

Tax Compliance Policy

Context

Coca-Cola Femsa is the largest bottler of Coca-Cola products in the world. We operate in territories franchised by The Coca-Cola Company in México, Brazil, Colombia and Argentina and nationwide in Nicaragua, Guatemala, Costa Rica, Panama and Uruguay. We consider we create economic and social value by the taxes we pay in the countries in which we operate.

Our Tax Compliance Commitment

At Coca-Cola Femsa our commitment is to comply with all applicable tax laws and regulations in each of the countries and territories we operate.

Our Tax Compliance Policy is aligned with our business and commercial strategy, where tax efficiency opportunities are evaluated within a clear ethical and legal framework, based on the following main principles:

- Our commitment to be in compliance with the letter as well as the spirit of the tax law;

- Have an open channel of communication with tax authorities, providing full and accurate information with transparency and trust;

- Follow the arms-length principle amongst our group transactions;

- Pay taxes in the country where the activities take place;

- Not to transfer value created to tax-low jurisdictions nor to use so-called tax heavens for tax avoidance or tax structures without commercial substance;

- An approval process of the tax policy by the board of directors, with the support of the Audit Committee.

Tax Governance and Risk Management

We apply diligent professional care and judgment to ensure all decisions are well-considered and documented and taken within a clear ethical and legal framework, at the appropriate level.

Internal procedures and revisions assure that accountability, activities and behaviors are consistent throughout our operations.

Corporate Tax Direction establishes procedures, guidelines and training to support the main tax principles. Our company has implemented systems that allow day-to-day observation of all tax obligations within its operations. Our Company’s Business Code of Ethics establishes the responsibility of all officers, executives and employees to comply with all laws and tax regulations, including the Tax Compliance Policy. In addition, our company has a whistleblower system available for employees, as well as third parties, to denounce any non-compliance.

Tax Incentives

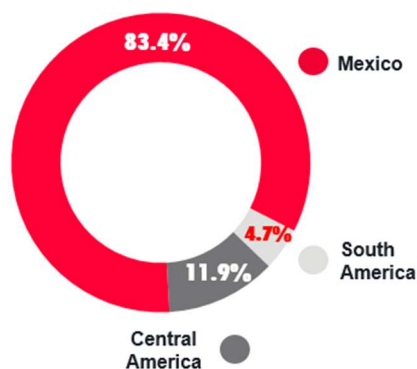
We use tax incentives when available in regions where we have a business activity, contributing for social and economic development, job creation and expansion of infrastructure.

2021 Total Tax Contribution

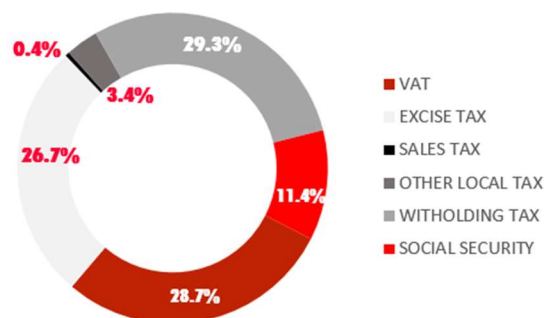
The 2021 consolidated effective income tax rate was 28.92%.

Our consolidated contribution in taxes paid for the fiscal year of 2021 of income tax and indirect taxes like VAT, excise tax, employees taxes and other contributions as detailed below by region and by category.

Income Tax Paid By Region



Indirect and Other Taxes Paid



Regions:

Mexico; Central America (Costa Rica, Nicaragua, Guatemala and Panama) and South America (Argentina, Brazil, Colombia and Uruguay)