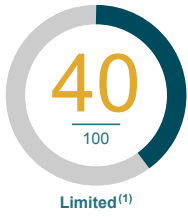


## Company and Sector Performance

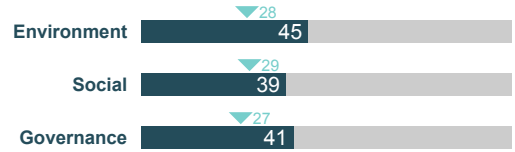
Company performance    Sector average performance    Sector performance

### ESG OVERALL SCORE

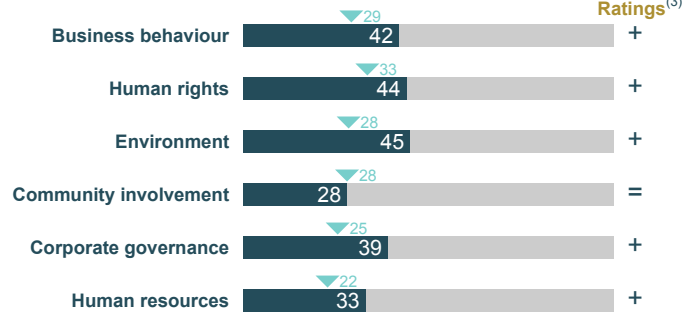


Information rate	70%
sector average	50%
Cooperation level <sup>(2)</sup>	Partially Responsive
High severity controversies	No
Rank in Sector	3/19
Rank in Region	74/890
Rank in Universe	748/4453

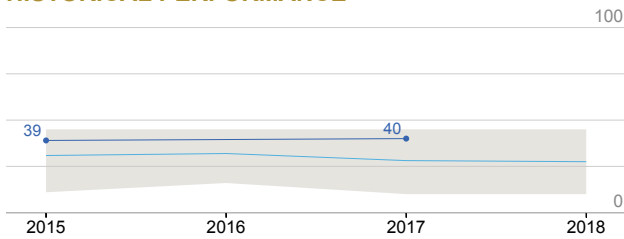
### ESG PERFORMANCE (/100)



### 6 DOMAINS PERFORMANCE (/100)



### HISTORICAL PERFORMANCE

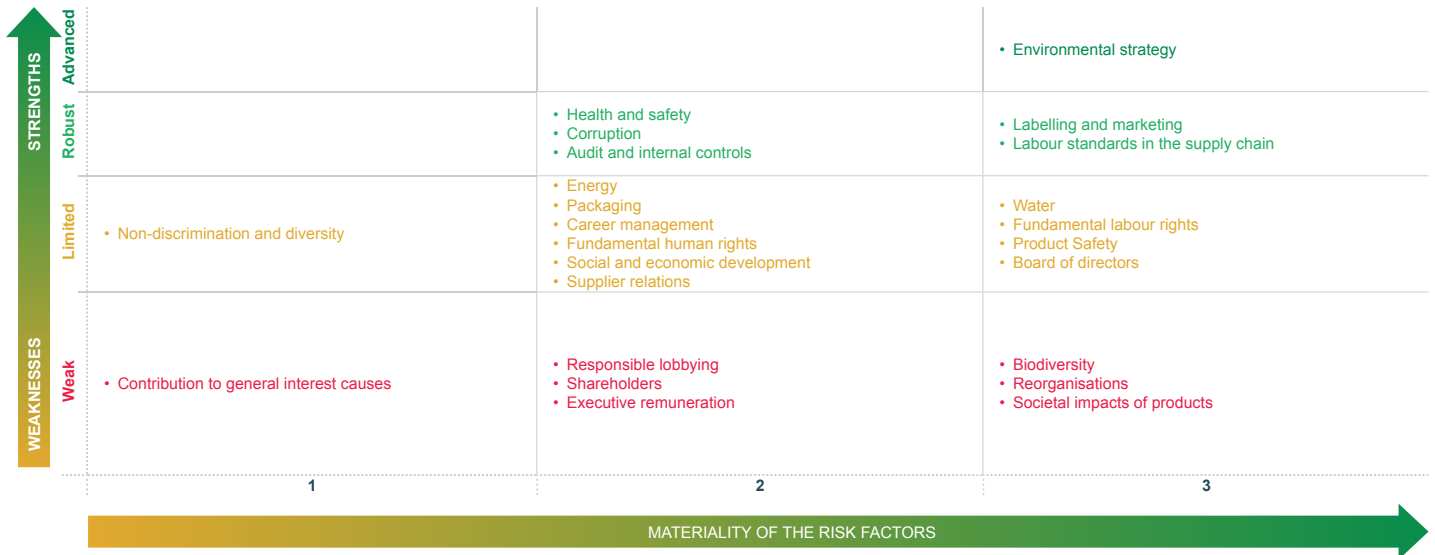


Company inclusion in Vigeo Eiris indices<sup>(4)</sup>: Yes

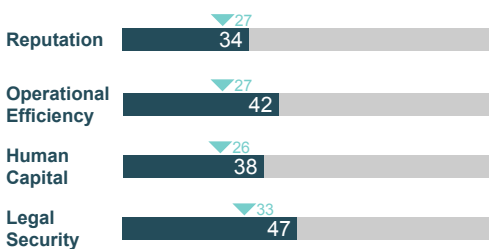


## Management of risks and opportunities

### MATERIALITY & PERFORMANCE MATRIX



### RISK MITIGATION INDEX (/100)



### ANALYST FOCUS

Analyst Focus is not available at this time

## Carbon Footprint and Energy Transition\*

"The Carbon Footprint & Energy Transition research provides an assessment of a company's carbon footprint combined with the strategy to manage risks and opportunities related to the transition to a low carbon economy. NI (No Info) is used to indicate that the information is not available."

### CARBON FOOTPRINT



SCALE	EMISSIONS (T CO2 EQ)	CATEGORIES
A	<100 000	Moderate
B	>= 100 000 and <1 000 000	Significant
C	>= 1 000 000 and <10 000 000	High
D	>= 10 000 000	Intense

### ENERGY TRANSITION SCORE



ENERGY TRANSITION SCORE	CATEGORIES
60-100	Advanced
50-59	Robust
30-49	Limited
0-29	Weak

## Goods and services contributing to sustainable development\*

"Sustainable Goods & Services research provides a positive screening on companies to identify business activities devoted to sustainable solutions."



INVOLVEMENT	CATEGORIES
>=50%	Major
20-49%	Significant
0-19%	Minor
0%	None

## Involvement in controversial activities\*

"The Controversial Activities research provides screening on companies to identify involvement in business activities that are subject to philosophical or moral beliefs."

Involvement in controversial activities: Not available in this version

### Screened Areas:

- Alcohol
- Animal welfare
- Chemicals of concern
- Civilian firearms
- Fossil fuels
- Gambling
- Genetic engineering
- High interest rate lending
- Military
- Nuclear power
- Pornography
- Reproductive medicine
- Tobacco

For more information please contact us at [customer.service@vigeo-eiris.com](mailto:customer.service@vigeo-eiris.com)

(1) Performance level: weak (0-29/100), limited (30-49/100), robust (50-59/100), advanced (60-100/100)  
 (2) Cooperation level on a 4-level scale: proactive, responsive, partially responsive, not responsive  
 (3) Ratings outline companies' benchmarked domain performance within a sector, on a 5-level scale: "-", "=", "+", "++", "+++" (4) Indices: based on the most recent indices at the date of publication. More details on vigeo-eiris.com.

Company performance in all the Sustainability Drivers

		Weight	Overall score 40/100				Trend	Score	Leadership	Implementation	Results
			<b>Environment</b>				→	45	41	57	18
E	ENV1.1	3	Environmental strategy				↗	78	72	83	N/A
E	ENV1.4	3	Biodiversity				→	20	24	0	35
E	ENV2.1	3	Water				↘	43	30	77	22
E	ENV2.2	2	Energy				→	38	48	65	0
E	ENV3.1	2	Packaging				↗	42	30	65	30
			<b>Human Resources</b>				→	33	24	40	35
S	HRS2.3	3	Reorganisations				→	22	0	30	35
S	HRS2.4	2	Career management				→	33	30	39	30
S	HRS3.2	2	Health and safety				↗	50	55	55	40
			<b>Human Rights</b>				→	44	46	29	58
S	HRT2.1	3	Fundamental labour rights				→	41	37	21	65
S	HRT1.1	2	Fundamental human rights				↘	49	51	30	65
S	HRT2.4	1	Non-discrimination and diversity				↗	45	65	48	22
			<b>Community Involvement</b>				→	28	26	33	25
S	CIN2.1	3	Societal impacts of products				↘	22	0	30	35
S	CIN1.1	2	Social and economic development				→	40	51	48	22
S	CIN2.2	1	Contribution to general interest causes				↘	22	55	12	0
			<b>Business Behaviour (C&amp;S)</b>				→	42	45	37	43
S	C&S1.1	3	Product Safety				→	38	13	65	35
S	C&S1.2	3	Labelling and marketing				↗	51	58	30	65
S	C&S2.4	3	Labour standards in the supply chain				→	53	83	42	33
S	C&S2.2	2	Supplier relations				↘	38	48	30	35
G	C&S3.1	2	Corruption				↗	52	58	44	53
	C&S3.3	2	Responsible lobbying					12	0	0	35
			<b>Corporate Governance</b>				→	39	29	44	44
G	CGV1.1	3	Board of directors				↗	48	39	64	41
G	CGV2.1	2	Audit and internal controls				↗	58	30	65	79
G	CGV3.1	2	Shareholders				↗	28	40	18	26
G	CGV4.1	2	Executive remuneration				↘	17	0	18	32

