



Double materiality process

Double materiality is a key concept in sustainability reporting that refers to the need to assess and report both the financial impact of environmental, social and governance (ESG) issues on the company and the impact of the company's activities on society and the environment. This concept of double materiality has been adopted and promoted by several reporting frameworks, including the European Union directives.

Analysis of international standards



4 industry standards

Material issues for the industry



18 companies analyzed

News and press



main news published in 2024

Surveys



1,521 surveys of various stakeholders

Prioritizing material issues

PRIORITIZATION OF IMPACT BY STAKEHOLDERS

A total of 1,521 surveys were conducted of various stakeholders to prioritize their expectations and concerns and determine which ESG issues have the greatest impact. Communities, employees, suppliers and investors participated in this exercise. The surveys were reviewed by the Coca-Cola Andina team to correct the language to ensure comprehension by all respondents. They were also translated from Spanish into English and Portuguese.

PRIORITIZATION OF FINANCIAL RISKS FOR THE BUSINESS

For this exercise, executives were asked to categorize the most relevant issues for Coca-Cola Andina's business, in order to prioritize the material issues for 2024 from an executive perspective based on the degree of financial impact they would have on the company. This exercise was complemented with the degree of probability of the risk materializing and negatively impacting the company, based on the policies, procedures, programs and/or initiatives in place to address the material issue, management and monitoring of indicators related to the material issue and significant negative situations that have occurred in the last two years associated with the material issue.



Material issues

Sustainable leadership



The Company works to enhance market leadership and sustainable management, including an ESG perspective in all processes, complying with regulations and adapting to the realities of the different countries where it operates, as well as in the constant search for greater efficiency and productivity, with a focus on digital transformation and innovation.

Diverse, confident and committed team



Coca-Cola Andina seeks to create the best workplace for its employees. It is convinced that generating respectful, diverse, inclusive and safe spaces, where people feel valued and happy, will result in the achievement of goals, shared economic growth and the success of the organization.

Closeness to our customers



Proximity to our customers allows us to achieve constant development and the highest levels of service. The Company measures and manages the variables that have an impact on their satisfaction, addresses their concerns and requirements, and innovates, especially in the area of digitalization.

Circular vision



It is committed to waste management, reducing the impact of packaging on the environment through returnability, collection, recycling and reduction.

Climate action



It carries out actions to reduce GHG emissions and manage the carbon footprint throughout the value chain. It actively works to reduce energy consumption and increase the percentage of renewable sources in all operations.

Water awareness



It aims to reduce water consumption and protect local sources for future generations, working on four strategic pillars: reduce, reuse, recycle and replenish.

Supply chain management



The Company's policies promote the sustainable development of our suppliers, job creation, compliance, entrepreneurship and innovation. They also foster the formalization and growth of micro, small and medium-sized enterprises.

Portfolio, quality and nutrition



It is constantly working to expand its portfolio and offer consumers a wide variety of great-tasting beverages, including more sugar-free and low-sugar options, and by reformulating its products.

