

# HUMAN RIGHTS DUE DILIGENCE REPORT





# ABOUT THIS REPORT



This report summarizes the findings of Arca Continental's Human Rights Due Diligence (HRDD) assessment conducted in alignment with the United Nations Guiding Principles on Business and Human Rights (UNGPs). The assessment was designed to identify and prioritize salient human rights risks and provide insights to help guide future efforts across the company's operations and value chain.

The salient risks described throughout this report represent potential human rights impacts associated with the sectors, geographies, and operating contexts relevant to Arca Continental. They should not be interpreted as evidence that such impacts are occurring within Arca Continental's operations, suppliers, or business relationships.

The assessment applies a risk-based approach that considers publicly available information, industry trends, geographic context, internal documentation, and stakeholder perspectives to understand where the most severe adverse impacts on people could potentially occur. As such, the findings are intended to inform risk management, due diligence, and continuous improvement efforts while helping to prioritize areas that may benefit from further analysis.

By publicly sharing this summary, Arca Continental seeks to promote transparency, support informed stakeholder engagement, and provide insight into the company's ongoing efforts to strengthen its approach to respecting human rights across its value chain.



# ARCA CONTINENTAL FOREWORD

At Arca Continental, our century-long legacy is grounded in the conviction that long-term commercial success and sustainable development are interconnected. As one of the top Coca-Cola bottlers globally, our operations span five countries. We serve 133 million consumers through the dedication of 71,000 associates, while anchoring a vast network of suppliers, partners, and communities.

Our organizational scale brings inherent responsibilities. Guided by our Sustainable Business Model and our commitment to generating shared value, we strive to drive responsible growth while consistently contributing to the economic and social well-being of the communities where we operate.

Central to this purpose is a foundational principle: people are essential to our mission. The rights and well-being of our associates, the fair treatment of

partners across our supply chain, and our respectful engagement with neighboring communities form the basis of our sustainable growth. Within the Coca-Cola System, we share a rigorous commitment to foster workplaces and value chains where individuals are treated with dignity and respect. We recognize that evaluating and managing our human rights impacts is not a static exercise, but a continuous component of our operational discipline and robust corporate governance.

To establish an objective baseline and ensure alignment with the highest principles of corporate responsibility, we commissioned an enterprise-wide Human Rights Due Diligence (HRDD) assessment, conducted by the specialized strategy consultancy Article One. This baseline study represents a step forward in our sustainability journey, designed to proactively evaluate existing management frameworks and further integrate international standards—such as the United Nations Guiding Principles on Business and Human Rights (UNGPs)—into our risk mitigation protocols.

**+71,000**

associates across five countries contribute to a culture built on dignity, respect, and sustainable growth.



Respect for human rights is fundamental to how we create long-term value. This assessment strengthens our understanding of potential risks and helps guide continuous improvement across our operations and value chain.

A critical aspect of this milestone is public disclosure. We believe that responsible business practices involve looking closely at our operations and sharing our progress. By publishing this summary, we seek to foster open dialogue and strengthen trust with all those connected to our value chain, reflecting our perspective that transparency is a catalyst for institutional strengthening.

We acknowledge and accept the directional insights of this assessment. The findings confirm that our existing policies offer a solid rights-respecting foundation. At the same time, the report highlights the natural opportunities that come with scale, particularly in continuing to solidify governance frameworks across markets, gaining greater visibility deeper within our supply chains, and further reinforcing our existing worker-listening mechanisms. We view these insights as an important foundation for continuous improvement.

Moving forward, Arca Continental remains committed to advancing its human rights agenda, utilizing the high-level insights from this assessment to guide our ongoing efforts and reinforce responsible practices across our institutional frameworks. Guided by our Sustainable Business Model, we will continue protecting the dignity, rights, and well-being of every individual connected to our business, ensuring a resilient, values-driven company culture that honors our heritage while responsibly shaping our future.





