



The Central America Bottling Corporation

Sustainability-Linked Financing Framework

January 2022



01 | Introduction

02 | Approach to Sustainability

03 | Rationale for Issuance

04 | Alignment with the Sustainability-Linked Bond
Principles and Sustainability-Linked Loan Principles

4.1 | Selection of the KPIs

4.2 | Calibration of SPTs

4.3 | Sustainability-Linked Instrument Characteristics

4.4 | Annual Reporting

4.5 | Verification



01 | Introduction





The Central America Bottling Corporation (“CBC” or “we”) is one of the leading producers, distributors, and sellers of beverages in Latin America. With a portfolio of over 438 brands, CBC offers a diversified beverage portfolio of carbonated soft drinks (“CSDs”), juices and nectars, bottled water, isotonic, energy drinks, tea and beer.



In 1942, we proudly become PepsiCo’s first bottler outside of the United States, and since 1988 we have served as the anchor bottler in Central America.



In 2002, we established our joint venture with Ambev for both production and distribution in Guatemala and for distribution in Nicaragua and Puerto Rico.



In 2016, we developed Beliv, an important CBC business unit that focuses on creating products and brands through innovation and functionality, to renew or create new categories. Beliv’s vision is to “Lead the growth of healthy beverages”.



As of the date of this framework (this “Framework”), we own 16 manufacturing plants in 9 countries in partnership with more than 10,000 employees, and we distribute our products to over 1,260,000 points of sale in 35 different countries.



Our vision is to become the best beverage company in the Americas, creating sustainable value and providing excellent consumer experience through our brands. **For over 130 years, we have made our way through a long, fascinating journey of amazing change and transformation.** Our people drive the success of our business by bringing passion and pride to everything we do, allowing us to dream big.

Our growth is based on detecting opportunities and transforming businesses, unleashing a better tomorrow for our employees, customers and suppliers, the heart and hands of our growth.

In line with CBC's sustainability strategy and its purpose to contribute to a better world, we have aligned our business strategy with several initiatives:



In 2013, CBC joined the **United Nations Global Compact**, the world's largest corporate citizen initiative, convinced that universal business principles contribute to building a more stable global market.



In 2018, CBC publicly endorsed the **United Nations Women's Principles for the Economic Empowerment of Women**, as an open expression of our commitment to gender equality. In fact, in 2020, 31% of CBC's leadership positions, such as directors, managers and area chiefs were held by women, and our goal is to continue developing the necessary mechanisms to increase the involvement of women in leadership and decision-making positions.



In 2021, CBC committed to **Science Based Targets Initiative ("SBTi")**. This commitment will set science-based, medium and long term absolute GHG emission targets (scope 1 and scope 2) for CBC that are aligned with the Business Ambition to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels.



On an annual basis, CBC releases a Sustainability Report in compliance with the Communication on Progress ("CoP") in furtherance of CBC's commitment as a signatory of the Global Compact. The CoP, which qualifies for Advanced level, is prepared in accordance with the Essential Option on the **Global Reporting Initiative (GRI) Standards**.

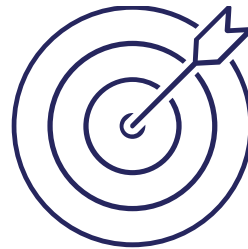


About Us

We are a multi-Latin beverage company founded in Guatemala in 1885.
Our portfolio is the largest in the region, offering our clients and consumers a beverage product for every occasion and lifestyle

Mission

We are a competitive team, creating strong relationships with our clients and consumers through the best value propositions



Vision

To be the best beverage company in the Americas, creating sustainable value, offering consumers the best experiences with our brands, and contributing to a better world

Our Values



Passion

We are passionate about what we do, we work with energy and a sense of urgency



Discipline

We guarantee sustainable results through management and compliance processes and routines



We are outstanding people

We seek continuous learning and achieve results as a team



We are Owners

We create new and better opportunities



Integrity

We take no shortcuts, we always do the right thing



We have big dreams

We are entrepreneurs, we believe everything is possible and we make it happen



02 | Approach to Sustainability





We encourage our employees, clients and suppliers to reach their maximum potential through the strengthening of the social fabric.



We promote the well-being of our consumers through a wide variety of products and provide a portfolio for all consumption occasions and lifestyles.



We are committed to the circular economy and a responsible environmental footprint.



We generate shared value and prosperity by acting with transparency and integrity.



We grow alongside our employees and clients through entrepreneurship and technology.



Our Purpose

We transform to grow by being part of the solutions, growing sustainably and positively impacting people and the planet.



United Nations
Global Compact

- In 2013, CBC joined the United Nations Global Compact, the world's largest corporate citizen initiative, convinced that universal business principles contribute to building a more stable global market¹.
- Our strategies and operation are in line with the UN Global Compact "Ten Principles" in four thematic areas: human rights, labor standards, the environment, and anti-corruption policies.
- CBC among the Central American companies that have publicly endorsed the United Nations Women's Principles for the Economic Empowerment of Women as an open expression of our commitment to gender equality. In fact, in 2020, 31% of CBC's leadership positions such as directors, managers and area chiefs were held by women, and our goal is to continue developing the necessary mechanisms to increase the involvement of women in decision-making positions. CBC recognizes that human capital is central to our long-term success, and we strongly believe an increase in diversity provides greater capacity for innovation whereby ideas are generated from a broad group of well-rounded individuals.
- On an annual basis, CBC releases a Sustainability Report² in compliance with the CoP, part of with CBC's commitment as a signatory of the Global Compact. The CoP, which qualifies for Advanced level, is prepared in accordance with the Essential Option on the Global Reporting Initiative (GRI) Standards.
- In the CoP report, CBC shares with all its stakeholders the priorities that have been set forth and the performance that has been achieved in environmental, social and governance areas. Its contents focus on matters that are of utmost relevance for CBC and its interest groups. Moreover, it also describes the achievements of Sustainable Development Goals (SDG) under the Global Compact Principles. The latest report was published in 2020. CBC's CoP report is externally verified under the AA1000 assurance standard. The purpose of such verification is to guarantee our compliance with the UN Global Compact Principles at an Advanced level and the Global Reporting Initiative Standards, Essential Option.



PEPSICO

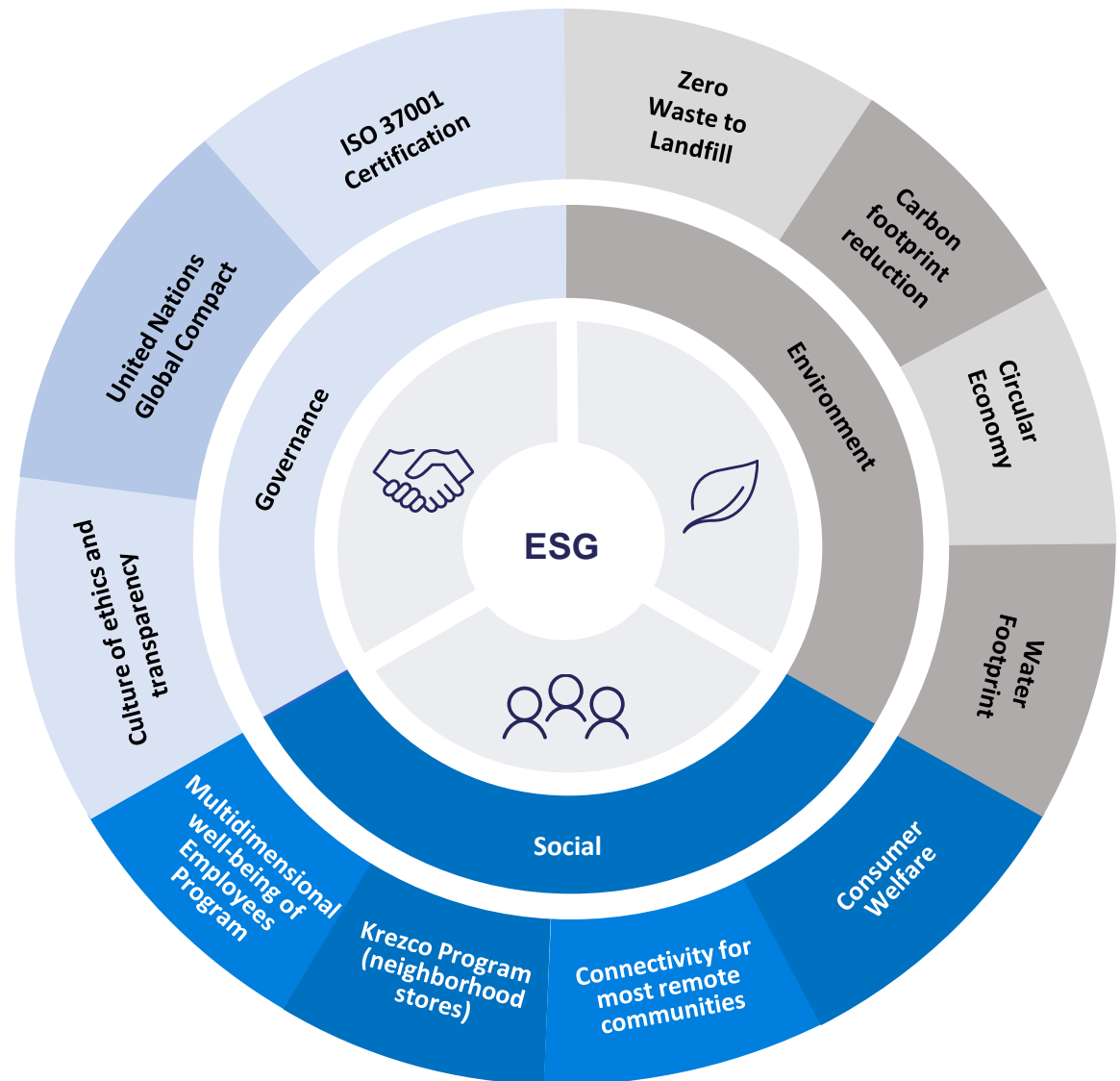
- **PepsiCo shares its sustainability best practices with CBC.** For example, CBC complies with PepsiCo's Global Environmental, Health and Safety Management System (GEHSMS).
 - GEHSMS is designed to ensure that PepsiCo bottlers meet EHS performance requirements in accordance with the policies, applicable regulations, and company standards, goals, and expectations.
- CBC successfully met the 2018-2021 PepsiCo GEHMC Audit Program with scores above PepsiCo' standard.
- **CBC reports monthly to PepsiCo on EHS and sustainability performance** for the opportunity to receive feedback and share best practices.



