

POSITIVE BALANCE

SOCIAL RESPONSIBILITY AND SUSTAINABILITY REPORT 2014



ARCACONTINENTAL



ABOUT THIS REPORT

[G4-3, G4-15, G4-28, G4-29, G4-30, G4-32, G4-33]

The Social Responsibility and Sustainability Report represents a great tool for Arca Continental. Through it, we communicate our achievements and contributions to sustainable development and could be used as the starting point for the dialogue with our stakeholders. This year, the most comprehensive materiality analysis ever was carried out with these groups, thus allowing us to answer their most transcendental concerns. This report has been published every year since 2004; the last period reported was 2013; the current one covers our actions from January 1st to December 31st, 2014.

Our report is prepared following the Global Reporting Initiative (GRI) guidelines and the indicators included in the supplement for processed foods. As we did last year, we have followed the G4 methodology under “in-accordance” core criteria. In this report, we also present our commitment and performance with the Ten Principles of the United Nations Global Compact, which we have implemented since 2006. We also give answer to the indicators proposed by the Mexican Stock Exchange (BMV) regarding the methodology for the selection of the Sustainable IPC, which we are a part of since its first integration in 2011.

Unless stated otherwise, the figures and actions expressed in this report refer to all Arca Continental business lines.

Verification to several indicators reported within was requested from an independent third party. This evaluation task involved the main business areas and was useful to integrate transversal efforts in order to see through the information that we consolidated and reported. This work also allows us to improve our follow up maturity directed by organizations like FTSE4Good and MSCI, prestigious international assessing companies that follow us since 2014.

[G4-31]

WOULD YOU LIKE TO SHARE SOME COMMENTS ON THIS REPORT? YOU MAY DO IT THROUGH THE FOLLOWING:

- By answering a survey on the web page: www.arcacontal.com
- By getting in touch directly with Guillermo Garza, Director of Corporate Communication and Social Responsibility; or with Rosario Aguilar, Head of Social Responsibility: rs@arcacontal.com.

Should you wish us to be more specific on the content of future reports, please answer the following survey about which sustainability aspects are the most relevant to you: es.surveymonkey.com/s/MAC_IDS_2014_EN

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MAIN ACHIEVEMENTS

In 2014 our operating income (EBITDA) was expanded 10 base points up to 22%. This allowed us to be an integral development agent for the communities we serve.

	2012	2013	2014
ECONOMIC			
NET SALES (MX. PS. MILLIONS)	56,269	60,359	61,957
EBITDA (MX. PS. MILLIONS)	11,322	12,845	13,644
DIRECT ECONOMIC VALUE GENERATED (MX. PS. MILLIONS)	56,429	60,604	62,253
ECONOMIC VALUE DISTRIBUTED (MX. PS. MILLIONS)	44,404	49,672	55,809
ECONOMIC VALUE RETAINED (MX. PS. MILLIONS)	12,025	10,932	6,444
INDIVIDUAL WELLBEING			
PERCENTAGE OF LOW OR ZERO CALORIE BEVERAGES	37%	40%	40%
NUMBER OF EVENTS PROMOTING ACTIVITY AND HEALTHY LIFESTYLES	1,900	2,100	2,400
NUMBER OF PEOPLE DIRECTLY BENEFITTED BY PHYSICAL ACTIVITY AND/OR NUTRITION AWARENESS EVENTS	1,110,000	1,275,000	4,440,000
NUTRITIONAL INFORMATION IN OUR NR PRESENTATIONS	100%	100%	100%
COMPLIANCE OF ALL BUSINESS UNITS IN AVOIDING ADVERTISING OR COMMUNICATION AIMED AT CHILDREN UNDER 12	100%	100%	100%
SOCIAL WELLBEING			
NUMBER OF PARTICIPANTS IN ANNUAL VOLUNTEER DAY	6,000	7,000	7,500
INVESTMENT IN SOCIAL PROGRAMS (MX. PS. MILLION)	58.6	59.2	66.5
MAN-HOURS INVESTED IN VOLUNTEER WORK BY ASSOCIATES AND THEIR FAMILIES	24,000	31,000	33,000
NUMBER OF TRAINING HOURS PROVIDED TO ASSOCIATES	846,000	816,717	820,122 ¹
LOST TIME INCIDENT RATE (LTR)	3.4	2.7	1.9
ENVIRONMENTAL WELLBEING			
WATER			
WATER USAGE RATE (L WATER/L BEVERAGE)	1.77	1.71	1.68
PERCENTAGE OF RECYCLED WATER	10.5%	10.8%	14.2%
RESIDUAL WATER DRAINAGE (MILLION m ³)	5.66	5.27	4.96
CARBON FOOTPRINT			
EMISSIONS INDEX IN MANUFACTURING PROCESSES (g CO ₂ / L BEVERAGE)	23.9	22.7	22.2
PERCENTAGE OF ELECTRIC POWER USED FROM RENEWABLE SOURCES	12%	16%	20%
ENERGY USE INDEX (MJ/ LT BEVERAGE)	0.236	0.232	0.229
PACKAGING			
PERCENTAGE OF RECYCLED PET RESIN (BEVERAGES MEXICO)	7.6%	18.1%	37.6%
CONSUMPTION RECYCLED PET RESIN (TONS) (BEVERAGES MEXICO)	5,954	13,697	25,972
WASTE			
PERCENTAGE OF RECYCLED WASTE	81.75%	83.80%	85.12%

1. Indicator calculated using the new parameters to measure training for our associates in Mexico.

MESSAGE FROM THE CHAIRMAN OF THE BOARD AND THE CEO

[G4-1, G4-13]

GUIDED BY A FIRM DETERMINATION TO INVEST IN THE DEVELOPMENT OF OUR COMMUNITIES AND ASSOCIATES, AS WELL AS THE SUSTAINABLE MANAGEMENT OF THE NATURAL RESOURCE THAT ARE UNDER OUR RESPONSIBILITY, WE ARE DELIGHTED TO ANNOUNCE THAT IN 2014, ARCA CONTINENTAL WAS ABLE TO DELIVER A POSITIVE BALANCE REGARDING THE MANAGEMENT OF OUR MAIN ENVIRONMENTAL AND SOCIAL INDICATORS, AS WELL AS IN OUR PERMANENT RELATIONS AND COMMUNICATION WITH OUR MAIN STAKEHOLDERS.

Led by the Arca Continental Sustainability Committee, along with the support and professionalism of our associates, after a year of challenging circumstances, our company's Sustainability and Social Responsibility Strategy made significant strides, including the integration of policies, processes and improved practices throughout the organization.

The Committee is made up of teams dedicated to each of our three strategic areas: personal, social and environmental wellbeing; each team being led by a highly specialized executive.

The operation of these teams has been enriched by the dialogue with the stakeholders, so that, in line with our Mission and Vision, in our interaction with consumers, associates, suppliers, stockholders, investors and society as a whole, we are able to focus our decision making and daily performance towards maximum value creation for all involved.

This report clearly reflects this mutually beneficial dialogue. Based on the Global Reporting Initiative guidelines and methodology (GRI4: Materiality Matters) for the second consecutive year, we're able to determine based on the premise of a detailed materiality analysis, the most significant indicators for both the company and our stakeholders.

In order to create a truly informative and thorough report for all parties, the choice of indicators and relevant information in this document came from a process which includes surveys, interviews and conversations that unearthed important findings regarding the expectations of the various individuals and institutions involved with our company.

In this sense, one of the most relevant issues in the area of the individual wellbeing of consumers, associates, the public, and the company, was that promotion of healthy and active lifestyle as a key to the development of any person and society.

Convinced of the benefits of physical activity, in 2014 we made a major push in our promotion of physical activity as well as adequate nutrition and hydration amongst our associates and the general public.

Being one of the most important sports promoters within the regions where we operate, we

organized and/or sponsored more than de 2,400 sports events throughout the year, to phisically activating over 4.4 million people.

Some of the main sport events were the Coca-Cola Cup, with the participation of over 2,800 teams integrated by teenagers from around all the cities we attend in Mexico; the Powerade Marathon and Mini-Marathon, which once again broke participant records in 2014 with over 7,000 runners from all over the country, making it one of the most important in Mexico.

Promoting transformational changes always requires the participation of several sectors of society. Therefore, our company has established partnerships with various government and private institutions to develop initiatives that benefit the community, such as the Schools in Motion program, which, up until now, has helped provide more than 90,000 children across 110 schools in Nuevo León, Chihuahua, Coahuila, Sinaloa and Jalisco, with sports areas and equipment.

It has also been remarkable the collaboration with the State Sports Institute of Nuevo Leon (INDE, as stands in spanish), with whom we signed a Collaboration Agreement for a Healthy and Active Nuevo Leon. During its initial phase, more than 20,000 people took part in in recreational events coordinated by physical trainers from the INDE in various public spaces in Monterrey, such as Macroplaza and Fundidora Park.

In regards to sustainability, we have made progress on the main environmental indicators, such as efficient water usage, energy consumption, reducing our carbon footprint and waste disposal.

Thanks to the expansion of PetStar, the largest food-grade PET recycling plant in the world, inaugurated by the President of Mexico, Enrique Peña Nieto, and Ahmet Bozer, Coca-Cola Company's International President, in 2014, we were able to add 37.6% of recycled resin to PET bottles and collaborate in the collection of more than 3 billion PET bottles per year.

During recent years, we have searched for new alternatives in order to make our energy consumption



MANUEL L. BARRAGAN MORALES
CHAIRMAN OF THE BOARD OF DIRECTORS



FRANCISCO GARZA EGLOFF
CHIEF EXECUTIVE OFFICER

more sustainable. This strategy has allowed us to fulfill 20% of our electric energy consumption needs with renewable sources, a number that we expect grow to 40% with the incorporation of wind energy.

We've also made significant progress in the efficiency of our use of water, which reached an average of 1.6 liters of water per liter of bottled beverage produced.

In addition, we are pleased to announce that we have met our goal of replenishing 100% of the water used in our products, thanks to the National Reforestation and Water Recharge Program, which, with the help of Coca-Cola Foundation and Pronatura has made it possible to plant more than 21 million trees over the last five years thus promoting rainfall collection in the most relevant basin zones.

Additionally, we are one of the main partners of Monterrey Metropolitan Water Fund and Ecuador, where, enterprises, government and society join in an effort to implement projects that favor hydric sustainability in the region.

At Arca Continental, social responsibility and sustainability are values that come to life by way of the generous and selfless actions of its associates. Who, in 2014, along with their families and other community members, gathered more than 7,500 participants on Annual Volunteer Day, providing 33 thousand man hours to recover 28 public spaces, clean 15 kilometers of beaches and riversides, collect 12 tons of garbage and plant more than 7,000 trees in over 20 cities across Mexico, Ecuador and Argentina.

These, among other efforts were acknowledged by the Mexican Philanthropic Center (Cemefi)

which in 2014 awarded us the distinction of a Socially Responsible Company as it has done since 2003. Additionally, the company was included by third year in a row into the Mexican Stock Exchange Sustainable Index.

Furthermore, Arca Continental was invited to become a part of the 2014 Sustainability Index of MSCI, the leading investment data analysis company.

Besides strengthening Arca Continental and its associate's commitment to the Social Responsibility and Sustainability strategy, the goals reached in 2014 afforded us the unique opportunity to strengthen communication, allowing us to focus even more on our efforts towards the most relevant indicators and address each one individually.

In compliance with our organizational culture, we will continue to develop initiatives based on the aforementioned dialogue while making progress towards the goals geared towards the individual, social and environmental wellbeing of communities in 2015.

We would like to sincerely thank our community for the opportunity to be a part of this productive dialogue and we respectfully invite you to contribute with comments and opinions on the matter.

Thank you very much.

MANUEL L. BARRAGÁN MORALES
CHAIRMAN OF THE BOARD OF DIRECTORS

FRANCISCO GARZA EGLOFF
CHIEF EXECUTIVE OFFICER

COMPANY PROFILE

[G4-1]



ARCA CONTINENTAL PRODUCES, DISTRIBUTES AND SELLS NON-ALCOHOLIC BEVERAGES UNDER THE COCA-COLA COMPANY BRAND, AS WELL AS SNACKS UNDER THE BRANDS OF BOKADOS IN MEXICO, INALECSA IN ECUADOR AND WISE IN THE U.S. TOGETHER WITH THE COCA-COLA COMPANY, LEAD THE HIGH-VALUE ADDED DAIRY CATEGORY IN ECUADOR UNDER TONICORP BRANDS. WITH AN OUTSTANDING HISTORY SPANNING MORE THAN 89 YEARS, ARCA CONTINENTAL IS THE SECOND-LARGEST COCA-COLA BOTTLER IN LATIN AMERICA AND ONE OF THE LARGEST IN THE WORLD. WITHIN ITS COCA-COLA FRANCHISE TERRITORY, THE COMPANY SERVES OVER 54 MILLION CONSUMERS IN NORTHERN AND WESTERN MEXICO, ECUADOR AND NORTHERN ARGENTINA. THE COMPANY'S SHARES TRADE ON THE MEXICAN STOCK EXCHANGE UNDER THE TICKER SYMBOL 'AC'. FOR MORE INFORMATION ON ARCA CONTINENTAL, PLEASE VISIT WWW.ARCACONTAL.COM OR DOWNLOAD THE AC INVESTOR IPAD APP.

ARCA CONTINENTAL NORTHAMERICA

VOLUME: 1,039
MILLION OF UNIT CASES
NET SALES: \$46,347 MILLIONS
OF MEXICAN PESOS

UNITED STATES

2 SNACKS PLANTS
1 SAUCE PLANT
8 DISTRIBUTION CENTERS
90,000 POINTS OF SALE

MEXICO

20 BEVERAGES PLANTS
2 SNACKS PLANTS
117 BEVERAGES DISTRIBUTION
CENTERS
40 SNACKS DISTRIBUTION CENTERS
373,000 POINTS OF THE DESALE

ARCA CONTINENTAL SOUTHAMERICA

VOLUMEN: 290
MILLON UNIT CASES
NET SALES: \$15,610 MX. MILLIONS
OF MEXICAN PESOS

ECUADOR

3 BEVERAGES PLANTS
2 DAIRY PLANTS
2 SNACKS PLANTS
52 BEVERAGES DISTRIBUTION CENTERS
16 SNACKS DISTRIBUTION CENTERS
268,000 POINTS OF SALE

ARGENTINA

3 BEVERAGES PLANTS
25 BEVERAGES DISTRIBUTION CENTERS
91,000 POINTS OF DESALE



If you want to learn more about our brands and presentations visit our website:
www.arcacontal.com/en.aspx



* Shareholding

[G4-EC1]

DIRECT ECONOMIC VALUE GENERATED	CONSOLIDATED MX. PS. MILLIONS	CONSOLIDATED MILLION DOLLARS	DIFFERENCE 2013
Net Sales	61,957	4,638	3%
Financial Products	248	19	25%
Asset Sales	48	4	2%
Total	62,253	4,661	

DISTRIBUTED ECONOMIC VALUE	CONSOLIDATED MX. PS. MILLIONS	CONSOLIDATED MILLION DOLLARS	DIFFERENCE 2013
Sales Cost	31,569	2,363	1%
Operating Expenses : including salaries, social benefits 1	19,757	1,479	4%
Taxes	3,089	231	11%
Dividends	105	8	
Interests	1,222	91	11%
Community Inv.	67	5	13%
Total	55,809	4,177	

TOTAL RETAINED ECONOMIC VALUE	6,444	484
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1. The operating data formula changed regarding 2013.

[G4-56]

VISION

To lead in food and beverage consumption for every occasion in all the markets in which we participate, focusing on profitability and sustainability.

MISSION

To generate maximum value for our customers, associates, communities and stockholders, meeting our consumers' expectations at all times with excellence in products and services.

OUR VALUES

FOCUS ON CUSTOMER AND A VOCATION FOR SERVICE

We are committed to meeting the needs of our customers and consumers, driven by our vocation and constant desire to satisfy and exceed their expectations with world-class products and services.

INTEGRITY BASED ON RESPECT AND JUSTICE

Our commitment to the truth is unwavering and our actions are consistent with what we think and say. We care for the assets of the company, our associates and the community. We acknowledge and endorse diversity as a distinctive feature of our times.

