#goPaperless

We are happy to tell you that our 2017 Annual Report and Sustainability Report will only be available in digital version. The challenge is to reduce the consumption of paper without affecting our readers, we understand that it is for the benefit of all and that is why we want you to join us in this decision. With just a click you will be able to navigate according to your interests.
How to navigate this report?

In each corner of the document you will find this icon, click it to go to the contents index.

GRI Indicators associated with the content of each page are ordered below this icon.

This icon indicates that when you click it, you will be directed to a Web page, where you can find more information about the subject.

By clicking this icon, you will be directed to the attached tables with more information on the subject.

A triangle at the end of the paragraph indicates that the text continues on the next page.

The red dot at the end of the paragraph indicates the end of the text.

We are interested in your opinion

It is important for us to have your opinion, so we can improve our sustainability management.

We invite you to send your suggestions, questions or any comment regarding this Sustainability Report or our work at Coca-Cola Andina to:

andina.ir@koandina.com, as well as to the offices of our operations.

For more information about this Report or to view our previous reports, go to:

www.koandina.com

Company Identification
Embotelladora Andina S.A.
Open stock corporation
RUT: 91.144.000-8
Address:
Miraflores 9153, Borough of Renca, Santiago, Chile.
Letter from the Chairman of the Board of Directors

On behalf of the Board of Directors I preside, I am pleased to present the Annual Report, Sustainability Report and Financial Statements for the fiscal year 2017.

During 2017 we showed positive financial results in all four of the company’s operations, despite the complex macroeconomic scenario faced by the countries in which we operate. These results are the consequence of a constant review of our pricing and packaging strategy, which has allowed us to achieve benefits in each of our markets, along with a continuous search for improvement in the efficiency of our processes.

Our operation in Argentina closed the year with net sales of Ch $553,788 million, a 7.1% growth over the previous year. Sales volume decreased by 3.4%, which is mainly explained by macroeconomic factors. For its part, the EBITDA generated by the company in Argentina reached Ch $79,471 million, growing 11.5% over the previous year. EBITDA margin showed an expansion of 56 basis points, reaching 14.4%.

Our operation in Brazil closed the year with net sales of Ch $603,898 million, a 2.3% growth, explained by the positive effect of the appreciation of the Brazilian real regarding the Chilean peso in the consolidation of figures to the reporting currency and by price increases, which was partially offset by the 6.5% decrease in sales volume. The economy in Brazil is still very weak, especially in the state of Rio de Janeiro, which affects the demand for our products. The EBITDA generated by the operation reached Ch $111,690 million, an increase of 15.2% over the previous year. EBITDA margin reached 18.5%, its highest level in 7 years, expanding 207 basis points.

Net sales of our operation in Chile were Ch $551,873 million, an increase of 2.1%, despite the 0.5% decrease in sales volume.

During 2017 we showed positive financial results in all four of the company’s operations, despite the complex macroeconomic scenario faced by the countries in which we operate.
EBITDA of the Chilean operation reached Ch$115,579 million, a 2.7% over the previous year, and EBITDA margin reached 20.9%, an expansion of 13 basis points.

Our operation in Paraguay increased volume by 4.8%, explained in part by the increase in market share of 120 basis points, in addition to the reactivation of the cross-border trade. Net sales grew 7.0% and reached Ch$141,277 million. EBITDA generated was Ch$36,370, a 2.9% growth and EBITDA margin was 25.7%.

Thus, although during the present year consolidated sales volume reached 756.3 million unit cases, which represented a 2.9% decrease when compared with the previous year, the company’s consolidated sales reached Ch$1,848,879 million, representing a 4.0% growth over 2016. These were driven by the growth of net sales in all our operations and the positive impact of the 4.9% appreciation of the Brazilian real against the Chilean peso and were partially offset by the negative impact of the 14.5% depreciation of the Argentine peso on the Chilean peso. The company’s consolidated EBITDA reached Ch$337,890 million, an increase of 8.6% over the previous year, with which EBITDA margin was 18.3%, an expansion of 78 basis points. Finally, income attributable to the controllers of the company was Ch$117,836 million, a growth of 30.2%. Dividends distributed by the company during 2017 reached Ch$75,536 million, increasing 11.8% over the previous year.

In order to capture the many opportunities and challenges offered by each of the markets where we operate, we have focused on continuing to develop our portfolio, accompanying our consumers’ needs.

We have continued to work on the development of the soft drink category, focusing on low-calorie, sugar-free and sugar-reduced products, where we are benchmarks and leaders. A clear example of this were the reformulations of Fanta and Sprite that we conducted in Chile at the end of August 2017, which involved not only a cost optimization, but also that both products are incorporated into the already large portfolio of low-calorie products we’ve been developing. In addition, in the last two years in Chile we have reformulated 32 products and currently 65% of the portfolio is made up of low-calorie and zero-calorie products. On the other hand, in all our franchises we carried out the launching of the Full Red Coca-Cola campaign, refreshing the image of the Coca-Cola trademark family of products, and starting to serve the market with Sugar-free Coca-Cola. This is a unique product, which maintains the original Coca-Cola flavor, which allows us to accompany the choice of people who want to continue enjoying the flavor of the original Coca-Cola, but without sugar.

In addition, we expanded the immediate consumption portfolio, which enhances the transactions of our products, capturing profitable volume and increasing the supply of flavors and categories to consumers in new and diverse occasions to enjoy our products, such as sports, entertainment, offices, etc., leading and refreshing consumers in new lifestyles. Thus, although the company’s consolidated volume dropped by 2.9% compared to the year 2016, consolidated transactions decreased 2.1%, which is a clear example that initiatives such as the launching of the new 220 cc cans in Chile and Brazil, as well as the 250 cc cans in Argentina, since the end of 2016, have had the impact we expected.

Lastly, we continue on the path to expand our portfolio of non-carbonated beverage products, reaffirming our commitment to this line of business that has great growth potential. During 2017 we started distributing AdeS® products in our four franchises and in January 2018 we executed the Gualarauco purchase and sale agreement. AdeS® is a soy-based beverage, which opens new development opportunities for the portfolio of vegetable protein-derived beverage segment. For its part, Gualarauco is a leading company in the premium juice segment in Chile and will also allow us to incorporate new categories such as frozen fruits, ice creams and ready-to-eat desserts.

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1. Unit Case or “UC”, equivalent to 5.678 liters.

* Transaction subject to the fulfillment of suspensive conditions, including the corresponding authorization by the National Economic Prosecutor.
Together with the portfolio development, we have continued to search for efficiencies in all our processes, focusing on production and logistics. Our new plant in Duque de Caxias, which began operating in early 2018 in Brazil, and which implied an investment of approximately USD110 million, is a clear example of this. The new plant will add approximately 30% to the installed capacity that we have today in that country, allowing us to more than double the installed capacity that we have for returnable formats, and, we can begin to serve the mineral water market with water bottled in Rio de Janeiro. It will also help us to be closer to our customers in the northeastern part of Rio de Janeiro, thus improving our service level. It is worth mentioning that this project, which involved the commitment and work of many of our collaborators in Brazil, was carried out in compliance with the highest standards of construction and in its entirety under the LEED concept, certification of sustainable buildings, developed by the U.S. Green Building Council. In addition, the construction of this plant was tied to an extensive and comprehensive environmental management plan and work with the community, thus completing a successful productive, efficient and sustainable project.

Among other efficiency projects and productivity of the processes, we are initiating innovating projects for South America, like the installation of the first automatic truck loading and unloading docks in Chile, with European technology that will provide us productivity and a speedy response to the supply needs of distribution centers and customers. We hope to consolidate this project during 2018.

In line with the commitment to the sustainable development of our business, we have led numerous sustainability initiatives in all the countries in which we operate. One of the axes of the sustainability strategy is related to the reduction of waste generation, which is becoming more and more relevant in the communities where we operate. In this way, we have continued working on reducing the weight of our packaging, such as the launching in Chile of the ecoflex bottle for Vital in December 2017, which will allow us to reduce the amount of resin used by our mineral water bottles by 30%, which is equivalent to a reduction in the market of more than 217 tons of plastic per year.

In addition, we have led various post-consumer actions, where working with cooperatives and base recyclers demonstrates our company’s strong commitment to the community and the environment. We carry out programs of this kind in Brazil, Argentina and Chile, which not only seek the recycling of our postconsumer packaging, where we recover more than 4 tons of plastic per year, but also to do so in an inclusive way.

Energy management is another of our constant concerns. In 2017 we continued investing in more efficient cold equipment in the 4 countries in which we operate, which allows for a 30% savings in energy for our customers. In addition, we installed 2,000 LED luminaires in the Renca plant and the main distribution centers in Chile that will reduce emissions by 1,224 tons of CO2/year.

Innovative water management programs were developed in Paraguay. One of them is associated with good agricultural practices and will involve for the next two years the training of 300 farmers, to ensure a better infiltration of water to the reserve of the Mbaracayú Forest and its aquifer, enabling the development of communities whose economy depends on the agro and livestock. Another project we lead gave access to drinkable water to 40,000 people from 45 communities.

In 2017 we continued to work on strengthening our corporate governance, incorporating tools that allow us to develop an ethical culture and a focus on sustainability. Examples of this are many, highlighting the implementation of a risk management model and the formation of the Culture, Ethics and Sustainability Committee.

Thanks to the commitment to the sustainable generation of economic, social and environmental value of all those who
Our Company

are part of Coca-Cola Andina, important and recognized world-wide indexes have incorporated the company's actions in its sustainability indexes. An example of these are the Dow Jones MILA, DJSI Chile, the FTSE 4Good Emerging Index and the Vigeo Eiris Emerging 70 Ranking. This type of indexes is used by a wide range of investors to create and evaluate responsible investment funds and being part of them reinforces that we are going in the right direction.

In addition, we have received recognitions for brand reputation, such as MERCO in Chile and important distinctions to the work performed by the investor relations team, such as ALAS20 for the best investor relations team in Chile, for the second consecutive year, among others.

In line with our constant effort to improve communication with the financial market and at the same time reduce waste generation, the communication of this Annual Report and the 2017 Sustainability Report will be 100% digital, and we will incorporate new tools for the correct and timely dissemination of the company's financial information to the market and community of shareholders, investors and analysts.

In these pages you can find more details to understand how our company is facing the challenges we have, with the strength of the Coca-Cola brand, the focus on innovation and a group of collaborators committed to sustainable growth.

I appreciate the trust of our shareholders, that of more than 16,000 Company collaborators and of all the people involved in this great family that we call Coca-Cola Andina.

Juan Claro González
Chairman of the Board of Directors

Thanks to the commitment to the sustainable generation of economic, social and environmental value of all those who are part of Coca-Cola Andina, important and recognized world-wide indexes have incorporated the company’s actions in its sustainability indexes.
Sustainability, our Management Axes

Sustainability management and governance are the basis of our culture. They guide internal and external relationships, involving suppliers and contractors. They allow us to lead the market, adapt, innovate and grow as a great company, one team.

Coca-Cola Andina’s sustainability vision is elaborated based on the Coca-Cola Company’s requirements as well as on the stakeholder surveys we carry out.

Within the framework of our process of permanent improvement, the business risks and opportunities are continually analyzed throughout the value chain, which allows to elaborate the strategy, formulate objectives, goals and indicators. Measurement and accountability is a fundamental, key and very enriching stage for sustainability management.

Axes of our Sustainability Management

The definition of our pillars is elaborated based on the guidelines of The Coca-Cola Company, as well as on the stakeholder surveys we carry out. In this sense we inform that the “Active and Healthy Lifestyle” axis will no longer continue as such, but instead all value proposals related to the lifestyles of our consumers will be channeled through our “Beverage Benefit” axis. It proposes to be innovative and attentive to every need of our consumers, offering a diverse portfolio of beverages to enjoy at every opportunity. We continue to accompany sports activities with our brands and internal campaigns for different events, always under our responsible marketing principles.

We also add a new axis called “Corporate Governance”, since we are convinced that it is the heart of the Company and of its importance for the proper functioning of all our processes. It pursues the ethics and transparency of the operation as well as the implementation of the preventive principle. In this context, we launched our Corporate Governance Model defining the objectives, scopes, management tools and evaluation instances, to ensure the continuous improvement of an issue that is built from the Company’s own culture.
Our Company

One Company, One Team

Given the scope of operations, the quality of products, the professionalism and passion of our people, Coca-Cola Andina is a huge Company that walks towards the goal of leading the beverage market, being recognized by its management of excellence, people and welcoming culture.

At Coca-Cola Andina we produce and distribute the products licensed by The Coca-Cola Company in Argentina, Brazil, Chile and Paraguay, in franchised territories that serve almost 52 million inhabitants. We position ourselves as the 2nd Coca-Cola bottler in South America and we are among the three largest in Latin America. We are the only producer of Coca-Cola soft drinks in Paraguay, the second largest producer in Brazil and the largest producer in Chile and Argentina. Among the beverages licensed by The Coca-Cola Company, we produce and distribute sparkling soft drinks, fruit juices, mineral and purified water, flavored waters, isotonic and energy drinks.

We distribute beer in Brazil and southern Argentina, and liquors in southern Chile. In Argentina and Chile, we manufacture PET bottles for soft drinks and different formats of REF pet* for our operations and the sale to other bottlers. This year AdeS® joined The Coca-Cola System, a vegetable protein-based beverage currently marketed in Mexico, Colombia, Brazil, Argentina, Chile, Uruguay, Paraguay and Bolivia. This acquisition is the latest breakthrough in our ongoing effort to expand our portfolio of high-quality, great tasting, functional beverages for our consumers.

“Together with The Coca-Cola Company we are pleased to announce the incorporation of AdeS® to our portfolio, in our franchise territories.” This is a vegetable protein-based beverage, which opens new opportunities for portfolio development. The incorporation of this type of product is in line with our strategy to serve our consumers in the wide-ranging and growing portfolio of ready-to-drink beverages that will begin developing around the world. We are confident that we will successfully incorporate this new product to our portfolio, leveraging on our extensive distribution network, which reaches more than 52 million consumers in the four countries in which we operate, a market which we service through more than 259 thousand clients" said Miguel Ángel Peirano, Coca-Cola Andina’s Chief Executive Officer.

* Refillable pet: polyethylene terephthalate bottle that supports a safe reuse, since the material has adequate density to withstand return and sanitation processes.
## Scope of the Operation

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<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Franchise extension Km2 (thousand)</td>
<td>1,892</td>
<td>1,892</td>
<td>165</td>
<td>165</td>
</tr>
<tr>
<td>Franchise inhabitants (million)</td>
<td>13.9</td>
<td>13.9</td>
<td>21.9</td>
<td>21.9</td>
</tr>
<tr>
<td>Clients (thousand)</td>
<td>64</td>
<td>66</td>
<td>79</td>
<td>89</td>
</tr>
<tr>
<td>Unit cases – Sales volume (total million)</td>
<td>219</td>
<td>211</td>
<td>266</td>
<td>249</td>
</tr>
<tr>
<td>Market share soft drinks</td>
<td>61.6%</td>
<td>62.3%</td>
<td>63.4%</td>
<td>63.2%</td>
</tr>
<tr>
<td>Market share juice and others</td>
<td>33.3%</td>
<td>35.2%</td>
<td>47.0%</td>
<td>44.6%</td>
</tr>
<tr>
<td>Market share water</td>
<td>14.5%</td>
<td>16.3%</td>
<td>8.2%</td>
<td>10.7%</td>
</tr>
<tr>
<td>Collaborators</td>
<td>3,328</td>
<td>3,247</td>
<td>7,918</td>
<td>7,780</td>
</tr>
<tr>
<td>Bottling plants</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Other plants</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Distribution Centers</td>
<td>23</td>
<td>45</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td><strong>REGIONS REACHED</strong></td>
<td>San Juan, Mendoza, San Luis, Córdoba, Santa Fe, Entre Ríos, La Pampa, Neuquén, Río Negro, Chubut, Santa Cruz, Tierra del Fuego and the western province of Buenos Aires.</td>
<td>Part of the states of Rio de Janeiro, São Paulo and Minas Gerais, and the state Espírito Santo.</td>
<td>Antofagasta, Atacama, Coquimbo, Región Metropolitana, San Antonio, Cachapoal, Aysén and Magallanes.</td>
<td>All the Paraguayan territory</td>
</tr>
</tbody>
</table>
**Our Company**

**COUNTRIES**
- Argentina
- Brazil
- Chile
- Paraguay

**Community**
- 357,480 MCL$ paid in taxes during the last year.
- We have 9,940 suppliers, 95% of which are local.
- 41% of our sales are to small and medium enterprises (SMEs), kiosks, mom & pops and self-service.
- We promote our products responsibly. We do not direct advertising to children under the age of 12.

**Work environment**
- 221,146 MCL$ paid out in salaries and social benefits to employees.
- 100% of collaborators covered by collective agreements.
- 69% favorability in the 2017 Work Climate survey.
- 220 people with socio-labor disadvantages are part of our team of collaborators.
- 10% of our collaborators are women.

**Environment**
- We executed inclusive recycling programs in Argentina, Brazil and Chile.
- 236 tons of PET reduced in 2017.
- 7,360 tons of recycled PP plastic used in our raw materials.
- 4,503 tons of recycled glass used in our raw materials.
- We use GMO free sweeteners (genetically modified organisms) and BONSUCRO certification.
- 100% of the wastewater from our plants is treated and suitable for human life.
- We invested 22 MUS$ in new technology that reduces energy consumption.

**Market**
- 756 million unit cases (UC) in sales.
- 2,862 Km² franchise extension.
- More than 38 brands.
- 22% product portfolio low-cal or calorie free.
- 31% brands with nutritional ingredients and contribution of minerals.
- 38.5% sales in returnable formats.
- 1,259 hours of client training.
- We deliver clear and precise nutritional information.

**Net Sales in 2017**
- Amounted to MUS$ 2,386

**Our Family**
- Our family is made up of more than 16,064 collaborators.

**We Have**
- Presence in 4 countries.
- 82 distribution centers.

**We delivered**

**We have**
- 275,984 clients.

**We reached**
- 275,984 clients.

**We Are the 2nd Coca-Cola Bottler in South America**
## Our Economic Performance 2017

### ECONOMIC VALUE CREATION – SUSTAINABILITY
For the full year 2017

<table>
<thead>
<tr>
<th>Economic value generated</th>
<th>CL$ (’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues: Includes CF lines: collection for sales of goods and services +</strong></td>
<td></td>
</tr>
<tr>
<td>other collections of the operation</td>
<td>2,388,420,701</td>
</tr>
<tr>
<td><strong>Sales of fixed assets and others: Includes CF lines: collection for sales of</strong></td>
<td></td>
</tr>
<tr>
<td>fixed assets and loss of control in subsidiaries</td>
<td>99,421</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>2,388,520,122</strong></td>
</tr>
<tr>
<td><strong>Net effect of financing activities: total financing activities of the CF excluding</strong></td>
<td></td>
</tr>
<tr>
<td>dividend payments</td>
<td>-1,921,551</td>
</tr>
<tr>
<td><strong>Total economic value generated</strong></td>
<td><strong>2,386,598,571</strong></td>
</tr>
</tbody>
</table>

| Economic value distributed                                                               |             |
| Suppliers, contractors, distributors                                                    | -1,551,438,574|
| Purchase of property, plant & equipment and intangibles                                  | -180,478,073|
| Salaries                                                                                 | -221,146,637|
| State contributions (1)                                                                  | -357,480,887|
| Dividend payments                                                                        | -74,968,175 |
| Social investment (2)                                                                    | -303,056    |
| **Total economic value distributed**                                                     | **-2,385,815,402** |
| **TOTAL NET FLOW FOR THE PERIOD (1)**                                                   | **783,168** |

### Economic Value Distributed by Country

[Bar charts showing distribution of economic value by country, with 100% of the chart filled to indicate complete distribution across all countries.]
## Our Company

### Our Economic Performance 2017

<table>
<thead>
<tr>
<th>Social investment (2)</th>
<th>CL$ ('000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bridge repair and rain water control</td>
<td>14,283</td>
</tr>
<tr>
<td>Soft drinks giveaway</td>
<td>172,142</td>
</tr>
<tr>
<td>NGO contributions</td>
<td>40,759</td>
</tr>
<tr>
<td>Other gifts</td>
<td>51,567</td>
</tr>
<tr>
<td>Others</td>
<td>24,305</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>303,056</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Penalties and fines</th>
<th>CL$ ('000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lawsuit payments</td>
<td>40,221</td>
</tr>
<tr>
<td>Payment of fines to labor and tax Seremi (Ministry's Regional Office)</td>
<td>603,848</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>644,069</strong></td>
</tr>
</tbody>
</table>

## ADDITIONAL DETAILS

<table>
<thead>
<tr>
<th>State contributions (1)</th>
<th>CL$ ('000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income tax</td>
<td>38,623,902</td>
</tr>
<tr>
<td>Customs duty</td>
<td>4,302,140</td>
</tr>
<tr>
<td>Net value added tax (VAT) paid</td>
<td>265,420,258</td>
</tr>
<tr>
<td>Property taxes</td>
<td>1,548,586</td>
</tr>
<tr>
<td>Disallowed expense tax</td>
<td>146,085</td>
</tr>
<tr>
<td>Financial credit tax</td>
<td>210,927</td>
</tr>
<tr>
<td>Foreign services paid</td>
<td>2,169,673</td>
</tr>
<tr>
<td>Payment of commercial and industrial patents</td>
<td>281,933</td>
</tr>
<tr>
<td>Less franchises and tax credits</td>
<td>-2,503,866</td>
</tr>
<tr>
<td>Others: 1.- Tax collector</td>
<td>33,529,706</td>
</tr>
<tr>
<td>Others: 2.- Tax on debits and credits</td>
<td>7,623,355</td>
</tr>
<tr>
<td>Others: 3.- Tax on gross revenue and contributions</td>
<td>6,128,188</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>357,480,887</strong></td>
</tr>
</tbody>
</table>
Our Value Chain

We are part of The Coca-Cola System and we are proud of that. As bottlers, we operate according to their world-class standards and interact with an extensive regional value chain, promoting mutually beneficial links that allow creating shared value and more sustainable operations.

Risks in the value chain are managed entirely by the procurement areas of each country, based on corporate policies and a permanent relationship and exchange with the industrial chambers. Dealing with issues such as fraud, business practices, human rights and sustainability risk.

Committed to the United Nations Sustainable Development goals, we work with the value chain to collaborate with:

- **Goal 3**: Ensure healthy lives and promote well-being for all at all ages
- **Goal 4**: Ensure inclusive and quality education for all and promote lifelong learning
- **Goal 6**: Ensure access to water and sanitation for all
- **Goal 8**: Promote inclusive and sustainable economic growth, employment and decent work for all
- **Goal 10**: Reduce inequality within and among countries
- **Goal 11**: Make cities inclusive, safe, resilient and sustainable
- **Goal 12**: Ensure sustainable consumption and production patterns
- **Goal 15**: Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss
- **Goal 16**: Promote just, peaceful and inclusive societies
- **Goal 17**: Revitalize the global partnership for sustainable development
95% of local suppliers

Number of suppliers 2017
9,940

Distributed
Economic value: MCL$
1,551,438
(Suppliers, contractors & distributors)

Spending on Local Suppliers

<table>
<thead>
<tr>
<th>Country</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>98.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brazil</td>
<td>99.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chile</td>
<td>98.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paraguay</td>
<td>64.5%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The Coca-Cola Company (TCCC)
- Supplier of concentrates and syrups.
- The Coca-Cola System Operating Standards (KORE).
- Standards for suppliers of raw materials.
- 2020 Sustainability Goals - Sustainable Agriculture.

Coca-Cola Andina Bottling Packaging
- Bottling, packaging and all administrative and logistic tasks. Surveying and minimizing impacts.

Distribution
- Includes distribution (Own Distribution Centers).
- Optimization of routes in order to reach everyone.

Consumers Recycling and Recovery
- Involves recycling and recovery strategies in conjunction with the community.
- Improvements in reverse logistics.
- Accompaniment to recyclers.
- Consumer awareness.

Customers
- Includes the wide network of customers, mostly small kiosks and mom & pops.
- New cooling technologies that reduce energy consumption.

Suppliers of Raw Materials and Services
- Includes suppliers that provide raw materials and services to the various operations in Brazil, Argentina, Paraguay and Chile.
- Implementation of sustainable packaging.

Suppliers of Raw Materials and Services

<table>
<thead>
<tr>
<th>Supplier</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplier of concentrates and syrups</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>The Coca-Cola System Operating Standards (KORE)</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Standards for suppliers of raw materials</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020 Sustainability Goals - Sustainable Agriculture</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
Risk Analysis of the Business, Strategy and Anticipation

Properly managing our Company requires anticipating and foreseeing possible risks that could alter the execution of the business. This contributes to strengthening the development of the activity and increasing the credibility and confidence in the brand.

Coca-Cola Andina manages the risks of the business by establishing principles, basic elements and the general framework of the administration of risks, to achieve the proper governance of the process, i.e., the identification, measurement, control, mitigation and monitoring of the relevant risks that may adversely affect the Company’s goals and interests of shareholders and stakeholders.

Pursuant to our Risk Management policy, we have implemented processes and tools that allow us to guarantee the safety of the business and the quality of our products. The construction of the new matrices was carried out looking for the participation of expert areas and the benchmarking between the different countries. This new methodology, validated by third parties, allows collaborative construction and higher control standards. Process risks that contemplate the different stakeholders in their relationship with the Company are included within each matrix.

The Board of Directors continues to be the main responsible for safeguarding the Company’s value of potential losses, promoting the culture of CRM (Corporate Risk Management) in the organization, knowing and understanding the relevant risks that may affect it, approve the CRM strategy and general guidelines, monitor the continuous operation of CRM processes reported by the Risk Committee.

The Risk Committee is composed of the Chief Executive Officer, the Chief Financial Officer, the Chief Legal Officer, the Chief Human Resources Officer and, acting as Executive Secretary, the Corporate Risk and Controlling Manager, reporting to the Board of Directors on a quarterly basis.

Its management is aimed at mitigating the risks that may arise in the development of the Company’s activities and that may affect the objectives set by the Board of Directors:

- Achieve the Company’s strategic goals.
- Protect the Company’s results and reputation.
- Defend the interests of shareholders and different stakeholders.
- Ensure economic, social and environmental sustainability.

The Integrated Management System, which includes the risk matrices of legal compliance, environmental impact, safety and occupational health, was integrated into Coca-Cola Andina’s risk management. The result of the annual risk review is entry material for the Audit area, which will verify the effectiveness of mitigation plans described by the operations.

The main risks and opportunities detected in the process were: to standardize processes based on the best practice in the relationship with our contractors, keep a record of events that contribute to risk assessment, strengthen the risk culture, and survey stakeholders on economic, social and environmental issues that evidence the agreement with our public information and its interpretation.

For more information you can access the form F20 2017-Risks Related to our Company (pages 9 to 28).
Risk Management has always been a fundamental subject of interest for Coca-Cola Andina in the context of achieving the goal of good corporate governance, capable of implementing policies, regulations and internal controls that ensure the protection of Company interests, that of shareholders and stakeholders, the creation of value and the efficient use of resources.

In this sense, Risk Management and Administration is included within the Corporate Governance Model of the organization, which marks a clear horizon where to go.

This harmonization seeks to strengthen the structure of the Company, monitor risks and adopt policies to prevent them, comply with current standards and regulations to operate in accordance with the legal provisions; and have a global vision of management, which has an impact on greater control and reliability of information to facilitate the decision-making process.

Throughout 2017, Coca-Cola Andina continued to strengthen its policy for the analysis, anticipation and mitigation of possible risks through actions that contribute to guaranteeing excellence in management and safeguarding the Company’s interests; aware that building a culture of prevention requires a collective attitude. The case of Brazil in this note.

This risk management approach reaches each and every person who work at Coca-Cola Andina and the entire value chain of the Company and aims to create a precautionary culture that is strongly implemented in the organization.

According to Danielle Cordiviola Kassoug, Internal Control Manager at Coca-Cola Andina Brazil, “the formal policy is a valuable tool, but it is key to stimulate the culture of compliance with local corporate policies in every country, through a strong awareness movement in the different areas.”

To meet these goals, Coca-Cola Andina Brazil organized during 2017 a series of workshops for managers, assistant managers, supervisors, etc., within the framework of which it put in value standards and policies that regulate the operation of the Company. It also implemented SharePoint, a digital platform for corporate integration “that contains local policies and downloaded from The Coca-Cola Company with a complete workflow design thanks to which we favor inter-area collaborative work, the internalization of policies, their follow-up and compliance,” Danielle said.

This is supplemented with quarterly meetings involving representatives of the Board of Directors, the General Manager and Area Managers, and presentations each time a new policy and/or procedure is incorporated.

The annual risk review is the input for the Audit area, which will verify the effectiveness of the mitigation plans described by the operations.
Also included among the tools used by Coca-Cola Andina, is a software that allows to carry out a comprehensive risk management. So, not only does it identify them in the different fields (operating, economic, legal, safety, environmental, among others) and streamlines the way to register them; but it also promotes the analysis and development of mitigation actions in a more automated and dynamic way.

It should be noted that the main impacts identified so far are linked to the management of contractors and suppliers; the possible lack of a raw material and the losses of volume that this could cause, and the consequent commercial and accounting risks. A timely identification of these opportunities for improvement enabled to develop a mitigation plan for each impact which was built collaboratively among the countries, using the best practices in each subject.

**Compliance**

Once the policies or the course to be followed were defined, risks were identified and verified, following is the implementation of the policy or compliance, which consists in establishing the appropriate procedures to ensure that the Company, including its directors and collaborators, comply with the applicable regulatory framework.

Legal norms, such as regulations are included, but also internal policies, the commitments with clients, suppliers or third parties, and especially the ethical codes that the organization promised to respect.

For the Internal Control Manager of Coca-Cola Andina Brazil, "compliance is what makes policies known and fulfilled. Its relevance is that the more people who know the management of the company and are involved in the process, the better the result of our risk matrix and the mitigation strategies that we can outline."