1. For more information on the UN Global Compact , please visit <https://www.unglobalcompact.org/what-is-gc>.

2. For more information, please visit: https://cbc.co/wp-content/uploads/2021/CBC_INFORME_2020_EN_8SEPT.pdf

Our growth and value are optimized by being part of the solutions, with the integration of social, environmental and governance dimensions driving our strategy and shared value creation



Our ESG agenda includes 5 Pillars:



Environment

- To manage resources such as water, waste and energy efficiently and to monitor, manage and reduce our carbon footprint
- ✓ Carbon footprint reduction plans aligned with the Science Based Target initiative
- ✓ the Carbon Trust Standard for Zero Waste to Landfill
- ✓ Increasing renewable energy
- ✓ Decrease water intensity & hydric footprint
- ✓ Reduce waste footprint



Packaging

- To guarantee that all our packaging integrates into the circular economy
- ✓ PET footprint reduction
- ✓ PET collection
- ✓ Ecological Materials: 100% recyclable, reusable or compostable bottles and packaging



Governance

- To establish an organization worthy of trust, and one that acts with transparency
- ✓ Establish a sustainability committee
- ✓ ISO 37001 SGA Anti-Bribery Management System Certification
- ✓ United Nations Global Compact & the Science Base Target Initiative
- ✓ Human rights policy



Consumer Welfare

- To be a role model in the investigation and development of food and beverages that promote health and nutrition
- ✓ Product portfolio with high functionality, natural and effective nutrition
- ✓ Sugar reduction
- ✓ To contribute to the reduction of chronic malnutrition
- ✓ Clear and informative labeling



Social Fabric

- To grow alongside our employees, clients and suppliers through entrepreneurship and technology
- ✓ Growing Together: multidimensional wellbeing of employees
- ✓ KREZCO: Capital and technical access for customers especially small supply chain neighborhood stores
- ✓ Support entrepreneurs

We have defined short-, medium- and long-term goals with the company's teams and leaders, who are highly committed to our purposes



Pillar: Environment

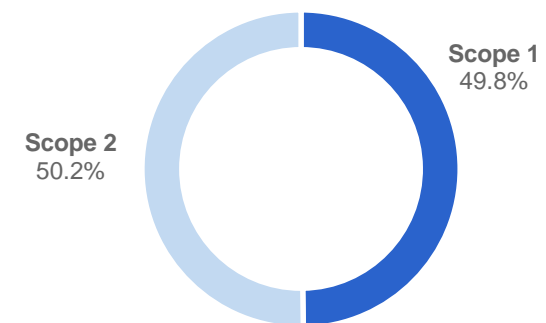
Carbon Footprint Reduction Goals

- ⚡ Reduce Absolute Greenhouse Gas (GHG) Emissions (Scope 1 & 2) to be equal to the more aggressive reduction of **28%** or the SBTi-validated target, as of October 31, 2023, **by year-end 2025**, from a 2019 baseline
- ⚡ Reduce Absolute Greenhouse Gas (GHG) Emissions (Scope 1 & 2) to be equal to the more aggressive reduction of **33%** or the SBTi-validated target, as of October 31, 2023, **by year-end 2026**, from a 2019 baseline
- ⚡ Reduce Absolute Greenhouse Gas (GHG) Emissions (Scope 1 & 2) to be equal to the more aggressive reduction of **48%** or the SBTi-validated target, as of October 31, 2023, **by year-end 2030**, from a 2019 baseline
- ⚡ Commitment to map Scope 3 GHG emissions through the value chain, achieving the verification of the baseline by an external auditor, in order to implement absolute Scope 3 emission reductions by 2030 in line with SBTi target
- ⚡ Achieve carbon neutrality by 2050 across CBC's operations

- CBC is committed to supporting the well-being of the communities we serve by enabling a healthy, low-carbon food system that secures healthy and sustainable diets for future generations.
- CBC recognizes the importance of disclosing climate-related risks and opportunities, as this will enable market forces to drive efficient allocation of capital and support the transition to a low carbon economy.
- In 2021, CBC formally committed to establishing and adopting science-based climate targets for our consolidated operations.
 - CBC will present the Scope 1, 2 and 3 absolute GHG emission targets to the SBTi during the course of 2022 and expects validation no later than October 31, 2023
 - The operational goals (Scopes 1 and 2) established by CBC are consistent with the emission reduction required under the Paris Agreement and with the Business Ambition to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels
 - In line with the latest climate science to limit global warming, CBC is committed to the long-term strategic investments and customer and supply chain engagement that will be necessary to achieve our science-based target for Scope 3 emissions reduction that will be in line with keeping the increase in global warming below 2°C.

- ✓ Science-based emissions reductions targets are at the heart of CBC's climate strategy
- ✓ CBC is committed to defining a long-term pathway to climate-neutral production

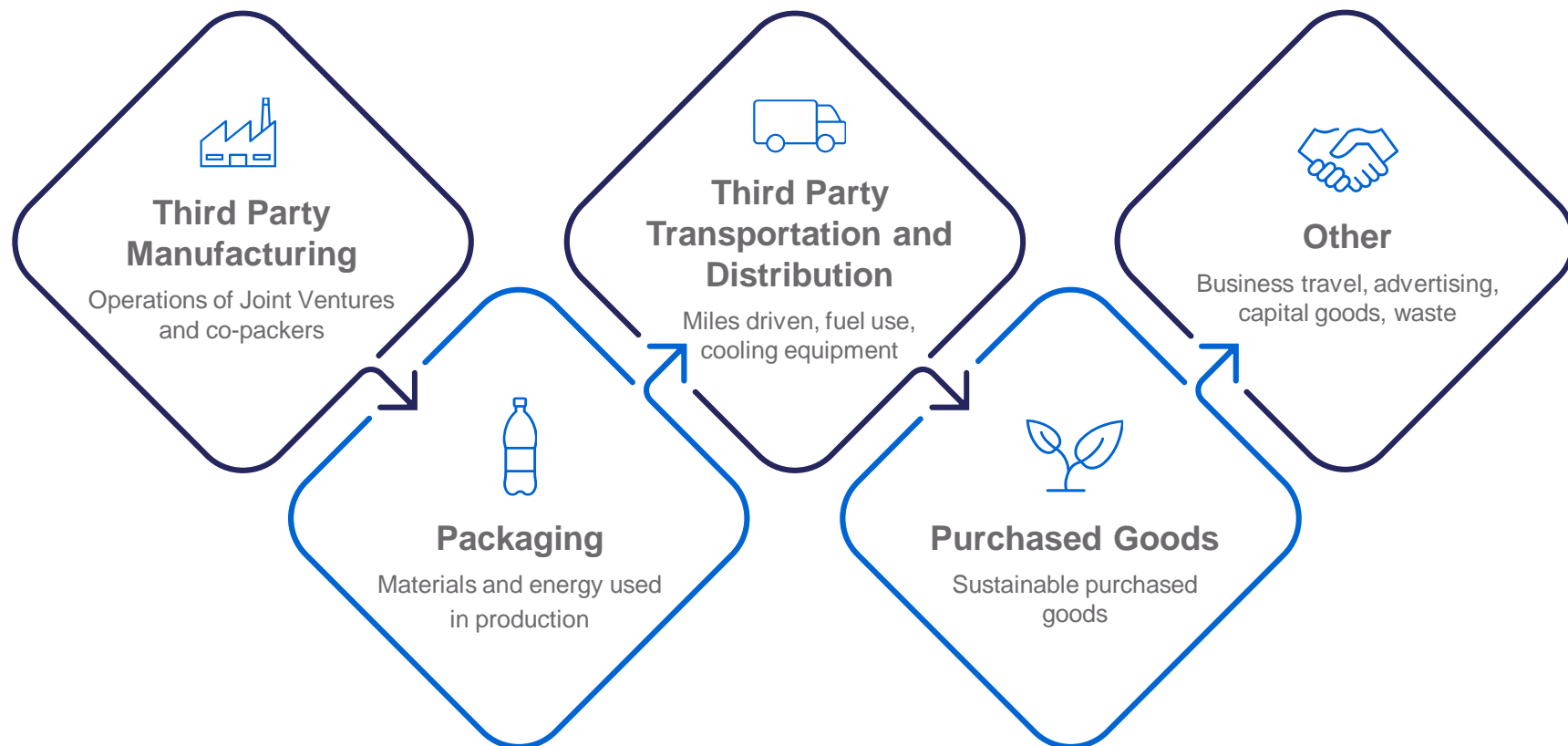
Breakdown of CBC's 2019 Absolute GHG Emissions (Scope 1 and Scope 2)





Pillar: Environment

- Commitment to map Scope 3 GHG emissions through the value chain, achieving the verification of the baseline by an external auditor, in order to implement absolute Scope 3 emission reductions by 2030.
- With our submission to the SBTi, we will be including a plan to materially reduce our absolute Scope 3 emissions by year-end 2030.
- CBC is committed to the long-term strategic investments and customer and supply chain engagement that will be necessary to achieve our science-based target for Scope 3 emissions reduction.
- We have identified the following areas that account for the absolute emissions of our value chain:





Pillar: Environment

Operational Waste Management Goals



Achieve and maintain Carbon Trust Standard for Zero Waste to Landfill for 8 out of the 16 manufacturing plants operated by CBC as of December 31, 2020 by year-end 2025



Achieve and maintain Carbon Trust Standard for Zero Waste to Landfill for 9 out of the 16 manufacturing plants operated by CBC as of December 31, 2020 by year-end 2026



Achieve and maintain Carbon Trust Standard for Zero Waste to Landfill for 16 out of the 16 manufacturing plants operated by CBC as of December 31, 2020 by year-end 2030¹

Zero Waste to Landfill

- In order to achieve and maintain the Carbon Trust Standard for Zero Waste to Landfill, a plant must divert at least 99% of generated waste from landfills.
- Types of Waste Treatment:



Composting



Biomass



Energy



Recycling

- CBC uses a production process outline and waste sorting process to identify the byproducts that are generated and separates them from regular waste.
- Agencies and production plants have a byproduct classification system in place that uses bins to classify cans, glass bottles, PET, sacks, HDPE plastic containers, barrels, cardboard, nylon, caps, straps, Tetra Pack, and wood pallets, among others.
- Our recycling selection and certification process ensures that recyclers have the corresponding environmental licenses and correctly manage byproducts, transforming them into raw material for external processes.
- Prices and recyclers are approved by a Byproduct Committee, comprising representatives from the Operations, Purchasing, Manufacturing, Environment, Finance, and Audit areas



- In 2020, we implemented our first pilot program of the Zero Waste to Landfill methodology at the Mariposa Plant in Guatemala. As a result of this initiative, 97.18% of the waste generated by the Mariposa plant is now recycled, reused or processed.
- In 2021, with the support of Carbon Trust, we were able to identify the areas in which we could improve our waste management. We have since implemented measures to reach at least or to the minimum of 99% operational waste diverted to landfill threshold, and thus the Mariposa Plant now holds the Carbon Trust Standard for Zero Waste to Landfill.
- By 2030, we aim to achieve and maintain the Standard for Zero Waste to Landfill across all of the 16 manufacturing plants operated by CBC as of December 31, 2020

1. If CBC acquires more than a 50% ownership in a manufacturing plant, the company will integrate the plant following the schedule described in KPI 2 Boundary in page 33. Consequently CBC will achieve and maintain the Carbon Trust Standard for Zero Waste to Landfill for 16 out of the 16 manufacturing plants operated by CBC as of December 31, 2020 and may include additional plants that will increase the 2030 year-end target.



