

BACARDI LIMITED
GREEN BOND
2023



GREEN FINANCING

Framework

BACARDI LIMITED

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1. About Bacardi Limited



Bacardi Limited (the “Company”) is the largest privately held international spirits company in the world.

The Bacardi Limited brand portfolio comprises more than 200 brands and labels, including BACARDÍ® rum, GREY GOOSE® vodka, PATRÓN® tequila, DEWAR’S® Blended Scotch whisky, BOMBAY SAPPHIRE® gin, MARTINI® vermouth and sparkling wines, CAZADORES® 100% blue agave tequila, D’USSE® cognac, ANGEL’S ENVY® American straight whiskey (including bourbon and rye whiskies), and other leading and emerging brands including WILLIAM LAWSON’S® Scotch whisky, and ST-GERMAIN® elderflower liqueur, as well as Low Proof products (comprising ready-to-drink and ready-to-serve offerings).

Bacardi is rooted in a rich heritage and has been a trailblazer in the industry since day one. As a family-owned business after seven generations, it remains true to its culture and tradition of doing the right thing. Founded 162 years ago in Santiago de Cuba, the Company today employs approximately 9,000 people, sells its brands in more than 160 markets, and has 100% ownership of production sites in 10 countries and territories: United States, Puerto Rico, Mexico, France, Italy, Scotland, England, Switzerland, Brazil, and India. Since 1965, the global headquarters have been in Bermuda.

Bacardi Limited refers to the Bacardi group of companies, including Bacardi International Limited.

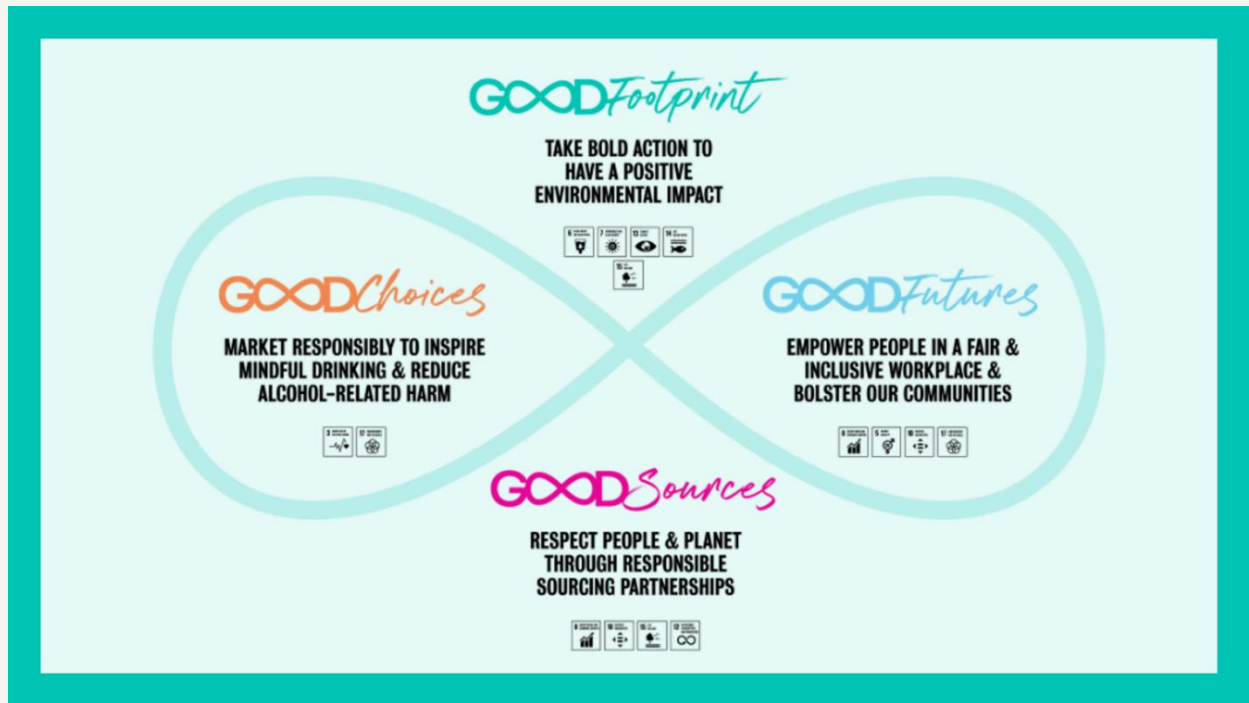
2. Redefining Good

On the surface, we’re a spirits company, with more than 200 brands and labels that make up the Bacardi family of brands. But dig a little deeper, and you’ll find we’re using our station as the world’s largest privately held spirits company to drive positive impact around the world. It starts with our people and extends to every corner of every community we operate in - because we’re driven to be the most responsible global spirits company in the world. Or, to put it another way... we aim to be good.

