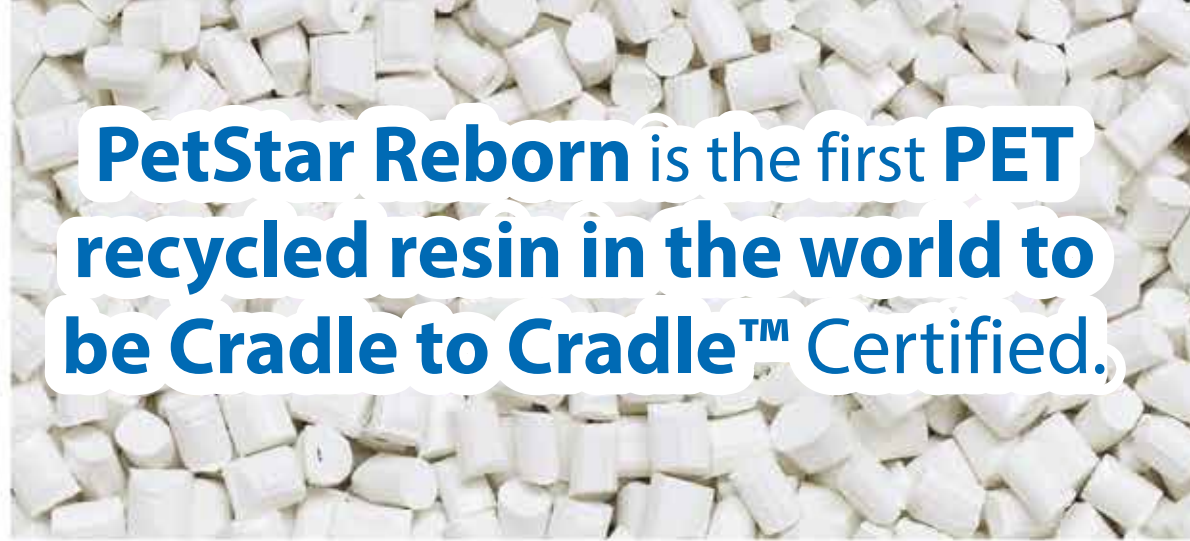




Sustainability Report 2019



PetStar Reborn is the first **PET** recycled resin in the world to be **Cradle to Cradle™** Certified.





**Recycling with PetStar,
no one is left behind**

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PetStar in Numbers

1st
recycled food grade
PET resin to obtain
the **Cradle to Cradle**
certification.



15,117
yearly visitors to the
Museum Auditorium.



600 children (sons and daughters
of waste pickers) have had their development
and life quality improved from a childhood rights
perspective, through the Community Integral
Development Center (known in Spanish as CEDIC)
and MAYAMA Center¹.



1,183
PetStar
collaborators.



84,132 tons
of PET bottles
collected.



63%
of the electricity
comes from
renewable
sources.



Compared to the
production of virgin
resin, generating
recycled food grade
PET resin has saved us
108 tons of CO₂.



51,789 tons
of recycled food
grade PET resin
produced.



25,291
direct Jobs (waste
pickers and trash
collectors).



79%
waste reduction.



200,600
hours of training for
our collaborators.



1,382
Collector Partners.



\$1,422.7
million of pesos
sold this year.

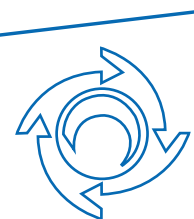


\$74.7
million of pesos
investment.



Producing recycled
food grade PET
resin reduces up
to **93%** of
greenhouse gases
compared to the
creation of virgin resin.

1. Mayama is an organization that has an innovative
education model that helps transform the lives of
children and their families through its Learning Center.
They help people who live in extreme poverty and
violence, assuring childhood rights.
For more information, check the following website:
<http://www.mayama.org.mx/>



Letter from our CEO

I am proud of what we have achieved in 2019. When I think about the moment when we started to draw this company’s path, I realize how much we have walked and how much there is left.

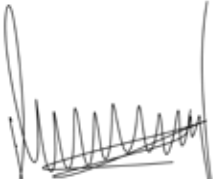
The world is changing and the environmental challenges we face every day are more suppressed. Therefore, it is important to think about the way we manage our waste so we can improve it. Circular Economy and recycling are great examples of how we can transform these challenges in opportunities, allowing plastic to never become waste.

Through this report we want to get closer to each one of you so we can know your needs and seek for integral alternatives that allow us to work under the idea of a shared responsibility between authorities, society and private sector in order to inspire more people to think and act in a sustainable way.

Every year we face new challenges as a company, but above all, we see the opportunity to think about and strengthen our capacity to generate social, environmental and economic value through our PetStar Sustainable Business Model (PSBM, known in Spanish as MNSP) and inclusive recycling, which dignifies and formalizes the labor of all the people who collect waste in our country.

The support and trust from our shareholders, collaborators, waste pickers and collectors are essential; and it is also what distinguishes our organization’s excellency, as well as the great openness from authorities and society to collaborate in taking care of the environment. I deeply thank the commitment and effort each one has shown, because it has made PetStar a worldwide reference.

Endorsing our commitment to the Sustainable Development Goals (SDGs), the Global Compact, the Principles for a Sustainable Ocean of the UN Global Compact itself, the Earth Charter and Human Rights.



Jaime Camara Creixell
CEO of PetStar



Recycling in Mexico²



Mexico is the Latin American leader in **PET collection**, with a rate of 56%, very close to the European Union.



70% of the bottles that are **collected in Mexico**, are also processed and recycled inside the country.



More than **53%** of the collected bottles in Mexico are **used to produce food grade resin**, setting an example of **Circular Economy**.

2. Source: ECOCE https://www.ecoce.mx/reciclaje#por_que_reciclar

Who we are?



PetStar is a **Mexican company dedicated to the collection and recycling of PET containers.**

Its **foodgrade PET recycling plant is the largest in the world.**³

3. In 2014, PetStar was named the "World's Largest Food Grade PET Recycling Plant" by PCI PET Packaging Resin and Recycling, Ltd.

Our way to recycle without leaving no one behind

This path was traced
25 years ago:

1995

We started as a company dedicated to the collection of plastic waste; a few years later, we became pioneers in PET recycling.



2009



We made our way into Circular Economy with the opening of the first phase of our recycling center, closing the sustainability circle.

In our path we found our shareholders, who decided to believe in us, trust us and walk with us towards a road of certainty that leads to a Circular Economy.

2011



We became the World's Largest Food Grade PET Recycling Plant.

2014



2015



Looking for inclusion and the recognition for our base collectors, we consolidated our PetStar Inclusive Collection Model.

In order to have a unique and sustainable business model, PetStar commits to the Sustainable Development Goals (SDG).

2017



2018



Showing our leadership, innovation and quality of our processes, we won the Iberoamerican Quality Award.

Facing the challenge of being a company with a culture of excellence, while strengthening our competitiveness and sustainability, we won the National Quality Award for "Organizational Innovation".

2019



As a result of the multiple efforts and always seeking to innovate how we do our job, PetStar Reborn is created as the first recycled food grade PET resin in the world to obtain the Cradle to Cradle (C2C) certification.



We keep on recycling, so no one is left behind.

Our Presence



Central Office



Recycling Plant



Collection Plants

1. Ecatepec
2. Guadalajara
3. Monterrey
4. Toluca
5. Queretaro
6. San Luis Potosi
7. Merida
8. Acapulco



External Operation

Aragon

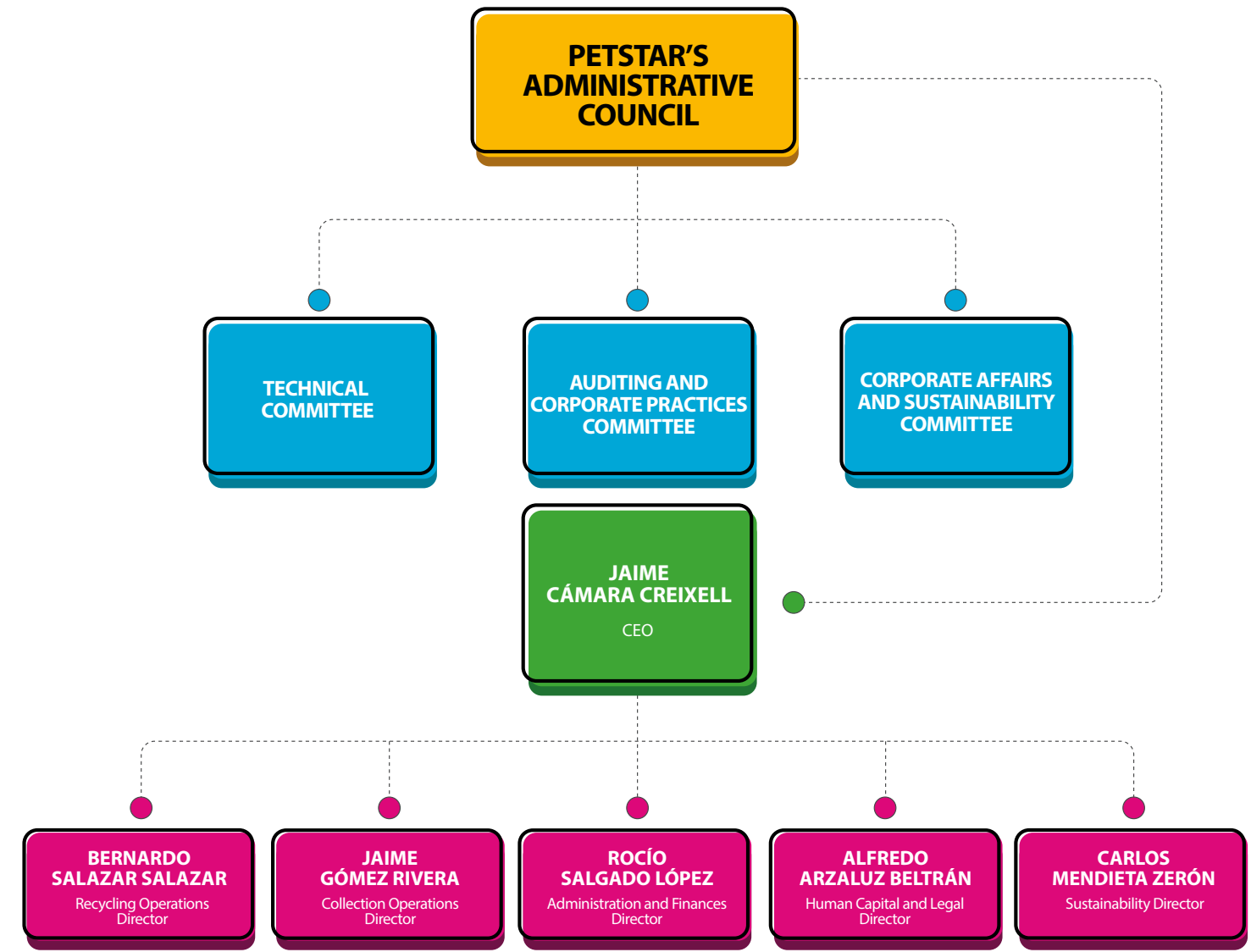


Our PetStar Sustainable Business Model (PSBM) has become a unique system, as well as a worldwide example for being set on the three bases of sustainability: social, environmental and economic value. Through this model we generate the PET bottles Circular Economy in an efficient, convenient and effective way. This has encouraged social mobility and has become a change agent for facing the great environmental challenges we have nowadays, like climate change.

The force of our PSBM is innovation and continuous improvement, this is why we work with the highest quality standards starting from our collecting process and all the way to our recycling processes reaffirming our commitment to operate with full sustainability following the Sustainable Development Goals, the Global Compact and the New Plastics Economy Global Commitment.



Corporate Governance



PetStar was established as a result of synergy and efforts to support the sustainability efforts of various bottling plants within The Coca-Cola Mexico system: Arca Continental has a 49.90% shareholding; Coca-Cola de México 30.00%, Bepensa Bebidas 10.06%, Corporacion del Fuerte 5.04%, Corporacion Rica 2.20%, Grupo Embotellador Nayar 1.84% and Embotelladora de Colima 0.96%.



PETSTAR Shareholder's Map



Board of Administration

The Board of Administration is the company's highest authority, comprising ten members, each one having an alternate. These members are shareholders, partners, employees, or a shareholder's company officer –or a person affiliated to a given shareholder–, with no independent board members or remuneration whatsoever established for the foregoing. The Chairperson of the Board of Administration may not hold an executive position within PetStar.

There are 3 categories of shareholders with the right to be named members of the Board:

- I. Coca-Cola de México** has the right to three members to the Board of Administration.
- II. Arca Continental** has the right to four members to the Board of Administration and the right to nomination as Chairperson of the Board.
- III. Bepensa Bebidas, Corporacion del Fuerte, Corporacion Rica, Grupo Embotellador Nayar and Embotelladora de Colima** may name three members to the Board of Administration.

Committees within the Board of Administration

Audit and Corporate Practice Committee: comprised of 6 members and their alternates, designating 2 for every one of the different types of shareholders; Chairman of this Committee to be nominated amongst the members of said Committee.

Technical Committee: comprising 4 members and one Chairperson. The 4 members are designated in the following manner: Coca-Cola de México, one; Arca Continental, two; the last one is designated among the remaining shareholders.

Corporate Affairs and Sustainability Committee: comprising 4 members and one Chairperson; the designation of members for this Committee is the same as for the Technical Committee.

The Board of Administration establishes the salaries for Senior Management based on compliance of the Work Plan, as previously authorized. In like manner, communications matters are assessed and approved in and is physically present at the Board's quarterly meetings for analyses of impacts, risks and opportunities of an economic, social and environmental nature.

Organizational Culture



Conduct and Ethics Code

Being a collaborator at PetStar means being a representative and ambassador of this great company every day; therefore, our behavior with our interest groups must be always guided by our Ethics Code.

The Ethics Code is the guide of our values. It shows us how we should act in the different interrelations with our audience in order to fulfill the commitment of accomplishing our tasks with honesty, integrity and transparency, as well as with total respect of human rights and all the legitimate interests that our close people and organizations may have.

The Ethics Code was created to assure that laws and practices are being followed in order to do our jobs within the company's best interests, and to be able to reject any personal preference or advantage.

For guaranteeing an ethical and legal conduct, we have an inducement course for our new collaborators and a "Living Our Values" workshop. Also, it is mandatory for our personnel to sign the employee declaration letter for any kind of conflict of interest.



Coca-Cola's Supplier Guiding Principles

In order to relationships of respect and trust, PetStar abides by The Coca-Cola Company's Guiding Principles for Suppliers. These Guiding Principles shall direct our conduct pursuant to the Eight Fundamental Conventions of the ILO: Freedom of association and collective bargaining;

- Prohibition of child labor;
- Prohibition of forced labor and mistreatment;
- Elimination of discrimination;
- Working hours and wages;
- Providing a safe and healthful workplace;
- Protection of the environment;
- Commercial integrity;
- Procedure and recourse for workers to present claims;
- Administrative systems.

Human Rights Protocol

We declare that the fulfillment of all the laws regarding Human Rights and fundamental rights is an essential piece of our operations, as well as an ethical commitment and auto-assumed social responsibility that we perform every single day with our collaborators, suppliers, Collector Partners and communities in which we take part.

As part of the Mexican Coca – Cola Industry, we recognize that the full respect of Human Rights is a fundamental value; this is why we align our operations to the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights, Declaration on Fundamental Principles and Rights at Work – created in 1989 by the International Labor Organization, and the National Legislation on Labor and Human Rights.

Derived from what we have stated before, we declare the following commitments in Human Rights matter:

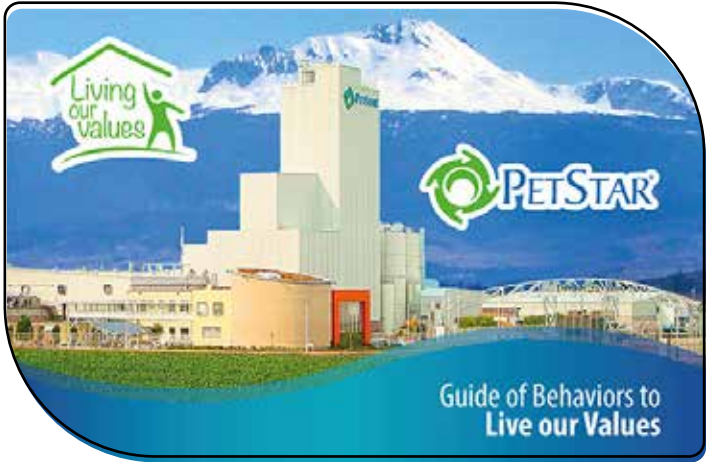
- 1. Comply with any applicable law and respect the internationally recognized Human Rights in every place we operate.
- 2. Promote awareness in our collaborators and Collector Partners in every matter related to Human Rights and PetStar ´s acting values.
- 3. Forcefully reject any violent or discriminatory practice; in case this happens, the necessary measures will be taken.
- 4. Value the current and potential risks regarding Human Rights, as well as their impact in our operations.
- 5. Adopt the appropriate measures to prevent and, when it proceeds, to deal with the unfavorable impact of Human Rights matters in our operations.
- 6. Modify the internal processes and rules, as well as to adopt the necessary programs to improve any possible infringement of Human Rights.
- 7. Follow-up any complain that is presented through the corporative mechanism buzondetransparencia@petstar.mx and assume the responsibility of the evidence presented to prove the noted situations.

