

BECLE | 2023 INTEGRATED ANNUAL REPORT

A HISTORY OF INNOVATION



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This report shares our strategy and operational performance, driven by our commitment to excellence, as well as our contribution to making a positive impact on our people, the environment and the communities where we operate.



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GRI 2-1, 2-3, 2-4

Becele, S.A.B de C.V. presents its second Integrated Annual Report, which shows its ESG performance with concrete and verifiable actions, facts and figures. The report also provides details on the financial performance and operations of the company. No material information was omitted and there was no restatement of information from previous reporting periods, as there were no changes in the methodology, definitions or nature of the business.

This report was developed in accordance with the GRI (Global Reporting Initiative) Standards, as well as material indicators of the SASB (Sustainability Accounting Standards) for the Alcoholic Beverage Industry, as well as TCFD and SDG frameworks. The information contained herein corresponds to the period from January 1 to December 31, 2023.





MESSAGE FROM OUR CEO

GRI 2-22

ALTHOUGH DEEPLY ROOTED IN TRADITION, OUR COMMITMENT TO CONSTANT INNOVATION SETS US APART IN THE SECTOR.

DEAR SHAREHOLDERS,

For the second consecutive year, I am pleased to share with you Becle's Integrated Annual Report, where we highlight our progress in environmental, social, and corporate governance commitments, alongside our sustainability strategy for 2023.

Although deeply rooted in tradition, our commitment to constant innovation sets us apart in the sector. This has been key to our success, allowing us to stay ahead in creating brands and categories and adopting new processes and business practices.

Innovation has invigorated our brands and kept us current with our consumers. This year, we launched several new products, including the organic Reserva de la Familia Cristalino, crafted from carefully selected agaves, and Bushmills' ultra-aged 25 and 30-year-old single malts, now permanent additions to the distillery's core range. Bushmills is one of the few distilleries with enough inventory to continually release such aged spirits.

Our strategic focus on premiumization has enabled us to maintain or increase our market share in most key markets, despite an industry-wide contraction in volume across most spirits categories. In Mexico, we achieved 8.1% growth in value and historic market share levels within the fastest-growing categories, tequila and mezcal.





IN 2023, WE IMPROVED THE COMPLETENESS AND ACCURACY OF OUR ENVIRONMENTAL REPORTING BY DEEPENING OUR ANALYSIS AND INCREASING THE NUMBER OF REPORTED INDICATORS.

We are steadfast in integrating sustainability into our business strategy, driving meaningful change throughout the industry. Aligned with our sustainability framework, we have introduced initiatives aimed at advancing our environmental efforts, prioritize justice, equity, diversity, and inclusion in our labor practices, and create social value in our communities. As signatories of the United Nations Global Compact, we adhere to its ten principles, protecting human rights, upholding ethical labor practices, preserving the environment, and fighting corruption.

In 2023, we improved the completeness and accuracy of our environmental reporting by deepening our analysis and increasing the number of reported indicators. Noteworthy results include:

- Thanks to our long-term power supply agreements, **50%** of our energy at our sites in Mexico is sourced from a solar plant. At our Bushmills distillery, **100%** of electricity now comes from certified renewable sources.
- We reduced water usage in our barrel swelling process by **96%** at La Rojeña distillery and achieved a global water intensity ratio of 5.54 liters per liter of product sold, highlighting our commitment to efficient water use.
- We achieved a **70%** reduction in the use of gift boxes in our Mexican portfolio.
- **100%** of bagasse waste generated from tequila production is used in our agave fields or repurposed.

We continue to support our communities by investing in programs, services, and infrastructure, focusing on education and social innovation. Through the Fundación Jose Cuervo, we have implemented educational initiatives to enhance children’s academic performance, developed health and well-being programs, and supported local entrepreneurs, promoting economic and social growth in our communities.

With innovation and sustainability as our driving forces, we are confident in our path toward continued growth and success. I extend my gratitude to our employees for their dedication and hard work, and to our consumers, partners, and shareholders for their steadfast support.

Sincerely,

JUAN DOMINGO BECKMANN LEGORRETA
Chairman and Chief Executive Officer

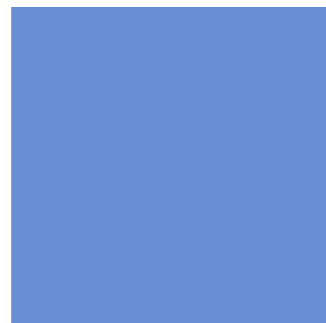


96%

REDUCTION IN WATER FOR OUR BARREL SWELLING PROCESS AT THE LA ROJEÑA DISTILLERY.



ABOUT BECLE



GRI 2-1

BECLE IS THE WORLD'S LARGEST PRODUCER OF AGAVE-BASED SPIRITS, OPERATING WITH A VERTICALLY INTEGRATED VALUE CHAIN FOR PRODUCTION—FROM AGAVE CULTIVATION, DISTILLING, TEQUILA AGING, BLENDING AND BOTTLING FACILITIES.

With over 30 spirits brands sold and distributed in more than 85 countries, our global portfolio is based on the legacy of iconic brands such as Jose Cuervo, complemented with other brands Three Olives, Hangar 1, Stranahan's, Bushmills, Pendleton, Proper N° Twelve and Boodles.

We stand out in the sector by our constant sense of innovation and continuous improvement, and by creating other internationally recognized brands such as 1800, Maestro Dobel, Centenario, Kraken, and Jose Cuervo Margarita.

Since February 2017, Becele, S.A.B. de C.V. shares are listed in the Mexican Stock Exchange (BMV), under the ticker symbol CUERVO.





Built in 1812, La Rojeña, is today the oldest distillery of spirits in Latin America.



OUR HISTORY OF INNOVATION

Cuervo became the first company to bottle tequila in individual glass bottles.



Becle’s history of innovation began in 1758 when José Antonio de Cuervo y Valdés, a Spaniard with an entrepreneurial spirit who settled in the Tequila region, decided to turn this millenary crop into a business opportunity and obtained a property title from King Ferdinand VI to plant agave on his land. Thus was born this family business in which, for 265 years, 12 generations have left their mark.



In 1974, the company obtained the appellation of origin for Tequila.



Tequila was first exported in 1852 when some barrels made it to California.

It was in **1795** when King Charles IV granted a royal decree to José María Guadalupe de Cuervo, with full concession and the first license to produce and distribute tequila in the area, then known as *vino de mezcal*.

By **1812**, such was the reputation of their small distillery that they decided to build La Rojeña, today the oldest distillery of spirits in Latin America.

Tequila was first exported in **1852**, when Jose Cuervo barrels made it to California from the port of San Blas, in Nayarit.

In **1880**, Cuervo became the first company to bottle tequila in individual glass bottles and, in May, Jose Cuervo tequila received the first-place medal at the second Ex-posicion de las Clases Productoras.

Recognition followed and, in **1891**, President Porfirio Díaz awarded a diploma and a gold medal to Cuervo for the quality of its tequilas.

In **1903**, José Cuervo Labastida registered the name Jose Cuervo as a trademark and decided to mark each barrel with the symbol of the raven.



In **1974**, the company obtained the appellation of origin for tequila from agave harvested in certain Mexican states. That same year, Jose Cuervo was already exporting 500,000 cases.

By **1989**, Cuervo tequila was sold in 42 countries and, by **1990**, exports reached 5 million cases a year.

In **1995**, Jose Cuervo celebrated 200 years of history with the creation of Reserva de la Familia, produced from the family's private reserves.

By **2004**, Jose Cuervo was present in more than 85 countries and was the first company in the industry to be recognized as a Socially Responsible company.

In **2007**, the company launched Reserva de la Familia Platino, an ultra-premium, hand-crafted, silver tequila. That same year, the company acquired Three Olives and created Proximo Spirits.

2010 marked the acquisition of Hangar 1 and Stranahan's.

2011 Becele expanded its spirits category with Tincup whiskey and the acquisition of Boodles Gin.



In **2013**, with the distribution of Jose Cuervo in the United States through Proximo Spirits, the company exported 7 million cases.

2015 Acquisition of the Old Bushmills Distillery, the oldest whiskey distillery in the world.

In **2017**, Becele had its Initial Public Offering in the Mexican Stock Exchange under the ticker CUERVO.

2018 was a year of acquisitions: An equity interest in Eire Born Spirits LLC, owner of the Proper No Twelve Irish whiskey brand and a 100% share in the Pendleton whiskey brand from Hood River Distillers, Inc.

2021 Pricing of a US\$800 million 10-year bond, and new distribution and production partnership with JAJA tequila.

In **2022**, the company launched Gran Coramino tequila, in partnership with American comedian and actor Kevin Hart.

In October **2023**, Becele announced the refinancing of US\$500 million via a syndicated bank loan.





BECLE HAS PRESENCE IN MORE THAN 85 COUNTRIES, WITH DISTILLERY AND BOTTLING OPERATIONS IN MEXICO, THE UNITED STATES, AND IRELAND.

GLOBAL FOOTPRINT

GRI 2-2, 2-6



27.1M

NINE-LITER CASES

P\$44,355M

NET SALES

VOLUME BREAKDOWN BY REGION
PERCENTAGE



U.S. & CANADA



MEXICO



REST OF THE WORLD

NET SALES BREAKDOWN BY REGION
PERCENTAGE



U.S. & CANADA



MEXICO



REST OF THE WORLD



GEOGRAPHIC PRESENCE U.S. & CANADA



“We have grown above the industry in tequila, with a more dynamic performance. And now, with a complete portfolio of brands we are preparing the company of the future.”

LUIS FÉLIX
MANAGING DIRECTOR UNITED STATES & CANADA

VOLUME AND NET SALES DATA

In the U.S., tequila has been the fastest-growing category in the past three years, especially in the super and ultra-premium price points, reflecting the power of premiumization. Our 1800 brand has become an icon within super-premium tequila, and Dobel is slowly getting a seat at the table.

In Irish whiskeys, our brands, Bushmills and Proper No. Twelve had a good year. Our Bushmills single malts resulted in increased brand value, and our 10, 16, and 21-year-old single malts increased market share.

We were very dynamic in activations—more than 50 sponsorships with visibility in sporting events where we can promote consumption—and, aware of the importance of introducing new varieties, blends or presentations to attract a wider public and responding to consumers’ demand for innovations of the brands they know, we promoted the Cristalino category with the launch of Centenario Cristalino and Reserva de la Familia Cristalino.

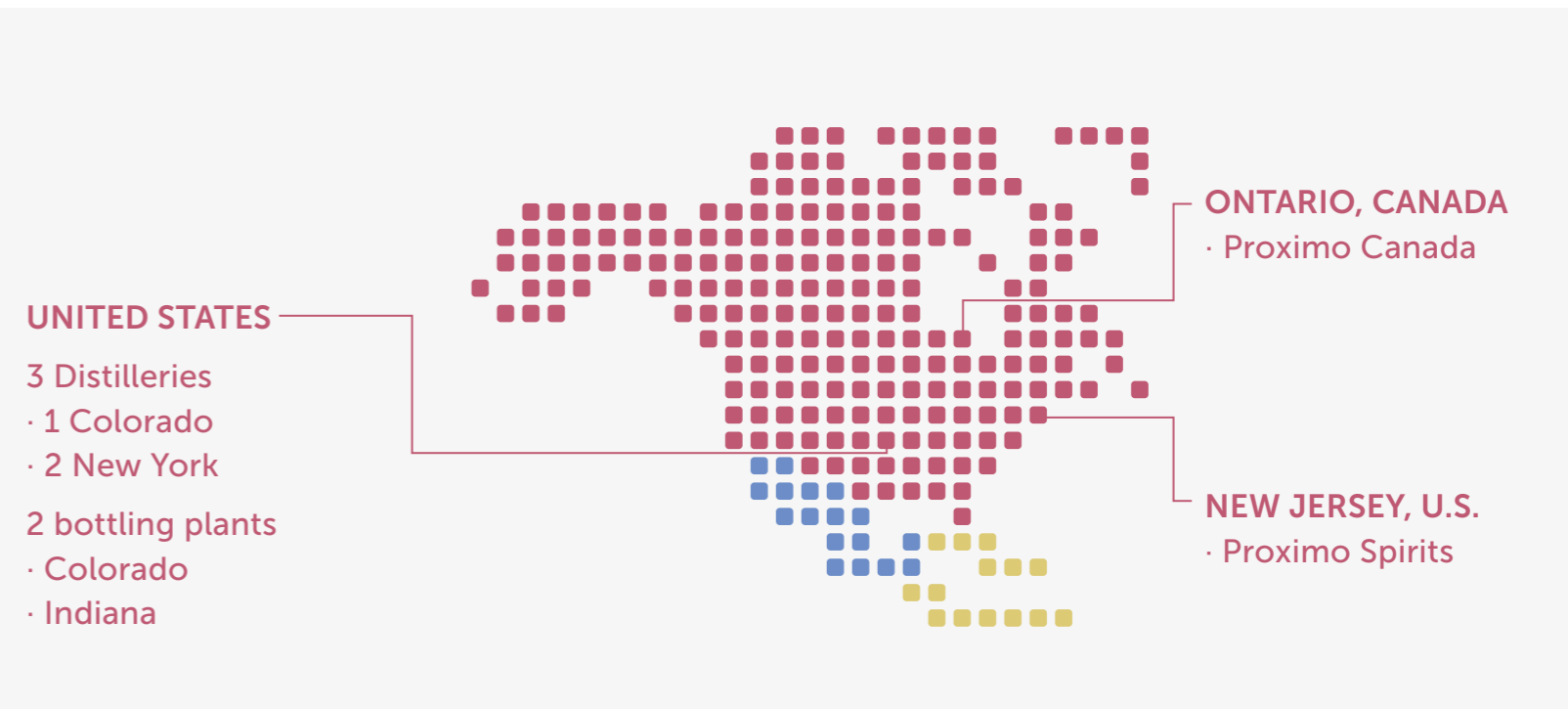
We also launched Kraken Gold, our new Proper No. Twelve Apple, and line extensions with bottles of different sizes, like Coramino 375 ml. In mezcal, we launched 400 Conejos Tobará and Cuishe.

VOLUME OF NINE-LITER CASES

14.9M

NET SALES

P\$24,879M





GEOGRAPHIC PRESENCE MEXICO

“Despite an industry contraction in both volume and value across all spirit categories, our premiumization and market segmentation strategies drove our successful results. Among the ten fastest growing brands in the market, five are ours.”

OLGA LIMÓN
MANAGING DIRECTOR MEXICO AND LATAM



VOLUME AND NET SALES DATA

2023 saw an industry contraction in Mexico—in both volume and value—across all categories, as we returned to pre-pandemic consumption levels and inflation negatively affected consumption, especially in the on-premise channel. However, in spite of these declines, Beclé maintained its strength and was able to deliver 8.1% growth in value, alongside historic levels of market share within the fastest growing categories, tequila and mezcal.

Our premiumization strategy has been the core of our strong performance in the Tequila category, where we cover multiple price segments that give us the strength of diversification. Innovation is another characteristic that gives freshness to our brands and allows us to remain current with our consumers, and this year we launched several new presentations, accompanied by marketing and branding strategies.

VOLUME OF NINE-LITER CASES

7.5M

NET SALES

P\$11,813M

JALISCO

- Agricultural Unit
- La Rojeña Distillery
- Los Camichines Distillery
- New Distillery
- EDISA Bottling Company

MEXICO CITY
· Headquarters



VOLUME AND NET SALES DATA

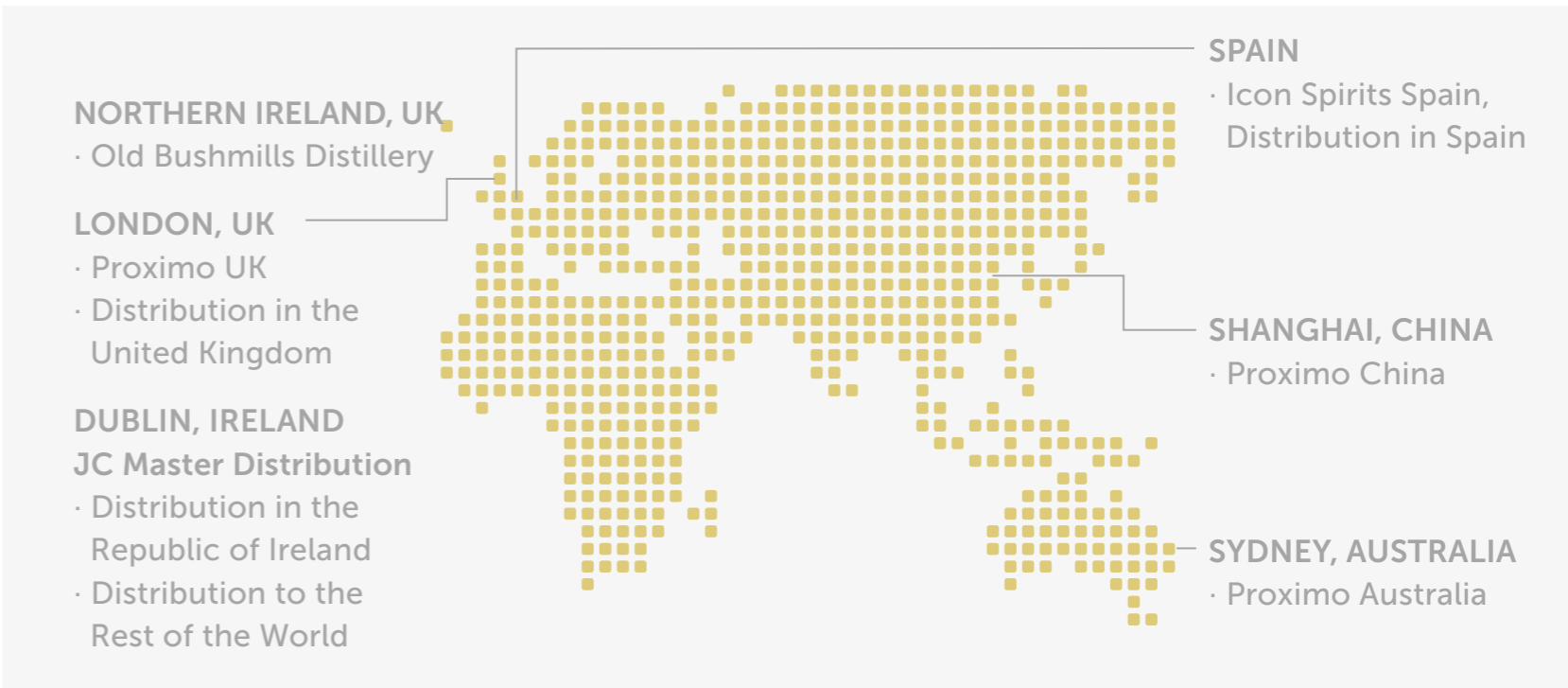
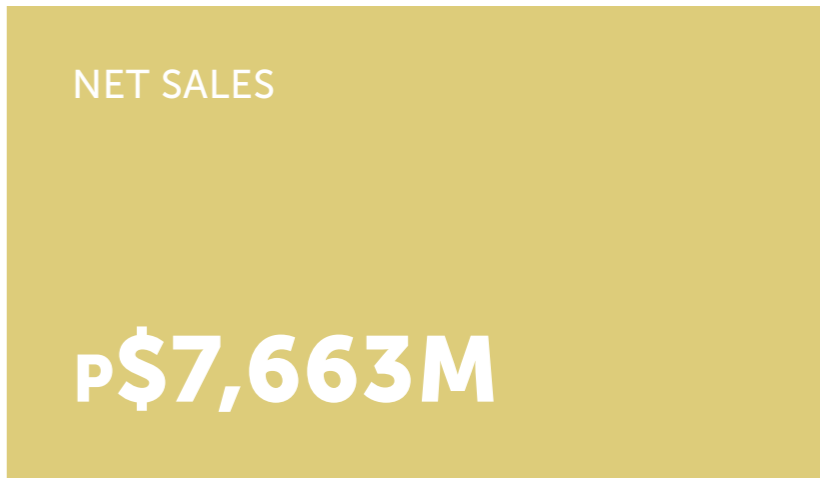
In Europe, after a dynamic first half of the year, particularly with tequila, we knew that consumption had to slow down due to several factors: rising inflation, rising interest rates, rising fuel prices and double-digit consumer-good inflation in several countries.

However, ongoing growth in certain brands like Kraken and successful flavor extensions (Kraken coffee and Kraken black cherry & vanilla) during the year helped us gain share of shelf, which added to our already successful Kraken coconut.

Asia registered a big upswing in tequila during the year, with a high double-digit growth, both in volume and value, mainly driven by strategies in our core markets.

We are scaling malts, from 10-year and upwards—25 and 30 years—which now make more than 20% of our total net value. We also launched the Causeway special edition, as every year—with huge success—and a special edition 44 year-old Bushmills.

GEOGRAPHIC PRESENCE REST OF THE WORLD



“We have grown when most of our competitors have declined. Business in Asia was particularly successful, with very high double-digit growth, both in volume and value.”

GORDON DRON
MANAGING DIRECTOR EMEA & APAC



OUR DIVERSIFIED BRAND PORTFOLIO GRI 2-6

TEQUILA

Jose Cuervo Family



PREMIUM



SUPER PREMIUM



PRESTIGE

Centenario



SUPER & ULTRA PREMIUM

1800



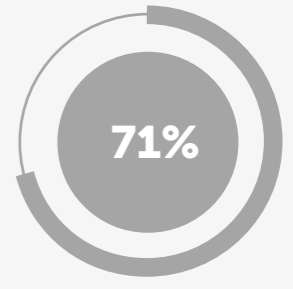
SUPER & ULTRA PREMIUM

Dobel



ULTRA PREMIUM

NET SALES
BY CATEGORY
AS OF 2023



71%

TEQUILA

IRISH WHISKEY

Proper N° Twelve



PREMIUM

The Sexton



SUPER PREMIUM

Bushmills



PREMIUM & ULTRA PREMIUM

U.S. WHISKEY

Tincup



PREMIUM

Pendleton

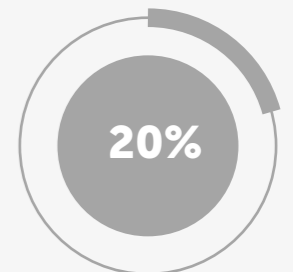


PREMIUM & ULTRA PREMIUM

Stranahan's



ULTRA PREMIUM



20%

OTHER SPIRITS

RUM



PREMIUM

VODKA



PREMIUM

ULTRA PREMIUM

GIN



PREMIUM

MEZCAL



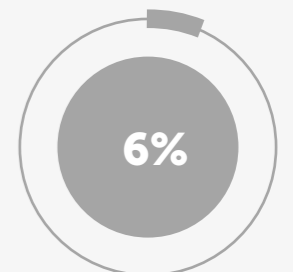
PREMIUM

ULTRA PREMIUM

RTD

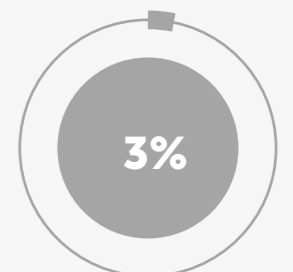


NON-ALCOHOLIC



6%

RTD



3%

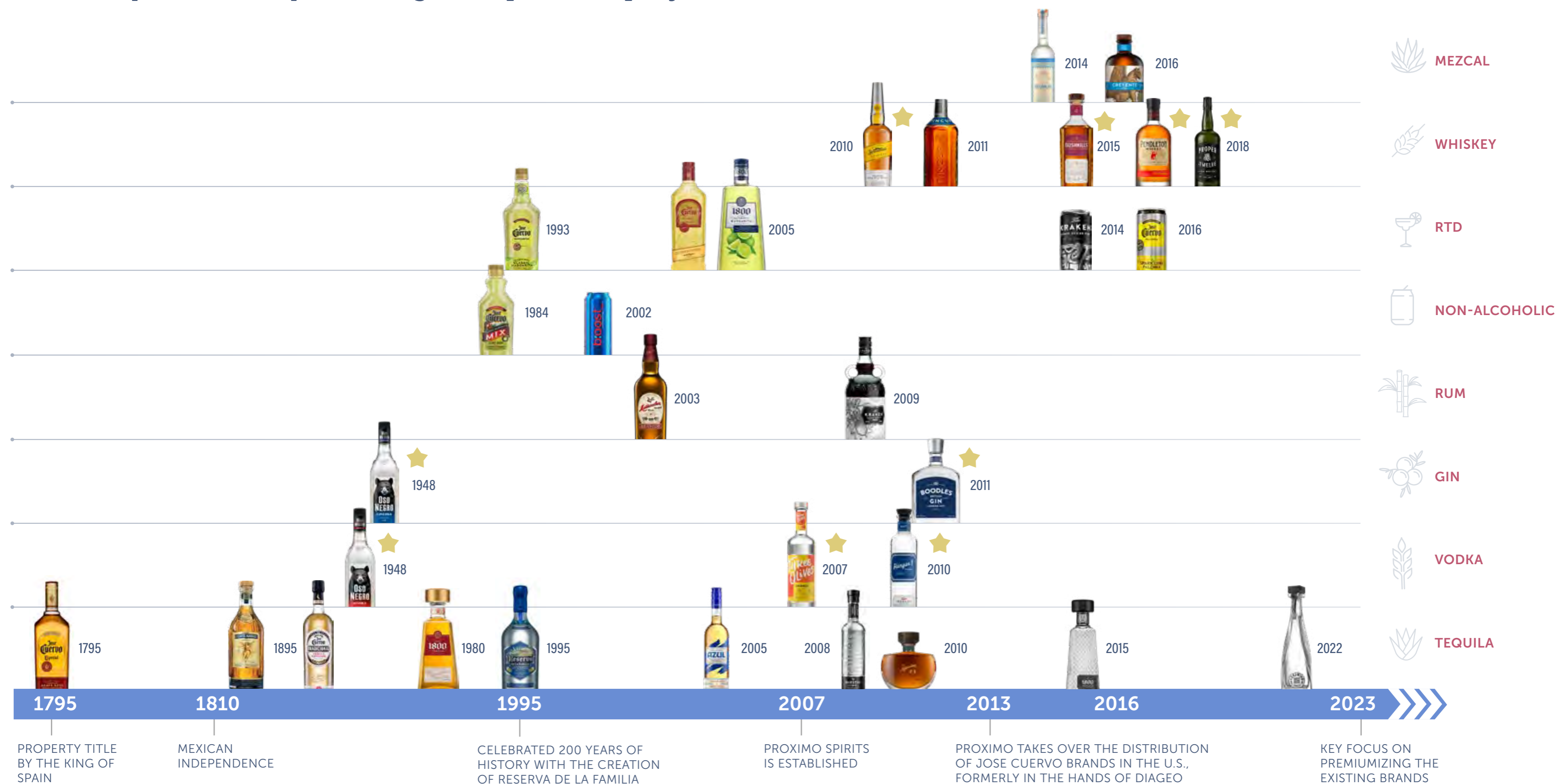
NON-ALCOHOLIC
& OTHER

Note: This slide only showcases our most relevant brands.