In this point, Danielle stresses the importance of shared benchmarking between the different countries "to improve the processes and work together in the mitigation plans". It is a technique that, by putting together different aspects, aims to seek best practices at Coca-Cola Andina regarding methods, processes, products and services, aimed at the continuous improvement of the entire Company.

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**Interview: Management Focus**
Initiatives that make us better

Sustainability management and governance are the basis of our culture. They guide internal and external relationships, involving suppliers and contractors. They allow us to lead the market, adapt, innovate and grow as a great Company, one team.

In addition to our Company’s key performance indicators, we carry out measurements with tools of international scope, such as the Global Reporting Initiative (GRI), the CSR indicators ETHOS-IARSE of the Latin American CSR Program-PLARSE, added to others of national scope in each country.

We also respond to regulations of Chile’s Superintendence of Securities and Insurance, with respect to corporate governance practices adopted by open stock corporations (General Standard No. 385). In 2017 we responded for the third consecutive year to the requirements of the Dow Jones Sustainability Chile Index (DJSI Chile), being listed again within the companies that make up the Sustainability Index portfolio. Additionally, and as a demonstration that we incorporate best practices we grew 7 points compared to the previous year, which positions us in the 11th place of the world ranking of our industry.

As part of the measurement, we performed perception researches in order to monitor the opinion of stakeholders on our performance, including surveys in the local community, measurement of the Work environment (bi-annual) and customer satisfaction surveys. For the first time, we implemented the ESG Compass research that provides a “top-down bottom-up” view, which provided excellent results and new opportunities.

The performance results of the key indicators for each of the operations are presented throughout the various chapters in this report. Each one also incorporates secondary indicators that help to validate and satisfactorily respond to the requirements mentioned above.

Being part of Global Pact Chile made us mature as a Company and we analyzed our sustainable performance in the light of Sustainable Development goals. Therefore, in this report we will find all those initiatives that bring us closer to this challenging mission of accompanying the United Nations in building a better world.

It should be noted that Coca-Cola Andina’s operations report monthly on the performance of key sustainability variables to the Group’s Chief Executive Officer.

Initiatives

GRI:
102-12
102-16
102-17

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Code of Ethics, a guide to action

At Coca-Cola Andina we encourage best practices and act based on ethical principles and behaviors described in our Company’s policies.

The Code of Ethics is a set of principles of conduct that guide the behavior of all workers, contractors, consultants and board members in the exercise of their duties.

It is based on sustaining and internalizing corporate policies that respond to aspects such as compliance with legal and regulatory requirements; conflicts of interest; transparency and accuracy of accounting information; fraud, corruption and money laundering; dealing with public officials, clients and suppliers; political and humanitarian contributions.

Within this framework we continue with “Coca-Cola Andina’s Policy Program”, an initiative integrated by a set of courses and interactive online experiences that – through the platforms installed in the four countries – will allow collaborators to know in detail the content of our Company’s policies, to make them part of the daily work. A commitment to integrity as a cornerstone for further progress in the path of transparency.

The request for advice both internal and external is our “Ethic Points”, where the necessary queries are channeled. Internally, the options are extended to more officials, who ensure compliance with corporate policies, which can also be consulted. The Ethics and Sustainability Committee is responsible for reviewing these topics in a confidential manner to resolve and answer questions.
We actively participate in the following organizations:

**ARG**
- Fundece (EXC) Membership
- IARSE Membership
- Sponsorship of events Mendoza Food Bank
- ACUDE Foundation Forest Education
- Córdoba Food Bank Foundation
- FONBEC Foundation - Scholarship Fund
- IPACE (PNC-PIC) benchmarking indicators
- Casa Macuca
- Junior Achievement Rosario
- Junior Achievement Córdoba
- Los Carreros Cooperative
- AVINA Foundation
- Ruta 40 Foundation
- CONIN Foundation
- OMAS Foundation
- Women that Move Forward Foundation
- In Between Seams “Entrecosturas”
- Portal of Bethlehem
- Three Constructions
- Ecoinclusion Foundation

**BRA**
- Special Opportunity
- ABCC-Brazilian Association of Coca-Cola Bottlers
- ACRJ-Rio de Janeiro Commercial Association
- ACJA-Jacarepaguá Commercial and Industrial Association
- ABIR-Brazilian Association of Soft Drinks Industries
- Espírito Santo in action
- “Coca Cola Institute-Optimism Week”
- Coletivo Jovem and Coletivo Floresta Coca-Cola Institute
- CIESP-Industrial Center of the State of São Paulo
- CIRJ-Confederation of Industries of Rio de Janeiro

**CHI**
- Universidad de Los Andes Center for Public Studies
- Association of Industrial Suppliers Trade
- Retailers’ Union Confederation
- SOFOFA
- National Chamber of Commerce Chile
- Industrial Association Antofagasta
- Santiago Chamber of Commerce
- Chilean Food & Beverages
- Chilean National Advertisers Association-ANDA
- Junior Achievement
- Building Chile Challenge

**PAR**
- Dequeni Foundation - Actions to promote education
- Paraguayan Foundation
- KOGA
- Volunteer Firefighters
- Moisés Bertoni Foundation
- Telethon
- Roof Paraguay
- FUPADI
- Paraguayan Foundation – Entrepreneurs Plan
- Education Ministry
- Health Ministry
- Full Bright Association
- Enseña Paraguay
- ADEC – Christian Businessmen Association
- UIP Joven – Paraguayan Industrial Union
- Executives Club
- Schoenstatt Apostolic Movement
- National Secretariat of Children and Adolescents
- Senadis – Christian Entrepreneurs Association
- AMCHAM Foundation
- “Santa Rosa” Elementary School 4184
- Casa Cuna Dr. Carlos Santiviago Foundation
- PO Paraguay Foundation
- Red Cross
- CAP – Paraguayan Advertising Chamber
- A todo pulmón
Corporate Sustainability Policy and Management Structure

The Corporate Sustainability Policy establishes responsibilities, management model and operation of sustainable development management.

A Plan for each Reality

Sustainability at Coca-Cola Andina is managed strategically at the group level, but also providing flexibility to the operations to adapt the Sustainability Plan to the characteristics of each local context and to the needs of each community where we operate.

DUTIES

**Ethics and Sustainability Committee**

- 3 Directors
- Chairman of the Board of Directors
- Chief Legal Officer
- Chief Financial Officer

Definitions, Review and Results of Processes that have to do with Culture and Ethics; Sustainability and Corporate Governance.

**Sustainability Committee in the operation**

- ARG
- BRA
- CHI
- PAR

- Enrique Pérez Estévez
- Marcio Greco
- Alejandro Palma
- Ángel Almada

- Definition of goals and objectives to be developed in the operation.
- Definition and revision of metrics, follow-up of each plan.
- Approval of subscriptions for the company in the territory.
- Approval of plans and projects.
- Coordination and execution of the plans.
- Collect information, Sustainability Report.
Participation and dialogue with stakeholders

We value the opinions of the main public with whom we interact and encourage honest and transparent dialogue, through multiple communication channels to address the relevant issues we share.

To address issues that matter to us, as well as identify and treat those that are key to the stakeholders that integrate our System, is part of sustainability management.

Annually, we review the public identified in each operation through the sustainability committees and look for different tools to ensure their representativeness, in order to achieve a continuity year by year checking whether there were variations of their expectations.

The multiple two-way communication channels we have allow us to empathize with them and understand better what their interests are, so they are prioritized according to relevance of topics for the sustainable management of the business.

There is permanent feedback with clients, suppliers, shareholders, workers and consumers, who also have an anonymous complaints channel available to them.

The relevant topics of sustainability management are monitored with more than 40 indicators that apply to all Company operations and the Management Control area is responsible for reporting. Results are analyzed at quarterly meetings where also improvement initiatives are proposed. In this report you will find in each pillar the cover page, management approach and key indicators, with which we introduce the coverage of the material subjects.

We periodically carry out sustainability round-tables to discuss the plans and pillars, as well as to explain the concerns of different audiences in each region. This year we held meetings with The Coca-Cola Company, in charge of predefining the action lines that we are responsible of complementing and adapting with local plans. In addition, we consult our stakeholders, as we did for example to implement the ESG Compass research in Chile.

### Priority material topics collected:

<table>
<thead>
<tr>
<th>Topic</th>
<th>How we monitor and report on performance:</th>
<th>In this Report we inform about:</th>
<th>Chapter in which information can be found:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality, excellence and wellness of products</td>
<td>Product Quality *</td>
<td>Company/ Clients</td>
<td>Beverage Benefits</td>
</tr>
<tr>
<td>Client development</td>
<td>Client Satisfaction*</td>
<td>Company/ Clients</td>
<td>Beverage Benefits</td>
</tr>
<tr>
<td>Supplier development</td>
<td>Report</td>
<td>Company/ Clients</td>
<td>Community</td>
</tr>
<tr>
<td>Economic and social development of local communities</td>
<td>Report</td>
<td>Company/ Community/ Consumers/ Clients/ Suppliers</td>
<td>Community</td>
</tr>
<tr>
<td>Efficient distribution of our Products</td>
<td>Report</td>
<td>Company/ Clients</td>
<td>Energy Management and climate protection</td>
</tr>
<tr>
<td>Sustainable packaging and waste management</td>
<td>Solid Waste Recycling*</td>
<td>Company</td>
<td>Sustainable packaging</td>
</tr>
<tr>
<td></td>
<td>Packaging Quality*</td>
<td>Company / Suppliers</td>
<td></td>
</tr>
<tr>
<td>Energy management</td>
<td>Efficiency in energy consumption*</td>
<td>Company / Clients</td>
<td>Energy Management and climate protection</td>
</tr>
<tr>
<td>Water management</td>
<td>Efficiency in water consumption*</td>
<td>Company / Community</td>
<td>Water Stewardship</td>
</tr>
<tr>
<td>Management of the internal Work environment, quality of life and development of people</td>
<td>Work Safety*/Employee Turnover <em>/Favorable Internal Climate</em></td>
<td>Company</td>
<td>Work Environment</td>
</tr>
<tr>
<td>Responsible MKT</td>
<td>Report</td>
<td>Company</td>
<td>Beverage Benefits</td>
</tr>
<tr>
<td>Relationship with stakeholders (Coca-Cola, clients, community, etc.)</td>
<td>Report / Annual Report</td>
<td>Company</td>
<td>Corporate governance and sustainable management</td>
</tr>
</tbody>
</table>
### COMMUNICATION CHANNELS WITH STAKEHOLDERS

<table>
<thead>
<tr>
<th>Shareholders</th>
<th>Coca-Cola</th>
<th>Government</th>
<th>Workers</th>
<th>Suppliers and contractors</th>
<th>Clients</th>
<th>Consumers and community</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Define vision, mission and strategy. • Investors and promoters of growth and innovation. • Custodians of the value of the Company and its value creation for society. • Positions dedicated to shareholder relations</td>
<td>• Franchisee Supplier of concentrate and syrups. • The Coca-Cola System Operating Requirements (KORE) Standards for suppliers of raw materials. • Sustainability Goals 2020 • Sustainable agriculture</td>
<td>• Regulator-Promoter • Legal framework to operate • Partners in public-private partnerships</td>
<td>• One of the basic pillars of the business and success factor.</td>
<td>• Provide raw materials and services required for the operation and fulfillment of objectives of the different operations • Strategic partners for the provision and quality of products and packaging. • Have a major indirect economic impact on local economy, as the largest percentage of acquisitions is regional and local.</td>
<td>• Strategic partners in the development of our business • Among them, Mom &amp; Pops (66%) make up a fundamental link in our value chain, because in addition to the social impact they generate in the development of local economies, they are responsible for a significant part of Company sales</td>
<td>• Raison d’être of our Company and its sustainable growth. • Define our offer: Market preference changes • Strategic allies to contribute to the progress and environmental care (post-consumption: Recycling and recovery) of the communities where we develop our activities • Has the role of responsible consumer</td>
</tr>
</tbody>
</table>

### Communication channels

<table>
<thead>
<tr>
<th>Shareholders</th>
<th>Coca-Cola</th>
<th>Government</th>
<th>Workers</th>
<th>Suppliers and contractors</th>
<th>Clients</th>
<th>Consumers and community</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Regular communication/digital channels • Meetings with CEO • Shareholders’ meeting • Andina Day (annual event with visit to facilities) • Annual Report and Sustainability Report</td>
<td>• Regular communication/digital channels • meetings • Participation in joint initiatives • Direct relationships with specific areas • Joint plans construction • Audits</td>
<td>• Regular communication/digital channels • Meetings with different levels of government. • Annual Report and Sustainability Report</td>
<td>• Regular communication/digital channels • Surveys, climate analysis and work satisfaction • Performance assessment • Internal magazine • Annual Report and Sustainability Report</td>
<td>• Regular communication (developer visits)/digital channels • Regular meetings • Interviews • Surveys • Audits • Plant visits</td>
<td>• Regular communication (developer visits)/digital channels • Surveys and satisfaction analysis. • Service centers and customer development, call centers. • Plant visits • Sustainability Report</td>
<td>• Digital Channels • Relationship Activities • Participation in Organizations • Surveys and perception and assessment analysis. • Plant visits</td>
</tr>
<tr>
<td>Pilar</td>
<td>Key indicators</td>
<td></td>
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<td>------------------------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------</td>
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</tbody>
</table>
| **Beverage Benefits**                    | Calories sold  
Kilo calories sold on total liters sold  
Light and zero calories sales  
Percentage of liters sold of light and zero calories products, compared to total liters sold |
| **Water Stewardship**                    | Efficiency in water consumption  
Number of liters of water needed to produce one liter of beverage |
| **Energy Management and climate protection** | Efficiency in energy consumption  
Energy Used (Mjoules) per liter of beverage produced |
| **Sustainable packaging**                | Solid Waste generation.  
Grams of waste generated per liter of drink produced.  
Solid Waste Recycling.  
Percentage of recycled waste in relation to the waste generated.  
Work safety. |
| **Work environment**                     | LTIR Number of accidents  
LTISR Severity of accidents  
Employee turnover  
Favorable internal climate  
Bi-annual survey |
| **Community**                            | Customer Satisfaction  
Survey of each country to the traditional channel clients  
National Suppliers  
Percentage of national suppliers with respect to the total of active suppliers |
Our bet is to provide options to be and feel good in the categories of energy, hydration, nutrition and relaxation.

Kcal/lts sold

<table>
<thead>
<tr>
<th>Country</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>358.9</td>
</tr>
<tr>
<td>Brazil</td>
<td>370.3</td>
</tr>
<tr>
<td>Chile</td>
<td>253.9</td>
</tr>
<tr>
<td>Paraguay</td>
<td>355.4</td>
</tr>
</tbody>
</table>

Sales of Light & Zero

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>12.5%</td>
</tr>
<tr>
<td>Brazil</td>
<td>6.4%</td>
</tr>
<tr>
<td>Chile</td>
<td>27.3%</td>
</tr>
<tr>
<td>Paraguay</td>
<td>13.4%</td>
</tr>
</tbody>
</table>
Why is it important that we provide a multiplicity of options to our consumers?
—One of the great advances taken by both The Coca-Cola Company and the bottlers of the System is to have changed their vision and global identity to a total beverage company and from there take the opportunity to develop a broad portfolio, which allows us to connect all our consumers with different consumption habits according to their tastes, styles and hydration needs through beverages for life.

This is very important for the Marketing strategy because it gives rise to innovations such as the incorporation of low-sugar or sugar-free products. In the case of Coca-Cola Andina Chile, for example, we have managed to develop the segment of sugar-free soft drinks by winning 7.5 points of mix in the last three years and, on the other hand, we have made progress in building a portfolio that takes care of the needs of our consumers reformulating and reducing the sugar content of important brands such as Fanta, Sprite, Nordic, Andina del Valle juices, Kapo and Aquarius.

In short, it is important to provide consumer options because ultimately, we need to be a sustainable company, that can offer a portfolio of products according to the expectations of future consumers.

How does the Company manage the beverage benefit pillar?
—Coca-Cola Andina has an economic, social and environmental strategy. The fact of being able to reach 100% of the clients with sugar-free versions produces a social benefit, understanding that nowadays overweight and obesity are priority problems of public health. In this sense, the work we have done to reduce sugar in beverages and increase the availability of low or sugar-free products has a huge social benefit.

We understand that we must be part of the solution, so in Chile we were pioneers in embracing the new labelling law that seeks to regulate the labeling of food with regard to its nutritional information requiring warning users about high levels of sugars, calories, sodium and saturated fats; restricting advertising directed to minors and the sale in schools of certain products.

Thanks to this decision we see that industry consumption has reconfigured and that consumers of Sparkling Soft Drinks have shifted towards sugar-free products and towards the water category.

From the economic point of view, having varied products in flavors, prices and sizes allows us to meet the needs of different types of clients and consumers. Coca-Cola Andina is one of the few companies worldwide that generates enormous economic dynamism, because it arrived directly to each point of sale and gives its clients the possibility to develop and grow.

Finally, this new portfolio gives us more sustainability facing forward. This is a transversal concept that has several advantages: on the one hand, having zero and sugar-free brands in returnable packaging reflects our commitment to environmental care, as well as launching the new Vital ecoFLEX packaging with 30% less plastic. On the other, it allows us to connect with different lifestyles knowing that we are able to directly collect the feeling of the community where we operate. Today we have a democratized portfolio for any type of consumer, a 100% sustainable portfolio because there is a sugar-free version for each of our products.

What is the coverage or scope of the beverage benefit pillar? In what part of the value chain are the most significant impacts identified?
—When we built the vision of developing a future beverage portfolio we looked for...
versions without sugar, with sugar, products for the different lifestyles and that give answers to the problems related to sugar intake.

In this sense, we have a very developed portfolio in order to be able to take care of the problem and propose a solution, so this pillar reaches 100 percent of the value chain; because we are reaching each and every one of our clients with the advancement of new categories and applying different strategies depending on the segment that we want to reach.

Through which tools are the Company’s actions evaluated regarding the impact of our beverages? Are there any consultation/claims mechanisms or benchmarking instances?

—At Coca-Cola Andina we measure the impact of our beverages through brand indicators, trying to reach more and more consumers to understand how they subjectively appreciate the Coca-Cola brand and not just quantitatively.

With the launch of sugar-free Coca-Cola we are focused on knowing how the consumer decodes this new version and what it demands. For this, we have an intense communication campaign that favors the knowledge of the new variant, but also measures health conditions through online questionnaires, monitoring social networks and the possibilities offered by the digital world.

How do we evaluate the management of beverage benefits? Who do we report to regarding managing this issue?

—Since 2016, we have set goals of reducing sugar in our products in line with what the global scenario and Chile’s regulatory framework poses. That is the north that has driven the decisions that we have taken where we have been consistent, because it is a management relevant indicator and within the main ones of our business plan (achieving to reduce on average an 18% of sugar of our portfolio and currently have more than 92% of low or sugar-free SKUs.)

The compromise of sugar reduction is an aspect that has visibility from the Board of Directors towards the whole organic structure, therefore, it is a declared commitment and on which we provide reports to each of the management areas.

To change the consumption habits contributing to a balanced sugar intake, we can move the consumers of category and pass them from original to sugar-free soft drinks or give a disruptive turn of evolution and innovation and directly offer sugar-free products. There are work plans for both alternatives.

What are the challenges ahead in terms of the management of our beverages?

—The reconfiguration of the Coca-Cola portfolio has to do with the philosophy of permanent innovation to adapt to the trends and preferences of the consumer of tomorrow, with the aim of reaching 2020 with 50% of the portfolio of sugar-free sparkling soft drinks.

In 2015 we took the first step through our global single-brand strategy and in 2018 with the incorporation of sugar-free Coca-Cola we want to be much more direct when communicating the sugar-free attribute, with the aim of making available to our consumers an original version and a sugar-free version matching the exquisite taste of original Coca-Cola, which will give more sustainability to the business and the consumers themselves.
100% of the packaging of the products we offer is recyclable (glass, aluminum, cans, Pet, Refpet and tetra pack), as well as 100% of secondary packaging.

**AdeS®**

It is the brand of Tucuman origin that became a leader in the region in the soy-based beverage category and is currently being marketed in Argentina, Bolivia, Brazil, Chile, Colombia, Mexico, Paraguay and Uruguay. The acquisition is part of Coca-Cola’s strategy of expanding its portfolio to offer high-quality, highly-flavored choices and varieties that meet consumers’ tastes and lifestyles. AdeS® is a plant-based liquid food that, among its main benefits, is a source of calcium, protein and zinc; it does not provide cholesterol and does not contain lactose or preservatives; strengthens the body; it is easy to digest; suitable for the celiac; the fruity variety is made with natural juice and uses traditional soy seeds that are not genetically modified. All our soy suppliers are certified by the Roundtable on Responsible Soy (RTRS).
Portfolio with more zero or low-calorie options

35% of our products are zero or low-calorie. We aim to adapt being flexible to the needs of consumers, modifying recipes, incorporating sugar-free beverages, providing multiple options and guaranteeing their availability for all our clients.

We accompany the changes in the health and nutrition preferences of our consumers. As a result of a process of listening to our clients and consumers, we seek to interpret their needs and draw closer to their tastes to be able to offer the best products.

We offer a wide line of zero and low-calorie beverages; Coca-Cola Life was developed with a vision of evolution in sweeteners as it uses Stevia and sugar cane.

Together with The Coca-Cola Company we promote returnable containers, seeking to expand our portfolio and being flexible by incorporating beverages with vitamins and/or nutritional additives as well as reducing calories in all our brands.

Nutrition, an essential factor

More than 30% of our portfolio contains increased nutritional ingredients and contribution of minerals. All our beverages comply with government health regulations of the countries in which they are marketed. Together with independent experts and scientific advisors we constantly monitor issues related to food safety.

We are much more than the leading brand of beverages. We are a company that, concerned with the integral well-being of workers, clients and consumers, offers a wide portfolio of beverages with nutritional ingredients and contribution of minerals.

Ensuring the safety and quality of our products is a never-ending commitment and the most important responsibility we have with consumers around the world. This includes the obligation to comply with government health regulations of the countries in which we operate, ensure the permanent monitoring of food safety standards and use safe packaging materials.

All the components of our containers are subject to safety assessments and must be allowed for use by health authorities in all the countries where our products are marketed.
With the highest quality

Our system has the highest standards to guarantee the quality of beverages, assuring consistency and reliability. International best practices guide our management, reaching people, processes and products.

Our integrated management system allows us to work according to international standards. Quality was always a central theme for Coca-Cola Andina and is reflected in the adoption of world-class standards for our production plants and distribution centers in the four countries in which we operate.

KORE is a demanding program developed by The Coca-Cola Company, designed specifically for our activity, which incorporates standards and requirements that go beyond the scope of ISO certifications, based on best international practices in quality, environment and safety. It is a mandatory application for any Coca-Cola operation or franchise in the world.

The procedures, instructions and exhibits that make up the integrated sustainability system are reviewed before changes in requirements, keeping the methodology and records updated. Compliance of these standards means compliance with KORE, the current legislation, and international ISO and OHSAS standards we adhere to.

The Coca-Cola Company has its own audit organization called GAO (Global Audit Organization), which since 2013 maintains a scheduled and unscheduled audit practice to verify compliance with the standard. Both mandatory and voluntary standards did not record non-compliance during the reporting period. In all cases work is carried out in the form of continuous improvement, so the aforementioned reviews serve to detect opportunities for improvements.

Sensory Analysis Program

The program seeks each worker to become a true brand ambassador to guarantee the quality of our beverages. Panelists are trained to meet the requirements, they are a fundamental part of the effectiveness of the program performed by the Quality area of each operation.

100% of our production plants and main distribution centers in the four countries in which we operate are certified:

- Quality: ISO 9001
- Environment: ISO 14001
- Occupational Health and Safety 18001
- Food Safety FSSC 22000
- FSSC 22000 includes ISO/TS 22002
- KORE: Corporate requirements of “The Coca-Cola Company”
- RP-SGP Audit Green Result 2014 (Brazil and Chile)
<table>
<thead>
<tr>
<th>PAR</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Coca Cola Cherry</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fanta Guaraná Zero</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aquarius Zero (2 flavors)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frugos del Valle (3 flavors)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AdeS® Jugo (5 flavors)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AdeS® Leche</td>
<td></td>
<td></td>
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<tr>
<td>AdeS® Light</td>
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<tr>
<th>BRA</th>
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<tbody>
<tr>
<td>FANTA GUARANÁ</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coca-Cola LARANJA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coca-Cola LIMAO SICILIANO</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AdeS® (5 flavors)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AdeS® Leite (3 flavors)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AdeS® Light</td>
<td></td>
<td></td>
</tr>
<tr>
<td>VERDE CAMPO</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SHAKE WHEY (3 flavors)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LACFREE (2 flavors)</td>
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<tr>
<td>MINILAC</td>
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<tr>
<th>CHI</th>
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<tbody>
<tr>
<td>MONSTER (SUNRISE)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coca-Cola CHERRY ZERO</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BENEDICTINO TOUCH FRUTILLA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BENEDICTINO TOUCH LIMON</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AdeS® Jugo (4 flavors)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AdeS® Leche</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AdeS® Light</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FUZE TEA (3 flavors)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AQUARIUS Zero (6 flavors)</td>
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<thead>
<tr>
<th>ARG</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>AdeS® Jugo (5 flavors)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AdeS® Leche (3 flavors)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AdeS® Light</td>
<td></td>
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</tbody>
</table>
Beverage Benefits

Koolife

The Koolife operation is focused on the portfolios "of the Future" and in 2017 reached a coverage of more than 300 points of sales. We have integrated the Coca-Cola Andina operation, combining the best of each: Koolife, an expert in imports and Andina with its distribution strength; allowing us to rapidly capture the market. Thus, the first product transfer was achieved, our first success case: Smartwater, which from 2018 will begin to be produced locally.

We believe that our opportunities are to continue growing in new clients, reaching more points of sale and with presence in channels relevant to each type of product. We want to be where the sophisticated consumer is moving and present in every occasion of consumption.

Our efforts are directed towards the permanent search of imported products and alternatives that help to improve our offer and the cost/benefit relation.

List of products

› Coca-Cola CAFFEINE FREE
› Coca-Cola ZERO SIN CAFÉÍNA/CHERRY/VAINILLA
› Coca-Cola LIGHT CAFFEINE FREE/CHERRY
› GOLD PEAK DIET/GREEN TEA/UNSWEETENED
› ZICO NATURAL / CHOCOLATE
› CORE POWER VAINILLA/CHOCOLATE/BANANA
› SMARTWATER

Responsible Marketing

We do not direct advertising or promotions to children under 14 for those products with content classified as "high in sugar", i.e. containing 6 grams of sugar per 100 milliliters.

The legend "high in sugars" is used for foods that have added sugar and contain more than 22.5% of sugar in its formulation. Then, it does not apply for products that have natural sugar like fruits or juices without added sugar.

Nationwide marketing campaigns are designed in conjunction with The Coca-Cola Company. We have a responsible marketing policy, which stipulates that no advertising is directed to children under 14 years for any of the Company’s products, advertising is not shown in media whose audience of children under 14 is greater than 35% and children under 14 are not shown drinking any of the products without the presence of a responsible adult.

Customer service via call center

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Complaints</td>
<td>9.85%</td>
</tr>
<tr>
<td>Orders (sales)</td>
<td>32.72%</td>
</tr>
<tr>
<td>Requests (Services, Visits, etc.)</td>
<td>25.92%</td>
</tr>
<tr>
<td>Questions</td>
<td>31.50%</td>
</tr>
<tr>
<td>Total calls</td>
<td>987,149</td>
</tr>
</tbody>
</table>

% Client Satisfaction

<table>
<thead>
<tr>
<th></th>
<th>Argentina</th>
<th>Brazil</th>
<th>Chile</th>
<th>Paraguay</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>86.7%</td>
<td>n/a</td>
<td>61.0%</td>
<td>85.5%</td>
</tr>
</tbody>
</table>
Labelling with nutritional information

We believe in the importance of informing and training consumers through our labels. We understand that they must have an active and responsible role, and therefore we provide objective, meaningful and comprehensible nutritional information about all our products. Evidence-based nutritional labelling allows our consumers to make decisions that meet their individual nutritional and energy requirements and those of their families.

Not only do we adopt the regulations before it was in force, but we voluntarily have been including the necessary information to guide our consumers in their consumer decisions. We are the first beverage company worldwide to commit to placing the calorie content and quantity of sugar, total fat and sodium in the labels of the products of our portfolio.

We use daily food guides (Guía Diaria de Alimentación – “GDA” for its acronym in Spanish), a nutritional information tool presented in a tablet format in the labeling of the products. It is evidence-based to help consumers select diets that meet individual nutritional and energy needs.

GDAs are applied in South America by different food and beverage companies on a voluntary basis. According to Coca-Cola’s global policy, all labels (except glass and water) must contain GDAs. In Latin America, Coca-Cola presents the number of calories, along with the percentage of the daily value (DV%) in the front of the packaging, being consistent with the commitment to offer consumers transparent nutritional information regarding their products.

In addition, a nutritional information panel provides additional data on proteins, carbohydrates, fiber and, when the product contains them, minerals and vitamins. It also has the percentage of the recommended daily value of the mentioned nutrients in a 2,000 calories daily intake diet. Calorie-free sweeteners used in the Company’s light/zero soft drinks are safe for the entire population, including children above the age of 2, pregnant and lactating women. This is endorsed by international agencies, such as the US Federal Food and Drug Administration (FDA), the Food and Agriculture Organization of the United Nations (FAO), the World Health Organization (WHO), the FAO/WHO Joint Expert Committee on Food Additives (JECFA) and the European Food Safety Authority (EFSA).
Providing information to consumers that contributes to a better choice of their food is a right and an obligation. In response to this, in June 2016, Chile passed the Labelling Act No. 20,606, which requires us to label the containers with a “HIGH IN” warning seal, which indicates that a product contains high levels of sugar, sodium, saturated fat and/or calories; restricts advertising directed to children under 14 years of age, in addition to its sale, promotion and free delivery in educational establishments.

