

**COCA-COLA FEMSA**

2023 INTEGRATED REPORT



# **FUTURE-READY**

## **DRIVING GROWTH**

At Coca-Cola FEMSA, we are building a **future-ready organization** focused on implementing a long-term sustainable growth model, with a refreshed vision of being our customers' and partners' preferred commercial platform and ally for growth, fostering a sustainable future.

Our strategy is grounded in six strategic priorities that underscore our growth ambitions, rights-to-win in the B2B space, digital capabilities, customer-centric culture, and industry-leading sustainable business developments.

Fueled by our progress across these priorities, we are not only escalating our transformation with technology, enhanced capacity, and digital capabilities across our value chain—but also **driving growth.**





# CONTENTS



## OVERVIEW



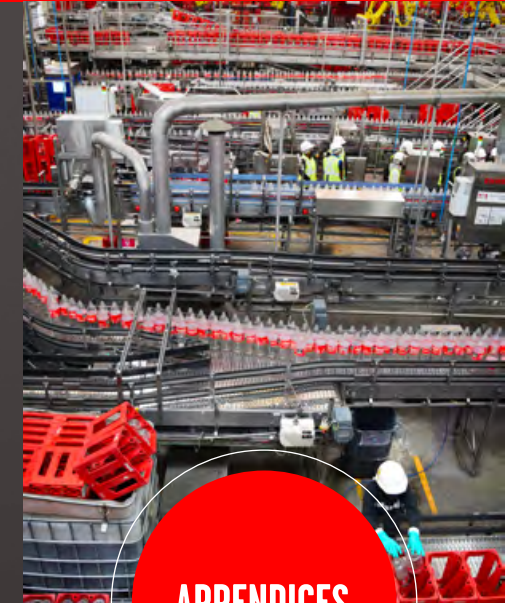
## STRATEGIC PRIORITIES



## SUSTAINABILITY



## ETHICS AND GOVERNANCE



## APPENDICES

Coca-Cola FEMSA at a Glance	4
Letter to Our Stakeholders	5
Financial Highlights	11
Our Future-Ready Strategy	13
Our Strategic Priorities	14
Achievements in Our Strategic Priorities	15
Our Sustainability Goals	16
Q&A with Our CFO	18

Grow the Core	22
Be the Preferred Commercial Platform	31
De-Bottleneck Our Infrastructure	37
Strengthen Our Customer-Centric Culture	42
Purpose, Vision and Coca-Cola FEMSA Principles	43

Foster a Sustainable Future	48
Q&A with Our Corporate Affairs and Supply Chain and Engineering Officers	49
Water Stewardship	62
World Without Waste	66
Climate Action	71
Integral Employee Well-being	75
Community Development	89

Corporate governance	94
Ethical system	101
Human Rights	104
Cybersecurity	105
Supply chain	107
Risk management	109

Financial Summary	114
Management Discussion and Analysis	116
Capital and Company Engagement	120
TCFD Disclosures Report	121
Performance in Detail	125
SASB Content Index	133
GRI Content Index	135
Independent Assurance Report	144

# COCA-COLA FEMSA AT A GLANCE







## CHAIRMAN'S AND CEO'S LETTER TO STAKEHOLDERS

# DEAR FELLOW STAKEHOLDERS

At Coca-Cola FEMSA, we have embarked on a transformative journey focused on implementing a long-term sustainable growth model. During 2023 we set the foundations of this model by defining and implementing six strategic priorities: i) Grow the Core, ii) Be the preferred commercial platform, iii) Strategic M&A, iv) De-bottleneck our infrastructure & digitize the enterprise, v) Strengthen our customer centric culture, and vi) Foster a sustainable future.

In addition, as a reflection of Coca-Cola FEMSA's solid talent pipeline, we achieved a seamless transition with a renewed senior leadership team, placing the right talent in key roles. Notably, we filled these key positions with internal talent that has been developed along successful careers within our company.

Moreover, during the year we worked on defining a renewed Vision and setting Coca-Cola FEMSA's Principles, which will steer our organizational culture and ways of working, as we begin its deployment across our company during 2024.

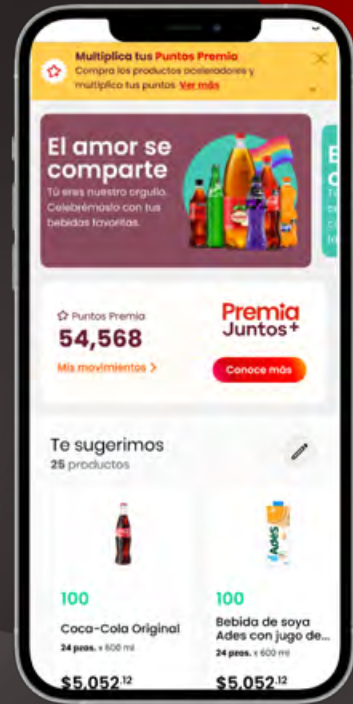
We are confident that the results of 2023 show that we are on the right path. With that in mind, we would like to share with you the progress we are making across our key priorities:

WE ARE CONFIDENT THAT THE RESULTS OF 2023  
SHOW THAT WE ARE ON THE RIGHT PATH.



**JOSÉ ANTONIO  
FERNÁNDEZ CARBAJAL**  
CHAIRMAN OF THE BOARD

**IAN CRAIG**  
CHIEF EXECUTIVE  
OFFICER



**OVER 1.1 MILLION MONTHLY ACTIVE USERS IN JUNTOS+, A RISE OF 35% COMPARED TO LAST YEAR.**

### Grow the Core

We prioritized growing our core business by adjusting towards a long-term sustainable growth model. This model is focused on effectively responding to and driving consumer demand for our products, capturing the fair share of The Coca-Cola portfolio across all markets and channels, developing growth opportunities in low per-capita markets, and achieving the full potential of profitable non-carbonated beverage categories.

Our results in 2023 allowed us to gain share in most of our operations and achieve a turnaround in Mexico, where we reversed a long-term trend of declining market share. This achievement underscores our commitment to strengthening our presence and further growing our position in one of our key markets. Additionally, our operation in Argentina was honored by The Coca-Cola Company with the Candler Cup. This recognition, named after Asa Candler, founder of The Coca-Cola Company, and the person who granted the first Coca-Cola franchise, is an important award given to a bottler in recognition for its excellence in execution, coupled with its investments behind its people's development, training, and culture.

These achievements also emphasize our significance within the broader Coca-Cola System. Moreover, in 2023 Coca-Cola FEMSA accounted for 44% of the total volume growth of the Coca-Cola System. Our enhanced cooperation framework with The Coca-Cola Company has been instrumental in driving growth in our core portfolio. Our cooperative efforts are more than just a strategic alignment; they represent a unified approach to pursuing profitable sustainable growth.

While we are encouraged by these accomplishments, we also remain enthusiastic about the potential for further growth. As we continue to prioritize customer-centricity, we are confident in our ability to unlock more growth opportunities across our markets.

### Be the Preferred Commercial Platform

We established solid foundations towards being the preferred commercial platform for our customers and partners by completely revising the IT architecture of Juntos+, our B2B omnichannel platform. The increasing adoption of Juntos+ is evidenced by the number of monthly active buyers: over 1.1 million, a rise of 35% compared to last year.

In addition, during the year we successfully launched Juntos+ version 4.0 in Brazil. This new version of the app is fully web native and enhances customer experience, accessibility, and convenience.

We also strengthened our multi-category platform during the year, focusing on having a curated portfolio to better serve our customers while increasing our ROIC. The year saw us exceed US\$150 million in multi-category sales, excluding beer, surpassing 1% of our total sales—a milestone in our progression towards our long-term target of reaching 5% of total sales.

The synergy between Juntos+ and our multi-category portfolio not only streamlines operations but also enhances the overall value we provide for our customers, further accelerating our growth as the preferred omnichannel commercial platform for our clients and partners.

### Strengthen our customer-centric culture

Our Vision has evolved to emphasize our commitment to being not only the preferred commercial platform but also a trusted ally for our customers' and partners' growth. This evolution underscores our dedication to building lasting relationships and drive mutual success. Additionally, our Principles will steer our organizational culture and ways of working, nourishing behaviors essential for achieving our long-term objectives and succeed in our transformation journey.





**Our Purpose Remains**  
**TO REFRESH THE WORLD ANYTIME, ANYWHERE**

**Our New Vision**  
**BE OUR CUSTOMERS' AND PARTNERS' PREFERRED COMMERCIAL PLATFORM AND ALLY FOR GROWTH, FOSTERING A SUSTAINABLE FUTURE.**



→ For details about Coca-Cola FEMSA Principles see page 43

From our frontline staff to our senior leadership team, we are promoting a growth mindset across our operations. Fostering a workplace that provides psychological safety helps ensure that everyone feels valued, respected, and encouraged to take an active role in our growth. We are also committed to cultivating a multiplier leadership style, guiding leaders not only to lead effectively but also to empower others.

### **Foster a sustainable future**

As part of our commitment to foster a sustainable future, we continued improving our water use ratio to 1.42 liters of water per liter of beverage produced—an industry benchmark—and advanced in our comprehensive water strategy with replenishing actions and enhancing water access for our local communities.

Additionally, we continue to emphasize the use of recycled PET in our packaging. For the year, we increased our mix of recycled resin in our bottles to 33%. Furthermore, the construction of PLA-NETA, our new food-grade PET recycling plant in Tabasco, Mexico, continues progressing towards its inauguration in 2024. With the capacity to process approximately 50,000 tons of post-consumer PET bottles annually, the plant will significantly contribute to strengthening our collection capabilities in Mexico as we advance towards our collection and recycled content objectives.

As our company grows, we want to be preferred by diverse talent. In 2023, we made strides in increasing the representation of women across all levels, with female talent in leadership roles reaching 29%. Notably, this is the sixth consecutive year that our company is part of the Bloomberg Gender-Equality Index. Looking ahead, our 2030 goal is for women to comprise 40% of our leadership and management positions.

### **Financial and Operating Highlights**

Our focus on driving sustainable long-term growth enabled us to deliver 7.8% year-over-year volume growth to reach 4,047.8 million unit cases—surpassing four billion unit cases for the first time in our company’s history. Our consolidated growth was driven by positive results across all territories and primarily fueled by strong performances in Mexico, Brazil, Colombia, and Guatemala. Thanks to our portfolio initiatives and point-of-sale execution, we continued gaining share across key markets and categories.

Our solid volumes and revenue growth management capabilities drove healthy top-line growth. For the year, total revenues increased by 8.1% to Ps. 245.1 billion. Operating income improved by 10.8% to Ps. 34.2 billion. Adjusted EBITDA increased by 7.9% to Ps. 46.4 billion. Controlling net income rose by 2.6% to Ps. 19.5 billion, achieving earnings per share of Ps. 1.16 and per unit of Ps. 9.30 (Ps. 92.99 per ADS).

**AS PART OF OUR COMMITMENT TO FOSTER A SUSTAINABLE FUTURE, WE CONTINUED IMPROVING OUR WATER USE RATIO TO 1.42 LITERS OF WATER PER LITER OF BEVERAGE PRODUCED.**





Remarkably, our return on invested capital improved for the sixth consecutive year. Furthermore, we ended the year with a net-debt-to-EBITDA ratio of 0.8 times, while our cash position was more than Ps. 31 billion. These achievements reflect our robust financial position and underscore our readiness for continued growth.

To support these results, we invested a record CAPEX of \$21.4 billion pesos, representing 8.7% of revenues. These investments enable us to continue adding the necessary capacity to support our growth ambitions.

Notably, the year also put our resilience and risk management protocols to the test, as our company faced a cybersecurity incident that was promptly addressed by our cybersecurity protocols. The measures we took were preventive, and we did not experience any material negative impacts. Throughout the year, our IT team worked to enhance our cybersecurity risk management program according to lessons learned, underscoring our pledge to rigorous cybersecurity standards.

As important as community support is for our company, in the aftermath of Hurricane Otis, we swiftly mobilized to support the recovery of Acapulco, collaborating with local authorities and

partners to provide immediate access to clean water and essential supplies. Our robust risk management plans also enabled us to restore local production capacity, and our investment of Ps. 575 million in facility rebuilding and community support underscores our commitment to long-term local economic recovery and job security for our employees.

### What's next?

As we enter a second chapter of our journey in 2024, we expect to focus on four key priorities: i) continue building on the growth momentum of our core business, ii) take Juntos+ to the next level, with the deployment of advanced AI capabilities, iii) continue developing the culture that embodies and projects our refreshed purpose, vision, and principles across our operations, and iv) foster a sustainable future.

On behalf of our employees, we thank you for your continued confidence in our ability to deliver economic value and to generate social and environmental well-being for all our stakeholders.

**JOSÉ ANTONIO FERNÁNDEZ CARBAJAL**  
CHAIRMAN OF THE BOARD

**IAN CRAIG**  
CHIEF EXECUTIVE OFFICER

### In memoriam

The members of the Board of Directors, executives, and employees of Coca-Cola FEMSA deeply mourn the loss during 2023 of two extraordinary leaders of FEMSA who helped shape Coca-Cola FEMSA's history: Daniel Alberto Rodríguez Cofré and Othón Ruiz Montemayor.

**Daniel Rodríguez Cofré** (1965-2023) served as FEMSA's Chief Executive Officer from January 1, 2022 until just before his passing in August 2023. Daniel's clarity of purpose, strategic foresight, and consistent professionalism contributed to FEMSA's strong growth trajectory and the FEMSA Forward strategy, of which Coca-Cola FEMSA is a significant part. We offer our deepest condolences and prayers to the Rodríguez Cofré and Rodríguez Scheel families.

**Othón Ruiz Montemayor** (1943-2023) was appointed FEMSA's Chief Executive Officer in 1985. During his ten-year tenure, he navigated many complex decisions and, among other achievements, initiated FEMSA's partnership with The Coca-Cola Company in 1993, accelerating the growth and globalization of Coca-Cola FEMSA. Othón was a generous and visionary leader who offered his talent, experience, creativity, and passion to his community and country for more than five decades. We offer our deepest condolences and prayers to the Ruiz Nájera family.



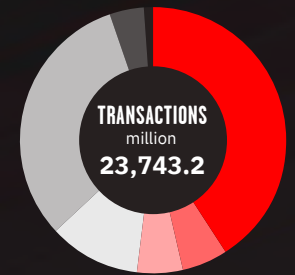


# OUR FOOTPRINT

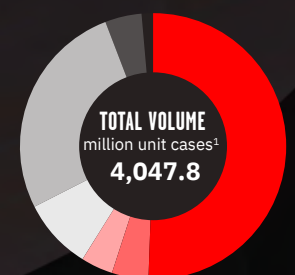
We have the privilege to serve **272 million people** through **2.1 million points of sale** in **9 markets of Latin America** with a wide portfolio of leading brands.



1. As of December 31, 2017, Venezuela is reported as an investment in shares, as a non-consolidated operation.  
 2. For purposes of this table, we have considered owned and third-party distribution centers managed by us.



Mexico	9,729.0
Guatemala	1,328.5
CAM South	1,287.4
Colombia	2,656.5
Brazil	7,523.9
Argentina	974.4
Uruguay	243.6



Mexico	2,052.9
Guatemala	174.2
CAM South	167.7
Colombia	347.6
Brazil	1,075.1
Argentina	178.7
Uruguay	51.7

1. Unit case is a unit of measurement that equals 24 eight-ounce servings of finished beverage.



# OUR BUSINESS



**SPARKLING BEVERAGES**  
3,045 Volume<sup>1</sup>  
18,723 Transactions

1. Volume is measured in million unit cases

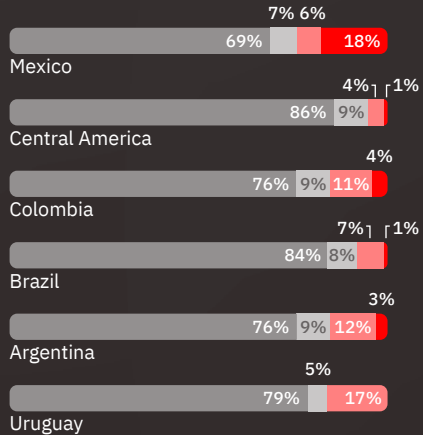


**WATER AND BULK WATER**  
689 Volume<sup>1</sup>  
2,212 Transactions



**STILL BEVERAGES**  
314 Volume<sup>1</sup>  
2,809 Transactions

## PRODUCT MIX BY CATEGORY



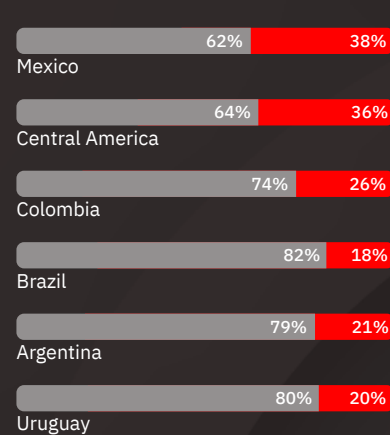
□ Sparkling ■ Still ■ Water<sup>2</sup> ■ Bulk water<sup>3</sup>

## PRODUCT MIX BY SIZE



□ Multi-serve ■ Single-serve

## PRODUCT MIX BY PACKAGE



□ Non-Returnable ■ Returnable

2. Excludes still bottled water in presentations of 5.0 Lt. or larger. Includes flavored water.  
3. Bulk water - still water in presentations of 5.0 Lt. or larger. Includes flavored water.



## JUNTOS+: OUR B2B COMMERCIAL PLATFORM

Building upon the outstanding personal customer experience our clients enjoy, Juntos+, our B2B commercial platform, provides an omnichannel experience to 1.1 million of our traditional trade clients that want to interact with us and place orders anytime, anywhere.





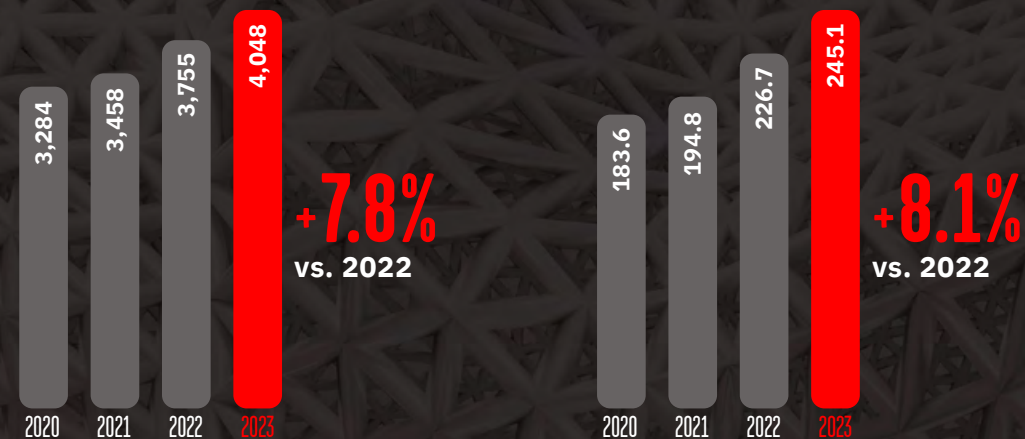
# FINANCIAL HIGHLIGHTS

	2023 USD <sup>1</sup>	2023 MXN	2022 MXN	% CHANGE
Sales Volume (million unit cases)	<b>4,047.8</b>	<b>4,047.8</b>	3,755.2	7.8%
Total Revenues	<b>14,502</b>	<b>245,088</b>	226,740	8.1%
Operating Income	<b>2,023</b>	<b>34,180</b>	30,838	10.8%
Controlling Interest Net Income	<b>1,156</b>	<b>19,536</b>	19,034	2.6%
Total Assets	<b>16,185</b>	<b>273,520</b>	277,995	-1.6%
Long-term bank loans and notes payable	<b>3,851</b>	<b>65,074</b>	70,146	-7.2%
Controlling Interest	<b>7,516</b>	<b>127,025</b>	125,384	1.3%
Capital Expenditures	<b>1,266</b>	<b>21,396</b>	19,665	8.8%
Earnings Per Share <sup>2</sup>	<b>0.07</b>	<b>1.16</b>	1.13	2.6%

Millions of Mexican pesos and U.S. dollars as of December 31, 2023 (except volume and per share data). Results under International Financial Reporting Standards.

1. U.S. dollar figures are converted from Mexican pesos using the exchange rate for Mexican pesos published by the U.S. Federal Reserve Board on December 31, 2023, which exchange rate was 16.8998 to U.S.\$1.00.

2. Based on 16,806.7 million outstanding ordinary shares as of December 31, 2023 and 2022.



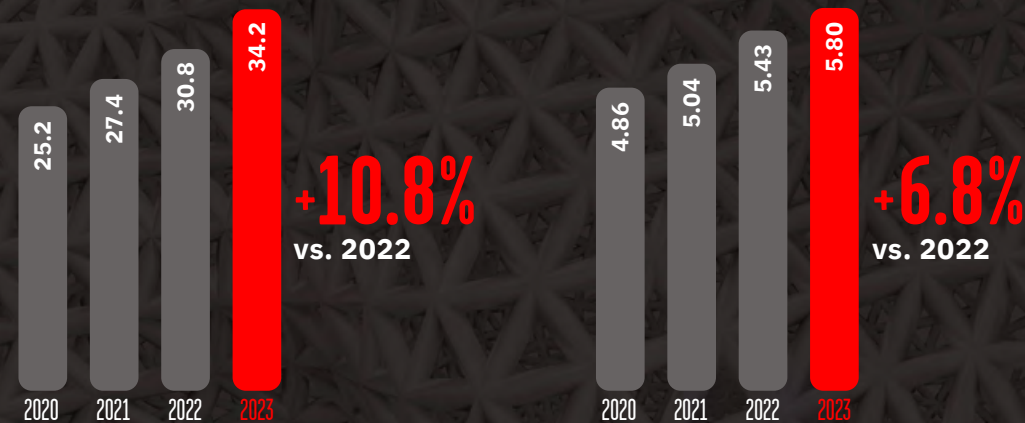
## SALES VOLUME

million unit cases<sup>1</sup>

1. Unit case is a unit of measurement that equals 24 eight-ounce servings of finished beverage.

## TOTAL REVENUES

billion Mexican Ps.



## OPERATING INCOME

billion Mexican Ps.

## DIVIDEND PER SHARE

Mexican Ps.



# OUR VALUE CHAIN

## Manufacturing

Enabled by our Digital Manufacturing Platform 2.0, we produce high-quality beverages in our facilities, with efficient use of water and energy.

## Distribution Center

In our digital warehouse process, we integrate pre-sale with secondary distribution processes.

## Secondary Distribution

Once a pre-sale order is placed, we use our Digital Distribution Platform to define an optimal Route-To-Market.

## Consumption

We serve more than 272 million people, offering a portfolio with choices for every lifestyle.



1

## Ingredients

We work with our suppliers to obtain the best raw materials.



2



3

## Primary Distribution

From our manufacturing facilities, we ship beverages to our 252 distribution centers.



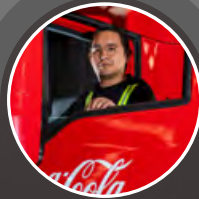
4



5

## Pre-Sale

Powered by digital platforms, we serve our clients in traditional and modern channels, offering a winning portfolio of leading brands.



6



7

## Points of Sale

We reach more than 2.1 million points of sale with targeted commercial initiatives, and we use Market Analytics to maximize the value proposition for each client.



8



9

## Recycling

We encourage and help consumers to properly dispose and recycle packages used in our beverages.





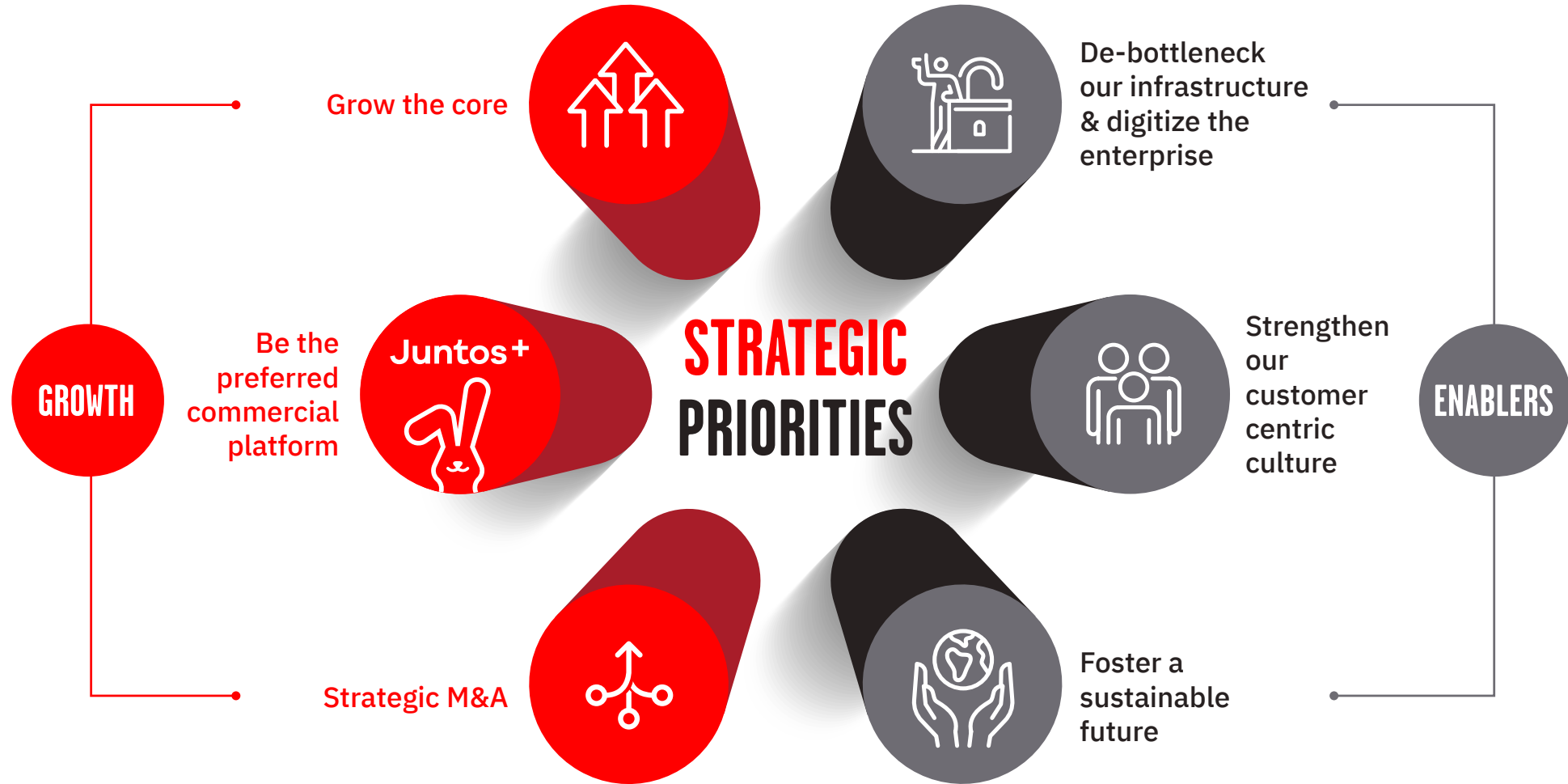
# OUR FUTURE-READY STRATEGY





# FUTURE-READY STRATEGY

We have defined a set of very clear priorities to chart our next growth chapter, leveraging our rights-to-win and channeling our positive momentum:







# ACHIEVEMENTS IN OUR STRATEGIC PRIORITIES IN 2023



**Grow the Core.** Capturing the fair share of Coca-Cola trademark in all markets and channels; accelerating the growth of Coca-Cola Zero Sugar; developing growth opportunities in low per-capita markets; and achieving the full potential of profitable non-carbonated beverage categories.

- +4 billion-unit cases sold, a record for the company
- Gained share in most of our operations and achieved a turnaround in Mexico
- 15% annual increase in Coca-Cola Zero Sugar volumes
- Double-digit growth in Energy and Sports Drinks



**Become our customer's preferred omnichannel commercial platform.** Growing our total and digital client base across our markets and enhancing our value proposition by leveraging a curated portfolio of our customer's and consumer's favorite brands together with The Coca-Cola Company and our multi-category partners.

- 1.1 million monthly active users in Juntos+
- US\$2.4 billion in digital sales recorded
- 32% of total orders are digital



**De-bottleneck our infrastructure and digitize the enterprise.** Unlock growth by increasing manufacturing and distribution capacity and implementing best-in-class logistics and distribution enablers. We will continue digitizing our company, including the migration of our legacy ERP System into cloud-based platform-as-a-service.

- US\$1.2 billion in annual CAPEX, a record for the company.
- 5 new lines and upgrades installed
- 99,100 additional pallet positions
- +11% warehouse capacity vs. 2022



**Strengthen our customer-centric culture.** Promoting a growth mindset, building a multiplier leadership style, and empowering leaders to develop our people.

- Defined Coca-Cola FEMSA's principles
- Updated our vision focusing on our consumers, customers, and growth



**Strategic mergers and acquisitions.** Leveraging our disciplined approach, we will focus on value-enhancing, synergistic acquisitions as a priority while strengthening our commercial platform capabilities.

- We continue actively seeking value-enhancing inorganic opportunities



**Foster a Sustainable Future.** Reinforcing our industry-leading environmental initiatives and bolstering our social programs, including community development and diversity and inclusion, with a strong governance framework.

- 1.42 liters of water per liter of beverage produced
- 77% of electricity from renewable sources
- 29% of women in leadership positions
- 33% recycled resin in our packaging
- 84% bottling plants certified as zero waste



# OUR SUSTAINABILITY GOALS

Topic	Key Performance Indicator	2023	Goal
Water	Water Use Ratio (water used per liter of beverage produced) <sup>1</sup>	1.42	1.36
	Replenish water used in production, focus on medium and high stress sites	+100%	100%
World Without Waste	Collect the PET bottles we place in the market	31%	100%
	Recycled resin in our packaging	33%	50%
	Returnable/refillable bottles from total volume	32%	25%
	Distribution centers certified as zero waste	1%	100%
	Bottling plants certified as zero waste <sup>2</sup>	84%	100%
Climate Action	Absolute Scope 1 and 2 GHG emissions reduction	29%	50%
	Absolute Scope 3 GHG emissions reduction <sup>4</sup>	19%	20%
	Electricity from renewable resources	77%	100%
Human Rights, DEI	Women in leadership and management positions	29%	40%
Integral Employee Well-being, Health and Safety	Fatalities <sup>3</sup>	8	0
	Lost Time Incident Rate – LTIR <sup>3</sup>	0.88	0.4
	Total Incident Rate – TIR <sup>3</sup>	1.60	0.8
	Serious incidents reduction <sup>3, 5</sup>	14%	75%
	High potential serious incidents reduction <sup>3, 5</sup>	53%	40%
	Crash Rate <sup>3</sup>	7.25	6.5
	Major Crash Rate <sup>3</sup>	0.45	0.5
Community Development	Priority plants implementing community engagement plans using the MARRCO methodology	4	19

All are 2030 goal, except for:

1. 2024 - intermediate goal / WUR of 1.26 by 2026

2. 2025 Goal

3. 2027 Goal

4. Purchased goods and services and upstream transportation and distribution

5. 2022 Baseline



liters of water per liter of beverage produced, an industry benchmark



of our bottling plants facilities have earned Zero Waste certification



thousand beneficiaries of activities focused on our environmental and social pillars



women in leadership positions



reduction of absolute GHG emissions from Scope 3 vs. 2015 base line



electricity from renewable resources



# PIONEERING SUSTAINABLE FINANCING

Our approach to sustainable financing aligns our financial strategy with environmental and social goals, amplifying positive impact and contributing to the UN Sustainable Development Goals. While eligible projects under our sustainable financing strategy are focused on a variety of solutions, they share the common objective of advancing our company’s mission to simultaneously create economic, environmental, and social value while generating well-being across our value chain.

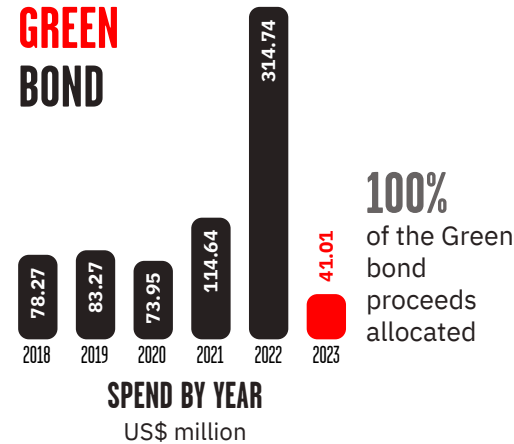
## Green Bond: Leading the Charge in Latin America

In 2020, we set a milestone with our Green Bond, valued at US\$705 million—then the largest for a Latin American corporation and a first for the Coca-Cola System. As of 2023, 100% of the net proceeds have been allocated to eligible projects according to our → **Green Bond Framework**. The net proceeds drive progress toward our sustainability goals, including increased recycled content in PET packaging, improved water efficiency, and reduced CO<sub>2</sub>e emissions. Our commitment to 100% renewable energy by 2030 saw a significant increase, rising from 66% in 2022 to 77% in 2023.

## Sustainability-Linked Bond: Charting a Water-Efficient Future

In 2021, we pioneered Sustainability-Linked Bonds (SLB) in the Mexican market, committing Ps. 9,400 million to water stewardship. Recognizing that water is not only an invaluable resource for our company and industry but also an indispensable element of climate change

resilience, our SLB is committed to the achievement of a water use ratio of 1.26 by 2026, in accordance with our → **Sustainability-Linked Bonds Framework**. Currently at 1.42 liters, our use water ratio is a benchmark of efficiency, with specific plants within Coca-Cola FEMSA leading the way in the Coca-Cola System.

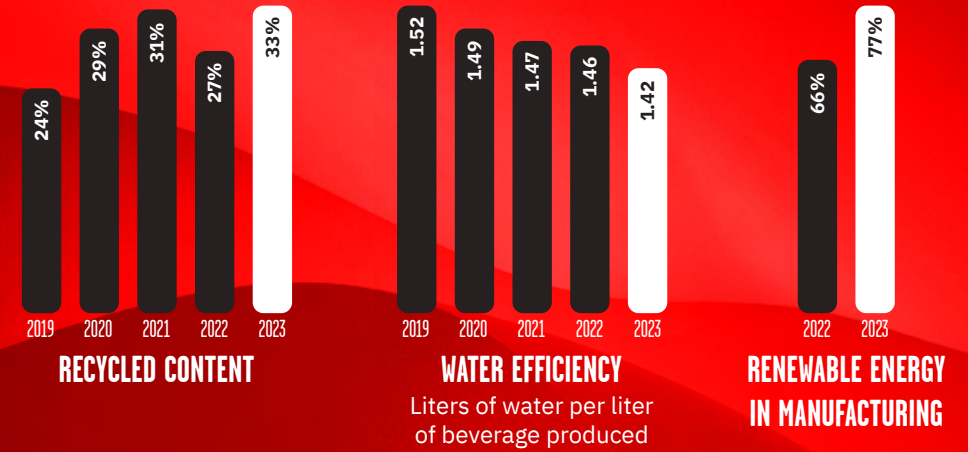


## ALLOCATION DETAIL BY ELEGIBLE CATEGORY



## DELIVERING AGAINST OUR SUSTAINABLE FINANCING GOALS

Demonstrating financial and sustainability discipline, our ongoing reporting commitment ensures transparency and impact assessment, setting a benchmark for corporate stewardship.



## Social and Sustainability Bonds: A Milestone in Corporate Responsibility

Breaking new ground, in 2022 we issued in the Mexican market Ps. 6,000 million in Social and Sustainability Bonds—becoming the first company in the Coca-Cola System to do so. These bonds will be used to finance eligible projects in accordance with our → **Sustainability Bonds Framework**, empowering social and economic development by supporting underrepresented groups, offering entrepreneurial skills, providing financial solutions to store owners, and investing in sustainable community development, including water replenishment and access projects. In 2023, 100% of the sustainability bond proceeds was allocated (Ps. 500 million), and Ps. 224.68 million of the social bond were allocated: 75% for microcredits, 5% in human resources, and 20% for social license.



# INTERVIEW WITH **OUR CFO**

**GERARDO CRUZ CELAYA**  
CHIEF FINANCIAL OFFICER

**1. Gerardo, could you provide an overview of how our Grow the Core strategic priority bolstered our market position in 2023?**

Our resolve to grow our core business drove encouraging results in 2023. We achieved a remarkable volume growth of 7.8% compared to last year, crossing the threshold of 4 billion-unit cases sold during a year—a milestone for our company— and registered record levels of volume growth in some of our most relevant markets such as Mexico, Brazil, Colombia and Guatemala. These results not only underscore our strategic success but also reinforce our leadership across our regions.

Our achievements stem from focused efforts to not only regain market share but also to boost per capita consumption, thereby capturing the fair share of the Coca-Cola trademark across all markets and channels.

For instance, by prioritizing sustainable volume growth, we have adapted to intensified competition, particularly in Mexico —our largest

market— especially in more affordable, larger presentations. This approach has begun to yield positive shifts in market share.

Moreover, we are capitalizing on opportunities to enhance per capita consumption across our territories, deploying and strengthening our integrated consumer-centric winning portfolio designed to meet diverse needs and trends. Key to this approach is our goal to grow Coca-Cola Zero Sugar and reach the full potential of non-carbonated beverages, which registered 15% and 6% growth in volumes compared to last year, respectively.

A pivotal element to boost our Grow the Core strategic pillar has been our Juntos+ B2B digital platform, which now serves 1.1 million recurring customers in the traditional trade, an increase of 35% from last year. Juntos+ has significantly catalyzed our achievements by driving digital sales growth, which now represent 15% of our total sales, doubling the percentage from last year.

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**OUR ENHANCED COOPERATION FRAMEWORK WITH THE COCA-COLA COMPANY WAS INSTRUMENTAL IN DRIVING GROWTH IN OUR CORE PORTFOLIO IN 2023.**





## 2. Could you elaborate on the advantages Coca-Cola FEMSA has gained from its accelerated digitalization strategy, given its strategic importance?

Before diving into the details of our digitalization strategy, I would like to offer some perspective. We have the largest customer base in LATAM's traditional trade, serving over 2 million customers and visiting them on average 1.8 times per week. Our goal is to build upon the exceptional personal interactions and strong relationships that our clients value, bridging the gap between face-to-face and digital interactions to offer an omnichannel commercial platform. By developing this comprehensive commercial ecosystem, we aim to better serve our clients, address their pain points, expand our product offerings, create value, and enhance the overall customer experience and engagement.

This digitalization effort can deliver a significant contribution to the improvement of our top-line quality from both direct and indirect data monetization, as we are currently witnessing. Take customer and consumer insights, for example. We have been gaining access to more granular customer data, which can be leveraged to better understand consumer preferences and behaviors. This enables the development of more personalized product offerings. Such initiatives not only improve customer satisfaction but can also lead to suggested orders, cross-selling opportunities, mix improvements, a higher average ticket, and increased overall sales. Furthermore, the data we gather, combined with the potential of big data analytics, provides insights that can inform strategic decisions, product development, marketing, and affordability initiatives.

As we continue to develop our digital platform, also strengthen the digitalization of supply chain, thereby enhancing our company's agility and bottom line. Digitalization leads to improved supply chain management. By digitizing our processes, we aim to optimize inventory management, cut down waste, and reduce stockouts, leading to cost savings and allowing us to anticipate demand more accurately. Furthermore, the implementation of digital solutions not only optimizes route planning for deliveries but also ensures more efficient distribution to our more than 2 million customers. We are leveraging technology to implement dynamic routes, making the distribution process as efficient as possible. These initiatives not only translate into improved customer satisfaction but also reduce transportation costs and the carbon footprint of our distribution process.

Beyond market insights and an improved supply chain, our robust digital infrastructure is providing the agility and resilience essential for navigating challenges, including those posed by Hurricane Otis and the COVID-19 pandemic. This capacity for quick adaptability has been crucial in maintaining our competitive edge, enabling rapid response to changing conditions and ensuring uninterrupted operations.



**US\$80 MILLION IN SAVINGS  
FROM OUR EFFICIENCY PROGRAM  
IMPLEMENTED IN 2023.**



**CAPEX TO SALES RATIO INCREASED TO 8.7%  
TO FUEL OUR DIGITALIZATION EFFORTS AND  
FULFILL UNSERVED DEMAND, LAYING THE  
FOUNDATION FOR SUSTAINABLE GROWTH.**

**3. In light of the cybersecurity attack we experienced in 2023, could you discuss the key lessons learned and how we are bolstering our cybersecurity framework amidst our digital expansion?**

In response to the cybersecurity incident, timely identification was crucial for us. We immediately took action to mitigate its impact. The proactive role of our team was essential in minimizing operational disruption, and although we were not materially affected, we acknowledge that cybersecurity presents an ongoing challenge that requires continuous monitoring and the implementation of robust security practices.

Like all challenges, this incident helped us identify vulnerabilities which gave us important learnings for the future. We are stepping up investment in strengthening our systems and infrastructure, training our employees, reinforcing our cybersecurity team, and proactively adopting new measures to safeguard the integrity of our operations.

**4. Could you elaborate on the return on invested capital at Coca-Cola FEMSA and outline what shareholders can anticipate going forward from our strategy?**

First, I want to emphasize that our strategy going forward remains firmly rooted in financial discipline. We are dedicated to sustaining robust cash flow generation and adhering to a diligent capital allocation framework. Our focus extends to managing operational risks through meticulous currency and commodity hedging strategies. This approach reflects our ongoing resolve to maintain the financial health and profitability of our business, ensuring we remain well-positioned to seize organic and inorganic growth opportunities and navigate market challenges, thereby laying a solid foundation for continuous sustainable growth and value creation for our shareholders.