OUR SUCCESS STORY IN MARKETS AND CATEGORIES

From local producer of tequila... to a **global spirits company**



★ ACQUISITIONS

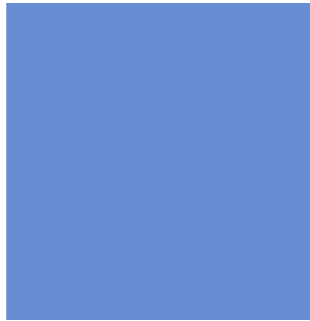


EXECUTIVE SUMMARY

1608



2023 MILESTONES



We inaugurated our new **39,000 sq. ft. Causeway distillery** in Bushmills, blending high tech with ancient craft to boost production beside the 415-year-old original site.

[> More info](#)



Bushmills' new ultra-aged 25 and 30-year-old single malts became permanent parts of the core lineup.

[> More info](#)

We released **Proper No. Twelve Irish Apple**, an exciting addition to our Irish whiskey portfolio.

[> More info](#)



Gran Centenario and **Reserva de la Familia Tequila** debuted their **Cristalino** presentations in the United States.

[> More info](#)



The company announced the **refinancing of US\$500 million** via a syndicated bank loan.

[> More info](#)

Gran Coramino became the official luxury tequila of the Philadelphia Eagles.

[> More info](#)



US Open signs **Maestro Dobel** as its first official tequila partner.

[> More info](#)





ESG SNAPSHOT



89%
of critical suppliers assessed,
representing an 81.7%
increase year-over-year.

ENERGY CONSUMPTION

46% OF OUR
GLOBAL ENERGY
CONSUMPTION COMES
FROM RENEWABLE
SOURCES



BOARD OF DIRECTORS

75%
INDEPENDENT MEMBERS



10,283
EMPLOYEES

IN **+85** COUNTRIES
WITH **8.3%** OF OUR
WORKFORCE UNIONIZED

WATER INTENSITY

5.54l OF WATER/L
OF PRODUCT SOLD



We reduced gift box use by
70% in our mexican
portfolio, preserving 20,387
trees and avoiding the
release of 1,055 metric tons
of CO_{2e} into the atmosphere.

47%
INCREASE OF ANNUAL
TRAINING HOURS PER
EMPLOYEE VERSUS
LAST YEAR



WASTE MANAGEMENT

100% OF
BAGASSE WASTE
GENERATED FROM
TEQUILA PRODUCTION
IS USED IN OUR AGAVE
FIELDS OR REPURPOSED

OLD BUSHMILLS DISTILLERY

100%
OF ELECTRICAL ENERGY
IS RENEWABLE



VOLUME OF NINE-LITER CASES -1.4%

27.1M

EBITDA MARGIN

16.5%

Global volume decrease was partially offset by volume increase in the RoW region, driven by our super and ultra-premium tequila brands.

DIVIDENDS PAID

P\$1,764M

FINANCIAL SNAPSHOT



OPERATING INCOME -29.8%

P\$6,238M

EBITDA -25.7%

P\$7,312M

The decrease seen across our results was primarily due to foreign currency effects caused by the appreciation of the Mexican peso against the U.S. dollar.



NET SALES +6.3%*

P\$44,355M

GROSS PROFIT -10.4%

P\$22,480M



CAPEX

P\$3,115M



*Pro forma figure on a constant currency basis.



FINANCIAL REVIEW

GRI 201-1

(Figures in millions of pesos, except per share amounts)

	2022	2023	Variation %
Net sales	45,729	44,355	(3.0)
Cost of goods sold	20,642	21,874	6.0
Gross profit	25,087	22,480	(10.4)
Advertising, marketing, and promotion	10,162	9,986	(1.7)
Distribution	2,193	1,926	(12.2)
Sales and administration	3,877	4,252	9.7
Other expense (income) - Net	(34)	78	N/A
Operating income	8,890	6,238	(29.8)
Financing result	620	7	(98.8)
Income before income taxes	8,231	6,188	(24.8)
Income taxes	2,350	1,454	(38.1)
Consolidated net income	5,881	4,734	(19.5)
EBITDA	9,843	7,312	(25.7)
EBITDA margin	21.5%	16.5%	(500 bps)
Earnings per share	1.64	1.32	(19.5)
Cash & cash equivalents	4,521	6,367	40.8
Total assets	97,866	99,225	1.4
Total liabilities	39,443	41,586	5.4
Total stockholders' equity	58,423	57,639	(1.3)
Total financial debt	17,604	23,897	35.7
Net cash from operating activities	(1,744)	778	N/A
Net cash flows used in investing activities	(3,789)	(3,556)	(6.1)
Net cash flow used in financing activities	(2,832)	5,177	N/A



Despite a challenging environment, the enduring resilience and continued demand for our brands underline our confidence in regaining momentum as we progress through 2024.



SUCCESSFUL REFINANCING TRANSACTION

In November of 2023, we entered into a dual-tranche Loan Facility Agreement of up to US\$535 million composed of i) a US\$385 million term loan, and ii) a US\$150 million revolving credit facility, both with a 5-year tenor and payable in a single installment upon maturity.

Summary of terms

Facility type	Term loan	Revolving credit facility
Currency	U.S. dollars	
Size	\$385 million	\$150 million
Tenor	5-year	
Amortization	Bullet at maturity	
Joint lead arrangers	HSBC and Citi	
Uses	Repay existing short-term indebtedness of \$500 million	

- Bank meeting presentation with more than 20 banks attending, out of which 9 were allocated under the facility.
- The allocation was done among international banks with local booking capabilities (i.e., Mexican law).
- The pricing was very competitive and priced better than recent transactions for peer group companies.
- The refinancing improved the debt maturity profile of the company, increasing the average maturity from 4.2 to 5.5 years.





MAESTRO
DOBEL 50
CRISTALINO
TEQUILA EXTRA AÑEJO

HOW WE CREATE VALUE



GRI 2-6



PORTFOLIO TEQUILA

GRI 2-6



71.5%
TEQUILA CATEGORY
PERCENTAGE OF TOTAL
NET SALES





JOSE CUERVO FAMILY

Iconic tequila brands which have delighted customer palates for centuries with their extraordinary variety of tastes.



9.5M

NINE-LITER CASES
+3.2%

P\$15,830M

NET SALES **-1.6%**

5.8M

NINE-LITER CASES
+7.3%

P\$15,865M

NET SALES **+3.6%**



OTHER TEQUILAS

Super and ultra-premium brands that offer the best flavors and ingredients.



PORTFOLIO
OTHER SPIRITS




19.5%

OTHER SPIRITS
CATEGORY
PERCENTAGE OF
TOTAL NET SALES



4.9M

NINE-LITER CASES -1.3%

P\$8,635M

NET SALES -8.5%





IRISH WHISKEY

Irish single malts are made exclusively from malted barley at a single distillery while blends are made from malted barley and grain, triple distilled and aged in oak casks for a minimum of three years, resulting in exceptional smoothness and flavor.



AMERICAN WHISKEY

An all-grain spirit produced from a mash bill that mixes corn, rye, wheat, barley and other grains, which is then aged for an extended period in wooden barrels.



GREAT JONES WHISKEY

A smooth, well-balanced bourbon with a light vanilla and white pepper touch, crafted from the finest ingredients and aged for four years in American oak barrels.



THREE OLIVES VODKA

Three Olives vodka is the original premium vodka from England, best enjoyed with friends.



HANGAR 1 VODKA

If you want to embrace the California way of life, try Hangar 1, straight or in any of its incredible flavors.



KRAKEN RUM

Go down into the depths of the ocean with this strong, rich and smooth rum named after the mythological Norse sea creature.



MATUSALEM RUM

Thanks, Hemingway, for introducing to the world this icon of Cuba's Golden Age in the form of delicious mojitos.





CREYENTE MEZCAL

A blend of two mezcals from the regions of Tlacolula and Yautepec, in Oaxaca, with a soft herbal taste and subtle body.



400 CONEJOS MEZCAL

Special agaves from Tlacolula, Oaxaca, are the basis of this mezcal, crafted in the traditional way: cooked in a conical oven and patiently milled with a stone wheel known as *tahona*.



BOODLES GIN

Named after the exclusive 18th-century Boodle's Gentlemen's Club in London, and distilled from English wheat, this gin is infused with a blend of botanical herbs and spices.



AGAVERO LIQUEUR

Legend has it that the Damiana flower, indigenous to the mountains of Jalisco, and whose essence is blended in this 100% blue agave tequila liquor, has the power to stir up passion.





READY-TO-DRINK COCKTAILS

Just put some ice in your glass and pour your favorite drink: Margarita, Paloma or spiced rum from either of its presentations, bottle or the convenient single-serve.

This category represents 6.3% of total net sales.



4.0M

NINE-LITER CASES
-14.3%

P\$2,804M

NET SALES -23.5%

2.9M

NINE-LITER CASES
-11.0%

P\$1,221M

NET SALES -0.6%



NON-ALCOHOLIC BEVERAGES

The perfect complement for any cocktail, although you can also enjoy them on their own.

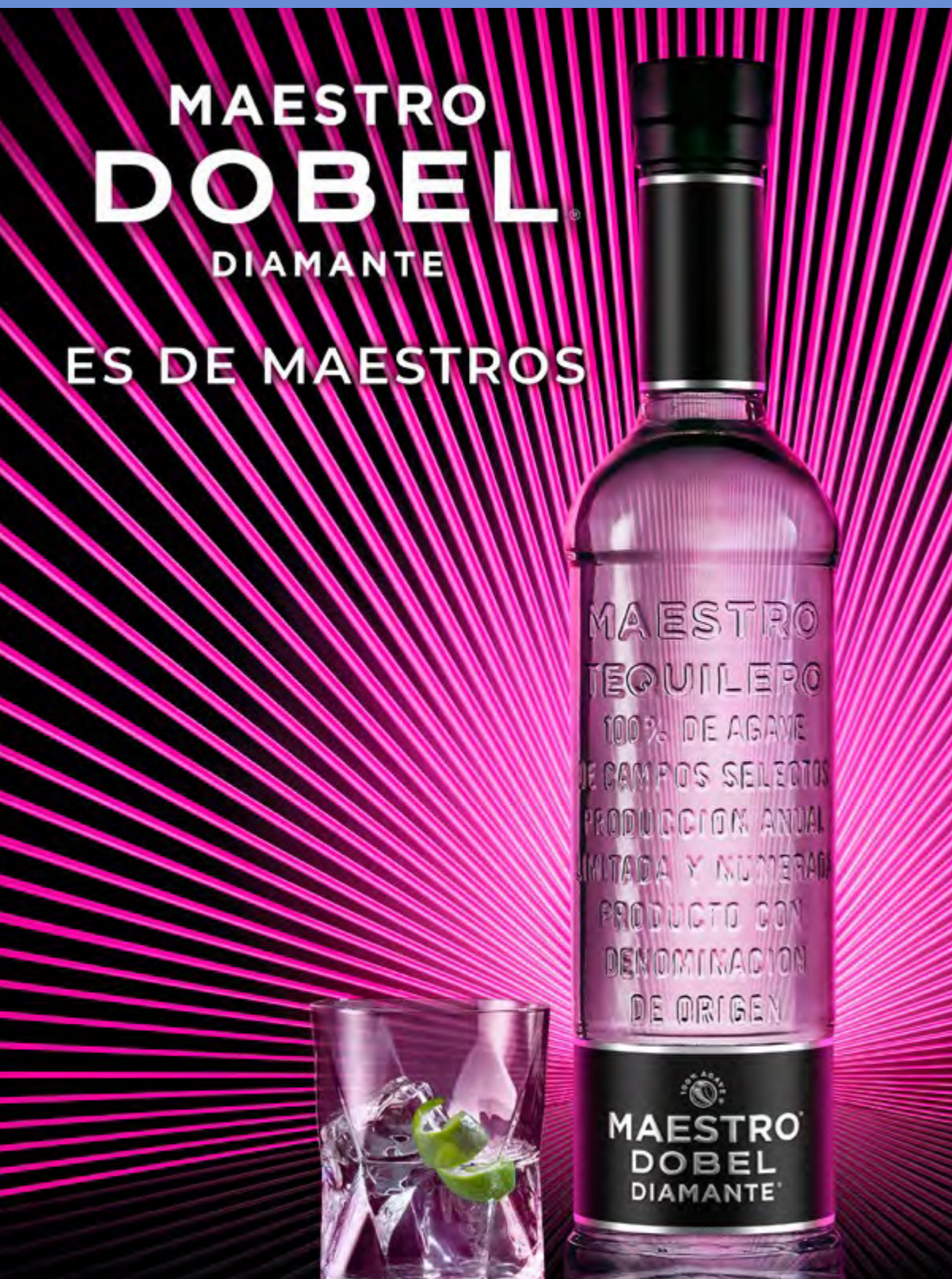
This category represents 2.8% of total net sales.



MARKETING

ONE OF OUR MAIN GOALS FOR THE YEAR WAS TO PREMIUMIZE OUR BRANDS.

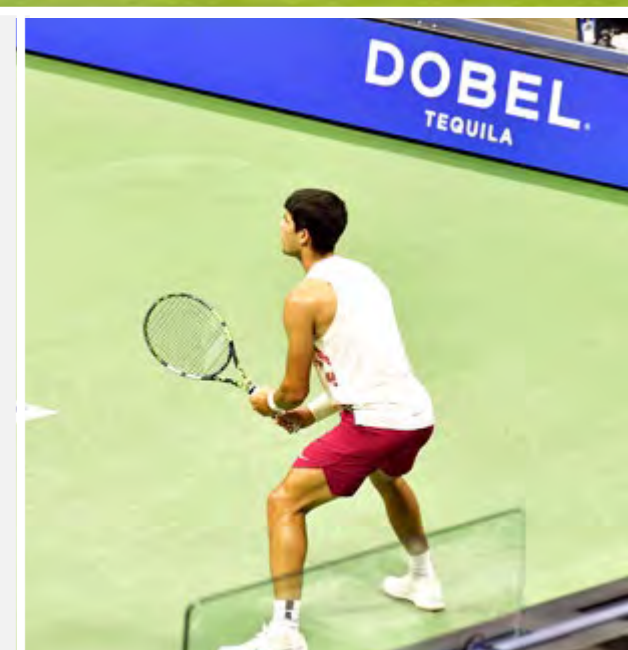
With specific plans for our variety of brands, we prioritized our premium strategy, and gained share among our competitors. We complemented this with innovations in market niches where we wanted to have more presence and launched ultra-premium products in several categories.



Our great advantage is having a market share divided into four brand families, which makes it increasingly difficult for the competition to enter the tequila market, because our market share is not only large but is divided into all price segments and several families. Our business configuration is far superior to that of our competitors.



Dobel, the 1st ever tequila to partner with the iconic US Open.



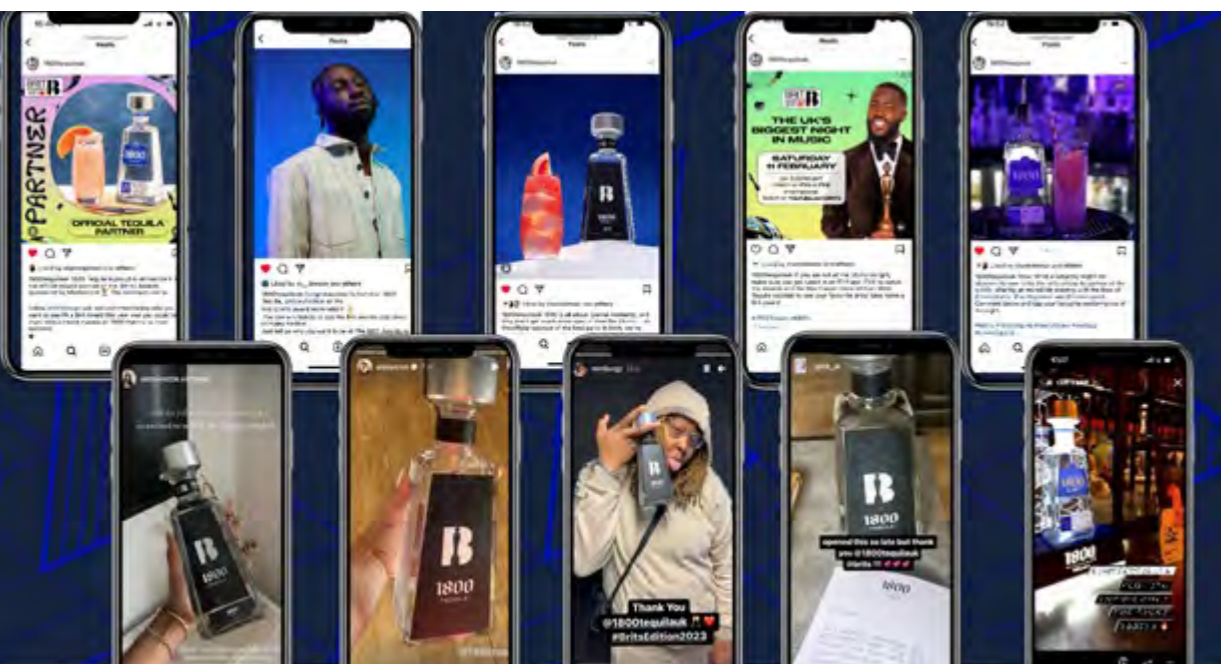


We have a strong track record of building strong brands, a very important asset for growth. We put a lot of resources into building and protecting the equity of our brands, and this has supported Cuervo's sustained growth over the past four years, as consumers continue to prefer our brands.



Segmentation is undoubtedly another competitive advantage over the other players in the industry. Although we are in the same market, identifying sub-segments and market niches is something that differentiates us. This segmentation is based on consumer habits, which allows us to focus more clearly on our targets. Tequila brands in the portfolio differ in positioning and image. For example, Tradicional Cristalino is focused on parties and friends; Dobel and Reserva de la Familia are related to status.





We created a limited-edition BRITs bottles to help drive follower acquisition

Social results:

+1.5M
IMPRESSIONS

605K
REACH & INCREASE OF
2,186
FOLLOWERS



Another advantage is the authenticity and cultural connection in our marketing campaigns, which consumers value greatly. Our brands have a value proposition, and we know how to translate this to each of the market niches in an assertive way.



Tequila is still the preferred category in our portfolio. However, during the year, we saw a change in consumers' buying habits. Although many were ready to take advantage of occasions away from home after the pandemic, consumption at home increased. Aware of this change, we devised different promotions, packaging and dynamics for these home consumers.



We are partners of major sporting, music and cultural events, reaching both young and adult audiences. We also have our own events for brands with great potential, such as the Akamba festival in the agave fields for Cuervo Tradicional, and Dobel parties for Formula One.



In 2023, we put “Taste is everything” everywhere: from Times Square to Miami beach.





Our brands continue to be recognized for showing up in the art space in a unique and authentic way. We focus on looking for more synergies between art platforms and our luxury lines, showcasing the high-end variants at key moments.





INNOVATION

INNOVATION HAS BEEN KEY TO BECLE'S SUCCESS SINCE ITS INCEPTION. ALWAYS AHEAD IN THE CREATION OF BRANDS AND CATEGORIES, AND IN THE ADOPTION OF NEW PROCESSES AND BUSINESS PRACTICES, WE HAVE BEEN LEADING THE MARKET FOR CENTURIES.

Driven by an in-depth understanding of our consumers, we remain ahead in this constantly evolving market, thanks to our strategic investments in cutting-edge technologies that support our processes—including agriculture, production, and distribution—while creating a wide array of unique products to satisfy the taste of the most diverse and demanding consumers.

Meeting changing consumer preferences

We are aware that consumers have become more discerning in recent years and that their tastes and preferences are constantly evolving. Factors such as the desire to explore unique and new experiences, price-consciousness, health and safety concerns, and an emphasis on sustainability, among others, have led to changes in their perceptions and preferences.

These factors have modified buying habits and consumption occasions, so we have adapted our product offerings and strategies, identifying market segments and niches. It is this drive for innovation and strong brands that has allowed us to remain relevant in this highly competitive market.



Agility to adapt to our customers' preferences

Our portfolio comprises four families of brands in tequila and other categories in different price segments, aimed at different consumers: from those who are price-conscious to those that wish to explore unique experiences and value premiumization, as this strategy satisfies this growing demand for products tailored to individual preferences.

As for consumers with health and safety concerns, and an emphasis on sustainability, as well as a growing attention to responsible sourcing and packaging footprints, we are constantly developing and adopting new technologies and processes that reduce our environmental footprint and improve the sustainability of our operations. For example, this year we achieved important reductions in water, packaging and distribution.

Of course, business innovation brings both opportunities and risks. To capitalize on opportunities, our focus is to reduce costs and simplify operations in process innovations, while also linking capital expenditure to environmental and social factors. And to mitigate potential risks, we have developed risk analysis and management strategies aimed at identifying, assessing, managing and monitoring potential events or situations that could impact our business.



Innovation has always been our response to these evolving trends, supported by industry benchmarks and marketing initiatives that identify market trends and allow us to offer unique value propositions that differentiate us from our competitors.



Product innovation in 2023



TEQUILA RESERVA DE LA FAMILIA CRISTALINO

Maturation in American oak and in Pedro Ximenez sherry casks before filtration results in a crystal clear liquid with a refreshingly bright finish... best enjoyed neat!

TEQUILA RESERVA DE LA FAMILIA ORGANICO

Crafted from carefully selected and hand-chosen agaves, this blend of tequilas is aged in three types of barrels: deeply burned American oak for wood, cinnamon, fruit, and almond notes; lightly toasted American oak for floral and caramel tones; and fine-grained French oak for intense vanilla and sweet flavors.

TEQUILA RESERVA DE LA FAMILIA ANA PELLICER EDITION

Each year, artists participate in a collaborative project, adding their unique touch to the Tequila Reserva de la Familia cases and, this year, Ana Pellicer was the featured artist. Inspired by the landscapes of Jalisco, her work captures the essence of the reddish earth, the expansive plains, and the contrasting sunsets against the silhouette of the volcano.

TEQUILA MAESTRO DOBEL ATELIER TRAJINERAS

Inside each of these colorful works of art—as colorful as the traditional *trajineras* of Xochimilco—crafted by Oaxacan hands that turned art into poetry through intricate bottle paintings, you will find a tequila embodying Mexican pride, flavor, tradition, and culture. A priceless gift for connoisseurs, it was aged in American and European oak barrels that offer a rich blend of aromas including cooked agave, vanilla, dried fruits, spices, and a delightful touch of toasted almond.



Product innovation in 2023



TEQUILA MAESTRO DOBEL 50 ONORA

Crafted with excellence, each bottle features a hand-engraved and lacquered wooden lid by Adolfo Escudero Garcia, a master craftsman from Olinala, Guerrero. This ancient Mexican technique demands a minimum of 30 days to create a single exclusive piece for Maestro Dobel 50 Onora.

TEQUILA MAESTRO DOBEL 50 1973

Maestro Dobel 50 Extra Añejo pays homage to the passage of time, commemorating significant milestones from 50 years ago. Aged in American and French white oak barrels, each edition undergoes a distinctive finishing process in various barrels, resulting in a unique tequila every year. The 1973 edition is finished in barrels previously used for Pedro Ximenez sherry, adding a special touch to its character.

TEQUILA 1800 GUACHIMONTON

This latest addition to the highly acclaimed Tequila 1800 line celebrates the rich legacy and agricultural heritage of Mexico's Tequila region. Inspired by the century-old Guachimontones archaeological site, and crafted from the finest agaves nurtured by springs and clay soil near the Tequila volcano—known for its high ferrous content—this tequila is a tribute to the once abundant orange trees of Teuchitlan, Jalisco, before the land was transformed into the iconic agave landscape.

TEQUILA 1800 ESSENTIAL DUSTIN YELLIN

With a platform called Essential Artist Collection, Tequila 1800 aims to promote and support the original creations of great artists. For the 2023 edition, it has teamed up with renowned contemporary artist Dustin Yellin, who has created six acrylic artworks that have turned each bottle of tequila 1800 blanco into an object of art. This tequila, born from selected white tequilas matured briefly, offers fresh, balanced flavors with citrus, mint, and agave honey notes.



Product innovation in 2023



TEQUILA 1800 MILENIO DARIO ESCOBAR

Drawing inspiration from the iconic avenues of the Pre-Hispanic city of Mitla, in Oaxaca, and the geometric designs adorning the doors of trucks traversing Mexico and Guatemala, Dario seamlessly blends the historical streets that transport us to the past with the vehicles that form an integral part of the shared landscapes of these neighboring countries.

TEQUILA JOSE CUERVO ESPECIAL BLANCO FRESA PICOSA

Beginning with sweet and salty undertones, followed by an immediate acidity that induces salivation, and concluding with a subtle bitter and spicy note that lingers pleasantly on the palate, this tequila is the newest edition of our traditional Cuervo Especial.

TEQUILA JOSE CUERVO TRADICIONAL CALAVERA / XOLO

For the sixth consecutive year, Jose Cuervo Tradicional unveils the 2023 Xolo special edition featuring a collaboration with artist Félix Tapia, inspired by the legend of the journey of the deceased to Mictlán, the realm of the dead.

MEZCAL CREYENTE AZUL CRISTALINO AÑEJO

Crafted from fire and oak, Creyente Cristalino Añejo originates in the mineral-rich soils of Oaxaca’s Valles Centrales and Sierra Sur regions. Select *espadin* and *cuishe* agaves, harvested at peak maturity, undergo traditional cooking in an underground pit oven, and are then milled with a stone wheel known as *tahona*. After fermentation and double distillation in copper pot stills, the liquid ages in new American oak casks for complexity.

MATUSALEM RUM SUBLIME

This limited edition evokes Cuba’s Golden Age, a fragrance etched in memory. Born from the aromas of ancient barrels that have lived century-old stories, this exceptional rum results from blending two unique eaux-de-vie: one aged for nearly two decades in American oak bourbon barrels using the solera method, and the other for a decade in sherry oak barrels from Jerez, Spain.