Pillar: Environment

Water Footprint Goals

- 💧 Reduction in water use, reaching the ratio of 1.47 liters used per 1.00 liter of beverage produced by year-end 2030
- 💧 Reuse 30% of the treated water for auxiliary services and other uses by year-end 2030



Measures Adopted to Reduce Water Consumption






One of the most important resources used in CBC's operations is water. As a result, we have adopted a series of processes to control, reduce and optimize consumption:


- We are committed to water conservation. We carry out a comprehensive evaluation of the water use in the production of beverages and auxiliary services, and we are developing the necessary measures for its conservation.
 - Within the frame of our objective of cleaner production, we comply with the laws and regulations related to wastewater treatment and discharge. We have invested heavily in technology that guarantees compliance with parameters set by local regulations. In an effort to expand our use of water, we have set the goal of reusing 30% of the treated water for auxiliary services and other uses by year-end 2030, following local and international regulations and safety standards.
 - We actively participate in collective impact actions for the conservation of water recharge areas such as the water funds of: Quito, Guayaquil, and Cuenca in Ecuador, the Piura Water Fund in Peru and the Water Fund of the Metropolitan District of Guatemala.
 - These are public-private initiatives that contribute to water security in which the participation of local authorities, community leaders, civil society organizations and academia is very important.
- ✓ Good Operation Practices (GOPs) are implemented in all our manufacturing plants: these are initiatives that allow water control, reduction and reuse. Water reuse is one of the main means implemented to reduce water consumption.
 - ✓ A daily calculation of the Water Indicator is performed in every production plant: we obtain the ratio of the liters of beverage produced over the total amount of liters of water used for its production.
 - ✓ Additionally, we have consumption indicators and goals in all the big consumers of the plants, such as washers, pasteurizers and warmers, which we review these numbers every day in order to control goals and consumption.
 - ✓ Every plant has a focused improvement group that is in charge of checking the water indicators and proposing action plans that help reach the indicator goal.
 - ✓ Training sessions are organized to be held on internationally celebrated days, such as World Water Day, World Environment Day, and Earth Day, raising plant staff's awareness of the importance of this vital resource.



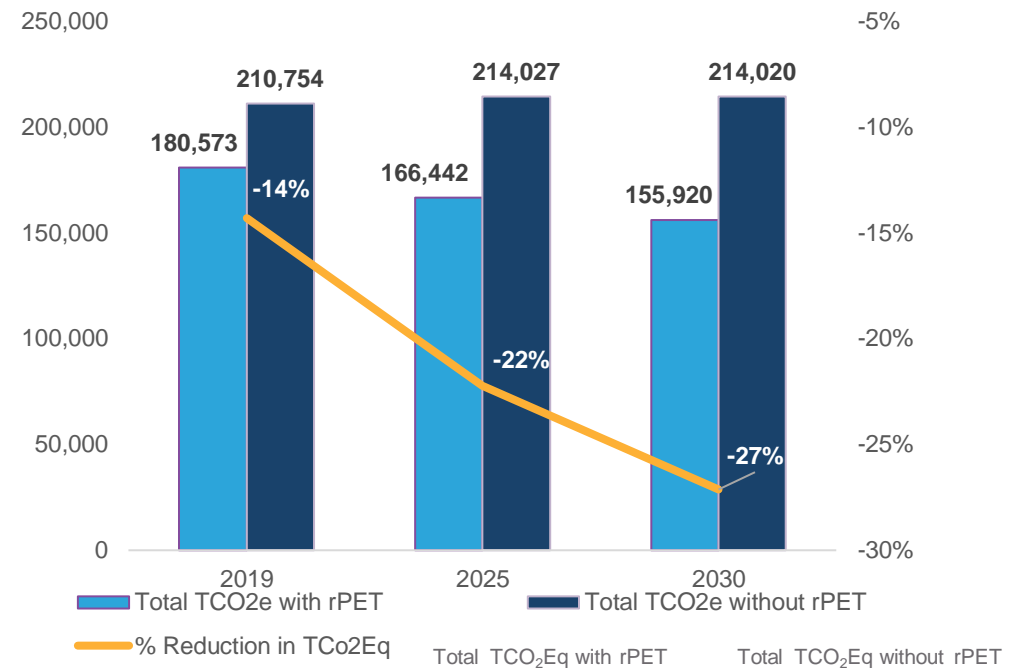
Pillar: Packaging

Packaging Goals

-  To reduce by 26% the content of virgin resin in PET bottles by 2026 versus our 2019 baseline
-  To use more than 30% of recycled resin in our PET bottles by 2030 versus our 2019 baseline
-  To use bio-based content on packaging materials by 2025
-  To recover the equivalent of 100% of PET bottles placed in the market by 2030
-  To ensure that 100% of packaging and containers are reusable, recyclable or compostable by 2030

- Our priority is to make a complete transition towards a circular economy in which plastic does not become waste and all the materials and packaging we use are recyclable, reusable, or compostable by year-end 2030
- We support the aim of our strategic partner, PepsiCo, to exceed the 30% recycled-content threshold in our PET containers by  by 2025
- We aim to reduce our emissions by replacing usage of Virgin PET with Recycled PET
 - One of the biggest contributors to carbon emissions in our business comes from the pre-production process. In fact, according to Libelula¹, the production of one ton of Virgin PET generates 3.69 tons of CO₂e, while one ton of Recycled PET generates 0.37 tons of CO₂e.
 - As such, given that the GHG emissions per ton of virgin resin is approximately 10 times more carbon intensive than that of recycled resin, our ongoing efforts to increase the percentage of recycled PET content used in our products will generate significant savings in tons of CO₂ equivalent emissions ("TCO₂Eq") per annum

Total estimated GHG emissions savings (TCO₂Eq) per annum for sourcing more recycled resin^{2,3}



1. Source: Libelula - Analisis de Ciclo de Vida de las emisiones GEI de seis escenarios de producción de bottles, 2019. 2. figures are not audited. 3. estimates calculated as: CBC's per annum sourcing of virgin resin times (x) 3.69 TCO₂Eq (the estimated carbon emissions generated by the production of one ton of Virgin PET), CBC's per annum sourcing of recycled resin times (x) 0.37 TCO₂Eq (the estimated carbon emissions generated by the production of one ton of recycled PET).



Pillar: Packaging

By year-end 2030, our goal is to recover the equivalent of **100% of the PET bottles that we place on the market, in terms of mass, to ensure that they are recycled.**

- For such purpose, we are formalizing strategic alliances with recycling companies in the region and actively participating in initiatives that contribute to developing a culture of recycling in all the countries where we have operations, including, among other initiatives:

• Our active participation in Recycling Partners of Jamaica, a public-private initiative that launched in 2021, which provides voluntary depositary for the recovery of PET bottles and that supports grassroots recyclers.

• Our support for environmental entrepreneurs such as “Atitlán Recicla”, which gave rise to the first cooperative of women recyclers in Guatemala.

• Our enabling of economic growth for women who make handicrafts made with yarn made from recycled resin, such as the “Bottles that Empower” project in Ayacucho, Peru.

• Our support for the “Making Eco Movement” that promotes a culture of recycling and separation from the source, through awareness and information campaigns and capacity building in solid waste collection cooperatives in Guatemala.

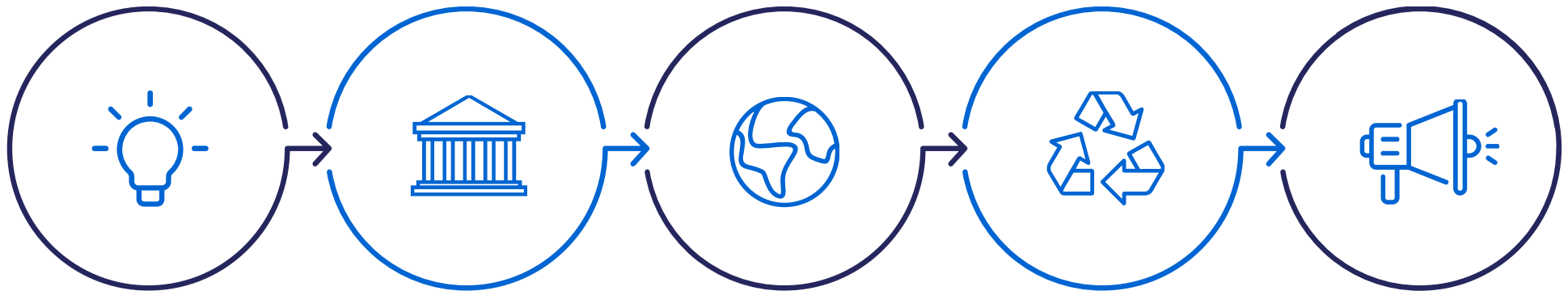
• Likewise, we will continue to participate in projects and programs contributing to the recovery of post-consumption containers and to strengthen micro and small-scale business owners engaged in the recycling industry.





Pillar: Packaging

Initiatives to recover the equivalent of 100% of the PET Bottles we place on the market:



Joint Ventures

For the recovery of PET Bottles post consumption in Central America, guaranteeing that they are integrated into the value chain through the creation of recycled resin.

Deposit Refund Scheme

Deposit Refund Scheme as an industry initiative that can allow, through a public - private alliance, valuation of PET Bottles post consumption.