The pioneering standard in the world given its level of demands, was adopted by Coca-Cola Andina and interpreted as an opportunity to develop a portfolio with broad versions of regular, low in sugar and sugar free beverages. In this context, we reformulated six brands (Quatro, Nordic, Cantarina, Andina del Valle, Aquarius and Kapo) and launched Andina del Valle 0% added sugar, which allowed us to have 80% of our SKUs without the label “HIGH IN” and make versions with less sugar or sugar-free available for more than 90% of our clients.

On average, we lowered 9% of calories and 9% of sugar of the beverages and increased by 2.6 points the mix of low and sugar-free products, going from 23.9% in 2015 to 26.5% in 2016.

The challenge, which we began to address in 2015 with the reformulation of the portfolio of products, included in 2016 the labelling change, becoming the first suppliers to enter the market with the new labels.

The application of the standard also required: investments for the modernization of containers and production lines (labelers); Trainings for all Company employees and the development of a team of ambassadors prepared to deal with doubts and questions; trainings clients, mainly those belonging to the education channel given the impact of the law on educational establishments, and stakeholders on its implications.

In 2017 we will continue to expand the coverage of low-sugar or sugar-free products (Coca-Cola Zero, Coca-Cola Light, Fanta Zero, Sprite Zero and Nordic Zero) and adjust the formulas in that direction, committed to the purpose of offering a healthy beverage portfolio with consumption options to satisfy different tastes, lifestyles and hydration needs.

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**Fanta and Sprite without Labels**

In 2016 we were the first company to apply the standard that seeks to regulate labeling of food regarding nutritional information, advertising directed to children and the sale in schools of certain products.

<table>
<thead>
<tr>
<th>BRANDS</th>
<th>GR. SUGAR OLD FORMULA</th>
<th>REDUCTION</th>
<th>GR. SUGAR NEW FORMULA</th>
<th>BENEFITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>FANTA</td>
<td>12.1 GR</td>
<td>60%</td>
<td>4.8 GR / 100ML</td>
<td>NO LABELS AS TASTY</td>
</tr>
<tr>
<td>SPRITE</td>
<td>9.8 GR</td>
<td>51%</td>
<td></td>
<td>REDUCED SUGAR</td>
</tr>
</tbody>
</table>
Water Stewardship

Water is a fundamental resource for life and, aware of this, we strive for responsible use, we develop processes that allow greater consumption efficiency and we replenish this vital resource to nature.

<table>
<thead>
<tr>
<th>Country</th>
<th>Water Consumption Efficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>2.38</td>
</tr>
<tr>
<td>Brazil</td>
<td>1.64</td>
</tr>
<tr>
<td>Chile</td>
<td>2.46</td>
</tr>
<tr>
<td>Paraguay</td>
<td>1.95</td>
</tr>
</tbody>
</table>
Interview: Management Approach

Why is water management important for Coca-Cola Andina?
—Water is the main raw material of our products and this keeps us highly concentrated in the need to ensure the sustainability of the resource both in terms of availability and quality. Hence the decision on the location of a plant or the evaluation of future businesses that involve the water resource are key for Coca-Cola Andina.

On the other hand, it is a natural resource shared with all the communities where we operate, therefore we have the obligation to guarantee sustainability, supply, and promote its care in a transversal way: not only in our production plants but also within our stakeholder groups (clients, consumers, neighbors of the places where we have physical presence and who could eventually be impacted by our water consumption).

In this coming and going, we also care that communities know and develop cultural awareness of the importance of water care.

What is the coverage and scope of the impact that Coca-Cola Andina generates on water?
—There is complete coverage of water management because it not only reaches each of our operations but also all the communities with which we interact. The origin of water is diverse: some production plants feed on natural effluents (whether they take water from open channels or water wells) but also from the local sanitary matrix. In Chile, our production plants feed on deep wells and the sanitary matrix, we do not feed on open natural channels.

The use of the water resource is cyclic because the water that is consumed then returns to the channels; one thinks it is an inexhaustible good, but it depends on the source from which it is obtained and the availability of such a valuable resource for life. In the case of Antofagasta, the water we use is extracted from the sea and goes through a desalination process performed at a local sanitary plant, without affecting availability or the physical place. But this could happen, so we must work throughout the Company to understand the importance of these impacts and we all work on water care. In the event of a failure or excessive consumption, there is also a backup system which uses water from the mountain range. In this sense, it should be clarified that Coca-Cola Andina Chile respects the approved consumption parameters and does not demand any resources beyond the previously granted feasibility.

Inside and outside our production plants, we also develop initiatives that contribute to promote a culture of good use of water, aware that it is a scarce good, that may not have infinite availability and that has a cost. At Coca-Cola Andina Chile a year and a half ago, we created the management division of Sustainability, Innovation and Development in the framework of which we promote the responsible use of water in conjunction with the Municipality, the Government, and non-governmental organizations.

It is important to note that our Company is recognized for having a solid effluent management. In three of the four operations we have our own treatment plants that ensure that the wastewater we evacuate to municipal systems complies with local regulations and the "Coca-Cola Operating Requirements" (KORE). The Renca operation has a contract with the local sanitary company, in which case we supervise that it has the certifications that ensure that the water was properly treated and disposed of according to the local legal norm. In addition, in Chile there is a Superintendence that controls...
Water Stewardship

Entrevista: Enfoque de Gestión

What initiatives do we take to reduce water-use impacts?
—Among the initiatives we have developed at Coca-Cola Andina Chile is the optimization of water treatment systems. To do this, in Renca we have a master project that consists of three phases: the first is the receipt of the incoming water for the arsenic abatement; the second is the separation of the resource that is used for the production process and for services; and the third is the reuse of water. At the local level, two important water projects were also implemented: the first was carried out in a desert area of the Tarapacá region (north of the country and on the border with Bolivia) where new irrigation technologies were implemented to capture and make the resource available within the community. Also, in the National Botanical Garden located in the city of Viña del Mar a natural reserve was worked on destined to native wild species, to produce an increase in vegetation which contributes to generate a greater availability of local water.

We are currently developing a project to build our own effluent treatment plant in Renca and stop depending on the local health network, seeking that the water from that plant is of good quality and can be available for irrigation to collaborate with neighboring communities. The construction is planned for 2018-2019 and we expect it to be fully operating by 2020.

Lastly, there are initiatives already implemented with very good results in the different operations, for example, filter systems for rinsing the washing machine, adjustments in the water control in the CIP system in the process of washing lines and a replenishment program that ensures greater availability of the resource and return the water consumed for the elaboration of our beverages to the planet, favoring water access that is safe for consumption to people who lack this resource.

What areas of the Company are responsible for water management?
—The responsibility of water management is clearly defined among the Industrial, Production, Engineering and Environmental areas that year after year are improving water consumption ratio goals always focused on continuous improvement and aiming to achieve an efficient production that generates high volumes of product units in a limited time and with low rejections, which implies an optimization in the use of water. There are management tools for this purpose as well as investment in projects. In any case, the care of this resource is a responsibility and a commitment maintained by the whole Company.

A follow up by types of consumption is also performed at our plants, disaggregating each aspect that adds to the final delivered value: quantity of water used per bottle, for cleaning production lines, washing machines, cold equipment, human consumption, facilities maintenance, etc. In addition, according to the approved investment amounts we set annual goals. In 2016 we had a reduction of 2.53 Lt/Lt in the water consumption ratio, in 2017 a 2.40 Lt/Lt and in 2018 we aspired to reach a 2.27Lt/Lt. Guided by environmental care policies proposed by the Integrated Management System, the purpose is to maintain and ensure the sustainability of the resource for the business and be socially responsible with the community in which we operate.

What mechanisms are used for questions and/or complaints? What are the assessment processes and procedures of the Company’s actions on water use?
—At Coca-Cola Andina there are formal internal and external channels: within the operations we have an anonymous reporting system via web and externally, in addition to social networks, we have an 0800 line to communicate directly with the Coca-Cola System. It is important to note that although these channels exist we do not receive complaints about water management. Regarding how we evaluate the results of water management, in our Company we perform daily monitoring on the behavior of the water levels and we constantly compare the development of this indicator with the monthly objective that we propose. In addition, we report the movement of technical parameters obtained on a monthly basis on Coca-Cola Andina’s Platform that in turn delivers a statement on the fulfillment of targets defined annually for each plant and that are established in line with The Coca-Cola Company’s policy on safety, energy and environment.●
Efficiency in water consumption

At Coca-Cola Andina we are true guardians of the water resource through the promotion of projects that not only contribute to improving water efficiency, but also collaborate in the protection and conservation of water sources and safe access for the communities where we operate.

**REDUCE**
Means making every effort necessary for processes to reduce their water consumption and, equally important, train people who work in our value chain and are in contact with this resource so they know how to take care of it.

**REUSE**
Complementarily with reducing, we work on improving production process technology for the reuse of water in a safe manner, as well as capturing rainwater for industrial applications.

**RECYCLE**
Part of the water is incorporated into the beverage and another is used in production processes. Conducting the latter to our own or third party effluent treatment plants, resulting in water suitable for animal life and thus returned to nature.

**REPLENISH**
To return the resource used in our beverages based on conservation projects that enhance the natural infiltration of water, the care of underground aquifers, providing alternatives to people who lack access to safe drinking water.

### Origin of Water Supply

- **Underground (well)**
  - Argentina: 6,164,458 m³
  - Brazil: 1,564,021 m³
  - Chile: 1,499,000 m³

- **Rain**
  - Argentina: 1,499,000 m³
  - Brazil: 1,499,000 m³
  - Chile: 1,499,000 m³

- **GRI:**
  - 301-1
  - 303-1
  - 303-2
  - 303-3
  - 306-2
  - 306-1

### Productive Process

- **Beverage**
  - Own Treatment: 2,775,067 m³
  - Third Party Treatment: 1,150,113 m³

- **Auxiliary Services**
  - Own Treatment: 4,065,013 m³
  - Third Party Treatment: 1,150,113 m³

### Effluent Disposal

- **Own Treatment**
  - 2,775,067 m³

- **Third Party Treatment**
  - 1,150,113 m³
Efficiency in water treatment plants

All plants have an incoming water treatment plant, whether the source is underground, superficial, network or rain. The purpose of this part of the process is to permanently analyze the quality of the water and process it until reaching the necessary parameters that are defined for the entry to beverage production. The “cleaning” of the water generates rejects when passing through the filters, for this reason nanofiltration technologies are incorporated that reduce these rejects improving consumption efficiency.

In addition, efforts were made this year in Chile’s operations to pre-select the water that will go to the water-softening process, adapting the water quality according to its final use.

Returnable line efficiency

Lines that bottle returnable products consume more water than those that bottle one-way products. Therefore, the technology of the washing machines is a fundamental pillar for saving water and reusing in the process.

The last efforts allowed to save 60% in the washing of returnable containers (for example the Liess line 7 in Brazil) and 33% in Chile with the recovery of flushing water. There are critical control points after the washing process, that inspect empty bottles, as well as regular lab tests that validate methods and new water-saving projects.

Rainwater recovery

We sustain our efforts to capture rainwater for reuse. Some of the roofs of the production plants have a gutter system to direct the water to a tank before it has been filtered. It is also important to avoid its potential contamination in the natural course, preserving it for infiltration or evaporation.

Top 10

The bottling plants meet the best practices proposed by Coca-Cola, they are working principles and cultures that are constantly being reinforced. Some examples are: water loss identification, sectored measurements, automation of the CIP (Cleaning in Process) systems, reduction of consumption in cooling towers, transport exchange to the “dry” technology, etc.

Water Consumption Efficiency

![Water Consumption Efficiency Chart]
**Safe water**

We continue with the Safe Water project along with the Fundación Ruta 40, which seeks to guarantee access to this vital element in seven rural schools in the province of Rio Negro, through a system of purifying filters and trainings on water-borne diseases. It is an instantaneous microbiological purifier that eliminates 99.9% of bacteria, viruses and parasites; purifying 12 liters per hour on average; it can supply approximately 100 people with safe water per day for at least three years; it works with murky waters and does not require batteries, electric power or connection to aqueduct networks.

The benefits of this innovative technology have been demonstrated by the World Health Organization (WHO) and distributed in more than 300 countries through the world's most important NGOs.

**Dry Transport Systems**

The dry lubrication system eliminates the need to spray water and lubricant on the conveyor belts, which prevents friction between the containers and the chains in the buffer areas. It is a new, flexible and fully automated technology that applies a small amount of lubricant, generating a film on the conveyor chains and guides.

**Coletivo Foresta**

Under the actions of the Coletivo Foresta project, trainings were performed for the development of the açaí value chain. This raw material is mainly produced by riverside communities, with whom we work together to achieve good agriculture and fair-trade practices. In partnership with the Imaflora NGO, the project encourages family farming and the açaí chain, which brings opportunities for social inclusion, income generation and rational use of natural resources.

**Water Links**

Ykua’a (Water Knowledge).

The Water Links Project gives 40,000 people access to drinkable water in 45 communities. The initiative was presented by the Fundación Coca-Cola, One Drop (social art program of the Cirque du Soleil), the Inter-American Development Bank (IDB) and the Fundación FEMSA, thanks to an investment of US$2.1 million.

The goal is not only to provide access to safe and affordable water, but to generate a change in people’s behavior for the adoption of appropriate practices related to water, sanitation and hygiene.

**Water Consumption Efficiency**

One-week sales volume was reinvested in the water access Project in northeastern Brazil.
Together with the Fundación Moisés Bertoni, Coca-Cola Andina develops a water resupply plan in the Guarani aquifer, one of the most important in the region.

The reserve has 64,000 hectares of surface with a lush vegetation that gives “mantle” to the Guarani aquifer. The vegetation favors the infiltration of rainwater that naturally recharges the aquifer. Researches carried out by experts of the Foundation show that there are areas around the reserve in which the dismantling for agricultural purposes and the practice of an unsustainable agriculture, are reducing the capacity of the land to feed the underground natural reserve with quality water.

The Guarani aquifer is one of the most important in the region. However, poor land management by humans causes its gradual impoverishment and erosion, preventing the infiltration of rainwater and affecting the aquifer reserve.

The resupply project seeks to develop better agricultural practices with approximately 200 producers, who in addition to working the land are neighbors to the reserve. These best practices will allow the growth of vegetation cover, recovering the absorptive capacity of the soil as well as its productivity. The “win-win” concept is key because it improves the quality of the land, benefits the producers and expands the vegetation cover.

The abundance of the vital element in this region demands a huge responsibility, so we seek to make inhabitants aware of the importance of taking care of the resource and the best ways to use it. Coca-Cola Andina has operations in different countries with very diverse water situations; Raising awareness of the importance of water care is something that the Company carries in its DNA and promotes inside the organization and in the communities where it has operations. With projects like this we look for the community to join us and become water stewards.

In this context, professionals from the Moisés Bertoni Foundation provide technical assistance, input and experiences working together with producers so that they capitalize the techniques and then replicate them. The minimum condition requested is to devote at least one hectare of their ownership to this project and the implementation of good practices. The initial step is to work that portion of soil with a sustainable look, to recover it for productive purposes and return the water infiltration capacity to the aquifer. From this perspective, practices such as clearing the ground and planting corn not only translate into a crop that the producer can take advantage of immediately, but also provides sustenance for the so-called “green manure”.

It is made up of plants that grow around corn, but when they die they decompose naturally, providing a sufficient amount of organic matter to start the next crop, without having to remove the soil or use synthetic fertilizers.

The project has a 4-year duration where the incorporation of producers will be gradual. Globally, in 2007 the Company committed to replenishing by 2020, 100% of the water it uses in its products and production processes to nature and communities. This initiative, like others that we implemented in different regions, will allow us to achieve the proposed goal by generating a protection culture of the water resource.
### WATER CONSUMPTION (LITERS)

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Argentina¹</td>
<td>1,694,360,700</td>
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<td>2,061,169,755</td>
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<td>2,692,832,790</td>
<td>2,752,280,913</td>
<td>2,831,417,952</td>
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<tr>
<td>Brazil²</td>
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<td>1,815,232,000</td>
<td>1,884,794,000</td>
<td>1,906,945,242</td>
<td>2,422,473,000</td>
<td>2,197,955,000</td>
<td>2,028,497,948</td>
</tr>
<tr>
<td>Chile³</td>
<td>1,391,200,000</td>
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<td>2,570,378,697</td>
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<tr>
<td>Paraguay⁴</td>
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<td>772,119,270</td>
<td>746,510,300</td>
<td>707,881,540</td>
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</tbody>
</table>

Total wastewater discharge (in liters) treated in OWN effluent plants:

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
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<td>630,895,000</td>
<td>695,480,000</td>
<td>754,808,465</td>
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<td>1,581,458,551</td>
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<tr>
<td>Brazil⁵</td>
<td>530,650,000</td>
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<td>415,232,000</td>
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<td>678,639,000</td>
<td>542,863,080</td>
<td>655,179,140</td>
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<tr>
<td>Chile⁵</td>
<td>415,239,000</td>
<td>421,979,000</td>
<td>680,307,658</td>
<td>1,122,048,901</td>
<td>531,720,000</td>
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<td>195,132,000</td>
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<tr>
<td>Paraguay⁵</td>
<td>373,478,000</td>
<td>329,006,540</td>
<td>320,489,110</td>
<td>290,687,081</td>
<td>409,630,540</td>
<td>389,538,000</td>
<td>343,297,620</td>
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</tbody>
</table>

Total wastewater discharge (in liters) treated in EXTERNAL effluent plants:

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Argentina⁵</td>
<td>407,062,085</td>
<td>67,070,000</td>
<td>60,830,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Brazil⁵</td>
<td>407,062,085</td>
<td>67,070,000</td>
<td>60,830,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Chile⁵</td>
<td>1,313,359,632</td>
<td>1,089,283,441</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Paraguay⁵</td>
<td>1,313,359,632</td>
<td>1,089,283,441</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

1. Corresponds to the Córdoba plant; whose source is 100% underground aquifer.
2. Includes Jacarepaguá and Vitoria locations.
3. Groundwater (wells) and municipal water are used (treated and channeled by the public network).
4. Corresponds to the Renca plant, inaugurated in 2012. Water extraction is done through groundwater. The aquifers exploited correspond to the central Santiago area, according to the denomination of the Chilean Water Authority, DGA. Net water is used, such as drinking water for dressing rooms, bathrooms and casinos.
5. Groundwater supply from the Patriño aquifer, through deep artesian wells of more than 150 meters.
6. The totality of the wastewater is treated externally in the Mapocho-Treba plant, belonging to the company Aguas Andinas.

All initiatives and projects that allow the replenishment of water to the environment are under this pillar. In the year 2016, the Coca-Cola Brazil system returned twice the volume of water used in its production process. This success was achieved through programs of reforestation and conservation of hydrographic basins, and of efficiency and reuse in the production plants.

The protection of water sources in a global scenario of hydric scarcity, which can be aggravated by climate change, is fundamental. To this end, we carry out practices that allow mitigating risks through vulnerability assessments of these sources.

In order to make progress in this respect, we have intensified our program for the protection of sources and vulnerability assessments, where by prioritization criteria we identify the risk of both regional and local scarcities.

From the diagnoses obtained it is possible to direct the actions, observing not only the economic aspect of the sustainability of the business, but also considering main stakeholders, possible impacts and preventive measures to be taken.

This is only possible thanks to the combination of the greater efficiency of water management in the production plants and the development of water generation and retention programs in watersheds. In recent years, we have reinforced our investments in the modernization of production lines for water use, in the reuse of rinsing in washing machines, packaging and in the reuse of discards in effluent treatment stations. These and other measures make it possible to decrease the volume of water used, reducing by 30% the amount of water needed to produce one liter of beverage in our production plants since 2001. Outside of our plants, we implement socio-environmental programs of water generation and retention in watersheds through reforestation and conservation, which already reach more than 103,000 hectares in the states of Amazonas (Amazon basin), in partnership with the Fundación Amazonas Sustentable (FAS), and in the States of São Paulo (PCJ and Alto Tietê basins), Minas Gerais (Das Velhas river basin) and Espíritu Santo (Doce river basin), in partnership with the Nature Conservancy (TNC).

The analysis of the data and calculations were carried out by Limnotech (Michigan, USA), international consultancy specializing in environmental issues, audited by Deloitte and with support from the Global Environment & Technology Foundation. For more details, access the report published on The Coca-Cola Company’s website.
Energy management and climate protection

We pledge to grow in our industrial and commercial activities in harmony with the environment, being proactive and innovative.

Energy use ratio (MJ/liters produced)

<table>
<thead>
<tr>
<th>Country</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>0.35</td>
</tr>
<tr>
<td>Brazil</td>
<td>0.28</td>
</tr>
<tr>
<td>Chile</td>
<td>0.26</td>
</tr>
<tr>
<td>Paraguay</td>
<td>0.53</td>
</tr>
</tbody>
</table>
Why is energy and climate protection important for Coca-Cola Andina?
—Energy is a natural resource and we have to take care of it. Taking care of resources trying to impact as little as possible on the environment is part of our Company’s DNA. Coca-Cola Paresa, the Paraguayan bottler of the Andina Group, aims to manage its energy consumption in an increasingly sustainable way.

Coca-Cola Andina’s commitment to the environment is the rational use of natural resources. 90% of the energy we use in the plant are from renewable sources: electric energy comes from hydroelectric plants, while boilers use biomass (organic matter originated in a biological process, spontaneous or provoked, usable as an energy source), which is also a renewable natural resource.

For us, it is not enough to bet on those renewable sources (hydro, biomass, wind, solar), it is key to go one step further to reduce the consumption of these clean energies. This not only minimizes the impact on the environment, but also proposes a more supportive position in the distribution of energy resources since it demands less energy in the productive activity. Managing energy correctly implies taking care of the line efficiencies in each plant making sure that the consumptions are adequate and working hand in hand with our suppliers, demanding the use of equipment and transport of low consumption and with certain technological renewal, as with our cold equipment. Good management reduces environmental impact, improves the energy matrix, generates reasonable consumption and lowers costs.

How does Coca-Cola Andina manage the energy it uses to manufacture its products?
—Being truly aware of environmental care implies a 360-degree approach. That is why we aim that the growth of the industrial and commercial activities of the plant are carried out in harmony with the environment, being innovators and proactive before being reactive. We devote a lot of time and resources to improving operating efficiencies, as we are convinced that energy ratios accompany efficiency in asset use. Higher productive efficiencies imply lower energy consumption.

What impact does Coca-Cola Andina generate on energy? In what part of the value chain are the most significant impacts identified?
—Behind any technological change or new machinery that is acquired in Paresa the same premise underlies: it must be of higher energy efficiency than the pre-existing one or provide the highest available. Despite this, we have processes that are large consumers such as the blowing area, cold system, engine room and the production of sensitive beverages where the challenge is constant to reduce consumption ratios. The most significant impacts are recorded in the Industrial sector.

How do we measure operation emissions and carbon footprint? What tools do we use as a Company to measure impacts?
—Our Company has a reporting system of environmental management indicators, which reflects the consumption of fuels in...
production processes and in the facilities themselves, as well as in the commercial and logistics activities that indirectly indicate the recorded emission values.

We have corporate procedures and requirements, which set the policies and metrics for calculating environmental performance indicators, which is fundamental to understand how we are doing and what we can improve, because what is not measured cannot be managed.

**What areas of the Company are responsible for energy management and climate protection?**

—Coca-Cola Paresa has a Quality and Sustainable Development Division and an area of Safety and Environment, which is responsible for leading the environmental management of the plant, but the whole organization is responsible for energy management and climate protection.

In turn, within the area there are groups that are responsible for defining the projects that the Company will carry out in terms of water and energy, based on the objectives that we set each year. They are the ones who are in charge of quantifying the impact, the consumption ratio and, together with the Project area, perform follow-ups ensuring that the established plans are fulfilled in due time and proper form.

**What mechanisms are used to identify deviations?**

—In the framework of the Safety Program, checks and inspections are carried out on a weekly and fortnightly basis, collecting infrastructure conditions, use of personal protection elements and adequate equipment, working methods to avoid unsafe acts, but also possible leakage of steam and compressed air, because such a circumstance can cause damage to people's health. All are points that enrich the task, so there is an integrated vision and specific actions that fulfill the proposed goals.

**What initiatives do you take to reduce energy consumption?**

—Every year we set more challenging consumer targets, applying the concept of continuous improvement, and to support this we must define projects that will help us achieve those purposes. Among the initiatives with most impact that we can mention are the automation of the engine room, where today all compressors and large machines work with an automatic and modulated system that makes a smooth startup of the equipment, leading to lower energy consumption. The same goes for the boiler; it is prepared to operate automatically by modulating circulation in chimneys and pumps, which allows the optimization of the use of energy. It also has an economizer, which uses the heat of the gases emitted to heat the feeding water, generating energy savings. The last purchased bottle blowers are prepared to blow at low pressure, as well as the refusal of the blowing air that makes its energy consumption much smaller than the older machines. In the same way, in the new areas of the plant we are using LED lights and translucent roofing panels to take advantage of natural lighting.

In addition, last year we installed 35 online meters throughout the plant to differentiate energy consumption and have real-time information about the amount of energy consumed by each area.

Our purpose is to establish the culture of water and energy care and classification of waste in and out of the Company.

**What are the challenges ahead in terms of energy and climate protection?**

—In terms of energy, in Paraguay we feel we can do even more. When compared to other plants it seems that we have the highest numbers, but we are aware that it is necessary to continue working on the operating efficiency of our lines to obtain a greater performance of them, which is very linked to energy consumption, and enhance our control mechanisms in terms of biomass consumption.

**Our purpose is to establish the culture of water and energy care and classification of waste in and out of the Company.**
Energy management and climate protection initiatives

Austerity, a value that we put into practice

Energy reduction projects were implemented throughout the year, as a model of austerity of the resources used for the elaboration of our products. The awareness campaigns and the training of collaborators were fundamental to fulfill the purpose of promoting the care of the resources as if they were ours, guiding the costs responsibly to the needs and requirements of the Company. During the celebration of the environmental week, we reinforced the concepts and objectives related to water, energy and waste because we believe that it is essential to communicate and encourage best practices in the care of resources, because each worker builds energy management day by day.

We maintain our cogeneration power plant and CO₂ and N₂ Generator, achieving stability in the provision of this resource. This plant achieves the utilization of 70% of thermal energy from the combustion of the fuels used in the production processes. Another key link is performance monitoring. In this sense, we formalized bi-monthly meetings giving accompaniment to the initiatives that seek the efficiency and reduction of the consumption. Maintenance plans were developed to prevent leakage of compressed air and steam, and insulation was installed in the piping to avoid energy losses in the transport of cold and/or heat.

Regarding lighting, LED luminaires were placed to reduce electricity consumption; Motion sensors were installed to automate and enhance the use of luminaires; and in the places where it was possible, translucent fabrics were placed that allowed to make the most of the natural light to illuminate the work spaces.

LEED Sustainable Building certification is a hallmark of Brazil’s operating efficiency. In March 2016, a new distribution center was inaugurated in the Caju district, in the city of Rio de Janeiro, and we are currently working on the new Duque de Caxias plant, which will start in 2018. Both constructions reflect the Company’s commitment to reducing energy consumption.

Efficiency in the Value Chain

At Coca-Cola Andina we measure and implement improvements in the most significant processes of our entire value chain. Because they are a fundamental axis, we maintain a plan of replacing and permanent modernization of the cold equipment installed in our clients. From a commercial perspective, we want our consumers to enjoy the products at the right temperature and from an environmental point of view, we seek to reduce the impact by acquiring the latest generation cold equipment.

We will continue to work on the replacement plan that already reaches 70% of the equipment, which saves 40% energy and also uses ecological refrigerant gases.

In Paraguay, our operation was recognized by the Environment Ministry (SEAM) within the framework of the “ozone-friendly companies” contest, in which we work solidly to show the benefits that are obtained thanks to the new equipment installed in our clients. We also received a distinction from our service suppliers, with whom we operate in synergy and under strict environmental care standards. Energy efficiency in our value chain is a path of joint growth connecting clients, suppliers and the community in general.
Energy Management and Climate Protection

Initiatives

Analysis and efficiency in the processes

At Coca-Cola Andina Argentina, the systematization of the start and stop of high pressure air compressors was carried out in five 560KW machines and one 350KW. By joining the individual boot systems, the teams work collaboratively taking advantage of time, resulting in energy savings because the higher consumption is generated when they start.

In addition, the project led to lower utilization of the water pumping system, cooling and stopping of cooling tower depending on the temperature.

During 2017, we worked with an expert carbon footprint consultant to carry out a thorough survey and inventory of the emissions generated in our processes. The results will be obtained in the first months of 2018 along with suggestions and improvement plans.

In the Bahia Blanca plant, isolations were placed in line 3, which reduces consumption by avoiding heat losses in significant equipment such as washing machines.

In the Trelew plant, the ammonia compressors of the cooling tower were automated, eliminating operation downtimes.

Commitment and innovation

At Coca-Cola Andina Chile, we worked throughout the year to reduce energy consumption by increasing efficiency, lowering costs and extending the life of electrical appliances. We began to install EnerKeeper technology, a saving system by improving the power load quality of the power distribution system; This also leads to a reduction in CO₂ emissions. The system works by reducing the loss of energy caused by the harmonics distortion of the installations.

LED lighting systems were installed in the Renca plant and in five distribution centers, which was performed in conjunction with the leading brand Philips Lighting that put the replacement in operation. These 2,000 high-efficiency luminaires generate a significant reduction in the consumption of electricity and improve work spaces.

The exercise of permanent monitoring of energy management, included the realization of a specific research on energy efficiency in 2017, producing very valuable conclusions that will lead to implement projects of focused improvement. Training and awareness is a fundamental pillar, as each of the collaborators is responsible for caring for the resources. In this sense, key agents of the operation were trained in concepts such as environment and resource care.