■ Weak (0-29/100)   ■ Limited (30-49/100)   ■ Robust (50-59/100)   ■ Advanced (60-100/100)



Involvement in allegations



Involvement in allegations with evidence of corrective measures

## Benchmark

### Position versus sector peers

Position versus sector peers		Environment	Human resources	Human rights	Community involvement	Business behaviour (C&S)	Corporate governance	Overall Score
TRECOLA00011	Coca-Cola Icecek Uretim	+	+	++	+	++	+	45
MXP2861W1067	Coca-Cola Femsa	++	+	+	+	+	+	44
<b>CLP3697S1034</b>	<b>Embotelladora Andina</b>	<b>+</b>	<b>+</b>	<b>+</b>	<b>=</b>	<b>+</b>	<b>+</b>	<b>40</b>
MX01AC100006	Arca Continental	+	+	+	+	+	=	35
CLP1744K1070	Vinedos Emiliana	=	=	+	=	=	+	35
PEP218025000	BACKUS Y JOHNSTON	+	=	=	+	+	-	34
CLP249051044	Compania Cervecerias Unidas	=	=	=	=	=	+	34
MXP320321310	Fomento Economico Mexicano	=	+	+	+	+	-	34
TRAAEFES91A9	Anadolu Efes Biracilik ve Malt Sanayi	+	+	=	=	=	+	33
BRABEVACNOR1	Companhia de Bebidas das Américas (Ambev)	=	+	=	=	=	=	28
CLP3698K1338	Coca-Cola Embonor SA	=	=	-	=	-	=	23
CNE1000004K1	Tsingtao Brewery	-	-	-	=	-	+	23
MA0000010415	Oulmes	-	=	+	+	=	-	22
INE854D01016	United Spirits	-	-	=	-	-	=	22
HK0291001490	China Resources Beer	-	=	-	=	-	=	20
KYG9222R1065	Uni-President China Holdings	-	-	-	--	-	=	19
KR7000080002	Hite Jinro	-	-	-	=	-	-	12
MA0000010365	Brasseries du Maroc	-	--	-	--	-	-	10
KR7005300009	Lotte Chilsung Beverage	-	-	-	--	-	--	10

## General information

Embotelladora Andina S.A. (Andina), headquartered in Santiago, Chile, produces, sells and distributes a large range of products of The Coca-Cola Company. In 2016, the Company incorporated a closed joint-stock company

called Coca-Cola Del Valle New Ventures S.A. and completed its merger with Embotelladoras Coca-Cola Polar S.A. which is a Coca-Cola bottler with operations in Argentina and Chile.

## Selected financial data

Key data	Revenues	EBIT	Employees
2016	CLP 1,777bn	CLP 214 bn	16,296
2015	CLP 1,877bn	CLP 216 bn	15,428
2014	CLP 1,797bn	CLP 154 bn	15,428

Main shareholders	2017
Said Saffie Family	22.4%
The Coca-Cola Co.	14.7%
Garces Silva Family	5.4%
Arturo Majlis Albala	8.2%

Geographical Breakdown	Turnover 2016	Employees
Brazil	40%	49%
Chile	27%	22%
Argentina	26%	20%
Paraguay	7%	9%

Main economic segment	Turnover 2016
Softdrinks	73.8%

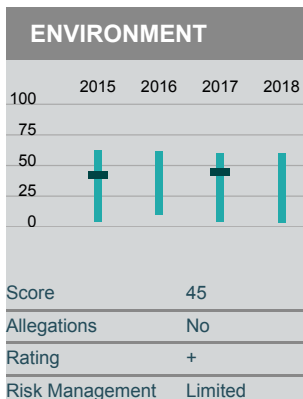
Main economic segment	Turnover 2016
Other Beverages	25.8%
Packaging	0.4%

## Selected ESG Indicators

	2016	2015
Non-executive Board member(s) responsible for CSR issues	Yes	Yes
Executive remuneration linked to CSR performance	Yes	No
3-year energy consumption trend (normalized to turnover)	↗	N/A
Percentage of independent Board members	57	7
Percentage of women on Board	7	0
Percentage of women in Executive team	5	N/A
Percentage of women in workforce	5	N/A
Transparency on lobbying budget	No	N/A
Percentage of employees covered by collective agreements on working conditions	35	N/A
3 year trend for safety at work	↘	N/A
Involvement in armament	No	No
Management of social risks in supply chain	Robust	Robust

## CSR performance per domain

■ Sector performance  
■ Company performance  
Rating : min- / max ++

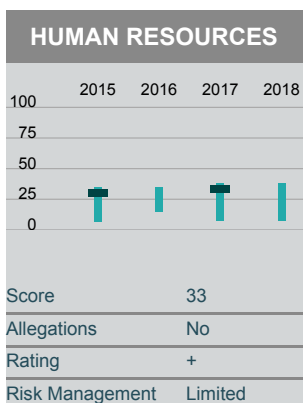


### Key issues

Beverage companies' main environmental impacts are linked to their upstream impacts through agricultural operations (ENV 1.4) and water management (consumption and emissions) as well as the direct impacts through water use in production processes (ENV 2.1). Moreover, due to the important volumes of goods sold, companies in the sector also have a responsibility to manage the environmental impacts of packaging (ENV 3.1).

### Company performance

- Andina's absolute performance in the Environment domain is limited, in line with the previous review.
- The Company continues to disclose a relevant environmental strategy, including some quantitative target, and to report on significant resources allocated to environmental management. Reported key performance indicators show mixed trends. The Company only reports little information on biodiversity protection.

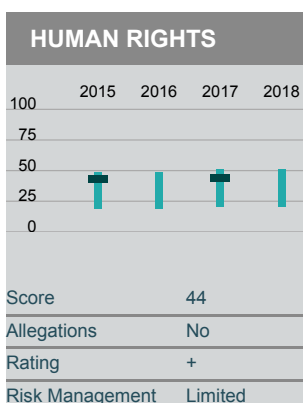


### Key issues

In a context of restructurings, companies from the Beverage sector are expected to ensure employees' rights are respected and that employee representatives are consulted during reorganisations (HRS 2.3). Beverage companies should provide adequate training for the evolution of what can be a low skilled workforce (HRS 2.4). Finally, companies should undertake initiatives to improve the often hazardous (ergonomically and physically) and stressful conditions of workers. Workers can face health and safety risks in terms of physical hazards, exposure to noise, biological hazards, chemical hazards and exposure to heat and cold (HRS 3.2).

### Company performance

- Andina's absolute performance in the Human Resources domain is limited, in line with the previous review.
- To promote career management, the Company reports to conduct performance interviews for employees. To ensure health and safety, the Company reports to have a certified management system in place. The Company's reported performance indicators are on stable or decreasing trends. Andina reports to allocate significant resources to mitigate the impacts of reorganisation on employees, however, no commitment nor performance indicators appear to be disclosed.



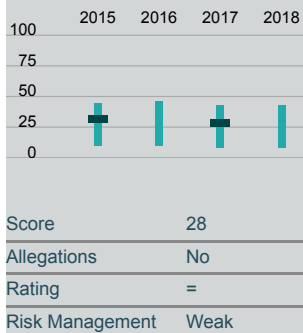
### Key issues

Companies in this sector operate and source raw materials from a range of low and middle income economies (as well as weak governance zones) where fundamental human rights may be at risk (HRT 1.1). This may be particularly the case if security forces are used to secure locations or if the company is sourcing materials from indigenous peoples. Beverage companies also operate in locations where freedom of association and the right to collective bargaining may be restricted. This therefore, directly exposes them to potential violations of labour rights (HRT 2.1) and requires them to manage such issues accordingly.

### Company performance

- Andina's absolute performance in Human Rights domain is limited, which is in line with the previous review.
- The Company continues to disclose some commitments to address the issues under review (fundamental human and labour rights, non-discrimination), although these are not exhaustive. In addition, Andina reports to allocate at least basic resources to support these commitments. Overall, there is a lack of disclosure of key performance indicators.

## COMMUNITY INVOLVEMENT



### Key issues

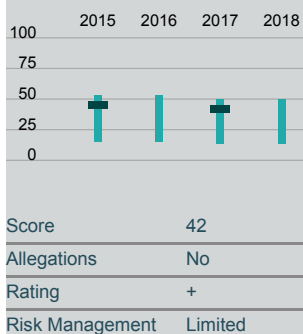
Alcohol mis-consumption, obesity, cardio vascular problems and diabetes are qualified as 'global epidemics' by the World Health Organisation. The beverage industry can help to tackle the major societal impacts linked to their products by raising awareness on these issues and acting to protect the most vulnerable populations from misconsumption (CIN 2.1). Oxfam estimates that 75% of the world's poor and undernourished people live in rural areas and are directly or indirectly dependent on agriculture for their livelihoods. Thus, through their own activities and their supply chain, beverage companies are also seen as key players in the empowerment of local economies (CIN 1.1), a process that is increasingly being recognised as fundamental to addressing these societal challenges.