Community Alliances

Support for environmental-focused entrepreneurs, young people and women who improve their income through the circular economy.

RECO

A project that promotes PET bottle return and recycling.
Sales points become collection centers.

Awareness Campaigns

Informative and awareness campaigns to promote recycling, particularly sorting directly from the consumption source to guarantee that PET Bottles and packaging are integrated into the circular economy.



Pillar: Governance

- Governance is key for CBC to achieve long-term value generation, while guaranteeing accountability and the construction of a wholesome, solid company.
- The Board of Directors, the highest governance body, is composed of nine members: four representatives from GEMCORP, two from PepsiCo and three independent members, who are elected based on their knowledge, trajectory, and professional experience.
- The three independent members are selected through an evaluation process with international standards, carried out by a recognized firm for talent selection at a global level.
- Our Corporate Governance Policy contains the guidelines that CBC and its affiliated entities must follow, ensuring that we maximize the value for the Company, maintain the independence of the Board of Directors, respect internal regulations and comply with best practices in corporate governance
- The Board of Directors has appointed the following Committees comprised of experts that are oriented towards the integration of best practices at the international level, promote innovation and ensure compliance with the Company's policies:
 - People & Management Committee
 - Corporate Governance Policy
 - Mergers & Acquisitions Committee
 - Internal Audit Committee
 - Risk & Finance Committee
 - Global and Specific Policies Committee
 - Asset Investment Committee
- CBC will be integrating a **Sustainability Committee** in 2022 to oversee its ESG agenda, which is a priority for the achievement of the company's strategic objectives and to ensure its sustainable growth.
- **Sustainability Committee:**
 - **Responsibility:** Formulating, developing, implementing and monitoring CBC's performance towards SPTs
 - **Reporting:** The Sustainability Committee will report directly to the APEX CEO
 - **Involver Departments:**
 - Manufacturing
 - Finance
 - Logistics and Operations
 - Corporate Affairs
 - Procurement
 - Compliance
 - **Frequency of Meetings:** The Committee will meet 4 times a year





Pillar: Governance

Contributing to a better world is part of CBC's DNA, for this reason CBC integrates the environmental, social and governance dimensions to be part of the solutions and grow in a sustainable way.

The Board of Directors is responsible for the strategic definition of the company in which sustainability is one of the most important pillars. The management of our ESG agenda is executed under the leadership of our CEO and is transversally performed with the main areas of the operation.

CBC prioritizes the multidimensional well-being of its employees, the growth and development of customers, especially the neighborhood store, initiatives to reduce its carbon footprint, efficient and responsible water management, the circular economy, labor standards and human rights, the development of a portfolio with functional, nutritional, and natural ingredients and business ethics and integrity.

A multidisciplinary team is responsible for identifying and treating risks and opportunities.

The ESG agenda is part of the collective and individual goals of all teams that also actively participate in the formulation of initiatives that allow us to continue growing in a sustainable way.

We have adopted an Occupational Health and Safety culture implementing our management system with policies, procedures and standards that guarantee risk identification and control, establishing safe conditions for our employees, visitors, contractors, and other stakeholders. Our processes are based on and comply with international standards. Such processes meet or exceed the local legal requirements in the countries where we operate.

Human Rights

All CBC business and professional activities are carried out under strict compliance with the laws and regulations in each of the countries in which we operate. In addition, we respect and promote respect of Human Rights internationally recognized and established in the International Bill of Human Rights, in the American Convention on Human Rights, in the Fundamental Principles and Rights at Work contained in the ILO Declaration on Fundamental Principles and Rights at Work and in the Core Conventions of the International Labour Organization.





Pillar: Governance

CBC's integrity and ethics system is supported by our top management and is based on our Code of Ethics and our training, awareness and communication policies and processes regarding the importance of a compliance culture. This management system includes, among other important tools, the Ethics Line, that enables our employees and any third party to report claims that will be opportunely discussed and approached by the Ethics Committee. Moreover, claims are handled by a qualified third-party channel to ensure transparency.

The company also has an Anti-Corruption Policy that establishes the principles, standards and practices that govern our procedures to prevent, identify, assess, measure, mitigate, and monitor any possible risk in connection with the compliance of such standards.

In 2020 we began our certification process in the ISO 37001 Anti-bribery Management System, starting with our Guatemala operations and with expansion plans to the rest of our operations.

Antibribery Management System - SGA

Anti-bribery management system to Identify, control, monitor, detect and investigate situations of bribery and corruption in general that could occur in the company.

Ethic line and code of ethics Ethic Norms

- Compliance with laws and regulations
- Relations with the public
- Corporate social responsibility
- Information confidentiality and asset protection
- Gifts, Invitations and Gratuities
- Conflicts of interest
- Ethics Committee and Ethics Line



Anticorruption policy E-Learning

Approval of the Anticorruption Policy course with 100% grade.

Ethic culture

Inspire and enable change, collaborating with peers, economic partners, governments, consumers and communities to promote transparency and integrity in the way we do business



Pillar: Consumer Welfare

We seek to contribute to our consumers' welfare by means of a portfolio of highly functional, nutritionally efficient, and natural products; contribute to reduce chronic malnutrition; ensure clear nutritional labeling so that our consumers can make informed decisions; and become a reference in the industry.



Sugar Reduction

PepsiCo has set a goal to achieve 100 Calories or fewer from added sugar per 12 ounce serving that will represent around 41% of our portfolio and expand the portfolio of zero sugar beverages that will represent around 22% of our portfolio by 2025.

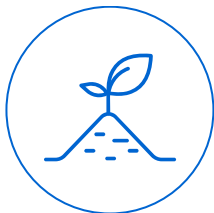
Beliv has defined a goal of reducing added sugar in 80% of its portfolio, approximately 50% with 5 grams or less of sugar per 100ml.



Labelling

CBC complies with all labelling laws and regulations in all markets in which our products are sold. As we work to offer consumers a variety of options, the company's position is to contribute to informed decision-making by consumers.

Considering local legislation, CBC provides nutritional information per serving. It also provides simplified information on the front of the package.



Plant Based and Natural Ingredients

80% of the Beliv portfolio with natural flavours and free of preservatives by 2025. Beliv is developing a portfolio of plant-based options, probiotic drinks, natural juices, and a diverse water portfolio, among which Gütig has been awarded several times as the best naturally carbonated water in the world.



Children advertising

CBC understands that children are a special kind of audience. When communicating about our products, we take particular care to support the role of parents or others responsible for guiding children's diet and lifestyle choices.



Pillar: Consumer Welfare

Our portfolio includes beloved brands with nutritional and digestive benefits, plant based ingredients as well as reduced or no sugar content

Flavored water
Hydration

Juices
Better for you

Yogurt
Nutrition/Digestive

Carbonated
No added sugar

Isotonic Sports Drinks
No sugar



Sparkling Water
Hydration

Nectars
Nutrition

Protein Vegetable

Plant Based Nutrition

Digestive Health

Plant Based
No added Sugar

Plant Based Energy



Pillar: Social Fabric

Create the conditions to eradicate multidimensional poverty



Guarantee that the families of employees have a decent living standard that allows them to grow by transforming their families, communities and their country into a more prosperous place.

- We aspire to strengthen the social fabric in the communities we operate in by not only transforming the industry, but by changing the lives of our employees and customers such as the owners of the neighborhood corner store. It is our intention that by adopting collaborative measures, these projects will bring prosperity to our customers, their families, and their communities.
- Our programs will help to create the conditions to eradicate the multidimensional poverty among 1,500 employees and in the spirit of collaboration, we will share best practices with clients, businesses, and other stakeholders
- **The Multidimensional Poverty Index (MPI)**
 - Our company adopted the MPI designed by SOPHIA Oxford, Inc, an Oxford University linked non-profit partner of the Oxford Poverty & Human Development Initiative (OPHI), to drive our strategy of creating the conditions to eradicate poverty among our employees.
 - We established a volunteer program with teams on Finance, Entrepreneurship, Health, Nutrition, Education, and Housing. They develop and implement strategies to help our employees improve their living standards through counseling and other programs. We measure our progress with the MPI.



Pillar: Social Fabric

"Growing Together" focuses on being part of the solution through eradicating multidimensional poverty of our employees and their families

Prevent	Reduce			Eradicate
Awareness <ul style="list-style-type: none"> ▪ To manage resources for training, communicating, and for awareness to employees and their families to prevent falling into deprivation. <ul style="list-style-type: none"> ✓ Preventive health ✓ Financial education ✓ Balanced diet ✓ School continuity ✓ Bi-annual Measurement of the Multidimensional Poverty Index. 	Provide Tools <ul style="list-style-type: none"> ▪ To drive already available programs based on welfare and benefits that aid in reducing the Multidimensional Poverty Index. <ul style="list-style-type: none"> ✓ Technical certifications ✓ Health days ✓ Skills and coaching for entrepreneurs ✓ Balanced diet in cafeterias ✓ Physical and recreational activities ✓ Prenatal check-ups 	Create Programs <ul style="list-style-type: none"> ▪ To create and spread programs focused on contributing with development progress, both personal and for the family. <ul style="list-style-type: none"> ✓ Debt Consolidation ✓ Interest rate negotiations ✓ Test and diagnostic campaigns, providing follow up through telemedicine ✓ Access to employability programs for relatives 	Generate Projects <ul style="list-style-type: none"> ▪ To offer voluntary access projects with easiness that will provide alternatives for progress. <ul style="list-style-type: none"> ✓ Debt consolidation ✓ Interest rate negotiation ✓ Telemedicine ✓ Access to employability programs for family members 	Attack at the Root <ul style="list-style-type: none"> ▪ To grow together with our employees and build the picture of success for CBC families through entrepreneurship and technology. <ul style="list-style-type: none"> ✓ Safe Water and Sanitation ✓ Eradication of open fires ✓ Adequate solid waste management



Pillar: Social Fabric



Internet Access

We have launched a program to bring internet to about four thousands of our small and microenterprise partners (neighborhood stores) throughout different countries.

We are partnering with VIASAT, which, like us, seeks to bring connectivity to isolated communities so that people can develop their full potential.

We facilitate connectivity, productivity and education through internet services in communities where access is not available through satellite Internet.

Our goal is to provide 3,500 neighborhood stores and 500 rural schools with internet access and use that access to bring a digital transformation to rural communities where connectivity is null or very scarce, thereby connecting development, growth and opportunities improving productivity and quality of life.



