



Compañía Cervecerías Unidas S.A. (CCU)

ESG Support Document 2023





In addition to what we communicated in CCU 2022 Annual Report, the following 2022 ESG information is provided:

Governance and Economic Dimension

1.2 Corporate Governance

1.2.6 Board Effectiveness

The average board meeting attendance for 2022 was 95.56%.

1.2.7 Board Average Tenure

The average tenure of board members in years is 11.87 years, considering directors in office on December 31, 2022¹.

1.5 Business Ethics

1.5.4 Codes of Conduct: Systems / Procedures

Business Code of Conduct and Board of Directors' Code of Conduct

CCU adopted its Business Code of Conduct in April 2004, updated it in March 2014 and updated it again in June 2022. The Code contains a set of principles, criteria, standards, guidelines and rules that should guide the conduct of each member of CCU, including senior executives and employees. The Code is available on our website www.ccu.cl and www.ccuinvestor.com.

The CCU Business Conduct Committee (the “BCC”) is chaired by the Corporate Human Resources Officer and includes the Chief Executive Officer, the General Controller, the Chief Financial Officer and the Legal Affairs Officer, and is responsible for keeping the Code up to date. It is also responsible for ensuring compliance with the Code, answering any queries that may be submitted to it in accordance with the Code, particularly those related to compliance with the law and regulations in force, and receiving, hearing and analyzing any complaints received, and may also recommend or impose the application of appropriate measures.

The BCC shall hold ordinary sessions at least eight times per calendar year, on the dates, times and places set by the BCC itself, and extraordinary sessions when specially called by the Chairperson of the BCC, either by her own decision or by indication of one or more members. The BCC shall inform the CCU Audit Committee every six months of complaints received, or immediately in the case of relevant matters.

In addition, in 2013 we adopted a Board of Directors' Code of Conduct, updated in July and December 2015, which covers confidentiality, access to external advisors, induction of elected board members and review of information relating to board member candidates, and establishes rules and procedures regarding conflicts of interest. This Code is available on our website www.ccu.cl and www.ccuinvestor.com.

¹ Directors in office on December 31, 2022: Andrónico Luksic, Carlos Molina, María Gabriela Cadenas, Vittorio Corbo, José Francisco Pérez, Pablo Granifo, Rodrigo Hinzpeter, Rory Cullinan and Marc Gross.



1.6 Policy Influence

1.6.1 Contributions & Other Spending

In 2022, CCU made contributions to memberships and trade associations, with an approximate amount spend of CLP\$592,000,000².

1.6.2 Largest Contributions & Expenditures

Name of organization	Description	Total amount paid FY 2022
Wines of Chile	A non-profit, private trade association that represents Chile's wine producers.	CLP\$343,377,227
Beer Producers Association of Chile, which stands for Asociación de Productores de Cerveza de Chile ("ACECHI") in Spanish	Guild that gathers and represents the main companies of the national beer industry.	CLP\$96,716,940
Sociedad de Fomento Fabril or ("SOFOFA") in Spanish	Non-profit trade federation that brings together companies and associations linked to the Chilean industrial sector.	CLP\$35,988,542

1.7 Supply Chain Management

1.7.2 Supplier ESG Program

- o About exclusion from contracting if suppliers cannot achieve a minimum ESG requirements within a set timeframe, given the circumstance that, in accordance with CCU's social responsibility conduct policies, it advocates that its workers have labor and safety conditions that are higher than legal standards. This conditions not only apply to their dependents, but also to any person who directly or indirectly provides services, the parties to this contract have agreed that, for those company workers who provide services inside.

In all of our bidding, the following processes are carried out:

- Potential suppliers are requested to be registered in our platform, where they're evaluated in financial and social terms. If they are not registered, they must register to continue with the tender process.
- The Dicom³ report is analyzed, if it indicates 999, it is Ok. Otherwise, we analyze the type of debts. If the company have pension debts, we must request the certificate F30 and F30-1.

On the other hand, in Engineering and Operations bidding we add a third specific process, given the nature of the service:

- The accident rate is analyzed, if it is greater than 2% (which is accepted by CCU) the provider is asked to justify its percentage. 2 situations can occur:
 - Case 1: It has been on the market for less than 2 years

² Considers 84% of the memberships and trade associations communicated in the 2022 Annual Report. Includes changes in values of UF, US dollar, etc.

³ Report of debts that people or entities have with the financial system.



If it has been in the market for less than 2 years, the supplier cannot request the drop in its contribution, for which reason the supplier must justify this issue by requesting the following document from their mutual: resolution that fixes the differentiated additional contribution rate by Law No. 16,744

- Case 2: Accident

If it is by accident, you have to investigate what kind of accident it is. If it is fatal, you cannot continue in the tender.

