

SUSTAINABILITY
REPORT **2022**



COMPAÑÍA CERVECERA
DE NICARAGUA S.A.

Letter to our stakeholders

With the global economy reopening after two years of the COVID-19 pandemic on the back burner, we resumed our business challenges with strength. We did so with concern about some of the consequences of the pandemic, deepened by the geopolitical tensions caused by the conflict between Russia and Ukraine, such as increased logistics and oil costs, slower growth and demand, global inflation, as well as job losses, and the migration of Nicaraguans.

We took on the challenge hand in hand with our focus on Excellence, optimizing our operating model through cost reduction, efficient use of assets, excellent performance in all areas, and follow-up of the master investment plan that, in addition to technological solutions, would allow us to provide value to the company's stakeholders. Thus, during this period, we consolidated the results in savings from implementing several work methodologies and negotiated agreements with our raw material suppliers.

We expanded our storage capacity by acquiring five German-technology Bright Beer Tanks to meet market demand. We also expanded our product portfolio by introducing our new flavored alcoholic beverage, Spark.

Our personnel's practice of the company's values was a fundamental pillar for the continuity of our strategy. We set the return to normality by identifying and mitigating possible risks because the health and safety of our workers, suppliers, customers, and consumers was always the priority.

Amid this context, we reaffirm our firm intention to contribute to the planet's health and fulfill our environmental objectives. Concerning the Water Neutral Program, we managed to return to nature four times the amount of water we used in the operation of the business on the same period. The alliance we established in 2015 between ten producers from farms that protect 300 hectares of forest with the technical assistance of Eco Development, made this overachievement possible.

We also implemented the ISO 14001:2015 Management System to ensure environmental protection under international standards. We continue to develop projects to expand the installed energy capacity from solar panels to replace our sources of electricity with clean energy.

We contribute to low-income young people's personal and professional development through the Instituto Tecnológico Victoria (ITV - Victoria Institute of Technology), which offers a scholarship program for higher technical careers. In 2022, we reached a milestone by graduating 287 students, the highest number of graduates in the institute's history. We also achieved an 85.2% job placement rate during the year.

In this year's Sustainability Report, we describe the progress of our actions to strengthen our sustainability culture. Thus, we reaffirm our commitment to the United Nations Global Compact and its Ten Principles. We are pleased that you can witness this experience in which we intend to become a company with a better way of operating our business, even in adverse or uncertain situations. Since our founding, we have strongly connected with Excellence, which has become our hallmark and a source of pride.



Henry del Carmen
CEO

2022 in numbers

1,327 employees



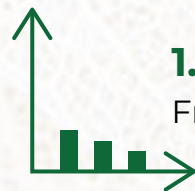
78.2% Men



21.8% Women



64.8 hours of training per employee.



1.98 Frequency Index.



16.86 Severity Index.



0 Fatalities.

96 years of operations



Ethics Channel: 105 complaints
89% internal and 11% external.



8th consecutive year of the Water Neutral program



99.2% Post-industrial solid waste managed



100% Post-consumer waste collection: Aluminium (cans), PET and HDPE plastics, all from primary packaging.



US\$ 12,618,991 In significant investments.



US\$ 141,397,145 Paid in taxes.



US\$ 73,141,086 In purchases from local providers.

■ Within this year's report

■ Introduction

Letter to our stakeholders	2
2022 in numbers	3

■ About Us

Organizational Profile	5
Integrated Management Policy	6
Our Product Portfolio	7
Executive Committee	8
Stakeholder Engagement	9
Our Contribution to Sustainable Development	10
Socioeconomic Context	11

■ Our Business

Economic Value Generation Strategy	12
Economic Dimension Results	13
Our Processes and Supply Chain	14
Economic Value Generated and Distributed	15
Product Compliance	16

■ Our Brewery Family

Internal Social Strategy	17
Internal Social Dimension Results	18
Employee Workforce	20
Talent Management and Retention	22
Protecting Our Greatest Resource	23
Benefits Programs	24
Code of Ethics	25
Human Rights Policy	25
Fines and Penalties	26

■ Our Environmental Commitment

Environmental Management Strategy	27
Environmental Dimension Results	28
Water Neutral Company	30
We Properly Manage Our Waste	34
We Manage Our Energy Consumption	36
Greenhouse Gas Emissions	37
Biodiversity Protection	38

■ Our Community

External Social Strategy	39
Proud to Educate to Transform Our Future	40
INPROCRES	41

■ Annex

Principles and Correspondences of the Global Compact	42
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Who are we?

Compañía Cervecera de Nicaragua, S.A. (CCN) is a privately owned Central American company that produces and distributes beer, mineral water, flavored and carbonated beverages (alcoholic and non-alcoholic).

Where do we operate?

Our headquarters are located in Managua, the capital of Nicaragua. We also have mineral water plants in Rivas (located in the country's southern end) and Leon (western end of Nicaragua). We have eight departmental distribution centers in Boaco, Estelí, León, Masaya, Matagalpa, Ocotol, Rivas, and Santo Tomás, also silos in Corinto to receive and store raw materials.

Where do we export?

CCN exports its Toña, Toña Light, Victoria Clásica, Victoria Frost and Turbo Malta brands to Central America, the Caribbean Islands, North America and Spain.

Our Vision

To be recognized as a world-class company, an example in Nicaragua in the generation of economic, social and environmental value.

Our Values

- Integrity
- Proactivity / Flexibility
- Duty Consciousness
- Enjoyment of Work

Material Issues

Our material issues are:

- Water Resource Management.
- Responsible consumption.
- Communication with stakeholders.



Integrated Management Policy

Compañía Cervecería de Nicaragua S.A., a company that develops, produces, and distributes beer, malt-based beverages, natural mineral water, flavored water, and carbonated beverages, recognizes its commitment to quality, safety, environment, energy performance, and occupational health and safety through the following Integrated Management Policy:

- We develop and effectively control processes and services that meet the expectations of our customers and other interested parties following the organization's context.
- We comply with the legal and regulatory requirements in force in the territories in which we operate, the requirements mutually agreed upon with customers and other interested parties, and other commitments subscribed by the organization.
- We establish and continually review the organization's objectives related to the Integrated Management System.
- We ensure the control of processes to guarantee the quality and safety of the products we produce and distribute.
- By establishing environmental programs, we protect the environment and use natural resources and energy rationally.
- We promote improving energy performance by designing and acquiring inputs and services that impact energy efficiency.
- We ensure the availability of the necessary information and resources to achieve the objectives and goals of the Integrated Management System.
- We provide safe and healthy working conditions for all workers to prevent work-related injuries and health deterioration.
- We consult and ensure the participation of workers, and when they exist, of workers' representatives in occupational health and safety issues.
- We communicate our Integrated Management System commitments to relevant stakeholders.
- We encourage improvement in our processes, products, and services concerning the performance of integrated management in which the principle of prevention and continuous improvement prevails.
- We ensure the competencies of our employees related to the elements of the Integrated Management System.

This integrated management policy must be known and practiced by all employees, so it will be updated, disclosed and communicated on an ongoing basis and will be available to all our relevant stakeholders.



We have an Integrated Management System certified in ISO 9001:2015: Quality Management, ISO 45001:2018: Occupational Health and Safety Management System, and HACCP (Hazard Analysis and Critical Control Points).

In addition, we manage environmental aspects according to the guidelines of the ISO 14001:2015 standard.

