



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: Two Drifters Distillery LTD
 Date Submitted: 12/15/2021

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:

Two Drifters Distillery LTD

UPDATED AS OF:

12/15/2021

DISCLOSURE QUESTIONNAIRE CATEGORY	Environmentally Intensive Industries
TOPIC	Water Intensive Industries
SUMMARY OF ISSUE	As a distiller, Two Drifters Distillery LTD operates in an industry that is water intensive.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	In the previous fiscal year, 91% of revenue was earned from the sale of alcohol
IMPACT ON STAKEHOLDERS	<p>"As a water intensive industry, distilling poses risks such as water stress or depletion of local water sources if water use is not appropriately managed.</p> <p>Two Drifters Distillery Ltd uses mains water provided by South West Water. Currently, the company's water usage is not large enough to majorly impact other stakeholders that rely on the water provided by South West Water. "</p>
IMPLEMENTED MGT PRACTICES	<p>"The company's consumption in 2019 was 205 m3 and its consumption in 2020 was 365 m3. It is true that as the company continues to grow it will increase its water consumption, given that 60% of the company's 40%ABV (Alcohol by Volume) product is water. Water is also necessary for the fermentation process and, of course, for cleaning the vessels.</p> <p>However, as a distillery the company takes great pride in saving water where it is able to. Specifically, all the company's condensers are cooled by a closed loop ethylene glycol/water mix that the company calculates saves 5.5 m3 per batch of molasses fermented. The distillery has produced over 71 batches since beginning in 2019. This is around 390.5 m3 of water saved since production started.</p> <p>After the fermentation process, the company performs the first distillation. The waste produced from this process contains both water and valuable molasses nutrients. The waste is transported to a local farmer less than 10 miles, or 16 kilometers, away; this means the water is not simply wasted, but used locally. The waste material has to be cooled, though, and the company uses water passed through a heat exchanger to cool this waste. The water that is heated is used for the cleaning of vessels. So, both the water and energy is conserved in this process. Water usage is directly related to CO2 emissions. During its LCA of 2020 the company used 205 m3 and this directly caused 71.74 kgCO2e and therefore has to use the Climeworks removal tool to remove that CO2. CO2 is emitted in the processing and transport networks for water and these are considered direct emissions to the company or Scope 1.</p> <p>As a business, Two Drifters Distillery continues to grow and there will be a need to continuously monitor its water use. The company has a water meter and takes regular updates because the company is focused on its CO2 emissions and the water usage contributes to its Scope 1 emissions. Since the company commits to having a carbon negative footprint through carbon dioxide removal by Climeworks Direct Air Capture technology, the company has a large financial penalty built into its business model if it is not looking for ways to avoid water wastage. Therefore, the company is constantly looking at alternative technologies to prevent its overuse of water. As an example, the company is looking to implement rainwater harvesting in the next 2 years to provide water for diluting its rums. "</p>

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Two Drifters Distillery LTD

UPDATED AS OF:

12/15/2021

DISCLOSURE QUESTIONNAIRE CATEGORY	Alcohol
TOPIC	Company produces alcohol products
SUMMARY OF ISSUE	Two Drifters Distillery is a distiller that earns a material amount of revenue from the sale of alcohol. The company produces rum alcohol from sugar cane molasses with an %ABV of 40% and 60%. The company sells alcohol to wholesale and retail. The company also serves alcohol on its premises.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	In the previous fiscal year, 91% of revenue was earned from the sale of alcohol
IMPACT ON STAKEHOLDERS	Alcohol may have a negative impact on the health and well-being of individuals and their communities.
IMPLEMENTED MGT PRACTICES	<p>"Two Drifters Distillery has all relevant licences and adheres to best practices encouraged by regulatory authorities in relation to the sale of alcohol in the jurisdictions where it operates.</p> <p>The company has labelling on all of its products that indicates the recommended units of alcohol that the Chief Medical Officer for the UK advises for consumption for both men and women. Additionally, there is a recommendation for pregnant women not to consume alcohol.</p> <p>The company's staff are required to complete their Personal Licence, the training for which includes learning about serving alcohol and the responsibilities associated with serving alcohol.</p> <p>The company employs an Age 25 check policy that states the company actively asks for identification if a customer appears under 25. Additionally, all staff are trained in how to deal with over-serving issues and when to stop serving a customer, if that is appropriate. These policy's are best practices and encouraged by the regulating authorities, they are not law."able to.</p>