



# COMPREHENSIVE GROWTH



**ARCA CONTINENTAL**

SOCIAL RESPONSIBILITY AND SUSTAINABILITY REPORT 2015



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## ABOUT THIS REPORT

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

This Social Responsibility and Sustainability Report presents our main achievements and contributions to the sustainable development of Arca Continental and its neighboring communities, enhancing the ongoing dialogue with our stakeholders. Our continuous materiality analyses have enabled us to present here an overview of the most relevant issues for our different audiences and interested parties. We have published this report on an annual basis since 2004. The last edition covered actions undertaken in the year 2014, while this edition describes our actions during the period of January 1st to December 31st, 2015.

This report was prepared in accordance with Global Reporting Initiative (GRI) guidelines using "in-accordance" core criteria and including the indicators in the supplement for processed foods. We also describe our commitment and performance in diverse evaluation methodologies, such as:

- The ten principles of the United Nations Global Compact which we have continuously followed since 2006.
- The methodology proposed for companies included in the Sustainability Index of the Mexican Stock Exchange (BMV), of which we have formed part since its introduction in 2011.

- Prestigious international rating companies, such as FTSE4Good and MSCI, organizations that have tracked our performance since 2014.

As in past years, our efforts to present the company's performance in a transparent way and show truthful data involve validation by a prestigious international third party. Indicators to be verified were chosen through a process coordinated by third parties.

[G4-31]

**WOULD YOU LIKE TO SHARE WITH US YOUR OPINION ABOUT THIS REPORT OR THE PERFORMANCE OF OUR COMPANY WITH REGARD TO SOCIAL RESPONSIBILITY AND SUSTAINABILITY? IF SO, YOU MAY DO SO BY:**

- Answering the survey on our web page: [www.arcacontal.com](http://www.arcacontal.com) or
- Contacting Guillermo Garza, Director of Corporate Communications and Social Responsibility, or Rosario Aguilar, Head of Social Responsibility, through the following email: [rs@arcacontal.com](mailto:rs@arcacontal.com)

If you would like to help us improve our report, you can answer a survey in which we ask which sustainability topics you consider to be most important. Just click on the link: [http://es.surveymonkey.com/s/MAC\\_IDSeng\\_2015](http://es.surveymonkey.com/s/MAC_IDSeng_2015)

# MAIN ACHIEVEMENTS

We have worked hard to standardize the sustainability management system in all business units. The change in practices and metrics helps us to focus our efforts in a regional and transversal way across all our operations.

	2013	2014	2015
<b>ECONOMIC</b>			
NET SALES (MX. PS. MILLIONS)	60,359	61,957	76,454
EBITDA (MX. PS. MILLIONS)	12,845	13,644	16,707
DIRECT ECONOMIC VALUE GENERATED (MX. PS. MILLIONS)	60,604	62,253	76,848
ECONOMIC VALUE DISTRIBUTED (MX. PS. MILLIONS) <sup>1</sup>	49,672	55,809	71,608
ECONOMIC VALUE RETAINED (MX. PS. MILLIONS)	10,932	6,444	5,240
<b>INDIVIDUAL WELLBEING</b>			
PERCENTAGE OF LOW OR ZERO CALORIE BEVERAGES	40%	40%	40%
NUMBER OF CENTERS CERTIFIED AS GREAT PLACE TO WORK	4	9	12
NUMBER OF PEOPLE DIRECTLY BENEFITED BY PHYSICAL ACTIVITY AND/OR NUTRITION AWARENESS EVENTS	1,275,000	2,500,000	3,300,000
NUTRITIONAL INFORMATION ON OUR NR PRESENTATIONS	100%	100%	100%
COMPLIANCE OF ALL BUSINESS UNITS WITH AVOIDING ADVERTISING OR COMMUNICATIONS AIMED AT CHILDREN UNDER 12	100%	100%	100%
<b>SOCIAL WELLBEING</b>			
NUMBER OF PARTICIPANTS IN VOLUNTEER ACTIVITIES	7,000	7,500	7,200
INVESTMENT IN SOCIAL PROGRAMS (MX. PS. MILLIONS)	59.2	66.5	67.6
MAN-HOURS INVESTED IN VOLUNTEER WORK BY ASSOCIATES AND THEIR FAMILIES	31,000	33,000	36,000
NUMBER OF TRAINING HOURS PROVIDED FOR ASSOCIATES	816,717	820,122	879,603
LOST TIME INCIDENT RATE (LTIR)	2.7	1.9	1.49
<b>ENVIRONMENTAL WELLBEING</b>			
<b>WATER FOOTPRINT</b>			
WATER USAGE RATE (L WATER/L BEVERAGE)	1.78	1.74	1.69
PERCENTAGE OF TREATED WASTE WATER <sup>2</sup>	100%	100%	100%
WATER CONSUMPTION (MILLION m <sup>3</sup> )	15.95	15.48	15.47
<b>CARBON FOOTPRINT</b>			
EMISSIONS INDEX IN MANUFACTURING PROCESSES (g CO <sub>2</sub> / L BEVERAGE)	23.8	23.7	23.5
PERCENTAGE OF ELECTRICITY FROM RENEWABLE SOURCES	12.8%	15.8%	17.3%
ENERGY USE INDEX (MJ/L BEVERAGE)	0.235	0.233	0.234
<b>WASTE FOOTPRINT</b>			
PERCENTAGE OF RECYCLED PET RESIN <sup>2</sup>	18%	37%	34%
CONSUMPTION OF RECYCLED PET RESIN (TONS) <sup>2</sup>	13,697	25,972	24,444
PERCENTAGE OF RECYCLED WASTE	84.5%	86.1%	87.8%
1. Includes cost of sales, operating expenses, taxes, dividends, interest and investment in the community.			
2. Only includes figures for Mexico Beverages.			

# MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE CEO

[G4-EC7]

Arca Continental is committed to the sustainable development of society and to that end has included social responsibility and sustainability in its long-term objectives. The company's Social Responsibility and Sustainability Strategy is based on three well-defined pillars: Individual Wellbeing, Social Wellbeing and Environmental Wellbeing.

This Social Responsibility and Sustainability Report for 2015 describes the progress the company has made with its strategy and has been prepared in accordance with Version G4 of the guidelines of the Global Reporting Initiative (GRI). It also serves to ratify our adherence to the United Nations Global Compact's Ten Principles, as we have done since 2006, and presents how we have evolved in relation to them. Finally, it contributes to our ongoing dialog with the company's main stakeholders.

The achievements discussed here reflect the real commitment of the company and all members of the Arca Continental team, as well as the successful implementation of a range of initiatives under the supervision and follow-up of the company's Sustainability Committee. This committee, led by our CEO and made up of functional teams for every strategic guideline, is supported and advised by the Board of Directors' Human Capital and Sustainability Committee, reflecting the company's determination, from the very highest levels, to leave a positive footprint on the environment and on society.

The consolidation of the committee has enabled the development of ongoing and continuously evolving practices and the application of mechanisms to identify best practices across the organization. We have standardized information collection, expanded programs transversally to our different business units, and comprehensively fine-tuned the decision-making process.

We are very satisfied with the 2015 results. Thanks to the efforts and commitment of Arca Continental's associates, we made significant progress with the standardization of our strategy in the markets we serve, configuring a platform that has the capacity to drive the current rhythm of our business development and the incorporation of new operations.

We can report important achievements across all our pillars of wellbeing. We are pleased to report that, with regard to Individual Wellbeing, Arca Continental continued supporting projects and events that promote a healthy, active lifestyle.

In 2015, we implemented diverse initiatives to encourage physical activation and a culture of healthy living and personal care,

activating 3.3 million people in the sporting events that Arca Continental organized or sponsored.

In the area of Social Wellbeing, the comprehensive growth of all our associates is a fundamental element of our objectives, so we have implemented systems that allow us to effectively manage the organization's internal talent. Each member of the Arca Continental team who is given a 360° or supervisor-employee evaluation receives annual career follow-up and guidance.

It is important to note the company's efforts to underpin and enhance the safety of all its personnel. These efforts are reflected in the 21% year-over-year reduction in the Lost Time Incident Rate, our main safety indicator, in 2015. We have also introduced a permanent campaign to drive a culture of safety and security across all our business units.

Another way we positively impact the quality of life of our associates is through training. In 2015, we provided more than 16,200 courses with almost 36,000 participants from all areas of our operations. We also pay special attention to including the handicapped, promoting diversity and equal opportunities, and guaranteeing freedom of association.

Through AC+ Movement, one of our institutional programs, we promote physical activation and a culture of health and safety in our associates and their families. In 2015, with the support of Coca-Cola Mexico's Training Center, 82% of AC Mexico associates received instruction in healthy lifestyles, hydration and energetic balance. Thanks to this and other initiatives to promote a culture of health and safety, the Workplace Wellness Council – Mexico awarded Arca Continental its Healthy Responsible Organization Distinction.

We also contributed to the development and wellbeing of the communities where we operate with all associates of Arca Continental continuing to support diverse programs through Voluntariado VOLAR, our volunteer program, and the institutional events Annual Sustainability Day and Annual Volunteer Day. In 2015, the latter event brought together 5,446 members of the company and their families and neighbors in activities such as reforestation, the cleanup of bodies of water and the rehabilitation of public spaces.

The empowerment of women is another priority in Arca Continental's pillar of Social Wellbeing. Thus, during the year, 5,254 women were trained in areas of personal and business development through 5 by 20 Potencia Mexico and ANSPAC.



FRANCISCO GARZA EGLOFF  
CHIEF EXECUTIVE OFFICER

MANUEL L. BARRAGAN MORALES  
CHAIRMAN OF THE BOARD OF DIRECTORS

Our culture of driving development also extends to our value chain because we firmly believe that only by assuring the participation and development of our main suppliers can we expect our sustainability strategy to succeed. We seek to make them strategic partners on our journey, so we have instituted a range of programs and initiatives to help us evaluate, support, train and advise them, and are in constant communication with them.

In the strategic area of Environmental Wellbeing, in 2015 we made great progress and our main sustainability indicators improved significantly thanks to unprecedented efforts in extending the life cycles of our products.

During the year, we worked with government agencies, society and different associations to reduce our water footprint. As a result, as part of the Coca-Cola System, in 2015 we were able to return to nature 100% of this vital liquid used in our beverage operations in Mexico and Argentina. We continue to strive to meet this objective across our other territories.

In 2015, we consumed 1.58 liters of water per liter of beverage produced in Mexico, almost 20% below the 2010 consumption in our Mexico operations.

Another important achievement of the year in the area of Environmental Wellbeing was a significant reduction in emissions. In fact, our Mexico operations were only 4% short of the 2020 emissions objective.

We have also increased our consumption of electricity generated from renewable sources such as wind and biomass. Such sources currently represent 17.3% of our total energy consumption, bringing us closer to the 2020 objective of 30%.

During 2015, we reviewed and improved the company's Code of Ethics in order to comply with current standards, and also established a management system with manuals and procedures to ensure it is continuously implemented across the organization.

We are also relaunching the Integrity and Ethics Committee to review the management of the Code. This process will serve as an internal identification of different aspects that may be included

as company commitments in addition to the external comments received through our Transparency Mailbox.

Such initiatives and achievements underscore the organization's total commitment to being an agent of positive change for the communities in which we operate, to minimizing our environmental impact and to assuring the wellbeing of our associates and society.

Diverse national and international institutions recognized these and other actions during the year, including the Mexican Center for Philanthropy, which in 2015 ratified our certification as a Socially Responsible Company, a distinction we have held for the past 12 years, and the Mexican Stock Exchange (BMV), which included Arca Continental in its Sustainability Index for the fifth consecutive year.

Over the past years, our performance has been carefully monitored by prestigious international rating agencies such as MSCI and FTS E4Good. The CDP, an organization that measures the greenhouse gas emissions of companies and corporations and has the most extensive information in the world on actions related to adapting to and mitigating climate change, gave the report we presented a rating of 93 out of 100.

During 2016, we will continue to support and implement initiatives in accordance with our values and organizational culture, partnering with other institutions, organizations, government agencies and the authorities with a sense of shared responsibility in actions that foment the sustainable development of society.

We invite our readers to take part in this dialogue, analyzing what we have done and presented in this report and giving us valuable feedback.

Thank you very much,

MANUEL L. BARRAGAN MORALES  
CHAIRMAN OF THE BOARD OF DIRECTORS

FRANCISCO GARZA EGLOFF  
CHIEF EXECUTIVE OFFICER

# COMPANY PROFILE

[G4-1, G4-2, G4-3, G4-4, G4-5, G4-6, G4-7, G4-8, G4-9, G4-EC8]

Arca Continental is a publicly-traded company that produces, distributes and sells non-alcoholic beverages under The Coca-Cola Company brand names in four Latin American nations, as well as Bokados snacks in Mexico, Inalecsa in Ecuador, Wise in the United States and, in partnership with The Coca-Cola Company, Tonicorp dairy products in Ecuador. With an outstanding track record spanning more than nine decades, Arca Continental serves over 54 million consumers in the American Continent. The company's shares trade on the Mexican Stock Exchange under the ticker symbol "AC".

## ARCA CONTINENTAL NORTH AMERICA

VOLUME: 1,078  
MILLIONS OF UNIT CASES  
NET SALES: \$50,248  
MILLIONS OF MEXICAN PESOS

### UNITED STATES

2 SNACKS PLANTS  
1 SAUCES PLANT  
13 DISTRIBUTION CENTERS  
103,000 POINTS OF SALE

### MEXICO

20 BEVERAGES PLANTS  
2 SNACKS PLANTS  
117 BEVERAGES DISTRIBUTION CENTERS  
41 SNACKS DISTRIBUTION CENTERS  
366,000 POINTS OF SALE

## ARCA CONTINENTAL SOUTH AMERICA

VOLUME: 399  
MILLIONS OF UNIT CASES  
SALES: \$26,206  
MILLIONS OF MEXICAN PESOS

### ECUADOR

3 BEVERAGES PLANTS  
2 DAIRY PLANTS  
2 SNACKS PLANTS  
32 BEVERAGES DISTRIBUTION CENTERS  
16 SNACKS DISTRIBUTION CENTERS  
166,000 POINTS OF SALE

### PERU

8 BEVERAGES PLANTS  
80 DISTRIBUTION CENTERS  
336,000 POINTS OF SALE

### ARGENTINA

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

[G4-13]  
*In 2015, Arca Continental acquired a majority stake in Corporación Lindley, thereby entering the Peruvian market. This alliance consolidates the company's position as Latin America's second-largest bottler and one of the most important in the world.<sup>1</sup>*



[G4-EC1]

DIRECT ECONOMIC VALUE GENERATED	CONSOLIDATED MX. PS. (MILLIONS)	CONSOLIDATED US DOLLARS (MILLIONS)	DIFFERENCE 2014
Net sales	76,454	4,775	23%
Financial income	382	24	54%
Sale of assets	12	1	-75%
<b>Total</b>	<b>76,848</b>	<b>4,800</b>	

DISTRIBUTED ECONOMIC VALUE	CONSOLIDATED MX. PS. (MILLIONS)	CONSOLIDATED US DOLLARS (MILLIONS)
Cost of sales	39,363	2,459
Operating expenses including salaries and social benefits	24,499	1,530
Taxes	3,434	214
Dividends	2,819	176
Interest	1,425	89
Community investment	68	4
<b>Total distributed economic value</b>	<b>71,608</b>	<b>4,472</b>

<sup>1</sup> Figures in this report do not include operations in Peru, unless otherwise indicated.

# COMPANY PROFILE

[G4-4]



\*Equity stake

## VISION

To be leaders in beverages and snack food 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 stakeholders, satisfying our consumers' expectations at all times with the highest quality products and services.

## OUR VALUES

### FOCUS ON CUSTOMER SERVICE

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

### INTEGRITY BASED ON RESPECT AND JUSTICE

Our commitment to integrity is unwavering. As a result, what we do is consistent with what we think and say. We take care of the assets and resources of the company, its associates and the community. We value and endorse diversity in all our working relationships to better serve our customers and consumers.

### COMPREHENSIVE EMPLOYEE DEVELOPMENT

We strive to foster an atmosphere of motivation, productivity and recognition, which drives us towards success. We support our associates' professional aspirations and personal goals, actively participate in their own growth and development plans. At our company, opportunities for growth and development are a direct outcome of our strong business performance.

### SUSTAINABILITY AND SOCIAL RESPONSIBILITY

We are totally convinced that we play a role in changing our environment. Consequently, in our daily activities we assume the commitment of meeting the needs of the present without compromising future generations, guided by a form of Corporate Governance that leads us on a permanent quest to achieve a better quality of life for everyone.

# SUSTAINABILITY STRATEGY

*Sustainability is a key element of our company's business strategy and organizational culture. We seek to ensure that Arca Continental's development goes hand in hand with that of the communities where we operate and that, at the same time, we respect and contribute to the continuous improvement of the environment.*

As part of our culture of continuous improvement, we hold numerous meetings and talks with the company's main stakeholders, asking them for feedback to help us to constantly improve and update our sustainability strategy. Their valuable opinions and comments contribute to our development of sustainable and inclusive work plans.

The objective of such efforts is to promote comprehensive wellbeing, creating improved conditions for our associates and the people in our surrounding communities and giving them a better chance to grow in a healthy and prosperous environment. In order to implement this strategy, we have grouped our actions under a Social Responsibility and Sustainability Model based on three pillars:

## INDIVIDUAL WELLBEING

We strive for our associates and community members to be healthy and active, not only through our multiple physical activity and nutritional education campaigns, but also thanks to our wide and varied portfolio of products made with the highest quality ingredients. Moreover, we provide extensive, relevant and clear information to help purchasers decide what is best for them to consume according to their personal needs.

## SOCIAL WELLBEING

We sincerely hope that everyone at Arca Continental and in its interacting communities will develop in a sustainable and harmonious manner. To this end, we constantly train our associates and they always work in safe conditions; we empower women and offer wide-ranging support to the least favored along our value chain, so as to provide them with more and better opportunities to prosper; and, under a scheme of joint responsibility, we invest time and resources to promote continuous growth and a better quality of life, thereby contributing to the development of society.

## ENVIRONMENTAL WELLBEING

We constantly work to minimize our environmental footprint by reducing emissions, returning the water we use to nature, and leading our industry in recycling, packaging and distribution improvements. In parallel, we focus on preserving the environment for future generations through reforestation activities, cleaning up bodies of water, promoting an environmental culture in the community and spreading the use of green technologies.

*Arca Continental contributes to the economic, social and environmental development of its neighboring communities.*

**THE THREE PILLARS OF OUR SUSTAINABILITY STRATEGY ARE FRAMED BY A SOLID STRUCTURE AND THE BEST CORPORATE GOVERNANCE PRACTICES, THE CONSTANT SURVEILLANCE OF ETHICAL COMPLIANCE AND AN ORGANIZATIONAL CULTURE BASED ON VALUES THAT ARE IDENTIFIED AND UNITE ALL OUR ASSOCIATES. OUR OBJECTIVE IS TO GUARANTEE THAT THESE PILLARS ARE AN INTRINSIC PART OF ALL OUR COMPANY'S ACTIVITIES AND THEREBY AGENTS OF POSITIVE CHANGE IN THE COMMUNITIES WE SERVE.**



Standardizing our Social Responsibility and Sustainability Model across all our operations is a priority for Arca Continental in order to ensure that the same general objectives are followed in all our territories but adapted to the specific needs of each particular country. Concrete proof of this is that, although the transaction to acquire Corporacion Lindley was only finalized in September 2015, we are already working to standardize its operating model and indicators, particularly in the area of the environment.

