



FNC SA

Disclosure Report
Date Submitted: June, 2024



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 that B Lab deems relevant for public stakeholders, then, as a condition of their certification, the company must:

- 1) Be transparent about details of 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 practices are in place to avoid similar issues from arising in the future, when necessary.

In all cases, the Standards Advisory council reserves the right to refuse certification if the company is ultimately deemed not to uphold the spirit and integrity of the community.

In addition to the voluntary indication of sensitive issues in the Disclosure Questionnaire, companies pursuing Certification also are subject to a background check 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.

B Lab's Public Complaints Process

Any party may submit a complaint about a current B Corp through [B Lab's Public Complaint Process](#). Grounds for complaint include:

- 1) Intentional misrepresentation of practices, policies, and/or claimed outcomes during the company's [certification process](#)
- 2) Breaches of the B Corp Community's core values as expressed in our [Declaration of Interdependence](#)

This document contains a copy of the company's completed Disclosure Questionnaire and related disclosure documentation provided by the company.



Disclosure Questionnaire

Industries and Products

	Yes	No
Please indicate if the company is involved in production or trade in any of the following. Select Yes for all options that apply.		
Animal Products or Services	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Biodiversity Impacts	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Chemicals	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Alcohol	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Disclosure Firearms Weapons	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Mining	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Pornography	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Tobacco	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Energy and Emissions Intensive Industries	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Fossil fuels Gambling	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Genetically Modified Organisms	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Illegal Products or Subject to Phase Out	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Industries at Risk of Human Rights Violations	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Monoculture Agriculture	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Nuclear Power or Hazardous Materials	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Payday, Short Term, or High Interest Lending	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Water Intensive Industries	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tax Advisory Services	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Outcomes & Penalties

	Yes	No
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	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Breaches of Confidential Information	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Bribery, Fraud, or Corruption	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company has filed for bankruptcy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Consumer Protection	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Financial Reporting, Taxes, Investments, or Loans	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Labor Issues	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Large Scale Land Conversion, Acquisition, or Relocation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Litigation or Arbitration	<input checked="" type="checkbox"/>	<input type="checkbox"/>
On-Site Fatality	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Penalties Assessed For Environmental Issues	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Political Contributions or International Affairs	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Recalls	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Significant Layoffs	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Violation of Indigenous Peoples Rights	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>



Practices

	Yes	No
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	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company prohibits freedom of association/collective bargaining	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company workers are prisoners	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Conduct Business in Conflict Zones	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Confirmation of Right to Work	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Does not transparently report corporate financials to government	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Employs Individuals on Zero-Hour Contracts	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Facilities located in sensitive ecosystems	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ID Cards Withheld or Penalties for Resignation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
No formal Registration Under Domestic Regulations	<input type="checkbox"/>	<input checked="" type="checkbox"/>
No signed employment contracts for all workers	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Overtime For Hourly Workers Is Compulsory	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Payslips not provided to show wage calculation and deductions	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Yes	No
Sale of Data	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Tax Reduction Through Corporate Shells	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers cannot leave site during non-working hours	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers not Provided Clean Drinking Water or Toilets	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers paid below minimum wage	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers Under Bond	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Child or Forced Labor	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Negative Environmental Impact	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Negative Social Impact	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Environmentally Intensive Industries

