

COCA-COLA FEMSA

**GREEN BOND
REPORT 2022**

SUSTAINABLE FINANCING

Our approach to sustainable financing enables us to maximize our positive impact by publicly aligning our finance strategy with the achievement of our environmental and social ambitions, while contributing to the United Nations Sustainable Development Goals. We have leveraged our investments with financial instruments that allow us to direct our resources appropriately to mitigate risk, increase positive impact, and align incentives within the company with our ESG objectives.



Green Bond Progress Report

Aligned with this approach and our sustainability strategy, we issued our first-ever green bond in September 2020, valued at US\$705 million, at the time the largest for a Latin American corporation and a first for the Coca-Cola System.

As of December 31, 2022, we had allocated US\$664.87 million of green bond net proceeds to finance or refinance eligible green projects in three main categories—circular economy, water stewardship and climate action—according to our **→Green Bond Framework**. This total investment represented 94% of the net proceeds, leaving US\$40.13 million of net proceeds unallocated at the end of 2022.

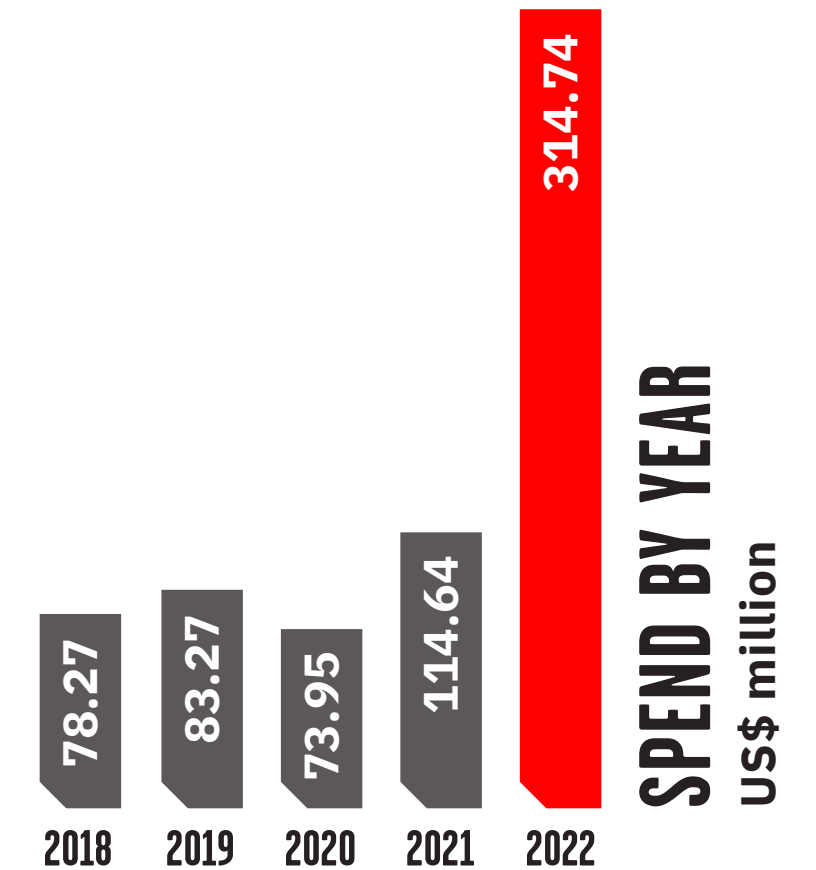
While eligible projects within the three categories focused on a variety of solutions, they shared the common objective of advancing our company’s mission to simultaneously create economic and social value while generating environmental wellbeing across our value chain in collaboration with all of our stakeholders.

Green Bond Allocation

As of December 31, 2022, Coca-Cola FEMSA had allocated US\$664.87 million of green bond net proceeds to projects supporting circular economy, water stewardship, and climate action.