In addition, for the bidding for electric power, all those that did not meet the renewable energy requirements were excluded, which should be 100%, since it was established as an ESG criterion for their contracting.

- o Considering an ESG criteria in supplier selection and contract awarding, a weight has been established, although it depends on the nature of the service. There are minimum requirements in bidding rules, but there are no transversal environmental considerations given the diversity of services that CCU requires.
- o Every 4 months we deliver a publication that provides relevant information and updates for providers with a newsletter.

1.7.3 Supplier Assessment and Development

Regarding the License, Development Audit and VRS mentioned in the 2022 Annual Report, CCU has two hardy processes:

- i. Supplier evaluation process, in which the related areas and the technical departments of the different CCU business units, select, evaluate, approve and monitor the suppliers of raw materials, packaging materials and supplies.

For this, technical, safety and food safety aspects are considered, which are previously reviewed and agreed with each supplier.

The methodologies are those used by our licenses, who have audit programs and supplier databases implemented globally, which is also included in a CCU audit program and a supplier database.

Different types of audits are carried out, such as on-site audits carried out by CCU or license auditors to verify processes and compliance, documentary audits and self-assessment audits by suppliers.

There is also the VRS (Vendor Rating System) evaluation process, which is applied across all categories.

- ii. Supplier development process, which has the objective to identify the materials of the business units and their potential risks of disruption of the supply chain using criteria such as:

1. Unique supplier in that supply.
2. Material quality problems, reflected in the VRS.
3. Conjunctural topics of the markets that may compromise the continuous supply or present an opportunity.

For these materials, contingency and supplier development plans are prepared to mitigate risks and maintain a robust supply chain.

1.7.5 KPIs for Supplier Screening

Supplier Screening	FY 2022
A. Total number of Tier-1 suppliers	10,533
B. Total number of significant suppliers in Tier-1	1,707
C. % of total spend on significant suppliers in Tier-1	94.2%
Data coverage: Percentage of revenues	100%

1.7.6 KPIs for Supplier Assessment and Development

The total number of suppliers in capacity building programs was 42 suppliers for 2022.



Environmental Dimension

2.3 Resource Efficiency and Circularity

2.3.1 Energy Consumption

We complement what we communicate in our Annual Report 2022, we make a correction considering non-renewable electrical energy and total thermal energy:

Energy Consumption	Unit	FY 2022
Total non-renewable energy consumption	GJ	2,125,162
Data Coverage	Percentage of revenues	100%

2.3.3 Packaging Materials

Packaging Materials	Coverage (% of cost of goods sold)	Total Weight (metric tonnes)	Recycled and/or Certified Material (% of total weight)
Wood/Paper fiber packaging	100	39,932	54.8%
Metal (e.g. aluminum or steel) packaging	100	20,641	72.3%
Glass packaging	100	309,741	30.7%

2.3.4 Plastic Packaging

	FY 2022
A. Total weight of all plastic packaging	47,052 tonnes
B. Percentage of recyclable plastic packaging (as a % of the total weight of all plastic packaging)	99.7%
C. Percentage of compostable plastic packaging (as a % of the total weight of all plastic packaging)	0%
D. Percentage of recycled content within your plastic packaging (as a % of the total weight of all plastic packaging)	0%



2.4 Waste

2.4.1 Waste Disposal

Waste	Unit	FY 2022
Total waste recycled/ reused	Metric tonnes	342,109
Total waste disposed	Metric tonnes	1,774
Data Coverage	Percentage of revenues	100%

2.5 Water

2.5.1 Water Consumption

Water Consumption	Unit	FY 2022
Total Net Fresh Water Consumption	Million cubic meters	7,5
Data Coverage	Percentage of revenues	100%

2.7 Biodiversity

2.7.1 Biodiversity Assessment

VSPT's (CCU's subsidiary) is working on a Biodiversity Strategy 2030 in order to safeguard and restore endemic flora and fauna as a key element in rebuilding healthy, balanced ecosystems, allowing their vineyards to develop resilience towards climate change.

Also, VSPT has committed to the 5 Sustainability Criteria promoted by Acción Empresas. Among these criteria is Biodiversity, where the winery has committed to measuring the dependence and impact of its production on the ecosystem services within two years. VSPT will base the assessment on the methodology of the Guide for the Management of Biodiversity in Businesses from AED and United Way.

2.7.2 Biodiversity Commitment

We are currently working on updating our Sustainability Management Model to a Sustainability Strategy called "Together for a better living". This strategy has an agenda called "Climate Challenge", in which we will specifically commit to a biodiversity, reforestation and/or restoration plan. As a goal for 2024, we will publish a Corporate Statement and Policy on Biodiversity.