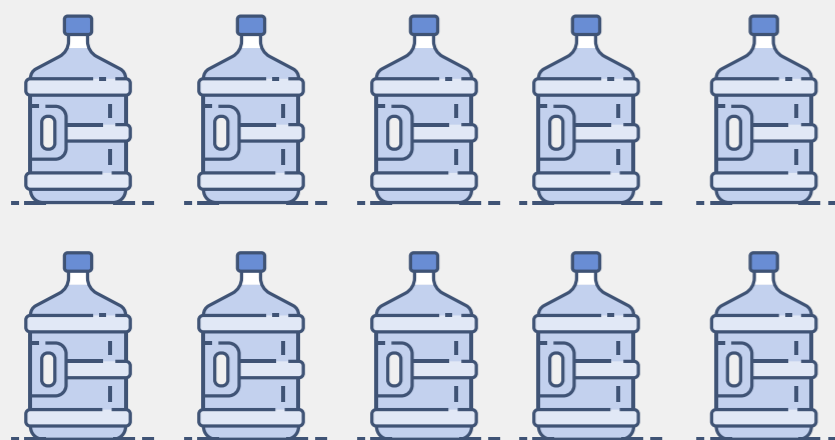


Innovations in production processes and logistics

AIMING AT REACHING WORLD-CLASS LEVEL CAPABILITIES, WE HAD SOME OUTSTANDING INNOVATIONS IN OPERATIONS, PROCESSES AND LOGISTICS DURING THE YEAR, WHICH RESULTED IN SUSTAINABLE EFFICIENCIES.



We implemented an innovative system to swell barrels in La Rojeña distillery. This process previously required 200 liters of water to swell a 200-liter barrel. Today, by using steam, **a 200-liter barrel can be swelled with just 6 liters of water, optimizing the use of water by 96 percent.**



-96%





SUSTAINABLE VALUE CHAIN

Recognizing that every step in our production processes adds value to our final products, we take care to complete them with the utmost care and dedication. The result is a collection of fine tequilas and whiskeys that share the pride of coming from age-old traditions.

The Supply Chain Management section on page 73 elaborates on how, by sustainably following each stage of the process, we create value for all our stakeholders.

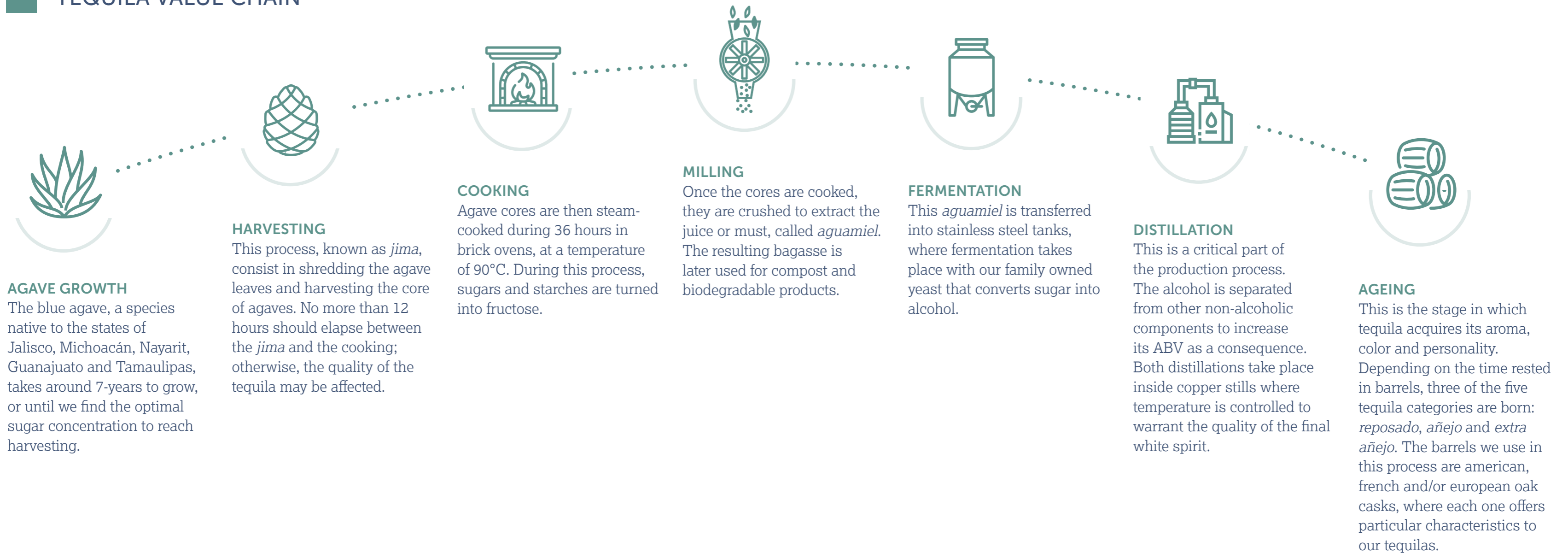
Tequila and whiskey production stages

Becle has been producing spirits for 12 generations. Today, we have three facilities in Mexico, three in the United States and two in Northern Ireland.



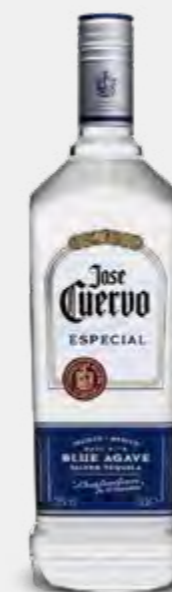


TEQUILA VALUE CHAIN



There are two kinds of tequila:

100% agave: Tequila made entirely from the must of tequilana weber blue agave with no sugars added prior to fermentation. This tequila must be produced and bottled in its production region, as stipulated by its appellation of origin.



Tequila: Tequilas where cane or corn sugars have been added prior to fermentation. 51% of the blend comes from blue agave and 49% from one or more different types of sugars.



WHISKEY VALUE CHAIN



For over 400 years, Bushmills has been producing “smooth and mellow” whiskeys from the finest barley and with handcrafted techniques, passed on for generations.





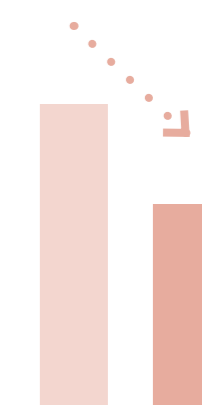
Expanding footprint and sustainability

Another highlight of the year was the inauguration of our new Causeway distillery in Bushmills, a state-of-the-art facility spanning 39,000 square feet, beside the original 415-year old site. This new distillery blends high tech with ancient craft to boost production capacity.

The new distillery takes Bushmills' production capacity from five to eleven million liters of alcohol per year, while retaining the exact characteristics of the original site.



This new distillery includes the latest thermal technology, which reduces energy usage by 30% and state-of-the-art distilling innovations that, by reducing water and steam consumption, boost material consumption efficiency by up to 10%.



-30%
ENERGY USED

The distillery is run entirely on electricity from green sources.



ESG STRATEGY



GRI 3-1, 3-2, 3-3

IN 2022, WE CONDUCTED A THOROUGH ANALYSIS TO DEVELOP AN ESG FRAMEWORK FOR OUR BUSINESS.

The foundation for this ESG strategy was the materiality assessment, a process from which we gathered insights from internal and external stakeholders to create a strategy that reflects our commitment with the environment, the community, and our people. The result of this effort is a robust framework that sets our course for our sustainable and responsible practices, becoming more resilient and positioning ourselves for future challenges. Our goal is to use this framework to drive meaningful change, mitigate risks, and create value for our organization and all our stakeholders.



MATERIALITY

As a company with efficiency and innovation deeply embedded in our family heritage, culture, products, and people, we were driven to conduct this extensive analysis. Our goal is to preserve our traditions, operate consciously, and advance our journey towards sustainability.

The four main objectives pursued during the materiality assessment were to:

1

Identify and comprehend the impact of our operations on the society and the planet.

2

Leverage the risks and opportunities that ESG issues pose for our business.

3

Acknowledge legitimate stakeholders for our business and encourage proactive and constructive dialogue with them when addressing ESG challenges.

4

Align our efforts to those issues where our business can contribute to tackle global challenges as well as impact positively our stakeholders and the planet.





This first approach to materiality enabled us to better identify, acknowledge and understand the risks and opportunities that ESG aspects pose for our business, as well as the concerns and expectations of our stakeholders and their value perspective when implementing initiatives related to ESG, and where our sustainability strategy and efforts contributes to social and environmental progress.

The analysis resulted in a list of 28 material ESG topics:

10 environmental

11 social

7 governance

As we seek to meaningfully contribute to the achievement of global objectives through our operations, our sustainability strategy is also aligned with the United Nations Sustainable Development Goals, as well as with the ten principles of the UN Global Compact.





GRI 3-3

OUR ESG STRATEGY

From the previously described analysis and the resulting materiality matrix of the ESG priority topics, we developed our sustainability strategy, Heritage to the Future, which will guide us in our progress through our journey to sustainability. It is divided in three pillars: Looking After Our People, From Source to Market and Sustainable Governance.



- Brand perception
- Community development
- Diversity & inclusion
- Human rights
- Labor management and working conditions
- Occupational health & safety
- Product safety and quality
- Responsible drinking
- Sustainable & responsible marketing
- Talent attraction & retention
- Training & development

- Biodiversity
- Carbon footprint
- Climate change
- Emissions
- Energy efficiency
- Packaging
- Sustainable agriculture
- Sustainable & responsible sourcing
- Waste management
- Water stewardship

- Corporate governance
- Enterprise risk management
- Business ethics and compliance
- Policy influence
- Tax transparency
- Supply chain management
- Business innovation



GRI 2-29

OUR STAKEHOLDERS

As part of the research, we also mapped the most relevant external stakeholder groups. This mapping was obtained through a thorough analysis of our value chain: from raw materials to distribution, identifying the people, organizations, and companies involved in the completion of every step of our process.

	Auditors & consultants	Civil society	Institutional clients	Neighboring communities	Competitors
Inputs from stakeholders	Primarily focus on the availability of information and management systems to be able to perform their work.	Highly interested on the negative impacts our products may have on the environment and young people.	Highly interested in building up a more sustainable supply chain. Demand suppliers' transparent disclosure over social and resource exploitation, and ethical misconduct. Becele, as part of their ecosystem, must also adapt.	Highly interested in direct positive and negative environmental and social impacts provoked by Becele's operations.	Focus on the latest efforts and innovations made by the company to establish industry benchmarks.
Relevant ESG topics	1 2 3	4 5 6	1 7 8 9	10 11 12	1 2 13
	Consumers	Distributors	Government & authorities	Investors	Tourists
Inputs from stakeholders	Demand for products that align with their own values, as consuming sustainable products has become part of their everyday decisions.	Our distributors often operate in mature ESG markets. They are demanding higher transparency in our ESG performance.	Highly interested in compliance of regulations and laws for business continuity.	Primarily concerned on Becele's ESG performance and information disclosures.	Mainly interested in the value proposal and customer experience offered by the company.
Relevant ESG topics	10 14 15 16 7	1 2 17	10 18 2 1 7 15	19 1 2	1 7 18

- 1 Environmental reporting and compliance
- 2 Social reporting and compliance
- 3 Financial and tax transparency
- 4 Carbon footprint
- 5 Responsible drinking
- 6 Sustainable and responsible marketing
- 7 Human rights
- 8 Diversity and inclusion
- 9 Business ethics and compliance
- 10 Water stewardship
- 11 Community development
- 12 Talent attraction and retention
- 13 Business innovation
- 14 Waste management
- 15 Biodiversity
- 16 Packaging
- 17 Supply chain management
- 18 Labor management and working conditions
- 19 Corporate governance
- 20 Risk management
- 21 Product safety and quality
- 22 Energy efficiency



GRI 2-7, 2-30

LOOKING AFTER OUR PEOPLE

We strive to attract, develop and retain the best talent, with competitive salaries and benefits, as well as training and development programs. We also respect their freedom of association and prohibit any form of discrimination and harassment.

Becle is a company with operations divided in three regions, Mexico, United States & Canada, and Rest of the World. Our largest operation is in Mexico, where we have our headquarters, three distilling facilities and an Agricultural Unit that oversees our agave plantations.

Total number of employees in 2023 was 10,283 people; total number in Mexico was 9,421, with a 9% increase vs. 2022. Employees were distributed as shown in the following tables.



Total employees by gender and region

	U.S.& CAN	Mexico	RoW	Total
Men	372	7,381	192	7,945
Women	212	2,040	86	2,338
Total	584	9,421	278	10,283

Employees by age group

	U.S.& CAN	%	Mexico	%	RoW	%	Total	%
Under 30	50	8.6	2,832	30.1	69	24.8	2,951	28.7
30-50	361	61.8	5,085	54.0	135	48.6	5,581	54.3
Over 50	173	29.6	1,504	16.0	74	26.6	1,751	17.0
Total	584	100	9,421	100	278	100	10,283	100

Employees by category

	U.S.& CAN	%	Mexico	%	RoW	%	Total	%
Strategic leaders	1	0.2	11	0.1	1	0.4	13	0.1
Tactical leaders	111	19.0	25	0.3	29	10.4	165	1.6
People leaders	225	38.5	522	5.5	87	31.3	834	8.1
Individual	106	18.2	934	9.9	65	23.4	1,105	10.7
Operational	141	24.1	7,929	84.2	96	34.5	8,166	79.4
Total	584	100	9,421	100	278	100	10,283	100

Employees by type of contract

	U.S.& CAN	%	Mexico	%	RoW	%	Total
Unionized	117	20	637	7	96	35	850
Non-unionized	467	80	8,784	93	182	65	9,433
Total	584	100	9,421	100	278	100	10,283

Excluding field workers

	Mexico	Total
	637	850
	1,717	2,366
Total	2,354	3,216

U.S.& CAN: United States & Canada. RoW: Rest of the World (EMEA/APAC/LATAM)



GRI 405-1

Diversity & inclusion

We know that a diverse workforce drives innovation and creativity, and understand the importance of respecting and valuing the diversity of employees. We recognize the potential that can be unlocked when every individual feels included and valued, and we are therefore committed to offering real opportunities for advancement and recognition in a safe, equitable, inclusive work environment of respect and equal opportunity, in which all our people are inspired to contribute to their fullest potential.

During 2023, we continued to implement initiatives to support equal opportunities and ensure non-discrimination, promoting inclusive and violence-free workspaces, where the personal and professional growth of all employees is guaranteed. We have a strict non-discrimination policy, mainly geared towards the talent acquisition process, where no candidate should be discarded because of their religion, race, age, gender, sexual orientation, physical capabilities, or any other subjective factor. This in turn promotes strong community bonds and improves employee retention and satisfaction.

Our team is composed of people from different backgrounds, experiences, and cultures, which allows us to bring unique perspectives and insights to the table. However, as a company heavily focused on agribusiness, the workforce is mostly integrated by field workers, which explains why the general headcount in Mexico shows a higher number of men.

Therefore, our strategy for an inclusive and diverse culture in a global environment is to ensure that all employees feel comfortable being the way they are. And, in terms of equity, that everyone has the tools that are personally relevant for them to succeed in the organization.



Total number of employees by gender in Mexico

	Men	Women	Total
Agriculture	6,093	1,302	7,395
Operations	854	328	1,182
Corporate	121	63	184
Commercial	314	346	660
Total	7,382	2,039	9,421

As shown in the table, 22% of our workforce in Mexico are women. In the Agriculture Unit, where the majority of workers are male, there is also a significant number of women, highlighting our ongoing efforts to inclusive hiring policies.



GRI 2-23, 409-1, 411-1

Human rights

At Becle, we understand the significance of protecting human rights and making sure that our policies and practices express our corporate human rights principles. We believe in treating all our people with dignity and respect, practice an open and honest communication and verify that our governance processes, controls, and procedures uphold our ethical labor practices.

Aware of the increasing level of accountability that stakeholders expect regarding human rights, we conduct our business in full compliance with all applicable laws and respect internationally recognized human rights in all our operations.

As signatories of the UN Global Compact, our business strategy not only adheres to their human rights and labor principles—support and respect the protection of human rights, non-discrimination regarding employment and occupation; upholding freedom of association and the effective recognition of the right to collective bargaining—but we also monitor that all our business partners are not complicit in human rights abuses and do not practice any form of forced or compulsory labor—including child labor.

In this way, as responsible corporate citizens, we not only encourage our business partners to follow similar standards but make certain that we only do business with those who follow the law and operate fairly and ethically at all times. We have established a human rights assessment platform, as well as a due diligence process to address any incidents of non-compliance, which provides for corrective plans and continuous improvement efforts. Our **Code of Conduct** and **Code of Ethics for Suppliers**, express our commitment to human rights.

Indigenous rights

We make sure that we understand their concerns and perspectives, and implement measures to address any potential impacts on their rights. We are especially aware of protecting the agave cultural heritage, which is deeply rooted in the indigenous communities with which we interact.

We respect the human rights, culture and traditions of indigenous people, one of the most material topics for our company, as 70% of our workforce is comprised of field workers, most of which belong to indigenous communities.





GRI 2-7

Talent management

Being a company with such a diversity of operations and locations, hiring conditions differ, according to the type and region of operation. However, all hiring conditions are subject to the type of contract stipulated by law.

Permanent employees by gender and region

U.S.& CAN		Mexico		RoW		Total	
Men	Women	Men	Women	Men	Women	Men	Women
372	212	6,054	1,624	192	86	6,618	1,922

Temporay employees by gender and region

U.S.& CAN		Mexico		RoW		Total	
Men	Women	Men	Women	Men	Women	Men	Women
0	0	1,327	416	0	0	1,327	416

Temporary employees by gender in Mexico

	Men	Women	Total
Agriculture	1,205	330	1,516
Operations	96	47	143
Corporate	5	3	8
Commercial	21	36	57
Total	1,327	416	1,743

Temporary employees are individuals with a fixed-term contract, concluding either upon the expiration of a specified time period or the completion of a particular task or event with an associated time estimate, such as the conclusion of a project or the return of replaced employees. As can be seen in the table, most temporary employees are field workers, which are hired during harvesting season. On the other hand, sales representatives are hired for marketing campaigns and activations. There are no temporary employees in the United States and Canada, or in the Rest of the World.

Our talent management policy is having the right people in the right position and initiatives to retain them with energizing careers that make them feel included. We aim at being an organization capable of developing its employees so as to cover personnel needs through people who are evolving with the company.



However, managing this diversity globally presents some challenges. It is necessary to have standardized technological systems and processes, but also human resources policies that are perceived the same in each country. We try to achieve this with locally relevant but globally managed policies in terms of compensation, systems and processes for talent planning and development, and global initiatives oriented to general cultural issues.

A global job satisfaction and employee engagement survey was conducted in 2022. The results helped us detect areas of opportunity, so we are now working to address them with tools for talent management and development. With this, the talent model and career succession plans were renewed. During 2023, the plans were executed derived from the results of the satisfaction and employee survey; for example the implementations of Ubits, a platform where everybody in the organization may access to their choice of training skills and a career development path.

At present, all human resources information—including field workers—is already in SAP's Success Factors platform for Mexico and can be used globally, although each region manages its own data. During the year we built the global KPI base to measure it year by year, and the goal is to have all the information fully automated by 2024.



GRI 401-1

Talent attraction & retention

One of our most important strategic actions, given its impact on the company, is identifying the critical positions on which operating continuity of our business depends.

In 2023 we bolstered our entire talent assessment system standardizing it in a sustainable manner, where we defined the measures of talent, competencies and the skills of our employees, on a global scale. On this basis we evaluated more than 800 people across the company, focusing on upper organizational levels, with the same tools and global vision of the business. This allowed us to map key positions and our top performing talent, enabling us to create a custom career and succession plan tailored to what the organization needs. We are also improving our internal career site so that all employees can apply for positions.

Our recruitment policy prioritizes internal talent development and promotion. We hire externally for specialized skills not developed within the company and for entry-level positions, then motivate and support all employees, including unionized factory workers, to grow and advance within the company. This allows them to reach higher levels and transition to non-unionized positions based on their performance.

Employee hires by age group

	U.S.& CAN	%	Mexico	%	RoW	%	Total	%
Under 30 years old	27	24	3,254	51	32	73	3,313	50
30-50 years old	71	64	2,801	44	11	25	2,883	44
Over 50 years old	13	12	376	6	1	2	390	6
Total	111	100	6,431	100	44	100	6,586	100

Employee turnover by age group

	U.S.& CAN	%	Mexico	%	RoW	%	Total	%
Under 30 years old	16	18	2,394	49	4	22	2,414	48
30-50 years old	50	55	2,183	45	8	44	2,241	45
Over 50 years old	25	27	310	6	6	33	341	7
Total	91	100	4,887	100	18	100	4,996	100

Excluding field workers

Mexico	%	Total	%
333	59	392	54
220	39	302	42
12	2	26	4
565	100	720	100

Excluding field workers

Mexico	%	Total	%
214	45	234	40
237	50	295	50
27	6	58	10
478	100	587	100

In the case of Mexico, the hiring policies at the lower level with growth perspectives explain part of this high percentage of hirings under 30 years old. Also, the fact that, as we can see in the table, most turnover is related to those sectors whose hiring has a strong seasonal character. In the case of field workers, both male and female, only about 60% are permanent and accumulate seniority. The rest, as was said before, as well as sales representatives, are hired for a specific project or time frame.





EMPLOYEE HIRES, PROMOTIONS, AND TURNOVER BY GENDER AND UNIT

Agriculture

	2022			2023		
	Men	Women	Total	Men	Women	Total
Employees	5,727	1,041	6,768	6,093	1,302	7,395
Hires	2,869	754	3,623	4,738	1,187	5,925
Turnover	2,503	416	2,919	3,629	825	4,454
Involuntary turnover	105	11	116	125	44	169
Voluntary turnover	2,398	405	2,803	3,504	781	4,285
Turnover rate	43.7%	40.0%	43.1%	59.6%	63.4%	60.2%
Promotions	25	11	36	12	10	22

Distilleries and Bottling

	2022			2023		
	Men	Women	Total	Men	Women	Total
Employees	1,043	371	1,414	1,108	438	1,546
Hires	357	160	517	275	132	407
Turnover	257	99	356	237	112	349
Involuntary turnover	79	16	95	57	24	81
Voluntary turnover	178	83	261	180	88	268
Turnover rate	24.6%	26.7%	25.2%	21.4%	25.6%	22.6%
Promotions	126	31	157	30	14	44

Commercial Business Units

	2022			2023		
	Men	Women	Total	Men	Women	Total
Employees	574	493	1,067	623	535	1,158
Hires	117	103	220	114	109	223
Turnover	84	63	147	79	79	158
Involuntary turnover	25	16	41	42	30	72
Voluntary turnover	59	47	106	37	49	86
Turnover rate	14.6%	12.8%	13.8%	12.7%	14.8%	13.6%
Promotions	25	31	56	25	21	46

Corporate

	2022			2023		
	Men	Women	Total	Men	Women	Total
Employees	126	62	188	121	63	184
Hires	21	9	30	18	13	31
Turnover	14	7	21	22	13	35
Involuntary turnover	7	0	7	11	4	15
Voluntary turnover	7	7	14	11	9	20
Turnover rate	11.1%	11.3%	11.2%	18.2%	20.6%	19.0%
Promotions	6	12	18	6	5	11

Total

	2022			2023		
	Men	Women	Total	Men	Women	Total
Employees	7,470	1,967	9,437	7,945	2,338	10,283
Hires	3,364	1,026	4,390	5,145	1,441	6,586
Turnover	2,858	585	3,443	3,967	1,029	4,996
Involuntary turnover	216	43	259	235	102	337
Voluntary turnover	2,642	542	3,184	3,732	927	4,659
Turnover rate	38.3%	29.7%	36.5%	49.9%	44.0%	48.6%
Promotions	182	85	267	73	50	123



GRI 401-1

Training

At Becele, we are committed to developing the capabilities of people as an effective way of responding to our business goals, increasing productivity, delivering a better customer service and supporting our return on investment. We believe that people development is strongly connected with the company’s growth, so we are determined to provide them with the skills, knowledge, and tools they need to perform their jobs effectively and to help them grow. The Human Resources team is responsible for ensuring that our training and development initiatives align with our overall business strategy and that our employees receive the support they need to succeed.

Knowing that our success comes from investing in and empowering our people, we offer opportunities for keeping professional skills current and for advancement and recognition. Becele’s goals and objectives for training and development are to assess current capabilities, determine needed competencies for the success of company goals, assess strategies, deployment plans, and resources and materials necessary to develop and teach competencies. Based on this, we identify readiness of employees for promotion, generate development plans for top-tier employees, and define the courses to be taught and the number of hours necessary to cover them.

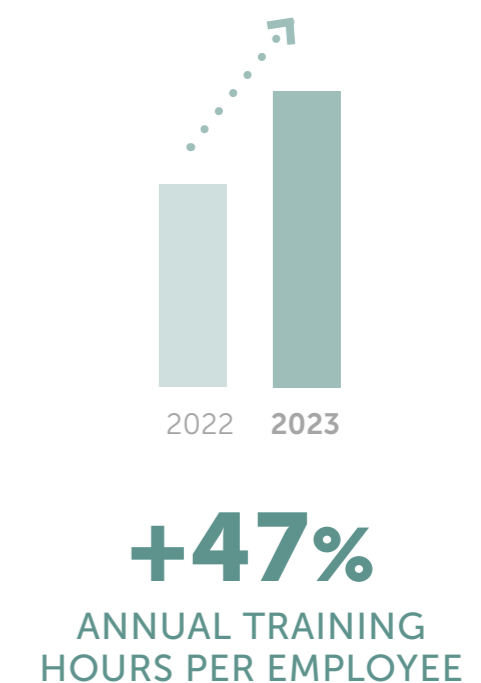
	Agriculture	Proximo U.S. ¹	Global Supply Chain & Operations ²	Mexico Commercial & Corporate
Reported training hours	310,039	159,997	32,514	947
Headcount	7,395	584	1,182	844
Annual training hours per employee	42	274	28	1
Monthly training hours per employee	3.5	22.8	2.3	0.1

	Total ³		
Year	2022	2023	Variation (%)
Reported training hours	315,107	503,496	60
Headcount	9,194	10,005	9
Annual training hours per employee	34	50	47
Monthly training hours per employee	2.9	4.2	47

- 1 Including Proximo Distillers Indiana.
- 2 Excluding Bushmills & PDI.
- 3 Excluding EMEA & APAC.