COMPREHENSIVE HUMAN CAPITAL DEVELOPMENT

We promote an atmosphere of great motivation, productivity and recognition, which drives us to success. We support our people's professional aspirations and personal goals, encouraging them to determine through their own actions how far they want to grow. The opportunities for progress and development in the company are the direct outcome of our results.

SUSTAINABILITY AND SOCIAL RESPONSIBILITY

We are totally convinced of the role that we play in the transformation of our environment. In our daily activities, we assume the commitment of "meeting the needs of the present without compromising the ability of future generations to meet their own needs", guided by a Corporate Governance that promotes a permanent quest to achieve a better quality of life for everyone.

SUSTAINABILITY STRATEGY

Sustainability is one of the pillars of our business and a main aspect of our organizational culture. Development at Arca Continental is based on the Triple Bottom Line model, meaning our continued commitment to the economic, social and environmental development of the communities we operate in.

In order to achieve significant sustainable development in the long term, we have formalized our actions through a Social Responsibility and Sustainability Model which allows us to develop strategies in a proactive and organized way. This model comes from our organizational culture, and is based on our associates' commitment to follow the strategy. By means of dialogues with the stakeholders, both internal and external, we have established three strategic pillars to provide valuable shared solutions for all their expectations. These pillars are: promoting our consumers' personal wellbeing; working towards the development of the society surrounding us, including our associates as well as the communities which we are part of in order to achieve social wellbeing; and, finally, striving to minimize our environmental footprint, improving conditions in surrounding areas, thus providing a better way of life for everyone.

If you'd like to learn more about Coca-Cola's System's strategy and its objectives for 2020, visit the website: www.coca-colacompany.com/sustainability/





Our Social Responsibility and Sustainability Model is aligned with the Coca-Cola System Sustainability Strategy, which allows our organization to contribute to the achievement of the objectives in our 2020 Vision of this worldwide organization.



MATERIALITY

[G4-18, G4-23]

[G4-25]

FOR ARCA CONTINENTAL, EVERY POSSIBLE PERSON OR GROUP INVOLVED IN OUR COMPANY'S DEVELOPMENT OR WITH A COMMON INTEREST WITH US IS AN AUDIENCE. WHETHER INDIVIDUALS, GROUPS OR ORGANIZATIONS, EVERYONE IS OF EQUAL IMPORTANCE IN DEFINING OUR STRATEGIES AND COURSES OF ACTION.

In order to make development strategy at Arca Continental truly sustainable and inclusive, we are conscious that the input of not only those within the company, but also that of those around us, must always be taken into consideration. Therefore, dialogue with our stakeholders has been a priority since the company was born. Due to this constant communication we are able to design strategies that allow us to meet the expectations of our diverse stakeholders, while creating value for everybody involved.

In 2014, we carried out a comprehensive analysis of the expectations of our stakeholders and the impact caused by our operations on our surrounding areas. We did so realizing the content would answer any doubts and concerns our stakeholders may have regarding the company and its operations; and we hope this will act as a platform to build a more solid and long lasting relationship.

This materiality analysis is divided into two parts: the first determines the most relevant topics for the stakeholders by means of surveys and interviews; the second carries out an analysis of the impact of our operations, socially and environmentally, in the regions we operate.

INTERNAL STAKEHOLDERS:

- BOARD MEMBERS
- ASSOCIATES

EXTERNAL STAKEHOLDERS:

- INVESTORS
- COMMUNITY
- SUPPLIERS
- COCA-COLA
- CUSTOMERS
- NGOs

SURVEYS ABOUT RELEVANCE

We developed a survey to determine which issues regarding environmental, labor & human rights, community development and product responsibility concerned stakeholders the most. Surveys were answered by more than 1,100 over a wide demographic in Mexico, Ecuador and Argentina, as shown in the box.

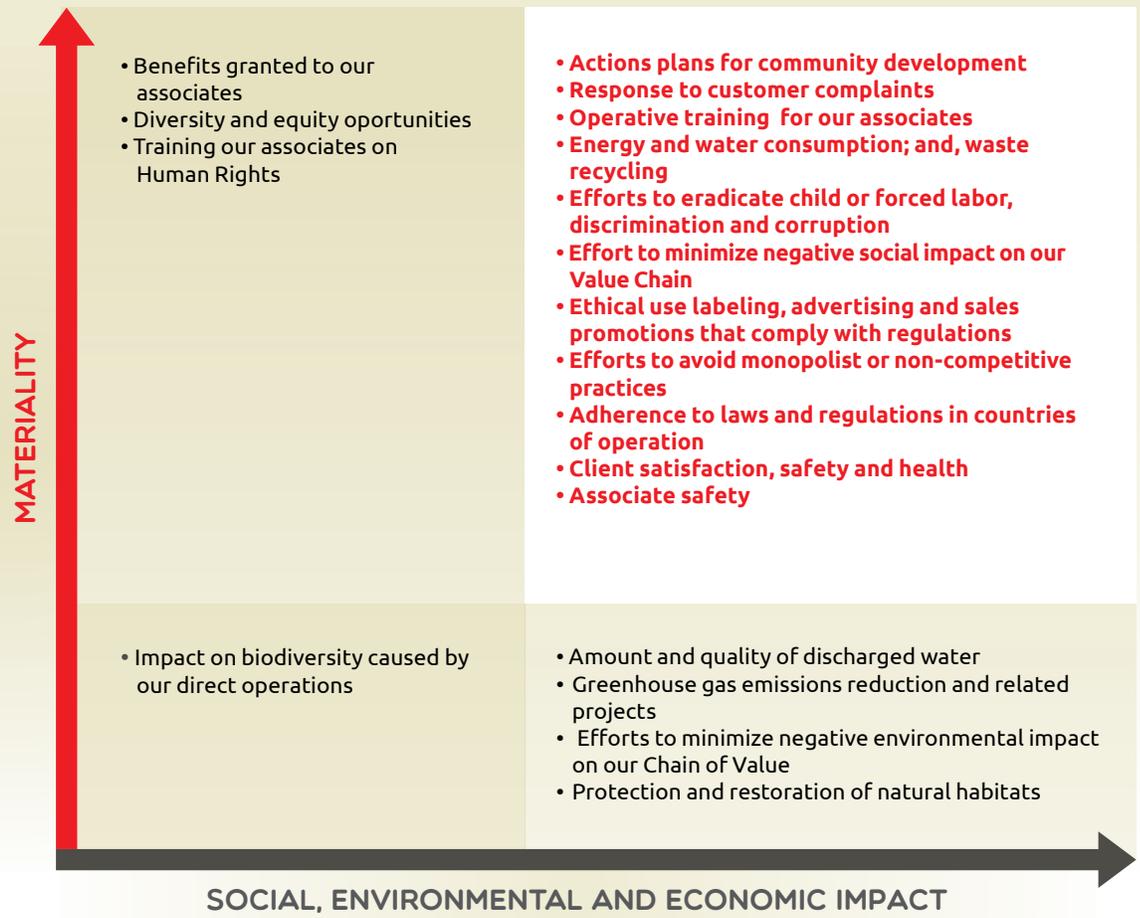
The participants were asked to indicate which of the aforementioned areas concerned them the most. The result of the survey helped us qualify the relevance of more than 30 aspects.

IMPACT ANALYSIS

To determine the impact of our operations on the environment, a risk analysis was carried out with the help of social, environmental and regulation experts, both internal and external. Every relevant issue was carefully studied, and their impact measured, based on a recognized international risk management methodology.

More than
1,100

people were interviewed in Mexico, Argentina and Ecuador to determine the content of this Report and the priorities of the strategy.



MATERIALITY ANALYSIS

[G4-19,G4-20, G4-21]

Using the same quantitative scale as the one used for the results from the relevant surveys and impact analysis, we were able to determine the most important issues, not only for our stakeholders, but our own operations. The result of these two factors (represented as an axis on the graph) determined the material aspects for Arca Continental. The content of this report is focused, primarily on addressing these issues.

That said, the following points were established:

- Efficiency in resolving complaints
- Operative training for associates
- Clients' satisfaction, safety and health
- Associates' safety
- Energy and water consumption; and, waste recycling programs
- Prevention of monopolist or non-competitive practices
- Ethical use of labeling, advertising and sales promotions that comply with regulations
- Adherence to laws and regulations in countries of operation

In regards value chain and the community, the following points were established:

- Efforts to eradicate child or forced labor, discrimination and corruption.
- Action plans for community development.
- Efforts to minimize negative social impact on our value chain

The various other issues that, although considered of lesser importance to our stakeholders, will still be treated as strategic issues for our company's development and will be managed and reported as such.

DIALOGUE WITH STAKEHOLDERS

[G4-24, G4-26, G4-27]

	CONSUMERS	CLIENTS	SUPPLIERS	ACADEMY AND OPINION LEADERS	MEDIA
COMMUNICATION CHANNELS	<ul style="list-style-type: none"> • SATISFACTION, QUALITY AND SERVICE SURVEYS 	<ul style="list-style-type: none"> • MATERIALITY SURVEYS • SATISFACTION QUALITY AND SERVICE SURVEYS 	<ul style="list-style-type: none"> • MATERIALITY SURVEYS • AUDITING AND ASSESSMENT FEEDBACKS • SUBMISSION OF ANNUAL REPORTS • SPECIALIZED SECTION IN WEBSITE 	<ul style="list-style-type: none"> • MEETING • REPORTS • WEBSITE • PARTICIPATION IN FORUMS AND CONGRESSES 	<ul style="list-style-type: none"> • ANNUAL REPORTS • PRESS CONFERENCES • SPECIALIZED SECTION IN WEBSITE • INTERVIEWS
FREQUENCY	• DAILY / ANNUAL	• DAILY / ANNUAL	• DAILY / MONTHLY	• MONTHLY / ANNUAL	• MONTHLY / QUARTERLY
EXPECTATIONS	<ul style="list-style-type: none"> • PRODUCTS QUALITY AND SAFETY • TRUTHFUL, CLEAR AND USEFUL INFORMATION ABOUT MAIN FEATURES OF PRODUCTS ON LABELS 	<ul style="list-style-type: none"> • PRODUCTS QUALITY AND SAFETY • DEVELOPMENT OF CLIENTS • COMMUNITIES DEVELOPMENT PROGRAMS • TRAINING • BEST PRACTICES INTERCHANGE • ETHICAL PRACTICE IN NEGOTIATIONS 	<ul style="list-style-type: none"> • DEVELOPMENT OF SUPPLIERS • ETHICAL PRACTICE IN NEGOTIATIONS • SECURITY IN OPERATIONS • ENVIRONMENTAL CARE AND PROTECTION • SHARING SOCIAL RESPONSIBILITY PRACTICES 	<ul style="list-style-type: none"> • RESPONSIBLE ADVERTISING AND MARKETING • INVESTIGATION AND DEVELOPMENT OF PRODUCTS • INFORMATION ABOUT THE COMPANY'S ACTIVITIES AND PRODUCTS 	<ul style="list-style-type: none"> • RESPONSIBLE ADVERTISING AND MARKETING • TRUTHFUL AND TIMELY INFORMATION
INITIATIVES	<ul style="list-style-type: none"> ● DAILY NUTRITION GUIDES (GDA'S) ON LABELS ● PHYSICAL ACTIVATION PROGRAMS ● NUTRITION ORIENTATION MASSIVE CAMPAIGNS ● DIGA 	<ul style="list-style-type: none"> ● SERVICE MODEL (RTM) ● INCREASING PORTAFOLIO ● COMPLIANCE WITH ADVERTISING LAWS AND REGULATIONS ● TRAINING AND SUPPORT FOR RETAILERS 	<ul style="list-style-type: none"> ● APPLYING THE COCA-COLA GUIDING PRINCIPLES FOR SUPPLIERS 	<ul style="list-style-type: none"> ● PROMOTING HEALTHY AND ACTIVE LIFESTYLES ● DAILY NUTRITION GUIDES (GDA'S) ON LABELS ● ADHERENCE TO PABI CODE ● COMPLIANCE WITH LAWS AND REGULATIONS 	<ul style="list-style-type: none"> ● INTERVIEWS ● PRESS RELEASE AND WEBPAGE ● ADHERENCE TO PABI CODE ● ANNUAL REPORTS

- INDIVIDUAL WELLBEING
- SOCIAL WELLBEING
- ENVIRONMENTAL WELLBEING
- OTHER SECTIONS

INVOLVEMENT OF OUR STAKEHOLDERS IS CONSIDERED A KEY ELEMENT TO OUR PROCESS. THROUGH IT, WE ARE ABLE TO LEARN THEIR CONCERNS AND EXPECTATIONS, SO AS TO DESIGN AND TAKE CONCRETE ACTIONS TOWARDS GENERATING SHARED VALUE.

During the last five years we have established direct and permanent communication channels with stakeholders that will allow us to keep a continuous dialogue, so as to proactively identify their expectations and concerns.

We strive to establish long term relations, based on transparency, dialogue and mutual benefit.

ASSOCIATES AND THEIR FAMILIES	NGO'S	COMMUNITY	AUTHORITIES AND GOVERNMENT	INVESTORS AND SHAREHOLDERS	COCA-COLA MEXICO
<ul style="list-style-type: none"> MATERIALITY SURVEYS ORGANIZATIONAL CLIMATE SURVEY INTERNAL INFORMATION PORTAL INFORMATIVE BULLETIN BOARD BIMONTHLY MAGAZINE SECURITY AND HYGIENE COMMITTEE REPORTS FOR ASSOCIATES EQAP'S 	<ul style="list-style-type: none"> MATERIALITY SURVEYS MEETINGS EMAIL: RS@ARCACONTAL.COM SOCIAL RESPONSIBILITY AND SUSTAINABILITY REPORT WEB PAGE 	<ul style="list-style-type: none"> MATERIALITY SURVEYS MEETINGS OPINION STUDIES WEB PAGE 	<ul style="list-style-type: none"> MEETINGS ANNUAL REPORT WEB PAGE 	<ul style="list-style-type: none"> MATERIALITY SURVEYS CONFERENCE AND QUARTERLY REPORTS SOCIAL RESPONSIBILITY AND ANNUAL REPORTS SHAREHOLDERS ANNUAL MEETING WEB PAGE BOARD MEETING 	<ul style="list-style-type: none"> MATERIALITY SURVEYS PERIODICAL MEETINGS EMAIL WORK SESSIONS SOCIAL RESPONSIBILITY AND SUSTAINABILITY REPORT
<ul style="list-style-type: none"> DAILY / QUARTERLY / ANNUAL 	<ul style="list-style-type: none"> MONTHLY / QUARTERLY 	<ul style="list-style-type: none"> CONTINUOUS 	<ul style="list-style-type: none"> MONTHLY / QUARTERLY 	<ul style="list-style-type: none"> DAILY / MONTHLY / QUARTERLY / ANNUAL 	<ul style="list-style-type: none"> DAILY / MONTHLY / QUARTERLY / ANNUAL
<ul style="list-style-type: none"> HUMAN LABOR TRAINING AND DEVELOPMENT COMPETITIVE SALARIES AND BENEFITS RESPECTING RIGHTS AND FREEDOM APPLYING A CODE OF ETHICS SECURITY OF OPERATIONS HEALTH AND SAFETY AT WORK 	<ul style="list-style-type: none"> ACTIVE PARTICIPATION AND SUPPORT TO THE CAUSES THEY PROMOTE FEEDBACKS HUMAN AND LABOR TRAINING AND DEVELOPMENT 	<ul style="list-style-type: none"> INVESTMENTS FOR COMMUNITY PROJECTS: EDUCATION, HEALTH AND SPORTS RESPONSIBLE INTERACTION ENVIRONMENTAL PROTECTION AND EFFICIENT USE OF NATURAL RESOURCES QUALITY AND SAFETY OF PRODUCTS COMMUNITY DEVELOPMENT PROGRAMS 	<ul style="list-style-type: none"> COMPLIANCE WITH APPLICABLE LAWS, REGULATIONS, AND NORMS PARTICIPATION IN CREATING LAWS AND NORMS TIMELY PAYMENT OF TAXES AND CONTRIBUTIONS RESPONSIBLE PERFORMANCE INVESTMENT AND CREATION OF JOBS 	<ul style="list-style-type: none"> PROFITABILITY, GROWTH AND CREATION OF VALUE; PAYMENT OF DIVIDENDS CONSTANT AND TRUTHFUL COMMUNICATION PROTECTING HUMAN RIGHTS WITHIN THE VALUE CHAIN SUSTAINABILITY ETHICAL PRACTICES WITHIN CORPORATE GOVERNANCE QUALITY AND SAFETY OF PRODUCTS 	<ul style="list-style-type: none"> COMPLIANCE WITH QUALITY STANDARDS OF PRODUCTS, CUSTOMER SERVICE, AND CHAIN OF VALUE MEETING SUSTAINABILITY PLATFORM GOALS ENVIRONMENTAL CARE AND PROTECTION QUALITY AND SAFETY OF PRODUCTS COMMUNITY DEVELOPMENT PROGRAMS
<ul style="list-style-type: none"> COCA-COLA HEALTH AND OCCUPATIONAL SAFETY SYSTEM ARCA CONTINENTAL TRAINING, E-LEARNING AND MASTER'S DEGREE PROGRAM ORGANIZATIONAL ATMOSPHERE ANNUAL SURVEY ANNUAL ASSESSMENT OF SENIOR AND JUNIOR LEADERS' PERFORMANCE INCIDENT MANAGEMENT AND CRISIS SOLUTION SYSTEM EL MOVIMIENTO AC+ 	<ul style="list-style-type: none"> DONATION COMMITTEE STRATEGIC COLLABORATION ALLIANCE PERSONAL SELF-IMPROVEMENT ASSOCIATION (ASOCIACIÓN PRO SUPERACIÓN PERSONAL, A.C.) CEMEFI RED SUMARSE MOVIMIENTO CONGRUENCIA ECOCE 	<ul style="list-style-type: none"> SCHOOLS IN MOTION COCA-COLA CUP POWERADE MARATHON ANNUAL VOLUNTARY DAY LET'S PLAY HEALTH FOR LEARNING 	<ul style="list-style-type: none"> COMPLIANCE WITH LAWS AND REGULATIONS CONSTANT INVESTMENT AND CREATION OF JOBS ACTIVE PARTICIPATION IN ASSOCIATIONS AND CHAMBERS CONSTANT DIALOGUE WITH AUTHORITIES HUMAN CAPITAL AND SUSTAINABILITY COMMITTEE 	<ul style="list-style-type: none"> CORPORATE GOVERNANCE STRUCTURE CODE OF ETHICS CORPORATE RISK IDENTIFICATION, IMAGE AND REPUTATION COMMITTEE ACTIONS IN FAVOR OF SUSTAINABILITY CONSTANT COMMUNICATION WITH INVESTORS HUMAN CAPITAL AND SUSTAINABILITY COMMITTEE 	<ul style="list-style-type: none"> MEETING SUSTAINABLE GOALS ACTIVE PARTICIPATION IN THE INDUSTRY SUSTAINABILITY COMMITTEE PARTICIPATION IN ALL CORPORATE PROGRAMS COCA-COLA CUP REFORESTATION AND CLEANING UP OF WATER BODIES FOSTERING A HEALTHY AND ACTIVE LIFE EFFICIENT USE OF RESOURCES