Topic	Biodiversity Impact and Monoculture Agriculture
Summary of Issue	As a brewery, FNC SA operates in an industry in which biodiversity impact and monoculture agriculture are material environmental issues.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	FNC is a subsidiary of AB INBEV and operates in Uruguay. The company does not own land to cultivate barley (or any other crops), but buys approximately 6,500 ton of malted barley a year from malthouses. The company also distributes a small percentage of bottled wines.
Impact on Stakeholders	Agriculture, particularly in cases where a single crop is cultivated at a time, poses a risk to local ecosystems of flora and fauna as well as the potential degradation of cultivated land.
Management Practices	<p>Uruguay has a Soil and Water Conservation Law (Law No. 15,239), which declares it a national interest to promote and regulate the use and conservation of soils and surface waters intended for agricultural purposes. Barley cultivation falls under this regime as it impacts the crop rotations of each farm. In this regard, the law requires the submission of a Responsible Soil Use and Management Plan, which must demonstrate that the projected production system results in tolerable erosion, taking into account the property's soils, crop sequence, and management practices.</p> <p>The Company studies global maps on barley and other crops they use to understand the local biodiversity. The company ensures that 100% of their producers are connected, trained, and financially educated, and building a close relationship between the company's agronomists, the malt house, and the producers to promote sustainable management practices. Crop planting and rotation decisions are inserted within the Responsible Soil Use and Management Plan that the producer must present to the Ministry of Agriculture, Livestock and Fisheries.</p> <p>The company has three sustainability goals that address biodiversity issues:</p> <p>a. Water Goal: It includes territorial management in water-stressed areas to ensure the improvement of water quality and availability where priority zones for restoration and conservation have been mapped. The company achieves this by connecting forest fragments and increasing forest cover in municipalities and local watersheds. The company focuses on management practices and varietal improvement, such as using water-efficient varieties, appropriate planting density to maximize plant water use, crop rotations, etc.</p> <p>b. Carbon Goal: 25% reduction in total emissions throughout the value chain, including the expansion of regenerative agriculture to preserve soil biodiversity. Regenerative agriculture is a holistic approach to improving soil health, increasing land productivity, better managing water resources, and developing local climate resilience to reduce greenhouse gas emissions and support the next generation of farmers. It is based on eight main practices, including selecting the best varieties adapted to each region, efficient crop nutrition, and continuous soil cover, among others. These practices are implemented in collaboration with farmers, encouraging and facilitating their application. In Uruguay, a pilot program on promoting</p>



	<p>regenerative agriculture is being developed with INIA. It involves 2,233 hectares with the participation of 27 producers and distributors.</p> <p>c. Agro Goal: Achieving that 100% of their producers are trained, connected, and financially empowered for decisions affecting the barley business. A portal (agroportal) has been developed to track all this data at the farm level.</p> <p>These goals are distributed among various areas of the company and are part of the variable compensation objectives for Directors and Managers.</p>
Report	https://www.fnc.com.uy/files/site/sustentabilidad/FNC-reporte2022-FINAL_liviano.pdf



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Environmentally Intensive Industries

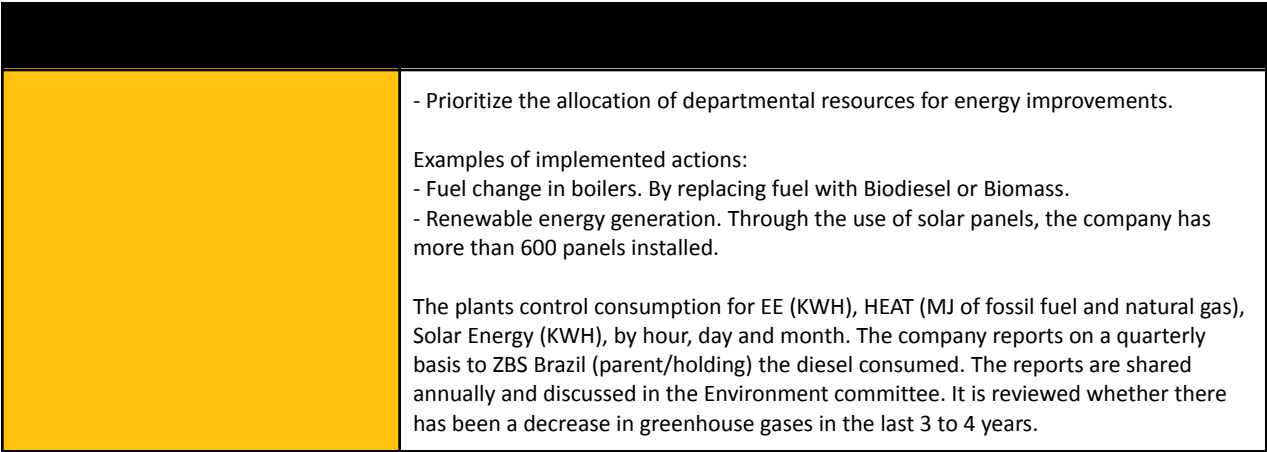
Topic	Water Intensive Industries
Summary of Issue	As a brewery, FNC SA operates in an industry that is water intensive.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	FNC SA buys and does not cultivate their own barley or crops. The company uses water for cleaning and washing equipment and making beer and soft drinks. The company's current water use is 2.82 hl of water/hl packaged in 2023.
Impact on Stakeholders	As a water intensive industry, brewing and manufacturing soft drinks poses risks such as water stress or depletion of local water sources if water use is not appropriately managed. The company operates in an area not considered water scarce.
Management Practices	<p>FNC SA monitors water usage daily with a report of deviations. The company has a goal of 2.7 hl per hl of product in 2024. According to the company, a 20-year-old brewery with a water management program in place can expect a water ratio of 4.4 hl per hl of product.</p> <p>The company uses a tool called "Sweep tool" to help them benchmark with other similar companies. The Sweep tool compares among plants within the company, not with other industries outside ABInbev. The utility of this tool is to benchmark against similar operations in terms of volume produced and packaged and to identify improvement opportunities in various Energy and Fluids KPIs.</p> <p>In 2024, the company uses municipal water and plans to use water from wells that are drilled within their property to supply the 25% of water they consume to operate the factory. The company is not located in a water-stressed region, however, there was a water crisis in 2023 where the factory is located. Since the water crisis in 2023, the company has invested in wells to reduce consumption from the network that supplies homes in Montevideo.</p> <p>The company is also investing in improvements in equipment and in the reuse of water; utilizing water used to wash PET bottles before filling as cooling tower water in service, or directly as boiler makeup water. Equipment installed to improve the water KPI includes heat exchangers to cool specific consumptions rather than large quantities</p>
Report	<p>Pág 37:</p> <p>https://www.fnc.com.uy/files/site/sustentabilidad/FNC-reporte2022-FINAL_liviano.pdf</p>



