

Operational Health and Safety



Introduction

Arca Continental prioritizes the safety and well-being of its associates, fostering a work environment that promotes a culture of health and safety. The company has implemented a comprehensive Safety and Workplace Health Strategy supported by a Safety and Well-being Policy. This framework aims to create a safe and healthy workplace for everyone, emphasizing prevention and problem-solving.

Under the global framework named *Present Prevention*¹: *think, analyze, act*, Arca Continental has integrated the "*What if... a way of thinking and acting*" program, promoting a proactive mindset and aligning with Serious Injury and Fatality (SIF) incidents. By actively identifying and minimizing risks, the company cultivates a culture of prevention and continuous improvement. This involves thorough identification, research, and classification of hidden risks, followed by the development of action plans to prevent accidents. Additionally, the program emphasizes the use of the question "*What if?*" to anticipate the potential escalation of incidents into SIFs.

Arca Continental follows the *14 Life-Saving Rules*, jointly designed with The Coca-Cola Company, to ensure consistent safety practices across the organization. These rules serve as a standardized framework for associates, contractors, and visitors, enabling them to minimize risks and protect their well-being. Additionally, the company strongly believes in and follows its own *Human and Organizational Performance (HOP) Philosophy*, which encourages a blame-free environment, empowerment, and problem-solving. By recognizing that safety incidents often result from complex system interactions rather than individual errors, Arca Continental empowers individuals to contribute to safety improvements and continuously enhance the well-being of its workforce.

Through ongoing efforts and initiatives, Arca Continental strives to effectively implement its Occupational Health and Safety Strategy. This document provides an overview of Arca Continental's aim and actions to foster a culture of safety throughout the organization and maintain a safe working environment for all.

¹ Some of the titles are linked to an external source: www.presentprevention.com with password: arcacontinental

Occupational Health and Safety Management System

Arca Continental's Occupational Health and Safety (OHS) Management System is aligned with key industry standards. Firstly, it adheres to the OSHA (Occupational Safety and Health Administration) framework in US which ensures an approach to identify and manage OHS risks.

In addition to OSHA, Arca Continental's Occupational Health and Safety Management System complies with ISO 45001:2018 across all the five countries where it operates. This international standard provides a comprehensive framework for establishing, implementing, and continually improving occupational health and safety management systems. By adopting ISO 45001:2018, Arca Continental ensures that its health and safety practices are consistent and effective.

The main health practices developed at Arca Continental are:

- Periodic Medical Studies, which allow our associates to monitor and prevent illnesses.
- The implementation of a mobile app for online medical care in real time with qualified doctors for care and prevention of general and psychological illnesses for our associates and their families. This service covers medical attention from more than 12 specialties (it is in use and evaluation in Mexico)
- Creation of an Occupational Health indicator to monitor the health condition of associates.
- Implementation of internal physiotherapy services to carry out preventive treatments.
- Evaluation and implementation of technologies for detection of ergonomic risks.

Furthermore, Arca Continental goes beyond industry standards by aligning its Occupational Health and Safety Management System with KORE (The Coca-Cola Operating Requirements). KORE sets out policies, standards, and requirements for managing safety, environmental sustainability, and quality throughout all aspects of operations. By integrating KORE into its system, Arca Continental upholds the high safety standards established by its parent company, The Coca-Cola Company, ensuring a culture of safety, environmental responsibility, and operational excellence throughout its operations. The KORE requirements are shown as follow:

The Coca-Cola Operating Requirements (KORE)			
OHS-RQ-205 Personal Protective Equipment	OHS-RQ-105 Confined Space	OHS-RQ-155 Fleet Management	OHS-RQ-100 Compressed Gas
OHS-RQ-090 Ergonomics and Material Handling	OHS-RQ-165 Hearing Conservation	OHS-RQ-175 Lift Trucks & Other Powered Industrial Trucks	OHS-RQ-195 Material Handling Equipment
OHS-RQ-215 Traffic Routes	OHS-RQ-110 Contractor and Visitor Management	OHS-RQ-140 Emergency Action Plan	OHS-RQ-160 Hazardous Energy Control
OHS-RQ-180 Local Exhaust Ventilation	OHS-RQ-150 Managing Flammable Liquids	OHS-RQ-230 Working Safely Near Water	OHS-RQ-130 EOSH Performance Measurement
OHS-RQ-193 Transportation of Dangerous Goods	OHS-RQ-170 Hot Work	OHS-RQ-210 Respiratory Protection	OHS-RQ-135 Fall Protection and Prevention
OHS-RQ-185 Machine Safeguarding	OHS-RQ-191 Hazard Communication and Hazardous Material Control	OHS-RQ-120 Electrical Safety	OHS-FM-260 Life Saving Rules