### Company performance

- Andina's absolute performance in the Community Involvement domain is weak, which represents a slight score decrease.

- Andina discloses a general commitment to promote social and economic development and reports on some resources allocated in this regard. The Company operates in an IMF 'offshore financial centre without justification for this presence. To reduce negative societal impacts of its products, the Company reports to offer zero and low-calorie beverages. However, no comprehensive strategy is visible on this issue.

## BUSINESS BEHAVIOUR (C&S)



### Key issues

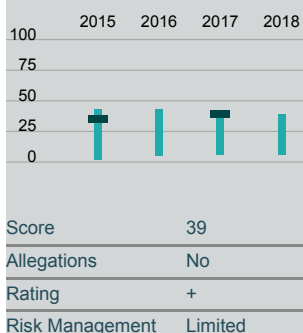
The systematic application of product safety standards and the establishment of a crisis management system throughout the supply chain (C&S 1.1) continues to be a core issue for beverage companies. The transparency and integrity of the information provided to customers (C&S 1.2) on issues such as the health risks related to the misconsumption of the product (or the presence of GMOs), is an ongoing challenge for the industry. Alongside this, companies also have a responsibility to ensure that stable relations and thus a stable supply of raw materials is systematically maintained (C&S 2.2). Finally, ensuring decent labour conditions are granted to employees in the supply chain (C&S 2.4) is also a focus. This is particularly relevant given the habitually hard-working labour conditions found in the agricultural supply chain.

### Company performance

- Andina's absolute performance in Business Behaviour domain is limited, in line with the previous review.

- The Company continues to disclose commitments and report on measures to address all issues under review (except for responsible lobbying). Aside from product safety, there is a lack of disclosure of relevant performance indicators.

## CORPORATE GOVERNANCE



### Key issues

Sound corporate governance is required to oversee a company's strategic direction, including the CSR strategy. Vigeo's framework has been adapted to capture the level of integration of CSR topics at Board-level, supplementing traditional signals on efficient governance practices. Directors are notably evaluated on their level of diversity and experience with operational, financial, and CSR topics (CGV1.1). The audit and internal controls system is examined regarding the efficiency and reach of its risk management (CGV2.1). Shareholders are expected to have fair voting rights and access to all relevant information on material CSR issues (CGV3.1). Executive remuneration is assessed for transparency and alignment with the interests of company's shareholders and other stakeholders (CGV4.1).

### Company performance

- Andina obtains a limited absolute performance in the Corporate Governance domain, in line with the previous review.

- A majority of board members is considered to be independent and a dedicated CSR Committee is reportedly in place. The audit committee is said to have a comprehensive role in overseeing internal and external controls and the system covers some of the CSR risks inherent to the company's business operations, notably including water. Some restrictions have been identified regarding shareholders' rights and the Company lacks transparency on executive remuneration.



## CSR performance per criterion

## Detailed Analysis

<b>Environment</b>	<b>10</b>
ENV1.1 Environmental strategy	10
ENV1.4 Protection of biodiversity	11
ENV2.1 Protection of water resources	12
ENV2.2 Minimising environmental impacts from energy use	14
ENV2.4 Management of atmospheric emissions	16
ENV2.7 Management of environmental impacts from transportation	17
ENV3.1 Management of environmental impacts from products' packaging	18
<b>Human resources</b>	<b>19</b>
HRS1.1 Promotion of labour relations	19
HRS2.3 Responsible management of reorganisations	20
HRS2.4 Career management and promotion of employability	21
HRS3.2 Improvement of health and safety conditions	23
<b>Human rights</b>	<b>25</b>
HRT1.1 Respect for human rights standards and prevention of violations	25
HRT2.1 Respect for freedom of association and the right to collective bargaining	26
HRT2.4 Non-discrimination	27
<b>Community involvement</b>	<b>29</b>
CIN1.1 Promotion of the social and economic development	29
CIN2.1 Societal impacts of the company's products	31
CIN2.2 Contribution to general interest causes	32
<b>Business behaviour (C&amp;S)</b>	<b>33</b>
C&S1.1 Product Safety (process and use)	33
C&S1.2 Information to customers on products	35
C&S2.2 Sustainable Relationships with suppliers	37
C&S2.3 Integration of environmental factors in the supply chain	39
C&S2.4 Integration of labour standards in the supply chain	40
C&S3.1 Prevention of corruption	42



C&S3.2	Prevention of anti-competitive practices	44
C&S3.3	Transparency and integrity of influence strategies and practices	45
<b>Corporate governance</b>		<b>46</b>
CGV1.1	Board of Directors	46
CGV2.1	Audit & Internal Controls	48
CGV3.1	Shareholders	50
CGV4.1	Executive Remuneration	52

 Involvement in allegations     Involvement in allegations with evidence of corrective measures

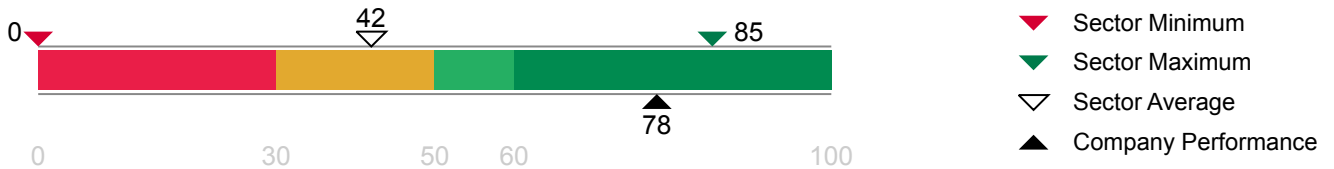
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Environment

Score: 45

ENV1.1 Environmental strategy

(score: 78, weight: 3)



Visibility of commitment to environmental issues

The company has issued a formalised commitment to environmental protection in its Sustainability Policy and set a specific target as regard its energy consumption. In addition, the company is a signatory of the Global Compact and communicates on this principle.

Relevance of environmental strategy

The company commits to the majority of its responsibilities in terms of environmental protection:

- protection of biodiversity-
- minimising environmental impacts from water consumption
- minimising environmental impacts from water emissions
- minimising environmental impacts from energy use in production
- minimising environmental impacts from CO2 emissions
- eco-design of packaging

Ownership of commitment

The commitment applies throughout the company, supported by senior management. In addition, Sustainability manager of each country is involved.

Means allocated to environmental management

The company has allocated significant resources to environmental management. 100% of the company's production plants and main distribution centers in the four countries where it operate have ISO 14001 certifications. which covers:

- Environmental manual specifying procedures and responsibilities
- Internal audits that assess the effectiveness of the EMS

- Environmental performance measured against targets
- External verification of reporting on environmental performance

In addition, in its answer to Vigeo Eiris, the company reports on

- trainings on sustainability and the environment
- Management review of the EMS, however, it remains unclear the exact structure responsible for environment at this level.

Coverage of certified environmental management systems

More than 75% of the company's sites have a certified environmental management system. 100% of the company's production plants and main distribution centers in the four countries where it operates have ISO 14001 certifications.

Leadership	72
Visibility	100
Relevance	65
Ownership	65

Implementation	83
Means & resources	65
Coverage	100

ENV1.4 Protection of biodiversity

(score: 20, weight: 3)



**Relevance of commitment to biodiversity protection** *The company's commitment towards biodiversity protection only addresses some of the relevant impacts of its activities:  
- Promotion of sustainable agriculture*

**Relevance of commitment on animal testing** The company does not disclose any commitments to reducing animal testing.

**Managerial tools allocated to biodiversity protection** *Information obtained from company and public sources regarding steps taken to identify the impacts of its operations on biodiversity is insufficient.*

**Coverage of means allocated to biodiversity protection**

**Prevention of GMO cross contamination** *Information obtained from company and public sources regarding means allocated to prevent cross contamination is insufficient.*

**Promotion of sustainable agriculture** *Information obtained from company and public sources regarding means allocated to promote sustainable agriculture is insufficient.*

**Means allocated to the reduction of animal testing** Information obtained from company and public sources regarding means allocated to the reduction of animal testing is insufficient.

**Results with regard to biodiversity protection** The company does not report any results on its impacts on biodiversity.

**Stakeholders' feedback**  
A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.  
*As of 08/2017, Embotelladora Andina did not appear to be involved in any controversy related to this sustainability driver*

Leadership	24	Implementation	0	Results	35
Relevance	24	Means & resources	0	Performance	65
		Coverage	0	Trends	0

ENV2.1 Protection of water resources

(score: 43, weight: 3)



Relevance of the company's commitment in terms of reducing its water consumption

The company's commitment to reduce its water consumption is general.

Relevance of the company's commitment in terms of reducing its water emissions

The company's commitment to reduce its water emissions is general.

Means allocated to mitigate water consumption

*In addition to monitoring systems and end-of-pipe technologies, the company works to optimize its processes.*  
*The company reports to periodically analyse the geological and hydrological context, land uses and characteristics that may affect water sources in order to maintain mitigation plans of potential risks identified.*  
*The company reports on a number of processes including:*  
 - All of the production lines are equipped with automatic CIP systems (Cleaning in Process), a saving water and energy. The company reports on efforts to capture rainwater for reuse.  
 - The company's production lines have an automatic cleaning which reuses the same water several times during the different cleaning steps.  
 - In Brazil, the company has implemented a system composed of air blowers which replace the water in the bottle rinsing process.  
 - The company has replaced bottles washing machines for more efficient ones in terms of water consumption.  
 - In Chile, the company has conducted several optimisation of processes including automatic shut off of water consumption, innovative fillers to reduce spilled water.