Turning to ROIC, this is a key metric that reflects our effectiveness in using capital to foster sustainable growth and maximize shareholder value. Over the past six years, we have achieved a consistent annual increase in our ROIC, thanks to a multifaceted strategy that includes:

- **Improving the Quality of Top-line Growth:** We have expanded our customer base, increased the average transaction size, and focused on more profitable SKUs, alongside implementing effective revenue management strategies and improving our market share.
- **Cost Reduction and Efficiency Gains:** Through optimizing our supply chain and distribution processes and implementing hedging strategies, we have enhanced our efficiency, even amid external cost pressures.
- **Strong Balance Sheet:** By efficiently managing our assets, optimizing inventory levels, and maintaining a disciplined approach to our capital structure we have fortified our financial foundation.

As I mentioned earlier, looking ahead we are committed to continue looking for opportunities to optimize our cost and expense structure and investing in innovation and digitalization to improve our efficiency.

**SIXTH CONSECUTIVE YEAR OF IMPROVED RETURN ON INVESTED CAPITAL.**

**5. Lastly, what are the highlights of your first year as Coca-Cola FEMSA’s CFO?**

In my first year as CFO of Coca-Cola FEMSA, the standout highlight has been the synergy created among the renewed senior leadership team, which has set a solid foundation for our collective efforts towards achieving the company’s ambitious growth goals.

This collaboration has been crucial for steering our growth trajectory and pivotal in aligning all teams, across our corporate functions and operating countries, with Coca-Cola FEMSA’s long-term vision. This has involved not only leading together with commitment but also facing and navigating through challenges together, which has reinforced our company’s resilience and determination.

As we continue implementing a sustainable growth model, our collective vision remains clear and driven by the desire to enhance shareholder value, and contribute positively to the communities in which we operate.

**WE HAVE MADE SIGNIFICANT STRIDES IN EMBEDDING A GROWTH CULTURE THAT REFLECTS THE COMPANY’S ASPIRATIONS.**





# GROW THE CORE

Our grow the core strategic priority is driven by the implementation of a sustainable growth model aiming to continue increasing the share position of The Coca-Cola portfolio, accelerate the growth of Coca-Cola Zero Sugar across our territories, develop growth opportunities in low-per capita markets, and achieve the full potential of our profitable non-carbonated beverage categories.





## WE SEE MORE RUNWAY TO GROW OUR CORE BUSINESS

We enjoy a solid position in an industry with consistent growth. Moreover, we continue to see vast opportunities to satisfy the evolving beverage daily needs from our customers and consumers, resulting in more runway to grow our core business.

### Harnessing Every Lever to Grow Our Core Business

From our winning portfolio, unparalleled distribution network, and point-of-sale execution, our digital omnichannel commercial platform, we are using every lever to ensure we capture the fair share of the Coca-Cola portfolio, accelerate the growth of Coca-Cola Zero Sugar, develop growth opportunities in low-per capita markets, and achieve the full potential of our profitable non-carbonated beverage categories.

At the heart of our strategy is an obsessive focus on our consumers and customers that guides every decision we make. For our consumers, our strategy aims to continuously align our portfolio with evolving preferences, to not only satisfy current demands but also anticipate future trends. Our commitment spans innovation, affordability, and enhancing our product mix to suit diverse tastes and needs, catering to every occasion.

Similarly, for our customers, we are dedicated to expanding our value proposition and continuously enhancing their experience with us. Our goal extends beyond meeting expectations to exceeding them, offering unparalleled service and generating value to our clients through a one-stop shop solution with a curated portfolio. The close relationship we have developed with our customers over the years is a key driver in achieving growth in per capita consumption and market share. Currently, we serve more than 2.1 million customers across our territories, the largest distribution network in Latin America, and we visit them on average 1.8 times a week. Our unmatched distribution network gives us an edge, particularly in the traditional trade that undergirds Latin America's commercial model.

### Achieving Record Results

In 2023, we achieved record levels of more than 4 billion-unit cases sold, a 7.8% increase from last year, driven by volume growth across all of our territories, with an outstanding volume growth in Mexico, Brazil, Colombia and Guatemala.

In Mexico, our strategies allowed us to regain share in a highly competitive landscape within the Colas category. This achievement underscores our commitment to strengthen our presence and further grow our position in one of our key markets. Our operations in Colombia and Guatemala also demonstrated remarkable growth, setting new record level volumes for the second and sixth consecutive years, respectively. Additionally, as a testament to our relentless efforts, our operations in Argentina were honored by The Coca-Cola Company with the prestigious Candler Cup. This award not only highlights our operational excellence but also recognizes our investments in the development of our unique culture.

In Brazil, we also had a solid result, surpassing the mark of one billion-unit cases produced for the first time. Furthermore, we achieved volume records in Non-Alcoholic ready to drink category and achieved record share in five categories, including Carbonated soft drinks, Teas, Energy, Sport Drinks and Plant-based beverages.

## ENHANCED COOPERATION FRAMEWORK HELPS BOOST GROWTH

**Our enhanced cooperation framework with The Coca-Cola Company has been instrumental in driving growth in our core portfolio in 2023. By capitalizing on our combined strengths and shared vision, we continue to execute significant strategic investments in the market that bolster our ambitious growth plans. Our cooperative efforts are more than just a strategic alignment; they represent a unified approach to innovatively responding to market demands and shaping the future of our industry with a clear focus on pursuing profitable sustainable growth.**







## ACCELERATING THE GROWTH OF COCA-COLA ZERO SUGAR

In actively expanding our portfolio of zero- and low-sugar sparkling beverages, we are simultaneously responding to and driving consumer demand for our products. This strategic approach not only caters to evolving tastes but also underscores our commitment to meeting diverse consumer needs while fostering sustainable growth. Impressively, our Coca-Cola Zero-Sugar volumes have surged almost 60% beyond our 2019 baseline, demonstrating our ability to adapt our offerings in line with consumer preferences toward low-calorie options.



### BOLSTERING THE SUCCESS OF COCA-COLA ZERO SUGAR

Coca-Cola Zero Sugar continues to offer consumers a sugar- and calorie-free alternative for one of the world's most beloved brands. The new formula and visual identity of Coca-Cola Zero Sugar continued to outperform the sparkling beverage category across our territories, growing 15.0% of volumes year over year. To drive this growth, we are continuously leveraging a consistent value proposition and enhancing point-of-sale execution through initiatives in sampling, innovation, and customer experience.

In Brazil, Coca-Cola Zero Sugar has emerged as the preferred choice among consumers, achieving 91 million-unit cases, a 28.4% annual growth. In Mexico, Coca-Cola Zero Sugar achieved 9.1% volume growth year over year. Argentina, Uruguay, and Costa Rica have the largest mix of Coca-Cola Zero Sugar in their sparkling beverage portfolio, with the mix continuing to grow in 2023, setting the benchmark for the company.

### ZERO SUGAR GROWTH BEYOND COCA-COLA

Building on the success of Coca-Cola Zero Sugar, we are dynamically driving growth across the no- and low-sugar flavored sparkling beverages portfolio. This growth trajectory is marked by strategic initiatives such as the relaunch of Sprite Lime SOS, the acceleration of Sprite Fenix in Argentina, the launch of Schweppes Toronja Zero Sugar in Uruguay, and the introduction of Sprite and Fanta Zero Sugar in movie theater vending machines. Uruguay single handedly represents our benchmark on Coca-Cola Zero Sugar mix with 30.7%.

These targeted product launches and relaunches cater to evolving consumer preferences toward low-calorie options, aligning with regional tastes and trends. A testament to the success of this strategy is evident in Colombia, where the no- and low-sugar flavored sparkling beverages portfolio registered volume growth of 6.8% versus the previous year.



### COCA-COLA CREATIONS: ENHANCING CONSUMER ENGAGEMENT

During the year, we introduced limited edition, sequential releases from Coca-Cola Creations, The Coca-Cola Company's innovation platform, across key markets to enhance consumer engagement. These exciting new creations—featuring a collaboration with Spanish popstar Rosalía for a Limited-Edition Coca-Cola—enabled us to launch creative new products and experiences successfully across physical and digital worlds.

In Brazil, we harness the power of our innovation platform to captivate our Gen Z consumers through Coca-Cola Ultimate XP, an exclusive partnership with the popular online game League of Legends. This initiative blends the iconic Coca-Cola experience with the dynamic world of gaming, creating a memorable experience.



## ACCELERATING SINGLE SERVE

We are actively driving growth in our profitable single-serve mix. Our strategy involves leveraging the popularity of multipacks, widening cooler availability, and deploying tailored strategies across our territories. This approach not only resonates with customer preferences but also has been instrumental in boosting our volumes in both sparkling and still beverages, particularly in our zero- and low-sugar portfolio. Our strategy to enhance single serve has shown significant results. Overall, in 2023 we reached a single-serve mix of 31.1%, exceeding our 2019 baseline by more than 100 basis points.



### MEXICO: DRIVING PROFITABLE SINGLE-SERVE MIX WITH MULTIPACKS

Our popular portfolio of multipacks facilitates better interaction with our consumers in Mexico while also growing our profitable single-serve mix, transactions, and revenues across the modern trade channel.

For the year, our multipacks volume in Mexico grew double-digits across channels, with approximately 85% of the incremental volume through the modern channel. Our successful strategy with multipacks in Mexico allowed us to reach a single serve mix in multipacks of 75%, becoming a very profitable strategy.

In 2023, we focused on streamlining our multipack portfolio and refining its pricing architecture, aiming to enhance our market positioning and better meet consumer needs. Our multipack portfolio in Mexico's modern trade channel offers popular brands like Coca-Cola, Coca-Cola Zero Sugar, Sprite, Mundet, Fanta, Ciel, Seagram's, and Monster. Furthermore, we meticulously tailor our 6, 8, and 12-pack offerings to meet the diverse needs of our customers and consumers—from wholesalers to supermarkets and price clubs.



### ARGENTINA, CENTRAL AMERICA, COLOMBIA AND URUGUAY: RAPID COOLER ROLLOUT

Our focus on relentless point-of-sale execution drove us to install over 66,000 new coolers in record time across our operations in 2023. This investment reinforces our continued commitment to enhancing customer experience and product accessibility.





## LEVERAGING AFFORDABILITY TO DRIVE SUSTAINABLE GROWTH

Affordability is an important driver of our sustainable growth strategy. We continue to execute to win in the “away from home” and “at home” consumption occasions with strategic market initiatives that enable us to provide our consumers with unmatched affordability. This approach not only responds to our consumers' changing needs and preferences but also aligns with our commitment to environmental sustainability.

### UNIVERSAL BOTTLE GROWTH BOLSTERS AFFORDABILITY STRATEGY

The successful rollout of our refillable universal bottle has led to an increase in our returnable volume. The universal refillable bottle provides consumers with savings making our products more accessible. Environmentally, the returnable bottle could reduce single-use packaging waste and helps ensure high levels of collection of beverage containers. This approach aligns with our goals of fostering a sustainable future and meets consumer demand for greener packaging solutions.

This refillable universal bottle has been instrumental in driving share of sales gains in the territories where it has been introduced, marking a significant success in our market strategy. The versatility of this packaging innovation has not only streamlined our operations but also enhances our competitiveness, resonating positively with consumers and contributing to our ongoing growth and market penetration.

In Mexico, we continued expanding our 2.5-liter returnable PET universal bottle across new territories. Now covering nearly all of our franchise territory, the universal bottle plays a versatile role, enabling refillable packaging for our core flavored sparkling beverages and juice brands. This includes everything from Fanta, Sprite and Valle Frut to local favorites like Escuis and Victoria. Moreover, we significantly expanded our refillable capacity and coverage of our 3-liter returnable PET presentation of Coca-Cola Original.

In Colombia, we continued to expand the refillable universal bottle to now cover more than 10% of the country, enabling us to offer affordable refillable PET presentations not only of brand Coca-Cola, but also of our flavored sparkling and still beverage brands. The rollout has led to notable increases in volume and share of sale in the cities where it has been introduced. Finally, in Guatemala and Costa Rica, we launched a new 500 ml universal bottle in 2023.







### BRAZIL: CONSOLIDATING RETURNABLE GROWTH

Through our returnable strategy and refillable universal bottles, we continue to consolidate our volume growth and competitive advantage across the sparkling beverage category in Brazil—our returnable volume grew year over year while increasing our returnable asset management. For the year, returnable presentations amounted to close to 165 million-unit cases, or more than 18% of our sparkling beverage mix.



### ARGENTINA: GROWING CONSUMER BASE AND VOLUME THROUGH AFFORDABILITY STRATEGY

Under our affordability strategy, we continued to regain share and expand our consumer base in the context of Argentina's dynamic competitive and economic environment. Our evolving market segmentation strategy, which capitalizes on our comprehensive value proposition and execution excellence, allowed us to offer the right product at the right price across segments. This approach not only improved our household penetration but also contributed to volume growth year over year.





# REACHING FULL POTENTIAL IN NON-CARBONATED BEVERAGES

We continue to capture market share across emerging still beverage categories —from hydration to energy, tea, and sport drinks— aiming to achieve the full potential of our profitable non-carbonated beverage categories.



## MEXICO: OUTPERFORMING THE INDUSTRY WITH WATER AND POWERADE'S MARKET SUCCESS

The stills beverage category continues as a relevant growth lever in Mexico, with our brands and portfolio outperforming the industry. Water continues its growth trajectory, gaining share and registering a revenue growth of 28.7% year on year. Powerade ended the year as the market leader, increasing share of sales in the sports drink segment with 23% volume growth as compared to last year.



## BRAZIL: TOP 10 IN GLOBAL COCA-COLA STILLS

In 2023, our operation in Brazil introduced several new flavors to further cater to evolving consumer tastes, thereby sustaining the growth momentum in the sports drinks and energy segments. Powerade launched Powerade Passion Fruit and Powerade Tangerine, aiming to refresh consumers with innovative flavors. Monster responded to the increasing demand for unique flavors by launching Monster Khaotic, Monster Mango Loco, Monster Pipeline Punch, and Monster Watermelon. These launches reflect our commitment to tapping into new market segments, ensuring our products remain at the forefront of consumer choices.

Overall, our operation in Brazil has seen consistent growth within the non-carbonated beverage category, marked by significant contributions across various segments. Juices and sports drinks experienced growth rates of 16% and 28% respectively over the past year. This performance has contributed to Brazil becoming one of the Top 10 Stills markets for Coca-Cola worldwide.







### COLOMBIA: 3X GROWTH IN FLAVORED WATER CATEGORY

Building on the remarkable success of Brisa Manzana sparkling water, we have continued to expand our offerings with the introduction of Brisa Maracuyá. This latest addition to our Brisa range is a testament to our commitment to aligning with consumer trends towards no-calorie beverages. This approach has significantly paid off, as evidenced by the staggering threefold growth in our flavored water category this year in Colombia. These refreshing, flavor-infused waters are more than a triumph of innovation, they reflect our understanding of consumer preferences, helping solidify our position in the competitive flavored sparkling water segment.



### URUGUAY: A ROBUST STILLS PORTFOLIO THAT DRIVES MARKET LEADERSHIP

By leveraging our consumer-centric approach, we are further enhancing the strength of our stills portfolio in Uruguay. The energy segment expanded its share of sales as compared to last year. Moreover, our isotonic portfolio, with local production and launch of new flavors, drove a 58% increase in volume year-on-year, increasing share of sales vs. the previous year.







# COCA-COLA FEMSA'S COMMITMENT TO RESPONSIBLE MARKETING, INFORMED CHOICES, AND QUALITY



## Our Consumers Are at The Center of Everything We Do

Embracing principles of transparency, fact-based information, and authenticity, we consistently align our commercial practices with our values and our sustainability and business goals. As we evolve and respond to consumers' desires for more choices across categories, we are reducing added sugar and offering more beverages with enhanced nutritional benefits. Additionally, we are optimizing our product mix, introducing more small packaging options, and providing our consumers with access to transparent nutritional information.



## Informed Nutritional Decisions

To enable our consumers to make healthy informed choices, our upfront product labels include clear nutritional content information. Our nutritional labeling strategy across our operations is based on providing consumers with easy-to-find and complete information in compliance with applicable regulations in the countries we serve. Our goal is to provide our consumers with high-quality information, enabling them to make informed decisions about their beverage choices.



## Responsible Marketing

As part of our commitment to the well-being of our consumers and customers, our advertising strictly adheres to The Coca-Cola Company's Responsible Marketing Policy and Global School Beverage Guidelines. As a member of the Coca-Cola System, we rigorously implement and enforce these policies, respecting the role of parents and caregivers by not marketing directly to children under 13. Moreover, we steadfastly promote respect for ethical marketing practices, in alignment with The Coca-Cola Company's guidelines. For more information see:

- [The Coca-Cola Company's Responsible Marketing Policy](#)
- [Hateful Activity Policy](#)
- [Responsible Digital Media Principles](#)



## Highest Quality

Our production processes meet the highest quality standards, and our ingredients adhere to local regulations and international standards set by agencies such as CODEX, FDA, JEFCA, and EFSA in each of our geographies. We conduct our processes in state-of-the-art bottling facilities, all of which are FSSC 22000 certified<sup>1</sup>, ensuring the finest quality products for our consumers.



1. Does not include the 7 plants acquired in Mexico at the end of 2022, which are still in the required one-year alignment process to Coca-Cola FEMSA's standards.



This year, we set the foundations towards becoming the preferred omnichannel commercial platform with Juntos+, by completely revising its IT architecture and successfully rolling out our version 4.0 in Brazil which significantly improves customer experience.



# BE THE PREFERRED COMMERCIAL PLATFORM





## JUNTOS+ V4.0 B2B OMNICHANNEL EXPERIENCE UNLEASHED

We are building an omnichannel B2B commercial platform, placing the customer at the core of every interaction.

### Our New Juntos+: Revolutionizing Industry Standards

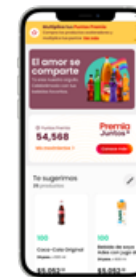
In 2023, we launched an improved mobile app and web experience for Juntos+ in Brazil, marking a significant milestone. The new architecture of Juntos+ enhances the user experience and supports the continuous deployment of analytical solutions in our digital products. Built on a cloud-native, decoupled, and composable architecture, our new Juntos+ mobile app and website offer the flexibility needed to further expand our suite of digital and analytical products.

Fulfilling customer demand for a one-stop shop solution, Juntos+ enables our large base of clients to not only place an order for their favorite brands and categories whenever, wherever, and whichever way they choose, but also to take advantage of a constantly evolving array of features.

Juntos+ offers much more than flexibility and convenience. This state-of-the-art digital shop allows us to dynamically tailor cross-selling and up-selling opportunities with a recommendation system, promotions, and discounts, leveraging advanced AI algorithms and real-time insights for personalization harnessing user behavior and surrounding data. By leveraging the power of data-driven decision-making, we can optimize sales strategies and enhance customer engagement, ultimately driving incremental revenue and maximizing the average transaction value.

During 2024, we will continue deploying our new Juntos+ app and web across the countries where we operate. Moreover, we will be scaling up the use of AI, further enhancing our capabilities and offerings to better serve our customers.

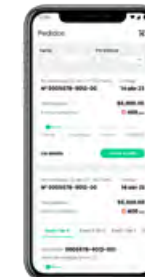
### Juntos+ v4.0 is born-digital, seamlessly offering an array of new features



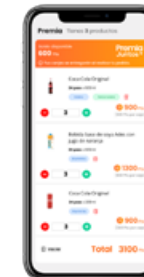
Loyalty program



AI suggested order



Order tracking



Loyalty plan in shopping cart



Push notifications





## JUNTOS+ RAPID ADOPTION GROWTH

The adoption of Juntos+ has been remarkable, achieving 1.1 million monthly active users as of 2023, an increase of over 35% compared to last year. Across our markets, the growth of Juntos+ is reflected in increased orders and the resulting amplification of the performance of our core business and multi-category portfolios.

In 2023, the more than 31.1 million orders we processed on digital channels represented approximately 15% of total sales—a 71% increase over 2022—and generated approximately US\$2.4 billion in digital revenue. These results underscore the resounding success of our omnichannel strategy, which is shaping the future of B2B commerce in our industry.

**1.1 MILLION**

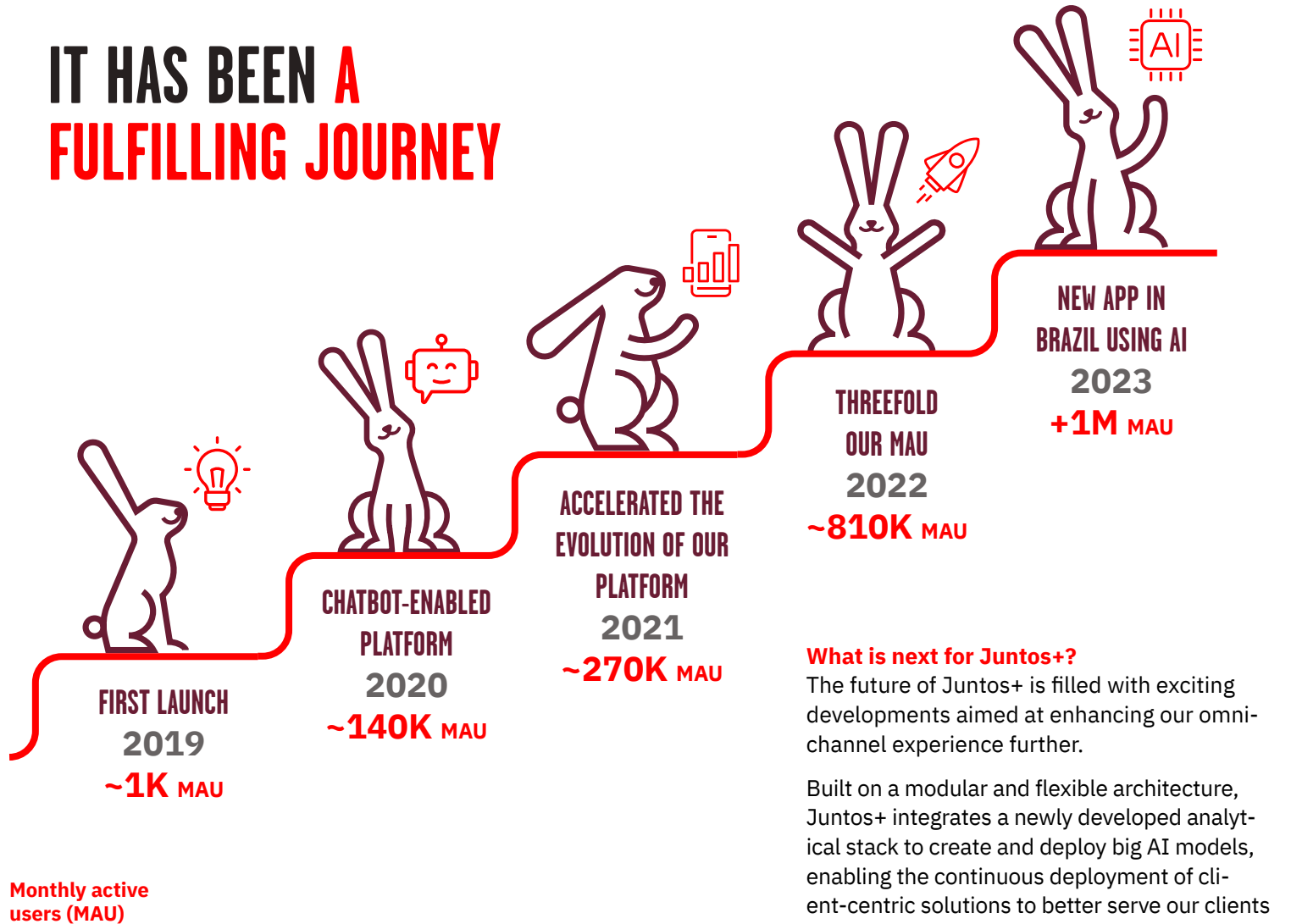
monthly active users, +35% vs. 2022.

**31.1 MILLION**

orders processed on digital channels, 15% of total sales—+71% vs. 2022.

**US\$2.4 BILLION**

in digital revenue.



### What is next for Juntos+?

The future of Juntos+ is filled with exciting developments aimed at enhancing our omnichannel experience further.

Built on a modular and flexible architecture, Juntos+ integrates a newly developed analytical stack to create and deploy big AI models, enabling the continuous deployment of client-centric solutions to better serve our clients and deliver the best customer experience.

In the near future, we plan to test and release AI-powered solutions for both our clients and pre-sellers alike.



# TRANSFORMING TRADITIONAL TRADE DYNAMICS

## Seamless Synergy: The Juntos+ Experience

As our business thrives on strong relationships, we are dedicated to ensuring that our B2B omnichannel platform, Juntos+, delivers a comprehensive experience that is built upon the exceptional personal interactions our client's value. We are bridging the gap between face-to-face interactions and digital by offering a suite of digital products through which our clients can contact us, including our chatbot-enabled conversational commerce solution as well as an evolving web portal and mobile app. We also enhance our clients' experience through features like our Premia Juntos+ loyalty program and analytical products like our suggested order solution, which enables clients to quickly place orders with a few clicks driven by AI, helping our clients reduce lost sales by avoiding stockouts.

Juntos+ seamlessly connects over 1.1 million monthly active users with us in real time, leveraging digital touchpoints to enhance customer service and allowing our clients to commercially interact with us anytime, anywhere, and through an omnichannel experience. For this reason, we assess our processes from sales to delivery. To measure customer satisfaction, we use a comprehensive set of metrics ensuring that our approach is both thorough and effective. This exemplifies our commitment to listening and acting on customer feedback, solving their pain points through a homologated close the loop process, making every interaction count. As a result, we have achieved remarkable improvements in customer satisfaction versus previous years.



**10:30 am, Tuesday**  
Juan uses Coca-Cola FEMSA's Mobile App Order Tracking Function to confirm that his orders will be delivered in the afternoon.



**8:05 pm, Monday**  
Juan receives confirmation from Coca-Cola FEMSA's Contact Center for a technician visit within hours.



**12:55 pm, Tuesday**  
Juan receives a notification: "You are our next customer on our service route."



**10:00 am, Monday**  
Juan, our client for many years, is visited by Mario, his regular pre-seller, and places his weekly order.



**8:00 pm, Monday**  
Juan reports a cooler malfunction via Coca-Cola FEMSA's Mobile App.



**1:50 pm, Tuesday**  
Juan receives both orders and uses Coca-Cola FEMSA's Mobile App e-payment system to verify and pay his total balance.



**3:30 pm, Monday**  
Juan realizes he forgot to order a specific product and decides to quickly use Coca-Cola FEMSA's Chatbot to place a new order.



**3:35 pm, Monday**  
Mario receives a notification on his handheld and calls Juan to confirm his new order.





## SETTING THE BENCHMARK FOR D2C ENGAGEMENT

Our mission is to be the preferred D2C multi-category platform in households, delivering top-class products and services.

### Driving D2C Home Delivery Expansion in Mexico

In 2023, we dedicated our efforts to expanding the reach of our D2C multicategory platform, providing an omnichannel experience that emphasizes the convenience of delivering a wide range of products from both The Coca-Cola Company and other consumer goods companies directly to customers' homes.

Through the Coca-Cola en Tu Hogar app, alongside our website and chatbot, accessible across 75% of our routes, we have significantly broadened our digital footprint, elevating our monthly digital purchasing customer base to over 110 thousand digital households. Consumers benefit from a 24/7 digital shopping experience, allowing them to access our complete portfolio, explore promotions, discount opportunities, "Only Coke Can Do" experiences, and receive personalized

service and direct support from customer call centers and delivery route drivers.

In parallel, we concentrated on significantly enhancing our service experience. A testament to our efforts is the growth of our on-time in-full metric, which continued increasing in 2023, underscoring our commitment to delivering exceptional customer service and reliability.

As we move forward, our commitment is to continually enhance and develop the functionalities of our evolving D2C omnichannel platform while assuring best-in-class delivery service. From integrating web-based digital payment platforms and expanding multi-category offerings to launching a new visual image and introducing our loyalty plan, our focus remains on improving our value proposition and broadening household penetration in sync with our consumer-centric priority. Moreover, we are evaluating the potential to expand our home delivery model to other countries based on their market potential and digital maturity.

## UNLOCKING DIGITAL-DRIVEN MULTI-CATEGORY GROWTH IN D2C HOME DELIVERY

The success of our D2C platform is further reflected in the growing acceptance of digital and multi-category orders among home consumers, improving the productivity of our home delivery routes, average ticket, and sales.

**1,750**  
total D2C routes.

**~600K**  
households served in Mexico.

**~110K**  
digital households.

**+1.7**  
million digital home delivery orders, +2.8x in the average ticket.





## DELIVERING MORE VALUE-TO-MARKET WITH MULTI-CATEGORY

Our multi-category offering is a pivotal element in our growth strategy, characterized by its accretive nature to revenues and the strategic leverage of our existing logistics and distribution capabilities, enhancing our value proposition by addressing customers' pain points through Juntos+ as an integrated solution that ultimately drives additional sales of our core portfolio.

### Enhancing Value: The Role of Multi-Category Strategy in Growth

Our multi-category strategy is implemented through an omnichannel platform that offers our customers a diverse portfolio of products. By harnessing our installed logistics and distribution capacity, this strategy boosts return on invested capital.

We implement our multi-category strategy by integrating end-to-end processes within our commercial and supply chain functions, creating a seamless ecosystem that facilitates collaboration with our partners. The role of our pre-sellers is fundamental to inform our traditional trade clients about our growing multi-category portfolio, while our digital capabilities serve as a catalyst to reach more customers faster.

The synergy between Juntos+ and our multi-category portfolio not only streamlines operations but also significantly improves the overall value we offer to our clients and partners. Our focus on enhancing customer experience also plays a crucial role in

this success, including suggested cross-selling recommendations within Juntos+, prioritizing SKUs with higher turnover rates. Fueled by these advances, we are not only escalating our transformation into a digitalized company—adopting technology and digital capabilities across our value chain—but also accelerating our growth into an omnichannel, multi-category player, positioning us for success as the preferred commercial platform.

### Advancing Our Curated Multi-Category Strategy

This year we continued to strengthen our multi-category strategy by exploring complementary revenue streams through distribution agreements and pilot programs with partners in specific markets.

We prioritize leading brands across adjacent categories in beer, spirits, alcoholic ready-to-drink beverages, home and personal care, snacks, and consumer packaged goods. Regarding beer in Brazil, we expect to continue capitalizing our brands and strengthening our portfolio as the premium segment continues to outperform.

This tailored approach enables us not only to meet the evolving needs of our clients, ensuring that we cater to their preferences effectively, but also contributes to boosting our presence and visibility at the point of sale through targeted cross-promotion and execution opportunities across physical and digital realms.

Although growing from a small base, total sales from our multicategory portfolio, excluding beer,

## DOUBLED VS. 2022

representing more than 1% of our total consolidated revenues.





# DE-BOTTLENECK OUR INFRASTRUCTURE

As our company continues to grow, we aim to efficiently keep our infrastructure and digital operational capabilities ahead of the curve. This approach not only empowers the effective execution of our strategic pillars, but also enables us to optimize resource management and enhance customer satisfaction.





## GROWING, OPTIMIZING, AND DIGITALIZING OUR INFRASTRUCTURE

We are making unprecedented investments to enhance our infrastructure and processes with the power of digital enablers, significantly expanding and optimizing our production and distribution capacity. This approach guarantees the required flexibility to continue growing and position ourselves as the preferred commercial platform for our clients.

### Investments in Capacity in 2023 And Beyond

We plan to continue investing in production and warehouse capacity to meet growing demand. Notably, over the next three years, we aim to increase our production capacity by 15% and our warehouse capacity by 30% to accommodate demand increases across the territories where we operate.

### Digitalizing our Plants for Enhanced Performance, Safety, and Environmental Impact

We are implementing cost-effective and insightful digital initiatives that enhance our core manufacturing processes. By focusing on minimizing risks, increasing agility, and improving operational efficiency, these initiatives ensure the seamless delivery of high-quality products to our customers. As part of our digital manufacturing strategy, we have identified the technological tools and applications that underpin our Manufacturing 4.0 strategy. This ensures efficient manufacturing performance and focuses on developing capabilities for operational responsiveness and efficiency.

### Manufacturing 4.0 at Coca-Cola FEMSA

Line Performance	Connected Workforce	Digital Maintenance	Digital QSE
Improve bottling line reliability and productivity with a line visualization platform.	Digitize and automate operational activities to boost execution efficiency.	Advance maintenance planning and execution with digital solutions that minimize risk and enhance asset productivity and reliability.	Drive the evolution of Quality and Safety standards through the use of digital solutions.

## DEMAND PLANNING EXCELLENCE

At Coca-Cola FEMSA, our commitment to understanding and anticipating customer’s evolving preferences underscores our dedication to exceptional service and operational agility. Demand Planning 360 is our response to the company’s rapid growth, enabling prompt adjustments to the complexities of dynamic market demands. This initiative leverages automation, analytics, and cutting-edge technologies to swiftly adapt our infrastructure to market requirements and the seamless integration of new product categories into our offerings, while maintaining a superior service delivery.





## REVOLUTIONIZING WAREHOUSE MANAGEMENT WITH AI

In 2023, we advanced our warehouse optimization efforts to enhance our storage density and productivity without incurring significant CAPEX. We are revolutionizing our approach to warehouse growth and management by implementing new strategies for space utilization—maximizing height, optimizing layout for more accessible fronts and minimized depths, and reducing the honeycombing effect. These innovations have increased our warehousing capacity by approximately 71 thousand pallet positions, saving us an estimated US\$44.1 million in capital expenditures. We also increased a further 28 thousand pallets positions through new distribution centers and expansions.

Through our customized AI platform, we have developed and applied algorithms that improve warehouse processes, resulting in notable efficiencies by

enhancing pallet and case slotting, staffing, and dock optimization. We are further planning to expand these advancements to all territories, leveraging our infrastructure investments to optimize our entire supply chain, from inventory management to distribution.

### **New Investments in Our Primary and Secondary Fleet During 2023**

We have made significant investments in both our T1 and T2 fleets, aiming to tackle two important challenges: the increase in production volume and the need to substitute older equipment. These actions have been carried out to strengthen operational continuity and maintain a high level of customer service. During 2023, we invested in 139 T1 units, and 908 T2 units, which cover more than 12,000 routes.

- 87 MM UC/Year manufacturing capacity increase achieved through upgrades to existing lines and acquisition of new lines.
- 5 new lines and upgrades installed.
- 99 thousand pallet positions added to storage capacity through innovative space utilization strategies, new CEDIS, and expansion of existing ones.



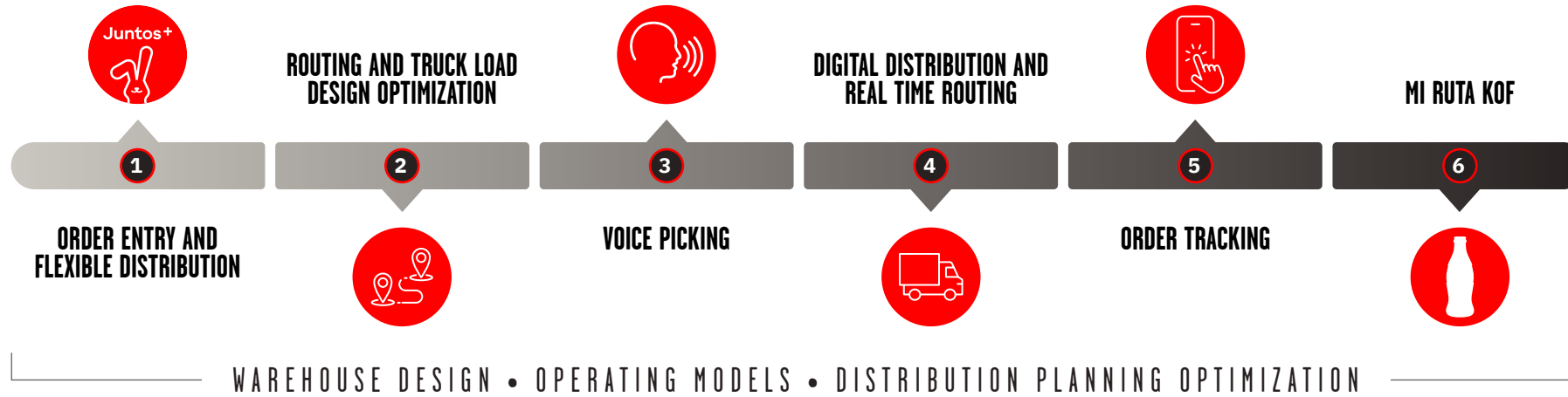
1. T1: Primary distribution trucks.  
2. T2: Secondary distribution trucks.



# NEW SUPPLY CHAIN CAPABILITIES EMPOWERING JUNTOS+

Our omnichannel strategy leverages the strengths of our leading-edge supply chain new capabilities to deliver on our vision of becoming our customers' and partners' preferred commercial platform and ally for growth. Our goal is to build a future-ready omnichannel commercial platform backed with a safe, digital, flexible, and resilient supply chain operation. Through our use of digital tools and increasing operational discipline, we seek to continuously improve customer service and the productivity of our delivery teams.

## ACHIEVING INCREASED EFFICIENCY AND CUSTOMER SATISFACTION FROM ORDER TO DELIVERY



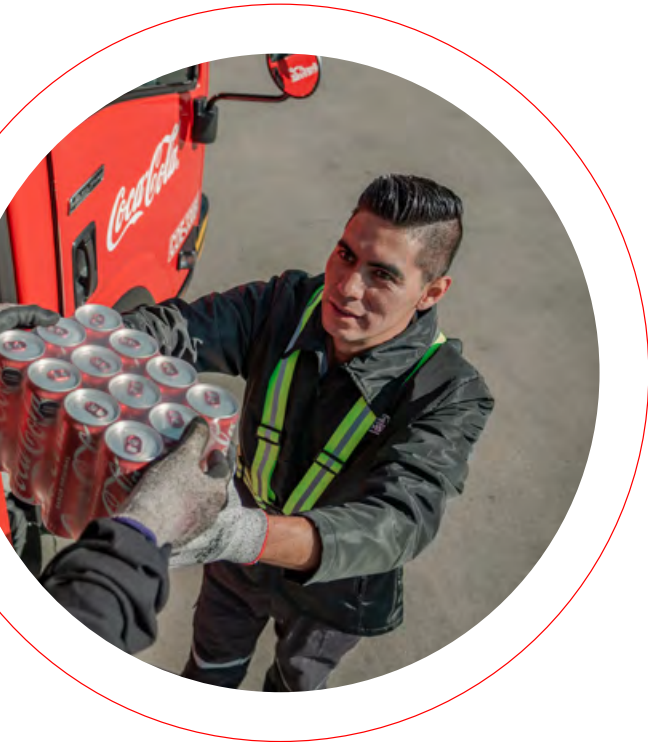
### 1 Order entry and flexible distribution

We can offer 24/7 order entry to our customers by leveraging both real-time and dynamic routing across our secondary distribution fleet in Argentina, Brazil, Colombia, Costa Rica, Guatemala, Mexico, Panama, and Uruguay. Through our Customer Control Tower, we monitor and manage our entire commercial and distribution operation, enabling the flexibility to plan vehicles' routes on a daily, weekly, and monthly basis, thereby optimizing available delivery resources and distances traveled to serve our customers.

### 2 Routing and truck load design optimization

We carefully plan delivery paths to navigate mobility and other constraints efficiently. Moreover, our refined truck loading approach focuses on enhancing safety, reducing waste, and improving productivity. This streamlined process ensures timely, efficient, and safe deliveries, reflecting our commitment to operational excellence and sustainability.





### 3 Voice picking; Advancing Picking Solutions for Optimal Warehousing

In our quest for operational excellence, we strategically implemented advanced picking solutions, seamlessly merging real and optimal picking methodologies. Leveraging cutting-edge technology such as voice commands and digital imagery, these solutions elevate our warehouse services, enabling the meticulous assembly of mixed pallets tailored to individual client requirements, achieving maximum load and route optimization, and driving enhanced accuracy and productivity. We continued the rollout of voice picking capabilities across our Brazil and Mexico operations.

### 4 Digital distribution and real time routing

Our updated Digital Distribution platform addresses the entire strategic and tactical planning cycle of our secondary distribution process—from analytics to delivery route planning and execution. The platform features route traceability, a web-based app for supervisors, end-to-end supply chain network analysis, digital real-time routing control, and interaction

with customers to track their orders. We have completed the rollout of digital distribution across our Brazil, Mexico, Costa Rica and Uruguay operations.

### 5 Order tracking

Consistent with our omnichannel multi-category strategy, we further deployed our order-tracking platform to enable customers to track their orders—created on any commercial channel—from the moment of shipment to delivery.

### 6 Mi Ruta KOF

In Mexico, we implemented the Mi Ruta KOF, a business initiative that processes key information from different strategic areas to generate added value and facilitate integrated operational management. It tracks performance throughout the logistics process, enabling supervisors to conduct more detailed tracking, including safety indicators, customer service, and productivity metrics. Mi Ruta KOF is now active in over 20 thousand routes.

## ENSURING A CONSISTENT AND HIGH-QUALITY CUSTOMER EXPERIENCE ACROSS ALL TOUCHPOINTS

We are focused on developing standardized metrics to calculate customer service across our operations. By aligning metrics, we aim to gain a more comprehensive understanding of our customer service performance, enabling us to identify areas for improvement, enhance customer satisfaction, and ultimately drive growth in critical market segments.





# STRENGTHEN

# OUR CUSTOMER-CENTRIC CULTURE

At Coca-Cola FEMSA, we are on an exciting path to growth, where every single employee plays a pivotal role in shaping our future. To this end, we are strengthening our customer-centric culture and reorganizing the way we work into a more insight driven, agile, and effective organization.