Portfolio of Products

OUR OWN PRODUCTS



1926
Victoria Clásica



1974
Toña



2002
Fuelle Pura



2005
Brisa



2008
Victoria Frost



2011
Victoria Maestro



2011
Yupi



2014
Mytos



2014
D'frutta



2016
Toña Light



2021
Halcón



2021
Prix Cola



2021
Turbo Malta



2022
Spark

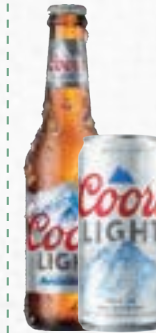
PRODUCED UNDER BRAND LICENSE



2017
Palma



2020
Miller Light



2021
Coors Light

IMPORTED



Miller



Gallo



Imperial



Heineken



Sol



Bliss



Smirnoff



Bamboo



Adán & Eva

Executive Committee



Henry del Carmen
CEO CCN

Mateo Lesizza
Business and Communication Manager



Ramón Ordóñez
Legal Counsel Manager

Claudia Silva
Internal Audit Manager

Bernardo Izaguirre
Production Manager



Mauricio Rodríguez
Punto Ideal Manager

Roberto Chamorro
Commercial Manager

Ernesto Narváz
Quality, Safety and Sustainability Manager

Edgar Quintana
Supply Chain and IT Manager

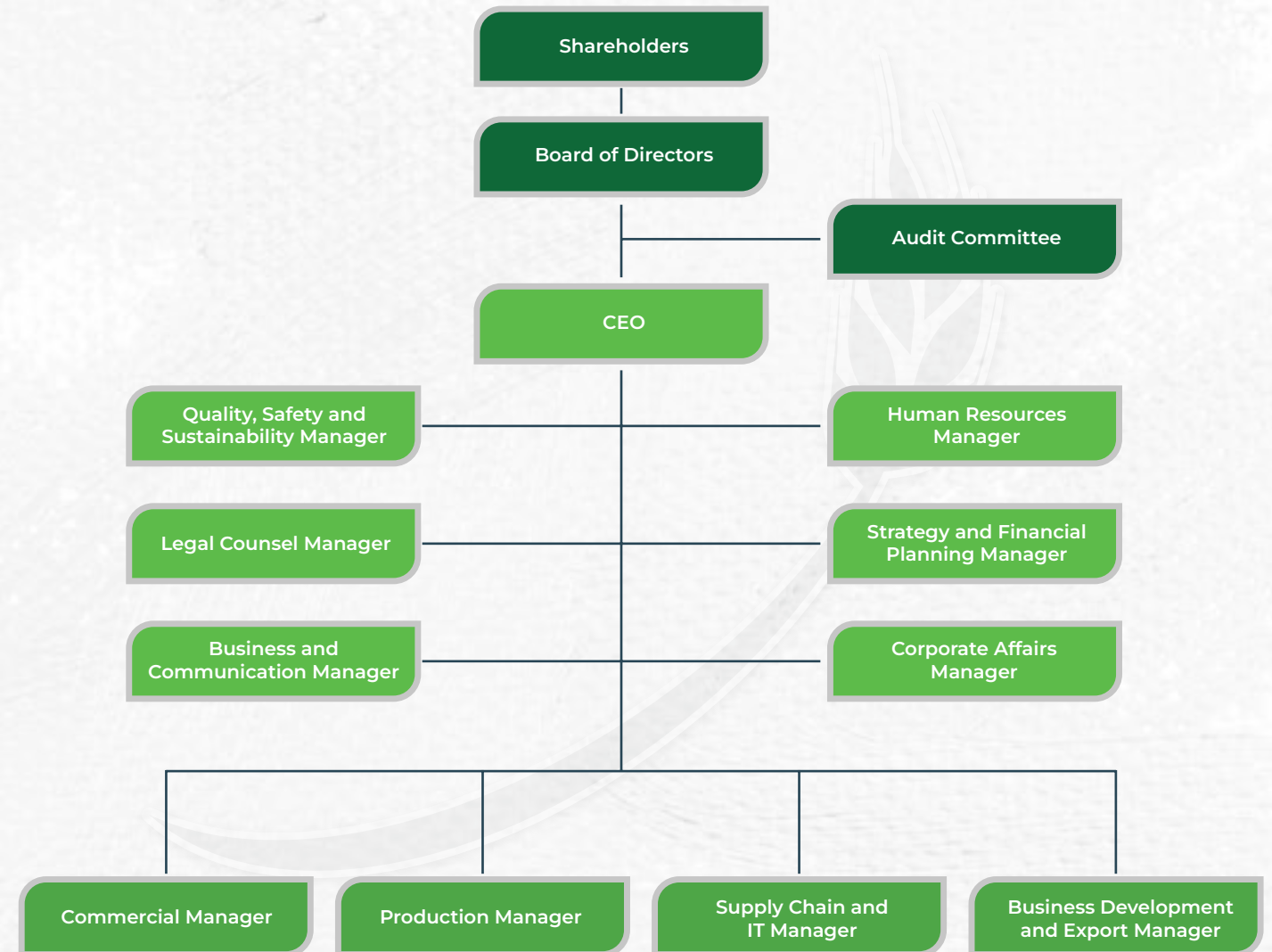


Franco Chamorro
Strategy and Financial Planning Manager

Jorge Solís
Corporate Affairs Manager

Nidia Rivas
Human Resources Manager

José Luis López Portillo
Business Development and Export Manager



General Shareholders' Meeting: The highest governing body. The Assembly elects the Board of Directors.

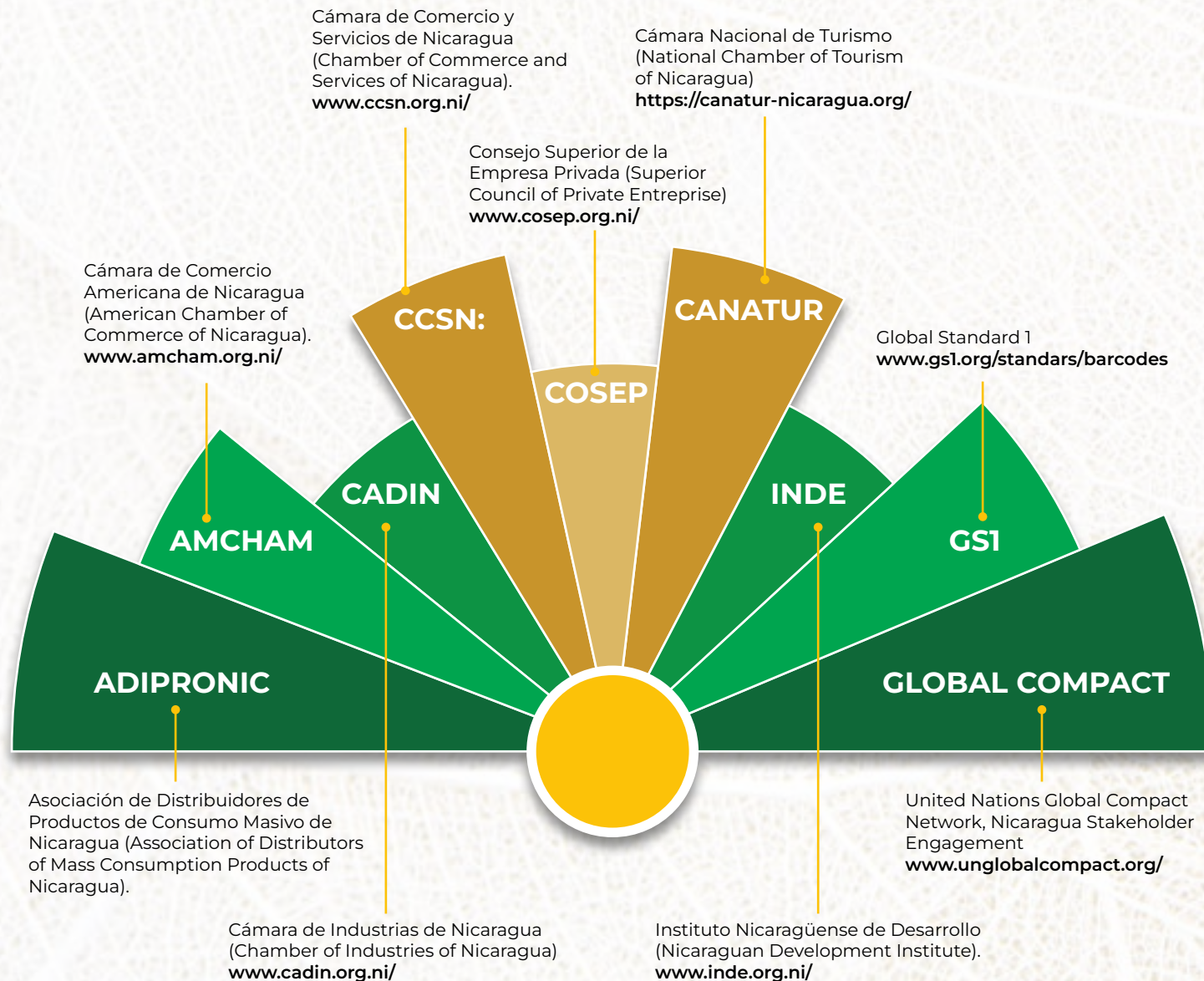
Board of Directors: The immediate management of the company is delegated to the CEO. The Board reviews and approves annual goals.

Executive Committee: Composed of the CEO and area managers.

Both the share ownership and the structure of the organization remained unchanged during the period.

Stakeholder Engagement

Organizations we belong to:



Engagement tools:

- Internal Labor Regulations, Company policies and procedures: mechanisms for relations with employees.
- Compañía Cervecera Nicaragüense S.A. Workers' Union.
- Internal Communication Procedure and External Communication Procedure of CCN, for all non-commercial communication.
- Sole Code of Advertising Self-Regulation and Commercial Communication of Alcoholic Beverages and Alcoholic Content Products of Nicaragua. Website: www.inproces.org
- Customer Service. Phone: (+505) 2255-7777 / E-mail sac@ccn.com.ni
- Code of Ethics, available on CCN's website: www.ccn.com.ni
- Human Rights Policy, which covers our entire value chain.
- Complaints channels. Phone (+505) 8252-3048, (+505) 1800-1555 / APP (mobile application) / E-mail: etica@ccn.com.ni
- Supplier Relationship Policy. Online registration through the portal: <https://app.ccn.com.ni:8080/Proveedor/>

If you have any questions, suggestions or comments, please contact us at contacto@ccn.com.ni

This is how we contribute to Sustainable Development

We remain committed to present and future generations.

Therefore, we have implemented a business model that guides us to grow responsibly, developing projects and programs that allow us to contribute from the private sector to the Sustainable Development Goals (SDGs) of the United Nations.

Economic: Our Business



Internal Social: CCN Progresses with You

Occupational Health and Safety Management System
Human Rights Policy



External Social: Victoria Foundation Victoria Institute of Technology INPROCRES



Environmental: Carbon Neutral Company Water Neutral Company Zero Waste Company Environmental Management System



SUSTAINABLE DEVELOPMENT GOALS

1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAR WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS

Socioeconomic context

Geopolitical tensions and the global consequences of the COVID-19 pandemic resulted in a complex year with high commodity prices. In this context and according to figures from the International Monetary Fund, the country achieved moderate growth of 4% thanks to external demand, remittances, and high commodity export prices.

The Central Bank of Nicaragua (BCN) estimated this growth at 3.8%, led by the primary and secondary sectors, with activities that stand out for their export orientation, such as agriculture, fishing, and manufacturing, according to a report presented to the National Assembly.

Interannual inflation in the country reached 11.59% in 2022 due to increases in import prices. The BCN¹ detailed that domestic prices continued under upward pressure due to external factors. Services activities (such as hotels and restaurants, transportation and communications, commerce and financial intermediation), secondary sector activities (manufacturing industry), and primary activities (fishing and aquaculture, mining, and agriculture) were the leading sectors in 2022.