Scope of measures allocated to mitigate water consumption

*Measures allocated to mitigating water consumption cover a majority of types of water use:*  
 - water used as an ingredient  
 - industrial water (used for processes in production)

Means allocated to mitigate water emissions

The company has set up monitoring systems for its water emissions, and has technological systems in place such as end-of-pipe processes to reduce its impacts.  
*100% of the used water of the production process is conducted to a treatment plant of effluents, which produce water suitable for animal life and thus is returned to nature. Also, the Renca Plant in Chile has implemented a special water treatment with nano-filtering to produce optimum quality of the drinking water.*

Scope of measures allocated to mitigate water emissions

*Measures allocated to mitigating water emissions cover a majority of types of water use:*  
 - water used as an ingredient  
 - industrial water (used for processes in production)

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## Direct water consumption

The company's water consumption, normalised to sales (m CLP), has increased from 0.0044 in 2014 to 0.0145 in 2016.  
In addition, the company reports on water consumption (expressed in liters) for Argentina, Brazil, Chile, Paraguay which has increased by 6% from 759,909,752,9 in 2013 to 805,748,221,3 in 2016.

## Water discharge

The company's water discharge, normalised to sales (m CLP), was 0.0059 in 2016.  
Total discharge of waste water (in liters) treated in the company's own effluent plants has decreased by 6% from 217,083,723,3 in 2013 to 202,630,632,2 in 2016.

## Wastewater Chemical Oxygen Demand (COD) and Biological Oxygen Demand (BOD)\*

The company does not disclose quantitative data on wastewater chemical oxygen demand (COD).

## Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

As of 08/2017, Embotelladora Andina did not appear to be involved in any controversy related to this sustainability driver

Leadership	30
Relevance	30

Implementation	77
Means & resources	82
Scope	65

Results	22
Performance	22

ENV2.2 Minimising environmental impacts from energy use

(score: 38, weight: 2)



Relevance of the company's commitment in terms of reducing its energy consumption.

The company has set quantified targets with regard to its energy consumption, and these cover the entire group.

By 2020, the company's goal is to meet the needs of consumers using the same energy, in absolute value, as in 2010.

Relevance of the company's commitment in terms of reducing its related CO2 emissions.

The company's commitment to reduce its related CO2 emissions is general.

Means allocated.

The company works to optimize its production processes, in order to reduce its energy consumption and its related emissions. 15% of the energy consumed by Coca-Cola Andina comes from renewable sources. The company reports on a number of processes and projects in this regard including:

- Recent constructions (starting 2015) were made under LEED standards
- The replacement plan continued of cooling equipment that began in 2014, covering 68% of the pool of units with technologies that save up to 40% of energy through several modifications.
- The company improves its production processes through repairing leaks of compressed air and steam, filter cleaning of heating, ventilation and air conditioning, control systems scheduled to reduce amount of energy, lighting systems with motion sensors, use environmentally friendly refrigerant gas and led lighting facilities.
- Since 2012, the plant in Paraguay uses energy from sunlight for sanitary facilities.
- In 2016, the company met the Purpose of renewing the Fleet of trucks by Vehicles that incorporate Advanced technology Adapted to the norm Euro V.
- The company reports also on measures to reduce pollution (truck maintenance, alternative fuels, and driver training.)

Coverage

The company reports that the company has taken such measures at a majority of sites.

Energy consumption

The company's energy consumption, normalised to sales (m CLP), has increased from 198.1 in 2014 to 589.5 in 2016.

CO2 emissions linked to energy consumption

The company reports on CO2 emissions detailed including per country (Argentina, Brazil, Chile, and Paraguay) and per scopes and considering each of their own characteristics. However, consolidated indicators per group and over time do not seem to be disclosed.

<b>Leadership</b>	<b>48</b>	<b>Implementation</b>	<b>65</b>	<b>Results</b>	<b>0</b>
Relevance	48	Means & resources	65	Performance	0
		Coverage	65		

## ENV2.4 Management of atmospheric emissions

(deactivated)

This Sustainability Driver is only analysed for large companies in the Beverage Emerging Market sector: it is therefore not analysed for this company.



## ENV2.7 Management of environmental impacts from transportation

(deactivated)

This Sustainability Driver is only analysed for large companies in the Beverage Emerging Market sector: it is therefore not analysed for this company.

ENV3.1 Management of environmental impacts from products' packaging

(score: 42, weight: 2)



Relevance of commitment to packaging eco-design

The company commits to address eco-design of packaging in general terms.

The company aims to minimise the environmental impact of packaging.

Means allocated to packaging eco-design

The company has implemented relevant measures to identify its impacts from product's packaging and integrates some elements of eco-design into its product's packaging, which include:

- reducing weight: the company's new bottle ECOFLEX uses less packaging with PET plastic, making a light weighting bottle. The company reports also to have launched other initiatives for the optimization of packaging design, at the same time reducing the use of materials.
- increasing the amount of recycled material in primary packaging: the company has developed the Plant Bottle, which incorporates non-returnable bottles up to 30% resin of vegetable origin generated from waste sugar cane and 25% of recycled PET. In Argentina and Chile, the company produces PET bottles for soft drinks and REF PET packaging in various formats for operations and sale to other bottlers. Bottle to bottle is a project that seeks to increase the percentage of recycled resin in plastic bottles and the availability of post-consumer bottles. During 2016, bottles with up to 25% of recycled PET were produced.
- increasing the level of recyclability of primary packaging: projects were developed to expand the supply of returnable packaging and also increase the offer of products that comes from returnable bottles.
- undertaking lifecycle assessments: the company has conducted life cycle assessment and identified environmental impacts at each step of its process, from ingredients and packaging to recycling and landfill.
- designing reusable packaging: In all operations, returnable glass bottles are reused.
- raising awareness of customers on packaging recyclability and recovery: during 2016, campaigns were conducted to increase the recovery of non-returnable bottles consumed by the company's collaborators in their homes. The company reports also on zero-waste events. The company reports on a number of recycling programmes including the promotion of the installation of fixed and mobile 'eco-points' for household waste recycling for which awareness is part of the process.

Coverage of measures linked to packaging eco-design

There is no evidence that the company has taken eco-design measures for all of its products' packaging.

Share of products whose packaging was eco-designed

The company reports to Vigeo Eiris that 100% of its packaging is recyclable. Of note: In 2016, the company reports to have recycled 80% of its packaging.

Leadership	30	Implementation	65	Results	30
Relevance	30	Means & resources	65	Trends	30
		Coverage	65		

## Human resources

Score: 33

### HRS1.1 Promotion of labour relations

(deactivated)

This Sustainability Driver is only analysed for large companies in the Beverage Emerging Market sector: it is therefore not analysed for this company.

**HRS2.3 Responsible management of reorganisations**

(score: 22, weight: 3)



**Relevance of commitment to manage reorganisations responsibly**

The company does not disclose any commitment to manage reorganisations responsibly.

**Involvement with employee representatives**

The company reported to Vigeo Eiris that it holds meetings with trade union organisations to which workers belong and provide the information they require. However, the company does not disclose a specific commitment to inform and consult employee representatives on reorganisations.

**Means allocated to prevent and manage reorganisations**

The company has allocated significant measures to limit the impacts of reorganisations:  
The company reported to Vigeo Eiris that significant financial compensation, early retirement, outplacement services, internal mobility programme, re-training, and reduction of labour time to limit the impacts of reorganisations. However, the content of these programmes is not disclosed.

**Coverage**

There is no evidence these means are allocated for all the company's employees affected by the reorganisations.

**Result of the company's commitment to manage reorganisations responsibly**

The company does not provide any information on the impacts of reorganisations on employment.

**Stakeholders' feedback**

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

As of 08/2017, Embotelladora Andina did not appear to be involved in any controversy related to this sustainability driver

Leadership	0	Implementation	30	Results	35
Relevance	0	Means & resources	30	Performance	35
Ownership	0	Coverage	30		

**HRS2.4 Career management and promotion of employability**

(score: 33, weight: 2)



**Visibility of commitment**

The company makes some general statements promoting career management and training in its Sustainability Report.

**Relevance of commitment**

The company's commitment to promoting career management and training only addresses part of its responsibilities:  
- Adapt employees' skill sets to their career paths

**Ownership of commitment**

The Head of HR is part of the company's Executive Committee. However, it is unclear whether managers are evaluated on their performance in terms of HR management.

**Career management systems**

The company has set up an internal job opportunity marketplace. Moreover employees have regular performance assessment interviews. The company's individual annual performance evaluations follows two level scheme, separating objective achievement from professional competences assessment.

**Coverage of career management systems**

These career management systems cover at least a minority of the company's employees, but the exact percentage is not disclosed.

**Types of training provided to non-managers**

The training programmes are mostly aimed at adapting employees' skills to the requirements of their current position.

The company provides training to non-managers related to competitiveness in their work positions, technical tools and development of team work capabilities. The company strengthened the already active programmes and other training course were incorporated to develop the potential and abilities of employees and their work teams. Digital training using modern e-learning platforms are reported.