Throughout the year, we offered more than 500 courses, totaling more than 500,000 training hours, with an average of 50 hours per employee per year. This meant a 47% increase of annual training hours per employee versus last year.





GRI 404-2, 404-3

Our top 20 courses with the highest number of attendance and most hours dedicated were:

Top 20 courses

Emotional Assistance Program (Orienta PAE)
Application of agrochemicals
Cutting tool sharpening
Starter training
Progressive discipline
Safe handling of pesticides
First aid
Healthy eating
Strategic training for high performance managers
Communication and project management
Food and beverage technologies
Cost management and maintenance control
Head high performance teams program
Fundamentals of gas chromatography coupled to mass detector
Safe forklift operation
Effective presentations
Accountability
Emotional intelligence
Brand education
Ethics and compliance

To support training initiatives, we provide regular performance and career development reviews. We foster a culture where our executives are actively engaged in continuous dialogues with team members regarding their performance and growth. **As a result, we successfully conducted performance evaluations for 100% of our eligible workforce this year**, which consisted of 1,780 employees—administrative personnel in every region. We did not consider unionized staff nor new hires that could not complete a 120 cycle between their hire date and December 31st 2023.

During the year, besides the training programs offered by Harvard University targeted to our managers and directors, we signed an agreement with Ubits, which offers excellent content and specialized courses online, not only from Harvard but also from other institutions. These courses, which encourage self-learning, will be available to every non-unionized employee in Mexico.

We successfully conducted performance evaluations for 100% of our eligible workforce this year.

Employees that received a performance review

Contribution level	Men	Women
Strategic leaders	11	1
Tactical leaders	118	34
People leaders	359	172
Individual	639	348
Operational	78	20
Total	1,205	575





GRI 2-19, 2-20, 405-2

Compensation

Compensation and benefits for our employees not only recognize their effort and commitment to their work, but also their contribution to the company's value creation. We have designed compensation policies and plans which are locally relevant and globally applicable, based on each position's obligations, responsibilities and performance.

We prioritize maintaining competitive and equal remuneration and conditions for all employees, across all levels of our organization, without regard to personal characteristics. Our people receive competitive and fair salaries and all the benefits required by law, in addition to a package of additional benefits, depending on their contribution level. The ratio of basic salary is 1 to 1, and differences and increases vary, according to individual performance.

Compensation mix by region and category

	U.S.& CAN		Mexico		RoW		Average	
	Fixed	Variable	Fixed	Variable	Fixed	Variable	Fixed	Variable
Strategic leaders	52%	48%	56%	44%	64%	36%	57%	43%
Tactical leaders	76%	24%	79%	21%	80%	20%	78%	22%
People leaders	82%	18%	86%	14%	88%	12%	85%	15%
Individual	97%	3%	91%	9%	90%	10%	93%	7%
Operational	100%	0%	82%	18%	92%	8%	91%	9%

Ratio of basic salary of women to men per region, gender and category

	U.S.& CAN		Mexico		RoW	
	Men	Women	Men	Women	Men	Women
Strategic leaders	100%	-	93%	100%	100%	-
Tactical leaders	100%	98%	100%	94%	100%	89%
People leaders	100%	100%	100%	100%	100%	96%
Individual	96%	100%	98%	100%	100%	90%
Operational	100%	95%	100%	98%	100%	85%

In the very competitive talent market in our sector, Becle has implemented measures to offer engaging options to attract, retain, develop and compensate its talent. Our benchmark is a select group of 30 companies in similar businesses or which compete with us for talent. Our total compensation amounts to the median of this group which, compared to the whole labor market in Mexico, is at a 75 percentile.

For people leaders, individual and operational employees, short-term KPIs linked to variable compensation may include sales, productivity or specific metrics defined in each area. Director and C-Suite KPIs linked to variable compensation include volume, sales, EBITDA, EBITDA margin and ROIC. We also provide long-term incentives for all functional levels, although they are not linked to equity.

As for field workers, their wages are on average 99% above the minimum wage. Unlike other companies in the sector, they all have benefits above those required by law. Until 2023, we had not reached the minimum wage in any of our tabulators.



Note: Operational personnel refer to employees working in field operations or factories. Individual employees are those who do not have subordinates. People leaders encompass managers or employees who supervise teams within the organization. Tactical leaders refer to directors who oversee specific areas or functions, while strategic leaders encompass the executive-level employees who hold positions within the C-suite.



GRI 401-2

Compensation and benefits by contribution level in Mexico

Concept	Operational	Individual	People leaders	Tactical leaders	Strategic leaders
Health insurance coverage for employees and their family	✗	✓	✓	✓	✓
Minor medical expenses insurance	✗	✗	✗	✗	✗
Life insurance	✓	✓	✓	✓	✓
Retirement plan	✓	✓	✓	✓	✓
Savings fund	✓	✓	✓	✓	✓
Short-term performance bonus	✗	✗	✓	✓	✓
Long-term performance bonus	✗	✗	✗	✓	✓
Vacation bonus higher than required by law	✓	✓	✓	✓	✓
Additional vacation days beyond what the law mandates	✗	✗	✗	✗	✓
Annual Christmas bonus higher than required by law	✓	✓	✓	✓	✓
Coupons for groceries	✓	✓	✓	✓	✓
Non-utility cars	✗	✗	✓	✓	✓
Medical check-up	✗	✗	✗	✓	✓
Scholarships for professional development	✗	✓	✓	✓	✓
Training programs	✓	✓	✓	✓	✓
Stock purchase plan	✗	✗	✗	✗	✗
Dental insurance	✗	✓	✓	✓	✓
Psychological assistance	✓	✓	✓	✓	✓
Gym pass	✓	✓	✓	✓	✓
Sale of product at a discount	✓	✓	✓	✓	✓



GRI 401-3

As for parental leave, 100% of employees in Mexico are entitled to parental leave. In 2023, 36 men and 57 women took this benefit—0.49% of total employees in the case of men and 2.79% in the case of women. They all returned to work after the leave period and were still employed 12 months after having returned.

GRI 403-1, 403-7

Occupational health & safety

Becle considers the health, integrity and well-being of its employees, contractors, visitors and the communities in which we operate to be of utmost relevance. That is why technical training in our facilities and agricultural area is of critical importance.

We regularly review and update our policies to ensure they remain effective and relevant in the face of changing risks and opportunities. By taking these steps, the company demonstrates its commitment to responsible and sustainable business practices and effectively manages the risks and opportunities related to labor management and working conditions.

Our Operations and Human Resources teams are responsible for setting policies, ensuring compliance with relevant laws and regulations, and leading by example. They regularly monitor occupational health & safety (OHS) performance, in order to identify and manage any hazards or risks that may arise.

We also understand the importance of maintaining good relations with our employees and adhering to international standards on labor and human rights. The interaction between the company and the union is based on a constant dialogue with union representatives. To address significant labor management and working conditions issues, risks, and opportunities, we have implemented a comprehensive risk management strategy.

Integral Management Policy & OHS programs

We have an Integral Management Policy and a Safety and Hygiene Commission, which oversees all OHS issues. We are certified by the Self-Management Program in OHS (PASST-2) from the Mexican Ministry of Labor and Social Welfare, which endorses all our facilities' procedures in the country. In addition, we comply with all applicable regulations, including the NOM-035-STPS2018 Psychosocial Risk Factors in the Workplace.

All our integral safety protocols are documented, and all employees receive routine reinforcement training and performance measurements. Courses cover a wide range of areas including conditions and safety at work, first aid, health and hygiene and responsible consumption of alcohol, among others.

100% of employees returned to work after their leave period and were still employed 12 months after having returned.





GRI 404-1, 404-2

OCCUPATIONAL HEALTH & SAFETY TRAINING HOURS

Operations (La Rojeña, EDISA, New Distillery, Camichines)

	2022	2023
Conditions and safety at work	950	819
Civil protection	621	546
Work environments risks	617	502
Nutrition and mental health	603	500
Management and industrial protocols	537	455
First aid	359	319
Responsible consumption of alcohol	277	228
Health and hygiene	220	182
Wellness programs and life insurance	105	91
COVID-19 prevention measures	104	90
Others	955	820
Total training hours	5,347	4,552

Proximo Unit (PDI)

	2023
Conditions and safety at work	6,443
Work environment risks	612
Nutrition and mental health	232
Management and industrial protocols	875
First aid	417
Health and hygiene	277
Wellness programs and life insurance	85
Others	960
Total training hours	9,901

Agricultural Unit

	2022	2023
Total training hours in safety	31,240	103,687
Risks in agricultural activities	11,263	21,360
Sharpening of harvesting tool	4,856	14,109
Management & safety of agrochemical substances	3,309	23,868
Management of agricultural machinery	2,467	18,417
Emergency brigades and civil protection	1,895	21,335
Others	7,450	4,598
Total training hours in health	92,710	106,499
Disease prevention	30,258	37,470
Nutrition	18,730	14,487
Mental health	6,090	15,384
Addiction prevention	5,233	12,036
Others	32,399	27,122

Total training hours

	2022	2023	Variation (%)
	129,297	224,639	73.7

During the year, the Operations Unit in Mexico offered 4,552 hours, our Proximo Unit in the United States offered 9,901 training hours, and our Agricultural Unit had an astonishing increase, reaching 210,186 hours. **Total number of hours was 224,639, a 73% increase versus the previous year.**

Note: 2022 training hours do not include the Proximo unit (PDI)



The Safety and Hygiene Commission, which provides information and recommendations to management about occupational safety and health conditions and practices, represents a forum for information exchange. Among other activities, this committee reviews company injury and illness data to look for trends and causes, reviews investigations of occupational accidents and causes of incidents resulting in occupational injury or illness and provides a point of contact for employees to communicate safety questions and concerns, promotes safety and health awareness in the workplace, identifies corrective measures needed to eliminate or control safety and health hazards.

Our comprehensive strategy involves regular assessments of workplace hazards, ongoing training and education for our employees and contractors, the use of appropriate equipment and facilities, and robust health and safety policies.

We are continually and systematically working to reduce high-potential incidents. Risk awareness and mitigation, along with training, engagement and empowerment are critical elements to the Integral Management Policy and for maintaining a low Lost Time Injury Frequency Rate (LTIFR) and a low Total Recordable Injury Frequency Rate (TRIFR). We believe that a strong commitment to OHS from everyone in the organization is essential for achieving this goal.

We also implemented an improvement plan that included informative sessions, communication campaigns and the activation of a free and confidential telephone and online assistance program for employees, covering emotional, medical, nutritional, financial and legal support.



LTIFR and TRIFR⁴

	2022	Agricultural Unit		Operations Unit	Corporate
		2023	Variation (%)	2023	2023
Rate of fatalities as a result of work-related injury	0.00	0.04	N/A	0.00	0.00
Rate of high-consequence work-related injuries (excluding fatalities)	1.54	1.23	-20	0.72	0.79
Rate of recordable work-related injuries (incidence rate)	2.08	2.61	25	0.72	0.79
Number of hours worked	28,754,700	21,950,748	-24	3,311,280	2,464,480

⁴ The rates have been calculated based on 200,000 hours worked.



GRI 413-1

Community development

FUNDACIÓN BECKMANN

Through its four strategic axes: Education, Health and well-being, Culture, and Social innovation, Fundación Beckmann fulfills its mission to contribute to the sustainable and inclusive development of Mexico. Its main focus is on education, considering it one of the most effective instruments to reduce poverty, improve health, and achieve gender equality, peace, and stability.



+US\$1 MILLION

DISBURSED TO DATE. THROUGH OUR GIVEBACK PROGRAM, WE SUPPORT SMALL BUSINESS OWNERS ACROSS THE U.S. AND MEXICO BY DONATING US\$1.00 PER BOTTLE SOLD.



Education

Three core programs were supported by the foundation this year.

- Financing the foundation’s most ambitious and important project, the J. Beckmann School, which offers children from the most vulnerable socioeconomic backgrounds in Tequila a comprehensive education of high academic quality. 118 children attended school during its first year of operation.
- Visual support campaign for all children, with an optometric check-up in 48 public elementary schools in the municipalities of Tequila and Zapotlanejo. 884 glasses were distributed among the children, free of charge.
- As part of the Neuroscience Specialization Program, two scholarships were granted to Mexican neurosurgeons to support their studies in excellence programs abroad.



Health and well-being

Three programs were also funded during the year.

- Financial support to native residents in Tequila who cannot afford their health treatment or medical intervention.
- Health Day, with services such as preventive psychological care on issues of violence and abuse; pediatric consultations, gynecological and nutritional sessions, and a basic first aid course.
- Payroll of the staff at a home for the elderly, where most of the residents were formerly homeless.



Culture

During the year, the Beckmann Foundation financed and operated the Music School, which offers musical workshops in different disciplines to children, young people and adults.



Social innovation

This strategic axis comprises two main programs:

- Coramino Fund to strengthen regional entrepreneurship, with strategies and programs that promote the economic and social growth of the communities where we are present. This year we supported eight micro-entrepreneurs in Tequila with equipment and business management advice.
- Cultural and heritage festivals to promote the consolidation of the Tequila identity. One notable event is the annual encounter of traditional chefs, held for the past six years, where they share their recipes with restaurateurs and community members.



GRI 413-1

FUNDACIÓN JOSE CUERVO

Fundación Cuervo has defined five strategic axes to support Beclé’s corporate social responsibility efforts: Active community participation, Education and culture, Community development, Social investment and Volunteering.



Active community participation

One of the relevant programs in this area is support for the activities of FISAC, a Mexican foundation that contributes to the awareness of the harmful consequences of excessive alcohol consumption.

Its guiding principles are as follows:

1. No drinking and driving.
2. Zero alcohol consumption for minors and pregnant women.
3. Respect for abstinence.
4. Moderate consumption for adults.



Education and culture

During the year, this important pillar focused on several educational programs:

- Donation of computer equipment to secondary schools in Tequila, to help reduce the digital and technological divide.
- As part of a strategic initiative by the Jalisco Ministry of Education, we supported the 2023 STEAM Youth Challenge. This innovative approach to teaching and learning combines science, technology, engineering, the arts, and math to guide student inquiry, discussion, and problem-solving.

We also promote the cultural richness of Tequila’s traditions through cultural and gastronomic festivals, and also sponsor the National Museum of Art (MUNAL).



Community development

We design and implement programs to develop the necessary competencies in young people and adults that will ease their access to employment, decent work and entrepreneurship.



Social investment

We provide financial support to civil society institutions focused mainly on health.

- FundHepa, which promotes liver health; this year we donated immunosuppressant medication for 48 transplant patients.
- Fundación Cima, focused on the timely detection of breast cancer.
- Operation Smile Mexico, which this year performed 100 operations on children with harelip and/or cleft palate.
- Children’s Hospital of Mexico.
- Equipment for the surgical room in the pediatric oncology area of the Guadalajara Civil Hospital, which treats an average of 300 children a year.



Volunteering

We organize Volunteer Days, during which our employees can engage in social responsibility activities in the communities where we operate.

During 2023, Fundación Jose Cuervo invested **₱\$27 million in community outreach programs**, mainly in social investment, as we consider this the most strategic pillar to achieve our vision and mission.



MAESTRO DOBEL ATELIER

As every year since 2022, we launched our new collection of Maestro Dobel Atelier hand-painted bottles. The collection not only highlights the creativity and craftsmanship of the artisans but demonstrates the brand's commitment to social empowerment and community engagement.



In its second annual release of limited-edition bottles, the 2023 Trajineras edition pays homage to the traditional boats that navigated the canals of Pre-Hispanic Mexico, and which are still used for transportation and tourist rides in Xochimilco. Maestro Dobel Atelier proudly presents this tequila, distinguished by its unparalleled quality, offering consumers the opportunity to collect original pieces of this rich heritage of Mexico.

Maestro Dobel Atelier is an *extra-añejo* tequila that undergoes a meticulous aging process of 40 months in American and European oak casks. This extended aging results in a harmonious blend of aromas and flavors, including notes of cooked agave, hints of vanilla, dried fruits, spices, and a delightful touch of toasted almond.





GRI 2-10, 2-11

SUSTAINABLE GOVERNANCE

Transparent and accountable decision-making processes, ethical business practices, and oversight of our supply chain all attest to our commitment to sustainable governance.

Guided by our Sustainable Governance pillar, our management approach is to preserve our key resources and drive constant growth, embedding sustainability in every step of our value chain, as this will build trust in the legitimacy of our ESG management systems with internal and external stakeholders.

In order to remain relevant through constant improvement of our ESG management systems, we continually assess and increase our sustainability efforts so as to ensure that we are making a meaningful difference.

Corporate governance

At Becele, we have a solid, reliable corporate governance supported by an experienced management team. However, as we consider corporate governance a collective responsibility, we empower all our employees to ensure that the company always operates in an ethical and responsible manner, protects the interests of our shareholders, and continues to thrive as a strong, highly reputable and respected organization.

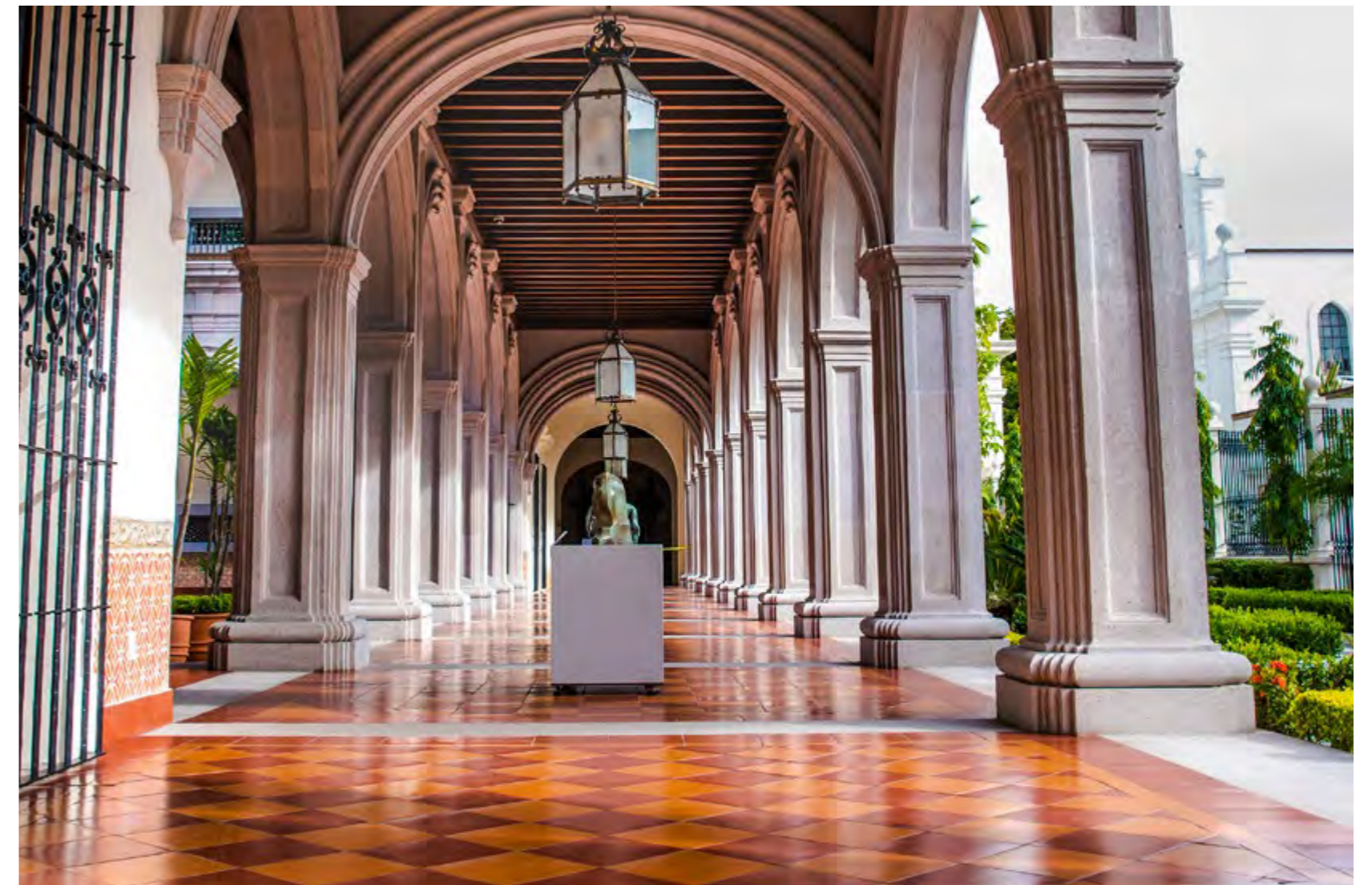
Board of Directors

Our Board of Directors is the governance body responsible for defining the company's vision and strategy, overseeing the management of our business, and ensuring that the company operates in an ethical and transparent manner. Senior executives and auditors also play a role in ensuring excellent corporate governance.

The Board of Directors complies with the best international practices, as well as the regulations imposed by the Mexican Stock Exchange and the Securities Market Law.

Board members are appointed or ratified in the annual ordinary shareholders' meetings. The board consists of 12 regular members, 9 of which are independent—equivalent to 75% of board membership, which is above the 25% minimum established in the Securities Market Law—and 5 alternate board members. The Board's responsibilities include:

- Representing the company, taking any legal actions, and adopting any determinations it deems necessary or convenient to achieve the corporate purpose.
- Ensuring that the resolutions of the shareholders' meetings are executed, which may be assessed by the Audit and Corporate Practices Committee.
- Establishing the general strategy for managing the company and the legal entities controlled by Becele.





GRI 2-9, 405-1

Board of Directors

Name	Gender	Age	Nationality	Tenure	Other boards ⁵	Independence
Board Members						
Juan Francisco Beckmann Vidal ^{HLC, \$, I}	M	84	Mexican	7	1	No
Juan Domingo Beckmann Legorreta ^{CBO, CEO, I}	M	56	Mexican	7	-	No
Antonio Silva Jáuregui ^{\$}	M	68	Mexican	1	-	No
Independent Board Members						
Ronald Anderson ^I	M	67	British	4	-	Yes
John Randolph Millian ^I	M	70	American	7	4	Yes
Ricardo Cervera Lomelí ^{\$}	M	50	Mexican	7	1	Yes
Alexander Gijs Van Tienhoven ^{\$}	M	59	American	7	-	Yes
Sergio Visintini Freschi ^{\$}	M	69	Argentinian	5	1	Yes
Luis A. Nicolau Gutiérrez	M	62	Mexican	3	3	Yes
Hernando Carlos Luis Sabau García	M	70	Mexican	3	5	Yes
Alberto Torrado Martínez ^{\$, I}	M	60	Mexican	3	3	Yes
James Clerkin ^I	M	70	Irish	1	4	Yes
Alternate Board Members						
Karen Virginia Beckmann Legorreta ⁶	F	57	Mexican	5	-	No
Fernando Suárez Gerard ^{\$}	M	50	Mexican	5	-	No
Luis Fernando Félix Fernández ^I	M	60	Mexican	3	-	No
Independent Alternate Board Members						
Carlos Javier Vara Alonso ^{\$}	M	56	Mexican	7	-	Yes
Arsenio Farell Campa	M	71	Mexican	3	1	Yes
Secretary						
Sergio Rodríguez Molleda	M	58	Mexican	4	-	No
Alternate Secretary						
Cynthia Corro Origel	F	46	Mexican	7	-	No
Average		65.4		4.6	2.0	

^{\$} Financial Expert | ^I Industry Expert | ^{CEO} Chief Executive Officer | ^{CBO} Chair of the Board | ^{HLC} Honorary Life Chairman

⁵ These figures include public companies

⁶ Alternate of Antonio Silva Jáuregui.

The Board of Directors meets in ordinary sessions at least four times a year but can be called to extraordinary meetings at the request of the Chairman of the Board. In 2023, the board met four times, and attendance was 91.3%.





GRI 2-10, 2-13, 2-18

Nomination procedure

Our bylaws establish that each 10% owned by any shareholder includes the right to nominate or remove one board member. To elect directors, the Board of Directors or the Committee of the Board of Directors that performs the duties of nominations and compensations of the company: i) will propose to the Annual Ordinary General Shareholders' Meeting the ratification of positions for another year of members of the Board of Directors previously elected, or ii) must submit to such Annual Ordinary General Shareholders' Meeting a list of candidates proposed to the Board of Directors of the company, including the names of candidates who, if any, were elected by minority shareholders and informed to such committee. Also, the Board may appoint interim directors, without the participation of the Shareholders' Meeting, until their ratification.

Extensive experience in consumer markets is one of the main criteria looked upon when nominating and selecting the members of our Board. To evaluate our board's effectiveness, we use a combination of legal requirements and best practices that focus on the board's ability to carry out its duties, its composition and processes, and its relationship with stakeholders. Among the factors taken into consideration, the following are a priority:

- Whether the Board can provide strategic direction, oversee management, and monitor the company's performance effectively and efficiently.

- The diversity of Board members, their expertise and qualifications, and their independence from management.
- The quality and frequency of board meetings, use of committees, and ability to obtain and use information.
- The Board's communication and relationship with stakeholders, including shareholders, employees, and regulators.

We also follow the Corporate Governance Code established by the Mexican Stock Exchange, which sets out best practices for publicly traded company boards, including requirements for board composition, independence, and evaluation.

Audit & Corporate Practices Committee

The Board of Directors is assisted in its activities by the Audit and Corporate Practices Committee, which is comprised of at least three independent members appointed by the Board of Directors—except in the case of companies controlled by a person or group holding 50% or more of the outstanding capital stock, in which case the majority of the members of the Audit Committee must be independent. The Audit and Corporate Practices Committee—together with the Board of Directors, which has additional responsibilities—replaced the auditor that was previously required pursuant to the Mexican General Business Act.

The Audit & Corporate Practices Committee assists the board in overseeing the company's management and direction. Its responsibilities are, among others:

- Evaluating the work of the company's external auditors.
- Overseeing the management and execution of the company's business.

- Analyzing the external auditors' reports and informing the Board of Directors of any irregularity related to internal controls.
- Supervising related-party transactions and the activities of the Chief Executive Officer.
- Submitting an annual report to the Board of Directors and to shareholders.

Our Audit and Corporate Practices Committee is composed of the following members:

Name	Position
Sergio Visintini Freschi	Chairman
John Randolph Millian	Member of the Board
Ricardo Cervera Lomelí	Member of the Board
Hernando Carlos Luis Sabau García	Member of the Board
Cynthia Corro Origel	Secretary
Sergio Rodríguez Molleda	Alternate Secretary

The committee is also responsible for issuing quarterly recommendations to the Board of Directors in relation to the performance of our key executives, the operations with related parties, the requests for opinions of independent experts, calling the shareholders' meeting and supporting the Board of Directors in the preparation of reports for the Annual Shareholders' Meeting.