Merchandise exports grew by 8.6%, driven by higher international prices. Exports from free trade zones grew by 19.3%, driven by the demand for textiles and harnesses, mainly in the U.S. market. Similarly, the growth of Foreign Investment amounted to 1,842.3 million dollars, and tourism reached 595.6 million dollars in the period, according to data from the BCN.

Imports showed that the most dynamic items were raw materials and intermediate products for agricultural use, transportation equipment, and durable goods. In 2022, imports totaled US\$9,100.5 million.

The flow of remittances received in 2022 was US\$ 3,224.9 million, which represented a growth of 50.2% compared to 2021 (US\$ 2,146.9 million). Of the remittances in the year, 76.6% came from the United States (US\$ 2,469.7 million), 8.6% from Costa Rica (US\$ 275.9 million), 8.4% from Spain (US\$ 270.1 million), 1.9% from Panama (US\$ 62.8 million), and 1% from Canada (US\$ 32.9 million), which together accounted for 96.5% of the total. Remittances were a key factor for domestic consumption.

¹Source: <https://www.bcn.gob.ni/sites/default/files/Informe%20Anual%202022.pdf>



OUR BUSINESS

**Economic Value
Generation Strategy**

Our Goal:

To generate economic value for our shareholders and other stakeholders.

- To manage invested capital and increase the operating profit of the business.
- To strengthen the competitive position of the businesses, product categories and marketed brands.
- To diversify sources of revenue and profit through international expansion and the creation of new business models.

**SUSTAINABLE DEVELOPMENT
GOALS**

to which this strategy contributes



Decent Work and
Economic Growth



Industry, Innovation
and Infrastructure



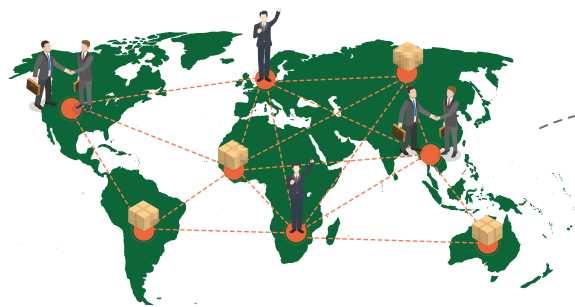
Responsible
Consumption and
Production

Economic Dimension

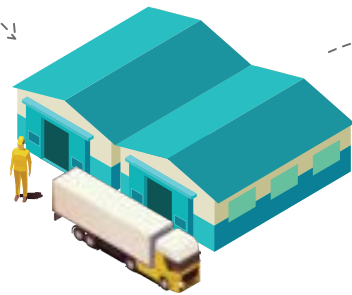
INDICATOR	2021 RESULTS	2022 RESULTS
Gross Revenue	C\$ 11,455,213,941	C\$ 13,595,831,423
Total Tax Payment	40.26%	37.35%
Net Income	C\$ 7,658,124,468	C\$ 9,278,777,234
Operating Costs	33.8%	40.1%
Salaries and employee benefits	9.3%	8.0%
Payment to providers	12.2%	13.8%
Community Investments	0.2%	0.2%
Retained Economic Value	4.2%	0.6%
Significant Investments	C\$ 344,194,607	C\$ 453,135,336
National Goods Suppliers (%)	66%	67%
Foreign Goods Suppliers (%)	34%	33%
Purchases from Domestic Suppliers (%)	23%	43%
Purchases from Foreign Suppliers (%)	77%	57%

Our Processes and Supply Chain

Our supply chain begins with our suppliers: national and foreign goods, professional services, outsourcing services and services in general.



National and foreign suppliers.



Production plant in Managua.

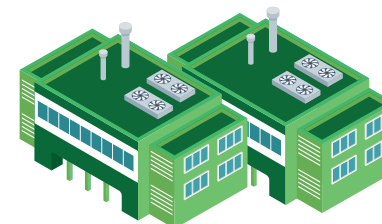
Beers, Hard Seltzer, Mineral water, flavored and carbonated beverages.



Malt and adjuncts reception at Puerto Corinto.



Silos in Corinto City.

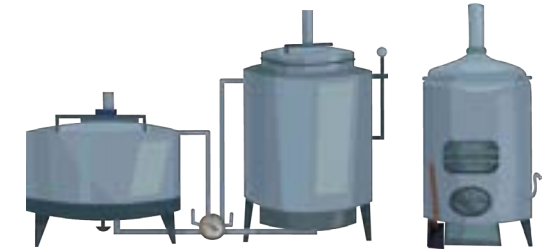


Water purification plants and water bottle filler in Rivas and Leon.

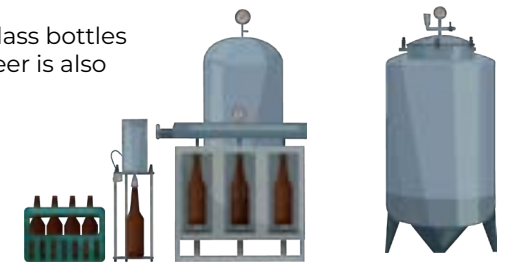
1. Brewhouse. Raw material and adjunct are transformed into wort.



2. Fermentation and Filtration Room. The wort is fermented to obtain beer, which is then filtered.



3. Beer bottling lines. Two lines for glass bottles and one for aluminium packaging. Beer is also bottled in kegs.



4. Packaging and storage. The products are packed and stored in the finished product warehouse at the Distribution Center for further distribution.



Economic Value Generated and Distributed

0.2%	Community investments
8.0%	Salaries and social benefits to employees
13.8%	Payments to providers
40.1%	Operational costs
37.3%	Payments to governments (taxes, we do not make political contributions)
0.6%	Retained economic value

Spending on purchases on 2022 was **C\$ 6,159,780,372** equivalent to approximately **US\$ 171,717,948.**

Compared to 2021, our purchasing expenses have increased due to the global increase in raw material costs. Since most of our raw materials and technology are unavailable locally, we have to rely on foreign suppliers for 57% of our purchases, while 43% are sourced from domestic suppliers.

The number of foreign suppliers was **192** and **388** local suppliers.



Significant Investments

In 2022 we invested C\$ 453,135,336 equivalents to US\$ 12,618,991.

The most Significant Investments were:

- Building Bright Beers Tanks (BBT) for beer filtration
- Installing photovoltaic systems in our Matagalpa and Boaco agencies
- Expanding our packaging materials warehouse
- Installing valve matrixes for the filtration area
- Physical security in departmental agencies
- Acquiring new refrigeration equipment for our customer businesses

■ Product Compliance

We guarantee the conformity of all our products through compliance with our Integrated Management Policy.

Product health and safety

All the products we produce and market have a sanitary registration, and all operations are carried out in sites with sanitary licenses for operation.

The production processes are certified under ISO 9001:2015 and HACCP standards, in order to achieve greater customer satisfaction and product safety. In 2022, recertification of both standards was successfully achieved, along with ISO 45001:2018.

CCN ensures responsible labeling of all its alcoholic and non-alcoholic products to improve their traceability and thus avoid potential health and physical safety issues associated with consumption.

This year were no health and product safety incidents that resulted in fines or sanctions by the authorities.



Remains a leader in customer service!





OUR BREWING FAMILY

Internal Social Strategy

Our Goal:

To improve the quality of life of our employees and their families.

- To promote a culture of excellence based on values as a company philosophy.
- To promote a culture of occupational risk prevention and healthy lifestyle habits.
- To facilitate the conditions to improve the quality of life of the most vulnerable population of the organization.

SUSTAINABLE DEVELOPMENT

GOALS

to which this strategy contributes



No Poverty



Good Health and Well-being



Decent Work and Well-being




Reduced Inequalities

Internal Social Dimension

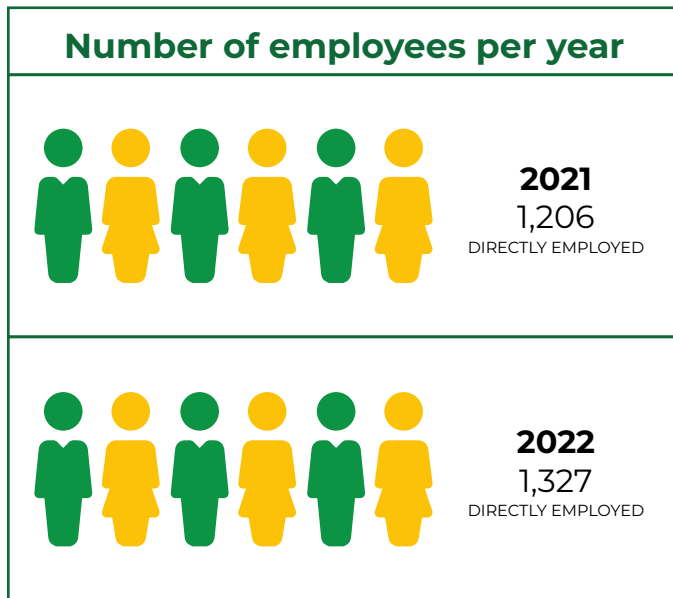
INDICATOR	2021 RESULTS	2022 RESULTS
Employees	1,206	1,327
% Men	79.1%	78.15%
% Women	20.9%	21.8%
% Technical and operative personnel	81.26%	82.1%
% Coordinators, Supervisors	12.44%	11.3%
% Managers and Chiefs	5.39%	5.7%
% Area Directors	0.91%	0.9%
% Employees with disabilities	2%	2%
% Turnover	13%	22%
Training hours/person	71.84	64.82
% of Employees covered by collective agreements	71%	70.9%
% Wage men vs. women	87%	83%
% Employees in Joint Committee	4.31%	3.92%
Total of workdays lost due to accidents	918	535
Frequency Index	2.21	1.98