Our journey is rooted in customer centricity, ensuring that we deeply understand and meet the evolving needs of our customers and consumers. Alongside, we embrace a multiplier leadership style, empowering our team members to amplify their impact by leveraging their strengths and developing our people. Supporting these efforts is our commitment to psychological safety—a foundational element that allows our employees to voice their ideas, challenge norms, and contribute meaningfully without fear of retribution.



# CULTURAL EVOLUTION



We refreshed our Vision and defined Coca-Cola FEMSA Principles to establish the cultural foundation of our customer centricity and growth transformation.



**Purpose**  
TO REFRESH THE WORLD  
ANYTIME, ANYWHERE



**Refreshed Vision**  
BE OUR CUSTOMERS' AND PARTNERS'  
PREFERRED COMMERCIAL PLATFORM AND  
ALLY FOR GROWTH, FOSTERING A  
SUSTAINABLE FUTURE.

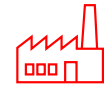

Ten principles to drive Coca-Cola FEMSA towards its growth ambition and create the desired culture and work environment. We relate these principles to the human body: The **head**, focused on placing our customers first. The **heart**, encompassing 5 principles that relate to our employees, our people. And finally, the **hands**, with 4 principles that represent what and how we want to do things.



## COCA-COLA FEMSA PRINCIPLES



- 
**1. Place Customers First** 



We place our customers and consumers at the center of our decisions. We strive to provide them with an exceptional experience and earn their preference.
- 
**2. Value Our People** 



Nothing is more important than the safety of our people. We build high performance teams by hiring, developing, and promoting the best talent. Our leaders foster the continuous development of our people. We value diversity within our teams.
- 
**3. Do the Right Thing** 



We conduct ourselves ethically and always do the right thing. In all our actions, we take care of the impacts we have on our planet, communities, and people.
- 
**4. Act as A Founder** 



We think and act to maximize the long-term health of the business and not for short term results. We do what is best for the company as a whole vs. personal or functional agendas.
- 
**5. Promote A Growth Mindset** 

We promote thinking big across our business. We value lifelong learning and self-development. We encourage our people to be curious and explore new possibilities.
- 
**6. Foster Psychological Safety** 

We foster environments where our people feel included, able to voice their honest opinion and debate openly without fear of being punished. We earn trust by communicating honestly and transparently with each other. Leaders must foster two-way feedback.
- 
**7. Operate with Excellence** 

We operate at the highest standards and are disciplined in everything we do. We continually raise the bar in our teams to improve our products, services, and processes. Leaders operate at all levels and no task is beneath them.
- 
**8. Leverage Technology and Innovation** 

We foster innovation, the use of new technologies and ideas that give us an edge in our business. We harness data and AI to generate a competitive advantage.
- 
**9. Act Swiftly** 

We are action oriented. We challenge bureaucracy and streamline our processes to achieve the fastest response time.
- 
**10. Deliver Results** 

We execute consistently on the metrics that matter to our business. We take full accountability for the results we deliver.



## DRIVING GROWTH THROUGH CUSTOMER CENTRICITY

### Placing Our Consumers and Clients at The Core of Everything We Do

At the heart of our growth ambition lies our commitment to customer centricity. Understanding and meeting the ever-evolving needs of our customers are paramount, as it fuels innovation, enhances satisfaction, and strengthens loyalty.

By placing our consumers and clients at the core of everything we do—from product development to service delivery—we forge deeper connections, anticipate their needs, and exceed their expectations. This dedication not only sets us apart in the competitive landscape across our regions but also propels our growth, ensuring we remain at the forefront of the beverage industry. Our focus on customer centricity is a powerful driver of shaping a future where we continue to deliver value to every customer we serve.

### Key Customer Experience Indicators

We have a customer centric focus, where understanding our customers through robust measurement is essential to shaping our strategies and decisions.

At Coca-Cola FEMSA, measuring customer service is a meticulous process that leverages a blend of key performance indicators. This comprehensive approach includes customer service metrics for key moments in the sell-to-delivery process, a Net Promoter Score (NPS), and sentiment analysis powered by AI. This approach guides us to foster long-term customer loyalty.

- **Customer Service Metrics** enable us to assess and optimize every interaction with our customers, from the initial order to the final delivery. This granular insight helps us identify areas for improvement and ensure consistent service excellence.
- **Net Promoter Score (NPS)** gauges customer loyalty and satisfaction by measuring their willingness to recommend our products and services. This metric provides a clear indication of our relationship strength with customers and the overall health of our customer service.
- **Sentiment Analysis, utilizing AI**, allows us to understand the emotions behind customer feedback across various channels. This advanced analysis offers us a deeper understanding of customer perceptions and needs, enabling us to tailor our services and communications more effectively.







## ENABLING A NEW WAY OF WORKING

Fueled by technology and digital agility, Coca-Cola FEMSA’s Digital and Analytics Hub serves as a catalyst for a new Way of Working across the company, aligning the needs of customers, consumers, and business.

Our Digital and Analytics Hub spearheads cultural transformation and strategic capability building. With a customer-centric mindset, we co-create digital and analytical solutions that seamlessly integrate across our commercial platforms—from Juntos+, direct-to-consumer, and indirect omnichannel platforms to digital payments, pricing, and promotions.

Fostering a co-creation process, our Digital and Analytics Hub assembles agile innovation cells with diverse profiles and skills, ensuring active participation from conception to delivery. Leveraging frameworks like scrum or kanban, we facilitate continuous value delivery in short time spans. Collaborative workspaces encourage teamwork, creating an environment conducive to innovation. Our agile innovation cells not only accelerate omnichannel platform expansion but also yield positive value through an aggressive pipeline of digital and analytical solutions.

### Agile Cells: Solutions Focused on Customer Centricity

Through our co-creation model, our agile cells are generating positive value through an aggressive pipeline of customer centricity digital and analytical solutions.



Boosting Sales	Optimizing Distribution Dynamics	Elevating User Experience
<p>One of our agile cell’s innovations uses machine-learning algorithms to revolutionize inventory management. This solution for our Juntos+ B2B platform enables us to predict the number of products our clients need to prevent out of stocks, leveraging the suggested order feature to boost sales performance.</p>	<p>Another agile cell’s innovation optimizes distribution planning using machine learning. This innovation accelerates delivery response capacity, amplifying customer service, and business profitability. Artificial intelligence, employed for calculating delivery times, has significantly elevated customer service levels.</p>	<p>Our Juntos+ app agile innovation cell leverages customer knowledge to optimize the user interface, addressing frictions, expectations, and objectives. The result is a refined customer experience across every journey stage—from search and browse to product knowledge, ordering, and delivery status confirmation.</p>



## BUILDING A PSYCHOLOGICALLY SAFE WORKPLACE

### Why is Fostering a Culture of Psychological Safety Crucial for Driving Our Growth Mindset?

Fostering a culture of psychological safety is fundamental for empowering every employee to assertively contribute to Coca-Cola FEMSA's growth journey. By ensuring an environment where team members feel safe to express ideas, raise concerns, and challenge processes, we unlock the full potential of our workforce. This not only encourages innovation, productivity, and collective problem-solving but also deepens our understanding of our customers' needs and expectations, driving our customer-centric culture.

### Transforming Company Culture: The Path to Psychological Safety

In 2023, we embarked on a thorough program to immerse the entire company in a cultural evolution toward psychological safety. This comprehensive strategy encompassed a suite of training programs, cultural dynamics, and communication campaigns designed to permeate every level of the company.

Action plans were tailored for implementation, with a special toolkit developed to facilitate management's engagement with teams effectively across our operations. The initiative also included leadership summits and campaigns promoting appropriate behaviors, all aimed at nurturing an environment where collaboration thrives. Through these coordinated efforts, we are laying the groundwork for an organizational culture where every employee feels that they belong, safe, valued, and empowered to contribute to our collective growth and success.

### Achieving Outstanding Results

By systematically measuring psychological safety within the organization, we aim to develop targeted strategies that help us advance in our goals.

In 2023, we launched our company's first psychological safety survey to measure the level of comfort employees feel in four key safety areas that drive performance: inclusion, learner, contributor, and challenger. Over 10,000 employees participated in the survey, achieving an overall score of 61 points, with a standout score of 76 in inclusion safety. This result is a useful starting point, as we aim to build on these areas further.

Moreover, we implemented our biennial employee engagement survey throughout our operations during 2023. With 93% participation, the survey showed particularly outstanding results in two dimensions: commitment with 89% and enablement with 83%.

These results offer a clear direction for where we need to concentrate our efforts to continue creating an even better workplace for everyone.





## DRIVING MULTIPLIER LEADERSHIP

### How Does a Multiplier Leadership Approach Unleash our Company's Potential?

At Coca-Cola FEMSA, we embrace a multiplier leadership approach as a catalyst for growth and innovation. This leadership model amplifies the collective intelligence, capabilities, and engagement of our teams by empowering individuals to lead. Multiplier Leaders foster an environment where ideas flourish, challenges are embraced as opportunities for learning, and everyone is encouraged to contribute to their fullest potential. By leveraging the collective creativity of our workforce, we accelerate our progress towards achieving our strategic goals, enhancing our competitive edge, and ensuring we can deliver long term sustainable value in the evolving beverage industry.

**At the intersection of psychological safety and multiplier leadership lies an accelerated sustainable growth: psychological safety lays the groundwork for growth, and multiplier leadership accelerates it.**





**FOSTER A  
SUSTAINABLE  
FUTURE**



INTERVIEW WITH OUR

# CORPORATE AFFAIRS AND SUPPLY CHAIN AND ENGINEERING OFFICERS

## 1. Catherine, Rafael, can you share insights about Coca-Cola FEMSA's new Sustainability Framework?

The new design of our Sustainability Framework marks an evolution in our commitment to fostering a sustainable future. At the heart of this framework are seven key pillars: Water Stewardship, World Without Waste, Climate Action, Product Portfolio, Sustainable Sourcing, Integral Employee Well-being, and Community Development. This comprehensive approach fortifies the integration of social, economic, and environmental value creation into every facet of our operations, acknowledging the link between sustainable practices and the ability to generate long-term value for all stakeholders.

Underpinning these pillars are three transversal concepts that serve as the bedrock of our framework: Culture, Human Rights, Diversity, Equity, and Inclusion, and Ethics and Governance. These concepts ensure that sustainability permeates across our organization. They highlight our commitment to creating a workplace and a world that respects human rights, celebrates diversity, and upholds the highest ethical standards.



**CATHERINE REUBEN**  
CHIEF CORPORATE AFFAIRS OFFICER



**RAFAEL RAMOS**  
CHIEF SUPPLY CHAIN AND  
ENGINEERING OFFICER



Our holistic view of sustainability recognizes that real progress can only be achieved by addressing challenges collectively. For example, our water stewardship initiatives go beyond conserving water in our operations to include actions that contribute to water security for communities and ecosystems. Similarly, our efforts to build a World Without Waste extend to creating a circular economy that reduces our footprint and encourages recycling and reuse in our communities. Climate Action is also a critical pillar in our framework. Coca-Cola FEMSA is committed to reducing its carbon footprint through energy efficiency, renewable energy adoption, sourcing, and sustainable logistics.

In parallel, we continue to explore and offer zero and lower calorie products in our Product Portfolio as well as leveraging sustainable packaging solutions, demonstrating our dedication to both environmental stewardship and consumer well-being.

The Integral Employee Well-being and Community Development pillars reinforce our belief that sustainability extends to creating a positive impact on the lives of our people and the communities we serve. By investing in the health, safety, and well-being of our employees

and supporting the development of our communities, we strengthen the foundation upon which our company and people thrive.

Our pioneering financing strategy closely aligns with our Sustainability Framework, ensuring our financial endeavors directly contribute to achieving our ambitious sustainability goals. These efforts not only drive us towards our environmental and social objectives, such as enhancing water efficiency, increasing renewable energy use, and reducing carbon emissions but also reinforce our commitment to fostering economic, environmental, and social well-being across our value chain. Through our pioneering Green Bond and the introduction of our Sustainability-Linked and Sustainability Bonds in Mexico, we are investing in the future.

Coca-Cola FEMSA's new Sustainability Framework is more than a commitment; it is a comprehensive strategy that embeds our social, economic, and environmental commitments into the core of our business model, enabling us to face today's challenges while paving the way for a sustainable and inclusive future.







**BY WORKING CLOSELY WITH OUR COMMUNITIES, WE NOT ONLY ENHANCE LOCAL DEVELOPMENT BUT ALSO CONTRIBUTE TO ACHIEVING OUR AMBITIOUS ENVIRONMENTAL GOALS.**

## **2. Catherine, can you share how Coca-Cola FEMSA's commitment to community development drive both local well-being and the company's sustainability goals?**

At Coca-Cola FEMSA, we understand that our success is inherently linked to the development of our local communities. Our approach to community engagement is not just about being a good neighbor; it is also about fostering partnerships that yield lasting benefits for the community and our business. Moreover, this commitment extends throughout our entire value chain, from suppliers to clients and business partners, ensuring we continue to deliver economic value while generating social development across our operations.

Our Model for Addressing Risks and Relations with Our Community (MARRCO) methodology is the backbone of our efforts to build strong, win-win relationships with nearby communities. MARRCO guides us in developing comprehensive Community Engagement Plans, focusing on programs and activities that respond directly to community needs while ensuring our business's sustainability and growth. By 2030, our goal is to implement Community Engagement Plans based on the MARRCO methodology at every priority site, underscoring our dedication to this collaborative approach.

By working closely with our communities, we not only enhance local development but also contribute to achieving our ambitious environmental objectives, including our water stewardship, PET collection, and climate action goals. Moreover, understanding that achieving our sustainability vision requires collective action, we also aim to build alliances beyond our local communities, including governmental bodies, industry peers, and environmental organizations. These partnerships are pivotal, enabling us to amplify our impact.



### 3. Catherine, Rafael, can you outline the broader impact of our company's water stewardship strategy?

At Coca-Cola FEMSA, we have embarked on a comprehensive water stewardship strategy that transcends our operations. Our goal has a dual commitment: to enhance water efficiency within our bottling plants and to extend our efforts far beyond, protecting the vitality of watersheds and fostering water access and resilience in the communities where we operate.

Our dedication to operational efficiency is relentless. Every year, we invest in cutting-edge technologies and best practices aimed at reducing our Water Use Ratio (WUR), a testament to our resolve to minimize our environmental footprint. Yet, our ambition is driven by the fundamental understanding that true stewardship encompasses not just conservation but active replenishment and community engagement.

In collaboration with valued partners, including local governments, NGO, and international alliances, we are leading projects that revitalize local watersheds. From reforestation initiatives to the construction of sustainable water infrastructure, our projects are designed to replenish more water than we consume. We are steadfast in our determination to achieve a net-positive impact.

Central to our strategy is the belief that water is vital for the communities. In regions affected by water scarcity, we actively collaborate with The Coca-Cola Company, The Coca-Cola Foundation, and FEMSA Foundation to co-create innovative programs that provide access to clean and safe water, sanitation, and hygiene (WASH) solutions. Through these initiatives, we are not just enhancing water access but also nurturing community development. In a world where water scarcity poses a growing challenge, our journey in water stewardship is one of innovation, collaboration, and profound commitment to our communities.

**WE ARE A GLOBAL BENCHMARK IN WATER EFFICIENCY WITH 1.42 LITERS OF WATER USED PER LITER OF BEVERAGE PRODUCED.**

**+100% OF WATER USED IN 2023 BEVERAGES RETURNED VIA REPLENISHMENT PROJECTS.**





**WE ARE ADVANCING THE CONSTRUCTION OF PLANETA, OUR NEW FOOD-GRADE PET RECYCLING FACILITY IN MEXICO, WITH THE CAPACITY TO PROCESS 50,000 TONS OF POST-CONSUMER PET BOTTLES ANNUALLY.**

#### **4. Catherine, Rafael, what is Coca-Cola FEMSA's approach to advancing its World Without Waste strategic pillar?**

Our first approach has been our dedication to extending the lifecycle of our packaging. In 2023, 32% of our volume was generated from returnable/reusable bottles, surpassing the Coca-Cola System's 25% target by 2030. We are committed to enhancing this initiative, ensuring that the benefits of returnable/refillable packaging for the environment and our consumers continue to grow.

Additionally, we aim to use at least 50% recycled PET resin in our packaging by 2030. In 2023, we set a new benchmark by using 109,889 thousand tons of rPET in our packaging, marking a 32% increase from the previous year and keeping us on track to achieve our goal. Our efforts also extend to designing lighter and more efficient bottles that require less material, while maintaining the quality and integrity of our products.

The start of operation of PLANETA in 2024, our new PET recycling facility in Tabasco, Mexico, together with ALPLA, stands as a significant milestone. Designed to process 50,000 tons of PET annually, it will make a significant contribution toward our goal of achieving self-sufficiency in sustainable packaging materials.

In addition to increasing the use of recycled resin, we also prioritize the recyclability of our packages. Our bottles are

composed of 98% recyclable materials. This includes the transformation of Sprite bottles in 2023 from green to transparent to improve recycling efficiency.

Our efforts to incorporate recycled materials extend beyond PET; we utilized 36% recycled glass, with our operations in Colombia and Central America leading the way, and 64% recycled aluminum, with Brazil and Argentina reaching an impressive 76%.

We recognize that through collective action, we can achieve greater impact in our efforts to build a World Without Waste. For instance, through our longstanding partnership with ECOCE, we have contributed to elevating Mexico to a national PET collection rate of 62.8%, on par with the European Union. This collective approach also includes educating communities on proper waste separation, enhancing recycling processes, and establishing effective PET collection systems. By fostering community involvement and strengthening partnerships, we aim to increase recycling infrastructure and support local PET collectors, a critical step to achieve our ultimate goal of collecting the equivalent of 100% of the PET we use.

Through these extensive and comprehensive initiatives, we are not merely working toward a World Without Waste; we are demonstrating the effectiveness of a holistic approach in building a resilient circular economy.





**5. Rafael, how is Coca-Cola FEMSA advancing its sustainable mobility strategy, especially with the introduction of a new electric vehicle designed specifically for the beverage industry?**

In October 2023, Coca-Cola FEMSA took a significant leap forward in its ambitious journey toward green mobility by launching an eight-month pilot program featuring a new electric truck developed in partnership with BYD. This vehicle, the first of its kind in the world tailored specifically for the beverage industry, embodies our vision of combining customer-centric delivery processes with environmental stewardship. The truck's design caters to the unique demands of our operations, accommodating standard 14 low-bed pallets with flexibility for other configurations. This innovation, co-developed with BYD, represents a significant step in our commitment to green mobility.

Given the extensive scale of our operations, with over 1,750 D2C delivery routes, the adoption of electric vehicles into our fleet would represent a significant step toward substantially lowering our carbon footprint and this pilot program stands as a promising component of our sustainable mobility strategy.

In addition to electric mobility alternatives, our pursuit of operational excellence through dynamic route optimization, advanced telemetry, and digital technologies continues to refine our distribution strategies, enhancing fleet utilization, safety, and reducing environmental impact. By integrating global partnerships, advanced analytics like Total Cost of Ownership, and standardized testing protocols, we are steering our fleet toward a holistic approach to sustainable mobility.

**WE ARE PILOTING IN MEXICO CITY THE WORLD'S FIRST ELECTRIC TRUCK DESIGNED SPECIFICALLY FOR THE UNIQUE DEMANDS OF THE BEVERAGE INDUSTRY.**





**OUR SUSTAINABILITY EFFORTS ARE INSPIRED BY OUR COMPANY'S COMMITMENT TO SIMULTANEOUSLY CREATE ECONOMIC AND SOCIAL VALUE WHILE GENERATING ENVIRONMENTAL WELL-BEING.**

## **6. Catherine, can you share how Coca-Cola FEMSA responded to the challenges posed by Hurricane Otis in Acapulco?**

Coca-Cola FEMSA has a long-standing history of stepping up and demonstrating a deep-rooted commitment to aiding communities affected by natural disasters across our operational footprint. This permanent commitment is a cornerstone of our corporate ethos, guiding our actions and initiatives. It is with this same spirit of responsibility that we approached the catastrophic impact of Hurricane Otis on Acapulco, the strongest hurricane on record to strike Mexico's Pacific coast.

Following the unprecedented devastation brought by Hurricane Otis, Coca-Cola FEMSA has taken a proactive stance in contributing to the recovery and resilience efforts in Acapulco, mobilizing resources and reaffirming our integral connection to the community.

In the immediate aftermath, recognizing the urgent need for clean drinking water, we rapidly provided over 120,000 liters of bottled water to those affected. Moreover, to address the ongoing water scarcity, we deployed two VenXAgua Water Treatment Vehicles, each with the capacity to purify 48,000 liters of water daily, facilitating access to clean water for drinking and food preparation.

We are now investing Ps. 575 million into reconstructing our Acapulco facilities and supporting the communities. This investment is not only about restoring our operational capacity but serves as a cornerstone of our efforts to contribute to revitalize the local economy. Through these actions, Coca-Cola FEMSA is demonstrating our unwavering dedication to the economic, social, and environmental well-being of the communities where we operate.



# COCA-COLA FEMSA'S PATH TO SUSTAINABLE AND INCLUSIVE GROWTH

## Sustainable Growth: Core Priority and Guiding Principle at Coca-Cola FEMSA

At Coca-Cola FEMSA, our strategic priorities incorporate sustainability principles in two complementary ways.

First, these principles serve as a foundational guideline, ensuring that every decision and its subsequent impact adheres to sustainable practices. This commitment ensures that our growth is both sustainable and inclusive, and works to the benefit of all stakeholders involved.

Second, sustainability stands as a core priority in its own right: a commitment to actively making a difference. We purposefully distinguish this from our broader guidance on sustainability in order to emphasize our dedication to proactive steps towards a more sustainable future. Our commitment extends beyond compliance, to the intentional fostering of a culture of action that achieves tangible results across our organization and value chain.

## Our Culture of Action

In recent years, we have carried out a thorough sustainability transformation involving every part of our operation. Our goal was to align not only with local standards but also with global best practices, setting new benchmarks in our markets. To this end, we have set sustainability priorities based on materiality assessments and adapted our capital strategy to support sustainable development, partly through green, social, and sustainability-linked bonds.

A dedicated Sustainability Committee directed this transformation. Top executives helmed the project, including our CEO, CFO, a COO, CHRO, Supply Chain and Engineering Officer, and Corporate Affairs Officer, along with members from the FEMSA Sustainability team. The committee's diverse, informed perspectives ensured a comprehensive approach and integrated a culture of action into our sustainability vision.



## THE KEY CONSIDERATIONS IN OUR SUSTAINABILITY TRANSFORMATION:

1. Embed sustainability in all critical business actions to ingrain a new way of working at Coca-Cola FEMSA.
2. Balance best-in-class efforts across environmental, social, and governance priorities.
3. Drive change from the top, encouraging bold decision-making and shared responsibility in advancing sustainability initiatives.
4. Consider all sources of value and the costs of inaction, balancing immediate financial incentives with the long-term value of sustainability progress.
5. Ensure transparency and define clear metrics that can be quickly cascaded throughout the organization.
6. Amplify change management through training, conveying the corporate sustainability strategy to key stakeholders and empowering them to implement change.





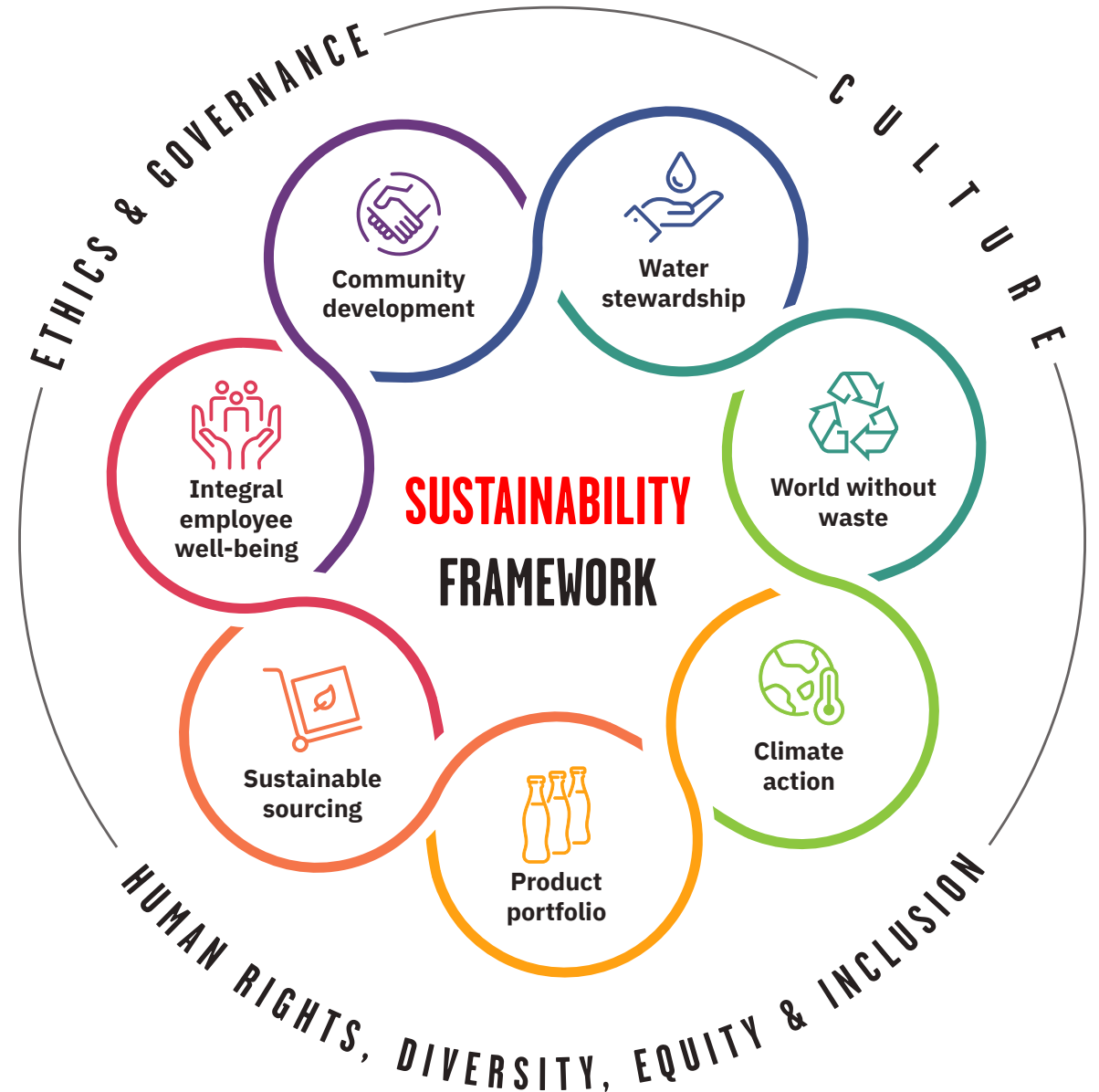
# SUSTAINABLE FUTURE FRAMEWORK

## The Evolution of Coca-Cola FEMSA's Sustainability Framework

We have recently updated our Sustainable Future Framework, building upon the foundation laid by our previous strategic model. This enhanced Framework now more precisely aligns with the strategic directions of both FEMSA and The Coca-Cola Company, ensuring a cohesive approach to sustainability that resonates with our core values and business objectives. By refining our focus, we are better positioned to address current challenges and seize future opportunities, driving sustainable growth and impact across all aspects of our operations.

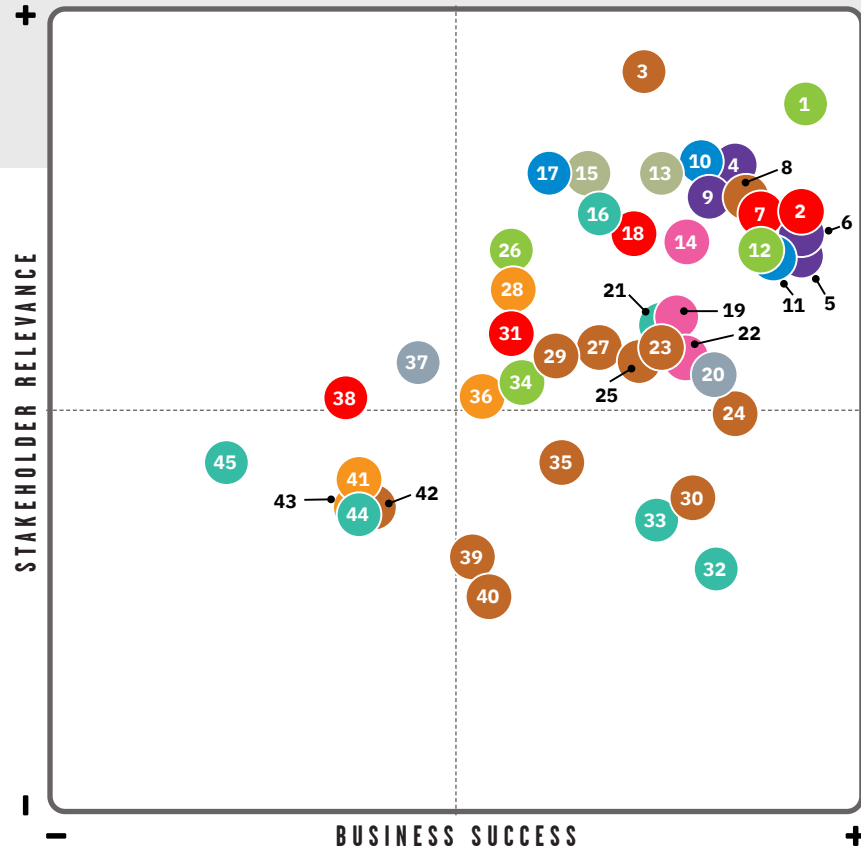
To update our Sustainable Future Framework, we undertook a comprehensive study in partnership with an independent third party, engaging over 300 individuals across

our operational countries. This process included interviews with our corporate and senior leadership team executives, along with their respective teams, to gain in-depth insights. Furthermore, we organized work sessions with organizational leaders whose roles significantly influence sustainability practices across the company, and conducted forums involving key corporate functional areas to foster broad engagement. External perspectives were also integrated through interviews with investors and other research tools, ensuring a holistic view. Finally, FEMSA actively participated in the conclusive review of priorities, with a special focus on governance, to align our sustainability efforts with strategic objectives and stakeholder expectations.





# OUR SUSTAINABILITY PRIORITIES



### Materiality Assessment

Our detailed materiality assessment aligns our sustainability priorities with both stakeholder expectations and the long-term objectives of our Sustainable Future Framework. This approach ensures a targeted and impactful sustainability strategy and actions, appropriate to the evolving dynamics of our business environment and stakeholder community.

In the process of identifying material issues, we conducted an analysis of our business risk matrix and revised both

FEMSA’s governance structure and our priorities with The Coca-Cola Company. We also considered key topics for the beverage industry according to sustainability experts, performed a detailed peer benchmark, and included considerations from external stakeholders such as NGOs and public opinion. This assessment’s outcome led to the strategic mapping and identification of 45 key topics and 17 material priorities within our Sustainable Future Framework. These were integrated into the company’s risk management process,

reviewed, and approved by the senior management team.

We are currently in the process of updating our materiality matrix and priorities. While this process is ongoing, we have made significant progress, refining our methodology and criteria to ensure comprehensive stakeholder engagement and robust analysis. An updated matrix and priorities will be published in our 2024 Integrated Report.

#### CLIMATE ACTION

- 4 GHG Emissions Reduction
- 5 Sustainable Mobility
- 6 Climate Change Adaptation
- 9 Energy Management: Renewables and Efficiency

#### WATER STEWARDSHIP

- 10 Water Access, Sanitation, and Hygiene (WASH)
- 11 Context-Based Hydrological Safety
- 17 Water Efficiency

#### WORLD WITHOUT WASTE

- 1 Packaging Circular Economy
- 12 Consumer Engagement for Circular Economy
- 26 Industrial Waste Circular Economy
- 34 Customer Engagement for Circular Economy

#### PRODUCT PORTFOLIO

- 2 Nutritional Attributes of Product Portfolio
- 7 Product Portfolio Diversification
- 18 Advertising and Commercial Practices
- 31 Promotion of Healthy Habits
- 38 Information and Quality of Products

#### SUSTAINABLE SOURCING

- 28 GMOs and Traceability of Ingredients
- 36 Support of Local Supply Chains
- 41 Supplier Relationship Management
- 43 Environmentally Responsible Dairy Farming

#### COMMUNITY DEVELOPMENT

- 14 Supporting Small Businesses
- 19 Women’s Empowerment
- 22 Local Community Relationships

#### INTEGRAL EMPLOYEE WELL-BEING

- 16 Safety, Health, and Wellness
- 21 Labor Relations
- 32 Talent Attraction
- 33 Compensation and Benefits
- 44 Training and Development
- 45 Opportunities for Youth

#### ETHICS AND GOVERNANCE

- 3 Global Integrity and Compliance
- 8 Relationship with Government
- 23 Standards for Contractors
- 24 Best-in-Class Board Practices
- 25 Information Security and Cybersecurity
- 27 Partnerships for Sustainability
- 29 Digitalization in Customers’ Processes
- 30 Comprehensive Risk Management
- 35 Code of Conduct
- 39 Customer Satisfaction Measurement
- 40 Quality of Service for Customers
- 42 Mechanism for Consumers to Raise Concerns

#### HUMAN RIGHTS, DIVERSITY, EQUITY, AND INCLUSION

- 13 Human and Labor Rights
- 15 Diversity and Inclusion

#### CULTURE

- 20 Culture, Ethics, and Values
- 37 Road Safety



# CONTRIBUTION TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

We are committed to contributing to the achievement of the United Nations Sustainable Development Goals (SDGs). While many of our actions contribute to the 17 SDGs, the greatest impact opportunities as we carry forward our Sustainable Future Framework and initiatives lie within these fourteen goals:



We are collaborating with FEMSA Foundation on social initiatives in our communities, focusing on early childhood and healthy lifestyles.



We maintain a focus on the health, safety, and well-being of our employees, customers, consumers, and communities through our internal and external social priorities. In so doing, we reinforce our commitment to economic value, social and environmental well-being. Additionally, we offer a diverse beverage portfolio—including our expanding zero- and low-sugar options—and implement responsible marketing strategies.



Aligned with our ambition to improve gender diversity at all levels of the organization, we are deploying initiatives to increase women's representation across our operations. By 2030, our ambition is for women to represent 40% of leadership and management positions. We are also implementing programs to foster women's financial and digital empowerment in traditional trade.



We're dedicated to efficient water use, conserving watersheds, and contributing to safe drinking water access for our communities. By 2025, our ambition is to develop with our communities and stakeholders one water access or replenishment project at each priority site, returning locally 100% of the water we use.



We strive for a broad energy efficiency strategy across our operations and our entire value chain, integrating renewable energy sources and technologies to cut CO<sub>2</sub>e emissions in line with our climate action commitment.



We pursue sustainable economic growth by efficiently using resources, fostering a work environment for comprehensive professional development, creating jobs in emerging markets, and applying sustainable sourcing. Additionally, we develop community initiatives focused on empowerment to boost resilience and reinvigorate local economies.





We integrate digital innovation to bring added value to our value chain, including training programs designed to empower customers with technological advancements that enhance overall efficiency. Additionally, we work to enhance our sustainability performance and drive industry innovation, focusing on key areas like water stewardship, energy efficiency, and reducing our carbon footprint across the value chain.



Our work with small local businesses across our extensive value chain of suppliers, customers, and other stakeholders seeks to improve their financial and digital inclusion. Simultaneously, we focus on contributing to our communities with safe water, improved sanitation, and hygiene education.



Aligned with our community engagement priority, we are focused on advancing the development of the communities where we operate and serve. Our mindset and approach for all collaborative endeavors across our operations is to create sustainable solutions tailored to local needs.



With support and shared responsibility of stakeholders across our value chain, we are poised to effectively implement a comprehensive circular economy strategy. Our ambitious 2030 goal involves not only collecting the equivalent of 100% of the PET bottles we place in the market but also implementing a broader market-based circular economy approach by using other packaging materials like glass and aluminum cans, ensuring sustainable practices across our entire portfolio.



By 2030, we are committed to decreasing our Scope 1 and 2 emissions by 50% and reducing our Scope 3 value chain emissions by 20% vs. 2015, aligned to Science Based Targets initiative. To meet these ambitions, we set initiatives to transition relevant operational assets to lower emission alternatives and are launching various initiatives to address emissions throughout our value chain.



Given the growing urgency of shared water action across the value chain, our comprehensive water strategy is focused on water efficiency, replenishment, and access. By leading our industry in water efficiency, we contribute to the preservation of natural habitats and biodiversity, which rely on balanced water ecosystems. Moreover, our social water stewardship commitment safeguards people's right to water and aims to contribute to its availability for present and future generations.



Our corporate governance and business conduct not only fully comply with applicable regulations in our countries of operation, guided by our Code of Ethics, but also serve as a model for other institutions. In dealing with suppliers, we apply guiding principles that concentrate on strategic input categories, which cover human rights, environmental protection, and labor rights, setting a standard in ethical practices and responsible business conduct that we hope will inspire and influence others in our industry and beyond.



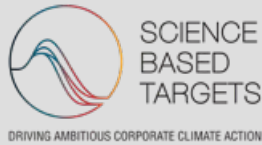
We recognize that complex, evolving challenges demand innovative, collaborative solutions. Embracing this, we partner with companies, governments, NGOs, and institutions to maximize our impact.



# SUSTAINABILITY CREDENTIALS

## 1<sup>ST</sup> MEXICAN COMPANY

to secure approval of the Science Based Targets Initiative (SBTi) for our GHG emissions reduction goals



## DJSI

Coca-Cola FEMSA was named to the Dow Jones Sustainability MILA Pacific Alliance Index for the sixth consecutive year.

## S&P Dow Jones Indices

A Division of **S&P Global**

## 4<sup>TH</sup>

## CONSECUTIVE YEAR

and 6<sup>th</sup> in a decade of inclusion in S&P Global's Sustainability Yearbook

Sustainability Yearbook Member 2023

**S&P Global**

## 5<sup>TH</sup>

## CONSECUTIVE YEAR

of inclusion in the Bloomberg Gender-Equality Index



## 4<sup>TH</sup> YEAR

of recognition as one of the Best Places to Work for LGBTQ+ Equality by the Human Rights Campaign Foundation and HRC Equidad MX: Global Program for Labor Equity



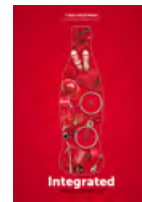
First bottle-to-bottle recycled PET plant in Latin America.

2004



Established our 2020 Sustainability Goals.

2015



Issued the largest Green Bond for a Latin American company and first in the Coca-Cola System.

First Mexican company and third in Latin America to obtain SBTi approval.

2020



First company in the consumer sector in the Americas and the Coca-Cola System to issue Social Bonds.

2022



2012

Included in the Dow Jones Sustainability™ Emerging Markets Index and the Sustainability Index of the Mexican Stock Exchange.



2017

Published the First Coca-Cola FEMSA Annual Integrated Report.



2021

Issued a Sustainability-Linked Bond in the Mexican market, focused on water efficiency.



2024

New food-grade PET recycling plant in Tabasco, Mexico, known as PLANETA.



# WATER STEWARDSHIP

At Coca-Cola FEMSA, we not only strive to enhance water efficiency in our operations but also contribute to water replenishment and access in the communities we serve. Our multifaceted approach includes rigorous water risk assessments, targeted replenishment efforts, and fostering community resilience, underlining our dedication to safeguarding water resources for future generations.



## Setting the Global Standard for Water Efficiency in Our Industry

Our commitment is to accelerate the actions needed to ensure sustainable water security in our operations, watersheds, and the communities we serve. In line with this commitment, we have established three objectives for our Water Stewardship Strategy:

1. Enhancing water efficiency in our operations.
2. Replenishing water in our geographies.
3. Providing access to water, sanitation, and hygiene (WASH) for local communities.

Our Focus	Our Goals	How do we identify our water risks?	Our Standard
Efficiency	<p><b>WUR 1.36 liters</b> of water per liter of beverage by 2024.</p> <p><b>100% compliance</b> with The Coca-Cola Company/local water discharge parameters.</p>	<p><b>Water Risk Assessment</b> Focus on water availability, infrastructure, regulatory compliance, community perception, well status and water cost.</p>	<p><b>Alliance for Water Stewardship (AWS)</b> Guidelines for responsible water stewardship through a comprehensive framework and certification system.</p>
Access	<p>100% Priority Manufacturing Plants with <b>AWS Certification in 2026.</b></p> <p><b>Ensure by 2030:</b></p> <ul style="list-style-type: none"> <li>• 100% replenish in high stress areas.</li> </ul>	<p><b>MARRCO</b> The MARRCO model comprises managing risks and community engagement, which helps to guide and inform our value-generating engagement activities and programs with our local communities.</p>	
Replenishment	<ul style="list-style-type: none"> <li>• Water access in Coca-Cola FEMSA operations.</li> <li>• Contribute to promote water access to key communities in priority sites.</li> </ul>		

## JOINING THE CEO WATER MANDATE



In 2023, we deepened our commitment to the careful and efficient use of water resources by joining the CEO Water Mandate. This initiative,

aimed at mobilizing business leaders, works in collaboration with the United Nations and other entities to tackle global water challenges. Through the initiative, we will collaborate to enhance water resilience across operations and supply chains, and work to achieve collective positive impact on water resources in at least 100 vulnerable water basins by 2030.

Coca-Cola FEMSA does not operate within any protected natural areas. However, in alignment with the CEO Water Mandate and the Alliance for Water Stewardship, we ensure to identify natural areas within the watershed that are in proximity to our operations.

We remain aligned with our commitment to maintaining sustainable water management practices based on the 5 outcomes of Alliance for Water Stewardship (AWS): Good Water Governance, Sustainable Water Balance, Good Water Quality Status, Important Water-Related Areas and Safe Water, Sanitation And Hygiene For All (WASH).