Additionally, Arca Continental has an active participation within the Coca Cola system, made up of more than 250 bottlers worldwide, in which it leads Global Committees for the deployment of Safety and Cultural transformation projects, aligned with the Global strategy of SSO as they are: Global Co-Leader of Occupational Health and Safety, Global Co-Leader of the implementation strategy of the Safety cultural transformation program, Global Co-Leader in the implementation of the HOP Philosophy, which will be mentioned later.

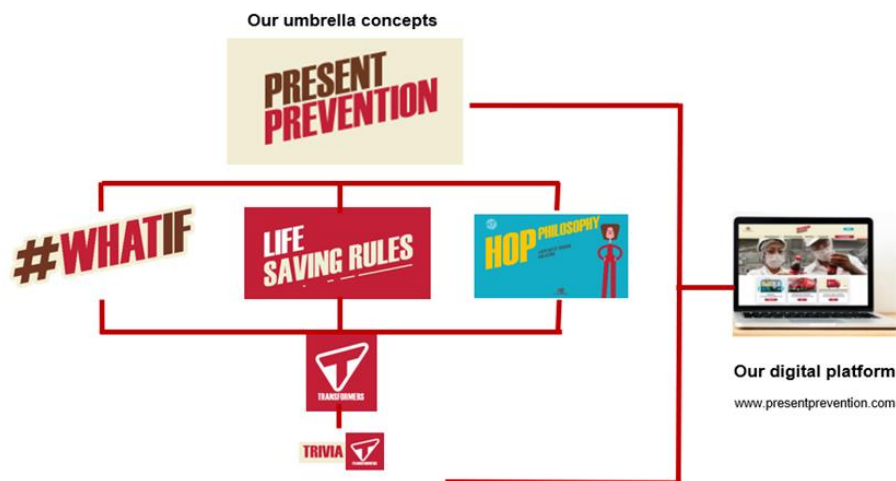
In addition to this, we continuously carry out Benchmark sessions with big industries with the intention of sharing and replicating good SSO practices within the organization, allowing us to be at the forefront and learn about the best SSO technology and innovation in the industry.

Quality, Safety, Health and Environment

Building upon the principles outlined in the Safety and Well-being Policy, Arca Continental establishes a comprehensive approach to maintain the highest standards in quality, safety, health, and environmental sustainability across all our operations.

The Safety and Health plan will be developed during 5 years in the following roadmap:

- 2021 Reset the OHS (Operational, Health and Safety) strategy** from the creation of an umbrella concept and objective thematic corridors
- 2022 Produce and deploy concepts and content** in the security area focused on brokers and the creation of the Transformers platform and program
- 2023 Integrate the areas of quality and environment** to the strategy to propose an organic and efficient communication
- 2024 Position the integrated strategy** throughout the operation and leaders of Arca Continental (AC), giving continuity to all initiatives, programs and projects developed since 2021
- 2025 Consolidate Safety and Health** in its communication dimension, with systematization and measurement of the integrated strategy



What if... a way of thinking and acting

Arca Continental has implemented the "What if... a way of thinking and acting" program as a key element of their Quality, Safety, Health, and Environment strategy. This program encourages a proactive mindset and is closely linked to Serious Injury and Fatality (SIF) incidents and their potential occurrence. By proactively identifying and addressing risks, Arca Continental fosters a culture of prevention and continuous improvement.

The identification of potential SIF cases allows us to move from a reactive approach (high severity cases) to identify all those cases that did not have serious consequences, but under certain precursors they may become so, allowing us to have a proactive and preventive behavior in incident management.