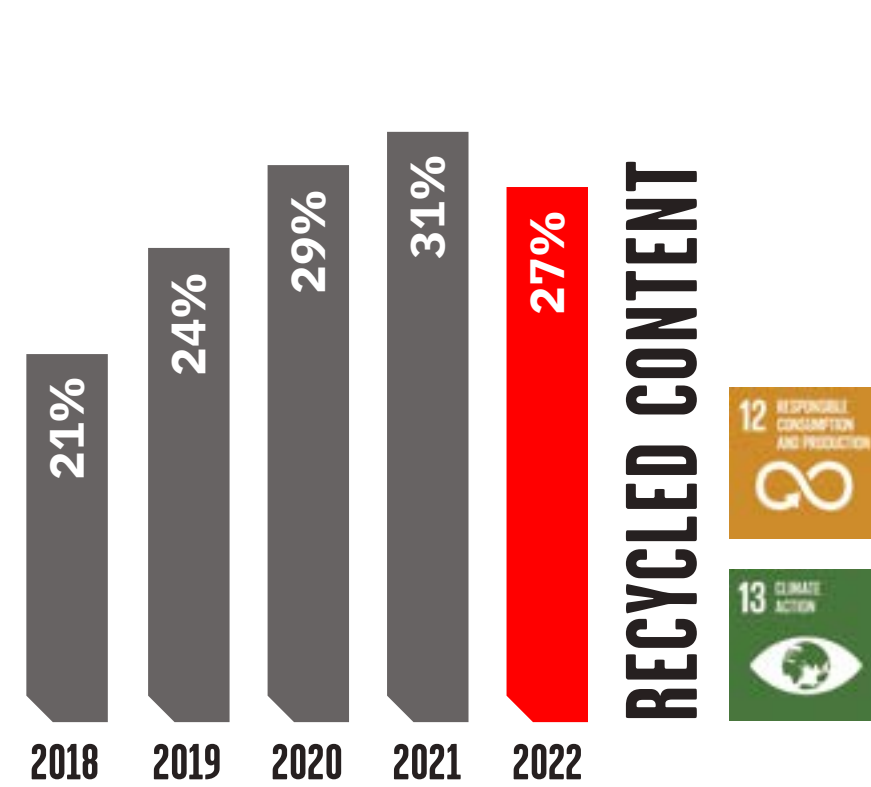
US\$705 Million Green Bond

Issued September 2020
US\$664.87 million allocated
Between 2018-2022

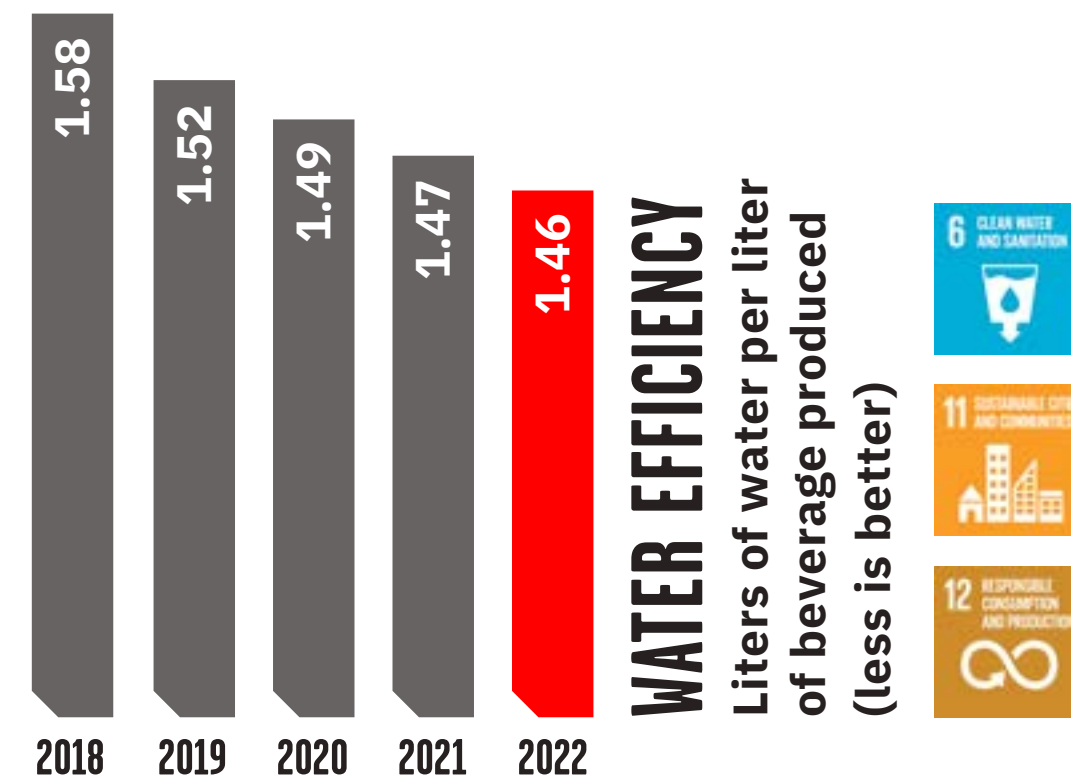


GOAL PERFORMANCE

The net proceeds of our green bond help to deliver on our company's sustainability goals, including our commitments to increase recycled content in our PET packaging, improve water efficiency, and reduce CO₂e emissions. From 2018 through 2022, we made progress against these goals, as illustrated in these charts.



Use at least 50% recycled resin (rPET) in our PET bottles by 2030.



Achieve a water use ratio of 1.26 liters of water per liter of beverage produced by 2026.



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. In 2020 KOF committed to use 100% of renewable energy in manufacturing and distribution operations by 2030. Pursuant to this public commitment, we made great progress during 2022 by increasing our renewable energy usage from 53% to 66%.