

## FEMSA Sustainability Information

### About this document

This document contains supplementary information and disclosures concerning sustainability at FEMSA.

### Governance

#### Scope and boundaries of non-financial information

Environmental and Social indicators included in the FEMSA Integrated Annual Report 2023 represent at least 93.7% of the revenues of the company. Only a few environmental and social indicators (marked) do not include Proximity Europe (Valora), our recently acquired Europe retail operations that are still aligning some information, but even considering this, the percentage of the revenues covered by the indicators is, at least 93.7% of the revenues. Coca-Cola FEMSA 34.9%, Proximity Americas 39.6%, Fuel 8.3%, Health 10.7%, Others 0.2%, and Proximity Europe (Valora) 6.2%.

#### Sustainability Governance & Strategy

FEMSA's CEO, FEMSA's Chief Sustainability Officer, FEMSA's Director of Sustainability and Energy and Coca-Cola FEMSA's CEO all have direct performance metrics related to the integration and execution of Sustainability in the Overall Business Strategy called Critical Success Factors. The successful accomplishment of these Critical Success Factors contributes in different percentages towards their performance related variable compensation.

FEMSA's Sustainability Strategy and its Public Goals by 2030 require the Company to: reduce to zero its operational waste going to landfills, increase to 85% the electric energy consumed from renewable sources, achieve a neutral water balance in all our operations, reach 40% in Female Representation in Executive Positions, as well as other goals and actions related to water, circular economy, social value among others.

In 2023 we initiated the process of selecting the consulting partner to assist us in updating our Materiality Analysis. In 2024 we started the process of updating our Materiality Analysis based on the Double Materiality standard. This will consequently result in a revision and update of our Sustainability Strategy towards the end of 2024.

### Business Ethics

#### Reporting on Breaches / Codes of Conduct

At our ethics line we received during the reported year:

- 8 substantiated reports on "Culture of lawfulness"
- 49 substantiated reports on "Discrimination and/or lack of Inclusion and Diversity" out of 149 received.
- 318 substantiated reports on "Harassment". \*In our 2023 Annual Report, we initially stated receiving a total of 1,790 reports of harassment, including both workplace and sexual harassment. However, after conducting a thorough internal review we can confirm that 318 reports are substantiated.
- 0 substantiated reports on "Customer Privacy Data"
- 115 reports on "Conflict of Interest"
- 0 substantiated reports on "Money Laundering or Insider trading"

In the 2Q of 2022, attending to the recommendations of the Audit and Regulatory and Corporate Governance team, the issue type of the reports in our Ethics line were updated, as follows:

1. Culture of Lawfulness category added
2. The category of Harassment and Abuse of Authority was divided, which is why it seems as a considerable decrease in the harassment category comparing 2022 vs 2023.

## Our People

### Labor Practice

#### Discrimination & Harassment

Our process of escalation for reporting incidents is:

When a FEMSA employee witnesses an action that he or she believes violates our Code of Ethics or any internal policy or regulation, we expect them to file a report. Any person wishing to make a report may exhaust the steps prior to the Ethics Line, which, by way of example but not limitation, are listed below:

- a) In the case of Employees:
  - i. Immediate Supervisor,
  - ii. Second Level Manager,
  - iii. Executive Manager of Human Resources or Ethics System representative.
- b) In the case of directors of FEMSA:
  - i. President of the Board of Directors, or
  - ii. Chairman of the Audit Committee of the Board of Directors.

In case of people outside of FEMSA, they may directly report to our Ethics Line. All reports regarding the intake method will be channeled, investigated, and registered through the FEMSA Ethics Line in accordance with the applicable Internal Regulations. All this information is held within our Ethics Line Policy.

### Human Rights

#### Human Rights Commitment

At FEMSA we recognize that all labor rights are human rights, therefore respect for human dignity is taken above any other business consideration. Among our commitments as employers, we strive for equal remuneration for work of equal value, recognizing that fair and equal compensation is not only a fundamental human right but also a key driver of employee motivation, satisfaction, and overall organizational success. We firmly believe in upholding the principles of fairness, equity, and non-discrimination in the workplace.

In addition to respecting the right of Employees to freedom of association or affiliation to a labor union, we recognize and respect the importance of collective bargaining as a fundamental right and a vital process for achieving fair and equitable outcomes. Our commitment is to engage in open, honest, and constructive dialogue with labor representatives, ensuring that the voices of our workforce are heard and valued. We pledge to approach each negotiation with integrity, transparency, and a genuine willingness to reach mutually beneficial agreements.