Connection with local communities

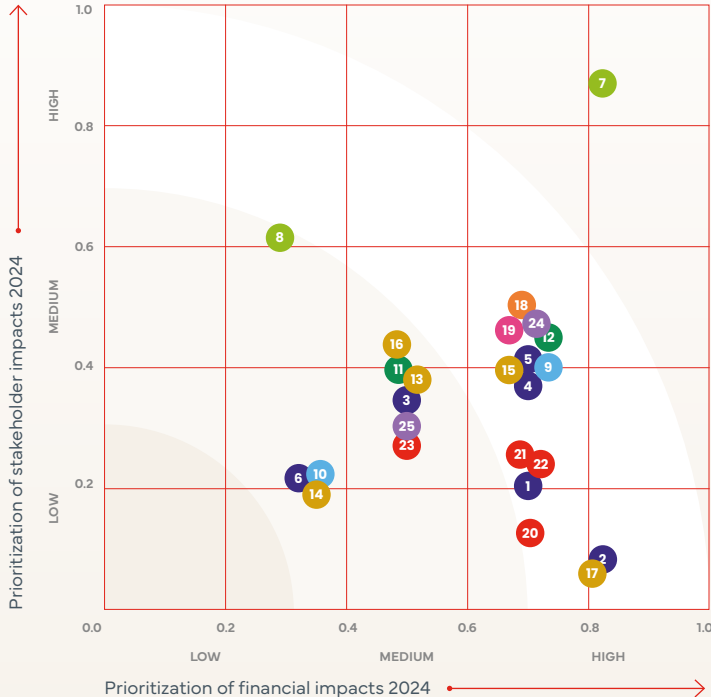


Coca-Cola Andina is committed to the social and economic development of the communities where it operates, generating shared value, ethical and transparent relationships, and, above all, positively impacting the quality of life of the people..



Material issue grouping and matrix 2024

CATEGORY	MATERIAL ISSUES 2023		ESG	FIN	SH	AREA
Sustainable leadership	1	Market leadership, growth and cost control	G	0.67	0.21	Corporate governance
	2	Geopolitical context of countries and markets	G	0.83	0.08	Corporate governance
	3	Regulatory compliance and business ethics	G	0.5	0.34	Corporate governance
	4	Sustainable strategy and ESG approach to business	G	0.5	0.37	Corporate governance
	5	Digital transformation and innovation	G	0.67	0.41	Corporate governance
	6	Risk management	G	0.33	0.21	Corporate governance
Circular vision	7	Returnability, circular economy (plastic/PET, resin) and packaging	E	0.83	0.87	Packaging and waste
	8	Waste management and responsible use of resources	E	0.33	0.61	Packaging and waste
Water awareness	9	Water management and scarcity	E	0.67	0.42	Water
	10	Biodiversity impact and protection of natural habitats	E	0.33	0.25	Biodiversity
Climate action	11	Climate change and emissions	E	0.5	0.41	Emissions
	12	Promotion of energy transition and use of renewable energies	E	0.67	0.43	Energy
Diverse, confident and committed team	13	Employee health and safety	S	0.5	0.39	Employees
	14	Promoting diversity, gender equality and inclusiveness	S	0.33	0.2	Employees
	15	Talent attraction, retention and development	S	0.67	0.4	Employees
	16	Wellbeing, benefits and workplace climate	S	0.5	0.43	Employees
Supply chain management	17	Labor and union relations	S	0.83	0.05	Employees
	18	Responsible sourcing (supply chain management)	G	0.67	0.5	Suppliers
Customer proximity	19	Customer satisfaction and relations	G	0.67	0.46	Customers
	20	Portfolio breadth and value strategy	G	0.67	0.14	Customers
Portfolio, quality and nutrition	21	Nutrition and healthy lifestyles	S	0.67	0.28	Consumers
	22	Product health and safety	S	0.67	0.25	Consumers
	23	Responsible marketing and labeling	S	0.5	0.28	Consumers
Connection with communities	24	Economic development, employment and local entrepreneurship	S	0.67	0.48	Communities
	25	Relationship with communities, donations and public-private partnerships	S	0.5	0.32	Communities