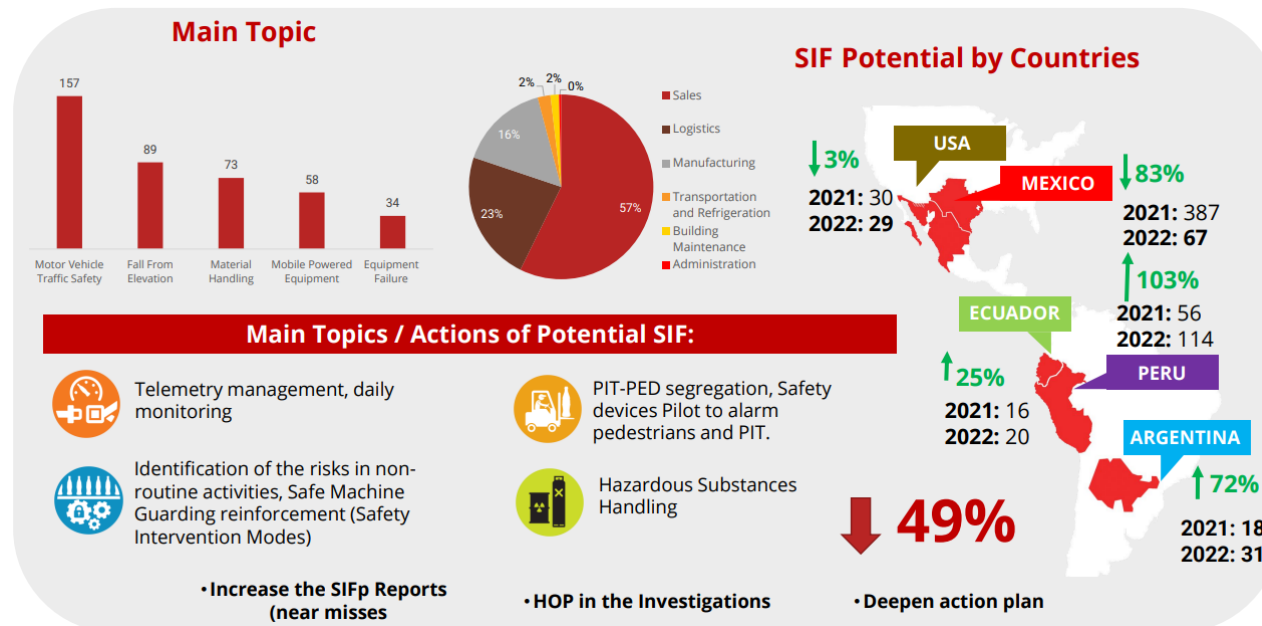
Potential SIF incidents encompass low-severity accidents resulting in lost time, cases requiring medical treatment, first aid cases, near accidents, and/or property damage without injury. On the other hand, SIF refers to incidents that lead to death, life threatening illnesses or injuries, or life-changing illnesses or injuries such as amputations, fractures, severe burns, etc.

By familiarizing associates with SIFs and potential SIFs, they can actively participate, understand, and report such incidents. This shift in thinking prompts us to continuously ask ourselves, "What if...?" This question helps us detect, anticipate, and minimize risks in our daily tasks, promoting a safe working environment. We promote the propagation of lessons learned from SIF incidents throughout the organization to prevent their recurrence. Arca Continental has also developed a series of comics to facilitate understanding of this indicator, reinforcing the importance of maintaining a proactive approach to safety.



We have migrated to the Comprehensive Organizational Management System (SIGO, in Spanish). The objective is to facilitate the management of programs, processes, indicators, action plans and better practices in all AC sites and businesses, focus and solving opportunities, guaranteeing regulatory compliance, and bringing the organization to the level of excellence in OHS.

To monitor² compliance with the management of SIF and Potential SIF incidents, we have routines with leaders of the areas involved, obtaining learning that allows our processes to be more resilient to human error and improving operational learning. The main areas of focus have included motor vehicle traffic safety, fall prevention from elevation, proper handling of hazardous substances, safe operation of mobile powered equipment, and minimizing the risks associated with equipment failure. These targeted initiatives have played a crucial role in improving overall safety performance and reducing the potential for SIF incidents.