*Our Social Responsibility and Sustainability Model is aligned with diverse international methodologies and with the Coca-Cola System's sustainability strategy, thus helping us to contribute to the achievement of the 2020 Vision objectives which have been set across our global system.*

# MATERIALITY

[G4-18, G4-23]

**IN 2015, WE CARRIED OUT SEVERAL EXERCISES TO CONTINUE STRENGTHENING OUR MATERIALITY ANALYSIS AND SOCIAL RESPONSIBILITY AND SUSTAINABILITY STRATEGY. TWO OF THESE STAND OUT IN PARTICULAR: A SOCIAL AND ENVIRONMENTAL IMPACT ANALYSIS, THE MOST THOROUGH TO DATE; AND MEETINGS WITH WELL-KNOWN LEADERS TO DISCUSS OUR SOCIAL RESPONSIBILITY AND SUSTAINABILITY STRATEGY AND THE PUBLICATION OF RELATED INFORMATION.**

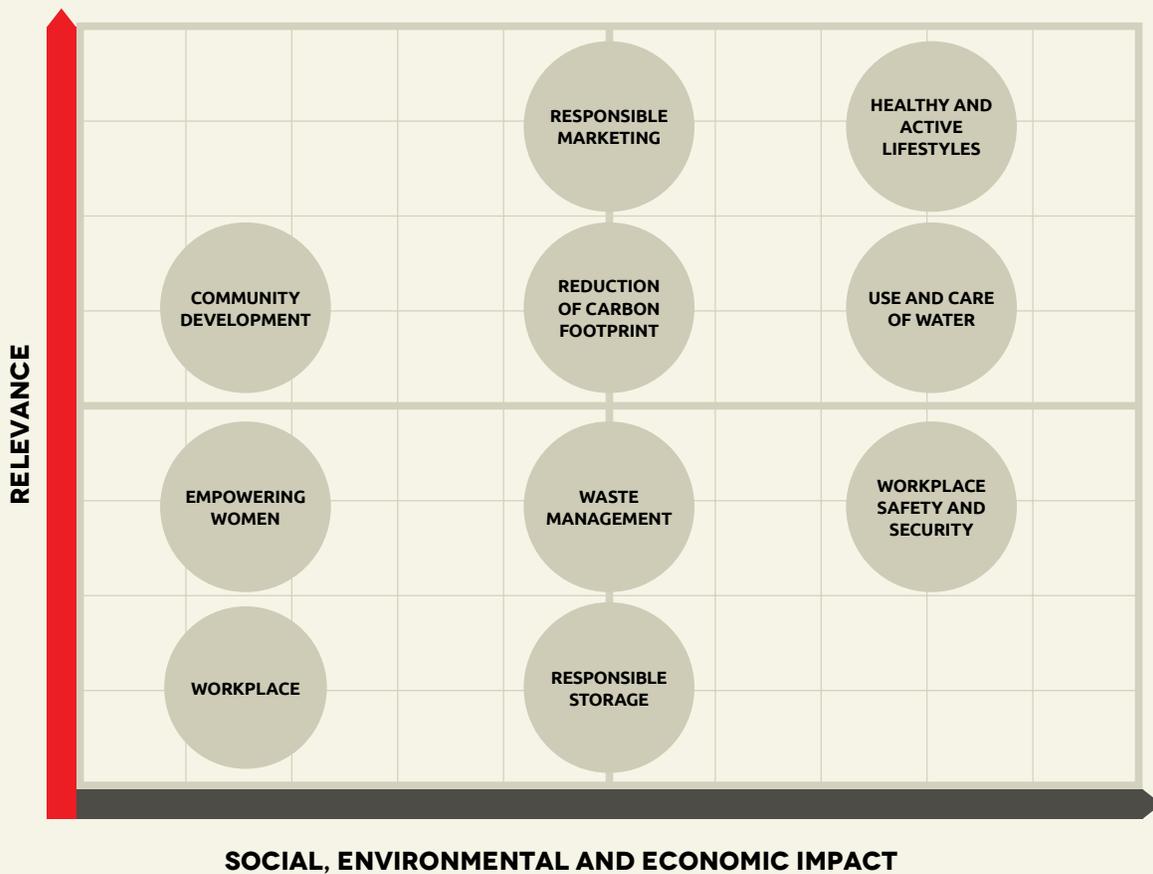
[G4-25]

*For Arca Continental, every group having a bearing on the development of our company or having common interests are considered to be participants. This might vary from one person to groups or organizations, all equally important for the definition of our strategy and actions to be taken.*

## **IMPACT ANALYSIS**

During work sessions, Arca Continental top executives from diverse areas took part in an impact analysis covering multiple matters such as society development, corporate government, product responsibility, labor, human rights and environmental issues.

Combined results of these social, environmental and economic impacts, in regard to each and every one of these matters, allowed us to identify the areas with the highest potential impact on operations and their surroundings. Prioritizing enabled us to focus our attention and efforts on mitigating such impact and to effectively manage risks. It also helped us to position the most important issues to be discussed with our stakeholders. The comprehensive vision of these exercises made it possible to link sustainability to business objectives, as well as to the communities' expectations and needs.



## DISCUSSION AND FEEDBACK SESSIONS

Considering that an exhaustive materiality analysis was carried out in 2014 -mainly with our internal stakeholders- it was decided, in 2015, that this analysis should be complemented with the opinion of our external stakeholders. This was done through discussion and feedback sessions with leading academic experts, peers, clients, government, society organizations, society representatives, and opinion and media leaders.

During these sessions, those present were shown our social responsibility and sustainability strategy and the programs arising from it. Attendees were able to assess the relevance of the different topics and to reach a consensus on which programs would be most beneficial. Once the programs were identified, decisions were taken on how to disseminate the information and obtain feedback and suggestions for improvement.

## EXERCISES RESULTS

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

Analyzing the results of these exercises allowed us to identify the most important programs for mitigating any impact, the ones aligned with our business objectives and those most relevant to our stakeholders. Arca Continental will consider such programs a top priority over the years to come, thus preserving business continuity, the development of our surrounding communities and environmental conservation. The graph above illustrates the relation between impact and relevance for the top 10 priority programs identified during these exercises. This does not mean however that other aspects, such as the workplace, will be neglected. Quite the opposite, Arca Continental will continue to improve its performance across every aspect of its operations in an ongoing search for continuous improvement.

# DIALOGUE WITH STAKEHOLDERS

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

	CONSUMERS	CUSTOMERS	SUPPLIERS	ACADEMY AND OPINION LEADERS	MEDIA
<b>METHODS OF COMMUNICATION</b>	<ul style="list-style-type: none"> <li>SATISFACTION, SERVICE AND QUALITY SURVEYS</li> </ul>	<ul style="list-style-type: none"> <li>MATERIALITY SURVEYS</li> <li>SATISFACTION, SERVICE AND QUALITY SURVEYS</li> </ul>	<ul style="list-style-type: none"> <li>MATERIALITY SURVEYS</li> <li>AUDIT AND EVALUATION FEEDBACK</li> <li>ANNUAL REPORTS</li> <li>DEDICATED SECTION ON WEBSITE</li> </ul>	<ul style="list-style-type: none"> <li>MEETINGS</li> <li>REPORTS</li> <li>WEBSITE</li> <li>PARTICIPATION IN FORUMS AND CONGRESSES</li> </ul>	<ul style="list-style-type: none"> <li>ANNUAL REPORTS</li> <li>PRESS CONFERENCES</li> <li>DEDICATED SECTION ON WEBSITE</li> <li>INTERVIEWS</li> </ul>
<b>FREQUENCY</b>	<ul style="list-style-type: none"> <li>DAILY/ANNUALLY</li> </ul>	<ul style="list-style-type: none"> <li>DAILY /ANNUALLY</li> </ul>	<ul style="list-style-type: none"> <li>DAILY/MONTHLY</li> </ul>	<ul style="list-style-type: none"> <li>MONTHLY/ANNUALLY</li> </ul>	<ul style="list-style-type: none"> <li>MONTHLY/QUARTERLY</li> </ul>
<b>EXPECTATIONS</b>	<ul style="list-style-type: none"> <li>PRODUCT QUALITY AND SAFETY</li> <li>CLEAR, ACCURATE, USEFUL INFORMATION ABOUT PRODUCT CHARACTERISTICS ON LABELS</li> </ul>	<ul style="list-style-type: none"> <li>PRODUCT QUALITY AND SAFETY</li> <li>CUSTOMER DEVELOPMENT</li> <li>COMMUNITY DEVELOPMENT PROGRAMS</li> <li>TRAINING</li> <li>EXCHANGE OF BEST PRACTICES</li> <li>ETHICAL NEGOTIATION PRACTICES</li> </ul>	<ul style="list-style-type: none"> <li>SUPPLIER DEVELOPMENT</li> <li>ETHICAL NEGOTIATION PRACTICES</li> <li>OPERATING SAFETY</li> <li>ENVIRONMENTAL CARE AND PROTECTION</li> <li>SHARING OF SOCIAL RESPONSIBILITY PRACTICES</li> </ul>	<ul style="list-style-type: none"> <li>RESPONSIBLE ADVERTISING AND MARKETING</li> <li>PRODUCT RESEARCH AND DEVELOPMENT</li> <li>INFORMATION ON COMPANY ACTIVITIES AND PRODUCTS</li> </ul>	<ul style="list-style-type: none"> <li>RESPONSIBLE ADVERTISING AND MARKETING</li> <li>TIMELY, ACCURATE INFORMATION</li> </ul>
<b>INITIATIVES</b>	<ul style="list-style-type: none"> <li>DAILY NUTRITIONAL GUIDES (DNAS) ON LABELS</li> <li>PHYSICAL ACTIVATION PROGRAMS</li> <li>MASSIVE NUTRITIONAL ORIENTATION CAMPAIGNS</li> <li>CALL CENTER CONTACT (DIGA)</li> </ul>	<ul style="list-style-type: none"> <li>SERVICE MODEL (RTM)</li> <li>PORTFOLIO EXPANSION</li> <li>COMPLIANCE WITH ADVERTISING LAWS AND REGULATIONS</li> <li>RETAILER TRAINING AND SUPPORT</li> </ul>	<ul style="list-style-type: none"> <li>APPLICATION OF THE COCA-COLA SUPPLIER GUIDING PRINCIPLES</li> </ul>	<ul style="list-style-type: none"> <li>PROMOTION OF ACTIVE, HEALTHY LIFESTYLES</li> <li>DAILY NUTRITION GUIDES (DNAS) ON LABELS</li> <li>ADHERENCE TO THE PABI CODE</li> <li>COMPLIANCE WITH LAWS AND REGULATIONS</li> </ul>	<ul style="list-style-type: none"> <li>INTERVIEWS</li> <li>PRESS CONFERENCES AND WEBSITE</li> <li>ADHERENCE TO THE PABI CODE</li> <li>ANNUAL REPORTS</li> </ul>

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

**WE BELIEVE THAT OUR INTERACTION WITH STAKEHOLDERS IS OF VITAL IMPORTANCE. IT ENABLES US TO UNDERSTAND THEIR CONCERNS AND EXPECTATIONS AND, AS A RESULT, DESIGN AND IMPLEMENT CONCRETE ACTIONS TO CREATE SHARED VALUE.**

We have set up direct and permanent channels of communication with our stakeholders, establishing a continuous dialogue in order to proactively determine their concerns and expectations. We seek to establish long-term, win-win relationships based on transparency, dialogue and mutual respect.

ASSOCIATES AND THEIR FAMILIES	NGOS	COMMUNITY	AUTHORITIES AND GOVERNMENT	INVESTORS AND SHAREHOLDERS	THE COCA-COLA COMPANY
<ul style="list-style-type: none"> <li>• MATERIALITY SURVEYS</li> <li>• ORGANIZATIONAL CLIMATE SURVEYS</li> <li>• INTERNAL INFORMATION PORTAL</li> <li>• MESSAGE BOARDS</li> <li>• BI-MONTHLY MAGAZINE</li> <li>• SAFETY AND HYGIENE COMMISSION</li> <li>• REPORT FOR ASSOCIATES</li> <li>• EQAP'S</li> </ul>	<ul style="list-style-type: none"> <li>• MATERIALITY SURVEYS</li> <li>• MEETINGS</li> <li>• EMAIL: RS@ARCACONTAL.COM</li> <li>• ANNUAL SOCIAL RESPONSIBILITY REPORT</li> <li>• WEBPAGE</li> </ul>	<ul style="list-style-type: none"> <li>• MATERIALITY SURVEYS</li> <li>• MEETINGS</li> <li>• OPINION SURVEYS</li> <li>• WEBPAGE</li> </ul>	<ul style="list-style-type: none"> <li>• MEETINGS</li> <li>• ANNUAL REPORT</li> <li>• WEBPAGE</li> </ul>	<ul style="list-style-type: none"> <li>• MATERIALITY SURVEYS</li> <li>• QUARTERLY REPORTS AND CONFERENCES</li> <li>• ANNUAL SHAREHOLDERS AND SOCIAL RESPONSIBILITY REPORTS</li> <li>• ANNUAL SHAREHOLDERS' MEETING</li> <li>• WEBPAGE</li> <li>• BOARD MEETINGS</li> </ul>	<ul style="list-style-type: none"> <li>• MATERIALITY SURVEYS</li> <li>• PERIODIC MEETINGS</li> <li>• E-MAILS</li> <li>• ROUNDTABLES</li> <li>• SOCIAL RESPONSIBILITY REPORT</li> </ul>
<ul style="list-style-type: none"> <li>• DAILY / QUARTERLY / ANNUALLY</li> </ul>	<ul style="list-style-type: none"> <li>• MONTHLY / QUARTERLY</li> </ul>	<ul style="list-style-type: none"> <li>• CONTINUOUS</li> </ul>	<ul style="list-style-type: none"> <li>• MONTHLY / QUARTERLY</li> </ul>	<ul style="list-style-type: none"> <li>• DAILY / MONTHLY / QUARTERLY / ANNUALLY</li> </ul>	<ul style="list-style-type: none"> <li>• DAILY / MONTHLY / QUARTERLY / ANNUALLY</li> </ul>
<ul style="list-style-type: none"> <li>• PROFESSIONAL AND VALUES TRAINING AND DEVELOPMENT</li> <li>• COMPETITIVE SALARIES AND BENEFITS</li> <li>• RESPECT FOR RIGHTS AND LIBERTIES</li> <li>• APPLICATION OF THE CODE OF ETHICS</li> <li>• OPERATIONAL SAFETY</li> <li>• OCCUPATIONAL HEALTH AND SAFETY</li> </ul>	<ul style="list-style-type: none"> <li>• ACTIVE PARTICIPATION IN, AND SUPPORT FOR, DIFFERENT CAUSES</li> <li>• FEEDBACK</li> <li>• PROFESSIONAL AND PERSONAL TRAINING AND DEVELOPMENT</li> </ul>	<ul style="list-style-type: none"> <li>• INVESTMENT IN SOCIAL, EDUCATIONAL, HEALTH AND SPORTS PROJECTS</li> <li>• RESPONSIBLE INTERACTION</li> <li>• ENVIRONMENTAL PROTECTION AND APPROPRIATE NATURAL RESOURCE MANAGEMENT</li> <li>• PRODUCT QUALITY AND SAFETY</li> <li>• COMMUNITY DEVELOPMENT PROGRAMS</li> </ul>	<ul style="list-style-type: none"> <li>• COMPLIANCE WITH APPLICABLE LAWS, REGULATIONS AND STANDARDS</li> <li>• PARTICIPATION IN THE CREATION OF LAWS, REGULATIONS AND STANDARDS</li> <li>• TIMELY PAYMENT OF APPLICABLE TAXES AND CONTRIBUTIONS</li> <li>• RESPONSIBLE PERFORMANCE</li> <li>• INVESTMENT IN, AND CREATION OF, JOBS</li> </ul>	<ul style="list-style-type: none"> <li>• PROFITABILITY, GROWTH AND VALUE GENERATION, AND DIVIDEND PAYMENT</li> <li>• CONTINUOUS COMMUNICATION WITH ACCURATE CONTENT</li> <li>• PROTECTION OF HUMAN RIGHTS ACROSS THE VALUE CHAIN</li> <li>• SUSTAINABILITY</li> <li>• ETHICAL CORPORATE GOVERNANCE PRACTICES</li> <li>• PRODUCT QUALITY AND SAFETY</li> <li>• TRANSPARENCY AND ACCOUNTABILITY</li> </ul>	<ul style="list-style-type: none"> <li>• COMPLIANCE WITH PRODUCT, CUSTOMER-SERVICE AND VALUE CHAIN QUALITY STANDARDS</li> <li>• COMPLIANCE WITH THE GOALS OF THE SUSTAINABILITY PLATFORM</li> <li>• ENVIRONMENTAL CARE AND PROTECTION</li> <li>• PRODUCT QUALITY AND SAFETY</li> <li>• COMMUNITY DEVELOPMENT PROJECTS</li> </ul>
<ul style="list-style-type: none"> <li>• APPLICATION OF THE COCA-COLA OCCUPATIONAL HEALTH AND SAFETY PROGRAM</li> <li>• TRAINING AND DEVELOPMENT PROGRAMS, E-LEARNING AND ARCA CONTINENTAL MASTER'S DEGREE</li> <li>• ANNUAL ORGANIZATIONAL CLIMATE SURVEYS</li> <li>• ANNUAL PERFORMANCE EVALUATIONS FOR SENIOR AND MIDDLE MANAGEMENT</li> <li>• SYSTEM FOR CONTINGENCY MANAGEMENT AND CRISIS RESOLUTION</li> <li>• AC+ MOVEMENT ACTIVITY PROGRAM</li> </ul>	<ul style="list-style-type: none"> <li>• DONATIONS COMMITTEE</li> <li>• STRATEGIC PARTNERSHIPS</li> <li>• ASOCIACIÓN PRO SUPERACIÓN PERSONAL, A.C.</li> <li>• CEMEFI</li> <li>• SUMARSE NETWORK</li> <li>• MOVIMIENTO CONGRUENCIA</li> <li>• ECOCE</li> </ul>	<ul style="list-style-type: none"> <li>• SCHOOLS IN MOTION</li> <li>• COCA-COLA CUP</li> <li>• POWERADE MARATHON</li> <li>• VOLUNTEER PROGRAM</li> <li>• LET'S PLAY PROGRAM</li> <li>• HEALTH TO LEARN PROGRAM</li> </ul>	<ul style="list-style-type: none"> <li>• COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS</li> <li>• CONTINUOUS INVESTMENT IN JOB CREATION</li> <li>• PARTICIPATION IN ASSOCIATIONS AND CHAMBERS</li> <li>• ONGOING DIALOGUE WITH AUTHORITIES</li> <li>• HUMAN CAPITAL AND SUSTAINABILITY COMMITTEE</li> </ul>	<ul style="list-style-type: none"> <li>• CORPORATE GOVERNANCE STRUCTURE</li> <li>• CODE OF ETHICS</li> <li>• RISK IDENTIFICATION AND CORPORATE IMAGE AND REPUTATION COMMITTEE</li> <li>• PRO-SUSTAINABILITY ACTIONS</li> <li>• CONSTANT COMMUNICATION WITH INVESTORS</li> <li>• HUMAN CAPITAL AND SUSTAINABILITY COMMITTEE</li> </ul>	<ul style="list-style-type: none"> <li>• COMPLIANCE WITH SUSTAINABILITY GOALS</li> <li>• ACTIVE PARTICIPATION IN THE INDUSTRY'S SUSTAINABILITY COMMITTEE</li> <li>• PARTICIPATION IN ALL CORPORATE PROGRAMS</li> <li>• COCA-COLA CUP</li> <li>• REFORESTATION AND WATER CLEANUP CAMPAIGNS</li> <li>• PROMOTION OF HEALTHY, ACTIVE LIFESTYLES</li> <li>• EFFICIENT USE OF RESOURCES</li> </ul>

# SUSTAINABILITY MANAGEMENT PRINCIPLES

## ORGANIZATIONAL CULTURE

Our organizational culture, which includes a total commitment to our associates and society, is driving our comprehensive growth. We work hard to ensure that our strategy and sustainability goals are understood and adopted by all the people who work directly or indirectly at Arca Continental. Management's evaluation of our progress involves the monitoring of sustainability metrics, so they are the first to be responsible for spreading the culture of sustainability across our operations.