Internal Social Dimension

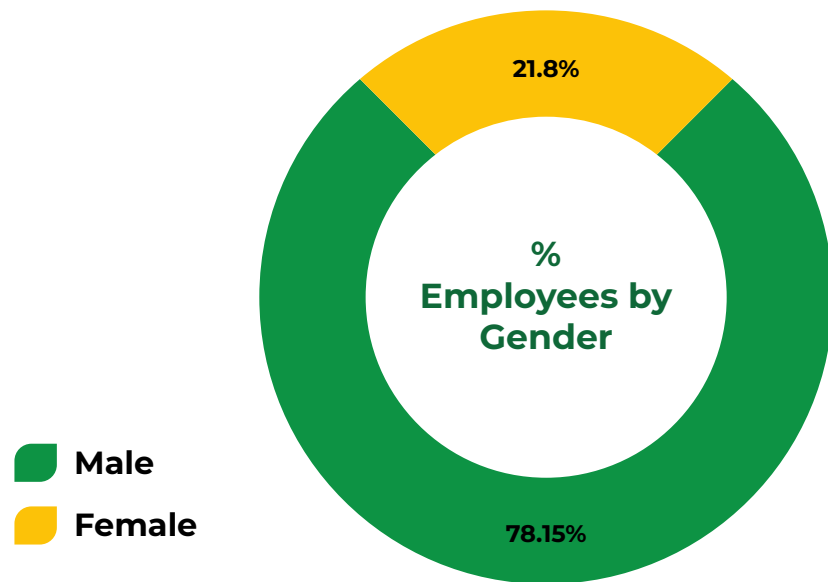
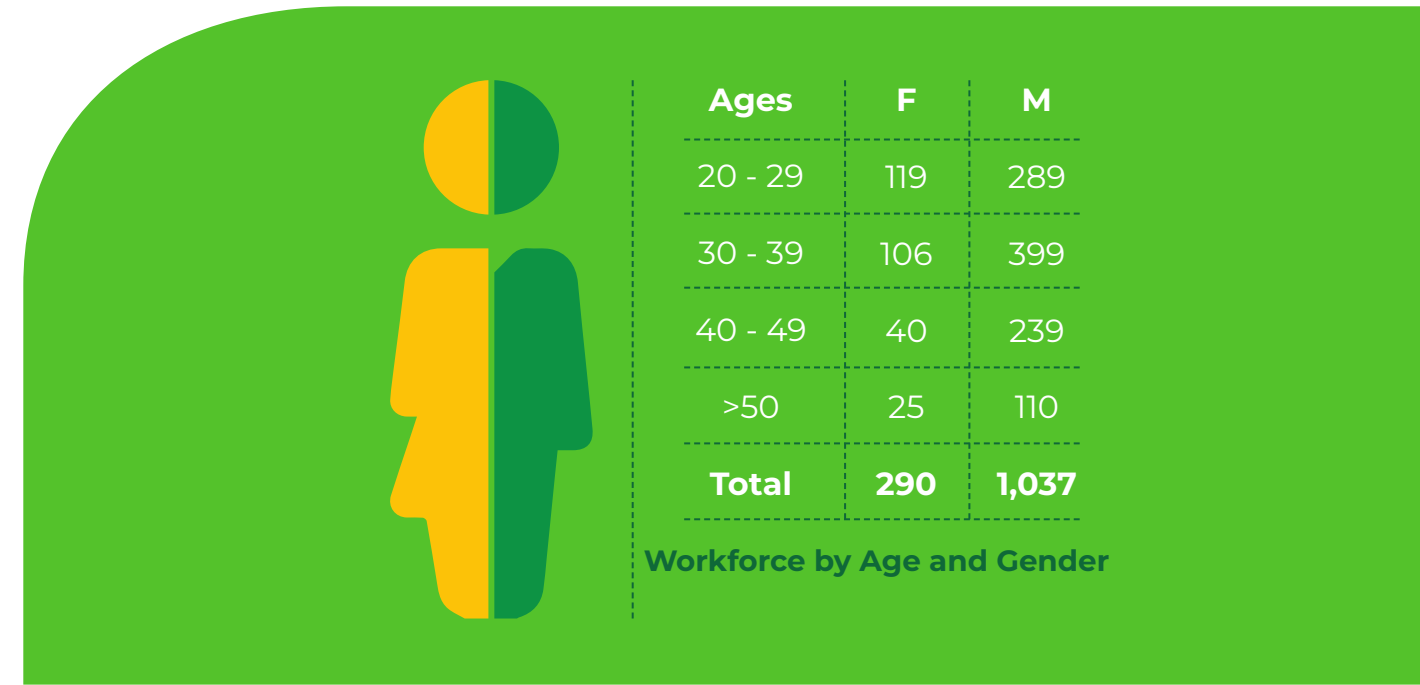
INDICATOR	2021 RESULTS	2022 RESULTS
 Severity Index	21.28	16.86
Fatalities own personal	0	0
% Workers in occupations with occupational disease risk (musculoskeletal disorder and noise)	20.98%	23.2%
% Employees with occupational diseases	1.71%	1.71%
Number of employees with occupational diseases	20	22
Accidents at work	72	61
Absenteeism rate	1.4%	1.95%
Days lost due to absenteeism	6,027	8,365



Employee Workforce

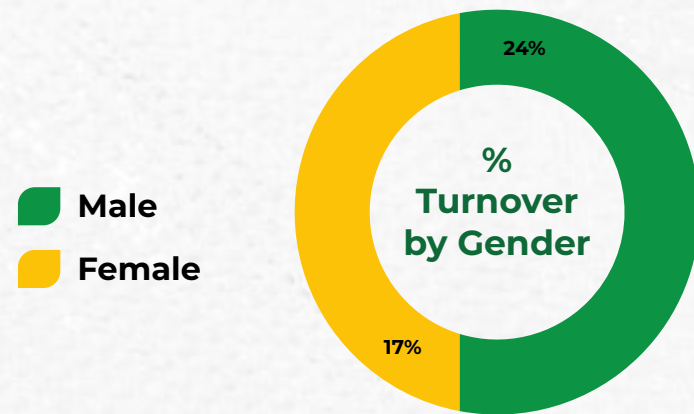


2% of the staff has some disability. These personnel work only in Managua, where the main plant is located. They are 31 men.

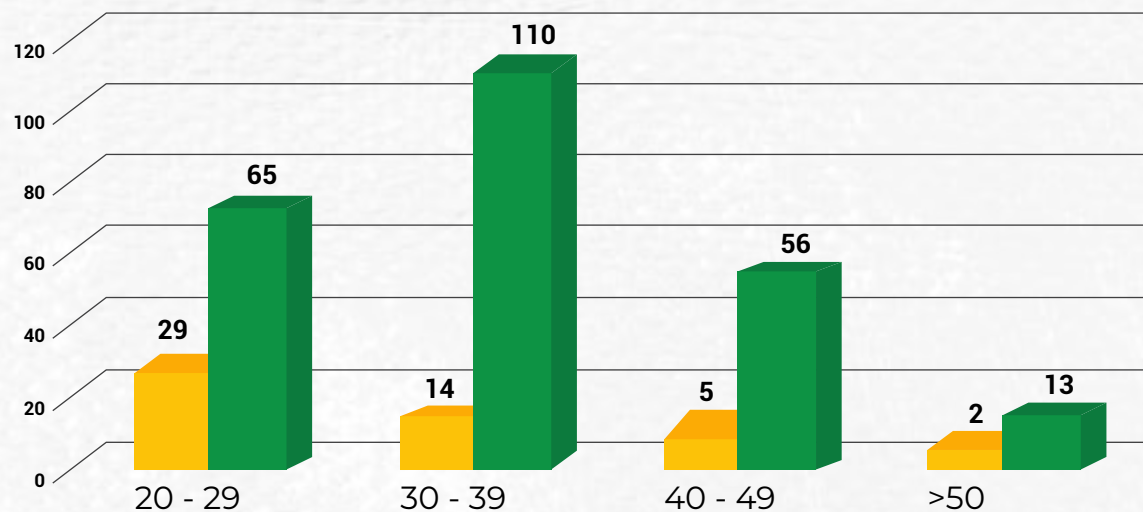


Staff turnover

The overall turnover rate for the period was 22%, with 17% of the workforce being women and 24% men. This is mainly due to the migration of Nicaraguans to Costa Rica, the United States, and Spain.



Rotation by Age and Gender



Year	Maternity Benefit	Reincorporation
2021	12	92%
2022	6	83%

Year	Paternity Benefit	Reincorporation
2021	26	100%
2022	13	100%



6 female employees and 13 male employees received maternity and paternity benefits, respectively. 83% of the female employees returned to work, and 100% of the male employees returned to work.



Talent Management

Total number of training hours: 64.82 per employee.

Professional category with the most hours of training: Technical and Operational Personnel.

At CCN, all employees are eligible for technical or higher education scholarships and financing.