## REGENERATIVE OPERATIONS: LEADING OUR INDUSTRY IN WATER EFFICIENCY

### Achieving New Milestones in Water Use Ratio Reduction

As our company grows and adapts its portfolio to promote returnable/reusable bottles across our geographies, we remain committed to our vision of pushing the boundaries of water efficiency.

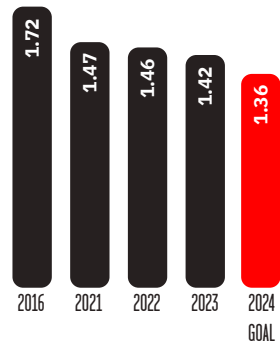
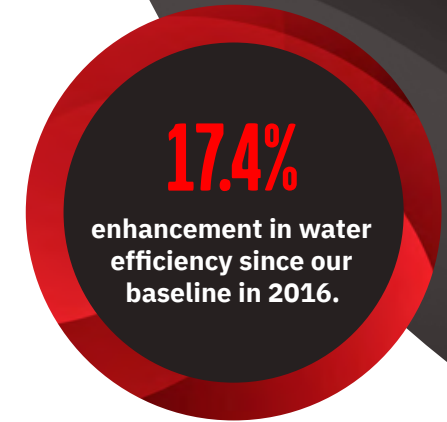
We use a dual approach in our water efficiency strategy that underscores our commitment to responsible water use and environmental protection. First, we are dedicated to reducing the Water Use Ratio (WUR)—the amount of water utilized per liter of beverage produced. Second, at the end of our production process, we treat 100% of the water we discharge according to local and The Coca-Cola Company requirements, providing sufficient water quality to support aquatic life.

In accordance with our → **Sustainability-Linked Bonds Framework** issued in 2021, the company has a 2024 goal to achieve a WUR of 1.36. Accordingly, in 2023, we invested US\$10.35 million in water

efficiency programs across our operations, guided by our Top 20 Water Saving Strategies. These initiatives include a range of actions from detecting and fixing leaks to efficiently managing water use in our plants and improving our water recovery systems.

### Achieving New Milestones in Water Use Ratio Reduction

As a result, we continued to improve water efficiency in our operations to an industry leading WUR of 1.42 at the end of 2023, an improvement from 1.46 in 2022. Our 2023 WUR represents a 17.4% enhancement in efficiency since our baseline in 2016, establishing us as a leader in water efficiency in the beverage industry. We want to call attention to the fact that 12 of our plants in Brazil, Colombia, and Mexico are already well below our intermediate goals and 2026 ambition. Our Tocancipá plant in Colombia is leading the group of carbonated beverage plants, with a remarkably low WUR of 1.18 at the end of 2023.



### WATER USE RATIO (WUR)

Liters of water used per liter of beverage produced

### Water Efficiency – Progress & 2023 Highlights

This year, we used a total of 30,986 megaliters of water, discharging 8,381 megaliters back. We treated 100% of this discharged water to quality levels that could sustain aquatic life.

	Municipal water	Rainwater	Well water	River water	Total water withdrawal
Total (ML)	9,239.36	7.28	21,739.13	0.26	30,986
	Water discharged to sewers	Water discharged into rivers	Total water discharged		
Total (ML)	4,461.77	3,819.66	8,381.43		



## FROM CONSERVATION TO REPLENISHMENT: OUR WATER SECURITY COMMITMENT

### Ecosystem Conservation for Water Resilience

Beyond our commitment to water efficiency in our operations, we are steadfast in our pledge to replenish more water to the environment than we use to produce our beverages. The conservation of ecosystems within the watersheds where we operate stands as one of the most important elements for enhancing water resilience for both our operations and the communities we serve, as these ecosystems directly influence the aquifer's water infiltration capacity through the biogeochemical cycle. To this end, we implement nature-based solution projects that not only boost water infiltration but also mitigate climate related risk of biodiversity loss and natural disasters.

In 2023, our efforts positively impacted over 48 thousand hectares through conservation, protection, and reforestation, enabling us to replenish over 100% of the water we use in our beverages. Our programs are aligned with the Alliance for Water Stewardship (AWS) certification approach, utilizing

our Water Risk Assessment tool to identify the root causes of vulnerabilities in the watershed, ensuring proactive risk management.

### Updated Water Risk Assessment Tool

In 2023, we significantly upgraded and digitalized our Water Risk Assessment tool (WRA), adopting a comprehensive approach for effective water resource risk management. The tool is now aligned with ISO 31000's Risk-Consequences Matrix and incorporates ESG risk factors from the Sustainability Accounting Standards Board (SASB), as well as components from the Aqueduct Water Risk Atlas and Water Risk Monetizer from Ecolab, among others. The WRA tool focuses on identifying root causes of water-related risks such as water scarcity and treatment or discharge issues, alongside water management, regulatory compliance, and ESG concerns that could impact operations or water supply. It also accounts for biodiversity, climate change vulnerability, and utilizes our Model for Addressing Risks and Relations with Our Community (MARRCO) to identify and engage with key stakeholder groups.

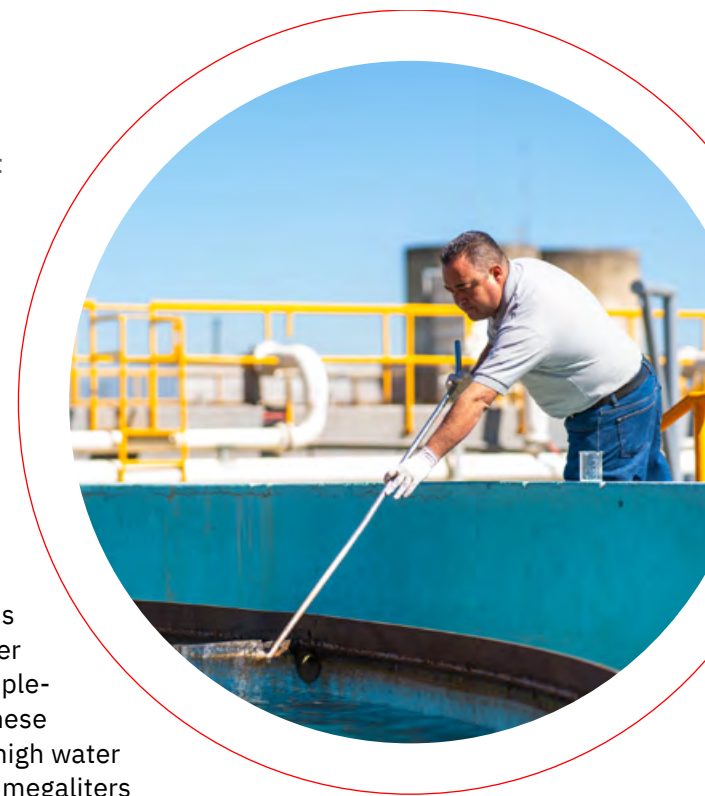
Annually, we evaluate 100% of our operations for water-related risks. Additionally, we conduct Source Vulnerability Assessment studies across 100% of our operations to address environmental risks, including climate variability and watershed ecosystem deterioration, as well as social, economic, and institutional factors.

→ Visit page 89 to learn more about our Model for Addressing Risks and Relations with Our Community.

### Focus on Priority Sites

In 2023, using our WRA annual assessment, we analyzed water risks across 100% of our operations, finding that none are situated in protected natural areas. Out of our 56 plants, 30 were identified as priority sites located in areas of medium to high water stress. We developed enhanced mitigation plans for both identified and potential water challenges and are advancing the implementation of the AWS Standard at these sites. The total water withdrawal in high water stress areas reached 10.8 thousand megaliters in 2023, representing less than 35% of our total water withdrawal.

We have set a goal to replenish locally 100% of the water we utilize in production at medium and high-stress sites. Our ambition for these locations goes beyond water neutrality to promote basin protection and ecosystem regeneration. Through our partnership with The Coca Cola Company, The Coca-Cola Company Foundation, FEMSA, FEMSA Foundation, and various consultancies and organizations, we have implemented replenishment and WASH projects in these locations.



In 2023, we  
replenished over  
**100%**  
of the water used  
in our beverages.



## ENHANCING ACCESS TO WATER, SANITATION, AND HYGIENE

### Contributing to Building Resilient Communities

The human right to water is essential not only for living with dignity but also as a vital precondition for the fulfillment of other human rights. A key element of our Water Stewardship Strategy is collaboration with neighbors, governments, and other institutions to foster water resilience in the communities where we operate.

Throughout our annual Water Risk Assessment, we have identified 14 priority sites for the deployment of access to water, sanitation, and hygiene initiatives. Our journey in enhancing water accessibility is ongoing. We are dedicated to finding innovative solutions and forging new partnerships to enhance water access and support the long-term health and prosperity of the communities where we operate. Currently, we have access projects in Argentina, Brazil, Colombia, Costa Rica, Guatemala, and Mexico.

### Some of Our Community Water Replenish and WASH Projects In 2023

- **Argentina:** enhanced water efficiency in agricultural areas through Kilimo software. Utilizing Big Data and AI, it predicts crop demand and provides irrigation recommendations, enabling savings of 20-25% in water usage.

- **Colombia:** provided water filters to 350 families through the *Filtros que Dan Vida* project that do not have access to safe drinking water, contributing to improving their well-being and quality of life.
- **Costa Rica and Colombia:** the *Agua por el Futuro* Replenishment Program focuses on conservation, reforestation, and regeneration activities to enhance water absorption in the company's impact basins.
- **Guatemala:** supported the enhancement of the María Linda river sub-basin, the Ocosito sub-basin, and the improvement of the Pasabien basin, to contribute with water availability for the local communities.
- **Mexico:** through the *Escuelas de Lluvia* program, we addressed water scarcity in schools by installing rainwater harvesting systems and running environmental education programs.
- **Panama:** collaborated with the community for the rescue, reforestation, and restoration of the mangrove. Our volunteers, along with external volunteers, planted 1,000 trees.
- **Uruguay:** contributed to establishing the Uruguayan Water Alliance Foundation, aimed at fostering public-private partnerships for nature-based projects to achieve regional water security.

## SUPPORTING PARTNERSHIPS AND COLLABORATION FOR WATER SECURITY

We believe that collective action is fundamental to providing water security and therefore to the success of water replenishment projects. For more than 12 years, together with FEMSA and FEMSA Foundation, we have supported the Latin American Water Funds Alliance, a collaboration with organizations like the Inter-American Development Bank and The Nature Conservancy. This Alliance focuses on water security by establishing water funds that foster multi-stakeholder partnerships, aligning distinctive visions and pooling resources for nature- and science-based solutions. The Alliance has formed over 300 partnerships and initiated 26 water funds in the countries where we operate. These funds are mechanisms for collective action at the local level aimed at aligning visions among different stakeholders in the basins and pooling resources to implement nature-based and science-based solutions to contribute to water security.

We also collaborate with The Coca-Cola Company, The Coca-Cola Foundation, and FEMSA Foundation to co-create initiatives aimed at enhancing community well-being by facilitating access to water, sanitation, and hygiene (WASH), amplifying our collective positive impact. By supporting communities in getting access to water and using it more efficiently, we contribute to reducing demand from watersheds and their long-term protection.







# WORLD WITHOUT WASTE

Our aim is to build a circular economy that minimizes waste by making the most of current resources. We see this as the best solution to overcome the environmental and climate challenges associated with our packaging and operations.

### Circular Approach Across Our Business

Our commitment to building a World Without Waste extends to overseeing our operations and the entire lifecycle of our packaging. This holistic approach is central to our environmental strategy, ensuring our business practices are sustainable across all areas through four key elements:

1. Adopting sustainable designs with lighter solutions and higher use of recycled materials.
2. Enhancing waste collection and recycling directly and through partnerships.
3. Promoting the use of returnable/refillable bottles.
4. Striving for zero waste in our operations.





OUR CIRCULAR ECONOMY APPROACH OVERSEES THE ENTIRE LIFECYCLE OF OUR PACKAGING AND OPERATIONS, **AIMING TO REUSE, REDUCE, AND RECYCLE WASTE, AS WELL AS MITIGATE ENVIRONMENTAL IMPACT**

**32%** of our volume come from returnable/refillable packaging, surpassing the Coca-Cola System's 25% target by 2030.

In 2023, we used **109.89** thousand tons of recycled PET resin in our packaging, a 32% annual increase.

Our PET packaging in 2023 included **33% RECYCLED RESIN**, aiming for our 50% goal by 2030.

We used **36% RECYCLED GLASS**, with Colombia and Central America leading.

We used **64%** recycled aluminum, with Brazil and Argentina reaching an impressive 76%.

Our bottles are composed of 98% recyclable materials, including a shift from **GREEN TO TRANSPARENT** Sprite bottles to improve recycling efficiency.

**PLANETA**, our new PET recycling facility in Tabasco, Mexico, will process 50,000 tons of PET annually.

Since 2002, we partner with **ECOCE**, contributing to a national PET collection rate of 62.8% in Mexico.

Our **MY ZERO WASTE STORE** program in Mexico integrates waste collection into small business operations, enhancing community environmental stewardship.

3 additional bottling plants achieved zero waste status in 2023, bringing the total to **84%** of all our plants.

We recycled **98%** of our industrial solid waste in 2023.

**100%** zero waste certification for plants by 2025 and distribution centers by 2030.



## ENHANCING WASTE COLLECTION AND RECYCLING

### Returnable/Refillable Bottles: Results Ahead of Schedule

We lead the charge in promoting the use of returnable/refillable bottles across our geographies, with 32% of our volume coming from this packaging option, surpassing The Coca-Cola System's target of 25% adoption by 2030. This result is bolstered by our universal bottle and affordability initiatives that can be used across multiple beverage categories. → **For more information see Portfolio.**

The use of returnable/refillable packaging plays an important role in reducing the environmental impact of supply chains by not only reducing waste but also contributing to the conservation of natural resources.

### Using Recycled Materials in Our Packaging

We encourage the use of recycled materials when manufacturing packaging for our products, reflecting our commitment to circularity, reducing waste, and promoting the responsible use of resources in our operations.

We continue to advance the use of rPET in our packaging. In total, we used 109.89 thousand tons of recycled resin in 2023, a 32% annual increase. In the year, we used 33% recycled resin across our beverage portfolio. This result keeps us on track to achieve our goal of using 50% recycled resin in our packaging by 2030.

Parallel to our efforts with rPET, we have made significant strides in incorporating other recycled materials into our packaging solutions. In 2023, we used 36% recycled glass across our operations, with our operations in Colombia and Central America

leading the way at 45% and 42% respectively. Additionally, we achieved a milestone in using 64% recycled aluminum, with our Brazil and Argentina operations reaching an impressive 76%.

### Recyclable Packaging

In addition to prioritizing rPET in our packaging, we also want the materials in our bottles to be easily recyclable. This year, our bottles were composed of 98% recyclable materials.

In partnership with The Coca-Cola Company, in 2023 we completed the switch from green to transparent Sprite bottles in Latin America. This change represents an increase in PET bale collection efficiency up to 15%, significantly improving the effectiveness and quality of both the collection and production of recycled resin.

### Growing Our Recycling Capabilities

We continue to advance the construction of our new food-grade PET recycling facility in Tabasco, Mexico known as PLANETA, in a joint venture with ALPLA. This facility will have the capacity to process approximately 50,000 tons of post-consumer PET bottles annually, which we plan to supply from 18 collection centers. The PLANETA recycling plant will join the IMER food-grade PET recycling system, which we launched in 2005 as a joint venture with The Coca-Cola Company.

The new plant, together with the collection centers, will help us optimize the rPET production cycle in the Southeast region of the country and keep us on track to achieve our goal of using at least 50% rPET in our plastic bottles and collect the equivalent to 100% of the PET volume we place in our markets by 2030.







## STRENGTHENING RECYCLING ECOSYSTEMS ACROSS OUR OPERATIONS

### Building Strong Partnerships

In addition to advancing our recycling capabilities internally, we recognize the benefits of partnering with communities, the public sector, regulators, industry allies, and NGOs, to ensure a sustainable supply of recycled PET. By building strategic partnerships, we are not only implementing community-based collection and recycling programs but also raising awareness about post-consumer waste management and educating consumers on proper waste disposal practices.

In collaboration with the Mexican non-government association ECOCE, we lead our industry since 2002 in the creation of a robust national market for recycling through collection and recycling programs. The ECOCE Model has resulted in an impressive national PET collection rate of 62.8% in Mexico, equivalent to the levels achieved by the European Union. Going forward, we will continue to evaluate new opportunities to engage proactively in new collaborations with the aim of boosting PET collection and recycling across our regions.

### Promoting Effective Waste Management and Recycling Across Our Communities

Our partnership with PET collectors is focused on promoting their economic development. We aim to provide access to necessary resources, enhance their skills, and ensure compliance with local regulations as well as The Coca-Cola Company's guidelines. These efforts are designed to empower them and contribute meaningfully to their communities. Going forward, we will continue integrating recycling into our operations and the fabric of community interactions with a multidimensional approach that adapts to local conditions across the countries where we operate.

### Some of Our Community Recycling Projects In 2023

- **Argentina:** we are collaborating with private waste management entities that sell to the recycling industry to enhance the economic viability and efficiency of recycling processes.
- **Colombia:** our *Reciclaje Motocargueros* program provided 60 motorized cargo vehicles to recyclers, enhancing their work dignity and increasing recyclable material collection rates by 5%.
- **Costa Rica and Nicaragua:** we focused on the recovery of post-consumer PET waste, working with specialized organizations to collect, process, and utilize waste, aiming to reclaim post-consumer materials nationwide.
- **Guatemala:** through recycling bins located in shopping centers, supermarkets, and universities, the Ecobots program encourages consumers to recycle their PET bottles by offering discount coupons.
- **Mexico:** our My Zero Waste Store engages local businesses, to promote more efficient reclaimable waste management and significantly contributing to our environmental sustainability efforts.





## ZERO WASTE IN OUR OPERATIONS

### Certifying Our Operations as Zero Waste

In addition to our circular packaging initiatives, we have also made strides in our operational waste management.

Our ambition is to have 100% of our bottling plants achieve zero waste status by 2025 and 100% of our distribution centers by 2030. In 2023, three additional bottling plants achieved zero waste status, bringing the total to 41, reaching 84% progress toward our goal. The year also marked a milestone with the certification of the first zero waste distribution center in the Americas within The Coca-Cola Company system.

In 2023, we achieved a waste ratio of 8.17 grams of waste per liter of beverage produced. Most significantly, we recycled 98% of our industrial solid waste, while correctly disposing the rest.





# CLIMATE ACTION

At Coca-Cola FEMSA, we acknowledge the significant and pressing challenge posed by climate change. Our commitment is rooted in the understanding that this urgent matter affects us all, and it is only through united, well-informed actions that we can effectively address the impacts of climate change.

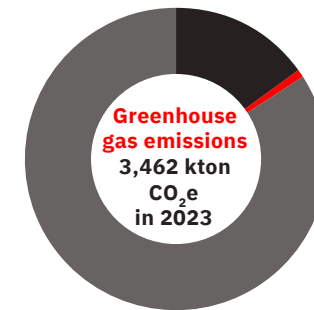
### Carbon Reduction Levers: Transforming Our Operations and Value Chain

We adopt a holistic approach to assess emission reduction opportunities, aiming to minimize the carbon footprint in our operations and throughout our entire value chain.

INGREDIENTS (Scope 3)	MANUFACTURE (Scope 1 & 2)	PACKAGING (Scope 3)	DISTRIBUTION (Scope 1, 2 & 3)	COOLERS (Scope 1 & 3)
<b>25%</b>	<b>3%</b>	<b>28%</b>	<b>17%</b>	<b>27%</b>
<ul style="list-style-type: none"> <li>Strategic suppliers development</li> </ul>	<ul style="list-style-type: none"> <li>Renewable energy</li> <li>Energy efficiency</li> <li>Migrate boilers to natural gas</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable packaging and light weighting</li> </ul>	<ul style="list-style-type: none"> <li>Renewable energy</li> <li>Energy efficiency in own and third party fleet</li> <li>Promote the use of electric vehicles in our fleet</li> </ul>	<ul style="list-style-type: none"> <li>Renewable energy in SMEs</li> <li>Energy efficiency</li> <li>Refrigerant gases confined and/or recirculated</li> </ul>

### Science Based Targets

We are committed to a 50% reduction in Scope 1 and 2 emissions, along with a 20% reduction in Scope 3 emissions by 2030 vs. 2015. We firmly believe that combating climate change requires a science-based approach, involving collaborative efforts from multiple stakeholders. Notably, in 2020 we became the first Mexican company and the third in Latin America to receive Science Based Targets initiative (SBTi) approval for aligning our greenhouse gas reduction goals with the 2015 Paris Agreement. Our approach aligns with the SBTi, prioritizing emission reduction over offsetting. Moreover, we meticulously report our emissions to the Carbon Disclosure Project (CDP) in accordance with their guidelines enhancing transparency regarding our emission sources and progress to date.



- Scope 1 17%
- Scope 2 1%
- Scope 3 82%



# 8.6%

annual reduction in our CO<sub>2</sub>e emissions across the value chain in 2023.





# CLIMATE ACTION IN OUR OPERATIONS

## Reducing Scope 1 and 2 Emissions

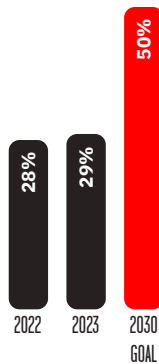
In 2023, we achieved a reduction of 29% in our Scope 1 and 2 emissions from our 2015 baseline. Scope 1 and 2 emissions, accounting for 18% of our total CO<sub>2</sub>e emissions in the year, include energy consumption in our bottling plants and distribution centers, emissions from refrigerant gases, and fuel consumption in our fleet.

## Leveraging Cleaner Refrigerants

We actively reduce Scope 1 emissions by upgrading coolers with cleaner refrigerants at the point of sale and enhancing end-of-life gas confinement.

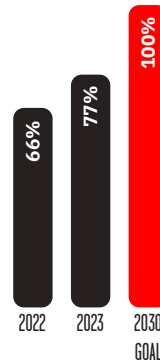
## Increasing Renewable Electricity and Efficiency

Our advancements in Scope 2 emissions stem from strategic investments and Power Purchase Agreements (PPAs) in renewable sources and efficiency projects. In 2023, we began to receive renewable energy from solar sources in Uruguay. In addition to this, we invested US\$3.04 million for the installation of solar panels directly in 17 operating locations of six countries, including Guatemala, Costa Rica, Nicaragua, Panama, Argentina and Uruguay. This new contract keeps us on track toward achieving our 2030 goal of using 100% renewable energy across our operations, with a 77% rate in 2023. Furthermore, we invested US\$4.6 million in 2023 to increase energy efficiency, achieving to 6.11 liters of beverage per MJ consumed, a 45% improvement from our 2015 baseline.

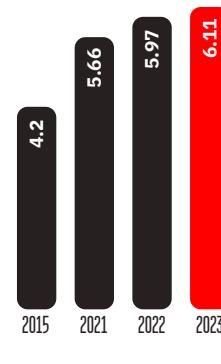


### SCOPE 1 AND 2 REDUCTION

Performance on our SBTi goals



### RENEWABLE ELECTRICITY CONSUMPTION



### ENERGY EFFICIENCY

Liters of beverage produced per MJ

Our scope 2 emissions reduced by

# 48%



## SUSTAINABLE MOBILITY

### Driving the Beverage Industry Fleet to Electro-mobility

In pursuing our goal of providing a superior customer-centric delivery process, we are also driving transformative changes across our fleet to reduce its carbon footprint. Our goal is to assert our position as the preferred commercial platform while continuing to lead in vehicle efficiency, environmental stewardship, and safety in Latin America.

In October 2023, we launched an eight-month pilot program to evaluate the performance of the first electric truck designed specifically for the beverage industry, developed in collaboration with BYD. The aim is to evaluate its performance under varied road conditions, a crucial step in our broader strategy to convert a significant portion of our fleet to green. The electric truck was developed based on specific requirements from Coca-Cola FEMSA. It has a chassis design for the standard 14 low-bed pallets and is also suitable for configurations of 8, 10, and 12 pallets as an alternative for delivery on traditional market routes. Designed with safety standards from both Coca-Cola FEMSA and The Coca-Cola Company, the vehicle runs on a battery with a charging time of between 1.5 and 2 hours.

Our Sustainable Mobility Community is steering the company's electric vehicle strategy, partnering with global suppliers and deploying tools like Total Cost of Ownership (TCO) analysis and standardized testing protocols to enhance fleet efficiency across our operations. Going forward, we will continue our efforts to transition our own fleet to electric vehicles, prioritizing areas with restricted mobility.



530

electric vehicles  
in our fleet.

### Pursuing Operational Excellence

In addition to expanding our electric vehicle fleet, in 2023 we continued pursuing operational excellence by deploying robust route optimization strategies. To this end, we are leveraging the Coca-Cola FEMSA Digital Distribution Platform across Argentina, Brazil, Colombia, Central America, Mexico, and Uruguay, and cutting-edge vehicle telemetry systems installed in our primary and secondary distribution fleet. The synergy between truck telemetry data and our advanced mobile delivery devices empowers us to swiftly resolve deviations from the planned distribution routes, saving fuel while enhancing operational efficiency, which in turn improves customer satisfaction by ensuring timely deliveries.

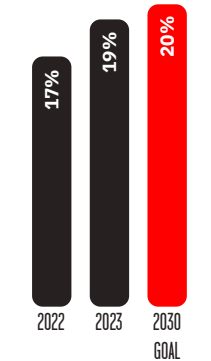
This technological integration also facilitates a detailed analysis of route execution patterns, allowing us to enhance our route planning methodologies. For instance, the deployment of dynamic routing across our secondary distribution fleet in Brazil, Colombia, and Mexico provides us with the agility to chart vehicle routes dynamically on a daily, weekly, and monthly basis, optimizing our fleet resources and travel distances. This systematic approach has yielded tangible benefits—enhancing our fleet's utilization rate, elevating road safety, and curbing fuel consumption and CO<sub>2</sub>e emissions, while offering our highest standards of customer service.



## ENGAGING OUR VALUE CHAIN

### Reducing Scope 3 Emissions

In 2023, we achieved a reduction of 19% in our Scope 3 emissions from our 2015 baseline. Scope 3 emissions, which account for about 82% of our total CO<sub>2</sub>e emissions, come from our value chain, and include cold drink equipment operations at the point of sale, ingredient and packaging embodied emissions, and fuel consumption in our subcontracted fleet.



### SCOPE 3 REDUCTION

Performance on our SBTi goals

### Reducing Carbon Footprint at Point of Sale

We are continuing to upgrade our cold drink equipment to higher-efficiency models that use state of the art technologies to reduce energy consumption. Since 2020, this initiative not only contributes toward our Scope 3 emission goals by reducing electricity-related emissions at the point of sale but also supports small and medium-sized enterprises by lowering their energy expenses. We collaborate closely with Imbera, a FEMSA subsidiary, to enhance the efficiency of cooling equipment and engage in circular economy initiatives. This includes the use of plastic waste in products like Upcycool and the recovery of materials from decommissioned refrigerators through the EOS-REPARE program.

### Partnering with Suppliers

We are taking further steps to reduce Scope 3 emissions by forming new partnerships in our value chain and enhancing supply chain management. For instance, we are integrating Scope 3 considerations into our agreements with suppliers, exploring innovative collaboration models to mitigate carbon emissions across our value chain.

Among our top 25 suppliers, representing 51% of our Scope 3 emissions, 52% have established science-based targets, and an additional 12% are committed and in progress to establishing targets with the Science Based Targets initiative (SBTi) to reduce their greenhouse gas emissions in alignment with global efforts. Collaborating with our suppliers is crucial in reducing our Scope 3 emissions, which constitute a significant portion of our overall carbon footprint. By engaging closely with them, we can extend our sustainability efforts beyond our direct operations, driving collective action towards environmental responsibility.

## SUSTAINABLE ENERGY ACCESS FOR SMALL BUSINESSES



In 2023, we expanded in Mexico our Renewable Energy for Retailers Program (EMERGE), implemented in collaboration with a crowdfunding partner and the German Agency for International Cooperation (GIZ).

EMERGE offers an innovative crowdfunding financing model to enable small retailers in our network, who often have limited access to financing, to install photovoltaic solar systems on their stores. This initiative not only significantly reduces their electricity bills, which can represent up to 70% of their total monthly operational costs but also helps to lower greenhouse gas emissions from their operations.

# 54

solar systems installed at small retailers, with 202 tons of CO<sub>2</sub>e avoided in 2023.





# INTEGRAL EMPLOYEE WELL-BEING

We want our people to grow in tandem with our company, advance in their careers, and feel increasingly engaged, valued, and secure in voicing their ideas and concerns within our organization.

## Driving Our Company's Growth

As our company grows, we are transforming our approach to managing talent into a more flexible, agile, and efficient system that promotes a future-ready, people-centric, digital-savvy culture. Shaping the organization of the future and developing a strong talent pipeline, the human resources function plays a pivotal role in driving our growth strategy.

These efforts are supported by our innovative Human Resources Platform, which provides simplified, standardized, and easily accessible processes in the Cloud to significantly enhance the employee experience. The advanced digital capabilities of this platform enable us to efficiently deliver on our Employee Value Proposition, placing our people at the heart of the organization.



Our Sustainability Framework sets our ambition for our employees' development, holistic well-being, work flexibility, compensation and benefits, and internal diversity, equity, and inclusion objectives.

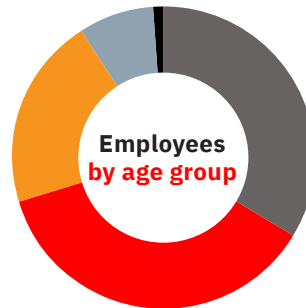




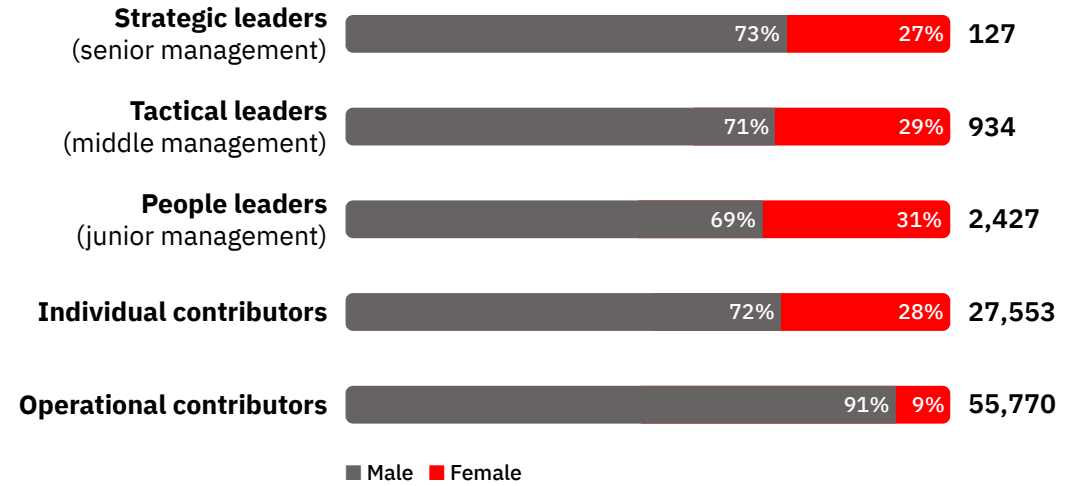
# OUR WORKFORCE



**86,811**  
**EMPLOYEES**



## EMPLOYEES BY CONTRIBUTION LEVEL



	BY COUNTRY	BY NATIONALITY	NATIONALITY IN MANAGEMENT POSITIONS
Mexico	57%	56%	58%
Brazil	28%	27%	21%
Colombia	4%	4%	8%
Guatemala	4%	4%	2%
Argentina	3%	3%	5%
Costa Rica	2%	1%	2%
Panama	2%	1%	<1%
Nicaragua	1%	1%	<1%
Uruguay	1%	1%	1%
Venezuela		<1%	2%
Other		<1%	1%



## HUMAN CAPITAL DEVELOPMENT

### Committed to Best-in-Class Training

Developing our company's human capital is vital for our growth strategy, as it not only enhances individual competencies but also drives innovation, productivity, and long-term sustainable success.

Recognizing that effective career development benefits from having the right tools, we continue to tailor our training agenda to match the specific knowledge levels required at each contribution level. Moreover, we provide targeted training formats, customizing both the content and duration of the programs, to guarantee an optimal learning experience through a mix of synchronous, asynchronous, digital, and in-person configurations.

#### Average training hours by gender, age group, and level of contribution

Male	24
Female	29
18-29	30
30 - 50	24
51+	16
Strategic leaders	24
Tactical leaders	33
People leaders	39
Individual contributors	30
Operational contributors	17

As part of our efforts, we also have set ambitions to maintain our training hours at leading standards, ensuring equal access for all employees no matter their level of contribution or gender. In 2023, we provided our workforce with an average of 25 hours of training. We aim to enhance professional growth opportunities for our employees to fulfill their individual career aspirations and become the true protagonists of their own careers.



### Steering Sustainable Growth

We are constantly deploying training and employee experience initiatives that are directly designed to support our company's strategic priorities. Our focus on these areas, allow us to enhance our team's skills while also ensuring that our workforce is fully equipped, aligned, and motivated to drive our sustainable growth.

#### Commercial Excellence

Our Commercial Academy focuses on the behavioral evaluation of commercial roles and defining the key competencies necessary to drive the sales force's transformation. This involves a comprehensive assessment of how sales personnel adapt to changing market dynamics and the cultivation of skills that align with our evolving sales strategies.

#### Digital and Agile Innovation

In 2023, we launched our Digital and Agile Innovation Academy, dedicated to exploring cutting-edge digital technologies and their agile practical applications within our organization. With contents specifically designed to meet the unique needs of each contribution level, the Academy achieved a 70% participation rate from our target group, reflecting a strong engagement and enthusiasm for digital advancement across the company.

#### Sustainable Future

Aiming to transform our company into a global sustainability leader, we provide top-level management with training on our Sustainability Framework and have created specialized training programs for different functional areas. These programs emphasize a deeper understanding of environment, social and governance concepts and align with our overarching goals.





## DEVELOPING A ROBUST PIPELINE OF TALENT

Recognizing the wealth of talent across our company, we constantly reinvent ourselves and mobilize the entire organization to unleash its full potential. In doing so, we effectively manage, attract, develop, and inspire our people, thereby preparing today's workforce to become tomorrow's leaders.

**Early Career Programs:** We designed an umbrella of early career programs, including college scholarships, internship programs, and our new trainees' talent program to increase talent injection and to prepare future generations of talent. Moreover, we also continuously improve our employer brand to attract the best talent.

**Internal Mobility:** We understand that professional growth is driven by opportunities to gain new experiences. To this end, we are committed to expanding the availability of internal career mobility opportunities across different functions, countries, and business units. In 2023, 64 of our employees embraced new international challenges by assuming roles in different geographic locations across our operations

**Talent Management Processes:** Our talent management processes contribute to developing our leadership team through comprehensive assessment programs. For instance, in 2023, 79% of our tactical and strategic leaders participated in our annual 9-Box Talent Assessment, which is instrumental in assessing performance, enabling us to identify key talents.

**Performance Evaluation:** Performance management at Coca-Cola FEMSA is a system that aligns strategic objectives with development metrics to fulfill the company's vision. It aims to link operational results with organizational goals through a model that includes defining Critical Success Factors, conducting periodic reviews, self-assessments, and end-of-cycle evaluations. The process involves a definition stage, feedback, and a final performance review. This streamlined approach ensures continuous alignment between individual contributions and company goals, fostering a culture of growth and achievement, emphasizing each employee's value generation and their contribution to our business strategy. In the annual performance evaluation process, not only is the achievement of business objectives considered, but also the manner in which they were achieved is assessed through the evaluation of behaviors and values aligned with the Coca-Cola FEMSA Principles. This year, 98% of our employees underwent performance evaluations.

## SENIOR LEADERSHIP TEAM SUCCESSION

Our well-established succession planning process is designed to efficiently mobilize internal talent, as well as to identify key talent from other FEMSA business units and the broader market when needed. This approach is pivotal in maintaining seamless operational continuity across all levels of leadership.

In 2023, we successfully completed a smooth transition of key senior management roles leveraging our robust internal talent pool, including our CEO and 63% of our senior leadership team members. This successful transition is a testament to our proactive and strategic approach to leadership development and stability.

Committed to fostering employee development:

93%

of director-level roles were filled internally in 2023, plus, an additional

4%

of director-level hires from other FEMSA units.





## SAFETY AND HEALTH COMMITMENT

### A Strong Safety Culture: Zero Is Possible

Integral to our growth ambitions and organizational strategy, our guiding safety vision Zero Is Possible is founded on the belief that nothing is more important than the safety and well-being of our people. This vision empowers our leaders to advance safety as a core company value, recognizing the crucial role every employee plays in maintaining both physical and psychological safety.

Our Safety 0.0 Strategy aims to build the essential capabilities and processes required to materialize our vision. The strategy encompasses five pillars, underpinned by 20 actions directly linked to our core activities. Additionally, we have identified seven key initiatives vital for upholding our safety commitments.

### Coca-Cola FEMSA Safety 0.0 Strategy

We have defined 5 Pillars and 20 actions to elevate, accelerate the performance, and continue enabling our safety strategy.

Cultural and Leadership Transformation	Risk Management, Process, And Systems	Capability and Talent Development	Infrastructure and Technology; Processes Digitalization	Performance Management Improvement and Innovation
Communication strategy.	Serious injuries and fatalities program evolution.	Safety expert's development.	Technology in RTM.	Safety lead indicators in operating models.
Roles, responsibilities, safety accountability, and unbreakable rules.	Compliance and commitment with standards and lifesaving rules.	Organizational structure reinforcement.	Safety machinery lock out and tag out for maintenance.	Bottom-up evolution.
Safety culture plan with focus on beliefs and behaviors transformation.	Be focused on 3rd party management, safety RTM, and ergonomics.	QSE Academy.	Safety digital strategy.	Model of behaviors, recognitions, consequences, and best practices.
Evolve to a congruent leadership through psychological safety and human and organizational performance philosophy.	Management system, operational models, and safety audit model E2E.	Simulators.	Ensure infrastructure in machinery and equipment.	Safety and health within the Sustainability Framework.







### Safety and Health Management System

In 2023, we continued certifying our Safety and Health Management System in manufacturing plants according to the ISO 45001 standard. To date, 88% of our operations have been certified. The remaining sites, recently incorporated into our operations, are in the process of certification during 2024.

Our ISO 45001 standardized Health and Safety Management System enables us to:

- Conduct risk and hazard assessments to identify potential harm in the workplace.
- Prioritize and integrate action plans with quantified targets to mitigate those risks.
- Incorporate measures to prepare for and respond to emergency situations.
- Evaluate progress in reducing or preventing health issues and risks against set targets.
- Perform internal inspections.
- Establish procedures for investigating work-related injuries, illnesses, diseases, and incidents.

Additionally, we continue to implement internal performance audits on our Safety and Health Management System, focusing on compliance, safety and strategy-based management, and aspects of culture and leadership. These audits are complemented by third-party audits conducted by FEMSA and The Coca-Cola Company.

### Safety and Health Policy

Our Safety and Health Policy is the foundation of our Safety and Health Management System and sets out clear expectations to take the necessary actions to prevent and mitigate risks, injuries and/or work-related illnesses, promoting and encouraging the safety, health, and well-being of our employees, strategic partners, and the communities where we operate and interact.

The Policy is centered on fostering a culture of self-care, prevention, improvement, and overall well-being among employees by ensuring safe working conditions, facilities, and processes through our Management System. It involves engaging employees in open, proactive, and transparent dialogue. Our approach includes managing incidents to prevent risks, injuries, and occupational diseases, incorporating risk assessments and best practices into new projects, and setting objectives and performance indicators. The Policy emphasizes developing employee skills for safe and healthy work practices and encourages participation and accountability. Additionally, it establishes strategic initiatives to sustainably manage risks and opportunities, continuously evaluating and enhancing our processes to adapt to changing contexts and stakeholder needs.

→ See our [Safety and Health Policy](#)





**Focus on Zero Incidents**

In 2023, we implemented stricter controls for recording incidents, leading to a more accurate and comprehensive understanding of accident frequencies. This enhanced visibility, while initially reflecting an increase in recorded incident rates, has empowered us to address the root causes of accidents more effectively and in alignment with our core values. We remain dedicated to refining our safety strategies, leveraging these insights to return to the positive trend of previous years. Our goal is to achieve a Lost Time Incident Rate of 0.4 and a Total Incident Rate of 0.8 by 2027<sup>1</sup>. This commitment underscores our goal of achieving zero incidents across all operations, emphasizing our dedication to maintaining the highest safety standards.

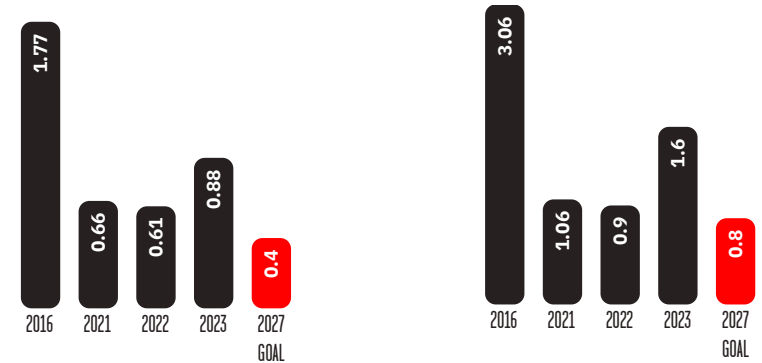
To achieve our goal, we are strengthening a mix of legacy programs, pioneering initiatives, thorough risk mitigation efforts, comprehensive training, insights from leading indicators, and advanced technologies.