STRATEGIC PRIORITIES

INDIVIDUAL WELLBEING

To promote wellbeing with high quality snacks and beverages, as well as physical activity and a healthy lifestyle, to providing essential information to allow more informed consumption decisions..

ACTIVE AND HEALTHY LIFESTYLES

- Promote physical activity and healthy lifestyle community programs.
- Increase and strengthen our product portfolio to the energy balance, needs and everyone's lifestyle.

RESPONSIBLE MARKETING

- Comply with our policies regarding responsible marketing.
- Provide consumers with clear and transparent information, enabling them to make the right consumption choices.

SAFE PRODUCTS AND INGREDIENTS

- Ensure the quality of our products and ingredients.
- Increase the availability of personal presentations and low/zero calories alternatives in the market.

INTEGRAL WELLBEING





WE COMBINE ARCA CONTINENTAL'S DEVELOPMENT PLANS, OUR DIFFERENT STAKEHOLDERS EXPECTATIONS AND THE COMPANY PROFITABILITY TO DEVELOP SHARED-VALUE, LONG-LASTING SOLUTIONS THAT STRENGTHEN OUR INTEGRAL WELLBEING STRATEGY, AS THE FOUNDATION OF OUR SOCIAL RESPONSIBILITY AND SUSTAINABILITY MODEL.

SOCIAL WELLBEING

Enable the personal development among the community and our associates by certifying the best working centers and making a positive difference in the development of the community.

WORKPLACE

- Create the best work environment.
- Encourage development and training as a key element to boost our associates' talents.
- Promote innovation and creativity, key to creation of new projects.
- Create an atmosphere of diverse, equitable and inclusive personal development.
- Implement, respect and maintain human rights programs.
- Promote integral wellbeing programs for all associates.

WOMEN'S DEVELOPMENT

- Contribute to women's integral development.
- Promote training programs.

COMMUNITY

- Strengthen our "VOLAR" volunteer programs.
- Continue and expand our Social Responsibility Institutional programs.
- Implement and support community-friendly, social and environmental initiatives.
- Encourage shared value alliances and build relationships that support development.

SAFETY IN THE WORKPLACE

- Promote a culture of Health and Safety as well as culture initiatives in the workplace.
- Train our associates, contractors and suppliers in the most effective safety procedures.
- Reduce accident rates.

RESPONSIBLE SUPPLY

- Development of our "Value Chain"
- Spread and ensure the importance of ethics and human rights.

ENVIRONMENTAL WELLBEING

Take action to reduce the direct and indirect impact on the environment brought on by our business processes.

WATER

- Achieve a more efficient use of water.
- Replace and treat water used in our products.
- Investigate and participate in protecting water basins.

CARBON FOOTPRINT

- Use renewable energy sources.
- Reduce greenhouse gas emissions.
- Implement new technologies to reduce energy consumption.

WASTE

- Recycle waste generated by our processes.
- Implement measures to recover PET bottles post-consumption.
- Integrate recycled material into during production of our PET bottles.





INDIVIDUAL WELLBEING

Being an agent for positive change by promoting personal wellbeing is one of our priorities. Therefore, we organize and support several initiatives among our stakeholders to foster healthy and active lifestyles, as well as many adequate nutrition and diet educational programs.

2,400

Sports events were organized or sponsored in our territories.

90k

Children have been benefited thanks to our Schools in Motion program since its launch.

7,000

Runners participated in the Powerade Marathon and Mini-Marathon in 2014.

PROMOTING ACTIVE AND HEALTHY LIFESTYLES

[G4-SO1, G4-PR6, FP4]

We have developed fruitful relationships with public and civil organizations in order to promote active and healthy lifestyles among society. An example of this is the Collaboration Agreement for an Active and Healthy Nuevo León signed between Arca Continental and the State of Nuevo León Government Sports and Physical Culture Institute (INDE). Some of the activities carried out as part of the agreement are:

- The Coca-Cola Movement for an Active Nuevo León, an initiative that promotes physical activity with music and games. Every week, sports promoters providing dancing therapies, games and mini-tournaments are sent to public areas. Besides, informative modules like "Get to 100" and preventive health care measures are shared. During the last few months of 2014, around 20 thousand people have attended weekend events in Monterrey City.
- We also acknowledged the efforts of the Nuevo León State sports selection that played a major role in the 2014 National Olympic and Paralympic Games. Young sportsmen and women won a total of 300 medals during these events, and in doing so, were publicly acknowledged by our company.

SCHOOLS IN MOTION

In order to promote sports and physical activity among elementary and junior high school students, we renovated and built a number of sports fields in public schools throughout 2014: 16 in Nuevo León, 10 in Sinaloa and 10

in Jalisco. In addition, football, volleyball and basketball equipment was donated to the said schools to complement their physical education curriculums. Since its creation in 2008, "Schools in Motion" has built sports fields and implemented activity programs in 110 schools directly benefiting more than 90 thousand children.

HEALTH TO LEARN

Arca Continental reasserted its alliance and support to the Nuevo León State Government by fostering the "Health for Learning" program, carried out in coordination with the Education Ministry and Health Ministry. The aim of the program, partly sponsored by local industry in Nuevo León, is to work in favor of integral health by giving nutrition orientation and promoting physical activity among students in schools, especially those between the ages of 6 and 12, as well as parents, teachers and school directors.

The government of Nuevo León reported that in 2014, a total of 8,709 students, 4,544 parents and 10,000 teachers participated in training sessions, lectures, workshops and activities.

Additionally, 3,100 parents attended full-time awareness workshops at schools. We sponsored the specialized summer camp "Healthy Vacations", with the participation of 210 students.

The "Health for Learning" program and our alliance with the Nuevo Leon State Government and local industry, have contributed to promote integral health among more than 30 thousand students, parents and teachers.



COCA-COLA CUP

The Coca-Cola Cup is considered the most important inter-junior high school soccer tournament in Mexico. 2014 marked Arca Continental's 17th consecutive year of involvement, where we were privileged to experience the participation of more than 2,800 teams from the various regions where we operate.



Would you like to see the 2014 Coca-Cola Cup video?
Visit: www.youtube.com/watch?v=FKIQv9KZ3ds

Thanks to the "Schools in Motion" program, we have been able to build sports fields in 110 public schools in Mexico since 2008, benefiting more than 90 thousand children in the process.



+4.4 MILLION

PEOPLE PARTICIPATED IN EVENTS ORGANIZED AND/OR SPONSORED BY ARCA CONTINENTAL IN 2014.



POWERADE MARATHON

In 2014, the ninth Powerade Marathon was held, achieving a record number of participants. The main event saw over 5,500 runners (a 38% increase on 2013), plus 1,500 runners in the Mini-Marathon, run to promote physical activity.

Besides promoting an active and healthy lifestyle among the marathon's participants, we support the sports community and family solidarity action through the use of funds raised from paid subscriptions, from which money is donated to social institutions. We were able to raise over 875 thousand pesos from subscriptions from various countries participants along with 562 Value runners. The fund raised funds were spread out over seven social work institutions. It's worth mentioning that this year; the Value Runner Trophy was lifted for the fifth consecutive by Hector Puente, who managed to raise more than 100 thousand pesos, which were donated to ARENA, an association supporting children with autism.

In the 2014 Powerade Marathon, we collected 875 thousand pesos to be donated across seven social work institutions.

SPORT EVENTS

ORGANIZED OR SUPPORTED



PROMOTING ACTIVE AND HEALTHY LIFESTYLES IN SOUTH AMERICA

ECUADOR



GET READY TO PLAY!

Running in Ecuador since 2011 this program's principle objective is to encourage physical activity among children, focusing on their formative school years. Up till now, more than 60,000 students from 120 schools have participated and we have trained more than 1,800 teachers. Additionally, thorough nutritional education was introduced in schools during 2014.

IT'S TIME TO GET MOVING!

In conjunction with Coca-Cola Foundation and Junior Achievement, in September 2014 was the launch of the "It's Time to Get Moving" program in Ecuador. Its aim is to promote active and healthy lifestyles among children in public schools from the ages of 5 to 12. Children are encouraged to exercise for at least 60 minutes every day, and the program saw more than 55,000 students and 2,200 teachers in 100 schools participate.

ARGENTINA



A SPORTS FIELD IN MY COMMUNITY

As part of a social inclusion project in Argentina, and with the help of the "A Roof for my Country" an association, a new soccer pitch was opened in order to promote sports among young people in within the local community.

COME ON, LET'S PLAY

Since its conception in 2008, more than 430,000 school students in Argentina have received sports equipment in order to promote activity during recesses. In 2014, we created a Family Guide including advice and games than can be implemented in the household, fostering physical activity.

SAFE PRODUCTS AND INGREDIENTS

[G4-14, G4-PR1, FP5]



We have a strong belief in nurturing a culture for quality. As a major producer of Coca-Cola beverages and snacks with a strong presence in various markets, we implement internationally recognized processes for hygiene, safety and quality. Our system of Integral Quality and Improvement (CIMAC) allows us to assure each phase of production with quality control tests, ensuring optimum quality and hygiene conditions during the production of our products. All of our beverage plants in Mexico have been granted the food innocuousness FSSC 22000 certification; and our Bokados in Santa Catarina, Nuevo Leon was granted the ISO 22000 certification.

All formulas found in Coca-Cola beverages as well as the procedure implemented in their production, are authorized and supervised by the Coca-Cola Company and their corresponding authorities to guarantee safe consumption.

In regards to our lines of candy and snacks, a comprehensive analysis of formula is carried out in order to comply with national regulations in the country of

All beverage and food lines are managed under the Food Safety and Innocuousness Program, including the HACCP system, one of the most comprehensive in our industry.

100%

OF OUR BEVERAGE PLANTS IN MEXICO HAVE THE FSSC 22000 CERTIFICATION



For Arca Continental, innovation and sustainability come together. Therefore all our Coca-Cola Life PET presentations are PlantBottle, meaning bottles made up of at least 30% organic material, thus reducing the carbon footprint during production. These bottles, as well as every bottle produced by the company are 100% recyclable.

distribution, like the FDA in the USA. All our production lines are managed under our Food Safety and Innocuousness program, which includes the HACCP system. This system seeks to guarantee food innocuousness, including a demanding analysis of our raw materials, process, personnel, packaging material, handling and distribution.

As part of our Value Chain, there is a strict support and follow up program with our suppliers so they may comply with the existing innocuousness norms. In the case of our closest suppliers, we carry out regular visits and inspections to their facilities in order to verify production, storage and distribution conditions. There is also a database of products formulas with nutrition and formula analysis on the products label to ensure consumer awareness.

LOW CALORIES OPTIONS

[G4-PR6]

In order to satisfy our diverse consumers' consumption needs, we have a broad range of beverages and flavors, of which 40% are low or zero calorie products.

For more than 50 years, Coca-Cola has been committed to the research of sweeteners in order to offer a variety of products and options to satisfy each individual need, needs such as freshness, taste and hydration. This research led to the release of Coca-Cola Life, which contains stevia, an organic sweetener belonging to the Chrysanthemum family, as one of its main ingredients.

In 2014, we launched Coca-Cola Life in Mexico, the natural stevia leaf extract makes has allowed us to produce a drink containing only 36 calories per 200 milliliters of beverage. Mexico becomes the third country in Latin America and only the fourth in the world to commercialize the cutting edge drink, further enhancing our reputation and portfolio within the sector.

If you wish to learn more about our low calories beverages portfolio, please visit our website at: www.arcacontal.com/en.aspx



RESPONSIBLE MARKETING

[G4-PR3,G4-PR6]

OUR PRODUCT COMMUNICATION AND PROMOTION STRATEGY ARE BASED ON COMPLIANCE WITH LOCAL LEGISLATION AND APPLICABLE CODES. THEREFORE, WE ARE COMMITTED TO ASSURING THE CONTENT AND QUALITY OF THE INFORMATION PROVIDED TO CONSUMERS ABOUT OUR PRODUCTS.

In line with our commitment to children's health, since 2008, Arca Continental has adopted the Self-regulatory Code for Food and Beverage Advertisement for Children (PABI Code) which establishes specific guidelines for food and non-alcoholic beverage advertisement aimed at youth. The guidelines have been a part of Mexican legislation since 2014.

RESPONSIBLE MARKETING POLICY

It is an Arca Continental policy to comply 100% with the advertising and communication regulations of the countries where we operate as well as with the Coca-Cola Responsible Marketing Guide, both for Coca-Cola beverages and our own brands.

ADVERTISEMENT AND SALES IN SCHOOLS

In line with our policy of respecting parents' and/or guardians' rights to decide what their children consume, we do not proactively offer our products in elementary schools.

.....
Our labeling policy is to offer transparent and responsible information in our products.
.....

In Mexico, we have developed a tailor made portfolio of beverages and snacks for elementary school food and snacks stores, the portfolio was developed based on requirements issued by federal and state level health and education ministries.

With this we have reinforced our social commitment of being an agent for positive change in the regions where we have presence by offering varied options to satisfy our consumers' tastes and preferences.





RESPONSIBLE AND CLEAR INFORMATION ON PACKAGING

[G4-PR3]

Due to the demand for transparency of nutritional information from our customers, we have proactively implemented labels with clear information regarding contents and ingredients. These have even become legislation in some of the countries where we operate.

Consequently, we will comply with new labeling guidelines for flavored beverages, snacks, candy and chocolate in Mexico, where the following nutrition information will be displayed on the front of the packaging: saturated fat, other fats, total sugar, sodium and energy.