Retirement Outplacement Program: 5 participants

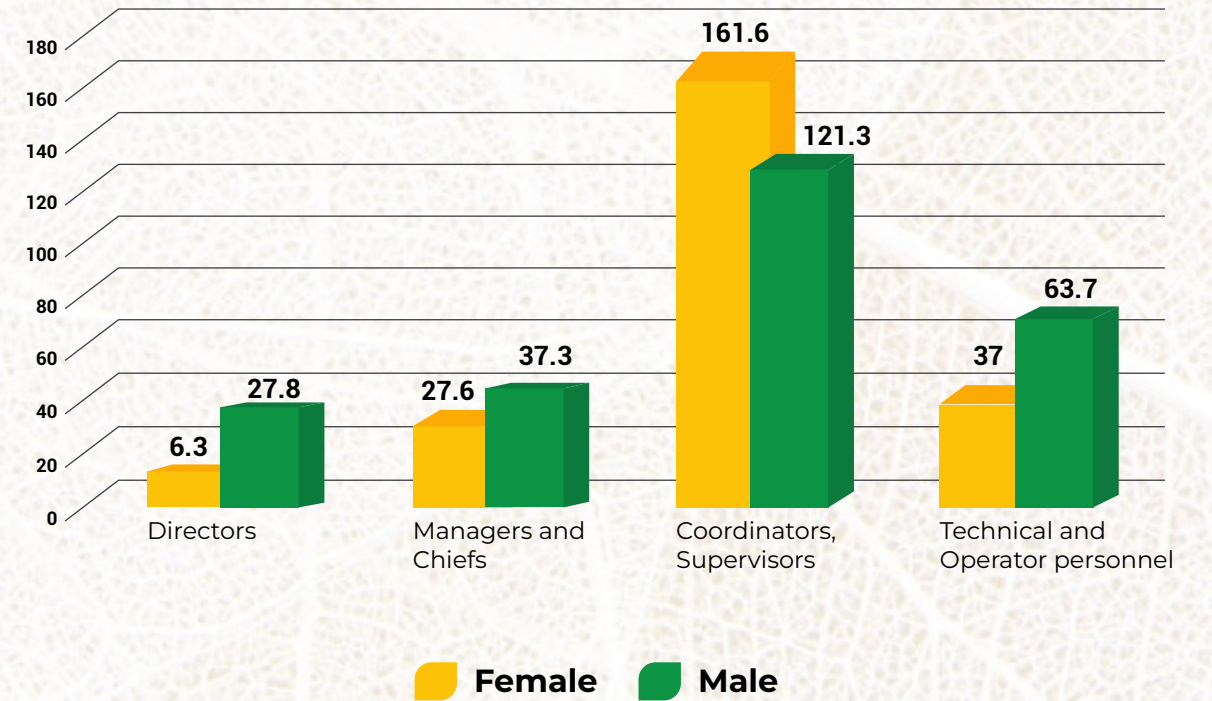
People close to retirement have the opportunity to prepare themselves to remain economically active. We offer them training in the following:

- Financial Planning.
- Work-home transition workshop.

We ensure fair hiring practices by evaluating applicants based on their competencies, skills and behaviors, without discrimination.

Our salary compensation follows the Hay Group's methodology, which sets corresponding salary ranges for employees with the same level of responsibility. The differentiation in compensation is individual and based on individual performance.

Hours of Training per Occupational Category



Occupational Category	Salary Ratio
Directors	141%
Managers and Chiefs	119%
Coordinators, Supervisors	119%
Technical and Operator personnel	98%

Salary Ratio Men vs Women

Protecting Our Greatest Resource

We recorded 61 work accidents with 535 lost days.

Workers performing occupations with risks related to musculoskeletal disorders and noise: 23.2% of the workforce. We take the measures indicated by specialists.

Workers with noise-related occupational diseases and musculoskeletal disorders: 1.7% of the workforce (22 workers). We have specific programs for their care.

The Frequency Index and Severity Index decreased in 2021, resulting in 1.98 and 16.86, respectively.

*Frequency Index*¹: records the average frequency of accidents per two hundred thousand hours worked.

*Severity Index*¹: average severity of accidents in days per two hundred thousand hours worked.

¹Source: U.S. Occupational Safety and Health Administration (OSHA).



■ Absenteeism Rate	1.95
■ Days lost due to Absenteeism	8,365
■ Fatalities of our own personnel	0

Benefit Programs

We promote actions focused on optimizing working conditions in line with our triple-bottom-line strategy, specifically on generating social value.

The main benefits have been selected to meet workers' needs and are related to food, education, health, savings and credit, financing, and gifts, among others, exceeding the provisions of national law. 71% percent of the workers with indefinite-term contracts are covered by a collective bargaining agreement negotiated with the company's union.

The employees with indeterminate contracts have the following benefits:



Food: breakfast, lunch and dinner in the canteen, basic food basket, children's food basket, and glass of milk for pregnant women.



Loans: personal loans and salary advances.



Education: scholarships for children with academic excellence, school loans.



Gifts: school bonus, toys for children under 12 years of age, gifts for academic degrees, marriage and years of service, year-end bonus.



Bonuses: An allowance equivalent to 8 months of ordinary salary is granted, which will be delivered together with the final settlement on the termination date.



Health: Medical financing, eyeglasses subsidy, life insurance. In case of subsidy, 100% of salary is guaranteed.



Other: Uniforms for personnel covered by collective bargaining agreement. Supervisors and managers are offered medical expense insurance and travel insurance in addition to the collective life insurance.

Savings and Loan Cooperative

The Cooperativa de Ahorros y Créditos R.L. (COOPAYSEM) is a voluntary cooperative formed by workers with indeterminate contracts. Its objective is to promote and create a savings culture. Among other benefits, the employees obtain:

- Maintenance of the value of their saved contribution.
- Payment of annual profits proportional to the amount saved, which go hand in hand with the earnings of the "Cooperativas" group.
- Purchase of items at low cost and financing.
- Assistance in the event of medical expenses.



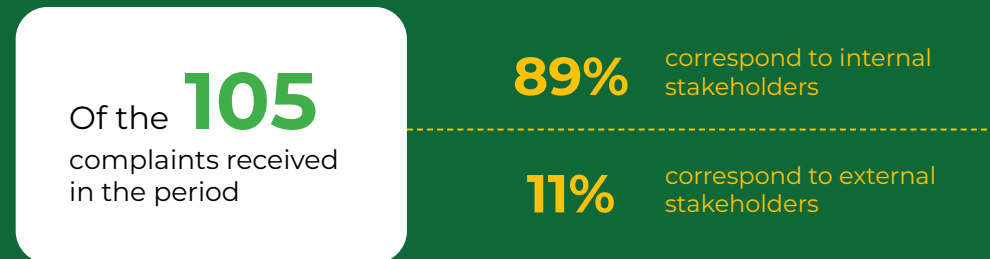
Code of Ethics

The CCN Group's Code of Ethics reflects the desire to build a culture of sustainability based on ethical values and behavior that contribute to generating economic, social and environmental value.

This guideline applies to both employees and external stakeholders.

In 2022, we recorded 105 cases of possible violations of the Code of Ethics and Internal Regulations.

The cases received represented an increase of 17% compared to the ones in 2021. 93% of the cases investigated were Justified, resulting in the dismissal of 119 employees.



Communication channels used:



etica@ccn.com.ni
Ethical email: 85%



1800-1555
Ethical phone line: 4%



APP Grupo CCN
Ethical App: 11%

Human Rights Policy

Our **Human Rights Policy**, in force since 2019, aims to “Ensure CCN's commitment and that of its employees to comply with the provisions of national and international standards of behavior, in relation to the respect and promotion of Human Rights, in order to promote respect for the inherent dignity of people and avoid being complicit in the violation of their rights and freedoms”.

The Policy is applicable to all our stakeholders, all natural or legal persons performing activities for or on behalf of CCN and is extensive to the value chain, from suppliers to customers.

We establish:

- To promote non-discrimination whether by race, gender, sexual orientation, religion, economic position, political affiliation, nationality, age or disability.
- To protect the privacy of the information of our employees, suppliers, customers and other stakeholders.
- To respect freedom of thought, opinion and expression, as well as freedom of association and group negotiation.
- To respect both physical and intellectual property rights.

Violations of our Human Rights Policy are channeled through the mechanism established by the Code of Ethics.

Fines and Penalties

In 2022, there were:

0 **Zero fines, lawsuits or sanctions** regarding regulatory compliance with unfair competition practices.

0 **Zero substantiated complaints** regarding customer privacy practices.

0 **Zero fines** related to the supply and use of the products and services.

0 **Zero fines or sanctions** by institutions related to labor practices.

1 **One fine or sanction** by the National Water Authority (ANA) due to a fault related to the fencing of a water well.



OUR ENVIRONMENTAL COMMITMENT

Environmental Management Strategy

Our Goal:

To prevent and mitigate our environmental impacts.

- To return to nature all the water we consume in our operations.
- To use energy efficiently and reduce greenhouse gas emissions.
- To manage industrial solid waste.