**Robust foundations:** In our continued efforts to reduce serious incidents, we persistently deploy our 14 Life Saving Rules. To ensure their effectiveness, each operating unit in manufacturing, warehousing, distribution, and sales conducts a quarterly review of their action plan's progress. In 2023, all units completed this self-assessment, reaching an implementation rate of 84% in manufacturing plants and 72% in distribution centers.

Innovative approach to incident prevention: Our commitment to safety is further reinforced by the ongoing implementation of our Incident Management Process. This process distinctly categorizes incidents into four levels based on their risk consequence and probability. As of now, all our operations have successfully adopted and are implementing this new standard in managing and preventing serious and potentially serious incidents.

**Recurrent risks mitigation:** We continued to deploy our two-year initiative focused on the audits and maintenance of active and passive safety infrastructure. This US\$20 million investment program is designed to mitigate two recurrent risks in our manufacturing operations: machinery intervention and hazardous energy management.

**Continuous training:** As part of our ongoing commitment to workforce training, in 2023 we successfully started the roll-out across our operations of the new six safety modules for our QSE Academy and 20 modules for our RTM Academy. These programs have significantly enhanced our employees' safety awareness and skills, contributing to a more informed and safer working environment. The widespread adoption of these modules across different regions has also facilitated a unified approach to safety standards within the company.



**LOST TIME INCIDENT RATE**  
Cases per 200,000 worked hours

**TOTAL INCIDENT RATE**  
Cases per 200,000 worked hours



**240,694 HOURS**

dedicated to health and safety training in 2023, underscoring our commitment to raising awareness and competences among our employees in these essential areas.

1. In 2023, after discussions with management, we adjusted our occupational health and safety targets from 2025 to 2027 due to discrepancies in incident classification criteria in Mexico and Colombia, affecting our indicator calculations.



### Road Safety

Our dedication to road safety strengthens as we continue to grow and travel every year more than 9,000 times around the Earth's circumference to deliver our products.

In 2023, our vehicle crash rate remained practically unchanged compared to the previous year and our major crash rate was reduced by 26%. Regrettably, in the past year eight individuals, either employees of Coca-Cola FEMSA, contractors, or community members, lost their lives in incidents involving our operations or vehicles. We extend our deepest condolences to the families and everyone affected by these events. We view any fatality as unacceptable, and are intent on achieving our goal of zero incidents.

We are constantly seeking and adopting best practices to enhance road safety. Moreover, we proactively share our expertise with external entities, such as companies, governments, and non-governmental organizations, to facilitate broader implementation of these practices, benefiting both our communities and beyond.

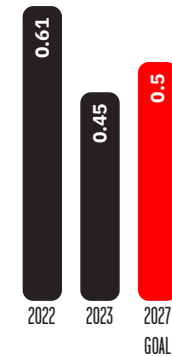
**New leading indicators:** We have broadened our metrics to include leading indicators for Serious and Potentially Serious Incidents, which are now part of our performance tables. These indicators aid in risk detection and the management of mitigation strategies. Furthermore, our Behavior-Based Safety program is connected to these metrics, encouraging employees to actively contribute to their reduction organization-wide.

**Reinforcing safe behaviors:** The main goal of our RTM 0.0 initiative is to train expert drivers with behaviors needed to prevent incidents in our route-to-market processes, distribution, and logistics operations. To strengthen our employees' and third parties' safety skills, we consistently invest in enhanced risk management initiatives and advanced equipment such as road simulators, telemetry systems, monitoring devices, and vehicle safety infrastructure. We also prioritize vehicle safety while developing processes, infrastructure, and work environments that help our workforce manage daily risks effectively.

**Leveraging cutting-edge technology:** We have become one of the private companies with the largest capacity for simulation training and a benchmark for safety simulation in our industry. In the past two years, we invested over US\$2.2 million in road simulators, with 12 now operational in Argentina, Brazil, Costa Rica, Guatemala, Mexico, and Uruguay. They replicate handling heavy vehicles in our primary and secondary fleet, as well as other motorized vehicles. Road simulators are a key tool in our capabilities' development strategy across our operations and our ongoing investment underscores our commitment to enhancing safety and operational efficiency.



**CRASH RATE**  
crashes x 100/total fleet



**MAJOR CRASH RATE**  
major crashes x 100/total fleet



# EMPLOYEE WELL-BEING

## New Comprehensive Well-being Model

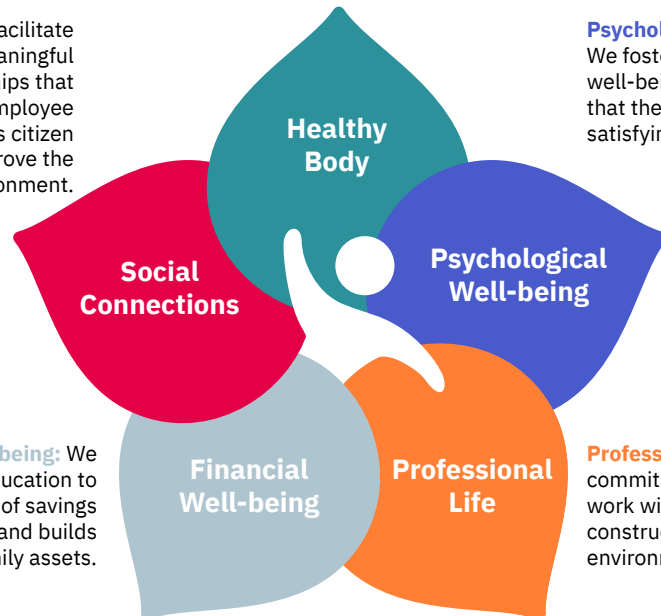
At Coca-Cola FEMSA, we seek to enhance our employees' physical and psycho-emotional health, and foster engagement and a sense of belonging within the organization for an improved work environment. We want to foster a culture of well-being based on a holistic view of self-care and prevention.

Building on a 30-year legacy of prioritizing employee welfare, in 2023 we introduced a new Comprehensive Well-being Model, further aligning with our holistic approach to enhancing the quality of life of our people. This model is innovatively structured around five bio-psycho-social dimensions, each targeting different yet interconnected aspects of well-being:

**Healthy Body:** We develop healthy habits that contribute to physical fitness, prevention and reduction of diseases.

**Social Connections:** We facilitate the development of meaningful interpersonal relationships that promote family and employee integration, as well as citizen participation to improve the community and the environment.

**Psychological Well-being:** We foster the psychological well-being of employees so that they can experience a satisfying and purposeful life.



**Financial Well-being:** We promote financial education to generate a culture of savings that protects and builds personal and family assets.

**Professional Life:** We promote commitment and excellence at work within a positive, inclusive, constructive, healthy and safe environment.

## TAILORING PROGRAMS TO MEET DIVERSE NEEDS AND EXPAND REACH

We use feedback from our biennial employee engagement survey to tailor and enhance our well-being offerings. Our engagement survey includes questions covering aspects such as purpose, satisfaction, well-being, and questions aimed at measuring positive and negative feelings.

In 2023, we achieved a 93% participation and 89% engagement levels in the survey, highlighting five key areas: quality and customer orientation, clear and promising path, sustainability, ethics, and psychological safety.

Throughout the year, we diligently analyzed the results by country and department, formulating targeted action plans to address any gaps. Moving forward, our goal is not only to sustain high engagement levels in the next survey but also to make strides in improving the areas identified, ensuring we meet evolving needs and preferences and gradually expand our well-being offerings to include a wider portion of our workforce across geographies, functional areas, and levels.



**89%**

level achieved in our biennial employee engagement survey.





### Robust Occupational Health and Well-being Management System

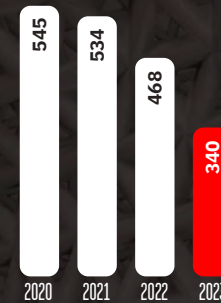
Our Occupational Health and Well-being Management System outlines the strategy we use to enhance work life quality for employees at all our company's work centers and strategic business units. This comprehensive system includes health and well-being processes and programs, which we adapt based on relevant risk matrices, local legislation, and operational requirements. Our Corporate Occupational Health team is tasked with regularly updating our Global Safety and Occupational Health Policy and Human Rights Policy. The revisions are approved by our Labor and Social Development Director and Director of Human Resources. Additionally, our internal audit team checks these policies to ensure they are effectively shared and implemented throughout our operations.

### Conscious Leadership Program

In 2023, over 6,000 leaders across our operations participated in our Conscious Leadership Program, designed to broaden the understanding of health beyond the physical to a holistic perspective that includes physical health, emotional welfare, and spiritual self-development.

### Employee Support Program

We want to offer our employees support when they need it the most. Our Employee Support Program offers emotional support to our employees and their families, helping them manage stress, anxiety, depression, and other emotional challenges. This program is a key component of our Comprehensive Well-being Model, aimed at reducing psychosocial risk factors both in and out of the workplace through our Management System and via counseling from health professionals specifically trained in addressing our employees' diverse needs.



**GENERAL ILLNESS INDEX**  
Lost days per 100 employees

We monitor absenteeism rates in our workforce as a crucial indicator of our employees' physical and mental health. In 2023, we saw a 27% improvement in our Lost Days Due to General Illness Index compared to 2022. This progress was primarily driven by our global disease prevention strategy, epidemiologic surveillance systems, local health programs, and comprehensive well-being activities.





### Empowering our Workforce Through Meaningful Volunteer Initiatives

Our company’s commitment to well-being extends to helping employees lead meaningful lives. We continuously invest in providing our people and their families with opportunities to participate in volunteer initiatives, allowing them to make a significant environmental and social impact beyond their everyday job functions.

The Coca-Cola FEMSA Volunteers program champions initiatives that positively influence the quality of life and well-being of the communities in which we operate, simultaneously strengthening our bonds with these communities and enhancing our corporate position and reputation.

### Coca-Cola FEMSA’s Volunteers program champions six different causes

Community Development	Environment	Natural Disasters	Health	Education	Human Rights
We unite in collective action, working together to find solutions to common challenges. Our goal is to take part in the development of stronger and more thriving communities.	We are focused on environmental stewardship, especially on issues such as water, energy, carbon emissions, waterway cleanups, and reforestation.	We engage in prevention activities to raise awareness, as well as in solidarity efforts in the event of natural disasters, with a particular focus on the communities where we operate.	We undertake activities that promote healthy physical and biopsychosocial lifestyles, as well as initiatives related to humanitarian aid.	Our activities aim to improve educational levels and promote cultural, creative, and technological development.	We seek to generate positive volunteer experiences based on respect and compliance with Fundamental Human Rights.

**OUR VOLUNTEER PROGRAM DURING 2023:**

**2,181**

volunteer initiatives

**129,388**

volunteers, including employees and their families

**US\$ 1.5**

million invested

**302,531**

hours





### Flexibility at Work

Recognizing that work flexibility is highly important to many of our employees, we have formally declared ourselves a hybrid company, empowering our leaders to hold discussions with their teams to determine the most suitable model for each.

Benefits include flexible hours, home office options for administrative positions and other roles where the function allows, lactation rooms to support breastfeeding at work, and parental leave schemes tailored to our employees' interests and compliant with each country's regulations.

Effective flexibility programs can enhance workforce productivity, wellness, and our diversity, equity, and inclusion efforts, while also improving our standing in the talent market. Going forward, we aim to set clear goals regarding flexibility, considering the needs of our administrative staff and assessing the potential to extend flexible work options to our frontline employees over the medium term. Our goal is to empower our employees with greater control over every stage of their work experience.

### Compensation and Benefits

We act in accordance with obligations defined by law and in full respect of labor rights, exceeding the conditions and benefits established in the laws of each country where we operate. Moreover, we strive to offer competitive remuneration for all employees. Based on studies performed by international consulting firms, we can determine that our employees are receiving an integrated salary that is equal to or greater than the market average. We respect our people's right of union association and, as such, our collective agreements cover approximately 65.8% of employees. These employment contracts are reviewed and agreed upon with our union representatives, respecting the established validation periods, as well as complying with all notification deadlines.



**100%**

of our employees return to work after parental leave.

**98.8%**

of women and **93.9%** of men continue working at Coca-Cola FEMSA 12 months after parental leave.





## DIVERSITY, EQUITY, AND INCLUSION

### Including All in Our Company's Growth

Diversity, Equity, and Inclusion (DEI) is an integral, cross-cutting topic in our Sustainability Framework, reflecting its importance in all areas of our operations and community relations. As a company, we aspire to be preferred by diverse talent for our commitment to fostering and supporting all our employees.

As our company grows, we are identifying underrepresented groups within our operations, aiming to broaden our talent recruitment to be inclusive of everyone. Our efforts are tailored to align with the unique needs of each country where we operate, ensuring that we support and foster all our employees effectively.

In Brazil, Colombia, Guatemala, and Mexico, we have focused efforts on actively recruiting people with disabilities, while in other countries, we are enhancing workplace accessibility and inclusion. We are promoting the inclusion of LGBTQ+ communities through ally pledges, affinity groups, and awareness programs. For the fifth consecutive year, the Human Rights Campaign Foundation and HRC Equidad MX recognized our company as one of the Best LGBTQ+ Places to Work in Mexico.

Going forward, we are committed to attracting, developing, and retaining a diverse workforce, including individuals from indigenous or Afro-descendant backgrounds, refugees, as well as older adults, and people from ethnic and economically vulnerable groups.

### Embracing DEI in our Talent, Leadership, and Workplace Flexibility

#### Diverse Talent

We are dedicated to creating a diverse, equitable, inclusive, and respectful workplace for all. Our priority is to foster safe spaces for our employees to engage in meaningful dialogue, ensuring all voices are heard and respected. These efforts embody our commitment to a workforce as diverse and vibrant as the communities we serve.

#### Inclusive Leadership

Our Inclusive Leadership training is designed to ignite leaders' roles as champions for diversity, equity, and inclusion. Among other topics, we prioritize identifying and addressing unconscious biases in leadership and recruitment as well as raising awareness and prompting action on social issues that affect our communities.

#### Flexible Environment

Fostering a flexible and agile environment, we adapt to local needs by designing and implementing adaptable processes and practices, including parental and FlexKOF models. We strengthen and benchmark our efforts by participating in global initiatives like the Bloomberg Gender-Equality Index, UN Women, and McKinsey's Women Matter.

### OUR DEI ADVISORY BOARD PLAYS A CRUCIAL ROLE IN SHAPING AND IMPLEMENTING FIVE STRATEGIC GOALS:

1. Engage and hold leaders accountable throughout the organization.
2. Define both long- and short-term objectives and strategies.
3. Ensure functionality of work teams at a country and regional level.
4. Ensure deployment of an internal and external communication plan.
5. Measure, monitor, and evaluate initiatives.





### Increasing Female Talent Across Our Company

Considering the industry's gender gap, we are sustainably enhancing the representation and inclusion of female talent in our company, empowering women to assume key leadership roles and taking actions to attract, develop, and retain women in front-line positions.

In 2023, more than 2,000 women joined Coca-Cola FEMSA, as a result, the representation of women across our organization increased from 14% to 16%. Our operations are actively developing and deploying initiatives to increase and support female talent. For instance, Brazil continued its program to train women to operate forklifts, perform refrigeration maintenance, and join our distribution centers. In Guatemala, we set up the first all-female production line. We also have and continue establishing support actions and employee-resource groups through our operations.

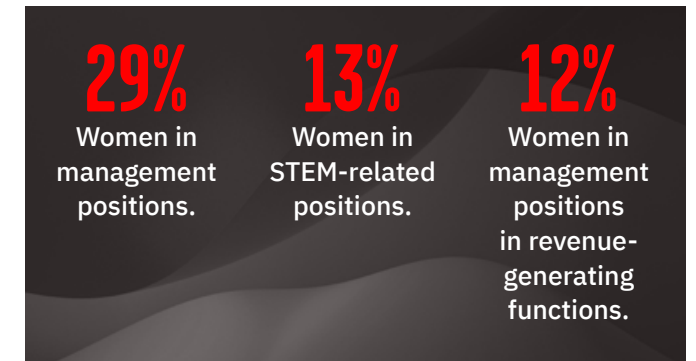
Moreover, we increased the representation of women in leadership positions to 29% in 2023; and we have a robust plan to achieve our ambition of 40% of women in leadership and management positions by 2030.

**AS A SIGNATORY OF THE UN WOMEN'S EMPOWERMENT PRINCIPLES, WE ARE COMMITTED TO UPHOLDING ITS SEVEN PRINCIPLES ACROSS OUR OPERATIONS.**

### Equal Remuneration

We strive to offer competitive remuneration for all employees and equal pay conditions for both men and women at all levels of our organization. Our compensation policies and practices consider a variety of factors for each role, such as experience and performance, without gender bias.

In 2023, we refined our methodology for calculating the gender pay gap across different levels of the organization, aligning with methodologies from the GRI Standards and the United Nations Global Compact. The findings revealed a 2.8% gender pay gap in men salaries compared to women. This analysis was performed by calculating the average salaries for all employees, categorized by male or female, excluding employees under collective contracts due to their compensation structures.



STEM: science, technology, engineering and math.





# COMMUNITY DEVELOPMENT

Across our operations, we leverage our footprint to boost sustainable growth that benefits our company as well as our neighboring communities and value chain. In 2023, we positively influenced the quality of life and economic development of over 359 thousand people through dedicated local community programs.

## Driving Change: Coca-Cola FEMSA's Community Engagement

At Coca-Cola FEMSA, we aim to serve as catalysts for positive change in the communities in which we operate, beginning with those closest to us. Recognizing our integral role within these communities, we understand that our business prosperity and longevity are intricately tied to our capacity to collaborate with our neighbors. By actively engaging with local stakeholders, we not only develop mutually beneficial relationships but also seize opportunities to join forces, thereby fostering sustainable solutions that address prevalent challenges and promote shared prosperity within our environment.

Our Model for Addressing Risks and Relations with Our Community (MARRCO), guides us in establishing and managing long-term productive relations with our neighbor communities that create shared value, with an objective focused on:

- Evaluating the impact of our operations on communities.
- Understanding local circumstances that could affect our operations.
- Identifying collaborative opportunities for environmental enhancement.

By 2030, we aim to have at least one Community Engagement Plan per site based on our MARRCO methodology. These engagement plans encompass prioritized activities aimed at addressing community needs and ensuring business continuity. We particularly focus on facilitating access to water, sanitation, and hygiene (WASH) in our neighboring communities and empowering social and economic development by supporting underrepresented groups, offering entrepreneurial skills, and investing in sustainable community development, in accordance with our → **Sustainability Bonds Framework**.

→ **Visit page 65** to learn more about our ongoing community WASH initiatives.

### Coca-Cola FEMSA's Model for Addressing Risks and Relations with Our Community







## STRENGTHENING OUR VALUE CHAIN AND COMMUNITY TIES

We enjoy tremendous opportunities to collaborate with suppliers, customers, and other stakeholders to make our robust value chain more sustainable. We are particularly committed to building strong ties with key partners in our communities, including small local businesses, medium-sized suppliers, and PET collectors, helping to improve living standards and maximize our positive contribution on our neighboring communities.

### Engaging Our Small and Medium Suppliers

In line with our Supply Chain Management ambitions, we are focused on enhancing our partnerships with small and medium enterprises (SMEs) in our supplier base. Our procurement and corporate social responsibility teams are proactively engaging with these SME suppliers to explore collaborative approaches that not only drive socioeconomic development but also align with our environmental objectives.

### Our Commitment to Local Businesses

Small local businesses are the heartbeat of our large and expanding commercial network—they are more than 1.9 million retailers and shopkeepers that distribute our products to consumers across our traditional sales channel. Among this number, there is a large percentage of women shopkeepers and individuals from diverse backgrounds.

We proactively collaborate with small local businesses in our regions to customize programs that contribute to their success. These initiatives include delivering business management training, fostering financial and digital inclusion, empowering business owners, and creating networking opportunities. Furthermore, we acknowledge that our vast small local business network can have an enormous impact on our sustainability goals. To this end, we aim to align our collaborative efforts with our company's priority topics, such as diversity, equity, and inclusion, and water efficiency, PET collection, and efficient and renewable energy sourcing.





## EMPOWERING WOMEN ENTREPRENEURS

We are committed to empowering women entrepreneurs and business owners across our operations, our programs collectively underscore our dedication to fostering the success of women-led businesses in our region.

In **Brazil**, the *Empreenda como Uma Mulher* program has transformed the lives of over 600 women, equipping them with extensive technical training, essential entrepreneurship tools, and advanced business management skills. This initiative has substantially boosted their entrepreneurial skills, enabling them to achieve remarkable success and growth in their ventures.

In **Colombia**, the *Emprendamos Juntos* initiative stands as a holistic program designed for shopkeepers, café owners, and small business entrepreneurs within our value chain. Over 4.800 participants have received essential knowledge and resources for self-empowerment, entrepreneurship, and business management, fostering the growth of their ventures and personal goals.

In **Costa Rica** and **Nicaragua**, the *MujeresON* program supports female owners of restaurants and cafeterias in metropolitan areas. The program's collaborative approach has tailored personalized support in financing, training, point of sale management, and leadership empowerment for over 133 participants, providing targeted and impactful enhancement of both business and personal growth.

In **Venezuela**, the Women's Empowerment Network program is designed to enhance the personal capabilities and management skills of female small grocery store entrepreneurs. By focusing on these key areas, the program aims to contribute to their personal and economic empowerment, fostering an environment where women can thrive.

In **Mexico**, in collaboration with The Coca-Cola Foundation, we initiated the *Empoderamiento de mujeres y pequeños negocios* program, aimed at fostering the social, economic, and digital empowerment of women and enhancing their small businesses. Since its inception in 2021, this program has positively affected the lives of 18,000 women across the country, equipping them with skills needed for personal and professional success.

In **Guatemala**, we are advancing multiple initiatives to empower women and indigenous communities, integrating entrepreneurship and education into a cohesive support framework. Alongside, the *Casa Productiva* program is dedicated to supporting indigenous girls and adolescents by enabling them to create family orchards, supplemented with information on nutrition and healthy lifestyles. Complementing these efforts, the *Jovenes Pioneras* program awards university scholarships to indigenous women, offering them a pathway to realize their full potential, with the added opportunity to apply for an internship within Coca-Cola FEMSA, ensuring a comprehensive approach to community development.





## MY KOF COMMUNITY

For Coca-Cola FEMSA, achieving sustainable growth goes hand in hand with fostering sustainable development in the communities where we operate.

My KOF Community is our cornerstone community engagement pillar within our Sustainable Future Framework, reflecting our commitment to meaningful and impactful interactions with the communities where we operate. To this end, we actively engage with our neighboring communities across our regions to deeply understand their unique social conditions and tailor programs that meet specific local needs.

In 2023, over 359 thousand people benefited through our community programs and donations contributing to quality of life improvements and socioeconomic development across our communities of operation.

→ Visit [page 65](#) to learn more about our ongoing community WASH initiatives.

→ Visit [page 69](#) to learn more about our ongoing community PET Collection initiatives.



*Rehabilitation of a sports facility in Morelia, Mexico, undertaken through a collaborative effort with Fundación Placemaking México.*



*Rehabilitation of a community park in Neza, Mexico.*





## OUR COMMITMENT TO REBUILDING AFTER HURRICANE OTIS

In the aftermath of Hurricane Otis, we have reaffirmed our role as a key part of the Acapulco community by dedicating ourselves to supporting recovery and fostering long-term resilience. Working closely with government agencies and community organizations, we are contributing to the local community's recovery efforts. Additionally, we have taken the lead in rebuilding Coca-Cola FEMSA's infrastructure. These collective efforts are essential for paving the way toward a stronger, more resilient Acapulco.

In response to the urgent need for clean water following the devastation caused by Otis in Acapulco, we swiftly acted, providing over 120,000 liters of bottled water to the affected communities. Recognizing the disaster's magnitude, we coordinated efforts to enhance recovery, deploying two VenXAgua Water Treatment Vehicles capable of purifying 48,000 liters of water daily. This initiative enabled residents to refill jugs for safe drinking water and food preparation, proving vital in quickly addressing the clean water challenge in the most impacted areas.

*Through our VenXAgua Water Treatment Vehicles, we can swiftly respond to natural disasters, ensuring communities in Mexico and Colombia have access to clean water.*

Beyond water, we also distributed essential groceries and hygiene kits to support the well-being of our employees and the wider community.

Highlighting the power of collaboration, this endeavor was amplified through the support of other FEMSA business units, enhancing our collective impact and reinforcing the significance of synergies and alliances in our relief efforts.

Looking to the future, we are investing Ps. 575 million in rebuilding our facilities in Acapulco and supporting the community, a key step in reactivating the local economy and safeguarding jobs for over 1,500 of our employees. This investment is not only pivotal for the immediate recovery of local small businesses but also central to our long-term commitment of fostering economic, social, and environmental value in the communities where we operate. This crisis has only strengthened our commitment.



# CORPORATE GOVERNANCE

**Underpinning the growth at Coca-Cola FEMSA is a strong corporate governance framework that promotes accountability, transparency, and ethical and sustainable business practices across all levels of the organization.**

## **Robust Corporate Governance Framework**

A cornerstone of Coca-Cola FEMSA's business success is our robust corporate governance framework; it fosters and promotes ethical business practices in our actions, decisions, and strategies, all of which are aligned to deliver value to our stakeholders. Our practices adhere to all applicable legislation, standards, and policies in the countries where we are present and in the financial markets where we are listed: The Mexican Securities Market Law (Ley de Mercados de Valores Mexicana), of the Mexican Stock Exchange, and; the US Sarbanes-Oxley Act, of the New York Stock Exchange.

## **Advancing Our Sustainability Goals Supported by our Board of Directors and Executive Team**

At Coca-Cola FEMSA, we understand the importance of good corporate governance in realizing our environmental and social goals. Our framework aligns our actions with our sustainability commitments, seamlessly integrating environmental and social considerations into business decisions. This approach extends beyond managing risks; it involves actively seizing opportunities for growth that not only benefit our company but also positively impact the broader society. This commitment to good corporate governance helps us navigate the complexities of the modern business environment, ensuring that we remain a responsible, ethical, and forward-thinking leader in our industry. By prioritizing good governance, we are reinforcing our commitment to long-term sustainable growth.

Our Board of Directors, alongside its Committees, plays a proactive role in overseeing environmental, social, and governance aspects. They give thoughtful attention to the sustainability material topics that impact not only our operations but also our employees, clients, and the communities we serve. This careful consideration ensures these topics are effectively integrated into our Sustainability Framework. Moreover, our Board of Directors' oversight extends to the review and approval of the Company's sustainability-related policies, ensuring they align with our core values and strategic objectives.

Furthermore, the Executive Team leads and is responsible for advancing sustainability material issues across the company. Among other topics the Executive Team performance evaluation program includes Critical Success Factors related to achieving our sustainability goals in topics such as water efficiency, recycled resin usage, community support, occupational health and safety, sustainability culture, and diversity and inclusion metrics. To promote interdisciplinary efforts towards sustainability within the organization, members from the Executive Team, including our CEO and Strategic Leadership Team, are part of our internal Sustainability Committee and also take part in FEMSA's and The Coca Cola Company's Sustainability Committees. Their involvement is aimed at advancing our sustainability goals and establishing clear accountability across areas relevant to our sustainability initiatives.

**→ For information about our Executive Officers' sustainability-linked experience and compensation program visit page 100.**



## BOARD OF DIRECTORS

### DIRECTORS APPOINTED BY SERIES A SHAREHOLDERS

**José Antonio Fernández Carbajal**  
Chairman of the Board of FEMSA and Chief Executive Officer of FEMSA  
31 Years as a Board Member

**Javier Gerardo Astaburuaga Sanjines**  
Independent Consultant  
Alternate: Martin Felipe Arias Yaniz

**Federico José Reyes García**  
Independent Consultant  
31 Years as a Board Member

**Ricardo Guajardo Touché\***  
Independent Consultant  
Alternate: Alfonso González Migoya  
31 Years as a Board Member

**Enrique F. Senior Hernández\***  
Managing Director of Allen & Company, LLC  
20 Years as a Board Member

**José Henrique Cutrale**  
Director of Sucocítrico Cutrale Ltda.  
Alternate: Graziela Cutrale  
2 Years as a Board Member

**Luis Alfonso Nicolau Gutiérrez\***  
Partner at Ritch, Mueller, Heather y Nicolau, S.C.  
6 Years as a Board Member

**Francisco Zambrano Rodríguez\***  
Independent Consultant  
21 Years as a Board Member

**Luis Rubio Freidberg\***  
Chairman of México Evalúa Centro de Análisis de Políticas Públicas, A.C.  
7 Years as a Board Member

### DIRECTORS APPOINTED BY SERIES D SHAREHOLDERS

**John Murphy**  
President and Chief Financial Officer of The Coca-Cola Company  
Alternate: Stacy Lynn Apter  
5 Years as a Board Member

**José Octavio Reyes Lagunes**  
Retired  
Alternate: Enrique Rapetti  
8 Years as a Board Member

**Nikos Koumettis**  
President of Europe Operating Unit of The Coca-Cola Company  
Alternate: Erin L. May  
2 Years as a Board Member

**Jennifer K. Mann**  
Corporate Senior Vice President and President of North America for The Coca-Cola Company  
Alternate: Félix Poh  
1 Year as a Board Member

### DIRECTORS APPOINTED BY SERIES L SHAREHOLDERS

**Victor Alberto Tiburcio Celorio\***  
Independent Consultant  
5 Years as a Board Member

**Olga González Aponte\***  
Chairman and General Director of Wild Fork US  
Alternate: Jaime A. El Koury

**Amy Eschliman\***  
Digital Director of Crate & Barrel Holdings, Inc.  
1 Year as a Board Member

### SECRETARY OF THE BOARD (NON-MEMBER)

**Alejandro Gil Ortiz**  
Secretary of the Board  
Alternate: Carlos Luis Díaz Sáenz  
2 Years as a Secretary

\* Independent Director

## BOARD COMPOSITION

Directors: **16**

Independent Directors\*: **8**

Other Non-executive Directors: **8**

Executive Directors: **0**





## BOARD COMMITTEES

### Planning and Finance Committee

- Ricardo Guajardo Touché, Chairman
- Federico Reyes García
- John Murphy
- Amy Eschliman
- Enrique F. Senior Hernández
- Martin Felipe Arias Yaniz

The Planning and Finance Committee works with management to set our annual and long-term strategic and financial plans and monitors adherence to these plans. It is responsible for setting our optimal capital structure and recommends the appropriate level of borrowing, as well as the issuance of securities. Financial risk management is another responsibility of the Planning and Finance Committee.

### Audit Committee

- Victor Alberto Tiburcio Celorio, Chairman
- Olga González Aponte
- Alfonso González Migoya
- Francisco Zambrano Rodríguez

The Audit Committee is responsible for reviewing the accuracy and integrity of financial statements in accordance with accounting, internal control, and auditing requirements. It is directly responsible for the appointment, compensation, retention, and oversight of the independent auditor, who reports directly to the Audit Committee (subject to the approval of our Board of Directors). To carry out its duties, the Committee may hire independent counsel and other advisors. We compensate the independent auditor and any outside advisor hired by the Audit Committee and provide funding for administrative expenses incurred by

the Audit Committee in the course of its duties. The Committee has implemented procedures for receiving and addressing complaints regarding accounting, internal control, and auditing matters, including the submission of confidential, anonymous complaints from employees regarding questionable accounting or auditing matters. The internal auditing function also reports to the Audit Committee. Each member of the Audit Committee is an independent director, as required by the Mexican Securities Market Law and NYSE standards. Pursuant to the Mexican Securities Market Law, the chairman of the Audit Committee is elected at our shareholders meeting. Victor Alberto Tiburcio Celorio, Chairman of the Audit Committee, is the audit committee financial expert.

### Corporate Practices Committee

- Luis Rubio Freidberg, Chairman
- Jaime A. El Koury
- Luis Alfonso Nicolau Gutiérrez

The Corporate Practices Committee is responsible for preventing or reducing the risk of performing operations that could damage the value of our company or that benefit a particular group of shareholders. The Committee may call a shareholders meeting and add agenda items it considers appropriate, approve policies on related party transactions, approve the compensation plan of the CEO and relevant officers, and support our Board of Directors in the elaboration of related reports. The Committee consists exclusively of independent directors. As required by the Mexican Securities Market Law, the chairman of the Corporate Practices Committee is elected at our shareholders meeting.





# OUR EXPERIENCED MANAGEMENT TEAM



## IAN CRAIG

Chief Executive Officer

Ian Craig joined FEMSA in 1994 and Coca-Cola FEMSA in 2003, and was appointed to his current position in 2023. With over 30 years of experience in the beverage industry, he previously held various senior management positions in the company, including Chief Operating Officer of Brazil, and prior to that, Chief Operating Officer of Argentina. He also held the positions of Director of Finance and Strategic Planning for the South America Division, Director of Finance, Director of Planning and Corporate Affairs in the Mercosur Region, and Corporate Director of Finance and Treasury at Coca-Cola FEMSA. He holds a BS degree in Industrial Engineering from the Instituto Tecnológico y de Estudios Superiores de Monterrey, an MBA from the Booth School of Business at the University of Chicago, and a Master's degree in International Business Law from the Instituto Tecnológico y de Estudios Superiores de Monterrey.



## GERARDO CRUZ

Chief Financial Officer

Gerardo Cruz joined Coca-Cola FEMSA in 2003 and was appointed to his current position in 2023. Previously, he held various senior management positions in the company's finance area, including Corporate Director of Finance and Treasury, Director of Planning and Finance for Latin America, and Director of Finance for Coca-Cola FEMSA Colombia. In addition to his responsibilities as CFO, Gerardo supervises our supplier, risk management, and sustainable bonds strategies. Throughout his career, Gerardo has been a strong advocate for Inclusion and Diversity. As President of Coca-Cola FEMSA's Inclusion and Diversity Board for the past two years, he has played a pivotal role in enhancing the company's commitment to creating a more inclusive and welcoming workplace for all. He holds a BA degree in Economics and a Master's degree in Applied Statistics both from the Instituto Tecnológico y de Estudios Superiores de Monterrey.



## CATHERINE REUBEN

Chief Corporate Affairs Officer

Catherine Reuben joined Coca-Cola FEMSA in 2014 and was appointed to his current position in 2023. She has a broad background in leadership positions, covering institutional and regulatory areas as well as environmental, social, and governance (ESG) issues, throughout her career at Coca-Cola FEMSA. Before assuming her current role, she held different positions including Director of Corporate Affairs for Coca-Cola FEMSA Mexico, Corporate Director of Regulatory Affairs and Institutional Relations, and Manager of Corporate Affairs for Coca-Cola FEMSA Central America, with responsibilities in Guatemala, Nicaragua, Costa Rica, and Panama. Previously Catherine was Executive Director of the Costa Rican-American Chamber of Commerce and worked in the Foreign Investment Promotion Agency of Costa Rica (CINDE) supporting companies interested in nearshoring opportunities. She holds a double major in Economics and Business Administration & Finance, and has completed studies in Political Communication, as well as a Sustainability Certificate from MIT.



# OUR EXPERIENCED MANAGEMENT TEAM



## FABRICIO PONCE

Chief Operating Officer - Mexico

Fabricio Ponce joined Coca-Cola FEMSA in 1998 and was appointed to his current position in 2019. With over 27 years of experience in the beverage industry, he previously served in several senior management positions, including President and CEO of the Philippines Operation, Director of Operations in Colombia, Managing Director for Heineken in Brazil, Managing Director of Central America, Argentina, and Colombia, and Director of Strategic Planning for Latin America Region. Prior to joining Coca-Cola FEMSA, he worked as a Senior Consultant in Bain & Company. An Agricultural Engineer, providing expertise in water issues, he holds a Master's degree in Economics from INCAE Business School in Costa Rica.



## EDUARDO PEREYRA

Chief Operating Officer - Brazil

Eduardo Pereyra joined Coca-Cola FEMSA in 1996 and was appointed to his current position in 2023. With over 28 years of experience in the beverage industry, he previously served in several senior management positions, including Director of Operations in Colombia, Commercial Director in Venezuela, Brazil, and Colombia, and Regional Manager in Mexico and Colombia. He holds a BS degree in Industrial Engineering from the Instituto Tecnológico y de Estudios Superiores de Monterrey, an MBA from the Universidad de Adolfo Ibáñez in Chile, and an AMP from the Universidad de Navarra, IESE.



## AITOR OCEJO

Chief Operating Officer - Latin America

Aitor Ocejo joined Coca-Cola FEMSA in 2000 and was appointed to his current position in 2023. With over 28 years of experience in the beverage industry, he previously served in several senior management positions, including Director of Operations in Guatemala, Director of Operations in Venezuela, Commercial and Business Development in Venezuela, and several strategic operational and marketing positions in Mexico, as well as other roles including Corporate Inorganic Acquisitions and Corporate Commercial Development. Prior to joining Coca-Cola FEMSA, he served in several senior management positions at The Coca-Cola Company. He holds a BS degree in Industrial Engineering from Universidad Iberoamericana.



## NICOLÁS BERTELLONI

Chief Growth Officer

Nicolás Bertelloni joined Coca-Cola FEMSA in 2004 and was appointed to his current position in 2023. He possesses extensive expertise in the areas of Marketing and Market Intelligence, particularly in leading teams during times of transformation and crisis. Previously, he held various roles within the organization, including Director of Marketing for the Brazil and Mexico Divisions, and Director of Operations for Argentina and Uruguay. He holds a BA degree in Business Administration and a BA degree in Economics both from Universidad de Buenos Aires. Additionally, he completed Advanced Graduate Studies in International Economics from Institut für Weltwirtschaft in Germany and an MBA from Fundação Getúlio Vargas in Brazil.





## OUR EXPERIENCED MANAGEMENT TEAM



### GABRIEL COINDREAU

#### Chief Strategic Planning Officer

Gabriel Coindreau joined Coca-Cola FEMSA in 2000 and was appointed to his current position in 2023. With extensive strategic planning experience, he previously served in several strategic positions, including Corporate Director of Strategic Projects and Initiatives, Corporate Director of Planning and Organizational Development, Managing Director for Coca-Cola FEMSA Colombia and Central America, as well as different positions in the Corporate Strategic Planning and Human Resources Departments. He holds a BS degree in Electronics Engineering from the Instituto Tecnológico y de Estudios Superiores de Monterrey.



### RAFAEL RAMOS

#### Chief Supply Chain and Engineering Officer

Rafael Ramos joined Coca-Cola FEMSA in 1999 and was appointed to his current position in 2018. With over 32 years of experience in the beverage industry, he previously served in several senior management positions, including Manufacturing Director for Southeast Mexico, Supply Chain Director for Mexico and Central America, and Supply Chain Director of FEMSA Comercio. As part of his responsibilities as Chief Supply Chain and Engineering Officer, Rafael leads our environmental stewardship strategy across our operations. He holds a BS degree in Biochemical Engineering from and a Master's degree in Business Administration of Agricultural Enterprises both from the Instituto Tecnológico y de Estudios Superiores de Monterrey.



### IGNACIO ECHEVARRÍA

#### Chief Digital and Technology Officer

Ignacio Echevarría joined Coca-Cola FEMSA in 2018 and was appointed to his current position in 2021. With over 30 years of experience in the IT industry, he began his professional career as a technology consultant for consumer companies at Arthur Andersen. He joined the beverage industry 18 years ago where he has collaborated on digital transformation projects in 13 African countries (Equatorial Bottler Company), 15 European countries (Coca-Cola European Partners), and 10 countries in Latin America (Coca-Cola FEMSA). He has served as a board member for several startups and in the financial sector Banco Compartamos and the Gentera Foundation. Ignacio holds a BS degree in Industrial Engineering from The School of Industrial Engineering of Barcelona and an MBA from IE Business School in Madrid.



### ANTONIO DÍAZ-CANEJA

#### Chief Human Resources Officer

Antonio Díaz-Caneja joined Coca-Cola FEMSA in 2003 and was appointed to his current position in 2023. With 20 years of experience dedicated to Human Resources at the company, he has overseen topics including employee well-being, talent development, human rights, and diversity, equity, and inclusion. Antonio has served as Corporate Compensation Manager, Corporate Labor Development Manager, Director of Organizational Effectiveness for Coca-Cola FEMSA Philippines, Corporate Director of Labor and Social Development, and Director of Human Resources in Colombia. He holds a BA degree in Business Administration and Management from the Universidad Iberoamericana.



## EXECUTIVE COMPENSATION

### Aligning Executive Compensation with Sustainable Long-Term Value

Executive compensation at Coca-Cola FEMSA aligns with the company's vision of long-term sustainable value creation.

The evaluation and variable compensation program for our CEO and Strategic Leadership Team, as well as other company leaders and individual contributors, integrates collective and individual Critical Success Factors, defined annually. In line with the Corporate Practices Committee's guidelines, half of the annual bonus is tied to the company achieving its financial objectives, including Earnings Before Interest and Taxes (EBIT) and working capital efficiency. The other half is based on individual performance.

The Critical Success Factors for individual performance of our Executive Team include sustainability performance indicators aligned with our climate action strategy, focusing on reducing absolute GHG emissions from our operations (Scopes 1 and 2 emissions) by 50% and reducing absolute GHG emissions from purchased goods and services and upstream transportation and distribution in the value chain (Scope 3 emissions) by 20%, compared to the 2015 baseline, as well as achieving 100% renewable electricity consumption in our operations. Additionally, they also include key metrics related to water stewardship, community development, diversity, equity, inclusion, and other pillars of our Sustainability Framework.

The variable compensation program available to our CEO and the Strategic Leadership Team combines short-term cash-based performance bonuses with long-term, stock-based compensation that vests over three years.

### CEO Compensation

The compensation of our CEO is determined by various Critical Success Factors, as devised from the TOPS Methodology and the Economic Value-Added Based Bonus Program. These factors draw upon the performance and results of team members within the company, ultimately influencing the CEO's performance metrics. Consequently, a broad range of metrics directly affects our CEO's compensation. The CEO's performance metrics include revenue growth, profitability increase, overall company growth (including market share, cash flow, and EBIT), development of the beverage portfolio and categories, development of our operations (including market execution and margin improvement), performance against our sustainability goals, and comprehensive risk management across all operations.