- 8. Continue participating in international and national initiatives that promote progress on Human Rights.
- 9. Encourage every person and company that collaborates with PetStar to assume the principles of this policy on Human Rights matters, including suppliers, Collector Partners, investors, employees and customers.
- 10. Report any information regarding this topic with transparency to all our employees and shareholders.

Behavior guideline for “Living Our Values”

In our program, all our collaborators participated to define specific conducts for living our values. During its implementation, sensibilization mechanisms regarding the importance of living them were established; we also have a permanent recognition program that generates productive and highly satisfactory working environments.

To help the broadcasting of the ethical guidelines of the organization, we have an internal document called “Conduct Guidelines to Live Our Values”. Here, we invite our collaborators to think about the importance and meaning of living our values inside and outside the company.



Transparency Inbox

In order to assure the adequate and correct fulfilling of our Conduct and Ethics Code, we have a complaint mechanism called Transparency Inbox. For it, we have an e-mail account (buzondetransparencia@petstar.mx) to which our collaborators, customers, suppliers and any member of our community can report any violation or lack of living our previously mentioned values.

The Transparency Inbox is a safe and confidential way in which all the received complaints are taken care of, with a detailed follow-up so the user can be informed of its progress until its final resolution.

Our goal is to assure a healthy environment and sponsor complaints on any deviation, we have a permanent internal communication campaign with messages alluding how we live our values and how we comply with our codes.

Every information that enters the inbox is directly analyzed by the Senior Management and the Human Capital department, and its them who make the pertinent decisions for each case.

Any complaint filed through this channel will be completely safe, anonymous and confidential. An Assessment and Follow-Up Committee has been integrated in the following way:

Permanent Evaluation Members:

- CEO
- Human Capital and Legal Director

Related members required by the Committee:

- Finance and Administration Director
- Collecting Operations Director
- Recycling Operations Director
- Sustainability Director



Transparency Inbox			
Year	Reported Cases	Solved Cases	Pending Cases
2018	19	19	0
2017	17	17	0

*The three pending issues are being followed up in 2020.

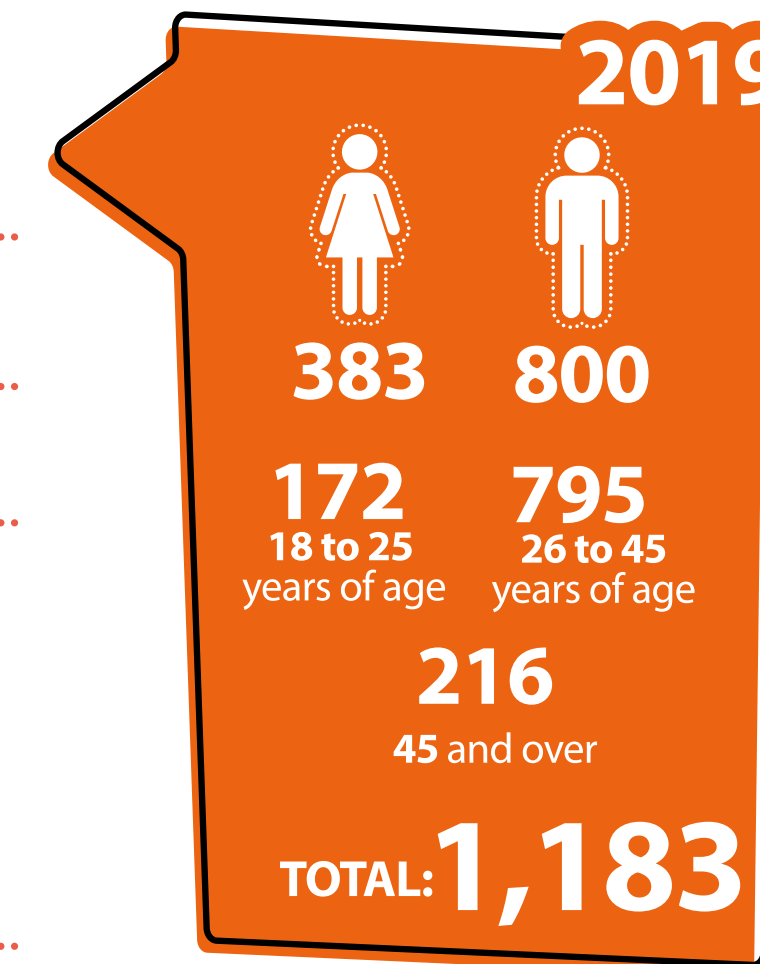


Social Value

Our People

Workforce broken down by gender and age

	2017	2018
Women	348	378
Men	725	712
18 to 25 years of age	175	172
26 to 45 years of age	790	813
45 and over	108	105
Total	1,073	1,090



Workforce



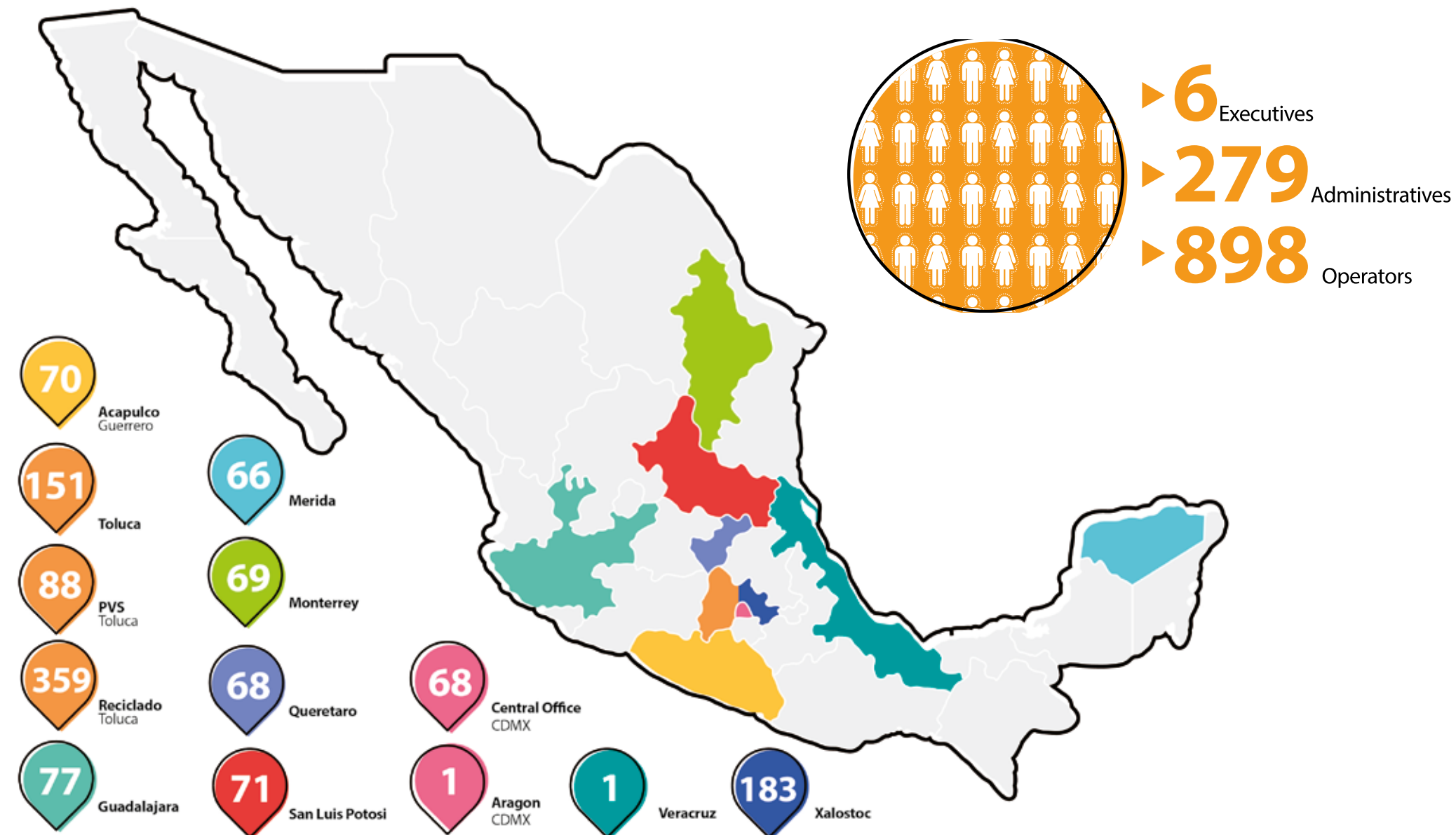
67%
MEN



33%
WOMEN



Workforce broken down by region and position





Human Capital Policy

PetStar is committed to the well-being, development and integrity of its collaborators through attracting talent, creating an organizational culture grounded on an inclusive, participatory, innovative, and safe teamwork environment, one respectful of their rights and commitment to sustainability, thus promoting loyalty to the organization and a sense of belonging.

Internal Communication



One key element in strengthening the organization's culture, is to have an internal communication process that handles different channels aimed to internalize our Excellency Philosophy in every collaborator. This leads us to have high performance working environments. It also reinforces our commitment with sustainability, elevating competitiveness, being part of our personnel well-being, the search for permanent improvements and innovation, as well as a high sense of belonging.

As part of these channels, we have a yearly communication meeting with our CEO called "Dialogues with our CEO". This session is thought for all our collaborators and it is an opportunity for our CEO to transmit our company's mission, vision, strategic goals, and our achievements. There is a moment for having an open communication both ways in which our collaborators can express any concern, doubt or recognition.

Kiosks

This year we set up digital kiosks in our factories so we can have a new internal communication channel. They are strategically placed inside our Collection Plants and its main goal is to have an easier way for our collaborators to look for any information regarding our company, their personal records, their vacation periods, and the chance to redeem their points for any article in the ¡PetStar Bien! Platform.



Training and Development

We implemented a sensibilization and training workshop called "Working in Harmony", which was taken by all our collaborators. The intention of it is to create a base of solid principles that lead to a respectful working environment for every one of our employees. The workshop was focused on:

"Working in Harmony" Workshops

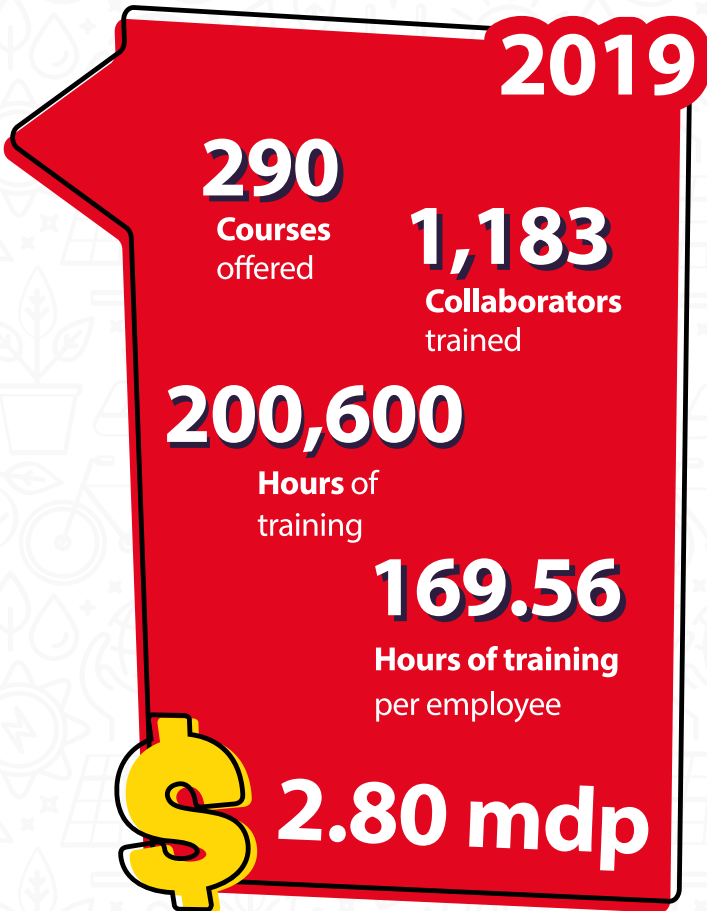
Plant	Induction to the Company	Work Harmony	Violence prevention at the workplace	Violence prevention in high performance work teams
COLLABORATORS				
Acapulco	10	70	13	57
San Luis Potosi	23	71	13	58
Guadalajara	37	77	13	64
Queretaro	35	68	13	55
Monterrey	19	69	14	55
Xalostoc	25	183	25	158
Merida	11	66	13	53
Toluca collection	17	60	12	48
Toluca PVS	6	91	8	83
Recycling	510	359	89	270
Central Offices	10	68	68	0
TOTAL	703	1,182	281	901

Training Courses

The main objective of PetStar’s training program is to stay abreast of best practices in recycling and sustainability. The talent development process is supported by management by staff competencies, based on two types: organizational and leadership, whatever the basis for the selection, evaluation, training and development of staff.

Training courses program

Training	2017	2018
Courses offered	223	260
Collaborators trained	1,073	1,090
Hours of training	185,899	200,202
Hours of training per employee	173.25	183.67
Investment	\$2.12 mdp	\$2.60 mdp



*MDP: for its initials in Spanish for million pesos.

Counseling Program

We have a strategic counseling program for improving all the tasks performed by our collaborators; it is focused on developing and strengthening their capacities, knowledge and responsibilities from the moment they become part of our company.

With this program, we seek to guarantee that our new collaborators have all the support of our most experienced people, so they can be easily integrated to their working area, as well as our company.

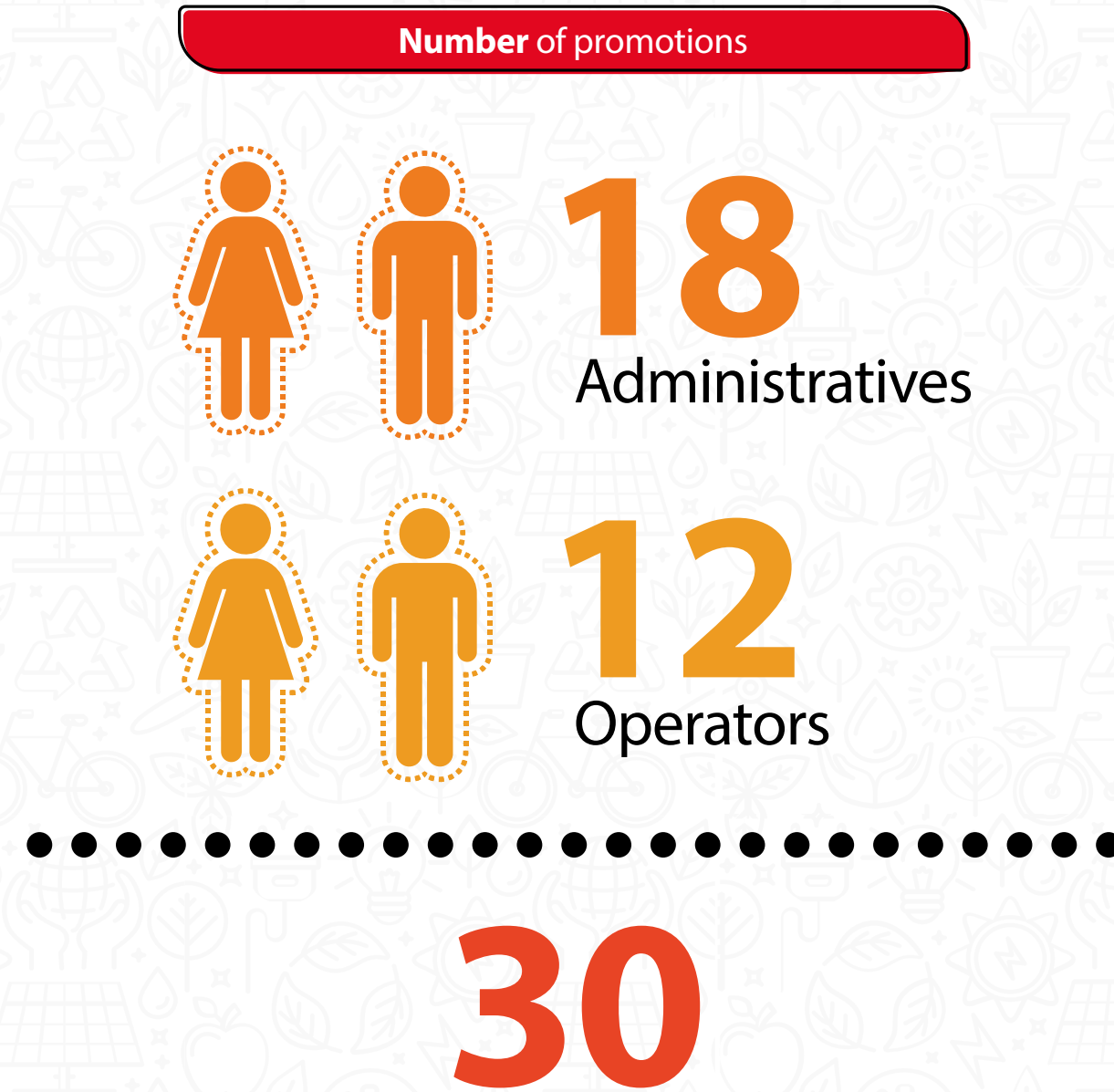
Virtual Training Center

Due to the geographic distribution of our tasks and always seeking to optimize the training periods, we implemented a remote educational tool called “PetStar Virtual Training Center”. This is based on an e-learning platform called Learning Management System (LMS) for managing our trainings.