Likewise, we adapted our beverage, dairy product and snack packaging with the new requirements established by the Government of Ecuador.

Our labeling policy is to offer responsible and clear information on our products. Since 2014, 100% of our non-returnable Coca-Cola products have Daily Nutrition Guides on the label. In regards to our brands distributed in Mexico, we are working on establishing said guidelines based on applicable local legislation for beverages and we will continue to do so until we comply 100%.

If you wish to learn more about our products nutritional specifications, including our own brands, please visit our website at:

www.arcacontal.com/en.aspx



refresco

#VerdaderoAmigo

cont. net. **300 ml**

Este envase aporta:

Grasa saturada 0 kcal 0%	Otras grasas 0 kcal 0%	Azúcares totales 126 kcal 35%	Sodio 30 mg 2%	Energía 126 kcal
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% de los nutrientes diarios.



SOCIAL WELLBEING

Sustainable development of the community and improving quality of life are priorities within our organization. To achieve this, we have developed a wide range of projects that, by means of volunteer programs and specialized organizations, we are able to contribute to our associates' wellbeing, integral women's development and the progress of the communities where we have a presence.

99%

Of our procurement is bought from local suppliers.

30,376

Associates received training courses in 2014.

5

Of our business units were qualified as the Best Place to Work by the Great Place to Work Institute.

WORKPLACE

CONVINCED THAT OUR ASSOCIATES' INTEGRAL WELLBEING, THE CONTINUED HARMONIOUS GROWTH OF THE COMMUNITIES WE SERVE, AND THE GENERAL PROGRESS OF OUR VALUE CHAIN, ARE PILLARS FUNDAMENTAL TO THE SUCCESS OF ARCA CONTINENTAL'S SOCIAL RESPONSIBILITY AND SUSTAINABILITY STRATEGY, WE WORK WITH SEVERAL PUBLIC AND PRIVATE ORGANIZATIONS, ON JOINT INITIATIVES TO MEET OUR OBJECTIVES.



A GREAT PLACE TO WORK

[G4-LA1, G4-EC5]

Committed to improving the working environment at Arca Continental enterprises, we determine the level of satisfaction by means of the Great Place to Work (GPTW) model. The GPTW model allows us to identify our strengths and opportunity areas in order to implement actions that will harvest respect, impartiality, credibility, pride and partnership among those who are part of the organization, thus generating a working environment that will not only contribute both to our employees' professional and personal development, but also to achieving business goals and objectives. The Mexico Great Place to Work Institute certifies and classifies the best enterprises to work for, by business sector, within Mexico.

In 2014, our enterprises which were certified as an "Excellent Workplaces" were the following: Topo Chico Company, Industrial de Plásticos Arma (IPASA), Bebidas Mundiales and Arca Continental Corporate office.

At Arca Continental, our efforts to belong to this select group of enterprises are managed by the Human Capital Direction, in coordination with other of our business areas. The objective is to maintain the highest levels of productivity, to improve our business results and to obtain our associates' commitment and loyalty.

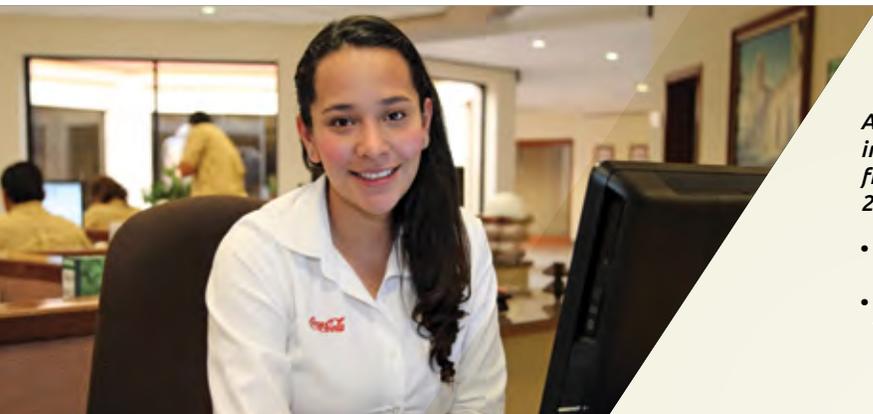
Regarding operations in Ecuador, in Tonicorp, an enterprise incorporated in April 2014 in partnership with the Coca-Cola Company, several initiatives were carried out to establish it as one of three best workplaces in Ecuador. All factors were taken into account, two being its health and sports programs.

.....
Enterprises that are classified as the "Best Enterprises to Work in Mexico" by the Great Place To Work Institute, are part of a select group, their qualifications being the result of a great effort and a shared vision to create a healthy, harmonious and trustworthy environment.
.....



According to the Mexico Great Place To Work Institute internal guidelines, the following enterprises were classified among the "The Best Enterprises to Work in Mexico, 2014":

- **Enterprises with more than 5,000 associates:**
Bebidas Mundiales and Arca Continental
- **Enterprises with 50 to 500 associates:**
Topo Chico Company and IPASA





WORK BENEFITS

By trying to match equity and competitiveness for our associates' benefits, we have implemented an integral benefits system at Arca Continental. As a result, we offer competitive benefits above those pre-established by law in each of the markets we serve. On average, our base salary is 210% higher than the minimum wage in each of the countries we operate in.

Staff turnover at Beverages Mexico is 9.63%. We have implemented programs which enable us to keep our most qualified associates, thus bringing the number down even further.

ASSOCIATES' ASSESSMENT

[G4-LA11]

Consistent with our organizational values, particularly those oriented towards fostering integral human development, we have implemented multiple tools to measure our associates' performance by assessing their individual abilities. Based on the results, we have designed training programs and career plans. Additionally, we carry out assessments to determine whether objectives, at either a personal or business level, are being met. This enables us to determine strengths and opportunity areas, as well as establishing actions aimed at achieving them.

An ability management system was designed to carry out a timely, thorough follow up of each assessment, allowing us to manage and cooperate with every single associate regarding the results he/she obtains, a feedback process with the direct superior, as well as individual training and development, so as to establish courses of actions toward obtaining better performance.

ASSESSMENT	SCOPE	NUMBER OF ASSOCIATES	NUMBER OF MEN ASSESSED	NUMBER OF WOMEN ASSESSED
<ul style="list-style-type: none"> • Personal and Business Objectives • 360°Assessment • Boss-Collaborator Assessment 	Directors and Managers	325	100%	100%
<ul style="list-style-type: none"> • 360°Assessment 	Mid-Level Staff	2,000	100%	100%



TRAINING AND DEVELOPMENT

[G4-LA9, G4-LA10, G4-EC6]

Our training programs are geared toward the continuous acquiring knowledge and development of abilities, key factors for our associates competitiveness and growth.

In Mexico, our associates had an average of 24 hours training for women and 26 hours for men. In order to ensure personal development, towards the end of 2014, a system was implemented to undertake a precise follow-up assessment of people trained. This tool will be implemented in Ecuador and Argentina in 2015.

Likewise, Arca Continental Master's Degree for executives provides associates with the opportunity to learn abilities key to their growth within the business, such as: focus on quality, team work, clients' orientation, supply chain, projects management, human assets development, and ethics and social responsibility, among others. By the end of 2013, a total of 22 third-generation associates finished their degrees; by 2014, 50 executives, forming the fourth and fifth generation, started their degrees, and will graduate in 2017. In 2015, 50 more executives will make up the sixth and seventh generations.

Among other options designed to foster associates' professional development, is our scholarship program. Those willing to study a Master's Degree or some other specialization still have that option.

An e-learning platform is also available to enrich our associates' education, allowing

TRAINING

	NON-UNIONIZED ASSOCIATES	UNIONIZED ASSOCIATES
Man-hours	408,493	413,929
Participants	13,250	19,060

Throughout 2014, more than 820 thousand training hours were invested in our associates in Mexico.

remote access to courses and didactic material over the internet, enhancing the training and level of expertise on offer. During 2014, 3,798 active users each benefited from a 10.5 hour program.

In Ecuador, a professional development program named "Educate" was launched for our associates, providing them with the opportunity to obtain a bachelor's degree.

Likewise, as part of the personal development and self-improvement program, preference is given to hiring or promoting locally based managers and directors, thus favoring their promotion within the organization.

DIRECTORS	COUNTRY	NATIONAL	FOREIGNERS	% NATIONALS	% FOREIGNERS
12	Ecuador	10	2	83%	17%
9	Argentina	7	2	78%	22%
49	Mexico	47	2	96%	4%

ACTIONS TAKEN TO PROMOTE THE HEALTH OF OUR ASSOCIATES.

	MEXICO	ECUADOR Y ARGENTINA
Generating Awareness	<ul style="list-style-type: none"> • 88% associates in Arca Continental Mexico trained in health, hydration and energy balance practices. 	<ul style="list-style-type: none"> • Physical Activity Day in Argentina. • Health Fair in Argentina and Ecuador. • Ambassadors' Program.
Easy Measuring	<ul style="list-style-type: none"> • Clinical assessments given to 55% of associates in Mexico. • Check Ups to 100% of executives. 	<ul style="list-style-type: none"> • "Tu salud pesa más" a weight control program in Ecuador.
Backing a balanced diet	<ul style="list-style-type: none"> • 24,570 nutrition kits for associates. • Improve dining rooms and lectures. 	<ul style="list-style-type: none"> • Promoting healthy nutrition practices among associates in Argentina and Ecuador.
Promoting physical activity	<ul style="list-style-type: none"> • AC+ Movement, Get to 100, Healthy and Active Companies Challenge, among others. • Internal tournaments. • Gym membership discounts. 	<ul style="list-style-type: none"> • Active Pauses in Argentina. • Callisthenic activities, dancing classes, sports championships and marathons in Ecuador. • Olympic Games in Ecuador.
Encourage healthy practices	<ul style="list-style-type: none"> • Communication Strategy, lectures and Workplace Wellness Council. 	<ul style="list-style-type: none"> • Lectures and communication.

ENERGY BALANCE

[G4-PR6]

Focused on energy balance, we have developed a set of programs for employees and associates that enable them to be more active and learn about measures they can take to be healthier.

In order to execute the Energy Balance Program, we're developing an institutional platform plus an internal/external communication and positioning strategy to strengthen and make the development of wellbeing programs easier. Likewise, content utilizing scientific information based on integral wellbeing, hydration, energy balance, nutrition and physical activity were developed. The contents were published with the purpose of backing up the development of internal programs, and to establish Arca Continental as a promotor of sports and integral wellbeing.

We've divided our efforts into five main areas: creating awareness, facilitating measures, supporting balanced diets, promoting physical activity and encouraging healthy practices; each area includes specified plans of actions and programs.

Programs aimed at searching integral wellbeing among stakeholders were aligned, through the AC+ Movement platform, with the aim of standardizing metrics, objectives and better practices in all our operations and business units.

88%

OF OUR ASSOCIATES WERE TRAINED IN HEALTHY PRACTICES, HYDRATION AND ENERGY BALANCE.

AC+ MOVEMENT INITIATIVES

• PONTE AL 100.

Backed by the Sports National Commission (CONADE), Coca-Cola Foundation and Movement Is Health Foundation, A.C., "Get to 100" seeks to provide associates with a tailor-made physical activity and nutrition program to help them take responsibility for their own wellbeing using health and nutrition advice, internal and external sports tournaments, active recesses, gym promotions and several other incentives. An example of this initiative was that from January 22nd to the 25th, 2014, more than 350 corporate stakeholders and their families had their blood pressure, weight, height and other functional indicators measured in order to establish a personal health plan.

• HEALTHY AND ACTIVE COMPANIES CHALLENGE.

Organized by "Queremos Mexicanos Activos y con México", the challenge consists of physical and health check-ups according to evaluation indicators approved by Mexican enterprises regarding physical activity and health care.

• CHALLENGE FOR YOUR WELLBEING.

Organized as a team contest, groups of associates were tested over three months, aimed at understanding their key health and physical condition indicators. The team with the best Body Mass Index and functional capability was awarded prizes by the company. In 2014, more than 1,200 associates, over 71 teams from the head office as well as from Nuevo León, Chihuahua, Coahuila, Jalisco, the Northern Pacific and Tamaulipas, entered the competition



TWO OUT OF FOUR PLANTS WORLDWIDE RECOGNIZED AS REFERENCE CENTER FOR OPERATIONAL EXCELLENCY BELONG TO ARCA CONTINENTAL: INSURGENTES AND CULIACAN PLANTS; THE LATTER WAS CERTIFIED AGAIN IN 2014.

CONTINUOUS IMPROVEMENT

Another way we stimulate our associates' professional development is by encouraging participation in the decision making processes at all levels. This encourages constant improvement, allowing them to acquire new and valuable knowledge and experiences. Our Continuous Improvement program consists of integrating associates' teams by plant, training and supporting them up in the defining of goal setting. Initiatives, teams and achievements, both by plant and worldwide, are acknowledged at the end of each year. Tasks are centered on one of the following six topics: productivity, costs and expenses control, quality, security, environmental indicators and personal development indicators. In 2014, the program was carried out in all of our locations throughout Mexico and was initiated in our Ecuador and corporate offices.

During 2014, improvement projects have generated savings of more than 159 million pesos, partly due to the multitude of initiatives and to the repeated application of better operating practices. Besides training more than 10 thousand associates, we were able to certify more than 4,800 associates within the Operational Excellence Model established by The Coca-Cola Company. These actions increased our human assets capability, one of the most important aspects of our company.

PEOPLE WITH DISABILITIES INCLUSION

We support the integration of people with physical disabilities to our activities within the company, thus nurturing diversity and equal opportunities. For this purpose we founded the Congruous Movement, an association that, since 2004, has promoted social-labor inclusion for handicapped people. In 2014, we were part of the first +Talent Generation, a specialized degree in projects designed to achieve inclusion of the physically impaired.

Actually, all of our new facilities are designed with accesibility feature for people with disabilities, an example of which is our corporate office, which is currently being renovated.

As of 2014, there were 230 associates with disabilities working within our organization.





DIVERSITY AND EQUAL OPPORTUNITIES

[G4-10, G4-LA13]

Our associates' salaries are based on clear, objective and general application policies, with which our payment guidelines are determined. As well as being placed in accordance with the market, they are also determined by value of position held. These policies limit the frame of action of all our recruiting processes, promotions and salary movements of all our non-union stakeholders as well. Being without gender distinction, they are equally applied to both men and women. The average difference between the men's salary regarding the women's salary is about 4.69%².

At Arca Continental we constantly fight for equal opportunities in the workplace. In Mexico, 11% of our non-union employees are women. In recent years we have promoted numerous women to strategic positions, with the aim of having more women in key positions.



HUMAN ASSETS	ASSOCIATES	UNIONIZED ASSOCIATES	TOTAL
Mexico	13,250	19,060	32,310
Argentina (Bottling)	452	1,874	2,326
Ecuador (Bottling)	3,715	104	3,819
INALECSA	708	0	708
INTEREX	61	0	61
Wise	223	686	909
ToniCorp	3,598	0	3,598
Group Total	22,007	21,724	43,731

FREEDOM OF ASSOCIATION

[G4-9, G4-10, G4-11]

WE PROTECT THE RIGHTS OF FREE ASSOCIATION. 49% OF OUR ASSOCIATES BELONG TO A UNION, EITHER AS FULL-TIME EMPLOYEES OR CONTRACT WORKERS.

2. Calculation based on the weighted average wage difference by sex in Mexico, Ecuador and United States.

RESPECT AND PROTECTION OF HUMAN RIGHTS

[G4-HR2, G4-HR7]



Our company works with strict ethics and business norms, respecting human rights as part of the “rights in the workplace” policy established by The Coca-Cola Company, which is based on the “Universal Declaration of Human Rights”, the “International Labor Organization Declaration on Fundamental Principles and Rights at Work” and the “United Nations Global Compact”. We have a “transparency mailbox” where associates, suppliers and other stakeholders can raise doubts, concerns or any other queries regarding ethics or Human Rights. The Audits department takes charge of funneling complaints to their relevant departments as well as following them up.

As part of the objective to comply with human rights regulations within our organization, 80% of the security personnel in the Beverages Mexico division are trained in several areas, among them, human rights, ensuring that no violations involving associates, visitors or any person take place within our organization.

It is our policy that any security company wishing to work with us, be able to demonstrate the legality of its operations, and that their employees receive constant training.

