# OUROURFRAMEFRAMEWORK

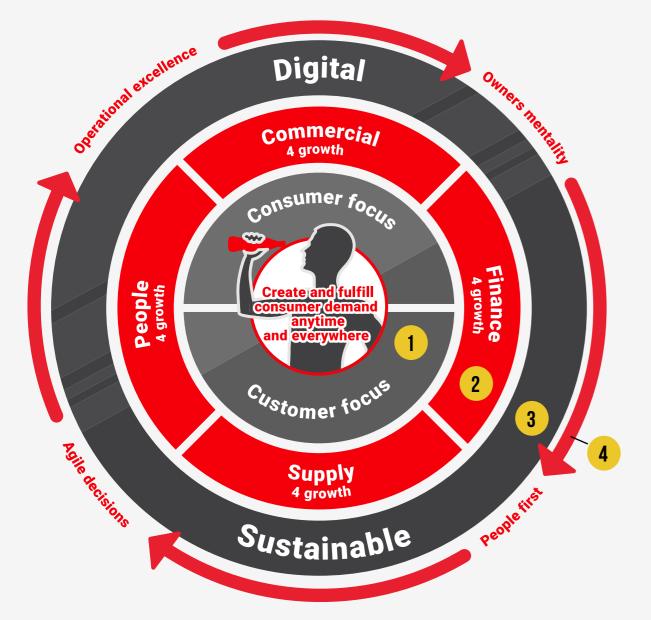
# Strategy

# Sustainability

Materiality Matrix Sustainability Framework 2020 Goals United Nations Sustainable Development Goals







• ONE **VISION** We must be obsessive about our consumers.

We must maximize value for our customers.

<sup>3</sup> ONE FUTURE We must deploy digital tools and enablers to

transform the organization.

We must ensure we have a license to operate.

# <sup>2</sup> ONE PLATFORM We must evolve the way we work.

We must strive for more efficiency and productivity.

We must continue to develop and deploy best-in-class capabilities.

# <sup>4</sup> OUR **DNA** Our DNA is the foundation of everything we do. Our DNA is the

It includes

fundamental beliefs and behaviors that govern our daily actions.



# SUSTAINABILITY

# MATERIALITY MATRIX

With our company's achievement of key 2020 sustainability targets, we conducted a comprehensive materiality study to ensure that our sustainability priorities are aligned with stakeholder expectations and what our business needs to thrive over the coming years. Through this analysis, we developed an updated set of priorities that:

- Clarify our company's position as part of our overall value chain
- Position our company's value chain within the context of society's expectations
- Allow us to understand the role that we and our society play with respect to environmental care and respect of planetary boundaries.

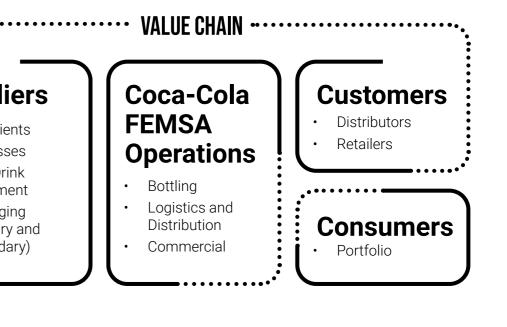
As a result of this study, we identified 45 material topics and 17 priorities that will drive strategic lines of action across our value chain to ensure the sustainability of our business, our business partners, and the communities in which we operate. Using the results of our study, we generated an updated materiality matrix, mapping the 17 identified priorities across the three axes of our sustainability strategy.

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SOCIETY	Sup
Business continuity linked to our communities' expectations	<ul> <li>Ingr</li> <li>Pro</li> <li>Cole</li> <li>Equ</li> <li>Pac</li> <li>(printipact</li> <li>sec</li> </ul>



# **ENVIRONMENT**

tal boundaries and restoration



3 24 27

**Consistent with our** sustainability framework, we maintained the three axes-**Our People, Our Planet,** and Our Communities-that have guided us since the inception of our strategy, while reinvigorating these axes with a differentiated approach to sustainability focusing on ten strategic corridors throughout our value chain.



# OUR PLANET

- Packaging Circular Economy GHG Emissions Reduction Sustainable Mobility Climate Change Adaptation Energy Management: Renewables & Efficiency
- 10 WASH (Water Access,
- Sanitation, and Hygiene)
- 11 Context-Based Hydrological Safety
- 17 Water Efficiency
- 26 Industrial Waste Circular Economy
- 43 Environmentally Responsible Dairy Farming

# OUR COMMUNITY

Labor Relations

3	Human and Labor Rights
5	Diversity and Inclusion
5	Safety, Health, and Wellness
)	Culture, Ethics, and Values

- 23 Standards for Contractors
- 32 Talent Attraction
- 33 Compensation and Benefits
- 44 Training and Development

# OUR PEOPLE

	Nutritional Attributes of	31
	Product Portfolio	34
	Product Portfolio Diversification	
	Relationship with Government	36
2	Consumer Engagement for	37
	Circular Economy	38
1	Supporting Small Businesses	39
3	Advertising & Commercial Practices	40
)	Women's Empowerment	41
2	Local Community Relationships	
5	Information Security & Cybersecurity	42
3	GMOs / Traceability of Ingredients	
)	Digitalization in Customers	45
	5	