On the other hand, the 31 laser-guided vehicles (LGV) continue operating, which contribute to reducing our carbon footprint, making the facilities safer for operators and reducing inventory costs. During 2017, the renewal of the fleet of trucks acquired in 2016 was 100% capitalized. It consists of 151 Mercedes Benz Euro V trucks with advanced BLUETEC technology, which achieves a perfect combination between environmental care and reduction of fuel consumption.
Recognitions that encourage us to improve

An automation of the engine room was carried out in the facilities of our plant in Paraguay, leaving the compressors and large engines under an automatic and modular starter system with a smooth start that reduces energy consumption. The same concept was applied in the boiler, which is also prepared so that the gases emitted heat the incoming water, resulting in operating savings.

Thanks to teamwork, more than 30 online meters are being put in place to segregate energy consumption by production lines, optimizing responses to possible deviations.

The new acquisitions of blowers are of the latest technology and are prepared to work at low pressure significantly saving energy compared with the older machines.

The implementation of LED lights continues in the new areas as well as the installation of translucent panels where you can take advantage of natural light. The training on the importance of the care of the resources reached the collaborators and their families, who were protagonists of a series of recreational activities proposed.

We believe that it is essential to raise awareness among collaborators and their environment in order to achieve a cultural change of austerity in the use of resources, both inside and outside the Company.

In 2017, Coca-Cola Paresa received an award in the national competition “Ozone-Friendly Companies” organized by the Environment Ministry (SEAM) of Paraguay. It was launched in the framework of the 30-year anniversary of the Montreal protocol, designed to protect the ozone layer, and with the aim of highlighting the commitment of companies contributing to the fulfillment of obligations stipulated in the document, and which implemented strategies and actions aimed at reducing and/or avoiding the emission into the atmosphere of ozone depleting substances (ODS).

Precisely, the Company was awarded in the category "Promotion of alternative substances to ODS" by the use of R-744 (CO₂) as refrigerant gas in the beverage refrigerators used at the points of sale. CO₂ is considered the best eco-friendly alternative to other refrigerants, as it is environmentally friendly and safe for the future.

In addition to being proud, this award is a commitment to continue innovating and to make known the multiple actions that are implemented and are part of the Company’s culture in the area of preservation and care of the environment.

<table>
<thead>
<tr>
<th>Type of equipment</th>
<th>Argentina</th>
<th>Brazil</th>
<th>Chile</th>
<th>Paraguay</th>
</tr>
</thead>
<tbody>
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<td>Only electronic driver</td>
<td>6,700</td>
<td>28,363</td>
<td>2,674</td>
<td>13,487</td>
</tr>
<tr>
<td>Only LED</td>
<td>0</td>
<td>6,043</td>
<td>4,491</td>
<td>6,010</td>
</tr>
<tr>
<td>Only electronic driver + LED</td>
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<td>26,338</td>
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<tr>
<td>Others</td>
<td>36,568</td>
<td>24,661</td>
<td>22,799</td>
<td>7,576</td>
</tr>
<tr>
<td>Total</td>
<td>93,408</td>
<td>79,417</td>
<td>75,938</td>
<td>53,411</td>
</tr>
</tbody>
</table>
LED lighting, the Big Bet for Energy Savings

During 2017, the installation and operation of the Philips LED Lighting systems installed in the bottling plant and distribution centers of Coca-Cola Andina was completed. They allowed to significantly reduce energy consumption and improve the Company’s workspaces.

Philips Lighting successfully completed the installation process of 2,000 high-efficiency LED luminaires, achieving a drastic reduction in energy consumption for lighting. This action is part of the corporate sustainability initiatives of Coca-Cola Andina to minimize carbon emissions from the optimization of energy consumption and the implementation of renewable energies in its production facilities.

The challenge was to improve the working conditions of the collaborators and lower the energy costs for lighting in the areas where the project was carried out. The average lighting level was 40-lux and in some critical areas it reached only 8-lux. Currently, the technology change contributes an average of 180-lux, which exceeds the standard and allows a more pleasant, safe and efficient Work environment. The improvement in the visual comfort of the workers is manifested both in the levels of illumination achieved as in the uniformity and the low glare index, which has also contributed to injury rate reduction.

Renca production plant and in the Carlos Valdovinos, Maipú, Puente Alto, Rancagua and San Antonio distribution centers. The investment made in the industrial facilities allowed a 54% reduction in installed power. This represented direct energy cost savings estimated at 3,178,829 KWh/yr, equivalent to the average annual consumption of 1,200 households in Chile.

On the other hand, the reduction of maintenance costs was achieved with the replacement of lamps, since LED equipment offers a long useful life. In the areas where the project was carried out, the average lighting level was 40-lux and in some critical areas it reached only 8-lux. Currently, the technology change contributes an average of 180-lux, which exceeds the standard and allows a more pleasant, safe and efficient Work environment. The improvement in the visual comfort of the workers is manifested both in the levels of illumination achieved as in the uniformity and the low glare index, which has also contributed to injury rate reduction.

This technological update carried out by Coca-Cola Andina in its lighting system is part of a plan to optimize energy consumption as an essential step for the incorporation of renewable energies in its production facilities. Only with this technology change, the bottler managed to reduce the emission of more than 1,200 tons of CO₂ per year.
ENERGY MANAGEMENT

To the extent that the offer expansion of sensitive products, new categories and a greater mix of returnable packaging, the processes require a higher energy consumption. The constant challenge is to reduce consumption ratios, even increasing the offer of new categories of beverages and packaging. Sensitive products such as juices, which are hot-filled consume more energy than any other product, this also affects the reported ratios.

On average, in the last five years energy consumption ratio of Coca-Cola Andina remained constant, increasing production but not energy use.

<table>
<thead>
<tr>
<th>ENERGY USE RATIO (MJ/LITERS PRODUCED)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARGENTINA</td>
</tr>
<tr>
<td>BRAZIL</td>
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<tr>
<td>CHILE</td>
</tr>
<tr>
<td>PARAGUAY</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>ORGANIZATION TOTAL ENERGY CONSUMPTION (MJ)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
</tr>
<tr>
<td>ARGENTINA</td>
</tr>
<tr>
<td>BRAZIL</td>
</tr>
<tr>
<td>CHILE</td>
</tr>
<tr>
<td>PARAGUAY</td>
</tr>
<tr>
<td>TOTAL</td>
</tr>
</tbody>
</table>

(Renewable and non-renewable fuels, electricity acquired and produced) in MJ

<table>
<thead>
<tr>
<th>FUEL CONSUMPTION OF RENEWABLE SOURCES (MJ)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
</tr>
<tr>
<td>Biomass</td>
</tr>
<tr>
<td>Hydreelectric</td>
</tr>
<tr>
<td>Solar</td>
</tr>
<tr>
<td>Biogas</td>
</tr>
<tr>
<td>TOTAL ANDINA</td>
</tr>
</tbody>
</table>
WE MEASURE GAS EMISSIONS

With the purpose of contributing to avoid the greenhouse effect, at Coca-Cola Andina we carry out initiatives to reduce the carbon footprint, encourage energy savings and promote good practices, from the beginning of the production of the beverage until it reaches the family table.

Types of emissions

Scope 1 measurement comprises direct emissions from consumption of fuels in production processes and/or in equipment owned or controlled by the Company. In the case of fleet vehicles, only those owned by the Company are considered. 2017 was key because we worked intensely with the logistics area to improve the reported information and on our reporting capacity.

Scope 2, refers to indirect emissions resulting from the consumption of electrical energy in processes, commercial and logistic activities or by equipment owned or controlled by the Company. To progress in this aspect, we implemented best practices in our facilities and share experiences with other bottlers in the search to optimize the energy use ratio as well as the mix selected for the supply.

In order to develop Scope 2, we must analyze the energy reality of each country where we operate.

Scope 3 emissions are defined as other indirect sources associated with the electricity used by our refrigerators and vending machines in our clients’ locations, and the fuel used by our third-party distributors. These emissions are monitored by country and are managed with the renewal of cold equipment and improvements in distribution routes worked in conjunction with distributors. Total Scope 3 emissions are mostly related to the quality of energy available in each country, as the cold equipment installed at client locations consume home electric power. The following tables show the footprint of Scope 1, 2 and 3 by country, considering that each one has its peculiarities in logistic services as well as in energy infrastructure.
Our packaging is focused on reducing, recycling and reusing materials, in order to preserve natural resources.

### Solid Waste Recycling

- **Argentina**: 89.5%
- **Brazil**: 88.1%
- **Chile**: 80.5%
- **Paraguay**: 76.9%

### Generation of solid waste (gr/produced beverage)

- **Argentina**: 15.7 gr
- **Brazil**: 6.3 gr
- **Chile**: 18.8 gr
- **Paraguay**: 21.3 gr
How does Coca-Cola Andina manage the raw materials to manufacture the containers it uses; the effluents and waste it generates?
—Regarding raw materials, we work with suppliers recognized and audited by The Coca-Cola Company, who are required to have environmental certifications and comply with a number of regulations related to guiding principles such as appropriate working conditions, respect and compliance with existing legal provisions, etc.

We also encourage the development of practices such as sustainable agriculture and the certification of raw materials that come from primary production such as sugar, grains to produce fructose and citrus fruits to make fruit juices. An independent entity audits these suppliers and verifies that they comply with management standards, pointing not only to the environmental aspect but also to regulated work in order to ensure total traceability of the raw material.

On the other hand, liquid effluents resulting from production are collected, channeled and end up in a treatment plant characterized by the use of a distinctive technology within the beverage sector based on an aerobic and anaerobic system, with a high level of investment. Both the treated industrial effluent and sewage waste go directly to the municipal effluent treatment plant. In this regard, as well as the Coca-Cola Company establishes requirements for suppliers of raw materials that exceed those demanded in the general area, at the time of analyzing the effluents, the municipal obligations are added to the Operating requirements of Coca-Cola (KORE) and surprise external audits to corroborate their compliance.

Finally, we ensure the segregation of solid waste in origin to enable its subsequent recycling from material already classified in our ecological island.

It should be noted that sustainability actions begin with the reduction of the use of resources such as water and energy for which there are also plans associated with these goals.

Why is sustainable packaging important for Coca-Cola Andina?
—To market a bottle, we need the use of three main resources: water, energy and packaging. That is the great impact that we identify and naturally manage, because we are committed to environmental sustainability and try to reduce the ecological footprint in the production of the beverages we manufacture. This strong commitment is established both in the policies of The Coca-Cola Company and Coca-Cola Andina.

Actions aimed at reducing or eliminating the impact include: reducing the use of materials through the lightening of containers in both primary packaging that are in direct contact with the final product as in secondary (e.g.}
The projects approved in the Montecristo Plant in 2017 will allow to reduce our impact on the market by more than 150 tons of PET in 2018.”

How do we measure impacts? What tools do we use as a Company to measure them?
—At Coca-Cola Andina we measure environmental management through indicators such as: the evolution of waste generation per liter of product produced (the lower the indicator, the higher is the efficiency in the use of materials); the percentage of recycled waste; the reduction in the weight of lightened materials such as preforms (the projects approved in the Montecristo Plant in 2017 will allow to reduce our impact on the market by more than 150 tons of PET in 2018), and thermo-contractible film (59 tons will be reduced in 2018); decreased use of water per liter of beverage; also of the energetic use in its different sources and quantity of recycled crates produced; among others.

It is important to clarify that the lightening processes are carried out under methodical test procedures, in order to ensure that the quality characteristics of the product and the packaging functionality are not altered in the process.

For each of these indicators we propose challenging goals that we review every year in terms of performance, involving all areas of the Company.

What areas of the Company are responsible for the management of raw materials and waste?
—All areas of the Company have an impact on the management of environmental sustainability, since the operation is the one who makes use of the resources in the development of the daily task, and without their support and commitment, management would not be possible.

What initiatives do we develop to reduce the identified impacts, the presence of waste and contribute to the development of environmental awareness?
—At Coca-Cola Andina there is a policy from which projects with objectives, investment and resources are disposed to carry out the work plans in order to reduce and minimize our impacts, with training and follow-up activities.

Led by the area of Institutional Relations, the Company develops community awareness activities by inviting collaborators to participate. That is, beyond the internal effort to reduce the direct impact caused by the use of resources and raw materials, it also works outside of the Company so that people become aware of the environmental impact and the importance of developing activities such as segregation of waste, recycling and recovery of materials for the care of the environment.
**Sustainable Packaging**

Every year we have formats that still have the possibility to reduce their weight according to the line where they are being produced. During 2017, the efforts to lighten the containers led to a resin savings of 236 tons per year. This also meant a savings of USD 405,345.

Vital mineral water was the product selected in the framework of a pilot plan carried out by Chile’s Ministry of the Environment to reformulate the packaging. The one chosen for the eco-design project was the new ecoFLEX, which reduced by 30% the amount of plastic needed for the elaboration of the containers and that was transformed into the first packaging to portray the “low in waste environmental seal”. The ecoFLEX design was mentioned in previous editions with Bonaqua in Argentina but considering the Chilean reality, the Company’s efforts in expanding the scope of good initiatives, are noteworthy.

---

**Design**

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**Initiatives**

**Bottle to Bottle**

Is a project that seeks to increase the percentage of recycled resin in plastic containers and the availability of postconsumer packaging; not only does it benefit the community but also the production of recycled resin making it competitive as a raw material for the industries that consume it.

During 2017, packaging containing up to 20% recycled pet was produced, which can be identified through the inscription “Pet PCR (Post consumption recycled)”. Although this concept is best known by the plastic industry, our glass containers follow this same logic by achieving production of glass bottles with up to 70% recycled material.

The effort is even greater because recycled resin is not always more economical than virgin resin, therefore the Company allocated an additional USD50/ton to have a percentage of recycled resin in their bottles.

---

**SAVINGS OF 197 TONS PET IN 2016**

**SAVINGS OF 236 TONS PET IN 2017**

**1,593 TONS RECYCLED RESIN IN 2016**

**6,667 TONS RECYCLED RESIN IN 2017**

---

100% packaging of the products we offer is recyclable. 100% of the secondary packaging is recyclable. **38.5% of the soft drink mix is returnable.**
Sustainable Packaging

Returnable containers

At Coca-Cola Andina we believe in returnability and that is why every year we make efforts to maintain and introduce these packages in all our clients. We want consumers to be able to choose a product of excellence in a more environmentally friendly and economically accessible option. This choice puts the entire supply chain in a leading role increasingly needed for our planet.

During 2017, the “Choose Returnable” campaign was launched to encourage the preference for this type of packaging, in order to raise awareness about the impact that different types of packaging generate in the environment.

In the context of this initiative, Coca-Cola Andina Chile commissioned a research from DICTUC and TriCiclos on the life cycle analysis of its returnable and disposable family packaging, which gave information on carbon footprint and waste generation. Specifically, the research quantified the environmental impacts considering all the stages through which different types of containers pass, from the extraction of the raw material, transport and production to its final disposal. For this purpose, the analysis was focused on both packaging and raw materials (caps and labels). The formats of interest used for the investigation were the 1.5 lt one-way PET plastic, the 1.25 lt returnable glass and the 2.0 lt returnable PET plastic.

In terms of carbon footprint, the research resulted in the consumption of 4 liters of beverage in returnable PET bottles compared to one-way PET bottles, the reduction of equivalent CO₂ emissions can be translated into:

- **33 hours** USE OF A LOW CONSUMPTION LAMP
- **62 hours** CHARGE OF A CELL PHONE
- **2 days** CO₂ ABSORPTION OF A TREE

---

<table>
<thead>
<tr>
<th>Sales - Returnable Containers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
</tr>
<tr>
<td>48%</td>
</tr>
<tr>
<td>20%</td>
</tr>
</tbody>
</table>
The Packaging Strategy

› Expand the use of returnable containers.
› Continually reduce the amount of raw materials needed to produce our containers.
› Increase the use of recycled raw materials in the production of containers.
› Contribute to the progress of the reverse logistics systems of disposable containers, through the social and structural development of cooperatives in the communities where we operate.

The recovery of containers (primary and secondary) is one of the biggest challenges in relation to waste management and its impact on the community. Awareness and consumer participation are key, as well as the value chain.

For non-returnable products we seek to strengthen the existing recovery chains in the different communities where we operate; participating in this project leads us to develop public-private partnerships that provide a safe agenda for all players.

All countries managed to recover 3,131 tons of post consumption waste through commercial and community initiatives.
Recycling collection points
Alliances with B corporations

In the context of strengthening alliances, Coca-Cola Andina Chile participated along with the company “TriCiclos” in the launching of the program “Each Bottle Counts”, which promotes the installation of fixed and mobile eco points for the recycling of household waste. The initiative proposes that citizens understand trash as a consequence of their consumption habits and learn the true concept of recycling while experiencing the first stages of this process.

This valorization mini-plant seeks to solve the logistic challenge in an intelligent way, which is one of the main drawbacks of the recovery systems: achieving efficiency and traceability of the materials and generating a positive and significant impact on the working style of base recyclers. These become key players as they not only provide a service, but also offer environmental education for their surrounding community. That way the system is positioned as a triple-result model.

The campaign was implemented in the community of Santiago de Chile but also indoors for the community of the Company. The results were:

This is how the Law on Responsibility Extended to the Producer will work:

* MMA: Ministry of the Environment
** SMA: Superintendence of the Environment
In Brazil, the recycling scenario is quite challenging. From the improper disposal of waste that causes serious environmental consequences, to the situation of social vulnerability that the work of the gatherers entails, there are many difficulties. In addition, of the nearly 6,000 municipalities in the country, only 1,000 have selective collection and within them, only a few locations have the service.

However, at Coca-Cola Andina we believe in the transformative potential of networking, of which the Sectoral Agreement on packaging is a clear example. Signed at the end of 2015, this alliance foresees the development of a waste action plan in the context of reverse logistics, with the aim of reducing by 22% the amount of postconsumer packaging destined for landfills by the end of 2018.

Coca-Cola Andina Brazil, as founder and promoter of the Recycling Business Commitment (CEMPRE), led the creation of the so-called Packaging Business Coalition that was decisive for the signing of that agreement. In February 2017, the first results of the initiative were presented. Jointly, the coalition partners acted in 422 municipalities in 25 states, reaching 51.2% of the Brazilian population. More than 700 collectors’ cooperatives were supported and about 2,000 voluntary distribution points were installed.

The goal is to reduce by 22% the amount of postconsumer packaging that will go to landfills.

**Coletivo Reciclagem**

In Brazil, the recycling scenario is quite challenging. From the improper disposal of waste that causes serious environmental consequences, to the situation of social vulnerability that the work of the gatherers entails, there are many difficulties. In addition, of the nearly 6,000 municipalities in the country, only 1,000 have selective collection and within them, only a few locations have the service.

Week of the Coletivo Reciclar Movement

We support 29 cooperatives of the state of Rio de Janeiro and the interior of Sao Paulo, directly benefiting 3,000 people. In each of the organizations, we were present through technical accompaniment, diagnostics, training and investments in infrastructure.

**POST-CONSUMPTION RECOVERED**

3,070 TONS

**POST-CONSUMPTION**

**RECOVERED**

3,070 TONS

**3,070 TONS**
Commitment to sustainable and inclusive work

In 2017, the Company continued with the Cooperative Sponsorship Program that seeks to improve the work environment of recyclers, increase the productivity of recycling plants and increase PET recovery rates and other recyclable materials; leaving technical capacities installed in each of them to achieve the long-term self-sustainability of the cooperatives.

In the context of this commitment, the Reciclo program launched by Coca-Cola Argentina in order to increase the recovery and recycling of urban waste also adhered.

Sponsorship of Cooperatives

Since the beginning of the program, 31,635 kilos of recyclable material have been recovered: 15,464 kilos are plastic PET.

Environmental Education with an Active Role

The environmental education program implemented through the company Kyklos seeks the transformation of the community by educating children, promotes a change in the curricular activities of schools and accompanies them in the achievement of environmental certification.

Students are agents of change in their community as they incorporate practices of recycling and material reduction; new skills that contribute to improve the quality of life and the well-being of society.

The program involves the municipalities of Renca, Maipú and Puente Alto, where around 38,000 children were formed and managed to recycle more than 21,000 kilos of waste, of which 2,000 kilos were PET, thus avoiding it to end up in landfills.
**Glass recycling**

In all operations, returnable glass bottles are reused. We have the commitment of the consumers to return the containers used for their subsequent processing, washing and entry to production. The bottles are selected and those that are discarded are sent to the ecological island of each plant to be conditioned and sent to the recyclers. These are processed to make other products, some end up in glasswork companies and come back as new bottles.

**In 2016**
- **COCA-COLA ANDINA CHILE** donated 131,670 kg of glass

**In 2017**
- **COCA-COLA ANDINA CHILE** donated 812,614 kg of glass

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**Sponsorship of Sustainable Enterprises**

**Ecoinclusion Foundation**

The project combines the commitment to caring for the environment with the dream of giving a roof to those who need it most. From the collection of plastic bottles, the foundation manufactures ecological bricks to build houses. One brick is obtained from 20 bottles, which unlike the conventional clay brick is lighter, has better insulating properties and its production process does not harm the environment.

**3C Construcciones**

The project proposes to build homes with PET bricks, through an industrial process with no use of water and very little energy that reuses discarded materials. The quality of the constructions is tested with real prototypes showing excellent results. It is also a low-cost housing solution, about 40% of what it costs to build a traditional home. Both projects received the sponsorship of Coca-Cola Andina Argentina in the context of the Emprende INNdustria program of the Government of the province of Córdoba.

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**COANIQUEM Glass Recycling Campaign**

The Burnt Child Aid Corporation (COANIQUEM) is a non-profit charitable institution that has the mission to rehabilitate children and young people with burns in addition to preventing, training and investigating this pathology. It is committed to offering free treatment of excellence with the purpose of improving the quality of life and the future of the patients.

Thanks to the glass recycling campaign, it has been possible to afford the construction of “Casabierta”, a place of welcome where children from Chile and neighboring countries remain during their rehabilitation period. The residence provides lodging and meals to each child and one of their family members. In addition, they receive compensatory school education through the Casabierta COANIQUEM Hospital School.

Through this campaign, the institution recovers glass, and with the funds obtained from recycling it manages to sustain the services provided to the community.
Years after its start-up, the results of the first plastic packaging recycling network in the city of Córdoba are more than positive. Not only for the tons of recyclable material collected, but for improvements in the quality of life generated around the Los Carreros Cooperative, which is responsible for the logistics of collection, packaging and baling of bottles for sale and subsequent recycling.

The group went from having 11 collaborators to 19, who have new tools and machines to work safely and efficiently. In 2017, a glass grinder and conveyor belt were incorporated thanks to the donation of the Tetra Pack company, reflecting an increase in work and the emergence of new opportunities.

The challenge during the last year was to make this program an example of a circular economy, for which inside the Company we worked collaboratively with the Supply and Quality areas. The purpose is to better use the material collected by the cooperative and encourage its reintegration into the productive cycle. The legal formalization of “Los Carreros” allowed us to meet with recyclers of larger scale, eliminating intermediaries in the sale price of the material. Improving the quality of the conditioning was a commitment made by the Chairman of the Association, Lorena Castaño, and her team looking to improve sales and achieve greater revenues.

Once ensuring collection volumes; program compliance; greater efficiency of the cooperative and consequently better sales prices and quality of the residue, we were able to

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Recycling with Circular Economy

The plastic packaging recycling program continues evolving and generating value thanks to the social commitment and work of the public and private sector. In 2017, Reciclo was launched, another initiative of Coca-Cola Argentina that seeks to increase the recovery of urban waste.

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From the beginning of the program in December 2016 to December 2017, 31 tons of waste were collected, conditioned and compacted, 15 tons of which are PET.
Thanks to the support of the public sector, asphalt was placed in the street where the Cooperative is located. Revenues from the sale of material improved, which also led to an improvement in the quality of life of members and their families.

assume a goal of percentage of recycled PET in our bottles that can be identified in the containers with the acronym “PET PCR”.

The goal is to incorporate 20% recycled PET into our packaging. In the first year we reached 13%, which makes us proud and raises new challenges to reach the proposed objective in a sustained way. While the Company pays more for recycled resin, we are convinced that we must support this type of initiative to turn waste into value. The benefits to the environment do not always bring economic savings, but by upholding these decisions and combining wills, we will achieve a social, environmental and economic balance.
Sustainable Packaging

Exhibits and Figures

**PET:**
- Returnable and non-returnable bottles
- Collection
- Pressing
- Sale / Recycle
- New bottles

**Glass:**
- Returnable and non-returnable bottles
- Collection
- Grinding / Crushing
- Sale / Recycle
- New bottles or by-products

**Caps / boxes:**
- Collection
- Grinding / Crushing
- Sale / Recycle
- New boxes or by-products

**Paper / cardboard:**
- Supplies for other industries
- Collection
- Pressing
- Sale / Recycle
- New products or by-products

**Wood:**
- pallet
- Collection
- Scrap chipping
- Sale / Recycle
- New products

**Aluminum:**
- cans
- Collection
- Pressing
- Sale / Recycle
- New products

**Metals:**
- Sale / Recycle

**Organic residue:**
- New uses
- Sale / Composting

**Hazardous residue:**
- Treatment by authorized third parties
- Safe storage

**Disposal:**
- safety cells

**Reuse:**
- fuel for co-generation

**SOLID WASTE RECYCLING**

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARGENTINA</td>
<td>91.0%</td>
<td>92.2%</td>
<td>89.7%</td>
<td>89.59%</td>
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<tr>
<td>BRAZIL</td>
<td>91.0%</td>
<td>90.1%</td>
<td>88.7%</td>
<td>88.18%</td>
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<tr>
<td>CHILE</td>
<td>82.9%</td>
<td>83.3%</td>
<td>80.2%</td>
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<tr>
<td>PARAGUAY</td>
<td>80.0%</td>
<td>75.3%</td>
<td>71.9%</td>
<td>73.10%</td>
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</table>

**SOLID WASTE GENERATION**

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARGENTINA</td>
<td>13.76</td>
<td>12.96</td>
<td>13.98</td>
<td>15.74</td>
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<tr>
<td>BRAZIL</td>
<td>11.76</td>
<td>10.86</td>
<td>6.49</td>
<td>6.30</td>
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<tr>
<td>CHILE</td>
<td>15.42</td>
<td>14.75</td>
<td>19.09</td>
<td>18.77</td>
</tr>
<tr>
<td>PARAGUAY</td>
<td>23.30</td>
<td>25.99</td>
<td>25.26</td>
<td>22.37</td>
</tr>
</tbody>
</table>

Grams/liter of beverage produced

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GRI:

304-2

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- 65 -
### Sustainable Packaging

100% of hazardous wastes are transported to be treated by third parties enabled by the regulations of the countries in which we operate.

#### RAW MATERIALS USED (TONS)

<table>
<thead>
<tr>
<th>RAW MATERIALS USED (TONS)</th>
<th>ARGENTINA</th>
<th>BRAZIL</th>
<th>CHILE</th>
<th>PARAGUAY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Virgin PET Plastic</td>
<td>17,604</td>
<td>14,077</td>
<td>13,540</td>
<td>5,592</td>
</tr>
<tr>
<td>Recycled PET Plastic</td>
<td>1,240</td>
<td>5,426</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Virgin Glass</td>
<td>3,492</td>
<td>1,420</td>
<td>8,167</td>
<td>10,2471</td>
</tr>
<tr>
<td>Recycled Glass</td>
<td>2,875</td>
<td>-</td>
<td>-</td>
<td>1,629</td>
</tr>
<tr>
<td>Virgin Plastic Caps</td>
<td>2,009</td>
<td>2,200</td>
<td>1,529</td>
<td>810</td>
</tr>
<tr>
<td>Virgin Plastic Cases</td>
<td>353</td>
<td>569</td>
<td>313</td>
<td>19,606</td>
</tr>
<tr>
<td>Recycled Plastic Cases</td>
<td>824</td>
<td>-</td>
<td>-</td>
<td>6,535</td>
</tr>
<tr>
<td>Plastic stretch film + Thermo-contractible</td>
<td>1,907</td>
<td>2,696</td>
<td>399</td>
<td>906</td>
</tr>
<tr>
<td>Wood Pallets</td>
<td>3,288</td>
<td>2,958</td>
<td>-</td>
<td>23,709</td>
</tr>
<tr>
<td>Sugar</td>
<td>94,596</td>
<td>111,571</td>
<td>73,619</td>
<td>33,156</td>
</tr>
<tr>
<td>Fructose</td>
<td>9,484</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>CO₂ (raw material)</td>
<td>8,685</td>
<td>9,812</td>
<td>7,808</td>
<td>2,814</td>
</tr>
<tr>
<td>Chapadur (pressed cardboard separator)</td>
<td>3,939</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

#### SOLID WASTE GENERATION (TONS)

<table>
<thead>
<tr>
<th>SOLID WASTE GENERATION (TONS)</th>
<th>ARGENTINA</th>
<th>BRAZIL</th>
<th>CHILE</th>
<th>PARAGUAY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper/cardboard</td>
<td>897</td>
<td>880</td>
<td>747</td>
<td>454</td>
</tr>
<tr>
<td>Glass</td>
<td>4,555</td>
<td>423</td>
<td>5,954</td>
<td>3,149</td>
</tr>
<tr>
<td>Caps</td>
<td>278</td>
<td>213</td>
<td>395</td>
<td>29</td>
</tr>
<tr>
<td>Metal (all except aluminum)</td>
<td>140</td>
<td>448</td>
<td>55</td>
<td>259</td>
</tr>
<tr>
<td>Hazardous waste</td>
<td>1,039</td>
<td>46</td>
<td>216</td>
<td>12</td>
</tr>
<tr>
<td>Aluminum</td>
<td>8</td>
<td>72</td>
<td>10</td>
<td>-</td>
</tr>
<tr>
<td>PET</td>
<td>2,828</td>
<td>1,114</td>
<td>1,837</td>
<td>327</td>
</tr>
<tr>
<td>Plastic (all except PET and PP from caps)</td>
<td>1,415</td>
<td>631</td>
<td>816</td>
<td>400</td>
</tr>
<tr>
<td>Wood</td>
<td>950</td>
<td>2,889</td>
<td>3,096</td>
<td>893</td>
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<tr>
<td>Organic</td>
<td>-</td>
<td>-</td>
<td>364</td>
<td>-</td>
</tr>
<tr>
<td>Other recyclable</td>
<td>4,287</td>
<td>154</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other non-recyclable</td>
<td>2,247</td>
<td>920</td>
<td>2,988</td>
<td>2,181</td>
</tr>
</tbody>
</table>
We promote a safe and welcoming Work environment. We believe that motivated people are the basis of business sustainability, making it possible to build a better Company.