Impact matrix



MATERIAL ISSUE	MANAGEMENT	IMPACT	NATURE OF IMPACT	AREA OF ESG IMPACT	
Sustainable leadership <ul style="list-style-type: none">Market leadership, growth and cost controlGeopolitical context of countries and marketsRegulatory compliance and business ethicsSustainable strategy and ESG approach to businessDigital transformation and innovationRisk management	The corporate governance management system becomes an essential part of creating value not only for shareholders, but for all stakeholders. It is the basis on which the organizational culture is built, allowing for good performance.	Market leadership and country contribution	+	ECONOMIC	
		Cost- and resource-efficient operations	+	ECONOMIC	
		Anti-corruption and antitrust policies	+	ECONOMIC	
		Regulatory compliance and adapting to regulatory changes	+	ECONOMIC	
		Transparent and ethical operation in business management	+	ECONOMIC	
		Payment of taxes and other fiscal contributions	+	ECONOMIC	
Water awareness <ul style="list-style-type: none">Water management and scarcityBiodiversity impact and protection of natural habitats	The Company is focused on protecting the natural habitats where it operates. To this end, it seeks to reduce water consumption and protect local sources for future generations by reducing, reusing, recycling and replenishing water.	Water consumption and reuse	+ / -	ENVIRONMENTAL	
		Water consumption in water-stressed areas	-	ENVIRONMENTAL	
		Programs for safe access to water in communities	+	SOCIAL	
Circular vision <ul style="list-style-type: none">Returnability, circular economy (plastic/PET, resin) and packagingWaste management and responsible use of resources	The Company works along four strategic pillars: reduce, reuse, recycle and replenish. Coca-Cola Andina is committed to managing initiatives and projects to continue to reduce the impact of packaging on the environment. The reuse pillar (through returnable packaging) is the most environmentally responsible solution and is the core of the packaging strategy, along with the pillars of collecting, recycling and reducing.	Returnability and packaging life cycle management	+	ENVIRONMENTAL	
		Circularity of packaging and recovery	+	ENVIRONMENTAL	
		Waste generation	-	ENVIRONMENTAL	
Climate action <ul style="list-style-type: none">Climate change and emissionsPromoting energy transition and use of renewable energies	The Company is actively working to reduce energy consumption and increase the percentage of energy from renewable sources in all operations.	Fleet fuel usage	-	ENVIRONMENTAL	
		Energy efficiency and use of renewable energies	+	ENVIRONMENTAL	
		Carbon footprint and emissions	-	ENVIRONMENTAL	
Supply chain management <ul style="list-style-type: none">Responsible sourcing (supply chain management).	Together with The Coca-Cola Company, the Company collaborates with suppliers to respect and protect the human rights of everyone in the supply chain. The Company issued a supplier code of conduct and seeks to ensure that suppliers abide by it and positively impact the countries where it operates.	Environmental & Social impacts of Ingredient Supply Chain	-	ENVIRONMENTAL	
		Respect for human rights in the supply chain	+	SOCIAL	
Portfolio, quality and nutrition <ul style="list-style-type: none">Product health and safetyPortfolio breadth and value strategyNutrition and healthy lifestylesResponsible marketing and labeling	Working to expand the portfolio and offer consumers a wider variety of great-tasting beverages, including more low-sugar and sugar-free options and product reformulations.	Product health and nutrition	+	SOCIAL	
		Healthier, lower-sugar drinks	+	SOCIAL	
		Product quality, safety and excellence	+	SOCIAL	
		Consumer information and labeling	+	SOCIAL	
Customer proximity <ul style="list-style-type: none">Customer satisfaction and relations	Proximity to customers allows the Company to achieve constant development and the highest levels of service. It measures and manages the variables that have an impact on their satisfaction, addresses their concerns and requirements, and innovates, especially in the area of digitalization.	Product labeling and marketing	+	SOCIAL	
		Customer satisfaction	+	ECONOMIC	
		Sales channels and geographic coverage	+	ECONOMIC	
		Innovation Digitalization Driving e-commerce	+	ECONOMIC	
Diverse, confident and committed team <ul style="list-style-type: none">Employee health and safetyTalent attraction, retention and developmentPromoting diversity, gender equality and inclusivenessWellbeing, benefits and workplace climateLabor and union relations	Coca-Cola Andina seeks to provide its employees with the best place to work, convinced that happiness at work is fundamental for its activities, people's well-being, economic growth and the success of the organization.	Purpose and internal climate	+	SOCIAL	
		Diversity and inclusiveness. Equitable pay	+	SOCIAL	
		Employee health and safety	+	SOCIAL	
		Innovation, co-creation and digitalization	+	SOCIAL	
		Talent attraction and development	+	SOCIAL	
Connection with communities <ul style="list-style-type: none">Economic development, employment and local entrepreneurshipRelationship with communities, donations and public-private partnerships	Coca-Cola Andina assumes its responsibility, developing engagement programs with nearby communities that generate a real impact on people's quality of life.	Economic and social development of local communities	+	SOCIAL	
		Local hiring	+	SOCIAL	