**Means allocated to training for all employees**

The number of training hours per employee has increased by 8% from 15.7 in 2014 to 17 in 2016.

**Mobility / turnover**

- Brazil: the company's turnover has decreased from 3.55% in 2014 to 2.71% in 2016.
- Chile: the company's turnover has increased from 1.93% in 2014 to 2.6% in 2016.
- Paraguay: the company's turnover has decreased from 0.62% in 2014 to 0.45% in 2016.
- Argentina: the company's turnover has decreased from 0.41% in 2014 to 0.38% in 2016.

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*These are the main countries of the company's operations, However, consolidated indicators do not seem to be disclosed.*

### Training delivered during the year under review

*There is no evidence the majority of the company's employees received training during the year under review.*

Leadership	30	Implementation	39	Results	30
Visibility	30	Means & resources	48	Performance	30
Relevance	30	Scope	30		
Ownership	30	Coverage	30		

**HRS3.2 Improvement of health and safety conditions**

(score: 50, weight: 2)



**Visibility of health & safety commitments**

The company has made a formalised commitment to health and safety issues in its Sustainability Policy.

**Relevance of commitment**

The company's commitment is general.

**Ownership of commitment**

The commitment applies throughout the company, supported by senior management. In addition, the company has Health and Safety Committees in which 100% of employees are represented.

**Means allocated to health and safety**

The company has allocated means to address these issues, including a certified health and safety system:

- training and awareness raising programmes: the company has developed programmes as "Zero Accident" and "Safe Work Managers" that seek to engage all employees with Safety Management System Operation.
- remuneration based on H&S performance: more than 60% of employees have safety within their objectives
- OHSAS 18001 certifications: company's sites operate under OHSAS 18001 certification, which includes:
  - internal monitoring.
  - risk assessments.
  - internal H&S audits.

**Coverage of health and safety system**

The health and safety measures cover all of the company's employees.  
The company states that all of its employees work in sites certified under the OHSAS 18001.

**Means allocated to reduce stress at work**

The company has allocated basic means to address stress at work, including:

- monitoring of absenteeism rate
- assessment of stress: the company has implemented a psycho-social risk management plan to decrease stress in specific areas.

**Coverage of means allocated to reduce stress at work**

The measures allocated to address stress cover at least a minority of the company's employees.

**Accident frequency rate**

- Argentina: Lost Time Injury Rate has decreased from 8.45 in 2014 to 5.07 in 2016.
- Brazil: Lost Time Injury Rate has decreased from 0.75 in 2014 to 0.58 in 2016.

- Chile: Lost Time Injury Rate has decreased from 6.5 in 2014 to 2.6 in 2016.  
 - Paraguay: Lost Time Injury Rate has decreased from 0.82 in 2014 to 0.46 in 2016.  
 These are the main countries of the Company's operations, However, the company does not seem to disclose consolidated data.

Information disclosed on the company's accident severity rate is insufficient.

## Accident severity rate

The company's severity rate has increased by 66% from 33.18 lost time days per 200,000 hours worked in 2012 to 55.13 in 2014. However, updated consolidated indicators do not seem to be disclosed.

## Other health and safety indicators

- Brazil: the rate of Absenteeism has decreased from 1.9% in 2014 to 1.78% in 2016.  
 - Chile: the rate of Absenteeism has decreased from 3.39% in 2014 to 3.3% in 2016.  
 - Argentina: the rate of Absenteeism has been stable between 2014 and 2016 to stand at 3.09%.  
 - Paraguay: the rate of Absenteeism has decreased from 1.78% in 2014 to 1.62% in 2016.  
 However, the company does not seem to report consolidated data.

## Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

As of 08/2017, Embotelladora Andina did not appear to be involved in any controversy related to this sustainability driver

Leadership	55
Visibility	65
Relevance	30
Ownership	65

Implementation	55
Means & resources	48
Coverage	65

Results	40
Performance	40



Human rights

Score: 44

HRT1.1 Respect for human rights standards and prevention of violations

(score: 49, weight: 2)



Visibility of commitment

The company has issued a formalised commitment to respect and promote human rights in society in its Human Rights Policy and Sustainability Policy. In addition, the company is a signatory of the Global Compact and communicates on this principle.

Relevance of commitment

The company's commitment to respect and promote human rights in society addresses only part of its responsibilities:  
- prevent complicity in human rights violations

Ownership of commitment

The commitment applies throughout the company, supported by senior management. In addition, the Human resources management and Ethics Committee are responsible for ensuring the respect of human rights throughout the company's operations. In addition, the company has a Chief Process and Information Technology Officer.

Means allocated

The company has set up a basic system to ensure the respect and promotion of human rights in society that includes:  
- Risk mapping: the company reports that human rights' risk mapping is part of the company's corporate risk management.

Coverage

There is no evidence the company has set up such systems in all of its operations facing the highest risks in terms of human rights abuses.

Scope of measures

These measures cover one of the company's relevant human rights issues:  
- Prevention of complicity in human rights violations

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

As of 08/2017, Embotelladora Andina did not appear to be involved in any controversy related to this sustainability driver

Leadership	51	Implementation	30	Results	65
Visibility	65	Means & resources	30	Performance	65
Relevance	30	Scope	30		
Ownership	65	Coverage	30		

**HRT2.1 Respect for freedom of association and the right to collective bargaining**

(score: 41, weight: 3)



**Visibility of commitment**

The company has issued a formalised commitment to freedom of association and the right to collective bargaining in its Human Rights Policy. In addition, the company is a signatory of the Global Compact and communicates on this principle.

**Relevance of commitment**

The company's commitment generally addresses freedom of association and the right to collective bargaining.

**Ownership of commitment**

The commitment applies throughout the company, supported by senior management.

**Monitoring**

The company has implemented limited measures to monitor the respect of freedom of association within its operations, including:  
- regular internal audits: the company reports to conduct audits in order to assure compliance with legal regulations, collective contracts and the guiding principles of the Human Rights Policy.

**Coverage**

There is no evidence that the company has set up such systems in all of its operations facing the highest risks in terms of labour rights.

**Promotion of collective bargaining**

Information obtained from the company and public sources regarding measures in place to inform employees about their trade union rights is insufficient.

**Stakeholders' feedback**

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

As of 08/2017, Embotelladora Andina did not appear to be involved in any controversy related to this sustainability driver

<b>Leadership</b>	37	<b>Implementation</b>	21	<b>Results</b>	65
Visibility	65	Means & resources	17	Performance	65
Relevance	30	Coverage	30		
Ownership	30				

HRT2.4 Non-discrimination

(score: 45, weight: 1)



Visibility of commitment

The company has issued a formalised commitment to non-discrimination in its Human Rights Policy. In addition, the company is a signatory of the Global Compact and communicates on this principle.

Relevance of commitment

The company's commitment to non-discrimination explicitly defines most of the categories and the management processes to which these apply:

- gender
- race
- social background
- religion
- sexual orientation
- disabilities
- political opinion
- age
- sensitive medical conditions
- Other: the company prohibits discrimination including in recruitment, hiring, placement, training, compensation and advancement at the Company and in qualifications, performance, skills and experience.

Ownership of commitment

The commitment applies throughout the company, supported by senior management.

Human resources managers are reported to be responsible for this issue.

Means allocated

The company has set up significant measures to prevent discrimination and promote diversity:

- training: the company has conducted trainings to employees including on human rights, diversity and inclusion. In addition, a project for training people with disabilities is reported.
- monitoring: the company monitors some social indicators such as gender mix.
- monitoring of salary disparities: the company monitors the ratio of basic salary and remuneration of women to men by employee category, and by locations of operation. The global analysis reflects gaps that are explained by the different positions and tasks within each grouping segment.
- affirmative action programmes : the company reported on a programme that promoted the incorporation of inclusive technologies such as the NVDA software, a free screen reader which helps blind people through a voice synthesizer or braille device. In addition, among other things, instances of accompaniment and follow-up were included as well as flexible working hours to facilitate the transfer of people with disabilities, access to therapeutic or medical treatment and career continuity, in addition to accessibility works such as automatic doors, ramps in the main entrances and adapted bathrooms are reported.
- maternity pay: the company reports on paid maternity rest (6 months of half a day work without salary reduction for women reinstated after maternity leave).

Coverage

There is no evidence the company has set up programmes to promote diversity in

a majority of its operations.

## Results in terms of gender distribution

Information disclosed on performance indicators such as the share of women in management positions is insufficient to determine a trend.

*The percentage of women in management was 14% in 2014. However, consolidated indicator do not seem to be disclosed since then.*

## Results in terms of employment of disabled persons

Information disclosed on performance indicators such as the share of disabled persons in the total workforce is insufficient to determine a trend.

*The company reports on 173 of people with motor, visual or intellectual disability in Brazil in 2016 compared to 147 in 2015.*

## Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

*As of 08/2017, Embotelladora Andina did not appear to be involved in any controversy related to this sustainability driver*

<b>Leadership</b>	<b>65</b>
Visibility	65
Relevance	100
Ownership	30

<b>Implementation</b>	<b>48</b>
Means & resources	65
Coverage	30

<b>Results</b>	<b>22</b>
Performance	65
Trends	0

Community involvement

Score: 28

CIN1.1 Promotion of the social and economic development

(score: 40, weight: 2)



Visibility of the policy

The company has issued a formalized and accessible commitment to promote local social and economic development in its Sustainability Policy.