Absenteeism rate

<table>
<thead>
<tr>
<th>Country</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>2.85%</td>
</tr>
<tr>
<td>Brazil</td>
<td>1.50%</td>
</tr>
<tr>
<td>Chile</td>
<td>4.00%</td>
</tr>
<tr>
<td>Paraguay</td>
<td>1.30%</td>
</tr>
</tbody>
</table>
Together we are more

No great task has been performed in the world without great passion and teamwork where the whole is greater than the sum of the parts. That is the synergy that characterizes Coca-Cola Andina and the one we continue to reinforce, confident that when we are surrounded by passionate people to pursue a common purpose, anything is possible.

Coca-Cola Andina is "one Company, one team". Under this motto, we are all part of the day-to-day management and achievement of goals, and at the same time responsible for ensuring a good Work environment.

We are more than 11,000 collaborators throughout the four operations for whom the Company is our second home and therefore we seek to make it the best place to work, convinced that work happiness is fundamental for performing our activities, for the well-being of our people, for the economic growth and ultimately for the success of the organization.

The scope of our operations and the respect for the particularities of each region allow us to harmonize business goals with the personal reality of each collaborator, in order to identify opportunities for improvement that enable us to grow at a par. When we analyze the social impact of the Company, we see that Coca-Cola Andina not only gives jobs and joy to millions of people in the world, but it is also capable of entering the home, tables and surroundings of our collaborators. Hence the responsibility of caring for our people and their families.

Being the Company that many would like to be a part of, challenges us to implement benefits that balance working and personal life. In this context, we are always pursuing a variety of initiatives aimed at ensuring safety, health care and prevention, ongoing training and education, the employment of people with disabilities, the enjoyment and integration of families. To do this, we use fair and transparent policies and processes that guide us in the management of our collaborators, and we adapt to their new needs based on permanent feedback and dialogue.

At Coca-Cola Andina we work with clear objectives and goals, that is why we count with selection tools, performance evaluation and constant training, which added to the accompaniment of responsible and committed professionals allow us to travel along the path of excellence.

We also renewed Universidad Andina, an integrated platform for the training and development processes that includes all collaborators of the Company. We build partnerships with other institutions to insert young professionals and continue with the succession plan to guarantee the sustainability of the Work environments.

Our vision is to promote a safe and welcoming workplace because we believe that motivated people are the foundation of business sustainability, which allows us to build a better Company among and for everyone.

"Coca-Cola Andina is one Company, one team; under this motto, we are all part of the day-to-day management as well as the achievement of goals."

— Miguel Ángel Peirano
Chief Executive Officer
Coca-Cola Andina

— José Luis Solórzano
General Manager
Coca-Cola Andina Chile

— Andrés Wainer
Chief Financial Officer
Coca-Cola Andina

— Miguel Ángel Peirano
Chief Executive Officer
Coca-Cola Andina

— Jaime Cohen Arancibia
Chief Legal Officer
Coca-Cola Andina

— Jaime Cohen Arancibia
Chief Legal Officer
Coca-Cola Andina

— Francisco Santurgo Cañas
General Manager
Coca-Cola Andina Paraguay

— Tomás Vedoya
Chief Strategic Planning Officer
Coca-Cola Andina

— Tomás Vedoya
Chief Strategic Planning Officer
Coca-Cola Andina

— Renato Barbosa
General Manager
Coca-Cola Andina Brasil

— Renato Barbosa
General Manager
Coca-Cola Andina Brasil

— Fabián Castelli
General Manager
Coca-Cola Andina Argentina

— Fabián Castelli
General Manager
Coca-Cola Andina Argentina

— Gonzalo Muñoz Armendariz
Chief Human Resources Officer
Coca-Cola Andina
Our work team

The importance of people at Coca-Cola Andina is one of the basic pillars of the business and future success factor. To respect them is to offer them a balanced development perspective in their professional and personal aspects.

Work environment

At Coca-Cola Andina the opinion of our people is the first source of information to pave the path of growth that we all want to travel.

Job satisfaction is a strategic priority, so since 2008 we have been working on the Work environment survey in all our operations simultaneously. In Argentina, we increased the level of participation from 89% in 2015 to 91% in 2017; in Brazil from 90% to 97%; in Chile from 87% to 92% and in Paraguay from 68% to 80%.

Although many times we are not fully aware, the way we act is the reflection of what we think, what we feel, of our culture and our values. For this reason, it is so important for Coca-Cola Andina to internalize on the perception of each and every one of those who are part of this family. This is the objective of the Working Climate Survey, a tool that we launched in May to know the level of satisfaction and motivation of workers, in order to identify opportunities for improvement and define actions to make our company more efficient.

Through a questionnaire with 63 basic questions, we address a diversity of aspects regarding the organizational climate of the company, such as collaboration and commitment, working conditions, culture, good practices, development and education, training, strategic direction, performance management, leadership and supervision, goals and objectives, customer orientation, respect and recognition and job satisfaction, among others. In 2017, questions regarding: sustainability, diversity and inclusion and values, were incorporated in all operations, which were processed along with the “additional” questions.

It is an extremely valuable tool that allows to obtain internal knowledge of the Company itself and to give people the possibility to channel their opinions voluntarily, anonymously and confidentially, guaranteeing transparency and honesty in the answers.

Adhesion level

69% General favorability
(Average regional market 67%).

<table>
<thead>
<tr>
<th>Year</th>
<th>Argentina</th>
<th>Brazil</th>
<th>Chile</th>
<th>Paraguay</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>64%</td>
<td>66%</td>
<td>60%</td>
<td>66%</td>
</tr>
<tr>
<td>2017</td>
<td>64%</td>
<td>72%</td>
<td>66%</td>
<td>64%</td>
</tr>
</tbody>
</table>

TOTAL COLLABORATORS: 16,064
10% WOMEN
**Labor relations**

At Coca-Cola Andina we respect and support the right to freedom of association in all the countries where we operate. We hold meetings with trade union organizations to which our workers belong and provide them with the information they require.

Salary adjustments are negotiated with trade unions on the dates specified through categories and all collaborators, whether or not affiliated with a trade union, are covered by the collective agreements of the activity branch to which they belong.

Salaries are reviewed by job title against market survey. Surveys and investigations carried out guarantee external equal pay of the remuneration of our employees, and there are no differences in the Company between the salaries of men and women who have the same role.

In all operations, a full-time employee's initial salary is well above local minimum wage.

Over the last few years, not only did we work on the economic benefits but also on the non-economic ones, seeking to adapt to the new needs of our collaborators.

Meetings with trade union organizations are periodic, in order to prevent significant impacts on collaborators, so if there is a project that affects them, changes and forms of implementation are previously agreed.

---

**New hires 2017 (permanent ENTRIES)***

<table>
<thead>
<tr>
<th></th>
<th>MEN</th>
<th>WOMEN</th>
<th>MEN</th>
<th>WOMEN</th>
<th>MEN</th>
<th>WOMEN</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Argentina</strong></td>
<td>46</td>
<td>12</td>
<td>23</td>
<td>2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Brazil</strong></td>
<td>624</td>
<td>98</td>
<td>911</td>
<td>77</td>
<td>51</td>
<td>2</td>
</tr>
<tr>
<td><strong>Chile</strong></td>
<td>70</td>
<td>35</td>
<td>78</td>
<td>21</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td><strong>Paraguay</strong></td>
<td>40</td>
<td>13</td>
<td>17</td>
<td>6</td>
<td>-</td>
<td>1</td>
</tr>
</tbody>
</table>

*Number of permanent employees who left the company voluntarily, fired, retired, deceased or other.

**Relationship between the minimum initial wage (base salary without additional) and the legal local minimum wage**

<table>
<thead>
<tr>
<th>INITIAL WAGE</th>
<th>Argentina</th>
<th>Brazil</th>
<th>Chile</th>
<th>Paraguay</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>297%</td>
<td>112%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>2016</td>
<td>281%</td>
<td>108%</td>
<td>100%</td>
<td>117%</td>
</tr>
<tr>
<td>2017</td>
<td>361%</td>
<td>106%</td>
<td>100%</td>
<td>116%</td>
</tr>
</tbody>
</table>

**% Collaborators with performance evaluation**

<table>
<thead>
<tr>
<th></th>
<th>Argentina</th>
<th>Brazil</th>
<th>Chile</th>
<th>Paraguay</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>65.72%</td>
<td>100.00%</td>
<td>96.00%</td>
<td>61.00%</td>
</tr>
</tbody>
</table>

---

**% of unionized staff by category**

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>67.37%</td>
</tr>
<tr>
<td>Andina Empaques Argentina S.A.</td>
<td>78.19%</td>
</tr>
<tr>
<td>Brazil</td>
<td>12.64%</td>
</tr>
<tr>
<td>Chile</td>
<td>52.47%</td>
</tr>
<tr>
<td>Vital Aguas S.A.</td>
<td>47.00%</td>
</tr>
<tr>
<td>Vital Jugos S.A.</td>
<td>76.88%</td>
</tr>
<tr>
<td>Enveses Central S.A.</td>
<td>31.00%</td>
</tr>
<tr>
<td>Paraguay</td>
<td>34.97%</td>
</tr>
<tr>
<td>Paraguay Refrescos S.A.</td>
<td></td>
</tr>
</tbody>
</table>
Training for the development of our people

At Coca-Cola Andina the preparation and permanent professional evolution on the path to business excellence are part of the DNA of our employees. That is why we continue to bet on training as an essential tool for human resource development.

At Coca-Cola Andina we encourage good practices and act on the basis of ethical principles and behaviors defined in our Company’s policies. These are the ones that allow those who belong to this great family, our suppliers and the community in general, to coexist and prosper in a safe environment, respecting the ethical, moral and legal environments in all the countries where we operate.

To know in detail the content of the guiding policies is the first step to make them our own and materialize them in the daily work, as a condition to belong to the organization. With this objective is that we launched the Diffusion Program of “Coca-Cola Andina’s Policies”, initiatives composed by a set of courses and interactive online experiences. It is a tool created for the purpose of: communicating corporate policies to all Coca-Cola Andina collaborators in Argentina, Brazil, Chile and Paraguay, facilitating the identification of legal, regulatory and accounting aspects linked to them; ensure permanent continuity of knowledge and application and incorporate them into induction processes.

The start-up of the Program involves segmentation of the public (each policy will have a different target group, according to its scope); different routes of diffusion (mailing with general information, e-learning and on-site training) and the permanent issuance of messages by the Directors of the Company or Corporate Officers of the functional areas, to give the project the imprint of Corporate Governance.

From a total of 10 training courses, “Corporate Governance – Code of Ethics”, “Anonymous Reports” and “Crime Prevention” already began. While the first will allow workers to know and understand Coca-Cola Andina’s Ethics Code and commit to its application in daily tasks, the second will focus on disseminating its Anonymous Reporting Channel. With regard to crime prevention, the Company is certified in its crime prevention process and complies with training key officers committing them to compliance.

As a differential aspect we can highlight the great effort made by digitizing training sessions using modern e-learning platforms, which allow the collaborator to learn in an autonomous way with greater availability of execution schedules. Adapting to the pace of the student who has this tool is very positive and improves the results in the incorporation of knowledge, providing the possibility of sharing content between countries and enhancing the construction of “one company, one team”. Administratively, human resources teams can quickly monitor participation, evaluations and other metrics, being able to implement constant improvements.

Already active programs were reinforced, and other trainings were incorporated to develop the potential and skills of the collaborators and their teams. Strategically guiding resources is part of the ongoing challenge of developing areas in conjunction with their internal customer areas.

Programs such as Universidad Andina (UA) and Escuela Comercial (EC) are a Company capital that continue growing and reaping fruits. During 2017, we presented the Logistics School and Business Understanding programs, two initiatives within Universidad Andina that aim to promote the internal knowledge and the relationship between areas and regions.

As a differential aspect we can highlight the great effort made by digitizing training sessions using modern e-learning platforms, which allow the collaborator to learn in an autonomous way with greater availability of execution schedules. Adapting to the pace of the student who has this tool is very positive and improves the results in the incorporation of knowledge, providing the possibility of sharing content between countries and enhancing the construction of “one company, one team”. Administratively, human resources teams can quickly monitor participation, evaluations and other metrics, being able to implement constant improvements.
Commitment to inclusion

In our Company, we understand that disability is only part of the uniqueness of each individual, so we focus on the improvement of talents, which leads us to believe in diversity as a factor of mutual growth for the Company and employees.

In Brazil, we continue with the inclusion employment program for people with disabilities, which permanently seeks to improve the networks of access to knowledge and information for target audiences facilitating that they approach companies with active searches and promoting their incorporation in the labor market.

The program is developed in partnership with the project “Special Opportunities”, created to gather information on vacancies in large companies with inclusive proposals; the goal is to disseminate searches to target audiences through the platform and communicational initiatives.

Both in Argentina and in Brazil, we have been adhering to the First Step and Young Apprentice programs for several years, which allow hundreds of young people to have their first work experience within Coca-Cola Andina, so they can think about their future college experience or raise new ideals of life, respectively.

The greatest teachings are produced through permanent relationship with their peers and bosses, understanding that communication is a key issue in an organization.

In the case of Brazil, young people develop tasks within the company but also have working days with the NGO 'Rede Cidadã', where they promote that others of their age with low income have the same possibility to be inserted in the labor market.

In addition, they can obtain the "Knowledge Passport", a program aimed at stimulating continuous learning. Monthly, a theme is defined with courses or lectures such as Excel classes, finances, personal planning, sustainability, among others, and once the activity is completed, a stamp is placed on the passport that indicates that it was successfully completed, thus encouraging everyone’s participation.

As part of the Coca-Cola System, during the 2017 we participated in a study to evaluate our performance in the area of inclusion and diversity. With the results obtained, a project was designed to be implemented in the different operations, mainly Chile, Argentina and Paraguay; Countries that have a greater gap with respect to the desired target. The first three topics to be addressed will be disability, gender and generations.

<table>
<thead>
<tr>
<th>People with disabilities and social minorities</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
</tr>
<tr>
<td>Brazil</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Maternity/paternity leave and work continuity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees who took leave</td>
</tr>
<tr>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>MOTHERS</td>
</tr>
<tr>
<td>------------------------------------------------</td>
</tr>
<tr>
<td><strong>Argentina</strong></td>
</tr>
<tr>
<td>23</td>
</tr>
<tr>
<td><strong>Brazil</strong></td>
</tr>
<tr>
<td>25</td>
</tr>
<tr>
<td><strong>Chile</strong></td>
</tr>
<tr>
<td>44</td>
</tr>
<tr>
<td><strong>Paraguay</strong></td>
</tr>
<tr>
<td>8</td>
</tr>
<tr>
<td><strong>holding</strong></td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

86% of mothers and 90% of fathers continue in the Company after a year of taking leave.
## Compensation and benefits

Aimed at health care and prevention; the development of a healthy lifestyle and the progress and enjoyment of the family.

Compensations and benefits offered by Coca-Cola Andina contemplate the requirements of labor laws in each of the countries where we have operations, but every year the areas strive to go beyond either with benefits to supplement health insurance for the collaborator and his/her family, to continue and finish studies and thus contribute to employability, to facilitate special moments of the life of our collaborators and to improve their quality of life.

### IN 100% OF OPERATIONS

**HEALTH**
- Maternity and Paternity Leave.
- Life insurance additional to legal mandatory.

**SOCIAL**
- Leave for marriage, death of close family member, siblings and grandparents.

**ECONOMIC**
- Free Beverages.
- Life insurance additional to legal mandatory.
- Christmas care package.

**OTHERS**
- Annual supplemental medical check-ups for managers, area heads and supervisors.
- Free Parking.
- Uniforms for operating personnel.
- Supplementary annual salary.
- Implementation of expatriation policy.

### IN 75% OF OPERATIONS

**HEALTH**
- Maternity leave and paid lactation time (6 months of decrease to half a day of work without salary reduction for women reinstated after maternity leave).
- Health care and insurance.
- Work Gymnastics: Access to plans of physical activities in own installations or by agreement, for the integral care and recreation.
- Preventive vaccination programs (dengue, influenza, yellow fever, hepatitis A, etc.).

**SOCIAL**
- Daycare.
- Tickets to participate in events.

**ECONOMIC**
- School Kit, bonus for children under the age of 18.
- Retirement incentive.
- Cafeteria service.
- End of year gift.

**OTHERS**
- Paternity leave extended by 1 day (legal mandatory 2, we give 3).
- Extension of 1 day leave for death of a direct relative (legal mandatory 3).
- Refreshments: Fruit and yogurt for administrative positions.
- Discount on the purchase of Company products.
- 4-day leave for the death of a spouse.
- Sports and Recreation program for workers.

### IN 50% OF THE OPERATIONS

**HEALTH**
- Dental Plan.

**EDUCATION**
- Discounts on the rates of different educational programs for employees.
- Leave for rendering exams.

**ECONOMIC**
- Transportation service for all the staff.
- Competitions for children of collaborators with better grades.
- Gift for the birth of a child.

**OTHERS**
- Extension of 1 day leave for death of an indirect relative (legal mandatory).
- Free beverages for the birthday of collaborators’ children.
- Internal library.
- Paid holidays during vacation period.
- Nutritionist at the plant.
- Summer and winter garments for back office personnel.
- 1 day leave for donating blood.
- Additional for university degree or tertiary studies for workers included in the collective bargaining agreement.
- Reimbursement with a cap for hotel expenses for workers included in the collective bargaining agreement.
- Extraordinary advance of salary.
- Christmas party for worker and family.
- Accompaniment to retirees.

### IN 25% OF THE OPERATIONS

**HEALTH**
- Insurance or social plan according to country; it includes the employee and family group; the Company absorbs all differences regarding the value of the plan.
- Food re-education programs.
- Conferences, workshops and lectures of interest to collaborators and family group.
- Extended paternity leave 7 consecutive days (including legal mandatory).
- Lactation room.

**EDUCATION**
- Scholarships of academic excellence for university career to children of workers.

**ECONOMIC**
- Housing policy that consists of granting subsidy to five workers per year.

**OTHERS**
- 12 additional salaries to the collective life insurance at a very low cost and/or incorporating the spouse into the insurance.
- Paid holidays with a vacation plus. 1 day leave for moving.
- Additional 2-day vacation for trips farther than 1000 kilometers for a 10-day minimum stay for workers included in the collective bargaining agreement.
- Discount agreements with health institutions and pharmacies.
- Christmas gift for children of workers.
- Discount Club (vehicles, properties, services, etc.).
- Optional auto/home insurance with company insurance broker.
- Flexible schedule for areas where the operation is not affected.
- Additional holiday week for heads of area and superior positions.
- Half-day on Birthday for workers not included in the collective bargaining agreement.
- Casual Friday.
- Payment day (last business day of the month or previous Friday).
- Bank branch in Montecristo plant.
Health and safety, a challenge for everyone

As we manage other critical parts of the business, providing a healthy and safe environment is a commitment that involves all of us if we want to be recognized by the management of people we work with.

The safety of people was defined by Coca-Cola Andina as one of the priority focuses to continue improving over the next few years. We have a challenging path in order to achieve standards of excellence at the regional level, but we are already taking very important steps. The committed and efficient management carried out by each one of the teams in charge in Argentina, Brazil, Chile and Paraguay.

Argentina

The Behavior-based Safety Program (SBC), which includes safety speeches once a week, is still under way, and the content is prepared by the Hygiene and Safety areas, a safety academy for training and accompaniment; scheduled observations routines; a Committee to monitor the program and measure the development of preventive actions within each work team.

During the process, heads of area and managers periodically accompany according to an established timetable. The standardization and dissemination of prevention awareness is also carried out, which consists in informing the Company of the most relevant accidents or incidents in order to ensure that all workers are aware of the existing risks and the prevention measures necessary to avoid repetition.

Brazil

The Behavior-based Safety program (SBC) and the expansion of the Zero Accident Program (PAZ) for Distribution areas and Distribution Centers (warehouses) were able to reduce workplace accident rates.

On the other hand, from the implementation of the control program of collaborators with leave of more than 15 days, the level of absenteeism decreased.

The start-up of the Fleet Safety Transit Safety Program, along with specific actions from the logistics area, reduced the “Crash rate” indicator (number of collisions in our fleet).

Chile

The Behavior-based Safety Program (SBC), which managed to reduce LTIR and the number of CTP (time-lost) accidents, continues to gain strength. In addition, Safety indicators were incorporated into management’s remuneration goals.

Paraguay

Technical skills were developed through Industrial Safety and Requirement Training Programs. The investment plan and management of resources made it possible to adapt the infrastructure and equipment related to Safety in legal compliance and the requirements of the Company. The Behavior-based Safety Program (SBC) was initiated, with the training of 140 leaders in the Industrial, logistic and commercial areas.

---

**LTIR – Lost Time Injury Rate**

<table>
<thead>
<tr>
<th></th>
<th>Argentina</th>
<th>Brazil</th>
<th>Chile</th>
<th>Paraguay</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>8.20</td>
<td>0.74</td>
<td>4.66</td>
<td>0.67</td>
</tr>
<tr>
<td>2014</td>
<td>8.45</td>
<td>0.75</td>
<td>6.50</td>
<td>0.82</td>
</tr>
<tr>
<td>2015</td>
<td>6.14</td>
<td>0.53</td>
<td>4.19</td>
<td>0.59</td>
</tr>
<tr>
<td>2016</td>
<td>5.07</td>
<td>0.58</td>
<td>2.60</td>
<td>0.46</td>
</tr>
<tr>
<td>2017</td>
<td>4.03</td>
<td>0.60</td>
<td>2.43</td>
<td>0.61</td>
</tr>
</tbody>
</table>

**LTISR - Lost Time Injury Severity Rate**

<table>
<thead>
<tr>
<th></th>
<th>Argentina</th>
<th>Brazil</th>
<th>Chile</th>
<th>Paraguay</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>215.01</td>
<td>7.30</td>
<td>65.58</td>
<td>4.08</td>
</tr>
<tr>
<td>2014</td>
<td>213.46</td>
<td>6.48</td>
<td>76.97</td>
<td>7.21</td>
</tr>
<tr>
<td>2015</td>
<td>202.10</td>
<td>6.94</td>
<td>52.99</td>
<td>3.84</td>
</tr>
<tr>
<td>2016</td>
<td>143.08</td>
<td>6.61</td>
<td>47.95</td>
<td>3.73</td>
</tr>
<tr>
<td>2017</td>
<td>124.00</td>
<td>6.60</td>
<td>53.32</td>
<td>6.85</td>
</tr>
</tbody>
</table>

**Absenteeism Rate %**

<table>
<thead>
<tr>
<th></th>
<th>Argentina</th>
<th>Brazil</th>
<th>Chile</th>
<th>Paraguay</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>3.21</td>
<td>2.27</td>
<td>3.19</td>
<td>1.57</td>
</tr>
<tr>
<td>2016</td>
<td>3.09</td>
<td>1.78</td>
<td>3.30</td>
<td>1.62</td>
</tr>
<tr>
<td>2017</td>
<td>2.85</td>
<td>1.50</td>
<td>4.00</td>
<td>1.30</td>
</tr>
</tbody>
</table>
We want to be as diverse and inclusive as our brands

The organizations that are diverse and inclusive have better tools to give answers to the needs of collaborators and consumers; increase innovation; guarantee sustainable results in the future and promote permanent growth.

At Coca-Cola Andina We want to be as diverse and inclusive as our brands, contribute to the development of our people and the communities where we operate through actions that boost the growth of regional economies, generate opportunities and improve the quality of life.

For the Company, diversity is recognizing and appreciating the different characteristics of people (nationality, gender, age, sexual orientation, disability, thoughts, etc.); inclusion is developing a culture where we all feel appreciated, part of the organization and the Coca-Cola system, being able to freely express our interests, ideas and concerns within the workplace; thus generating diversity of thought to attract, develop and retain a mix of global talent that feeds our competitive advantage.

There are several global researches that show that the most inclusive and diverse organizations have better financial results, boost people’s capacities, better reflect the market, increase their corporate reputation, grow in innovation and group performance.

Promoting a culture of inclusion and diversity inside and outside of the Company gives us better tools to provide answers to the needs of collaborators and consumers; it guarantees sustainable results in the future and promotes permanent growth.

In March 2017, Coca-Cola Andina participated in a diagnosis of diversity and inclusion with the main bottlers of The Coca-Cola System worldwide. From the learnings obtained during the process, coupled with an analysis of the cultural, political, demographic and economic realities of the countries where we are present, we concluded that we need to join efforts and work in coordination to build a more diverse and inclusive Company based on a corporate policy that orients and guides our practices.

Thus, our actions will be aimed at fulfilling three main purposes: to be a diverse and inclusive company to positively impact the results of the business; to accompany the cultural and demographic changes of the countries where we are present, and to take the best examples from the communities where we operate, in a context of permanent social change.

We strongly believe in promoting diversity and inclusiveness by prioritizing respect for each person’s dignity; regardless of race, sex, origin, age, religion, marital status, sexual orientation, gender identity and/or expression, disability, veteran status, education, life experience, opinions, ideas and beliefs, among others, because we aspire to be leaders and benchmarks for both the Coca-Cola System and the countries where our Company is present.
### COCA-COLA ANDINA COLLABORATORS BY GENDER AND CATEGORY

<table>
<thead>
<tr>
<th></th>
<th>Argentina</th>
<th></th>
<th>Brazil</th>
<th></th>
<th>Chile</th>
<th></th>
<th>Paraguay</th>
<th></th>
<th>Holding</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Women</td>
<td>Men</td>
<td>Women</td>
<td>Men</td>
<td>Women</td>
<td>Men</td>
<td>Women</td>
<td>Men</td>
<td>Women</td>
<td>Men</td>
</tr>
<tr>
<td>Managers and principal officers</td>
<td>15</td>
<td>86</td>
<td>10</td>
<td>48</td>
<td>16</td>
<td>62</td>
<td>15</td>
<td>22</td>
<td>5</td>
<td>11</td>
</tr>
<tr>
<td>Professionals and technicians with people in charge</td>
<td>46</td>
<td>399</td>
<td>58</td>
<td>223</td>
<td>2</td>
<td>34</td>
<td>27</td>
<td>146</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Professionals and technicians without people in charge</td>
<td>90</td>
<td>179</td>
<td>308</td>
<td>434</td>
<td>149</td>
<td>411</td>
<td>59</td>
<td>74</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Other workers</td>
<td>76</td>
<td>1,909</td>
<td>450</td>
<td>6,249</td>
<td>224</td>
<td>1,942</td>
<td>50</td>
<td>1,076</td>
<td>4</td>
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<tr>
<td>Seasonal workers</td>
<td>52</td>
<td>393</td>
<td>-</td>
<td>-</td>
<td>22</td>
<td>557</td>
<td>-</td>
<td>111</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>279</strong></td>
<td><strong>2,967.59</strong></td>
<td><strong>826</strong></td>
<td><strong>6,954</strong></td>
<td><strong>413</strong></td>
<td><strong>3,006</strong></td>
<td><strong>151</strong></td>
<td><strong>1,429</strong></td>
<td><strong>16</strong></td>
<td><strong>22</strong></td>
</tr>
</tbody>
</table>

### COLLABORATORS BY GENDER AND AGE

<table>
<thead>
<tr>
<th></th>
<th>Argentina</th>
<th></th>
<th>Brazil</th>
<th></th>
<th>Chile</th>
<th></th>
<th>Paraguay</th>
<th></th>
<th>Holding</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Women</td>
<td>Men</td>
<td>Women</td>
<td>Men</td>
<td>Women</td>
<td>Men</td>
<td>Women</td>
<td>Men</td>
<td>Women</td>
<td>Men</td>
</tr>
<tr>
<td>Under 18</td>
<td>0</td>
<td>0</td>
<td>8</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Between 18 and 29</td>
<td>63</td>
<td>601</td>
<td>270</td>
<td>1,953</td>
<td>131</td>
<td>985</td>
<td>62</td>
<td>601</td>
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<tr>
<td>Between 30 and 40</td>
<td>142</td>
<td>1,469</td>
<td>325</td>
<td>2,704</td>
<td>150</td>
<td>984</td>
<td>57</td>
<td>585</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Between 41 and 50</td>
<td>61</td>
<td>694</td>
<td>123</td>
<td>1,364</td>
<td>91</td>
<td>684</td>
<td>25</td>
<td>150</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Between 51 and 60</td>
<td>13</td>
<td>173</td>
<td>39</td>
<td>580</td>
<td>37</td>
<td>378</td>
<td>7</td>
<td>89</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>Between 61 and 70</td>
<td>0</td>
<td>30</td>
<td>5</td>
<td>59</td>
<td>3</td>
<td>73</td>
<td>0</td>
<td>5</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Over 70</td>
<td>0</td>
<td>0</td>
<td>-</td>
<td>-</td>
<td>0</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>279</strong></td>
<td><strong>2,967.59</strong></td>
<td><strong>826</strong></td>
<td><strong>6,954</strong></td>
<td><strong>413</strong></td>
<td><strong>3,006</strong></td>
<td><strong>151</strong></td>
<td><strong>1,429</strong></td>
<td><strong>16</strong></td>
<td><strong>22</strong></td>
</tr>
</tbody>
</table>

### TRAINING HOURS BY CATEGORY

<table>
<thead>
<tr>
<th></th>
<th>Argentina</th>
<th></th>
<th>Brazil</th>
<th></th>
<th>Chile</th>
<th></th>
<th>Paraguay</th>
<th></th>
<th>Holding</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Women</td>
<td>Men</td>
<td>Women</td>
<td>Men</td>
<td>Women</td>
<td>Men</td>
<td>Women</td>
<td>Men</td>
<td>Women</td>
<td>Men</td>
</tr>
<tr>
<td>Principal officers</td>
<td>926</td>
<td>5,480</td>
<td>319</td>
<td>1,025</td>
<td>659</td>
<td>1,550</td>
<td>135</td>
<td>1,462</td>
<td>201</td>
<td>163</td>
</tr>
<tr>
<td>Professionals and technicians with people in charge</td>
<td>1,297</td>
<td>11,731</td>
<td>1,970</td>
<td>6,686</td>
<td>2,278</td>
<td>9,623</td>
<td>346</td>
<td>3,107</td>
<td>4</td>
<td>156</td>
</tr>
<tr>
<td>Professionals and technicians without people in charge</td>
<td>3,467</td>
<td>6,033</td>
<td>5,385</td>
<td>8,671</td>
<td>4,005</td>
<td>7,277</td>
<td>406</td>
<td>7,614</td>
<td>142</td>
<td>224</td>
</tr>
<tr>
<td>Other workers</td>
<td>150</td>
<td>20,336</td>
<td>4,782</td>
<td>73,518</td>
<td>8,631</td>
<td>24,300</td>
<td>153</td>
<td>2,026</td>
<td>11</td>
<td>4</td>
</tr>
<tr>
<td>Seasonal workers</td>
<td>56</td>
<td>2,028</td>
<td>-</td>
<td>-</td>
<td>144</td>
<td>460</td>
<td>-</td>
<td>1,294</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>5,895</strong></td>
<td><strong>45,608</strong></td>
<td><strong>12,456</strong></td>
<td><strong>89,900</strong></td>
<td><strong>15,717</strong></td>
<td><strong>43,210</strong></td>
<td><strong>1,040</strong></td>
<td><strong>15,503</strong></td>
<td><strong>358</strong></td>
<td><strong>547</strong></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>230,235</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
We seek to contribute to the progress of the communities where we develop our activities, through programs that promote local economies, generate opportunities and improve the quality of life of people.

