

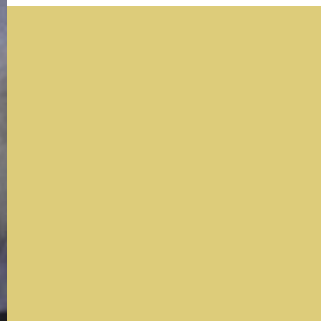
BECLE

2023 EXECUTIVE SUMMARY

INTEGRATED ANNUAL REPORT

A HISTORY OF INNOVATION





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





OUR DIVERSIFIED BRAND PORTFOLIO GRI 2-6

TEQUILA

Jose Cuervo Family



PREMIUM



SUPER PREMIUM



PRESTIGE

Centenario



SUPER & ULTRA PREMIUM

1800



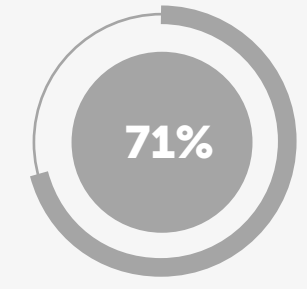
SUPER & ULTRA PREMIUM

Dobel



ULTRA PREMIUM

NET SALES
BY CATEGORY
AS OF 2023



TEQUILA

IRISH WHISKEY

Proper N° Twelve



PREMIUM

The Sexton



SUPER PREMIUM

Bushmills



PREMIUM & ULTRA PREMIUM

U.S. WHISKEY

Tincup



PREMIUM

Pendleton

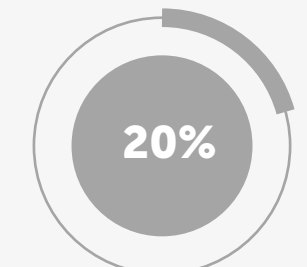


PREMIUM & ULTRA PREMIUM

Stranahan's



ULTRA PREMIUM



OTHER SPIRITS

RUM



PREMIUM

VODKA



PREMIUM

ULTRA PREMIUM

GIN



PREMIUM

MEZCAL



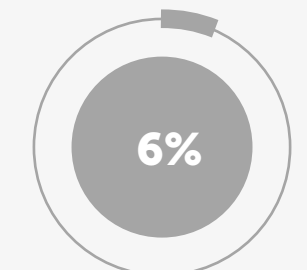
PREMIUM

ULTRA PREMIUM

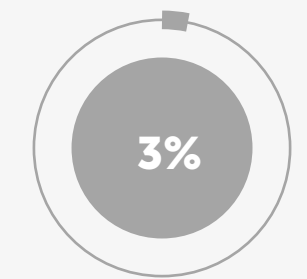
RTD



NON-ALCOHOLIC



RTD

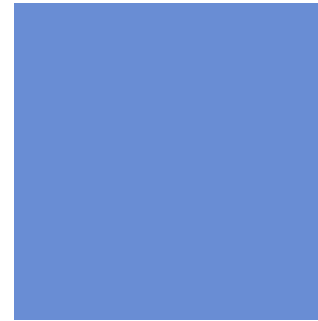


NON-ALCOHOLIC
& OTHER

Note: This slide only showcases our most relevant brands.



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



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.





MARKETING

MAESTRO
DOBEL
DIAMANTE
ES DE MAESTROS



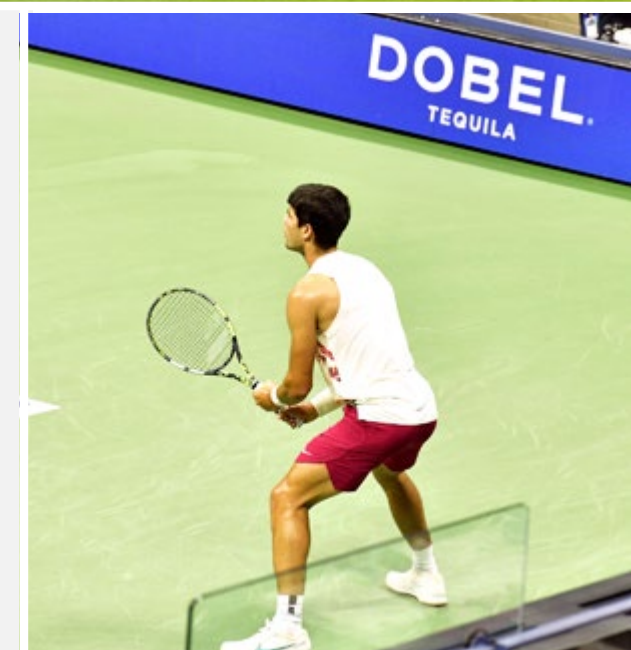
ONE OF OUR MAIN GOALS FOR THE YEAR WAS TO PREMIUMIZE OUR BRANDS.