SUSTAINABLE DEVELOPMENT

GOALS

to which this strategy contributes



Affordable and clean energy



Responsible consumption and production



Climate action



Life on land



Partnerships for the goals

Environmental Dimension

INDICATOR	2021 RESULTS	2022 RESULTS
<p>Managua's water consumption indicator (hl/hl)</p> <p>Water consumption (m³)</p>	<p>2.67 hectoliters of water consumed per hectoliter of beer and beverages produced.</p> <p>953,017</p>	<p>2.72 hectoliters of water consumed per hectoliter of beer and beverages produced.</p> <p>1,017,773</p>
<p>% infiltration in recharge zone, Payment for Environmental Services</p>	60%	404%
<p>Agency consumption index</p>	0.06 hectoliters of water consumed per hectoliter of products sold.	0.05 hectoliters of water consumed per hectoliter of products sold.
<p>Global water consumption indicator (hl/hl)</p>	2.75 hectoliters of water consumed per hectoliter of products sold.	2.79 hectoliters of water consumed per hectoliter of products sold.
<p>Weight of managed industrial solid waste (ton)</p> <p>% of post-industrial waste managed</p> <p>Hazardous waste managed, treated or incinerated (ton)</p>	<p>25,901 tons</p> <p>99.31%</p> <p>27 tons</p>	<p>25,179 tons</p> <p>99.23%</p> <p>34 tons</p>
<p>Weight of post-consumer solid waste collected (Kg)</p> <p>% of post-consumer waste collected (except glass)</p>	<p>7,922,594 kg</p> <p>> 100% (except glass)</p>	<p>10,944,690 kg</p> <p>PET: 582% HDPE: 312% Aluminium (cans): 121%</p>

Environmental Dimension

INDICATOR	2021 RESULTS	2022 RESULTS
<p>Total energy consumption rate</p>	86.8 MJ consumed per hectoliter of beer and beverages produced.	90.57 MJ consumed per hectoliter of beer and beverages produced.
<p>Total emissions (ton CO₂eq)</p> <p>% Scope 1 Emissions</p> <p>% Scope 2 Emissions</p> <p>% Scope 3 Emissions</p> <p>Emission index (Kg CO₂eq / hl)</p>	<p>31,998 tons of CO₂ equivalent.</p> <p>56%</p> <p>43%</p> <p>1%</p> <p>8.78 kg CO₂ equivalent for each hectoliter of beer and beverages produced.</p>	<p>35,024 tons of CO₂ equivalent.</p> <p>58%</p> <p>41%</p> <p>1%</p> <p>9.13 kg CO₂ equivalent for each hectoliter of beer and beverages produced.</p>
<p>Spills and environmental incidents</p>	0	2
<p>% of energy from renewable sources</p>	5.7%	4.8%



■ We keep our commitment with future generations



COMPAÑÍA CERVECERA
DE NICARAGUA S.A.

WATER NEUTRAL COMPANY

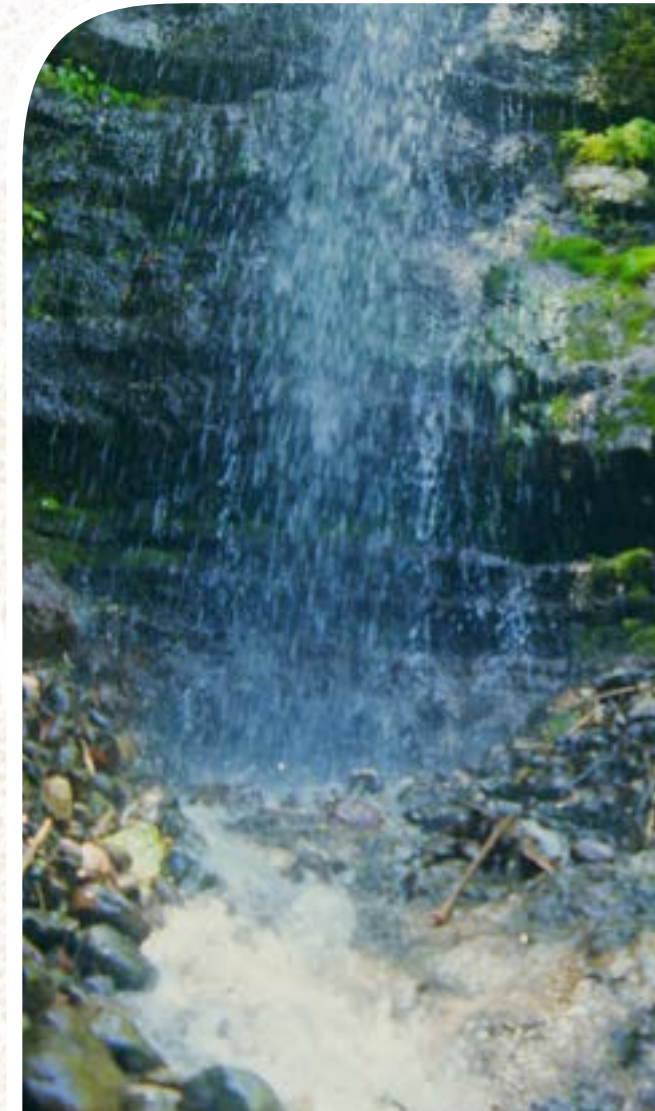
CCN's Water Neutral Program, in conjunction with the Eco Development organization and ten farm owners located in the upper infiltration zone of the South Basin of Lake Xolotlán, from 2015 to 2022, has managed to infiltrate about 404% of the water consumed in our operations.

1,017,773 m³
Consumed water in 2022

4,109,457 m³
Infiltrated water in 2022

404% infiltration by 2022

Infiltration is carried out through a compensation program in the form of payments for water environmental services.



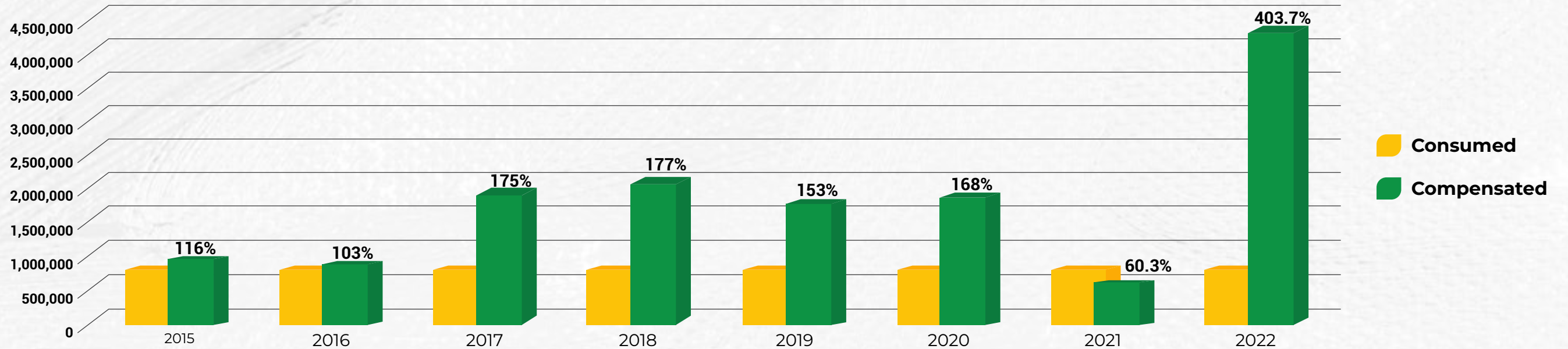
Compensation over the years

7,043,539 Consumed

ACCUMULATED 2015-2022

12,215,649 Compensated

PSAH compensation*



We achieved!

Conservation of 300 acres of forest and protecting 1,100 species of flora and fauna.

*PSAH: Payment for Water-Based Environmental Services (Pagos por Servicios Ambientales Hídricos)

Certificate of Water Infiltration 2022



CERTIFICATE OF WATER INFILTRATION 2022

CERTIFICATE No. CCN-8-2022

AWARDED TO: COMPAÑIA CERVECERA DE NICARAGUA, CCN for the development of the:

PAYMENT FOR ECOSYSTEM SERVICES (PES) PROGRAM

In 2022, CCN offset 100% of the total water consumption for its industrial operations, reaching a record of 1,017,773.4 cubic meters. During this period, the company has contributed to the conservation of 300 hectares of tropical forest in the South Basin of Lake Xolotlan, generating favorable conditions for the capture and storage of 4,109,456.9 cubic meters of rainwater on the soils of 10 properties subject to the PES.

CONSERVATION ACTION DEVELOPED

- | | | |
|---------------------|-----------------------------|----------------------|
| Water Recharge | Hunting Control | Waste Management |
| Forest Cover | Fire Management | Visitation Rules |
| Wildlife Protection | Avoided Deforestation | Signage and Labeling |
| Soil Conservation | Surveillance and Patrolling | Boundary Maintenance |



Jaime Incer Barquero
Jaime Incer Barquero

LEADERSHIP IN LATIN AMERICAN CONSERVATION
NATIONAL GEOGRAPHIC AWARD
JANUARY 26, 2023 | NICARAGUA



Las Delicias Micro Station, 2022

■ We keep our commitment with future generations

- Water consumption indicator at the Managua plant:

2.72 hl/hl

(hectoliters of water consumed per hectoliter of beer and beverages produced).

- Water consumption indicator at foreign distribution centers:

0.052 hl/hl

(hectoliters of water consumed per hectoliter of products sold).

- Overall CCN water consumption indicator:

2.79 hl/hl

(hectoliters of water consumed per hectoliter of products sold).

Wastewater from the Managua plant is treated and discharged into the receiving body, complying with all maximum permissible limits.

None of the water supply sources have been significantly affected by our consumption.

There are also no known effects on receiving bodies or biodiversity related to our discharges.

“
WE CONTINUE TO MANAGE THE EFFICIENCY OF OUR WATER CONSUMPTION
 ”

WE MANAGE OUR SOLID WASTE PROPERLY

We manage our waste through the following methodology:

3R

REDUCE or avoid waste generation.
REUSE as much as possible.
RECYCLING what is not reusable.

Concerning the goal established by the Company to manage more than **99%** of solid waste, in 2022 we managed 99.2% of waste, equivalent to **25,179 tons**. Only 0.8% was disposed of in a landfill or safety landfill.

The management methods are sales for reuse, recycling, composting, and hazardous waste treatment.

From 2019 to 2022, we have decreased the generation of ordinary waste by approximately 40%, thanks to initiatives such as recycling labels, internal management, and campaigns with customers.