% Local Suppliers

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>97.0%</td>
</tr>
<tr>
<td>Brazil</td>
<td>99.7%</td>
</tr>
<tr>
<td>Chile</td>
<td>95.4%</td>
</tr>
<tr>
<td>Paraguay</td>
<td>87.8%</td>
</tr>
</tbody>
</table>
Interview Carolina Losicer

—RECRUITMENT, COMMUNICATION AND SOCIAL RESPONSIBILITY MANAGER

Why is it important for Coca-Cola Andina to draw close to the community?
—Over time we learn that more than being close, it is fundamental to generate benefits, to create value in the communities where we develop our activities.

At Coca-Cola Andina, we have a strong social and environmental strategy, and today we have the Coletivo Brazil project, a platform of shared value through which we encourage the professional training of people with low resources and through our business partners, we facilitate access to the labor market for hundreds of young people.

We talk about shared value because as they improve their future, they gain consumption power and empower their communities, we promote the commercial development of our business units; generating benefits throughout the value chain.

In short, it is important to work with the community because the Coca-Cola trademark, the size of operations and the presence around the world give us the opportunity to transform the lives of millions of people.

What is the scope and impact of this pillar?
—At Coca-Cola Andina we seek to reach not only our nearby communities in different countries but the entire value chain. We have the mission to do the best in each of the communities where you can find a Coca-Cola, i.e. everywhere.

Identifying the greatest opportunities implies listening and continue discussing with stakeholders. In the case of Brazil, we note that in the C and D segments of the social pyramid, consumption grows every year and that is why we think about how Coca-Cola can contribute.

We decided to carry out a field task for one year studying these segments in depth: going to the houses of the neighbors, observing how they lived, asking what they wanted of their lives, what were their concerns and there we found a phrase that impacted and moved us: “We are thirsty for much more than a Coca-Cola.” For them, the greatest concern is the lack of future prospects and the solution, work. They all agreed that they would be happy and at ease if they could guarantee the employment of their children, their young people.

We began to consider how to calm this thirst and we realized that we have the know-how...
The Coletivo Project is monitored by four indicators, two social: "Brand Love" and "Trust in the Future" and two business: "Volume" and "Employability".

of market, consumption, and the largest commercial chain possible (stores, restaurants, point of sale); and there was the gateway to the labor market and the possibility of generating shared value, developing the "Brand Love" (affection for Coca-Cola on behalf of these families and young people) and an effective increase in sales in those places.

This is how the Coletivo project began in 2012 and that continues to evolve today. We have even incorporated professional training so that these children can work on the construction of a life project.

When we look at previous and current initiatives, we realize the enormous potential we have and how much we learn as we connect with the community, to know not only what they need but how to adapt that help to the reality they live.

We often hear testimonies from young people who were into to drugs or crime and that after going through the Coletivo experience they believe that life can be different, and that work opens up a future opportunity that they didn’t know, because no one in their family or their community had another alternative. This has a multiplying effect, because someone who manages to get out of drug dealing, then transmits that experience to a friend, who can also begin to change their vision and reality.

That is when we realize that we provide much more than employment and that these young people, in addition to earning income to support their families, are creating a future possibility for themselves, for their own people and for generations to come.

How is this relationship built with the community? Who are the actors involved?

—The Coletivo Brazil project is being carried out in partnership with the Coca-Cola Brazil Institute and several non-governmental organizations (NGOs) present in the community, collaborating in the execution and implementation of each project. In fact, teachers are people in each community because it is very important for young people to have a local reference.

In turn, there is an agreement with the Ministry of Labor to achieve disclosure and employability, and work in conjunction with the Ministry of Education to disseminate and make the course known. In addition, the Secretariat of Social Assistance and Human Rights collaborates in the dissemination of the course and the training incentive for young people in need.

How do we measure impacts? To whom do we report about our community management?

—The project is monitored by four indicators, two social: "Brand Love" and "Trust in the Future" and two business: "Volume" and "Employability".

In the first case, a measurement is carried out in three sample groups with different characteristics: participates in Coletivo, does not participate in Coletivo, does not participate and does not know Coletivo. Three questions are made: What is your favorite brand? Is Coca-Cola a brand you love? Do you identify with that brand?

In the second case, the youngster is asked: 'Thinking about the next three years, what is your degree of confidence regarding the future? For which it uses a scale of 1 to 5. The third indicator refers to the increase in sales volume within a radius of 1.5 kilometers around collective communities (compared to route sales) while employability is calculated by adding the number of young people employed by Coca-Cola Andina.

As with the planning and execution processes, the result of these indicators is reported to The Coca-Cola Company which is where the initiative is born and with Coca-Cola Andina Brazil seeking to strengthen this connection between collaborators and Coletivo, visualize the shared value and the positive impact that this type of actions has for our Company.

What other initiatives are being carried out to promote community development?

—Two other pillars of Coletivo are: Women's empowerment (representing 70% of total number of participants) as mothers, wives, entrepreneurs, and training for recycling cooperatives. In the latter case, because it is a chain that has many intermediaries, the objective is that cooperatives learn to generate income, maintain a productive structure, reduce sale links and perform their work with the necessary safety measures.

We decided to implement the training system and give them tools in business management taking advantage of all our know-how on logistics & distribution, production and sales. Understanding that the winner must be the environment, we worked in partnership with the firm AmBev, Brazil's largest brewer, to generate greater environmental impact.

Here also KPIs (key performance indicators) are handled in the same as with the case of young people.

What are the challenges ahead in terms of Community?

—We are growing a lot in terms of the number of young people who participate and are trained, but the biggest challenge is to make Coletivo have a more massive social impact. The reality is that there are many young people in communities but there is a limited number of communities. In this sense, we are analyzing the possibility of establishing partnerships with other companies to transform Coletivo into a social training platform, so that it is not just a Coca-Cola project but a project of the corporate world that generates a huge benefit in the communities.
We invest in client-oriented development programs

Of 275,984 clients, 37% are grocers and small traders, what we call the traditional channel.

Clients make up a key link in our value chain, since in addition to the social impact they generate for the growth of local economies, they are responsible for a significant percentage of the Company’s sales. In this way, we offer trainings and visits to plants with their families, experiences thanks to which we come to empower small business that open their doors to us with management tools.

On a regular basis we measure the satisfaction of our clients. All countries have a call center that accepts different types of queries, a collaborative tool that favors permanent dialogue between them and the Sales Force. The goal for all operations is to exceed 85% client satisfaction.

Technology

Aware of the need to adapt to new technologies, we provide ample possibilities of digital contact and different communication channels. During 2017, Coca-Cola Andina’s e-commerce was launched. MiCoca-Cola (miCoca-Cola.cl and miCoca-Cola.com) was created, a website that allows – from a computer or mobile phone – to buy the broad portfolio of products offered by the Company. With a modern stock and picking system the beverage literally arrives at the door of every house.

Alliances

As well as small grocers, large clients are also important and that is why we encourage them to create alliances on issues such as returnable containers and recycling non-returnable containers through campaigns at their shopping centers, so they can function as recycling collection points.

The Returnability Campaign was launched that delivered “recycling and reuse at home kits” to collaborators and clients, to whom we explicitly reported on the benefits of returnable containers for the environment.

Number of clients (‘000)

<table>
<thead>
<tr>
<th>Country</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brazil</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chile</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paraguay</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Looking to protect and support our traditional channel clients (small and medium stores) who permanently face the threat of losing sales due to a lower purchase frequency compared to supermarkets and convenience stores, we generated a project that seeks to protect those clients and improve the buying experience of end consumers.

The initiative – which reached 600 clients of Coca-Cola Andina Chile – was implemented understanding the benefits of each type of client and adapting value proposals tailor-made for those stores, which are characterized by offering a speedier service, closeness and warmth. In this way, we seek to transfer some attributes of the modern channel to the traditional one, putting the sales room in order and betting to increase the assortment of our products, but maintaining its main values in order to improve the buying experience of the clients.

Training in traditional channel sales strategies

We train small and medium-sized business owners, increasing the profitability of their businesses and directly impacting on the quality of life of their owners, dependents, families and the community where they are inserted.

<table>
<thead>
<tr>
<th>Sales by Channel</th>
<th>Argentina</th>
<th>Brazil</th>
<th>Chile</th>
<th>Paraguay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional</td>
<td>33.6%</td>
<td>40.0%</td>
<td>47.2%</td>
<td>46.4%</td>
</tr>
<tr>
<td>Wholesales</td>
<td>33.3%</td>
<td>8.5%</td>
<td>11.9%</td>
<td>15.6%</td>
</tr>
<tr>
<td>Supermarkets</td>
<td>29.9%</td>
<td>33.8%</td>
<td>29.0%</td>
<td>20.2%</td>
</tr>
<tr>
<td>On-premise</td>
<td>3.2%</td>
<td>17.8%</td>
<td>11.9%</td>
<td>17.8%</td>
</tr>
</tbody>
</table>

Plant visits

This program helps us strengthen the link with clients and boost their sense of belonging with the brand. These occasions help them to know our history; the beverage production process and technology applied; quality controls performed; sustainability programs and the Company’s commitment with the care of the environment. During 2017, at our Renca “Happiness Factory” we had a special visit from Benjamin, who came with the Make a Wish NGO to share a wonderful experience.
Our Suppliers

At Coca-Cola Andina believe that suppliers are a key link in the value chain, so we work together with those who share our values and operate in an ethical way to achieve excellence in the quality of products and service efficiency.

We prioritize the hiring of local suppliers

We try to purchase from local suppliers located in the cities where our production plants and main distribution centers are located. This decision essentially seeks to promote the local development of supplier companies, to generate an integration with the supply chain, to reduce the time of delivery and the risk of exposure to variations in foreign currency rates.

The procurement areas shared experiences on their demands and processes, which because of their size often do not allow the inclusion of small producers or social enterprises. In this sense, the corporate procurement policy was modified and, in conjunction with the operations, some successful cases were implemented in this area. Its latest version includes the incorporation of social and environmental dimensions into the technical evaluation, assigning a weight to them, and then advancing to the economic evaluation.

The added value that the Coca-Cola System generates in conjunction with its entire value chain is significant, representing 0.3% of GDP in the countries where it operates. The joint task with suppliers favors greater economic, social and environmental benefits.

Supplier evaluation

At Coca-Cola Andina we maintain a win-win relationship with our suppliers, supporting their activities and generating key partnerships with those who are critical to the operation. Our policy is to encourage their growth, betting on their continuous improvement and making those who reach greater social development in quality, responsibility and environmental care prevail in the election.
Workshop for suppliers and service providers

At Coca-Cola Andina Brazil, we held the 13th edition of the workshop for suppliers of raw materials and services; Argentina had its first edition in 2017 with a very good participation level and Chile planned the development of the activity for 2018. This is an event carried out in one day once a year where the main suppliers are invited, recognizing those of better performance where the following topics are addressed:

- Look at the economic context with an external specialist.
- Sustainability and social responsibility programs in the community.
- Procurement policy and its updates.
- Warehouses and raw material reception requirements.
- Financial process, documentation and payments.
- Internal audits and anonymous complaints channel.

Integrated management system and assurance processes on:
- Quality
- Safety
- Environment
- Health and safety
- Auditing critical service suppliers

Primary Suppliers

The Coca-Cola Company is carrying out a vendor-participation program that provides an action framework for suppliers. It consists of seven stages of improvement in order to achieve compliance with our Sustainable Agriculture Guiding Principles (SAGP). Suppliers receive information and guidance on assessments, audits, measurement of progress, and performance validation so that they can qualify for sustainability certification.

In this way, they develop and implement crop-specific programs with the aim of improving the economic well-being of agricultural communities; optimize performance and protect natural resources throughout the supply chain. Our efforts have the support and collaboration of the whole agricultural industry, which allows us to work in an aligned way, promoting changes that benefit all those involved.

<table>
<thead>
<tr>
<th>Supplier Evaluation</th>
<th>CRITICAL SUPPLIERS EVALUATED</th>
</tr>
</thead>
<tbody>
<tr>
<td>INGREDIENT SUPPLIERS</td>
<td>Andina</td>
</tr>
<tr>
<td>SGP (Supplier Guiding Principles)</td>
<td>96%</td>
</tr>
<tr>
<td>GFSI (Global Food Safety Initiative)</td>
<td>85%</td>
</tr>
<tr>
<td>SAA (Supplier Authorization Agreement)</td>
<td>n/a</td>
</tr>
<tr>
<td>PACKAGING SUPPLIERS</td>
<td></td>
</tr>
<tr>
<td>SGP (Supplier Guiding Principles)</td>
<td>93%</td>
</tr>
<tr>
<td>GFSI (Global Food Safety Initiative)</td>
<td>54%</td>
</tr>
<tr>
<td>CSME (Packaging &amp; Sales &amp; Marketing Equipment)</td>
<td>98%</td>
</tr>
</tbody>
</table>

GRI:
- 308-1
- 308-2
- 414-1
- 414-2
- 412-1
- 412-2
Supplier Guiding Principles

At Coca-Cola Andina we are committed to defending the fundamental principles of international human rights in the workplace, whichever is the place where we operate.

We believe that the true measure of a well-managed business not only considers whether it achieves success on an economic level but how it achieves it; that is why we seek to develop relationships with suppliers who share similar values and operate in an ethical manner.


The Company’s policy on this subject is reflected in the “Supplier Guiding Principles” whose provisions cover associated suppliers and independent bottling groups. These premises communicate our values and expectations, highlight the importance of responsible workplace practices that respect human rights and comply -at least- with local labor and environmental laws, as well as with key international conventions.

As a general rule, the supplier must comply with all applicable local and national laws relating to these issues, except of the International Labor Organization establishes higher requirements, in which case the latter must apply. If a supplier does not meet any aspect of the requirements of the Guiding Principles, corrective actions should be implemented. The Company reserves the right to terminate its agreement with any supplier who cannot prove that it complies with them.

The main suppliers of Coca-Cola Andina must comply with the requirements of the document and then undergo periodic evaluations conducted by accredited and independent oversight firms specializing in social compliance, on behalf of The Coca-Cola Company.

Our suppliers must meet the following requirements:

› Respect for freedom of association and collective bargaining.
› Prohibit child labor.
› Prohibit Forced Labor and Abuse of Labor
› Eliminate discrimination.
› Work Hours and Wages
› Provide a Safe and Healthy Workplace
› Protect the Environment
› Business Integrity. Compliance with Applicable Laws and Standards
› Complaint and solution procedures.
› Adequate and effective management systems

Human rights self-assessment

The Coca-Cola Company developed a human rights self-assessment checklist consisting of several resources and tools of due diligence to address the impacts that, according to experience, may be present in the value chain.

These lists help raise awareness and early identification of potential problems. By conducting timely assessments time and with periodic follow-ups, human rights risks are identified and mitigated.

Once the problem is identified, community participation is expected to be at the heart of any mitigation strategy. These self-assessment tools are only part of the ongoing human rights due diligence process carried out by the Company. Coca-Cola Andina is part of the system and collaborates with the follow-up by purchasing only from those who demonstrate their commitment in this matter.
Supply Chain Committees

We participate in the Coca-Cola bottlers Supply Chain Committees, where we work in joint initiatives to boost business volumes and good commercial practices. We achieve development agreements with suppliers of strategic raw materials and adaptations to our quality standards, for example sugar, caps, preforms, etc. In addition, alliances with other companies and institutions are created to work best practices in the value chain, under the organization of Procurement Consortia.

Management for our contractors

The management of commitments and relationships with contractor companies is an increasingly complex issue for large companies, especially when the size of the operation is extensive and much of its operation is supported by these third parties.

Coca-Cola Andina is not the exception, and that is why in the continuous search for efficiency this year we adopted a new model of third-party management, which allows regulating the number of contracts per operation, the weight on the costs of the organization and the workers involved in these contracts, especially when many of them have a direct relationship with our consumers. In this way we share the vision of being recognized by our management of excellence.

The model comprehensively addresses the problem of contract management and allows them to be managed with full control, orderly, with transparency and looking for continuous improvement of costs and performance of services.

In summary, it has four management areas: Operating Management, Performance Management, Contract Management Monitoring and Legal and Social Management. Promoting a global approach and defining specific tasks that each of those involved in the contract management process must meet. This strategy also establishes a preparation and training for the players involved, which allows them to understand and adhere to a new model that benefits all parties.

Social investment in the Community

At Coca-Cola Andina We seek to improve people’s quality of life and promote happier, more developed and sustainable communities.

Our policy of social investment is based on strategic pillars: to be a good neighbor; to promote education, social inclusion and environmental care, mainly in relation to water and waste.

We are convinced that there are more and more actors with whom we can establish synergies to enhance the results of initiatives in the community and prioritize those alliances and programs with a long-term vision, as the problems to be resolved deserve a sustainable commitment over time.

We still need to improve the methods of measuring the initiatives, but we are on the right track, defining the contributions by project and the changes that we want to achieve in the communities through specific goals. We have tools for dialogue and constant communication to know their needs and focus programs and initiatives according to their interests and concerns.

We hold regular meetings with the municipalities where our operations are located, in order to better understand the economic and social context in which we are immersed, and we collaborate quickly in situations of catastrophe.

Through the Coca-Cola website we receive consultations and complaints, which are derived from the corresponding regions and bottlers. We measure the perception and needs of our local community, disseminate activities and strengthen links with responsible institutions.

<table>
<thead>
<tr>
<th>Country</th>
<th>Investment (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>366,802</td>
</tr>
<tr>
<td>Brazil</td>
<td>870,421</td>
</tr>
<tr>
<td>Chile</td>
<td>536,166</td>
</tr>
<tr>
<td>Paraguay</td>
<td>188,737</td>
</tr>
</tbody>
</table>

GRI: 409-1 413-1 413-2
Initiatives

Summary of initiatives

**BRA**
- Week of the Recycling Coletivo Movement in Brazil
- Coca-Cola Institute (Week of the Coletivo Movement)
- Coletivo Floresta
- Coletivo Jovem
- Diversity Program: Inclusion of 220 people with disabilities

**ARG**
- 42 Educational Programs with Junior Achievement
- Computer and mobile phone donations to different institutions
- Inclusion scholarships to 80 children under the FONBEC program
- Development of “Educate foresting” program in 10 schools in the city of Córdoba
- Implementation of the Accompaniment to Cooperatives Program (PAC), with the “Los Carreros” cooperative of the city of Córdoba
- Donations of caps and paper to the Children’s Hospital of Cordoba
- Installation of ecopoints for PET recovery
- “Good Neighbors” program with the Chacras de la Merced neighborhood and the locality of Montecristo, in Cordoba
- Donations of finished product and other materials to different institutions
- Women’s Empowerment: “Women who advance” (Los Carreros cooperative)
- Social Perception Measurement
- Inclusive Entrepreneurs Fair
- ETHOS-IARSE measurement
- Entry to the Single Register of Social Responsibility Organizations (Ruores)
- Sponsorship program for entrepreneurs within the context of the “Emprende INndustria” program of the Government of Cordoba
- Christmas Action: Collaboration with soup kitchens, hospitals and geriatrics

**CHI**
- Field recovery program: “Coca-Cola Andina Futbol Más”
- Open Door program: “Coca-Cola Andina Cinema”
- Food Network Alliance
- Environmental Education Program “Kyklos”
- Open Doors Program “Happiness Factory”
- Beach cleaning in Antofagasta and Punta Arenas
- TED X RENCA 2017
- Christmas Caravan in San Antonio
- ESG Compass Measuring Tool

Thanks to all the actions carried out in all four countries, it was possible to directly benefit 910,494 people from the community and recover 3,131 tons of Postconsumer PET.
Education and social inclusion

Through the alliance with different organizations that care about both issues, we promote inclusive and integrative educational opportunities.

Convinced that education is a key pillar for society and the communities where we operate, we actively participate in educational initiatives promoting entrepreneurship and sustainability values, and we approach different organizations to collaborate on the purpose of providing training opportunities for those who do not have them.

Scholarships for the promotion of academic excellence

In Chile, the Company benefits children of collaborators who meet the requirements covering 70% of tuition and the annual fee of the chosen career. Since 2003 the year the program started, 70 children of collaborators were awarded scholarships.

In Argentina we work together with the Scholarship Fund for Students (FONBEC), the Córdoba foundation that rewards the effort of children and young people with low resources through a corporate volunteering system, which provides a shared contribution between the Company and the worker that wishes to contribute.

The link transcends the purely economic aspect and transforms the collaborator in witnessing the development of the student, who considers him/her as a guide, support, stimulus and containment. In addition, during the year instances of encounter between both are encouraged generating a permanent and lasting relationship that enriches children and adults. Every year new godparents join the initiative and we now have more than 80 children and young people sponsored.

Programs with Junior Achievement

Thanks to the commitment of volunteer workers in different programs we helped schools with training modules on different topics, with the purpose of broadening the view of elementary, middle and high school students, towards sustainability and environmental care.

The goal is to promote them to commit to their communities and the context that surrounds them; Fomenting in them the entrepreneurial spirit in life and reinforcing values like teamwork, solidarity, responsibility and fellowship.

We also participated in the “Partners for a day” educational program that gives students of the last year of high school the opportunity to live a day in the profession they want for their future with collaborators of the Company. Thanks to this initiative, the student has the possibility to participate in all the activities developed by his “partner” during a normal day of work, such as interviews, lunches and board meetings, as well as knowing what it is like to work at Coca-Cola Andina.

We continue collaborating with the International Forum of Entrepreneurs (FIE), a high-impact educational event organized by the Córdoba Junior Achievement Foundation. It is a program aimed at young people between 16 and 23 years old based on the formation of values, attitudes and the creation of tools, that allow them to discover their entrepreneurial potential and their capacities of action so that they are protagonists in the transformation of their own spaces.

In partnership with the Food Banks of our communities we contributed more than 574,775 liters and benefit 150,000 people.

Cinema and TEDX for the Renca community

The Coca-Cola Andina Film program continues, which seeks to get close to clients, residents of Renca and those who live near our main distribution centers. During 2017, more than 1,000 children and clients enjoyed our cinema.

In addition, with the collaboration of Coca-Cola Andina Chile, the second edition of “TEDx Renca talks” was held, an initiative that was created with the purpose of being innovators and inspiring our stakeholders.

This year, the initiative was attended by six speakers and almost 100 guests. Gonzalo Pedraza (art); Francisca Larraín (communication with a purpose); Jorge Mujica (artificial intelligence); Gonzalo Muñoz (Environment); Carola Pérez (education) and Sebastián Cantuarias (overcoming poverty). We invite you to relive each of them on the web.
Year after year the Coletivo Jovem program, which takes place in Brazil since 2010, achieves positive and high-impact results for the communities and invites other organizations to join as allies.

It is one of the most ambitious projects of shared value proposed by the private initiative that promotes training for the generation of income to young people between 15 and 25 years, so that they discover their talents and find employment.

The soundness and diffusion of the program generates that businesses close to the schools are involved offering their businesses for internships of young people and incorporating personnel to their organization. It reaches more than 150,000 people throughout Brazil. While each program includes specific job-based training, they all emphasize life skills and self-confidence to help participants build their own future.

Local governments support the Coletivo model, and the program is partnered with more than 500 local NGO’s and recycling cooperatives to accommodate classroom spaces, support recruitment and operations. More than 300 companies support the Coletivo as employment partners, including Coca-Cola retail and food service clients.

Emprendamos Juntas

In line with the Global Initiative 5by20, Coca-Cola Paresa and the Fundación Paraguaya presented “Emprendamos Juntas”, an initiative to empower 700 Paraguayan women. Beneficiaries of the program told a room full of people about their experience in the program. Not only the media and experts convened listened attentively to these testimonies but were also all ears, the families of those women that the program “Emprendamos Juntas” changed their lives. The training they received in business management and finance allowed them to project a venture or improve the one they already had in place. A woman is prosperous when she learns to generate her savings and manage her accounts. In this way, the goal of the project is for women to earn income, diversify, to save and access credit. Opportunities were identified for splash bars, kiosks where women serving Coca-Cola beverages in a communal meeting space and at affordable prices, can generate income for themselves and their families. The money they get from each transaction helps them bring sustenance to their families, fund their children’s education, and even open a savings account.

Training and education for the labor market for young people between 16 and 25 years old in association with local NGO from poor communities of Rio de Janeiro, Ribeirão Preto. 3,760 benefitted.

Mbaracayú self-sustaining school

Amid the vegetation of the Mbaracayú forest, where Coca-Cola Paresa develops several conservation programs, a school receives more than 100 students each year to become independent women who take hold of their lives and those of their communities.

The Mbaracayú Educational Center for Sustainable Development, an initiative of the Moisés Bertoni Foundation in partnership with the Fundación Paraguaya, is a peculiar boarding school that offers girls in the area quality education. These are Paraguayan peasants, indigenous Aché, Avá Guarani and Toba Qom, Brazileras and “Brasiguayas” ethnic groups who study Technical Baccalaureate in Environmental Sciences in an ideal setting: The reserve occupies 64,405 hectares of forests, grasslands, lagoons, creeks, rivers, streams, waterfalls and water springs.
Stylish Traditional channel

At Coca-Cola Andina Chile we implemented the "Neighbor Store" project, which seeks to protect small and medium-sized business and improve the buying experience of end consumers.

With the purpose of protecting and supporting our traditional channel clients (small and medium-sized retailers) who permanently face the threat of losing sales due to lower purchasing frequency compared to supermarkets and convenience stores we created "Neighbor Store", a project that seeks to protect those clients and improve the buying experience of end consumers.

Trends changed and today consumers buy on multiple channels according to their needs. In this context, supermarkets are taking a relevant role leveraged by smaller, well-located branches.

Although this channel has advantages such as the possibility of offering a greater assortment of products, good sales and a more orderly display of them; the traditional channel provides other benefits such as speedy service, closeness and warmth.

Thus, through this project we seek to give some attributes of the modern channel to the traditional, organizing the sales room and betting to increase the assortment of our products, but maintaining their key values.

In 2017 we invested $CL 860 million in nearly 600 clients nationwide (an average of $CL 1.4 million per each) by intervening in its façade with signs, awnings and images; its interior with gondola-type furniture for new categories and spaces for bread and vegetables (which are very useful for them).

We also improved credit conditions, we increased the number of door-display coolers, we marked the spaces within the premises to orientate the consumer, we invested in premium materials and we gave them a specialized attention with the "stills" salesman project, that allows them to spend more time in the sales room being able to familiarize with all our portfolio and access new offers.

If normally a large client manages three cold equipment appliances, our bet was to raise it to five, since much of the purchase of stores is made in cold because they are products of immediate consumption.

In 2017 we installed almost 700 new coolers and with this we increased puertas de frio / cold doors by 1,396, we added 736 meters of furniture to gain room temperature space.

The first results of the project indicate that, thanks to these changes, clients are growing 15% above the channel trend.

The benefits of "Neighbor Store" in first person

How did you perceive the project when you offered it?
—When salesmen visited me and offered to join the Neighbor Store project, I knew it would be a good thing for me and my store, but I never thought it would mean a radical change.

What was that radical change?
—Coca-Cola Andina did not offer to use the store to place their advertising but to beautify my place and orient me to sell more. When the project staff approached me during the second visit, the starting point was to orient me about how I exhibited my products and how I could get more out of rearranging my place. I was offered new cold equipment and gondola-type furniture to activate my beverages, I liked the idea.

Then they let me know that I could increase the sale of immediate consumption by making product crossings, for example sell an empanada plus a beverage. They also guided me on how to create a flow for the consumer to run my entire place and get more sales per impulse.

They reviewed my façade and offered to put a graphic on the glasses for greater security of my cashier’s register and the renovation of my sign, but with the implementation of low-energy LED lights and high luminosity, making my business observable from afar even at night.

How did your clients perceive the changes?
—My clients were amazed by this implementation, because in one day they activated the machines and the signs. It was a bit stressful because we practically had to turn the place around, but it was a radically positive change.

How did these changes affect the sale?
—My sales improved. I increased the quantity of product in my store, now I work formats that previously did not, through the new disposition of my furniture I obtain a quicker replenishment and avoid product maturities. I sell much more in all brands, not only in Coca-Cola, where my sales doubled.
The Coca-Cola Andina family grows with a new operation in Brazil. We built a production plant in the district of Taquara, in the city of Duque de Caxias. Works began in January 2016 and is scheduled to be completed in the first quarter of 2018. It is a progressive project executed with the best standards of technology and sustainability.