Promotions

In order to foster the commitment, experience and knowledge of our Human Capital, we promote every vacancy among our own collaborators before opening it to the general public. Here are the results of the promotions we had during 2019:



Leadership Model for Excellency

We encourage our competitiveness on a basis of an innovative business model, which is focused on sustainability and a high-performance culture. We have strategic goals that generate value for shareholders, customers, collaborators, Collector Partners and our community; all of this has led us to develop leadership skills and an organizational culture based on a philosophy of excellence.

Following these ideas, we have an executive training model that aims to achieve an effective leadership for all our areas, as well as accomplishing our goals within an environment of personal well-being.



As a part for this process, we defined a leadership profile established on 15 key points that comply with our Sustainable Business Model. These points are evaluated and developed permanently through our integral program that includes different actions, such as: yearly performance evaluations, 360° evaluations, and a 90-hour training program (including 10 workshops, 2 awareness talks and a didactic process to be accredited). Additionally, we are developing a digital library, book clubs and training programs, such as certified coaching interventions.

From the perspective of our Leadership Model for Excellency, every leader in PetStar follows these 12 principles:

A **PetStar Leader** conducts under the following principles *



*Observable behaviors derived from the Competencies of the Leadership Model.

Performance Evaluation (3DR)

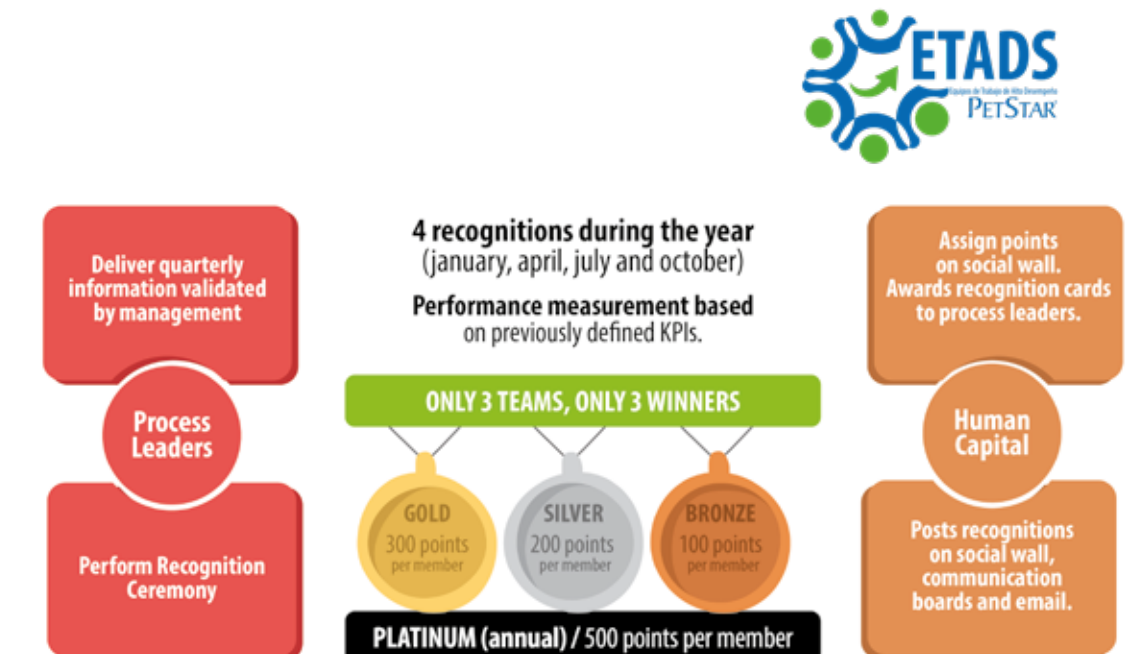
The strategic objective of the Yearly Performance Evaluation System is to increase productivity, competitiveness and integral development of our leaders in PetStar. In 2019, we implemented a program called 3DR to evaluate the performance of our leaders and will help us identify a talent cluster for their development; it will also detect their needs and recognize all the achievements regarding outstanding performance, in order to strengthen our teamwork culture and the results obtained.



High Performance Work Teams (known in Spanish as ETADS)

For generating productive and effective processes that include the active participation of our collaborators who also assume all their responsibilities and integral authority of their processes, we designed an organizational structure under the High-Performance Work Teams model. Through it, people are given the tools to assimilate, plan, evaluate, control, improve and innovate in their daily tasks, so they can be empowered and able to prevent and solve any problem within their KPI's (Key Performance Indicator).

Besides the training programs and resources, the teams have a recognition scheme for their achievements and an incentive for improving and making their processes more efficient.



Team Building

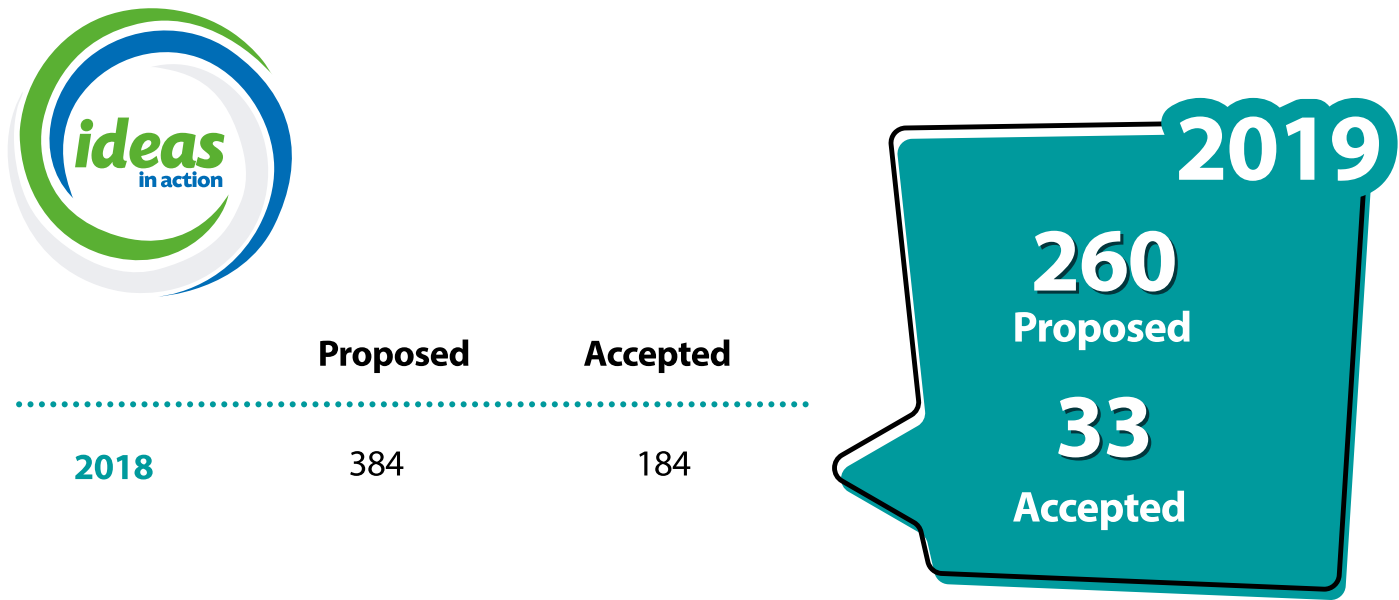
Committed to improvement and high performance of our collaborators, we take actions to reinforce their commitment, integration, collaboration and effective communication skills, while creating synergies. Among the different areas, we have several support actions, such as the Team Building.

As an example of this, we hosted an event for our collaborators in the Collection Plant located in San Luis Potosi; all the staff participated actively and thus, we were able to integrate the team which showed an increase of productivity.



Ideas in Action

This initiative seeks to encourage intelligent participation of all personnel for company's improvement and innovation through generating, validating and implementing ideas that are in line with the company's strategic objectives. One of its main objectives is to achieve the participation of at least 30% of our collaborators in order to generate and implement 30 improvement ideas to be executed during the year.



Quality of Life

As part of PetStar's commitment to be a good company to work for, we have implemented programs to maintain a pleasant work environment and benefits to encourage our collaborators.



Benefits:

- ☞ Savings Fund
- ☞ Supermarket Coupons
- ☞ Productivity Bonuses
- ☞ Life, Health and Dental Insurance
- ☞ Assistance for Funeral Expenses

iPetStar... Bien!

iPetStar Bien! is a platform to assist company collaborators in the development of a culture of wellbeing that is committed to health and the adoption of a healthful lifestyle to prevent disease and illness.



Well-being Model

iPetStar Bien! is our well-being model for all our collaborators. It is structured through the development and implementation of similar programs that seek the equilibrium of all aspects in a person's life: physical, emotional, spiritual, familiar, social and economic, as well as their own professional development.

Dimensions of well-being	Process and tools	Purpose
Physical	• Move on • Nutrition • Mega Challenge	Motivate collaborators about the importance of physical activity and promote good habits as part of a healthy life.
	• Advanced Security System	Establishment of a preventive system that guarantees the health and physical integrity of workers, suppliers, visitors as well as safeguarding the facilities.
Emotional	• Assessment of Culture and Work Environment	Know the level of collaborators satisfaction in their work and their identification with the culture of the organization to generate an improvement plan.
	• Passport	It promotes a sense of belonging with the organization based on knowledge of its key processes, its customers and suppliers, as well as Social Responsibility projects.
	• Living the Values	Raise awareness among all collaborators about the importance of living the values through specific behaviors and a permanent recognition program that generates productive and highly satisfactory work environments.
	• Dialogues with General Management	Promote the identification of the collaborators with the philosophy of the organization, its strategic objectives, sustainable business model and results.
Professional Development	• INEA Program	Formal regularization of basic education.
	• Annual Training Program • Virtual Training Center (Distance Training)	Development of technical and organizational skills.
	• Annual Performance Evaluation (3DR)	Evaluate and recognize the level of contribution of collaborators to the achievement of organizational objectives.
	• 360° Leadership Assessment	Identify the development opportunities of the Organization's leaders and integrate an individual development plan.
	• Talent Attraction	Having talent with the necessary skills.
Spiritual	• ETAD's	Promote the active participation of collaborators in teams that assume full responsibility and authority over their processes through their empowerment to assimilate, plan, evaluate, control, improve and innovate daily tasks, responding in a timely manner to the prevention and solution of problems for the fulfillment of KPI's.
	• Ideas in Action	Encourage the participation of collaborators in the generation of ideas that enable the continuous improvement and innovation of processes, services and products.
	• Non-discrimination Policy for Beliefs, Race, or Religion	Respect the individual beliefs of any collaborator without undermining their freedom of worship.
	• Religious Ceremony at End of Year Festivities • Presence of Religious Images in Plants	Allow the free expression of collaborators religious beliefs.
Economic	• Wages and Salaries • Benefits • Small Talks	Maintain a balance between the results of the work carried out by the collaborators and the incentives offered by the company, helping to maintain a balance in the dimension of economic life of our collaborators.
Social and Family	• Family Bonding	Link the family with a mechanism to support culture change and the well-being of both the collaborator and his family.
	• Assessment of Culture and Work Environment	Measure the set of shared values and beliefs within the company as well as the set of feelings and emotions that collaborators perceive in their workplace.
	• 0 Accidents Recognitions	Recognize the effort of each plant and motivate the collaborators to continue working to maintain a safe and healthy space.
	• Recognition Scheme	Define the criteria and mechanisms for the delivery of recognitions to collaborators that positively impact their motivation.
	• Social Wall	Have an internal communication mechanism that promotes the integration of collaborators and the reinforcement of organizational culture.

Prevent to... ¡PetStar Bien!

n PetStar we learn from our experiences. Therefore, starting in 2019, we strengthened our well-being model by incorporating a new line called “Prevent to... ¡PetStar Bien!”. Its main objective is to give all our collaborators a guideline and support in their patrimonial assets. We achieved this through the development of several meetings with professionals who gave us advice on matters of health, safety, patrimonial security and foresight plans.



Recognition Platform

En PetStar contamos con un esquema de reconocimientos competitivo que contribuye de acuerdo con nuestra política a la creación de un sentido de permanencia, pertenencia e incentivar el compromiso del personal con la filosofía de excelencia, seguridad, trabajo en equipo, mejora continua e innovación y el cumplimiento de objetivos y metas organizacionales, contribuyendo así a su bienestar. Para lograr esto, implementamos una herramienta tecnológica innovadora en la que los reconocimientos se otorgan a partir de la asignación de puntos electrónicos que, según el interés de los colaboradores, pueden ser canjeados por diferentes artículos que son seleccionados desde un menú dentro de una plataforma digital.



Safety and Health

Highlighted event: Environmental Excellence Award given by the government from State of Mexico

For the fourth year in a row, we received the Clean Industry award from the Attorney of Environmental Protection in State of Mexico (known in Spanish as PROPAEM) for our eco-friendly practices: our Sustainable PetStar Business Model generates social, economic and environmental value. Also, our Collection Plant located in Ecatepec received the same certification for the second year in a row. This event was conducted by Alfredo del Mazo Maza, Governor of the State of Mexico and the local Environment Secretary, Eng. Jorge Rescala Pérez; and both delivered 140 certifications to companies established in State of Mexico who willingly adopted measures for taking care of their natural surroundings.

Governor Del Mazo congratulated PetStar for being one of the most important worldwide enterprises that are committed with the environment.



According to the International Labor Organization, accidents in working places and occupational diseases represent a human and economic problem all around the world. Every 15 seconds one person dies while performing their jobs, whether it is caused by an accident or any illness that is work-related; therefore, protecting our employees is a key point for increasing our productivity and the development of them. The Advanced Safety System (ASS) is the tool we use to describe the yearly safety, health and environmental processes and programs. It complies with the current normativity and with our Internal Security Policy, which aims to preserve the integrity of our workers, visitors, suppliers and contractors.

In order to generate and maintain a healthy and safe work environment for all our workers, visitors, suppliers and contractors, who enter and / or work in our Collection Plants, we implement the Advanced Safety System.

SAS has been operating for more than 10 years and has evolved towards continuous improvement, in line with National and International Regulations. It was designed on the basis of the OHSAS 18001 standard, whose focus is particularly preventive, managing to obtain this certification since 2015 in addition to being recognized as a “Safe Company” by the Self-Management, Safety and Health at Work Program (PASST) since 2017.

Brigades and the Safety and Health Committee

At PetStar we are aware and attentive to possible emergencies; we organize groups of volunteers with an attitude of service to take part in the Safety and Health Committee and the Emergency Brigades at each plant. These groups participate actively in training and drills to provide timely response to aid in or prevent emergencies in the event of an incident that endangers personnel.

Brigades and the Safety and Health Committee

Brigades	18.2%	206 People
<hr/>		
SHC	5.8%	66 People

Recognition “0 Accidents”

PetStar recognizes plants that celebrate anniversaries with zero accidents, emphasizing the efforts and achievements of each plant as being safe, and encouraging them to continue working to maintain zero accidents.

This event brings together the family members of our collaborators for the purpose of sharing with them the importance of safety at PetStar, and our endeavors to provide the appropriate infrastructure for our workers and influence the development of a culture of safety.



Plant	Years
Toluca	4
Merida	1
San Luis Potosi	5
Acapulco	1
Monterrey	1
Xalostoc	1
Guadalajara	2
Reciclado	1

Relocation of our Collection Plant in Acapulco

This year, due to safety reasons and always seeking to improve the lives of our collaborators, our Collection Plant in Acapulco was relocated.



