



## 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: Costadoro  
Date Submitted: 03/06/2023

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: **Costadoro** UPDATED AS OF: **03/06/2023**

<b>DISCLOSURE QUESTIONNAIRE CATEGORY</b>	Environmentally Intensive Industries
<b>TOPIC</b>	Energy and Emissions Intensive
<b>SUMMARY OF ISSUE</b>	<p>As a coffee roaster, Costadoro operates in an industry that is energy intensive.</p> <p>Below are the energy sources used by company:</p> <ul style="list-style-type: none"> <li>• Gas for the roasters: natural gas</li> <li>• Electricity: energetic national mix 2021 of Axpo (the company's supplier): renewable sources (19.04%), coal (11.54%), natural gas (57.36%), fossil fuels (1.23%), nuclear (6.23%) others (4.60%)</li> <li>• Also, company is provided with an on-site solar panel system (50Kw/h)</li> </ul>
<b>SIZE/SCOPE OF ISSUE</b> (e.g. \$ financial implication, # of individuals affected)	Approximately, 73% of company's revenue came from roasted coffee products.
<b>IMPACT ON STAKEHOLDERS</b>	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.
<b>IMPLEMENTED MGT PRACTICES</b>	<p>One of the company's main goals for 2024 is to implement a robust system to measure their environmental impact by monitoring consumption, emissions, waste production and setting reduction targets.</p> <p>The following are the company's best practices:</p> <ul style="list-style-type: none"> <li>• The thermal power plant has been changed to a more efficient boiler with better performance.</li> <li>• The lighting fixtures installed in the new factory, in the renovated part and in the new offices are low consumption (LED). In addition, the zenithal lighting of the warehouse allows considerable savings in artificial lighting.</li> <li>• Presence sensors have been installed in the toilets and passage areas.</li> <li>• Chilling systems are available downstream of the roasting process.</li> <li>• Emissions into the atmosphere are analyzed, with the periodicity required by the emission authorization, by specialized personnel of a suitable external chemical laboratory, by means of samples taken at specific points placed on the chimneys of roasters.</li> <li>• There are programs for the management of the plants that generate emissions, technical methods and maintenance times of the abatement systems (cyclones and afterburner) and provides for the cleaning of the burners.</li> <li>• Within qualified suppliers, request more systematically the supply of products / services that meet environmental requirements (use of green purchasing specifications).</li> <li>• Adoption of electric vans.</li> <li>• Constant consumption monitoring.</li> </ul>



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<b>DISCLOSURE QUESTIONNAIRE CATEGORY</b>	Suppliers in Conflict Zones
<b>TOPIC</b>	Costadoro derives a part of their revenue from operations based in Ethiopia.
<b>SUMMARY OF ISSUE</b>	<p>Costadoro is a coffee company whose part of suppliers is based in Ethiopia.</p> <p>Ethiopia has experienced an ongoing civil conflict since late 2020. The situation is classified as conflict zone by World Bank in 2023.</p>
<b>SIZE/SCOPE OF ISSUE</b> (e.g. \$ financial implication, # of individuals affected)	Approximately 5% of the company's suppliers expenses are from products supplied from Ethiopia.
<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>	Costadoro buys coffee exclusively from the Sidama region (southern Ethiopia) which is 1300 km away from the conflict areas in Tigray. The company has a due diligence in place to verify their suppliers practices. This process include closely follow ups and trade license checks, export capacity certificate issued by Coffee and Tea Authority checks, verifying who owns the supplying company, and checking if the supplier do have any relationship with the federal government or entities based in Tigray region itself.