Capital Access

We promote the development and economic growth of our clients and their communities through new business opportunities and investing in their training, connectivity, portfolio and access to credit; contributing to the sustainable development of their businesses, and positively impacting more than 500,000 people.

We facilitate a digital platform meant to transform the Points Of Sale ("POS") into a center for the collection of remittances and payments of services such as water, electricity, telephone, internet, and bank loans among others. We therefore transform the POS in the region into a payment channel for the end users.

Our goal is to make available a working capital program to 75,000 micro entrepreneurs, that includes a revolving line of credit for the acquisition of products that generate incremental business for the neighborhood store. Transactions would be in digital form. Additionally, we will provide them with tools to improve administrative management and digital services.





03 | Rationale for Issuance



03 | Rationale for Issuance



- CBC has a strong commitment to sustainability, as demonstrated by our adherence to global initiatives such as the United Nations Global Compact, the UN Women's Principles for the Economic Empowerment of Women and SBTi.
- CBC also has a clear agenda for integrating the environmental, social and governance dimensions into its strategy, across all its operations.
- Our vision is to be part of the solutions to the great global challenges. CBC is a company that has a strong commitment to exhaustive and inclusive development and contemplates within its purpose the objective of having a responsible environmental footprint.
- The objectives set for the issuance of any sustainability linked instrument (each, an "SLI") issued under this Framework are associated with the Company's material issues and an effective contribution to reducing its carbon footprint and ensuring a comprehensive management of solid waste based on the principles of the circular economy.
- In order to reinforce CBC's commitment to address environmental challenges, effect positive impact through its operations and deliver on its commitment to provide sustainable solutions to its clients while simultaneously reducing its operational waste, CBC intends to issue SLIs, which may include, but are not limited to, Sustainability-Linked Bonds ("SLBs") and Sustainability-Linked Loans ("SLLs").
- As part of each issuance, CBC will commit to specific environmental outcomes by addressing its GHG Scope 1 and 2 emissions, while setting ambitious science-based timelines to achieve sustainability performance targets that are relevant, core and material to our business. Moreover, CBC is committed to achieving and maintain Carbon Trust Standard for Zero Waste to Landfill across all of its manufacturing plants in operation to address the importance of the circular economy and ensuring that at least 99% of all operations waste is either recycled, composted, re-used or sent to energy recovery.
- Our sustainability strategy and environmental commitments are the cornerstone for the issuance of our SLIs. Through the issuance of our SLIs, we aim to finance our role in the transition to an environmentally and socially sustainable economy, in alignment with our priorities of reducing absolute GHG emissions and waste management oriented to a circular economy. We hope the issuance of our SLIs will inspire other similar companies to do the same.



04 | Alignment with the Sustainability-Linked Bond Principles and Sustainability-Linked Loan Principles



04 | Alignment with the Sustainability-Linked Bond Principles and Sustainability-Linked Loan Principles



This Framework has been established in accordance with the (i) Sustainability-Linked Bond Principles 2020 (“SLBP”), as administered by the International Capital Market Association (“ICMA”) aiming to encompass future issuances in the capital markets and (ii) Sustainability-Linked Loan Principles 2021 (“SLLP”), as administered by the Loan Markets Association (“LMA”) aiming to encompass bilateral or syndicated loans with financial institutions and/or multilateral agencies.

The SLBP and the SLLP, or the Sustainability-Linked Principles (“SLP”) are voluntary process guidelines that outline best practices for financial instruments to incorporate forward-looking ESG outcomes and promote integrity in the development of sustainability-linked financing by clarifying CBC’s approach to issuing SLIs. This Framework is in alignment with the five core components of the SLBP and SLLP:

1. Selection of Targets and Key Performance Indicator (KPI)
2. Calibration of Sustainability Performance Targets (SPT)
3. Financial Characteristics
4. Reporting
5. Independent Verification of the components listed in points 1-4

SLIs can be any type of instrument in which the financial and/or structural characteristics may vary according to the achievement (or not) of predefined sustainability goals. In this sense, we are explicitly committing to future improvements in the targets of sustainability performance that are relevant, essential, and material to our business, within a predetermined schedule.

As a result, SLIs are a forward-looking performance-based instrument. The proceeds of SLIs are intended to be used for general purposes or any other purpose; hence, the use of proceeds is not a determinant in our categorization. CBC will select one or more of the following SPTs and measure progress against our sustainability commitments.

**Loan
Market
Association**
the authoritative voice
of the EMEA market



4.1 | Selection of KPIs: GHG Emissions Reduction



KPI 1

Absolute Greenhouse Gas (GHG) Emissions Reduction (Scope 1 & 2) (in Tonnes of CO₂ Equivalent)



Long-Term Goal:

- Achieve Carbon neutrality by 2050 across CBC's operations

Baseline 2019:

- 98,482 TCO₂Eq
- CBC's carbon footprint is internally assessed, based on the GHG Protocol, by measuring the Scopes 1 and 2 in the manufacturing plants and agencies, using the IPCC emission factors for each of the countries where there are operations, based on operational limits.
- The baseline has been audited by our external auditor using 2019 as reference baseline. CBC will present the targets to the Science Based Targets initiative-(SBTi) during the course of 2022 and validation is expected no later than October 31, 2023. The operational goals (Scopes 1 and 2) established by CBC are consistent with the emission reduction required under the Paris Agreement and with the Business Ambition to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels

Rationale:

- Science-based emissions reductions targets are at the heart of the Company's climate strategy and CBC is committed to achieving a long-term pathway to climate-neutral production
- GHG emissions are a material issue for CBC and the Bottling industry as a whole due to the energy-intensive nature of the pre-production process of our business. Our preliminary analysis shows Scope 1 and 2 emissions accounted for approximately 20% of CBC's GHG emissions in 2020, while Scope 3 accounted for the remaining 80%. CBC is in the process of establishing an SBTi-approved goal for emissions reduction from purchased goods and services in line with the 2°C global warming scenario and intends to publicly report on its progress on Scope 3 emissions reduction in its future annual reports.
- CBC is committed to the long-term strategic investments and customer and supply chain engagement that will be necessary to achieve its science-based target for Scope 3 emissions reduction. We have chosen to focus on our Scope 1 and 2 emissions for this Framework as we are in the early stages of validating strategies and timelines for reducing emissions associated with our supply chain. In mapping out our Scope 3 emissions, we will aim to hold regular roundtables with key suppliers to discuss and agree on measures for decarbonization along the whole value chain that align with our decarbonization strategy and commitments. Given the complexities and scale of our operations, each with specific regional limitations, it is extremely challenging to project a short and medium term mapping and trajectory of our Scope 3 emissions. In the long-term, we expect technological improvements together with increased customer demand towards sustainable operations and our commitment for cleaner operations to materially reduce our GHG footprint of our purchased raw materials.

Relevant Methodology:

- In accordance with the GHG Protocol, we carried out an inventory of our GHG emissions (Scope 1 and 2) and defined on this basis a goal of reducing emissions through concrete actions in our operations.
- This KPI is calculated in Tonnes CO₂ Equivalent (TCO₂E), in compliance with the GHG Protocol and audited externally by our external auditor
- With regards to our Scope 3 GHG emissions, we are mapping emissions through the value chain, and achieving the verification of our baseline by our external auditor in order to reduce Scope 3 absolute emissions by 2030.
- The mapping of our Scope 1, 2 and 3 emissions will utilize the methodology of the SBTi; Our Scope 1 and 2 targets will be aligned with a 1.5°C scenario while the Scope 3 targets will be aligned with a 2°C scenario

KPI Boundary:

- This KPI applies to 100% of CBC's Scope 1 and Scope 2 emissions inventory generated by the 16 manufacturing plants and the agencies operated by CBC, including all expected organic growth, as of December 31, 2020.
- New manufacturing plants or agencies, whether added organic or inorganically, will be part of the inventory in the 24 months following the integration, if they represent less than (i) 10% of net sales revenue or (ii) 10% of production capacity¹.

1. Subject to exclusions established in the preliminary offering memorandum

4.1 | Selection of KPIs: Circular Economy

KPI 2

The number of manufacturing plants operated by CBC that are certified with the Carbon Trust Standard for Zero Waste to Landfill
(measured as the number of manufacturing plants operated by CBC that are certified with the Carbon Trust Standard for Zero Waste to Landfill across all of CBC's operations divided by the total number of manufacturing plants operated by CBC as of December 31, 2020)



Long-Term Goal:

- Achieve and maintain the Carbon Trust Standard for Zero Waste to Landfill across all of our operations

Baseline 2020:

- 0 ; 0 out of the 16 manufacturing plants operated by CBC as of December 31, 2020 had the Carbon Trust Standard for Zero Waste to Landfill

Rationale:

- At CBC, we are committed to becoming part of the solution that contributes to the transition to the circular economy. Throughout the countries in which we operate, we have partnered with local NGOs and communities to propose recollection models, while adapting our recycling capacity and increasing the percentage of recycled resin used in our products. We recognize that in parallel with our efforts to address postconsumer waste, we must detect our own waste and promote its integration into the circular economy. Achieving and maintaining the Carbon Trust Standard for Zero Waste to Landfill across all of our manufacturing plants in operations as of December 31, 2020 will allow us to directly contribute to the circular economy by assuring at least 99% of CBC's operational waste is diverted from landfills. At 100% certification, we estimate at least 99% of our operational waste from the 16 manufacturing plants we operate, as of December 31, 2020, would be diverted from landfills on an annual basis. This would represent approximately 34.9% of our total 2020 waste footprint (Operational waste + Post Consumer Waste)

Relevant Methodology:

- The achievement of Zero Waste to Landfill has been benchmarked against Carbon Trust
- Under the Carbon Trust methodology, in order to achieve the Carbon Trust Standard for Zero Waste to Landfill, a manufacturing plant must ensure that at least 99.0% of generated waste is diverted from landfills. To do this, all waste produced is either recycled, composted, re-used or sent to energy recovery. Furthermore, to ensure compliance and thus maintain standard, a bi-annual review of each plant is carried out by Carbon Trust
- Carbon Trust has recently developed its own robust framework for verifying zero waste to landfill claims, aiming to achieve transparency in waste management for the increasing number of organizations seeking the benefits that come from becoming a zero waste to landfill organization¹
- We have adopted the Carbon Trust Method for Zero Operational Waste to Landfill by characterizing residues based on the European Waste Catalogue (EWC) codes.