ASSOCIATES PARTICIPATING IN THE VALUES PROGRAM/ ANNUAL AVERAGE



STRENGTHENING HUMAN VALUES

The “Strengthening Human Values” program has boosted human development through knowledge and the practice of good values by our associates’ and their families’ over the last 26 years.

In 2014, 105 courses were given, with 2,038 associates taking part. In the last 5 years 9, 263 associates have participated.

After carrying out a joint project adapting the courses for general use in each of our territories, they went on to be implemented in Argentina and Ecuador.



WOMAN'S INTEGRAL DEVELOPMENT

CONVINCED OF THE MAJOR ROLE THAT WOMEN PLAY IN COMMUNITIES AND SOCIETY IN GENERAL, WE SHARE THE COCA-COLA COMPANY 2020 VISION GOAL, WHICH SEEKS TO EMPOWER 5 MILLION WOMEN GLOBALLY THROUGH A RANGE OF PROGRAMS.

ANSPAC

Arca Continental National Personal Self-Improvement Association, A.C. (ANSPAC) promotes the development of associates wives, mothers and daughters with moral and human education workshops designed to fortify the household, as well as develop abilities to improve their families' economic situation.

ANSPAC has had a presence in the company for 27 years in which time; more than 1,500 women in Mexico and Ecuador have participated. The opening of its locations in San Luis Potosi, Aguascalientes and University Distribution Center takes our total up to 31 units, three more than in 2013. We currently have ANSPAC Arca Continental locations in: Nuevo Leon, Tamaulipas, Coahuila, Chihuahua, Sonora, Culiacan, Baja California Sur, Aguascalientes and San Luis Potosi.

5 BY 20 "POWER MEXICO"

This program seeks to empower women and to improve their lifestyle by means of education programs as well as the development of technical abilities that will enable them to start, manage and boost their businesses.

To accomplish this, we created the educational program "My Business", which lasts 50 hours and aims to teach female corner store owner subjects such as human development, business administration and marketing, accounting and finance, and customer service. In 2014, 26 groups were instructed, training 664 women, almost 40% more than in 2013.

.....
Since the beginning of the "Power México" Program in 2013, 1,144 women have received training.
.....

40%

MORE WOMEN WERE TRAINED IN OUR 5 BY 20 PROGRAM IN 2014



SAFETY AT WORK

ALONG WITH QUALITY, INNOCUOUSNESS AND ENVIRONMENTAL PRESERVATION, OUR ASSOCIATES' SAFETY RANKS AS ONE OF OUR ORGANIZATION'S BIGGEST PRIORITIES CONCERNS.

During 2013 and 2014, we began a thorough process of promoting awareness with a view to creating a true culture of safety. Led by the Chief Executive Officer, we defined way we currently manage safety issues; An occupational safety and health policy established the Arca Continental Safety Committee, and a program for internal widespread safety was presented.

The strategy to promote associates' safety includes the analysis of critical elements and processes intended to reduce existing risks during activities and operations. One of our main initiatives is constant training aimed at promoting a culture of responsibility and awareness among associates.

In 2015, extensive training specifically geared towards our safety strategy will be carried out, with the objective of transmitting our Occupational Safety and Health Policy, as well as continued training and reinforcement of existing programs focused on preventive measures, such as ergonomics.



Occupational Safety and Health Policy

At Arca Continental, we believe taking care of one's life and health is the best way to guarantee team success.

We are committed to maintaining a safe and secure environment, ensuring that prevention of injuries and sickness is respected, observed and applied by everyone in the organization, without exception, caring for the integrity of ourselves and anyone we come into contact with.

As a sign of our commitment to excellence, it is our responsibility at Arca Continental to comply with legal requirements as well as other regulations underwritten by law, in order to establish clear and measurable objectives, reduce risks, and provide the necessary resources and permanent improvement to our management system.

As part of our culture, every associate must contribute to achieving maximum safety in the workplace and during all productive and commercial activities.



100%

OF OUR PRODUCTION CENTERS IN MEXICO ARE CERTIFIED UNDER THE OCCUPATIONAL HEALTH AND SAFETY NORM, OHSAS 18001:2007, ONE OF THE MOST STRICT IN THE INDUSTRY.

We base Safety on four pillars focused on our associates and their environment:

- **ASSOCIATES** Safety starts with him/her, and his or her daily attitudes and decisions.
- **OUR FAMILY** The motivation for maintaining a safe work environment.
- **OUR COLLEAGUES** Because they share the same goal: building a safe and efficient workplace.
- **THE COMMUNITY** Because as part of hundreds of communities in Mexico, Argentina, Ecuador and the United States, we are responsible for the environment protection and the wellbeing of our communities.

21%

REDUCTION IN LOST TIME INCIDENT RATE.

SAFETY ACHIEVEMENTS [G4-LA6]

Every effort made is a step forward towards a safe labor environment. In 2014, the Lost Time Incident Rate (LTIR) was reduced by 21%, which shows that followed correctly, the strategy produces positive results. Nevertheless, we'll work tirelessly until we the goal of 1.5 LTIR is reached in 2015.

Every incident involving associates is carefully investigated until the root cause is found and a program or action to avoid a recurrence can be taken. Thanks to the said investigations, we have comprehensive data that allow us to continue our research into safeguarding our associates' integrity.

By the end of 2014, Arca Continental had 23 Production Centers (CEPROS) certified by the OHSAS 18001:2007 Occupational Health and Safety Norm, 20 of in Mexico, and 3 in Argentina. Our goal is to have 33 CEPROS and 35 major Distribution Centers certified by 2020.

If you wish to know more about our Health and Safety figures, you can do so by visiting: www.arcacontal.com/social-responsibility.aspx



CONTRIBUTION TO THE COMMUNITY

OUR BUSINESS STRATEGY IS FOCUSED ON DRIVING INTEGRAL DEVELOPMENT OF THE ASSOCIATES AND COMMUNITY, LEAVING A POSITIVE FOOTPRINT ON OUR SURROUNDINGS.

With the purpose of integrating the challenges that the community faces, we have implemented projects that contribute to its sustainable development and that improves quality of life. We create direct and indirect employment, strategies to improve women's circumstances, as well as voluntary work and contributions to a wide range of foundations specialized local organizations.

We emphasize that the implementation of institutional programs should be transverse throughout all our operations in Mexico, Ecuador and Argentina, such as the "VOLAR" volunteering program and its main initiatives: Annual Volunteer Day, Annual Sustainability Day, and Christmas with Meaning among other community development initiatives.





VOLUNTEERING PROGRAM "VOLAR"

[G4-SO1]

As a socially responsible company, we aim to promote social and environmental initiatives that benefit the community with associates and their families.

Arca Continental Volunteering Program (VOLAR) is an institutional program of social responsibility where the company and associates come together in order to work for the good of the community and environmental protection. Stand out programs include, "Annual Volunteer Day", "Annual Sustainability Day" and "Christmas with Meaning".

The programs' objectives are to encourage associates to donate time and effort in order to positively contribute to the development of communities where we operate, as well as promoting ecological culture and the active participation of associates and their families in activities such as reforestation, cleaning bodies of water and the restoration of public spaces.

ANNUAL VOLUNTEER DAY RESULTS 2014:

7,500
VOLUNTEERS

33,000
MAN-HOURS

7,000
TREES PLANTED

28
RESTORED
PUBLIC SPACES

15 KMS
SHORES AND
CLEANED
BEACHES

12 TONS
COLLECTED
GARBAGE

ANNUAL VOLUNTEER DAY

On this traditional day, we organize events for associates and their families in all our company business units. We choose a community or beneficiary public institution and we carry out activities such as reforestation, cleaning bodies of water (shores, canals, lakes, beaches), or the restoration of public spaces such as schools, parks or social housing.

ANNUAL SUSTAINABILITY DAY

The two main objectives of this event are: to let people know about our performance and advances in sustainable environment processes and operations, as well as promoting an environment of sustainability culture among associates and their families. In order to achieve this, we organize an event for associates and their families. We invite supporting organizations and institutions to put up information booths about environment protection and to perform an activity that involves the community and promotes the culture of environmental awareness.

During 2014, as part of the recycling campaign, we donated PET or garbage recycling bins to two public schools and one local neighborhood.

In our 2014 event, we welcomed more than 6,100 assistants and 1,900 volunteers doing around 12 thousand man-hours of social work. Through our efforts, more than 5 thousand trees were planted, over 18 kilometers of shores and beaches were cleaned and we collected more than 4.3 tons of waste for proper disposal.

CHRISTMAS WITH MEANING

THIS PROGRAM INVOLVES ASSOCIATES DONATING NEW TOYS IN ORDER TO BRING A LITTLE HAPPINESS TO THE LESS FORTUNATE CHILDREN IN THE COMMUNITIES WHERE WE OPERATE. TO ACHIEVE THIS, WE HOLD A CAMPAIGN FOR COLLECTING TOYS AMONGST ASSOCIATES OF ALL ARCA CONTINENTAL TERRITORIES. AFTERWARDS, WE VISIT SCHOOLS AND INSTITUTIONS WHERE WE DELIVER THEM AS PART OF CHRISTMAS CELEBRATIONS.



OTHERS SOCIAL INITIATIVES

DONATION PROGRAMS

With our donations we provide support to civil society organizations projects that are aligned with our Company's objectives and values. Arca Continental carefully chooses which initiatives will be supported, watching over the proper use of funds so as to benefit as many persons and communities as possible.

OPERATION SMILE

Together with Coca-Cola Foundation we provide support to more than 800 boys and girls during their recovery process in hospital centers in Quito, Barbahoyo, Santo Domingo and Ibarra, Ecuador.

SHORE CLEANING

During 2014, with the participation of more than 500 volunteers of the community and associates, a shore cleaning journey to the Galapos' Islands was made; 3.4 tons of solid wastes were collected.



HAPPINESS PLAZAS

In Salta municipality, Argentina, in a joint action with the community and government, two public parks were installed with recreational games made out of recycled PET from the Collecting PET Bottles program: "A bottle for a Children's game".

COCA-COLA HYDRATING CENTERS PROGRAM

Donation of "Coca-Cola Hydrating Centers" to public schools and providing communities with clean and safe water, is a compromise that Arca Continental and Coca-Cola have to promote pupils' health and the culture of responsible and moderate use of water. In 2014, 276 hydrating centers were installed in public schools in Mexico, thus benefitting 93,911 pupils and 3,912 teachers.





2014 CHRISTMAS WITH MEANING CAMPAIGN RESULTS

800 VOLUNTEERS
90,000 MAN-HOURS
11,000 TOYS COLLECTED
11,000 BENEFITED
57 EDUCATIVE OR BENEFICENCE COMMUNITIES OR INSTITUTIONS
3,000 ACTIVATED PEOPLE

PETSTAR COMMUNITY PROGRAMS

Petstar supports a community child development center located in the town of Chimalhuacan in Mexico State. Its objective is to improve the living conditions of the children of the waste pickers in the area, by providing education, medical attention, and nutrition and skills development. Additionally, we collaborated on the construction and participated in the maintenance of a holistic training center located very close to the recycling plant in the Otomi community. Materials were also contributed for the construction of workshops dedicated to handicrafts, sewing and computing, helped by funds raised from the sale of leftover wire, originally used to tie bundles of PET delivered to PetStar. The center's main objective is to empower native women by developing their life skills.

Finally, PetStar has an auditorium, its main objective being to spread the idea of shared responsibility among authorities, civil society, companies and families. Here, a visitor's program can be found focused on environmental education and the promotion of physical activity.



VOLUNTEERING PROGRAM IMPULSA

In 2014, together with the Developing Entrepreneurs ABP Foundation (IMPULSA Nuevo León), we launched the educative program "Entrepreneurs since childhood", which helped 370 students from Justo Sierra Elementary School in San Pedro Garza Garcia, Nuevo León. Twenty six executives from our corporation kindly volunteered during the six-week program, during which, topics such as social content and values were taught; developing the entrepreneurial spirit among children.



SUMARSE NETWORK

Together with various companies, the government, civil society and communities throughout the state of Nuevo Leon, our company has worked with the Sumarse Network since 2011; the objective of which has been to rebuild the social fabric and develop the communities' civil capabilities. With that in mind, 58 participative projects were carried out, which were broken down into 172 communitarian activities, 458 social transformers were created (individuals capable of organizing and coordinating groups of people with proposals to improve their communities) and more than 5,400 people participated.

VALUE CHAIN

VALUE CHAIN DEVELOPMENT

[G4-LA15, G4-SO10, G4-HR11]

In Arca Continental we recognize the importance of our value chain as a fundamental factor in the success of a sustainability strategy. Therefore, we support our suppliers' development as we would that of a business partner.

BUSINESS SOCIAL RESPONSIBILITY PROGRAM USEM MODEL FOR SME

In support of the various small and medium enterprises (SME), that provide us with products and services; and with the aim of extending the social responsibility philosophy to our value chain, in 2014, we granted suppliers with scholarships to assist an Entrepreneur Social Responsibility program organized by the Mexican Entrepreneurs Association (USEM). Among the program's main objectives is to make the said companies more productive and to help them generate economic value, while operating in a fair, humane way. This is achieved in part, by following three strategies: ethics and transparency, quality of life, and wealth generation and distribution.

The program took a total of 128 hours spread over 8 months, with accompanying methodology given in an introduction workshop and training sessions.

SUPPLIERS STRENGTHENING AND DEVELOPMENT PROGRAM

During 2014, in alliance with the Monterrey Competitiveness Center and with the support of the Economy Ministry, 24 of our main SME suppliers entered the program. After being evaluated in several areas, they received training in Finance, Marketing, Sales, Operations and Human Resources based on their results, which will, in turn, help them to grow a better client portfolio and improved administration.

21ST CENTURY PROJECT

In order to generate shared value and a change of vision for a retailer's traditional channels and make their business profitable, Arca Continental, has developed the 21st Century program to create a competitive differentiation among clients. The program has helped our retailers to reinforce, innovate and transform their stores in order to push traditional growth, reach a competitive level and have market standing.

Convenience Store "Mojica"

Two years ago, the 21st Century Project arrived at Don Jose's store offering business support, improving promotional material, shelf products presentation and increasing consumer traffic into his business. The initiative installed modern furniture, as well as categorized fridges, interior layouts and promotional package displays.

"I am very grateful to Arca Continental and extremely happy with the growth of my business. Thanks to the saving-energy fridges they installed for us, the power bill isn't nearly as high and I can save for other expenses". Don Jose Mojica.



MOBILE CLASSROOM PROJECT

The objective of the mobile classroom project is to develop our retailers and contribute to their business competitiveness. Through the project, retailers learn new selling tools and techniques that will allow them to better respond to their consumers' demands and to increase sales, contributing to the success of their business' in a sustainable way. Small grocery and corner store owners participated in the project.

SUPPORT AND EVALUATION TO SUPPLIERS

[G4-EC8]

In Arca Continental we are currently conducting a supplier's satisfaction survey where we measure quality of service, procedures and the image of the company. The survey will be integrated into the supplier's portal.

Key suppliers from each plant are evaluated on a quarterly basis as part of the Coca-Cola Mexico and Arca Continental (ISO's) quality assurance system. The evaluation measures: operations, service, quality, management, environment, commerce and security. Independently, urgent or critical corrective actions are performed the moment they appear. Involving suppliers, internal users and providers where need be.

SUPPLIERS GUIDING PRINCIPLES AND RULES MANUAL

[G4-HR5, G4-HR6, FP1]

In 2006, we incorporated the Coca-Cola Suppliers Guiding Principles handbook into the contract conditions for our beverages business, establishing in it specific social responsibility clauses required to the value chain. This way, each transaction automatically implies the respect of human rights; refusal to employ children, the eradication of any type of discrimination or forced labor as well as other aspects of peoples' rights, is implicit, in every purchase.

As of January 2015, all Arca Continental suppliers are obliged to read and sign in accordance with the Rules & Regulations Manual, which establishes the basic guidelines of the following topics: supplier requirements, registration, code of ethics and the supplier guiding principles, purchase orders, orders, supplier payments, conflicts of interest, conflict resolution and transparency mailbox.

Grocery Store "Esperanza"

Julio Gamboa and his mother, Esperanza Cruz, invested in, and transformed their business. They say that with the 21st Century Program, they were not only able to change their store, but also the vision they had for their business. They have learned to organize spaces, improve distribution, categorize products and promote immediate consumption. "Thanks to Arca Continental our sales have increased by 15%, we are no longer the small corner store and we have transformed ourselves into a 21st Century store so that consumers won't forget us". Julio Gamboa.