#### Human Rights Due Diligence Process

Our Human Rights strategy and management approach is guided by the five stages of our Due Diligence Model, redefined in 2023 in accordance with the UN Guiding Principles on Business and Human Rights. The Due Diligence strategy we implemented in 2023 aims to identify potential human rights impacts proactively, systematically, and periodically.

As our initial exploratory exercise, we assessed both real and potential human rights risks. This analysis covered the diverse industries comprising FEMSA Forward, while considering the geopolitical context and focusing particularly on vulnerable groups (priority groups).

Using the severity and probability methodology for prioritization, we have assessed a list of potential risks that align with industry benchmarks. We are pleased to recognize that we have previously identified and addressed these issues, including prohibiting any form of forced labor and child labor, ensuring freedom of association and collective bargaining, providing adequate salaries and work compensations, preventing impacts on consumer health, protecting personal data, promoting equity - inclusion/non-discrimination, and reducing our contribution to climate change.

Understanding that our responsibility as a company is to respect and promote the human rights, we have employed various prevention and mitigation mechanisms. These include, but are not limited to our materiality assessments, our labor intelligence system, supplier environmental assessments, our ethics line (which serves as our grievance mechanism), and our sustainability governance and climate-related risks and opportunities framework.

Aligned with our Human Rights Strategy, FEMSA strives to promote labor inclusion and respect for Human Rights for everyone, including those that might find themselves in a situation of structural and historical vulnerability including but not limited to people with disabilities, elder people, women, migrant workers, indigenous people, children, people from the communities where we operate, as well as employees across our value chain. In 2023 we included for the first time two demographic-related dimensions on our Organizational Climate Diagnostic Survey that allowed us to further recognize the individuality of our collaborators and effectively address the needs of the priority groups within FEMSA.

### **Human Rights Mitigation & Remediations**

For the company, the number of sites with mitigation plans can be interpreted as the number of portfolios, client relationships, or products with mitigation actions in place.

Currently, we are implementing seven mitigation plans that address various social and environmental issues. Through these plans, we take an active role and proactive responsibility within the community, aiming to prevent and respond to both present and future challenges while minimizing the likelihood of negative impacts on human rights. These plans cover a wide range of topics, including 5 actions that cover the reduction of greenhouse gas (GHG) emissions, sustainable waste management, prevention of potential harm in the communities where we operate, risk mitigation in our workplaces and supply chain, and 2 strategies for animal welfare and environmental well-being, among others.

Also, we actively participate in the United Nations Global Compact, and we are part of the first Business Accelerator program offered by the United Nations

### **Human Capital Management**

#### **Hiring**

During 2023, 189,693 employees were hired in the Proximity business units and Coca-Cola FEMSA, which together represent more than 85% of FEMSA's total workforce. Of the total hires, 5% were internal. In terms of gender, 48% of the hires were men and another 48% were women, while the remaining 4% did not declare their gender. Regarding age distribution, 65% of the new employees were under 30 years old, 21% were between 30 and 39 years old, 9% were between 40 and 49 years old, 4% were between 50 and 56 years old, and 1% were over 60 years old.

## Our Planet

### Emissions

Across FEMSA's operations and supply chains, we are working to reduce our Scope 1, 2 and 3 emissions and promote energy efficiency. The data of the total scope 3 emissions emitted in 2023 is still under calculation, given the complexity of calculating it due to the different industries of our business units, the different countries where we operate and the interaction of a variety of multidisciplinary teams. However, with the information available so far, there is an estimate of 18.9 million tonnes of CO<sub>2</sub>eq during 2023. The total scope 3 value is approximate and is similar to the one calculated for 2022, where 19.29 million tonnes of CO<sub>2</sub>eq were emitted in scope 3 emissions. The 2023 Scope 3 emissions by category in million tonnes of CO<sub>2</sub>eq are as follows: 1. Purchased Goods and Services: 9.37, 2. Capital Goods: 0.06, 3. Fuel-and-energy-related-activities (not included in Scope 1 or 2): 1.73, 4. Upstream transportation and distribution: 0.40, 5. Waste generated in operations: 0.08, 6. Business travel: 0.007, 7. Employee commuting: 0.012, 8. Upstream leased assets: 0.004, 9. Downstream transportation and distribution: 0.84, 10. Processing of sold products: 0.00003, 11. Use of sold products: 5.50, 12. End of life treatment of sold products: 0.0001, 13. Downstream leased assets: 0.85, 14. Franchises: 0.006, 15. Investments: 0.003. We follow the GHG protocol Scope 3 Category 1 to 15 Average-data method. The previous information includes 2023 scope 3 emissions for Coca-Cola FEMSA and the available scope 3 emission data from all other business (not including Proximity Europe).