Our ESG strategy, which we call *Good Spirited*, is focused on doing the right thing for the long run. We care about the impact of what we do not just today but for the next century. As a family-owned business, the tradition of doing what is right is in our DNA; we make choices based on doing the right thing for our people, our consumers, our partners, our brands, and our world.

Good Spirited is broken into the four most significant ESG areas to Bacardi: **Good Footprint**, **Good Sources**, **Good Futures** and **Good Choices**. We have set 19 goals aligned with the United Nations Sustainable Development Goals ("SDG"), which correlate to each of our four priority areas. We report on our progress against these goals on an annual basis in our ESG Report.

THAT’S THE BACARDI WAY. IT’S ABOUT BEING GOOD SPIRITED.



OUR GOOD SPIRITED GOALS

GOOD FOOTPRINT



- Reduce absolute operational GHG emissions (scopes 1 and 2) by 50% by 2025 from a 2015 base-year¹
- Reduce absolute value chain GHG emissions (scopes 1, 2 and 3) 20% by 2025 from a 2015 base-year¹
- Water positivity across all of our operations by 2030
- More than 100% of the product water in our most water scarce areas will be restored back to the source by 2025²
- ZERO plastics in point-of-sale materials and secondary packaging by 2023; zero plastics by 2030
- ZERO waste to landfill at all production sites

GOOD SOURCES



- 100% of key ingredients sourced from sustainably certified suppliers by 2025
- 100% of paper and board used for shipping and labels sustainably certified by 2025
- 100% of product packaging to be recyclable by 2025
- 40% recycled content of product packaging materials by 2025

¹ This goal has been validated by the Science Based Target initiative. Please see www.sciencebasedtargets.org for more information

² Product water is the water in the bottles we sell

GOOD FUTURES



- 90% of Bacardi employees to participate in our innovative training and development programs
- >45% female workforce and an increase in women in leadership positions
- 80% increase in Bacardi Engagement Index
- Support local causes, partnerships, and programs to drive employability and job opportunity in 100% of our communities
- Ensure less than 1 Lost Time Accident per million hours worked by 2023

GOOD CHOICES



- Increase support of responsible drinking initiatives and partnerships in the top 80% of Bacardi markets
- 100% of brand labels to carry responsible drinking messaging and website designation
- Nutritional information for 100% of brands made available to the consumer
- Lead efforts along with other industry members and partners, put in place measures and standards to ensure digital marketing messages are targeted to adults of legal drinking age only

Good Footprint

Doing what's right for the planet is part of Bacardi's recipe for good. Whether it's investing in water conservation and restoration projects, committing resources to the conservation of natural habitats, transitioning to cleaner and more efficient energy sources at our facilities, finding sustainable alternatives to plastic, reducing GHG emissions and waste to landfill, decreasing our overall environmental footprint and more, Bacardi is committed to doing good for the planet and for its people, driving a positive impact in local communities across the globe.

Reducing Our Carbon Footprint

Bacardi committed to reduce absolute GHG emissions (scopes 1 and 2) by 50% from its operations and by 20% from the entire value chain (scopes 1, 2 and 3) by the year 2025 from a 2015 base year, in line with the Science-based Target Initiative (SBTi) and Paris Agreement. These targets are consistent with reductions required to limit global warming to 1.5°C. In pursuit of its climate goals, Bacardi will focus on improvements within our direct operations to drive down emissions while also working collaboratively with our suppliers to do the same.

Distillation-related processes result in emissions that affect the environment. This is why we have installed biomass boilers at six of our distilleries, which has reduced GHG emissions at these

sites by up to 90% by generating renewable energy from organic materials such as botanicals, wood pellets, wood chips, and agave fibers leftover from production.