Relevance of commitment

The company's commitment to promote local social and economic development is general.

Ownership of commitment

The commitment applies throughout the company, supported by senior management. In addition, the Sustainability Committee of each operation is in charge of this commitment. In particular, the sustainability leaders of each operation identified opportunities in every link of the value chain to integrate community programmes with them.

Means allocated

The company has allocated some means to address social and economic development, including:

- initiatives to support the creation and development of local business: the company has implemented "Colectivo", a project which provides training and support to micro-entrepreneurs in the beginning of their projects. In addition, the company has implemented a Training Project for people with disabilities in Brazil, to facilitate their insertion into the labour market. The company reports to coach small and medium-sized merchants, increasing their business profitability. The Company reports to make acquisitions and purchases from local suppliers and has a number of programmes in this regard such as Producers + Consumers Ark, which promotes "prosumer" communities (producers and consumers at the same time) by linking small producers with networks where they can commercialize their products and provide services.
- education/skills transfers: the company collaborates with "Junior Achievement", which is a volunteer programme for the dictation of courses at initial and medium level schools.

Geographical coverage

These means are allocated in the majority of company sites.  
Programmes described are in place in all the countries where it operates.

Performance trend of programmes implemented to support social and economic development

The company does not report indicators on social and economic development.

Transparency of tax reporting

The company reports only on gross taxes paid. There is no breakdown on a regional or country basis.

**Presence in IMF 'offshore financial centers' and/ or in jurisdictions considered by the OECD as not compliant enough with tax transparency rules**

*The Company operates in IMF 'offshore financial centres with no justification for this presence. The Company has a subsidiary in the British Virgin Islands.*

## Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

*As of 08/2017, Embotelladora Andina did not appear to be involved in any controversy related to this sustainability driver*

<b>Leadership</b>	<b>51</b>
Visibility	65
Relevance	30
Ownership	65

<b>Implementation</b>	<b>48</b>
Means & resources	30
Coverage	65

<b>Results</b>	<b>22</b>
Performance	30
Trends	0

CIN2.1 Societal impacts of the company's products

(score: 22, weight: 3)



**Visibility of the company's policy on preventing and mitigating the negative societal impacts of its products** The company does not disclose any commitment to prevent and mitigate the negative societal impacts of its products.

**Exhaustiveness of the company's policy on preventing and mitigating the negative societal impacts of its products**

**Ownership of commitment**

**Measures implemented to prevent and mitigate the negative societal effects linked to its products.**

The company has allocated some measures to prevent and mitigate and negative societal impact of its products:  
- change in the composition of drinks: the company offers a wide range of zero and low-calorie beverages. In addition, the company offers beverages with increased nutritional ingredients (vitamins, salts, minerals, natural juices).

**Geographical Coverage**

These measures are allocated in a minority of countries where the company is present or has commercial interests.

36% of the company's portfolio is composed of no-calorie products.

**Performance trend of programmes dedicated to address the negative societal impacts of products**

The company does not disclose indicators on the societal impact of its products.

**Stakeholders' feedback**

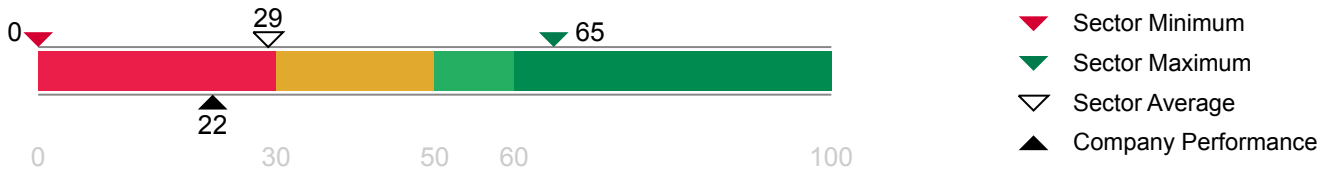
A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

As of 08/2017, Embotelladora Andina did not appear to be involved in any controversy related to this sustainability driver

Leadership	0	Implementation	30	Results	35
Visibility	0	Means & resources	30	Performance	65
Relevance	0	Coverage	30	Trends	0
Ownership	0				

CIN2.2 Contribution to general interest causes

(score: 22, weight: 1)



Relevance of commitment

The company's commitment to supporting general interest causes entails in its Donation Policy addresses some of the relevant issues for the sector:

- Good Neighbor
- Sport and Social Wellness
- Education and Social Inclusion
- Environmental Care

Ownership of commitment

The commitment applies throughout the company, supported by senior management.

Means allocated

The company has not allocated significant means to general interest causes. - in-kind donations: the company reports on beverage donations and other donations including for logistics food bank.

Geographical coverage

The these measures are being developed in Brazil and Chile, but also are present in the two other countries where the company operates.

Trend in contributions to general interest causes

Information obtained from company and public sources regarding the company's contributions to general interest causes is insufficient to determine a trend.

In 2016, the company reported on to have 282,909 liters donated to the Food Bank Foundation in Cordoba.

Leadership	55	Implementation	12	Results	0
Relevance	65	Means & resources	0	Trends	0
Ownership	30	Coverage	30		



Business behaviour (C&S)

Score: 42

C&S1.1 Product Safety (process and use)

(score: 38, weight: 3)



Visibility of commitment

The company has made references to product safety in its Sustainability Report.

Relevance of commitment

The company's commitment is general.

Ownership of commitments

The commitment applies throughout the company, supported by senior management.

Product safety management systems

The company has allocated significant resources to ensure product safety that include:

- Application of HACCP method: The ISO 22000, a management system for food safety incorporates HACCP principles and the company's operations received the ISO 22002 certification. All bottling plants are certified.
- Internal audits of production processes: audits on the production process and finished products are performed. In addition, the company's providers go through the quality control analysis related to production inputs. Audits are conducted only in the case that suppliers presented lower results than the expected in SGP (Supplier Guiding Principles), GFSI (Global Food Safety Initiative), among others.
- Full traceability of the production chain: The company's operations received ISO 22002 certification, which contains full traceability of the products.
- Sector-specific certification scheme: Andina received the certification of food security FSSC 22000, which includes ISO/TS 22002. The company reports also on ISO 9001 certification.
- The company reports also on external audits

Coverage

These measures are reported by the company to be set up throughout the company.

Crisis management system

The company has a system to alert its customers, block further sales and recall products, with full traceability.

The company discloses its Emergency Management Manual, which entails the description of the process to alert customers, conduct recalls if necessary, and solve safety crisis.

Transparency and trends of indicators relative to product safety

The company discloses relevant indicators on the outcomes of its product safety policy, but those have deteriorated over the past three years. The company reports on Beverage Product Quality Index (BPQI) Rating.

- Argentina was 92.5% in 2016 compared to 93.5% in 2014.
- Brazil was 93.3 in 2016 compared to 96.8 in 2014.

- Chile was 86.2% in 2016 compared to 95.2 in 2014.  
 - Paraguay was 93.8% in 2016 compared to 94.6% in 2014.

## Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

*As of 08/2017, Embotelladora Andina did not appear to be involved in any controversy related to this sustainability driver*

Leadership	13
Visibility	30
Relevance	0
Ownership	30

Implementation	65
Means & resources	65
Coverage	65

Results	35
Performance	65
Trends	0

C&S1.2 Information to customers on products

(score: 51, weight: 3)



Visibility of commitment

The company has made references to informing customers about its products in its Sustainability Report.

Relevance of commitment

The company's commitment addresses its main responsibilities:

- promote responsibility in advertising, marketing and communication
- ensure transparent labelling of products ingredients (e.g. additives, allergen, and GM ingredients, caffeine and theobromine)
- ensure labelling of products linked to guidelines on daily allowance (e.g. GDA)
- refrain from targeting children and adolescents in promotional activities

The company reports to not advertise for children under 12 years old.

Ownership of commitment

The commitment applies throughout the company, supported by senior management. In addition, the marketing management of each country is responsible for this issue.

Systems to provide information to customers on product content

The company has set up a passive information system to ensure customers are informed about product content:

- transparent labeling of products on content information: the company puts the contents of calories and amounts of sugars, total fat and sodium on the labels of the products in its portfolio. The company uses Guideline Daily Amounts (GDAs) and in South America all labels (except glass and water) must have GDAs. In Latin America, Coca-Cola presents the amount of calories, along with the Daily Value percentage (% DV) on the front of the packaging.
- awareness raising initiatives: the company trained its internal and external audience regarding the changes involving new regulations in Chile (labelling law) and developed a special team of ambassadors to deal with doubts and uncertainties generated by the law.

Responsible marketing and commercial practices

The company has a basic system to ensure responsible marketing and commercial practices, which includes:

- training of sales and marketing staff: Andina conducts training for its sales and new marketing employees on fair commercial practices and responsible marketing respectively.

Coverage of responsible marketing and commercial practices

There is no evidence the company has set up such systems throughout the company.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

*As of 08/2017, Embotelladora Andina did not appear to be involved in any controversy related to this sustainability driver*

<b>Leadership</b>	<b>58</b>
Visibility	30
Relevance	65
Ownership	65

<b>Implementation</b>	<b>30</b>
Means & resources	30
Coverage	30

<b>Results</b>	<b>65</b>
Performance	65

C&S2.2 Sustainable Relationships with suppliers

(score: 38, weight: 2)



Visibility of commitment

The company has made references to establishing sustainable relationships with its suppliers in its Sustainability Report.