## DISCUSSION WITH STAKEHOLDERS



Understanding the expectations of all people and groups who are interested in the joint development of the company and its surrounding communities was a cornerstone for defining our sustainability strategy. Consequently, discussions with stakeholders were the starting point of our efforts.

- We held multiple **feedback** sessions on sustainability strategy with Mexican **experts and opinion leaders**.
- We belong to almost **30 well-known associations and organizations** and have a leadership position in more than half of them.
- We have a large and well-trained team whose only task is to receive and assist **any request 24/7**.
- **More than 15,000 customer and consumer** satisfaction surveys were carried out.

## PERFORMANCE MANAGEMENT AND REPORT



Implementing and communicating in advance is as important as designing a development strategy. Therefore, the Sustainability Committee has assigned associates who are responsible for giving precise follow-up to each and every goal and objective. The Corporate Communication and Social Responsibility area coordinates such efforts and communicates progress.

- Arca Continental was one of the first companies to adopt the new **GRI G4 report method**.
- Our **emissions report to CDP got a grade of 93 out of 100**.
- In the last few years, we have implemented an information management system through which we have been able **to trace responsibility, and generate and transmit data from its inception**.
- We are the only bottling group in the world having **two Silver certifications from the Operational Excellency Reference Center; we also have two LEED certifications, unique in their category in Latin America**.

# SUSTAINABLE DEVELOPMENT OBJECTIVES

By the end of 2015, leaders of 193 countries had committed to setting the bases for sustainable development for the coming years. Work groups coordinated by the United Nations determined that it was necessary to eradicate poverty and hunger, improve health and education, enhance sustainability in cities, combat climate change and protect forests and oceans if we are to achieve this. They developed 17 objectives and 169 goals to implement such bases. Arca Continental, together with other leading companies in the world, is committed to these objectives and goals. For this reason, the Board of Directors' Human Capital and Sustainability Committee determined just how we can contribute through our strategy and performance. Pages 60 and 61 in this report, the GRI G4 Index, present our contributions to achieving these important goals and objectives.

## SUSTAINABILITY STRATEGY



Our Sustainability Management Model starts with the combination of the company's development strategy and the interests of the people and groups surrounding us.

- **The Board of Directors' Human Capital and Sustainability Committee** is responsible for leveraging synergies between the company's development expectations and those of society.
- In 2015, we invested **more than 100 hours in analyzing the impact of our operations and identifying areas of opportunity.**
- **Prestigious international rating agencies, such as MSCI, FTSE4Good and the Anahuac University,** provided constant follow up and feedback.
- We made an unprecedented effort to improve and re-launch our Code of Ethics.
- The analysis of best practices and recommendations has given us a world-class code.

## STRATEGIC PRIORITIES



The Sustainability Executive Committee designs and implements the actions required to achieve the development Mission and Vision defined by the Board of Directors' Human Capital and Sustainability Committee.

- Our top priority is to activate our consumers. In 2015, we activated **more than 3.3 million people.**
- We **organized more than 7,200 volunteers** to assist vulnerable communities.
- We have been standardizing processes and implementing best security practices for several years. This has yielded tangible results: **our lost time incident rate fell 20%** year-over-year.
- Our goal is to **reduce water consumption by more than 20% and emissions from operations by 17% compared to 2010 figures.**

INDIVIDUAL WELLBEING

**65,840 tons of food-grade recycled PET resin** used to produce our bottles over the past three years, equivalent to a reduction of 246,900 tons of CO<sub>2</sub>e.



**More than 20 thousand volunteers** rehabilitating 87 public spaces, among other activities, on Annual Volunteer Day over the past three years.



**More that 90% of service requests** answered in less than 24 hours over the past three years.



**More than 7 million people** activated or informed of the importance of a healthy lifestyle in the past three years, 3.3 million in 2015.



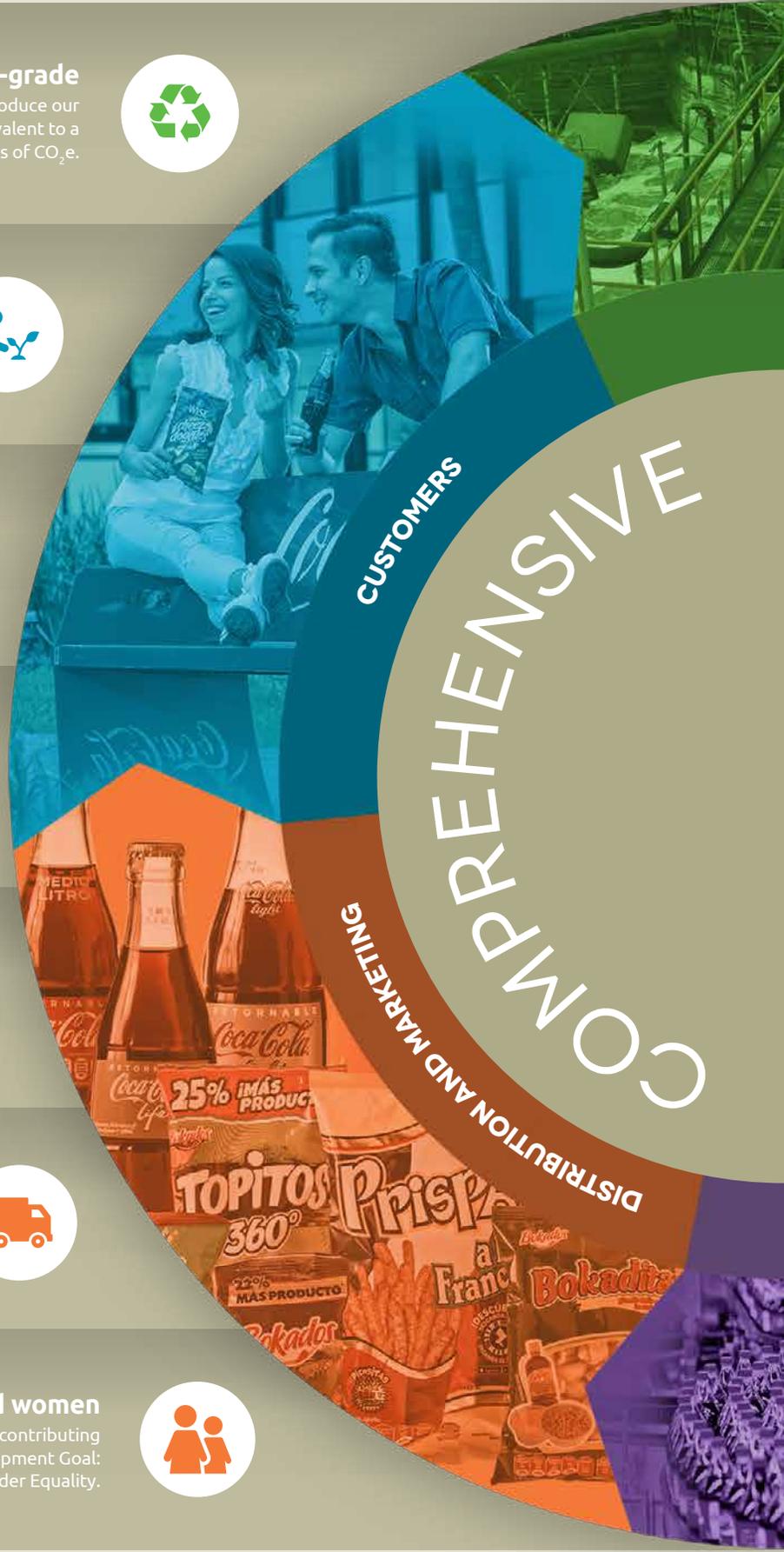
**Years before it was a legal requirement,** Arca Continental avoided advertising directed to children under 12 years old in accordance with the PABI Code.

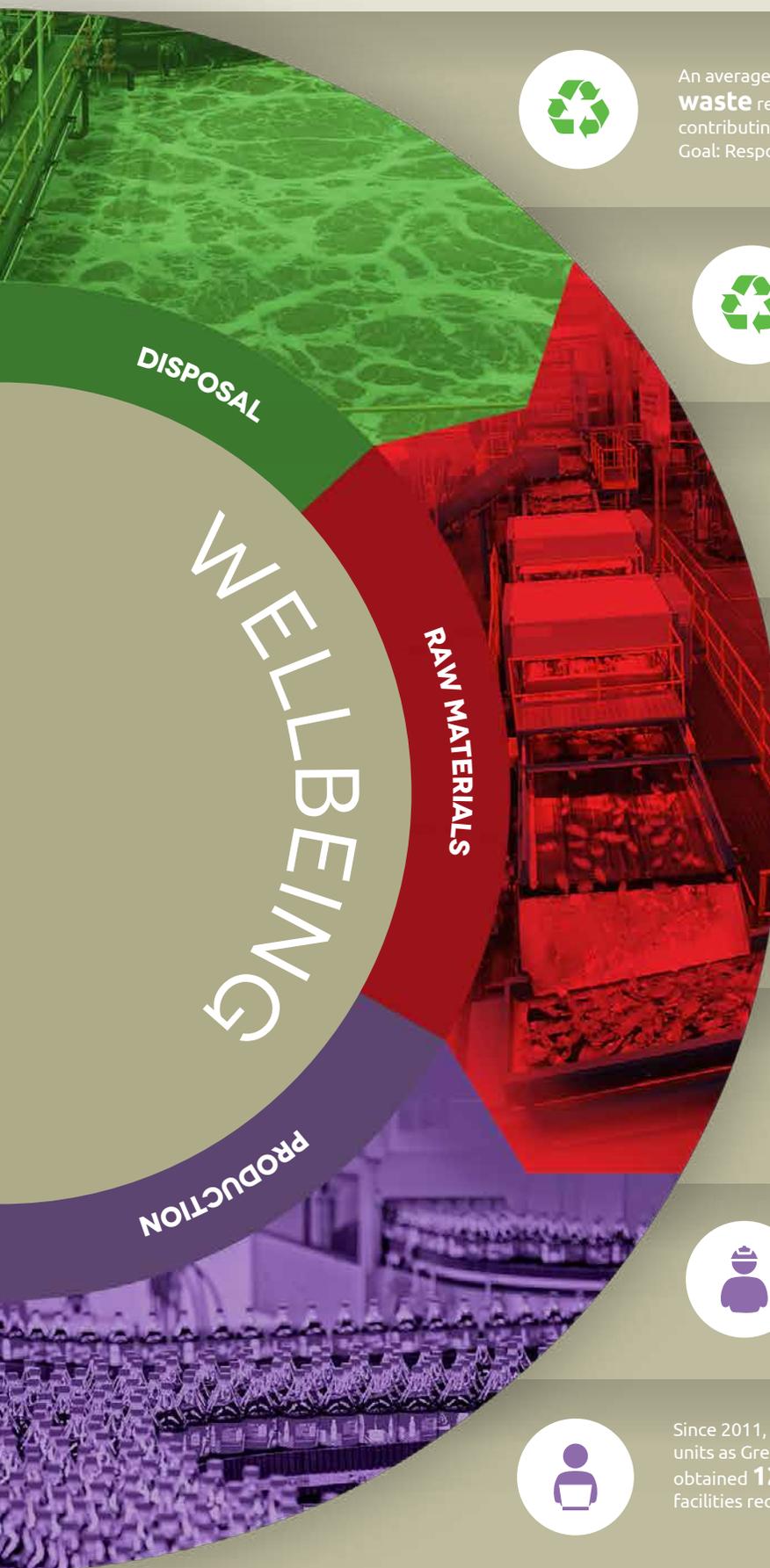


**More than half a million coolers exchanged** for high-efficiency appliances over the past few years, 84 thousand of which correspond to 2015, contributing to environmental protection and reducing costs for our customers.



**More than 5 thousand women trained** and empowered in 2015, contributing to our Fifth Sustainable Development Goal: Gender Equality.





An average of **88% of our industrial waste** recycled during the past three years, contributing to our Twelfth Sustainable Development Goal: Responsible Production and Waste.



At least the equivalent of **seven out of ten bottles** sent to the market in Mexico recovered for recycling.



**More than 23 million trees** planted in recent years, including 3.12 million in 2015, as part of one of the most important privately operated programs in our territories.



**More than 87% of our consumables** purchased from local companies as a result of our local supplier use and development program.



**11 thousand tons of PET** (equivalent to 550 million bottles) not used as a result of our PET container-lightening program.



A water usage rate of 1.69 liters of water per liter of beverage produced, **more than 30% below the industry average.**



An LTIR of 1.49, equivalent to a **50% reduction in incidents** over the past three years, reflecting our efforts to assure a safe workplace .



Since 2011, we have worked to certify our business units as Great Places to Work. By yearend 2015, we had obtained **12 such certifications**, and one of our facilities received the "Hall of Fame" prize.

# INDIVIDUAL WELLBEING

As one of the three pillars of the Arca Continental Social Responsibility and Sustainability Model, we strive to improve the individual wellbeing of our associates, consumers and neighboring communities by fostering an active and healthy lifestyle, adequate nutrition and hydration, and a culture of health among the population.

Promoting changes that create greater individual wellbeing is one of our main objectives. Therefore, we are committed to being part of the solution for several public health challenges involving overweight and obesity, problems which are related to multiple factors, such as a sedentary lifestyle and education. To achieve this, we support different initiatives fostering sports and exercise, as well as educational programs on adequate nutrition and hydration.



**3.3 MILLION**  
people activated in 2015



**104 THOUSAND**  
students benefited from the  
Schools in Motion Program  
since 2008



**100%**  
of our beverage plants  
in Mexico, Argentina and  
Ecuador have international  
innocuousness and hygiene  
certification



# HEALTHY AND ACTIVE LIFESTYLES

[G4-SO1, G4-PR6, FP4]



## PROMOTING PHYSICAL ACTIVITY AND A HEALTHY DIET

*Arca Continental fosters and supports different programs, such as diet counseling and the physical activation of students, aimed at children and young people, parents, teachers and school principals.*

### **Mexico** *Health to Learn.*

As part of the Nuevo Leon Strategic Alliance with the Food and Beverage Industry, in coordination with the government of the State of Nuevo Leon through its Health and Education Ministries, we provide diet counseling for school communities.

In 2015, we promoted activities such as "Working out to Nurture Life" Diet Festival, Nutrition World Day and the Cultural Show 2015, thus benefiting nearly four thousand students.

### **Ecuador** *It's Time to Move.*

In collaboration with the Coca-Cola Foundation and Junior Achievement, children from public schools, between 5 and 12 years old, are invited to work out for at least 60 minutes per day.

### **Argentina** *Let's Play.*

A Coca-Cola initiative in Argentina, implemented since 2008 to promote physical activity during school recess, to encourage the value of companionship through games, and to provide diet information to help children and youngsters lean towards healthier lifestyles. More than 26 thousand students and one thousand teachers got physically active for more than 33,400 hours with the activities carried out in 31 schools in the places where we operate.

## **SCHOOLS IN MOTION**

The objective of this program is to promote and facilitate physical activity among students from public schools in deprived areas so as to encourage them to have an active and healthier lifestyle. For this reason, we have refurbished and built multi-purpose sports facilities at schools and public spaces, we have established activity and we have donated sports equipment, such as footballs, volleyballs and basketballs.

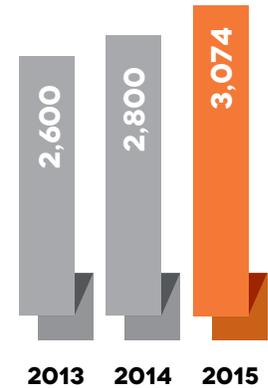
In 2015, 12 multi-purpose sports courts were built in Nuevo Leon and Aguascalientes, and two synthetic grass football fields in Nuevo Leon.

More than 104 thousand students from 120 public schools in the states of Nuevo Leon, Chihuahua, Coahuila, Jalisco, Sinaloa and Aguascalientes have benefited since the program started.





### NUMBER OF TEAMS PARTICIPATING IN THE COCA-COLA CUP



*The Coca-Cola Cup has been one of the programs with the greatest tradition and positive impact on young people since its creation, benefiting more than one million participants just in Mexico.*

### FOOTBALL WITH A CAUSE

In 2015, we supported football training for children and teenagers. Trainers from the basic force of the UANL professional football team, "los Tigres", were in charge of the sessions with clear guidance and messages to promote and create the habit of physical activity as part of students' daily lives.

### FANTA DANCE

For the first time in Salta, Argentina, the "Fanta Dance" classification, a national inter-school contest, took place. It was organized to encourage physical activity and companionship among young people. More than 20 schools were registered, and more than 440 teenagers between 13 and 16 went on stage and showed that "dancing makes a better living".



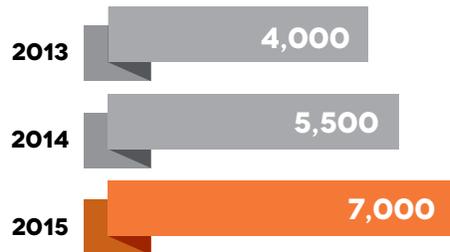
### COCA-COLA CUP

In 2015, we continued promoting the Coca-Cola Cup, considered the most important football tournament among junior high-schools in Mexico and Argentina. This year, three thousand teams are participating, with more than 80 thousand teenagers registered and 8 thousand hours of activity.