2.7.4 Biodiversity Exposure & Assessment

VSPT (CCU's subsidiary) has assessed own operational sites to identify sites with significant biodiversity impacts:

	Number of sites	Area (Hectares)
a) Overall Total number and the total area of our own operational sites.	15	4.137
b) Assessment Conducted biodiversity impact assessments in our own operational sites.	2	657



c) Exposure Sites that have a significant biodiversity impact or are in proximity to critical biodiversity, of the sites assessed.	2	657
d) Management plans Sites that have a biodiversity management plan of the sites that have a significant biodiversity impact or are in proximity to critical biodiversity.	1	587

2.7.5 Biodiversity Mitigating Actions

VSPT's (CCU's subsidiary) mitigating actions in:

Avoid measures:

- Increase in the area of native and endemic forests in operations, reduction in the area of pastures in tourist sites.
- Increased irrigation efficiency in agricultural operations, through the integration of drip irrigation.

Reduce measures:

- Reduction or rationalization in the use of agrochemicals, in all agricultural operations.

Regenerate measures:

- Use of plant covers between crop rows.
- Incorporation of organic matter, coming from the main production itself (incorporation of remains of pruning waste into the soil, use of compost and bio digestate generated with organic waste from wine production).
- Incorporation of biological corridors and respect for native flora massifs to increase the presence of natural pest controllers of both entomofauna (insects) and macrofauna (birds, reptiles, and mammals).

Restore

- Non-intervention in non-productive native and endemic areas, eliminating invasive exotic species that degrade ecosystems, mainly eucalyptus and blackberries.

2.9 Sustainable Agriculture Practices

2.9.1 Sustainable Agriculture Commitment

As mentioned, CCU is updating its corporate commitment, promoting that suppliers achieve and maintain certifications in this matter. Considering FSA - SAI Platform⁴ for malt, hops and locally planted sugar, as well as BonSucro⁵ for imported sugar. Aligned with these certifications, we expect compliance of our suppliers in this matter in a progressive way with:

- Programs to reduce water consumption: green, blue, gray and black water management.
- Programs to protect soil health: soil health, nutrient management, and crop protection.
- Programs to prevent the destruction of ecosystems: biodiversity, integrated pest management, and waste management.
- Programs to reduce GHG emissions: air care and emissions.
- Assess and manage environmental, social and human rights risks.

On the other hand, CCU has promoted and privileged supply from local sources. In terms of sustainable agriculture, malt is the main raw materials for brewing and have agricultural impact. Today CCU is mainly supplied with malt produced locally (Chile and Argentina). This has a strong impact on the reduction of GHG emissions due to an optimization of the logistics footprint.

⁴ Farm Sustainability Assessment - Sustainable Agriculture Initiative Platform.

⁵ Global sustainability platform and standard for sugarcane.



2.9.2 Certifications of Agricultural Crops

Agricultural crop	Certification	Coverage of the certification	Level of exposure
Cereals (Malt and Hops)	FSA – SAI Platform	In process	57%
Sugar	BonSucro (for importations) and FSA – SAI Platform (for local products)	In process	19%

Social Dimension

3.1 Labor Practice Indicators

3.1.2 Workforce Breakdown: Gender

Regarding STEM positions, the share of women in STEM-related positions (as % of total STEM positions) in 2022 CCU showed an indicator of 33,6%

Then, reviewing the total CCU workforce for 2030, the company established a target of 20% of women over its total workforce.

3.1.4 Gender Pay Indicators

Indicator	Difference between men and women employees (%)
Mean bonus gap	4%
Median bonus gap	1%
Data coverage	100%

3.1.5 Freedom of Association

CCU has unionized workers in Chile, Argentina, Uruguay and Bolivia. Regarding unions, Chile has 45, Argentina with 9, Uruguay and Bolivia with 1 each, while Paraguay does not have unions.

In terms of affiliation, Chile has 4,592 unionized workers and 561 adherents; Argentina has 1,555 unionized workers and 80 adherents; Uruguay has 57 unionized workers and Bolivia has 120 unionized workers and 15 adherents. Regarding strikes, Chile and Argentina did not register strikes in 2022, Paraguay does not apply, Uruguay had 2 strikes and Bolivia did not report any. Extralegal strikes were non-existent in all the mentioned countries. The percentage of total unionization of CCU in the region, reaches 65.99%.

3.2. Human Rights

3.2.4 Human Rights Mitigation & Remediation

To identify, mitigate and remediate human rights issues, CCU has a robust Whistleblower Channel align with our Business Code of Conduct, Crime Prevention Model, Human Rights Policy, and other corporate policies related.

For more details of CCU initiatives and actions related to human rights see chapters “Corporate Governance”, “People”, “Suppliers” and “Indicators” in our 2022 Annual Report.



3.3 Human Capital Development

3.3.1 Training & Development Inputs

The average hours per FTE of training and development for 2022 was 24 hours.

