



## 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: Wakuli  
Date Submitted: 08/30/2022

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:

Wakuli

UPDATED AS OF:

08/30/2022

<b>DISCLOSURE QUESTIONNAIRE CATEGORY</b>	Environmentally Intensive Industries
<b>TOPIC</b>	Biodiversity Impact and Monoculture Agriculture
<b>SUMMARY OF ISSUE</b>	As a coffee manufacturer, Wakuli operates in an industry in which biodiversity impact and monoculture agriculture are material environmental issues.
<b>SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)</b>	Approximately >50% Wakuli's supplier expenses come directly from farms. The company doesn't manage nor control the supplier's cultivated and uncultivated land.
<b>IMPACT ON STAKEHOLDERS</b>	Agriculture, particularly in cases where a single crop is cultivated at a time, poses a risk to local ecosystems of flora and fauna as well as the potential degradation of cultivated land.
<b>IMPLEMENTED MGT PRACTICES</b>	<ul style="list-style-type: none"><li>• Wakuli has collaboratively identified opportunities to maximize positive environmental impact at each origin, both on the farm and downstream in the supply chain by creating shared awareness of the impacts of climate change, its urgency, mitigation strategies, and their prospective impact amongst value chain partners.</li><li>• Wakuli aims to accelerate the movement toward climate smart agriculture through cross-industry knowledge sharing, market motivation, co-investment and shared risk in innovative practices via long term relationships.</li><li>• Wakuli's suppliers have different ways of managing their land, however, considering that the majority of farmers we purchase from are subsistence farmers, the land they possess are mostly utilized to plant various crops which help sustain the lives of their communities. Naturally, each origin grows different crops.</li><li>• Wakuli's Supplier Code of Conduct requires a proactive attitude toward environmental stewardship in all of our partnerships. Practically this means that all supply chain actors aim to execute their business with minimal harm to the environment. Therefore, they work to identify areas for improvement, and openly find solutions to address this, be it on the farm, or upwards in the supply chain.</li></ul>



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UPDATED AS OF: 08/30/2022

<b>DISCLOSURE QUESTIONNAIRE CATEGORY</b>	Environmentally Intensive Industries
<b>TOPIC</b>	Water Intensive Industries
<b>SUMMARY OF ISSUE</b>	As a coffee manufacturer, Wakuli operates in an industry that is water intensive.
<b>SIZE/SCOPE OF ISSUE</b> (e.g. \$ financial implication, # of individuals affected)	Approximately >50% Wakuli's supplier expenses come directly from farms and the coffee production itself is a water intensive process.
<b>IMPACT ON STAKEHOLDERS</b>	As a water intensive industry, agriculture poses risks such as water stress or depletion of local water sources if water use is not appropriately managed.
<b>IMPLEMENTED MGT PRACTICES</b>	<ul style="list-style-type: none"><li>Wakuli plans on conducting ecological risk assessments in their partners' farms in order to ultimately make them sustainable and independent coffee farms. For full information, kindly refer to page 15-17 our 2021 Impact Report (<a href="https://www.wakuli.com/impactreport2021_uk">https://www.wakuli.com/impactreport2021_uk</a>). The company's headquarters' water usage are not intensive so they currently do not have any specific water reduction targets.</li></ul>