During the period, **34 tons** of hazardous waste were managed. CCN does not transport hazardous waste outside its facilities. It purchases the services of companies authorized by the national authorities.



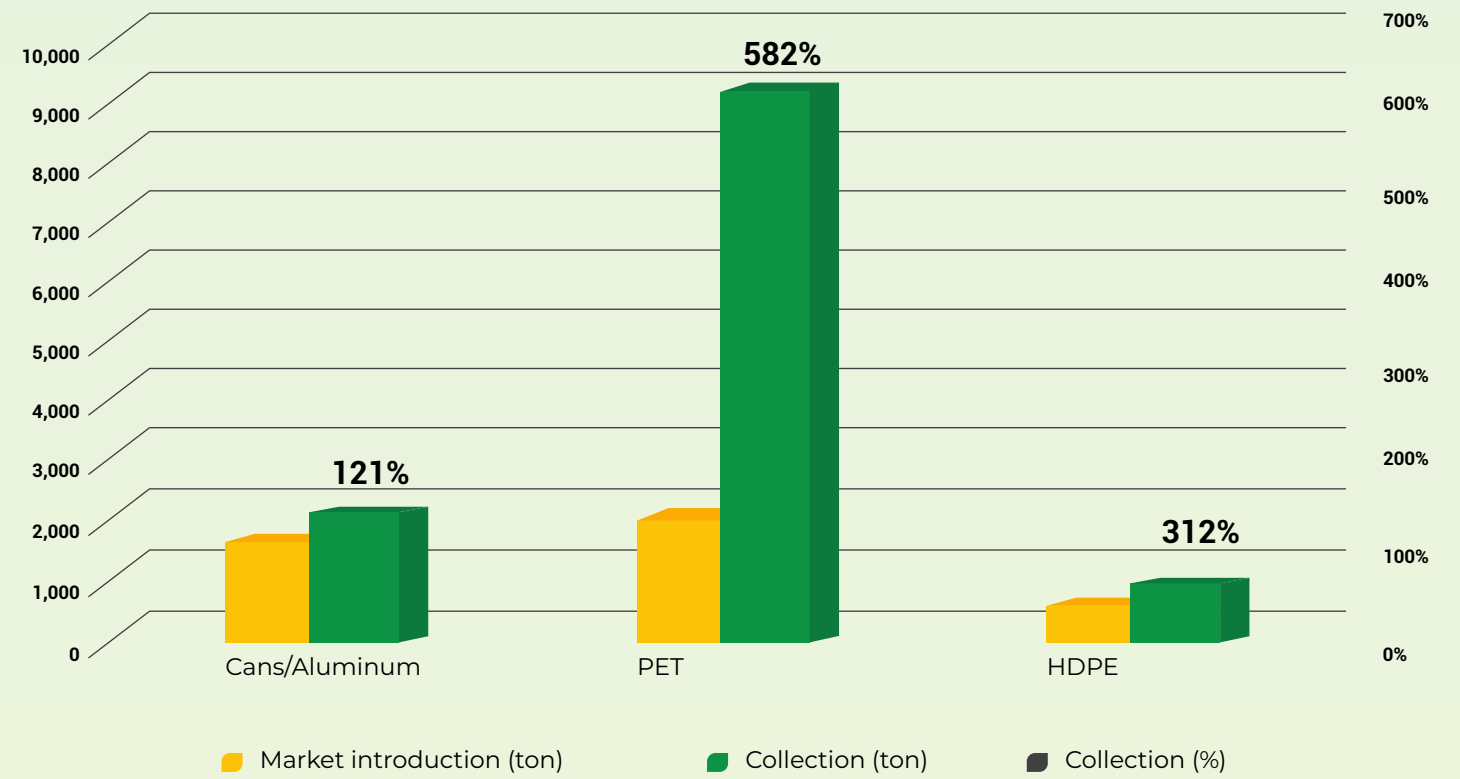


Compañía Recicladora de Nicaragua S.A. (CRN) is our strategic partner for collecting post-consumer waste.

During the period, **more than 100%** of primary packaging waste was collected, except for glass, which is recycled by our returnable bottles supplier.

In total, including the material collected by CCN in its internal campaigns and on Ometepe Island, **10,944,690 kg** of aluminum, PET and HDPE plastic containers were collected.

Post-consumer primary packaging collected



You can find our Container and Packaging Waste Management Manual on our website:

<https://www.ccn.com.ni/wp-content/uploads/2017/11/ManualEnvases.pdf>

To learn more about **CRN**, you can visit their profile on Facebook:

<https://www.facebook.com/CRNicaraguaSA/>



WE MANAGE OUR ENERGY CONSUMPTION

Total energy consumption in 2022 was 347,410 Gigajoules.

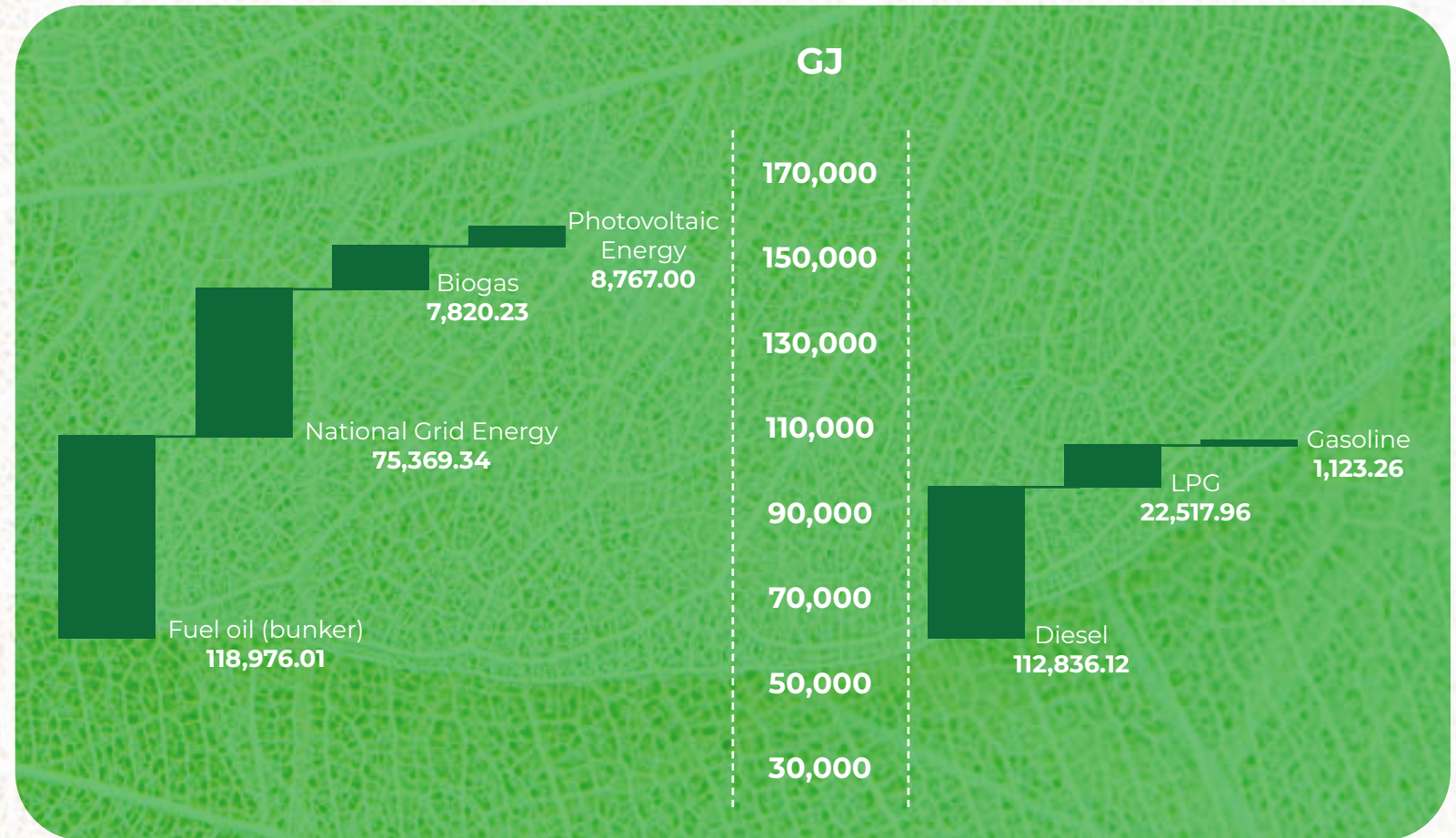
4.77% of this energy was generated from clean sources: biogas and photovoltaic energy.

The overall energy consumption rate for the period was 90.57 MJ/hl (megajoules consumed per hectoliter of beer and beverages produced).

This value considers the energy generated by clean sources, such as biogas from the wastewater treatment plant and photovoltaic solar energy at the Managua plant.

In 2022, a Resource and Energy Efficiency Assessment was conducted for CCN by the IfaS Institute (German DEG bank). Compensation routes for Carbon Neutrality were defined, and the amount of CO₂ sequestered annually by the Water Neutral Program farms was estimated.

Photovoltaic systems were installed in the Boaco and Matagalpa Agencies.



Industrial and facilities
61%



Vehicle fleet and mobility
39%



GREENHOUSE GAS EMISSIONS

Our operations' greenhouse gas (GHG) emissions totaled:

35,024 tCO₂eq** (tons of carbon dioxide equivalent)
 considering direct and indirect emissions, Scope 1, 2 and 3 (limited).

