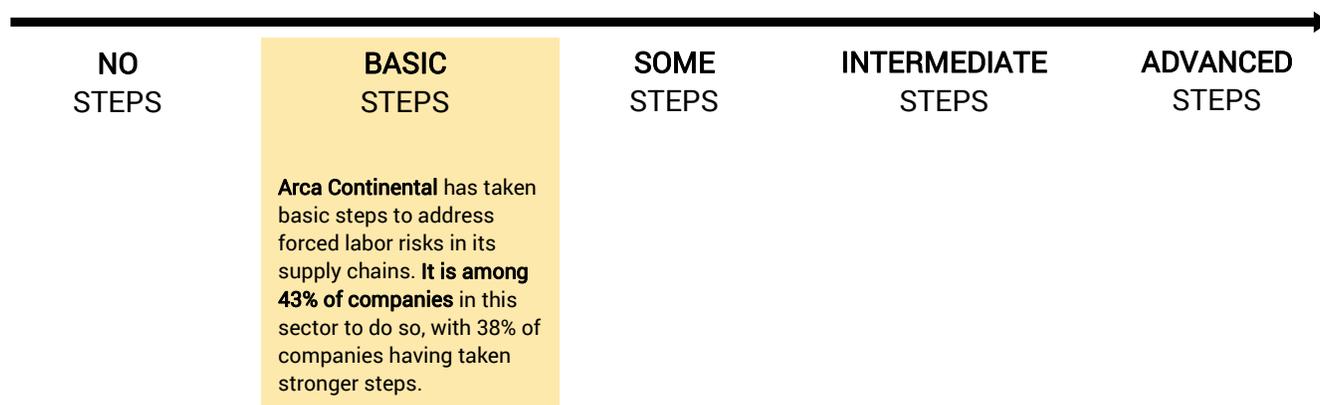


Arca Continental S.A.B. de C.V.

TICKER MEX:AC	MARKET CAPITALIZATION US\$10 billion	HEADQUARTERS Mexico
DISCLOSURES <u>UK Modern Slavery Act</u> : Not applicable <u>California Transparency in Supply Chains Act</u> : Not applicable		TARGETS None

Arca Continental S.A.B. de C.V. (Arca Continental), the second-largest Coca-Cola bottler in Latin America,¹ has taken basic steps to address forced labor risks in its supply chains. It discloses slightly less information than the global sector average. Other bottlers, such as Coca-Cola European Partners, disclose taking stronger steps.

STEPS TAKEN TO ADDRESS FORCED LABOR RISKS IN SUPPLY CHAINS



SUPPLY CHAIN TRANSPARENCY

Supplier List	🚩 No
Information on Supply Chain Workers	🚩 No

HIGH-RISK COMMODITIES

🚩 Coffee, corn, tomatoes, and others²

SUBSET OF INDICATORS

	<input type="radio"/> NOT MET <input type="radio"/> PARTIALLY MET <input checked="" type="radio"/> MET	Policy / Process	Outcomes
Supplier Code of Conduct and Integration into Supplier Contracts	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Management and Accountability	<input type="radio"/>	<input type="radio"/>	Not Applicable
Internal Management	<input type="radio"/>	<input type="radio"/>	
Board Oversight	<input type="radio"/>	<input type="radio"/>	
Stakeholder Engagement	<input type="radio"/>	<input type="radio"/>	Not Applicable
Local Stakeholders	<input type="radio"/>	<input type="radio"/>	
Peers	<input type="radio"/>	<input type="radio"/>	
Risk Assessment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Purchasing Practices	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Recruitment Fees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Freedom of Association	<input type="radio"/>	<input type="radio"/>	Not Applicable
Working with Unions	<input type="radio"/>	<input type="radio"/>	
Examples of Improvements	<input type="radio"/>	<input type="radio"/>	
Grievance Mechanism	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Remedy Programs / Response to Allegations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

The company has adopted a supplier code of conduct that prohibits forced labor and discloses that provisions on forced labor are integrated into supplier contracts. Further, it discloses that the board’s Human Capital and Sustainability Committee oversees responsible procurement. Arca Continental has a publicly available “Transparency Mailbox,” which allows stakeholders to report violations of its standards covering human rights in supply chains.

Additional steps the company could take include

- disclosing the internal management of all of its supply chain policies covering forced labor (including its Supplier Guiding Principles and the Sustainable Agriculture Guiding Principles);
- assessing forced labor risks in its supply chains (beyond audits) and disclosing risks identified; and
- supporting freedom of association and collective bargaining in its supply chains, e.g., through working with unions or acting where workers’ rights are impeded.

COMPANY ENGAGED WITH KNOWTHECHAIN

Yes ([Provided Additional Disclosure](#)).

¹ Arca Continental, “[Our Company](#).” Accessed 6 September 2020.

² The US Department of Labor lists these commodities as commodities that may be produced using forced labor. US Department of Labor (20 September 2018), “[List of Goods Produced by Child Labor or Forced Labor](#).”