Coca-Cola Andina marks an important milestone in Brazil, with the construction of a new plant in the Carioca district of Taquara in the municipality of Duque de Caxias, State of Rio de Janeiro, where for many years a weaving factory worked.

The enterprise — which claimed 140 million dollars — began in January 2016 and is scheduled to be completed in March 2018. It joins the production plant that the Company already owns in the western part of the city, in the district of Jacarepaguá, and six other distribution centers, with a total of 8,000 collaborators. For the operation in Duque de Caxias, personnel will be hired for the areas of production, quality, patrimonial security, warehousing and distribution. The new production plant was conceived, built and operated in accordance with LEED (Leadership in Energy & Environmental Design) criteria, a sustainable building certification system developed by the United States Green Construction Council which implies, among other things, the rationalization of water use, energy efficiency, internal and external environmental quality and sustainable use of raw materials and resources.

The project consists of the following innovative systems: natural lighting, efficient artificial led type lighting, natural ventilation, ecological air conditioning system with air renewal, bathrooms with water reuse, reuse of rain water, reuse of effluent treated in cooling towers and boilers, photovoltaic system for power generation.

The property was acquired by Coca-Cola Andina Brazil in 2013, thus initiating a comprehensive, detailed and documented task of gathering information, identifying and remediating the environmental liabilities left in the building by the old weaving mill.
Environmental recovery in the area
The land was acquired by Coca-Cola Andina Brazil in 2013, thus initiating a comprehensive, detailed and documented task of collecting, identifying and remediating the environmental liabilities left in the building by the old weaving mill. All these actions were previously authorized and monitored by the competent environmental public bodies.

The State Environmental Institute (INEA) issued the Environmental Recovery License and approved the Solid Waste Management Plan (PGRS) presented. The environmental recovery of the old weaving mill involved: the removal of equipment, structures and various types of solid and liquid residues existing there; digging and clearing the terrain; and the recycling of demolition material that was used for the construction of floors and pavement of the streets of the new plant.

"The last piece of rubble from the old weaving mill was recovered," said Rodrigo Klee, who pointed out that the environmental remediation plan demanded more than 3 million dollars.

In order for everything to be done in accordance with environmental recovery procedures, the Company hired specialized firms that — rigorously followed the determinations of the State Environmental Institute— performed a comprehensive and detailed survey of the environmental situation with the drilling of monitoring wells enabling the submission of conclusive reports (Preliminary Environmental Assessment Report, Confirming Environmental Research Report, Structure Registration Report, Detailed Environmental Research Report and Assessment of Risk and Human Health) and also established effective procedures for the comprehensive environmental recovery of the area of the old weaving mill, such as the cleaning and recovery of the dam from which the water treatment plant supplies water to the neighboring population.

Forest compensation
Forest compensation is the set of actions aimed at planting native species in order to replenish in a greater proportion the number of trees eliminated for the implementation of the project. Within the context of the commitment undertaken by us, "each forest species has its recovery equivalent with the precision of the place where it is going to be planted, the treatment and care that it requires, and even the amount of oxygen it generates", Rodrigo said.

In the case of the new production plant, its construction was primarily projected in the same area of the old weaving mill that once operated there, reducing to the maximum the impacts in the native vegetation areas. Pursuant to legal requirements, in compliance with the Forestry Replenishment Program (PFR) according to the criteria established by the inea 89/2014 Resolution, the Company registered an extensive area with native vegetation for purposes of environmental preservation (Auto Environmental Reserve) with a total of 31.2 hectares.
Challenges for the Coming Years
Challenges for the Coming Years

Our Company

The practice of reporting year after year makes us improve, since we view and compare ourselves with world class standards. The main effort this year was to comprehensively respond to the update of the Global Reporting Initiative guidelines. During 2018, we will develop a new materiality review that will enable us to confirm and renew the expectations of our stakeholders and continue to sustainably grow generating shared value with them.

We continue enriching our report to respond to Sustainability Guidelines of companies listed on the Santiago Stock Exchange, as well as the requirements of the Dow Jones Sustainability Index, maintaining third party verification procedures.

Our work pillars result from the constant communication and interaction with our stakeholders. This year, aligned with The Coca-Cola Company’s proposal we discontinued reporting the “Healthy Active Lifestyle” pillar and focused on “Beverage Benefits.” Also, internally we proposed the incorporation of the “Corporate Governance” pillar because of the permanent dialogue we sustain with our shareholders.

To continue growing sustainably we propose challenging goals in each of our work axes:

**Market**
- Ensure the responsible marketing of our campaigns and provide clear and transparent information to our entire value chain.
- Maintain a collaborative dialogue with regulatory bodies based on respect for new legislation.
- Continue to refresh people by expanding the product portfolio, incorporating new categories, strengthening the segments of nutritious and low-calorie beverages.
- Always guarantee the supply of high quality products and services of the market, constantly investing in technology, equipment and specific technical training of collaborators.

**Energy and climate**
- The new categories and styles of consumption require us to be more efficient in the consumption of resources.
- Continue measuring our carbon footprint looking to implement projects that positively impact in the most critical processes, such as distribution and refrigeration of our products.

**Sustainable packaging**

**Reduce**
- Continue to develop optimal packaging designs for all our containers, reducing the weight of our bottles.
- Offer quality packaging considering environment and ease of recycling.
- Working closely together with our suppliers to reduce the consumption of non-renewable resources used in our primary and secondary packaging.

**Reuse**
- Increase the use of bottle to bottle in our PET bottles extending the scope to all operations.
- Continue with awareness campaigns aimed at our consumers to motivate the consumption of our returnable products.
- Develop agreements with our industrial scrap recyclers to improve the competitiveness of recycled resin.
- Implement scrap circular economy projects.

**Renew**
- Seek the economic and environmental balance to analyze the incorporation of resins of plant origin.

**Recycle**
- Contribute to the consolidation of the nexus between recyclers, collection points and public entities, through agreements with clients, institutions, municipalities and high consumption places to increase the obtaining of Postconsumer PET.
- Monitor recycling projects in the community to achieve sustainability and recyclers autonomy, not only to contribute from an environmental standpoint but also to support social problems.
- Working with NGOs and the community to promote good collection habits and recycling of containers.

**Water**
- Optimize and redesign the use of water according to quality, which will reduce rejection by filtering processes.
- Be more demanding in the control of the water balances, incorporating measurements in each process, entry, use and discard.
- Continuously improve processes and technology to use less quantity of water.
in the elaboration of our products, with the challenge of maintaining the incorporation of new categories to the portfolio. Continue to train key teams in water resource management.

Recycle
- Increase the technology in our treatment plants to comprehensively process the effluents, returning the water used in our operations with a quality that allows animal life.
- Look for projects that allow us to reuse the treated water as raw material, looking for the synergy of our efforts with other initiatives.

Replenish
- Continue to participate together with The Coca-Cola Company in projects that impact the conservation of water sources and access to drinkable water.
- Maintain and monitor the projects that have been implemented, in order to ensure that they continue to capture the expected water.

Community
- Learn from the best practices we have in the different operations, both internal and those of the members of the Coca-Cola System.
- Locally each operation will continue to work with third parties and suppliers to achieve mutual benefit and relationships that contemplate economic, social and environmental aspects.
- Expand customer training programs and deepen the ROUTE TO MARKET models (RTM) for small business development.

Work environment
- They will be key years to implement projects aligned to the vision proposed by our policy of respect for the person, diversity and inclusion.
- Continue to ensure that in all areas and activities of our company the legal regulations and criteria established by our human rights policy in the workplace are respected.
- Maintain a safe and healthy environment for collaborators and visitors. Safety concepts will be incorporated into the way people act, creating guidelines for safe behaviors and designing processes and facilities that are increasingly less risky.
- Continue to grow in the active listening of our collaborators to offer benefits that harmonize work and personal life.
- Maintain our support to volunteer programs in solidarity initiatives, which foster sustainable development and in which our collaborators are the links to get to know the needs and contribute to provide answers.

Corporate governance
- Continue to strengthen our risk management.
- Implement digitalization, modernizing and streamlining key risk management processes.
- Continue to develop e-learning of our corporate policies to train the entire Company on issues such as crime prevention, fraud, compliance, etc.
Characteristics of the Report
Characteristics of the Report

This Report follows the guidelines developed by the Global Reporting Initiative, in its exhaustive "conformity" mode. The period covered by the Report includes between January 1 and December 31, 2017. It is the Eighth Report submitted by Coca-Cola Andina and it contemplates Coca-Cola Andina's operations in Argentina, Brazil, Chile and Paraguay: Andina Chile; Andina Argentina; Andina Paraguay; Vital S.A. Chile and Andina Brazil.

Again, the Report is presented jointly and articulated with the Company's 2017 Annual Report.

Given that Coca-Cola Andina joined the UN Global Compact (UNGC) in 2015, we are reporting on indicators that account for what we are doing to meet the 10 principles that we are committed to respect and promote.

The process for its development was led by the Management Control and Corporate Sustainability division, which coordinated the collection of information that was provided by representatives from all areas of the Company. The review and approval were conducted by the Corporate Sustainability Committee, as established by the respective policy.

For the definition of the content and material issues reported, GRI Standard 103 (Management Approach) was followed, after consulting with major stakeholders (shareholders, employees, suppliers and customers) of the four countries in which we operate. The indicators included for each material aspect that has been identified have sufficient scope to report – in a clear, comprehensive and accurate form – on our management, its successes and its future challenges.

The coverage of material issues is detailed at the beginning of each chapter through interviews to managers, who are ambassadors of our sustainability pillars.

Techniques and bases for data measurement, as well as significant changes related to previous periods, are informed throughout the Report, accordingly.

The currency used, unless otherwise specified, when referring to "USD" indicates United States dollars; when indicating Chilean pesos, a “CL$” is used. “R$” is used for Brazilian reais.

The indicators that relate to the United Nations Global Compact principles are identified with red.
<table>
<thead>
<tr>
<th>Identification</th>
<th>Detail</th>
<th>Page N° / Answer</th>
<th>Omissions</th>
<th>ISO 26000 Linked Clauses</th>
</tr>
</thead>
<tbody>
<tr>
<td>102-14</td>
<td>Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization’s strategy for addressing sustainability.</td>
<td>P. 5 to 8</td>
<td></td>
<td></td>
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<tr>
<td>102-15</td>
<td>Provide a description of key impacts, risks, and opportunities.</td>
<td>P. 17</td>
<td>7.4.2</td>
<td></td>
</tr>
<tr>
<td>102-1</td>
<td>Report the name of the organization.</td>
<td>P. 32</td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-2</td>
<td>a. Describe the activities of the organization. B. Report the primary brands, products and services, include an explanation of any products or services forbidden in certain markets.</td>
<td>P. 10-11 and 29</td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-3</td>
<td>Report the location of the organization’s headquarters.</td>
<td>RUT: 91.144.000-8 Address: Av. Miraflores 9153 / Renca / Santiago / Chile</td>
<td></td>
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<tr>
<td>102-4</td>
<td>Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.</td>
<td>P. 11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-5</td>
<td>Report the nature of ownership and legal form.</td>
<td>Embotelladora Andina is an open stock corporation established by public deed on February 7, 1946, in Santiago, Chile. For more information see: See: Annual Report 2017, P. 4, 11 and 14</td>
<td></td>
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<tr>
<td>102-6</td>
<td>Report the markets served, including i. geographic breakdown ii. sectors served iii. types of customers and beneficiaries.</td>
<td>Page 11</td>
<td></td>
<td></td>
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<tr>
<td>102-7</td>
<td>Report the scale of the organization, including: total number of employees, total number of operations, net sales (for private sector organizations) or net revenues (for public sector organizations), total capitalization broken down in terms of debt and equity (for private sector organizations), and quantity of products or services provided.</td>
<td>Page 11</td>
<td>7.4.2</td>
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<tr>
<td>Identification</td>
<td>Detail</td>
<td>Page N° / Answer</td>
<td>Omissions</td>
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<tr>
<td>102-8</td>
<td>Report the scale of the organization, including: total number of employees, total number of operations, net sales (for private sector organizations) or net revenues (for public sector organizations), total capitalization broken down in terms of debt and equity (for private sector organizations), and quantity of products or services provided.</td>
<td>Page 76</td>
<td></td>
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<tr>
<td>102-41</td>
<td>Report the percentage of total employees covered by collective bargaining agreements.</td>
<td>Page 70</td>
<td></td>
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<tr>
<td>102-9</td>
<td>Describe the organization’s supply chain, including main elements relating activities, principal brands, products and services of the organization.</td>
<td>P. 15-16</td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-10</td>
<td>Report any significant changes during the reporting period regarding the organization’s size, structure, ownership, or its supply chain.</td>
<td>P. 9-10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-11</td>
<td>Report whether and how the precautionary approach or principle is addressed by the organization.</td>
<td>Pag 17-19: We have 20 work operations certified with international standards. They are audited every year. Certifications: ISO9001, ISO14001, OHSASA 18001, FSSC 22000, KORE, HACCP, Top Ten Fatality, Supplier Guiding Principles. Also see: Corporate Sustainability Policy Corporate Risk Management Policy <a href="http://www.koandina.com/pagina.php?=gobierno-politicas">http://www.koandina.com/pagina.php?=gobierno-politicas</a></td>
<td></td>
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<tr>
<td>102-12</td>
<td>List externally developed economic, environmental and social minutes, principles, or other initiatives to which the organization subscribes or which it endorses.</td>
<td>We participate in several external economic, environmental and social initiatives, all volunteering activities to improve our processes and share our experiences. Page 20: Coca-Cola Andina adheres to the principles and initiatives in which The Coca-Cola Company and the Coca-Cola System participate. Among them the principles of the Global Compact and the Declaration of Human rights of the United Nations. Embotelladora Andina S.A. signed its adherence to the Global Compact of the United Nations in Chile during 2015 which was sustained during 2017.</td>
<td></td>
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<tr>
<td>102-13</td>
<td>List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization holds a position on the governance body, participates in projects or committees, provides substantive funding beyond routine membership dues, views membership as strategic</td>
<td>Page 21</td>
<td></td>
<td></td>
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<tr>
<td>102-14</td>
<td>List all entities included in the organization’s consolidated financial statements or equivalent documents. Report whether any entity included in the organization’s consolidated financial statements or equivalent documents is not covered by the report.</td>
<td>The 2017 Sustainability Report and Annual Report include the same entities and are simultaneously presented. Main bottling plants of Argentina, Brazil, Chile and Paraguay are consolidated. Page 14 2017 Annual Report</td>
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<td>102-45</td>
<td>Explain the process for defining the report content and the Aspect Boundaries. Explain how the organization has implemented the Reporting Principles for Defining Report Content.</td>
<td>P. 93</td>
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<td>102-46</td>
<td>List all the material aspects identified in the process for defining report content.</td>
<td>Page 9</td>
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For each material topic, the reporting organization shall report the following information:

- An explanation of why the topic is material.
- The Boundary for the material topic, which includes a description of:
  - where the impacts occur;
  - the organization’s involvement with the impacts.

For example, whether the organization has caused or contributed to the impacts or is directly linked to the impacts through its business relationships.

- Any specific limitation regarding the topic Boundary.

Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.

There were no restatements, information remains consistent with previous reports. They have been prepared in accordance with mandatory requirements of Chile’s Superintendence of Securities and Insurance (SVS) and GRI-G4. We also include a progress report on UN’s Global Pact.

Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.

Sustainability representatives of each country periodically hold meetings with the Public Affairs and Sustainability areas of The Coca-Cola Company. Key issues are detected during those meetings. Some of the issues during 2017 were:

- Diversity, inclusion and reverse logistics for company collaborators thanks to the EHOS-IARSE self-diagnosis tool.
- The Board of Directors raise some issues on Corporate Governance and Risk Management.
### Our Company

**GRI Contents Index**

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<thead>
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| 102-54         | The reporting organization shall report the following information:  
  a. The claim made by the organization, if it has prepared a report in accordance with the GRI Standards, either:  
    i. 'This report has been prepared in accordance with the GRI Standards: Core option';  
    ii. 'This report has been prepared in accordance with the GRI Standards: Comprehensive option'. | P. 93
  This report has been prepared in accordance with GRI Standards: Comprehensive option.               |                                                                                                            |                                                                         |
| 102-55         | a. The GRI content index, which specifies each of the GRI Standards used and lists all disclosures included in the report.  
  b. For each disclosure, the content index shall include:  
    i. the number of the disclosure (for disclosures covered by the GRI Standards);  
    ii. the page number(s) or URL(s) where the information can be found, either within the report or in other published materials;  
    iii. if applicable, and where permitted, the reason(s) for omission when a required disclosure cannot be made. | P. 93                                                                                                    |                                                                           |                                                                         |
| 102-56         | a. A description of the organization’s policy and current practice with regard to seeking external assurance for the report.  
  b. If the report has been externally assured:  
    i. A reference to the external assurance report, statements, or opinions. If not included in the assurance report accompanying the sustainability report, a description of what has and what has not been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process;  
    ii. The relationship between the organization and the assurance provider;  
    iii. Whether and how the highest governance body or senior executives are involved in seeking external assurance for the organization’s sustainability report. | P. 93 Assurance Report.                                                                                     |                                                                           |                                                                         |
| 102-18         | a. Governance structure of the organization, including committees of the highest governance body.  
  b. Committees responsible for decision-making on economic, environmental, and social topics.     | P. 22                                                                                                    | Also see: Answer to 102-26 indicator                                                              |                                                                     |
<p>|                |                                                                                                                                                                                                 | 2OF P. 82 and 83 – Directors, Senior Officers and Employees                                               |                                                                           |                          |
|                |                                                                                                                                                                                                 | Corporate Sustainability Policy and Corporate Management and Risk Control Policy.                           |                                                                           |                          |</p>
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| 102-19        | Report the process for delegating authority for economic, environmental, and social topics from the highest governance body to senior executives and other employees. | P. 26  
In addition, the company has specific guidelines for delegation of authority, formalized in a “document of Corporate Policy for Delegation of Authority” and the Board of Directors meets once a month to learn about the Company’s results and all matters falling within its competence.  
For more information see:  
20F P. 82 and 83 - Directors, Senior Officers and Employees  
| 102-20        | Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body. | Page 22  
The company has people in charge of sustainability, environment, safety, and relations with stakeholders who are responsible for managing social and environmental issues.  
Corporate Sustainability Policy and Corporate Risk Management Policy.  
| 102-21        | Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body. | P. 23 and 24  
In addition, when General Standard N° 385* was issued, the Board performed a survey on all items relating to the fulfillment of these, which include specific suggestions for practices related to economic, sustainability, risk management and social affairs. Specialized external advice was hired to carry out this survey.  
Worth mentioning is that the previously cited standard, seeks to provide the market with information regarding the corporate governance practices of open stock corporations; addressing to the effect various aspects related to the operation of the Board of Directors; the relationship between the company, shareholders and the general public; the company’s risk management and control; and assessment by third parties of the adoption of these practices.  
Also see:  
2017 Annual Report P. 16 | | |
| 102-22        | Report the composition of the highest governance body and its committees by: executive or non-executive. Independence, tenure on the governance body, number of each individual’s other significant positions and commitments, and the nature of the commitments, gender, membership of under-represented social groups, competences relating to economic, environmental and social impacts, stakeholder representation. | See answer to 102-40 Indicator  
Regarding independence, see:  
Document on Corporate Governance Comparison of Standards Chile-U.S.A.  
20F P.83 to 86: Composition of the Board of Directors and Main Officers (Gender and Age) and Competence and Expertise  
2016 Annual Report P. 18, 19 and 20 | | |
| 102-23        | Report whether the Chair of the highest governance body is also an executive officer. If so, his or her function within the organization’s management and the reasons for this arrangement. | Neither the Chairman nor the directors hold executive positions.  
Also see:  
20F EN P. 83 to 86  
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<td>102-24</td>
<td>Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members, including whether and how diversity is considered, whether and how independence is considered, whether and how expertise and experience relating to economic, environmental and social topics are considered, whether and how stakeholders (including shareholders) are involved.</td>
<td>The election of the Board of Directors is done in accordance to Chile’s Corporations Law (18,046). The Board of Directors is the organ through which the management of the company is exercised and is elected by the regular shareholders meeting in each statutory period, in our case every 3 years. Series A holders choose 12 directors and Series B holders choose 2 directors. The directors may or may not be shareholders of the company, last 3 years in their term and can be re-elected indefinitely. Currently the board of directors is composed by 9 Chilean directors and 5 foreigners, all of them men, who have expertise and experience to carry out their functions. Although it is not a legal requirement, knowledge and experience are considered when selecting them, and their resumes always accompany their nominations. Chilean law requires that, in certain cases, corporations have independent directors. We are required to do so, and the independence of these directors is guaranteed, since they must comply with legal requirements such as not maintaining a relationship of kinship, or relationship as shareholder, company manager or executive. These directors are proposed by shareholders representing 1% or more of the shares of the company and their candidatures are presented 10 days prior to the general shareholders meeting in which the Board of Directors is renewed. Two days before the Shareholders Meeting, candidates must provide a declaration of independence in which they state they comply with legal requirements and assume the commitment of staying independent during the entire period. For more information see: Annual Report 2017. P. 16 (Corporate Governance). 20F Board of Directors and Shareholders’ Meetings. P.99 <a href="http://www.koandina.com/uploads/reportes_financieros/2017%2020F.pdf">http://www.koandina.com/uploads/reportes_financieros/2017%2020F.pdf</a></td>
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<td>102-25</td>
<td>Report the processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders, including, as a minimum: cross-board membership; cross-shareholding with suppliers and other stakeholders; existence of controlling shareholder; related party disclosures.</td>
<td>See: Document on Corporate Governance Practices (General Rule No.385) <a href="http://www.koandina.com/uploads/NCG%20385.pdf">http://www.koandina.com/uploads/NCG%20385.pdf</a> Code of Ethics V1.0 paragraph 2. P. 2 <a href="http://www.koandina.com/uploads/Adjuntos/CodigodeEticav1_0.pdf">http://www.koandina.com/uploads/Adjuntos/CodigodeEticav1_0.pdf</a></td>
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<td>102-26</td>
<td>Report the highest governance body’s and senior executives’ roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental, and social topics.</td>
<td>The Board of Directors has an Executive Committee in charge of monitoring and proposing guidelines for the general progress of the social business and the control of operations on an ongoing basis through periodic sessions. Also, and as prescribed in article 50 bis of law 18,046 on corporations, and in accordance with the provisions of the Circular N° 1956 and Circular N° 560 of the Superintendency of Securities and Insurance the Board of Directors has a Directors’ Committee, whose functions are: examining reports of the external auditors, balance sheet and other financial statements presented by the directors of the company to the shareholders, and to rule on these prior to their presentation to the shareholders for approval. Propose external auditors and risk rating agencies to the Board, which are suggested to the respective shareholders meeting. Review information relating to the operations referred to in Title XVI of Law N° 18,046 and report on them. Examine remuneration systems and compensation plans for managers, top executives and workers of the company. Report to the Board with respect to the desirability of hiring or not the company’s external audit for the provision of services that are not part of the external audit; when they are not prohibited pursuant to provisions of article 242 of the stock market Act No. 18,045. Review and approve the company’s 20-F report and verify the compliance by management of rule 404 of the Sarbanes Oxley Act (Under section 404 of the Sarbanes Oxley Act, Management should make an annual assessment of internal controls of the company). All this, without prejudice to other functions which it performs such as analyze and follow corporate policies, review the origin and implementation of new systems or business models. For more information see: Company Bylaws Amendment 06/25/2012 Art.10 <a href="http://www.koandina.com/uploads/Adjuntos/Estatutos%20Societarios%20Reforma%2025-06-12.pdf">http://www.koandina.com/uploads/Adjuntos/Estatutos%20Societarios%20Reforma%2025-06-12.pdf</a> Corporate Governance Practices Legal Department 2014 references the operation of the Board of Directors under paragraph A. <a href="http://www.koandina.com/uploads/Adjuntos/Practicas%20de%20Gobierno%20Corporativo_fiscalia2014.pdf">http://www.koandina.com/uploads/Adjuntos/Practicas%20de%20Gobierno%20Corporativo_fiscalia2014.pdf</a> 20F P. 88. <a href="http://www.koandina.com/uploads/reportes_financieros/2017%2020F.pdf">http://www.koandina.com/uploads/reportes_financieros/2017%2020F.pdf</a></td>
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<td>102-27</td>
<td>Report the measures taken to develop and enhance the highest governance body’s collective knowledge of economic, environmental, and social topics.</td>
<td>The company contributes to its greater specialization by carrying out talks with experts, specialized presentations, the preparation of specific reports. The Executive Committee also visits each country (Argentina, Brazil, Chile and Paraguay) and political-economic experts are also invited.</td>
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<td>102-28</td>
<td>Report the processes for evaluating the highest governance body's performance with respect to governance of economic, environmental, and social topics. Whether such evaluation is independent or not, and its frequency. Whether such evaluation is a self-assessment. Actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental, and social topics, including, as a minimum, changes in membership and organizational practice.</td>
<td>Although there is not a formal evaluation process, a report on compliance with the adopted practices is produced annually, thus managers are very rigorous monitoring and complying with committed corporate practices. Changes in the Board of Directors are reported on P. 18 of the 2017 Annual Report. Also see: Document on Corporate Governance Practices (General Rule No.385) <a href="http://www.koandina.com/uploads/NCG%20385.pdf">http://www.koandina.com/uploads/NCG%20385.pdf</a></td>
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| **102-29**    | a. Highest governance body’s role in identifying and managing economic, environmental, and social topics and their impacts, risks, and opportunities – including its role in the implementation of due diligence processes.  
b. Whether stakeholder consultation is used to support the highest governance body’s identification and management of economic, environmental, and social topics and their impacts, risks, and opportunities. | P. 17-19  
There are policies and specific procedures for the management of the various risks associated with our operation. For this purpose, the company has a Risk Management Division whose function is to propose and implement standards and control activities for mitigating them. In addition, the Board agreed to meet at least quarterly with the company’s risk management unit in order to analyze the proper operation of the risk management process, the risk matrix used by this unit (as well as the main sources of risks and methodologies for the detection of new risks and probability and impact of occurrence of those that are most relevant), and the recommendations and improvements that would be relevant to perform in order to better manage the risks of the entity.  
Also see:  
Document on Corporate Governance Practices (General Rule No.385)  
P. 8 – Paragraph 4 A  
Management and Risk Control Corporate Policy  
| **102-30**    | Report the highest governance body’s role in reviewing the effectiveness of the organization’s risk management processes for economic, environmental and social topics. | P. 17  
We are implementing a Management and Risk Control (GCR) model, where the Board of Directors plays a fundamental role, counting among its primary responsibilities knowing and understanding all the relevant risks assumed by the company, approve the strategy and general guidelines of the GCR and monitor the continuous operation of the GCR processes reported by the Risk Committee through assessments carried out by internal audit (which depends on the Board of Directors). | | |
| **102-31**    | Report the frequency of the highest governance body’s review of economic, environmental and social impacts, risks, and opportunities. | According to the provisions of the Corporate Policy on Management and Risk Control, approved by the Board of Directors in December 2015, the Risk Committee, on a quarterly basis informs the Board on: 1. The proper functioning of the risk management process. 2. The risk matrix employed by the company as well as the main sources of risks and methodologies for the detection of new risks and the likelihood and impact of occurrence of those most relevant. 3. Recommendations and improvements that would be relevant to better manage the risks of the company in the opinion of the Risk Committee. 4. The contingency plans designed to react to the realization of critical events, including the continuity of the Board of Directors in crisis situations. 5. Audit outcomes.  
Also see:  
20F P. 87  
| **102-32**    | Report the highest committee or position that formally reviews and approves the organization’s sustainability report and ensures that all material topics are covered. | P. 22  
The CEO and the Board approve the Annual Report and Sustainability Report. | | |
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<td>102-33</td>
<td>Report the process for communicating critical concerns to the highest governance body.</td>
<td>The Board of Directors holds scheduled meetings at least once a month where several matters are addressed including the important concerns communicated to the highest governance body. The approach to decision-making is decentralized, giving operations a level of autonomy, which is framed within certain limits to maintain strategic control of their businesses. <em>(Document on Corporate policy of Delegation of Authority)</em> Also see: 20F P. 86 <a href="http://www.koandina.com/uploads/reportes_financieros/2017%2020F.pdf">http://www.koandina.com/uploads/reportes_financieros/2017%2020F.pdf</a></td>
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<td>102-34</td>
<td>Report the total number and nature of critical concerns that were communicated to the highest governance body, as well as the mechanism(s) used to address and resolve critical concerns.</td>
<td>The main issues and concerns that were transmitted to the highest governance body involved the review of anonymous reports, the analysis of internal auditing reports, the review and approval of corporate policies such as those of corporate sustainability and risk management, or other rules that apply to Corporate Governance or to the company, internal control systems, review and approval of new business, review and approval of consolidated results and operation. Some of these were reviewed by the Executive Committee and then analyzed by the Board of Directors; others were dealt with directly in the Board of Directors. According to their nature, if they are of a specific operation, management or the anonymous complaints channel, resolution mechanism is determined. The Board of Directors meets once a month to learn about the results of the company and all matters falling within its competence. For more information see: Annual Report 2017. P.17. <em>Tasks developed by the Directors’ Committee pursuant to Law N°180.46 (Art. 50 bis) on Corporations.</em></td>
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<td>102-36</td>
<td>Report the process for determining remuneration. Indicate whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Indicate any other relationships that the remuneration consultants have with the organization.</td>
<td>See: 20F Paragraph B Remunerations - P. 84 and 85 <a href="http://www.koandina.com/uploads/reportes_financieros/2017%2020F.pdf">http://www.koandina.com/uploads/reportes_financieros/2017%2020F.pdf</a> 2017 GSM Minutes, P. 34 and 35 reports on the procedure through which Board of Directors remunerations are assigned, as well as remunerations of members of the Executive Committee, the Directors’ Committee and the Audit Committee <a href="http://www.koandina.com/uploads/comunicados/2017%20HE%20Acuerdos%20J0A.pdf">http://www.koandina.com/uploads/comunicados/2017%20HE%20Acuerdos%20J0A.pdf</a></td>
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<td>102-37</td>
<td>Report on how stakeholders’ views are sought and considered regarding remuneration, including if applicable, the results of votes on remuneration policies and proposals.</td>
<td>The Shareholders’ Assembly which meets once a year is who approves or not the proposal of the Board through the vote in favor or against, recording it in the Board of Directors Minutes. Also see: 2017 GSM Minutes <a href="http://www.koandina.com/uploads/comunicados/2017%20HE%20Acuerdos%20J0A.pdf">http://www.koandina.com/uploads/comunicados/2017%20HE%20Acuerdos%20J0A.pdf</a></td>
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<td>102-38</td>
<td>Ratio of the annual total compensation for the organization’s highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.</td>
<td>This information is confidential in order to protect the personal safety of collaborators and high-executive officers of our organization.</td>
<td>x</td>
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<tr>
<td>102-39</td>
<td>Ratio of the percentage increase in annual total compensation for the organization’s highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.</td>
<td>This information is confidential in order to protect the personal safety of collaborators and high-executive officers of our organization.</td>
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<td>102-17</td>
<td>Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.</td>
<td>P. 20 Also see: Annual Report 2017 P. 6 and 16 Web Koandina – Anonymous Reports</td>
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<tr>
<td>102-17</td>
<td>Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.</td>
<td>P. 23 Also see: Annual Report 2017. P. 16 Code of Ethics V1.0 - Conflicts of Interest P. 2 and 3; P. 9 and 10 In the event a person faces a conflict of interest, or detects a potential conflict of interest, he or she shall promptly inform the company, and refrain from taking actions that generate or can generate such conflict, unless expressly authorized in writing by the Company’s Ethics Committee. <a href="http://www.koandina.com/uploads/Adjuntos/CodigodeEticav1_0.pdf">http://www.koandina.com/uploads/Adjuntos/CodigodeEticav1_0.pdf</a></td>
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<td>201-1</td>
<td>Direct economic value generated and distributed</td>
<td>P. 13 and 14</td>
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<td>6.8.1; 6.8.2; 6.8.3; 6.8.9</td>
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201-2 Financial implications and other risks and opportunities due to climate change
Risks/opportunities are detected and treated through the Risk Management process. Some identified during 2017 were:
- Regulatory: Labeling Law, taxes for sugars, taxes for waste generation and diversity law
- Environmental: Increased rainfall, increased temperatures, water shortages and environmental pollution.

