



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: Peace Coffee

Date Submitted: 11/14/2022

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: **Peace Coffee** UPDATED AS OF: **11/14/2022**

DISCLOSURE QUESTIONNAIRE CATEGORY	Environmentally Intensive Industries
ISSUE DATE	October, 2022
TOPIC	Energy and Emissions Intensive
SUMMARY OF ISSUE	As a coffee roaster, Peace Coffee operates in an industry that is energy intensive.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	Approximately 97% revenue comes from coffee products.
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 utilized and management practices in place to manage energy use.
IMPLEMENTED MGT PRACTICES	<p>Peace Coffee uses electricity that is generated via wind, delivers roasted coffee to local customers by bike, and is located in a building that has geothermal heat, solar panels, a green roof, and natural prairie. The company composts coffee chaff (a byproduct of the roasting process) and all of its food waste generated from its break room, and donates the burlap bags from green coffee for community gardening projects.</p> <p>A packaging refresh completed in 2018 lowered the total amount of packaging and labels needed for its products. The company's new bags create 10% less waste by using less material and reducing applied label stickers from 3 to 1. The company is also using digitally printed bags for 75% of its coffees, which eliminate stickers altogether.</p> <p>Since 2017, Peace Coffee has invested three cents per pound for each pound of coffee purchased into the Climate, Carbon, and Coffee Fund. This fund supports producer-driven projects that promote climate change mitigation and adaptation strategies, and the development and implementation of the Cool Farm Tool (CFT) created by the Cool Farm Alliance. The CFT will measure carbon sequestration of small-scale coffee farms. In 2022, using data from the CFT, Peace Coffee will begin to issue premiums to producers to acknowledge on-farm carbon sequestration.</p> <p>Peace Coffee measures its carbon footprint. The company will be completing an expansion of its operations in mid-2022 and will be using 2023 as a baseline to understand how to better reduce its emissions. In the meantime, Peace Coffee is researching possibilities to reduce carbon emissions for inbound coffee deliveries.</p> <p>With data from the Cool Farm Tool and once Peace Coffee's carbon footprint after expansion is calculated, the company will be able to work towards carbon neutrality through carbon insetting within its value chain. Carbon insetting will be done by investing three cents per pound of green coffee purchased into the Carbon, Climate and Coffee Fund and offering smallholder farmers environmental service payments for their carbon sequestration.</p> <p>The company engages in the Carbon, Climate, and Coffee fund with its importing cooperative, Cooperative Coffees, which is co-owned by 20 roasters.</p> <p>Peace Coffee coordinates longer run times and maximizes its machine operations to optimize production. The company periodically schedules down days to maintain its equipment in order to increase performance, increasing efficiency which reduces emissions.</p>



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DISCLOSURE QUESTIONNAIRE CATEGORY	Environmentally Intensive Industries
ISSUE DATE	October, 2022
TOPIC	Biodiversity Impact
SUMMARY OF ISSUE	As a coffee roaster that sources directly from farms, Peace Coffee operates in an industry that can have negative biodiversity impacts.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	Approximately 97% revenue comes from coffee products.
IMPACT ON STAKEHOLDERS	The industry poses a risk to the environment due to the risk of virgin forest being cleared to make way for coffee plantations, most commonly found with commodity coffee plantations and those that are more mechanised in their harvesting.
IMPLEMENTED MGT PRACTICES	<p>"The green coffee that Peace Coffee purchases is certified to USDA National Organic Program (NOP) organic standards and to Fair Trade International standards.</p> <ul style="list-style-type: none"> - The Organic Foods Production Act of 1990 established the NOP, which expressly prohibits the use of synthetic chemicals in the production and handling of organic foods, removing the risk of on-farm pesticide run-off. - The Fairtrade Standard for small scale Producer Organizations states the requirements to protect and enhance biodiversity. <p>Peace Coffee established its importing business model in 1999 and as a result of its direct relationships, it understands the issues in coffee growing communities and has evolved its business model over the years to be responsive to farmer's challenges. In its supply chain, Peace Coffee pays prices that are responsive to the needs of its partners and to the quality of coffee provided, builds long term relationships with well managed cooperatives, and supports its partners in accessing knowledge and skills around regenerative, organic agricultural practices. For over twenty-five years the company has been working hand in hand with coffee farmers to ensure a sustainable supply chain that values people, planet, and profit."</p>



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DISCLOSURE QUESTIONNAIRE CATEGORY	Environmentally Intensive Industries
ISSUE DATE	October, 2022
TOPIC	Water Intensive
SUMMARY OF ISSUE	As a coffee roaster that sources directly from farms, Peace Coffee operates in an industry (agriculture) that is very water intensive.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	Approximately 97% revenue comes from coffee products.
IMPACT ON STAKEHOLDERS	The company's coffee suppliers are located in Colombia, Democratic Republic of Congo, Ethiopia, Guatemala, Honduras, Nicaragua, Peru and Sumatra. Within the regions where the coffee is grown, farms will have different microclimates and therefore water sources and supplies will differ. Peace Coffee use of water at the roastery is for cleaning and sanitation purposes.
IMPLEMENTED MGT PRACTICES	Rarely is irrigation used on smallholder coffee farms. Waste water is created during processing on farm or at cooperative processing locations. It is considered a best practice for coffee processing and most organizations encourage the installation of wastewater filtration ponds. In addition, although it is not a strict requirement for organic certification, filtration ponds are often considered a requirement in many organizations' internal control systems. Additionally, there are processing methods that can be used to reduce water use such as mechanically removing the fruit/mucilage from coffee without water, or using the dry/natural processing method.



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PROVIDED BY: **Peace Coffee** UPDATED AS OF: **11/14/2022**

DISCLOSURE QUESTIONNAIRE CATEGORY	Significant layoffs of >20% of workforce
ISSUE DATE	March, 2020
TOPIC	Significant layoffs due to COVID-19 pandemic
SUMMARY OF ISSUE	In March 2020, Peace Coffee closed its retail stores due to government regulations regarding COVID. In late 2020, many restrictions were still in place that would have made operating the shops no longer feasible so the retail locations were permanently closed. This resulted in the loss of 30 jobs, representing 43% of the total.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	30 employees of 69 were laid off, representing 43% of the company's employees at that time.
IMPACT ON STAKEHOLDERS	Primary impact was loss of employment for affected employees.
IMPLEMENTED MGT PRACTICES	<p>For the staff laid off, the company provided a severance package which included 2-8 weeks of severance pay (based on role & length of employment), full payout of accrued but unused PTO, and 1-2 months of health insurance stipends for those with health insurance through Peace Coffee (based on role & length of employment).</p> <p>Peace Coffee offered temporary roles to all workers who were laid off within 90 days of the layoff - 7 of the 30 expressed interest and were rehired (6 staff were hired into permanent new roles within 12 months, one chose to leave the company at the end of the temporary contract). The staff applied through the regular hiring processes and were given preference if they were a former staff member from the laid off staff pool and were qualified for the role. From this pool, anyone who did apply was hired into permanent roles.</p>