Over the next three years, we are exploring the following key initiatives to achieve our ambitious climate targets:

- We will have continuous improvement in energy consumption management through submetering system integration
- At our BACARDÍ rum distillery in Puerto Rico, to replace heavy fuel oil with cleaner fuel, we will use a combined heat and power system

- At our MARTINI vermouth manufacturing site in Pessione, Italy, we will explore the use of new solar power technology
- At our PATRÓN tequila manufacturing site in Mexico, we will focus on energy recovery to reduce our heavy fuel oil consumption through renewable fuel generation as part of the wastewater treatment process
- At our Bermuda HQ, we recently installed new solar paneling on the office roof and a new state-of-the-art chiller system. Together, these improvements will cut the building's CO₂ by more than 70% every year
- Continue the use of renewable energy from hydro, solar and wind contracts in the United Kingdom, Italy, Mexico and Puerto Rico and explore similar options for other locations

Water Stewardship

Water is a key and irreplaceable component of our products and current production process. Protecting water sources ensures the current and future ability to produce our products. Consequently, water is one of the main pillars of our sustainability strategy. Water is used in our manufacturing activities mostly for cooling (though the water is returned to the original source with no impact), energy generation, cleaning, and incorporated into our products.

We are committed to being water positive across all our operations by 2030. As we work to achieve this goal, by 2025, we will make sure that more than 100% of the water that goes into our products produced in our most water scarce areas will be restored back into the source. At a high level, water positivity means reducing how much water we withdraw from a water source (i.e. efficiency and circularity) and giving back to the source more water than we withdraw (i.e. stewardship and replenishment).

In our operations, we focus on efficiency by continuing to reduce water required for production and circularity by achieving closed loop systems for water required for production (to limit how much new water needs to be withdrawn). We implement this through the identification of and investment in projects for water consumption efficiency at our facilities. At our water sources, we replenish water back to the source and promote full water stewardship strategies at all of our sites. We work with partners to identify opportunities to protect watersheds and provide access to potable water in high-risk manufacturing site countries in order to benefit local communities in need.

One of these partnerships is with the Beverage Industry Environmental Roundtable (BIER). Bacardi is part of a team that is addressing the shared water challenges in Tlajomulco de Zúñiga, Mexico. This first-of-its-kind watershed collaboration brings together global leaders in the beverage industry to advance the sector's environmental sustainability targets. The initiative is called the Charco Bendito Project, which is focused on the Santiago Guadalajara River. Through the introduction of a hydraulic watershed, Bacardi is playing a role in routing clean water to surrounding communities where there is none. The scope of the project includes the restoration and conservation of land integral to the region's water quality and quantity, planting native vegetation to increase groundwater levels and reduce soil loss, improving water infrastructure and increasing awareness about the importance of clean water in healthy communities. Bacardi recognizes that effective water positivity strategy considers the specific local needs, and we celebrate the partnerships that allow us to do so.

Waste Management

Waste management is focused on the following priority approach: minimization, reuse, recycle, and energy recovery, and finally as a last resort, landfill. Our target is to achieve zero waste to landfill at all production sites and analyze and develop single-use plastic reduction across operations and supply chain.

In India, BACARDÍ has partnered with a bottle collection agency that gathers used bottles, then washes, cleans, and de-labels them, allowing them to be repurposed in the bottling of various local products. It's been an enormous success, with more than 93,000,000 bottles collected for reuse since the program's inception in 2017.

We are proud to share that through creative closed-loop solutions across our sites, up to 99.2% of our waste was diverted from landfills as of Fiscal 2023 and we have achieved zero waste at 21 of our 24 production sites.



Good Sources

The best cocktails are made using quality spirits, and quality spirits start with good ingredients. From the Weber Blue Agave that goes into PATRÓN tequila, the Asti Must used to produce MARTINI Asti, the botanicals including Cassia Bark and Grains of Paradise that give BOMBAY SAPPHIRE gin its distinctive taste, Bacardi goes to great lengths to ensure the ingredients we source for the spirits in our portfolio of brands are of the finest quality.

INGREDIENTS SO GOOD, YOU CAN TASTE THE DIFFERENCE.