	PARTICIPATING TEAMS	YOUNG PEOPLE REGISTERED	CITIES WHERE TOURNAMENTS TOOK PLACE	WINNING TEAMS
Mexico	2,878	78,208	140	Female Champion Team: Subire School, Jalisco Male Champion Team: Technical High School # 5, Jalisco
Argentina	196	3,528	6	Female Champion Team: EES N°76 School, Chaco Male Champion Team: La Salle, Rosario



## NUMBER OF PARTICIPANTS IN THE MONTERREY POWERADE MARATHON



## ACTIVE AND HEALTHY COMMUNITIES

### POWERADE MARATHON

Besides promoting an active and healthy lifestyle in an entertaining way, the Monterrey Powerade Marathon contributes to community support by raising funds for charity institutions through the marathon registration fees. The tenth edition of the race in 2015 boasted 7,000 runners, as well as 1,700 participants in the mini marathon, a 4.2-kilometer race to foster sports habits. Medical emergency experts and defibrillator equipment placed every five kilometers have made the race a heart-protected event.

Over the years, because of the growing number of competitors and its internationalization, the Monterrey Powerade Marathon has gained importance so that it is now the second most important in Mexico.

### COCA-COLA MOVEMENT FOR AN ACTIVE NUEVO LEON

During 2015, for the second consecutive year in association with the State Institute for Physical Culture and Sports and the government of the state, we continued to encourage physical activity among strollers at the Fundidora Park and "Macroplaza" in Monterrey, Nuevo Leon. More than 1,200 people became more active during nine sessions that included musical workout routines, mini-tennis courts, football and volleyball, games of skill, shooting for goal and stair climbers.

Such activities make it possible for everybody to enjoy working out while keeping hydrated and fit. Promoting other actions for people's wellbeing, such as medical check-ups, Get to 100 and diet counseling, are also included.

*Over the past two years, we have encouraged hundreds of people to take up sports and lead a healthier life.*





**GET TO 100 WAS INTERNATIONALLY ACKNOWLEDGED AS A VISIONARY AND INNOVATIVE PROJECT TO PROMOTE HEALTHY HABITS ACROSS OUR GLOBAL SYSTEM.**

### GET TO 100

This is a program directed by the Coca-Cola Foundation, together with the National Counsel for the Development of Physical Education and Sports (CONDEBA) and the Movement Means Health Foundation. It seeks to reduce the obesity index and increase levels of physical activity aiming to get to 100% of your functional potential for your age. Such goals are met by customized physical activity and nutrition programs for young people and adults at sports centers in the territories where we operate. In 2015, as part of this initiative, 36,033 functional performance measurements were carried out in Aguascalientes, Baja California Sur, Chihuahua, Coahuila, Durango, Jalisco, Nuevo Leon, San Luis Potosi, Sinaloa, Sonora and Zacatecas.

### ENCOURAGING PHYSICAL ACTIVITY

In 2015, promoting physical activity acquired unprecedented importance and placed us at the forefront in sports events. During the year, we encouraged participation in local football leagues, several races and initiatives to promote the use of bicycles, as well as our now traditional projects. As a reflection of the company's solid commitment to consumer health, we have a fully dedicated team focusing on the development of activity events and the promotion of healthy lifestyles.

### SUPPORT FOR SPORTS INFRASTRUCTURE IN PERU

In 2015, we carried out a number of sports infrastructure improvement projects; for example, we built two sports parks in Peru. We also contributed to the Movement is Happiness Program, the objective of which is to promote work-out routines and to provide free counseling on what is the most appropriate physical activity for individual participants.



**ARCA CONTINENTAL LINDLEY HAS CONTRIBUTED TO REFURBISHING AND BUILDING SIX SPORTS CENTERS, THUS BENEFITING MORE THAN NINE THOUSAND PEOPLE IN PERU.**

# SAFE PRODUCTS AND INGREDIENTS

[G4-14, G4-PR1, FPS]

**OUR FOOD SAFETY AND INNOCUOUSNESS PROGRAM IS APPLIED TO ALL FOOD AND BEVERAGE LINES, AND INCLUDES THE HACCP SYSTEM.**



Because of Arca Continental's commitment to quality, we strictly control food and beverage hygiene, safety and innocuousness. Quality and hygiene are guaranteed across every phase of the production process through our Integral Quality and Improvement System (CIMAC), which includes continuous testing activities. All our beverage plants in Mexico and Ecuador have FSSC 22000 food innocuousness certification and the Bokados Santa Catarina Plant, as well as three plants in Argentina, boast ISO 22000 certification.

Our production lines are managed under the Food Safety and Innocuousness Program, which includes the Hazard Analysis Critical Control Point (HACCP) System, assuring a thorough analysis of raw materials, processes, personnel, packaging materials, handling and distribution. Moreover, in order to guarantee the safe consumption of beverages produced for Coca-Cola, we have production authorization and supervision from The Coca-Cola Company and from the corresponding authorities. We also carry out an in-depth evaluation of formulas for the snacks and sweet products we manufacture and comply with all the regulations in the countries where our products are distributed, such as those of the FDA in the United States.

However, quality control does not end with production; on the contrary, it is extended across our entire value chain. We have implemented a strict support and follow-up program for suppliers, so as to guarantee their compliance with current innocuousness norms. Our program includes periodic visits to their plants and the inspection of their facilities in order to verify production, storage and distribution conditions. We also have product formula controls in order to ensure that correct information is printed on product labels for consumers' information.



**100%**  
*of our facilities have food hygiene and innocuousness international certifications<sup>1</sup>.*

CERTIFICATION	ISO 9001 (QUALITY)	ISO 14001 (ENVIRONMENTAL)	FSSC OR ISO 22000 (FOOD SAFETY)	OHSAS 18001 (SAFETY AND HEALTH)
Total number of certified companies in Latin America <sup>1</sup>	28	26	26	26

<sup>1</sup> Including operations centers in Mexico, Argentina and Ecuador.



# RESPONSIBLE MARKETING

[G4-PR3, G4-PR6]

## LOW-CALORIE OPTIONS

[G4-PR6]

One of our main priorities is to satisfy consumers' diverse needs and consumption events. Thus, almost 40% of the presentations and flavors in our beverage portfolio contain few or zero calories. In addition, we offer a large variety of products, including sparkling and still beverages, dairy products, mineral water and juices, in different packaging and presentations, with less than 100 calories.

## RESPONSIBLE MARKETING POLICY

[G4-PR3, G4-PR6]

Our policy is to comply with advertising and communication regulations in the countries where we operate. That is why 100% of our operations in Mexico comply with Coca-Cola's Responsible Marketing Guide.



*Our labeling policy is to provide responsible and transparent information on our products.*

## RESPONSIBLE AND TRANSPARENT INFORMATION

[G4-PR3]

In accordance with our determination to respect the right of all parents and tutors to choose what their children consume, since 2008 we have followed the PABI Code which establishes the self-regulation of food and non-alcoholic beverage advertising aimed at children. This has allowed us to position ourselves years ahead of the legal requirements in Mexico. In fact, none of our business units produce advertising or communications aimed at children under 12 years old.

Moreover, our products are never proactively offered in elementary schools and we have developed a special beverage and snacks portfolio for elementary school food suppliers (ECOES) which complies with the requirements of the Health and Education Ministries.

Our labeling policy is to provide responsible and transparent information on our products in order to satisfy our consumers' needs and help them to make their purchasing decisions in a free, responsible and informed manner. That is why 100% of our non-returnable Coca-Cola products show Daily Diet Guidelines, significantly ahead of the time limit the authorities have instituted to comply with this requirement. Moreover, 100% of Arca Continental's products have nutritional information on the packaging.



refresco

cont. net.  
**600 ml**

Este envase aporta:

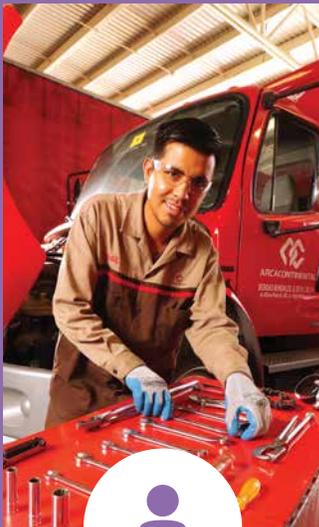
Grasa saturada 0 kcal	Otras grasas 0 kcal	Azúcares totales 252 kcal	Sodio 60 mg	Energía 252 kcal
0%	0%	70%	3%	

% de los nutrientes diarios.

# SOCIAL WELLBEING

As part of our organizational culture, we design and implement diverse projects aimed at improving the quality of life of our associates and the communities where we operate. In this way, we are driving the comprehensive growth and wellbeing of people within and outside the organization so as to be a positive agent of change in all our territories.

Our associates carry out voluntary activities which allow them to grow with congruence within their work environment; they also support multiple development and social assistance activities implemented by specialized organizations to help our communities.



**12**

Great Place to Work certifications for our business units in Latin America



**+5,000**

participants carrying out actions to support our communities on Annual Volunteer Day



**36,000**

associates trained in 2015





# WORKPLACE



**AT ARCA CONTINENTAL, WE WORK TO ENHANCE THE COMPREHENSIVE WELLBEING AND GROWTH OF OUR ASSOCIATES, OUR COMMUNITIES AND OUR ENTIRE VALUE CHAIN. WE ARE TRULY GRATEFUL TO THE AUTHORITIES AND PUBLIC AND PRIVATE ORGANIZATIONS THAT PARTNER WITH US, HELPING US TO MEET OUR SOCIAL WELLBEING OBJECTIVES.**

## A GREAT PLACE TO WORK

[G4-LA1, G4-EC5]

*IPASA received the "Hall of Fame" prize from the Great Place to Work Institute for having achieved five consecutive years in its national ranking.*

Arca Continental boasts 12 certifications from the Great Place to Work Institute (GPTW) for seven centers of operations in Mexico and Ecuador, thereby standing out as one of the best companies to work in. This recognition is a result of many years of working to encourage respect, impartiality, credibility, companionship and pride among all members of the Arca Continental team. Moreover, a positive work environment promotes associates' productivity, commitment and loyalty, thus generating better results and contributing to the fulfillment of our goals and objectives.

In 2015, with 88% of associates in Mexico and 82% in Ecuador participating in the Institute surveys, certification was awarded to the following centers of operations:

CATEGORY	OPERATION CENTERS
50 to 500 associates in Mexico	IPASA
	Topo Chico
	Corporate Office
Less than 1,000 associates in Mexico: Northeast	IPASA
	Topo Chico
	Corporate Office
More than 1,000 associates in Mexico: Northeast	PROCESA
	Global Beverages
	Arca Continental
More than 5,000 associates in Mexico	Arca Continental
	Global Beverages
Fourth great place to work in Ecuador	Arca Continental, Ecuador



**ON THE BASIS OF OUR ASSOCIATES' EVALUATIONS, TRAINING PROGRAMS WERE DESIGNED TO IMPROVE THEIR STRENGTHS AND DRIVE THE PROGRESS OF THEIR PROFESSIONAL CAREERS.**



## WORK BENEFITS

[G4-LA1, G4-LA2, G4-EC5, G4-EC6]

In our efforts to assure the equity and competitiveness of the benefits and compensation we provide for our associates, we have implemented a Comprehensive Compensation System. As a result, our salaries and benefits are highly competitive and exceed those established by the law in every market we serve (see page 4). Company policy also ensures that benefits are the same for temporary associates as for full-time ones.

These, and other actions, have promoted a gradual reduction in staff turnover rates, with the overall index being 15.27% as of the end of 2015, a very competitive level in the industry. This talent retention has a positive effect on the company's growth and development.

As part of Arca Continental's associate development and growth program, preference is given to hiring or promoting local staff to positions of command and favoring promotion within the organization.

[G4-LA1]

	FEMALE UNION MEMBERS	MALE UNION MEMBERS	NON-UNION MEN	NON-UNION WOMEN
Retention rates	22%	16%	18%	12%

<sup>1</sup> If you wish to see a list of the benefits set by Mexican law, please click on the following link:  
[http://www.diputados.gob.mx/LeyesBiblio/pdf/125\\_120615.pdf](http://www.diputados.gob.mx/LeyesBiblio/pdf/125_120615.pdf)

<sup>2</sup> Includes associates in Peru

## PROFESSIONAL COMPETENCE MANAGEMENT

[G4-LA11]

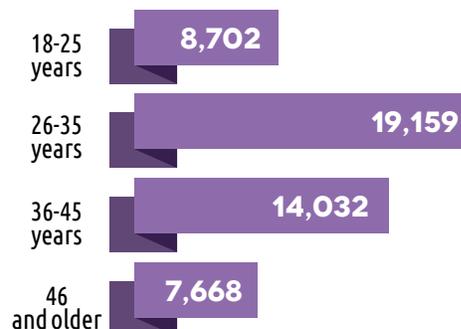
The company implements several tools and methodologies to evaluate our associates' professional competency levels, in order to identify their strengths and areas of opportunity for improvement. Based on the results of the evaluations, training programs are designed and implemented so as to enhance their present and future development.

Every year, all associates with senior or middle-level executive positions are given a 360° evaluation. An important part of the process is a feedback session between the supervisor and associate, the objective of which is to strengthen trust and commitment, as well as to identify any actions that could lead to better performance.

In 2015, such evaluations were applied to 1,627 senior and middle-level executives and we evaluated 1,350 Mexico Beverages associates.

## ASSOCIATES BY AGE GROUP<sup>2</sup>

[G4-10]





**IN 2015, WE PROVIDED MORE THAN 878,000 HOURS OF TRAINING FOR OUR ASSOCIATES.**

## TRAINING AND DEVELOPMENT

[G4-LA9, G4-LA10]

In 2015, in order to update associates' knowledge and reinforce key capabilities considered essential for competitiveness and growth, we offered more than 16,200 training courses across our territories. During the year, a total of 878,103 training hours were imparted to almost 36,000 associates, 54% of whom were union members.

We consider it very important to monitor the progress of associates who have been trained, so at the end of 2014 we implemented a tool to guarantee precise follow-up and to adequately plan their professional development. Because of the positive results, this tool was implemented in Ecuador and Argentina during 2015.

The Arca Continental master's degree continues to be one of the major programs for the development of our executives, boosting their professional careers and daily performance. This master's degree, specially designed by the University of Monterrey, has modules that are focused on such issues as quality, customer guidance, human capital development, and social ethics and responsibility. In 2015, 90 participants from different generations took courses under this master's degree program; 23 new participants were added and 13 graduated from the program. They all received a 100% scholarship, at a total cost to the company of more than one million pesos.

During the year, on-line English courses and training sessions were given to sales personnel. Nearly three thousand associates received 20 thousand training hours through these programs.

## AMBASSADORS' PROGRAM

Through this program, globally directed by the Coca-Cola System, we seek to inspire, inform, empower and give recognition to all our associates by explaining the values and goals of The Coca-Cola Company's 2020 Vision.

In 2015, we invested more than 4 million pesos in training nearly 25 thousand associates on topics related to Individual Wellbeing and more than 20 thousand on Social and Environmental Wellbeing.

## DISABILITY INCLUSION

*Through our participation in Movimiento Congruencia, we continue to work to make the culture of social inclusion of people with disabilities a reality within our organization.*

We are founding partners of Movimiento Congruencia, an association which has been promoting the social and workplace inclusion of people with disabilities since 2004. This is achieved through programs such as "Encuentros Incluye" and training workshops. In 2015, we took part, for the second consecutive year, in the Graduate +Talent course, focused on designing projects to promote the inclusion of the disabled in the work force.

In order to favor diversity and equal opportunities, we support the integration of disabled people in our company through programs to raise our associates' awareness. All our new facilities are being designed to be accessible for the disabled. As of yearend 2015, Arca Continental had 355 disabled associates in Mexico and Ecuador.





## DIVERSITY AND EQUAL OPPORTUNITIES

[G4-10, G4-LA13]

Our associates' compensation is based on clear, objective and general application policies, which establish guidelines for salary scales. Thus, besides being based on a reference market, salaries are determined by position assessments. Such policies define the framework for the hiring, promotion and salary increases of all our non-union associates. Since they are general in nature, with no gender distinction, they apply equally to both men and women. The average difference between the salaries of our men and women is only 7%<sup>1</sup>, compared to a world average of approximately 22.9%, according to the International Work Organization (IWO).

Over the past few years, we have been working to create equal opportunities for men and women in relation to the assignment of higher-level jobs and have promoted women to strategic positions, increasing their representation to 8% as of yearend 2015.

## OTHER EVENTS AND PROGRAMS FOR OUR ASSOCIATES AND THEIR FAMILIES

With the objectives of creating a sense of community and promoting comprehensive wellbeing for our associates and their families, we have instituted several events, including:

- **International Women's Day.** We host a celebration for our company's women associates on International Women's Day; more than 1,400 women participated in 2015.
- **Family Day.** On this day, we celebrate Children's Day, Mother's Day and Family Sunday; more than 46,400 associates and family members enjoyed this event in 2015.
- **Coca-Cola Stars.** This program gives special recognition to associates with 25 consecutive years of service at the company. In 2015, 415 associates received this distinction.
- **Magic Christmas.** This is our major event for associates and their families; we celebrate with different activities and raffles. This year, 26,600 associates and their families attended the party.
- **Corcholata de Honor, Boti Honor and Honor Roll.** This is an initiative that gives prizes to our associates' children for excellent performance at school. In 2015, the program benefited 4,127 students across our territories, 3,665 of whom live in Mexico, 322 in Ecuador and 140 in Argentina.

## FREEDOM OF ASSOCIATION

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

We protect the right to freedom of association. 54% of our associates, both full-time and part-time, belong to a union.

[G4-10]

	UNIONIZED		NON-UNIONIZED		TOTAL
	WOMEN	MEN	WOMEN	MEN	
Mexico	1,535	11,915	425	18,922	32,797
Argentina	62	1,810	46	419	2,337
Ecuador	242	4,744	631	4,002	9,619
Peru	367	1,962	10	1,392	3,731
USA	262	474	93	178	1,007
<b>Total</b>	<b>2,101</b>	<b>18,943</b>	<b>1,195</b>	<b>23,521</b>	<b>49,491</b>

<sup>1</sup> Applies to Mexico Beverages.



Through the Active and Healthy Enterprise Challenge, jointly developed by CONMEXICO and "Queremos Mexicanos Activos", our associates answer questionnaires to determine how healthy their lifestyles are. On the basis of the information collected, customized activity programs are designed to help them gradually improve their physical condition until they reach the category of Excellent Habits. In 2015, more than 20 thousand associates took part in this program.

# 82%

of Arca Continental's associates in Mexico have received instructions on healthy habits, hydration and energy balance. In addition, 106 company executives were given check-ups in 2015. As a result, 93% of our executives in Mexico have been checked in the last three years.