GRI 2-11, 2-12, 2-13, 2-14

Management team

Becle’s management team is composed of industry experts, a group of individuals with ample expertise in the different areas of the company, ranging from an appropriate financial performance to the development and execution of best corporate practices.

Name	Position
Juan Domingo Beckmann Legorreta	Chief Executive Officer
Fernando Suárez Gerard*	Chief Financial Officer
Peter Vogtlander	Chief Operations and Supply Chain Officer
Luis Fernando Félix Fernández	Managing Director U.S. & Canada (Proximo)
Gordon Dron	Managing Director, EMEA and APAC
Olga Limón Montaña	Managing Director Mexico & LatAm
Sergio Rodríguez Molleda	General Counsel
Gabriel Sander Muñiz	Human Resources Director
Iván Ramos Abreu	Audit Director

*As of April 1st of 2024, Rodrigo de la Maza Serrato serves as Becle’s Chief Financial Officer.



As CEO and Chairman of the Board, Juan Domingo Beckmann’s main functions are to oversee the operations of the company and ensure that it achieves its financial and strategic objectives; to comply with the agreements of the Shareholders’ Meetings and the Board of Directors; to ensure that the board consists of individuals in diverse skills, expertise, and backgrounds, leading the process of identifying and recruiting new directors and assessing the performance and independence of existing board members; and to develop and execute guidelines for the internal control and audit systems of the company and its controlled entities, as required by the Securities Market Law.

Other functions entrusted to him are the following:

- Disseminate relevant information and events to the public, in accordance with the Securities Market Law and the board’s guidelines.
- Comply with the provisions relating to the execution of acquisition and placement operations of the company’s own shares.
- Comply with the legal and statutory requirements established with respect to dividends paid to shareholders.
- Establish mechanisms and internal controls to ensure that the company and its controlled entities comply with applicable regulations and monitor their effectiveness, taking necessary measures when needed.

Compensation

The compensation of Board members, secretary of the board and members of the committees of the company is determined by the Annual General Ordinary Shareholders’ Meeting. In 2023, Board members received a fixed pay of US\$4,000 dollars per session of the Board of Directors attending thereat and US\$3,500 dollars per session of the Committee attending thereat.

ESG governance

Businesses are under increasing pressure from stakeholders to fulfil their responsibility to positively contribute to the health of the environmental and social systems they impact and depend on. We have therefore established a supervisory working group for ESG practices at the middle and senior management levels to guide the implementation of recommendations and report progress to the Board of Directors. The working group is responsible for monitoring the implementation of actions related to governance, strategy, risk management, process transformation, and metrics and objectives.



GRI 2-15, 2-16, 2-26, 2-27, 406-1

Corporate ethics and compliance

Sustainable corporate governance aligns value creation with values. Therefore, our behavior, both on the job and outside the workplace, must not conflict with Becle’s best interest and Code of Conduct. Every day, we face situations where our judgement and our ability to act in accordance with our culture of integrity might be compromised.

Corporate integrity

The oversight and responsibility of business ethics and compliance is of utmost importance for our company. While the Ethics Committee supports the Audit and Corporate Practices Committee in promoting and embedding a culture of integrity and compliance to applicable laws and regulations, it is important to underline that the responsibility for maintaining ethical behavior and uphold our company values extends to all members of our organization. Ensuring that we operate with integrity and do the right thing is a shared responsibility that requires everyone’s active engagement.

Our Integrity Program endorses our commitment of acting ethically and correctly, in compliance with applicable laws and regulations. The program consists of a set of codes, policies, procedures, and tools grouped in three main pillars, **prevent, detect, and respond**, to identify and manage compliance risks and avoid actions that could cause legal risk or damage our reputation.

Code of Conduct

Our Code of Conduct, which is based on our values, is an essential element of our Integrity Program. It sets our expectations for ethical conduct and integrity for all the people who work or have a business relationship with Becle and is an important tool in bringing Becle’s values to life in our work. The code highlights expectations in areas of the business that could cause ethical or legal issues if mishandled and helps with better decision making. We also have a set of policies, guidelines, and procedures—Integrity Program—to prevent conflicts of interest, fraud, corruption, bribery, illegal dealings with governments, personal data breaches, money laundering, financing of terrorism and discrimination.

Our recently updated Code of Conduct consists of five pillars:

- Respect and collaboration
- Fair business practices
- Good professional judgement
- Honesty and transparency
- Our communities

Critical concerns regarding any non-compliance are communicated to the highest governance body at the Board Meeting, which can be conducted every three months.

Whistleblower system

In order to promote a culture of transparency and accountability, the company has implemented a whistleblower system (Ethics Line / LINEA CUERVOZ), a confidential mechanism for reporting issues. This channel is managed by **Deloitte**, an independent third-party, through which our employees and business partners can reliably and anonymously report any wrongdoing or alleged breach of the Code of Conduct, our policies, or the law, without fear of retaliation.

In 2023, in conjunction with Deloitte, we carried out face to face awareness sessions across all our facilities in Mexico to explain and promote the use of LINEA CUERVOZ, reaching **more than 540 employees in the Operations Unit.**



The Ethics Committee is the governing body that oversees the reliability and effectiveness of the Ethics Line/ LINEA CUERVOZ, investigates reported alleged breaches, and decides on applicable corrective actions for non-compliance substantiated cases. In 2023, 79 allegations were brought to our attention, 70 related to workplace behaviors and nine related to other Code of Conduct matters. All were thoroughly investigated and ten were substantiated.





GRI 2-15, 2-25, 205-2, 409-1

Ethics and compliance training

To increase the understanding of all employees regarding the Code of Conduct and compliance policies, a global mandatory training and communication plan is executed annually. During the year, we continued to promote our compliance e-learning strategy aimed at consolidating middle management awareness on the relevance of global compliance matters.

- 1,022 managers across all business units were enrolled to the following courses:
 - Anti-corruption course: 383 employees
 - Information security course: 412 employees
 - Forced labor and human trafficking courses: 227 employees.

Additionally, 1,186 employees in Mexico were enrolled to the Code of Conduct e-learning.

Since 2022, we joined Trace International, a globally recognized association dedicated to antibribery, compliance and good governance, which allowed us to access a library of compliance materials, including training courses to combat corruption, forced labor and human trafficking.

Annual Certification of Integrity (ACI)

The ACI process is conducted globally each year, in which employees must confirm that they fulfilled their individual responsibilities and commitments to understand and act in adherence to the provisions of the Code of Conduct and company’s policies.

In 2023, the active support from top management allowed an improvement of 36% in the participation of employees who completed their ACI versus the previous year.

Employee compliance rate participation in the ACI:

	2022	2023	Variation (%)
Mexico	1,025	1,424	38.9
U.S & RoW	487	634	30.2
Total	1,512	2,058	36.1

Conflicts of interest

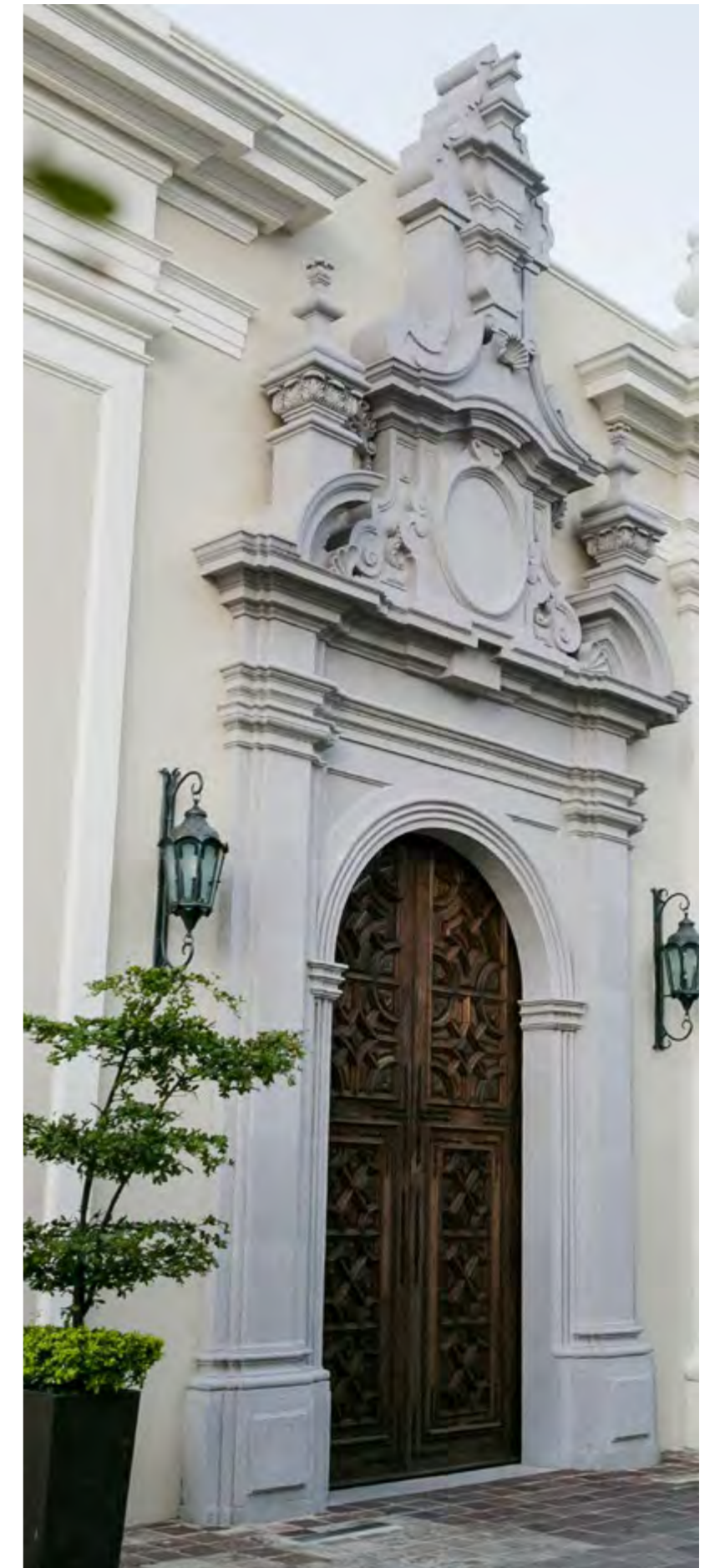
Becle encourages its employees to disclose any potential conflict of interest as soon as they are identified, to evaluate accordingly and agree on actions to resolve them completely. In 2023, the Conflict of Interests Tracker (COI) was implemented. The COI is a tool that the company developed to help their employees identify and document potential conflicts of interest.

Additional resources available to help employees identify a potential conflict of interest:

- A specific section within the Code of Conduct outlines the process that should be followed to disclose any conflict of interest, and examples of what a conflict looks like. The company keeps a record of the disclosures made and the actions agreed upon.
- A whistleblower policy that encourages employees to report any potential conflicts of interest or other ethical concerns. We also disclose any related party transactions or outstanding balances that may exist, and we ensure that these transactions are conducted at arm’s length and in accordance with applicable laws and regulations.
- Regular training of our employees on conflicts of interest and the importance of transparency and disclosure.

Modern slavery

In accordance with the modern slavery requirements in some of the jurisdictions in which we operate, we have issued annual statements outlining the steps we have taken to ensure that slavery and human trafficking are not taking place in our operations or supply chain. Said statement is signed by a senior member of the organization and is published on the company’s website.





GRI 2-23, 2-24, 207-1

Policy influence

Through the years, Beclé has continually worked closely with internal stakeholders, external partners, and advocacy groups to identify key policy issues and propose advancements in policy to comply with high-standard stakeholder demands and contribute to the creation of a more sustainable and responsible business environment.

Our continued endeavors to engage in materiality consultations and townhall meetings with local communities have strengthened communication channels with local stakeholders to improve monitoring of risks and opportunities, to demonstrate our commitment to responsible corporate governance, accountability, and to ensuring that our company's interests and values are aligned with those of our stakeholders.

Beclé's policy influence and public affairs capabilities effectively mitigate risks by leveraging our overall risk management framework and closely monitoring market, consumer, regulators, and stakeholder demands. Such monitoring responsibilities fall under the company's public affairs team, which collaborates closely with senior management and staff across our operations, supply chain, compliance, and commercial teams.

As a first commitment to leverage our policy influence capabilities in favor of sustainability, Beclé has become a member of the United Nations Global Compact (UNGC) and the Alianza Empresarial por el Clima, a joint effort between the government of Jalisco and the business sector to promote the decarbonization of the economy by 2050, as well as to improve the competitiveness of the business sector on a national and international level. In 2024, we will

report our progress towards the alignment of our strategies and operations with the UNGC's principles on human rights, labor, the environment, and anti-corruption, among others.

Tax transparency

Another way to show our commitment to responsible corporate governance is by having clear and robust internal control processes in place to ensure compliance with tax laws. By regularly monitoring our tax activities, we ensure a comprehensive and well-documented tax strategy, approved by the Chief Financial Officer, the Chief Executive Officer and the Board of Directors.

In this way, we can assure all our stakeholders that we comply with all our tax obligations and that Beclé operates in an ethical and transparent manner.

Tax compliance

Number of employees	10,281
Revenue	44,355
Profit before income taxes	6,188
Current tax expense	2,354
Deferred tax expense	(900)
Income taxes	1,454

Note: The above figures are in millions of Mexican Pesos, except the number of employees.

GRI 2-28

To strengthen our relationship with the community, we participate in the following associations:





Supply chain management

As the largest tequila producer and one of the largest spirits companies in the world, we welcome the responsibility of a complex supply chain by investing in oversight and governance capabilities that include technological, environmental and social considerations.

We have developed a human rights due diligence process throughout our supply chain—which comprises sourcing, operations, and logistics and distribution—to ensure that our business practices do not violate or contribute to human rights abuses, and to verify that the practices of suppliers and distributors uphold and respect human rights in each step of the process. This includes conducting supplier assessments and audits and developing human rights clauses in contracts that consider monitoring working conditions and hours, wages, and implementing measures to address any violations.

The responsibility for human rights compliance along our supply chain is shared among our Operations team and a dedicated supply chain management team, led by our COO, which reports directly to the CEO and the Board of Directors, therefore ensuring that we are operating in an optimal way.

Sourcing

As leaders in the agave industry, we recognize our obligation and responsibility with the maintenance of high standards to safeguard human health and the environment in all our operations and our products.

Part of our tequila is sourced organically, and we maintain a no-deforestation policy, pushing for sustainable practices and the preservation of biodiversity. These efforts are crucial for maintaining the integrity of our products and minimizing our environmental impact.

Operations

Our commitment to reducing greenhouse gas emissions, improving energy efficiency, minimizing waste, and conserving water resources are all part of our broader strategy to address climate change. By taking a comprehensive approach, we aim to ensure that our efforts towards climate change mitigation and adaptation are fully integrated into our business operations and strategy.

- Initiatives such as renewable power purchase agreements, thermal insulation in our distilling equipment and pipes, and replacing old heating equipment with more efficient options help reduce our energy intensity.

- As for water stewardship, we have four treatment plants, which recycle and reuse 100% of our wastewater, thus exceeding the regulatory standards to manage wastewater, as well as the byproducts of wastewater treatment.
- Waste management is a highly material topic for us, so we address it by transforming 100% of our bagasse into compost.
- From 2022 to 2023, we achieved a 70% reduction in the use of gift boxes in our Mexican portfolio. This significant decrease helped preserve an estimated 20,387 trees, avoiding the release of an equivalent 1,055 metric tons of CO₂e into the atmosphere.

Logistics & distribution

Aware that logistics and transportation are a major source of greenhouse emissions, we are constantly looking for the most efficient and sustainable transportation modes, and optimizing transportation routes to reduce our GHG footprint. We have also incorporated fuel efficiency factors in our transportation routing software.





GRI 204-1

Supplier management

Companies are expected to make a greater contribution to society by preventing corruption, respecting human rights, using water responsibly and mitigating the impacts of climate change in their value chain. Becele has taken actions to increase the transparency of its value chain in order to minimize risks and identify opportunities.

Sustainable sourcing

We understand that managing risks in the supply chain is a crucial aspect of responsible and sustainable business practices. That is why we have implemented several precautionary measures to anticipate risks and ensure the integrity of our supply chain.

Our **Code of Ethics for Suppliers** is a firm step in establishing our performance expectations for our value chain. It comprises aspects such as business integrity, human rights and labor conditions, occupational health and safety, impact on the environment, supply chain sustainability, and communication and reporting of inappropriate conducts.

Supplier distribution by type

	U.S.& CAN	Mexico	RoW	Total
Local suppliers	1,967	12,825	3,766	18,558
Non-local suppliers	168	237	969	1,374
Total	2,135	13,062	4,735	19,932

During the year, we had a total of 19,932 suppliers in all our operations—**93% on average were local suppliers:**

- 98%** in Mexico
- 92%** in U.S.& Canada
- 80%** in RoW

Our decision to depend on local suppliers is driven by several factors:

- We consider an essential social responsibility to support local businesses and communities.
- Working with local suppliers often leads to better quality products as the supply chain is shorter and communication between the company and the supplier is more direct.

- It allows us to contribute to sustainable practices by reducing our carbon footprint associated with transportation and logistics.
- Having a reliable local supply chain can mitigate potential risks associated with sourcing from distant suppliers, such as delays and unforeseen disruptions.





GRI 414-1

Supplier evaluation

We constantly evaluate specific parameters for current and potential suppliers to guarantee competitive market conditions and ensure that our suppliers comply with regulations.

We assess suppliers based on three pillars: environment, economy, and society. Subsequently, we categorize their sustainability maturity in three groups according to their compliance: Red (0-39%); Yellow (40-69%) and Green (70-100%).

We've made significant progress in supplier evaluation, with 89% of critical suppliers assessed, representing an 82% increase year-over-year.

In the U.S. & Canada region, 40% of critical suppliers have been evaluated, with plans to achieve full coverage by 2024. Additionally, we aim to initiate the screening process for suppliers in the Rest of the World region in 2024.

For suppliers classified as Red, we collaborate closely to enhance their ESG performance and management practices. This collaborative effort aims to bolster resilience and minimize the environmental and social impact across our entire supply chain.



Our evaluation process delves deeper by distinguishing between local and non-local suppliers, as well as critical and non-critical ones. Critical suppliers are those whose goods and services significantly impact our operating costs and process quality. To mitigate risks, we enforce a policy requiring at least two suppliers for each major ingredient or raw material, where feasible.

We maintain a continuous dual sourcing development program for our primary dry goods and ingredients, providing alternative sources for packaging and raw materials. This strategy not only reduces dependence on any single supplier but also fosters competition, leading to enhanced quality, service, and value.

Supplier risk evaluation

Year	Total suppliers evaluated	Sustainability maturity		
		Red	Yellow	Green
2021	38	5	11	22
2022	71	8	41	22
2023	129	11	33	85

	Critical suppliers			Non-critical suppliers			Total
	U.S.&CAN	Mexico	RoW	U.S.&CAN	Mexico	RoW	
Local suppliers	12	61	-	-	52	-	125
Non-local suppliers	-	4	-	-	-	-	4
Total	12	65	-	-	52	-	129



Risk management

We know that risks are inherent to our business and that effective risk management is essential to achieve our strategic objectives. We therefore have implemented an organizational structure for risk management comprised of three lines of defense: risk identification and management; risk control and supervision and internal audit.



Our methodology uses qualitative and quantitative approaches to assess the probability and impact of each risk, and predefines risk criteria by region and materiality levels. Based on the assessment results, we determine whether to create or enhance mitigation controls for each process.

The risk management governance structure ensures the full participation of our senior management and CEO in risk decision-making, coordination of communication between the three lines of defense, alignment and monitoring of the main objectives of the framework, and an adequate risk management and control environment for all types of risks.

We manage risks and opportunities that have an impact on our operations and design mitigation strategies, allowing our business to be sustainable in the future. Furthermore, we have a disaster recovery plan and a business continuity plan that enable us to maintain our operations and protect key processes in the event of any contingency.



The following are some of the key risks that we are currently aware of that could affect our company's activities, financial condition, results of operations or prospects.

Top business risks and mitigation actions

Risk	Description	Key mitigation actions
Supply chain constraints	Global supply chain constraints may adversely affect product availability.	<ul style="list-style-type: none"> • Optimization and automation of our supply chain processes. • Working with vendors to increase inventory availabilities in key brands. • Prioritization of packages and flavors to maximize the benefit of our production capabilities.
Consumer preferences and demand	Changes in consumer preferences, demographics, consumption patterns, social trends, public health regulations and/or a downturn in economic conditions might generate variations in the demand for some of our products.	<ul style="list-style-type: none"> • Market research and consumer insights. • Product diversification and innovation. • Marketing and branding strategies. • Customer engagement and relationship management through various channels such as social media.
Competition	Continued competition from international, regional and local companies in the countries in which we operate for share of throat across a wide range of consumer drinking occasions.	<ul style="list-style-type: none"> • Brand building and marketing. • Enhanced consumer service. • Product differentiation: Unique flavors, innovative packaging, emphasis on heritage and craftsmanship. • Pricing strategies: Development of competitive pricing strategies that balance profitability with market positioning. • Distribution channels: Evaluation and optimization of distribution channels to ensure broad market reach.
Brand reputation	Inability to meet customers' needs or expectations, unethical conducts, potential piracy or counterfeit products, among others, could adversely affect brand reputation.	<ul style="list-style-type: none"> • Product quality and safety assurance: Implementation of rigorous testing procedures and quality control measures. • Ethical business practices: Integrity in sourcing ingredients, responsible production practices and adherence to regulations and industry standards. • Brand advocacy and positive PR.
Climate change	Potential negative impact on agricultural productivity or availability of raw materials, energy or water.	<ul style="list-style-type: none"> • Commitment to efficient use of water, energy, and materials. • Carry insurance to cover our assets against natural disasters and other risks.
Cyber-attacks	Service interruption, misappropriation of data or breaches of security could adversely impact our business. Systems failures could lead to business disruption.	<ul style="list-style-type: none"> • Implementation of a robust cybersecurity infrastructure to protect the company's digital assets and data. • Development of an incident response plan that outlines the steps to be taken in the event of a cyber-attack. • Implementation of a robust data backup and recovery system to protect critical business information.
Risks related to macro-environment	Global economic and political conditions, such as economic slowdown, inflation, volatility and tightening of credit and capital markets in which we do business may substantially affect our sales and profitability.	<ul style="list-style-type: none"> • Focusing on United States, our main market, which tends to be less volatile than emerging markets. • Natural hedging because of hard currency. • Deployment of action plans based on changes or updates in the macroeconomic and political environment, which are continuously monitored through various management committees.



Top business risks and mitigation actions

Risk	Description	Key mitigation actions
Regulations	Spirits are subject to national excise, import duty and other types of direct and indirect taxes in most countries around the world, and further increases in these could result in higher sales prices and adversely affect our sales and profit margin.	<ul style="list-style-type: none"> Monitoring regulatory risks as well as staying updated on the latest regulations. Processes, guidelines, and tools are regularly updated to incorporate any changes in regulations. Tax strategies and planning.
Acquisitions and joint ventures	Our acquisitions and JV strategy and integration of acquired brands may not be successful, in which case our results of operations could be negatively impacted.	<ul style="list-style-type: none"> Thorough due diligence: Careful evaluation and analysis of financial health, market position, operational capabilities, and cultural fit. Integration planning: Development of a structured integration process, including clear communication channels and setting measurable objectives.
Foreign exchange	Fluctuations in the value of the Mexican peso against the U.S. dollar and other currencies may have an adverse effect on our financial condition and results of operations.	<ul style="list-style-type: none"> Financial forecasting and scenario analysis: Development of sensitivity analysis models to assess the potential impact of exchange rate movements. We have monetary assets and liabilities denominated in foreign currencies for which we seek to minimize our net exposure by buying and selling at "spot" exchange rates.
Raw materials	Fluctuations in prices of raw materials are largely determined by global supply and demand. Commodity price changes may result in unexpected increases in the cost of raw materials, glass bottles and other packaging materials.	<ul style="list-style-type: none"> Regularly engaging with suppliers to build strong relationships and foster open communication. Diversification of suppliers. Diversification of our portfolio to minimize the exposure to certain raw materials and operating disruptions. Inventory management practices to balance raw material procurement with demand.
Shareholder relationships	Most of our outstanding shares belong to the Beckmann family. Accordingly, the Beckmann family has the power to appoint the majority of the members of the Board of Directors of the company and to approve matters subject to vote by the shareholders. The interests of the major shareholders of the company may be different from the interests of the rest of investors.	<ul style="list-style-type: none"> Collaborate and encourage productive communication among our key shareholders to maximize value.
Legal proceedings	Unfavorable outcomes of legal proceedings could adversely impact our business.	<ul style="list-style-type: none"> Adhere to applicable laws and regulations and abide with workplace rights policy.
Artificial intelligence	Automation driven by AI may lead to job displacement and impact the workforce. Overreliance on AI without appropriate human oversight may lead to critical decision-making being outsourced to machines.	<ul style="list-style-type: none"> Develop strategies for reskilling and upskilling employees to adapt to changing roles. Consider the ethical implications of AI deployment and communicate transparently with employees about the organization's plans. Maintain a balance between AI and human decision-making. Establish clear guidelines for when human intervention is necessary, and ensure ongoing human monitoring and supervision.



FROM SOURCE TO MARKET

These operational highlights exemplify our commitment to sustainability, driving positive environmental impact while maintaining operational excellence. Our continuous efforts in these areas not only contribute to a healthier planet but also align with the interests of our stakeholders and investors, reinforcing our position as a responsible and forward-thinking company.



COMMITMENT TO WATER TREATMENT

All our distilleries in Mexico strictly comply with **water treatment regulations**, ensuring we minimize our environmental impact and safeguard local water resources.



GHG EMISSIONS INTENSITY

Our GHG intensity for Scopes 1 and 2 stands at **0.52 kgCO₂ per liter of product sold** setting a premise to continue advancing in the reduction of the carbon footprint in our operations.

WATER CONSERVATION ACHIEVEMENTS

We have achieved a notable water use rate of **5.54 liters per liter of product sold**, marking a starting point to continue our efforts to optimize our water consumption in the face of the increasingly pressing challenge of water stress in various regions around the globe.



