revenue from the sale of carbon credits sourced from 1 project in Burkina Faso in FY 2023 represented approximately 2.37% of the company's revenue. Project 5. Revenue from the sale of carbon credits sourced from 1 project in Zimbabwe in FY2023 represented approximately 1.22% of the company's revenue.
Impact on Stakeholder(s)	Business activities located in conflict zones are considered high-risk as they are more likely to cause or contribute to the conflict and/or sociopolitical instability. Countries classified as conflict zones are more likely to have a weak rule-of-law or a corrupt judicial system, which could undermine the effectiveness of operational grievance

	mechanisms for these businesses and their suppliers. In addition, the safety of the company's workers and other potential human rights violations are at risk.
Implemented Management Practices	The Myanmar Stoves Campaign-Slow Life project in Myanmar and the LPG Cookstoves Project in Haiti from which carbon credits were sourced from have been certified by Gold Standard and the Kariba REDD+ Project in Zimbabwe was certified by Verra. Such methodologies, along with project documentation and procedures followed, are publicly available in the links provided. For projects where South Pole serves as a Carbon Asset Developer, the company conducts a thorough Know Your Client (KYC) screening of project partners supported by Reprisk (see link below). This process utilizes advanced databases to identify risks pertaining to sanctions, watchlists, and adverse media, supplemented by an AI-driven ESG risk platform. Every partner is scored against ESG issues and potential violation of the United Nations Global Compact (UNGC) principles to ensure alignment with the company's Code of Ethics. If screening results raise concerns, South Pole conducts enhanced due diligence and implement additional compliance measures to determine supplier's alignment with South Pole internal policies, guiding informed decisions about potential engagement. A Chief Risk Office with a designated Risk team is appointed to carry out screening. Procedures and committee approval is required for high reputational risk partners to decide whether to work with each partner. The company also has a Risk Assessment process that is defined as company-wide and is a retroactive risk analysis. South Pole maintains a stringent Travel Policy for employees traveling to high-risk locations, prioritizing staff safety and risk mitigation. Additionally, they partner with a Global Security and Travel Risk Management provider to support employees during field visits by offering services such as travel security advice, check-ins, emergency response, and remote medical assistance. For more and updated information on implemented management practices on integrity see the links below to Southpole's commitment to integrity (below) and the company's

	Code of Conduct for third parties (more information detailed in the Client in Controversial industries disclosure).
Report	World Bank Fragile and Conflict-affected (FCS) situation list FY2023 Gold Standard Verra Carbon Standard South Pole Commitment to Integrity South Pole Statement on ending agreement with Zimbabwe Information on Myanmar Clean cookstoves project Haiti Project Gold Standard Registry Myanmar Project Gold Standard Registry Reprisk 10 principles of UNGC South Pole Code of Conduct for third-parties International Carbon Reduction and Offset Alliance Code of Best Practice (ICROA)
Management Comments	Business activities in conflict zones are high-risk due to their potential to exacerbate conflict and instability. However, South Pole / CO2 Logic emphasize that projects focused on nature restoration, forest protection, and cleaner cooking solutions can significantly improve local communities' quality of life. By engaging communities and providing access to cleaner cooking methods, these projects promote a healthier environment and enhance subsistence capabilities. Cookstove projects, in particular, benefit women, who often shoulder the responsibility of food preparation and fuel collection. Reducing the time spent gathering firewood frees up opportunities for education and income generation while lowering the risk of gender-based violence. Moreover, the improved efficiency of cookstoves decreases air pollution exposure, mitigating lung-related disease risks. Forest restoration projects also yield benefits for local stakeholders by reducing carbon emissions and protecting biodiverse areas, all while empowering communities through the resources provided. However, countries in conflict zones may struggle with weak rule of law and corrupt judicial systems, which can undermine grievance mechanisms for businesses and their suppliers.



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Other - Clients in Controversial Industries

Topic	Clients in Controversial Industries
Summary of Issue	CO2 Logic is part of the South Pole Group; a sustainability consultancy that offers their clients carbon emissions footprint measurement management, offset and reduction. Over the last 5 years the company has served clients operating in the Agribusiness producers Brazil, Alcohol, Animal Products or Services, Bottled Water, Fossil Fuels (other), Mining, Payday, Short Term, or High Interest Lending and Whole Life Insurance Products industries. Services to clients in these industries can be offered to both clients in controversial as well as non-controversial industries.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	Clients operating in Controversial Industries represented the following % of the company's FY2023 revenue: - Agribusiness producers Brazil: 3% - Alcohol: 0.1% - Animal Products or Services: 0.1% - Bottled Water Companies: 3% - Fossil Fuels- other: 0.2% - Mining 1.2% - Pharmaceuticals: 8.7% - Whole Life Insurance Products: 1.6% Concerning the revenue indicated as "Agribusiness producers in Brazil": CO2 Logic - a South Pole Company - works with multinational agriculture companies that have vast, global portfolios, from which the firm could not exclude that either some of their operations or supply chains could be linked to Agribusiness producers in Brazil. Though the actual revenue fully derived from this industry is likely only a small percentage of the stated 3%, the company took a conservative approach of including the revenue of these clients as such.
Impact on Stakeholder(s)	Companies that work with clients in controversial industries can indirectly increase the harmful impact to stakeholders by enabling business growth. Therefore, companies that work with clients in these industries should have practices in place to ensure that their impact is aimed at decreasing the negative impacts of the industry.