### Water Consumption

Since water is an indispensable element for the socio-economic development of communities and fundamental for their well-being, we are committed to its efficient use and preservation. In 2023, through our water treatment plants, we returned to groundwater or surface water 8,381 thousand m<sup>3</sup> of water at similar or higher quality as raw water extracted. In this total, volume of third-party water extracted and discharged is not considered.

### Climate Risk Management

In 2023, as in 2022, we have been working on identifying and quantifying the main risks and opportunities related to climate change, as well as their potential financial impact over the short, medium, and long term, following the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). This exercise allows us to adapt and be ready in our operations to mitigate climate-related risks and prepare FEMSA for future climate-related challenges.

An initial effort to identify and quantify Coca-Cola FEMSA, OXXO, OXXO GAS, and Solistica's main climate-related risks and opportunities began in 2022. During 2023, the quantification of climate-related risks and opportunities was expanded into the FEMSA Salud businesses. KOF's analysis was also strengthened during the year by incorporating all minor water basins. For this, we analyzed and evaluated physical risk (acute and chronic) and transition risks (current and emerging legislation, technology, legal, market and reputational), and opportunities in line with TCFD recommendations through a 5-step methodology in which three scenarios, using qualitative and quantitative data, were defined for our internal analyses, 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). In this process, multidisciplinary groups in each business unit (represented by areas such as Sustainability, Strategic Planning, Operations, Real Estate, etc.) worked together and identified, prioritized and quantified the main climate-related risks and opportunities. In this phase, we also defined the physical and transition variables that serve as a basis for the quantification of risks and opportunities, examples of these variables include world's electricity consumption, global demand for natural gas, average oil price, sugar cane production, etc. The following tables shows examples of variables considered for the quantitative analysis (financial estimations):

Agricultural variables only available with the following geographical breakdown	REGIONAL/COUNTRY									Fuente
	Scenario 1 Net Zero			Scenario 2 Moderate transition			Scenario 3 No Ambition			
	2030	2040	2050	2030	2040	2050	2030	2040	2050	
<b>USA</b>	<b>2030</b>	<b>2040</b>	<b>2050</b>	<b>2030</b>	<b>2040</b>	<b>2050</b>	<b>2030</b>	<b>2040</b>	<b>2050</b>	
Cereal production (t DM/ha/yr)	5.53	5.63	5.61	5.52	5.58	5.52	5.57	5.56	5.45	
Sugar cane production (t DM/ha/yr)	21.78	22.15	22.52	21.77	20.74	19.70	21.73	21.82	21.91	
US oil crop production (t DM/ha/yr)	2.58	2.66	2.70	2.58	2.63	2.68	2.55	2.57	2.61	
<b>Latin America</b>	<b>2030</b>	<b>2040</b>	<b>2050</b>	<b>2030</b>	<b>2040</b>	<b>2050</b>	<b>2030</b>	<b>2040</b>	<b>2050</b>	
Cereal production (t DM/ha/yr)	4.81	5.34	5.55	4.80	5.31	5.50	4.54	5.07	5.36	
Sugar cane production (t DM/ha/yr)	21.24	24.18	26.80	19.98	21.30	22.77	19.79	21.00	21.64	
US oil crop production (t DM/ha/yr)	3.20	3.36	3.47	3.24	3.35	3.44	3.19	3.30	3.41	