P. 17

201-3 Defined benefit plan obligations and other retirement plans
The Company complies with the current system of pension obligations in all countries where it has operations.

P. 73

201-4 Financial assistance received from government
No financial assistance received during the period.

202-1 Ratios of standard entry level wage by gender compared to local minimum wage
Salary gap by gender is:
- Executive positions: 68.8%
- Other positions: 114.9%

202-2 Percentage of senior management at significant locations of operation that are hired from the local community.
Most of employees in each country have the nationality of the country where they work. There are 14 Company Directors: Chilean (10) and foreigners (4).
The first corporate line is composed of 6 people, 4 Chilean and 2 Argentine.
The Board of Directors and the first corporate lines are defined as senior officers.
“National” is when nationality coincides with the subsidiary where functions are performed, except in the case of Chileans, who will be identified as such in any of the countries; and “foreigners” will be those who do not apply in any of the above cases.

203-1 Infrastructure investments and services supported.
Some of the infrastructure investments that the Company developed during the period were:
- Renovation of cold equipment, which continues to benefit customers and communities by saving electricity.
- Modification to reduce the weight of bottles and lids, which is positive for the community because less waste is generated.
- Increase of returnable bottles.
- New plant construction in Duque de Caxias Brazil.

P. 13 and 14

203-2 Significant indirect economic impacts and their spectrum.
As part of The Coca-Cola System, Coca-Cola Andina generates added value in countries where it operates equivalent to 0.3% of the country’s GDP (approximately).
It is also possible to see in the table of distributed economic value, the contributions to Treasury, salaries to direct employees and investments. When we include the indirect impact that the Coca-Cola System generates in each region where it operates, this GDP equivalent amounts to 1%.

P. 13 and 14

204-1 Percentage of spending used for significant locations of operation that is spent on suppliers local to that operation.
We refer to “nationals” as a synonym of “locals”

P. 13 and 16

301-1 Materials used by weight or volume.
The report includes the raw materials used and which of them are of recycled origin. P. 66
Water consumption is reported in the “Water Stewardship” chapter as well as initiatives implemented to use water as a renewable resource in order to increase replenishment. P. 39

The “Energy Management and Climate Protection” chapter reports the renewable energy used.

P. 48

301-2 Percentage of recycled input materials used.
Recycle material used: 12% for plastic bottles, 4% for glass bottles and 26% for plastic cases.

P. 66 Sustainable Packaging

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<tr>
<td>302-1</td>
<td>Energy consumption within the organization.</td>
<td>P. 51 Heating and cooling are included in the energy consumption value.</td>
<td>6.5.4</td>
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<td>302-2</td>
<td>Energy consumption outside of the organization.</td>
<td>P. 60 Power consumption from sources not owned by Coca-Cola Andina: 736,418,708 MJ. Energy consumed by external transport units: 851,479,488 MJ</td>
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<td>302-3</td>
<td>Energy intensity.</td>
<td>P. 44 and 51 The Energy Use ratio reported is mandatory by The Coca-Cola Company. The sum of the energies used in the bottling plants (MJ) divided by the liters produced.</td>
<td>6.5.4</td>
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<td>302-4</td>
<td>Reduction of energy consumption.</td>
<td>P. 47-50</td>
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<td>302-5</td>
<td>Reductions in energy requirements of products and services.</td>
<td>P. 51 Total energy consumption decreased by 8% attributed to the incorporation of new technologies, managing to maintain production (which only decreased 4%). On the other hand, it is worth mentioning that expanding the portfolio of new products and packaging entails greater start-ups and therefore increased energy consumption. So, we emphasize that, although we have not grown in volume, we knew how to adapt to the needs of consumers without significantly impacting energy consumption.</td>
<td>6.5.4; 6.5.5</td>
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<td>303-1</td>
<td>Water withdrawal by source.</td>
<td>P. 39 Calculation and registration methods are standards of The-Cola Company for all bottlers. (EOSH Performance Measurements and Water Resource Sustainability)</td>
<td>6.5.4</td>
</tr>
<tr>
<td>303-2</td>
<td>Water sources significantly affected by withdrawal of water.</td>
<td>P. 39-42 Following the policy of The Coca-Cola Company, actions are carried out to replenish water used to nature. Information on these programs can be found in the “Water Stewardship” chapter.</td>
<td>6.5.4</td>
</tr>
<tr>
<td>303-3</td>
<td>Percentage and total volume of water recycled and reused.</td>
<td>P. 39 There are only cases of re-use in washing equipment (e.g. bottle washers) where water is recovered from the final rinsing. This improves WUR, but we do not have meters in 100% of the machines to know the specific savings of this action. Water used or captured by precipitation is treated and delivered suitable for animal life. There are rain water tanks for fire prevention.</td>
<td>6.5.4</td>
</tr>
<tr>
<td>305-1</td>
<td>Direct greenhouse gas emissions (scope 1).</td>
<td>P. 52</td>
<td>6.5.5</td>
</tr>
<tr>
<td>305-2</td>
<td>Energy indirect greenhouse gas emissions (scope 2).</td>
<td>P. 52</td>
<td></td>
</tr>
<tr>
<td>305-3</td>
<td>Other indirect greenhouse gas emissions (scope 3).</td>
<td>P. 52 Scope 3, third-party fleet emissions: 109,549,904 Kg CO2 eq. Distributed by country in the following way: Argentina 56%, Brazil 4%, Chile 26%, Paraguay 18%.</td>
<td>6.5.5</td>
</tr>
<tr>
<td>305-4</td>
<td>Greenhouse gas emissions intensity.</td>
<td>P. 52 Scopes 1, 2 and 3 ratio for Embotelladora Andina is 60.52 gr CO2 eq/Liter of beverage produced.</td>
<td></td>
</tr>
<tr>
<td>305-5</td>
<td>Reduction of greenhouse gas emissions.</td>
<td>P. 47-50 Reductions in plant processes, improvements in fleets and modernization of facilities recorded a decrease of 19,960 Tn of CO2 eq.</td>
<td>6.5.5</td>
</tr>
<tr>
<td>305-6</td>
<td>Emissions of ozone-depleting substances.</td>
<td>P. 48 and 49 Mainly CO2 and HCFC-22 cooling gases are used in cold equipment.</td>
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<td>305-7</td>
<td>NOX, SOX, and other significant air emissions.</td>
<td>Gases reported below are those used by cold equipment. Which are changed according to need and are disposed of according to the legislation of each country. Argentina: HFC 134 A: 707.42 kg Brazil: R-134a: 827 kg; R-404: 21 kg; R-438A: 34 kg; R-410A: 389 kg, MO99: 24 kg; R-404A: 368 kg Chile: HCFC-22: 78 kg; HFC 134 A: 26 kg Paraguay: HFC 134 A: 1,266 kg NOX: Not measured SOX: Not measured</td>
<td></td>
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<tr>
<td>306-1</td>
<td>Total water discharge by quality and destination.</td>
<td>P. 39 and 43. Output parameters respond to the requirements of The Coca-Cola Company in its Waste Water Quality document. The delivery is quality suitable for animal life with fish habitat at the end of the process.</td>
<td>6.5.3; 6.5.4</td>
<td></td>
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<tr>
<td>306-2</td>
<td>Total weight of waste by type and disposal method.</td>
<td>P. 58, 65 and 66 84% of the waste is recycled (Andina global value). We refer to recyclables when processed to reuse and also considered in this criterion is the organic waste that is destined to composting as hazardous waste that are destined as energy recovery in cement industries kilns. 3% are hazardous wastes which are treated according to the laws of each country (e.g. safety cells). 16% are general wastes that go to sanitary landfills.</td>
<td>6.5.3</td>
<td></td>
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<tr>
<td>306-3</td>
<td>Total number and volume of significant spills.</td>
<td>There were no significant spills in the period.</td>
<td>6.5.3</td>
<td></td>
</tr>
<tr>
<td>306-4</td>
<td>Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention annex I, II, III, and VIII, and percentage of transported waste shipped internationally.</td>
<td>100% of hazardous waste is treated by third parties within the countries where it is originated.</td>
<td>N/a.</td>
<td></td>
</tr>
<tr>
<td>306-5</td>
<td>Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization’s discharges of water and runoff.</td>
<td>100% of the effluents from the company are treated, so there are no significant impacts on water resources. It is managed through The Coca-Cola Company Source Water Vulnerability Assessment (SVA) requirement.</td>
<td>6.5.3; 6.5.4; 6.5.6</td>
<td></td>
</tr>
<tr>
<td>301-3</td>
<td>Percentage of products sold and their packaging materials that are reclaimed by category.</td>
<td>P.30 and 58 38.5% (company global) of the products sold are regenerated at the end of its useful life by the Company itself. 100% of the cases (secondary packaging) are regenerated at the end of their useful life by the Company itself. We support environmental and social initiatives to encourage the recovery of packaging that still do not have formal recovery circuits.</td>
<td>6.5.3; 6.5.4; 6.7.5</td>
<td></td>
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<tr>
<td>307-1</td>
<td>Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.</td>
<td>There have not been significant fines or sanctions for breach of environmental laws or regulations.</td>
<td>4.6</td>
<td></td>
</tr>
<tr>
<td>308-1</td>
<td>Percentage of new suppliers that were screened using environmental criteria.</td>
<td>P. 82-84. All suppliers must comply with the standards and requirements of The Coca-Cola System, and the Guiding Principles for Suppliers.</td>
<td>6.3.5; 6.6.6; 7.3.1</td>
<td></td>
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<tr>
<td>308-2</td>
<td>Significant actual and potential negative environmental impacts in the supply chain and actions taken.</td>
<td>P.16; 49 and 82-84 Work is performed with critical suppliers and on significant impacts on the chain: Upstream: initiatives are performed with primary and secondary packaging suppliers to reduce their weight. Also, to reuse the industrial scrap of the plants in order to produce new packaging, guaranteeing quality of waste and managing the transformation of the same with partners. In order to reduce the impact of waste generation. Downstream: initiatives are performed with suppliers of coolers to place more efficient equipment at customer locations and with distribution suppliers to make delivery routes more efficient, seeking to reduce fuel consumption and the carbon footprint. Promote commercial efforts aimed at a greater percentage of sales in returnable bottles, are to reduce use of raw materials.</td>
<td></td>
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</tr>
<tr>
<td>103-2</td>
<td>Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms.</td>
<td>Grievances received through the Ethics Points channel: 52, which were reviewed, addressed and closes. Two of them relate to Environmental, Occupational Health and Safety issues.</td>
<td></td>
<td>6.3.6</td>
</tr>
<tr>
<td>401-1</td>
<td>Total number and rates of new employee hires and employee turnover by age group, gender and region.</td>
<td>P. 70 The new hires for the entire company reached 2,135 employees with permanent contract. Rotation is a sustainability key performance indicator and it shown consolidated by country. Argentina: 0.51% Brazil: 2.14% Chile: 18.00% Paraguay: 0.40%</td>
<td></td>
<td>6.4.3</td>
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<tr>
<td>401-2</td>
<td>Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.</td>
<td>The same benefits are granted regardless of the extension of the working day, in all significant locations of operation.</td>
<td></td>
<td>6.4.8; 6.8.7</td>
</tr>
<tr>
<td>401-3</td>
<td>Return to work and retention rates after parental leave, by gender.</td>
<td>P. 72</td>
<td></td>
<td>6.4.4</td>
</tr>
<tr>
<td>402-1</td>
<td>Minimum notice periods regarding operational changes, including whether these are specified in collective agreements.</td>
<td>As a general provision, the minimum number of notice is 30 days in all regions.</td>
<td></td>
<td>6.4.4; 6.4.5</td>
</tr>
<tr>
<td>403-1</td>
<td>Percentage of total workforce represented in formal joint management–worker health and safety committees that help monitor and advise on occupational health and safety programs.</td>
<td>P. 74 The behavior-based safety program is The Coca-Cola Company’s requirement, which requires the creation of committees where 100% of the employees are represented.</td>
<td></td>
<td>6.4.6</td>
</tr>
<tr>
<td>403-2</td>
<td>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.</td>
<td>P. 74 Each safety management division has its accident management and communication procedures as well as prevention programs. These procedures respond to the Behavior-based Safety Program required by The Coca-Cola Company and the OHSAS 18001 standard.</td>
<td></td>
<td>6.4.6; 6.8.8</td>
</tr>
<tr>
<td>403-3</td>
<td>Workers with high incidence or high risk of diseases related to their occupation.</td>
<td>Andina has a detailed analysis by type of worker and position performed, referring to the risks they can be submitted to (by e.g. professional deafness, possible skeletal muscle diseases, and respiratory diseases). For each type of risk, it has specific mitigation measures. These include adaptations of equipment and facilities to comply with the standards established, the delivery of (PPE) personal protective equipment adapted to each type of risk, training on the importance of its use and monitoring measures for the purpose of verifying its use. Also, annual or periodic checkups are performed to track and control the identified risks.</td>
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<tr>
<td>403-4</td>
<td>Health and safety topics covered in formal agreements with trade unions.</td>
<td>P. 74 The functioning of the committees is defined in the Behavior-based Safety Program.</td>
<td></td>
<td>6.4.6</td>
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<tr>
<td>404-1</td>
<td>Average hours of training per year per employee by gender, and by employee category.</td>
<td>P. 76</td>
<td></td>
<td>6.4.7</td>
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<tr>
<td>404-2</td>
<td>Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.</td>
<td>P. 71 and 73</td>
<td></td>
<td>6.4.7; 6.8.5</td>
</tr>
<tr>
<td>404-3</td>
<td>Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.</td>
<td>P. 70</td>
<td></td>
<td>6.4.7</td>
</tr>
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</table>
| 405-1          | Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity. | Annual Report 2017. P.18  
20F P.83 - 86: Composition of the Board of Directors and Principal Officers (Gender and Age) and Competence and Experience  
http://www.koandina.com/uploads/reportes_financieros/2017%2020F%20ES.pdf | 6.2.3; 6.3.7; 6.3.10; 6.4.3 |           |
| 405-2          | Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation. | Annual Report 2017. P. 63  
Executives: 68.8%  
Workers: 114.9% | 6.3.7; 6.3.10; 6.4.3; 6.4.4 |           |
| 414-1          | Percentage of new suppliers that were screened using labor practices criteria. | P. 83  
All suppliers must meet the standards and requirements of the Coca-Cola System and the Guiding Principles for Suppliers. | 6.3.5; 6.4.3; 6.6.6; 7.3.1 |           |
| 414-2          | Significant actual and potential negative impacts for labor practices in the supply chain and actions taken. | The evaluations of new suppliers and the periodic evaluations carried out by the KORE system seek to minimize the potential impacts that may arise due to the non-observance of fundamental rights such as freedom of association, child labor or forced labor. | 6.3.5; 6.4.3; 6.6.6; 7.3.1 |           |
| 103-2          | Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms. | Grievances received through the Ethics Point Channel: 52, which were reviewed, addressed and closed. 21 of them related to Labor harassment and policy violations. |           |                           |
| 412-3          | Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening. | P. 84  
All suppliers must meet the standards and requirements of the Coca-Cola System and the Guiding Principles for Suppliers. | 6.3.3; 6.3.5; 6.6.6 |           |
| 412-2          | 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. | P. 71 and 76  
All suppliers must meet the standards and requirements of the Coca-Cola System and the Guiding Principles for Suppliers. | 6.3.5 |           |
| 406-1          | Total number of incidents of discrimination and corrective actions taken. | No discrimination grievances have occurred in the period. | 6.3.6; 6.3.7; 6.3.10; 6.4.3 |           |
| 407-1          | Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights. | P. 84  
All suppliers must meet the standards and requirements of the Coca-Cola System and the Guiding Principles for Suppliers. | 6.3.3; 6.3.4; 6.3.5; 6.3.8; 6.3.10; 6.4.5; 6.6.6 |           |
| 408-1          | Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor. | P. 84  
The prohibition of the recruitment of children under 18 years old is incorporated in the Internal Rules of Order, Hygiene and Safety Standards, as well as the regulation of contractors. All suppliers must comply with the standards and requirements of The Coca-Cola System, and the Guiding Principles for Suppliers. | 6.3.3; 6.3.4; 6.3.5; 6.3.7; 6.3.10; 6.6.6; 6.8.4 |           |
Our Company

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<td>409-1</td>
<td>Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.</td>
<td>P. 83-84 All suppliers must comply with the standards and requirements of The Coca-Cola System, and the Guiding Principles for Suppliers. Random checks and audits are performed to detect possible episodes. In addition, the Anonymous Complaints Channel is available to receive claims.</td>
<td>Not available for the period.</td>
<td>6.3.3; 6.3.4; 6.3.5; 6.3.10; 6.6.6</td>
</tr>
<tr>
<td>410-1</td>
<td>Percentage of security personnel trained in the organization’s human rights policies or procedures that are relevant to operations.</td>
<td>P. 71 and 76 There were no trainings for security personnel</td>
<td>Not available for the period.</td>
<td></td>
</tr>
<tr>
<td>412-1</td>
<td>Total number and percentage of operations that have been subject to human rights reviews or impact assessments.</td>
<td>The reporting organization must submit the following information: 100% of bottling plants are assessed in human rights periodically by third parties hired by The Coca-Cola Company. A. 6,007 hours (ethics and Code of Conduct). It developed an e-learning of policies, training people of all the countries, page 71. B. 14% of employees received trainings. The reporting organization must submit the following information: A. All raw materials have audits in The Coca-Cola Company’s Guiding Principles.</td>
<td></td>
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<tr>
<td>414-1</td>
<td>Percentage of new suppliers that were screened using human rights criteria.</td>
<td>P. 83 All suppliers must meet the standards and requirements of the Coca-Cola System and the Guiding Principles for Suppliers.</td>
<td></td>
<td>6.3.3; 6.3.4; 6.3.5; 6.6.6</td>
</tr>
<tr>
<td>414-2</td>
<td>Significant actual and potential negative human rights impacts in the supply chain and actions taken.</td>
<td>P. 83 Assessments of new suppliers and periodic assessments carried out by the KORE system seek to minimize the potential impacts arising from the non-observance of fundamental rights such as freedom of association, child labor or forced labor.</td>
<td></td>
<td>6.3.3; 6.3.4; 6.3.5; 6.6.6</td>
</tr>
<tr>
<td>103-2</td>
<td>Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms.</td>
<td>No human rights grievances have occurred in the period.</td>
<td></td>
<td>6.3.6</td>
</tr>
<tr>
<td>413-1</td>
<td>Percentage of operations with implemented local community engagement, impact assessments, and development programs.</td>
<td>P. 78-81; 85; 86-91 The relationship with the community is managed from the areas responsible for sustainability and institutional relations, always aligned with The Coca-Cola Company and the definitions of their Public Affairs divisions. See “Relationship with the Community” scheme summarizing the main actions and initiatives in the community.</td>
<td></td>
<td>6.3.9; 6.5.1; 6.5.2; 6.5.3; 6.8</td>
</tr>
<tr>
<td>413-2</td>
<td>Operations with significant actual and potential negative impacts on local communities.</td>
<td>No significant negative effects on the local communities where we have operations have been determined.</td>
<td></td>
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<tr>
<td>205-1</td>
<td>Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.</td>
<td>See Annual Report 2017 P. 42 20F P. 72 <a href="http://www.kaandina.com/uploads/reportes_financieros/MA%202017%20ES%20VF.pdf">http://www.kaandina.com/uploads/reportes_financieros/MA%202017%20ES%20VF.pdf</a></td>
<td></td>
<td>6.6.1; 6.6.2; 6.6.3</td>
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<td>205-2</td>
<td>Communication and training on anti-corruption policies and procedures.</td>
<td>During 2016 and 2017 e-learning of the Corporate Policy of Crime Prevention (Law No. 20,393) was carried out P. 71 See Annual Report 2017, P. 16 and 42</td>
<td></td>
<td>6.6.1; 6.6.2; 6.6.3; 6.6.6</td>
</tr>
<tr>
<td>205-3</td>
<td>Confirmed incidents of corruption and actions taken.</td>
<td>Grievances received through the Ethics Point channel: 52, which was reviewed, addressed and closed. 6 of them related to corruption issues.</td>
<td></td>
<td>6.6.1; 6.6.2; 6.6.3</td>
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<td>415-1</td>
<td>Total value of political contributions by country and recipient/beneficiary.</td>
<td>Our Conduct Handbook (Code of Ethics) establishes that, as a general rule, no funds or assets will be used including valuables or services from the Company’s employees to make political contributions. Political contributions are only accepted if they are expressly approved by the Board of Directors and in accordance with local law. Each political contribution will be recorded in the accounting records as a political contribution.</td>
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<td>206-1</td>
<td>Total number of legal actions for anti-competitive behavior, anti-trust, and Monopoly practices and their outcomes.</td>
<td>None have been recorded in the period.</td>
<td>6.6.1; 6.6.2; 6.6.5; 6.6.7</td>
<td>–</td>
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<tr>
<td>419-1</td>
<td>Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.</td>
<td>P.14</td>
<td>4.6</td>
<td>–</td>
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<tr>
<td>416-1</td>
<td>Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.</td>
<td>P.29-30 y 34</td>
<td>6.3.9; 6.5.1; 6.5.2; 6.5.3; 6.8</td>
<td>–</td>
</tr>
<tr>
<td>416-2</td>
<td>Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes.</td>
<td>There have been no incidents arising from non-compliance with the regulations or voluntary codes relating to the impacts of products and services on health and safety in the period. The quality and safety area aims to guarantee the safety of the food we produce, managing it through the identification, prevention, evaluation and control of the processes until the final consumer.</td>
<td>–</td>
<td>6.3.9; 6.5.3; 6.8</td>
</tr>
<tr>
<td>417-1</td>
<td>Type of product and service information required by the organization’s procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements.</td>
<td>P.30; 35 and 56 The Company offers nutritional information on the labels of commercialized products, and it also works proactively with institutions to incorporate information on the matter (e.g.: Labeling Law). Also, in products such as Bonaqua, the origin or source of water is made explicit. With respect to packaging, we indicate if packaging is returnable, or recyclable. In case that the bottle is &quot;EcoFlex&quot; it is also made explicit in the label. The Company implements the program called &quot;Ambassadors&quot; to train partners on hydration, ingredients and sweeteners so that they can respond when their social circles consult in this regard. The Coca-Cola Company periodically publishes reports through the Beverage Institute for Health and Wellness (IBSB for its acronym in Spanish), for example the book &quot;Hydration&quot;, which provides grounds for the different stages of life, which is aimed at health professionals to publicize the importance of hydration in people throughout their lives. (<a href="http://www.coca-colamexico.com.mx/sala-de-prensa/Comunicados/instituto-de-bebidas-para-la-salud-y-el-bienestar-publica-libro-sobre-l-importancia-de-la-hidratacion-en-las-diferentes-etapas-de-la-vida">http://www.coca-colamexico.com.mx/sala-de-prensa/Comunicados/instituto-de-bebidas-para-la-salud-y-el-bienestar-publica-libro-sobre-l-importancia-de-la-hidratacion-en-las-diferentes-etapas-de-la-vida</a>)</td>
<td>6.7.3</td>
<td>–</td>
</tr>
<tr>
<td>417-2</td>
<td>Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.</td>
<td>We have not had significant incidents related to this type of noncompliance.</td>
<td>6.6.1; 6.6.2; 6.6.3; 6.6.6</td>
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### Results of surveys measuring customer satisfaction.

The Customer Service areas discuss the results and promote initiatives that respond to opportunities / weaknesses detected. Satisfaction is measured every two years by an external provider, in person with a survey. 9 factors are measured related to customer service: salesperson, delivery, commercial support, billing, technical service of coolers, telephone service, profitability, quality and the variety of offered products, each factor with its attributes. Evaluations are from 1 to 10: above 7 is considered satisfied, dissatisfied 1 to 4, 5 and 6 is not considered, the index is the difference between the % of satisfied, less the % of dissatisfied. The sample is representative by region, location, channel and size. The comparison is with the main competitors and versus previous years’ results. Also, telephone more detailed surveys are conducted on a monthly basis from our contact center, some attributes are measured and compared versus the previous months.

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<td>102-43 102-44</td>
<td>Results of surveys measuring customer satisfaction.</td>
<td>P. 33</td>
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### Sale of banned or disputed products.

N/a.

### Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.

There have been no cases of non-compliance with the regulations or voluntary codes relating marketing communications in the period.

### Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.

No claims based on the violation of privacy and the leak of customer data have occurred in the period.

### Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.

We have had no significant incidents related to this type of noncompliance.
Letter of Assurance

Limited Assurance
Statement of Coca Cola Andina S.A. Sustainability Report 2017 (free translation from the original in independent spanish)

To the President and Directors of Coca Cola Andina S.A.

Scope

We have performed an independent limited assurance engagement on the information and data presented in Coca Cola Andina S.A. 2017 Sustainability Report.

Preparation of the Sustainability Report is the responsibility of the Management of Coca Cola Andina S.A. The Management of Coca Cola Andina S.A. is also responsible for the data and affirmations included in the Sustainability Report, definition of the scope and management and control of the information systems that have provided the reported information.

Standards and Assurance Procedures

Our review has been performed in accordance with the International Standard on Assurance Engagements ISAE 3000, established by the International Auditing and Assurance Board of the International Federation of Accountants and the version GRI Standards of the guidelines for the preparation of sustainability reports under the Global Reporting Initiative (GRI).

We conducted our assurance procedures in order to:

- Determine whether the information and data presented in the 2017 Sustainability Report are fully supported by evidence.
- Verify the traceability of the information disclosed by Coca Cola Andina S.A. in its Sustainability Report 2017.
- Determine whether Coca Cola Andina S.A. has prepared its 2017 Sustainability Report in accordance with the Content and Quality Principles of the GRI Standards.
- Confirm Coca Cola Andina S.A. self-declared “Comprehensive” option of the GRI Standards for its report.

Work Performed

Our assurance procedures included enquiries to the Management of Coca Cola Andina S.A. involved in the development of the Sustainability Report process, in addition to other analytical procedures and sampling methods as described below:

- Interviews with key Coca Cola Andina S.A. personnel, in order to assess the 2017 Sustainability Report preparation process, the definition of its content and its underlying information systems.
- Review of supporting documents provided by Coca Cola Andina S.A.
- Review of formulas and calculations by recalculation.
- Review of the 2017 Sustainability Report in order to ensure its pricing and format does not mislead the reader regarding the information presented.

Our Responsibility

Our responsibility is limited to the procedures mentioned above, corresponding to a limited assurance which is the basis for our conclusions.

Conclusions

Subject to our limitations of scope noted above and on the basis of our procedures for this limited assurance of Coca Cola Andina S.A. Sustainability Report, we conclude that nothing has come to our attention that would cause us to believe that:

- The information and data disclosed in Coca Cola Andina S.A. 2017 Sustainability Report are not presented fairly.
- Coca Cola Andina S.A. 2017 Sustainability Report has not been prepared in accordance with the GRI Standards for the preparation of sustainability reports under the Global Reporting Initiative.
- Coca Cola Andina S.A. self-declared “Comprehensive” option does not meet the GRI Standards requirements for this option.

Improvement Recommendations

Without affecting our conclusions as set out above, we have detected some improvement opportunities for Coca Cola Andina S.A. Sustainability Report 2017, which are detailed in a recommendations report presented to Coca Cola Andina S.A. Administration.

Truly Yours,

EY Consulting SpA

Edgard Valdés Neto
Partner Leader
March 19, 2018

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