# ARTICLE ONE MESSAGE

Human rights are not abstract principles. They are the lived experiences of workers who deserve safe conditions and fair wages, of communities whose environments are protected, and of children who are kept out of harm's way. They apply equally to the worker harvesting sugarcane in a field, the associate unloading trucks in a warehouse, and the community member impacted by local operations.

As Coca-Cola's second largest bottler in Latin America, and owner of leading snack brands in Mexico, the USA, and Ecuador, Arca Continental is a company of significant scale. With operations spanning five countries, a supply chain that extends across agriculture and manufacturing, and millions of customers and consumers, the company's sourcing decisions, how it manages its workforce, and what standards it sets for its partners, have the potential to impact the lives of many people. That scale creates both risk and opportunity.

Article One was engaged to help Arca Continental understand and prioritize its most salient human rights risks across its own operations and value chain and design recommendations to fill potential management gaps. Our role was to apply a rigorous, internationally recognized methodology aligned with the UN Guiding Principles on Business and Human Rights to surface where the most significant adverse human rights impacts could occur and identify opportunities where current management practices can be strengthened.

The assessment found that Arca Continental has policies, operational systems, and supplier-facing mechanisms in place that provide a strong rights-respecting foundation. To continue advancing their approach to human rights requires embedding commitments through cross-functional accountability, use of commercial influence to incentivize supplier compliance, and tracking and reporting on progress. The assessment further identified opportunities to strengthen consistency in how human rights governance is implemented across markets and functions, deepen visibility into supply chain working conditions beyond direct suppliers, and build more systematic channels for worker voice.

Completing this assessment is an important step in Arca Continental's ongoing efforts to protect human rights throughout their value chain, but the longer-term value of this work lies in what happens next. These findings offer directional guidance for Arca Continental to strengthen its due diligence processes, deepen engagement with workers and suppliers, and build the accountability structures that will embed its human rights commitments into its daily operations. We complete this assessment encouraged by the commitment which Arca Continental has demonstrated to this process.

**Chloe Poynton**

*Principal, Article One*



# ASSESSMENT INTRODUCTION

Arca Continental engaged Article One Advisors to conduct an enterprise-wide Human Rights Due Diligence (HRDD) assessment across its operations and value chain.

## **The assessment was commissioned by Arca Continental to:**

- Identify actual or potential human rights impacts across its operations and value chain.
- Understand gaps and opportunities in its governance and management of human rights.
- Develop an action plan to address salient risks and maximize opportunities for positive impact.

Article One is a specialized strategy and management consultancy with expertise in human rights and sustainability and over a decade of experience helping multinational corporations navigate complex global risks and expectations.

The assessment examined Arca Continental's own operations and key aspects of its supply chain across all five countries where the company operates, Mexico, the United States, Peru, Ecuador, and Argentina, and covered both the beverage business and the snack foods business. The value chain scope extends from upstream commodity suppliers, through Tier 1 direct suppliers, to Arca Continental's own manufacturing, bottling, warehousing, and distribution operations.



The assessment was conducted with the active participation of key functional leaders across Arca Continental, including representatives from Human Capital, Health and Safety, Ethics and Compliance, Sustainability, Risk Management, Legal, Procurement, Logistics, and Operations. The findings were reviewed by a cross-functional team and presented to senior leadership.

Insights from the assessment are informing the prioritization of future actions and helping strengthen the integration of human rights considerations across relevant business functions.

The recommendations that resulted from the assessment are directional and are intended to support decision-making, prioritization, and continuous improvement efforts across markets and business lines.

Arca Continental is committed to advancing its human rights due diligence. This public summary was developed in collaboration with Article One and reflects the findings of the HRDD assessment. It is one component of the company's commitment to transparency; a detailed internal report is available to key internal stakeholders.



Human rights due diligence was informed by expertise from cross-functional leaders who engaged in the assessment process.