1	Promotion of Healthy Habits
4	Customer Engagement for
	Circular Economy
6	Support of Local Supply Chains
7	Road Safety
8	Information & Quality of Products
9	Customer Satisfaction Measurement
0	Quality of Service for Customers
1	Supplier Relationship T&Cs
	Management
2	Mechanism for Consumers to
	Raise Concerns
5	Opportunities for Youth

# CORPORATE GOVERNANCE

Global Integrity & Compliance	

- Best-in-Class Board Practices
- Partnerships for Sustainability
- 30 Comprehensive Risk Management
- 35 Code of Conduct

	SUPPLIERS	KOF OPERATION
		Pack
CIRCULAR ECONOMY		Industrial Waste Cir Economy
		GHG Emissions Red
	Sustainal	ole Mobility
CLIMATE ACTION	Climate Char	nge Adaptation
	Energ	y Management: Renewal
WATER STEWARDSHIP		Context-based Hydro Safety
		Water Efficienc
PRODUCT PORTFOLIO	GMO's/ Traceability of Ingredients	Nutritional Attributes of Portfolio
		Product Portfolio Divers
RELATIONSHIP WITH Government		Relationship with Gove
MARKETING & ADVERTISING		
SUPPORTING SMALL BUSINESSES		
FUNDAMENTAL WORKING	Human & l	_abor Rights
CONDITIONS		Safety, Health & Wel
ENHANCED CULTURAL ELEMENTS		Diversity & Inclus
CORPORATE GOVERNANCE	Global Integrity & Compliance	
OUR PLANET 🛑 OUR COMMUNITY 🛑	OUR PEOPLE 🛑 CORPORATE GOVERNANCE	

Aligned with societal expectations, stakeholder engagement, and respect for environmental boundaries, our refreshed approach to sustainability aims to simultaneously create economic and social value across our value chain in collaboration with all of our stakeholders.

> Our differentiated approach to sustainability focuses on ten strategic corridors throughout the company's value chain.

INS	CUSTOMERS	CONSUMERS/COMMUNITIES
kaging Circ	cular Economy	
ircular	Customer Engagement for Circular Economy	Consumer Engagement for Circular Economy
duction		
ables & Effi	ciency	
ological		WASH (Water Access, Sanitation, and Hygiene)
су		
of Product		Information & Quality of Products
rsification		
ernments		
A	dvertising & Commercial Practice	S
	Development of Capabilities	
ellness		
sion		

# SUSTAINABILITY **FRAMEWORK**

Our sustainability strategy provides us with the guidelines to achieve our mission to positively transform the communities where we operate, supported by our ethics and values.





# **2020** GOALS

Our sustainability goals enable us to measure our progress on topics that impact the long-term sustainability of the business. Thanks to our efforts, we achieved key 2020 targets across the three axes of the sustainability framework.







29% of recycled materials in our **PET packaging**, surpassing our goal of 25%

# **7.2**

people benefited with our nutrition and physical activation programs and initiatives, surpassing our goal of 5 million



# 96%

of the enery used in December 2020 in manufacturing in Mexico came from clean energy sources, achieving our goal of 85%

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

# 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, we are convinced that we can have a larger impact on the following nine goals through our strategic framework and initiatives.

# **DECENT WORK AND ECONOMIC GROWTH**

We aim to achieve sustainable economic growth through efficient resource utililization, promote a work environment that offers comprehensive professional development, create jobs in emerging markets, and apply sustainable sourcing principles.

# ZERO Hunger

Several of our initiatives are focused on healthy habits for our communities, such as proper nutrition and social programs for early childhood development with FEMSA Foundation.

**{{{** 

# INDUSTRY, INNOVATION AND INFRASTRUCTUR

We continually work to foster industry innovation, develop local suppliers, and improve our environmental performance, while reducing our carbon footprint across our value chain.

# **GOOD HEALTH AND WELL-BEING**

We are committed to promoting healthy habits. To date, we have already benefited over 7 million people through our nutrition and physical activation programs. In addition, we offer a total beverage portfolio, and we carry out responsible marketing strategies for our products.

# RESPONSIBLE CONSUMPTION AND PRODUCTION

We communicate our sustainability results annually through our Integrated Report, and we established goals to ensure responsible consumption of raw materials, achieve greater production efficiency, and encourage postconsumption collection and recycling.  $\mathbf{\Omega}$ 

Foundation.

# ID



## **CLEAN WATER** AND SANITATION

Our production processes ensure efficient water use and wastewater treatment. We are committed to return to nature all of the water used to produce our beverages. We also develop water access, sanitation, and hygiene (WASH) programs in alliance with FEMSA

# **1C** PEACE, JUSTICE AND STRONG INSTITUTIONS

Our corporate governance and the way we conduct our business is in full compliance with applicable regulations in all countries where we conduct our operations and with our Code of Ethics as compass.

# **AFFORDABLE AND CIFAN FNFRGY**

We satisfied 85% of our Mexico operations power needs with clean sources, achieving our 2020 goal, and we continue to introduce clean energy across all of our operating countries, reaching an 80% share of our global bottling operations' electricity requirements.

# **PARTNERSHIPS** FOR THE GOALS

We recognize that complex, ever-changing challenges require innovative solutions that can only be achieved and put into action together. We embrace this reality, and we partner with other companies, governments, NGOs, and institutions to maximize our impact.