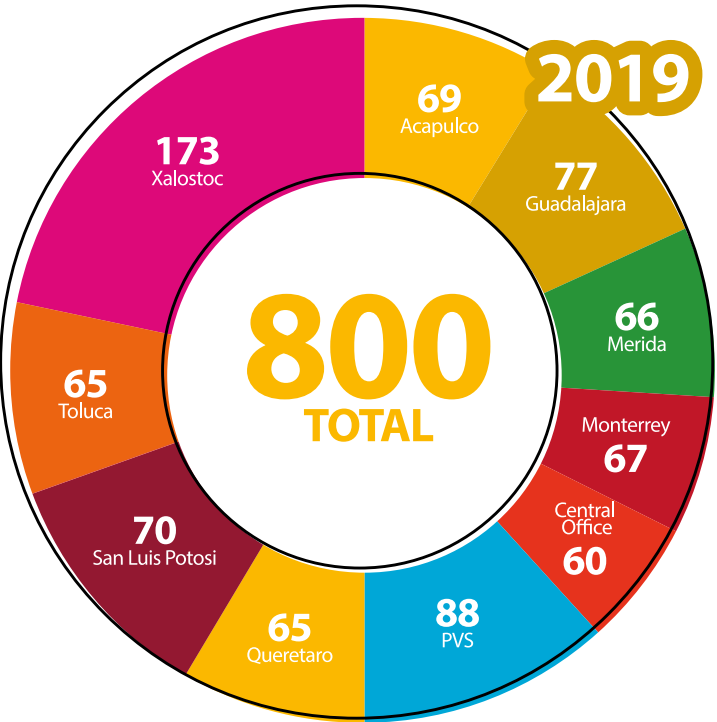
PetStar Passport

In 2016 we inaugurated an internal program called PetStar Passport, which focuses on strengthening our organizational culture and permanent training. Each year, this program is renewed so it can modify the knowledge activities that are carried out so every person who works in PetStar knows and understands first-hand how the different areas work, and how every daily task is important for achieving the company’s goals.

Most of our collaborators have said that since that experience, their own personal commitment with the company is “to

perform their jobs with responsibility, quality and a positive attitude, as well as working as a team.”

In 2019, collaborators from the Collection Plants and the headquarters visited several areas, including quality, production, transportation, commercial, maintenance and Botelloteca in Toluca, as well as our recycling plant. In this period, 201 collaborators also visited the polyolefins and cogeneration processes.



4. Botelloteca PetStar: is like a library for bottles. In this facility, we collect samples of every bottle in the market that follows the protocols from The Association of Plastic Recyclers (APR).

National Institute for Adult Education

Commitment to eliminate gaps in education

In 2017, PetStar signed an agreement with INEA (National Institute for Adult Education), the “Company Committed to [the Reduction] of Educational Gaps”, with the purpose in mind of combatting illiteracy and educational gaps for the benefit of those workers who had not finished elementary or junior high schooling.

In 2019, the program benefited 132 collaborators, of which 92 have already obtained their official certificate of studies, 18 are currently studying elementary school, 9 are studying junior high school and 13 dropped out.



Youngsters building the future

Along with the Mexican Coca-Cola Industry (MCCI, known in Spanish as IMCC), we followed the recommendations made by the Bureau of Labor and Social Security (known in Spanish as Secretaria del Trabajo y Prevision Social – STPS) in 2019 to become part of the program “Youngsters building the future”. This allowed us to open new positions to hire interns and apprentices in different areas of our company.

The goal of this social program is to help in the training of 2 million 300 thousand youngsters between 18 and 29 years old, who are not currently being part of any educational program and do not have a job; this contributes to boost their opportunities and be included in social and working environments.

In PetStar we are convinced that it is only through cooperation and co-responsibility between public and private sectors, as well as society, to walk through the right path into positively transforming our country. This program will be a way to boost the talent of our youngsters, while improving their quality of life.




Top Companies

In order to assess the climate and culture in a systematic manner, for the last five years we have applied the Expansion survey Super Companies, following the Top Companies methodology, a process audited by Price Waterhouse Cooper. This allows the company to learn of our personnel’s needs, determine employee satisfaction through comparison to world class companies, and to design a work plan together with our directors to tackle areas of opportunity and further strengthen our solid areas.

Through following this methodology, the company once again, for the fifth time, was considered in 2019 to be a Super Company in the 41st place within the category of 500 to 3,000 collaborators

As can be seen in the following table and referring to last year, we rose 3 places in the ranking, thereby demonstrating the commitment and effort to improve the work environment and advance in the consolidation of our organizational culture.



Year	Staff Approval	Top Ten	Place in the Ranking
2015	80.02%	91.57%	44
2016	81.61%	89.98%	41
2017*	77.47%	80.46%	48
2018	77.21%	84.01%	44
2019	77.08%	84.01%	41

*2017: Change of methodology.

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In 2019 we had the honor of being selected and recognized for our practice “¡PetStar Bien! Awards”, one of the winners among 400 practices registered by different enterprises.



Community Engagement



Community Integral Development Center (known in Spanish as CEDIC)

In order to improve the living conditions for the children of waste pickers, PetStar works with CEDIC, the Community Integral Development Center.

CEDIC has a positive effect on the integral development of low-income boys, girls and adolescents of the waste picker´s communities in Chimalhuacan and Netzahualcoyotl, State of Mexico; through using a joint-care model that provides informal education, health and nutrition to improve the quality of their lives.

This project is implemented in partnership with:

Dibujando un Mañana: an organization that helps other foundations dedicated to assist Mexican children and teenagers. They are responsible for coordinating the efforts different organizations that provide the services offered by CEDIC.

Comedor Santa Maria: non-profit organization dedicated to offer nutrition and education programs for more than 7,000 children with limited resources to cover their basic need of having food to eat.

Tesoros de la Sabiduria: non-profit foundation that helps children and teenagers in vulnerable situations. They take care of their education through an innovative model called “World of Knowledge”.

HOPE Worldwide Mexico: an international humanitarian cooperation agency with Special Consultative Status in the United Nations Economic and Social Council (ECOSOC). They develop programs so children all around the world can have a better quality of life. They support childhood, women and elder adults with medical and dental care, health and recreative education, as well as providing healthcare for the kids in CEDIC and community at large.



Mayama

With the purpose of expanding the social impact of the CEDIC model to other regions where PetStar is present, the company partnered with Mayama, a learning center that transforms the lives of disenfranchised boys, girls and families who make their living through waste picking and live in a marginal urban area of the metropolitan city of Guadalajara.

In 2019, 156 boys and girls received support through Mayama, with an investment of 3.36 million pesos, via three key groups: Mis Derechos (My Rights), Mi Desarrollo (My Development) and Mi Familia (My Family).



Social investment fund

As a result of selling the waste generated during the process, a social investment fund was created to support the different social projects related to the basis of our recycling chain. The Mexican Centre for Philanthropy (known in Spanish as CEMEFI) recognized us as a company committed to invest in social inclusion projects.



Economic Value



Value Chain

Our recycling process has two basic elements:

- **Collecting:** gather all the recyclable materials generated from our waste management infrastructure to classify them and leave them ready to be re-used. In Mexico, this process has a very important social component.
- **Recycling:** use technology to value the flow of the collected materials so they can be reincorporated to productive chains.

We work from a PetStar Inclusive Collection Model (PICM, known in Spanish as MAIP), which operates through 8 Collection Plants strategically distributed all over the country, so our waste pickers and collectors have certainty. We also have a plant for valuing the by-products and another one for recycling.

Our PSBM is based in circular economy, which is a concept that has become relevant in the past few years due to its pertinence and sense of urgency. It incorporates sustainability so no material ever becomes waste and stays in the economy for as long as possible, reducing the remains that cannot be used anymore.

HOW TO DISPOSE PLASTIC BOTTLES PROPERLY

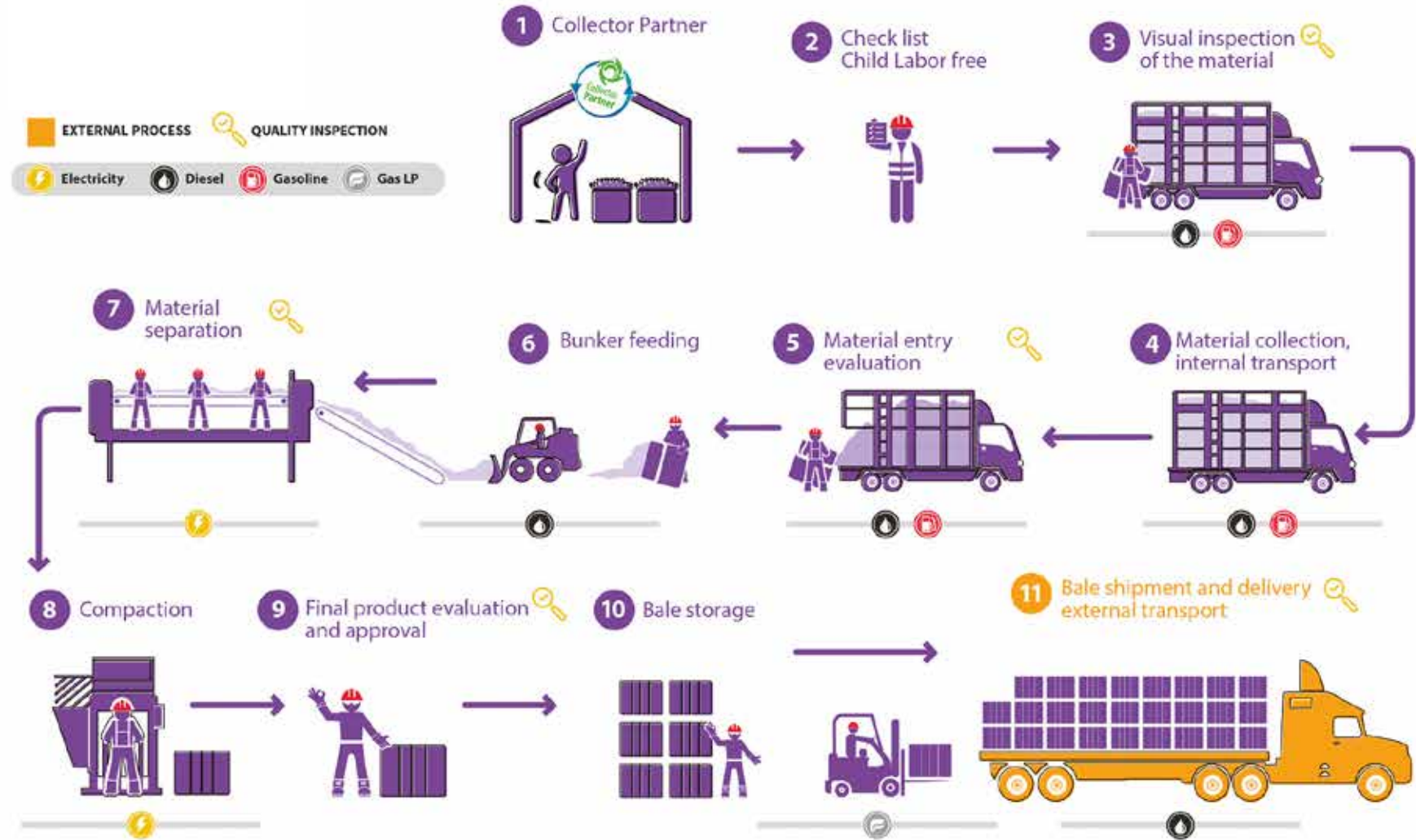


• DON'T RINSE - DON'T INTRODUCE OBJECTS •

Collection Processes

In PetStar we operate under a corporative sustainability philosophy that is fulfilled when we manage the collecting structure through an inclusive recycling model, which provides the recognition of “pepena” (a word from the Nahuatl word “Pepenar” that means to look for and select objects that can be used for something else).

100% of the bottles we process are collected with our own collecting and transport infrastructure.

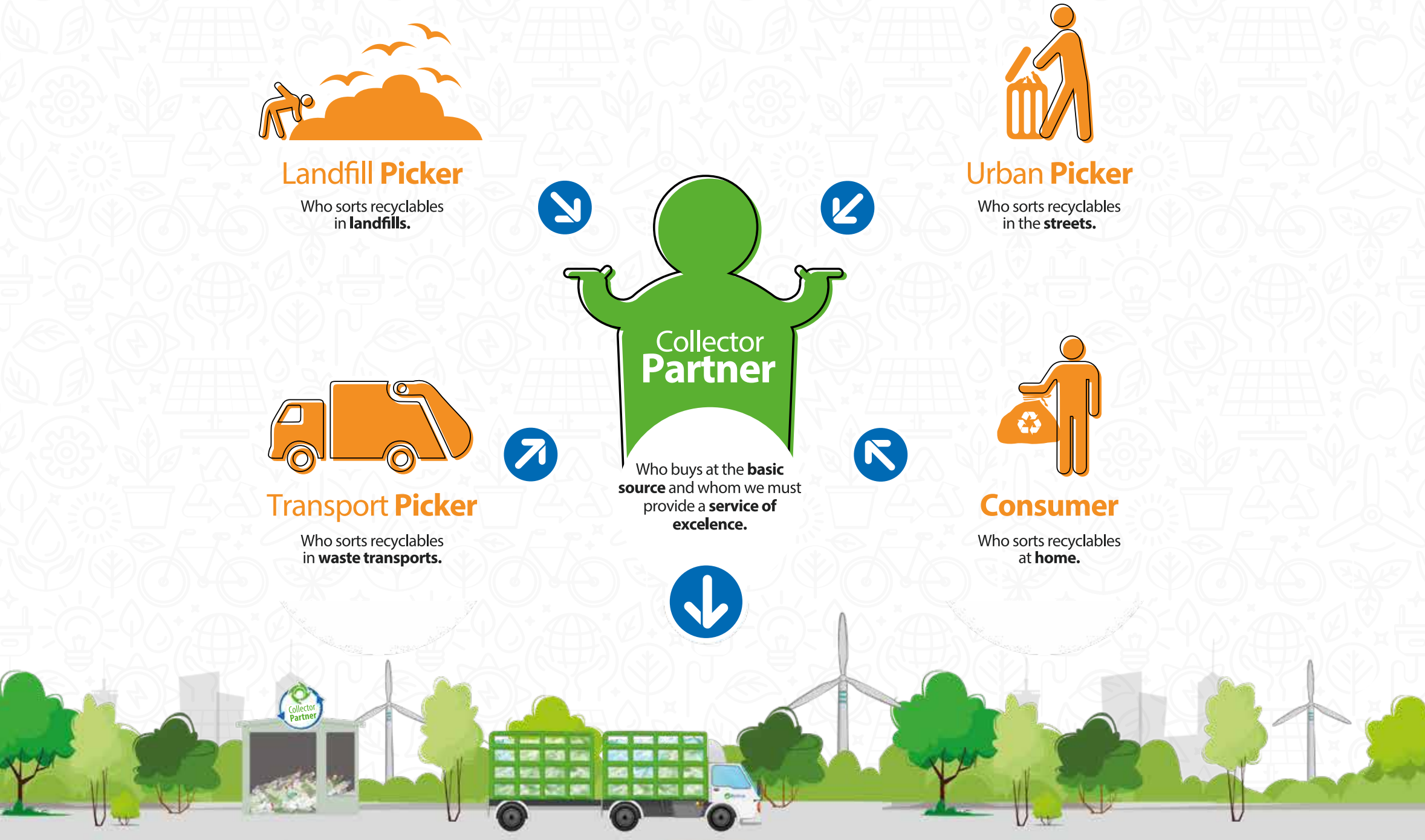


Our Collector Partners are the people who carry out the task of receiving recovered materials. They work out of a location where they perform the “basic consolidation” of clear PET containers; we provide quality service for receiving the collected goods through timely payment, consulting, and training, as well as paying market price for mixed materials for the ordinary assortment without shrinkage.

Our inclusive collection model brings dignity to the task, endowing the work with formal qualities within the supply chain and avoiding the use of middlemen.

Our Collector Partners allow us to expand the benefits of our Inclusive Collection Model to the collectors themselves (waste sorters at landfills or dumpsites, urban waste pickers, waste collectors and the consumer in charge of the responsible management of the waste). It is worth mentioning that, within the Collector Partners we have a model of community collection centers, so that a complementary productive project can be generated that benefits rural, indigenous or urban populations. This model is based on a logic that designs business models away from aggressive practices with the environment and its inhabitants.





PetStar Inclusive Collection Model

Through the PICM, PetStar drives social mobility and recognition of the work carried out by waste pickers and PET collectors, granting recognition to their labor through programs dealing with their needs for education and health, as well as inclusion initiatives that acquire a formal role in the free-of-child-labor supply chain. Thus, avoiding middlemen and enabling a Circular Economy to foster inclusive recycling in México.

In 2018 we organized the first inclusive recycling forum called "Towards an integral strategy for inclusive recycling in Mexico" with the collaboration of the *Centro de Colaboracion Civica (CCC)*, *Fundacion Tlaloc*, *Fundacion Avina* and the Research Institute for an Equal Development, from the Ibero American University. In this forum, representatives from the different recycling sectors, as well as the private, governmental social and academic sectors gathered to an interdisciplinary agenda that would keep the discussion current on those issues that today have an impact on the living conditions of the thousands of people who are informally engaged in the collection, separation and sale of valuable materials.