Relevance of commitment

The company's commitment addresses its main responsibilities:  
 - uphold its contractual obligations  
 - prevent supplier dependency  
 - implement constant dialogue with suppliers

Ownership of commitment

The commitment applies throughout the company, supported by senior management.

The company reports on Third Party Management in this regard.

Measures established to manage supplier relations

The company has allocated some resources to manage sustainable relations with its suppliers that include:  
 - training: the company reports on an annual conference where leading suppliers address issues including financial process, documentation and payments, warehouses and requirements for the reception of raw materials. In addition, the company participates in the Supply Chain Committees of the Coca-Cola bottlers, where joint initiatives are worked on in order to boost business volumes and good business practices.

Coverage

There is no evidence these means cover the company's main suppliers.

Transparency and trends of indicators relative to the outcomes of the company's commitment to ensure balanced and sustainable relations with suppliers

The company does not disclose any indicator relative to the outcomes of its commitment to ensure balanced and sustainable relations with suppliers.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

As of 08/2017, Embotelladora Andina did not appear to be involved in any controversy related to this sustainability driver

Leadership	48
Visibility	30
Relevance	65
Ownership	30

Implementation	30
Means & resources	30
Coverage	30

Results	35
Performance	65
Trends	0

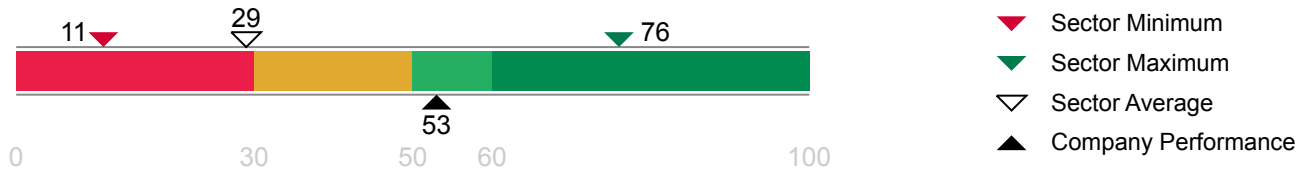
## C&S2.3 Integration of environmental factors in the supply chain

(deactivated)

This Sustainability Driver is only analysed for large companies in the Beverage Emerging Market sector: it is therefore not analysed for this company.

C&S2.4 Integration of labour standards in the supply chain

(score: 53, weight: 3)



Visibility of commitment

The company has issued a formalised commitment to including labour standards in supply chain management in its Code of Ethics for Suppliers and Third parties.

Relevance of commitment

The company's labour requirements for suppliers address all the relevant issues in the sector:

- Freedom of association and right to collective bargaining
- Abolition of child labour
- Abolition of forced labour
- Non-discrimination
- Health and Safety
- Decent wages
- Working hours
- Other rights (e.g. prevention of cruel, degrading and inhuman behaviour, etc.)

Ownership of commitment

The commitment applies throughout the company, supported by senior management. In addition, the Supply Chain Manager of each country is responsible of this commitment.

Means allocated to include labour factors in supply chain management

The company has set up awareness-raising and selection measures to address the labour standards in the supply chain:

- integration of labour issues into contractual clauses : all service contracts include the enforcement of local laws with respect to the prohibition of child labor, a correct record and payment to third party workers, enforcement of working hours and the prohibition of slavery.
- purchasing procedures/ risk assessments: the company reports on risk assessment when it comes to suppliers in relation to the respect of human and labour rights.
- workshops: the 12th edition of the workshop for suppliers of raw materials and service providers covered health and safety in addition to sustainability and social responsibility programmes.
- non-compliance procedures for suppliers: when a supplier does not meet some aspect of the requirements of the company's Guiding Principles, the company reports on corrective actions to be implemented. The Company reserves the right to terminate agreements with any supplier that cannot prove compliance.

Coverage

There is no evidence these measures cover the company's main suppliers

Audits of suppliers

The company includes labour aspects in its standard quality audits of suppliers.



Suppliers undergo an evaluation every six months, generating a report where users of Coca-Cola Andina's products and services, define a compliance evaluation score.

## Share of corrective measures / problems uncovered

The company does not disclose quantitative data on the share of labour problems in the supply chain that were addressed by corrective measures.

## Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

As of 08/2017, Embotelladora Andina did not appear to be involved in any controversy related to this sustainability driver

Leadership	83
Visibility	65
Relevance	100
Ownership	65

Implementation	42
Means & resources	48
Coverage	30

Results	33
Performance	33

## C&S3.1 Prevention of corruption

(score: 52, weight: 2)



### Visibility of commitment

The company has issued a formalised commitment to preventing corruption in its Code of Business Conduct and Corporate Gift and Care Policy. In addition, the company is a signatory of the Global Compact and communicates on this principle.

### Relevance of commitment

The company's commitment to preventing corruption addresses its main responsibilities:

- giving / receiving bribes
- gifts and invitations
- Fraud
- conflicts of interest
- restriction of facilitation payments
- illegal financing of political parties

### Ownership of commitment

The commitment applies throughout the company, supported by senior management.

The company's CFO is reported to be responsible for the prevention of corruption.

### Involvement of employees

The company has instituted awareness-raising programmes for relevant employees on corruption prevention.

The company reports on E-learning course of government Corporate and Code of Ethics.

### Means allocated

The company has set up internal and external controls to prevent corruption, including a confidential reporting system, that include:

- a dedicated confidential hotline or email address : an independent complaints channel is reported to allow anonymous and confidential reporting of activities that can involve irregularities, improper use of the assets or resources of the Company, abusive conduct, violation of the existing legal system or Corporate policies.
- the possibility to contact internal audit, legal or compliance departments directly & confidentially: any employee of the company who has knowledge or any suspicion of the existence of an infraction or irregular procedures, could formally report directly to the company's Legal Manager at each subsidiary or the company's internal auditor.
- internal audits (internal verification of compliance with the company's code of conduct etc.)
- approval procedures for gifts: the company reports that prior written approval from the Principle Manager of the corresponding area of the company is needed for gifts and goods, or special treatment or tokens for which there is a doubt.
- risk assessment of company vulnerability: the company reports on operations assessed for risks related to corruption and the significant risks identified.

The company reports also on external audits, due diligence on joint ventures, and due diligence in evaluating contracts/suppliers. However, no concrete examples have been provided on these.

## Coverage

The measures implemented cover all significant parts of the company.

## Reporting

The company discloses quantitative data on the corruption incidents reported internally:

*The company reports no corruption incidents have occurred in the period in its Sustainability Report of 2016.*

## Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

*As of 07/2017, Embotelladora Andina did not appear to be involved in any controversy related to this sustainability driver*

<b>Leadership</b>	<b>58</b>
Visibility	65
Relevance	65
Ownership	30

<b>Implementation</b>	<b>44</b>
Means & resources	50
Coverage	30

<b>Results</b>	<b>53</b>
Performance	53

## C&S3.2 Prevention of anti-competitive practices

(deactivated)

This Sustainability Driver is only analysed for large companies in the Beverage Emerging Market sector: it is therefore not analysed for this company.

**C&S3.3 Transparency and integrity of influence strategies and practices**

(score: 12, weight: 2)



**Visibility towards stakeholders**

The visibility of the company's commitment to ensuring transparency and integrity of lobbying practices is insufficient.

**Comprehensiveness of the commitment**

**Ownership of commitment**

**Involvement of employees**

Information regarding the involvement of employees in ensuring transparency and integrity of lobbying practices is insufficient.

**Measures allocated**

Information regarding measure allocated to ensure transparency and integrity of lobbying practices is insufficient.

**Coverage**

**Reporting**

The company does not disclose the budget directly and indirectly dedicated to lobbying practices.

**Stakeholders' feedback**

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

As of 08/2017, Embotelladora Andina did not appear to be involved in any controversy related to this sustainability driver

<b>Leadership</b>	<b>0</b>
Visibility	0
Relevance	0
Ownership	0

<b>Implementation</b>	<b>0</b>
Means & resources	0
Coverage	0

<b>Results</b>	<b>35</b>
Performance	35

Corporate governance

Score: 39

CGV1.1 Board of Directors

(score: 48, weight: 3)



**[LISTED COMPANIES] Existence and independence of Nomination Committee** No specific committee is in charge of director nomination, which might raise concerns.

**Independence of the Board Chairman**

The roles of Chairman and CEO are separated, but the chairman is not considered independent.

**Responsibility allocated over CSR issues**

There is a CSR committee that is part of the Board.

*The company has a Corporate Sustainability Committee that is composed including of the Chief Executive Officer and Chief Financial Officer. The responsibilities of this Committee cover definition of goals and objectives, approval of plans and projects, and ensure the connection to sustainability pillars. This Committee prepares periodic reports to be reviewed by the Board of Directors, regarding plans, goals and accomplishments.*

**Share of independent shareholder-elected Board members**

*In accordance with standards advocated by Vigeo Eiris, the Board is more than 50% independent. 8 members of the 14-member Board are considered independent.*

**Diversity of the skills and backgrounds of the Board**

*The Board of Directors diversity appears to be partial:*

*- Board members with demonstrated professional experience in the company's sector of activities: some of the company's Board members either are or have been part of organizations with similar activities and have background in the sector.*

**Training and expertise provided to board members**

Information obtained from company and public sources regarding training provided to board members is insufficient.

