



# Global Tax Compliance Standard

## Context

Establish the guidelines and principles under which the tax practice must be carried out for each of the territories in which the **Coca-Cola FEMSA**, S.A. B. de C.V. and subsidiaries have presence.

## Scope

The guidelines and principles established in this document are mandatory observance and compliance for **Coca-Cola FEMSA** and its collaborators, in all the territories in which it has a presence.

## Normative content

### Tax Compliance Commitment

1. 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. We consider we create economic and social value by the taxes we pay in the countries in which we operate.
2. The content of our Global Tax Compliance Standard 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.
- The approval process of this Global Tax Compliance Standard must be executed based on what is established in the management process of **Coca-Cola FEMSA's** regulatory framework.

## Tax Governance and Risk Management

**3.** Diligent professional care and judgment must be applied to ensure all decisions are well considered, documented, and taken within a clear ethical and legal framework, at the appropriate level.

Internal procedures and revisions must 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 and implement, together with the Tax areas of each Operation, systems that allow day-to-day observation of all tax obligations within its operations.

**Coca-Cola FEMSA's** Code of Ethics establishes the responsibility of all employees to comply with its Internal Guidelines, including what is established in this Global Tax Compliance Standard, and **Coca-Cola FEMSA** has a whistleblower system (KOF Ethics Line) available to any third party and employees in order to denounce any non-compliance detected.

## Tax Incentives

**4.** If tax incentives are available in regions where we have a business activity, we may choose to use them, which are generally contributing for social and economic development, job creation and expansion of infrastructure.

For purposes of this standard, the following terms shall have the meanings set forth herein, when used in both the singular and plural form:



**Coca-Cola FEMSA, Coca-Cola FEMSA, S.A.B. de C.V.** including all its Subsidiaries.



**Coca-Cola FEMSA Code of Ethics**, a document that contains **Coca-Cola FEMSA's** ethical principles, unifies criteria and establishes a common reference framework that gives direction for acting in an integral manner, it is also a useful work tool that guides correct and value-driven decision-making.



**Employees**, unionized and non-unionized worker in **Coca-Cola FEMSA's** companies.



**KOF Ethics Line**, is a formal mechanism that is used by Directors and Employees, as well as by Third Parties with whom **Coca-Cola FEMSA** has a relationship in the development of its operations, to report any breach and/or possible risk of breach of **Coca-Cola FEMSA's** Code of Ethics, **Coca-Cola FEMSA** Corporate Policies, and other Internal Guidelines as well as to address any doubts or concerns



**Internal Guidelines**, FEMSA Code of Ethics, **Coca-Cola FEMSA** Corporate Policies, global standards, processes, procedures, work regulations, and any other internal document authorized by management to have such effect.



**Operation**, each of **Coca-Cola FEMSA's** business units, considered by country or by group of countries according to **Coca-Cola FEMSA's** organizational management, and which is led by a Chief Operating Officer; except when the Internal Guidelines refer to the Legal Compliance Officer (LCO- Legal Compliance Officer), the **Coca-Cola FEMSA** Ethics Committee or any functional area of an Operation, in which case the term "Operation" will be understood as the business units of **Coca-Cola FEMSA** considered by country.



**Coca-Cola FEMSA Corporate Policies**, documents that contain the general principles that govern the conduct of **Coca-Cola FEMSA** and its Employees in a relevant topic or area, keep order and consistency between Operations and / or mitigate critical or high-impact risks that affect the Operations, and which are authorized by the **Coca-Cola FEMSA** Chief Executive Officer, or by the Board of Directors, as applicable.