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.





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 2-7, 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 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.



FUNDACIÓN JOSE CUERVO

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





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 Becle, 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.

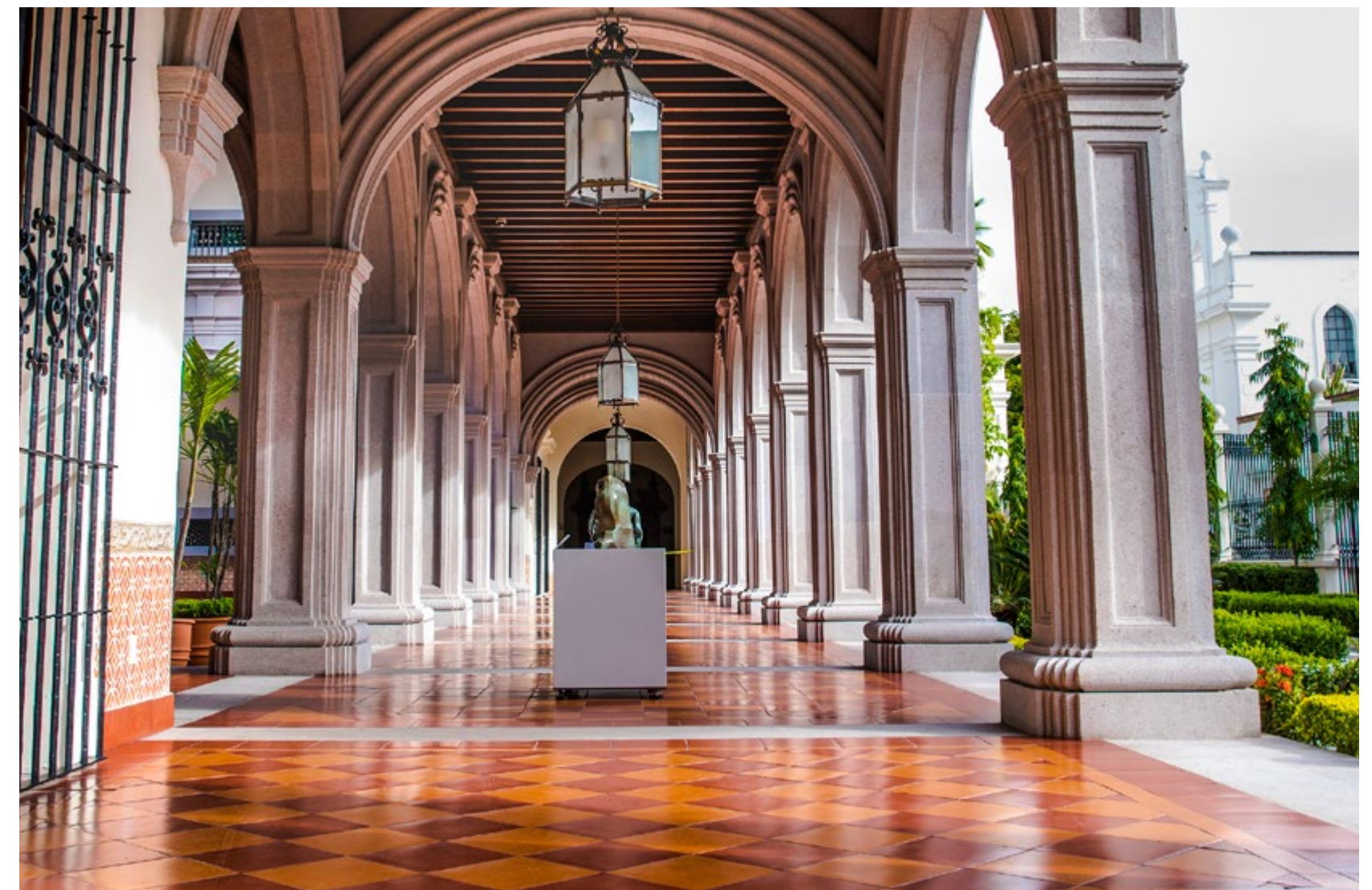
Board of Directors

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 Becle.





