



## 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: Nc'nean Distillery

Date Submitted: 12/20/2021

### 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		✓
<b>Supply Chain Disclosures Yes No</b> 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		✓
<b>Practices True False</b> 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: Nc'nean Distillery UPDATED AS OF: 12/20/2021

<b>DISCLOSURE QUESTIONNAIRE CATEGORY</b>	Environmentally Intensive Industries
<b>TOPIC</b>	Water Intensive Industries
<b>SUMMARY OF ISSUE</b>	As a distiller, Nc'nean Distillery operates in an industry that is water intensive.
<b>SIZE/SCOPE OF ISSUE</b> (e.g. \$ financial implication, # of individuals affected)	In the previous fiscal year, 84% of Nc'nean Distillery revenue was earned from the sale of alcohol. Water is needed for both the production of whisky and to cool the alcohol vapours as they come out of the distillation process. Water usage is essential to the process, and the majority of it (130 litres/per minute) is required to cool the spirit. The company has two condensers, which can require up to 260 litres per minute (130 liters/per minute per condenser). The company stills run for 8 hours a day 5 days a week.
<b>IMPACT ON STAKEHOLDERS</b>	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. The company have a private water source which is dedicated entirely to distillery use. They are not located in a water stressed region.

### IMPLEMENTED MGT PRACTICES

"They have designed the condensers (the equipment that cools the spirit that comes off the stills) to be on a closed loop system so that the same volume of water is re-used over and over. This reduces the water intensity taking their water footprint down to an average of 36 litres of water per litre of alcohol produced. Furthermore, they have environmental policies relating to water, which set out that they have to continually monitor usage and at least annually assess ways that they can improve their water efficiency.

They have also conducted an assessment, based on litres of water per litre of pure alcohol produced, but the company adds that this research is not easily comparable because water usage and calculation methods are not routinely published by distilleries in the industry. Research from an international industry body indicates that distillery usage can range between 5 – 135 litres per litre of finished product. The company usage under this methodology is 17 litres per litre of finished product. The Scotch Whisky Association are piloting a new stewardship scheme for water usage which is aimed to encourage a significant reduction in water usage to below 25 litres/LPA. This scheme should encourage more visibility about water use in the industry"



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<b>DISCLOSURE QUESTIONNAIRE CATEGORY</b>	Alcohol
<b>TOPIC</b>	Company produces alcohol products
<b>SUMMARY OF ISSUE</b>	Nc'nean Distillery is a distiller that earns a material amount of revenue from the sale of alcohol
<b>SIZE/SCOPE OF ISSUE</b> (e.g. \$ financial implication, # of individuals affected)	In the previous fiscal year, 84% of Nc'nean Distillery revenue was earned from the sale of alcohol
<b>IMPACT ON STAKEHOLDERS</b>	Alcohol may have a negative impact on the health and well-being of individuals and their communities

#### **IMPLEMENTED MGT PRACTICES**

"The company complies with all of the regulations and laws related to the sale of alcohol in the jurisdictions where they operate.

They follow industry best practice for alcohol marketing, such as defined by the Portman Group. This includes showing the number of UK units on the bottle, and the recommended wording "The UK Chief medical officer recommends adults do not regularly drink more than 14 units per week. Drink responsibly." on every bottle that they sell.

They have an age gateway on their website which requires people to identify as over 18. In their bar and for tours they adopt the 'challenge 25' policy which requires ID verification for the consumption and sale of alcohol to anyone who looks under 25 (the legal age for drinking in the UK is 18 so this is very conservative)."