² **Note:** The figures observed in the graph correspond to 2022. To see the most up-to-date figures, you can consult the Quantitative Annex of the Annual Report, available at: <https://www.arcacontal.com/sustainability/esg-resource-center.aspx>


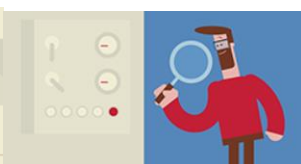












14 Life Saving Rules

As a testament to our unwavering commitment to safety and well-being, Arca Continental has introduced the "14 Life Saving Rules" within our comprehensive Safety and Health strategy. These rules serve as fundamental guidelines, emphasizing the paramount importance of personal care and ensuring the safety and well-being of every associate throughout our organization.

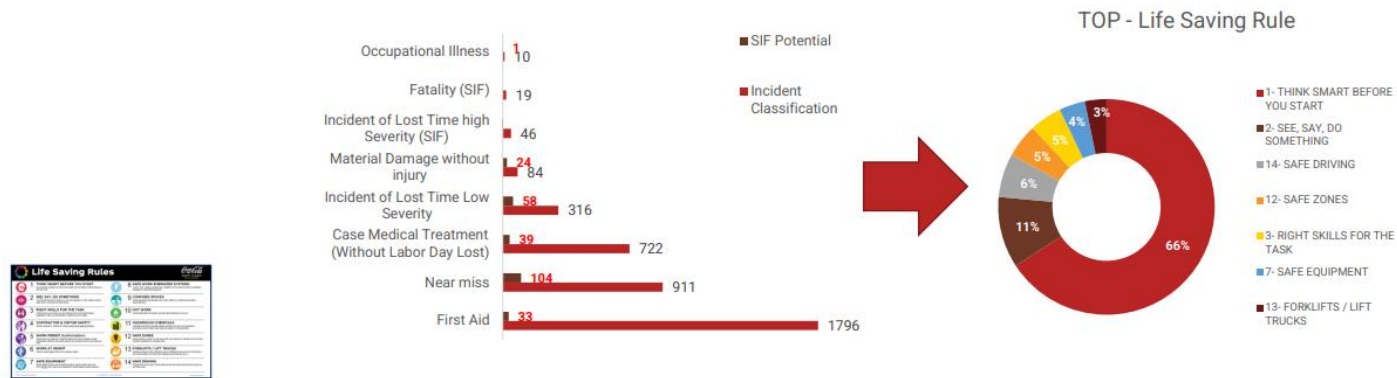
By following these steps, Arca Continental ensures a systematic and thorough approach to implementing and reinforcing the LSR across its operations.

We created a campaign that contains 14 Life Saving Rules called "John, -the New Associate" where we talk about the importance of taking care of ourselves and ensuring the safety and wellbeing of all our associates.

- The 14 Life Saving Rules are the following:

			
<p>Think smart before you start Do everything to ensure your safety and the safety of others before you start any work.</p>	<p>See, say, do something Your life and the lives of others you work with depends on YOU.</p>	<p>Right skills for the task Confirm that you and others are working with the right training, qualification and skills.</p>	<p>Contractor and visitor safety Ensure contractors, vendors and visitors act and work safely at all times.</p>
			
<p>Work permit (authorization) Always ensure an analysis of potential hazards has been completed.</p>	<p>Work at height Protect yourself against falls when working at height.</p>	<p>Safe equipment Ensure safety devices are in place and maintained to protect against hazard exposure.</p>	<p>Safe work energized systems Confirm "zero" energy is present and is isolated (LOTO) before working on potentially energized or pressurized equipment.</p>
			
<p>Confined spaces Obtain appropriate authorization and confirm safety of a confined space before supervised entry.</p>	<p>Safe zones Always position yourself in a safe zone away from exposure to hazards.</p>	<p>Hot work Control flammables and ignition sources before starting any hot work.</p>	<p>Hazardous chemicals Understand and follow the safe handling, storage and use for all chemicals.</p>
			
<p>Forklifts / Lift trucks Operate powered moving equipment only when confirmed to be in safe condition and only when certified and authorized to do so.</p>	<p>Save driving Practice safe driving rules. Vehicle safety devices and safe driving behaviors keep you and others safe.</p>		