## AC+ MOVEMENT

**IN 2015, THE WORKPLACE WELLNESS COUNCIL MEXICO DECLARED ARCA CONTINENTAL TO BE A HEALTHILY RESPONSIBLE ORGANIZATION.**

AC+ Movement is a basic institutional program which offers activity, development and follow-up sequences for all associates, as shown in the diagram below. Thanks to the tools provided in the program, every exercise can be efficiently and locally executed across our operations, according to the particular needs and characteristics of each location. The program is developed around three main areas: measuring, activating and balancing.

1. The measuring process seeks to raise awareness among associates by providing information on their health and lifestyle and to help them take the necessary decisions to correct or improve their functional capabilities.

2. Activating means promoting programs and activities that encourage physical activity, so that it eventually becomes a habit. Our institutional programs include: Your Health Weighs More, Active and Healthy Business Challenge, Energy Balance and Challenge for your Wellbeing.
3. To complement the program there is an area of energy balancing, which seeks to help associates find a balance between the calories they ingest and those they consume during workout.

Some institutional programs, in addition to the organization of sports competitions, are:

- Arca Continental Runners Club, which organizes different activities during the year, such as 5- and 10-km races, cross-country runs and outings to come close to nature and enjoy the environment.
- Equipping the workplace with stationary bikes and stair climbers to promote physical activity among associates.

# 593

sports competitions with the participation of more than seven thousand associates in Mexico and Ecuador.





*SINCE THE BEGINNING OF THE PROGRAM, ARCA CONTINENTAL HAS TRAINED 13 THOUSAND ASSOCIATES IN OUR CONTINUOUS IMPROVEMENT MODEL.*

## CONTINUOUS IMPROVEMENT

[G4-LA10]

The company's Continuous Improvement Program involves creating teams at every plant to work on one of the following six issues: productivity, the control of costs and expenses, quality, safety, environmental indicators and personal development indicators. During the year, teams are trained and helped to define goals and fulfillment deadlines. At the end of the year, their initiatives and achievements are recognized at the plant level and worldwide.

In 2015, the company implemented Participative Management Programs at 17 sites in Mexico and Operational Excellency programs at 14 additional sites, three of them in Argentina. As a result, during the year Arca Continental obtained Operational Excellency Reference Center Certification for five centers of operations:

- **Insurgentes Plant:** Silver Level
- **Culiacan Plant:** Silver Level
- **Distribution Center Lincoln:** Bronze Level
- **Distribution Center La Paz:** Bronze Level
- **Chihuahua Plant:** Bronze Level

Moreover, improvement programs generated savings of more than 94 million pesos, partly because of the replication of best practices across our operations.

In addition to the training of over 3,600 associates during the year, more than 6,900 associates were certified in the Operational Excellency Model, 262 of whom were women. Moreover, over 50 associates, 28 of whom were women, were certified in Lean Six Sigma Methodology, adding to the more than 100 people who had been previously certified.

These actions endorse our commitment to increasing the capabilities of our human capital, one of the company's major assets.

*WE ARE THE ONLY BOTTLING COMPANY IN THE WORLD TO OBTAIN OPERATIONAL EXCELLENCY REFERENCE CENTER SILVER LEVEL CERTIFICATION FOR TWO SITES.*





## PROTECTION AND RESPECT FOR HUMAN RIGHTS

[G4-HR2, G4-HR7]

*For Arca Continental, respecting human rights is fundamental; therefore, we adhere to the Workplace Rights Policy established by The Coca-Cola Company. This policy is based on the Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, and the United Nations Global Compact.*

Our Code of Ethics, well understood by associates and suppliers alike, is strongly based on respecting and protecting human rights. Any doubts, problems or situations regarding ethical or human rights issues that associates or suppliers may have may be placed in our Transparency Mailbox. Then, Corporate Auditing is responsible for channeling requests and concerns to the corresponding area, as well as for their follow-up.

One of the major actions we take to protect human rights is the continuous training of our security personnel.

With regard to external security suppliers, Arca Continental follows a policy of ensuring that the companies we hire are legally constituted and that their associates receive regular training.

## INTENSIFYING HUMAN VALUES

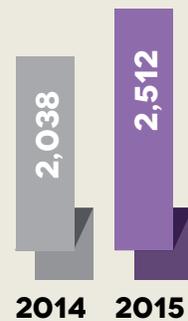
For the past 27 years, we have been implementing our Intensifying Human Values Program in order to foster human development by helping associates and their families understand human values and put them into practice. Adapted to the traditions and practices of

the different countries, the initiative has been implemented in Argentina and Ecuador since 2014.

Over the past 10 years, more than 20 thousand associates have participated in this program.

In 2015 alone, 5% of all our Mexico Beverages associates received more than 29 thousand training hours on this issue and 164 new internal instructors were trained and integrated into the 470-strong instructors' team which had already been formed.

### ASSOCIATES PARTICIPATING IN THE VALUES PROGRAM / ANNUAL AVERAGE



	MEXICO	ECUADOR	ARGENTINA
Courses given during 2015	77	20	21
Associates participating in the Values Program	1,575	637	300



# WOMEN'S COMPREHENSIVE DEVELOPMENT

*IN 2015, MORE THAN 5,100 WOMEN WERE GIVEN TRAINING SESSIONS ON PERSONAL AND BUSINESS DEVELOPMENT. OUR PROGRAMS INCLUDE: 5 BY 20 POTENCIA MEXICO, ANSPAC, SIGLO XXI, AND MOBILE CLASSROOM PROJECT.*

*AT ARCA CONTINENTAL, WE SHARE AND SUPPORT THE COCA-COLA COMPANY'S 2020 VISION, WHICH SEEKS TO EMPOWER FIVE MILLION WOMEN WORLDWIDE THROUGH DIFFERENT PROGRAMS DESIGNED TO HAVE A DIRECT INFLUENCE ON THEIR DEVELOPMENT.*



## 5 BY 20 POTENCIA MEXICO

Being aware of women's entrepreneurial spirit and their great determination to develop technical abilities, the 5 by 20 Potencia Mexico program has been carried out since 2013. This program has implemented several workshops aimed at entrepreneurial women; it has brought benefit to more than 2,000 women since it was launched in 2013.

The program includes a workshop named "My Business" which teaches women who own grocery stores and corner shops about subjects such as human development, management and marketing, accounting and finance. In 2015, a total of 720 entrepreneurial women took part, completing more than 33 thousand training hours.

## ANSPAC

For 28 years, Asociacion Nacional ProSuperacion Personal, A.C. (ANSPAC), in partnership with Arca Continental, has given courses and workshops on ethical and humanitarian development to our associates' wives, mothers and daughters, in order to strengthen their families, promote the development of their capabilities, and improve the family economy. This year, 1,650 women in Mexi-

co and Ecuador took part in the 32 units and work groups included in the ANSPAC program.

During the year, a special unit, the first of its kind, was opened at the Bokados Plant. Known as the ANSPAC Associates Unit Program, this initiative for women associates was specially adapted to be given every three weeks.



## EMPOWERING PEOPLE

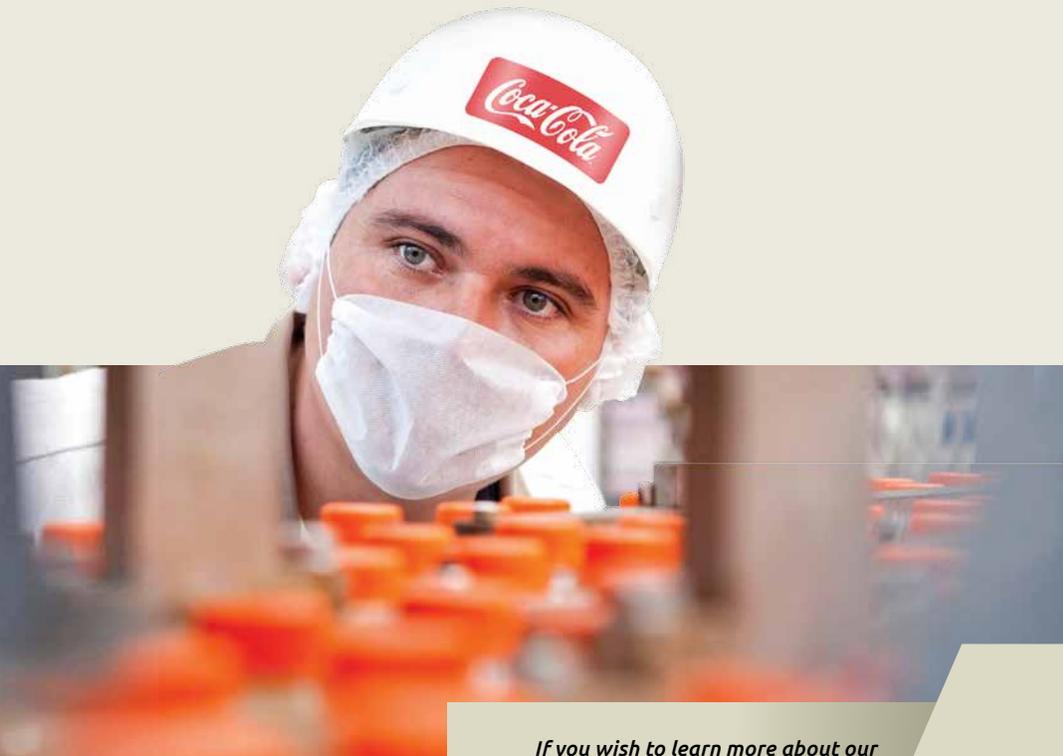
In Peru, we operate a program for women entrepreneurs called "Destapando mi Emprendimiento," the objective of which is to promote new businesses set up by women from Pucusana.

Over the past two years, 726 women have participated in workshops on empowerment and entrepreneurship, while 103 have received 50 hours of customized counseling for their businesses.



# SAFETY AT WORK

[G4-LA5]



*If you wish to learn more about our safety policy, please go to the following link: <http://www.arcacontal.com/social-responsibility.aspx>*

## SAFETY AND OCCUPATIONAL HEALTH MANAGEMENT

Arca Continental proactively and responsibly meets all legal requirements, and more, across its operations, establishing clear and measurable objectives for safety and risk reduction. The company is also committed to providing the necessary resources for its Health and Safety Management System and striving to continuously improve it.

Taking care of associates' lives and health is the most important undertaking for achieving our goals as a team. For this reason and as part of our culture, we task every associate with contributing to the achievement of maximum safety in the workplace and in all our production and commercial activities. Thus, everyone at Arca Continental is committed to maintaining a safe and healthy environment, respecting, observing and applying actions to prevent injuries and sicknesses at all times, without exception, and safeguarding our own integrity and that of the people we come in contact with.

At the beginning of 2015, we set up a Strategic Safety Committee. This committee, comprising 20 members of the management team, holds monthly meetings to ensure that safety policies and principles are being implemented. It also makes sure that hazard and risk prevention and mitigation processes are systematically managed.

## ARCA CONTINENTAL PRIORITIZES EMPLOYEE SAFETY, AS WELL AS ENVIRONMENTAL QUALITY, INNOCUOUSNESS AND CONSERVATION.

Since 2013, Arca Continental has worked to implement a Culture of Safety through a program promoted and led by our CEO and his executive team with the help of the Safety Committee. Such efforts have resulted in the implementation of an effective Safety and Health Policy.

Our strategy for health and safety includes an analysis of critical elements and processes, in order to reduce the risks existing during activities and operations carried out by our associates. In addition, our people are continuously being trained in order to raise their awareness of their own responsibility for safety, thereby promoting a Culture of Safety and Self-Protection.

In 2015, we had more than 50 Safety and Hygiene Mixed Commissions functioning across our operations, with a balanced proportion of union and non-union associates and representing 100% of our labor force.

*Our operations boast more than 50 Safety and Hygiene Mixed Commissions checking and supervising our processes to make sure they are as safe as possible.*



# 100%

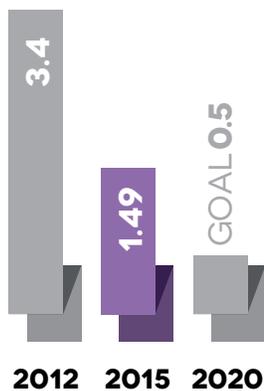
*of our beverage production centers in Mexico, Argentina and Ecuador have OHSAS 18001:2007 Occupational Health and Safety Certification, one of the highest global standards.*

If you wish to learn more about our performance in Health and Safety, please visit the following webpage: <http://www.arcacontal.com/social-responsibility.aspx>

Safety at Arca Continental is based on four pillars which are centered on associates and their environment:

- **ASSOCIATES.** Safety starts with them, their attitude and their daily decisions.
- **THEIR FAMILIES.** They are the best reason for our associates to work safely.
- **FELLOW WORKERS.** Sharing the same commitment makes it possible to build a safer and more efficient workplace.
- **THE COMMUNITY.** As members of hundreds of communities in Mexico, Argentina, Ecuador, the United States and Peru, we are responsible for caring for the environment and our communities' wellbeing.

## PROGRESS WITH OUR 2020 LTIR SAFETY OBJECTIVE



**IN 2015, THE LOST TIME INCIDENT RATE (LTIR) DECREASED MORE THAN 20%.**

## ACHIEVEMENTS IN SAFETY

[G4-LA6]

In 2015, the Lost Time Incident Rate was 1.49, 21% below the previous year. Going forward, we will continue our efforts until we reach our LTIR goal of 1.22 in 2016. Our goal for 2020 is to reach an LTIR of 0.5. Mexico Beverages reported an LTIR of 1.76 in 2015, which was externally verified, and another important safety indicator, the Lost Time Injury Severity Rate (LTISR), improved during the year.

In order to identify whether any occupational sicknesses can be linked to our operations, in 2014 we began an investigation program. Although this ambitious study is still in progress, no major risk has been identified to date.

Because of the standardized implementation of best safety practices, policies and procedures across all our operations, some sites have achieved LTIR reductions in excess of 40%. Moreover, women were involved in less than 5% of incidents in 2015.

Arca Continental boasted 26 production centers with OHSAS 18001:2007 Occupational Health and Safety Certification as of yearend 2015. In Mexico, 100% of our 20 operation centers are certified. Nevertheless, we are aware that there is still much to be done to achieve our goal of having all our production centers and main distribution centers certified by 2020.

### LOST TIME INCIDENT RATE (LTIR) BY REGION

REGION AND BUSINESS	LTIR
Mexico	1.76
Argentina	1.38
Ecuador	0.56
USA	0.94

# COMMUNITY DEVELOPMENT

## “VOLAR” VOLUNTEER PROGRAM

[G4-SO1]

*One of our company’s fundamental purposes is to contribute to the sustainable development of the communities we serve. We achieve this by generating direct and indirect employment, contributing to the empowerment of women, encouraging voluntary actions and supporting specialized local organizations, among other actions.*

*At Arca Continental, we want our institutional programs to be transversal across all operations. To do this, we have implemented such initiatives as the “VOLAR” Volunteer Program with its: Annual Volunteer Day, Annual Sustainability Day and Christmas with Meaning, all held in Mexico, Ecuador and Argentina.*

The “VOLAR” institutional volunteer program unites the company and associates in community support activities.

The objectives of the program are to encourage associates and their families to give their time and capabilities to contribute to the comprehensive development of the communities where we operate, and to promote an environmental culture through activities such as reforestation, cleaning up bodies of water and renovating public spaces. All our activities are carried out in partnership with the community.

### **DONATION POLICY**

In 2015, Arca Continental produced a Donation Policy and Manual, which is applicable across all operations. The processes involved will be implemented in 2016, giving us better control over our contributions and thereby enhancing the effectiveness of our community support.





**2015 ANNUAL VOLUNTEER DAY RESULTS:**

**35**

RESTORED PUBLIC SPACES

**4,191**

PLANTED OR DONATED TREES

**5,446**

VOLUNTEERS

**212.38**

KILOMETERS OF WATERFRONT CLEANED UP

**30,962**

KILOGRAMS OF WASTE COLLECTED

**ANNUAL VOLUNTEER DAY**

All the company's business units celebrate this special day, when communities and public institutions are chosen to be the beneficiaries of activities such as reforestation, the cleanup of bodies of water (riverbanks, channels, lakes and beaches) and the rehabilitation of public spaces such as schools, parks and homes for the elderly or for children. In 2015, Arca Continental carried out activities across 32 cities in Mexico, Ecuador and Argentina.

**ANNUAL SUSTAINABILITY DAY**

During this event, we explain our performance and the progress we have made with the environmental sustainability of our processes and operations, and encourage our associates and their families to promote our culture of sustainability both inside and outside the company. Associates and their families enjoy this special day. External organizations and institutions also place informational stands of environmental care.

[G4-SO1]

**EVERY YEAR, 100% OF OUR MEXICO BEVERAGES PLANTS IMPLEMENT AT LEAST ONE COMMUNITY OUTREACH PROGRAM THROUGH VOLAR.**



**CHRISTMAS WITH MEANING**

*1,200 volunteers supported our activities in 2015.*

In order to bring happiness to children in nearby vulnerable communities and as part of our Christmas celebrations, Arca Continental associates in Mexico, Argentina and Ecuador collect and donate new toys to schools and institutions.

In 2015, we collected 14 thousand toys which were distributed to 14 thousand children in 67 different communities and institutions.

All our Mexico Beverages plants carry out at least one community-help program through VOLAR.



## OTHER COMMUNITY SUPPORT PROGRAMS

### HAPPINESS PLAZAS

In 2015, we partnered with municipal authorities to set up 38 play structures made out of recycled PET in three parks in the municipalities of Salta, Tucuman and Misiones in Argentina. The program, called “A Bottle for a Children’s Game,” benefited 750 thousand people.



### VOLUNTARY ACTIONS IN PERU

In 2015, voluntary reforestation activities were carried out in Lima and Arequipa, Peru, with more than 120 associates personally participating in the planting of 1,200 trees.

### COCA-COLA HYDRATION CENTERS

In partnership with the Coca-Cola Foundation Mexico, we made a significant contribution to improving student health and promoting the measured and responsible use of water by donating Coca-Cola Hydration Centers to public schools and providing clean and safe water for different communities. In 2015, 314 hydration centers were installed in public schools in Mexico, thus benefiting 72,790 students and 3,292 teachers. Since the beginning of the program, we have installed 590 Coca-Cola Hydration Centers.

### OPERATION SMILE

In 2015, in partnership with the Ecuador Coca-Cola Foundation, we supported 1,837 boys and girls during their recovery process at hospitals in Quito, Barbahoyo, Santo Domingo and Ibarra. Since its founding, this program has benefited more than 45,000 children.



### “IMPULSA” VOLUNTEER PROGRAM

In 2015, through the educational program “Entrepreneurs since Childhood” which is operated in partnership with the “Forming Entrepreneurs Foundation” (IMPULSA Nuevo Leon), 25 corporate executives donated six weeks of their time to help 365 participants. The objective of the program is to teach young people about social issues and values, and, very importantly, develop an entrepreneurial spirit. 735 students have taken part in the program since it was started.

### RED SUMARSE

Since 2011, Arca Continental has been part of Red Sumarse, which unites the efforts of different companies, government entities, NGOs and communities in the state of Nuevo Leon in order to reconstruct the social fabric of the community and develop social awareness. In 2015, a second major social impact intervention, Initiative 2.0, was undertaken, contributing to the sustainable development of four communities. We also provided follow-up for two other communities from the first initiative. When the initiative is completed, we will have worked side by side with these communities for more than eight years.