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Environmentally Intensive Industries

Issue Date	Ongoing
Topic	Energy Intensive Industry
Summary of Issue	As a brewery, FNC SA operates in an industry that is energy intensive.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	<p>100% of the company's revenue comes from the product or service related to energy-intensive use.</p> <p>Electrical Energy the KPI is 12.93 kwh/hl and in terms of Heat it is 49.1 MJ/hl.</p> <p>Energy use breakdown is the following: Electric (Fuels for electricity generation (scope 1): 23.5% (Solar) Electric (Electricity (imported) (scope 2): 76.5% (UTE) Energy (Fuels for heat generation (scope 1): Natural gas: 20% Energy (Fuels for heat generation (scope 1): Fossil fuel: 80%</p> <p>Scope 1: 8117 metric tonnes of equivalent CO2 - in-situ energy generation (boilers - natural gas, petroleum, coal), heating systems (for buildings) that use primary fuels, raw materials and packaging transportation (internal only), product transportation (internal only)</p> <p>Scope 2: 0 metric tonnes of equivalent CO2 - concession electricity consumed by the company, district heating and cooling consumed by the company</p> <p>Scope 3: 1454 metric tonnes of equivalent CO2 - extraction and production of materials, fuels transportation, products and services usage, Agricultural, Raw materials, Materials packaging, Transportation (primary, secondary and waste related), Re-product refrigeration. The company is not currently tracking all Scope 3 emissions.</p> <p>The company's FY2022 carbon emissions were calculated at 9,571 TCo2e."</p>
Impact on Stakeholders	Brewing and manufacturing soft drinks is an energy intensive industry. The company's energy source is natural gas and fuel oil (for heating and boilers) and electricity energy from a solar source.
Management Practices	<p>The company's objective is to reduce their carbon footprint to achieve Carbon Neutrality by 2040, eliminating as much as possible GHG emissions and offsetting emissions at a minimum.</p> <p>Action plan for workers:</p> <ul style="list-style-type: none">- Operating machinery efficiently.- Appropriate shut-off of machines.- Tracking fluids and energy losses.- Educating workers on specific targets for each sector of the company. <p>Action plan for facilities:</p> <ul style="list-style-type: none">- Promote, track and improve the sector's energy improvement plan.





Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Alcohol

Issue Date	Ongoing
Topic	Company produces and sells alcohol products.
Summary of Issue	FNC SA produces beer and other soft drinks and earns a material amount of revenue from the sale of alcohol.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	In the previous fiscal year, 72.9% of FNC SA's revenue was earned from the sale of alcohol. 97% of their products are sold by distributors and 0.02% directly to consumers through their website.
Impact on Stakeholders	Alcohol may have a negative impact on the health and well-being of individuals and their communities.
Management Practices	<p>FNC SA complies with the following regulations:</p> <ul style="list-style-type: none">- Bromatological Qualification of the company in the Municipality of Montevideo (Habilitación Bromatológica de la empresa en la Intendencia de Montevideo)- Bromatological Qualification of the company's warehouse in the Municipality of Montevideo (Habilitación Bromatológica del depósito de la empresa en la Intendencia de Montevideo)- Bromatological Qualification of the company in the Municipality of Lavalleja (Habilitación Bromatológica de la empresa en la Intendencia de Lavalleja) <p>The company's manufacturing plant has a bromatological authorization granted by the Municipality of Montevideo Food Regulation Service.</p> <p>FNC SA work on three key aspects related to alcohol consumption: zero alcohol while driving, zero alcohol for minors and zero alcohol in excess. The company addresses these topics in both regulatory communication policies, as well as in campaigns, workshops, and alliances. The company works together with DESEM, Jóvenes Emprendedores (young entrepreneurs) "En Otras Palabras" (In Other Words) to develop an educational program aimed at reflecting and discouraging alcohol consumption in minors (see link below). The company hosts a podcast series called "Huella Cero en Menores" (Zero Footprint in Minors- see link below) where they talk with experts about different topics related to alcohol consumption, seeking to bring responsible information to the entire community.</p> <p>The company sells directly through the TADA website and to its distributors (link attached below).</p>
Report	<ul style="list-style-type: none">- WEB Huella Cero- Tada Online Store- AB INBEV Responsible marketing and Communications Code

Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Facilities located in sensitive ecosystems

Topic	Company has manufacturing facility located adjacent to a nature reserve
Summary of Issue	The company operates a facility adjacent to the "Reserva Natural Salus". The Reserva Natural Salus has more than 1.300 hectares inhabited by 138 species of birds, 20 species of mammals, 13 of reptiles and 7 of amphibians.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	Approximately 75% of the Minas' brewery (~35800 m2), in terms of area, is located adjacent to the sensitive ecosystem.
Impact on Stakeholders	<p>Potential environmental risks are as follows:</p> <ol style="list-style-type: none"> 1) Use of natural resources 2) Effluent disposal 3) Solid waste 4) Hazardous waste 5) Atmospheric gases 6) Noise <p>Management of the use of Natural Resources: The company's plant uses water from the underground system. The amount extracted, and the way it is extracted is in accordance with the national legislation of the Uruguay Laws, (that ensures the correct exploitation of these resources).</p> <p>Effluent Management: Due to the normal operation of the plant, effluent is generated that is properly treated before being directed to the watercourse. The effluent has a 24/7 monitoring system that ensures parameters are within the limits of the legal operating permit emitted by the Ministry of Environment. This information is transmitted by an on-line system to the corresponding government agencies that ensures the controls. The point in which the effluent is directed into the water course, is placed downstream of the Salus natural reserve, thus not affecting the quality of the water that runs in one of the borders.</p> <p>Management of solid waste: Due to the normal operation of the plant, solid waste is generated. The following waste was generated and treated accordingly:</p> <ul style="list-style-type: none"> - Glass - Aluminum - Paper & Cardboard - Plastics - Organic Waste - Iron and other metals - Malt sprouts & Malts dusts - Aerobic sludge - Yeast - Trub - Bagasse