The top life-saving rule, "Think smart before you start" has emerged as the most critical guideline with 1796 incident classifications and 33 Serious Injury and Fatality (SIF) Potential cases. This rule constituted a substantial portion, accounting for 66% of all incidents reported under the other 14 Life Saving Rules. The emphasis on applying critical thinking and making smart decisions prior to commencing any task demonstrates the significant impact this rule has had on identifying and mitigating potential risks, contributing to the overall safety efforts



KOSMOS: **84%**

1

Workshops with the Operation

90%

2

Auto-diagnostic LSR

85%

3

LSR communication (Las Fuentes Plant video)

67%

4

Analysis and Relate SIF Potential Events to LSR

100%

5

Communicate safety campaign throughout the organization

Note: The figures observed in the graph correspond to 2022. To see the most up-to-date figures, you can consult the Quantitative Annex of the Annual Report, available at <https://www.arcacontal.com/sustainability/esg-resource-center.aspx>

Human and Organizational Performance (HOP)

In line with our continuous pursuit of operational excellence, AC embraces the principles of Human and Organizational Performance (HOP). By delving into the intricate dynamics of resilient and safe system design, this section propels our organization towards a deeper understanding of optimizing human performance and fostering a culture of proactive risk mitigation.

What is HOP?

HOP is a **philosophy**, a new way of thinking and acting in which the associate is part of the solution and the leader's response matters. Also called the "New Vision," it is a movement that seeks to better understand how to design resilient and safe systems. HOP is **also a tool** that helps us think and do prevention differently, making systems resilient. HOP is not a program but **a way of looking at how human beings behave**, how they work, and the systems designed to support them on a day-to-day basis.

HOP assumes that mistakes will happen. Even if we do our best, we are not perfect as human beings. And this leads us to understand that most people want to come to work to do a good job and don't want to get hurt. So, HOP recognizes that we are human, and we make mistakes, so it is concerned with fixing processes and not people. The main objective of HOP is building better conversations across all organizational levels to:

- Know how work gets done
- Be a more resilient organization through operational learning
- Empathize being more respectful and understanding
- Create stronger defenses
- Accept people make mistakes, but despite that, do it more safely
- Learn more and in depth working in a team

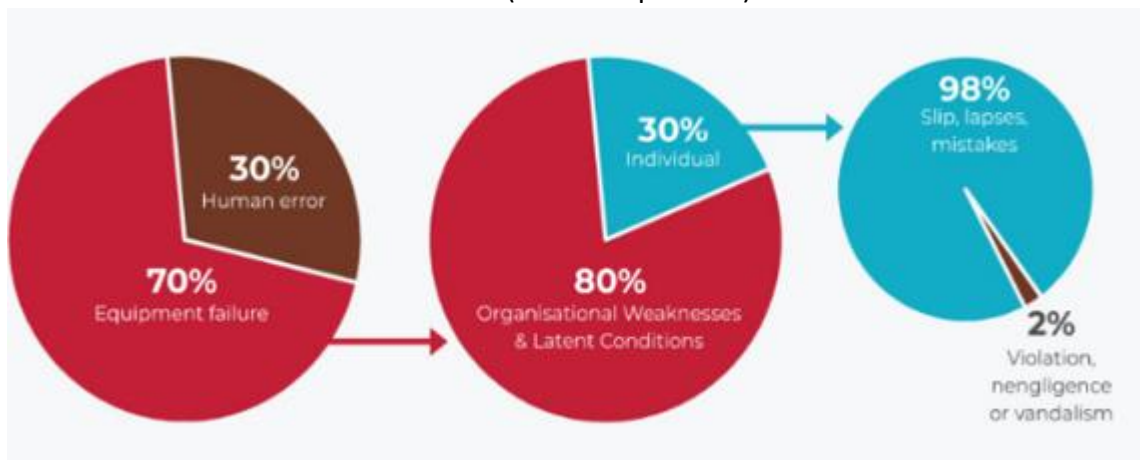
And another point that is very important: with 5 principles that we will turn into actionable practices HOP helps us make more confident decisions. In the following notes we will continue to learn more about HOP and how we will add it to our way of thinking and working to achieve the challenge we have in common: to take care of life and return home healthy and safe.