**IN 2015, THE PETSTAR MUSEUM-AUDITORIUM BECAME THE FIRST MUSEUM IN LATIN AMERICA WITH PLATINUM LEED CERTIFICATION. IT RECEIVED MORE THAN 12 THOUSAND PEOPLE DURING THE YEAR.**



## PETSTAR MUSEUM – AUDITORIUM

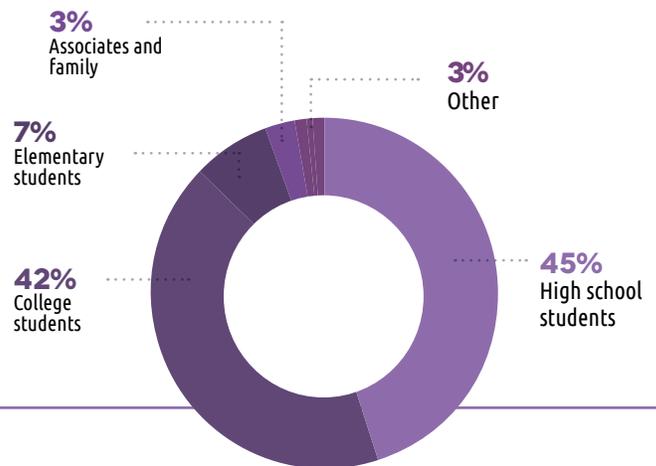
In order to promote environmental awareness, PetStar has implemented an educational and communication program aimed at fostering a culture of recycling through its Museum - Auditorium. In 2015, the building was awarded LEED Platinum Certification.

The museum facilities boast an interactive and informative exhibition area, a rain collecting system, solar panels and a green roof garden, among other sustainable features. Museum visits emphasize the culture of recycling, the concept of responsibility shared between society, the authorities and the private sector, and proper waste management.

In 2015, as part of our Social Responsibility Strategy, PetStar benefited more than 24 thousand scavengers and waste collectors in Mexico through its eight collection centers and multiple partners.

PetStar is a signatory of the Earth Charter and, for the first time in 2015, was designated a Socially Responsible Company by the Mexican Center for Philanthropy (CEMEFI in Spanish).

### VISITORS TO THE PETSTAR MUSEUM-AUDITORIUM



## COCA-COLA MISSION VISITORS PROGRAM

We invite anyone who is interested in learning about our beverage manufacturing process to an enlightening and entertaining experience. During our dynamic tours, subjects such as safety, quality and social responsibility are addressed, helping visitors to learn more about our values and culture. We have designed the tours just like a mission in which our product portfolio and production processes are shown in an exciting way.

In 2015, we received more than 21 thousand visitors, from elementary school children to college students and the general public. More than 113 thousand people have lived this exciting experience since the program started in 2008.

## VISITORS PROGRAM IN PERU

More than 20 thousand people visit our Peruvian beverage facilities every year. The tours we offer present the history of the company and the Coca-Cola System, the bottling process, the quality control processes our products undergo, and the most important projects of our sustainability platform.

Committed to caring for the environment, we have designed and installed LED signs in several tour zones at the Trujillo Plant.



## COMPREHENSIVE CUSTOMER SERVICE

### CUSTOMER SERVICE

[G4-SO11, G4-PR5]

Our Telephone Contact Centers in Mexico, Argentina and Ecuador receive our stakeholders' requests and respond to them promptly. During the year, center associates handled more than 510 thousand requests. Over 96% were effectively processed and, in fact, in excess of 84% were answered within 24 hours. More than 16 thousand customers who received timely assistance from Mexico Beverages in 2015 were surveyed; 89% of them considered our service to be Excellent or Good.

In 2015, we introduced a weekly report system for assigned work orders, including their status. This gives us better follow-up on requests and the responses provided.

*Contact Telephones:*  
*Mexico: 01 (800) 800-3442*  
*Argentina: 01 (810) 888-2722*  
*Ecuador: 1 (800) 26-2226*



If you wish to learn more about Customer Service, please visit the following webpage: <http://www.arcacontal.com/social-responsibility.aspx>

### MOBILE CLASSROOM PROJECT

The Mobile Classroom Project has been developed to help Traditional Channel retailers and contribute to the competitiveness of their businesses. It offers them training on the use of new sales tools and techniques, enabling them to respond better to their customers' demands and to increase their sales. In 2015, a total of 5,010 retailers took part, 2,801 of whom were women.

### BUSINESS DEVELOPMENT SCHOOL IN PERU

Since 2004, the Business Development School has given marketing and finance workshops to more than 2,700 customers. The objective of the program is to establish long-term relationships with customers by training them and developing our business portfolio in their businesses. Since almost 75% of attendees have been women, we have introduced an exclusive training program for them in order to empower them as leaders and business women.

Through a post-training survey, we were able to confirm that more than 90% of attendees applied the knowledge and skills acquired during the workshops in their businesses, as well as in their personal lives.





**IN ORDER TO EXPAND THE SCOPE OF OUR SIGLO XXI PROJECT, WE HAVE BEEN CONTRIBUTING TO THE TRANSFORMATION OF BUSINESSES SURROUNDING OUR RETAILERS' STORES.**

### SIGLO XXI PROJECT

The Siglo XXI program seeks to give our Traditional Channel retailers a competitive advantage and to encourage them to improve their businesses. The program has helped our retailers to grow, innovate and transform their stores. This year, more than 2,547 new Siglo XXI activated customers across all Arca Continental's Mexican territories took part.

### CENTER FOR COMPLEMENTARY BUSINESSES

The objective of the Center for Complementary Businesses (CCB) is to strengthen our value chain retailers. This is achieved by activating neighboring, complementary businesses in order to offer consumers a comprehensive purchasing solution, and by restoring local parks and public spaces, thereby creating shared value for the entire community. In 2015, 12 CCBs were created in San Luis Potosi, Juarez SLP, Zacatecas, Fresnillo, Durango, Reynosa, Guadalajara (2), Culiacan, Mexicali, Ciudad Juarez and Monterrey. Our objective for 2016 is to activate 17 new CCBs.



### COLD FRONT

[G4-EN16]

Another outstanding initiative is our Cold Front Program, the objective of which is to make cold drinks available to final consumers at all times. To this end, we have been installing new high-efficiency coolers for the retailers and small stores exhibiting our products. In 2015, 48,683 new appliances were installed in 50 different communities in Mexico, and 3,981 in Argentina. Replacing obsolete equipment has resulted in a 9% saving in energy use.



**IN 2015, OUR HIGH-EFFICIENCY COOLERS HELPED OUR CUSTOMERS TO SAVE MORE THAN ONE THOUSAND MWH. THIS IS EQUIVALENT TO THE ENERGY THAT 100 HOMES WOULD CONSUME IN A DEVELOPED COUNTRY IN ONE YEAR<sup>1</sup>.**

<sup>1</sup> <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

# RESPONSIBLE SOURCING



## VALUE CHAIN DEVELOPMENT

[G4-EC8]

*A key component for the success of our sustainability strategy is the active participation and alignment of the main actors in our value chain. We see our suppliers as business partners and actively contribute to their development and growth.*

### GUIDING PRINCIPLES AND RULES MANUAL FOR SUPPLIERS

[G4-LA15, G4-SO10, G4-HR5, G4-HR6, G4-FP1]

The hiring conditions of our beverage operations are included in the Coca-Cola Guiding Principles for Suppliers, which establishes clauses for social responsibility applicable across our value chain. The objective is that every purchase of an Arca Continental product implicitly denotes a respect for Human Rights, the rejection of child and forced labor, and an absence of any kind of discrimination, as well as other factors promoting human liberties.

Today, 100% of Arca Continental Mexico suppliers are required to comply with the Rules Manual, which establishes basic guidelines on the following issues: requirements for suppliers, registration data, Code of Ethics and Guiding Principles, purchase orders, delivery, payment to suppliers, conflicts of interest, doubt and conflict resolution, and the Transparency Mailbox.

As a result of an initiative launched in 2015, all new suppliers using the Coca-Cola brand on their products must be audited in relation to the Guiding Principles.

If you wish to learn more about the Guiding Principles, please visit the following webpage:  
<http://www.arcacontal.com/media/43522/principiosrectorescoca-cola.pdf>

### USEM SOCIAL RESPONSIBILITY PROGRAM FOR SMALL AND MEDIUM-SIZED ENTERPRISES

Every year, in order to contribute to our key suppliers' development and to extend our social responsibility philosophy to our value chain, supplier companies receive scholarships to attend the Social Responsibility Program organized by the Nuevo Leon chapter of Union Social de Empresarios de Mexico, A.C. (USEM).

The main objective of the program is to increase the productivity of our supplier companies and add economic value, while underscoring human aspects by teaching participants about ethics and transparency, the quality of life, and wealth generation and distribution issues.

### SUPPLIER STRENGTHENING AND DEVELOPMENT PROGRAM

This program is carried out as a joint initiative with the Monterrey Competitiveness Center supported by Ministry of Economy. It includes courses specialized in finance, marketing, sales, operations and human capital. In 2015, after being assessed in several areas, 24 major suppliers were selected because of their results. The program will improve our supplier base and therefore our performance.

### SUPPORTING AND EVALUATING SUPPLIERS

[G4-HR11, G4-LA14]

In 2015, we conducted a satisfaction survey among our suppliers. This survey allows us to measure service, procedures and the quality of our institutional image. In addition, our plants assess our suppliers every three months as part of the guidelines of the Coca-Cola System in Mexico and Arca Continental. Concepts evaluated include: operations and service, quality, administration, environmental care, trade and safety.

Even without the evaluation system, critical, urgent corrective actions are taken whenever needed, be it related to Supplies, Internal Users or Suppliers.



## SUPPLY CHAIN

[G4-12]

*The supply chain of our beverage operations involves the following elements:*

### 1. SUPPLIERS OF INPUT MATERIALS

Making our products requires unprocessed materials which must comply with the specific standards defined for each particular input. These materials are transported in vehicles hired by suppliers.

### 2. STORAGE

Input materials are stored at our plants for later use in the production process. Forklift operators and warehousemen carry out storage movements.

### 3. PRODUCTION

Plants use available unprocessed materials, labor and machinery to manufacture products, sometimes using an outsourced option.

### 4. LOGISTICS

Logistics personnel at our warehouses receive the finished products which are later sent to Distribution Centers.

### 5. SALES AND DISTRIBUTION

The sales area collects customers' orders and requests products from Logistics to be distributed to our markets in delivery trucks.

### 6. CLIENTS

Customers receive our products according to their orders.

### 7. CONTAINER RECYCLING

Through waste management projects, such as PetStar in Mexico and INTERCIA in Ecuador, we collect a percentage of the PET, glass and aluminum containers we send to the market. We then recycle the materials in new containers, thus closing the value cycle.

## LOCAL SUPPLIERS

[G4-EC9]

One of our main objectives is to constantly increase the percentage of local materials in our production processes. Arca Continental has 76,428 suppliers worldwide.

In 2015, the percentage of input materials provided by local enterprises by region was as follows:

## PERCENTAGE OF INPUTS ACQUIRED FROM LOCAL SUPPLIERS IN 2015:

<b>87%</b>	<b>98%</b>	<b>61%</b>	<b>78%</b>
MEXICO	ARGENTINA	ECUADOR	PERU

# ENVIRONMENTAL WELLBEING

At Arca Continental, we are committed to preserving the environment and minimizing the footprint of our operations by constantly seeking improvement opportunities. To this end, we implement projects to reduce emissions, neutralize water consumption, preserve local ecosystems and bodies of water, minimize waste generation and maximize the amount of recycled products we produce and use.

In 2015, we made unprecedented efforts to enhance product life cycles as a way of protecting the environment. The different initiatives we implemented included working with the government, society and different associations to neutralize our water footprint and investing in waste reduction and recycling programs. We are aware that our search to constantly diminish the environmental footprint of our operations is not enough, so we have been working with our value chain and stakeholders to achieve an even greater impact on the environment.



**17.3%**

of our power consumption comes from renewable sources



**100%**

of our wastewater in Mexico undergoes an industrial water treatment process



**+3 MILLION**

trees were planted in Latin America in 2015



# ENVIRONMENTAL MANAGEMENT



## ENVIRONMENTAL POLICY

Environmental care and preservation are priority commitments for Arca Continental. We comply with all environmental laws currently in effect, as well as with the additional requirements of our organization, so as to ensure a rational and efficient use of resources.

Our Environmental Management System is based on the ISO 14001:2004 norm and Coca-Cola's Environmental Specifications (KORE). As of 2015, we had 26 centers of operations with ISO 14001 Certification.

Additionally, since 2014, thanks to our culture of continuous improvement, we have successfully included EIRIS

and RobecoSAM international practices in our operations.

Arca Continental's vision involves being a leader in environmental protection and the preservation of natural resources in the territories where we operate. Therefore, we endeavor to apply our Environmental Management System across all business areas, lifecycles and the value chain, as well as with our associates.

Thanks to our reforestation and water-harvesting project, carried out in partnership with The Coca-Cola Company, we have been able to return all the water used in our Mexico Beverages and Argentina operations to nature. Moreover, we are close to reaching this goal in Ecuador.

**THANKS TO OUR REFORESTATION AND WATER HARVESTING PROJECT, CARRIED OUT WITH THE COCA-COLA COMPANY, WE HAVE BEEN ABLE TO RETURN ALL THE WATER USED IN OUR MEXICO AND ARGENTINA BEVERAGES OPERATIONS TO NATURE. WE ARE CLOSE TO REACHING THIS GOAL IN ECUADOR.**



### CARBON FOOTPRINT

- REDUCTION IN CO<sub>2</sub> EMISSIONS
- USE OF RENEWABLE ENERGY



### WATER FOOTPRINT

- ENHANCED EFFICIENCY IN WATER USE
- NEUTRALIZATION AND CONSERVATION OF WATER SOURCES



### WASTE

- REDUCTION IN WASTE GENERATION
- INCREASE IN RECYCLING OF GENERATED WASTE



### PACKAGING

- USE OF SUSTAINABLE MATERIALS
- REDUCTION IN USE OF MATERIALS

MANAGEMENT

PEOPLE

INFRASTRUCTURE

PRIMARY SUPPLIERS

VALUE CHAIN

CUSTOMERS AND CONSUMERS



# WATER CONSERVATION

[G4-EN9]

**ONE OF OUR MAIN OBJECTIVES FOR 2020 IS TO USE ONLY 1.5 LITERS OF WATER FOR EVERY LITER OF BEVERAGE PRODUCED; TODAY WE ARE 10% AWAY FROM ACHIEVING IT.**

At Arca Continental, we are committed to the objectives of The Coca-Cola Company’s 2020 Vision with regard to water. This vision is grouped into the following strategies:

- 1. To enhance the efficiency of our water use.**
- 2. To replenish and treat water used in making our products.**
- 3. To do research on, and participate in protecting, water basins.**

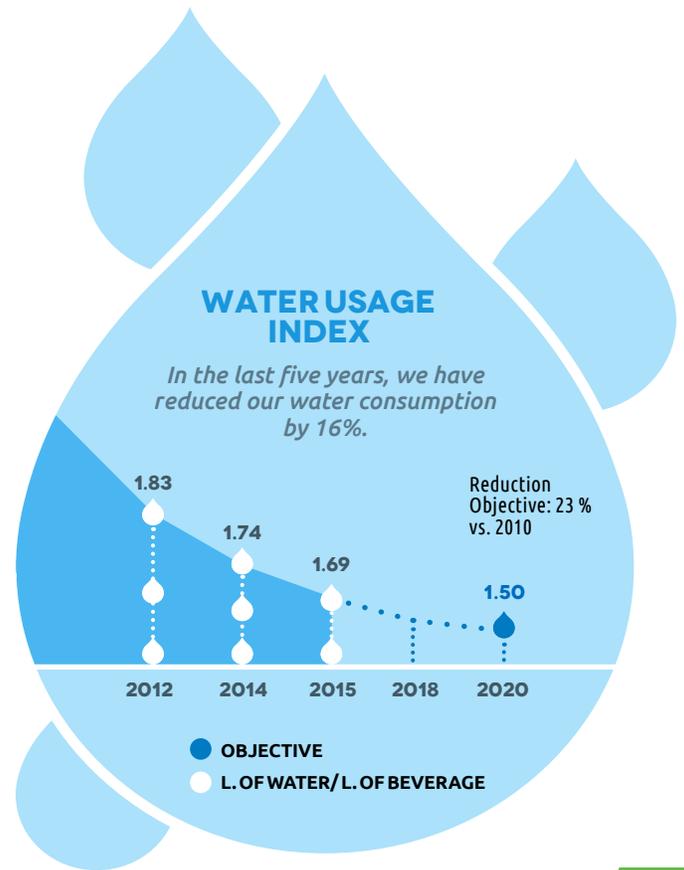
Environmental experts and technicians specialized in hydrology support us in our efforts to reach these objectives. Our Operational Excellency programs enable us to monitor water cycles and the interaction of our production centers with local water basins and wells. In addition, we keep track of our water consumption from diverse sources (municipal, well and underground water), industrial discharge, reuse and reduction in consumption in order to enhance the preservation and health of nearby bodies of water.

## EFFICIENT WATER USE

We have implemented a range of initiatives and projects to reduce the water consumption of our centers of operations. These include:

- Implementing new technologies and training personnel
- Recovering water from industrial processes
- Eliminating leaks
- Creating committees to save water and disseminate the culture of continuous improvement.

We measure our water-use efficiency as the number of liters of water needed to produce one liter of beverage, incorporating water consumption in all processes, including activities such as bottle washing. This year, 1.69 liters of water were consumed per liter of beverage produced. This figure is a 16% reduction in our consumption compared to that of 2010 and 10% short of our 2020 goal.



If you wish to see a table showing the specific scope of our environmental indicators, please visit the following website: <http://www.arcacontal.com/social-responsibility.aspx>

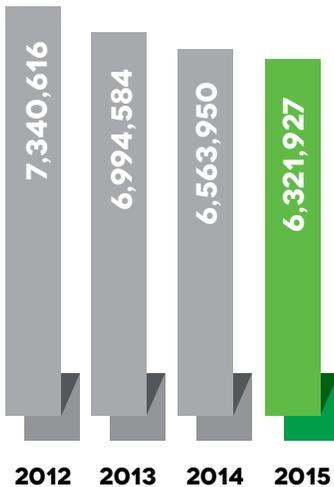
**OUR EFFICIENCY-ENHANCING PROJECTS HAVE REDUCED OUR WATER CONSUMPTION BY 260,000 CUBIC METERS COMPARED TO 2010, DESPITE A MORE THAN 16% INCREASE IN PRODUCTION.**



[G4-EN27]

WATER USE INDEX BY COUNTRY (L. WATER / L. BEVERAGE)	
Mexico	1.58
Argentina	1.88
Ecuador	1.86
Peru	1.88

### INDUSTRIAL WATER DISCHARGE<sup>1</sup> (M<sup>3</sup>)



**THREE OF OUR OPERATIONS CENTERS FEATURE INDUSTRIAL WATER TREATMENT PLANTS WITH TERTIARY PURIFICATION PROCESSES.**

**THANKS TO SEVERAL EFFICIENCY-ENHANCING AND WATER REUSE INITIATIVES, WE HAVE BEEN ABLE TO REDUCE OUR INDUSTRIAL WATER DISCHARGE BY 14% COMPARED TO 2010.**

[G4-EN22]

In Mexico, 100% of the industrial wastewater from our centers of operations is treated directly on site or discharged into a municipal treatment plant; in Argentina and Ecuador, all beverage production centers have on-site treatment plants. Three of our production centers have industrial water treatment plants with tertiary purification processes, allowing them to make agreements with local agricultural sectors to use the treated water.