## B Corp Certification - Disclosure Questionnaire Documentation

PROVIDED BY: **Wakuli** UPDATED AS OF: **10/27/2022**

<b>DISCLOSURE QUESTIONNAIRE CATEGORY</b>	Suppliers in Conflict Zones
<b>TOPIC</b>	Company sources directly from coffee farmers in Ethiopia, Myanmar, Timor Leste, and the Democratic Republic of Congo.
<b>SUMMARY OF ISSUE</b>	<p>Wakuli is a coffee company that sources coffee direct from farmers in Ethiopia, Myanmar, Timor Leste and the Democratic Republic of Congo. They have direct contact with their local partners to understand the costs from farm to Wakuli. This process is carried out prior to contracting, so that they always have the price paid to farmers at hand before a purchase is confirmed. They follow up on the primary data collected with in-person visits, where they interview farmers, washing station staff, and review paper records at processing stations.</p> <p>For price transparency and traceability, the company collects data directly from their local partners to understand the costs from farm to Wakuli. They collect cost breakdowns prior to contracting, so that they always have the price paid to farmers at hand before a purchase is confirmed. The list of data points also includes the number of farmers that contribute to the Wakuli coffee lot. The format in which this is recorded varies with each supply chain.</p> <p>They follow up on the primary data collected with in-person visits, where they interview farmers, washing station staff, and review paper records at processing stations. This acts not only to verify the data collected, but triple-check its relevance and accuracy in depicting their supply chain, as they prefer to establish trust in achieving transparency rather than the indirect and often top-down methodology of audits.</p>
<b>SIZE/SCOPE OF ISSUE</b> (e.g. \$ financial implication, # of individuals affected)	As a percentage of overall coffee supply, the company sources 6.91% from Ethiopia, 3.53% from Myanmar, 3.53% from Myanmar, 2.38% from Timor Leste and 5.54% from the DRC, which are considered conflict zones.
<b>IMPACT ON STAKEHOLDERS</b>	<p>As per the OECD, conflict zones are often characterized by widespread human rights abuses and violations of national or international law.</p> <p>The security of company workers who work in such areas could also be at risk.</p>
<b>IMPLEMENTED MGT PRACTICES</b>	<p>The company has implemented the following practices in the conflict zones from which they source:</p> <p><b>Ethiopia:</b> The company sources it's coffee beans from the Kata Muduga Union which was founded in 2015, and derives its name from "the birthplace of coffee arabica". It is an umbrella organization for cooperatives in the Jimma area and provides them with marketing and administrative services. The Union sells and exports the cooperatives' coffees on their behalf. The company states that it is one of the most transparent farmer-focused unions in Ethiopia, allowing them to also deliver some of the highest prices consistently paid to farmers. Their main goal is to increase the household incomes of their farmer members, and do so through direct marketing channels with primary farmer-owned cooperatives. Value is therefore distributed to farmer members as dividends and via social projects. The Kolla Bolcha cooperative is the newest addition to Kata Muduga's portfolio. It's a relatively new cooperative, with their first harvest produced in 2017. They started out with around 400 members back then, and have been growing ever since.</p>

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### IMPLEMENTED MGT PRACTICES

**Myanmar:** The company started their partnership with smallholder farmers in Myanmar back in 2020, to support their work in bolstering specialty coffee production in the villages of Hopong, and jointly create market awareness of their production quality. Currently, Wakuli and This Side Up remain as major buyers. Local specialty roasters also support, paying fair prices according to Khun Kyaw of Indigo Mountain, but they are limited to purchasing only a few bags per harvest. Wakuli's role here is to provide a consistent market for these coffees, ensuring continuity in their planned expansion to new farmers and communities in Hopong. In 2022, their coffee came from two townships - Mong Nwet and Htam Pha Yar, and was produced by approximately 15 farmers. As the company grows, they are able to increase the impact of their partnership together; from 1200 kgs dedicated to their last new origin coffee, to 3600 kgs now being used in 2022 to improve farmer livelihoods.

**Timor Leste:** Wakuli sources coffee in Timor Leste and works with three farmer communities at the Ermera Municipality. 'Raw Material' (RM) is a UK social enterprise focused on building systems to produce high-quality coffee and connect coffee farming communities to a stable marketplace. Together with RM, Wakuli provide fairer prices and create long-term relationships for the smallholder farmers of the Ermera region. Wakuli and RM strive to solve the diverse challenges of the coffee sector by selling in the specialty market. In 2021, Wakuli sourced 7,020 kgs of coffee from RM.

**DRC:** Wakuli sources coffee in the DRC from a cooperative known as Rebuild Women's Hope (RWH). RWH is a women-led cooperative on Idjwi Island, on Lake Kivu to the east of the Democratic Republic of Congo. It was founded in 2013 to find practical ways to transform the lives of Congolese women in rural communities. At RWH, women are at the center of decision-making. They work to create a spirit of entrepreneurship and self-management among their women members in order to raise the standard of living in their communities. Alongside increasing opportunities for women to lead business development on the island, the RWH team drives a number of social projects to increase the autonomy of women and improve the livelihoods of the families on Idjwi.

The needs of supplier relationships vary in different conflict areas. Some generalisations that can be made in their approach are:

- They adapt their communication and travel plans to avoid putting Wakuli employees and supplier partners at risk of harm. In some cases this can mean keeping only essential communication, done via email or phone, and travelling only during low risk periods and via low-risk routes.
- They adapt their public communication to spotlight issues and political stances without putting local partners at risk. For example, with their coffees from Myanmar, they adapt the messaging on the packages of this coffee to increase awareness with their consumer base of the current issues facing communities across Myanmar.



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### IMPLEMENTED MGT PRACTICES

- During visits, part of Wakuli's work involves assessing local context and the factors that affect partner safety, for example to what extent does higher prices affect other local buyers and businesses, and does it pose any risk to farmers? They then try to address potential security issues using their supply chain. For example, in Uganda where the security of coffee cherries can be a concern at the washing station, particularly when coffee prices are high, they increased the prices paid to washing stations so that they have more capital to invest in fences and staff to increase security.
- Lastly, and arguably most importantly, they maintain a direct, and honest line of communication with all of their partners. From both sides, they are focused on using their business model for improved farmer livelihoods, and therefore rely heavily on the open input of their partners on how they can safely work together on this.