Principle 1: People make mistakes

Recognizing the inherent fallibility of human beings, Arca Continental embraces the first principle of Human and Organizational Performance (HOP) – "People make mistakes." Arca Continental sheds light on the universal truth that, as humans, we are all susceptible to making errors, and underscores the importance of fostering a culture of understanding, learning, and proactive improvement rather than blame.

- **What do we suppose?** That most of what goes wrong is due to people not following procedures or breaking a rule
- **What is the reality?**

That people make mistakes, but they don't intend to hurt themselves. Mistakes are part of the human condition. Still, people shouldn't pay with their lives or jobs because of or for a mistake. Human errors have many causes, including, among others, fatigue and stress, interruptions, latent conditions and error traps that can occur. HOP acknowledges that we are human beings, and we make mistakes; so it fixes processes, not people.
- **Types of deviations**
 - Involuntary deviation (human error)
 - Intentional deviation (violation of rules)
 - Standardized deviation (common practice)



Principle 2: Blame fixes nothing

Highlighting the futility of blame in achieving meaningful change, Arca Continental embraces the second principle of Human and Organizational Performance (HOP) – "Blame fixes nothing." This section emphasizes the importance of shifting our focus from assigning blame to understanding and addressing the underlying systemic factors that contribute to incidents, fostering a culture of learning and continuous improvement.

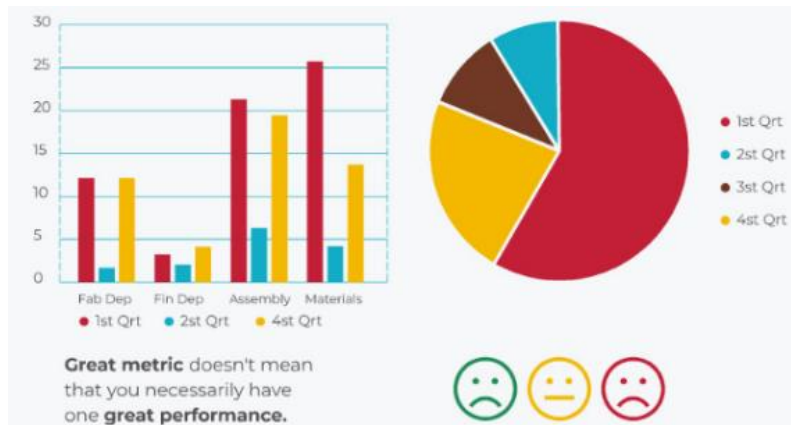
- **What do we suppose?**
 - That the associate is the problem
- **What is the reality?**
 - The reality is that blame fixes nothing. Looking for a person to blame is common because it's easier blaming than improving. Some of our prejudices make blaming our first reaction. Blaming a person won't change the probability of the mistake happening again.
- **We cannot rely on a person doing something 100% well 100% of the time**

- We will be disappointed and, if anything, we should be less surprised by mistakes and be more motivated to learn.
- The truth is that the more we blame, the less we learn. Associates who witness “blaming and punishing” attitude will not share with us how to carry out a job and will suffer side effects, including an “us against them” mindset.
- However, HOP does not mean there are no rules or discipline; instead, it is a new way of thinking where the associate is not the problem but a (significant) part of the solution,

Principle 3: Context drives behaviors

In recognizing the profound influence of context on behaviors, Arca Continental embraces the third principle of Human and Organizational Performance (HOP) – “Context drives behaviors.” This section underscores the invaluable insight of individuals closer to the job, emphasizing the significance of attitude in shaping actions and fostering a culture that values their contextual understanding for improved performance and safety.

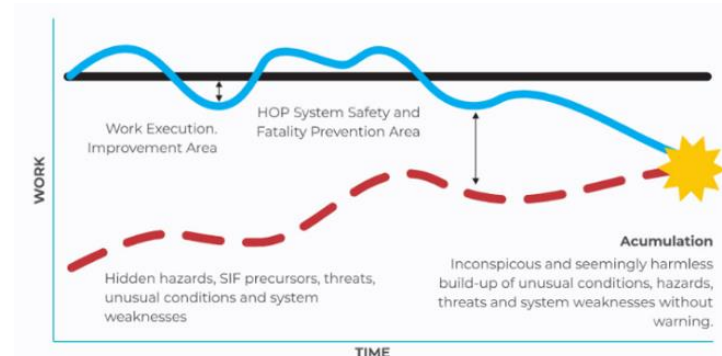
- **What do we suppose?**
 - That attitude is everything
- **What is the reality?**
 - The reality is that context drives people’s behavior. If a person makes a mistake or breaks a rule, it’s very likely others will do the same. People closer to the job understand better their context.
 - Great metrics don’t mean you have great performance on safety. In fact, world-class companies with TIR and LTIR still have fatalities. Things that matter at the workplace, defenses that prevent unwanted events from happening and other preventive indicators are often harder to measure than the indicators we generally use