3.3.2 Employee Development Programs

	CCU Leaders Program	Young Professionals Program
Description of the program	Corporate program aimed at all CCU managers, with the main goal being to promote the CCU Leadership Roles.	This program is focused on developing and empowering young talents.
Description of program objective and business benefits	The benefits of this program are related to the transversal skills that are generated in all the leaders of the different units of CCU (Chile), through the delivery of practical tools in aspects such as recognizing leadership styles, giving feedback, coordinating actions, effective meetings, performance evaluation, create collaborative environments and build trust. In 2022, the program had the participation of more than 80% of all eligible workers.	The Young Professionals program provides young talents with the key skills to excel in the corporate world. Through interactive sessions, topics such as leadership, effective communication, professional networking and time management are addressed, preparing them for successful growth in their careers. In 2022, the program had the participation of nearly 90% of young professionals.
Quantitative impact of business benefits	The leaders who participate in the program manage to generate an environment of growth and engagement in their teams. Also, impacts in satisfaction with the organization, engagement/commitment and intention to stay. Furthermore, increase leadership skills for a sustainable achievement of business objectives and career development, increase in internal mobility, increase in productivity, decrease in turnover, improve in decision making (time and costs), and increase in motivation from less frustration.	Currently, young professionals who have graduated and are in their 2nd year can access leadership positions in various areas of the company. Also, impacts in satisfaction with the organization, engagement/commitment and intention to stay. Furthermore, increase leadership skills for a sustainable achievement of business objectives and career development, increase in internal mobility, increase in productivity, decrease in turnover, improve in decision making (time and costs), and increase in motivation from less frustration.
% of FTEs participating in the program⁶	44.8%	4.7%

3.4 Talent Attraction & Retention

3.4.4 Employee Support Programs

Benefits and Programs	Chile	Argentina	Uruguay	Paraguay	Bolivia
Flexible working hours	✓	✓	✓	NAP	✓
Working-from-home arrangements	✓	✓	✓	✓	✓
Part-time working options	✓	✓	✓	NAP	NAP
Childcare contributions	✓	✓	✓	✓	✓

⁶ Percentage calculated on the professional segment of workers



Breast-feeding/lactation facilities or benefits	✓	✓	✓	✓	✓
Paid parental leave for the primary caregiver	✓	✓	✓	✓	✓

Specially, for family benefits we consider:

- Childcare facilities or contributions: CCU and its subsidiaries offer this benefit in accordance with the legislation in force in each country. In addition, in the case of Chile, if the child's health does not allow to attend school, a direct cash allowance is provided instead of paying for a nursery.
- Breastfeeding facilities or benefits: In Chile, Argentina, Uruguay, Paraguay, and Bolivia, women workers are entitled to one hour of nursing leave a day until the child reaches a certain age (one year in Chile and Paraguay, six months in Uruguay and Bolivia). During work permit, they may be absent to breastfeed or express milk, and employers must provide adequate spaces. This encourages breastfeeding and allows mothers to fulfill their work responsibilities. It is a measure that promotes the conciliation between work and maternity, safeguarding the well-being of mothers and children in the first months of life. In the case of an individual from Chile, it can also be agreed to postpone or advance by half an hour, or by one hour, the start or end of the workday.
- Paid parental leave for the primary/non-primary caregiver: In Chile, there is paid parental leave, also known as "parental postnatal". This permission is granted to the mother or father who is designated as the primary caregiver of the newborn or adopted child. The benefit allows this caregiver to take time off work and receive compensation equal to their taxable earnings for a period of up to 24 weeks. Of these 24 weeks, at least 12 weeks must be used by the mother, and the rest can be transferred to the father if he requests it. The Chilean health system pays for Maternity leave. Even if, the health system gives a maximum limit on the amount the women would receive monthly, CCU and Subsidiaries, as a benefit to mothers, pays the salary difference to the employee to ensure their employees continue to receive their full salary.

3.4.5 Employee Turnover Rate

	FY 2022
Total employee turnover rate	13.9%
Voluntary employee turnover rate	6.9%
Data coverage	89.0%

3.5 Occupational Health & Safety

3.5.3 Fatalities

In 2022, CCU had no work-related fatalities for employees and contractors.

3.5.4 Lost Workday Rate (LWR) – Employees

Lost Workday Rate	Unit	FY 2022
Employees	n/1 million hours worked	15.71
Data coverage	% of employees	100%

3.5.5 Lost-Time Injury Frequency Rate (LTIFR) – Contractors

In 2022, there were 26 contractor accidents in production plants that report to ICEO⁷.

⁷ Composite Index of Operational Excellence



3.7 Customer Relationship Management

3.7.2 Customer Satisfaction Measurement

	Unit	FY 2022
Satisfaction Measurement in CCU Chile	Satisfaction measurement methodology: Percentage of satisfied customers	82.2%
Data coverage	% of customers	71%