## NURTURING A CULTURE OF PSYCHOLOGICAL SAFETY THROUGH OUR COMPREHENSIVE ETHICAL SYSTEM

### Comprehensive Ethical System

Our Comprehensive Ethical System, endorsed by the Board of Directors, encompasses three pivotal elements: The Code of Ethics, the Coca-Cola FEMSA Ethics Line, and the Ethics Committee. Together, these components actively promote ethical conduct that upholds our company's legacy, facilitate the identification and resolution of misconduct, and encourage open communication, ensuring the integrity of our organization.

Beyond promoting ethical behavior, this structure is integral to fostering a culture of trust and psychological safety, where employees feel secure in voicing concerns and providing honest feedback. Empowering our employees within this ethical framework is crucial for enabling their active, confident participation in the company's transformative journey and growth.

We have evolved the management of our Comprehensive Ethical System, shifting from merely focusing on reports to the Coca-Cola FEMSA Ethics Line to a more holistic approach that unites key elements for prevention, surveillance, detection, and response to ethical dilemmas. Our evolved system now includes:

- Framework with robust corporate standards and internal guidelines on ethical issues.
- Communication strategy that reinforces ethical behavior and builds trust in the Coca-Cola FEMSA Ethics Line.
- Management platform for the Coca-Cola FEMSA Ethics Line that enhances transparency and reliability.
- Specialized training programs for our ethics complaints investigators.

### Code of Ethics

The foundation of our organizational culture, the **Code of Ethics** communicates our values, promotes good behavior, and guides our decision-making processes based on ethical principles. Our Code of Ethics includes important topics such as human rights, diversity, equity, inclusion, discrimination, violence, harassment, conflicts of interest, misuse of information, and anti-corruption.

For further information and access to the full document of our Code of Ethics please access one of the following links:

- **Spanish**
- **English**
- **Portuguese**







### Training and Communications on Business Ethics and Compliance

The foundation of our Comprehensive Ethical System lies in the implementation of strong preventive measures aimed at fostering a culture of compliance throughout the organization.

Personal responsibility plays a crucial role in empowering individuals to confidently contribute toward achieving our company's goals. Key to this approach is a comprehensive training program that spans all levels of responsibility across our geographies, equipping all employees with the knowledge and tools they need to adhere to our ethical standards. In addition to our training program, continuous communication campaigns play a crucial role in reinforcing the importance of ethical behavior. These campaigns serve as regular reminders to our workforce, ensuring that the principles of integrity and accountability are deeply ingrained in our corporate ethos.

**Ethics Training:** The Ethics Mindset training program is a key initiative designed to embed ethical values and practices deeply into our organizational culture. This comprehensive program aims to educate and empower all employees, ensuring a thorough understanding of our ethical standards. Emphasizing the importance of integrity, the program is tailored to address the specific ethical challenges and situations our employees might encounter.

Every employee receives frequent training and signs a Letter of Compliance with our Code of Ethics. This step is instrumental in ensuring they are not only familiar with the Code but also fully understand the specific actions or omissions that could pose risks to our organization. Additionally, it emphasizes the importance of reporting any suspected violations to the Coca-Cola FEMSA Ethics Line.

Leveraging the insights gathered from the increased number of reports to the Coca-Cola FEMSA Ethics Line, we are also intensifying the training for members of our Ethics Committees, equipping them with specialized skills for nuanced investigations. This step is key in enhancing our investigation processes for specific types of cases.

**Preventing Discrimination and Harassment:** Discrimination and harassment training are key components of our Ethics Mindset training. Additionally, we have implemented webinars and targeted communication campaigns throughout our operations, specifically addressing issues of workplace violence with a focus on discrimination and harassment. These initiatives are designed to empower our operational teams, providing clear guidance for addressing and preventing such conduct effectively.

**Ethics Communication Campaigns:** Furthermore, we are expanding our communication campaigns across our operations to give greater emphasis on prevention and compliance with the company's Code of Ethics and Policies. These enhancements are aimed at proactively addressing potential issues, underscoring our commitment to maintaining the highest standards of ethical conduct across the organization.



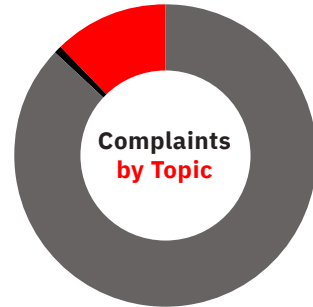
### Coca-Cola FEMSA Ethics Line

Complaints for potential noncompliance with the Code of Ethics are received through the → **Coca-Cola FEMSA Ethics Line**. This whistle-blowing system, managed by an independent third party and available 24/7, guarantees that employees, customers, suppliers, third parties, or any other stakeholder can submit a complaint anonymously. The third-party management ensures that these complaints are considered fairly, with a dedicated group of investigators analyzing them impartially and confidentially.

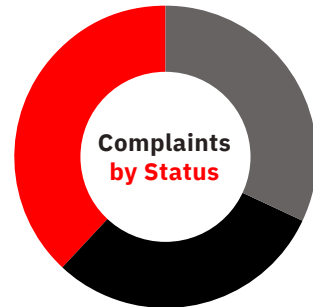
We are nurturing a culture where employee voices are not just heard but are influential. Supported by a system that guarantees psychological safety, this initiative has led to an increase in reports to the Coca-Cola FEMSA Ethics Line. Employees now feel more confident in voicing concerns, indicative of a healthy, transparent workplace where well-being and open dialogue are essential.

In 2023, the Coca-Cola FEMSA Ethics Line received 2,163 complaints, on topics ranging from work environment and leadership to operational or financial matters, with none concerning human rights violations.

### Reports to the Coca-Cola FEMSA Ethics Line in 2023



- Human resources 87%
- Financial information 1%
- Operational 12%



- In review 32%
- Substantiated 30%
- Unsubstantiated 38%

### Ethics Committees

The Ethics Committees serve as the oversight and control bodies; they not only ensure adherence to the Code of Ethics but also address the most relevant ethical situations in the company.

The Corporate Ethics Committee is a collegiate body whose functions are delimited by the internal regulatory framework, guaranteeing the independence of its decisions, criteria, and corrective measures implemented. The Committee comprises our CFO, CHRO, Legal Compliance Director, and operates under our Comprehensive Ethics System. The diversity of its members ensures impartiality in the decision-making process.

Among its various functions, the Corporate Ethics Committee ensures that investigations into reports received through the Coca-Cola FEMSA Ethics Line (which is managed by a third-party company) are carried out impartially, objectively, and confidentially. This process guarantees the protection of those who submit reports. Additionally, the Committee defines or authorizes criteria, and where necessary, deliberates and decides upon, or recommends disciplinary or corrective actions for violations of the Code of Ethics or Corporate Policies.

Corrective measures to address situations that do not align with our Code of Ethics include written reprimands, dismissals, criminal prosecution by competent authorities, and the pursuit of any other applicable legal actions. These measures are implemented in accordance with the Coca-Cola FEMSA Sanctions Guidelines.

There are Ethics Committees in each of our territories that report to the Corporate Ethics Committee. Their role locally is to oversight compliance with the Code of Ethics and attend to the company's most relevant ethical situations and complaints. They are instrumental in creating across our operations an environment where employees feel secure and supported in raising ethical concerns, contributing to a transparent and accountable workplace culture.



## RESPECT FOR HUMAN RIGHTS

### Coca-Cola FEMSA's Approach to Human Rights

As a bottling partner for The Coca-Cola Company and a business unit of FEMSA, our commitment to human rights is strongly influenced by—and often directly implemented by—our major shareholders. This commitment extends to enacting human rights policies across the entire company, including our operations, employees, and suppliers.

Newly defined and adopted in 2023 in partnership with FEMSA, our Human Rights Due Diligence Model aligns with the UN Guiding Principles on Business and Human Rights. The Model has the objective to uphold our commitment and responsibility to Human Rights by transforming challenges into opportunities, creating business value, and generating a positive social impact in the countries where we operate.

### FEMSA HUMAN RIGHTS DUE DILIGENCE MODEL

1. **Identification:** Analysis of the Company's activities and Human Rights that could potentially be impacted.
2. **Evaluation:** Classification and prioritization of Human Rights due to our operations and acting on the findings.
3. **Grievance:** Effective and agile attention to complaints about negative Human Rights impacts detected through formal institutional mechanisms, such as the Coca-Cola FEMSA Ethics Line.
4. **Remediation:** Repair and avoid the repetition of said negative impacts.
5. **Prevention:** Implementation of initiatives, processes, and policies to prevent future Human Rights violations.

### Signatories to the UN Global Compact

In 2022, Coca-Cola FEMSA became a signatory to the UN Global Compact, the largest corporate sustainability initiative in the world. This initiative calls on companies to integrate 10 universal principles related to human rights, labor, the environment, and anti-corruption into their operations and value chain. Notably, FEMSA and The Coca-Cola Company joined the Global Compact in 2005 and 2006, respectively, underscoring our shared commitment to these global standards.

### Upholding Human and Labor Rights

Outlined in our Human and Labor Rights Policy, we strictly forbid all forms of child and forced labor within our operations, adhering to local laws on the employment of minors. We ensure that all employment relationships are entered into voluntarily and categorically reject any form of unpaid work, servitude, slavery, or the compulsory retention of personal documents as employment conditions. Through our Supplier Guiding Principles, we delineate the minimum standards expected from our suppliers in managing crucial aspects of human and labor rights.

### A Commitment Beyond Our Operations

A prerequisite for becoming a new Coca-Cola FEMSA supplier is committing to our Supplier Guiding Principles and the company's Code of Ethics. These documents clarify the values and behaviors we expect and audit within our value chain. Additionally, during the supplier registration process, we conduct evaluations on anti-corruption and money laundering to ensure full compliance with applicable regulations.

- [Human Rights Commitment Statement](#)
- [Supplier Guiding Principles](#)
- [Human and Labor Rights Policy](#)
- [The Coca-Cola Company's Modern Slavery Statement](#)
- [Learn about The Coca-Cola Company Commitment to Human Rights](#)







## CYBERSECURITY

### Securing Digital Growth

As our business continues to expand its digital footprint as part of our growth strategy, we hold a critical responsibility to protect our digital capabilities and sensitive data. Our cyber and data security initiatives are centered on preventing business disruption and safeguarding our information from cyberattacks and responsibly managing sensitive information. Without effective cyber and data security mechanisms, we face risks like operational disruptions from ransomware, data breaches, fraud, and others.

At Coca-Cola FEMSA, we diligently manage cybersecurity risks inherent to our operations to safeguard the confidentiality, integrity, and availability of information, whether transmitted, stored, processed, or deleted, across physical and digital media.

### Coca-Cola FEMSA Cybersecurity Program

Our cybersecurity program was developed in accordance with, and aligned to, international standards, best practices, and worldwide frameworks such as ISO 27001 and NIST SP 800-53, among others, reflecting our commitment to upholding the highest benchmark of information security and resilience.

The cybersecurity program has four pillars supporting a virtuous cycle that drives the continuous improvement of our controls at people, technology, and processes environments, ensuring that the organization can adapt to new threats, comply with regulatory requirements, and protect its information assets effectively. The program is supported by a robust cybersecurity internal regulatory structure that consists of our Cybersecurity Policy, 14 global norms, and 15 standards. It benefits from oversight by various governance entities, including the Board of Directors' Audit Committee, an Executive Steering Committee, and a Chief Information Security Officer who leads our cybersecurity strategy.

Moreover, our approach combines in-house and external technical expertise, maintaining a clear separation of responsibilities between governance and operational roles. To this end, we conduct continuous internal cybersecurity audits that report directly to the Board's Audit Committee, while independent evaluations, including audits from FEMSA and The Coca-Cola Company, offer critical insights into our maturity and security status. Furthermore, our practices are aligned with The Coca-Cola Company's Business Resilience Framework, ensuring compliance with established cybersecurity standards.

## CYBERSECURITY PROGRAM PROCESS

- 1. Strategic Objectives:** We implement a robust risk-based information security strategy that supports the company's strategic objectives, which guide our pursuit of business excellence.
- 2. Cybersecurity Status:** Our annual cybersecurity plan actively monitors exposure to potential risks, aiming to establish a robust cybersecurity status that protects assets and reputation against evolving digital threats. The Program also includes constant cybersecurity posture assessments executed by external parties allowing us to improve continuously our protection mechanisms and processes.
- 3. Pentesting and Vulnerability Management:** Vulnerability scans and ethical hacking exercises, conducted by a third-party, systematically identify and mitigate vulnerabilities to protect against evolving cyber threats.
- 4. Mitigation Process:** Enhance cybersecurity by executing projects and tasks derived from technical and risk assessments.





## STRENGTHENING CYBER DEFENSES: LESSONS AND ACTIONS FROM COCA-COLA FEMSA'S 2023 INCIDENT

In 2023, our company faced a cybersecurity incident, promptly addressed by activating our cybersecurity protection and response protocols. Throughout this period, we maintained full control over all our business applications and related infrastructure.

The measures we took in response to the cybersecurity incident were preventative and we did not experience any material negative impact on the company's related functions. Our business operations and service to customers continued seamlessly through backup procedures, with a strong focus on safeguarding the integrity, confidentiality, and availability of our information. Our effective controls identified and addressed the incident promptly, and by the end of that quarter, we had successfully resumed normal primary processes.

Data security is extremely important to us. Our team, including third-party experts, has been working to enhance our cybersecurity risk management program and security posture according to lessons learned from the incident. We undertook a comprehensive forensic assessment of the incident to ensure the complete security of our systems. This approach emphasized our commitment to rigorous cybersecurity standards and our dedication to protecting our stakeholders' interests.

During the year, we further strengthened our controls by focusing on improving processes, technology, and personnel, aiming at bolstering prevention, detection, and resilience to cyber threats. Additionally, we advanced our employee training and awareness efforts to promote secure online behaviors.

Our ambition in cyber and data security is to become a recognized leader within the Coca-Cola System and throughout our value chain.





## SUPPLY CHAIN MANAGEMENT

### Supply Chain Resilience and Sustainability

We are committed to maintaining a robust and resilient supply chain, essential for the reliable delivery of our products to customers. This commitment entails promoting the continuous flow of inputs as well as collaborating with our suppliers to advance our sustainability priorities. To this end, we follow a robust process to assess our suppliers, fostering alignment of our supply chain with our sustainability ambitions.

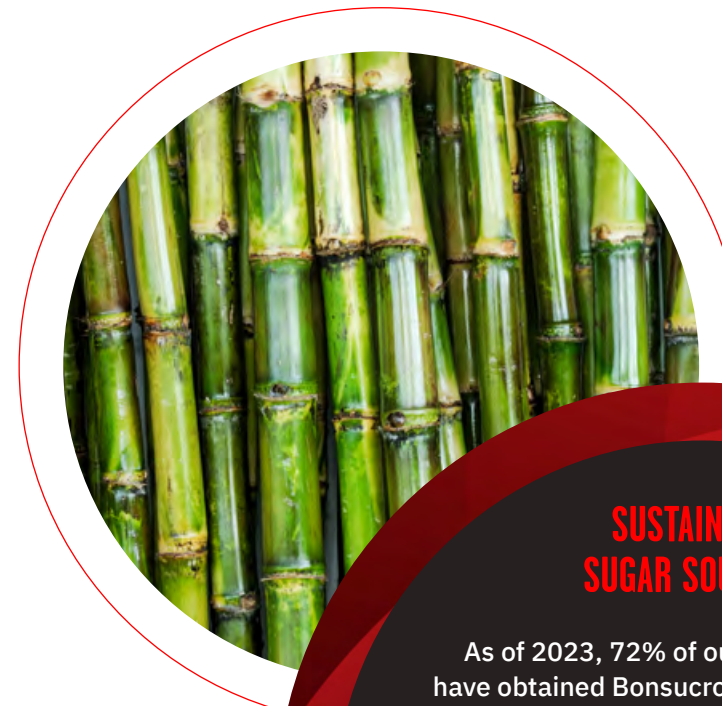
### The Coca-Cola Company Supplier Guiding Principles

As bottlers within the Coca-Cola system, we adhere to rigorous standards enforced through audits conducted under The Coca-Cola Company's Supplier Guiding Principles protocol. These evaluations are carried out by an accredited external firm appointed by The Coca-Cola Company, ensuring our operations align with their 12 Supplier Guiding Principles.

In 2023, The Coca-Cola Company carried out 123 evaluations of strategic suppliers in our system, aligned with The Coca-Cola Company's Supplier Guiding Principles and Sustainable Agricultural Guiding Principles.

### Suppliers assessed under The Coca-Cola Company's Supplier Guiding Principles

Country	2016	2017	2018	2019	2020	2021	2022	2023
Mexico	52	40	59	37	27	130	46	37
Costa Rica	3	7	0	1	7	0	1	7
Guatemala	5	8	7	8	7	7	7	7
Nicaragua	1	0	0	1	1	0	1	1
Panama	0	3	3	2	1	1	3	2
Argentina	11	19	10	10	10	25	11	11
Brazil	47	102	51	42	57	65	45	45
Colombia	7	18	11	4	10	25	6	13
<b>Total</b>	<b>126</b>	<b>197</b>	<b>141</b>	<b>105</b>	<b>120</b>	<b>253</b>	<b>120</b>	<b>123</b>



### SUSTAINABLE SUGAR SOURCING

As of 2023, 72% of our sugar suppliers have obtained Bonsucro certification. Those companies are responsible for providing 71% of our total sugar procurement by volume. Bonsucro serves as the foremost global sustainability platform and standard for sugarcane, aiming to expedite the sustainable production and use of sugarcane with a focus on climate action, human rights, and adding value within the supply chain. This indicates our strategic move towards ensuring that a significant share of our primary agricultural input, sugar, is sourced in an environmentally and socially responsible manner.





### Assessing Suppliers' Sustainability Performance Using Our Supplier Guiding Principles

In addition to complying with The Coca-Cola Company's Supplier Guiding Principles, a prerequisite for becoming a new supplier is committing to Coca-Cola FEMSA's → **Supplier Guiding Principles** and the company's Code of Conduct. These documents clarify the values and behaviors we expect and audit within our value chain. Additionally, during the supplier registration process, we conduct evaluations on anti-corruption and money laundering to ensure full compliance with applicable regulations.

In 2023, we assessed 749 suppliers, evaluating their alignment with our company's principles and values across four categories: environmental stewardship, social and labor rights, community involvement, and ethical behavior. We also

continued to encourage the use of our Supplier Guiding Principles for Tier 2 suppliers—the suppliers of our suppliers. In 2023, we assessed 50 Tier 2 suppliers for a total of 228 assessments since 2018.

Moreover, at Coca-Cola FEMSA we extend our commitment beyond mere assessment; through the FEMSA supplier program, we actively offer our suppliers the opportunity to receive training and support, empowering them to progress on their sustainability journey. This initiative reflects our dedication not only to uphold high standards but also to foster a collaborative environment that drives sustainable practices across our supply chain.

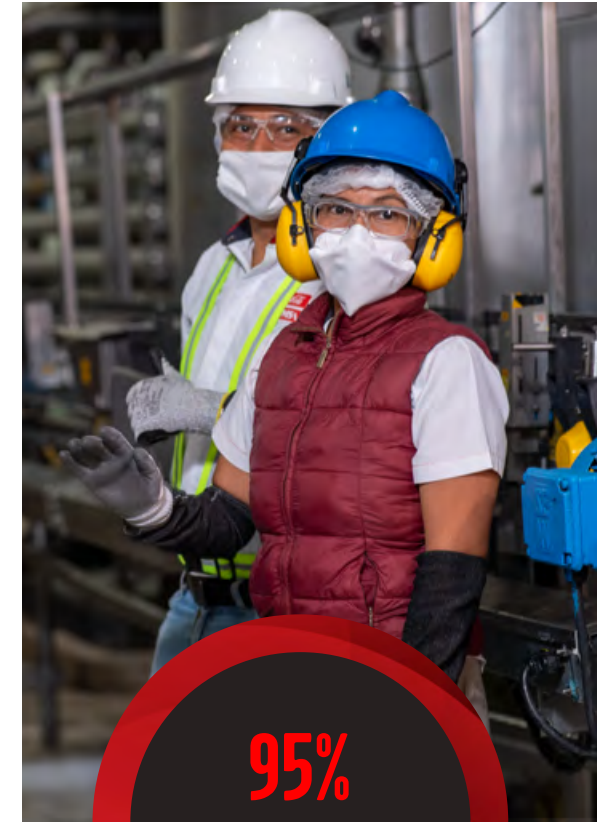
### Suppliers assessed under Coca-Cola FEMSA's Supplier Guiding Principles

Country	2016	2017	2018	2019	2020	2021	2022	2023
Mexico	198	245	172	165	164	143	217	246
Costa Rica	120	106	34	41	35	47	38	38
Guatemala		49	34	36	35	57	68	61
Nicaragua	84	94	27	21	15	24	13	20
Brazil		45	66	63	245	266	187	223
Panama			36	24	30	36	34	35
Argentina			31	31	17	42	41	34
Colombia				30	51	56	45	60
Uruguay				15	27	28	22	32
<b>Total</b>	<b>402</b>	<b>539</b>	<b>400</b>	<b>426</b>	<b>619</b>	<b>699</b>	<b>665</b>	<b>749</b>

### ADVANCING OUR SCOPE 3 EMISSIONS REDUCTION GOALS

Collaborating with our suppliers is crucial in reducing our Scope 3 emissions, which constitute a significant portion of our overall carbon footprint. By engaging closely with them, we can extend our sustainability efforts beyond our direct operations, driving collective action towards environmental responsibility.

Among our top 25 suppliers, representing 51% of our Scope 3 emissions, 52% have established science-based targets, and an additional 12% are committed with the Science Based Targets initiative (SBTi) to reduce their greenhouse gas emissions in alignment with global efforts.



**95%**

of our procurement comes from local suppliers.



## RISK MANAGEMENT

### Risk Management Process

Our Comprehensive Risk Management Process plays a crucial role in managing the impact of both internal and external factors on our business. This involves identifying, assessing, and reporting short- and long-term risks to not only quantify their potential impact but also craft strategic mitigation plans. Our proactive approach to risk identification enables us to recognize and understand emerging risks effectively. This proactive approach also ensures we are well-prepared to safeguard our business continuity against unforeseen adversities.

Key elements of our risk management framework include:

- Performing sensitivity analysis on financial and non-financial risks to understand potential implications.
- Regularly reviewing our company's risk exposure to stay ahead of emerging threats.
- Auditing our risk management process to ensure compliance with industry standards and best practices.

### Embedding a Sustainability Perspective

Our thorough risk management process is intricately linked to both our materiality analysis and Sustainability Framework. This connection ensures that identified sustainability risks are prioritized based on several key factors: their likelihood, potential impact, and the timing of their incidence on material issues. Additionally, we consider how these risks relate to our overall strategy and the specific measures we are implementing to mitigate them. This methodical approach allows us to manage risks strategically and align them with our broader organizational goals, reinforcing our commitment to robust and forward-thinking risk management.

Embedding a sustainability perspective into these processes requires us to take a longer term and broader view of our operations, considering interdependencies such as the linkage between potential ESG regulation and our ability to operate. Several of our risks can be mitigated through effective action, making their accurate mapping crucial. During the latest update of our risk and control base, we found that around 28% of the identified risks are connected to one or more ESG aspects.

Sustainability linked risk management calls for proactive reporting to maintain transparency, contributing to our stakeholders being well-informed about our risk mitigation actions. Our goal is to establish a fully mature, industry-leading sustainability risk management process that quantifies and reports our sustainability impact to our stakeholders.

## MANAGING INCIDENTS AND CRISES EFFICIENTLY




Our Incident Management and Crisis Resolution (MIRC) methodology is a comprehensive approach designed for managing incidents and crises efficiently. Led from FEMSA, MIRC is implemented across all our operations, to ensure rapid and effective response capabilities within our work centers. This methodology encompasses the identification of incidents, assessment of potential impacts, evaluation of occurrence probability, and the development of emergency plans and risk mitigation strategies, enabling us to maintain resilience and operational continuity.







## RISK MANAGEMENT MATRIX

Our company is present in different countries and regions; consequently, we are continually exposed to an environment that presents challenges and risks. Our ability to manage potential risks is vital for our business' value creation. Accordingly, our business strategy includes a Comprehensive Risk Management Process through which we are able to identify, measure, register, assess, prevent, and mitigate risks.

Main Risk	Potential Impacts	Key Mitigation Actions
 <p><b>Strategic Shareholder Relationships</b> Our business depends on our relationship with The Coca-Cola Company and FEMSA, and changes in this relationship may adversely affect us.</p>	<ul style="list-style-type: none"> <li>Termination of the bottler agreements.</li> <li>Actions contrary to the interests of our shareholders other than The Coca-Cola Company and FEMSA.</li> </ul>	<ul style="list-style-type: none"> <li>Comply with the bottler agreements.</li> <li>Work together and promote effective interaction between our strategic shareholders in order to maximize value creation.</li> </ul>
 <p><b>Consumer Preferences</b> Changes in consumer preferences, purchase drivers, and consumption habits might generate variability in the demand for some of our products.</p>	<ul style="list-style-type: none"> <li>Variability in the demand for our products.</li> <li>Plastic pollution concerns may change consumer preferences regarding our portfolio.</li> </ul>	<ul style="list-style-type: none"> <li>Transform into a total beverage company aligned with consumers' changing tastes and lifestyles.</li> <li>Build a winning multi-category portfolio of products and presentations.</li> <li>Drive our low- and no-sugar portfolio ahead of consumer trends.</li> <li>Offer sustainable packaging options for our beverages.</li> </ul>
 <p><b>Coca-Cola Trademarks</b> Coca-Cola's and our brand reputation or brand violations could adversely affect our business.</p>	<ul style="list-style-type: none"> <li>Damage to Coca-Cola's and our trademark reputation.</li> </ul>	<ul style="list-style-type: none"> <li>Maintain the reputation and intellectual property rights of Coca-Cola trademarks and our own trademarks.</li> <li>Effective brand protection.</li> <li>Strictly comply with Responsible Marketing Policies.</li> </ul>

Main Risk	Potential Impacts	Key Mitigation Actions
 <p><b>Competition</b> Competition could adversely affect our business, financial performance, and results of operations.</p>	<ul style="list-style-type: none"> <li>Changes in consumer preferences.</li> <li>Lower pricing by competitors.</li> </ul>	<ul style="list-style-type: none"> <li>Offer affordable prices, returnable packaging, effective promotions, access to retail outlets and sufficient shelf space, enhanced customer service, and innovative products.</li> <li>Identify, stimulate, and satisfy consumer preferences.</li> </ul>
 <p><b>Cyber Incidents</b> Since our business is highly leveraged by information systems and digital services, it could be significantly affected in the event of a security breach or cyber incident that affects the confidentiality, availability, or integrity of information and information systems.</p>	<ul style="list-style-type: none"> <li>Business disruption.</li> <li>Theft or unauthorized exposure of sensitive or confidential information.</li> <li>Regulatory noncompliance.</li> <li>Fraud.</li> <li>Economic loss.</li> <li>Reputational damage and/or impact on share value.</li> </ul>	<ul style="list-style-type: none"> <li>A systemic approach to cyber security based on industry standards and The Coca-Cola Company Business Resilience Framework.</li> <li>Oversight by the Board's Audit Committee, the senior management, and a Chief Information Security Officer.</li> <li>Cybersecurity-focused organizational structure.</li> <li>Risk management process supported by periodic independent assessments.</li> <li>Personnel awareness and training program regarding cybersecurity, social engineering, and phishing prevention.</li> <li>Continuous investment to strengthen the security of existing processes and technologies.</li> <li>Security by design approach to the new business digital initiatives.</li> <li>Continuous improvement of monitoring, incident response, and resilience capabilities.</li> </ul>



**Main Risk****Economic, Political, and Social Conditions**

Adverse economic conditions, political, and social events in the countries where we operate and elsewhere, and changes in governmental policies may adversely affect our business, financial condition, results of operations, and prospects.

**Potential Impacts**

- Affect and reduce consumer per capita income, which could result in decreased consumer purchasing power.
- Lower demand for our products, lower real pricing of our products or a shift to lower margin products.
- Negatively affect our company and materially affect our financial condition, results of operations, and prospects.
- Sudden changes in our production due to last-minute regulatory adjustments, which could imply increased costs.

**Key Mitigation Actions**

- Through a risk management strategy, hedge our exposure to interest rates, exchange rates, and raw material costs.
- Evaluate annually, or more frequently, when the circumstances require, the possible financial effects of these conditions and, to the extent possible, anticipate mitigation measures.
- Develop scenarios and contingency plans for adverse political and social developments that allow for business continuity considering, among other options: alternative distribution routes, stock management to prioritize critical SKUs, etc.

**Regulations**

Taxes and changes in regulations in the regions where we operate could adversely affect our business.

- Increase in operating and compliance costs.
- Restrictions imposed on our operations.
- Limitations on the use of certain ingredients or packaging material (PET).
- The imposition of new taxes, increases in existing taxes, or changes in the interpretation of tax laws and regulation by tax authorities that may have a material adverse effect on our business, financial condition and results of operations.

- Identify regulatory risks and proposals of changes to regulations that directly affect our operation or financial condition.
- Advocacy work to provide our views on legislators' proposed regulatory changes.

**Main Risk****Legal Proceedings**

Unfavorable outcomes of legal proceedings could adversely impact our business.

**Weather Conditions, Natural Disasters, and Public Health Crises**

Adverse weather conditions, natural disasters, and public health crises may adversely affect our business, financial condition, results of operations, and prospects.

**Acquisitions and Business Alliances**

Inability to successfully integrate acquisitions or achieve expected synergies could adversely affect our operations.

**Potential Impacts**

- Investigations and proceedings on tax, consumer protection, environmental, and labor matters.




- Impact consumer patterns and beverage sales.
- Affect plants' installed capacity, road infrastructure, and points of sale.
- Negatively affect our business, financial condition, results of operations, and prospects.



- Difficulties and unforeseen liabilities or additional costs in restructuring and integrating operations.

**Key Mitigation Actions**

- Comply with applicable laws and regulations and comply with workplace rights policy.
- Implement business continuity plans and safety protocols to protect employees and avoid significant disruptions to our business.
- Insure assets and operations against such adverse events.
- Integrate acquired or merged businesses' operations in a timely and effective way, retaining key qualified and experienced professionals.



Main Risk	Potential Impacts	Key Mitigation Actions
 <p><b>Foreign Exchange</b> Depreciation of the local currencies of the countries where we operate relative to the U.S. dollar could adversely affect our financial condition and results.</p>	<ul style="list-style-type: none"> <li>Financial loss.</li> <li>Increase cost of some raw materials.</li> <li>Adversely affect our results, financial condition, and cash flows in future periods.</li> </ul>	<ul style="list-style-type: none"> <li>Closely monitor developments that may affect exchanges rates.</li> <li>Hedge our exposure to the U.S. dollar with respect to certain local currencies, our U.S. dollar-denominated debt obligations, and the purchase of certain U.S. dollar-denominated raw materials.</li> </ul>
 <p><b>Climate Change</b> Adverse weather conditions could adversely affect our business and results of operations.</p>	<ul style="list-style-type: none"> <li>Negatively affect consumer patterns and reduce sales.</li> <li>Affect plants' installed capacity, road infrastructure, raw material supply, and points of sale.</li> </ul>	<ul style="list-style-type: none"> <li>Identify sources of our operations' CO<sub>2</sub>e emissions.</li> <li>Support and comply with climate change mitigation measures.</li> <li>Identify and reduce our environmental footprint through efficient use of water, energy, and materials.</li> </ul>
 <p><b>Social Media</b> Negative or inaccurate information on social media could adversely affect our reputation.</p>	<ul style="list-style-type: none"> <li>Damage to our brands or corporate reputation without affording us an opportunity for correction.</li> </ul>	<ul style="list-style-type: none"> <li>Effective brand protection.</li> <li>Proactive external communication.</li> </ul>

Main Risk	Potential Impacts	Key Mitigation Actions
 <p><b>Water</b> Water shortages or failure to maintain our current water concessions could adversely affect our business.</p>	<ul style="list-style-type: none"> <li>Water supply may be insufficient to meet our future production needs.</li> <li>Water supply may be adversely affected due to shortages or changes in governmental regulations or environmental changes.</li> <li>Water concessions or contracts may be terminated or not renewed.</li> </ul>	<ul style="list-style-type: none"> <li>Efficient water usage.</li> <li>Execute water conservation and replenishment projects.</li> <li>Maintain 100% legal compliance.</li> <li>Develop a water risk index, including four issues that need to be assessed: community and public perception risks, scarcity of water and other inputs, regulatory risks, and legal risks for each of our bottling plants.</li> <li>Advocacy work with Governments to provide best practices on proposed regulations.</li> <li>Update water risk assessment tool and work plans that contemplate aspects such as climate change, resilience to hydrological stress, media and social vulnerabilities, as well as regulations and production volumes for each of our bottling plants.</li> <li>Secure water concessions for our production facilities.</li> </ul>
 <p><b>Raw Materials</b> Increases in the price of raw materials we use to manufacture our products could adversely affect our production costs. Insufficient availability of raw materials could limit the production of our beverages.</p>	<ul style="list-style-type: none"> <li>Shortage or insufficient availability of raw materials may adversely affect our capacity to ensure production continuity.</li> <li>Adjustments to our product portfolio according to availability.</li> </ul>	<ul style="list-style-type: none"> <li>Implement measures to mitigate the negative effect of product pricing on our margins such as hedging via derivative instruments.</li> <li>Proactively address risk of supply on our value chain.</li> <li>Strict compliance with our Supplier Guiding Principles.</li> <li>Strategically adjust our product portfolio to enable us to minimize the impact of certain operating disruptions.</li> </ul>

→ For more information please see our 20-F Report.

## STRATEGIC MANAGEMENT OF CLIMATE RISKS AND OPPORTUNITIES

The impacts of climate change are not only relevant for the planet, but also for the communities where we operate. Accordingly, identifying climate-related risks and opportunities will enable us to be prepared to mitigate its effects, build resilience in the communities, and ensure that our organization's growth is responsible and serves our stakeholders. To not only respond to our stakeholders' concerns, but

also to prepare for future climate change challenges, we identified and quantified the main related risks and opportunities, as well as their potential financial impacts in the short, medium, and long term.

→ For more information please visit our 2023 Task Force on Climate-Related Financial Disclosures (TCFD) Report on page 121.

# APPENDICES







# FINANCIAL SUMMARY

Amounts expressed in millions of U.S. dollars and Mexican pesos, except data per share and headcount.

	U.S. (*)	2023	2022 <sup>(1)</sup>	2021	2020	2019
<b>INCOME STATEMENT</b>						
Total revenues	14,502	245,088	226,740	194,804	183,615	194,471
Cost of goods sold	7,943	134,228	126,440	106,206	100,804	106,964
Gross profit	6,560	110,860	100,300	88,598	82,811	87,507
Operative expenses	4,503	76,098	68,981	60,720	56,444	60,537
Other expenses, net	75	1,272	983	807	3,611	2,490
Comprehensive financing result	278	4,697	4,549	4,219	6,678	6,071
Income before income taxes and share of the profit or of associates and joint ventures accounted for using the equity method	1,704	28,792	25,787	22,852	16,077	18,409
Income taxes	520	8,781	6,547	6,609	5,428	5,648
Share in the profit (loss) of equity accounted investees, net of taxes	13	215	386	88	(281)	(131)
Consolidated net income	1,197	20,226	19,626	16,331	10,368	12,630
Equity holders of the parent for continuing operations	1,156	19,536	19,034	15,708	10,307	12,101
Non-controlling interest net income for continuing operations	41	690	592	623	61	529
<b>RATIOS TO REVENUES (%)</b>						
Gross margin	45.2	45.2	44.2	45.5	45.1	45.0
Net income margin	8.3	8.3	8.7	8.4	5.6	6.5
<b>CASH FLOW</b>						
Operative cash flow	2,502	42,289	35,491	32,721	35,147	31,289
Capital expenditures <sup>(2)</sup>	1,266	21,396	19,665	13,865	10,354	11,465
Total cash, cash equivalents	1,838	31,060	40,277	47,248	43,497	20,491



	U.S. (*)	2023	2022 <sup>(1)</sup>	2021	2020	2019
<b>BALANCE SHEET</b>						
Current assets	4,008	67,738	79,212	80,364	72,440	56,796
Investment in shares	547	9,246	8,452	7,494	7,623	9,751
Property, plant and equipment, net	4,659	78,730	71,205	62,183	59,460	61,187
Intangible assets, net	5,986	101,162	103,122	102,174	103,971	112,050
Deferred charges and other assets, net	985	16,644	16,004	19,352	19,572	18,055
<b>Total Assets</b>	<b>16,185</b>	<b>273,520</b>	<b>277,995</b>	<b>271,567</b>	<b>263,066</b>	<b>257,839</b>
<b>Liabilities</b>						
Short-term bank loans and notes payable	8	140	8,524	2,453	5,017	11,485
Interest payable	45	764	862	811	712	439
Other current liabilities	3,196	54,012	48,574	42,957	37,116	39,086
Long-term bank loans and notes payable	3,851	65,074	70,145	83,329	82,461	58,492
Other long-term liabilities	1,173	19,825	18,014	14,445	15,303	18,652
<b>Total Liabilities</b>	<b>8,273</b>	<b>139,815</b>	<b>146,119</b>	<b>143,995</b>	<b>140,609</b>	<b>128,154</b>
<b>Equity</b>						
Non-controlling interest in consolidated subsidiaries	395	6,680	6,491	6,022	5,583	6,751
Equity attributable to equity holders of the parent	7,516	127,025	125,385	121,550	116,874	122,934
<b>FINANCIAL RATIOS (%)</b>						
Current	1.23	1.23	1.37	1.74	1.69	1.11
Leverage	1.05	1.05	1.11	1.13	1.15	0.99
Capitalization	0.33	0.33	0.39	0.41	0.43	0.37
Coverage	10.80	10.80	8.68	6.11	5.13	5.51
<b>DATA PER SHARE</b>						
Book Value <sup>(3)</sup>	0.447	7.558	7.460	7.232	6.954	7.315
Income tributable to the holders of the parent <sup>(4)</sup>	0.069	1.162	1.133	0.935	0.610	0.723
Dividends paid <sup>(5)</sup>	0.040	0.725	0.679	0.634	0.608	0.443
<b>Headcount <sup>(6)</sup></b>	<b>104,241</b>	<b>104,241</b>	<b>97,211</b>	<b>83,754</b>	<b>82,334</b>	<b>82,186</b>

(1) Information considers full-year of KOF's territories and eleven months of CVI Refrigerantes Ltda. ("CVI").

(2) Includes investments in property, plant and equipment, refrigeration equipment and returnable bottles and cases, net of disposals of property, plant and equipment.

(3) Based on 16,806.7 million ordinary shares as of December 31, 2023, 2022, 2021, 2020 and 2019.

(4) Computed based on the weighted average number of shares outstanding during the periods presented: 16,806.7 million for 2023, 2022, 2021, 2020 and 2019.

(5) Dividends paid during the year based on the prior year's net income, using 16,806.7 millions outstanding ordinary shares for 2023, 2022, 2021, 2020 and 2019.

(6) Includes third-party.

\* Exchange rate as of December 31, 2023 Ps. 16.8998 per U.S. dollar solely for the convenience of the reader according to the federal USA reserve.



# MANAGEMENT DISCUSSION AND ANALYSIS

Results for the Year Ended  
December 31, 2023  
Compared to the Year  
Ended December 31, 2022

## Consolidated Results

The comparability of our financial and operating performance in 2023 as compared to 2022 was affected by the following factors: (1) translation effects from fluctuations in exchange rates; (2) our results in Argentina, whose economy satisfied the conditions to be considered a hyperinflationary economy and (3) the ongoing integration of mergers and acquisitions completed in recent years, specifically the acquisitions of CVI in Brazil in January 2022. To translate the full-year results of Argentina for the years ended December 31, 2023 and 2022, we used the exchange rate at December 31, 2023 of 808.45 Argentine pesos per U.S. dollar and the exchange rate at December 31, 2022 of 177.16 Argentine pesos per U.S. dollar. The depreciation of the exchange rate of the Argentine peso at December 31, 2023, as compared to the exchange rate at December 31, 2022, was 356.3%. In addition, the average appreciation of currencies used in our main operations relative to the U.S. dollar in 2023, as compared to 2022, was 5.8% for the Brazilian real, 10.7% for the Mexican peso, and of 15.3% for the Colombian peso relative to the U.S. dollar.

**Total Revenues.** Our consolidated total revenues increased by 8.1% to Ps. 245,088 million in 2023 as compared to 2022, mainly as a result of volume growth, our revenue management initiatives and favorable mix effects. These effects were partially offset by unfavorable currency translation effects from most of our operating currencies into Mexican pesos.

Total sales volume increased by 7.8% to 4,047.8 million unit cases in 2023 as compared to 2022, driven mainly by growth in all of our territories, including a strong performance in Mexico, Brazil, Colombia and Guatemala in 2023.

- In 2023, sales volume of our sparkling beverage portfolio increased by 5.2%, sales volume of our colas portfolio increased by 6.1%, and sales volume of our flavored sparkling beverage portfolio increased by 2.0%, in each case as compared to 2022.
- Sales volume of our still beverage portfolio increased by 6.5% in 2023 as compared to 2022.

- Sales volume of our bottled water category, excluding bulk water, increased by 17.6% in 2023 as compared to 2022.
- Sales volume of our bulk water category increased by 24.6% in 2023 as compared to 2022.

Consolidated average price per unit case decreased by 0.4% to Ps. 58.54 in 2023, as compared to Ps. 58.75 in 2022, mainly as a result of the negative translation effect resulting from the depreciation of most of our operating currencies relative to the Mexican peso. This was partially offset by favorable price-mix effects and revenue management initiatives.