The key word here is good. Because for Bacardi, good is more than an allusion to flavor. It's a benchmark for sustainability and ethical business practices. That's why Bacardi seeks certification from internationally recognized organizations including Sedex, Ecocert and Equalitas. That's why we work so hard to ensure the partners that source our supply chain materials are every bit as committed to the highest standards of labor and human rights, health and safety, environmental protection and business integrity as is the Company. Bacardi works alongside innumerable farmers and suppliers across the globe, doing good in local communities, and striving hard to meet its goals. Because when you enjoy a cocktail made from any spirit within our family of brands, Bacardi wants the difference you can taste to be the difference you can see in the world.

KEY MATERIAL	CERTIFICATION STANDARD	LOGO
WHITE TABLE WINES PROSECCO CONTROLLED DESIGNATION OF ORIGIN ("DOC") ASTI MUST	100% Equalitas Certified	
GREY GOOSE ALCOHOL (WHEAT)	100% SAI Certified	
BOTANICALS	100% of BOMBAY SAPPHIRE 10 botanicals are Ecocert Certified	
SUGAR CANE DERIVATIVES (MOLASSES AND LIQUID CANE DISTILLATE) PUERTO RICO AND MEXICO	100% Bonsucro Certified 100% ProTerra Certified	

Sustainable Packaging

Bacardi brands unilaterally share a commitment to sustainability when it comes to sourcing their ingredients. The same is true for the materials used in packaging. Meaning, Bacardi cares as much about the bottle itself as it does what goes *inside* each bottle, because Bacardi wants to deliver both a better spirit and a better world.

At MARTINI, the team at Pessione is working with its label supplier, New Life, to convert clean industrial plastic scraps into high-quality raw materials. New Life converts 100% of plastic label liner scraps into REPLA® PET grains, which become raw material to be used in packaging and household products.

As part of our various packaging initiatives across our global operations, we have ensured that 99% of our primary packaging is recyclable, eliminated 254 tons of plastic in value added packaging ('VAP') from Fiscal 2020 – Fiscal 2022, and are developing plastic alternative materials such as PHA in collaboration with Danimer Scientific.

Good Futures

At Bacardi, we invest time, effort, and energy into supporting the good futures of our people and our communities in a meaningful way. Bacardi is about making moments matter, all around the world for its own people, the hospitality industry including, bartenders and restaurant owners, the farmers where our

ingredients are grown and sourced, and each of our surrounding communities. People exist at the center of everything we do, which is why we prioritize projects that empower individuals and bolster our communities to encourage future success.

Shake Your Future



Bacardi's *Shake Your Future* program is a free training program that helps unemployed and underrepresented young adults start a successful career in the hospitality industry. Developed in 2018 as a response to rising unemployment in France, the program has since expanded across the globe including 10 cities across Italy, India, South Africa, Spain, and Bermuda, with 85% of graduates securing successful careers in the hospitality industry. Graduates have gone to work full-time for prestigious accounts including the Hotel Intercontinental Barcelona and Soho House. For example, from 2018 to 2022, 300 bartenders were trained primarily in Europe. *Shake Your Future* plans to scale dramatically by doubling these figures year-over-year towards ultimately achieving a goal of "10,000 lives changed by 2030". Each year, *Shake Your Future* will expand to new cities in our existing markets, as well as expand geographically to cover both primary and emerging markets. With greater scale, we anticipate lower costs per trainee and will be able to achieve our ambitious goal.

Tapping into the quality training of the most prestigious bar schools in the world, as well as 160-plus years of Bacardi experience and industry knowledge, participants in the intensive training program learn much more than the art of cocktail making and bartender craft. They learn responsibilities and skills that transcend the hospitality industry altogether, setting them up for success no matter where their careers take them. Through *Shake Your Future*, Bacardi is doing the right thing. We are training the next generation of bartenders, supporting on-trade customers with skilled staff, enriching the education level of the industry and giving back to the community.

Belonging at Bacardi

Bacardi launched *Belonging at Bacardi* in 2021 to drive an even more diverse and inclusive environment and helping to define the way people interact. Because Bacardi believes achieving representation, belonging and prosperity for all is the right thing to do.

Here's a taste of what we are committing to:

- Hire and promote the best talent, while reflecting the diverse communities we serve
- Set representation targets in all markets on a global scale

- Ensure our brands authentically reflect and serve target consumers from diverse backgrounds
- Invest in minority-owned and underrepresented hospitality businesses, events and bartenders
- Support our agencies, vendors and distributors to drive representation and belonging in their organizations
- Set goods and services spend targets with female-, minority- and LGBTQ+-owned businesses.