**Regular election of Board members**

*Board members are elected at least every three years and these elections are not staggered.*

**Evaluation of Board's functioning and performance**

Performance is evaluated regularly, but with no disclosure on the results.

*The Board conducts self-evaluation once a year.*

## Review of CSR issues at Board meeting

The formal CSR reporting has been signed by Chairman but there is no evidence that relevant CSR issues are reviewed at Board meetings.

## Regularity of and attendance at Board meetings

Regular meetings are held, but no attendance rates are disclosed.

The board of directors schedules at least, one meeting per month.

Name of Board member	Role	Executive	Non executive	Employee representative	Nomination	Audit	Remuneration	Former executive	> 9 years on Board	Stock options	Paid>1/2 executive salary	Represent>3% company's shares	Other	Independency
Juan Claro	Chairman of the Board	X							X					
Arturo Majlis		X				X	X		X			X		
Eduardo Chadwick		X										X		
Pilar Lamana														X
Enrique Rapetti														X
Juan Andrés Fontaine														X
Mariano Rossi														X
Salvador Said		X				X	X		X			X		
Gonzalo Said		X							X			X		
José Antonio Garcés		X							X			X		
Gonzalo Parot	Chairman of Directors' Committee					X	X							X
Georges De Bourguign														X
Karim Yahi														X
Susana Tonda														X

CGV2.1 Audit & Internal Controls

(score: 58, weight: 2)



**[LISTED COMPANIES] Existence and independence of Audit Committee**

A specific committee is in place, but at least one executive is part of it, which might raise concerns.

1 member of the 3-member Audit Committee is considered independent.

**Skills and backgrounds of Audit Committee members**

Members appear to have financial and/or audit experience and relevant operational experience.

**Operational and CSR risks covered by the company's internal controls system**

The internal control system covers the standard issues related to financial, operational, and legal risks. In addition, the system covers some of the CSR risks inherent to the company's business operations.

- Water: the company's internal controls cover under their risk list water as all the company's bottling plants comply with researches on vulnerability of sources and the company periodically analyzes the geological and hydrological context, land uses and characteristics that may affect water sources.
- Fundamental human rights: human rights are part of the company's corporate risk management.
- Product safety/Information to customers: the company's risk management covers safety of products and appropriate information and these are assessed through specific audits and other means.

**Role of the Audit Committee in overseeing internal and external controls**

The Audit Committee has a comprehensive role that includes:

- Oversee internal audit and internal controls
- Review accounting policies and be responsible for updates
- Nominate the statutory auditor
- Oversee the work of the external auditor
- Approve the type of audit and non-audit services provided and fees paid to the external auditor

**Management of the CSR risks**

Relevant processes dedicated to management of CSR risks are in place:

- Reporting system to the Board: the Risk Committee reports to the Board of Directors including on the proper functioning of the management process, the risk matrix used by the Company as well as the main sources of risks and methodologies for the detection of new risks and the probability and impact of occurrence of these.
- Risk mapping: the company reports on risk facing the company and these cover CSR risks.

**Independence of the firm's external auditors**

The audit firm receives non-audit fees, but these represent only 5% or less of total fees.



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*Non-audit fees represented 1% of total fees paid to PricewaterhouseCoopers in 2016.*

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## **Inclusion of CSR issues in the company's reporting**

*The company publishes significant CSR reporting on key material issues, with an independent third party assessment of the reliability of key performance indicators, with limited level of the assurance.*

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## **Stakeholders' feedback**

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

*As of 07/2017, Embotelladora Andina did not appear to be involved in any controversy related to this sustainability driver*

## CGV3.1 Shareholders

(score: 28, weight: 2)



### Nonexistence of voting rights restrictions

Minor voting rights restrictions have been identified.

*The company's capital equity is divided into Series A shares and Series B shares with some different features including:  
The preference of Series A shares consists solely of the right to elect twelve out of the fourteen board members of the Company. Series A shares are entitled to full voting rights without limitations. Series B shares are entitled to a limited voting right, voting only with respect to the election of two board members for the Company.*

### Nonexistence of anti-takeover devices

Anti-takeover devices have been identified.

*The company's controlling shareholders act pursuant to a shareholders' agreement. This agreement provides for certain restrictions on the transfer of shares of the company's capital stock by the Coca-Cola Shareholders and its controlling shareholders. For example, controlling shareholders are restricted from transferring its Series A shares without the prior authorization of The Coca-Cola Company.*

### Safeguards on transactions with major shareholder(s)

More than half of the board is independent, and in addition, there are additional safeguards in place to monitor transactions between the company and its major shareholder(s).

*Transactions with certain affiliates and related parties are approved by the Company's Board of Directors, with the abstention of the director involved in the corresponding case. In addition, Directors' Committee is charged with evaluating transactions with related parties and to report on these transactions to the full board of directors.*

### Ability to add items to the agenda of the AGM and to convene an EGM

Major restrictions have been identified to convene an EGM.

*Exceptional General Meetings may be called by shareholders representing at least 10% of the issued voting shares.*

### Access to voting at General Meetings

There are no major restrictions on shareholders' ability to vote, however there is no possibility of voting through online services.

### Ability to vote on relevant issues in separate resolutions at AGM

Not all major items are put to a shareholder vote.

*The following items are not put to a vote at the AGM:*  
- Executive remuneration  
- Changes to bylaws  
- Changes in capital (increases, buy-backs)

## Presentation of CSR strategy to shareholders and investors

*Information disclosed from the entity and public sources regarding the presentation of CSR strategy to shareholders and investors is insufficient.*

## Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

*As of 07/2017, Embotelladora Andina did not appear to be involved in any controversy related to this sustainability driver*

CGV4.1 Executive Remuneration

(score: 17, weight: 2)



**[LISTED COMPANIES] Existence and independence of Remuneration Committee**

A specific committee is in place, but at least one executive is part of it, which might raise concerns.

*1 member of the 3-member Directors' Committee is considered independent. The Directors' Committee performs the duties of a Remuneration Committee.*

**Disclosure of senior executives' individual remuneration**

*Executive remuneration is disclosed, but on a collective rather than on an individual basis.*

**Link between Short Term Incentive Plans and the performance of the company**

*Bonuses are linked to predetermined and disclosed economic performance indicators as EBITDA and Market Share. However the actual quantified targets are not disclosed.*

**Link between the main Long Term Incentive Plan and the performance of the company**

Information on the rules and performance conditions guiding the allocation of long-term incentives to senior executives is insufficient.

**Link between variable remuneration and CSR performance of the company**

*CSR performance objectives are considered in the determination of variable remuneration of senior executives. The company reported to Vigeo Eiris that Water, Biodiversity, Labour standards in the supply chain, Fundamental human rights, Societal impacts of products, Product safety/Information to customers are considered in the determination of variable remuneration of senior executives. However, information on performance targets are not disclosed.*

**Severance pay for senior executives**

Severance pay may exceed 1 year's, but not 2 years', base salary.

*Severance may represent 11 times monthly payment.*

**Evolution of CEO-to-employee compensation ratio**

Information obtained from company and public sources regarding the compensation of CEO and the average employee salary is insufficient.

**Stakeholders' feedback**

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

*As of 07/2017, Embotelladora Andina did not appear to be involved in any controversy related to this sustainability driver*

## Detailed Scores and Ratings

### CURRENT AND PREVIOUS RATINGS

Period	Environment	Human resources	Human rights	Community involvement	Business behaviour (C&S)	Corporate governance
2017/09	+	+	+	=	+	+
2015/10	+	+	+	=	+	+

### SCORES PER DOMAIN

Domain	Average Score	Leadership	Implementation	Results
Environment	45	41	57	18
Human resources	33	24	40	35
Human rights	44	46	29	58
Community involvement	28	26	33	25
Business behaviour (C&S)	42	45	37	43
Corporate governance	39	29	44	44

### SCORES PER CRITERIA

Sub-domain	Criterion	Score
Environment 1	1	78
	4	20
Environment 2	1	43
	2	38
	4	N/A
Environment 3	7	N/A
	1	42

Sub-domain	Criterion	Score
Human resources 1	1	N/A
Human resources 2	3	22
	4	33
Human resources 3	2	50

Sub-domain	Criterion	Score
Human rights 1	1	49
Human rights 2	1	41
	4	45

Sub-domain	Criterion	Score
Community involvement 1	1	40
	1	22
Community involvement 2	2	22

Sub-domain	Criterion	Score
Business behaviour (C&S) 1	1	38
	2	51
Business behaviour (C&S) 2	2	38
	3	N/A
	4	53
Business behaviour (C&S) 3	1	52
	2	N/A
	3	12

Sub-domain	Criterion	Score
Corporate governance 1	1	48
Corporate governance 2	1	58
Corporate governance 3	1	28
Corporate governance 4	1	17

## Contacts

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## Overview of the latest updates

Date of the latest update	Information updated
2018/07	Carbon & Energy Transition
2017/09	<b>Full ESG profile</b>