GREENHOUSE GAS EMISSIONS MONITORING

Globally, all our distilleries and bottling facilities meticulously measure **Scopes 1 and 2 greenhouse gas emissions**, demonstrating our dedication to transparency and accountability in our environmental footprint.

RECYCLING AND WASTE MONETIZATION

Across our global operations, **33% of the main materials used are recycled**, reflecting our dedication to resource efficiency. Furthermore, we have successfully valorized 99% of all waste generated.



RENEWABLE ENERGY IN THE UK

We are proud to announce that **100%** of the electric energy consumption in our UK operations is sourced from renewable energy, reflecting our commitment to sustainable practices.



ISO 14001 CERTIFICATION AND BEST PRACTICES

Our distilleries at Camichines and Bushmills have achieved **ISO 14001 certification**, a testament to our rigorous environmental management systems. These facilities actively share best practices with the rest of our production network, fostering a culture of continuous improvement.



SUSTAINABLE USE OF CO-PRODUCTS

In our tequila production, **all bagasse generated is repurposed as compost** for our agave fields, promoting a circular economy. Similarly for whiskey, in order to maximize waste management, the wet grain and syrup resulting from the final distillation process are used as co-products for other industries.



GRI 201-2, 13-5, 13-6

Climate change

At Becele, we are aware that, due to the nature of our business, we have certain impacts on the environment, and that climate change is a complex and interconnected issue that requires a holistic outlook. Therefore, our climate change strategy includes a comprehensive approach in terms of carbon footprint, energy use, water stewardship, biodiversity and waste management. We aim to ensure that our efforts towards climate change mitigation and adaptation are fully integrated into our business operations and strategy, and that we continue to make significant progress towards a more sustainable future.

The company has incorporated climate risk into its overall risk management policies and procedures to ensure that it remains relevant and effective. We conduct a climate risk analysis to identify potential risks and opportunities related to climate change prior to deciding where to plant our agave. This includes analyzing the impacts of climate extremes on crop yields, water availability, frost, wind, floods, landslides, and other factors that can affect our operations.

Agriculture

The quality of our products is directly linked to the quality of their sources. We therefore are promoting organic agriculture to guarantee a constant and high-quality supply, knowing that this is the basis of excellence. This and other material topics, like supporting organic sourcing are not only important for the integrity of our products, but they also have a significant impact on the environment and our customers.

As leaders in agave agriculture, we continuously aim at improving and maintaining the best health and safety standards to safeguard human health and the environment in all our operations and our products, to minimize risks for our people and the environment we operate in. Agricultural management is strategic not only for the supply of raw materials, but also relevant in generating valuable information and knowledge.

Soil health

The land has been planted for hundreds of years, so soil conservation is fundamental. We oversee soil health, ensuring that both the fields directly managed by Becele and those from which we source our produce are maintained with care. To manage soil health, we perform a soil analysis to determine the needs of each area. This tailored approach allows us to address the unique requirements of different soil types, ensuring optimal fertility and sustainability.

In addition, an analysis of plant tissue is carried out to establish the requirements of each plant. The fertilizer required by each plant is determined according to the area, soil type, stage of development and nutrients. For the next fertilization cycle, the nutritional supply is adjusted. This way we maintain the soil as healthy and productive as possible, supporting sustainable crop yields and contributing to the long-term sustainability of our agricultural operations.



The main threats to soil health are:

- **Erosion.** Soil erosion is a natural process that is more common on sloping land and is usually due to natural causes, such as strong winds or heavy rains. To mitigate this threat, our agaves are planted according to a planting pattern, along contour lines, and planting is avoided on surfaces with a slope greater than 15%.
- **Desertification.** Agricultural activities in vulnerable ecosystems of arid and semi-arid areas, which are strained beyond their capacity, can cause desertification. In addressing conservation issues, we are proud to be part of an agreement with the Tequila Regulatory Council (CRT) and the state governments of Jalisco and Guanajuato within the Tequila Denomination of Origin geographic territory, known as the Agave Responsible Ambiental (ARA). As of 2023, 96% of our plantations in these states fully comply with ARA requirements, demonstrating our commitment to responsible agricultural practices and continue our efforts to achieve 100% compliance. By aligning with ARA, we not only uphold our commitment to environmental stewardship but also contribute to the broader goals of preserving the natural ecosystems within the Tequila Denomination of Origin region.



- **Compaction.** Good soil should be loose, so oxygen and water can circulate freely to deliver nutrients and facilitate chemical and biological activity. Our tillage practices ensure the health and natural conservation of the soil.
- **Pesticide infiltration.** We are most careful of the amount of pesticides in our fields. The doses used are determined based on research that provides specific dosage values based on the type of soil and the needs of the plant.

In monocultures, there is always the risk of being attacked by viruses or bacteria, so pesticides are used to control crop pests and diseases. For this purpose, the technical area evaluates the phytosanitary conditions in each farm, determining the pests and diseases that affect plant health and yield. And based on this evaluation, a recommendation for the application of approved agrochemical inputs is generated.

To mitigate the impacts associated with the use of hazardous pesticides, the following actions have been carried out:

- Limit the application to what is required by the plant or soil, based on the recommendations of our technical area.

- Use systems to ensure that the safety period established for each pesticide is met before harvest.
- Use dispersants to prevent infiltration into aquifers through the soil.

We also train workers on the use of appropriate safety equipment to reduce or mitigate the risks of ingestion and/or damage related to the use of pesticides. There is a general physician for each work zone in charge of this training.

Together with organic agriculture and knowing that many of our consumers are ever more aware of products that are free of any chemicals, we currently have a very important product line in our portfolio, Reserva de la Familia, that comes from organic agave cultivation.

We are therefore exploring biological control issues. As the largest company in the tequila sector, we have a responsibility to develop beneficial predatory insects—a technology commonly used for many vegetables but not currently available for agave, since it is not a profitable business.



Organic crops must have a 3-year period where no fertilizers or insecticides are applied.



GRI 304-2, 305-1, 305-2

This is why we have a research and development area focused on genetic selection, choosing individuals with the best characteristics. We started with 150 superior genetic lines and have narrowed them down to 32. We are using these in plantations to identify which are best suited to the soil and provide better yields through micropropagation.



Our organic agriculture initiatives are accredited by the most important organisms of different countries where our products are sold, such as:



Japan Agricultural Standards (JAS) from Japan



Korean Organic Certification (KOC) from Korea



Organic Products Law (LPO) from Mexico



USDA Organic from the United States



Regulation (EU) 2018/848 from the European Union

Biodiversity

We conduct continuous assessments to identify Natural Protected Areas and implemented measures to comply with regulations, protecting the species that interact with our plantations. We are especially committed to avoid deforestation, recognizing their vital role in maintaining ecological balance, supporting wildlife habitats, and combating climate change.

Our goal is to embed environmental responsibility in the values of our company, ensuring we care for the ecosystems and environment that surround us.

We invest in organic agricultural practices, and using technology to improve environmental monitoring and management. By aligning resources with our position on biodiversity, Becle demonstrates its commitment to minimizing its impact on the environment and promoting sustainable business practices.

Actually, during 2023, we had zero reports, warnings or fines associated with impacts to biodiversity.

Carbon footprint⁷

We recognize the importance of reducing our greenhouse gas emissions and mitigating the effects of climate change. We aim to reduce our carbon footprint through improvement initiatives and innovative solutions.

Our carbon footprint encompasses all our activities, from the fields to the market, so we actively encourage participation and awareness from all levels of the organization to support our strategy, which contemplates evaluating technologies that will help us reduce energy consumption and material usage linked to carbon emissions across the whole supply chain in a cost-efficient way.

⁷ Mexico includes La Rojeña, Camichines, EDISA and our new distillery; United Kingdom includes OBD (Old Bushmills Distillery) and, the United States, PDI (Proximo Distillers Indiana) and Stranahan's.

Note: Only emissions from mobile sources were included for the Agricultural Unit.



Direct GHG emissions (Scope 1)

Framework	Indicator description	Unit	United States	Mexico	United Kingdom	Total
GRI 305-1-a	Direct GHG (Scope 1) emissions	tCO ₂ e	2,713.00	71,139.56	16,490.60	90,343.16
GRI 305-1-b	Gases included in the calculation	CO ₂ , CH ₄ , N ₂ O	-	-	-	-
GRI 305-1-c	Biogenic CO ₂ emissions	tCO ₂ e	856.80	12,497.39	8,166.00	21,520.19
GRI 305-1-d	Base year for calculations: 2023	tCO ₂ e	We selected 2023 as the base year for calculating our GHG emissions due to the expansion of our operational scope, which now includes biogenic emissions, the operations of Stranahan's, and the new distillery (which is nearing completion and is currently only considering emissions from the testing phase), in an effort to improve the integrity and accuracy of our environmental reporting.			111,863.35
GRI 305-1-e	Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source		List of emission factors for 2023 published by the Environmental Protection Agency	List of fuels and calorific values (CONUEE) used for reporting to RENE 2023	List of 2023 carbon intensities for Northern Ireland published by Department of Agriculture, Environment and Rural Affairs	-
GRI 305-1-f	Consolidation approach for emissions; whether equity share, financial control, or operational control	Operational control	-	-	-	-
GRI 305-1-g	Standards, methodologies, assumptions, and/or calculation tools used	-	The methodology used is the Greenhouse Gas Protocol (GHG Protocol); for Mexico, it is aligned with the regulations of the General Law on Climate Change in relation to the National Emissions Registry.			-

This is the first year that we present biogenic emissions. These include emissions generated by the use and burning of biogas, by the fermentation process and by composting organic waste.

Although this year serves as the base year for our calculations, it is important to note that these figures do not include emissions from the new distillery at operational capacity, as it is in the testing phase. In future years, we will need to rebase again when the distillery has started full production.

**Energy indirect (Scope 2) GHG emissions**

Framework	Indicator description	Unit	United States	Mexico	United Kingdom	Total
GRI 305-2-b	Gross market-based energy indirect (Scope 2) GHG emissions	tCO ₂ e	5,751.18	9,373.45	0.00	15,124.63
GRI 305-2-c	Gases included in the calculation	CO ₂ , CH ₄ , N ₂ O	-	-	-	-
GRI 305-2-d	Base year for calculations: 2023	tCO ₂ e	We selected 2023 as the base year for calculating our GHG emissions due to the expansion of our operational scope, which now includes biogenic emissions, the operations of Stranahan's, and the new distillery (which is nearing completion and is currently only considering emissions from the testing phase), in an effort to improve the integrity and accuracy of our environmental reporting.			15,124.63
GRI 305-2-e	Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.	-	List of emission factors for 2023 published by the Environmental Protection Agency.	Emission factor of the national electricity system 2023 published by the CRE. Emission factor of the energy supplier.	The emission factor is zero because 100% of the electricity consumption comes from certified renewable sources.	-
GRI 305-2-f	Consolidation approach for emissions; whether equity share, financial control, or operational control.	Operational control	-	-	-	-
GRI 305-2-g	Standards, methodologies, assumptions, and/or calculation tools used.	-	The methodology used is the Greenhouse Gas Protocol (GHG Protocol); for Mexico, it is aligned with the regulations of the General Law on Climate Change in relation to the National Emissions Registry.			-



GRI 302-1, 302-3, 302-4

Demonstrating our commitment to carbon emissions management and aware that this can be a driver for innovation, we have implemented energy efficiency measures both in Mexico and the United Kingdom, which include engineering changes in aeration systems, process optimization, lighting systems and biogas consumption.

Framework	Indicator description	Unit	Total
GRI 305-4-a	GHG emissions intensity ratio for the organization.	kgCO ₂ e /l sold	0.52
GRI 305-4-c	Types of GHG emissions included in the intensity ratio.	Scope 1 & 2	-
GRI 305-4-d	Gases included in the calculation	CO ₂ , CH ₄ , N ₂ O	-
GRI 305-5 -a	GHG emissions reduced as a direct result of reduction initiatives	tCO ₂ e	1,389.86



Energy

Aware that by investing in energy efficiency, we can reduce our carbon footprint and positively impact the environment while also contributing to a cleaner and healthier world, we are committed to implementing energy-efficient technologies and practices, such as using renewable energy, reducing greenhouse gas emissions, and developing efficient energy management systems to achieve our long-term sustainability goals.

As part of our efforts to reduce our energy consumption and greenhouse gas emissions, we are implementing initiatives such as renewable power purchase agreements, thermal insulation in our distilling equipment and pipes, replacing old heating equipment with more efficient options, and incorporating fuel efficiency factors in our transportation routing software.

Changes have been made to equipment to achieve greater efficiency and reduce energy consumption. We made major investments in control systems for boiler equipment, cooling systems, detection equipment, lighting systems, electric forklift replacements, and thermal insulation to reduce energy waste. We also changed blowers for surface aerators at Camichines, replaced control and power systems in radiators and implemented a boiler maintenance program at EDISA.

In the United Kingdom, operational efficiency measures have been implemented that have impacted the plant's energy consumption. In particular, initiatives were carried out related to: efficient lighting system, process optimization, energy efficient evaporator and steam recompression equipment.

In 2023, we implemented a Thermal Vapor Recompression (TVR) system in our production processes. This technology improves energy efficiency by compressing low-pressure steam and raising it to a higher pressure, making the energy more usable in the process. In other words, it is a system that allows us to recycle the used steam, redirecting it to areas that require less energy for heating.



Framework	Indicator description	Unit	United States	Mexico	United Kingdom	Total
GRI 302-1-a	Total fuel consumption within the organization from non-renewable sources.	GJ	44,939.14	1,101,845.04	325,375.09	1,472,159.27
GRI 302-1-b	Total fuel consumption within the organization from renewable sources.	GJ	0.00	75,126.90	0.00	75,126.90
GRI 302-1-c	Total electricity consumption within the organization.	GJ	37,298.25	158,934.56	24,616.26	220,849.06
GRI 302-1-e / SASB FB-AB-130a.1.	Total energy consumption within the organization.	GJ	82,237.39	1,335,906.50	349,991.35	1,768,135.23
GRI 302-3-b	Energy intensity ratio for the organization.	GJ/l sold				0.01
GRI 302-4-a	Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives.	GJ	0.00	5,068.42	17,866.13	22,934.55
UN-SDG / 7	Percentage of renewable electricity.	%				46%

In 2023 we introduced total productive maintenance (TPM) in our Mexico bottling plant, looking for operational efficiencies that will be expanded to the different operations in 2024. Operational efficiency results in sustainable efficiencies, reducing the energy contribution per product produced.

Thanks to our long-term power supply agreement, 50% of our energy at our sites in Mexico is sourced from a solar plant.





GRI 303-1, 303-2-, 303-3, 303-4, 303-5, FB-AB-140a.1, FB-AB-140a.2

Water stewardship

Water stewardship is a critical topic for Becele. Therefore, we focus on engaging with stakeholders, understanding water-related risks and opportunities, and implementing actions to improve water management practices. Recognizing that water is a shared resource, we collaborate with local communities, governments, and other stakeholders to achieve effective water stewardship.

Our approach to water stewardship is aligned with the Alliance for Water Stewardship framework, which provides a globally recognized standard. This framework emphasizes the importance of understanding the water context, engaging with stakeholders, managing water use, protecting water quality, and supporting water governance. By aligning with this framework, we are able to ensure that our approach to water stewardship is consistent and effective, and is able to deliver meaningful and positive impacts for both the environment and local communities.

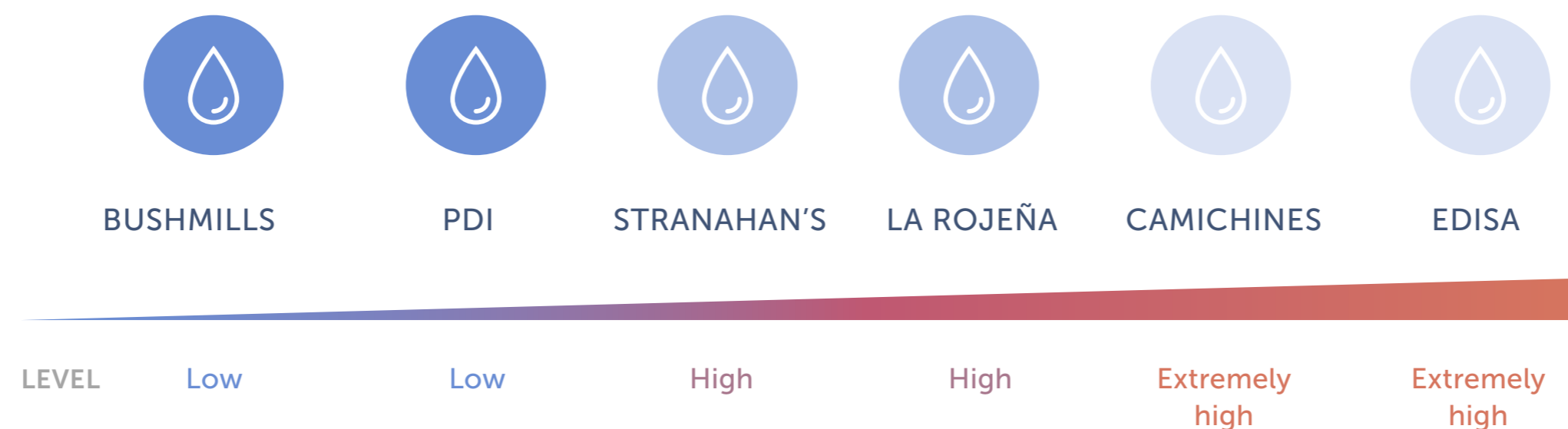
To anticipate risks and take precautionary measures, we are assessing the risks associated with water availability in the sources with a climate risk perspective vision, as well as the potential social, regulatory, and technological challenges to maintain water balance. This implies assessing water stress⁸ in the regions where our operations are located, based on the World Resources Institute's *Aqueduct Water Risk Atlas* tool.

We have therefore created an action plan to ensure compliance with water-related legal and regulatory requirements, respect water rights, and maintain water balance.

We are actively engaged in executing this plan in cooperation with key stakeholders, while also providing regular updates on our progress.

In the distilleries in Mexico, most of the water comes from wells, and is used both for production processes and for other services required by the organization. Our water extracted and discharged is quantified, by flow meters for withdrawal, and meters and pipes for discharge.

WATER STRESS LEVELS IN OUR PLANTS



⁸ Baseline water stress measures the relationship between total water demand (includes domestic, industrial, irrigation and livestock uses) and available renewable surface and groundwater supplies. (includes the impact of upstream consumptive water users and large dams on downstream water availability).



In 2023, we implemented water-saving initiatives at our Camichines Distillery, such as using the rejected water from our reverse osmosis treatment to feed our vinasse treatment plant, irrigate our gardens, and refill the plants cistern. Additionally, we upgraded urinals to eco-friendly models and installed piston valves on faucets to minimize water waste.

In April 2023, Becle took a significant step towards sustainability by implementing a barrel hydration initiative with water steam, replacing the use of demineralized water in La Rojeña’s cellars. This technique has resulted in a **savings in excess of one million liters of water**, representing a 96% reduction in water consumption for the hydration of barrels. Although hydration with demineralized water may be more effective in barrel repair, the use of steam has proven to be a more sustainable alternative.

The bottling plant has been awarded Level 1 Clean Industry Certification by Profepa and the State of Jalisco’s Voluntary Environmental Compliance Program Certification for its efforts in reducing water consumption intensity. Additionally, we contribute to aquifer recovery by injecting discharge water into the subsoil.

In the United Kingdom, most water used for production comes from surface sources. City water is utilized for producing reverse osmosis water, adjusting liquor strength, and diluting it for bottling.

Distillation and maturation effluents are treated to comply with regulations before discharge, with the remaining wastewater sent to the municipal sewer.

The site has an environmental management system that records all aspects and impacts of its activities. This system, along with the environmental policy, is committed to protecting the environment and improving performance by establishing mechanisms to measure and track water consumption, and setting targets based on consumption and wastewater discharge indicators.

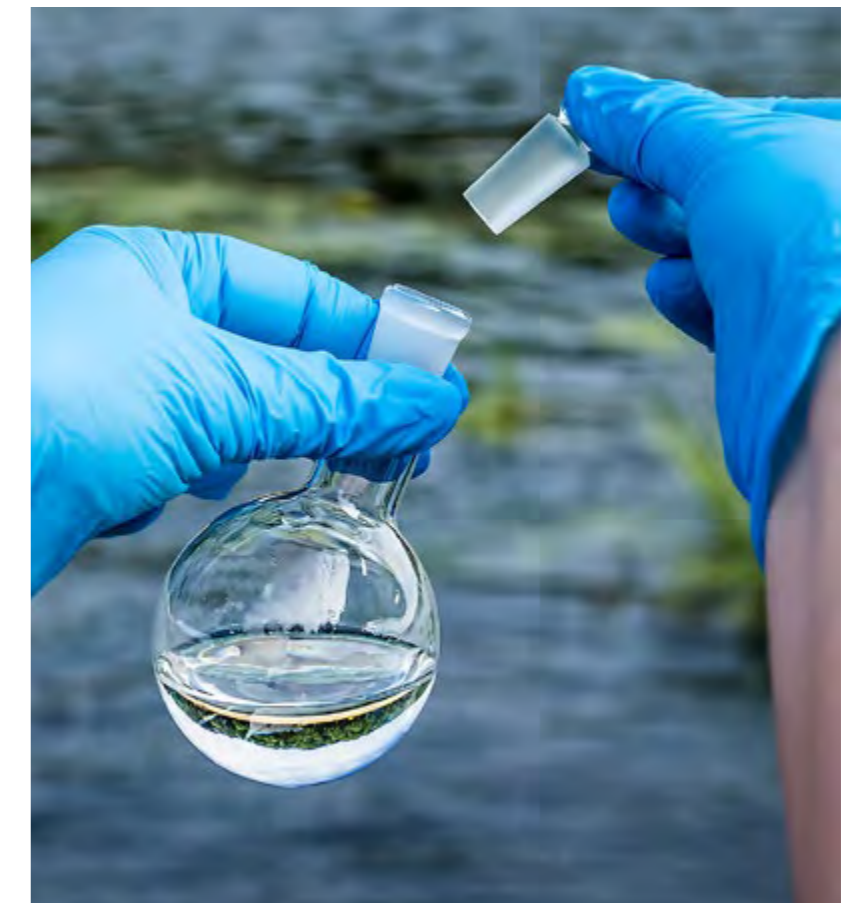
Effluent discharge

Each site adheres to its own discharge water quality limits for each substance of concern, based on federal, state and local water discharge permits, legal policies, and mandatory standards.

Becle currently operates four state-of-the-art water plants for the biological treatment of effluents with high concentrations of organic and inorganic matter, such as tequila vinasse. Our treatment process combines physical, chemical, and biological methods tailored to the specific requirements of each facility located in Jalisco.

One of the significant advantages of our water treatment plants is the ability to recycle and reuse a portion of our wastewater. This practice reduces our water consumption and minimizes our impact on local water resources. It not only helps conserve water but also decreases the volume of wastewater discharged into the environment, which is crucial for ecosystem protection.

We treat 100% of our vinasse in our treatment plants, adhering to the highest water quality standards for discharges. Additionally, we obtain biogas as a byproduct of the decomposition of organic components in vinasse, and part of this biogas is used as fuel for our boilers.





Water stewardship

Framework	Indicator description	Unit	United States	Mexico	United Kingdom	Total
GRI 303-3-a / SASB FB-AB-140a.1.	Total water withdrawal from all areas, and a breakdown of this total by the following sources:	ML	903.76	1,000.70	278.89	2,183.36
	Surface water	ML	0.00	0.00	209.50	209.50
	Groundwater	ML	889.70	998.25	0.00	1,887.95
	Third-party water	ML	14.06	2.46	69.39	85.91
GRI 303-3-b / SASB FB-AB-140a.1.	Total water withdrawal from all areas with water stress, and a breakdown of this total by the following sources:	ML	0.00	998.25	0.00	998.25
	Surface water	ML	0.00	0.00	0.00	0.00
	Groundwater	ML	0.00	998.25	0.00	998.25
	Third-party water	ML	0.00	0.00	0.00	0.00
GRI 303-4-a	Total water discharge to all areas in megaliters, and a breakdown of this total by the following types of destination:		61.00	561.86	210.29	833.15
	Surface water	ML	12.00	533.31	0.00	545.31
	Groundwater	ML	0.00	28.55	0.00	28.55
	Sea water	ML	0.00	0.00	190.36	190.36
	Third-party water	ML	49.00	0.00	19.93	68.93
GRI 303-4-c	Total water discharge to all areas with water stress	ML	0.00	561.86	0.00	561.86
GRI 303-5-a / SASB FB-AB-140a.1.	Total water consumption from all areas.	ML	842.76	438.85	68.60	1,350.21
GRI 303-5-b	Total water consumption from all areas with water stress.	ML	0.00	436.39	0.00	436.39
UN-SDG-6-4	Water consumption intensity ratio	l / l sold				5.54
UN-SDG-6-3	Wastewater intensity ratio	l / l sold				3.42

Note: The category breakdown of freshwater (total dissolved solids ≤ 1000 mg/l) and other type of water (total dissolved solids > 1000 mg/l) is not available.



GRI 306-3, 306-4, 306-5

Waste management

Becle has a clear strategy to manage waste and reduce its impact on the environment. Our goal is to move towards a circular economy, where waste is minimized, and resources are used efficiently. We aim to make the most of our waste by using it as a resource to generate compost and create co-products. By implementing these initiatives, we not only reduce our waste but also increase our supply chain's resilience.

We strongly value sustainability and responsible business practices, and we exemplify this commitment through our approach to bagasse composting. As a prominent tequila producer, we generate a substantial volume of agave bagasse waste. Instead of disposing of this waste conventionally, we transform 100% of our bagasse into compost, enhancing soil health and fostering sustainable agricultural methods. The vinasse treatment plant complies with Mexican effluent regulations. Within the tequila industry, Cuervo is leader in environmental compliance and improvements in effluent treatment.

In Mexico, special handling waste is treated by third parties authorized by the state authority. Hazardous waste is treated in accordance with federal regulations.

In the United Kingdom, Bushmills sells 100% of the co-products from grain and syrup. The remaining waste generated on-site is recycled by a third party.



AEROBIC PROCESS OF AGAVE BAGASSE COMPOSTING



1

GENERATION

Bagasse is generated at La Rojeña and Camichines distilleries and subsequently transported to our composting centers.