This is equivalent to a GHG index of:

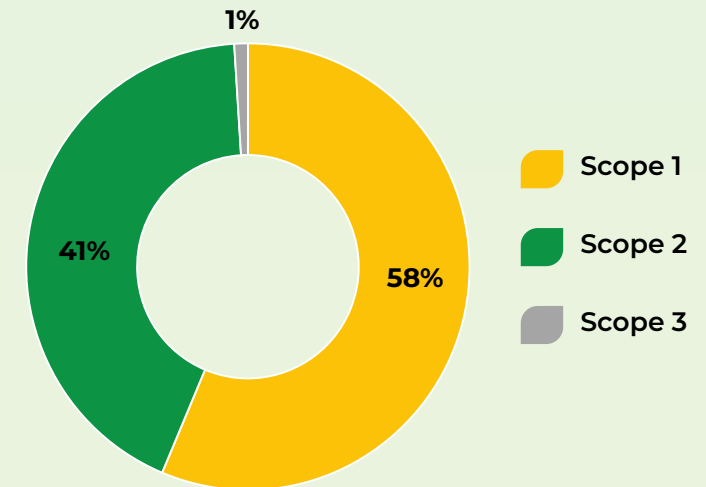
9.13 kgCO₂/hl (kilograms of carbon dioxide equivalent generated per hectoliter of beer and beverages produced)

Scope 1 emissions or emissions from directed consumption represented 58% of the total GHG emissions. The most significant contributions were: the generation of steam from bunker for the production process and the consumption of diesel and gasoline to mobilize the distribution and commercialization vehicle fleet.

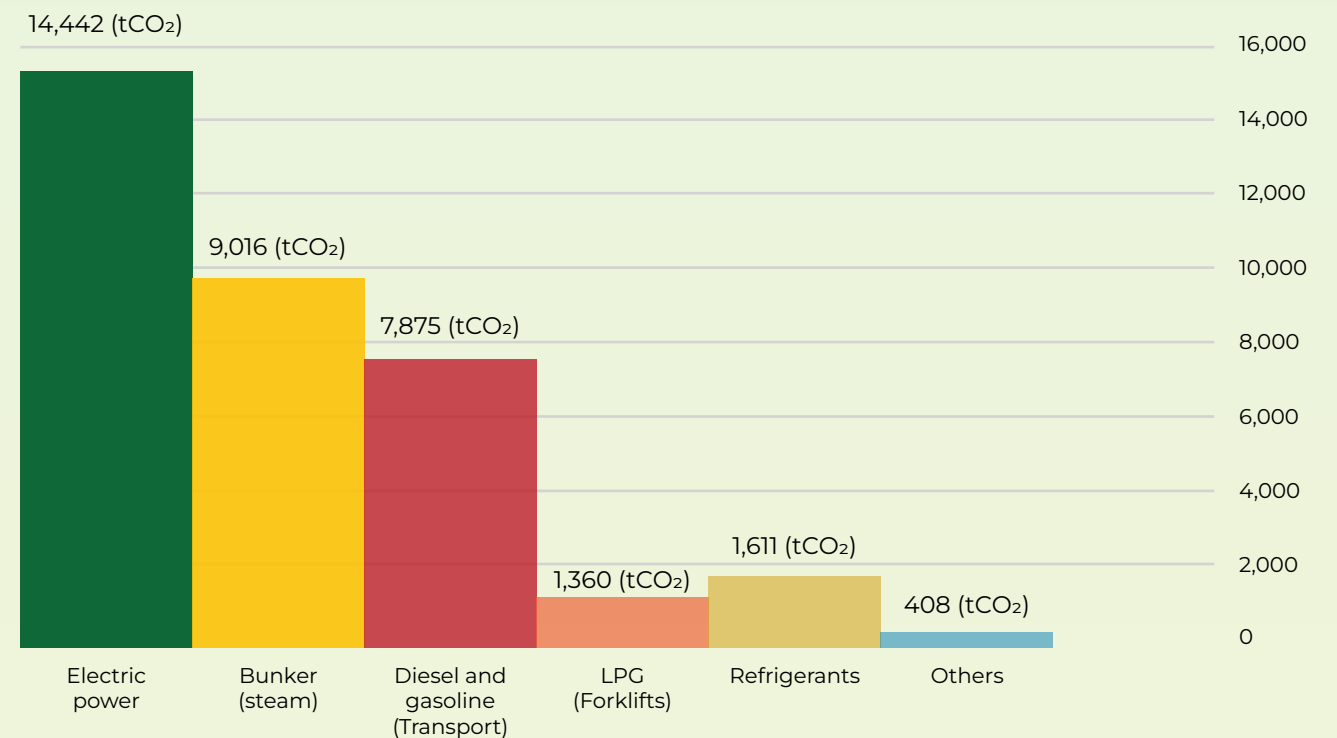
Scope 2 emissions or emissions from electricity consumption accounted for 41% of the total. It is worth noting that in 2022 CCN generated 10.7% of the total consumption at the Managua campus thanks to photovoltaic panels.

Scope 3 emissions or indirect consumption emissions accounted for 1% of the total number of emissions. These only consider the transportation of personnel for internal travel and international flights.

CONTRIBUTION BY SCOPE (%)



EMISSIONS CONTRIBUTION 2022



*Others: Solid Waste Treatment, Waste Water Treatment, LPG Dining Room, Backup Power

**Note: data not verified by a third party.

BIODIVERSITY PROTECTION

This is CCN's fourth environmental objective. The company is dedicated to ensuring the safety and well-being of wild or domestic species that may enter our processes and operational areas by providing care and relocation services.

At the Managua plant, the forest plantation provides a natural home for both native and migratory species. We have identified 66 fauna and 79 flora species in the area.

According to the International Union for Conservation of Nature*, two species have been identified as part of the National Closed System (Ministerial Resolution DISUP No 02.01.2013), but neither is in danger of extinction.

Throughout the period, we provided ongoing training to our Integrated Pest Management and Property Security staff on proper techniques for capturing and handling wildlife species. This training is crucial to prevent accidents and maintain the integrity of these species. At our Managua campus, 24 events related to wildlife handling were recorded.

The Water Neutrality Program also enables the conservation of biodiversity. For more information about the program and its results, please visit the program's website: <https://arcg.is/0q8He5>

- For more information:
<https://www.iucnredlist.org/>





OUR COMMUNITY

External Social Strategy

Our goal:

To have a positive impact on society.

- To contribute to the development of technical professional training in Nicaragua.
- To foster greater relations with relevant stakeholders
- To promote responsible consumption.

SUSTAINABLE DEVELOPMENT

GOALS

to which this strategy contributes



No poverty



Good health and well-being



Quality education



Reduced inequalities



Partnerships for the goals

Proud to educate to transform our future

In 2022, the Victoria Institute of Technology continued to support the personal and professional growth of low-income youth in Nicaragua by providing four technical career options: Business Administration, Industrial Electronics, Industrial Maintenance and Food Technology.

Victoria Foundation continued to offer two short-term careers: Accounting Assistant and Sales Technician. It also concluded its training program for middle-level technicians.

Adjustments to the curricular designs were made to ensure the career portfolio’s relevance. This helped meet the demands of the country’s social and business context, improved the graduation profile of students, and increased their job placement opportunities.

The ITV was certified as an exploratory-level CISCO Academy, thus offering its students the opportunity to strengthen their competencies in the technological field.

A total of 382 scholarships were granted, covering tuition, teaching materials, uniforms, personal protective gear and accident insurance.

	Victoria Foundation	Victoria Institute of Technology
Student Population	315	417
Student Retention	90.79%	93.76%
Academic Performance	86.78%	85.15%
New Graduates	286	187
Graduate Job Placement	85.20%	



THROUGH INPROCRES, WE PROMOTE RESPONSIBLE CONSUMPTION AND HEALTHY LIFESTYLES

Talks given in 2022



780



2,814



13,832



16,646
Total participants



Talks for Parents

Talks **25**

Participants **632**

Talks on Road Safety/
Responsible Consumption

Talks **744**

Participants **15,728**

Youth Talks /
Responsible Consumption

Talks **11**

Participants **286**

Summary

Since INPROCRES started the talks in 2012 through December 2022, their activity has been as follows:



13,371
Talks



141,810



197,798



339,608
Total participants

78%

491



22%

141



86%

14%

2,151



13,577



60%

172



40%

114



PRINCIPLES AND CORRESPONDENCE OF THE GLOBAL COMPACT		
HUMAN RIGHTS		
1	Business should support and respect the protection of internationally proclaimed human rights	See sections: Human Rights Policy Code of Ethics
2	Make sure that they are not complicit in human rights abuses	
LABOUR		
3	Businesses should uphold the freedom of association and the effective recognition of the right to corrective bargaining	View sections: Our Business Our Brewing Family Our Community
4	The elimination of all forms of forced and compulsory labour	
5	The elimination of child labour	
6	The elimination of discrimination in respect of employment and occupation	
ENVIRONMENT		
7	Businesses should support a precautionary approach to environmental challenges	See section: Our Environmental Commitment
8	Undertake initiatives to promote greater environmental responsibility	
9	Encourage the development and diffusion of environmental friendly technologies	
ANTI-CORRUPTION		
10	Businesses should work against corruption in all its forms, including extortion and bribery	See section: Code of Ethics



COMPAÑÍA CERVECERA
DE NICARAGUA S.A.

Contact

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If you would like to see all our Sustainability Reports, please go to:
<https://www.unglobalcompact.org/what-is-gc/participants/35361#cop>

COMMUNICATION
ON PROGRESS



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

This report has not been verified by third parties. However, the company has processes in place that govern the compilation and review of all information included in this report, as well as validation with our Audit Committee.