LOCAL SUPPLIERS

[G4-EC9]

As part of a business philosophy geared towards competitiveness and value chain development, we fight hard to keep national produce in most of our consumables. As a result of this initiative, in 2014, 99.1% of consumables for our plants in Mexico were purchased from Mexican distributors. We will keep working so the remaining countries where we operate achieve a similar level of local supply.

In Ecuador, we made an unprecedented effort to negotiate with the national Government in order to rapidly adapt to the new legislation aimed at developing national suppliers for products traditionally only found overseas.

SUPPLY CHAIN

[G4-12]

In regards to Arca Continental's logistic operations, we have worked to ensure that freight operators' working conditions, for both ourselves and for third parties, comply with basic security requirements, paying particular attention to shift workers, making sure the personnel arrive to work fully rested and fit to perform their activities. It is essential that the personnel have up to date, federal driver's licenses. They should be accredited with recognized examinations and certifications. Cargo vehicles must also be verified, as they need to comply with the established normativity requirements for mechanical conditions required by the authorities.

The supply chain of our beverage operations is made up of the following elements:

1. RAW MATERIALS SUPPLIERS

Manufacturing our products requires raw materials that must comply with pre-defined standards for each material sent by freight services contracted by suppliers.

2. LOGISTICS

With the support of warehouse staff, supplies are stored in order to be used in the production process at a later date.

3. PRODUCTION

Production plants utilize the available raw material, labor and equipment, to manufacture products, at times at the request of third parties.

4. LOGISTICS

Product is received by our warehouses staff in order to be moved on to our distribution centers.

5. SALES AND DISTRIBUTION

The sales department takes clients' orders and requests the products to be added to delivery routes for its distribution to the market. Later, delivery is carried out by delivery vehicle personnel.

6. CLIENTS

Clients receive product according to their orders.

7. RECYCLING PET BOTTLES

With packaging management projects like PetStar in Mexico, we're able to recollect a large percentage of PET bottles, thus closing the value chain cycle.

.....
More than 99% of the supplies purchased in Mexico, come from national suppliers.

If you'd like to learn more about our Value Chain visit:
www.arcacontal.com/social-responsibility.aspx





- 1 RAW MATERIAL PRODUCTION
- 2 LOGISTICS
- 3 TRANSFORMATION AND SALES
- 4 DISTRIBUTION
- 5 CONSUMER
- 6 RECYCLING

CUSTOMER SERVICE

[G4-SO11, G4-PR5]

We have contact centers in Mexico, Argentina and Ecuador, always willing to take care of our consumers' requests and give a prompt response. Highlighting our policy of good customer service, in 2014, we were able to process more than 93% of the requests we received, while achieving a service level satisfaction rating of 88% based on client follow up procedures (Mexico data).



Contact us:

Mexico: +52 (800) 800-3442
 Argentina: +54 (810) 888-2722
 Ecuador: +593 (800) 26-2226

If you wish to read more about our Customer Service, visit: www.arcacontal.com/social-responsibility.aspx





ENVIRONMENTAL WELLBEING

Our commitment to the environment pushes us to constantly establish actions and take measures that reduce our impact on the environment. For that reason, we defined policies that lead us to the development of various projects for waste minimization, water conservation and emissions reduction as part of our environmental management system.

11

Certified plants in the esKO Top 10 Energy Savings Challenge Program.

100%

Of the water used by Coca-Cola Mexico System is returned to nature through several initiatives.

2.5

Million trees planted in our territories within Mexico during 2014.

ENVIRONMENTAL MANAGEMENT

ENVIRONMENTAL POLICY: WE ARE COMMITTED TO THE PROTECTION AND IMPROVEMENT OF THE ENVIRONMENT, AND THEREFORE COMPLY WITH CURRENT LAWS AND MANY OTHER REQUIREMENTS THAT THE ORGANIZATION SUBSCRIBES TO REGARDING ECOLOGICAL AND ENVIRONMENTAL MATTERS, INCLUDING RATIONAL AND EFFICIENT USE OF RESOURCES.

Arca Continental Environmental Management System is based on ISO 14001:2004 and on Coca-Cola's environmental requirements and specifications (KORE). The system was proposed to ensure the sustainability of business decisions and processes and to continually evaluate our performance. These measures allow us to take informed decisions for developing a continuous improvement culture and achieve our goals.

Our goal is to be the most respected company in terms of environmental protection and natural resources conservation in the territories we operate in. To achieve this, we've defined a strategy that looks at how to apply the management system effectively in all our business operations, involve the whole value chain and its associates, build infrastructure, redirect and sometimes modify processes. This strategy is based on our environmental footprint management, explained in the following chart:

During 2014, we made numerous efforts to strengthen our environmental management system, which will continue into 2015. So far, we have been able to successfully apply numerous good practices listed by recognized international systems and meet the requirements of some of the strictest international evaluators, such as EIRIS and RobecoSAM.



CARBON FOOTPRINT

- CO₂ REDUCTION EMISSIONS INTO THE ATMOSPHERE
- ELECTRICITY SUPPLIED BY RENEWABLE SOURCES

WATER FOOTPRINT

- IMPROVE EFFICIENCY OF WATER USAGE
- NEUTRALIZATION AND CONSERVATION OF WATER SOURCES

WASTE

- REDUCE WASTE GENERATION
- INCREASE GENERATED WASTE RECYCLING

PACKAGE

- USE OF SUSTAINABLE MATERIALS
- MATERIALS REDUCTION

MANAGEMENT

PEOPLE

INFRASTRUCTURE

PRIMARY SUPPLIERS

VALUE CHAIN

CLIENTS AND CONSUMERS

WATER CONSERVATION

Our objective for 2020 is to achieve an efficiency of 1.5 liters of water for each liter of beverage produced; in addition to our initiatives to return water to the biosphere every year.

Water is not merely one of our main raw materials; it's an indispensable part of our operation. Which is why, as part of the Coca-Cola eco-system, we are committed to the 2020 Vision Objectives which can be grouped into three major strategies:

1. Improve water use efficiency.
2. Return and treat the water used in our products.
3. Investigate and participate in watershed protection.

EFFICIENCY IN WATER USAGE

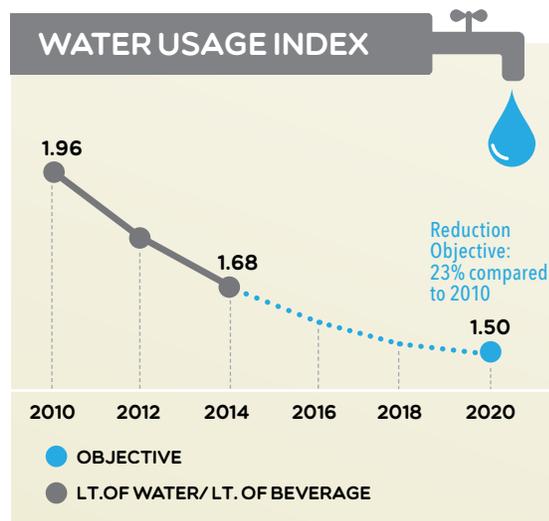
Thanks to programs in operational excellence, designed to promote sensibility, commitment and team work among all associates, we have successfully implemented measure that permit us to use water more efficiently. Among the projects, which have reduced our water consumption by a fifth, are:

- Water optimization through the incorporation of new technologies.
- Water recuperation in industrial processes and the elimination of leakages.
- Forming of water saving committees and constant training.

Our water consumption has been reduced by approximately 20% over the last 5 years.

The performance indicator use to measure our efficiency is the ratio between the amounts of water needed to produce one liter of beverage, including the water consumed in each stage of production, such as bottle washing, for example. In 2010 we needed little more than 1.96 liters to produce one liter of beverage.

Every year we save 2.03 million cubic meters of water due to our improvement in efficiency compared to the base year.

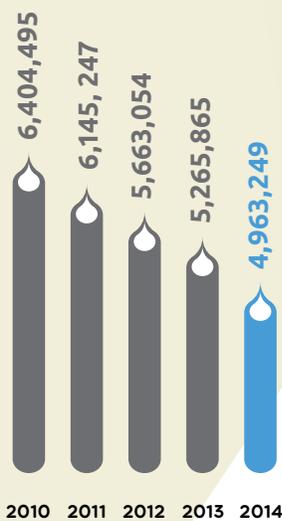




During 2014, we invested more than 35 million MX. PS. in the construction of a water-treatment plant in La Paz, Baja California Sur. Operations at our industrial water-treatment plant in Torreon also began.

INDUSTRIAL WATER DISCHARGE (M³)

[G4-EN10]



IN 2014 WE CONTINUED TO TREAT 100% OF THE WATER FROM OUR PROCESSES, CONTRIBUTING TO A HEALTHIER ENVIRONMENT.

WATER SOURCES CONSERVATION

[G4-EN9]

We have been working for several years, in collaboration with environmental experts and hydrological specialized technicians on projects centered on water preservation. These include water vulnerability studies, which aim to analyze every watershed and local water well at every production center, evaluating the impact of our operations and identifying potential risks we might face, allowing us to design projects that will ensure the substance so vital to the community and business.

A huge part of our program to protect water is to fully understand the impact of our operations on water extraction, and using this information to determine whether it may cause an impact on the watershed in each production center. These studies, jointly carried out by Coca-Cola and World Wildlife Fund are part of the Water Source Vulnerability Project and aim to sustain rivers, lakes and groundwater integrity. With this study we can assure that our water extraction isn't affecting any watersheds in the regions where we operate in a negative way.

We lead proactive actions that promote natural recharge to the groundwater aquifers. Therefore, together with the Coca-Cola Company in Mexico, we keep our commitment and active participation with the National Reforestation and Water Harvest Program.



WATER EXTRACTION BY SOURCE

Our 12.25 Mm3 water supply comes from two sources, extraction wells or consumption from the local water system. The percentage in each region varies according to the guidelines specified by local authorities.

We are founding members of the Monterrey Metropolitan Water Fund (Fondo de Agua Metropolitano de Monterrey), a program culminating in the efforts of several companies and organizations to protect water resources in the area, using solutions based on environmental studies. As part of our contribution to the fund, we are committed to replenishing more than 325 thousand cubic meters of water to the regional watershed.

[G4-EN8]

REGION	WELL WATER CONSUMPTION	MUNICIPAL NETWORK WATER CONSUMPTION
Mexico	86%	14%
Ecuador	46%	54%
Argentina	72%	28%

ACTIONS IN LATIN AMERICA

ECUADOR



We started a project to fund sustainable management activities in conjunction with the Latin American Water Funds Alliance, The Nature Conservancy and Coca-Cola. The first phase of the project, "Strengthening financial mechanisms for management of watershed supply conservation and participation", started in September 2013 and consisted of preparing information and buying basic equipment, analyzing information of water funds priorities (precipitation, topography, water sources) and conducting field visits to selected areas (land use, threats, feasibility).

Reforestation actions in Ecuador promote the region's biodiversity and watersheds protection.



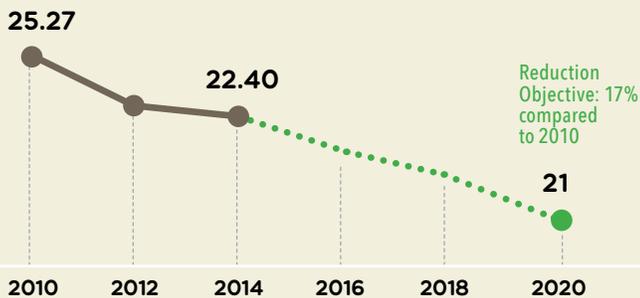
EMISSIONS REDUCTION

OUR OBJECTIVE FOR 2020 IS TO ARCHIEVE 21 G CO₂E EMISSION INDICATOR PER LITER OF BEVERAGE. WE HAVE ACHIEVED 65% OF OUR TARGET TO DATE.



GREENHOUSE GASE EMISSIONS - MANUFACTURE INDEX

[G4-EN15, G4-EN16, G4-EN18]



- OBJECTIVE 2020
- G CO₂E/LT BEVERAGE

Note: In 2014 we updated our emission facts according to the latest IPCC reports*; hence, we recalculated previous years emissions to maintain the comparability among data.



We know that tackling climate change is one of humanity's biggest challenges. As we have done with the rest of our environmental footprint, we have defined two strategies to reduce our emissions by 2020:

- 1. Reduce our 2010 carbon footprint emissions by 17%.**
- 2. At least 40% of electrical power used to come from renewable sources.**

As part of the efforts to mitigate our carbon footprint in 2014, we conducted the most comprehensive audit of emissions so far. The level of detail we reached by identifying emissions from our main sources allowed us to report our emissions to CDP, the international organization with the most robust and recognized emissions reporting platform, and to GEI Mexico, SEMARNAT and CESPEDES programs.

These reports will be conducted annually; allowing us to accurately measure and record

* Intergovernmental Panel on Climate Change.



[G4-EN27]

ALMOST 11,000 MWH

POWER SAVINGS IN 2014

DURING 2014 WE IMPLEMENTED EFFICIENCY PROJECTS AIMING TO REDUCE OUR POWER CONSUMPTION. SOME OF THE MOST IMPORTANT ONES WERE:

- OPTIMIZATION IN THE REFRIGERATION SYSTEMS.
- INSTALLATION OF HIGH-EFFICIENCY EQUIPMENT.

.....
The esKOTop 10 Energy Savings Challenge Program empowers bottling companies to implement energy saving practices aimed at reducing environmental impact, while simultaneously minimizing costs. Coca-Cola and WWF have identified the best practices to be implemented by all bottlers, which will allow Coca-Cola to achieve their goal of reducing carbon footprint.
.....

our emissions and to identify new projects to continue reducing our negative impact.

In order to gage the effectiveness of our efforts to reduce the carbon footprint since 2010, we have measured the “greenhouse gases emissions index in manufacturing”. This indicator allows us to measure the emissions associated with the production of one liter of beverage; the lower this number, the lower the impact. Our goal for 2020 is to reduce the emissions by 17% per beverage liter.

Globally, Coca-Cola Company and World Wildlife Fund (WWF) work together to promote the Esko Top 10 Energy Savings Challenge program, which aims to help Coca-Cola achieve their goals of reducing carbon footprint along with the participation of the bottling network. By the end of 2014, we had 11 program-certified plants in Mexico.

If you wish to learn more about esKO Top 10 Energy Savings Challenge program, visit:
www.worldwildlife.org/projects/climate-protection



Besides the benefits to the local water bio system and the promotion of environmental respect and protection, our reforestation programs are also a way to compensate for carbon footprint. From 2008 to 2014, we have planted 21,190,814 trees in Arca Continental territories in Mexico. During their first ten years, they will be able to absorb more than 800 thousand tons of CO₂ from the atmosphere³, enough to mitigate the equivalent emissions of 168 thousand vehicles per year.

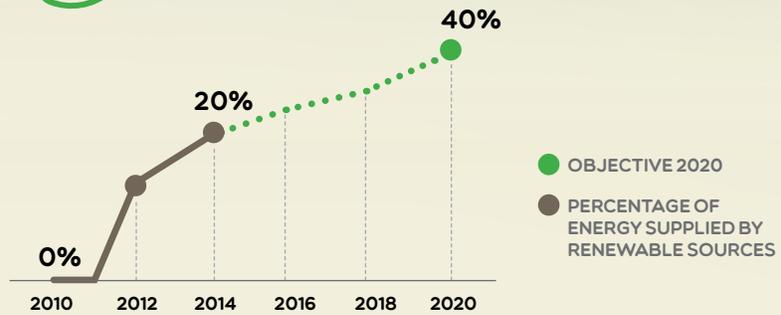
USE OF RENEWABLE ENERGIES

One of our major strategies for reducing our environmental footprint is the use of renewable energy. Since 2011 we have used biomass energy (sugarcane bagasse) and we are now integrating wind power. The goal for 2020 is that 40% of all the power we consume should come from renewable sources. By the end of 2014, we had achieved 20%.

The main indicator used to measure our energy consumption is the amount of Mega-joules (MJ) needed to produce one beverage liter. Our plan is to reduce energy consumption by 14% by 2020. By the end of 2014, we achieved a 10% reduction, thanks to the implementation of all the aforementioned projects.