# METHODOLOGY



# METHODOLOGY

This assessment was conducted in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGPs), the internationally recognized framework for corporate human rights responsibility, and advances Arca Continental's alignment with current and forthcoming regulations, such as the EU Corporate Sustainability Due Diligence Directive (CSDDD). The UNGPs establish that business enterprises have a responsibility to respect human rights wherever they operate. This means that they should avoid infringing on the human rights of others and should address any adverse human rights impacts with which they are involved.

As defined by the UNGPs, HRDD should seek to identify actual or potential human rights impacts through the lens of risk to people, not risk to business. This distinguishes HRDD from ESG materiality, which considers the significance of social and environmental issues based on financial significance to the company.

The assessment included a comprehensive review of publicly available information and internal data to identify actual or potential human rights impacts across Arca Continental's operations and value chain.

This included a literature review of academic, NGO, and government reports on human rights risks in the food and beverage industry and in Arca Continental's operating geographies, as well as a review of relevant media coverage, and analysis of publicly available industry benchmarks. Where relevant, this desk research drew on reports informed by direct rightsholder engagement. We assessed these impacts against the UNGPs severity criteria to understand which impacts are at risk of the most severe negative consequences for people and considered the likelihood of these impacts occurring.

Internal engagement played a central role in completing this assessment. We conducted extensive interviews with key functional leaders across Public Affairs, Human Capital, Health and Safety, Ethics and Compliance, Sustainability, Risk Management, and related functions, as well as a review of internal policies and assessments. To gather external perspectives, we also consulted with external experts with knowledge of human rights risks in Arca Continental's operating contexts. Stakeholder input, in combination with the desk research and internal review, informed many of the recommendations developed for Arca Continental to prioritize in the years to come.



## 5 countries assessed across operations and supply chain.

Findings reflect sector and  
geography-level human rights  
risks, not confirmed impacts.

## SCOPE AND LIMITATIONS

This assessment provides a broad evaluation of salient human rights risks across Arca Continental's operations and value chain. It did not include direct engagement with workers or communities in the supply chain. The findings reflect documented risks at the sector and geography level, grounded in credible public evidence, and should not be interpreted as confirmed conditions at specific Arca Continental operations, suppliers, or business relationships.

As with any due diligence assessment, the findings reflect the information available during the assessment period and are intended to support risk identification and prioritization. Arca Continental recognizes that more tailored regional, product-, supplier-, or function-specific analysis may be beneficial in the future to further understand how underlying risk factors, business activities, and commercial relationships may interact in specific contexts.



# KEY FINDINGS



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The assessment identified ten salient human rights risks across Arca Continental's value chain. These include: Forced Labor and Child Labor, Fair Wages, Adequate Living Standard, Assembly and Association, Working Conditions and Hours, Discrimination, Healthy Environment, Privacy, Land Rights, and Right to Life and Security of Person.

The salient risks identified represent actual or potential human rights impacts associated with the sectors, geographies, and operating contexts relevant to Arca Continental and should not be interpreted as evidence that such impacts are occurring within Arca Continental operations or suppliers. Risks are grouped into Own Operations and Supply Chain, with the risks specific to each examined in detail in the sections below.

## A. Own Operations

### DEFINITION OF OWN OPERATIONS

Arca Continental's own operations include all activities directly owned and managed by the company across five countries: Mexico, the United States, Peru, Ecuador, and Argentina. This encompasses manufacturing and bottling facilities, warehousing, transportation and distribution, and corporate functions including human resources, technology, and branding.





## RELEVANT INDUSTRY RISKS

This assessment identified five salient human rights risk topics across Arca Continental's own operations: Forced and Child Labor, Occupational Health and Safety, Discrimination and Harassment, Living Wages and Working Hours, and Safety and Security.

Elevated human rights risks are concentrated among lower-wage, frontline, and outsourced workers, including those in manufacturing, warehousing, cleaning, and distribution roles, and disproportionately affect women, LGBTQ+ workers, and migrants. These workers are most exposed to occupational health and safety hazards, long working hours, and limited access to remedy. Across the region, crime and violence create commuting and travel risks. Gender discrimination in leadership pipelines and racial and anti-immigrant bias, particularly in the United States, are also documented concerns across comparable industries.