	B Lab has flagged the involvement of companies with clients in controversial industries as a material issue and new standards will be created to address possible risks related to this matter.
Implemented Management Practices	Practices followed by CO2logic are the same for all South Pole entities and are defined centrally (at the Holding level). The company takes a proactive approach to evaluating their counterparties through a Know Your Customer (KYC) framework, leveraging leading third-party screening providers to assess organizations and their affiliates. The aim of this process is to ensure alignment with their ethical standards and commitment to responsible business practices. More details on the company's commitment to integrity is available in the link below. While the company does not impose blanket exclusions on specific industries, they apply a rigorous, risk-based evaluation process. Depending on the sector and findings from their KYC process, additional measures may be implemented to assess compatibility with their values and standards. Their global counterparty vetting process includes: -A comprehensive due diligence framework supported by third-party screening tools that assess ESG risks, sanctions exposure, watchlist presence, and potential violations of UN Global Compact principles. - AI-driven ESG risk analysis to identify and evaluate reputational and ethical concerns associated with prospective clients, enhancing the company's ability to make informed decisions. -Risk-based escalation procedures, including enhanced reviews or compliance committee consultations, to ensure alignment with the company's policies before proceeding with business engagements. -A structured approval framework where high-risk counterparties are subject to a predefined risk matrix, with final assessments requiring input from senior governance leads and committees such as the General Counsel, Chief Risk Officer, or Corporate Risk Committees. -Beyond vetting, South Pole upholds high standards for responsible business conduct through its Third-Party Code of Conduct. This outlines their expectations regarding human rights, sustainability, anti-corruption, ethical labor practices, among others. They actively promote awareness among their partners to ensure shared accountability in fostering a sustainable and ethical business environment. Further details can be found in the company's Third-party Code of Conduct (see link below).

	As a signatory of the UN Global Compact, South Pole adheres to a strict code of ethics on anti-bribery and anti-corruption.
Report	UNGC principles South Pole climate action commitments South Pole commitment to integrity South Pole third-party Code of Conduct
Management Comments	South Pole welcomes the development of new standards and a clear and objective way to address potential risks in working with controversial industries.



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Other - Misrepresentation of practices

Topic	Claims of Misrepresentation of carbon credits
Summary of Issue	South Pole is a climate consultancy operating in multiple countries and is considered one of the largest carbon traders in the world. The company invested in carbon credits and sold carbon credits from the Kariba REDD+ forest protection project in Zimbabwe (operated by Carbon Green Investments, CGI), which since January 2023 has received public criticism by the media (Follow the Money and Bloomberg article links below) alleging too many credits were issued to the Kariba project and that the financial benefits were not correctly distributed. South Pole does not issue credits and never has. The responsibility for the issuance of credits sits with the standards authority, Verra. South Pole was not the project operator. The company has publicly addressed criticisms of the projects and has attributed them to misinformation; explaining that carbon credits were predicted using the Verra Methodology (VM09). The applicable methodology chosen by Verra outlines when a project is re-evaluated and the standards authority, in this case, Verra, is responsible for re-evaluation. Re-evaluation occurs every 10 years to ensure the volume of credits corresponds to the actual emissions reduced over the full project lifecycle (at the end of 30 years). The methodology and the standards issuing authorities have procedures in place if there is an overissuance of credits. South Pole severed ties with the project operator in 2023.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	The company says it sold roughly 23 million out of 36 million confirmed carbon credits from the Kariba REDD+ project, which safeguards about 785,000 hectares of forest and wildlife. Media reports suggested that the company oversold carbon credits by 27 million tonnes of CO ₂ compared to what was actually generated. Final volumes for carbon credit issuances from the Kariba project were all determined by Verra.
Impact on Stakeholders	There is an ongoing debate about the effectiveness of carbon credits in reducing global carbon emissions. Concerns are about offsetting rather than reducing emissions, as well as the overstatement or sale of carbon credits multiple times. This has led to calls for more robust verification and regulatory frameworks to ensure that carbon credits deliver the promised environmental benefits.

Implemented Management Practices	As a result of these allegations, South Pole published a response on their website, explaining the project has consistently followed the Verra VM09 methodology since 2012 and has passed four independent verifications (with a fifth underway currently) by three different international auditors (ESI, SCS and AENOR) under the rules of the VCS and the CCBS, both Verra Standards. Kariba has followed all the rules and requirements of the VCS standard, their REDD+ methodology (link to South Pole response to Follow the Money article below). The project has begun their first baseline revalidation as they have reached the 10 year mark. The baseline revalidation is done in line with transparent documentation on the project performance required by Verra. The Verra baseline revalidation process will be soon increased to every 6 years going forward; ongoing periodic project performance evaluation is maintained. South Pole will no longer sell any credits relating to the Kariba Project and severed ties with the project operator.
Report	- Carbon Green Investments (CGI) - Follow the Money Article January 2023 on Kariba project and South Pole - South Pole blog post on voluntary carbon market in protecting forests - South Pole Fact Check on not over-issuing carbon credits - Bloomberg article on South Pole and Kariba project credits - South Pole CEO response to Bloomberg article - White House briefing - South Pole statement of ending agreements with Kariba project - Verra response on Guardian article on Carbon Offsets
Management Comments	There is an ongoing debate about the sorts of claims that companies can make, if and when they choose to use carbon credits to offset their emissions. Leading bodies in this field are



For absolute clarity, market based mechanisms like the voluntary carbon market remain the most effective way to drive private finance into climate mitigation and adaptation projects into the Global South. South Pole lobbies for and welcomes the expansion of integrity frameworks in both the voluntary and regulated markets.