* (PICM, known in Spanish as MAIP),



Supply Policy Free of Child Labor

PetStar has assumed the commitment of **ZERO TOLERANCE** of Child Labor throughout its supply chain and verifies compliance with minimum working age provisions.

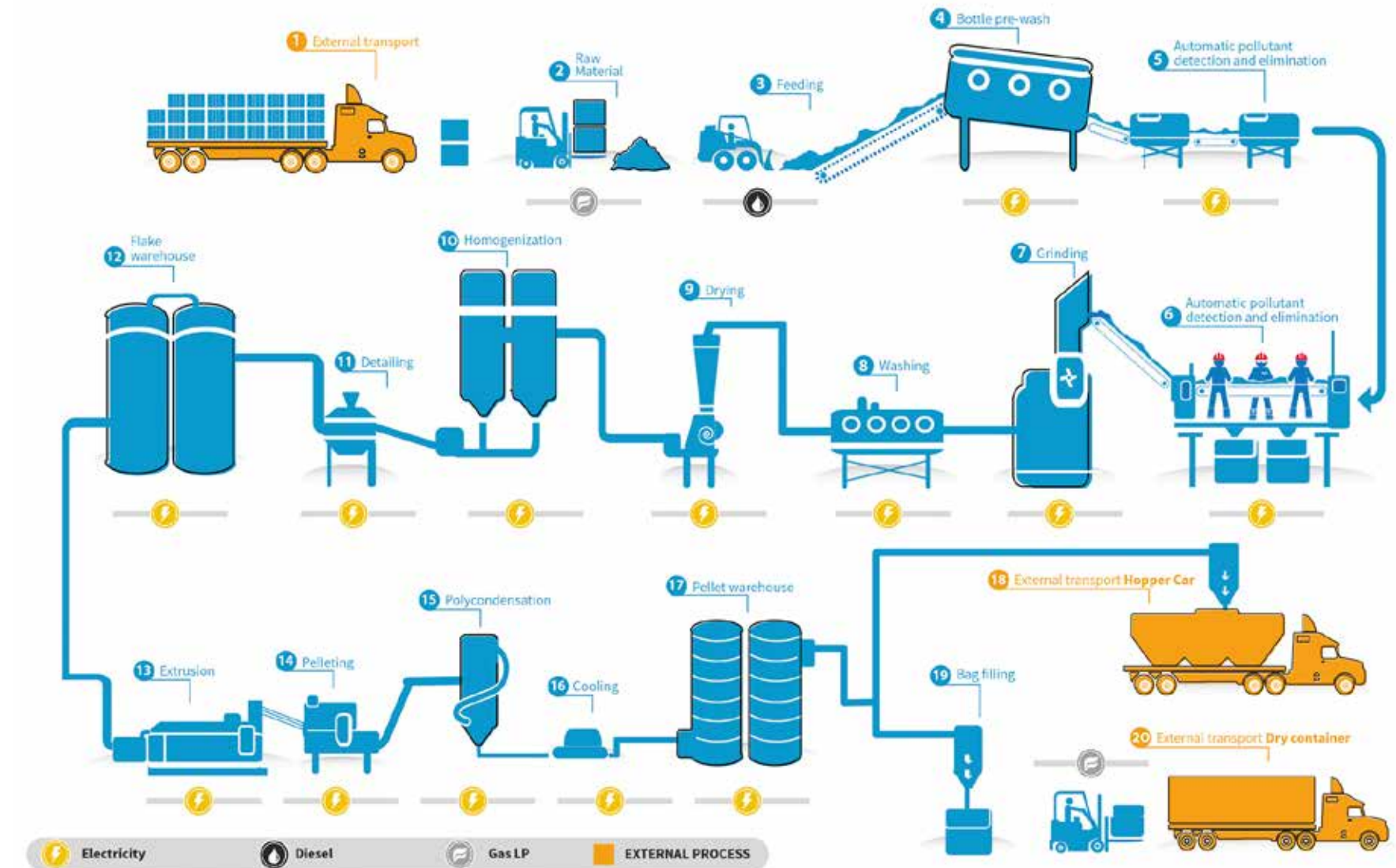
In PetStar we respect and promote the rights stated in the Convention of Children´s Rights, signed in 1989 and backed up by 192 countries – including Mexico. In the same way, we aim to eradicate child labor in the collection of PET containers through an internal policy that encourages our suppliers to promote childhood´s best interests.

In collaboration with a workgroup, we created a basic manual on childhood rights called: “From childhood rights we build citizenship”. This document includes several topics such as Human Rights, children´s citizenship and kids’ participation. Thanks to this manual, girls and boys can get to know their rights and reinforce their knowledge through a work booklet that comes with the manual. All of this is created so children and teenagers can be more protected and have a better quality of live.



Girls and boys
playing and studying,
¡PetStar recycling!

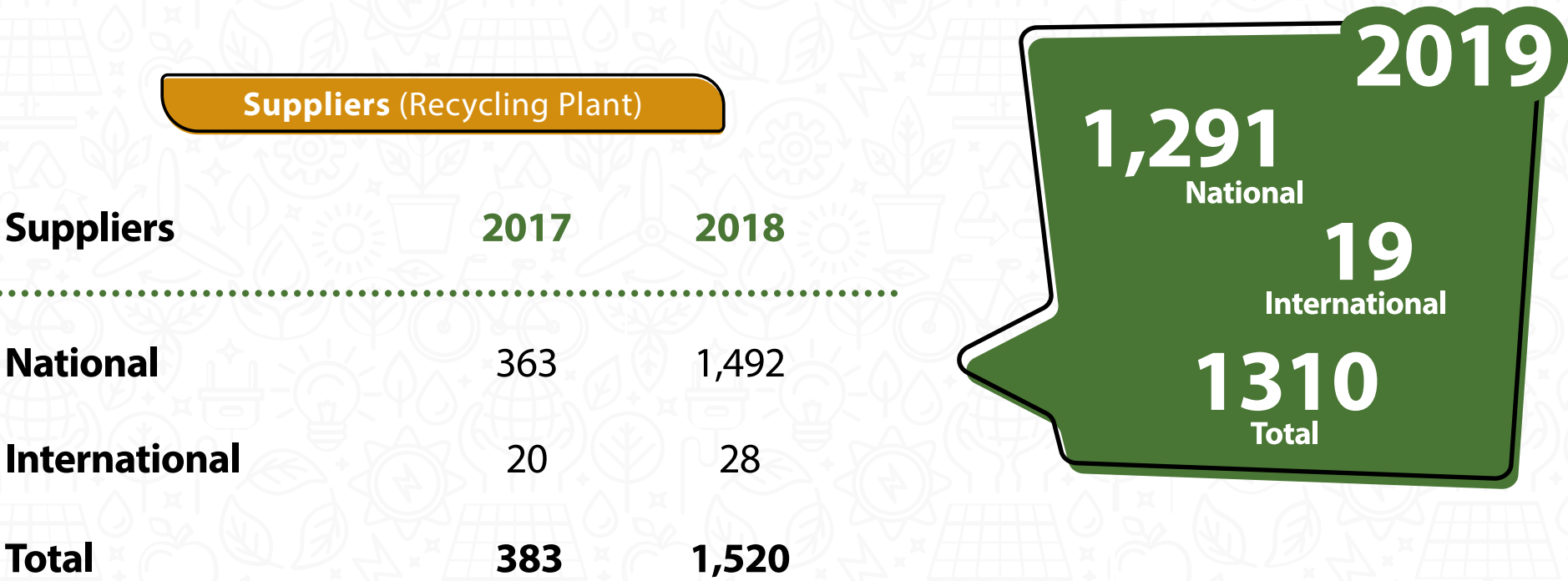
Recycling Processes



Suppliers

To develop our suppliers and assess their compliance of our principles, we carry out performance audits and work programs pursuant to the areas of opportunity detected in said audits, and through enforcing standards, including ISO9001, ISO 22000, OSHAS 18001, ISO 14001 and ISO 50001 throughout our value chain.

In order to prevent conflicts of interest between our suppliers and employees, we have an institutional normative that forbids all our suppliers to have any kind of relationship with our collaborators so we can avoid a situation that could turn into a current or potential conflict of interest.



Product: PetStar Reborn

PetStar Reborn is the first recycled food grade PET resin in the world to be Cradle to Cradle™ Certified

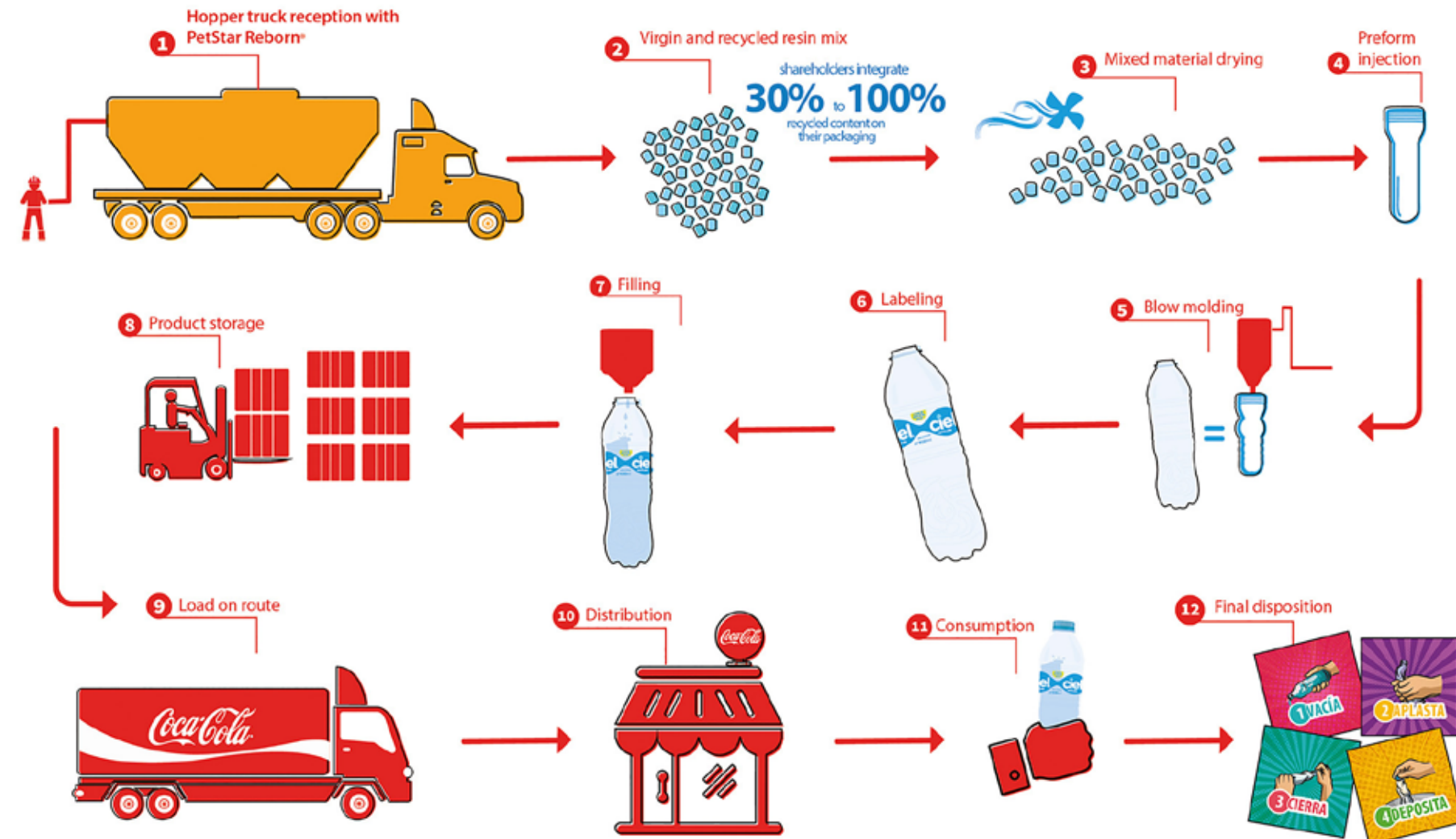
The challenge to prove that our Sustainable Business Model allows the creation of a product that is sustainable through time, motivated us to participate in obtaining the Cradle to Cradle certification; it promotes a concept inspired in nature, and the product's circular economy without generating more waste.

By taking care of the people who are part of our supply chain, we have internalized a Human Rights perspective and contribute to not leave anyone behind. Not leaving anyone behind has become part of the solution when fighting against climate change by becoming a carbon neutral company, and simultaneously reduce to zero our water footprint. We do not leave anyone behind when we inspire the sum of all efforts or having more initiatives aimed to recover PET containers post-consumption.

In PetStar we are convinced that, just as an orchestra plays symphonies thanks to the harmonious participation of all its members, creating a sustainable symphony requires talent in every sector of society; we must serve to the highest yearnings of a global society, such as achieving a #WorldWithoutWaste and the Sustainable Development Goals (SDG) assuring that no one is left behind.



Customers Processes



Direct Customers

PetStar's direct customers are:

Recycled resin: 7 bottling plants belonging to the Mexican Coca Cola Industry.

By- products: 20 national and foreign clients, according to availability.

The final customer is the consumer of bottled products with our recycled resin, who in turn continue the virtuous circle of recycling PET containers upon proper disposal.

Customer Satisfaction Assessment

The process systematically measures compliance with finished product specifications for each delivery, and on an annual basis an assessment is carried out through applying a questionnaire to determine customer satisfaction regarding the quality and safety of the product, client-supplier communications, and follow-up to resolving complaints and claims. The results of the annual assessment are analyzed to generate corrective and/or preventive actions wherever opportunities are identified. The resulting information is shared with the CEO, who in turn analyzes the information with the Board of Administration's Technical Committee.

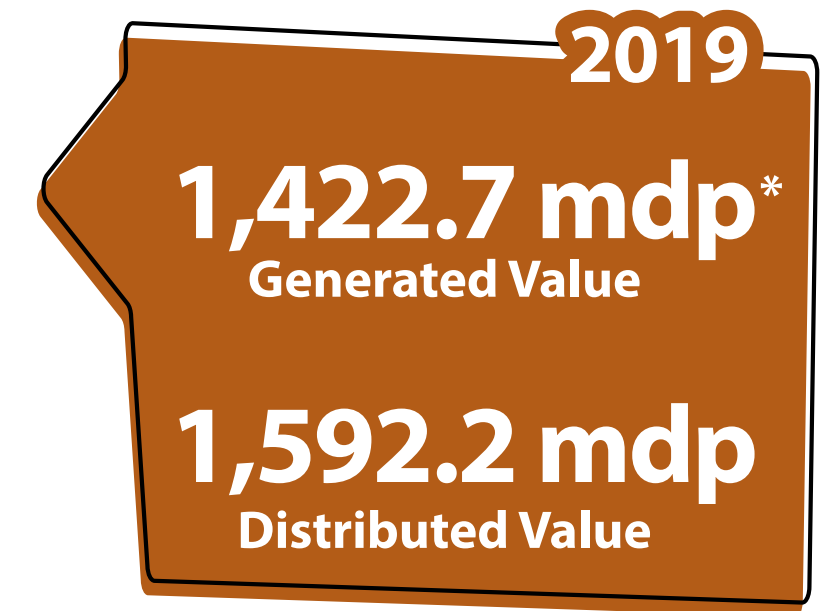
Statement of income

The responsible performance in economic matters of our management is evident in the accumulated results for the year 2019 as can be seen in our financial data:

Relationship with Customers

Our relationship with customers is based on our Customer Service Process. This Process entails understanding the utilization of a given product in the client's process, as well as understanding the logistics, transportation, safeguarding the custody of the goods, and unloading the product at the client's Collection Plants to ensure compliance of commitments regarding the quality and safety of the product. We also identify areas of opportunity, concerns, and new requirements and suggestions to better guide the continuous improvement and innovation of our processes.

We schedule visits to our clients at their Collection Plants on a timetable drawn up annually, for the purpose of understanding the performance and utilization of the product and the conditions under which it is transformed, and we review the complaint and claims that may have arisen. The information resulting from the visit is then shared with all operations managers, so that they can implement the necessary actions to solve the problem or opportunity identified. Each client is visited at least twice a year.



*MDP: for its initials in Spanish for million pesos.