### Salient Risk Topics

### Relevant Risk Context



#### Safety & Security

Employees and contractors may be exposed to safety and security risks associated with transportation, commuting, and broader public security conditions in certain operating environments.



#### Occupational Health & Safety

Frontline workers involved in manufacturing, warehousing, transportation, and related operational activities may face occupational health and safety risks associated with physically demanding work, environmental conditions, transportation activities, and workplace hazards.



#### Working Hours

Employees and outsourced workers in labor-intensive operational roles may face increased risks related to working hours, scheduling practices, and broader workforce protection mechanisms across different operating contexts.



#### Discrimination & Harassment

Women, LGBTQ+ workers, migrants, and other potentially vulnerable worker populations may face heightened risks of discrimination, exclusion, harassment, or unequal access to workplace opportunities.



#### Forced & Child Labor

Outsourced and third-party workers may face heightened vulnerability to labor exploitation risks where recruitment, contracting, or oversight mechanisms are less visible than those applied to direct employees. Child labor risks may also be elevated in certain outsourced work arrangements.



## EXISTING RISK MITIGATION

Arca Continental has built a strong set of operational systems and programs to manage human rights risks across its own workforce. The company's Human Rights Policy, Code of Ethics, Total Respect Policy, Diversity Policy (in Spanish), and Safety and Well-being Policy collectively establish commitments to safe working conditions, non-discrimination, fair compensation, and respectful treatment. These commitments are operationalized through a suite of programs, including:

- An annual occupational health and safety preventive approach that includes a Machine Safety Program, ergonomics assessments, mandatory rest breaks, heat-stress prevention measures, and multilingual safety training.
- Technology-enabled safety tools including telemetry and AI-based fatigue detection for drivers.
- A Human and Organizational Performance (HOP) approach that uses incident and near-miss data to drive continuous safety improvements.

In addition, the company's Transparency Mailbox, managed by a third party, provides a 24/7 anonymous reporting channel for employees and suppliers.

## POTENTIAL NEXT STEPS GOING FORWARD

Based on the findings of the assessment, the following opportunities may support the continued evolution and strengthening of Arca Continental's approach:

1. Expand engagement with vulnerable groups (e.g., women and third-party service providers), integrating feedback more systematically into risk management.
2. Conduct more targeted and location-specific risk assessments, such as heat-risk assessments, commuting and travel safety evaluations, and fatigue monitoring.
3. Advance the dynamic use of incident and near-miss data.
4. Improve monitoring of pay equity, promotion and advancement trends, overtime practices.
5. Expand responsible recruitment guidance and standards on the fair treatment of migrant workers.

Additional detailed recommendations to address specific risks have been developed in collaboration with key internal stakeholders and Article One.



## B. Supply Chain

### SUPPLY CHAIN DEFINITION

Arca Continental's supply chain includes all suppliers from which the company purchases a product or service, inclusive of direct suppliers (Tier 1) and their supply chains (Tier 2 and beyond). This includes agricultural commodities (i.e., sugar, corn, sweeteners, dairy), manufacturing inputs (i.e., PET plastic, packaging), and services. Arca Continental's supply chain spans Mexico, the United States, Peru, Ecuador, and Argentina, as well as global commodity sourcing markets.

### RELEVANT INDUSTRY RISKS

This assessment identified five salient human rights risk topics across Arca Continental's supply chain: Forced and Child Labor, Occupational Health and Safety, Discrimination and Harassment, Living Wages and Working Hours, and Environmental Risks.