KPI Boundary:

- This KPI applies to 100% of CBC's manufacturing plants located in 9 countries, including all organic growth during the validity of the instrument, as of December 31, 2020
- For all future plants acquired by CBC whereby CBC will own more than 50% ownership, the company will follow the following schedule of integration into this KPI Boundary^{2,3}
 - 1st year – Diagnostic
 - 2nd year – Integration
 - 3rd year – Supplier identification and waste characterization
 - 4th year – Zero Waste to Landfill indicators and tests
 - 5th year – Pursue Carbon Trust Standard for Zero Waste to Landfill

1. For more information, please visit www.carbontrust.com. 2. The beginning of 1st year defined as day acquisition is closed. 3. If CBC acquires more than a 50% ownership in a manufacturing plant, the company will integrate the plant following the schedule described in KPI 2 Boundary in page 33. Consequently CBC will achieve and maintain Carbon Trust Standard for Zero Waste to Landfill for 16 out of the 16 manufacturing plants operated by CBC as of December 31, 2020 and may include additional plants that will increase the 2030 year-end target.

4.2 | Calibration of SPTs: GHG Emissions Reduction



SPT 1.1: (2025)

- **Sustainability Performance Target 1.1:** Reduce Absolute Greenhouse Gas (GHG) Emissions (Scope 1 & 2) to be equal to or lower than the lesser of 70,907 TCO₂Eq or the SBTi-validated target, as of October 31, 2023, by year-end 2025. This is the equivalent of a 28% reduction from the 2019 baseline by year-end 2025
- **Sustainability Performance Target Observation Date:** December 31, 2025
- **2019 Baseline:** 98,482 TCO₂Eq



SPT 1.2: (2026)

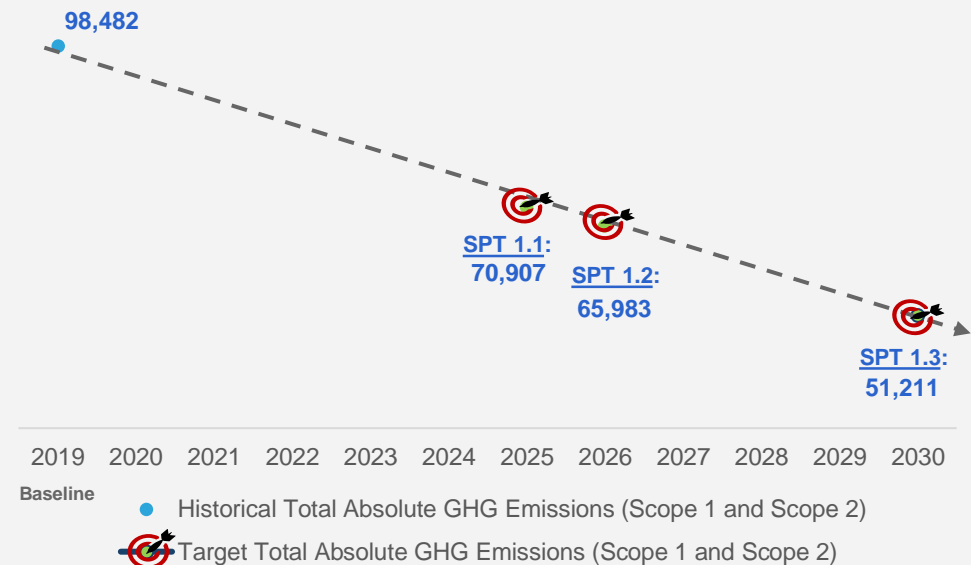
- **Sustainability Performance Target 1.2:** Reduce Absolute Greenhouse Gas (GHG) Emissions (Scope 1 & 2) to be equal to or lower than the lesser of 65,983 TCO₂Eq or the SBTi-validated target, as of October 31, 2023 by year-end 2026. This is the equivalent of a 33% reduction from the 2019 baseline by year-end 2026
- **Sustainability Performance Target Observation Date:** December 31, 2026
- **2019 Baseline:** 98,482 TCO₂Eq



SPT 1.3: (2030)

- **Sustainability Performance Target 1.3:** Reduce Absolute Greenhouse Gas (GHG) Emissions (Scope 1 & 2) to be equal to or lower than the lesser of 51,211 TCO₂Eq or the SBTi-validated target, as of October 31, 2023 by year-end 2030. This is the equivalent of a 48% reduction from the 2019 baseline by year-end 2030
- **Sustainability Performance Target Observation Date:** December 31, 2030
- **2019 Baseline:** 98,482 TCO₂Eq

Absolute Greenhouse Gas (GHG) Emissions Reduction (Scope 1 & 2) (TCO₂ Eq)



Key factors that support the achievement of the target:

- Strong commitment of the Board of Directors to the sustainability strategy which is aligned with the SBTi.
- Migration to a renewable energy mix by contracting and purchasing direct and virtual Power Purchase Agreements (PPAs).
- Optimizing the routes followed by our distribution fleet.
- Replacement of our current coolers for more energy efficient and environmentally friendly technology in the points of sale.

Potential barriers to target achievement:

- Extreme events, such as pandemics and natural disasters.
- Equipment failure and unexpected plant shutdown, among other operational factors.
- Market constraints in availability and pricing of energy efficient equipment and renewable energy.
- Regulatory uncertainty, for example related to the procurement of renewable energy through PPAs.

CBC's Strategies to Decarbonize

Absolute GHG Emissions

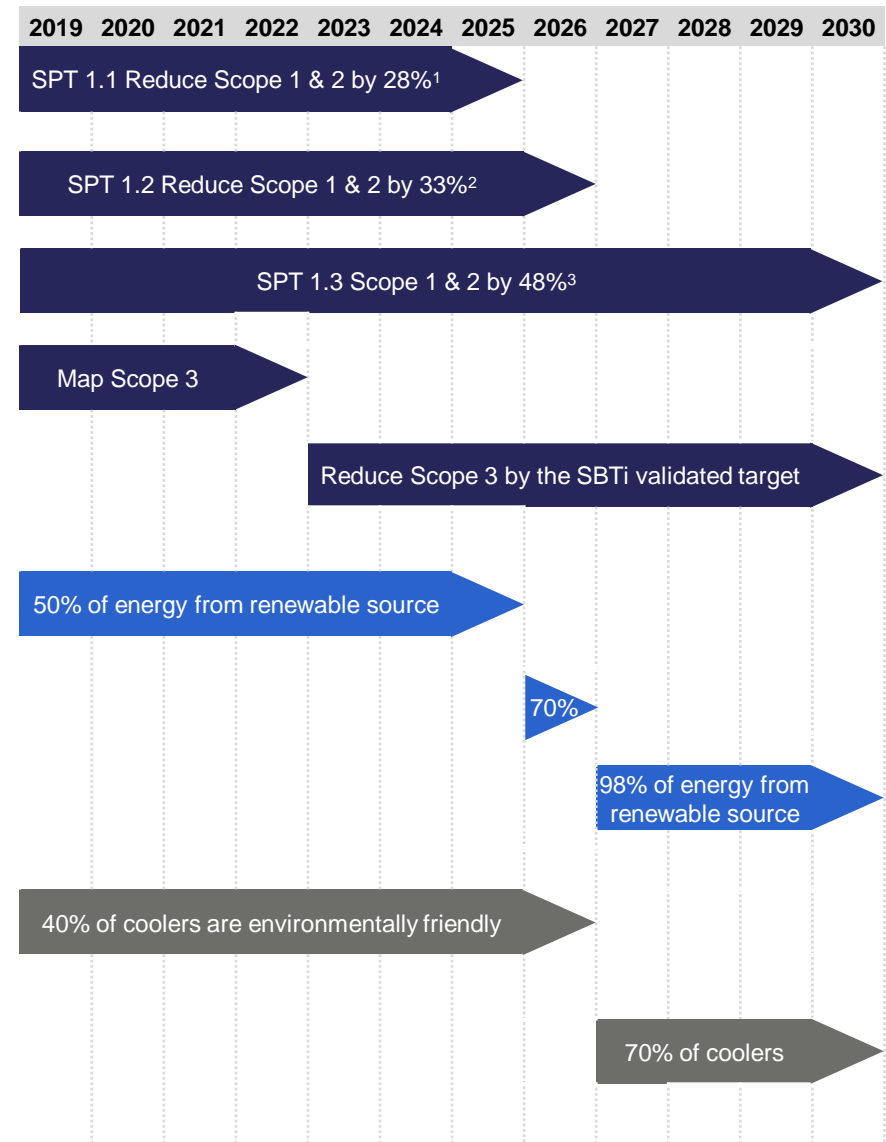
- Scope 1
- Scope 2
- Scope 3

Renewable Energy Manufacturing Plants, Distribution Centers and Warehouses⁴

- Change of electricity mix in manufacturing factories and agencies
- Improvement of electricity mix in manufacturing factories, distribution centers and warehouses
- Implementation plan is the following: in Ecuador in 2021, Livsmart in El Salvador and Honduras in 2022, Guatemala and Peru in 2023, Puerto Rico and Nicaragua in 2025, Mariposa in El Salvador and Jamaica in 2026, Argentina 2027

Coolers

- New technology for coolers with environmentally friendly R290 (propane) with low Global Warming Potential (GWP).
 - Renewal of current inventory and new inventory of coolers with new technology- from 189K (26% with R290 propane gas) in 2020 to 216K by 2030 (70% of equipment with R290 propane gas).
 - The remaining equipment will be replaced based on obsolescence, by the year 2035 100% of the equipment will have this environmentally friendly technology.
- Replacement will be done throughout jurisdiction with a special focus on Guatemala that represents 37% of the inventory
- 11,000 – 15,000 coolers replaced by year, leading to a carbon reduction of ~300TCO₂ Eq. / year



1. Reduction to be equal to the more aggressive reduction of 28% or SBTi validated target
 2. Reduction to be equal to the more aggressive reduction of 33% or SBTi validated target
 3. Reduction to be equal to the more aggressive reduction of 48% or SBTi validated target
 4. In El Salvador, Honduras, Nicaragua, Guatemala, Ecuador and Peru

