

Sustainable Packaging Principles

Introduction

At Arca Continental we are aware of the great challenges we face for the rational use of resources. As expressed in the values of the company and our sustainability strategy, we will always favor actions and processes that minimize the environmental footprint of our operations, including the life cycle of our products, packaging and services.

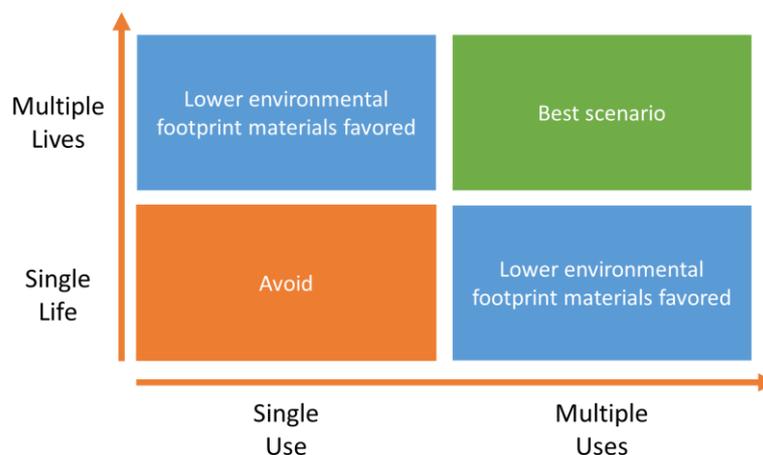
The Sustainable Packaging Principles of Arca Continental apply to all operations and all territories where the company has a presence.

Sustainable Packaging

To analyze the environmental footprint of all our packaging, both primary and secondary, we classify the materials and uses of the packaging under two dimensions: number of packaging uses and number of lives of the material.

- **Number of packaging uses.** A package can be used only once before being discarded or it can be used multiple time (for example, a returnable container) before the material or packaging loses the qualities necessary for its reuse.
- **Number of lives of the material.** There are materials or composition of materials, that can be recycled to create the same or another product. Currently there are materials that allow a very high number of recycling, that is, they can have many lives in different products before losing qualities. There are also materials that are difficult to use, recycling very limited or economically unfeasible, that is, the potential of the material to have a second life is very low.

These two dimensions allow us to classify the packaging into four categories, as shown in the graph below:



The principles of sustainable packaging of Arca Continental indicate the position and ways of work of the company for each of these categories:





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- I. **A single life and a single use.** We will avoid this category in all packages and product designs in the future, both primary and secondary. Packages or products that are currently in this category will be redesigned.
- II. **One life, multiple uses.** We will only use this category when the life cycle analysis of the material is less than any other economically viable option. The focus in this category is to work with local partners to increase the recyclability of the used materials.
- III. **Multiple lives, only one use.** We will use this category when the sum of the environmental footprints of the material and the process are lower than any other economically viable option. Other elements are put into consideration in this category, such as health, safety, geographic scope or extraordinary uses, to name a few. In this category, the focus is on working with allies to recover materials and increase the likelihood that the material will have other lives. We will encourage recycling for the same use (cradle-to-cradle), for example, recycling a bottle to make another bottle.
- IV. **Multiple lives, multiple uses.** This is the most promising scenario, as long as the environmental footprint of the product and process is lower than the other categories.

Commitments

A part of the Coca-Cola System, Arca Continental is committed to the goals of stated in World Without Waste that the company announced early 2019. In these goals, Arca Continental is committed to achieving before 2030:

1. To recover the equivalent of 100% of the materials of the primary packaging that we place in the market.
2. Incorporate 50% recycled material into our primary packaging.
3. That our primary packaging is 100% recyclable.

Additionally, and in accordance with our principles, Arca Continental commits to:

4. Reduce to zero the primary packaging materials of a single life and use by 2025.
5. Reduce to zero the secondary packaging materials of a single life and use by 2030.
6. Evaluate the environment footprint of the 100% life cycle of the materials and processes related to the primary packaging of a single life or a single use against economically viable options by 2025.
7. Evaluate the environmental footprint of the 100% life cycle of materials and processes related to the secondary packaging of a single life or a single use against economically viable options by 2030.
8. Have at least 25% of primary packaging materials in the multiple lives and uses category for 2025.
9. Promote collection and recycling schemes with authorities, NGOs and the community to minimize the generation of plastic waste in areas of high environmental or cultural value, mega-diverse or close to a body of water.

In addition to these commitments, Arca Continental joined the initiative of the New Plastics Economy Global Commitment with the Ellen MacArthur Foundation and the UN Environment, being among the first companies to sign related commitments to the management of plastic waste.