Environmental Value



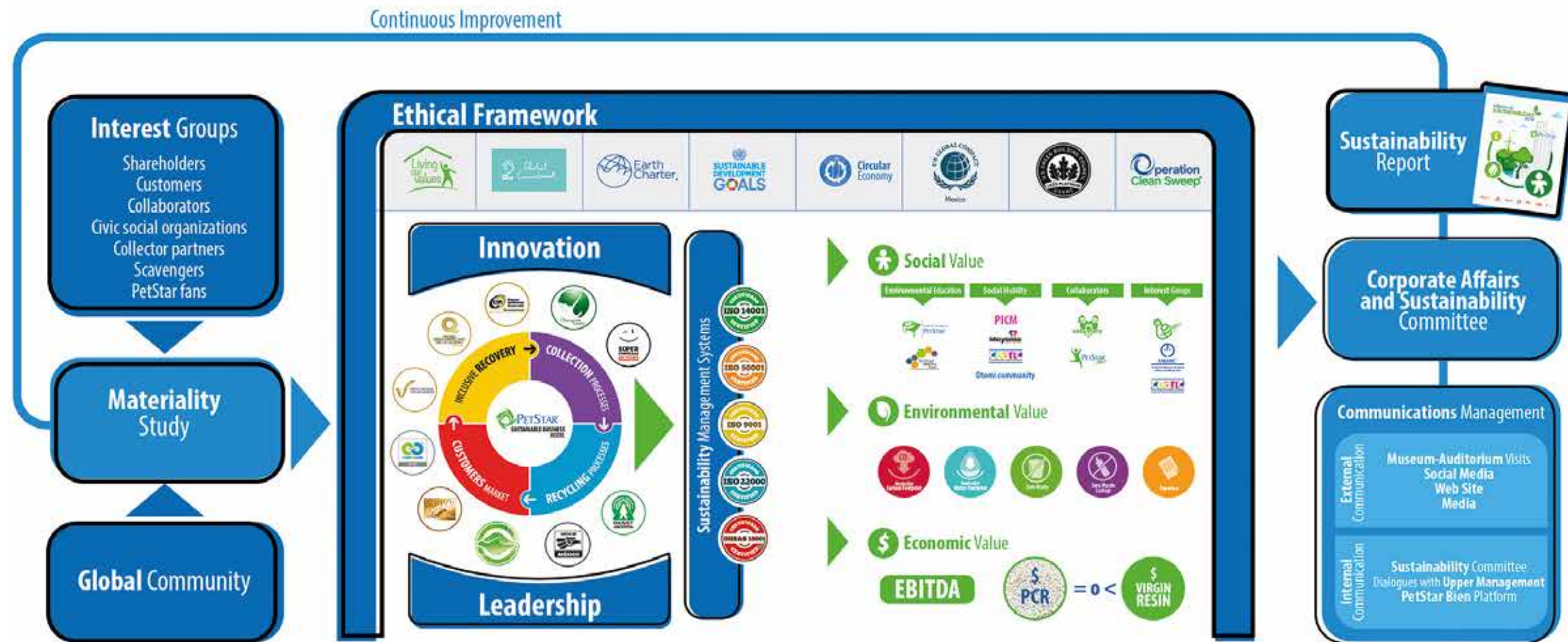
Corporate Sustainability Philosophy

For us, sustainability is the basis of our business model, but it is also the main tool to create a different future that fosters inclusion, living in harmony and respecting the environment.

Through the corporate sustainability system, we contribute to global sustainability by acting locally. We manage our Sustainable Business Model by recognizing and empowering our waste pickers, trash collectors and vulnerable communities through an inclusive method for collecting and recycling. This has opened new ways for developing a circular economy by incorporating recycled food grade PET resin in the elaboration of new bottles, avoiding the use of more natural resources in the process and minimizing waste generation. Therefore, it has managed to become an agent with positive impacts while complying with the Sustainable Development Goals so no person, resource or container is left behind.



Sustainability System



Environmental Projects

In order to achieve the strategic objective of becoming a worldwide reference in the production of top quality food-grade recycled PET resin, lower carbon footprint, and lower water footprint –and do so at a competitive price compared to virgin resin–, PetStar works on projects that focus on the reduction and mitigation of greenhouse gases, as well as optimizing consumption and water treatment to promote its reuse and improve our water footprint.

Green Rooftops and PetStar Nursery Garden

Committed to be an agent of change, we have installed two green rooftops for restoring our habitat, producing oxygen and absorbing CO2 emissions; it also helps to collect rainwater for watering and sanitary use, and reduce the environmental pollution through succulent plants. We also have a nursery garden where we rehabilitate our plants and produce new ones. In 2019 we donated 2,891 plants in several events, and to people who visited the Museum Auditorium; this has encouraged the care and revaluation of nature.





In keeping with PetStar's Philosophy for Corporate Sustainability, we have established ambitious environmental goals for the year 2020.

Neutralize Carbon Footprint

To be carbon neutral in 2020, PetStar has produced an annual inventory of verifiable greenhouse gas emissions starting in 2010 as the base year.

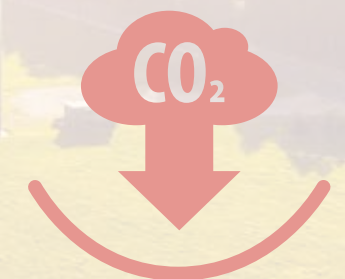
Resin	Emissions (Tco ₂ e/ton)	Production (Ton/year)	Emissions (Tco ₂ e)	Avoided Use Of Virgin Resin (Tco ₂ e)	Avoided Use Of Virgin Resin (%)
Virgin	2.330	50,000	116,500		
PetStar 2017	0.277	51,049	14,141	-102,359	-88%
PetStar 2018	0.219	50,816	11,129	-105,371	-90%

2019		
0.156 Emissions (Tco ₂ e/ton)	51,789 Production (Ton/year)	8,079 Emissions (Tco ₂ e)
-108,421 Avoided Use Of Virgin Resin (Tco ₂ e)	-93% Avoided Use Of Virgin Resin (%)	

PetStar, to reduce its carbon footprint, has launched the following initiatives:

- Use of wind energy since 2016; to date, 83% of the energy used in processes comes from wind.
- Implementation of an energy cogeneration project to optimize the thermal energy that is produced during the washing process; at present, 12% of the energy consumed stems from this project.
- Energy efficiency project for lighting to reduce consumption of electrical power, improve lighting in work areas, optimize natural lighting, and establish control and measurement of energy efficiency and consumption.
- Installation of solar panels on the recycling plant's rooftop parking lot to generate all electrical energy used for the Museum Auditorium.
- Efficiency in energy consumption for operational processes.

* Errata faith: The note shown at the bottom and following the table —Energy Consumption— on page 41 of the 2018 Sustainability Report, are not related to each other, since the aforementioned table refers to energy consumption, while the note explains only the percentage of Electric Power.





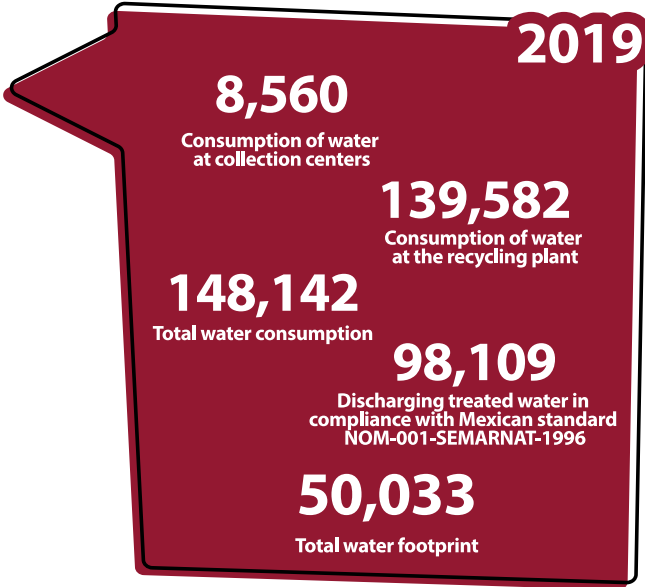
Neutralize Water Footprint

According to the Sustainable Development Goals, specifically #6 which aims to guarantee the availability of water, its sustainable management and its sanitation for everyone, one of the environmental goals we have set for 2020 is to neutralize our water footprint.

Water used in our recycling plant goes through 5 cycles: rinsing, washing, floating, grinding and pre-washing; then it goes to sewage treatment. In our recycling plant, we treat all the water we use.

For achieving a zero-water footprint we carried out a yearly verified inventory based on the one we made in 2017.

	2017	2018
Consumption of water at collection centers	7,758	7,837
Consumption of water at the recycling plant	166,239	147,044
Total water consumption	173,997	154,881
Discharging treated water in compliance with Mexican standard NOM-001-SEMARNAT-1996	91,575	98,961
Total water footprint	82,442	55,920



PetStar has launched the following initiatives, designed to reduce its water footprint:

- Establishment of a water treatment plant at the recycling plant for the physical, chemical and biological treatment of all water used in the plant's recycling processes.
- Implementation of water mitigation projects, such as: use of dry urinals; use of automated devices for water use in restrooms; foster a culture of efficient water use.

Zero Waste

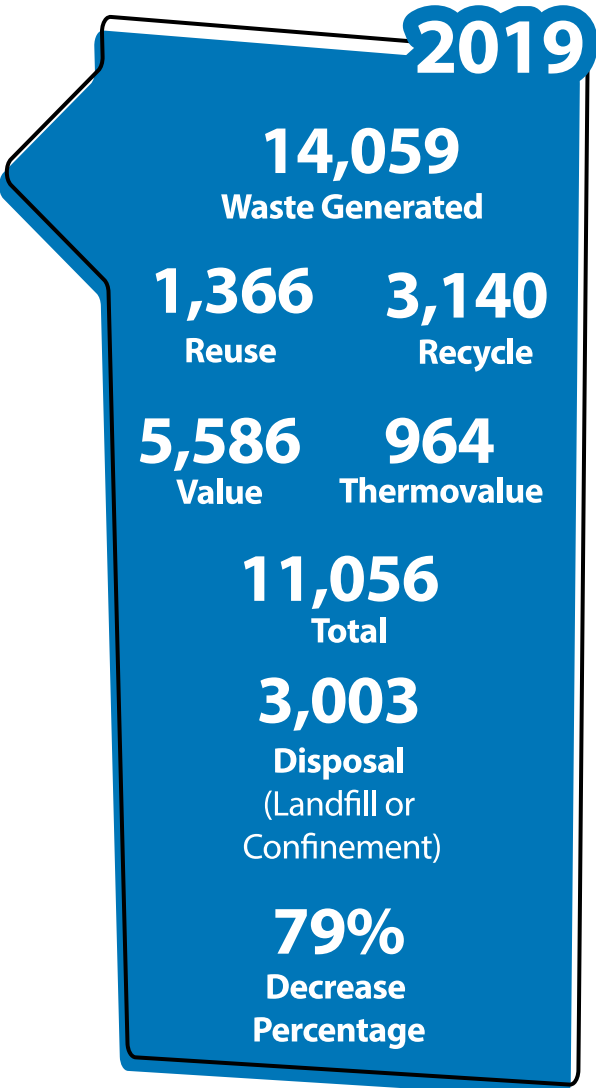
PetStar has launched the following initiatives to reduce the waste it generates:

- A project for the extrusion of polyolefin to assess by-products.
- Assessment of all by-products.



Waste generated

	2018
Waste Generated	14,059
Reuse	776
Recycle	3,542
Value	3,652
Thermovalue	656
Total	8,627
Disposal (Landfill or Confinement)	5,432
Decrease Percentage	61%



Zero Plastic Leaks

- Improvement of rain drainage gutters and grated to avoid leakage of plastics.
- Implementation of the Clean Sweep Operation at all plants.



Paperless

- We motivate identifying opportunities to reduce the use of paper in all the organization's processes, encouraging the digitization of administrative processes.
- Development of a culture on the correct use and disposal of paper.
- Disposal and recycling of paper through specialized suppliers.



	2017	2018	2019
Total paper sheets	1,599,375	1,285,227	939,296
Total kilograms	7,673	6,166	4,506
Reduction percentage		-20%	-41%

Moving Forward Together: Volunteer Program

Sustainability Committees

At PetStar we have established a Central Sustainability Committee to design and implement in a participatory manner an agenda that contributes to meeting the company's sustainability objectives.

At the local level, each collection plant has a Local Sustainability Committee, a multidisciplinary group made up of the Manager, Accountant, Human Capital, two Commercial Representatives, Quality Manager, Production Manager, Transportation and Maintenance Manager and two volunteers who rotate every year.

Volunteer program for the environment

The volunteer program is managed through local committees, the purpose of which is to collaborate with different civil society organizations, authorities, companies and institutions in the search for sustainability by revaluing local actions.

In 2019 we carried out 4 volunteer activities with the participation of 787 volunteers, including PetStar collaborators, family and friends.

Volunteer Program

World Recycling Day

217

World Tree Day

445

787
volunteers

112

World Day Without a Car

13

Christmas at CEDIC



Recycling
wills,
transforming
realities

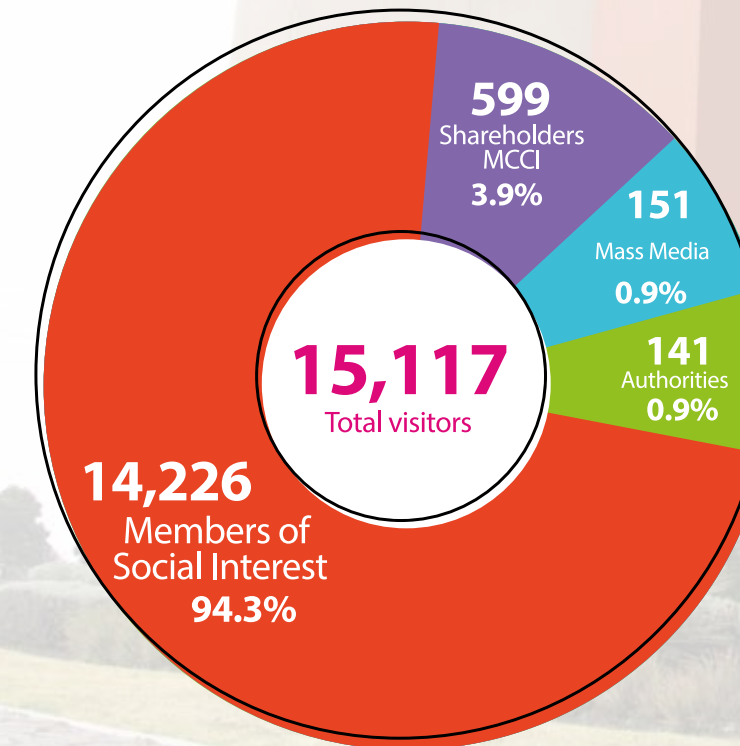
Environmental Education: Museum Auditorium

The Museum Auditorium opened its doors in 2013 with the mission of encouraging the shared responsibility and culture of recycling. We receive more than 15,000 visitors every year inspiring them to think in a sustainable way.

Trying to increase our audience, since 2016, **we have managed to have an impact on more than 200,000 people through our website**, where our virtual tour and CO2 calculator can be found.



Scan the QR code with your mobile device to access the Virtual Tour.



Visitors

2017 2018

Total Visitors 14,518 14,282

2019

15,117
Total Visitors



Multiple Use Hall

Following these ideas, we built the Multiple Use Hall (known in Spanish as SUM) as a complimentary space so people can know the benefits of sustainability and recycling. It also encourages communication with stakeholders, as well as the implementation and consolidation of strategic alliances with authorities, companies and civil society that contribute to generate social, environmental and economic value.



Documentary: Healthy Oceans If We Recycle

In 2018 we launched the campaign “Healthy Oceans If We Recycle”; Its goal is to raise awareness among people to keep their neighborhoods clean in order to avoid waste in our oceans and encouraging the correct PET disposal: Empty – Flatten – Re-cap – Dispose.

In that same year, we participated in the Latin American Green Awards with this campaign, and we obtained the second place. We were also one of the winning stories of the “Main Character Awards”, to participate in a documental directed by DIRECTV, being one of the most inspiring projects for taking care of the environment in Latin America.

The winning countries, besides Mexico, were Chile, Ecuador and Haiti; all of them looked for solutions to the main problems in their communities and generated a positive chance, as well as a legacy for a more sustainable planet.



Scan the QR code with your mobile device to access the documentary Healthy Oceans If We Recycle.



PetStar Influencer



Highlighted Events



National Agreement of the New Circular Economy

Along with more than 60 companies, associations and chambers, we signed the National Agreement of the New Circular Economy in Mexico's Senate. This agreement contemplates ambitious goals for 2025, which include adding 20% of recycled content in every plastic container, innovate in their design so they can be reusable, recyclable, compostable or profitable based on The New Plastics Economy Global Commitment launched in 2018 by the Ellen MacArthur Foundation and the United Nations Environment Program (UNEP).



Iberoamerican Quality Award

In 2019 we showed once again that we are an example of quality all around the world when the President of the Iberoamerican General Secretariat handed us the Golden Ranking Iberoamerican Quality Award. This recognizes the excellency and the highest levels of sustainable management of the organization, competing with winning companies of the National Quality Awards in Iberoamerican countries.

With this prize, we clearly express our commitment with sustainability and our vision to set up excellency examples worldwide for encouraging competitiveness. We also show that it is possible to have a collection and recycling chain in Mexico with the highest quality standards through our Sustainable Business Model



Prizes and Awards



SRC (Socially Responsible Company) Distinction awarded by CEMEFI⁴

Recognized as Socially Responsible Company for the sixth consecutive year.