Global market variables	GLOBAL									Source
	Scenario 1 Net Zero			Scenario 2 Moderate Transition			Scenario 3 No Ambition			
	2030	2040	2050	2030	2040	2050	2030	2040	2050	
<b>Consumption</b>	<b>2030</b>	<b>2040</b>	<b>2050</b>	<b>2030</b>	<b>2040</b>	<b>2050</b>	<b>2030</b>	<b>2040</b>	<b>2050</b>	
Total final electricity consumption (EJ): Worldwide	103.20	139.80	169.20	104.30	131.00	155.80	103.00	124.30	144.00	
Total final liquid fuels consumption (EJ): Worldwide	142.60	96.20	65.80	168.80	135.40	107.30	190.60	196.30	199.00	
Total final oil consumption (EJ): Worldwide	128.80	76.70	42.10	156.20	116.60	83.80	183.50	186.50	187.10	
Total final biofuels consumption (EJ): Worldwide	12.50	14.20	14.40	12.30	16.30	18.70	7.10	9.70	11.90	
Total final natural gas consumption (EJ): Worldwide	58.30	40.30	19.80	69.60	56.00	40.40	81.10	89.50	92.30	
Total final hydrogen consumption (EJ): Worldwide	6.40	12.40	19.70	1.60	6.10	11.40	0.20	0.50	1.00	
<b>Demand</b>	<b>2030</b>	<b>2040</b>	<b>2050</b>	<b>2030</b>	<b>2040</b>	<b>2050</b>	<b>2030</b>	<b>2040</b>	<b>2050</b>	
Global demand for biofuels (mbd)	5.80	6.95	8.10	4.70	5.65	6.60	3.50	4.60	5.70	
Global demand for kerosene (mbd)	7.40	6.50	5.60	8.40	8.25	8.10	9.10	10.35	11.60	
Global demand for diesel oil (mbd)	24.30	17.50	10.70	27.30	23.95	20.60	29.40	29.70	30.00	
Global demand for gasoline (mbd)	19.90	12.75	5.60	22.10	18.10	14.10	24.20	22.35	20.50	
Global demand for natural gas (mbd)	4,038.00	3,245.00	2,452.00	4,249.00	4,050.50	3,852.00	4,554.00	4,833.50	5,113.00	
<b>Generation</b>	<b>2030</b>	<b>2040</b>	<b>2050</b>	<b>2030</b>	<b>2040</b>	<b>2050</b>	<b>2030</b>	<b>2040</b>	<b>2050</b>	
Total wind generation (TWh): Worldwide	8,007.76	18,787.10	24,785.00	6,115.43	12,816.50	17,577.30	4,102.01	6,627.73	8,804.53	
Total solar generation (TWh): Worldwide	6,970.10	17,031.00	23,468.50	4,989.15	11,273.00	17,432.70	3,492.22	6,699.77	9,666.71	
<b>Prices</b>	<b>2030</b>	<b>2040</b>	<b>2050</b>	<b>2030</b>	<b>2040</b>	<b>2050</b>	<b>2030</b>	<b>2040</b>	<b>2050</b>	
Average price of CO2 (dollars/ton)	140	205	250	135	175	200	46	58	72	
Average price of oil (dollars/barrel)	42.00	36.00	24.00	70.50	56.00	50.00	70.50	77.00	88.00	
Average price of natural gas (dollars/Mbtu)	4.65	4.30	3.95	7.37	6.65	5.92	8.30	8.48	8.67	
Average price of carbon (dollars/Mbtu)	47.75	43.00	38.25	62.75	56.12	49.50	71.50	67.50	63.50	
<b>Technology capital costs</b>	<b>2030</b>	<b>2040</b>	<b>2050</b>	<b>2030</b>	<b>2040</b>	<b>2050</b>	<b>2030</b>	<b>2040</b>	<b>2050</b>	
Capital costs of conventional steel production (dollars/tpa)	650.00	665.00	680.00	650.00	660.00	670.00	650.00	655.00	660.00	
Capital costs of innovative steel production (dollars/tpa)	1,020.00	965.00	910.00	1,330.00	1,155.00	980.00	1,400.00	1,225.00	1,050.00	
Capital costs of hybrid vehicles (dollars/vehicle)	14,460	14,549	14,638	14,528.00	14,623.00	14,718.00	14,686.00	14,773.50	14,861.00	
Capital costs of electric vehicles (dollars/vehicle)	14,783	14,017	13,251	15,265.00	14,441.50	13,618.00	15,772.00	14,978.50	14,185.00	

For the net zero scenario, it is assumed that net zero emissions are accomplished in 2050 through international cooperation and social involvement, for the moderate transition scenario it is assumed that only economies that have the goal of achieving net zero emissions in 2050 will achieve it, through international cooperation and social involvement, for the no ambition scenario it is assumed that developed countries do not reach net zero emissions in 2050 (there is no great push from political agents, who limit themselves to fulfilling the commitments made).

Based on the previous variables, calculations were made to estimate the financial impacts of the risks and opportunities identified for the business.