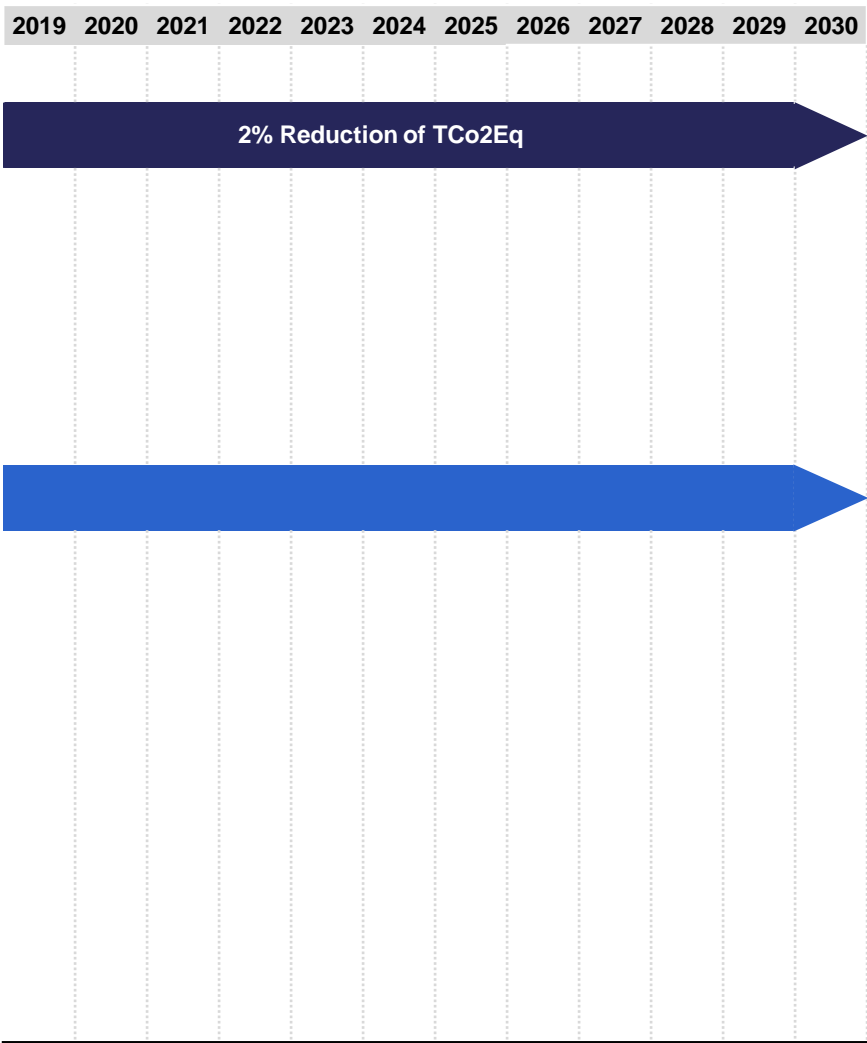
CBC's Strategies to Decarbonize

True Efficiency

- True Efficiency is a productivity measure from a manufacturing standpoint.
- When CBC improves its True Efficiency measurement, the manufacturing plants reduce the number of hours of operation and improve energy and fuel consumption indicators thereby reducing our GHG emissions.
- Our True Efficiency efforts in our bottling lines for the next 3 years will represent a reduction of approximately 3,500 hours of machine operating time. This represents savings of ~1,620 MWh and a reduction of ~634 TCO₂Eq.
- For our operations in the Caribbean (Jamaica and Puerto Rico) our True Efficiency initiatives will help us standardize and improve our process to reduce GHG emissions.

Route Optimization

- **Dynamic Dispatch** allows the fleet to be more efficient in terms of timing, reducing emissions and fuel consumption.
- Use of software that optimizes the load capacity of trucks and develops logical, more efficient routes for the delivery.
- Utilization of SAP module for Customer Management.
- **Roadnet**: A tool for tactical planning of daily routes that optimizes routes and truck capacity, which translates into meeting both customer requirements and expected profitability.



CBC's Strategies to Decarbonize



World Class Manufacturing

CBC's own energy and fuel consumption standard

- Strict guidelines regarding fuel and energy consumption.
- Downtime minimization.
- Routine maintenance practices, for early detection of problems.
- Ultrasonic measurements in order to identify compressed air losses which can impact significantly electricity consumption
 - 21 compressed air losses repairs resulted in 1,314KW savings → 1 TCO₂ Eq.

GHG Protocol

- CBC's decarbonization strategies are based on the GHG Protocol following the guidelines and operational standards defined in the protocol and in compliance with SBTi for reduction goals GHG 2019-2030

Zero Waste to Landfill

We aim to achieve and maintain the Carbon Trust Standard for Zero Waste to Landfill across all of the 16 manufacturing plants operated by CBC as of December 31, 2020.

Waste is a significant contributor to our GHG emissions, not only because of wasted materials, but also because of the imbedded energy and materials in the production stage and in the waste processing. Our efforts to achieve at least 99.0% of operational waste to be diverted from landfills across 100% of our manufacturing plants will play an important role in our decarbonization strategy

CBC's World Class Productivity Program in Manufacturing, Sales and Logistics

- Designed to standardize procedures and good practices
- Main KPIs: Consumption of electricity, steam, water, fuel, maintenance and circular economy practices, health and safety practices.



Energy and Water Consumption

Action: Substitute the cleaning process that uses chemicals, and replace it with ozonized water with a new lighthouse

Result:

- Reduce the volumes of water and chemicals consumed and the use of steam to heat solutions
- Reduction in line with operating hours of 10,800 KWh/year
 - - 4.0 TCO₂ Eq.

Geography: Puerto Rico. Potential: Peru, El Salvador, Guatemala, Ecuador



Energy Consumption Reduction in CSD Lines

Action: Transition, with Krones, from classic cold (T° from 1 to 4 ° C) to filling temperatures at 18°C

Result:

- Reduce water consumption by 35%
- Reduce electrical consumption of cold compressors by 3,000 MWH/year → -1,174 TCO₂ Eq.

Geography: 5 lines, in Guatemala, El Salvador, Peru. Potential: All

4.2 | Calibration of SPTs: GHG Emissions Reduction

Peer Comparison

GHG Emissions (Scope 1 & 2)		Peer 1	Peer 2	Peer 3	Peer 4	Peer 5	Peer 6	Peer 7	Peer 8
Baseline (Absolute)	0.098 ¹	5.48 ¹	0.38 ¹	0.116 ¹	5.58 ¹	6.18 ¹	N/A	N/A	N/A
Baseline Year	2019	2015	2015	2015	2015	2017	2010	2010	N/A
Last reported GHG Emissions (Absolute)	0.098 ¹	4.5 ¹	0.24 ¹	0.303 ¹	4.77 ¹	4.71 ¹	0.72 ¹	0.16 ¹	0.10 ¹
GHG Reduction Goals (Scope 1 and Scope 2)									
Reduction Goal (%)	48%	75%	50%	25%	25%	35%	22%	50%	N/A
Target Year	2030	2030	2030	2030	2030	2025	2020	2030	N/A
Absolute GHG Emissions by Target Year	0.051 ¹	1.37 ¹	0.19 ¹	0.087 ¹	4.19 ¹	4.02 ¹	N/A	N/A	N/A

4.2 | Calibration of SPTs: Circular Economy



SPT 2.1: (2025)

- **Sustainability Performance Target 2.1:** Achieve and maintain the Carbon Trust Standard for Zero Waste to Landfill for 8 out of the 16 manufacturing plants operated by CBC as of December 31, 2020 by year-end 2025. Achieving this SPT would represent approximately 68.2% of the total operational waste generated by CBC's manufacturing plants as of December 31, 2020
- **Sustainability Performance Target Observation Date:** December 31, 2025
- **2020 Baseline:** 0% ; 0 out of the 16 manufacturing plants operated by CBC as of December 31, 2020 had the Carbon Trust Standard for Zero Waste to Landfill



SPT 2.2: (2026)

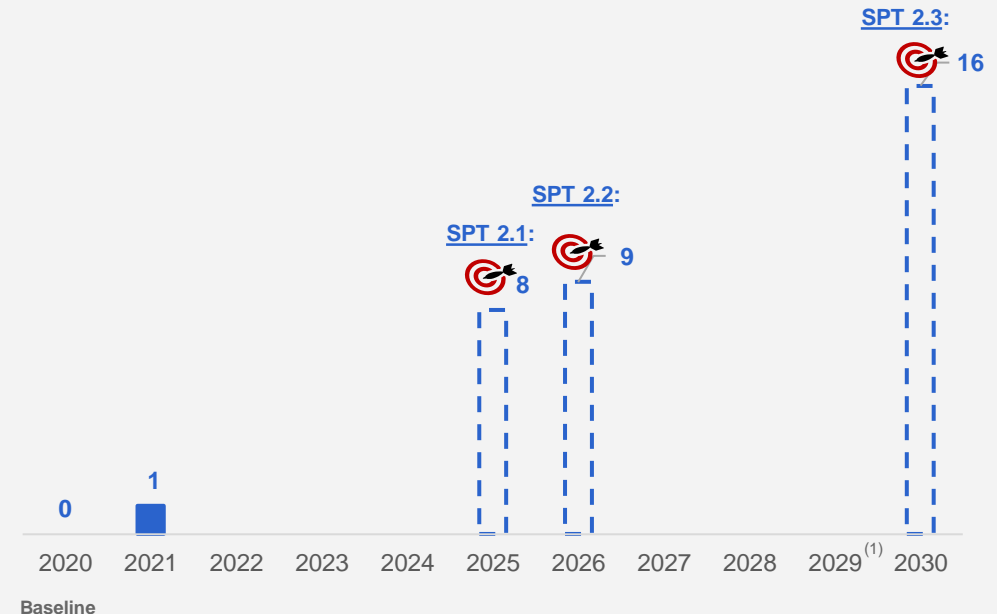
- **Sustainability Performance Target 2.2:** Achieve and maintain the Carbon Trust Standard for Zero Waste to Landfill for 9 out of the 16 manufacturing plants operated by CBC as of December 31, 2020 by year-end 2026. Achieving this SPT would represent approximately 75.8% of the total operational waste generated by CBC's manufacturing plants as of December 31, 2020
- **Sustainability Performance Target Observation Date:** December 31, 2026
- **2020 Baseline:** 0% ; 0 out of the 16 manufacturing plants operated by CBC as of December 31, 2020 had the Carbon Trust Standard for Zero Waste to Landfill



SPT 2.3: (2030)

- **Sustainability Performance Target 2.3:** Achieve and maintain the Carbon Trust Standard for Zero Waste to Landfill for 16 out of the 16 manufacturing plants operated by CBC as of December 31, 2020 by year-end 2030. Achieving this SPT would represent approximately 99% of the total operational waste generated by CBC's manufacturing plants as of December 31, 2020
- **Sustainability Performance Target Observation Date:** December 31, 2030
- **2020 Baseline:** 0% ; 0 out of the 16 manufacturing plants operated by CBC as of December 31, 2020 had the Carbon Trust Standard for Zero Waste to Landfill

Number of Manufacturing Plants operated by CBC with the Carbon Trust Standard for Zero Waste to Landfill



Key Factors that support the achievement of the target:

- Strong commitment of the Board of Directors to our sustainability strategy
- Mapping of each factory's sources of operational waste
- Increase recycling capacity
- Support collection initiatives

Potential barriers to target achievement:

- Extreme events, such as pandemics and natural disasters.
- Equipment failure and unexpected plant shutdowns, among other operational factors
- Regulatory uncertainty, waste management
- Investments in physical infrastructure that enable effective waste
- Lack of industry to guarantee treatment of non-recyclable waste in some countries where we operate

1. If CBC acquires more than a 50% ownership in a manufacturing plant, the company will integrate the plant following the schedule described in KPI 2 Boundary in page 33. Consequently CBC will achieve and maintain the Carbon Trust Standard for Zero Waste to Landfill for 16 out of the 16 manufacturing plants operated by CBC as of December 31, 2020 and may include additional plants that will increase the 2030 year-end target.