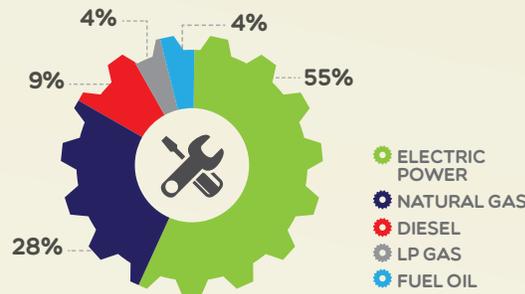


RENEWABLE ELECTRIC POWER CONSUMPTION



USE OF ENERGY IN MANUFACTURE

[G4-EN30]

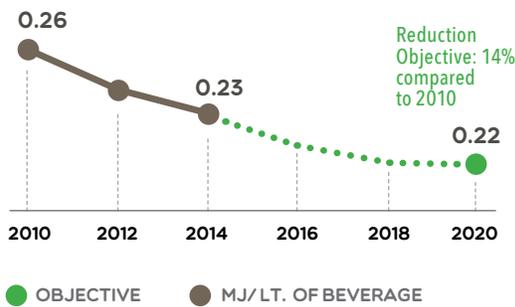


INTERNAL USE OF ENERGY IN MANUFACTURE (GIGAJOULES)

YEAR	2010	2011	2012	2013	2014
Electric Power	959,870	392,377	221,918	66,355	933,367
Natural Gas	1,016,901	436,024	167,759	67,902	462,329
Diesel	1,008,397	441,907	148,299	77,436	149,930
LP Gas	970,028	453,683	143,316	73,693	73,660
Fuel Oil	933,367	462,329	149,930	73,660	65,181
TOTAL	1,700,598	1,754,282	1,743,186	1,703,466	1,684,466



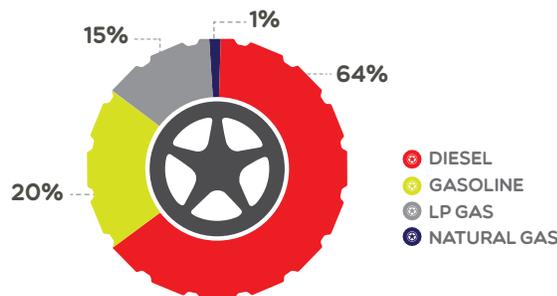
ENERGY USE INDEX
(MJ/LT. BEVERAGE)
[G4-EN3, G4-EN5]



61%

OF OUR FUEL CONSUMPTION DURING MANUFACTURING IS NATURAL GAS, ONE OF THE FUELS WITH THE LEAST ENVIRONMENTAL IMPACT.

INTERNAL FLEET ENERGY USAGE



INTERNAL FLEET ENERGY USE IN 2014

(GIGAJOULES)

DIESEL
1,577,145
GASOLINE
491,142
LP GAS
356,492
NATURAL GAS
25,856
TOTAL
2,450,635

3. EPA, Greenhouse Gas Equivalencies Calculator

WASTE MANAGEMENT

THANKS TO THE INTEGRAL WASTE MANAGEMENT PLAN USED IN ALL OF OUR OPERATIONS, WE HAVE BEEN ABLE TO INCREASE OUR RECYCLING RATE TO 85%; WHICH PUTS US FIRMLY ON TRACK TO ACHIEVING OUR GOAL OF REACHING A RATE OF 90% BY 2020.

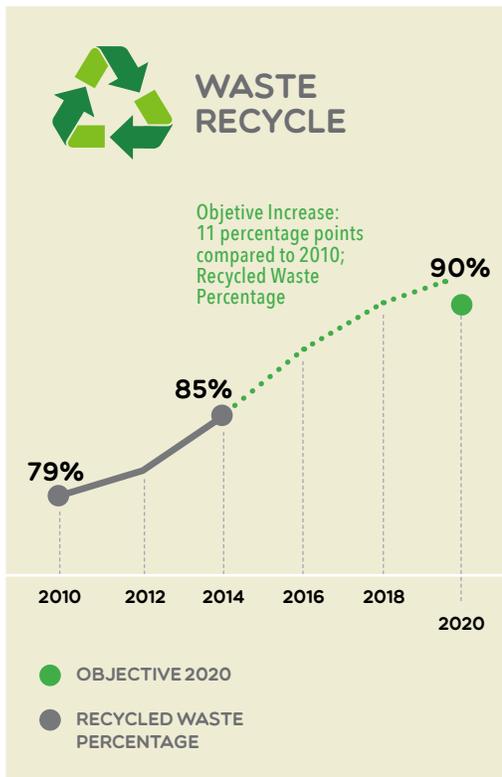


The food-grade PET resin produced by PetStar requires 75% less energy than that used to produce virgin resin.

RECYCLING GENERATED WASTE

[G4-EN2, G4-EC7]

PetStar is a Mexican company founded in 2006, and since 2011, has been led by Arca Continental, The Coca-Cola Mexico Company and a group of important bottlers in the country. PetStar has lead by example, with a one of a kind business model in the world of the efficient and timely, recycling of PET bottles into food-grade resin, which, not only signifies benefits for the company, but also the population, the environment, collectors and industry. In 2014, PetStar became the largest food-grade PET Recycling Plant in the world thanks to a comprehensive investment of over 100 million dollars; enabling it to process over 65,000 tons of PET bottles per year.



GENERATED WASTE IN THE MANUFACTURING PROCESS

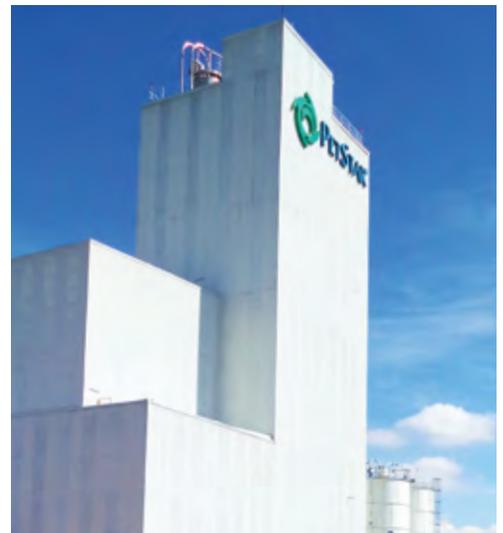




We are working towards zero-waste plants in Mexico. This will be achieved by combining waste generation reduction projects and the increase of recycling.

In Argentina, 93% of the waste generated in manufacturing was recycled during 2014.

In 2014, PetStar produced 50 thousand tons of food-grade PET, positioning itself as the largest of its kind in the world. This quantity, together with the collection of over 75,000 tons per year, not only allowed Arca Continental, Coca-Cola of Mexico and the rest of the PetStar bottlers shareholders, to reach the company's 2015 goal of collecting at least 50% of the PET bottles sent to market, and use at least 25% of recycled material in our packages.



RECYCLED WASTE BY TYPE
[G4-EN23]



* Water treatment muds, taps, dangerous waste, aluminum, reactor waste, tires, others

PetStar has an Auditorium-Museum, the mission of which is to generate a visitor's program to promote environmental education, recycling culture and disseminate the concept of Shared Responsibility among society, authorities and companies. This space is environmental friendly, has a rainwater collection and treatment system, solar panels, and a green roof, among other environmentally friendly features.

If you wish to learn more on PetStar, visit:
www.petstar.mx





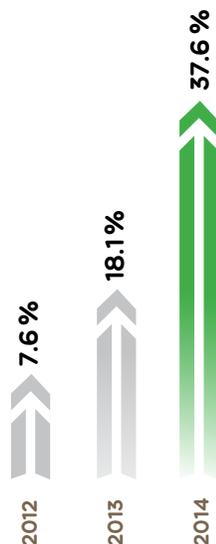
PACKAGING

In 2014, an average of 37.6% of recycled PET was incorporated in our bottles, by far exceeding our 2015 goal of 25%.

During 2014, 26,000 tons of recycled resins (PCR) were consumed in Mexico Operations and 2,140 in Ecuador. They were used in the production of Non-Returnable PET bottles (NR PET), which is equivalent to 37.6% of the total NR PET bottling resin consumption (65,127 tons), thus, easily exceeding the 2015 goal of incorporating 25% of this material into our packaging. It is worth mentioning that the Fresca, Sprite and Sangria Topo Chico brands NR PET bottles used in our franchise are made out of 100% recycled PetStar material.

Since 2012, we have run a program to lighten PET bottles. This process brings many environmental benefits along, such as reducing the plastic and energy consumption associated with its production, transformation and shipping. As a result, we have stopped using more than 10,000 tons of PET in our bottles. In 2014 only, the continuity of our project allowed us to save more than 3,500 tons of plastic.

PERCENTAGE OF RECYCLED PET IN OUR BOTTLES



AWARDS AND CERTIFICATIONS

[G4-16]

PRIZE	GRANTED BY	CONSISTS OF
Sustainable IPC	Mexican Stock Exchange (BMV)	<ul style="list-style-type: none"> Incorporation of Arca Continental, S.A.B. de C.V. to Sustainable IPC for the fourth consecutive year. Sustainable IPC includes listed companies in BMV that stand out for their Social Responsibility, Environmental Management and Corporate Governance performance.
Socially Responsible Company Distinction (ESR)	CEMEFI & ALIARSE	<ul style="list-style-type: none"> Distinction consecutively received since 2003 for demonstrating a group of regulations and programs linked to the company; related to ethics, quality of life, community correlation and environmental protection.
The Best Companies to Work in Mexico 2014	Great Place to Work Mexico Institute	<ul style="list-style-type: none"> Awarded to companies: Bebidas Mundiales and Arca Continental in the more than 5,000 associates category; Topo Chico Company and Industrial de Plasticos Arma in the 50 to 500 associates category.
Certified Place to Work (in the more than 5,000 associates' category)	Great Place to Work Mexico Institute	<ul style="list-style-type: none"> Awarded to Arca Continental and Bebidas Mundiales.
Best Companies to Work in Ecuador Distinction	Great Place to Work Ecuador Institute	<ul style="list-style-type: none"> Tonicorp was qualified among the best three companies to work in Ecuador.
Excellence Cup in Leadership in its Category	The Coca-Cola Company	<ul style="list-style-type: none"> Award granted due to leadership actions in Ecuador.
Excellence Cup for Market Execution in Mexico	The Coca-Cola Company	<ul style="list-style-type: none"> Award granted due to Operative Excellence actions.
Top 10 Energy Saving Challenge	World Wildlife Fund and The Coca-Cola Company	<ul style="list-style-type: none"> By the end of 2014 we have 11 certified plants in Mexico.
First Prize in Operational Excellence in Transformation Category	Coca-Cola Company Supply Chain Global Board	<ul style="list-style-type: none"> Prize granted for Operational Excellence methodology implementation to unify the continuous improvement culture in all the Organization.
Green Grade in Coca-Cola	UL Responsible Sourcing Inc.	<ul style="list-style-type: none"> An auditory was carried out on Coca-Cola guideline principles to six of our beverages plants in Mexico. All of them obtained Green Grade for 100 % compliance with all these requirements.

CORPORATE GOVERNANCE

[G4-34, G4-LA12]

AT ARCA CONTINENTAL WE ARE CONVINCED THAT A GOOD CORPORATE GOVERNANCE IS THE BASIS FOR A SUCCESSFUL ADMINISTRATIVE PROCESS. IT GUARANTEES TRANSPARENCY, RESPONSIBILITY AND INDEPENDENCE; MINIMIZES CONFLICTS AND OFFERS A SECURE PATHWAY FOR THE SOLUTIONS; IT ALIGNS THE PERFORMANCE OF ALL STAKEHOLDERS TOWARDS CREATING VALUE; PROVIDES THE OPTIMAL BALANCE BETWEEN THE DIFFERENT GOVERNANCE ORGANS AND REDUCES RISK AND STRENGTHENS THE ORGANIZATION IN FRONT OF A DYNAMIC AND COMPLEX ENVIRONMENT.

Our Corporate Governance is aligned with the Mexican Stock Exchange Best Corporate Practices Code. We start from a long-term vision and a philosophy based on four strategic pillars:

- **Responsibility.** Guarantee accountability from the Administration to the Board, and from the Board to the Shareholders.
- **Equity.** Take care of all Shareholders' rights in an equitable manner.
- **Transparency.** Ensure timely, material and the availability of accurate information and provide the means for internal control and independent reporting.
- **Independence.** Avoid conflicts of interest and ensure the participation of independent experts Board Counselors.

On April 9, 2014, during a Company's Ordinary Shareholders Assembly, the appointment of the Board of Directors current proprietary and alternate members was approved, thus meeting the statutes of Arca Continental, which state that at least 25% must be independent, according to the terms of the securities market law. The current board of directors is composed of 20 directors and their respective alternates. Out of these 40 people, one woman is a board member and two more are alternates.

To support the achievement of business objectives, our board of directors is structured into four Committees: Audit and Corporate Practices; Human Capital and Sustainability; Executive; and Planning and Finance. The committees' main functions are:

AUDIT COMMITTEE AND CORPORATE PRACTICES

AUDIT FUNCTIONS:

- Disclose accounts, control and internal audit guidelines and policies.
- Evaluate external auditor performance, give feedback and comments, and propose his appointment.
- Discuss financial statements with Management and give advice to the Board.
- Monitor mechanisms and internal controls.
- Investigate possible guidelines and operating policies, control systems and audit breaches.

CORPORATE GOVERNANCE FUNCTIONS:

- Oversee non-recurring operations, such as acquisitions, mergers and more relevant transactions.
- Oversee operations with related people.
- Monitor the CEO and executive officers' performances, as well as their emoluments.

HUMAN CAPITAL AND SUSTAINABILITY COMMITTEE:

- Assess key executives' succession plans and talent development.
- Establish guidelines and recommendations on salary and general human resources policies.
- Issue criteria for CEO evaluation and salary and extend the process to senior executives.
- Oversee the Social Responsibility and Sustainability strategy, programs and indicators.

PLANNING AND FINANCE COMMITTEE:

- Evaluate and if appropriate, recommend the Board investment and financial policies proposed by the Administration.
- Recommend long-term plans, as well as, operating and Investment budgets.
- Make recommendations on strategic projects and relevant funding.

As of January 2005, Arca Continental adopted the policy not to celebrate transactions with people related to the company's control group, except for those considered strictly necessary for strategic purposes

[G4-17]

To have more information about Arca Continental Corporate Governance visit:

www.arcacontal.com/investors/corporate-governance.aspx



At Arca Continental, all associates contribute to achieve the sustainability goals. Even our Directors and Managers performance evaluation contains sustainability indicators.

and/or that may significantly impact the company results as well as its operations. To celebrate these operations, General Direction shall request authorization from the President and Vice Presidents of the Board of Directors gathered as Executive Committee, and must explain the aspects that trigger such an operation, as well as their basis and temporality. In such cases, the operation must be additionally submitted to the Audit Committee and Corporate Practices for approval.