We have also implemented diverse initiatives to optimize our use of this vital liquid, including projects for water reuse by our production facilities and wastewater treatment plants.

[G4-EN10]

	MEXICO	ECUADOR	ARGENTINA	PERU
Amount of water reused in operations centers (m <sup>3</sup> )	1,318,425	48,638	157,071	12,593

<sup>1</sup> Including losses due to evaporation and drainage-line discharges



## PRESERVING WATER SOURCES

[G4-EN9]

Preserving water on our planet is very important to us. Therefore, in collaboration with the Coca-Cola System and expert consultants, we have made a water source vulnerability study, which allows us to constantly monitor and analyze the status of the rivers and basins near our centers of operations.

### WATER REPLENISHMENT PROGRAM

In Ecuador, this program is jointly carried out by Coca-Cola Ecuador and Alianza Latinoamericana de Fondos de Agua represented by The Nature Conservancy (TNC). It seeks to support preservation projects with the objective of returning all the water Ecuador Beverages uses in its production processes to nature.

To date, we have supported five funds with more than 480 thousand USD: the Water Protection Fund (FONAG), the Guayaquil Water Fund (Daule River Basin), the Water Fund for the Preservation of the Paute River Basin (Fonapa), the Tungurahua High Plateau Fund and Struggle against Poverty, and the Regional Water Fund (Foragua).

Through this program 1,185 hectares have been reforested with 23 thousand trees, benefiting 300,000 users.



Arca Continental is the co-founder of the Monterrey Metropolitan Water Fund. This is a program that unites the efforts of several companies and institutions in order to protect the region's water resources by implementing solutions based on environmental studies. Our contribution to the fund has made it possible to recharge more than 325 thousand cubic meters of water to the aquifer systems.

### WATER CONSUMPTION BY SOURCE

Our 15.47 million-cubic-meter water supply comes from two sources: wells and the municipal water system. The proportion of well water varies from one region to the other according to guidelines specified by the authorities.

[G4-EN8]

WATER SOURCE	MEXICO	ECUADOR	ARGENTINA	PERU
Municipal network	17%	47%	26%	5%
Wells	83%	53%	74%	95%
Surface water	0%	0%	0%	0%

**TREES PLANTED IN 2015:**  
**2,871,538**  
 MEXICO

**HECTARES REFORESTED OR CONSERVED IN 2015:**  
**8,185**  
 MEXICO



If you wish to learn more about the results of the 2015 Coca-Cola System Mexico Reforestation and Water Harvesting Program, please visit the following webpage: <http://www.slideshare.net/CocaColadeMexico/program-nacional-de-reforestacin-y-cosecha-de-agua-57473896>

## SOCIAL PROGRAMS WITH AN ENVIRONMENTAL IMPACT

### WATER HARVESTING AND AVAILABILITY

In order to imbue a social approach into our efforts to return used water to nature, we give support to vulnerable communities in the territories where we operate to ensure that they have access to the vital liquid. Since 2013, in partnership with the Coca-Cola System in Mexico through the National Reforestation and Water Harvesting Program, we have built water-collecting systems which allow us to catch and store rainwater, thus giving rural communities easy access to quality water and thereby enhancing their quality of life and development potential.



	BENEFITED PEOPLE	CAPACITY (M <sup>3</sup> )
Water collecting recipients	4,300	73,000
Community deposits	1,260	3,969
Rooftop rainwater harvesting	160	797

In order to encourage green production processes, we have supported the development of six orchards in the State of Jalisco, thus benefiting more than 80 families. Also in Jalisco, we have promoted production projects using stevia in the municipality of Villa Purificación, benefiting more than 15 low-income families. We have also set up community plant nurseries and backyard orchards in eight communities in several different territories where we operate.

### ARCA CONTINENTAL LINDLEY

Lindley endeavors to contribute to caring for the environment and leads initiatives that place it at the forefront of environmental sustainability. Over the past five years, the company's water consumption has decreased by more than 600 thousand cubic meters, with consumption falling from 3.8 liters of water per liter of beverage to 1.98 liters today.



# EMISSIONS REDUCTION

[G4-EN9, G4-EN27]

**IN 2015, OUR BEVERAGE OPERATIONS IN LATIN AMERICA REACHED AN EMISSIONS INDICATOR OF 23.5 grCO<sub>2</sub>e PER LITER OF BEVERAGE, APPROXIMATELY 4% SHORT OF THE OBJECTIVE SET FOR 2020 OF 22.5 grCO<sub>2</sub>e PER LITER OF BEVERAGE.**

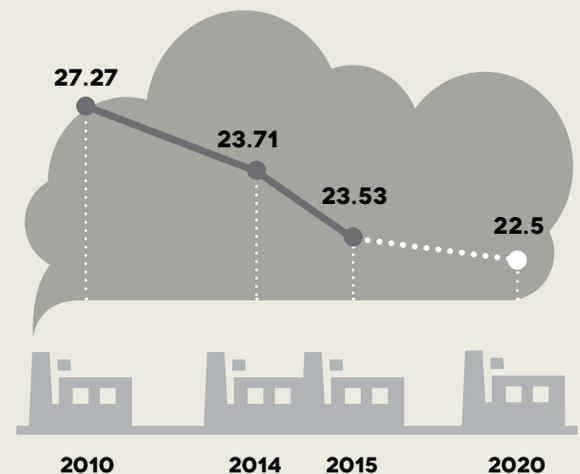
In 2015, emissions under the control of Arca Continental fell significantly thanks to multiple programs to optimize operations, our use of renewable energy and the substitution of previously used inputs for environmentally friendlier ones. Since 2013, we have reported our emissions, as well as the company's general strategy for their mitigation and its adaptation to climate change, to CDP, SEMARNAT's GEI Mexico Program and CESPEDES. Our 2014 report received a grade of 93 out of 100 from CDP.

Our Emissions Reduction Program was set up in 2010 to keep a detailed record of our energy consumption and of the fuels used in our operations. It allows us to monitor the results of different emissions reduction initiatives each year, and to find areas of opportunity for ongoing improvement. The following table shows Arca Continental's 2015 emissions.



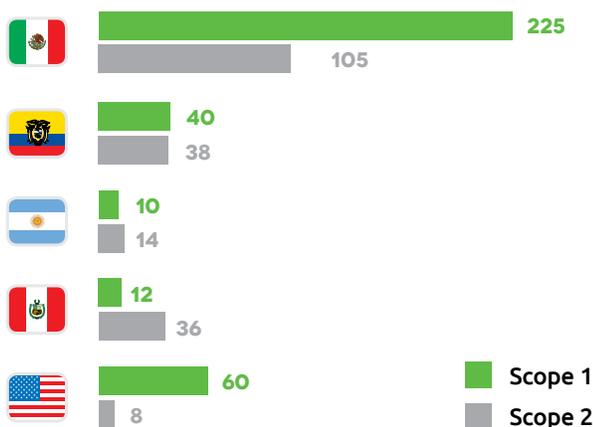
## GREENHOUSE GAS EMISSIONS - MANUFACTURING INDEX

[G4-EN18, G4-EN19]



## EMISSIONS BY REGION<sup>1</sup> (MEGA TON CO<sub>2</sub>e)

[G4-EN15, G4-EN16]



AS DESCRIBED IN OUR CLIMATE CHANGE ADAPTATION AND MITIGATION GENERAL STRATEGY, ARCA CONTINENTAL HAS SET A SERIES OF GOALS FOR THE YEAR 2020:

1. 17.5% carbon footprint reduction compared to 2010
2. 11% megajoule (MJ) reduction in the energy required to produce one liter of beverage vs. 2010
3. At least 30% of our electricity consumption to come from renewable sources

<sup>1</sup> Scope of emissions information: <http://www.arcacontal.com/responsabilidad-social.aspx>



If you wish to learn more about the esKO Top 10 Energy Savings Challenge program, please visit the following webpage: [www.world-wildlife.org/projects/climate-protection](http://www.world-wildlife.org/projects/climate-protection)

## ENERGY CONSUMPTION EFFICIENCY

[G4-EN7, G4-EN27]

We have implemented the esKO Top 10 Energy Savings Challenge across our operations. This worldwide program brings together Coca-Cola System bottling companies to reduce their carbon footprint by reducing energy consumption and implementing the best practices that have been identified through experience and time. As of yearend 2015, 13 of our 20 production centers in Mexico had been certified in this program.

[G4-EN6]

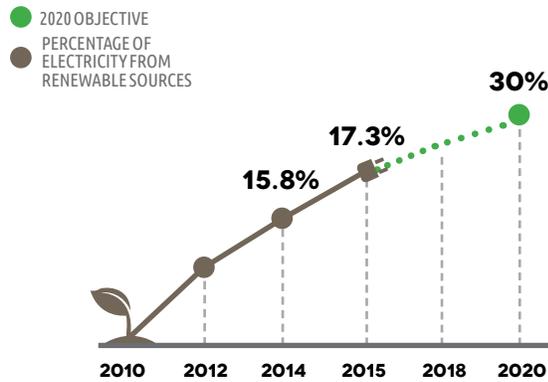
**WE HAVE REDUCED THE ENERGY CONSUMED PER LITER OF BEVERAGE PRODUCED BY 10% SINCE 2010 THANKS TO THE IMPLEMENTATION AND FOLLOW-UP OF ENERGY EFFICIENCY PROJECTS SUCH AS:**

- OPTIMIZING REFRIGERATION SYSTEMS
- INSTALLING HIGH-EFFICIENCY APPLIANCES

## RENEWABLE ENERGY USE

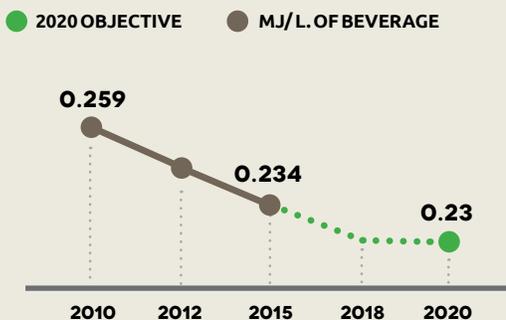
One of our objectives for 2020 is to ensure that 30% of the energy we consume comes from renewable sources. To this end, we have been integrating renewable energy into our operations since 2011, such that 17.3% of our electricity consumption in 2015 came from renewable sources, mainly biomass and wind.

### CONSUMPTION OF RENEWABLE ENERGY



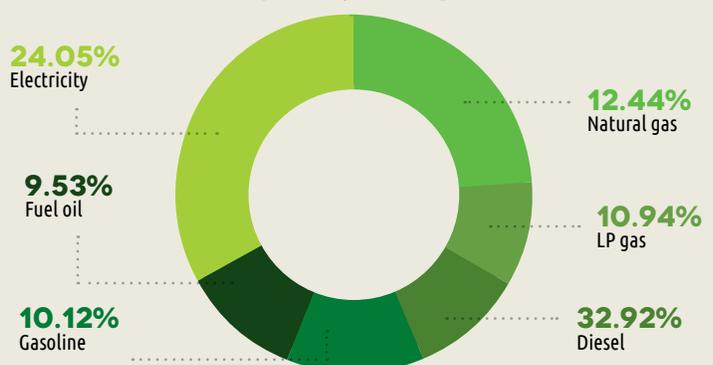
### ENERGY USE INDEX (MJ/L. OF BEVERAGE)

[G4-EN5]



### INTERNAL USE OF ENERGY IN MANUFACTURING<sup>1</sup> (GIGAJOULES)

[G4-EN3, G4-EN30]





# WASTE MANAGEMENT

[G4-EN1, G4-EN2, G4-EN25, G4-EN27]



**OUR ROBUST COMPREHENSIVE WASTE MANAGEMENT PLAN ALLOWED US TO RECYCLE MORE THAN 63 MILLION KILOGRAMS OF INDUSTRIAL WASTE IN 2015, ALMOST 90% OF OUR TOTAL WASTE GENERATION.**

In 2015, our beverage businesses recycled 87.8% of their waste, a figure that is less than 4% short of the 90% goal we have set for 2020. For our other businesses, this indicator is variable, ranging from 78% at Wise to 96% at ToniCorp. We are working to standardize best practices across all Arca Continental operations.

During the year, we disposed of 812 thousand tons of hazardous waste through suppliers who fully complied with the documentation required by the authorities and with our own environmental auditing program. We also disposed of 5.5 million kilograms of solid urban waste in accordance with the norms established in every region.

## BREAKDOWN OF RECYCLED MATERIALS

- 0.1% Aluminium
- 0.1% Tires
- 0.2% Sludge Reactor
- 1.1% Caps
- 2.1% Rubble
- 2.7% Sludge PTAI
- 3.1% Metal
- 4.5% Other
- 6.1% Wood
- 8.6% PET
- 9.5% Paper
- 9.7% Plastic
- 52.2% Glass



## RECYCLING OF WASTE GENERATED

[G4-EN2, G4-EN23, G4-EC7]

	MEXICO	ECUADOR	ARGENTINA	PERU
Generated waste (tons)	49,230	6,406	7,854	11,758
Recycled waste (tons)	42,189	5,319	7,347	11,233
Percentage of recycled waste	86%	83%	94%	96%

[EN28]

**BECAUSE OF OUR INVESTMENT IN PETSTAR AND OUR ALLIANCE WITH ECOCE, WE KNOW THAT AT LEAST SEVEN OUT OF 10 BOTTLES WE DELIVER TO THE MEXICAN MARKET ARE RECOVERED AND RECYCLED. WE WILL CONTINUE WORKING TO RAISE THIS NUMBER TO 100%.**

<sup>1</sup> Transportation and manufacturing.



# PACKAGING



*Our Sprite, Fresca and Topo Chico Sangría PET bottles contain 100% recycled resin from PetStar.*

[G4-EN2]

Since 2012, we have worked hard to lighten our PET bottles, creating multiple environmental benefits by reducing the amount of plastic and energy required to produce our containers and having a positive impact on Logistics and final disposal processes. Thanks to this project, in 2015 we were able to save more than 1,271 tons of resin, equivalent to a reduction in CO<sub>2</sub>e emissions of more than 5,500 tons.

In 2015, we significantly increased the amount of recycled PET we use to make our containers, acquiring more than 24 thousand tons of the material. This represents 34% of our total PET consumption and an emissions reduction of more than 90 thousand tons of CO<sub>2</sub>e.

*In 2015, PetStar produced 49,447 tons of food-grade recycled PET, 24,444 tons of which were sent to Arca Continental to be reused.*

## ECOCE

Since we made an alliance with the Mexican non-profit environmental association Economía y Compromiso Empresarial (ECOCE), this organization has been one of our main supports for reducing our waste footprint. In 2015, ECOCE promoted its Eco-Reto Program, a bottle-collecting initiative carried out at public and private schools, from kindergarten to high school. With the help of volunteers, it seeks to raise awareness of waste management, mainly in regard to PET, high-density polyethylene (PEAD) and aluminum. In a win-win relationship, students collect material for recycling which is exchanged for an electronic card that can be used to improve the infrastructure of the supplying institution. In 2015, the ECOCE program operated in more than 1,800 schools with over 455 thousand students in 16 cities across the territories where we operate. Students were given playful information on the importance of recycling waste and invited to collect PET, PEAD and aluminum; even contests between grades and different schools were organized. The Eco-Reto Program made it possible to collect more than 1.3 tons of PET, 129 thousand kilograms of PEAD and 8 thousand kilograms of aluminum in the Arca Continental territories alone.

Additionally, ECOCE installed containers in our offices and main centers of operations so that our associates and visitors could dispose of their bottles for future recycling. Thanks to this initiative, we were able to collect more than 980 kilograms of PET.



## PETSTAR

In 2015, PetStar was awarded the following certifications: OHSAS 18001 (Safety), ISO 14000 (Environmental), and State and Federal Clean Industry. It also adhered to Operation Clean Sweep, in order to prevent plastic waste ending up in our oceans, and signed the Earth Charter.

PetStar's operations give its shareholders access to the highest quality food-grade recycled PET resin to produce their containers, resulting in a double benefit: eliminating PET containers from the environment and increasing the percentage of recycled material in packaging. These actions reduce the carbon footprint of our value chain, since processing recycled PET lowers emissions by 78% compared to virgin PET resin.

# PRIZE, ACKNOWLEDGEMENT AND CERTIFICATION

ORGANIZATION	PRIZE, ACKNOWLEDGEMENT OR CERTIFICATION
Mexican Stock Exchange (BMV)	AC* has been part of the BMV's Sustainability Index since the listing was introduced in 2011.
CEMEFI and ALIARSE	AC was recognized as a Socially Responsible Company for the 12th consecutive year and PetStar was added to the list of enterprises receiving this award.
Great Place to Work Institute	Six of our seven companies in Mexico and one in Ecuador received Best Place to Work acknowledgement.
Great Place to Work Institute	IPASA was awarded the "Hall Of Fame" prize for having been in Mexico's national ranking for five consecutive years.
US Green Building Council	The PetStar Museum received Platinum LEED Certification, the first museum in Mexico to reach this level. Our Trujillo Plant in Peru is the only one in its category in Latin America to boast Gold LEED Certification.
Workplace Wellness Council Mexico	AC was designated a Healthily Responsible Organization for its health programs and for operating with an environment promoting employee wellbeing.
The Coca-Cola Company	To date, AC has five operations centers certified as Operational Excellency Reference Centers because of its Participative Management and Operational Excellency programs, with two centers at the silver level and three at the bronze level. We are the only bottling group in the world with two centers certified at the silver level.
The Coca-Cola Company and World Wildlife Fund (WWF)	13 production centers in Mexico have esKO Top 10 Energy Saving Challenge Certification because of their great efforts and investments in energy efficiency.
United Nations	Arca Continental Ecuador was awarded third place in the VOLAR volunteer program for its remarkable results since 2014 and more than 1,230 volunteers.
Ministry of the Economy and CONACYT	Bokados was awarded the National Technology and Innovation Prize because of its outstanding brand-redesigning work. It is important to note that Mexican President Enrique Peña Nieto presented this prize.