**Gross Profit.** Our gross profit increased by 10.5% to Ps. 110,860 million in 2023 as compared to 2022, with a gross margin increase of 100 basis points as compared to 2022 to reach 45.2% in 2023. This gross margin increase was mainly driven by our top-line growth, declining packaging costs, and favorable raw material hedging initiatives. These effects were partially offset by higher sweetener costs across our territories.

The components of cost of goods sold include raw materials (principally concentrate, sweeteners and packaging materials), depreciation costs attributable to our production facilities, wages and other labor costs associated with labor force employed at our production facilities and certain overhead costs. Concentrate prices are determined as a percentage of the retail price of our products in local currency, net of applicable taxes. Packaging material purchases, mainly PET resin and aluminum, and HFCS, used as a sweetener in some countries, are denominated in U.S. dollars.

**Administrative and Selling Expenses.** Our administrative and selling expenses increased by 10.3% to Ps.76,098 million in 2023 as compared to 2022. Our administrative and selling expenses as a percentage of total revenues increased by 60 basis points to 31.0% in 2023 as compared to 2022, mainly driven by increased marketing, maintenance and labor expenses. These effects were partially offset by an operating foreign exchange gain in Mexico as a result of the appreciation of





the Mexican Peso. In 2023, we continued investing across our territories to support marketplace execution, increase our cooler coverage, and increase our production capacity.

**Other Expenses Net.** We recorded other expenses net of Ps.1,272 million in 2023 as compared to Ps.983 million in 2022, this increase was mainly as a result of an increase of provisions and pre-operational expenses. For more information, see Notes 19 and 25.6 to our consolidated financial statements.

**Comprehensive Financing Result.** The term “comprehensive financing result” refers to the combined financial effects of net interest expenses, net financial foreign exchange gains or losses, net gains or losses on the monetary position of hyperinflationary countries where we operate and market value gain (loss) on financial instruments. Net financial foreign exchange gains or losses represent the impact of changes in foreign exchange rates on financial assets or liabilities denominated in currencies other than local currencies, and certain gains or losses resulting from derivative financial instruments. A financial foreign exchange loss arises if a liability is denominated in a foreign currency that appreciates relative to the local currency between the date the liability is incurred and the date it is repaid, as the appreciation of the foreign currency results in an increase in the amount of local currency, which must be exchanged to repay the specified amount of the foreign currency liability.

Comprehensive financing result in 2023 recorded an expense of Ps.4,607 million as compared to an expense of Ps.4,549 million in 2022. This 3.3% increase was mainly driven by a higher foreign exchange loss of Ps.1,046 million as compared to a loss of Ps.324 million recorded during the same period of 2022, as our cash exposure in U.S. dollars was negatively impacted by the appreciation of the Mexican peso. In addition, we recognized a lower gain in monetary position in inflationary subsidiaries, recording Ps.93 million during 2023, as compared to a gain of Ps.536 million during the previous year. These effects were partially offset by a gain in the market value of financial instruments of Ps.169 million during 2023, as compared to a loss of Ps.672 million during 2022. In addition, we recorded net interest expense, of Ps.3,914 million, as compared to an expense of Ps.4,089 million in 2022, [mainly driven by increases in interest income as a result of an increase in interest rates.

**Income Taxes.** In 2023, our effective income tax rate increased to 30.50%, as compared to our effective income tax rate of 25.4% in 2022 mainly as a result of lower favorable effects in 2023 in

the deferred tax, compared to the favorable effects that were recognized in the previous year. For more information, see Note 24 to our consolidated financial statements.

**Share in the Profit (Loss) of Equity Accounted Investees, Net of Taxes.** In 2023, we recorded a gain of Ps.215 million in the share in the profit of equity accounted investees, net of taxes, mainly due to the results of Jugos del Valle, our associate in Mexico and Fountain Agua Mineral LTDA, as compared to a gain of Ps.386 million registered during the previous year.

**Net Income (Equity holders of the parent).** We reported a net controlling interest income of Ps.19,536 million in 2023, as compared to Ps.19,034 million in 2022. This 2.6% increase was mainly driven by operating income growth, partially offset by an increase in our effective tax rate during the year.

### Results by Consolidated Reporting Segment

#### Mexico and Central America

**Total Revenues.** Total revenues in our Mexico and Central America consolidated reporting segment increased by 14.0% to Ps.149,362 million in 2023 as compared to 2022, mainly as a result of a volume increase in all of our territories coupled with favorable price-mix effects.

Total sales volume in our Mexico and Central America consolidated reporting segment increased by 9.4% to 2,394.8 million unit cases in 2023 as compared to 2022, as a result of a volume increase in all our territories.

- Sales volume of our sparkling beverage portfolio increased by 6.0% in 2023 as compared to 2022, mainly driven by a 6.7% increase in our colas beverage portfolio.
- Sales volume of our still beverage portfolio increased by 7.6% in 2023 as compared to 2022, due to an 8.0% increase in Mexico.
- Sales volume of bottled water, excluding bulk water, increased by 17.2% in 2023 as compared to 2022, due to double-digit increases in both Mexico and Central America.
- Sales volume of our bulk water portfolio increased by 25.9% in 2023 as compared to 2022, due to a double-digit increase in Mexico and Central America.

**Sales volume in Mexico** increased by 8.7% to 2,052.9 million unit cases in 2023, as compared to 1,889.9 million unit cases in 2022, mainly as a result of solid volume performance.



- Sales volume of our sparkling beverage portfolio increased 4.4% in 2023 as compared to 2022, driven by a 5.2% increase in our colas portfolio and a 0.9% increase in our flavored sparkling beverage portfolio.
- Sales volume of our still beverage portfolio increased by 8.0% in 2023 as compared to 2022.
- Sales volume of bottled water, excluding bulk water, increased by 16.6% in 2023 as compared to 2022.
- Sales volume of our bulk water portfolio increased by 25.3% in 2023 as compared to 2022.

**Sales volume in Central America** increased by 14.2% to 341.9 million unit cases in 2023, as compared to 299.5 million unit cases in 2022, mainly as a result of solid execution, and a solid performance in all our territories across the region.

- Sales volume of our sparkling beverage portfolio increased by 14.0% in 2023 as compared to 2022, driven by a 14.7% increase in colas and 10.7% increase in our flavored sparkling beverage portfolio.
- Sales volume of our still beverage portfolio increased by 6.0% in 2023 as compared to 2022.
- Sales volume of bottled water, excluding bulk water, increased by 22.7% in 2023 as compared to 2022.
- Sales volume of our bulk water portfolio increased by 287.6% in 2023 as compared to 2022.

**Gross Profit.** Our gross profit in our Mexico and Central America consolidated reporting segment increased by 15.5% to Ps.71,665 million in 2023 as compared to 2022 and gross profit margin increased 60 basis points to 48.0% as compared to 2022. This gross margin increase was driven mainly by our top-line growth, declining packaging costs and the appreciation of the Mexican Peso as applied to our U.S. dollar-denominated raw material costs. These effects were partially offset by increases in sweeteners costs.

**Administrative and Selling Expenses.** Administrative and selling expenses as a percentage of total revenues in our Mexico and Central America consolidated reporting segment increased by 120 basis points to 32.4% in 2023 as compared to 2022. Administrative and selling expenses, in absolute terms, increased by 18.4% in 2023 as compared to 2022 driven mainly by an increase in operating expenses such as labor, marketing and maintenance.

### South America

**Total Revenues.** Total revenues in our South America consolidated reporting segment decreased by 0.01% to Ps.95,726 million in 2023 as compared to 2022, mainly as a result of volume growth, favorable price-mix and our revenue management initiatives. These factors were partially offset by unfavorable currency translation effects resulting from the depreciation of most of our operating currencies as compared to the Mexican peso. Total revenues for beer amounted to Ps. 6,117 million in 2023 as compared to Ps. 5,600 million in 2022.

Total sales volume in our South America consolidated reporting segment increased by 5.5% to 1,653.1 million unit cases in 2023 as compared to 2022, mainly as a result of strong volume growth in Brazil, Colombia and Uruguay coupled with a slight volume growth in Argentina.

- Sales volume of our sparkling beverage portfolio increased by 4.3% in 2023 as compared to 2022, mainly driven by a 5.1% increase in our colas portfolio. Sales volume of our still beverage portfolio increased by 5.0% in 2023 as compared to 2022, driven mainly by a 46.2% increase in Uruguay and 14.8% increase in Argentina. Sales volume of our bottled water category, excluding bulk water, increased by 18.0% in 2023 as compared to 2022, driven mainly by a 52.4% increase in Brazil and a 31.1% increase in Argentina.
- Sales volume of our bulk water portfolio increased by 10.7% in 2023 as compared to 2022, due to an increase in Colombia and Argentina, partially offset by a 4.6% decrease in Brazil.

**Sales volume in Brazil** increased by 5.8% to 1,075.1 million unit cases in 2023, as compared to 1,016.2 million unit cases in 2022.

- Sales volume of our sparkling beverage portfolio increased by 5.6% in 2023 as compared to 2022, as a result of an increase of 6.8% in our colas portfolio and an increase of 2.2% in our flavored sparkling beverage portfolio.
- Sales volume of our still beverage portfolio increased] by 3.4% in 2023 as compared to 2022.
- Sales volume of our bottled water, excluding bulk water, increased by 13.1% in 2023 as compared to 2022.
- Sales volume of our bulk water portfolio decreased by 4.6% in 2023 as compared to 2022.

**Sales volume in Colombia** increased by 5.3% to 347.6 million unit cases in 2023, as compared to 330.1 million unit cases in 2022.



- Sales volume of our sparkling beverage portfolio increased by 4.0% in 2023 as compared to 2022, mainly driven by a 3.6% growth in colas and 5.7% volume growth in our flavored sparkling beverage portfolio.
- Sales volume of our still beverage portfolio increased] by 2.3% in 2023 as compared to 2022.
- Sales volume of bottled water, excluding bulk water, increased by 15.5% in 2023 as compared to 2022.
- Sales volume of our bulk water portfolio increased by 11.5% in 2023 as compared to 2022.

**Sales volume in Argentina** increased by 2.7% to 178.7 million unit cases in 2023, as compared to 173.9 million unit cases in 2022.

- Sales volume of our sparkling beverage portfolio decreased] by 3.1% in 2023 as compared to 2022, mainly impacted by a 0.9% decrease in colas and 11.7% decrease in our flavored sparkling beverage portfolio.
- Sales volume of our still beverage portfolio increased by 14.8% in 2023 as compared to 2022.
- Sales volume of bottled water, excluding bulk water, increased by 31.1% in 2023 as compared to 2022.
- Sales volume of our bulk water portfolio increased by 50.7% in 2023 as compared to 2022.

**Sales volume in Uruguay** increased by 10.9% to 51.7million unit cases in 2023, as compared to 46.6 million unit cases in 2022.

- Sales volume of our sparkling beverage portfolio increased by 3.3% in 2023 as compared to 2022.
- Sales volume of our still beverage portfolio increased by 46.2% in 2023 as compared to 2022.
- Sales volume of bottled water increased by 52.4% in 2023 as compared to 2022.

**Gross Profit.** Gross profit in our South America consolidated reporting segment amounted to Ps.39,195 million, an increase of 2.4% in 2023 as compared to 2022, with a 90 basis point margin expansion to 40.9%. This increase in gross profit was mainly driven by a favorable price-mix effect, our raw material hedging strategies and an increase in our top-line, partially offset by an increase in sweeteners costs.

**Administrative and Selling Expenses.** Administrative and selling expenses as a percentage of total revenues in our South America consolidated reporting segment decreased by 40 basis points to 29.0% in 2023 as compared to 2022 driven mainly by savings and efficiencies. Administrative and selling expenses, in absolute terms, decreased by 1.4% in 2023 as compared to 2022.





# CAPITAL AND COMPANY ENGAGEMENT

## Capital Company Engagement

### Human



Our people are the core of our company. In line with our people-centric culture, we aim to increase opportunities for all collaborators to fulfill their careers, foster a culture of well-being that encompasses a holistic view of self-care and prevention, and ensure they enjoy work-life balance at every stage of their careers. Furthermore, we are committed to advancing our company's diversity, equity, and inclusion efforts, with respect and protection for human rights.

### Nature



Our business is committed to the responsible use of natural resources. We are dedicated to increasing water efficiency in our operations and securing water availability for our operations; replenishing the water we use on the production of our beverages to its source; and improving access to water, sanitation in our communities. We also work to increase energy efficiency across our value chain and integrate clean and renewable energy sources to reduce carbon emissions. Our commitment extends to accelerating the transition to a circular economy and a world without waste, strengthening our PET collection and use of recycled resin across our operations, while reducing packaging and operational waste.

## Capital Company Engagement

### Social and Relationship



The development of our social ambitions and strategy is founded on an understanding that our license to operate relies on developing mutually beneficial relationships between our company and our internal and external stakeholders. Internally, we are guided by an understanding that our people are the core of Coca-Cola FEMSA, and the best way to grow is to ensure that our talent can live fulfilling lives—balancing their purpose in and out of the workplace. Externally, we are focused on our relationships with local communities and the value chain. Recognizing that our operations have an enormous impact on our society and communities close to our plants, our goal is to continue to add shared value to ensure sustainable growth for our company and community serve side by side.

### Financial



Our financial and operating discipline, robust capital structure, financial flexibility, transformative digital initiatives, and adaptability to changing market dynamics empower us to capture both organic and inorganic growth opportunities in our industry. This approach ensures the creation of sustainable long-term value for our investors.

## Capital Company Engagement

### Intellectual



We are accelerating our business's digital transformation to become the world's preferred and most sustainable commercial platform. We collaborate to create prioritized digital and analytical solutions that expedite the deployment of our commercial platforms and solutions. Our approach uses agile cells to enhance our competitiveness, proactively tackle industry challenges, capitalize on market opportunities, and promote intellectual growth across our organization.

### Manufactured



Our highly experienced teams operate 56 bottling plants and 252 distribution centers across nine countries, deliver more than 4.0 billion unit cases of beverages through a primary and secondary fleet to more than 2.1 million points of sale, and serve a population of more than 272 million.



# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES REPORT

The impacts of climate change are not only relevant for the planet, but also for the communities where we operate. Accordingly, identifying climate-related risks and opportunities will enable us to be prepared to mitigate its effects, build resilience in the communities, and ensure that our organization's growth is responsible and serves all of our stakeholders.

To not only respond to our stakeholders' concerns, but also to prepare for future climate change challenges, we performed in 2023 a renewed assessment in order to identify and quantify the main climate-related risks and opportunities, as well as their potential financial impacts in the short, medium, and long term. This report was prepared based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

## Governance

### Organization's Governance Around Climate-Related Risks and Opportunities

At Coca-Cola FEMSA, the Chairman of the Board oversees and ensures the implementation of our company's Sustainability Strategy, aligning our business priorities to fulfill our commitment to creating economic value and generating social and environmental well-being for our stakeholders.

We established a Sustainability Committee comprised of our company's CEO, CFO, Human Resources, Supply Chain, and Corporate Affairs Directors, and permanent guests from the FEMSA sustainability team, among others.

1. Chief Executive Officer: Oversee and ensure the implementation of our company's Sustainability Framework
2. Chief Operating Officers: Supervise and ensure that our company's Sustainability Framework is implemented in their divisions.
3. Chief Corporate Affairs Officer: Responsible for our company's Sustainability Framework and our community development priorities.

4. Chief Financial Officer: Responsible for finance, legal, risk management, and sustainable sourcing.
5. Chief Supply Chain and Engineering Officer: Responsible for our environmental pillars (climate action, water stewardships and world without waste).

The Sustainability Committee meets four times a year to review climate change-related issues, as well as risks and opportunities. In this way, goals, strategies, and objectives are defined and integrated into our corporate strategy.

## Risk Management

**Strategy:** Identification of actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning

**Risk Management:** Processes used by the organization to identify, assess, and manage climate-related risks. Coca-Cola FEMSA's risk management methodology is based on criteria established in ISO 31000 and the Internal Control-Integrated Framework (ICIF-2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The assessment includes our own operations and upstream activities.

For more information about our risk management methodology, please visit Ethics and Governance on page 94 and refer to the GRI index, standards 2-12 and 2-13.

We assess physical and transitional risks and opportunities in line with TCFD recommendations using a five-step method:

1. Identification of climate risks and opportunities (qualitative analysis).
2. Definition of climate scenarios and time horizons.
3. Identification of variables associated with climate scenarios.



4. Estimation of risk and opportunity parameters.
5. Calculation of value at risk from climate change (includes a quantitative estimate of the expected and stressed impact of risks and opportunities).

Multidisciplinary groups in our operations (consisting of areas such as sustainability, strategic planning, operations, marketing, finance, corporate affairs, etc.) work together to identify, prioritize, and quantify the main climate-related risks and opportunities. As a result of our review of recommended scenarios and multidisciplinary working sessions, we considered three scenarios in our analysis, using a combination of those presented by the International Energy Agency (IEA), the Intergovernmental Panel on Climate Change (IPCC), and the Network for Greening the Financial System (NGFS).

This combination will help us to assess the physical and transitional risks and opportunities within several temperature-rise scenarios by adhering to TCFD recommendations:

1. *Net Zero Scenario, global temperature rises 1.5°C*  
Assumption: Net zero emissions are achieved globally by 2050 through international cooperation and social involvement.  
Selected climate scenarios: a) IPCC (SSP1 – 1.9), b) IEA (NZE), c) NGFS (Net Zero 2050)
2. *“Moderate Transition” Scenario, global temperature rises 1.8°C*  
Assumption: Only those economies with the objective of achieving net zero emissions by 2050 will achieve it through international cooperation and social involvement.  
Selected climate scenarios: a) IPCC (SSP1 – 2.6), b) IEA (APS), c) NGFS (Below 2°C)
3. *“No Ambition” Scenario, global temperature rises 2.7°C*  
Assumption: Developed economies do not achieve net zero emissions by 2050. There is lack of impulse for political agents, who are limited to fulfilling their commitments.  
Selected climate scenarios: a) IPCC (SSP2 – 4.5), b) IEA (Stated Policies), c) NGFS (Determined Contributions)

**Time Horizons:** We used three-time horizons with three different scenarios, which helped us to understand the potential impact of climate-related risks and opportunities on our business. We chose them for scenario analysis due to the relative abundance of data available for reference and their compatibility with our business plans and schedules. They are also aligned with national and international objectives on climate change: a “short-term” period (2030), a “medium-term” period (2040), and a “long-term” period (2050). Each of the three scenarios and time horizons presents its own social, political-regulatory, economic, and technological-energy context, with important differences and consequences regarding climate change. The IPCC and IEA scenarios are those recommended by the TCFD, with wide market adoption. The vast majority of the physical climate models follow the IPCC’s Representative Concentration Pathways (RCPs). NGFS scenarios are compatible with the Financial Stability Board and provide comprehensive databases of market variables. All three sets of scenarios are consistent and must be updated frequently.

**Risk Matrix:** Please see our Risk Matrix in Ethics and Governance on page 110. For more information please visit our →20-F report.



**Risks and Opportunities Related to Climate**

The next table not only summarizes, but also quantifies the main identified risks and opportunities. We identify both physical and transition risks, as well as current and emerging risks and opportunities. The development of climate change related risks may be influenced by changes in market conditions, regulatory frameworks, technological advancements, and other external factors.

The financial impact was defined with the following ranges: Low (0 to 50), medium (from 51 to 150), and high (more than 150) million US dollars.

Type	Category	Risk / Opportunity	Financial impact	Description	See section for information about management and mitigation
Physical risks	Chronic	Variation of average precipitation	High	As rainfall decreases in the geolocations of the smaller basins, there would be a potential limitation of water extraction and, therefore, a decrease in beverage production.	<b>Foster a sustainable future</b> Water stewardship
	Acute	Extreme rainfall and flooding	Low	The occurrence of floods could generate complications in production. Additionally, damage and/or losses to fixed assets may occur.	
Transition risks	Legal / Political	Increase in GHG emissions prices	Medium	Imposing a tax on business revenues could mean significant additional carbon costs according to own emissions of scope 1 and 2	<b>Foster a sustainable future</b> Climate action
	Market	Increase in the cost of raw materials associated with generated emissions	High	The increase in the carbon price that impacts the cost of key raw materials (sugar, recycled and non-recycled PET) could mean an increase in the production costs given that, when a carbon tax is implemented, the producer could pass this cost on to the business.	<b>Ethics and Governance</b> Supply Chain Management
		Increase in the cost of sugar due to changes in weather conditions	High	The climatological changes that climate change may bring may result in the yields of sugarcane crops being affected (decrease in supply) and the prices of refined sugar may increase.	<b>Foster a sustainable future</b> World without waste  <b>Ethics and Governance</b> Supply Chain Management
Opportunities	Energy sources	Use of low-emission energy sources and new technologies in own consumption and promotion of decentralized generation	High	Economic benefit of using renewable energy in operations compared to the consumption of energy with a high concentration of carbon.	<b>Foster a sustainable future</b> Climate action
	Resource efficiency	Improvement in the efficiency of facilities and production processes	Medium	Economic benefit from the development of efficiency projects related to packaging, energy and water.	<b>Foster a sustainable future</b> Water stewardship, World Without Waste, Climate action

Note: Emerging regulations are described in our risk matrix.

**In addition, the following risks and opportunities were also identified:****Transition Risks:**

- Legal/political- Operation limits (input / output): The limits on the transit of the business's vehicle fleet in certain geographic areas due to the implementation of regulations that promote a more aggressive reduction of emissions from mobile sources would affect the distribution process.
- Technology - Disruptive technologies in production processes: Lack of investment in new technologies.
- Reputation - Concern of stakeholders: new demands from stakeholders.

**Opportunities:**

- Products and services - Development and/or expansion of low-emission goods and services and diversification of the business model: The implementation of a new product distribution model, aligned with the energy transition and the decarbonization of the economy.
- Resource efficiency - Reduction in operating expenses due to recycling: The use and expansion of recycling processes to introduce materials to a new production cycle, in addition to selling them to third parties.
- Resource efficiency - Improvement in the efficiency of distribution and transportation: Work with suppliers to reduce scope 3 emissions from product distribution.
- Resource efficiency - Reduction of water use and consumption: Economic benefits from water efficiency projects.
- Resilience - Increasing supply chain security through substitution/diversification: Work with suppliers to ensure low-emission raw materials.

**Goals and Metrics**

Metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

In 2020, we became the first Mexican company and the third in Latin America to achieve the official approval of our emissions reduction targets by the Science Based Target initiative (SBTi), aligned with the goal of the 2015 Paris Agreement to limit global warming to well below 2°C above preindustrial levels. Accordingly, our 2030 commitments (compared with the 2015 baseline) are:

- Reduce 50% absolute GHG emissions from our operations (scope 1 and 2) by 2030 compared with a 2015 baseline year.
- Achieve 100% renewable electricity for our operations.
- Reduce 20% absolute GHG emissions from the value chain by 2030 compared with a 2015 baseline year.

Moreover, we meticulously report and verify by a third party our progress in our integrated report and to the CDP in accordance with their guidelines enhancing transparency regarding our emission sources and progress to date.

To read about or plans, goals, progress, and commitments towards climate change please see Foster a Sustainable Future, page 48.



# PERFORMANCE IN DETAIL

The following Performance in Detail tables represent Coca-Cola FEMSA's sustainability results, meticulously aligned with our updated Sustainability Framework. This comprehensive data not only showcases our progress in 2023 but also extends to include a detailed account from the previous two years, reflecting our dedication to adherence to best industry practices. Through this effort, we aim to provide a clear view of our sustainability journey, underscoring our commitment to transparency and continuous improvement.

Disclosure	Unit	2021	2022	2023
<b>Beverage</b>				
Beverage produced	thousands of Megaliters	18.97	20.58	22.21
<b>Water stewardship</b>				
<b>Water</b>				
<b>Water withdrawal</b>				
Total water withdrawal	thousands of Megaliters	27.90	30.24	30.99
Municipal water	thousands of Megaliters	8.43	9.32	9.24
Rainwater	thousands of Megaliters	0.01	0.01	0.01
Wells	thousands of Megaliters	18.07	19.28	21.74
Surface water	thousands of Megaliters	1.49	1.64	0.00
<b>Water discharged</b>				
Total water discharged	thousands of Megaliters	8.57	8.56	8.38
Sewer	thousands of Megaliters	4.13	3.94	4.46
River	thousands of Megaliters	4.44	4.62	3.92
<b>Efficiency</b>				
Water efficiency	Liters of water used per liter of beverage produced	1.47	1.46	1.42
<b>Water stressed areas</b>				
Water withdrawal in areas with water stress	thousands of Megaliters	12.87	13.51	13.88
<b>Replenishment</b>				
Replenish water we use in our production, focusing on medium and high stress sites	%	98%	+100%	+100%

Disclosure	Unit	2021	2022	2023
<b>World without waste</b>				
<b>Waste</b>				
<b>Industrial waste</b>				
Waste generated	kton	119.60	129.77	178.22
Waste recycled	kton	116.76	127.84	174.58
Waste recycled	%	98%	99%	98%
Waste directed to disposal	kton	2.84	1.93	3.64
Waste directed to disposal	%	2.0%	1.5%	2.0%
Hazardous waste <sup>(1)</sup>	kton	2.05	2.36	1.69
<b>Waste efficiency</b>				
Waste per liter of beverage	Grams	6.30	6.31	8.17
<b>Zero waste</b>				
Bottling plants certified as zero waste	%	46%	77%	84%
Distribution centers certified as zero waste	%	0%	0%	1%
<b>Materials</b>				
<b>PET</b>				
Total used PET	kton	270.60	321.22	331.86
Used virgin PET	kton	187.50	235.71	221.97
Used recycled PET	kton	83.10	85.51	109.89
Used recycled PET	%	31%	27%	33%
<b>Other materials</b>				
Paper	Tons	0.95	0.95	2





Disclosure	Unit	2021	2022	2023
Paper - recycled content	%	1%	1%	-
Aluminum	Tons	31.8	31.8	36.6
Aluminum - recycled content	%	70%	70%	64%
Glass	Tons	87.4	87.4	119.5
Glass - recycled content	%	30%	30%	36%
<b>Reusable packaging / Recycling</b>				
Returnable/refillable bottles from total volume	%	33.7%	31.5%	32.0%
PET collected from the one we put in the market	%	45%	26%	31%
<b>Climate action <sup>(2)</sup></b>				
<b>GHG Emissions</b>				
<b>Absolute Greenhouse Gas Emissions</b>	<b>kton of CO<sub>2</sub>e</b>	<b>3,898.64</b>	<b>3,788.75</b>	<b>3,462.48</b>
Emissions Scope 1	kton of CO <sub>2</sub> e	567.85	554.50	576.95
Emissions Scope 2	kton of CO <sub>2</sub> e	50.99	52.11	26.95
Emissions Scope 3 <sup>(3)</sup>	kton of CO <sub>2</sub> e	3,279.79	3,182.15	2,858.58
Emissions Intensity (Scope 1 + 2)	grams of CO <sub>2</sub> e per liter of beverage produced	32.62	29.48	27.19
<b>Energy</b>				
<b>Total energy use</b>	<b>TJ</b>	<b>3,379.07</b>	<b>4,165.42</b>	<b>3,909.35</b>
Electricity from non-renewable sources	TJ	1,020.79	751.37	497.86
Electricity from renewable sources	TJ	1,158.55	1,480.27	1,647.05
Energy from fuels	TJ	1,619.22	1,933.77	1,764.44
Global use of renewable energy <sup>(4)</sup>	%	53%	66%	77%
<b>Efficiency</b>				
Energy efficiency	liters of beverage produced per megajoule of energy used	5.66	5.97	6.11
<b>Fleet</b>				
<b>Fleet fuel management</b>				
Fleet fuel consumed	TJ	NA	NA	5,539.94
Percentage renewable	%	<1	<1	1.3

Disclosure	Unit	2021	2022	2023
Total fleet road kilometers travelled	Thousand Km	NA	NA	492,422.47
<b>Environmental management</b>				
<b>Environmental violations</b>				
Number of violations of legal environmental obligations/regulations	#	0	0	0
<b>Sustainable Sourcing</b>				
<b>Supplier information</b>				
<b>Total suppliers</b>	<b>#</b>	<b>14,583</b>	<b>16,589</b>	<b>14,061</b>
Tier 1 suppliers	#	14,408	16,523	13,912
Total significant suppliers (Tier 1)	#	520	570	405
Percentage of total spend on significant suppliers in Tier 1	%	NA	NA	35%
Total number of significant suppliers in non Tier 1	#	175	66	149
Total number of significant suppliers (Tier 1 and non Tier 1)	#	695	636	554
<b>Supplier assessment</b>				
<b>Total suppliers assessed with our Supplier Guiding Principles</b>	<b>#</b>	<b>699</b>	<b>665</b>	<b>749</b>
<b>By country</b>				
Argentina	#	42	41	34
Brazil	#	266	187	223
Colombia	#	56	45	60
Costa Rica	#	47	38	38
Guatemala	#	57	68	61
Mexico	#	143	217	246
Nicaragua	#	24	13	20
Panama	#	36	34	35
Uruguay	#	28	22	32
<b>Assessment and development</b>				
Total number of suppliers assessed	#	1,013	820	922



Disclosure	Unit	2021	2022	2023
% of significant suppliers assessed <sup>(5)</sup>	%	49%	21%	30%
Number of suppliers assessed with substantial actual/potential negative impacts <sup>(6)</sup>	#	NA	NA	43
Suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment	%	100%	100%	100%
Number of suppliers with substantial actual/potential negative impacts that were terminated	#	NA	NA	7
Total number of suppliers supported in corrective action plan implementation <sup>(7)</sup>	#	1,013	820	922
% of suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation	%	100%	100%	100%
Total number of suppliers in capacity building programs <sup>(8)</sup>	#	NA	NA	948
% of significant suppliers in capacity building programs	%	NA	NA	33%
<b>Certifications of Agricultural Crops</b>				
% of sugar volume from Bonsucro certified suppliers	%	40%	52%	71%
<b>Local suppliers</b>				
Buying of local suppliers vs. total	%	94.69%	90.37%	95.03%
<b>ESG maturity in suppliers</b>				
<b>ESG assessment to suppliers</b>				
Suppliers with low ESG compliance	%	NA	NA	36%
Suppliers with medium ESG compliance	%	NA	NA	32%

Disclosure	Unit	2021	2022	2023
Suppliers with high ESG compliance	%	NA	NA	32%
<b>Integral Employee Well-being</b>				
<b>Hires</b>				
<b>Total hires</b>	<b>#</b>	<b>17,751</b>	<b>20,872</b>	<b>29,179</b>
<b>By country</b>				
Argentina	#	NA	413	420
Brazil	#	NA	6,401	6,905
Colombia	#	NA	725	779
Costa Rica	#	NA	256	467
Guatemala	#	NA	2,543	2741
Mexico	#	NA	10,176	17,493
Nicaragua	#	NA	138	123
Panama	#	NA	102	133
Uruguay	#	NA	118	118
<b>By gender</b>				
Male	%	79%	83%	82%
Female	%	21%	17%	18%
<b>By age group</b>				
18-34	%	80%	82%	
35-44	%	16%	25%	
45-60	%	4%	3%	
60+	%	0%	0%	
<30	%			60%
30-39	%			30%
40-49	%			8%
50-59	%			1%
60+	%			1%
<b>Internal hires</b>				
Open positions filled by internal candidates	%	32%	55%	31%
<b>Hiring costs</b>				
Average hiring cost	Mexican pesos	1,603.77	2,411.34	1,709.65



Disclosure	Unit	2021	2022	2023
<b>Turnover</b>				
<b>Total turnover rate</b>	%	<b>20.20%</b>	<b>28.80%</b>	<b>30.88%</b>
Voluntary	%	11.30%	9.65%	10.14%
Involuntary	%	8.90%	19.10%	20.74%
<b>Voluntary turnover by age group</b>				
18-34	%	16.76%		
35-44	%	6.12%		
45-59	%	3.27%		
60+	%	23.39%		
<30	%		16.76%	6.00%
30-50	%		5.75%	4.00%
>50	%		1.37%	0.35%
<b>Involuntary turnover by age group</b>				
18-34	%	10.19%		
35-44	%	7.85%		
45-59	%	6.38%		
60+	%	20.81%		
<30	%		28.67%	11.10%
30-50	%		13.67%	8.80%
>50	%		9.35%	0.80%
<b>Voluntary turnover by gender</b>				
Male	%	11.07%	9.17%	8.26%
Female	%	13.33%	12.72%	1.88%
<b>Involuntary turnover by gender</b>				
Male	%	9.10%	20.2%	18.27%
Female	%	7.50%	12.0%	2.47%
<b>Voluntary turnover by country</b>				
Argentina	%	9.50%	5.33%	4.26%
Brazil	%	6.90%	6.38%	6.70%
Colombia	%	16.80%	8.37%	8.35%
Costa Rica	%	10.30%	11.49%	20.44%

Disclosure	Unit	2021	2022	2023
Guatemala	%	100.50%	3.39%	2.31%
Mexico <sup>(9)</sup>	%	7.00%	12.09%	21.11%
Nicaragua	%	4.90%	9.24%	7.17%
Panama	%	1.90%	1.19%	1.69%
Uruguay	%	16.50%	9.61%	4.85%
<b>Involuntary turnover by country</b>				
Argentina	%	1.40%	8.23%	8.08%
Brazil	%	14.50%	13.71%	15.50%
Colombia	%	5.50%	5.69%	11.19%
Costa Rica	%	7.80%	6.39%	10.89%
Guatemala	%	2.10%	116.73%	81.62%
Mexico <sup>(9)</sup>	%	8.00%	17.70%	31.93%
Nicaragua	%	4.70%	2.54%	2.34%
Panama	%	5.70%	5.16%	5.34%
Uruguay	%	2.40%	11.66%	11.20%
<b>Parental leave</b>				
<b>Employees that returned to work after parental leave</b>	<b>%</b>	<b>97.0%</b>	<b>98.5%</b>	<b>100%</b>
Male	%	NA	97.4%	100%
Female	%	NA	98.7%	100%
<b>Employees that continue working 12 months after parental leave</b>	<b>%</b>	<b>NA</b>	<b>78.7%</b>	<b>92.7%</b>
Male	%	NA	80.6%	93.9%
Female	%	NA	63.6%	98.8%
<b>Health &amp; Safety</b>				
<b>Workers covered by an OHS management system</b>				
% of employees who are covered by OHSM system	%	100%	100%	100%





Disclosure	Unit	2021	2022	2023
% of workers who are not employees but whose work and/or workplace is controlled by the organization who are covered by OHSM system	%	100%	100%	100%
<b>Training on Health &amp; Safety</b>				
Total hours of training in health and safety	#	NA	339,922	240,694
Number of employees trained on health and safety	#	35,056	41,937	41,829
<b>Fatalities</b>				
Total fatalities	#	17	38	34
Internal causes	#	8	9	8
Employees	#	0	0	4
Contractors	#	5	4	3
Communities	#	12	34	27
<b>Incident Rate</b>				
Total TIR	n per 200,000 hours worked	1.06	0.90	1.60
TIR - Employees	n per 200,000 hours worked	1.04	0.88	2.02
TIR - Third Parties	n per 200,000 hours worked	NA	0.95	0.72
<b>Lost Time Incident Rate</b>				
Total LTIR	n per 200,000 hours worked	0.66	0.61	0.88
LTIR - Employees	n per 200,000 hours worked	0.58	0.60	1.06
LTIR - Third Parties	n per 200,000 hours worked	NA	0.64	0.51
<b>Training</b>				
<b>Average training hours</b>	<b>#</b>	<b>28</b>	<b>22</b>	<b>25</b>
<b>By gender</b>				
Male	#	27	21	24
Female	#	36	27	29
<b>By contribution level</b>				
Strategic leaders (top management)	#	53	28	24
Tactical leaders (middle management)	#	67	33	33

Disclosure	Unit	2021	2022	2023
People leaders (junior management)	#	73	34	39
Individual contributors	#	38	29	30
Operations contributors	#	22	20	17
Interns	#	31	10	48
<b>By age group</b>				
18-34	#	NA	25	
35-44	#	NA	20	
45-59	#	NA	18	
60+	#	NA	13	
18-29	#			30
30 - 50	#			24
51+	#			16
<b>Total training by topic</b>				
Health & Safety	#	NA	339,922	240,694
Sustainability	#	NA	NA	32,362
Human rights	#	NA	NA	22,187
Technical capabilities	#	NA	NA	944,705
Leadership	#	NA	NA	106,354
Others	#	NA	NA	894,776
<b>Average invested amount per employee training and development</b>	<b>Mexican pesos</b>	<b>2,098</b>	<b>2,257</b>	<b>2,806</b>
<b>Human Capital Return on Investment ((Total Revenue - (Operative Expenses - Employee Related Expenses)) / Employee Related Expenses)</b>	<b>HC ROI</b>	<b>4.57</b>	<b>5.12</b>	<b>5.03</b>
<b>Performance</b>				
Employees receiving regular performance and career development reviews	%	97%	97%	98%
<b>Well-being</b>				
<b>Lost days</b>				
General illness index	Lost days per 100 employees	534.40	467.50	339.75



Disclosure	Unit	2021	2022	2023
<b>Climate assessment</b>				
Engagement level result in annual organizational climate assessment	%	91%	91%	89%
Employees who participated in the organizational climate assessment	%	92%	92%	93%
<b>Volunteer program</b>				
Total volunteering initiatives	#	2,432	2,337	2,181
Total volunteers (internal and external)	#	93,012	105,958	129,388
Total volunteering hours	#	254,873	250,812	302,531
Total investment in volunteering	Million USD	0.28	8.7	1.5
<b>Collective bargaining</b>				
Employees covered by a collective agreement	%	62%	62.10%	65.82%
<b>Community Development</b>				
<b>Community Investment</b>				
Total community investment	Million Mexican pesos	NA	47.2	88.6
Total of people benefited directly by community initiatives	#	423,961	321,685	359,343
Priority plants with a community engagement plan with MARRCO Methodology	#	0	3	4
Countries with an impact assessment and community program	%	100%	100%	100%
<b>Ethics &amp; Governance</b>				
<b>Board</b>				
<b>Board type / one-tier system</b>				
Executive directors	#	0	0	0
Non executive directors	#	8	8	8
Independent directors	#	9	8	8
<b>Board by gender</b>				
Male	#	17	16	14
Female	#	0	0	2

Disclosure	Unit	2021	2022	2023
<b>Average Tenure</b>				
Average tenure of board members in years	Years	13.40	12.81	10.93
<b>Anticorruption / Ethics / Code of Conduct</b>				
<b>Communication and training about anticorruption</b>				
Employees adhered to the company's anticorruption process and policies	%	100%	100%	100%
Employees trained in anticorruption and ethics	%	NA	NA	80%
<b>Ethics Line</b>				
Total complaints received	#	1,616	1,371	2,163
<b>Complaints by category</b>				
Operational	%	12%	12%	12%
Financial information	%	0%	2%	1%
Human Resources	%	88%	86%	87%
<b>Complaints by status</b>				
In review	%	29%	45%	32%
Substantiated	%	32%	24%	30%
Unsubstantiated	%	39%	31%	38%
<b>Anticorruption</b>				
Cost of fines, penalties or settlements in relation to corruption	Mexican pesos	-	-	-
<b>Human Rights + Diversity, Equity and Inclusion</b>				
<b>Employees</b>				
<b>Employees + Non-employee workers</b>	<b>#</b>	<b>84,568</b>	<b>97,213</b>	<b>104,241</b>
Employees	#	74,574	80,447	86,811
Non-employee workers	#	9,994	16,766	17,430
<b>Gender (internal employees)</b>				
Male	#	65,218	68,969	73,319
	%	87.45%	85.73%	84.46%
Female	#	9,356	11,478	13,492



Disclosure	Unit	2021	2022	2023
	%	12.55%	14.27%	15.54%
<b>Age group (internal employees)</b>				
18-34	%	54%		
35-44	%	29%		
45-59	%	16%		
60+	%	1%		
<30	%		38%	34%
30-50	%		54%	57%
>50	%		7%	9%
<b>Country (internal employees)</b>				
Argentina	#	2,346	2,462	2,583
Brazil	#	19,278	22,034	24,090
Colombia	#	3,159	3,351	3,482
Costa Rica	#	1,189	1,261	1,358
Guatemala	#	2,952	3,068	3,242
Mexico	#	42,291	45,565	49,224
Nicaragua	#	712	769	819
Panama	#	1,247	1,275	1,327
Uruguay	#	681	662	686
<b>Contribution level (internal employees)</b>				
Strategic leaders (top management)	#	NA	116	127
Male	%	79%	78%	73%
Female	%	21%	22%	27%
Tactical leaders (middle management)	#	NA	898	934
Male	%	75%	73%	71%
Female	%	25%	27%	29%
People leaders (junior management)	#	NA	2,375	2,427
Male	%	61%	71%	69%

Disclosure	Unit	2021	2022	2023
Female	%	39%	29%	31%
Individual contributors	#	NA	25,651	27,553
Male	%	77%	74%	72%
Female	%	23%	26%	28%
Operations contributors	#	NA	51,721	55,770
Male	%	94%	92%	91%
Female	%	6%	8%	9%
<b>Nationality (internal employees)</b>				
Argentina	%	3%	3%	3%
Brazil	%	26%	27%	27%
Colombia	%	4%	4%	4%
Costa Rica	%	<1%	2%	1%
Guatemala	%	4%	4%	4%
Mexico	%	58%	56%	56%
Nicaragua	%	<1%	1%	1%
Panama	%	2%	2%	1%
Uruguay	%	<1%	<1%	1%
Venezuela	%	<1%	1%	<1%
Others	%	<1%	<1%	<1%
<b>Nationality (share in management positions)</b>				
Argentina	%	NA	6%	5%
Brazil	%	NA	17%	21%
Colombia	%	NA	7%	8%
Costa Rica	%	NA	3%	2%
Guatemala	%	NA	3%	2%
Mexico	%	NA	59%	58%
Nicaragua	%	NA	1%	<1%
Panama	%	NA	1%	<1%
Uruguay	%	NA	<1%	1%
Venezuela	%	NA	1%	2%





Disclosure	Unit	2021	2022	2023
Others	%	NA	<1%	1%
<b>Women</b>				
Share in management positions (strategic and tactical leaders)	%	28.0%	28.4%	29.0%
Share in total management positions (strategic, tactical and people leaders)	%	NA	28.2%	30.3%
Share in top management positions (as % of total management positions)	%	NA	0.8%	1.0%
Total in non-managerial positions (individual contributors)	%	23.0%	26.0%	28.0%
Women in management positions in revenue-generating functions	%	26.4%	15.9%	12.0%
Women in STEM-related positions	%	7.0%	11.6%	13.0%
<b>Gender pay gap <sup>(10)</sup></b>				
Mean gender pay gap (men vs. women)	%	NA	NA	2.8%
Median gender pay gap (men vs. women)	%	NA	NA	3.4%
<b>Disabilities</b>				
Employees with a disability	#	NA	NA	1,132
<b>Human Rights</b>				
Total hours of training in human rights	#	NA	12,293	22,187
<b>Product portfolio</b>				
Customer satisfaction <sup>(11)</sup>	%	88.1%	90.9%	91.2%

**Notes**

NA: Not Available.