GRI 2-9, 405-1

Board of Directors

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

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

1 Alternate of Antonio Silva Jáuregui.

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.



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 2-15, 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 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. Beclé 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.





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 305-1, 305-2, 305-4, 305-5

Carbon footprint²

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.



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.			-

² 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.



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.			-

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





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

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.

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



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%



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 Becle. 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.

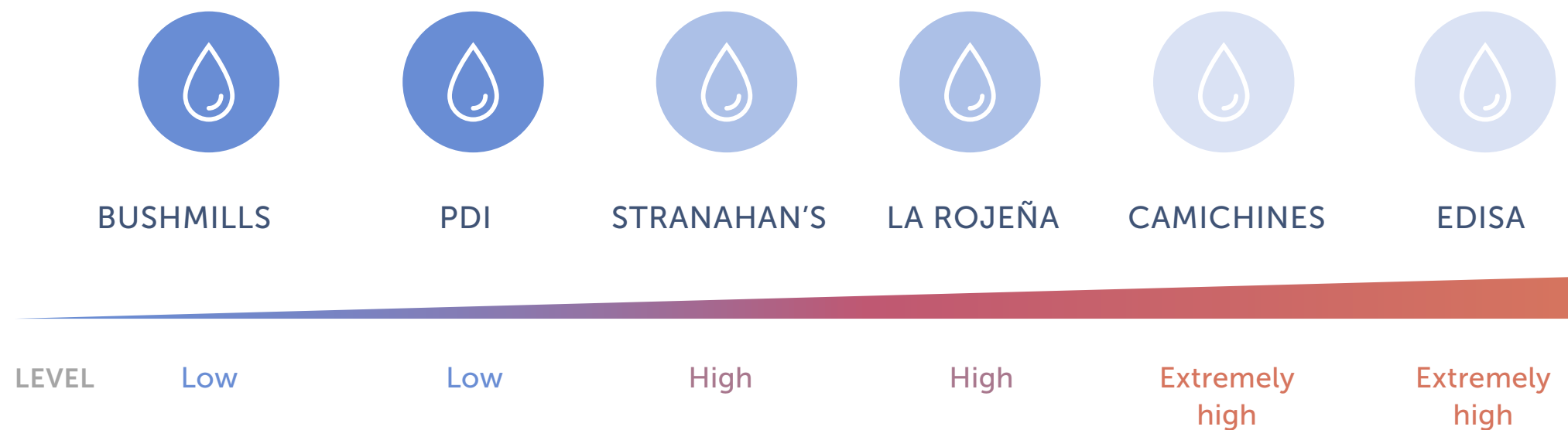
Our approach to water stewardship is aligned with the Alliance for Water Stewardship framework, which provides a globally recognized standard. This framework emphasizes the importance of understanding the water context, engaging with stakeholders, managing water use, protecting water quality, and supporting 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 stress³ 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.

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



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.

³ 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).

**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 \leq 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

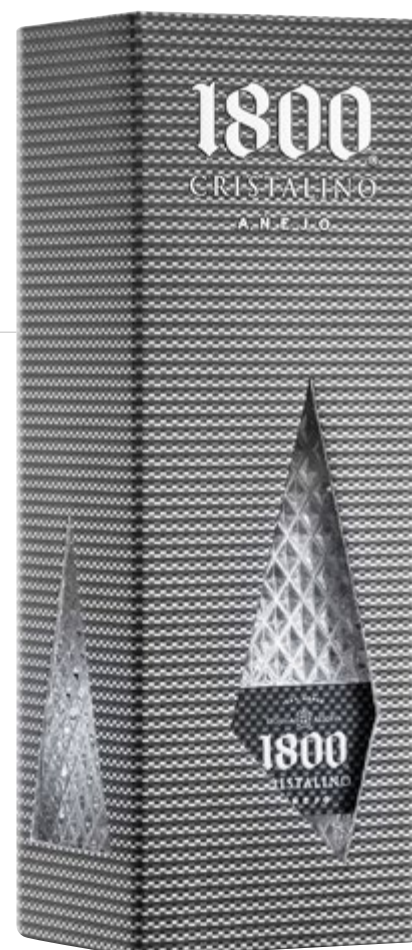
GRI 306-4

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.



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
ENVIRONMENTAL					
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		



	Unit	2023	GRI	SASB	SDG
ENVIRONMENTAL					
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		
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		

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

	Unit	2023	GRI	SASB	SDG
SOCIAL					
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
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.



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