# CORPORATE GOVERNANCE

[G4-34, G4-35, G4-38, G4-41, G4-LA12]



**AT ARCA CONTINENTAL, WE ARE CONVINCED THAT GOOD CORPORATE GOVERNANCE HAS A POSITIVE INFLUENCE ON DIVERSE ASPECTS, OPERATIONAL LEVELS AND ADMINISTRATIVE PROCESSES OF OUR ORGANIZATION. IT GUARANTEES EQUITY, TRANSPARENCY, RESPONSIBILITY AND INDEPENDENCE; MINIMIZES CONFLICTS AND OFFERS A SECURE PATHWAY TO THEIR SOLUTION; ALIGNS ALL STAKEHOLDERS' PERFORMANCE TOWARDS CREATING VALUE; PROVIDES AN OPTIMAL BALANCE BETWEEN THE DIFFERENT ORGANS OF GOVERNANCE; REDUCES RISK; AND STRENGTHENS THE ORGANIZATION IN THE FACE OF A DYNAMIC AND COMPLEX ENVIRONMENT.**

Arca Continental's Corporate Governance is aligned with the Mexican Stock Exchange's Code of Best Corporate Practices and is based on our long-term vision and a philosophy founded on four strategic pillars:

- Responsibility: Guaranteeing accountability from Management to the Board, and from the Board to Shareholders.
- Equity: Respecting shareholders' rights and treating them fairly.
- Transparency: Ensuring the availability of timely, concrete, accurate information, and providing the means for internal control and the independent receipt of complaints.
- Independence: Avoiding conflicts of interest and ensuring the participation of independent experts on the Board of Directors.

Arca Continental is governed by The Coca-Cola Company's Code of Business Conduct, which states that we shall act with honesty, abide by the law, comply with the Code and be responsible. This applies to all our business units, including commercial areas, thereby ensuring transparency and that our transactions comply with the Law.

Currently, our Board of Directors has 21 members, five of whom are independent. Manuel L. Barragan Morales has been Chairman of the Board since 2011.

To support the fulfillment of our business objectives, our Board of Directors is structured into three committees overseeing Auditing and Corporate Practices, Human Capital and Sustainability, and Planning and Finance. Nine members of the Board of Directors belong to the Planning and Finance Committee, five to the Human Capital and Sustainability Committee, and three to the Auditing and Corporate Practices Committee.

## AUDITING AND CORPORATE PRACTICES COMMITTEE

### Auditing Functions:

- To give an opinion on the accounting, control and internal auditing guidelines and policies.
- To evaluate the performance, opinions, reports and information of the external auditors, and to propose their appointment.
- To discuss the financial statements with Management and give an opinion on the same to the Board.
- To monitor internal controls and mechanisms.
- To investigate possible non-compliance with operating guidelines and policies, control systems, and auditing.

### Corporate Governance Functions:

- To give an opinion on non-recurrent operations, such as acquisitions, mergers and other critical transactions.
- To give an opinion on operations with related parties.
- To give an opinion on the performance of the CEO and company officers, as well as on their compensation packages.

## HUMAN CAPITAL AND SUSTAINABILITY COMMITTEE

- To assess key executives' succession plans and talent development.
- To establish guidelines and recommendations on policies for salaries and human resources.
- To issue criteria for the evaluation and benefit package of the CEO, and to extend the process to senior executives.
- To oversee Social Responsibility and Sustainability strategy, programs and indicators.



**BY WORKING AS A TEAM AND PURSUING THE SAME GOALS, WE WILL ACHIEVE SUSTAINABLE DEVELOPMENT. TEAM LEADERS ARE PERIODICALLY EVALUATED ON THEIR PERFORMANCE WITH REGARD TO THE SUSTAINABILITY INDICATORS OF THEIR AREAS.**

## PLANNING AND FINANCE COMMITTEE

- To evaluate, and where necessary, give recommendations to the Board on the investment and financial policies proposed by Management.
- To recommend long-term plans and budgets for operations and investments.
- To make recommendations on strategic projects and the related funding.

Since 2005, in order to avoid conflicts of interest, we have followed a policy that in general forbids transactions with people related to the group controlling the company. Only those that are considered to be strictly necessary for strategic purposes and those that imply a significant impact on company operations and/or results are permitted.

## SUSTAINABILITY MANAGEMENT

The Human Capital and Sustainability Committee is committed to improving people’s wellbeing, contributing to the sustainable development of our neighboring communities, and protecting the environment. The Sustainability Executive Committee was founded in 2013 to deploy the strategies established by the Committee and General Management at the operational level, with the goals of assuring standardized policies, objectives, metrics and best practices across the organization in the area of Social Responsibility and Sustainability, and of creating and implementing a plan to meet our 2020 Vision.

[G4-17]

If you wish to learn more about Arca Continental’s Corporate Governance, please consult the annual report the company presented to the Mexican Stock Exchange through the following link: <http://www.arcacontal.com/investors.aspx>





## RISKS MANAGEMENT

[G4-2, G4-45]

Arca Continental's Risks Coordination Committee ensures that all possible critical risks are properly taken care of by our specific Committees, which identify and manage risks related to operations, our corporate image and reputation, personal safety, insurance, information security, finance and taxes. Throughout most of 2015, eight company directors worked on a new Risks Management Policy, which is currently being evaluated by the Board. We hope to implement it soon.

We have several programs that allow us to assess and control risks, in the areas of best manufacturing practices, environmental and security management, incident management and crisis resolution, supplier auditing, premise security and legal compliance. Some of the main risks and opportunities that we have identified for Arca Continental are:

- **Climate change conditions**  
Temperature and rain may affect product consumption and natural phenomena our distribution routes. Therefore, Arca Continental has implemented programs to mitigate and adapt to climate change. We have reported these actions to CDP since 2013.
- **Water supply shortage**  
Water, like other inputs, is essential for our normal operations. That is why we have been participating in projects that protect the water basins in the areas where we operate. Since 2014, thanks to the projects we been involved in, we have been able to neutralize the water footprint of our Mexican operations.
- **Changes in consumer preferences**  
Our organization's progress depends on our ability to please consumers' tastes and offer innovative products, always seeking their satisfaction.
- **Waste and raw material costs**  
Fully aware of our responsibilities in waste management, we have continued increasing our consumption of recycled materials, especially through PetStar, which is now the world's largest food-grade PET plant.

## ETHICAL COMPLIANCE

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

Our Code of Ethics complies with current laws and regulations in every country where we operate. We continuously respect the interests of all our main stakeholders, including customers, suppliers, associates and authorities. The objectives of our Code incorporate anti-corruption processes and controls, support for transparency, the promotion of fair trade and the search for 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.

In 2015, we initiated an ambitious project to improve our Code of Ethics in accordance with best international practices. Although our Code already complied with Mexican Securities Law and the recommendations of the Mexican Stock Exchange for companies belonging to the BMV's Sustainability Index, Arca Continental must be an industry benchmark, so we have been improving sections of the Code, as well as its management and proper documentation.

The process started with a comprehensive diagnosis of the Code of Ethics, a comparison with international best practices and proposals for improvements to the Code and its management.

The improvements to our Code of Ethics include:

- A stronger definition of values and their relation to expected behavior
- A specific section for Human Rights protection
- Not only the prohibition of corruption, but also how to prevent it
- United Nations Global Compact Principles 3, 4, and 5 on human development
- Both environmental and social issues in the sustainability scope
- A special emphasis on transparency and information management
- The importance of having our suppliers comply with the Code



## COMPLIANCE MANAGEMENT

We have restructured our Ethics and Integrity Committee, which includes Arca Continental’s top executives, and its management system. The system aims to:

1. Optimize the functionality of our Code of Ethics
2. Create a database with recurring problems in the company
3. Accelerate conflict resolution
4. Promote significant improvements in its practice
5. Mitigate future ethical risks

The new Operating Committee will be made up of people who have supervised issues related to the Code and associates occupying key positions involving processes related to the Code. The Executive Secretary will be the link between both committees, and also the person who channels information between the Transparency Mailbox and the Committees, and between the Executive and Operating Committees. In addition, he/she will be in charge of presenting quarterly reports to the Auditing and Corporate Practices Committee, to ensure that the Board of Directors is well informed.

We encourage the reporting of any violation of the Code of Ethics via the Transparency Mailbox. In 2015, we received more than 500 reports in the mailbox, 100% of which were channeled to the appropriate area. After an investigation, 156 cases of Code violation in all territories were confirmed. Most of the confirmed cases were minor deviations, but some resulted in contract cancellation and modifications to the controls to prevent similar cases. No cases of corruption were found in any investigation.

If anyone wishes to learn more about our Code of Ethics or report any irregularity, they may do so in a number of ways:

- Sending an e-mail to the company’s Transparency Mailbox through the website:  
<http://buzon.arcacontal.com/buzontransparencia/buzon.aspx>
- Sending an email to: [buzondetransparencia@arcacontal.com](mailto:buzondetransparencia@arcacontal.com)

- Sending a letter to the CEO at Av. San Jerónimo 813 Pte., Col. San Jerónimo, C.P. 64640 in Monterrey, Nuevo León, Mexico.
- Calling the following toll-free numbers: in Mexico 01 800 000 2722, in Argentina (0-800) 444 126 and in Ecuador (1-800) 000 367.

## ANTI-CORRUPTION EFFORTS

As part of our fight against corruption, our Code of Ethics clearly states that “all who provide services to the company are forbidden to give or receive, either directly or indirectly, bribes or any other type of benefit to obtain dishonest financial, commercial, or any other kind of advantage. No one should offer, give or receive any type of gift or payment that may be considered to be a bribe and must refuse any such offer or solicitation...”

In 2014, we instituted our Online Suppliers Portal, where suppliers wishing to register in our system in order to offer their services must read and agree to comply with and respect our Code of Ethics; as a result, 100% of our suppliers are now informed and committed to supporting our efforts to act against corruption and bribery.

## HUMAN RIGHTS SURVEILLANCE

Our Code of Ethics obliges all company associates to behave with respect for human rights. It is explicitly stated that we must never discriminate on the basis of the age, gender, marital status, nationality, political affiliation, religious beliefs or traditions of others.



# GRI INDEX G4

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# VERIFICATION LETTERS



## Independent limited assurance report on the Social Responsibility and Sustainability Report 2015

To the Board of Arca Continental, S. A. B. de C. V.

Dear Sirs,

We have undertaken a limited assurance engagement in respect of the sustainability indicators listed below (from here on "Sustainability indicator subject to review"), based on the G4 guide of the Global Reporting Initiative (GRI G4) and its supplement for food processing and identified as "Third party data validation for Mexico Beverages" in the GRI index of general basic contents, reported by Arca Continental, S. A. B. de C. V. in its social responsibility and sustainability report 2015.

This engagement was conducted by a multidisciplinary team including assurance practitioners, chemical engineers, environmental engineers and business management consultants.

### Sustainability Indicators subject to review

The Sustainability indicators identified for our verification work at December 31, 2015 are summarized below:

#### For the Environmental Category:

- G4-EN2: Percentage of materials used that are recycled input materials.
- G4-EN8: Total water withdrawal by source.
- G4-EN22: Total water discharge by quality and destination.
- G4-EN27: Extent of impact mitigation of environmental impacts of products and services.

#### For the Social Category:

- G4-LA2: Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.
- G4-LA6: Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work related fatalities, by region and by gender.
- G4-L11: Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.
- G4-S01: Percentage of operations with implemented local community engagement, impact assessments, and development programs.
- G4-HR2: Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.
- G4-PR5: Results of surveys measuring customer satisfaction.

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Indicator contained in the Food Processing Sector supplement:

- FP5: Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards.

Our assurance was performed only with respect to the information reported and pertaining to the Sustainability KPIs exclusively, for the year ending December 31, 2015 and we have not performed any other procedure with respect to earlier periods or to any other indicators included in the Social Responsibility and Sustainability Report 2015 and, therefore, do not express any conclusion thereon.

### Criteria

The criteria used by Arca Continental, S. A. B. de C. V. to prepare the Sustainability KPI is the GRI G4 guide and its sector supplement for food processing, as mentioned inside the cover of the Social Responsibility and Sustainability Report 2015 (from here on "the Criteria").

### Responsibility of Arca Continental, S. A. B. de C. V. for the Sustainability Key Performance Indicators

Management of Arca Continental, S. A. B. de C. V. is responsible for the preparation and presentation of the Social Responsibility and Sustainability Report 2015, as well as for the preparation of the Sustainability KPIs in accordance with the established Criteria. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation of the Sustainability KPIs that are free from material misstatement.

### Inherent Limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

### Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies the International Standard on Quality Control 1 (ISQC1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

2 de 4



#### Our Responsibility

Our responsibility is to express a limited assurance conclusion on the sustainability indicators subject to review based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the reviewed version of the International Standard on Assurance Engagements 3000, *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, as established by the International Auditing and Assurance Standards Board of the International Federation of Accountants. These standards require that we plan and perform this engagement to obtain limited assurance about whether the sustainability indicators subject to review are free from material misstatement.

A limited assurance engagement involves assessing Arca Continental, S. A. B. de C. V.'s use of the Criteria as the basis for the preparation of the sustainability indicators subject to review, assessing the risks of material misstatement of the sustainability indicators subject to review whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the sustainability indicators subject to review. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to the risk assessment procedures, including the understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with the underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Made inquiries of the persons responsible for the sustainability indicators subject to review;
- Gained understanding of the process for recording, consolidating and reporting the Sustainability;
- Performed limited substantive testing on a selective basis of the sustainability indicators subject to review to check that data had been appropriately measured, recorded, consolidated and reported; and
- Considered the disclosure and presentation of the sustainability indicators subject to review.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Arca Continental, S. A. B. de C. V.'s sustainability indicators subject to review have been prepared, in all material respects, in accordance with the Criteria.



#### Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Arca Continental, S. A. B. de C. V.'s sustainability indicators subject to review for the year ending December 31, 2015 are not prepared, in all material respects, in accordance with the Criteria.

This limited assurance report, including our conclusion, has been prepared solely for the use of Arca Continental, S. A. B. de C. V., in order to assist them in reporting on sustainable development performance and activities. We authorize the disclosure of this limited assurance report within the Social Responsibility and Sustainability Report 2015, to enable the Management Board to demonstrate they have met their governance duty of requiring an independent assurance report in connection with the Social Responsibility and Sustainability Report 2015. To the fullest extent permitted by law, we are not liable before any party except for the Management Board and Arca Continental, S. A. B. de C. V. based on the agreed upon terms in writing.

PricewaterhouseCoopers, S. C.

Luis R. Guillén  
Mexico City  
April 12, 2016

The data expressed in this report went through an internal verification process. Geon supported us on this process and their observations thereon may be consulted on the following link:  
<http://www.arcacontal.com/social-responsibility.aspx>

# SOCIETY ALLIANCES

[G4-16]

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

COUNTRY	INSTITUTION	PARTICIPATION
Mexico	National Chamber of Transformation Industries in the Snacks Branch (CANACINTRA)	1st Vice-president of the 106 Snack Branch. Food Sector Board
	Confederation of Industrial Chambers (CONCAMIN)	Vice-president of the Sector Board
	ECOCE, A.C.	Founder member, Vice-president of the Administration Board
	Mexican Association of Coca-Cola Bottling Companies (ASCOCA)	PAC and Executive Committee
	National Soda Drinks and Beverages Producers Association, AC (ANPRAC)	Board, Executive Committee, and Communications Committee
	National Association of Private Freighters (ANTP)	Board of Directors
	Chamber of Transformation Industries of Nuevo Leon (CAINTRA)	Board of Directors
	Mexican Republic Employers' Confederation (COPARMEX)	Board of Directors
	Water Advisory Council (CCA)	Board of Directors
	National Agricultural Council (CNA)	Executive Commission and Directive Committee
	Metropolitan Water Fund of Monterrey	Board of Directors, and Communications Committee
	We Want Active Mexicans	Board of Directors, and Marketing Committee
	Consistency Movement	Board of Directors
	Mexican Entrepreneurs Society	Partners in promoting Corporate Social Responsibility / Board of Director
	Mexican Center for Philanthropy (CEMEFI)	We are part of the Social Responsibility Decalogue, and we participate in RSE self-diagnostics
	Technical Associations of Compensations	Active member
	Business Board of Health and Welfare Mexico	Active member
	Mexican Council of Consumer Products' Industry (ConMexico)	Active member
SumaRSE Network	Active member	
Argentina	Argentinian Institute for Social Responsibility	Gold member
	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
	Sustainable North	Active member
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

## 2015 HIGHLIGHTS

- Appointment to the Chair of the Food Sector of CANACINTRA
- Providing of technical advice for drafting the initiative for the General Law for the Prevention and Integrated Management of Waste by ECOCE
- Promotion of the Communication Committee in ANPRAC and the Metropolitan Water Fund of Monterrey
- Promotion of best environmental and financial practices for projects of public interest with the Monterrey Metropolitan Water Fund
- Participation, together with 11 other consumer goods companies, in the Healthy and Active Companies Challenge, which aims to unify criteria and positively impact the physical activation and promotion of healthcare among associates of the companies in Queremos Mexicanos Activos (QUEMA)
- Support for government initiatives in ConMexico
- Participation as an expositor at the forum "Hablemos de Negocios" organized by ProMexico with support from Ecuador's Commercial Office in Mexico



## ARCA CONTINENTAL

Contact Information for matters related to this report:

### SOCIAL RESPONSIBILITY ARCA CONTINENTAL

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64640 Monterrey, Nuevo Leon, Mexico  
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## GLOSSARY

<b>CDP</b>	British independent, nonprofit organization that maintains the largest global database of corporate information on climate change.
<b>CESPEDES</b>	Mexican chapter of WBCSD, part of Consejo Coordinador Empresarial (CCE).
<b>CO<sub>2</sub></b>	Carbon dioxide, the most abundant greenhouse gas in anthropogenic emissions.
<b>COFEPRIS</b>	Federal Commission for Protection against Health Risks, a Mexican Federal Government Agency which is linked to the Department of Health Regulation and Promotion of the Ministry of Health.
<b>WATER BASIN</b>	Territory drained by a single natural drainage system, i.e. an area draining its water into the sea via a single river or into a single lake.
<b>EIRIS</b>	(Empowering Responsible Investment). British organization with over 28 years' experience in analysis of ESG indicators worldwide.
<b>FDA</b>	(Food and Drug Administration). The US government agency responsible for food and drug regulation.
<b>DGA</b>	(Daily Nutritional Guide). Guide to help people plan a proper diet according to their needs on the basis of complete, accurate information.
<b>LTIR</b>	(Lost Time Incident Rate). Indicator frequently used to measure lost time from accidents compared to total working hours.
<b>GROUNDWATER</b>	Water beneath the surface of the ground; the source of water in springs and wells.
<b>MSCI</b>	(Morgan Stanley Capital International). US-based provider of equity, fixed income, and hedge fund stock market indexes, and equity portfolio analysis tools.
<b>GEI MEXICO PROGRAM</b>	National, voluntary greenhouse gas accounting and reporting program.
<b>PCR</b>	(Post-consumer Recycled). Materials recycled after being used.
<b>PET</b>	(Polyethylene Terephthalate). Transparent plastic used largely for making carbonated beverage bottles.
<b>WWF</b>	(World Wildlife Fund). The world's largest independent conservationist organization.



