



# Cervecería Chile S.A.

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Disclosure Report

Date Submitted: September 12th, 2023



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## 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.

**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 type="checkbox"/>	<input checked="" type="checkbox"/>
Chemicals	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<a href="#">Disclosure Alcohol</a>	<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"/>
<a href="#">Energy and Emissions Intensive Industries</a>	<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"/>
<a href="#">Water Intensive Industries</a>	<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 type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input checked="" 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: Alcohol

<b>Topic</b>	Company produces and sells alcohol products
<b>Summary of Issue</b>	Cerveceria Chile is a beverage manufacturer that earns a material amount of revenue from the sale of alcohol
<b>Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)</b>	In the previous fiscal year, 99.5% of Cervecería Chile S.A.'s revenue was earned from the sale of alcohol, with the rest earned from non-alcohol beverages.
<b>Impact on Stakeholders</b>	Alcohol may have a negative impact on the health and well-being of individuals and their communities
<b>Management Practices</b>	<p><b>The company complies to three main laws applicable to alcohol in Chile, these are:</b></p> <ul style="list-style-type: none"><li>- Law 18.455 about production, elaboration and commercialization of alcohol</li><li>- Law 21.363 about sales and consumption of alcoholic beverages</li><li>- Decree 78 from 1986 (regulation)</li></ul> <p>Compliance to these regulations are shown on their labels and marketing with associated warning symbols.</p> <p>Included in Cerveceria Chile's <a href="#">ESG Agenda</a> is a specific topic on 'Smart Drinking' where the company has established two goals to be achieved by 2025 and 2030 respectively.</p> <p>Goal 1: The company aims to invest 2.9 M USD in smart drinking campaigns and will promote zero-alcohol beer.</p> <p>Goal 2: The company plans to <a href="#">create road safety engineering interventions</a> in the commune of Quilicura where the company's brewery is located. This initiative is aimed at reducing fatalities caused by irresponsible driving.</p>



# Disclosure Questionnaire Statement

## Disclosure Questionnaire Category: Environmentally Intensive Industries, Water

Topic	Water Intensive Industries
Summary of Issue	As a brewery, Cervecería Chile S.A operates in an industry that is water intensive. Large quantities of water are used for the production of beer itself, as well as for washing, cleaning and sterilizing.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	<p>In the previous fiscal year, 100% of Cervecería Chile S.A's revenue was earned from the sale of alcohol.</p> <p>The company uses 3.95L of water for 1L of (beer products).</p>
Impact on Stakeholders	<p>As a water intensive industry, <b>brewing</b> poses risks such as water stress or depletion of local water sources if water use is not appropriately managed.</p> <p>The company uses four wells for water extraction, all sources are documented by the company's water rights titles. The company has studied Quilicura's hydrological regime in order to understand our impacts in the region, as the brewery is located in an industrial complex with a lot of industries also extracting water via wells in the area. More than 98% of the water rights assigned in the commune are from groundwaters, and Cervecería Chile represents the 0,06% of total extractions from the industrial zone. The water source is the Aquifer of "Colina Sur" which represents a big shared priority between the public sector, the residents of the commune and the industries operating in the zone. It is essential as there are nearby wetlands (most notably the "O'Higgins" Wetland) that are sustained by the aquifer, so the company's extraction affects the wetland directly and the total availability of water in the aquifer. The company's studies conducted with Engineering Without Borders determined that the general level of the aquifer has reduced in the past 30 years, as a direct result of the extraction of all the industries in the zone (however legal, it is still elevated consumption). Drinking water is provided by water plants that use superficial flow, so the company's extraction doesn't directly affect the supply of drinking water on the commune for citizens. The main impact is thereby environmental, affecting the aquifer levels and therefore decreasing the wetlands area. The company has studied the wetlands desertification also and confirmed the direct correlation, so the company's efforts are now focused on creating circularity in their water usage.</p> <p>The company's operations are located in the Metropolitan Region of Chile, a <a href="#">recently declared water stressed zone</a>. A level of high risk due to the <a href="#">megadrought that the country has been suffering for the past 11 years</a> and the increasing demand of water for domestic uses. Chile is ranked 16th in the climate risk index for 2017. <a href="#">Chile is in a pathway that could lead to significant water scarcity</a>; and in Chile the direct effects have been the increase in intensity of rainfall events, higher mean temperatures that increase the water demand on agriculture, and lower soil infiltration and recharge. Water stress, particularly in Quilicura, has been reflected in the depletion/desertification of the wetlands, as in the 1980s there was a huge wetland covering 30% of the land of the commune, while now it has become divided into three minor wetlands. The aquifer levels have also decreased, as shown in the study the company has conducted, and is expected to decrease at an even higher rate if the</p>