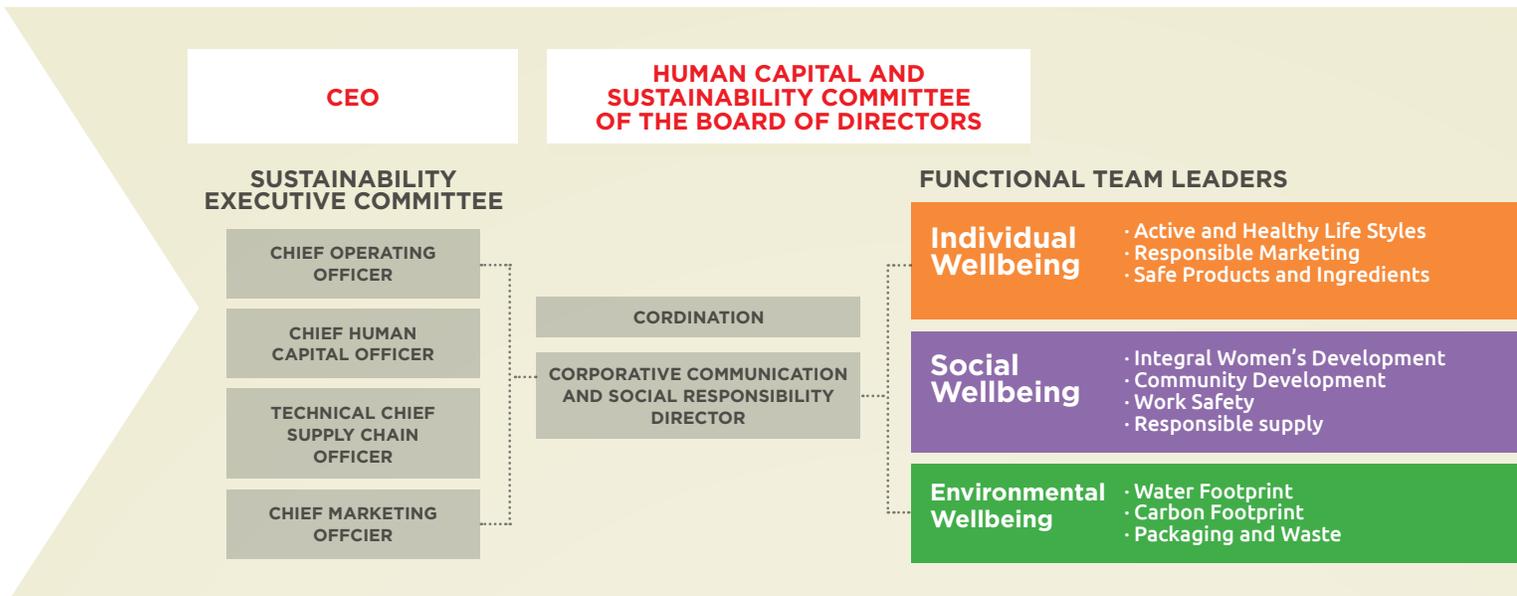
SUSTAINABILITY MANAGEMENT

Our Board of Directors, through the recommendations of the Human Capital and Sustainability Committee defined that at Arca Continental all associates must contribute to achieve sustainability goals.

Our commitment to improve people's wellbeing, to support sustainable development of communities where we operate and

to protect the environment, have a close relationship with the company's values which are reflected in established processes and organizational structures.

To deploy the operational Strategies, our General Direction and the Human Capital and Sustainability Committee, the Sustainability Executive Committee was constituted in 2013. This Committee is headed by several Arca Continental executive team members and a coordinator, who other functional team leaders report to. These teams are established for each strategic issue. The Committee's mission is to standardize policies, objectives, metrics and good practices across the organization in terms of Social Responsibility and Sustainability, as well as, to generate and to implement an annual plan identifying goals to achieve our 2020 vision.





RISKS MANAGEMENT

[G4-2]

The Coordination of Arca Continental Risks Committee ensures that all possible critical risks are properly taken care of by our specific Committees. These Committees identify and manage operational risks, corporate image and reputation, personal safety, insurance and bonding, information, finance and fiscal safety. This coordination periodically reports to the General Director, Audit and Corporate Practices Committee and the Board of Directors.

Some of the main risks and opportunities that we have identified at Arca Continental are:

- **CHANGES IN CLIMATE CONDITIONS.**

Temperature and rain may affect the product consumption and natural phenomena could affect our distribution routes. Therefore, Arca Continental has implemented programs to mitigate and adapt to Climate Change, actions we have reported to CDP since 2013.

- **WATER SUPPLY AND OTHER RAW MATERIAL SHORTAGE.** Water, like other raw materials, is essential to maintain normality in our Operations. That is why we have been participating in projects tending to protect water basins where we operate, monitoring raw material inputs through efficiency programs and working with our value chain to strengthen its operations.

- **ENERGY COSTS.** The cost of energy has increased considerably in recent years. Arca

Continental has already taken steps to be a more efficient. Additionally, we have ventured into the production of electricity through renewable sources and we will continue to push these initiatives.

- **CHANGES IN CONSUMERS' PREFERENCES.** The development of our organization depends on our ability to meet our consumers' tastes and to offer products that satisfy their preferences. We must be able to anticipate these trends and offer innovative products, always seeking our consumers' satisfaction.

Up to date, we have several projects that allow us to evaluate and control risks, such as: good manufacturing practices, environmental management systems and crisis solution, supplier's audits, safe facilities and legal compliance.

If any person is interested in learning more about our Ethical Code or wishes to report any behavior that are contrary to those desired by the company, it can be done through the following means:

- Through the company's Transparency Mailbox in the webpage www.arcacontal.com/our-company/transparency-mailbox.aspx
- Sending an email to buzondetransparencia@arcacontal.com
- By written letter addressed to the CEO at Av. San Jerónimo 813 Pte. Col. San Jerónimo C.P. 64640. Monterrey, Nuevo León, México
- Calling our toll-free numbers in Mexico 01 800 000 2722, Argentina (0-800) 444 126 and Ecuador (1-800) 000-367

In 2014, we audited more than 170 operative units. We found no evidence of corruption or bribery cases in any of them.

ETHICS AND COMPLIANCE

[G4-56, G4-LA16, G4-HR3, G4-HR12, G4-SO3, G4-SO4]

Our Code of Ethics complies with laws and regulations in each of the countries where we operate, respecting the perspective of our main stakeholders interests, among which are clients, suppliers, associates, authorities, etc. Its objectives include anti-corruption processes and controls, support for transparency as well as promoting fair trade and procurement of healthy relationships among our associates and all who come in contact with the company. It can be found in various communication tools, such as our internal magazine, bulletin boards, Internet sites and dissemination courses.

As part of our efforts to combat corruption, our Code of Ethics clearly states that "anyone who serves the company is committed not to give or receive, directly or indirectly, bribes or any other benefits to obtain improper advantages of financial or commercial character or of any kind. No one should offer, give or receive any gift or payment which can be regarded as a bribe and should reject any offer or solicitation of it...". In 2014, we set up our online Suppliers Portal, where every supplier hoping to offer products/services and register in the system, must read and agree to comply and respect our Code of Ethics. Therefore, 100% of our suppliers are now informed and committed to join our efforts to tackle corruption and bribery.

[G4-17]

If you wish to read more about the risks we have identified, you may review our report to the Mexican Stock Exchange at link: www.arcacontal.com/investors

Our Code of Ethics also compels us, all company associates, to act in a respectful way towards human rights. We emphasize on the fact that we must act without discriminating against age, gender, marital status, nationality and respect political affiliation, as well as religious beliefs and traditions.

Code of Ethics responsibility and application relies on the Audit Direction, with the support of the Corporate Communication and Social Responsibility Direction and the supervision of the Board of Directors. There is a Committee of Ethics and Compliance for every business unit, formed by Zone or Executive Direction accordingly.

We insist that any deviation from our Code of Ethics be reported through our Transparency Mailbox. We have been developing a tool to systematize complaints follow ups and monitoring. This will allow Transparency Mailbox management to be more agile and friendly.

By November 2014, we launched our Code of Ethics communication campaign and Transparency Mailbox in Ecuador. It reached 100% of associates in the region.

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G4-12	40		
G4-13	2		
G4-14	18		
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G4-16	64		
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G4-19	9	Yes, p62	
G4-20	9	Yes, p62	
G4-21	9	Yes, p62	
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G4-24	10		
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G4-28	Inside the cover		
G4-29	Inside the cover		
G4-30	Inside the cover		
G4-31	Inside the cover & Inside cover back		
G4-32	Inside the cover	Yes, p62	
G4-33	Inside the cover		

INDICATOR	MANAGEMENT APPROACH	EXTERNAL VERIFICATION	GLOBAL COMPACT PRINCIPLES
GOVERNANCE			
G4-34	56	Yes, p62	
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G4-56	5,59	Yes, p62	Principle 6
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G4-EN15	48	Yes, p62	Principle 7,8
G4-EN16	48	Yes, p62	Principle 7,8
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INDICATOR	MANAGEMENT APPROACH	EXTERNAL VERIFICATION	GLOBAL COMPACT PRINCIPLES
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G4-LA1	24	Yes, p62	Principle 6
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G4-LA6	33	Yes, p62	
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G4-LA13	29	Yes, p62	Principle 6
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G4-LA15	38		
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G4-HR8	Arca Continental have no operations near indigenous communities		Principle 1
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INDICATOR	MANAGEMENT APPROACH	EXTERNAL VERIFICATION	GLOBAL COMPACT PRINCIPLES
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G4-SO1	16,31,35	Yes, p62	
ANTI-CORRUPTION p59, Principio 10			
G4-SO3	59		
G4-SO4	59		Principle 10
G4-SO5	Internal and external audits show zero corruption cases	Yes, p62	Principle 10
ANTI-COMPETITIVE BEHAVIOR			
G4-SO7	There were no fines or penalties of this type		
COMPLIANCE			
G4-SO8	There were no fines or penalties of this type	Yes, p62	
SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY p38			
G4-SO10	38		
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G4-PR1	18		
G4-PR2	There were no incidents		
G4-PR3	20,21	Yes, p62	
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G4-PR6	16,19,20,27	Yes, p62	
G4-PR7	There were any non-compliance event		
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EXTERNAL VERIFICATION



Independent Limited Assurance Report on the 2014 Social Responsibility and Sustainability Report

To Arca Continental, S.A.B. de C.V. and Audience of this report

Upon request of Arca Continental S.A.B de C.V., we have carried out an independent limited review on the information reported in the 2014 Social Responsibility and Sustainability Report-Positive Balance.

Our responsibility has consisted of issuing conclusions about the consistency and reliability of quantitative data and non-financial information included in such report, in terms of the verification works and scope that we describe in the following sections.

It should be considered that the purpose of this assurance report is not to evaluate the AC performance in terms of sustainability.

Independence

We have carried out our verification with the independence standards required by the Code of Ethics of the International Federation for Accountants (IFAC). The verification has been performed by a team of auditors with experience in sustainability assurance report.

Verification basis and objective

Our work was performed based on verification standards established by the International Federation of Accountants, under the International Standard for Assurance Engagement ISAE 3000 pertaining to limited assurance and under the

AA1000AS Assurance standard (2008) issued by Accountability pertaining to moderated assurance and type 1.

We conducted our review at the Company Corporate Office located in Monterrey, Nuevo Leon. Samples were examined on the qualitative and quantitative indicators as subject matter contained in the context index of the 2014 Social Responsibility and Sustainability Report, through the following activities:

- conducting interviews with individuals responsible for the qualitative and quantitative information,
- evaluating the process 'reliability related with the procurement, collection, processing and reporting of information,
- evaluating data included in the report, and verifying it was consistent with the supporting documents reviewed and supporting documentation was obtained from verifiable sources,
- reviewing of formulas, arithmetic and logical accuracy of the estimates,
- reviewing the consistency of the financial information included in the report with or derived from audited financial statements at December 31, 2014.

PricewaterhouseCoopers, S. C., Mariano Escobedo 573, Col. Rincón del Bosque, 11580, México, D.F., Tel. (55)5263 6000, Fax (55) 5263 6010, www.pwc.com/mx



The purpose of our work was to verify whether or not the information contained in the 2014 Social Responsibility and Sustainability Report was:

- Consistent with the supporting evidence presented by management, and
- Is prepared in accordance with the sustainability reporting guidelines based on the Global Reporting Initiative (GRI) version 4.0,
- Is prepared in accordance with the Accountability Principles on the AA1000 APS (2008).

Recommendations

The following suggestions have been included and detailed in the verification report for the Company's Corporate Office:

- Setting up continuous follow up of indicators on the procedures for collecting, recording and validation of information from KPIs that do not have robust processes for information management,
- Extending the assurance independent work of the disclosed indicators throughout the operational units to assure the quality from the information sources,
- Raising awareness and training the personnel involved in the report consolidation process as managers and staff respectively on the consolidation and quality of sustainability reporting, and on MRV -monitoring, reporting & verification- process for GRI indicators as a good reporting management practice.

Conclusions

Based on the results of our reviewed and considering the remarks described above:

- nothing has come to our attention that causes us to believe that the KPIs did not have the supporting documentation related to the quantitative and qualitative information disclosed,
- nothing has come to our attention that causes us to believe that the information reviewed and compiled by interviews were aligned with the inclusivity, relevance and response capacity principles of the AA1000 APS Standard,
- nothing has come to our attention that causes us to believe that the Report has not been prepared in accordance with the "Sustainability Report Preparation Guidelines of the Global Reporting Initiative" version G4.

Mexico City, 27th of March 2015

Enrique Alejandro Bertran Sánchez
Partner
Sustainability and Climate Change
PricewaterhouseCoopers, S.C.

SOCIETY ALLIANCES

[G4-16]

Arca Continental participates and supports various initiatives that aim at developing our sector. Some Associations and Institutions we participate in are:

COUNTRY	INSTITUTION	PARTICIPATION
Mexico	National Soda Drinks and Beverages Producers Association, AC (ANPRAC)	Board and Executive Committee
	Mexican Association of Coca-Cola Bottling Companies (ASCOCA)	PAC and Lobbying Committee
	Technical Associations of Compensations	Active member
	National Chamber of Transformation Industries in the Snacks Branch (CANACINTRA)	1st Vice-president of the 106 Snack Branch. Food Sector Board
	National Chamber of Transformation Industries (CANACINTRA)	Legislative Liaison Committee, CONCAMIN Vice-president of the Liaison and Business Organizations Commission
	Chamber of Transformation Industries of Nuevo León (CAINTRA)	Board of Director
	Mexican Center for Philanthropy (CEMEFI)	We are part of the Social Responsibility Decalogue and we participate in RSE self-diagnostics
	Mexican Republic Employers' Confederation (COPARMEX)	2014 Board of Directors
	National Agricultural Council (CNA)	Executive Commission and Directive Committee
	Water Advisory Council (CCA)	Board of Directors
	Mexican Council of Consumer Products' Industry (ConMexico)	Active Member
	ECOCE, A.C.	Founder member
	Metropolitan Water Fund of Monterrey	Board of Directors
	National Association of Private Freighters (ANTP)	Board of Directors
	Consistency Movement	Board of Directors
We Want Active Mexica	Board of Directors	
SumaRSE Network	Active member	
Mexican Entrepreneurs Society	Partners in promoting Corporate Social Responsibility / Board of Director	
Ecuador	Ecuador México Bi-national Chamber Of Commerce	Active Member
	Mejía's Chamber Of Commerce	Active Member
	Guayaquil's Industry Camber	Active Member
	Pichincha's Chamber of Industry and Production	Active Member
	Ecuadorian Consortium for Social Responsibility (CERES)	Active Member
Argentina	Argentinian Association of Coca-Cola Producers (AFAC)	Active Member
	Argentinian Chamber of Non-alcoholic Beverages Industry (CADIBSA)	Active Member
	PAC Commission (Participación de la Compañía Coca-Cola y los Colaboradores Embotelladores)	Active Member
	Argentinian Institute for Social Responsibility	Gold Member
	Sustainable North	Active Member

GLOSSARY

CDP	It is a British Independent, nonprofit organization that maintains the largest global database of corporate information on climate change.
CESPEDES	The Mexican chapter of WBCSD belonging to the Consejo Coordinador Empresarial (CCE).
CO₂	Carbon dioxide, the most abundant greenhouse gas effect in anthropogenic emissions.
COFEPRIS	Federal Commission for Protection against Health Risks, Mexico Federal Government Agency, which is linked to the Department of Health Regulation and Promotion of the Ministry of Health.
WATER BASIN	Territory drained by a single natural drainage system. That is, that it drains its waters into the sea by a single river or drains its water into a single lake.
EIRIS	(Empowering Responsible Investment). British organization that has over 28 years' experience in companies ESG indicators analysis worldwide.
FDA	(Food and Drug Administration). It is the United States government agency responsible for food and drugs regulation, among others.
GDA'S	Daily Nutrition Guides, is a guide to help people plan a proper diet according to their needs based on sufficient information.
LTIR	(Lost Time Incident Rate). Indicator frequently used to refer to safety accidents causing a waste of time in relation to labor hours spent.
GROUNDWATER	Also known as water table, it means the natural flow of underground water.
MSCI	(Morgan Stanley Capital International). International Organization stocks, bonds and hedge funds or alternative investment funds provider.
GEI MEXICO PROGRAM	National and voluntary Greenhouse Gases accounting and reporting program.
PCR	(Post-consumer Recycled). Plastics recycled after been used.
PET	(Polyethylene Terephthalate). Type of transparent plastic widely used in bottling.
WWF	(World Wildlife Fund). The largest independent conservationist organization in the world.



ARCA CONTINENTAL

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