2

COMPOSTING PROCESS

The composting process involves arranging the bagasse in linear beds, which are periodically turned using a composting machine to facilitate the exchange of gases between the aerobic biomass and fresh oxygen. To maintain moisture levels, the bagasse beds are irrigated with treated water and stabilized sludge from the distilleries' wastewater treatment plants. This process typically lasts up to 16 weeks, during which the bagasse undergoes decomposition.



3

QUALITY CONTROL

In every stage of the process, the bagasse undergoes multiple measurements such as moisture percentage, ash and carbon content, carbon to nitrogen ratio, pH levels and a range of nutrition tests. These analyses provide valuable information about the quality and nutrient composition of the compost.



4

APPLICATION

The application of compost in agave fields offers various benefits to plants, such as supplying organic matter, nitrogen, phosphorus, and other essential nutrients. Additionally, compost helps retain moisture in the soil, prevents erosion, and improves soil structure by providing porosity and excellent oxygen exchange. It also contributes to the introduction of beneficial microorganisms into the soil. Collectively, these effects promote regenerative agriculture, favoring sustainable management and improving the health of the agricultural ecosystem in agave fields.



Waste management

Framework	Indicator description	Unit	United States	Mexico	United Kingdom	Total
GRI 306-3-a	Total weight of waste generated	t	464.89	97,403.18	34,549.10	132,417.17
GRI 306-4-a	Total weight of waste diverted from disposal	t	123.64	96,733.56	34,481.50	131,338.70
GRI 306-4-b	Total weight of hazardous waste diverted from disposal	t	0.00	0.16	0.00	0.16
GRI 306-4-c	Total weight of non-hazardous waste diverted from disposal	t	123.64	96,733.40	34,481.50	131,338.54
	Recycling (internal or external)	t	123.64	96,733.40	83.50	96,940.54
	Other recovery operations; processes, co-processes (internal or external)	t	0.00	0.00	34,398.00	34,398.00
GRI 306-5-a	Total weight of waste directed to disposal	t	341.25	669.63	68.14	1,079.02
GRI 306-5-b	Total weight of waste directed to disposal, with energy recovery	t	0.00	0.00	60.57	60.57
	Total weight of waste directed to disposal, without energy recovery	t	0.00	0.43	0.00	0.43
	Total weight of waste directed to landfill	t	341.25	627.09	0.00	968.34
	Total weight of waste directed to other disposal operations	t	0.00	42.11	7.57	49.68

GRI 306-4

Type of waste	Diverted from disposal			For disposal			Total
	United States	Mexico	United Kingdom	United States	Mexico	United Kingdom	
Hazardous	0.00	0.16	0.00	0.00	4.88	2.18	7.22
Plastic, paper & cardboard	18.54	1,216.22	6.70	0.00	0.00	0.00	1,241.46
Glass	105.10	523.64	76.80	0.00	0.00	0.00	705.54
Bagasse & other organic waste	0.00	68,753.79	34,398.00	0.00	0.00	0.00	103,151.79
Sludge	0.00	26,189.71	0.00	0.00	0.00	0.00	26,189.71
Other non-hazardous	0.00	50.04	0.00	341.25	654.04	66.00	1,111.49
Total	123.64	96,733.56	34,481.50	341.25	669.63	68.18	132,417.76



Materials management

Framework	Indicator description	Unit	United States	Mexico	United Kingdom	Total
301-1-a	Total weight of materials that are used to produce and package the organization's primary products	t	2,155.35	73,618.92	10,454.89	86,229.16
	Weight of renewable materials	t	1,508.80	8,929.36	931.95	11,370.11
	Weight of non-renewable materials	t	646.55	64,689.56	9,522.94	74,859.05
301-2-a	Percentage of recycled input materials used to manufacture the organization's primary products	%	11%	34%	32%	33%



We have been and will continue to reduce the use of product packaging materials, mainly glass and cardboard, through initiatives such as reducing weight and thickness of glass as well as eliminating secondary packaging for some of our SKU's.

OUR EFFORTS DURING THE YEAR

From 2022 to 2023, we achieved a **70%** reduction in the use of gift boxes in our Mexican portfolio.

This significant decrease helped preserve **20,387** trees and avoid releasing **1,055** metric tons of CO₂e into the atmosphere.*

*Considering that one tree captures 0.88 tons of CO₂ over 40 years and that 17 trees are needed to produce one metric ton of cardboard.





GRI 416-1, 417-1, 417-2, FB-AB-270 a.4

Bushmills sustainability achievements

With a history that spans over four centuries, our Old Bushmills Distillery stands as a beacon of excellence in the world of whiskey. By perfecting the art of producing exceptional Irish whiskey, it has earned its place among the finest distilleries in the world. The state-of-the-art facilities at Bushmills combine traditional craftsmanship with modern technology, ensuring that the whiskey produced maintains the highest standards of quality with the least impact to the environment.

- 100% of Bushmills’ electricity comes from certified renewable sources.
- Stills in the new distillery operate with thermal vapor recompression (vapors produced by the distillation process are reused for heating in several steps of the process).
- Efficient lighting in the new distillery operates with an automatic on/off system to reduce electricity consumption.
- Process water is recovered for heat exchanger/chiller system.

- Rainwater channeled to a storm drainage system is returned to the river.
- 99% of total waste is diverted from disposal (landfill).
- The primary packaging materials that are used in the production process are 100% recyclable (glass and cardboard).

Sustainable and responsible marketing

Consumers are increasingly aware of the products they purchase. Therefore, we strive to meet their expectations by offering ethically sourced products and adhering to responsible marketing standards in our markets. We promote moderation and responsibility in consumption, abstain from advertising hazardous conducts, and refrain from promoting alcoholic beverages in venues typically frequented by minors.

Striving to create and maintain long-term, positive relationships with our customers, our advertising messages are fully compliant with regulations of each market jurisdiction where we have operations. We have a rigorous set of procedures for product and service information and labeling, which includes sourcing information, content details, safe use instructions, and disposal guidelines.

For instance, Tequila producers are required to comply with specific labeling requirements for tequila as a denomination of origin, contained in the standard NOM-006-SCFI- 2012-Bebidas Alcohólicas-Tequila-Especificaciones, in addition to any requirements imposed by laws of the country to which the tequila may be exported and commercialized. We have not identified any incidents of non-compliance with these regulations and codes.

We also adhere to the principles of The Standard Drink in Mexico, a research document by a private organization that promotes responsible and safe consumption and, since 2016, we implemented a Consumer Assistance platform so our stakeholders may report any inconsistency or non-compliance with regulations. In this way, we increase our consumers’ satisfaction, our brand reputation and communication with our customers. Every brand has social media websites and free telephone numbers so any grievance can be addressed.

100%
OF BUSHMILLS’ ELECTRICITY
COMES FROM CERTIFIED
RENEWABLE SOURCES





ESG stories

1. STRANAHAN'S COLORADO WHISKEY COLLABORATING WITH SANBORN CANOE CO.



Stranahan's Colorado Whiskey has elevated its game by partnering with Sanborn Canoe Co. to create a unique canoe partially crafted from barrels used to age its American single malt.

The Merrimack + Stranahan's Blue Peak Canoe is custom-built using barrel staves, metal hoops, and lids, resulting in a 14-foot, six-inch Tennessean Tandem/ Solo canoe, one of Sanborn Canoe Co.'s signature designs.

[> More info](#)



ESG stories

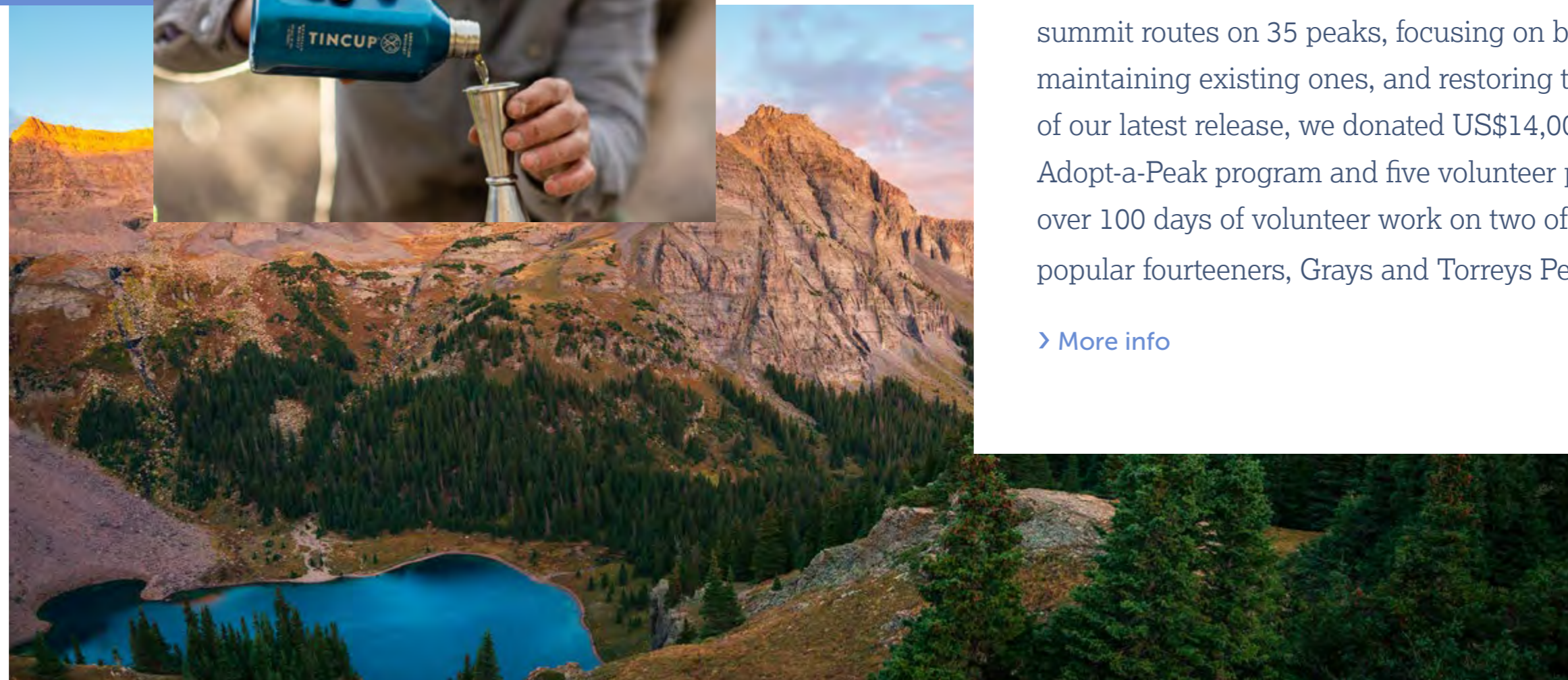
2. TINCUP

UNVEILS A WHISKEY THAT'S PRESERVING COLORADO'S FOURTEENERS

Our whiskey not only offers a refined sipping experience but also contributes to mountain preservation. As more hikers and climbers venture to the state's highest peaks, the Colorado Fourteeners Initiative (CFI) works tirelessly to safeguard these natural treasures through education and stewardship.

Since its establishment in 1994, CFI has accomplished over 21,000 days of volunteer work and educated more than 200,000 hikers. Over nearly three decades, the initiative has created 39 summit routes on 35 peaks, focusing on building new trails, maintaining existing ones, and restoring those in need. In honor of our latest release, we donated US\$14,000 to support CFI's Adopt-a-Peak program and five volunteer projects, contributing over 100 days of volunteer work on two of the state's most popular fourteeners, Grays and Torreys Peaks.

[> More info](#)





ESG stories

3. THREE OLIVES

VODKA'S MAJOR REBRANDING AIMED AT 'CLEAN-CONSCIOUS' CONSUMERS

Our vodka lineup has been revamped to cater to the modern, health-conscious drinker, offering low-calorie, zero-sugar, and gluten-free options across our 13 varieties. This move addresses the growing demand among young consumers for healthier alcohol choices, backed by research highlighting a significant opportunity to attract Gen Z, known for being health-conscious yet enjoying fun and social drinking occasions.

Our rebranding emphasizes “clean-conscious” messaging for all products, including our Original Vodka, which contains only three ingredients (water, yeast, and grain), has 40% ABV, and 100 calories per serving. Our range also includes a dozen flavored vodkas, now made with all-natural flavors, reduced to 30% ABV, and 80 calories or less per serving.

[› More info](#)





ESG stories

4. ANDIVYL AWARDS 2023



During the annual meeting of members, ANDIVYL (Asociación Nacional de Distribuidores de Vinos y Licores A.C.) awards the best in the Wine and Spirits Industry. The 2023 awards ceremony took place at the Anahuacalli Museum, where five awards were given to Becle in the following categories:

Preferred Supplier

Becle received the award for the second consecutive year as the favorite supplier in group “A”, recognizing suppliers in four categories based on their contribution to the channel.

Best Commercial Executive

This award, received for the second consecutive year, recognizes the top commercial executive in the industry.

Best Trade Marketing Executive

This award, also received for the second consecutive year, honors the best trade marketing team leader in the industry.

Best Brand Performance

For the second year in a row, Dobel Diamante was awarded for its outstanding brand performance.

Best E-Commerce

This award, given for the first time, highlights the top-performing brands in members online stores.



ESG stories

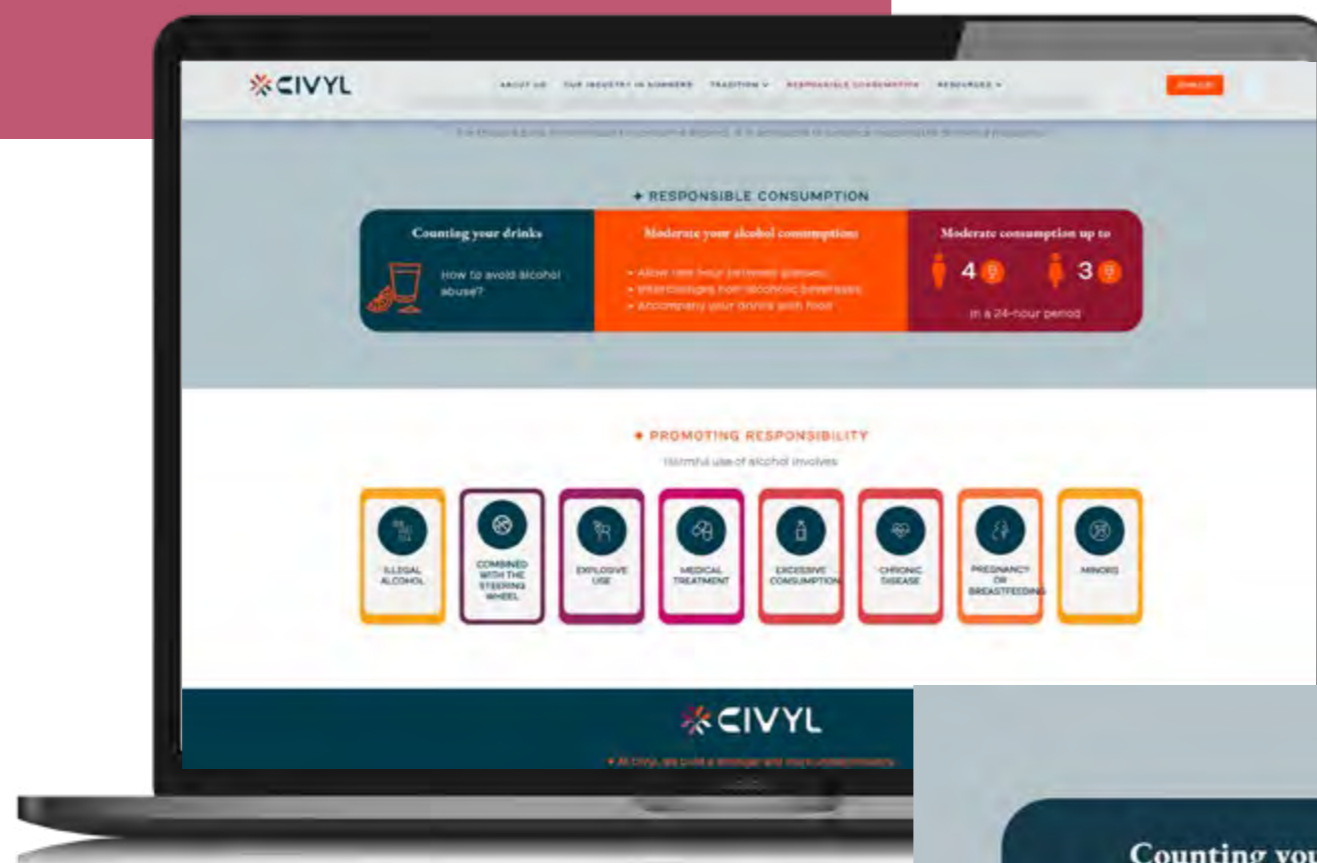
5. FISAC

AWARENESS AND MODERATION (EVERY DROP COUNTS)



We adhere to efforts by the Fundación de Investigaciones Sociales, A.C. (FISAC) to promote knowledge of the “standard drink” and combat harmful and illegal consumption practices, without differentiating by type of alcoholic beverage, because #AlcoholEsAlcohol.

[> More info](#)



RESPONSIBLE CONSUMPTION

Counting your drinks



How to avoid alcohol abuse?

Moderate your alcohol consumption:

- Allow one hour between glasses.
- Interchanges non-alcoholic beverages
- Accompany your drinks with Food

Moderate consumption up to



4 



3 

In a 24-hour period



FINANCIAL INFORMATION



MD&A

On a constant currency basis, net sales increased 6.2%, driven by higher average net sales price per case, reflecting the company's premiumization and price increase efforts implemented throughout the year.

During 2023, total volume decreased 1.4% to 27,068 million nine-liter cases, explained by a 3.1% and 4.2% contraction in U.S. and Canada and Mexico, respectively, partially offset by a 9.7% growth in Rest of the World ("RoW"). This decrease reflects the high comparable base in the RTD category in the U.S. and Canada, as the region is lapping a one-time effect of the discontinuation of Playamar Hard Seltzer. Additionally, the Mexico region faced setbacks in the non-alcoholic category, as a result of the changes in distribution and packaging regulations for our B:ost brand. Excluding these effects, total volume would have increased 1.5% to 27,866 million nine-liter cases.

Net sales during the full year of 2023 decreased 3.0% to ₪44,355 million pesos compared to the same period of 2022, impacted by unfavorable currency translation effects from U.S. dollars to Mexican pesos. On a constant currency basis, net sales increased 6.2%, driven by higher average net sales price per case, reflecting the company's premiumization and price increase efforts implemented throughout the year. Net sales in the U.S. and Canada decreased by 9.4% versus the same period of 2022, impacted by the previously mentioned currency translation effects. This was partially offset by an

8.1% year-on-year increase in Mexico net sales due to a higher average net sales price per case mainly resulting from price increases. Net sales for the RoW region increased 4.4% versus the full year of 2022, reflecting volume growth.

Gross profit for the full year of 2023 decreased 10.4% in comparison to the same period of 2022 to ₪22,480 million pesos. Gross margin was 50.7% for the full year of 2023 compared to 54.9% for the full year of 2022. The gross margin decrease was primarily due to foreign currency effects caused by the appreciation of the Mexican peso against the U.S. dollar, and by higher input costs, which reflect the gradual transition through our older inventory produced with higher-cost materials. This was partially offset by price increases across the regions and a favorable change in the product mix.

Advertising, management and promotional (AMP) expenses decreased 1.7% to ₪9,986 million pesos when compared to the full year of 2022. As a percentage of net sales, AMP increased 30 basis points to 22.5%, in line with the company's investment strategy.

Distribution expenses decreased 12.2% to ₪1,926 million pesos when compared to

2022. As a percentage of net sales, distribution expenses decreased to 4.3% from 4.8% in 2022, driven by decreased freight, warehousing and logistics costs arising from reduced supply chain constraints.

Selling and administrative (SG&A) expenses increased 9.7% to ₪4,252 million pesos when compared to the full year of 2022. As a percentage of net sales, SG&A expenses increased 110 basis points to 9.6% from 8.5% in 2022. This increase was mainly due to lower net sales value and prevailing inflationary pressures.

During the full year of 2023, operating profit decreased 29.8% to ₪6,238 million pesos compared to the prior year. Operating margin decreased to 14.1% compared to 19.4% in 2022.

EBITDA for the full year of 2023 decreased by 25.7% to ₪7,312 million pesos compared to ₪9,843 million pesos for the full year of 2022. The EBITDA margin decreased to 16.5% compared to 21.5% in 2022.

The net financial result was a loss of ₪7 million pesos during the full year 2023 compared to negative ₪620 million pesos in the same period of 2022. This increase was mainly driven

by a higher year-over-year foreign exchange gain, as our net cash exposure in U.S. dollars was positively impacted by the appreciation of the Mexican Peso. In addition, the company recorded a higher interest income, mainly driven by an increase in interest rates. These effects were partially offset by a higher interest expense compared to the same period of the previous year, driven by additional financing incurred during the year.

Consolidated net income for the full year of 2023 was ₪4,734 million pesos, a decrease of 19.5% versus the prior year period. Net margin was 10.7% for the full year. Earnings per share amounted to ₪1.32, compared to ₪1.64 in 2022.

As of December 31, 2023, cash and cash equivalents were ₪6,367 million pesos, and total financial debt was ₪23,897 million pesos. During 2023, the company generated ₪921 million pesos of net cash from operating activities and deployed ₪3,513 million pesos in net investing activities. Net cash generated from financing activities was ₪4,991 million pesos for the year ended on December 31, 2023.



CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME, BY EXPENSES FUNCTION

BECLE, S.A.B. DE C.V. AND SUBSIDIARIES

For the years ended on December 31, 2023 and 2022. (Thousands of Mexican pesos (P\$) and U.S. dollars (US\$) except earnings per share).

	2023 (US\$) ¹	2023 (P\$)	2022 (P\$)		2023 (US\$) ¹	2023 (P\$)	2022 (P\$)
Net sales	2,625,542	44,354,594	45,729,492	Other comprehensive income:			
Cost of goods sold	1,294,846	21,874,480	20,642,306	Components to be subsequently reclassified to income			
Gross profit	1,330,696	22,480,114	25,087,186	Foreign operations - Foreign currency translation reserve	(290,870)	(4,913,835)	(5,351,351)
Expenses:				Components not to be subsequently reclassified to income			
Advertising, marketing and promotion	591,123	9,986,132	10,162,475	Foreing currency translation reserve hedge	66,472	1,122,940	816,755
Distribution	113,989	1,925,666	2,192,609	Employee benefits - net of income taxes	2,447	41,337	27,044
Selling and administrative	251,692	4,251,956	3,876,764	Other comprehensive income	(221,953)	(3,749,558)	(4,507,552)
Other expense (income) - Net	4,619	78,035	(34,498)	Consolidated comprehensive income	58,257	984,163	1,373,410
Total expenses	961,423	16,241,789	16,197,350	Net income attributable to:			
Operating income	369,273	6,238,325	8,889,836	Controlling interest	279,145	4,715,737	5,856,295
Interest income	(14,185)	(239,629)	(143,048)	Non-controlling interest	1,065	17,984	24,667
Interest expense	64,901	1,096,402	849,526		280,210	4,733,721	5,880,962
Changes in the fair value of financial instruments	(1,852)	(31,293)	-	Comprehensive income attributable to:			
Foreing exchange gain - Net	(48,426)	(818,077)	(86,885)	Controlling interest	57,192	966,179	1,348,743
Financing result	438	7,403	619,593	Non-controlling interest	1,065	17,984	24,667
Equity method on associates	2,548	43,051	39,020		58,257	984,163	1,373,410
Income before income taxes	366,287	6,187,871	8,231,223	Basic and diluted earnings per share (pesos)	0.08	1.31	1.63
Income taxes	86,077	1,454,150	2,350,261				
Consolidated net income	280,210	4,733,721	5,880,962				

1. U.S. dollars translated at 16.8935 Mexican pesos solely for the convenience of the reader.



CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

BECLE, S.A.B. DE C.V. AND SUBSIDIARIES

For the years ended on December 31, 2023 and 2022. (Thousands of Mexican pesos (P\$) and U.S. dollars (US\$)).

	2023 (U.S.\$) ¹	2023 (P\$)	2022 (P\$)		2023 (U.S.\$) ¹	2023 (P\$)	2022 (P\$)
ASSETS				LIABILITIES			
Cash and cash equivalents	376,871	6,366,670	4,520,839	Senior Notes	4,973	84,012	96,286
Trade receivables	664,696	11,229,045	11,811,648	Syndicated loan	2,794	47,193	-
Related parties	1,161	19,605	44,593	Trade payables	265,522	4,485,604	8,442,402
Recoverable income tax	62,371	1,053,671	365,724	Related parties	801	13,530	72,047
Other recoverable taxes and other receivables	89,728	1,515,820	1,951,053	Lease liabilities	39,320	664,257	623,336
Inventories	961,117	16,236,626	18,258,022	Other accounts payable	385,414	6,510,992	6,267,610
Financial instruments at fair value through profit and loss	1,750	29,564	-	Total current liabilities	698,824	11,805,588	15,501,681
Biological assets	41,348	698,512	1,290,877	Senior Notes	910,003	15,373,142	17,508,150
Prepayments	55,905	944,447	1,240,521	Syndicated loan	496,803	8,392,743	-
Total current assets	2,254,947	38,093,960	39,483,277	Lease liabilities	147,156	2,485,984	2,410,390
Inventories	371,067	6,268,616	6,043,649	Environmental reserve	7,545	127,419	141,725
Biological assets	582,399	9,838,752	7,501,800	Other liabilities	13,667	230,891	304,960
Investments in associates and joint ventures	57,572	972,587	577,930	Deferred income taxes	187,638	3,169,863	3,576,026
Property, plant and equipment	931,912	15,743,262	14,073,950	Total non-current liabilities	1,762,812	29,780,042	23,941,251
Intangible assets	1,001,513	16,919,060	18,848,514	Total liabilities	2,461,636	41,585,630	39,442,932
Goodwill	327,675	5,535,575	6,022,213	STOCKHOLDERS' EQUITY			
Right-of-use assets	166,521	2,813,120	2,678,554	Capital stock	1,525,451	25,770,212	25,770,212
Deferred income taxes	143,976	2,432,252	2,086,105	Retained earnings	2,000,954	33,803,121	30,855,444
Employee benefits	32,063	541,661	477,408	Other comprehensive income	(122,500)	(2,069,446)	1,680,112
Other assets	3,912	66,098	72,742	Stockholders' equity attributable to controlling interest	3,403,906	57,503,887	58,305,768
Total non-current assets	3,618,610	61,130,983	58,382,865	Non-controlling interest	8,016	135,426	117,442
Total assets	5,873,557	99,224,943	97,866,142	Total stockholders' equity	3,411,921	57,639,313	58,423,210
				Total liabilities and stockholders' equity	5,873,557	99,224,943	97,866,142

1. U.S. dollars translated at 16.8935 Mexican pesos solely for the convenience of the reader.



CONSOLIDATED STATEMENTS OF CASH FLOW

BECLE, S.A.B. DE C.V. AND SUBSIDIARIES

For the years ended on December 31, 2023 and 2022. (Thousands of Mexican pesos (P\$) and U.S. dollars (US\$)).