	level of extractions and temperatures keep rising.
<b>Management Practices</b>	<p>The company has established a plan of action regarding water stress and how it is affecting not only the region, but the whole country they are located in. In the company's ESG agenda, the main component is water, both in the Environmental and Social dimension, as the company acknowledges they need to consume water responsibly and extend their support in communities affected by water stress. In the environmental dimension, the company aims to reduce their water intensity to 2 liters of water consumed per liter of beer produced by 2025. The company also has another water goal for 2025 which consists of reaching a local circular water flow between use and disposition, hence the company has conducted studies for legal and technical feasibility for aquifer recharge with our treated waters (which have reached irrigation water quality) and thereby reducing the stress induced over the aquifer. The company also has a wetland restoration project on-going with a consultant group of urbanists, in order to preserve and restore the wetlands to increase the green areas for recreation in the commune. This project is directly linked to their water disposition project, as it intends to supply part of the wetlands. The company has set the target of giving safe access to drinking water to 30.000 people located in water stressed regions by 2030, translated in the creation of a program called Safe Water. This program consists of different alliances with strategic partners (NGOs and startups) which, by developing different kinds of projects, can supply drinking water and/or treatment to people in affected areas. The company has currently benefited more than 3.000 people with this program and keeps growing each year.</p> <p>The company has conducted a study of its water consumption against its main competitor and found that Cervecería Chile has a lower water ration of 3.95 hl/ hl compared to their competitors water consumption of 4.42 hl/ hl. This information is based on their annual memories and comparing local production of hectoliters divided in hectoliters of waters extracted for said production, by the year 2022.</p>



# Disclosure Questionnaire Statement

## Disclosure Questionnaire Category: Energy Intensive Industries

Energy and Emissions Intensive Industries	
<b>Topic</b>	Energy and Emissions Intensive Industries
<b>Summary of Issue</b>	As an alcoholic beverage manufacturer, Cervecería Chile S.A operates in an industry that is energy and emissions intensive. Particularly in the boiling, and refrigeration processes.
<b>Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)</b>	<p>In the previous fiscal year, 100% of revenue was earned from the sale of manufactured alcoholic beverages with electricity as the primary contributor to the company's energy consumption and emissions. In 2022, 49.14% of energy came from solar panels, 49.31% from wind turbines and 1.55% from hydropower.</p> <p>The company uses a platform to calculate every component of our carbon footprint in the three scopes: direct emissions, electric energy and indirect emissions. The components of the carbon footprint are the following:</p> <p>Packaging (Scope 3): 51% Product Cooling (Scope 3): 15% Logistics (Scope 1 and 3): 10% Agriculture (Scope 3): 8% Operations (Scope 1): 8% End of Life (Scope 3): 5% Processing Ingredients (Scope 1): 3% Energy Sources: 0% (100% renewable)</p>
<b>Impact on Stakeholders</b>	The company uses the indicator of Total Purchased Energy Produced (TPE) to achieve carbon neutrality in scope 1, which consists of reaching 75 MJ/hl, the equivalent of energy used per liter of beer produced. In 2022 the company emitted a total of 146,750 tonCO <sub>2</sub> eq, while their main competitor, emitted a total of 1,548,527 tonCO <sub>2</sub> eq.
<b>Management Practices</b>	<p>The company's <a href="#">Sustainability Report</a> states the targets for 2025 which include:</p> <ul style="list-style-type: none"><li>- 100% renewable energy, making scope 2 100% carbon neutral (achieved)</li><li>- 25% decrease in emissions of scope 3</li><li>- TPE of 50 MJ/hl produced (considered carbon zero in scope 1) to 2030</li></ul> <p>In 2022 the company made significant improvements in efficient energy usage as part of their TPE carbon neutrality strategy, such as:</p> <ul style="list-style-type: none"><li>- Acquired control system in washer of L2 that reduced energy consumption by 70%: Optimization of temperatures by control system.</li><li>- Acquired control system in pauste of L2 that reduced energy consumption by 50%: New exchange heater implemented to optimize consumption and recovery.</li><li>- Their green energy seal (100% renewable energy) has a major impact on their reduction of emissions since their baseline from 2017 where our Scope 1 + Scope 2 have reduced in carbon intensity per hectoliter in 13.05% and 100%, respectively</li></ul> <p>The company has a weekly environmental committee who meet and discuss potential energy efficiencies. They also have a climate action committee, which reviews areas including supply, logistics and procurement. Examples of projects to implement best practice include natural gas fueled trucks in our fleet (30% less emissions) and BioGas</p>





	fueled trucks (carbon negative).