



# CCU Water Policy

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## 1. Introduction

Water is an essential element for human life and the earth's ecosystems. For this reason, our concern for water resources lies not only in their importance to our operations, but also in their availability for human consumption and the ecosystems that coexist in the territories where we operate.

Water and climate change are closely related. Climate change affects water resources in different ways, ranging from intense rainfall to extreme droughts and floods, as well as the reduction in ice sheets and the detachment of glaciers, which influence sea level rise. We can therefore clearly see that the impacts of climate change on water are of great significance, and have accelerated in recent years.

Water scarcity is understood as the decrease in the quality and quantity of fresh water available, which can affect human and/or economic activity<sup>1</sup>.

For this reason, Compañía Cervecerías Unidas S.A. and its subsidiaries (hereinafter the "Company" or "CCU") recognizes water as a scarce resource. This water policy (hereinafter the "Policy") is therefore established as part of the constant search to generate and implement best water practices. It seeks to ensure the responsible and efficient consumption of water, in line with strict regulatory compliance.

## 2. Commitment

CCU reaffirms its commitment to the efficient and responsible use of water resources in harmony with our environment. In our 2030 Environmental Vision, CCU embodies this responsibility through the goal of reducing the industrial water consumption indicator by 60% from its 2010 level.

We are also working towards continuously improving efficiency in all our industrial operations and generating a water culture throughout our value chain. We apply permanent optimization systems in this work, which are at the vanguard of applied technology, awareness raising, training and knowledge management, in order to reduce consumption and achieve new levels of efficiency.

Our industrial water supply comes mainly from groundwater. All collection points comply with the requirements established under Chilean law. We have water level measurement equipment and records are periodically reported to the authorities. These measurements have made it possible to monitor the sustainability of the supply and act accordingly through specific action plans.

## 3. Scope and Responsibility

The Policy applies to all of the Company's business units in Chile. Notwithstanding the above, the Company's ambition is to replicate the Policy in the rest of the countries in which CCU operates, according to the environmental and legal requirements of each.

It is the responsibility of each leader in our Company to take an active role in properly understanding and disseminating this Policy, so that each CCU worker can contribute to complying with the established guidelines, according to their respective responsibilities and the scope of their work.

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<sup>1</sup> Understood as "available or potentially-available resources, in sufficient quantity and quality, at an appropriate place and time period to satisfy an identifiable demand," according to the International Glossary of Hydrology (UNESCO, 2012).



In addition, all CCU members must reflect these commitments in their daily relationships with other interested parties.

## **4. Guidelines**

### **4.1. Regulatory Compliance**

As a company, we strictly adhere to all laws and regulations applicable to water resources. In facilities where no regulations are in force in the area of industrial operations, a preventive approach will be applied to minimize the potential environmental impacts of our operations.

### **4.2. Water Resource Management**

The Company's water management policy follows three guidelines:

- 4.2.1. To monitor water availability in our collection points located inside the Company's industrial facilities, with special focus on those located in areas of water scarcity, in accordance with the standards defined by the competent local water authority.
- 4.2.2. To guarantee both the internal and external treatment and disposal of industrial liquid waste, complying with existing national regulations.
- 4.2.3. To implement standards and management systems that contribute to efficiency and effectiveness in water performance, in accordance with the best practices of the beverage industry.

### **4.3. Water Risk Management**

Water risk management is based on the adequate identification of water requirements, in which we continuously evaluate and manage possible risks and impacts.

### **4.4. Education and Awareness**

The promotion of a water culture among our workers and interest groups through campaigns, education, training programs and knowledge management, in order to generate awareness focused on the importance of water conservation and efficiency in our operations and throughout the entire value chain.

### **4.5. Collaboration and Commitment**

As a company, we are committed to permanent collaboration with public and private entities – such as trade associations, governmental and non-governmental organizations – in reviewing, promoting and/or carrying out initiatives related to water management, as appropriate.

### **4.6. Transparency and Reportability**

We report the progress of our water consumption reduction indicator in the CCU Annual Report, based on our principles of integrity and care for the environment.