



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: Koa Switzerland
Date Submitted: 09/19/2022

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: Koa Switzerland UPDATED AS OF: 09/19/2022

DISCLOSURE QUESTIONNAIRE CATEGORY	Environmentally Intensive Industries
TOPIC	Biodiversity Impact
SUMMARY OF ISSUE	As a company that produces cocoa derived products and sources cocoa directly from farmers, Koa Group operates in an industry in which biodiversity impact is a material environmental issue.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	Approximately 14,4% of Koa's supplier expenses come directly from farms.
IMPACT ON STAKEHOLDERS	Agriculture poses a risk to local ecosystems of flora and fauna as well as the potential degradation of cultivated land.
IMPLEMENTED MGT PRACTICES	<p>Koa has a strict zero deforestation commitment with which cocoa farmers must comply. The company ensures that the location of all farms is assessed prior to the formal engagement with the farmers to ensure they are not located in protected forest reserves. Farms are geolocated through satellite data to ensure such requirements.</p> <p>Additionally, Koa encourages reforestation and agroforestry initiatives among its farmers and actively trains and helps farmers in planting shade trees on their plantations. The company also ensures that farmers only use pesticides and fertilizer which are approved by the Ghanaian Cocobod and farmers undergo regular inspections. Koa does not yet have specific targets related to preserving or conserving biodiversity in its supply chain.</p>
MANAGEMENT COMMENTS	<p>With the full implementation of the Environmental and Social Management System (ESMS,) we will set targets on the baseline defined after first survey.</p> <p>Practices include:</p> <ol style="list-style-type: none"> 1) Reduction in the rate of nitrogen fertiliser 2) Switch from synthetic to organic fertiliser 3) Return of composted residues to the field (compost, mulching, biochar) 4) Introduction of trees in the farm, improved agroforestry



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Koa Switzerland

UPDATED AS OF:

09/19/2022

DISCLOSURE QUESTIONNAIRE CATEGORY	Environmentally Intensive Industries
TOPIC	Water Intensive Industries
SUMMARY OF ISSUE	As a company that produces cocoa derived products, Koa operates in an industry that is water intensive.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	Approximately 14,4% of supplier expenses come directly from farms and approximately 99.5% of Koa's revenue comes from the sale of manufactured goods.
IMPACT ON STAKEHOLDERS	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. The company's production process in the factory also requires substantial water for cooling products after processing and cleaning.
IMPLEMENTED MGT PRACTICES	Koa sources cocoa derived products from small scale local farmers located in the Ghanaian rainforest area, who do not use irrigation systems. The company has also invested in a new cooling system that will reduce the amount of ice added to the cooling water during production. The company has not set specific reduction targets for its own operations, however, it has demonstrated a continuous reduction of water consumption per unit of manufactured good and is committed to reducing this further in the future.
MANAGEMENT COMMENTS	With the full implementation of the ESMS we will set specific reduction targets for water consumption. Additionally, we are already working on expanding our rain water harvesting system to further reduce ground water consumption.



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DISCLOSURE QUESTIONNAIRE CATEGORY	Environmentally Intensive Industries
TOPIC	Energy and Emissions Intensive Industries
SUMMARY OF ISSUE	As a manufacturing company that produces cocoa derived products, Koa operates in an industry in which energy and carbon emissions is a material environmental issue. In addition to the company's energy consumption for manufacturing, Koa is required to ship cocoa pulp and juice to Europe for further processing into concentrate or dried cocoa pulp, given the lack of an independent high quality concentration or drying factory available in Ghana.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	Approximately 99.5% of Koa's revenue comes from the sale of manufactured goods.
IMPACT ON STAKEHOLDERS	The company is running its operations partly with renewable energy from solar power. The main potential impacts of the company's energy intensity are related to carbon emissions associated to the sourcing logistics of cocoa pulp, manufacturing beverages and cocoa extracts for global consumption and their contribution to climate change.
IMPLEMENTED MGT PRACTICES	<p>The company aims to further replace conventional energy with renewable energy in local extraction and production processes in the factory as well as reduce local transport. Koa has successfully implemented renewable energy (solar) sources in the company's community mobile processing units that carry out the juice extraction. The solar accounted for around 10 % of the total electricity consumption in the factory in 2021. Year to date, the solar accounts on average for 22% of the total electricity consumption. This does not include the mobile processing unit which is mainly powered by the mobile solar system, but the company does not have the data over the total consumption for the mobile unit.</p> <p>Although Koa does not yet have specific energy and/or carbon reduction targets, it measures its energy and fuel consumption per step in its value chain, seeking ways to maximise efficiency of logistics. In order to reduce emissions produced in exporting and processing in Europe, Koa aspires to integrate its product finishing facilities in the newly planned factories in Ghana. This will reduce the weight of the transported materials by 3.5x for concentrate or 6.5x respectively for dried cocoa pulp. In addition, Koa is exploring the possibility of replacing its current fuel-based vehicles with electric vehicles and the use of cocoa husk for the production of biogas to complement the energy usage of its factory.</p>

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DISCLOSURE QUESTIONNAIRE CATEGORY	Industries at Risk of Human Rights Violations
TOPIC	Forced labor, child labor, and human trafficking risks in cocoa/chocolate industry
SUMMARY OF ISSUE	As a manufacturing company that produces cocoa derived products, Koa operates in an industry in which human rights issues such as forced labor, child labor, and human trafficking are prevalent globally in the cocoa supply chain. The company has a factory located in Assin Akrofuom, a village in the Assin South District within the Region of Ghana. From this factory, they currently reach out to more than 32 rural communities and have partnerships with around 2400 small-scale farmers.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	Approximately 14.4% supplier expenses come directly from cocoa farms. 100% of their primary production volume is produced in their factory in Assin South District in Ghana.
IMPACT ON STAKEHOLDERS	The global cocoa industry has a history of forced and child labor, which subjects workers to poor working conditions, low wages, and puts children at risk for human trafficking.
IMPLEMENTED MGT PRACTICES	<p>Koa aims to make a meaningful contribution to a sustainable intensification of income in order to increase farmers' profitability and thereby reduce pressure on forests and land. The company has direct engagement and empowerment of cocoa-growing communities to help mitigate risks of land-use changes on affected cocoa farms. They primarily work with the raw materials of the cocoa fruit and therefore, the existing cocoa industry is closely related to the activities of Koa.</p> <p>Koa has a farmer engagement procedure in place for engagement with the smallholder farmers. Their goal is to train farmers on Good agricultural practices to make them and the ecosystem more resilient.</p> <p>The company can trace back 100% of their cocoa pulp and juice to the farmer as they are working directly with them. For each production day, they know which farmer has provided how much material for processing and how much they were paid is tracked via mobile payment and verified by blockchain.</p> <p>As the company works directly with the smallholder farmers and not with cooperatives, they do not have a social/ethical 3rd party certification. Sensibilisation on child labour is part of the onboarding and continuous training for their farmers. Additionally, they regularly carry out unannounced checks of multiple farmers per production day and report on child labour. In the case where severe child labour is detected, farmers will be suspended for 3 production months. This is outlined in the company's farmer manual and Quality Assurance farm visit reports.</p>
MANAGEMENT COMMENTS	With the full implementation of the ESMS we are planning to report on the number of conducted farm visits (unannounced & announced) and the detected cases of child labour during these visits.