Principle 4: Learning and improving is vital

Emphasizing the essential role of continual learning and improvement, Arca Continental embraces the fourth principle of Human and Organizational Performance (HOP) – "Learning and Improving is vital". This section highlights the importance of cultivating a culture that encourages ongoing learning, adaptability, and proactive improvement, driving enhanced performance and resilience within our organization.

- **What do we suppose?**
 - That there is a root cause
- **What is the reality?**
 - That there is a gap between the black line and the blue line (between what is planned vs the reality), so there are multiple causes and it is normal for that to happen.
 - Arca Continental began this journey to become a learning organization, so probably this is the most important principle to bear in mind. This means being less surprised when incidents happen and being more interested in learning, moving towards "how" we failed or "what" failed and away from "who" failed.
- Associates are the real masters of the blue line: they are the experts who should be involved to help us understand how work gets done, assess risks and check if the established controls are adequate. In the following graph,
 - The black line represents the way we think work should be executed according to our procedures, rules, policies, instructions, etc.
 - The blue line represents the way the associate works day by day managing variability and "drifting apart" from working as planned.
 - Hidden hazards and SIF precursors and other system weaknesses remain invisible if they are not identified and controlled, tending to accumulate over time. If not controlled they constitute a risk, particularly since these hidden hazards accumulate (that is the red line) until they finally result in an unwanted event, as a serious injury or death.
 - This means we need to take a control-based risk assessment approach versus an experience-based approach, and that we should understand how work gets done, identify these hidden hazards and ensure we have proper defenses (also known as controls) and/or layered defenses running properly.



Principle 5: Leader's response matters

This section underscores the critical impact leaders have in shaping organizational outcomes, emphasizing the significance of their response to incidents in fostering a culture of accountability, learning, and continuous improvement.

- **What do we suppose?**
 - Great leaders take action
- **What is the reality?**
 - The reality is that the way we react is important. Leader's answers to mistakes build or break a learning and improvement culture. The fact that our answer is important is really the main topic in all the principles of HOP.
 - When something happens in the organization, we should ask ourselves how we respond to that, how we can avoid reacting, and instead provide a thoughtful response.
- **What is our role as leaders?**
 - Listening to learn: Creating industrial empathy. This means listening to learn instead
 - Building better defenses together: Our role implies understanding problems, getting to know the tasks more deeply and building better defenses with associates
 - Knowing: We should adopt and have a deep understanding of the principles of this philosophy
 - Following-up: as leaders, we should assume our role of monitoring every action and proposal for improvements to be possible
 - Having honest discussions: have honest discussions that create psychological safety
 - Avoiding an instinctive reaction: when something happens, we should respond in a very deliberately way and avoid having an instinctive reaction
 - Empowering associates: give associates power and authority, encouraging them to implement this philosophy

From principles to actionable practices: our answers make a difference

Knowing the 5 principles of HOP, we learn systems and processes we currently work with are not protected against human error, which makes them less resilient. We accept that when we examine a situation, we don't always consider the whole context or variabilities in regular work. We have a great learning experience, and we will share it through our 5 actionable practices shown in the following table:

PRINCIPLES	ACTIONABLE PRACTICES
People make mistakes	We will be empathetic, understanding workers don't intend to hurt themselves and mistakes are part of human nature.
Blame fixes nothing	We won't look for people to blame since we will acknowledge and motivate workers to have the courage to speak out.
Context drives behaviors	We will recognize our systems and processes can impact our workers' behaviors.
Learning and improving is vital	We will seek ongoing improvement of our systems and processes through operational learning.
Leader's response matters	When facing failure or a situation, we will be aware that our responses have a positive or negative impact on a learning and improvement culture.