SRC for 1% Social Investment granted by CEMEFI

Recognition for donating at least 1 % of profits before taxes to a social cause. PetStar is one of the first companies to launch this social commitment.



SRC Committed to Social Inclusion, awarded by CEMEFI

Distinction for the commitment to promote social inclusion within the company.



Clean Transportation, awarded by SEMARNAT⁵

Recognition of the vehicular fleet for efficiency and for being environmentally friendly.



Clean Industry awarded by PROFEPA⁶ and PROPAEM⁷

This award is for companies with Level of Environmental Development 2 (NDA2). Distinction granted to the recycling plant in the city of Toluca.



Super Companies 2019, awarded by Grupo Editorial Expansión

Ranked 41st place in companies with 500 to 3,000 employees.

4. Mexican Center for Philanthropy.
5. Ministry of the Environment and Natural Resources.
6. Federal Department for Environmental Protection.
7. Office for the Protection of the Environment in the State of Mexico.



INEA

Award to educational commitment and free of educational gap.



Hecho en Mexico

A 100% Mexican company that contributes to the national economy, using Mexican labor and materials.



Safe Company Self-Management Program for Safety and Health in Working Spaces

Recognition awarded by the Bureau of Labor and Social Security (known in Spanish as Secretaria del Trabajo y Previsión Social – STPS) to 9 Collection Plants.



National Quality Award

National Quality Award in 2017 for “Organizational Innovation”.



World Class Reliability & Maintenance

Recognition awarded by IDCON INC for being one of the two companies worldwide to obtain the highest score among 200 evaluated companies for their best practices regarding preventive maintenance, working management and the elimination of problems from its origin, among others.



Iberoamerican Quality Award (Golden Level)

Maximum recognition in Iberoamerica that distinguishes excellency and sustainable management of the organization, competing with winning companies of the National Quality Award in Iberoamerican countries.

Certifications

In order to maintain standards of quality and safety, PetStar has been certified under the most renowned industry standards:



Cradle To Cradle

The Cradle to Cradle Products Innovation Institute founded by William McDonough and Michael Braungart, promotes a concept inspired in nature that does not produce waste, once the product has been used, the residue does not end up in our natural ecosystems, but rather becomes a part of the next productive chain as biological or technical nutrient (Cradle to Cradle™). This cycle is known as Circular Economy.



ISO 9001

Certification for quality in processes and products at all 10 plants.



ISO 14001

Certification of environmental processes at all 10 plants.



ISO 22000

Certification for safety in processes and products at the recycling plant in the city of Toluca.



ISO 50001

Certification of energy efficiency at all 10 plants.



ISO 39001

Road safety management certification for Ecatepec Collection Plant.



OHSAS 18001

Certification of occupational health and safety at the recycling plant in the city of Toluca.



LEED Platinum (Leadership in Energy & Environmental Design)

Certification granted by U.S. Green Building Council to the PetStar Museum–Auditorium for being a sustainable building.



Clean Industry

This award awarded by PROFEPA (Federal Department for Environmental Protection) and PROPAEM (Office for the Protection of the Environment in the State of Mexico) is for companies which have compliance with the law and the implementation of good environmental practices.



Memberships and associations

PetStar affirms its leadership in diverse civil society and industry plastics organizations with whom it has associated –some as members of the Board– and in which it exerts a strategic influence.



PetStar works closely on sustainability matters with the most important international initiatives.



The Earth Charter

In 2014, PetStar signed accession to The Earth Charter, a declaration of ethical principles based on the construction of a fair, sustainable and peaceful global society.

The draft project for The Earth Charter entailed the most inclusive and participatory process ever executed for the creation of an international declaration. This is precisely the source that legitimizes the process as a guiding ethical framework. The legitimacy of the document has been further strengthened through the support of more than 6,000 organizations, including many government agencies and international bodies.

The Charter seeks to inspire all people a new mindset of global interdependence and shared responsibility focused on the well-being of the human family, the greater community of all life, and on future generations. The Charter offers a vision of hope and a call to action.

At a time when education for sustainable development has become imperative, The Earth Charter provides a highly valuable educational tool. Through its accession, PetStar reiterates its commitment to contributing to global sustainability through local and regional action and through sharing this message with all its stakeholders.



The Global Compact

In 2016, PetStar acceded to the United Nations' Global Compact, an initiative promoted in 1999 by then Secretary General of the United Nations, Kofi Annan. In 2018, PetStar took on a new role within the Compact as a member of the Board of The Global Compact Local Network in Mexico.

With more than 13,000 signatories in over 170 countries, this is the foremost voluntary corporate social responsibility initiative in the world.

The purpose is to transform the global market to empower a sustainable and responsible private sector based on 10 principles in fields related to human rights, work, the environment and corruption.

The United Nations' Global Compact pursues two main objectives:

- To embed the 10 Principles in business activities all over the world.
- To channel actions to support the United Nations' broadest goals, included in the Sustainable Development Goals (SDGs).



Operation Clean Sweep

One of our environmental goals in 2020 is having zero plastic leaks through actions that help us prevent the loss of pellets in our process and to avoid any damage to the natural ecosystems. One of the most significative achievements of this was to get the Blue level in the Operation Clean Sweep international program; PetStar is the first Mexican company to obtain it.

In 2015 we added up to this initiative with the program “Zero Pellets” to make improvements in several areas to avoid losses of plastic, we also participated actively in training all the organization members so they know how to manage, clean and disposal of plastic, as well as companies who are willing to be part of this program.

Nowadays, we do not settle with this. We want to set the same actions in our 8 Collection Plants and inspire more companies to follow our example.



New Plastics Economy Global Commitment

In 2018, PetStar undersigned the New Plastics Economy Global Commitment, spearheaded by the Ellen MacArthur Foundation and the United Nations Environment Program.

The commitment focuses primarily on the following objectives:

- Elimination of problematic or unnecessary plastic packaging and substitute disposable packaging models for others that are reusable.
- Innovate to guarantee that 100% of plastic packaging is reusable, recyclable or compostable.
- Circulate plastic and significantly increase the quantity of reusable plastic transformed into new packaging or goods.

To date, over 300 international organizations have joined the commitment. PetStar is part of the first group of signatories, together with its main shareholder, Arca Continental; both, in turn, belong to the Mexican Coca-Cola Industry. This commitment serves to strengthen the latter’s campaign “World Without Waste”, whose global objective is to collect and recycle 100% of its packaging by 2030 and manufacture its bottles with an average of 50% recycled content.



Sustainable Development Goals

PetStar’s operation is in alignment to the Sustainable Development Goals (SDGs), a new global agenda for sustainability by the year 2030.

The SDGs, adopted on September 25, 2015, by world leaders, comprises 17 ambitious goals for the eradication of poverty, protection of the planet and guarantee of prosperity.

PetStar has shouldered the challenges therein stated and has become an active part of a much-needed change, acting locally and regionally, as well as inspiring other companies, governments, social organizations and people to do the same.



UNEP’s Clean Seas

According to the United Nations Environment Program (UNEP), plastic pollution is everywhere –from the shores of Indonesia to the ocean floor in the North Pole, and it is rising through the food chain and reaching our tables.

“According to estimates, 99% of all birds will have ingested some kind of plastic by mid-century”, said Petter Malvik, UNEP’s Communications Officer.

In February 2017, the United Nations Environment Program launched the #Clean Seas campaign during the World Ocean Summit organized in Bali by The Economist. This campaign urges governments to approve policies for the reduction of plastic and urges industry to minimize the use of plastic containers and redesign its products, calling on consumers to change their waste disposal habits before there is irreversible damage to our seas. The campaign now represents the greatest worldwide partnership to counter plastic pollution in oceans.

“The citizens of Latin America and the Caribbean are adopting bold, exemplary measures to counter plastic pollution in their oceans and protect their valuable marine resources”, said Leo Helleman, Regional Director for UNEP for Latin America and the Caribbean.

As PetStar’s commitment attests to through its outstanding initiatives in terms of sustainability, the company undersigned the UNEP #Clean Seas agreement in 2018 and launched its campaign “Healthy Oceans if We Recycle”.



Principles for a Sustainable Ocean

Part of our commitment to the environment, in 2019 we started backing up the Principles for a Sustainable Ocean from the United Nations Global Compact: a framework for having commercial practices that are responsible with the ocean in all sectors and geographic areas.

We commit to guarantee that the risk materials and opportunities related to the ocean can be integrated in our corporative strategy, waste management and its reporting.

The ocean is vital for humanity’s well-being and prosperity. In order to materialize the ambitions in the worldwide community just as the Sustainable Development Goals have set, it is necessary to widen the use of the ocean to produce food, energy, raw materials and transportation. Executing these activities in a sustainable way will contribute to reduce global warming and the deterioration of the environment. Granting a healthy ocean gives important opportunities to the enterprises and the world’s economic growth.

As described in Goal #14 regarding underwater ocean life, there is an urgent need to protect and restore the oceans’ health, which has been severely affected due to high temperatures, acid concentrations, the shortage of natural resources and the pollution of ground and sea ecosystems. These Principles for a Sustainable Ocean are based and complemented on the 10 principles contained in the United Nations Global Compact on Human Rights, labor, environment and fight against corruption.

We, as signatories of these principles, recognize the worldwide urge and relevance of a healthy ocean. Therefore, we will take actions to promote the oceans’ well-being for current and future generations. The Principles for a Sustainable Ocean are divided into three categories:

1. Oceans’ health and productivity
2. Governance and commitment
3. Data and transparency



Methodology and materiality

About this Report

The PetStar Sustainability Report 2019 records the company's activities and results, and its financial, social and environmental performance from January 1st through December 31st, 2019.

This Report has been drawn up pursuant to Essential Option of the GRI Standards, as well as on the Principles of the Earth Charter, the Sustainable Development Goals (SDGs), and the Principles of the Global Compact. An independent third party audited this paper: Boutique de Negocios Responsables, S.A. de C.V., which reviewed the content and performance indicators to find this Report contains reliable data.

Promotora ACCSE, S.A. de C.V. performed the drafting and design of the report.

To determine the content, an analysis of materiality was implemented, consisting of direct consultations with collaborators, clients and suppliers, as well as indirect consultations with secondary sources of information.

The report's content, drafting and design was approved by the Central Sustainability Committee, headed by the Company's CEO.



Materiality Analysis

PetStar materiality analysis comprised four steps:

1. Direct consultations: An online survey was conducted with 5 groups of stakeholders to learn about their perception of the importance of PetStar's social responsibility:



2. Indirect consultations: sAn investigation was conducted of public sources of information, such as:

- Journalistic articles
- Sectoral organizations
- International organizations

3. Consistent topics between the different sources were identified to be considered as the most relevant.

4. The results were plotted according to the ranking assigned by each group of stakeholders and the company's impact on these issues.

In this assessment, five new issues were considered:

- **Climate change as a risk-opportunity in the company's operations**
- **Level of risk about the operations of this company or its suppliers engaging in child labor.**
- **Occupational health and safety care in the workplace**
- **Product Safety Care (PET)**
- **Consumption of electricity and fuels in the workplace.**

We will continue to work on these issues to meet and improve the expectations of our stakeholders.

Topic	Relevance for stakeholders	Impact of the company
1. Recycling, collection and water reuse	3.67	4
2. Inclusion, wage equality and development of diverse groups	3.5	3
3. Measurement and actions to drop GHG emissions	3.44	4
4. Impact on habitats and biodiversity	3.38	4
5. Environmental regulations for the Company	3.32	4
6. Climate change as a risk-opportunity in the company's operations	2.92	4
7. Level of risk about the operations of this company or its suppliers engaging in child labor	2.85	4
8. Occupational health and safety care in the workplace	2.70	4
9. Product Safety Care (PET)	2.62	4
10. Consumption of electricity and fuels in the workplace.	2.54	4

Index of GRI content “according to”
GRI standards: essential option

GRI Standard	Content	Page/ Direct answer	Omissions
GRI 101: Fundamentos 2016			
Contenidos Generales			
GRI 102: General Contents	102-1 Organization’s name	PetStar S.A.P.I. de C.V.	
	102-2 Activities, brands, products and services	Who we are? p. 11 PetStar Sustainable Business Model p. 17 Corporate Governance p. 19 Economic Value p. 51-53 Product: PetStar Reborn p. 59	
	102-3 Headquarters location	Contact p. 102	
	102-4 Operations location	Workforce broken down by region and position p. 29	
	102-5 Nature of the ownership and legal form	Corporate Governance p. 19	
	102-6 Served markets	PetStar Shareholder’s Map p. 20 Customer’s Process p. 60	
	102-7 Size of the organization	Our People p. 27 PetStar in Numbers p. 6-7 Statement of Income p. 61	
	102-8 Information about employees and other workers	Our People p. 27	
	102-9 Supply chain	Suppliers p. 58	
	102-10 Significant changes in the organization and in its supply chain	Relocation of our Collection Plant in Acapulco p. 45	
	102-11 Caution principle or approach	Committees within the Board of Administration p. 21	
	102-12 External initiatives	PetStar Influencer p. 77	
	102-13 Associations and accessions	PetStar Influencer p. 82-85	
	102-14 Statements of top executives responsible for decision making processes	Letter from Our CEO p. 8	

GRI Standard	Content	Page/ Direct answer	Omissions
GRI 102: General Contents	102-15 Main impacts, risks and opportunities	Letter from Our CEO p. 8. PetStar in Numbers p. 6-7 Committees within the Board of Administration p. 21 Materiality Analysis p. 88	
	102-16 Values, principles, standards and conduct standards	Organizational Culture, Conduct and Ethics Code, Coca-Cola’s Supplier Guiding Principles, Human Rights Protocol, Behavior guideline for “Living our Values” p. 22-24	
	102-17 Counselling mechanisms and concerns	Organizational Culture, Conduct and Ethics Code, Coca-Cola’s Supplier Guiding Principles, Human Rights Protocol, Behavior guideline for “Living our Values”, Transparency Inbox p. 22-25	
	102-18 Governance structure	Corporate governance p. 19	
	102-19 Delegation of authority	Corporate governance p. 19	
	102-20 Executives’ responsibility related to economic, environmental and social affair	Corporate governance p. 19	
	102-21 Consultation with stakeholders about economic, environmental and social affairs	Materiality Analysis p. 88	
	102-22 Board of administration and its committees	Corporate governance p. 19	
	102-23 Chairman of the Board	Corporate governance p. 19	
	102-24 Nomination and selection to the board of administration	Corporate governance p. 19	
	102-25 Conflicts of interest	Conduct and Ethics Code p. 23	
	102-26 Role of the board of administration when choosing objectives, values and strategy	Corporate governance p. 19	
	102-27 Collective knowledge of the board of administration	Corporate governance p. 19	
	102-28 Performance evaluation of the board of administration	Corporate governance p. 19	
	102-29 Identification and management of economic, environmental and social impacts	Letter from Our CEO p. 8. PetStar in Numbers p. 6-7 Committees within the Board of Administration p. 21 Materiality Analysis p. 88	
	102-30 Risk management efficiency	Letter from Our CEO p. 8. PetStar in Numbers p. 6-7 Committees within the Board of Administration p. 21 Materiality Analysis p. 88	
	102-31 Review of economic, environmental and social topics	Letter from Our CEO p. 8. PetStar in Numbers p. 6-7 Committees within the Board of Administration p. 21 Materiality Analysis p. 88	

GRI Standard	Content	Page/ Direct answer	Omissions
GRI 102: General Contents	102-32 Role of the board of administration when developing sustainability reports	About this Report p. 87	
	102-33 Communicating ethical concerns	Materiality Analysis p. 88	
	102-34 Total number and nature of critical concerns	Materiality Analysis p. 88	
	102-35 Compensation policies	Board of Administration p. 21	
	102-36 Process to determine compensation	Board of Administration p. 21	
	102-37 Stakeholders engagement in compensation	Board of Administration p. 21	
	102-38 Total annual compensation ratio	Confidentiality issues. Salaries are not information public for personal safety.	
	102-39 Percentage increase ratio of the total annual compensation	Confidentiality issues. Salaries are not information public for personal safety.	
	102-40 Stakeholders list	Materiality Analysis p. 88	
	102-41 Collective contract negotiation	Human Capital p. 30	
	102-42 Identification of stakeholders	Materiality Analysis p. 88	
	102-43 Approach for stakeholders participation	Materiality Analysis p. 88	
	102-44 Key topics and concerns mentioned	Materiality Analysis p. 88	
	102-45 Entities included in consolidated financial statements	Shareholders PetStar p. 20 Statement of Income p.61	
	102-46 Definition of the contents of the report and Coverages of the topic	Materiality Analysis p. 88	
	102-47 List of material topics	Materiality Analysis p. 88	
	102-48 Information restatement	There were no changes.	
	102-49 Changes during the preparation of reports	There were no changes.	
	102-50 Reporting period	January 1 to December 31, 2019.	
	102-51 Date of the last report	2019.	
	102-52 Cycle of reports preparation	Annual.	
	102-53 Contact for report questions	Contact Information p. 102	
	102-54 Statement of the report in accordance with GRI Standards	About this Report p. 87	
	102-55 Index of GRI content	GRI Content Index GRI p. 90	
	102-56 External verification	Independent verification p. 87	