Data reported for Water Stewardship, World Without Waste and Climate Action do not include the 7 plants acquired in Mexico at the end of 2022, which are still in the required one-year alignment process to Coca-Cola FEMSA's standards.

- (1) All hazardous waste is either recycled, sent to compost or to incineration for energy recovery.
- (2) Our emissions and energy performance reflect all our operations and are calculated based on the SBTi methodology.
- (3) Our SBTi target does not include electricity from our customers' cold beverage equipment.
- (4) Includes plants and distribution centers. In 2021, we obtained I-REC for the renewable energy supply of our operations, including plants and distribution centers.
- (5) From total assessments made by The Coca-Cola Company to significant suppliers identified.
- (6) Suppliers with a low performance evaluation: those who have been evaluated on several occasions and have not demonstrated a significant improvement. In-site audits are made in order to perform a root cause analysis and a period of time is given for improvements (otherwise the supplier will be penalized).
- (7) All suppliers assessed, no matter their performance evaluation, have an action plan.
- (8) All suppliers assessed participate in an ESG training program (minimum of 6 months) and additional suppliers were part of the Supplier Leadership Program for Climate Transition.
- (9) 2021 and 2022 does not include turnover at the Mexico Corporate Head Office.
- (10) The salary analysis does not consider unionized or tabulated (fixed value) employees.
- (11) CSM is a qualitative and quantitative index that measures customer service in commercial and distribution areas. In addition to this, we implement comprehensive measurement and listening tools, as well as standard cycles to attend customers' requests.



# SASB CONTENT INDEX

**Table 1. Sustainability Disclosure Topics & Metrics**

Topic	Accounting metric	Code	Response
Fleet Fuel Management	Fleet fuel consumed	FB-NB-110a.1	<b>Performance in detail</b> Climate action
	Percentage renewable		
Energy Management	Operational energy consumed	FB-NB-130a.1	<b>Performance in detail</b> Climate action
	Percentage grid electricity		
	Percentage renewable		
Water Management	Total water withdrawn	FB-NB-140a.1	<b>Performance in detail</b> Water stewardship
	Total water consumed		
	Percentage of each in regions with High or Extremely High Baseline Water Stress		
	Description of water management risks and discussion of strategies and practices to mitigate those risks	FB-NB-140a.2	<b>Foster a sustainable future</b> Water stewardship
Health & nutrition	Revenue from zero- and low-calorie or energy-free and low-energy beverages	FB-NB-260a.1	Not currently reported.
	Revenue from no-added-sugar beverages		
	Revenue from artificially sweetened beverages		
	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	FB-NB-260a.2	<b>Grow the Core</b> Coca-Cola FEMSA's Commitment to Responsible Marketing, Informed Choices, and Quality



Topic	Accounting metric	Code	Response
Product Labelling & Marketing	Percentage of advertising impressions (1) made on children and (2) made on children promoting products that meet dietary guidelines	FB-NB-270a.1	<b>Grow the Core</b> Coca-Cola FEMSA's Commitment to Responsible Marketing, Informed Choices, and Quality
	Revenue from products labelled as (1) containing genetically modified organisms (GMOs) and (2) non-GMO	FB-NB-270a.2	Not currently reported.
	Number of incidents of non-compliance with industry or regulatory labelling or marketing codes	FB-NB-270a.3	<b>Grow the Core</b>
	Total amount of monetary losses as a result of legal proceedings associated with marketing or labelling practices	FB-NB-270a.4	Coca-Cola FEMSA's Commitment to Responsible Marketing, Informed Choices, and Quality
Packaging Lifecycle Management	Total weight of packaging	FB-NB-410a.1	<b>Performance in detail</b> World without waste
	Percentage made from recycled or renewable materials		
	Percentage that is recyclable, reusable, or compostable		
	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	FB-NB-410a.2	<b>Foster a sustainable future</b> World without waste
Environmental & Social Impacts of Ingredient Supply Chain	Suppliers' social and environmental responsibility audit (1) nonconformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances	FB-NB-430a.1	<b>Performance in detail</b> Sustainable Sourcing Ethics and Governance Supply Chain Management
Ingredient Sourcing	Percentage of beverage ingredients sourced from regions with High or Extremely High Baseline Water Stress	FB-NB-440a.1	<b>Performance in detail</b> Water stewardship
	List of priority beverage ingredients and discussion of sourcing risks related to environmental and social considerations	FB-NB-440a.2	<b>Ethics and Governance</b> Risk management

**Table 2. Activity Metrics**

Activity Metric	Code	Response
Volume of products sold	FB-NB-000.A	<b>Coca-Cola FEMSA at a Glance</b> Our footprint
Number of production facilities	FB-NB-000.B	
Total fleet road kilometers travelled	FB-NB-000.C	<b>Performance in detail</b> Climate action





# GRI CONTENT INDEX

Disclosure	Response
<b>GRI 2: General Disclosures 2021</b>	
2-1 Organizational details	<b>Coca-Cola FEMSA at a Glance</b> Appendix Shareholder and Analyst Information About Our Integrated Report
2-2 Entities included in the organization's sustainability reporting	<b>Appendix</b> About Our Integrated Report
2-3 Reporting period, frequency and contact point	<b>Appendix</b> Shareholder and Analyst Information About Our Integrated Report
2-4 Restatements of information	Information about any restatements is provided in the footnotes to the relevant data.
2-5 External assurance	<b>Appendix</b> Independent Limited Verification Report
2-6 Activities, value chain and other business relationships	<b>Coca-Cola FEMSA at a Glance</b>
2-7 Employees	<b>Foster a Sustainable Future</b> Integral Employee Well-being
2-8 Workers who are not employees	
	<b>Appendix</b> Performance in detail
2-9 Governance structure and composition	<b>Ethics and Governance</b> Form 20-F and other reports: <a href="https://coca-colafemsa.com/en/investor-relations/reports-and-results/">https://coca-colafemsa.com/en/investor-relations/reports-and-results/</a>
2-10 Nomination and selection of the highest governance body	
2-11 Chair of the highest governance body	



Disclosure	Response
2-12 Role of the highest governance body in overseeing the management of impacts	<b>Ethics and Governance</b> Risk Management
2-13 Delegation of responsibility for managing impacts	<b>Appendix</b> Task Force on Climate-Related Financial Disclosures Report  The Risk Management Methodology at Coca-Cola FEMSA is based on criteria established in ISO 31000 and the Internal Control-Integrated Framework (ICIF-2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The best practices are included in the methodology: description of the risk, likelihood and impact, description of risk appetite, prioritization of identified risks and description of mitigation action (control activities). These risks are evaluated and registered in a Risk and Controls Matrix.  Besides the responsibilities of our CEO to manage and monitor the risk management process, our CFO has dedicated risk management responsibility on an operational level and our Administration and Corporate Control Officer (who reports directly to FEMSA's audit committee) has the responsibility for monitoring and auditing risk management performance on an operational level.
2-14 Role of the highest governance body in sustainability reporting	<b>Ethics and Governance</b>  Foster a Sustainable Future Our Sustainability Priorities
2-15 Conflicts of interest	Form 20-F and other reports: <a href="https://coca-colafemsa.com/en/investor-relations/reports-and-results/">https://coca-colafemsa.com/en/investor-relations/reports-and-results/</a>  Code of Conduct: <a href="https://coca-colafemsa.com/wp-content/uploads/2022/09/KOF_Codigo_de_etica_english_ALTA_sep_2022.pdf">https://coca-colafemsa.com/wp-content/uploads/2022/09/KOF_Codigo_de_etica_english_ALTA_sep_2022.pdf</a>
2-16 Communication of critical concerns	<b>Ethics and Governance</b> Nurturing a Culture of Psychological Safety Through Our Comprehensive Ethical System
2-17 Collective knowledge of the highest governance body	<b>Ethics and Governance</b>
2-18 Evaluation of the performance of the highest governance body	Form 20-F and other reports: <a href="https://coca-colafemsa.com/en/investor-relations/reports-and-results/">https://coca-colafemsa.com/en/investor-relations/reports-and-results/</a>
2-19 Remuneration policies	<b>Ethics and Governance</b>
2-20 Process to determine remuneration	
2-21 Annual total compensation ratio	Not currently reported
2-22 Statement on sustainable development strategy	<b>Letter to Our Stakeholders</b>



Disclosure	Response
2-23 Policy commitments	Please see the following sections for references to our policies and commitments:
2-24 Embedding policy commitments	<p><b>Grow the Core</b> Coca-Cola FEMSA's Commitment to Responsible Marketing, Informed Choices, and Quality</p> <p><b>Foster a Sustainable Future</b> Water stewardship World Without Waste Integral Employee Well-being</p> <p><b>Ethics and Governance</b> Nurturing a Culture of Psychological Safety Through Our Comprehensive Ethical System Respect for Human Rights Cybersecurity Supply Chain Management</p>
2-25 Processes to remediate negative impacts	
2-26 Mechanisms for seeking advice and raising concerns	
2-27 Compliance with laws and regulations	<p><b>Performance in detail</b> Climate action Ethics and Governance</p>
2-28 Membership associations	→ <b>Associations and Memberships</b>
2-29 Approach to stakeholder engagement	<p><b>Foster a Sustainable Future</b> Coca-Cola FEMSA's Path to Sustainable and Inclusive Growth</p> <p><b>Appendix</b> Capital and Company Engagement</p>
2-30 Collective bargaining agreements	<p><b>Foster a Sustainable Future</b> Integral Employee Well-being</p> <p><b>Appendix</b> Performance in detail</p>
<b>GRI 3: Material Topics 2021</b>	
3-1 Process to determine material topics	<b>Foster a Sustainable Future</b>
3-2 List of material topics	Our Sustainability Priorities





Disclosure	Response
3-3 Management of material topics	Our material topics are integrated in our Sustainability Framework. For detail on the management of each material topic, please see its corresponding section of our Annual Report with a focus on: <b>Grow the Core</b> <b>Foster a Sustainable Future</b> <b>Ethics and Governance</b>
<b>GRI 201: Economic Performance 2016</b>	
201-1 Direct economic value generated and distributed	<b>Appendix</b> Financial Highlights
201-2 Financial implications and other risks and opportunities due to climate change	<b>Appendix</b> Task Force on Climate-Related Financial Disclosures Report
<b>GRI 203: Indirect Economic Impacts 2016</b>	
203-1 Infrastructure investments and services supported	<b>Foster a Sustainable Future</b> Water Stewardship World Without Waste Integral Employee Well-being Community Development
<b>GRI 204: Procurement Practices 2016</b>	
204-1 Proportion of spending on local suppliers	<b>Ethics and Governance</b> Supply Chain Management  <b>Appendix</b> Performance in detail
<b>GRI 205: Anti-corruption 2016</b>	
205-2 Communication and training about anti-corruption policies and procedures	<b>Ethics and Governance</b> Nurturing a Culture of Psychological Safety Through Our Comprehensive Ethical System
205-3 Confirmed incidents of corruption and actions taken	<b>Appendix</b> Performance in detail



Disclosure	Response
<b>GRI 301: Materials 2016</b>	
301-1 Materials used by weight or volume	<b>Coca-Cola FEMSA at a Glance</b> Our Sustainability Goals
301-2 Recycled input materials used	
301-3 Reclaimed products and their packaging materials	<b>Foster a Sustainable Future</b> World Without Waste  <b>Appendix</b> Performance in detail
<b>GRI 302: Energy 2016</b>	
302-1 Energy consumption within the organization	<b>Foster a Sustainable Future</b> Climate Action
302-3 Energy intensity	
302-4 Reduction of energy consumption	<b>Appendix</b> Performance in detail
302-5 Reductions in energy requirements of products and services	
<b>GRI 303: Water and Effluents 2018</b>	
303-1 Interactions with water as a shared resource	<b>Foster a Sustainable Future</b> Water Stewardship
303-2 Management of water discharge-related impacts	
303-3 Water withdrawal	<b>Appendix</b> Performance in detail  All water discharged is measured against The Coca-Cola Company's standard requirements and those required per countries' regulations. We always use approved methods, calibrated equipment, and defined frequencies. Some of our limits within the water discharged parameters are BOD <50 mg/L, Phosphorus <2 mg/L, Total Nitrogen <5 mg/L, Temperature variation (receiving water) ≤5 °C, Dissolved oxygen >4 mg/L, pH 6.5 to 8, and Total Suspended Solids <50 mg/L. The analysis of water quality is performed quarterly unless regulations require more frequent analysis. All production facilities have their own control to ensure the quality of discharged water.
303-4 Water discharge	
303-5 Water consumption	
<b>GRI 304: Biodiversity 2016</b>	
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	<b>Foster a Sustainable Future</b> Water Stewardship
304-3 Habitats protected or restored	



Disclosure	Response
<b>GRI 305: Emissions 2016</b>	
305-1 Direct (Scope 1) GHG emissions	<b>Coca-Cola FEMSA at a Glance</b> Our Sustainability Goals
305-2 Energy indirect (Scope 2) GHG emissions	
305-3 Other indirect (Scope 3) GHG emissions	<b>Foster a Sustainable Future</b> Climate Action
305-4 GHG emissions intensity	
305-5 Reduction of GHG emissions	<b>Appendix</b> Performance in detail
<b>GRI 306: Waste 2020</b>	
306-1 Waste generation and significant waste-related impacts	<b>Coca-Cola FEMSA at a Glance</b> Our Sustainability Goals
306-2 Management of significant waste-related impacts	
306-3 Waste generated	<b>Foster a Sustainable Future</b> World Without Waste
306-4 Waste diverted from disposal	
306-5 Waste directed to disposal	
	<b>Appendix</b> Performance in detail
<b>GRI 308: Supplier Environmental Assessment 2016</b>	
308-1 New suppliers that were screened using environmental criteria	<b>Ethics and Governance</b> Supply Chain Management
308-2 Negative environmental impacts in the supply chain and actions taken	<b>Appendix</b> Performance in detail
<b>GRI 401: Employment 2016</b>	
401-1 New employee hires and employee turnover	<b>Foster a Sustainable Future</b> Internal Employee Well-being
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	
401-3 Parental leave	<b>Appendix</b> Performance in detail
	Minimum number of weeks of fully paid maternity leave are 12 and minimum number of weeks of paternity leave are 2.





Disclosure	Response
<b>GRI 402: Labor/Management Relations 2016</b>	
402-1 Minimum notice periods regarding operational changes	Notices of significant operational changes are done in compliance with applicable laws in the countries where we operate.
<b>GRI 403: Occupational Health and Safety 2018</b>	
403-1 Occupational health and safety management system	<b>Coca-Cola FEMSA at a Glance</b> Our Sustainability Goals  <b>Foster a Sustainable Future</b> Integral Employee Well-being  <b>Appendix</b> Performance in detail
403-2 Hazard identification, risk assessment, and incident investigation	
403-3 Occupational health services	
403-4 Worker participation, consultation, and communication on occupational health and safety	
403-5 Worker training on occupational health and safety	
403-6 Promotion of worker health	
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
403-8 Workers covered by an occupational health and safety management system	
403-9 Work-related injuries	
403-10 Work-related ill health	
<b>GRI 404: Training and Education 2016</b>	
404-1 Average hours of training per year per employee	<b>Foster a Sustainable Future</b> Integral Employee Well-being  <b>Appendix</b> Performance in detail
404-2 Programs for upgrading employee skills and transition assistance programs	
404-3 Percentage of employees receiving regular performance and career development reviews	



Disclosure	Response
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	
405-1 Diversity of governance bodies and employees	<b>Ethics and Governance</b> Board of Directors
405-2 Ratio of basic salary and remuneration of women to men	<b>Foster a Sustainable Future</b> Integral Employee Well-being  <b>Appendix</b> Performance in detail
<b>GRI 406: Non-discrimination 2016</b>	
406-1 Incidents of discrimination and corrective actions taken	<b>Ethics and Governance</b> Nurturing a Culture of Psychological Safety Through Our Comprehensive Ethical System  Incidents of discrimination are reported within Human Resources complaints in the Ethics Line.
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	None of our operations have compromised our workers' right to freedom of association. As part of our commitment, FEMSA and Coca-Cola FEMSA published a general consultation of our Labor & Human Rights policy, in which we state: "3. Freedom of Association and Trade-Union Freedom: We respect the right of Employees to freedom of association or affiliation to a labor union, as well as the right to form or join, voluntarily and freely, a labor union without fear of retaliation or intimidation. We respect the autonomy, institutionally, internal administration and ancestry that trade union organizations have with their members. We attend to the collective work relations with the legitimate trade union organizations that affiliate and represent their Employees".  <a href="https://coca-colafemsa.com/wp-content/uploads/2022/02/Human-and-Labor-Rights_v3.pdf">https://coca-colafemsa.com/wp-content/uploads/2022/02/Human-and-Labor-Rights_v3.pdf</a>
<b>GRI 408: Child Labor 2016</b>	
408-1 Operations and suppliers at significant risk for incidents of child labor	<b>Ethics and Governance</b> Supply Chain Management  We value, respect, and protect the people who work at Coca-Cola FEMSA and do not allow child labor. We comply with all child labor laws and support the eradication of child labor and exploitation. We expect the same ethical conduct from our business partners.



Disclosure	Response
<p><b>GRI 409: Forced or Compulsory Labor 2016</b></p> <p>409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor</p>	<p><b>Ethics and Governance</b> Supply Chain Management</p> <p>We value, respect, and protect the people who work at Coca-Cola FEMSA and do not allow forced labor. We comply with all labor laws and support the eradication of forced or compulsory labor. We expect the same ethical conduct from our business partners.</p>
<p><b>GRI 413: Local Communities 2016</b></p> <p>413-1 Operations with local community engagement, impact assessments, and development programs</p>	<p><b>Foster a Sustainable Future</b> Community Development</p> <p><b>Appendix</b> Performance in detail</p>
<p><b>GRI 414: Supplier Social Assessment 2016</b></p> <p>414-1 New suppliers that were screened using social criteria</p> <p>414-2 Negative social impacts in the supply chain and actions taken</p>	<p><b>Ethics and Governance</b> Supply Chain Management</p> <p><b>Appendix</b> Performance in detail</p>





# INDEPENDENT LIMITED ASSURANCE REPORT



MADRID - A CORUÑA  
AMSTERDAM - LONDRES - PARIS - ISTANBUL  
CIUDAD DE MÉXICO - CIUDAD DE PANAMÁ - CIUDAD DE GUATEMALA - QUITO

## Independent Limited Assurance Report of Coca Cola FEMSA, S.A.B. de C.V.

To the Board of Directors of Coca Cola FEMSA, S.A.B de C.V. (hereinafter "KOF").

### Scope

According to your request, we have been engaged to provide a limited level of assurance on the performance indicators selected by KOF; included in the "Integrated Report 2023" (hereinafter "Integrated Report") and mentioned in "Annex A" for the fiscal year from January 1 to December 31, 2023.

### KOF responsibilities

KOF has been responsible for the preparation, content and presentation of the "Integrated Report", taking into consideration the contents (criteria) proposed in the *Global Reporting Initiative (GRI) Standards and the company's own performance indicators*.

This responsibility includes the establishment, implementation and maintenance of the internal controls considered necessary to allow the information contained in the "Integrated Report" to be free of material misstatement due to fraud or error.

### Valora Consultores responsibilities

Our responsibility consisted of expressing an opinion on the presentation of indicators and information listed in **Annex A**, in accordance with the requirements of the GRI Standards and the company's own performance indicators.

To ensure that the process of independent assurance meets the ethical requirements necessary to ensure the independence of our work as non-financial information auditors, our work was developed according with the ISAE 3000 Standard, *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, issued by the *International Auditing and Assurance Standard Board (IAASB)* of the *International Federation of Accountants (IFAC)*.

### Procedures performed

The scope of our independent assurance, as well as the evidence gathering procedures performed, was of limited assurance level, which is less than a reasonable security job, thus lowering the level of security being provided. This Independent Assurance Report should in no way be understood as an audit report.

The procedures we perform are described below:

- Selection of information to review based on the materiality and prior knowledge of the company.
- Interviews with employees responsible for generating and providing the information contained in the Report to learn the principles, systems and applied management approaches.
- Review of data collection, internal control and consolidation processes.
- Review of the scope, relevance and integrity of the information included in the Report based on the operations and previously identified material aspects.
- Review of evidence based on a sampling of information according to a risk analysis.
- Review of the application of what is required in accordance with the GRI Standards.

### Conclusion

Based on our review and the evidence presented by KOF, we were not aware of any situation that causes us to believe that the indicators contained in KOF's "Integrated Report 2023" have not been reliably obtained, are not fairly presented, have significant deviations or omissions, or have not been prepared in accordance with the requirements established in the GRI Standards.



Gerardo Gustavo Torres Fernández  
Director of Transformation and ESG Impact Mexico  
March 19, 2024, Mexico City.



## Annex A.

### Performance indicators

GRI / ID <sup>1</sup>	Name of the disclosure or performance indicator	Scope of information <sup>2</sup>	Compliance level of GRI content (clauses)	Reported information	Unit
ID	Employees	All KOF operations	NA	86,811	Total number of employees (excluding third parties)
ID	Employees per country	All KOF operations	NA	49,224	Number of employees Mexico
				24,090	Number of employees Brazil
				1,358	Number of employees Costa Rica
				3,242	Number of employees Guatemala
				819	Number of employees Nicaragua
				1,327	Number of employees Panamá
				686	Number of employees Uruguay
				3,482	Number of employees Colombia
				2,583	Number of employees Argentina
				84	Percentage of male employees in the organization
ID	Percentage of employees per gender	All KOF operations	NA	16	Percentage of female employees in the organization
				34	Percentage of employees < 30 years old
ID	Percentage of employees per age group	All KOF operations	NA	37	Percentage of employees between 30-39 years old
				21	Percentage of employees between 40-49 years old
				8	Percentage of employees between 50-59 years old
				1	Percentage of employees > 60 years old
				73	Percentage of male strategic leaders
ID	Percentage of employees per level	All KOF operations	NA	27	Percentage of female strategic leaders
				71	Percentage of male tactical leaders
				29	Percentage of female tactical leaders
				69	Percentage of male people leaders
				31	Percentage of female people leaders
				72	Percentage of male individual contributions
				28	Percentage of female individual contributions
				91	Percentage of male contributions to operation
				9	Percentage of female contributions to operation
				ID	Female leadership positions
ID	Female in STEM positions out of total STEM positions	All KOF operations	NA	13	Percentage of female STEM employees in STEM positions out of total STEM positions
ID	Resin materials used by weight (Tons of recycled PET)	All KOF operations	NA	331.86	Total resin in kilotons
				221.97	Virgin resin in kilotons

<sup>1</sup> Own performance indicator based on GRI.

<sup>2</sup> The information reported does not include the operation in Venezuela.



# INDEPENDENT LIMITED ASSURANCE REPORT



GRI / ID <sup>1</sup>	Name of the disclosure or performance indicator	Scope of information <sup>2</sup>	Compliance level of GRI content (clauses)	Reported information	Unit
	purchased)			109.89	Recycled resin in kilotons
301-2	Recycled input materials used (% of recycled PET included in PET bottles)	All KOF operations	a	33	Percentage of recycled resin used
302-1	Energy consumption within the organization	All KOF operations	a, b, c, d, e	3,909,347.68	Total energy consumption in GJ
				2,144,909.31	Total electric energy consumption in GJ
				1,764,438.38	Total thermal energy consumption in GJ
ID	Energy from clean sources	All KOF operations	NA	77	Percentage of clean energy used
302-3	Energy intensity	All KOF operations	a, b, c, d	6.11	Liters of beverage produced/MJ
303-3	Water withdrawal	All KOF operations	a, b, c, d	30.99	Total water withdrawal
				9.24	Municipal water withdrawal in thousands of Mega liters
				21.74	Groundwater withdrawal in thousands of Mega liters
				0.0073	Rainwater withdrawal in thousands of Mega liters
				0.0003	River water withdrawal in thousands of Mega liters
ID	Intensity of water consumption - Efficient water use	All KOF operations	NA	1.42	Liters of water used per liter of beverage produced
305-1	Direct (Scope 1) GHG emissions	All KOF operations	a, b	576,950.95	Total emissions for Scope 1 in tCO2e
305-2	Energy indirect (Scope 2) GHG emissions	All KOF operations	a, b	26,950.10	Total indirect emissions in tCO2e
305-4	GHG emissions intensity	All KOF operations	a, b, c	27.19	Total emissions/liters of beverage produced
ID	Percentage of post-industrial waste recycled or disposed of appropriately	All KOF operations	NA	98	Percentage of waste recycled or disposed of appropriately
ID	Lost time incident rate	All KOF operations	NA	0.88	Cases per 200,000/ Worked hours
ID	Total incident rate	All KOF operations	NA	1.6	Cases per 200,000/ Worked hours
ID	Fatalities attributable to the company	All KOF operations	NA	8	Number of fatalities from internal causes
413-1	Operations with local community engagement, impact assessments, and development programs	All KOF operations <sup>3</sup>	a	100	Percentage of countries with community programs and/or impact assessment

<sup>3</sup> The information includes the operations in Venezuela.



# INDEPENDENT REASONABLE ASSURANCE REPORT



MADRID - A CORUÑA  
AMSTERDAM - LONDRES - PARIS - ISTANBUL  
CIUDAD DE MÉXICO - CIUDAD DE PANAMÁ - CIUDAD DE GUATEMALA - QUITO

## Independent Reasonable Assurance Report for Coca Cola FEMSA, S.A.B. de C.V.

To the Board of Directors of Coca Cola FEMSA, S.A.B de C.V. (hereinafter "KOF"),

### Scope

According to your request, we have been engaged to provide a reasonable assurance level on the performance indicators selected by KOF; included in the "Integrated Report 2023" (hereinafter "Integrated Report") and mentioned in "Annex A" for the fiscal year from January 1 to December 31, 2023.

### KOF responsibilities

KOF has been responsible for the preparation, content, and presentation of the "Integrated Report", taking into consideration the contents (criteria) proposed in the *Global Reporting Initiative (GRI) Standards, Sustainability Linked Bond (SLB) and own performance indicators*.

This responsibility considers the establishment, implementation and maintenance of the internal controls considered necessary to allow the information contained in the "Integrated Report" to be free of material misstatement due to fraud or error.

### Valora Consultores responsibilities

Our responsibility consisted of expressing an opinion on the presentation of the indicators and information listed in Annex A, in accordance with the requirements of the GRI Standards, the company's own performance indicators and the SLB.

To ensure that the process of independent assurance meets the ethical requirements necessary to ensure the independence of our work as non-financial information auditors, our work was developed according with the ISAE 3000 Standard, *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, issued by the *International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accountants (IFAC)*.

### Procedures performed

The scope of our independent review and evidence gathering procedures was reasonable assurance, and included performing the procedures described below:

- Selection of information to review based on the materiality and prior knowledge of the company.
- Interviews with employees responsible for generating and providing the information contained in the Report to learn the principles, systems and applied management approaches.
- Review of data collection, internal control and consolidation processes.
- Review of the scope, relevance and integrity of the information included in the Report based on the operations and previously identified material aspects.
- Review of evidence based on a sampling of information according to a risk analysis.
- Review of the application of the requirements in accordance with the GRI and SBL Standards.

### Opinion

Based on our review and the evidence presented by KOF, we were not aware of any situation that causes us to believe that the indicators contained in KOF's "Integrated Report 2023" were not reliably obtained, are not fairly presented, have significant misstatements or omissions, or were not prepared in accordance with the requirements set forth in the GRI and SLB Standards.



Gerardo Gustavo Torres Fernández  
Director of Transformation and ESG Impact Mexico  
March 19, 2024, Mexico City.



## Annex A.

### Performance indicators

GRI / ID	Name of the disclosure or performance indicator	Scope of information	Compliance level of GRI content (clauses)	Reported information	Unit
ID <sup>1</sup>	Energy from clean sources	All KOF operations	NA	77	Percentage of clean energy used
ID <sup>2</sup>	Intensity of water consumption - Efficient water use	All KOF operations	NA	1.42	Liters of water consumed per liter of beverage produced
305-1	Direct (Scope 1) GHG emissions	All KOF operations	a, b	576,950.95	Total emissions for Scope 1 in tCO2e
305-2	Indirect energy (Scope 2) GHG emissions	All KOF operations	a, b	26,950.1	Total indirect emissions in tCO2e

<sup>1</sup> Own performance indicator

<sup>2</sup> Indicator based on the criteria of Progress of the Sustainability Performance Targets (SPTs) of the Sustainability-Linked Bond (SLB).



# INDEPENDENT REASONABLE ASSURANCE REPORT SOCIAL BOND



MADRID - A CORUÑA  
AMSTERDAM – LONDRES – PARIS - ISTANBUL  
CIUDAD DE MÉXICO – CIUDAD DE PANAMÁ – CIUDAD DE GUATEMALA – QUITO

### Independent Reasonable Assurance Report for Coca Cola FEMSA, S.A.B. de C.V.

To the Board of Directors of **Coca Cola FEMSA, S.A.B de C.V.** (hereinafter "KOF"),

#### Scope

According to your request, we have been engaged to provide a reasonable assurance level on the proceeds allocation of the social bond included in the "Integrated Report 2023" (hereinafter "Integrated Report") and mentioned in "Annex A" for the fiscal year from January 1 to December 31, 2023.

#### KOF responsibilities

KOF has been responsible for the preparation, content and presentation of the "Integrated Report" considering compliance with the proposed contents (criteria) established by the Social Bond Principles.

This responsibility includes the establishment, implementation and maintenance of the internal controls considered necessary to allow the information contained in the "Integrated Report" to be free of material misstatement due to fraud or error.

#### Valora Consultores responsibilities

Our responsibility consisted of expressing an opinion on the presentation of the information listed in **Annex A**, in accordance with the proceeds allocation of the social bond, based on the evidence obtained.

To ensure that the process of independent assurance meets the ethical requirements necessary to ensure the independence of our work as non-financial information auditors, our work was developed according to the ISAE 3000 Standard, *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, issued by the *International Auditing and Assurance Standard Board (IAASB)* of the *International Federation of Accountants (IFAC)*.

#### Procedures performed

The scope of our independent review and evidence gathering procedures was reasonable assurance, and included performing the procedures described below:

- Selection of information to review based on the materiality and prior knowledge of the company.
- Interviews with employees responsible for generating and providing the information contained in the Report to learn the principles, systems and applied management approaches.
- Review of data collection, internal control and consolidation processes.
- Review of the scope, relevance and integrity of the information included in the Report based on the operations and previously identified material aspects.
- Review of evidence based on a sampling of information according to a risk analysis.
- Review of the application of what is required in accordance with the Social Bond Principles.

#### Opinion

Based on our review and the evidence presented by KOF, we were not aware of any situation that causes us to believe that the allocation of social bond proceeds contained within KOF's "2023 Integrated Report" has not been reliably obtained, is not fairly presented, has material misstatements or omissions, or has not been prepared in accordance with the requirements established by the Social Bond Principles.



Gerardo Gustavo Torres Fernández  
Director of Transformation and ESG Impact Mexico  
March 19, 2024, Mexico City.



### Annex A.

#### Social Bond Proceeds Allocation as of December 31, 2023.

Category of eligible project	Amount	Unit
Microcredits	167,174,602	Mexican Pesos (MXN)
Human resources	11,808,713	Mexican Pesos (MXN)
Social licence	45,696,467	Mexican Pesos (MXN)
<b>Total investment:</b>	<b>224,679,783</b>	Mexican Pesos (MXN)





# INDEPENDENT REASONABLE ASSURANCE REPORT GREEN BOND



MADRID - A CORUÑA  
AMSTERDAM – LONDRES – PARIS - ISTANBUL  
CIUDAD DE MÉXICO – CIUDAD DE PANAMÁ – CIUDAD DE GUATEMALA – QUITO

### Independent Reasonable Assurance Report for Coca Cola FEMSA, S.A.B. de C.V.

To the Board of Directors of **Coca Cola FEMSA, S.A.B de C.V.** (hereinafter "KOF"),

#### Scope

According to your request, we have been engaged to provide a reasonable assurance level on the proceeds allocation of the green bond included in the "Integrated Report 2023" (hereinafter "Integrated Report") and mentioned in "Annex A" for the fiscal year from January 1 to December 31, 2023.

#### KOF responsibilities

KOF has been responsible for the preparation, content and presentation of the "Integrated Report" considering compliance with the proposed contents (criteria) established by the Green Bond Principles.

This responsibility includes the establishment, implementation and maintenance of the internal controls considered necessary to allow the information contained in the "Integrated Report" to be free of material misstatement due to fraud or error.

#### Valora Consultores responsibilities

Our responsibility consisted of expressing an opinion on the presentation of the information listed in **Annex A**, in accordance with the proceeds allocation of the green bond, based on the evidence obtained.

To ensure that the process of independent assurance meets the ethical requirements necessary to ensure the independence of our work as non-financial information auditors, our work was developed according to the ISAE 3000 Standard, *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, issued by the *International Auditing and Assurance Standard Board (IAASB)* of the *International Federation of Accountants (IFAC)*.

#### Procedures performed

The scope of our independent review and evidence gathering procedures was reasonable assurance, and included performing the procedures described below:

- Selection of information to review based on the materiality and prior knowledge of the company.
- Interviews with employees responsible for generating and providing the information contained in the Report to learn the principles, systems and applied management approaches.
- Review of data collection, internal control and consolidation processes.
- Review of the scope, relevance and integrity of the information included in the Report based on the operations and previously identified material aspects.
- Review of evidence based on a sampling of information according to a risk analysis.
- Review of the application of what is required in accordance with the Green Bond Principles.

#### Opinion

Based on our review and the evidence presented by KOF, we were not aware of any situation that causes us to believe that the allocation of green bond proceeds contained within KOF's "2023 Integrated Report" has not been reliably obtained, is not fairly presented, has material misstatements or omissions, or has not been prepared in accordance with the requirements established by the Green Bond Principles.



Gerardo Gustavo Torres Fernández  
Director of Transformation and ESG Impact Mexico  
March 19, 2024, Mexico City.



### Annex A.

#### Green Bond Proceeds Allocation as of December 31, 2023.

Category of eligible project	Amount	Unit
Circular economy	8,319,109	USD
Climate action	18,947,593	USD
Water stewardship	13,746,444	USD
<b>Total investment:</b>	<b>41,013,146</b>	USD



# SHAREHOLDER & ANALYST INFORMATION

## INVESTOR RELATIONS

**Jorge Collazo**  
**Lorena Martín**  
**Marene Aranzabal**  
**Emilio Villacís**  
*kofmxinves@kof.com.mx*

## SUSTAINABILITY

**Jordi Cueto-Felgueroso**  
**Carolina Vásquez**  
*sostenibilidad@kof.com.mx*

## CORPORATE COMMUNICATION

**Luis Carrillo**  
**Daniel Insulza**  
**Aldana Solano**

## LEGAL COUNSEL OF THE COMPANY

**Carlos L. Díaz Sáenz**  
Mario Pani N° 100  
Col. Santa Fe Cuajimalpa 05348,  
Ciudad de Mexico, Mexico.  
Phone: (52 55) 1519 5000

## INDEPENDENT ACCOUNTANTS

**Mancera, S.C.**  
A member firm of Ernst & Young Global  
Antara  
Polanco Av. Ejército Nacional Torre  
Paseo 843-B Piso 4 Colonia Granada  
11520 Ciudad de Mexico,  
Mexico Phone: (52 55) 5283 1400

## STOCK EXCHANGE INFORMATION

Coca-Cola FEMSA's common stock is traded on the Bolsa Mexicana de Valores (the Mexican Stock Exchange) under the symbol **KOFUBL** and on the New York Stock Exchange, Inc. (NYSE) and Bolsa Institucional de Valores under the symbol **KOF**.

## TRANSFER AGENT AND REGISTRAR

**Bank of New York**  
Bank of New York 101 Barclay Street  
22W New York,  
New York 10286, U.S.A

## COCA-COLA FEMSA, S.A.B. DE C.V.

Mario Pani N° 100  
Col. Santa Fe Cuajimalpa 05348,  
Ciudad de Mexico,  
Mexico (52 55) 1519 5000

### KOF NEW YORK STOCK EXCHANGE Quarterly Stock Information

<i>U.S. Dollars per ADS</i>			2023
Quarter ended	\$ High	\$ Low	\$ Close
Dec-29	95.4	94.4	94.64
Sep-29	79.81	77.77	78.44
Jun-30	83.85	82.15	83.31
Mar-31	81.86	80.17	80.47

<i>U.S. Dollars per ADS</i>			2022
Quarter ended	\$ High	\$ Low	\$ Close
Dec-29	68.91	67.49	67.88
Sep-29	59.15	57.65	58.39
Jun-30	56.23	54.64	55.28
Mar-31	55.15	53.40	54.95

### KOFUBL MEXICAN STOCK EXCHANGE Quarterly Stock Information

<i>Mexican Pesos</i>			2023
Quarter ended	\$ High	\$ Low	\$ Close
Dec-29	161.61	159.7	160.97
Sep-29	138.21	135.64	136.78
Jun-30	143.33	140.58	143.08
Mar-31	147.34	144.18	144.73

<i>Mexican Pesos</i>			2022
Quarter ended	\$ High	\$ Low	\$ Close
Dec-29	133.22	131.05	131.84
Sep-29	118.81	116.02	117.67
Jun-30	113.16	110.56	111.34
Mar-31	109.80	106.28	109.53

# ABOUT OUR INTEGRATED REPORT

From our headquarters in Mexico City, we present the 2023 edition of our Integrated Report. This report was developed following the guidelines of the International Integrated Reporting Council (IIRC) and in accordance with the GRI (Global Reporting Initiative) Standards, as well as material indicators of the SASB (Sustainability Accounting Standards Board) for the Non-Alcoholic Beverage Industry.

The information contained in this report corresponds to the period from January 1 to December 31, 2023. It includes data from the countries where Coca-Cola FEMSA, S.A.B. de C.V. has operations or a majority share. Its operations encompass franchise territories in Mexico, Brazil, Guatemala, Colombia, and Argentina, and, nationwide, in Costa Rica, Nicaragua, Panama, and Uruguay.

The company is a member of the Dow Jones Sustainability MILA Pacific Alliance Index, FTSE4Good Emerging Index, and the S&P/BMV Total Mexico ESG Index, among others.

CHIEF FINANCIAL OFFICER  
**GERARDO CRUZ CELAYA**

Stock listing information: Mexican Stock Exchange, Ticker: KOFUBL | NYSE (ADS), Ticker: KOF | Ratio of KOFUBL to KOF = 10:1 Coca-Cola FEMSA files reports, including annual reports and other information with the U.S. Securities and Exchange Commission, or the “SEC,” and the Mexican Stock Exchange (Bolsa Mexicana de Valores, or the “BMV”) pursuant to the rules and regulations of the SEC (that apply to foreign private issuers) and of the BMV. Filings we make electronically with the SEC and the BMV are available to the public on the Internet at the SEC’s website at [www.sec.gov](http://www.sec.gov), the BMV’s website at [www.bmv.com.mx](http://www.bmv.com.mx), and our website at [www.coca-colafemsa.com](http://www.coca-colafemsa.com). Coca-Cola FEMSA, S.A.B. de C.V. is the largest Coca-Cola franchise bottler in the world by sales volume. The company produces and distributes trademark beverages of The Coca Cola Company, offering a wide portfolio of leading brands to a population of more than 272 million. With over 86 thousand employees, the company markets and sells approximately 4.0 billion unit cases through more than 2.1 million points of sale a year. Operating 56 manufacturing plants and 252 distribution centers, Coca-Cola FEMSA is committed to generating economic, social, and environmental value for all of its stakeholders across the value chain. The company is a member of Dow Jones Sustainability MILA Pacific Alliance Index, FTSE4Good Emerging Index, and the S&P/BMV Total Mexico ESG Index, among others. Its operations encompass franchise territories in Mexico, Brazil, Guatemala, Colombia, and Argentina, and, nationwide, in Costa Rica, Nicaragua, Panama, Uruguay, and in Venezuela through its investment in KOF Venezuela. For further information, please visit [www.coca-colafemsa.com](http://www.coca-colafemsa.com)

1. For comparability purposes, the non-financial quantitative data for 2022, 2021, 2020, 2019, and 2018 is represented without Venezuela, since as of December 31, 2017, Venezuela is a deconsolidated operation reported as an investment in shares. Moreover, the 2017 information is represented without the Philippines.
2. References herein to “Mexican pesos” or “Ps.” are to the lawful currency of the United Mexican States, or Mexico