4.2 | Calibration of SPTs: Circular Economy

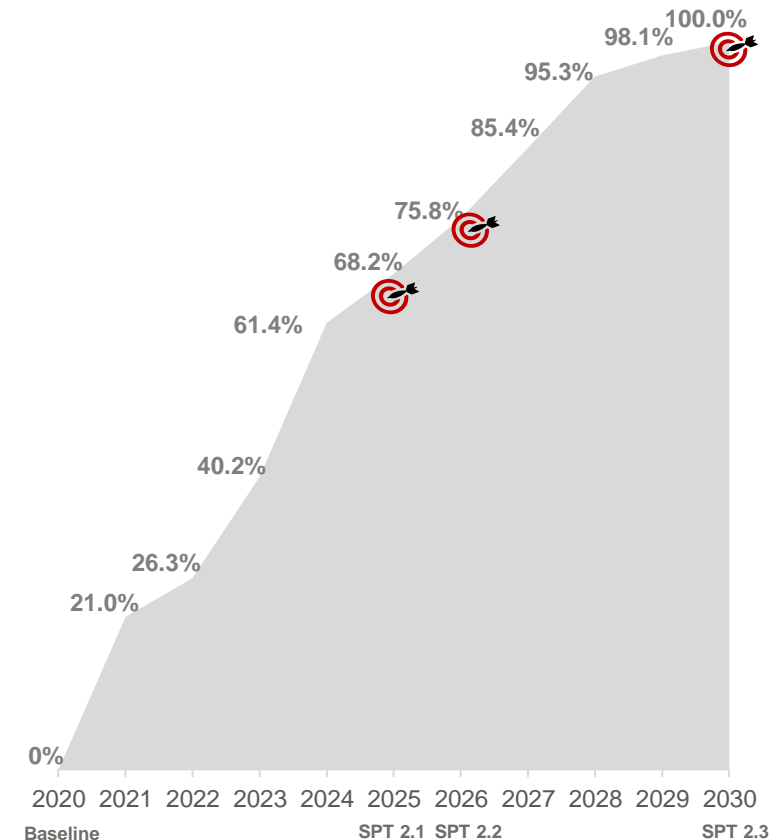
Our roadmap to achieve and maintain the Carbon Trust Standard for Zero Waste to Landfill for 100% manufacturing plants operated by CBC as of December 31, 2020

Manufacturing Plant	% of 2020 Total CBC Operational Waste	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Mariposa	21.03 %	99%		99%		99%		99%		99%	
Machachi	6.4 %				99%		99%		99%		99%
Guayaquil	6.2%			99%		99%		99%		99%	
Huachipa	7.71%			99%		99%		99%		99%	
Sullana	4.94%				99%		99%		99%		99%
Livsmart	9.86%				99%		99%		99%		99%
Cuyotenango	5.23%	99%			99%		99%		99%		99%
Cuenca	2.68%							99%			99%
Machala	2.86%									99%	
Nicaragua	6.99%							99%		99%	
Milagro	2.61%							99%		99%	
Honduras	6.8%					99%		99%		99%	
Puerto Rico	7.6%						99%		99%		99%
Jamaica	7.22%							99%			99%
Lules	0.94%										99%
Chajarí	0.93%										99%

Target Expected achievement of the Carbon Trust Standard for Zero Waste to Landfill

Target Bi-Annual Review by Carbon Trust

Percent target of CBC's 2020 operational waste diverted from landfills



4.3 | Sustainability - Linked Characteristics



The financial characteristics of any security issued under this Framework, including a description of the selected KPI(s), SPTs, step-up margin amount or premium payment amount, as applicable, will be specified in the relevant documentation governing the SLI.

For any instruments issued under this Framework, there will be various trigger events impacting the financial characteristics of the security. The occurrence of a trigger event will result in a coupon step-up, accruing from a date specified in the relevant documentation governing the SLI (or an increase in the premium, as the case may be).

The relevant timing of the potential coupon step-up will be specified in the documentation governing the SLI.

A step-up of the coupon shall be triggered if:

- One or more SPTs are not achieved by the relevant notification date(s) specified in the documentation governing the SLI; or
- The Company fails or is unable to provide a satisfaction notification in accordance with the documentation governing the SLI

Potential changes to calculations

- Both KPI 1 and KPI 2 encompass 100% of CBC's manufacturing plants as of December 31, 2020, including all organic growth during the validity of the Sustainability-Linked Financing instrument
- For purposes of the Sustainability Performance Targets 1.1, 1.2, 1.3, 2.1., 2.2., 2.3 and the calculation of KPIs 1 and 2, certain potential events, such as significant acquisitions, divestitures, mergers or changes in the regulatory environment, can substantially impact the calculation of the KPI and may require the restatement of the SPTs and/or pro-forma adjustments of baselines or KPI Scope. Any such readjustment will be communicated within CBC's annual reporting on the SPTs and will be accompanied by a verification statement from an independent qualified external reviewer (as outlined in the verification section)
- Details on the adjustments of the relevant KPIs or SPTs due to significant acquisitions, divestitures, mergers or changes in the applicable regulatory environment, if applicable, as well as where needed any fallback mechanism in case the SPT(s) cannot be calculated or observed in a satisfactory manner, will be described in the documentation governing the SLI.

4.4 | Annual Reporting

4.5 | Verification



CBC will publish and keep readily available and easily accessible on our website a Sustainability-Linked Instrument Report (the “report”) included within our annual Sustainability Report. The report will be made available annually until CBC has reported on the performance of each of the SPTs on the applicable stated observation date.

The report will include:

- Information on the performance of the selected KPIs;
- A verification assurance report relative to the SPTs outlining the performance against the SPTs and the related impact, and timing of such impact, on an SLI’s financial performance; and
- Any relevant information enabling investors to monitor the progress of the SPTs.

The report may also include when feasible:

- Illustration of the positive sustainability impacts of the performance improvement; and/or
- Any re-assessments of KPIs and/or restatement of the SPTs and/or pro-forma adjustments of baselines or KPI Scope

CBC’s performance of the KPIs defined in 1.1 and 1.2 at the relevant observation date will be verified by an external auditor as part of our annual report audit process. CBC will provide verification to a limited level of assurance.

CBC’s Framework has been reviewed by Sustainalytics who provided a second party opinion (“SPO”), confirming the alignment of the Framework with the Sustainability-Linked Bond Principles (“SLBP”) 2020 and the Sustainability-Linked Loan Principles (“SLLP”) 2021



Sustainalytics will provide an independent evaluation of our Framework which will be available on their website.



Sustainalytics is a leading provider of corporate governance and responsible investment solutions, market intelligence, fund services, and events and editorial content for institutional investors and corporations, globally.

This Sustainability-Linked Financing Framework (the “Framework”) does not constitute a recommendation regarding any securities of CBC or any affiliate of CBC. This Framework is not, does not contain and may not be deemed to constitute an offer to sell or a solicitation of any offer to buy any securities issued by CBC or any affiliate of CBC. In particular neither this Framework nor any other related material may be distributed or published in any jurisdiction in which it is unlawful to do so, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession such documents may come must inform themselves about and observe any applicable restrictions on distribution. Any instruments or other debt securities that may be issued by CBC or its affiliates from time to time, including any Sustainability-Linked Instrument, shall be offered by means of a separate prospectus or offering document in accordance with all applicable laws, any decision to purchase any such securities should be made solely on the basis of the information contained in any such prospectus or offering document provided in connection with the offering of such securities, and not on the basis of this Framework.

The information and opinions contained in this Framework are provided as of the date of this Framework and are subject to change without notice. None of CBC or any of its affiliates assume any responsibility or obligation to update or revise such statements, regardless of whether those statements are affected by the results of new information, future events or otherwise. This Framework represents current CBC policy and intent, is subject to change and is not intended to, nor can it be relied on, to create legal relations, rights, or obligations. This Framework is intended to provide non-exhaustive, general information. This Framework may contain or incorporate by reference public information not separately reviewed, approved or endorsed by CBC and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by CBC as to the fairness, accuracy, reasonableness, or completeness of such information. This Framework may contain statements about future events and expectations that are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are generally identified through the inclusion of words such as “aim,” “anticipate,” “believe,” “drive,” “estimate,” “expect,” “goal,” “intend,” “may,” “plan,” “project,” “strategy,” “target” and “will” or similar statements or variations of such terms and other similar expressions. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from those predicted in such statements. None of the future projections, expectations, estimates or prospects in this Framework should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of assumptions, fully stated in this Framework. No representation is made as to the suitability of any Sustainability-Linked Instruments to fulfil environmental and sustainability criteria required by prospective investors.

This Framework does not create any legally enforceable obligations against CBC; any such legally enforceable obligations relating to any Sustainability-Linked Instruments are limited to those expressly set forth in the legal documentation governing each such series of Sustainability-Linked Instruments. Therefore, unless expressly set forth in such legal documentation, CBC’s failure to adhere or comply with any terms of this Framework, including, without limitation, failure to achieve any sustainability targets or goals set forth herein, will not constitute an event of default or breach of contractual obligations under the terms and conditions of any such Sustainability-Linked Instruments. Factors that may affect CBC’s ability to achieve any sustainability goals or targets set forth herein include (but are not limited to) market, political and economic conditions, changes in government policy (whether with a continuity of the government or on a change in the composition of the government), changes in laws, rules or regulations, and other challenges.