

# **Safety and Well-being Policy**



# Safety and Well-being Policy

## 1. Purpose:

The purpose of this policy is:

- A) Promote and maintain a safety and occupational health culture that allows a safe and healthy environment, preventing injuries and occupational illness.
- B) To comply with legal requirements and other security standards, by eliminating hazards and reducing risks and promoting continuous improvement of the Management System.
- C) In addition:
  - 1. To promote the integrity and well-being of the Company's associates, contractors, customers, suppliers.
  - 2. To safeguard AC's asset.
  - 3. To provide support to the strategy of the Safety and Occupational Health area.
  - 4. To provoke the transformational culture change towards prevention based on safe and healthy behaviors.

## 2. Scope:

This policy applies to all Arca Continental associates, as well as suppliers, contractors, customers, service providers, and visitors to the Company's facilities.

## 3. Definitions and Abbreviations:

**Arca Continental Group:** The Business, the Company, or Arca Continental, S.A.B. de C.V. and all its subsidiaries.

**Crash Rate:** Index of collisions of own distribution vehicles, third parties, or any other type of fleet (utility vehicles).

**Fatality:** Defunction/death.

**Lost Time Incident (LTI):** A work-related incident, including fatalities, that results in one or more lost days. An LTI is sometimes also referred to as a "Disabling Injury." A single event that results in days lost for two or more associates is counted as two or more LTIs.

**HIRACs:** Hazard Identification, Risk Assessment and Control.

**Kore (The Coca-Cola Operating Requirements):** These define the policies, standards, and requirements for the management of safety, the environment and quality in all operations of the Company.

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**Lost Time Incident Rate (LTIR):** Is the number of lost time injuries occurring relate a work per 200,000 hours worked.

**Lost Time Incident Rate (LTIR) – Contractors:** Is the number of lost time injuries occurring relate a work per 200,000 hours worked involving contractors or suppliers that carry out activities:

- Inside the company
- In company units
- With the responsibility of an authority office

**Occupational Illness Frequency Rate (OIFR):** Incidence rates represent the number of illnesses or lost workdays per 100 full-time workers.

**Potential SIF:** Possible and practically probable incident or exposure determined to have credible potential to cause or be a fatal, potentially life-threatening or life-altering injury or illness.

**SOH:** Safety and Occupational Health.

**Safety and Occupational Health (SOH) Area:** It is integrated into the structure of the Technical and Supply Chain Director. The global corporate SOH position reports to the Quality, Safety, and Environment Management. For what is applicable to operations, the SOH area reports to the Technical Director and is aligned with all operations and subsidiaries.

**Safety and Occupational Health Strategy:** Series of actions aimed at i) installing in Arca Continental a culture of prevention based on safe and healthy behavior, and ii) achieving the zero incidents indicator in all AC operations.

**Safety Rating:** Preventive safety indicator where leadership is measured through 3 specific actions: dialogue through a 5-minute talk, routine through the application of a checklist, and activity (identifying unsafe or sub-standard acts and conditions in accordance with an effective preventive observation methodology).

**Serious Injury and Fatality (SIF):** Serious incident and/or fatality resulting in death, injury, or illness that i) threatens life with a high probability of immediate treatment and intervention by external support personnel specialized in emergencies, or ii) alters life and requires the permanent use of appliances or prostheses to perform some internal or bodily function.

**Subsidiaries:** Companies belonging to the Arca Continental Group, in which Arca Continental, S.A.B. de C.V. is a direct or indirect holder of more than 50% of the shares that make up their capital stock.

**Total Incident Rate (TIR):**

$$= \frac{\text{Number of Cases of Medical Treatment} + \text{Number of LTIs} + \text{Fatalities} \times 200,000}{\text{Number of Hours Worked in the reported period}}$$

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## 4. Policy Guidelines:

- 4.1.1 Neither productivity objectives, production goals and financial goals will excuse the non-compliance with this policy.
- 4.1.2 The business leaders of each country and each subsidiary shall and/or are responsible for a) adapt and execute/executing the SOH strategy in the country in which they manage and control this function, b) Assign the necessary resources for the identification, evaluation and control of risks, c) ensure/ensuring that the initiatives, programs, systems, and/or defined processes are correctly implemented in their operations, ensuring their effectiveness.
- 4.1.3 All associates and any other person covered by this policy must and/or are responsible for:
  - Contribute/Contributing to achieving maximum safety and well-being of work sites and of all productive and commercial activities.
  - Know(ing) and apply(ing) this policy and the SOH guidelines.
  - Actively participate/participating in the achievement of the objectives for the reduction/minimization/elimination of risks.
  - Be(ing) part of the transformational process of culture with a preventive approach and live/living the safe and healthy behaviors defined in AC.
  - Report(ing) to the SOH Management of your country, in a timely manner, a) any deviation from this policy and other SOH guidelines, and b) local incidents, investigations, etc., in the forms that said Management determines.
  - Participate/Participating in an on-boarding process that ensures understanding of this policy and the SOH guidelines and programs, as well as their role and responsibility.
  - Comply(ing), when applicable with the defined annual program of the technical school and the sales school.
- 4.1.4 The leadership in all countries is responsible for:
  - Promoting and leading the SOH strategy.
  - Monitoring the performance of the various components of the SOH strategy.
  - Encouraging the preventive culture of SOH in work teams and among associates.
  - Facilitating resources and designating budget (CAPEX / OPEX) for the execution of the SOH strategy, when possible.
  - Implementing both this policy and the SOH strategy.
  - Leading the meetings of the Site Safety Committee (Committee) of the business they operate and ensuring the issues and processes of industrial safety and occupational health.
  - Monitoring the fulfillment of the objectives and goals of OHS.
  - Ensuring that all incidents are registered in the designated platforms, as well as their investigation and implementation of corrective actions.
- 4.1.5 The Global Corporate SOH team has the following responsibilities:

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- Designing and communicating strategies, plans, and metrics that promote the safety, health, and integrity of associates, which must be aligned with the Business Plan.
  - Promoting collaborative work between areas to integrate the culture of prevention in a transversal way and at all levels of the Company, that is, to achieve behaviors that mitigate risks and eliminate incidents.
  - Designing mechanisms to ensure the applicable legal compliance in each country, KORE requirements, and others.
  - Designing and establishing actions for the Company to follow in its global prevention, identification, and action strategy.
  - Ensuring that the Long-Term Plan (LTP), Business Plan (BP), and other elements include programs and actions that ensure the deployment of SOH strategies and are measured through metrics and supported with resources.
  - Replicating proven best practices in operations.
  - Identifying, monitoring, analyzing, and reporting to the Technical Executive Director and Supply Chain the internal and external risks that may affect the continuity of the operation, and providing strategic support to the business areas in the development of key initiatives.
- 4.1.6 Those responsible for SOH in each country must:
- Adapt and execute the Global strategy in the country in which they operate and in each business of the Company.
  - Comply with, enforce, communicate, broadcast, and deploy this policy in all operations processes, particularly those with ISO management systems.
  - Ensure that systems or processes are correctly implemented in operations to achieve the objectives of the SOH strategy, as well as ensuring its effectiveness.
  - Manage the Committee meetings to review indicators, programs, initiatives, and projects that support the strategy, metrics, and compliance with this policy.
  - Integrate in the LTP, BP, and other elements, the programs and actions that ensure the implementation of the SOH strategy, measuring progress and deployments through metrics.
  - Take advantage of the management system to execute and facilitate the association between the facilities and the leadership of the operations, as well as identify the necessary actions to solve the opportunities and ensure compliance with the SOH policy.
  - Establish, define, and comply with the prioritization of the SOH initiatives and programs that apply to it, as well as verify that resources are allocated in accordance with the Risk assessment.
  - Maintain a current contact list for: plants, DISCE, offices, for any issue related to SOH.
  - Report to SOH Global Management:
    - a. Progress in programs, initiatives, and processes, the results of indicators applicable to each business unit (Safety Rating, Crash Rate, LTIR, TIR, OIFR, LTIR Contractors, SIF, and Potential SIF

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among others) (capture - record- investigation of all cases of incidents on the platforms established by the Company for this).

- b. The CAPEX / OPEX status necessary for the implementation of SOH programs, etc.
- c. Deviations from the strategy and this policy.
- d. Local incidents and investigations, as well as internal and external risks that may affect the continuity of the operation.
- e. Any registration/cancellation of business units and key personnel (Directors - Managers - Headquarters) for the purpose of maintaining adequate management of the SOH processes.

## 5. Vigilance and Compliance with the Policy:

The vigilance of compliance with this policy falls primarily on the directors of each country, business, or subsidiary of Arca Continental, but also importantly on the Quality, Safety, and Environment Department.

## 6. Consequences or Sanctions for Lack of Compliance with the Policy:

Any breach of this policy must be reported to the Technical and Supply Chain and Human Capital Directors. Failure to comply with the provisions of this policy by any of the responsible parties may result in discipline, up to and including termination of employment in accordance with the Code of Ethics of Arca Continental and any other applicable Law.

## Changes Log POL-GG-CDS-CAA-001:

Issue date:	August 18, 2021
Date of application:	August 18, 2021
Date of last update:	August 18, 2021
Initial effective date of the update:	August 18, 2021
Director responsible for the issue or update:	Technical and Supply Chain Director - Quality, Safety, and Environment Director

Any associate who reasonably suspects or becomes aware of conduct that deviates from this policy is encouraged to make a complaint to any manager or by any other means, including the Transparency Mailbox, through the following options:

1. The “Transparency Mailbox” on the corporate intranet or on the Arca Continental web page
2. The email address: [informa@buzondetransparenciaac.com](mailto:informa@buzondetransparenciaac.com)
3. The toll-free phone lines:
  - In Argentina: 0800-345-5478

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- In Ecuador: 1-800-001-135
- In the USA: 1-888-303-8442
- In Mexico: 800 8228966
- In Peru: 1-705-2233