



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: Equator Coffees LLC
 Date Submitted: 05/20/2022

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: Equator Coffees LLC

UPDATED AS OF: 05/20/2022

DISCLOSURE QUESTIONNAIRE CATEGORY	Significant layoffs of >20% of workforce
ISSUE DATE	March 2020
TOPIC	Significant layoffs due to COVID-19
SUMMARY OF ISSUE	The company had to lay off employees in 2020 due to the Covid 19 pandemic and the subsequent loss of business. As a result of the pandemic and California shelter in place restrictions, the company had store closures (both temporary and permanent) and a 50% decrease in business.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	52 employees were laid off, representing 32% of the company's employees at that time.
IMPACT ON STAKEHOLDERS	The primary impact was loss of employment for affected employees.
IMPLEMENTED MGT PRACTICES	Full time laid off staff were given two weeks pay, paid their accrued PTO, retained their paid medical insurance for 30 days (after which they were eligible to join Cobra), and all were eligible to collect unemployment benefits. Equator Coffees encouraged and supported those who could to apply for PFL, which several team members were able to do. The company also helped facilitate connections for open positions at other companies.
Other Management Comments	<p>Senior management personally reached out to every person who was laid off to explain the situation and be available for any questions or concerns. There was followup from the director of human resources guiding them to state unemployment and mental health benefits that were available</p> <p>Leadership also helped facilitate connections for open positions at other companies. Equator Coffees made an effort to keep people employed by reducing hours for an entire team rather than lay even one person off. The company also allowed people to change departments. For example, when the cafes reopened, they were able to re-hire a laid off wholesale team member rejoin the retail team.</p> <p>All Directors had reduced employment and kept full benefits. Senior management took pay cuts and continued to work full time.</p>

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UPDATED AS OF:

05/20/2022

DISCLOSURE QUESTIONNAIRE CATEGORY	Environmentally Intensive Industries
TOPIC	Energy and Emissions Intensive Industries
SUMMARY OF ISSUE	As a coffee roaster, Equator Coffees operates in the food industry in which energy and carbon emissions is a material environmental issue.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	<p>100% of the company's revenue comes from coffee roasting and operating cafes.</p> <p>Aspects of the company's operations that are energy intensive are natural gas used in the coffee roasting process, fuel used in delivery vehicles, and electricity used in the coffee making process. The company has just started to measure their carbon output, and worked with an academic institution to measure their 2019 emissions as a baseline which were 303,244.52 kg CO₂.</p> <p>The company has not calculated their energy intensity per unit product and has not benchmarked the same with that of their peers. The company is in the process of understanding what the path to carbon neutrality by 2030 could look like and have not yet formally committed to such a target.</p>
IMPACT ON STAKEHOLDERS	Energy intensive manufacturing activities, such as coffee roasting, pose an environmental risk due to the emissions produced by such energy use. The extent of environmental impact is dependent on the energy sources utilised and management practices in place to manage energy use.
IMPLEMENTED MGT PRACTICES	<p>The company uses natural gas in the roasting process and have transitioned almost all of their roasting to Loring Smart Roasters which use less gas than a traditional roaster. The company has observed a reduction in their gas consumption since the installation of these roasters.</p> <p>For delivery, the company runs optimized delivery routes that are built around reducing mileage and they conduct regular maintenance on the vehicles for optimizing fuel efficiency (e.g. tuning, maintaining tire pressure).</p> <p>The highest energy use observed in their cafes is related to heating water for coffee, refrigeration, lights and air conditioning. The company is exploring installation of new energy efficient espresso machines for which they are gathering data. They use LED and Compact Fluorescent lights, in their facilities in addition to using dimmers and utilizing natural light when available. They also have internal standards for usage of air conditioners in terms of the temperature to be maintained for optimizing energy efficiency.</p>



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DISCLOSURE QUESTIONNAIRE CATEGORY	Labor Issues
ISSUE DATE	June 2019
TOPIC	Warehouse Working Conditions
SUMMARY OF ISSUE	Equator Coffees has been involved in an OSHA complaint regarding the working conditions in their warehouse facilities. OSHA received a complaint that Equator Coffees allegedly failed to conduct periodic inspections to identify unsafe and unhealthy conditions of indoor heat in their warehouses. Specifically during hot seasons.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	About 15% of the company's workforce works in their warehouse production facilities.
IMPACT ON STAKEHOLDERS	Work place temperatures can have a negative effect on the health of employees. Exposure to high temperatures in the workplace can lead to heat exhaustion, heatstroke, dehydration, or other life-threatening conditions that occur when the core body temperature reaches 104 F (40 C) or higher
IMPLEMENTED MGT PRACTICES	<p>During warm weather days, all fans in Equator Coffees' roasteries are turned on at the start of each shift. Fans are not be turned off or used for any other purpose while roasting activities are underway.</p> <p>During weekly roastery maintenance periods, fans are to be inspected for cleanliness and performance to assure adequate working temperatures.</p> <p>During warm weather days, garage doors are rolled up and motorized pest screen doors are to be rolled down to encourage air flow and circulation."</p>
Other Management Comments	The compliant was filed in June 2019. It has been closed and no fine or sanction was levied against Equator Coffees.