	<p>All the waste identified, is properly stored in the plant, properly classified if necessary, and then transported by the legally approved transport to approved receivers of each of the mentioned solid waste identified.</p> <p>Hazardous Waste management. Different chemicals are used in the plant. Appropriate storage with physical contention is installed for each chemical. In all the areas of the plant anti-spill kits are properly displayed, and the operational staff are trained accordingly.</p> <p>Management of gases to the atmosphere. Due to the use of a boiler to generate steam that runs on fossil fuels, the company generates emissions into the atmosphere. The company operated in accordance with the national Decree 135/021 that monitors the regulation of air quality (https://www.impo.com.uy/bases/decretos/135-2021). The company analyzed the following gases: O2, NO, NOx, CO, SO2, output.</p> <p>Due to the effluent treatment process that runs through an anaerobic reactor, CH4 is generated that is later burned in a torch.</p> <p>For the movement of grains through the plant, the company has installed a proper dust system filter, that prevents the emission of dust to the atmosphere.</p> <p>As well as part of the normal operation of the plant, noise is generated. The company frequently analyzes the levels of noise produced by the plant to ensure that we are within the limits of the area in which the plant operates.</p>
Management Practices	<p>FNC have implemented different tools in order to control and mitigate the different environmental risks associated with the operation of the plant. Each semester all the areas of the brewery perform a detailed analysis to detect possible risks and no conformities that could be derived into a Non environmental conformity. This analysis involves the revision of legal requirements, liquid, and solid waste, as well as training to the facility staff. A weekly monitoring performed by the management staff is implemented, to detect and eliminate potential risks, and act in consequence to eliminate the identified risk.</p> <p>Additionally, storm drainage is inspected to verify that only rainwater is being channeled through this system.</p> <p>Third party audits are performed to transport suppliers all the way to the final receiver, to guarantee the correct disposal of the generated waste.</p> <p>As part of promoting the environment and generating consciousness regarding different related topics, the company annually celebrates the International Day of Environment, and the International Day of Water. The company promotes these events with the staff, suppliers, and key stakeholders, to give visibility and issues such as recyclability, water resource, and how to work in order to achieve the global objectives for sustainability.</p>



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Outcomes & Penalties

Topic	Anti Competitive Behavior
Issue Date	November 2017 and October 2022
Summary of Issue	<p>FNC SA was assessed two fines from two separate instances in relation to anti-competitive behavior.</p> <p>1) By Resolution No. 121/017 dated November 8, 2017, the Competition Promotion and Defense Commission Established the FNC dominant position and that the commercial strategy was a barrier for other competitors to grow through exclusivity agreements. The Commission Ordered the cessation of illegal conduct and imposed a fine.</p> <p>2) By Resolution No. 227/022 dated October 18, 2022, the Competition Promotion and Defense Commission imposed a fine of 36 million UIs on FNC for abuse of dominant position.</p>
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	<p>2017: The company was fined approximately 1.7M USD representing 10% of their revenue for that fiscal year</p> <p>2022: The company was fined approximately 4.8MUSD representing 31% of their revenue for that fiscal year</p>
Impact on Stakeholders	Stakeholders affected were other companies in the industry who claimed difficulties to enter the market.
Resolution	The company cooperated with the authorities and remedied the issues along with paying the required fines.
Management Practices	The company has policies relating to anti-corruption and responsible supply in addition to a code of ethics, all of which can be viewed on their website linked below.
Report	https://www.fnc.com.uy/site/nuestras-politicas



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Litigation

Issue Date	2018-2022
Topic	Labor Litigation cases filed against the company by employees or ex-employees/suppliers employees.
Summary of Issue	The company has 13 cases of litigation related to compensation for dismissal, moral damages, wage discrepancy and bonus payments.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	<ul style="list-style-type: none">- 10 cases were in regards to unpaid wages in the form of unused leave claim, vacation pay, year-end bonus calculation, personal development incentives, overtime and loss of unemployment insurance totaling USD 486,819.14 amount of payments made by the company.- 1 case was in regard to unpaid wages in the form of gross misconduct termination totaling USD 14,047.96 amount of payments made by the company.- 1 case was in regard to unpaid wages in the form of wrongful dismissal totaling USD 11,189.83 amount of payments made by the company.- 1 case was in regard to unpaid wages in the form of work related accident damages totaling USD 17,805.08 amount of payments made by the company.
Impact on Stakeholders	The primary impacts related to labor litigation is financial and wellbeing impact on employees and third parties.
Resolution	All cases have been closed and corresponding settlement has been paid with the exception of one case which is pending appeal.
Management Practices	The company has corrected the processes discrepancy on matters related to outstanding pay, bonus, vacation pay, professional development incentives and other financial benefits.
Related Incidents (Yes/No)	No