HOP integration and adoption in operations

There are some of the key points and phases that come up when organizations begin their HOP journey:

- Leadership interest: Leaders should be interested because without them this cannot be done. You can't build a safe environment for people to speak out with psychological safety.
- HOP fluency: fluency is built around errors and fault-intolerant systems, on things like resilience, prevention and mitigation
- Safeguard management: what do we have in place to mitigate effects
- Operational learning: how work gets done. Through audits, observations and learning teams. Understanding how work really gets done, seeking out and wanting to know how work really gets done
- Alignment: Alignment of these principles is key in the different things we do. Alignment with the HOP principles should be done carefully and thoughtfully, taking one step at a time. This is about building better and more resilient organization and remembering resilience is not something we achieve. Resilience is an organization's ability to learn and respond to what they've learned

Occupational Health and Safety 2022 initiatives³

Presenting the Safety and Occupational Health 2022 initiatives, Arca Continental unveils a comprehensive approach that encompasses four key areas: People, Process, Innovation & Tech, and CAPEX. This section highlights our concerted efforts to enhance safety and occupational health across the organization, demonstrating our commitment to continuous improvement and the well-being of our workforce.

Area	Initiative	Definition
People	HOP	HOP is a philosophy that helps us think and do prevention differently, making our work systems more resilient
	Present Prevention Campaign	Global OHS framework that contains the “What if... a way of thinking and acting”, “14 LSR” and “HOP philosophy”
	Technical School	Design and manage a learning and development plan that focuses on administrative and technical safety skills at work, depending on the specialty required. Based on the “Learning by Doing” methodology in which the participant acquires the required OHS knowledge and sensibilization
Process	SIF/SIFp	Serious Injury and Fatality (SIF) incidents and SIFp refers to actions that might lead to a potential SIF
	14 LSR	Fundamental guidelines, emphasizing the paramount importance of personal care and ensuring the safety and well-being of every associate throughout our organization
Innovation & Tech	SIGO (Comprehensive Organizational Management System)	SIGO facilitates the management of programs, processes, indicators, action plans and better practices in all AC sites and businesses
	AI Ergonomy	It is an ergonomic evaluation project that allows correct ergonomic positions for manual activities
	AI Cameras	Technological solution based on AI that empowers HS teams to monitor their workplace based on security cameras
CAPEX	Telemetry	Measurement of the driving behavior with a device installed in trucks that measures speeding, rough driving, etc. The final objective is to prevent road accidents. In Southwest, we have AI cameras that measure driving fatigue. We also developed a telemetry management program with active participation through routines established by the leaders
	Firefighting System	Investment plan which is in execution to continue updating our fire extinguishing and detection systems in alignment with the standards of Factory Mutual (FM) Global We have emergency care teams, established plans and emergency brigades to contain any emergency that may present

³ **Note:** These initiatives in the table above correspond to 2022. To see the most up-to-date data, you can consult the Quantitative Annex of the Annual Report, available at <https://www.arcacontal.com/sustainability/esg-resource-center.aspx>

Associate Benefits

At Arca Continental, we highly value the well-being and quality of life of all our associates, understanding that it extends beyond the workplace. We take a personalized approach to benefits, ensuring that they align with the unique requirements and nature of each job. We believe in providing benefits that make sense and are relevant to the specific positions, needs and geographies of our associates. Therefore, the benefits we offer may vary.

For example, as we understand the importance of flexibility in different administrative roles and offer benefits such as flexible working hours, allowing associates to choose their entry and departure times, as well as the duration of their meal breaks. We also have a Job Share program available for eligible positions, enabling two associates to work part-time within a full-time position, ensuring work-life balance.

Furthermore, in some cases we provide tailored postnatal support options, taking into consideration the specific needs of associates in certain roles. This may include a gradual return to work based on the age of the baby or additional weeks of paid leave beyond the legally mandated period. Additionally, we recognize and support important life events for all associates, such as granting paid leave for the birth of a child, in the event of the passing of immediate family members and offering a free afternoon off to celebrate birthdays.

At Arca Continental, we prioritize the overall well-being of our associates, ensuring that the benefits we provide are meaningful and relevant to their individual circumstances and positions within the company.