Adverse human rights impacts are well documented across agricultural and non-agricultural supply chains relevant to Arca Continental. Farmworkers, smallholders, and informal workers are at risk of some of the most severe impacts, including forced and child labor, gender-based violence, and wages that fall below the cost of living. Women, children, migrant workers, and informal workers are particularly vulnerable across these sectors. Broader structural factors, including weak labor enforcement, informal employment relationships, quota-based pay systems, and the effects of climate change on working conditions, drive and exacerbate many of these risks.

| Salient Risk Topics                                                                                                       | Relevant Risk Context                                                                                                                                                                                                                                                             |
|---------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <b>Occupational Health &amp; Safety</b> | Workers engaged in agricultural and other labor-intensive activities may face occupational health and safety risks associated with environmental conditions, physically demanding work, chemical exposure, and seasonal labor practices.                                          |
|  <b>Environmental Risks</b>              | Environmental conditions affecting water, land, waste management, and chemical exposure may create impacts on workers, local communities, and livelihoods in certain sourcing and production contexts.                                                                            |
|  <b>Living Wages &amp; Working Hours</b> | Workers in agricultural and other labor-intensive sectors may experience risks related to wages, working hours, and access to labor protections, particularly where informal employment arrangements or structural workforce challenges are present.                              |
|  <b>Discrimination &amp; Harassment</b>  | Women, migrant workers, and workers operating in informal employment arrangements may face increased vulnerability to discrimination, harassment, retaliation, and barriers to accessing effective grievance and remedy mechanisms.                                               |
|  <b>Forced &amp; Child Labor</b>       | Children, migrant workers, informal workers, and other vulnerable worker populations may face elevated risks of forced labor, child labor, and labor exploitation in certain agricultural, manufacturing, recycling, and labor-intensive sectors within the broader supply chain. |



## EXISTING RISK MITIGATION

Arca Continental's Sustainable Supply Chain Management strategy, which includes the Sustainable Supply Program (known in Spanish as Programa de Abastecimiento Sostenible or PAS), guides the company's approach to managing human rights risks across its supply chain in alignment with its Human Rights Policy. The Sustainable Supply Program evaluates strategic suppliers on a recurring basis across labor practices, human rights, and environmental performance through EcoVadis assessments, with corrective action plans developed for high-risk suppliers.

Arca Continental's Sustainable Agriculture Guiding Principles and the Coca-Cola Supplier Guiding Principles set further expectations for suppliers on forced and child labor, health and safety, non-discrimination, and wage compliance. The company's Safety and Well-being Policy also establishes health and safety expectations that extend to suppliers and contractors, and the company's Risk Management strategy includes sustainability performance assessments of critical suppliers covering water, energy, contamination, and waste management practices.

## POTENTIAL NEXT STEPS GOING FORWARD

Based on the findings of the assessment, the following opportunities may support the continued evolution and strengthening of Arca Continental's approach:

1. Advance risk mapping and reporting on high-risk commodities.
2. Conduct additional in-depth supplier engagement and assessments of high-risk issues. For example, conduct living wage gap assessments and improve overtime and compensation oversight.
3. Support worker voice initiatives by strengthening worker engagement, supplier grievance and remedy mechanisms, establishing worker-led safety committees, and collaborating with civil society organizations.
4. Support supplier climate and environmental strategies and leverage innovation initiatives to improve environmental and social performance.

Additional detailed recommendations to address specific risks have been developed in collaboration with key internal stakeholders and Article One.



# LOOKING AHEAD



This Human Rights Due Diligence assessment provides an important reference point for understanding and prioritizing salient human rights risks across our operations and value chain.

Arca Continental recognizes that human rights due diligence is an ongoing process that evolves alongside our business, stakeholder expectations, and the operating environments in which we work. The insights generated through this assessment will help inform the continued development of Arca Continental's approach to human rights, including how we strengthen governance, risk management, stakeholder engagement, and accountability mechanisms across relevant functions and geographies.

Moving forward, Arca Continental will continue reviewing and enhancing the company's due diligence processes, leveraging the findings of this assessment to inform future risk assessments, support engagement with workers, suppliers, and other stakeholders, and reinforce responsible business practices across our operations and value chain.

This assessment provides a foundation for ongoing learning, dialogue, and continuous improvement. Through our Sustainable Business Model and Human Rights Policy, we remain committed to respecting the dignity, rights, and well-being of the people connected to our business and to advancing transparency in our human rights journey.