	2023 (U.S.\$) ¹	2023 (P\$)	2022 (P\$)
Operating activities:			
Income before income taxes	366,287	6,187,871	8,231,223
Adjustment from items not implying cash flows:			
Depreciation and amortization	63,562	1,073,793	953,393
Loss on sale of property, plant and equipment	3,883	65,605	68,484
Non-cash items	5,722	96,651	(54,674)
Interest income	(14,185)	(239,629)	(143,048)
Unrealized foreign exchange	(68,412)	(1,155,722)	(386,314)
Interest expense	46,556	786,491	518,926
Equity method on associates	2,548	43,052	39,020
Net cost for the period of employee benefits	1,695	28,640	54,420
Subtotal	407,656	6,886,752	9,281,430
(Increase) decrease in:			
Trade receivables	(736)	(12,435)	(1,900,087)
Related parties	(1,985)	(33,529)	30,164
Other recoverable taxes and other receivables	74,811	1,263,816	(894,173)
Inventories	13,040	220,295	(6,938,162)
Biological assets	(99,734)	(1,684,853)	(1,966,574)
Prepayments	9,922	167,613	(231,043)
Other assets	155	2,623	649,670
Increase (decrease) in:			
Trade payables	(223,236)	(3,771,241)	3,914,366
Other accounts payables	57,594	972,961	(353,551)
Employee benefits	(6,973)	(117,801)	(142,412)
Income taxes paid or recoverable	(184,465)	(3,116,267)	(3,193,421)
Net cash from operating activities	46,049	777,934	(1,743,793)

	2023 (U.S.\$) ¹	2023 (P\$)	2022 (P\$)
Investment activities			
Property, plant and equipment	(184,400)	(3,115,160)	(3,728,251)
Intangible assets	(5,719)	(96,607)	(195,931)
Investment in associates and joint ventures	(34,572)	(584,036)	(7,631)
Interest income	14,185	239,629	143,048
Net cash flows used in investing activities	(210,506)	(3,556,174)	(3,788,765)
Financing activities			
Dividends paid	(104,435)	(1,764,273)	(1,510,126)
Principal lease payment	(56,946)	(962,015)	(686,245)
Bank loans	521,704	8,813,405	-
Bank loans paid	(509,931)	(8,614,525)	-
Syndicated loan	507,168	8,567,850	-
Interest paid	(51,114)	(863,499)	(635,578)
Net cash flows used in financing activities	306,446	5,176,943	(2,831,949)
Net increase (decrease) of cash and cash equivalents	141,989	2,398,703	(8,364,507)
Cash and cash equivalents at beginning of year:			
At beginning of the period	267,608	4,520,839	12,791,283
Cash proceeds from acquisition	-	-	25,189
Effects of exchange rate changes on cash and cash equivalents	(32,726)	(552,872)	68,874
Cash and cash equivalents at end of year	376,871	6,366,670	4,520,839

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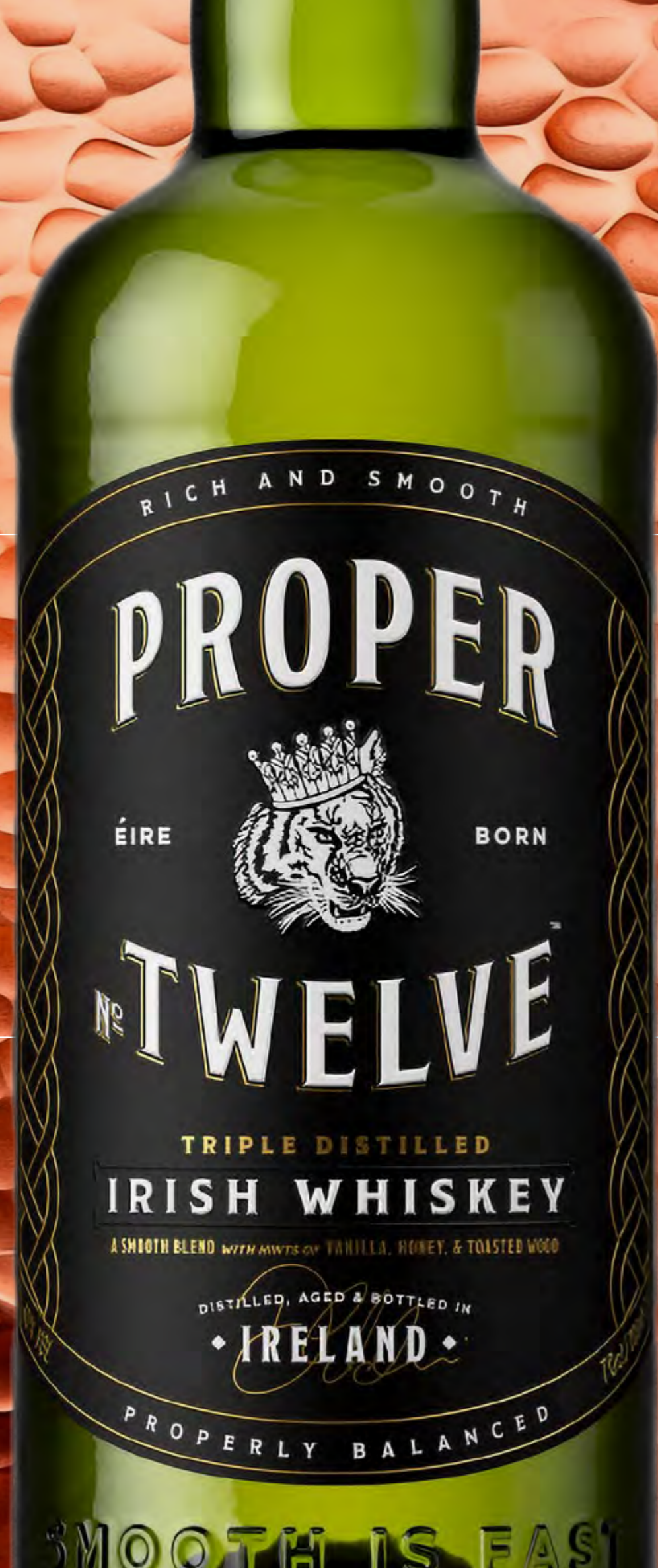


CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

BECLE, S.A.B. DE C.V. AND SUBSIDIARIES

For the years ended on December 31, 2023 and 2022. (Thousands of Mexican pesos (P\$), except dividends paid per share).

	Capital stock	Share premium	Capital reserves	Retained earnings	Other comprehensive income	Total controlling interest	Non-controlling interest	Total stockholders' equity
Balances as of January 1, 2022	11,283,642	14,486,570	4,302,893	22,089,778	6,187,664	58,350,547	92,775	58,443,322
Comprehensive income:								
Net income				5,856,295		5,856,295	24,667	5,880,962
Remeasurement of employee benefits - Net					27,044	27,044		27,044
Foreign currency translation reserve					(4,534,596)	(4,534,596)		(4,534,596)
Total comprehensive income				5,856,295	(4,507,552)	1,348,743	24,667	1,373,410
Transactions with stockholders:								
Dividends				(1,510,126)		(1,510,126)		(1,510,126)
Other shareholders' movements - Net				116,604		116,604		116,604
Total transactions with stockholders	-	-	-	(1,393,522)	-	(1,393,522)	-	(1,393,522)
Balances as of December 31, 2022	11,283,642	14,486,570	4,302,893	26,552,551	1,680,112	58,305,768	117,442	58,423,210
Comprehensive income:								
Net income				4,715,737		4,715,737	17,984	4,733,721
Remeasurement of employee benefits - Net					41,337	41,337		41,337
Foreign currency translation reserve					(3,790,895)	(3,790,895)		(3,790,895)
Total comprehensive income	-	-	-	4,715,737	(3,749,558)	966,179	17,984	984,163
Transactions with stockholders:								
Dividends				(1,764,273)		(1,764,273)		(1,764,273)
Other stockholders' movements - Net				(3,787)		(3,787)		(3,787)
Total transactions with stockholders	-	-	-	(1,768,060)	-	(1,768,060)	-	(1,768,060)
Balances as of December 31, 2023	11,283,642	14,486,570	4,302,893	29,500,228	(2,069,446)	57,503,887	135,426	57,639,313



INVESTOR INFORMATION



OWNERSHIP STRUCTURE

Shareholder	Shares	Outstanding capital (%)
JDBL y Compañía, S.A. de C.V. ⁹	1,833,803,430	51.06
Karen Virginia Beckmann Legorreta	1,278,910,251	35.61
Other members of the Beckmann Legorreta Family	2	0.01
Public investors	478,462,618	13.32
Total subscribed and paid-in shares	3,591,176,301	100

MARKET CAPITALIZATION

Year-end price (P\$)	\$33.27	December 29, 2023
Total subscribed and paid-in shares	3,591,176,301	December 29, 2023
Market capitalization in P\$	\$119,478,435,534.27	December 29, 2023
Market capitalization in US\$ (Foreign exchange rate of 16.8998)	\$7,069,813,579.70	December 29, 2023

QUARTERLY STOCK PRICE TABLE

Quarterly stock price table (P\$)

Quarter ended	\$ High	\$ Low	\$ Close
Dec-31	41.45	29.11	33.27
Sep-30	48.53	38.47	41.50
Jun-30	47.20	40.30	41.90
Mar-31	47.56	40.41	46.65

DISCLAIMER AND REFERENCE INFORMATION

This document may contain forward-looking statements. These statements are statements that are not historical facts and are based on management's current view and estimates of future economic circumstances, industry conditions, company performance and financial results. The words "anticipates", "believes", "estimates", "expects", "plans" and similar expressions, as they relate to the company, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting our financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.

9. Juan Domingo Beckmann Legorreta exercises control of said company.



APPENDIX



ESG PERFORMANCE DATA SUMMARY

	Unit	2023	GRI	SASB	SDG
ENVIRONMENTAL					
Carbon Footprint					
Gross direct (Scope 1) GHG emissions	tCO ₂ e	90,343.16	305-1-a		13
Biogenic CO ₂ emissions	tCO ₂ e	21,520.19	305-1-c		13
Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO ₂ equivalent	tCO ₂ e	25,088.22	305-2-a		13
Gross market-based energy indirect (Scope 2) GHG emissions.	tCO ₂ e	15,124.63	305-2-a		13
GHG emissions intensity ratio for the organization	kgCO ₂ e / l sold	0.52	305-4-a		
GHG emission reduction as a direct consequence of reduction initiatives	tCO ₂ e	1,389.86	305-5 -a		
Energy					
Total fuel consumption from non-renewable sources	GJ	1,472,159.27	302-1-a		7,12,13
Total fuel consumption from renewable sources	GJ	75,126.90	302-1-b		7,12,13
Fuel intensity ratio for the organization	GJ / l sold	0.006			
Total electricity consumption	GJ	220,849.06	302-1-c		13
Total energy consumption	GJ	1,768,135.23	302-1-e	SASB FB-AB-130a.1.	13
Energy intensity ratio	GJ / l sold	0.007	302-3-b		7, 13
Reductions in energy consumption as a direct result of conservation and efficiency initiatives	GJ	22,934.55	302-4-a		13
Percentage of renewable electricity	%	46%			13



	Unit	2023	GRI	SASB	SDG
Water Stewardship					
Total water withdrawal	MI	2,183.36	303-3-a	SASB FB-AB-140a.1.	6, 12
Total water discharged	MI	833.15	303-4-a		6, 12
Total water consumption	MI	1,350.21	303-5-a	SASB FB-AB-140a.1.	6, 12
Water consumption intensity ratio	l / l sold	5.54			6, 12
Wastewater intensity ratio	l / l sold	3.42			
Waste Management					
Total weight of waste generated	t	132,417.17	306-3-a		
Total weight of waste not directed to disposal	t	131,338.70	306-4-a		
Total weight of non-hazardous waste not directed to disposal	t	131,338.54	306-4-c		
Total weight of hazardous waste not directed to disposal	t	0.16	306-4-b		
Recycling (internal and external)	t	96,940.70	306-4-c		
Other recovery operations /processes/co-processes (internal or external)	t	34,398.00	306-4-c		
Total weight of waste directed to disposal	t	1,079.02	306-5-a		
Total weight of waste directed to incineration with energy recovery	t	60.57	306-5-b		
Total weight of waste directed to incineration without energy recovery	t	0.43	306-5-b		
Total weight of waste directed to landfill	t	968.34	306-5-b		
Total weight of waste directed to other disposal operations	t	49.68	306-5-b		
Materials Management					
Total weight or volume of materials that are used to produce and package the organization's primary products	t	86,229.16	301-1-a		
Weight of renewable materials used	t	11,370.11	301-1-a		
Weight of non-renewable materials used	t	74,859.05	301-1-a		
Percentage of recycled input materials used to manufacture the organization's primary products	%	33%	301-2-a		



	Unit	2023	GRI	SASB	SDG
SOCIAL					
Employees					
Total employees	No.	10,283	405-1		5,8
Men	No. (%)	7,945 (77%)	405-1-b-i		8
Women	No. (%)	2,338 (23%)	405-1-b-i		8
Unionized	No. (%)	850 (8.3%)	102-40		
Permanent	No. (%)	8,540 (83%)	2-7		
Temporary	No. (%)	1,743 (17%)	2-7		
Training and Development					
Employee training	hr	503,496	404-1		5,8
Average training hours	hr/yr/employee	50	404-1		8
Occupational Health and Safety*					
OHS training	hr	224,639	403-5		3,8
Agricultural Unit - Rate of fatalities as a result of work-related injury	Rate	0.036	403-9		3
Agricultural Unit - Rate of high-consequence work-related injuries (excluding fatalities)	Rate	1.230	403-9		
Agricultural Unit - Rate of recordable work-related injuries (incidence rate)	Rate	2.606	403-9		
Agricultural Unit - Number of hours worked	No.	21,950,748	403-9		
Talent Attraction and Retention					
Employee hires	No.	6,586			5,8,10
Employee turnover	No.	4,996	401-1-b		5
Involuntary turnover	No. (%)	337 (7%)	401-1-b		5
Voluntary turnover	No. (%)	4,659 (93%)	401-1-b		5
Employees entitled to parental leave	%	100%	401-3-a		
Community Investment					
Total giving (Fundación Jose Cuervo)	P\$	27,000,000	413-1		2,4,6
Total giving (Tincup donation to CFIs)	US\$	14,000	413-1		2,4,6

* Safety rates are calculated on the basis of 200,000 hours.



	Unit	2023	GRI	SASB	SDG
GOVERNANCE					
Corporate Governance					
Women Directors	No. (%)	0 (0%)	405-1-a-i		
Independent Directors	%	75%	102-22-ii		
Financial experts in the Board	No.	8	102-22-vii		
Industry experts in the Board	No.	7	102-22-vii		
Average tenure	yr	4.6	102-22-iii		
Average age	yr	65.4			
Business Ethics & Compliance					
Allegations received	No.	79			
Allegations substantiated	No.	10	205-3		
Supply Chain Management					
Total suppliers	No.	19,932			8
Local suppliers	No.	18,558			8
Non-local suppliers	No.	1,374			8
Supplier risk evaluation	No.	129			8

Note: Only proprietary members are considered for the calculation of women directors within our Board.



GRI CONTENT INDEX

[↪ See more:](#)

GRI STANDARD	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 2: GENERAL DISCLOSURES 2021					
1. The organization and its reporting practices					
2-1	Organizational details	a & b, p. 1 c, p. 118 d, p. 8			
2-2	Entities included in the organization's sustainability reporting	a, pp. 8-11 b & c, i, ii, iii			<p>b. It includes data from the countries where Becle, S.A.B. de C.V. has operations or a majority share. All the entities in the organization's financial reporting are also included in its sustainability reporting Here ↪</p> <p>c. The approach and adjustments to entities included in our sustainability reporting are the same as our audited consolidated financial statements or financial information filed on public record Here ↪</p>
2.3	Reporting period, frequency and contact point	a, b, c, p. 1 d, p. 118			
2-4	Restatements of information	a, p.1			



GRI STANDARD	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	REASON	EXPLANATION
2. Activities and workers					
2-6	Activities, value chain and other business relationships	a, pp. 8, 12 b i, ii, pp. 41-43	b iii	Entity names are not included due to confidentiality issues. The company has a solid global distribution network which allows it to efficiently distribute its products in the main markets for distilled alcoholic beverages worldwide. The products are distributed through wholesalers and independent establishments located around the world, including the main supermarket chains, groceries, hotels, restaurants and duty-free stores.	c, The company owns the registration rights for a large number of trademarks, trade names, designations and designs, copyrights, technical knowledge, and domain names. The company believes that its trademarks are properly registered or protected by other means in all necessary aspects in the markets in which it operates. d, There were no significant changes during the reporting period.
2-7	Employees	a, p. 49 b, i, ii, iii, iv & v. pp. 49-54 c & d, p. 52 e, p. 49			
3. Governance					
2-9	Governance structure and composition	a, p. 66 b, pp. 67-68 c ii,iii,iv,v.vii, pp.66-68	c vi. c viii.	Not applicable Confidentiality constraints	
2-10	Nomination and selection of the highest governance body	a, p. 67 b i, ii, iii, iv, pp. 67			
2-11	Chair of the highest governance body	a, p. 68	b	Information unavailable	Information for this indicator will be consolidated for future reports.
2-12	Role of the highest governance body in overseeing the management of impacts	a, p. p. 50	b i, ii c	Information unavailable Confidentiality constraints	Information for this indicator will be consolidated for future reports.
2-13	Delegation of responsibility for managing impacts	a i, p. 68 b, p. 67	a ii	The ESG working group is responsible for managing the organization's impact on the economy, the environment and people, and therefore responsibility has not been delegated to other employees.	
2-14	Role of the highest governance body in sustainability reporting	a, p. 68	b	Not applicable	
2-15	Conflicts of interest	a, p. 70	b i, ii, iii, iv	Information unavailable	
2-16	Communication of critical concerns	a, p. 69			b. No critical concerns were communicated to the highest governance body during the reporting period.
2-18	Evaluation of the performance of the highest governance body	a, p. 67	b, c	Information unavailable	



GRI STANDARD	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	REASON	EXPLANATION
2-20	Process to determine remuneration	a i. p. 57	a ii, iii b	Not applicable	
4. Strategy, policies and practices					
2-22	Statement on sustainable development strategy	a, pp. 2-3			
2-23	Policy commitments	a iv, p. 51 b i. p.51 c, p. 51 d, e, f, p. 71	a i, ii, iii b ii,	Information unavailable	Information for this indicator will be consolidated for future reports.
2-24	Embedding policy commitments	a i, ii, iii, p. 71	a iv	Information unavailable	
2-26	Mechanisms for seeking advice and raising concerns	a i, ii, p. 69			Ethics line: Linea Cuervoz
2-27	Compliance with laws and regulations	a, b, c, d, p. 69			During the reporting period, there were no significant non-compliances.
2-28	Membership associations	a, p. 71			
5. Stakeholders engagement					
2-29	Approach to stakeholder engagement	a i, ii, iii, p. 48			
2-30	Collective bargaining agreements	a, p. 49 8.3% of our employees are part of a collective bargaining agreement, i.e., they are unionized workers	b	Not applicable	
GRI 3: MATERIAL TOPICS 2021					
2. Disclosures on material topics					
3-1	Process to determine material topics	a i, ii, p. 45 b, p. 46			
3-2	List of material topics	a, p. 47			b. There were no changes to the list of material topics compared to the previous reporting period.
3-3	Management of material topics	pp. 45-48			
GRI 201: ECONOMIC PERFORMANCE 2016					
201-1	Direct economic value generated: revenues	a i, ii, iii, p. 18, 100-103	b	Information unavailable	
GRI 204: PROCUREMENT PRACTICES 2016					
204-1	Proportion of spending on local suppliers	a & b, p. 73	c	Information unavailable	



GRI STANDARD	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 205: ANTI-CORRUPTION 2016					
205-2	Communication and training about anti-corruption policies	a, p. 70	b, c, d, e	Information unavailable	
GRI 207: TAX 2019					
1. Topic management disclosures					
207-1	Approach to tax	a i, ii, iii, p. 71	a iv	Information unavailable	Information for this indicator will be consolidated for future reports.
GRI 302: ENERGY 2016					
2. Topic disclosures					
302-1	Energy consumption within the organization	a, b, c, e, p. 85	d	Not applicable	d. The sale of energy to third parties is not applicable.
302-3	Energy intensity	a, b, c, d, p. 85		Information unavailable	c. Fuel and electricity consumption are included in the energy intensity ratio. d. The ratio uses energy consumption within the organization.
302-4	Reduction of energy consumption	a, b, c, p. 85	d	Information unavailable	b. Fuel and electricity are included in the energy reductions. c. Energy consumption reductions are compared versus the previous year.
GRI 303: WATER AND EFFLUENTS 2018					
2. Topic disclosures					
303-3	Water withdrawal	a i, ii, iii, iv, v, p. 88 b,i, ii, iii, iv, v, d, p. 88	c	Information unavailable	d. The volume of water withdrawal is measured using flow meters. When necessary, it is recorded manually based on the figures reported in the water bill.
303-4	Water discharge	a i, ii, iii, iv, p. 88 c, p. 88	b, d, e	Information unavailable	d. The volume of water withdrawal is measured using flow meters. When necessary, it is recorded manually based on the figures reported in the water bill.
303-5	Water consumption	a & b, p. 88	c, d	Information unavailable	
GRI 304: BIODIVERSITY 2016					
2. Topic disclosures					
304-2	Significant impacts of activities, products and services on biodiversity	p. 81	a, b	Information unavailable	
GRI 305: EMISSIONS 2016					
3. Topic disclosures					
305-1	Direct (Scope 1) GHG emissions	a, b, c, d, e, f, g, p. 82			
305-2	Indirect (Scope 2) GHG emissions	a, b, c, d, e, f, g, p. 83			



GRI STANDARD	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	REASON	EXPLANATION
305-4	Emissions intensity	a, b, c, d, p. 84			
305-5	GHG emissions reduced as a direct result of reduction initiatives	a, b, c, d, p. 84	e		b. CO ₂ , NO ₂ and CH ₄ c. GHG emissions reductions are compared against the previous year reported. d. Reductions are in scope 1 and 2.
GRI 306: WASTE 2020					
2. Topic disclosures					
306-3	Waste generated	a, p. 90	b	Information unavailable	
306-4	Waste diverted from disposal	a, b, c, ii, iii, p. 90	c i	Not applicable	All recovery operations for 306-4-b and 306-4-c are offsite.
306-5	Waste directed to disposal	a, b, c, p. 90	d, e	Information unavailable	All disposal operations for 306-5-b and 306-5-c are offsite.
GRI 401: EMPLOYMENT 2016					
2. Topic disclosures					
401-1	Employee hires and turnover	a & b, p. 49			
401-3	Parental leave	a, b, c, d, p. 59			
GRI 403: OCCUPATIONAL, HEALTH AND SAFETY 2018					
2. Topic disclosures					
403-1	Occupational health and safety management system	a ii, p. 59	a i, b	Not applicable	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	a, p. 49-61			
GRI 404: TRAINING AND EDUCATION 2016					
2. Topic disclosures					
404-1	Average hours of training per year per employee	a, pp. 56, 60	i, ii	Information unavailable	Information for this indicator will be consolidated for future reports.
404-2	Programs for upgrading employee skills and transition assistance programs	a, pp. 56, 60	b	Not applicable	
404-3	Percentage of employees receiving regular performance and career development reviews	a, pp. 56, 60			Percentage does not include unionized employees and Promobeb.
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016					
2. Topic disclosures					
405-1	Diversity of governance bodies and employees	a & b, p. 66			



GRI STANDARD	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 406: NON-DISCRIMINATION 2016					
2. Topic disclosures					
406-1	Incidents of discrimination and corrective actions taken	pp.49, 50, 69		Not applicable	There were no incidents of discrimination.
GRI 409: FORCED OR COMPULSORY LABOR 2016					
2. Topic disclosures					
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	p. 51		Not applicable	There were no incidents of forced or compulsory labor.
GRI 411: RIGHTS OF INDIGENOUS PEOPLES 2016					
2. Topic disclosures					
411-1	Incidents of violations involving rights of indigenous peoples	p. 51		Not applicable	There were no incidents involving rights of indigenous peoples.
GRI 413: LOCAL COMMUNITIES 2016					
2. Topic disclosures					
413-1	Operations with local community engagement, impact assessments, and development programs	pp. 62-64			
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016					
2. Topic disclosures					
414-1	New suppliers that were screened using social criteria	a, p. 74			
GRI 416: CUSTOMER HEALTH AND SAFETY 2016					
2. Topic disclosures					
416-1	Assessment of the health and safety impacts of product and service categories	a, p. 60, 92			
GRI 417: MARKETING AND LABELING 2016					
2. Topic disclosures					
417-1	Requirements for product and service information and labeling	a i, ii,iii, p.92	a iv	Information unavailable	
417-2	Incidents of non-compliance concerning product and service information and labeling	p. 92			There were no incidents of non-compliance concerning information.



SASB CONTENT INDEX

SASB STANDARD	DISCLOSURE	LOCATION
FB-AB-270: RESPONSIBLE DRINKING & MARKETING		
FB-AB-140a.1	Total water withdrawn	pp. 88, 108
FB-AB-140a.2	Total water consumed	pp. 86, 108
FB-AB-270 a.4	Responsible drinking & marketing	<p>p.92</p> <p>1.1 The scope of our efforts and strategies related to responsible consumption positively contribute our reputation, business areas and organization.</p> <p>1.3 In 2023, Becele invested ₪1,504,500 to encourage responsible consumption. During the reporting period, there was no risk that could affect the achievement of our campaigns.</p> <p>2.1 The commitment plans included in the report only cover the markets of the Mexican territory.</p> <p>2.4 The engagement period began in 2016 with the consumer assistance platform; this engagement has been active ever since.</p> <p>4. 100% of the disclosed activities were ongoing during the entire reporting period.</p>



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