GRI Standard	Content	Page/ Direct answer	Omissions
Material Topics			
Environment			
Material			
GRI 103: Management Approach	103-1 Explanation of the topic and its Coverage	Sustainability System p. 64 Environmental Goals 2020 p. 66	
	103-2 Management approach and its components	Corporate Sustainability Philosophy, Sustainability System p. 63-64 Environmental Goals 2020 p. 66	
	103-3 Evaluation of the management approach	Sustainability System p. 64. Certifications p. 80-81	
GRI 301: Materials	301-1 Materials used by weight or volume	PetStar in Numbers p. 6-7. Zero Waste p. 70	
	301-2 Recycled inputs	PetStar in Numbers p. 6-7. Zero Waste p. 70	
	301-3 Reused products and packaging materials	PetStar in Numbers p. 6-7. Zero Waste p. 70	
Water			
GRI 103: Management Approach	103-1 Explanation of the topic and its Coverage	Environmental Goals 2020 p. 66	
	103-2 Management approach and its components	Environmental Goals 2020 p. 66	
	103-3 Evaluation of the management approach	Environmental Goals 2020 p. 66	
GRI 303: Water	303-1 Water extraction by source	Environmental Projects p. 65. Neutralize Water Footprint p. 69	
	303-2 Water sources dramatically affected by water extraction	There is no affectation of water sources derived from the operations of PetStar.	
	303-3 Recycled and reused water	Neutralize Water Footprint p. 69	
Biodiversity			
GRI 103: Management Approach	103-1 Explanation of the topic and its Coverage	Documentary: Healthy Oceans If We Recycle p. 75	
	103-2 Management approach and its components	Documentary: Healthy Oceans If We Recycle p. 75	
	103-3 Evaluation of the management approach	Zero Plastic Leaks p. 71 Documentary: Healthy Oceans If We Recycle p. 75	
GRI 301: Materials	304-1 Operating centers owned, rented or managed, located inside or nearby to protected areas or areas with a high biodiversity outside of protected areas	Environmental Education: Museum Auditorium p. 73	
	304-2 Significant impacts of activities, product and services on biodiversity	Zero Plastic Leaks p. 71	

GRI Standard	Content	Page/ Direct answer	Omissions
GRI 301: Materials	304-3 Protected or restored habitats 304-4 Species included in the IUCN Red List and in domestic conservation listings with habitats located in areas affected by the operations	Green Rooftops and PetStar Nursery Garden p. 65 Plants and the PetStar corporate have no impact on biodiversity and other protected areas.	
Emissions			
GRI 103: Management Approach	103-1 Explanation of the topic and its Coverage 103-2 Management approach and its components 103-3 Evaluation of the management approach	Corporate Sustainability Philosophy, Sustainability System p. 63-64 Environmental Goals 2020 p. 66 Corporate Sustainability Philosophy, Sustainability System p. 63-64 Environmental Goals 2020 p. 66 Corporate Sustainability Philosophy, Sustainability System p. 63-64 Environmental Goals 2020 p. 66	
GRI 305: Emissions	305-1 Direct GHG emissions (scope 1) 305-5 Reducing GHG emissions	Neutralize Carbon Footprint p. 67 Neutralize Carbon Footprint p. 67	
Environmental Compliance			
GRI 103: Management Approach	103-1 Explanation of the topic and its Coverage 103-2 Management approach and its components 103-3 Evaluation of the management approach	PetStar Sustainable Business Model p. 17. Suppliers p. 58 Corporate Sustainability Philosophy p. 63 Sustainability System p. 64 PetStar Sustainable Business Model p. 17. Suppliers p. 58 Corporate Sustainability Philosophy p. 63 Sustainability System p. 64 PetStar Sustainable Business Model p. 17. Suppliers p. 58 Corporate Sustainability Philosophy p. 63 Sustainability System p. 64	
GRI 307: Environmental Compliance	307-1 Non compliant with rules and regulations and environmental standards	No significant fines or sanctions were received for environmental concepts. Suppliers p. 58. Certifications p. 80-81	

GRI Standard	Content	Page/ Direct answer	Omissions
Social			
Non Discrimination			
GRI 103: Management Approach	103-1 Explanation of the topic and its Coverage 103-2 Management approach and its components 103-3 Evaluation of the management approach	Conduct and Ethics Code p. 23 Conduct and Ethics Code p. 23 Conduct and Ethics Code p. 23	
GRI 406: Non Discrimination	406-1 Discrimination cases and corrective actions implemented	Transparency Inbox p. 25	
Human Rights Evaluation			
GRI 103: Management Approach	103-1 Explanation of the topic and its Coverage 103-2 Management approach and its components 103-3 Evaluation of the management approach	Conduct and Ethics Code, Coca-Cola's Supplier Guiding Principles, Human Rights Protocol, Behavior guideline for "Living Our Values" p. 23-24 Supply Policy Free from Child Labor p. 56 Conduct and Ethics Code, Coca-Cola's Supplier Guiding Principles, Human Rights Protocol, Behavior guideline for "Living Our Values" p. 23-24 Supply Policy Free from Child Labor p. 56 Conduct and Ethics Code, Coca-Cola's Supplier Guiding Principles, Human Rights Protocol, Behavior guideline for "Living Our Values" p. 23-24 Supply Policy Free from Child Labor p. 56	
GRI 412: Human Rights Evaluation	412-1 Operations under review or impact evaluations on human rights 412-2 Training for employees on policies or procedures of human rights 412-3 Agreements or contracts with significant investment including recitals on human rights or subject to a human rights evaluation	Supply Policy Free from Child Labor p. 56 "Working in Harmony" Workshops, Training Courses p. 31 Supply Policy Free from Child Labor p. 56	
Local Communities			
GRI 103: Management Approach	103-1 Explanation of the topic and its Coverage 103-2 Management approach and its components 103-3 Evaluation of the management approach	Collector Partners, PetStar's Inclusive Collection Model p. 53-55 Collector Partners, PetStar's Inclusive Collection Model p. 53-55 Collector Partners, PetStar's Inclusive Collection Model p. 53-55	
GRI 413: Local Communities	413-1 Operation including the engagement of the local community, impact evaluations and development programs	Transparency Inbox p. 25 Safety and Health p. 43 Community Engagement p. 48	



Global Compact












Area		Principles of the Global Compact	Page
Human Rights	1	Businesses should support and respect the protection of internationally proclaimed human rights, recognized internationally, within their sphere of influence.	Coca-Cola’s Supplier Guiding Principles, p. 23 Supply Policy free from Child Labor, p. 56
	2	Businesses should make sure they are not complicit in human rights abuses.	
Labor Questions	3	Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Human Capital, p. 30
	4	The elimination of all forms of forced and compulsory labor.	
	5	The effective abolition of child labor.	
	6	The elimination of discrimination in respect of employment and occupation.	
Environment	7	Business should support a precautionary approach to environmental challenges.	Environmental Projects, p. 65
	8	Undertake initiatives to promote greater environmental responsibility.	
	9	Encourage the development and diffusion of environmentally friendly technologies.	
Anti-corruption	10	Business should work against corruption in all its forms, including extortion and bribery.	Conduct and Ethics Code, p.23; Transparency Inbox, p.25; Supply Policy free from Child Labor, p.56



Sustainable Development Goals

	SDG	Description	How PetStar live them	Page
People	1 NO POVERTY	End poverty in all its forms everywhere.	<ul style="list-style-type: none">Social Investment FundPetStar’s Inclusive Collection ModelTraining and DevelopmentYoungsters building the future	<ul style="list-style-type: none">p. 49p. 55p. 31p. 46
	2 ZERO HUNGER	Eradicate hunger, attain food security, improve nutrition and promote sustainable agriculture.	<ul style="list-style-type: none"><i>iPetStar Bien!</i>Community Integral Development CenterMayama	<ul style="list-style-type: none">p.40p.48p.49
	3 GOOD HEALTH AND WELL-BEING	Ensure healthy live and promote well-being for all at all ages.	<ul style="list-style-type: none"><i>iPetStar Bien!</i>Well-being ModelPrevent to... <i>iPetStar Bien!</i>	<ul style="list-style-type: none">p.40p.41p.42
	4 QUALITY EDUCATION	Obtaining quality education is the foundation to improving people’s lives and sustainable development.	<ul style="list-style-type: none">Youngsters building the futureCommitment to eliminate gaps in educationCommunity Integral Development CenterMayama	<ul style="list-style-type: none">p.46p.48p.49
	5 GENDER EQUALITY	Attain gender equality and empower all women and girls.	<ul style="list-style-type: none">PetStar’s Sustainable Business ModelConduct and Ethics CodeTransparency InboxOur PeopleHuman Capital’s Policy	<ul style="list-style-type: none">p.17p.23p.25p.27p.30
Planet	6 CLEAN WATER AND SANITATION	Guarantee the availability of water and its sustainable management, and sanitation for all.	<ul style="list-style-type: none">Environmental ProjectsNeutral Water FootprintUNEP’s Clean Seas	<ul style="list-style-type: none">p.65p.69p.85
Prosperity	7 AFFORDABLE AND CLEAN ENERGY	Guarantee access to affordable, safe, sustainable and modern energy for all.	<ul style="list-style-type: none">Environmental ProjectsNeutral Carbon FootprintEnergy Consumption	<ul style="list-style-type: none">p.65p. 67p.68
	8 DECENT WORK AND ECONOMIC GROWTH	Promote sustained, inclusive and sustainable economic growth, fair and productive employment and decent work for all.	<ul style="list-style-type: none">PetStar’s Sustainable Business ModelCoca-Cola’s Supplier Guiding PrinciplesHuman Capital’s PolicyInternal CommunicationNumber of PromotionsPerformance Evaluation (3DR)PetStar’s Inclusive Collection Model	<ul style="list-style-type: none">p. 17p. 23p. 30p. 30p. 34p. 37p. 55



Prosperity		INDUSTRY, INNOVATION AND INFRASTRUCTURE Build resilient infrastructure, promote inclusive and sustainable industrialization, and drive innovation.	<ul style="list-style-type: none">• PetStar’s Sustainable Business Model p. 17• Ideas in Action p. 38• Top Companies p. 47• Product: PetStar Reborn p. 59• Iberoamerican Quality Award p. 77• Certifications p. 80• New Plastics Economy Global Commitment p. 84• Operation Clean Sweep p. 84• National Agreement of the New Circular Economy p. 77
		REDUCED INEQUALITIES Reduce inequality in and among countries.	<ul style="list-style-type: none">• Coca-Cola’s Supplier Guiding Principles p. 23• Our People p. 27• Number of Promotions p. 34• PetStar’s Inclusive Collection Model p. 55
		SUSTAINABLE CITIES AND COMMUNITIES Ensure that cities and human settlements are inclusive, safe, resilient and sustainable	<ul style="list-style-type: none">• PetStar’s Sustainable Business Model p. 17• Earth Charter p. 83
Planet		RESPONSIBLE PRODUCTION AND CONSUMPTION Guarantee consumption modalities that are sustainable and protected.	<ul style="list-style-type: none">• PetStar’s Sustainable Business Model p. 17• Coca-Cola’s Supplier Guiding Principles p. 23• Collecting Processes p. 52• Product: PetStar Reborn p. 59• Neutral Carbon Footprint p. 67• Environmental Education: Museum Auditorium p. 73
		CLIMATE ACTION Adopt urgent measures to combat climate change and its effects	<ul style="list-style-type: none">• Neutral Carbon Footprint p. 67• Zero Waste p. 70• Zero Plastic Leaks p. 71• Sustainability Committees p. 72
		LIFE BELOW WATER Sustainable conservation and use of the oceans, seas and marine resources for sustainable development.	<ul style="list-style-type: none">• Documentary: Healthy Oceans If We Recycle p. 75• UNEP’s Clean Seas p. 85
		LIFE ON LAND Protect, reestablish and promoted the sustainable use of land ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity sustainably.	<ul style="list-style-type: none">• PetStar’s Sustainable Business Model p. 17• Green Rooftops and PetStar Nursery Garden p. 65• Neutral Carbon Footprint p. 73• Environmental Education: Museum Auditorium p. 67• Multiple Use Hall p. 74
		PEACE, JUSTICE AND STRONG INSTITUTIONS Promote peaceful and inclusive societies for sustainable development, facilitate access to justice for all and create efficacious, responsible and inclusive institutions at all levels.	<ul style="list-style-type: none">• Conduct and Ethics Code p. 23• Coca-Cola’s Supplier Guiding Principles p. 23• Transparency Inbox p. 25• Earth Charter p. 83
Alliances		PARTNERSHIPS FOR THE GOALS Strengthen the means of execution and revitalize the global partnership for sustainable development.	<ul style="list-style-type: none">• Certifications p. 80• Memberships and Associations p. 82

Principles of the Earth Charter



Principles	Page
I. RESPECT THE EARTH AND TAKE CARE OF THE COMMUNITY OF LIFE	
1 Respect Earth and life in all its diversity	
2 Care of the community of life with understanding, compassion and love	<ul style="list-style-type: none">• PetStar’s Sustainable Business Model, p. 17• Corporate Governance, p. 19• Sustainability System, p. 64
3 Build democratic societies that are just, participatory sustainable and peaceful	
4 Secure Earth’s bounty and beauty for present and future generations	
II. ECOLOGICAL INTEGRITY	
5 Protect and restore the integrity of Earth’s ecological systems, with special concern for biological diversity and the natural processes that sustain life.	
6 Prevent harm as the best method of environmental protection and, when knowledge is limited, apply a precautionary approach.	<ul style="list-style-type: none">• Highlighted event: Environmental Excellence Award given by the government from State of Mexico, p. 43• Collector Partners, p. 53• PetStar’s Inclusive Collection Model, p. 55• Environmental Goals 2020, p. 66• Environmental Education: Museum Auditorium, p. 73
7 Adopt patterns of production, consumption, and reproduction that safeguard Earth’s regenerative capacities, human rights, and community well-being.	
8 Advance the study of ecological sustainability and promote the open exchange and wide application of the knowledge acquired.	

III. SOCIAL AND ECONOMIC JUSTICE

- 9

Eradicate poverty as an ethical, social, and environmental imperative.
- 10

Ensure that economic activities and institutions at all levels promote human development in an equitable and sustainable manner.
- 11

Affirm gender equality and equity as prerequisites to sustainable development and ensure universal access to education, health care, and economic opportunity.
- 12

Uphold the right of all, without discrimination, to a natural and social environment supportive of human dignity, bodily health, and spiritual well-being, with special attention to the rights of indigenous peoples and minorities.
- Corporate Governance, p. 19

• Training and Development, p. 31

• National Institute for Adult Education, p. 46

• Youngsters building the future, p. 46

• Supply Policy free from Child Labor, p. 56

IV. DEMOCRACY, NONVIOLENCE AND PEACE

- 13

Strengthen democratic institutions at all levels, and provide transparency and accountability in governance, inclusive participation in decision-making, and access to justice.
- 14

Integrate into formal education and life-long learning the knowledge, values, and skills needed for a sustainable way of life.
- 15

Treat all living beings with respect and consideration.
- 16

Promote a culture of tolerance, nonviolence, and peace.
- Coca-Cola’s Supplier Guiding Principles, p. 23

• Conduct and Ethics Code, p. 23

• Training and Development, p. 31

• National Institute for Adult Education, p. 46

• Youngsters building the future, p. 46

• PetStar’s Inclusive Collection Model, p. 55

Where are we going?

Aiming to achieve a more efficient circular economy, we will keep on setting a sustainable and inclusive path through recycling. Therefore, we keep on working in different projects that allow people to see what a single container involves.

2020 Projects

- Recycling of polyolefins
- Growth of collection points and recycling capacity

For more information see www.petstar.mx

Contact Information

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Social Networks

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 @Petstarmx

 @petstarmx

 PetStartv

Acknowledgements

In PetStar we recognize the valuable effort, dedication and professionalism of every single person who collaborates with us. This report seeks to reflect their daily hard work in building a circular economy of PET containers without leaving anyone behind.

This report was possible thanks to the collaboration of all the teams in the company's different areas. We thank all the PetStar structure for handing in the required information to elaborate this report. The compiled data and their review were a fundamental piece to report our performance in an objective way.

Particularly, we thank the participation of:

Sustainability

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Projects

Jorge Cibrian Gonzalez

Also, we appreciate the confidence that our shareholders, partners and stakeholders have placed in the structure and Management of PetStar. Without this relationship of mutual trust, the data reported here would not have been achieved.

Lastly, we want to recognize *Accion Social Empresarial (ACCSE)* for their contribution in the integration, writing, and designing of this clear example of transparency and accountability.