Good Choices

Bacardi knows that part of being *Good Spirited* means helping people make the best possible choices for themselves. Good choices. Responsible ones. Bacardi has made it such a priority to help people live more mindfully and make better choices through its corporate responsibility efforts. Offering options in the form of a constantly expanding range of no- and low- (NoLo) alcohol products. Inspiring mindful drinking and mitigating alcohol-related harm while providing clear and accurate information about all its spirits, and marketing only to those of legal drinking age and above. Collectively, it is a recipe for good aimed at the same end: to embolden, educate, and empower consumers, helping them find the right path for themselves.

Mindful Hosting Guide

Bacardi has always taken special care to inspire mindfulness and responsible drinking among its consumers, and in 2021, we published our own mindful hosting guide, called *The Good Spirited Host: Your Guide to Mindful Hosting and Cocktails*. It's a deep dive into mindful hosting, filled with NoLo and full-proof drink recipes with "how-tos" on everything from homemade syrups and big batch infusions to sustainable techniques, entertainment, nightcaps and more. It also acts as an educational resource, with sections devoted to alcohol absorption, the slow drinking movement and hydration. Available at no charge on BacardiLimited.com, the guide can be enjoyed either as an interactive flip book or a downloadable PDF.

Shared Responsibility

As a global spirits producer, Bacardi understands it has a responsibility to help reduce the harmful use of alcohol. That responsibility manifests itself in several ways: marketing our brands in honest and ethical ways, encouraging those who choose to drink to do so in moderation as part of a mindful lifestyle, working to eliminate impaired driving and underage drinking, and being transparent when it comes to details like nutritional information, allergens, and recommended serving sizes. For 30 years, Bacardi has worked tirelessly with industry partners and reached millions of people, sharing information and tools that empower them to make better, more responsible decisions for themselves. Bacardi is proud to partner with the not-for-profit Foundation for Advancing Alcohol Responsibility (responsibility.org), a leader in the fight to eliminate drunk driving and underage drinking while promoting responsible decision-making regarding alcohol.

Hyping Slow

In France, MARTINI launched an initiative in 2012 called *Slow Drinking*, which promotes mindful consumption by educating people (particularly Gen Z) on the value of moderation. In 2021, the campaign's social reach hit 10.5 million on Facebook® and 7.3 million on Instagram. A survey conducted last year indicates 70% of the initiative's followers on social media have changed their consumption habits to align with a more responsible and moderate lifestyle.

Keep It on the NoLo

MARTINI & ROSSI is no stranger to the NoLo movement, of course. Coinciding with the 100th anniversary of becoming the first Italian brand to export a non-alcoholic vermouth to the U.S., the brand proudly introduced a premium range of Non-Alcoholic Aperitivo, Floreale and Vibrante. The two non-alcoholic variants were launched in the U.S. in Fiscal 2022—offering a balanced, sophisticated, moderate approach to drinking. It also introduced a Mindful Hosting kit, available through online retailer Cocktail Courier, which came complete with everything needed to enjoy 16 non-alcoholic cocktails. Selling out rather swiftly, the kit was just one more example of how Bacardi and its family of brands continues to drive awareness and education centered around mindfulness and moderation.

3. Environmental and Social Risk Management

Bacardi Limited manufacturing operations are certified under ISO14001-2015. Our management system is used to provide top management, the Supply Chain Leadership Team (“SCLT”) and Global Leadership Team (“GLT”), with information to build success over the long term and create options for contributing to sustainable development, with focus on:

- Preventing or mitigating adverse environmental impacts
- Mitigating the potential adverse effect of environmental conditions on the organization
- Assistance to the organization in the fulfilment of compliance obligations
- Enhancement of environmental performance
- Influencing the way the organization’s products and services are designed, manufactured, distributed, consumed and disposed by using a life cycle perspective that can prevent environmental impacts from being unintentionally shifted elsewhere within the life cycle
- Achieving financial and operational benefits that can result from implementing environmentally sound alternatives that strengthen the organization’s market position
- Communicating environmental information to relevant interested parties

As part of ISO14001, a risks and opportunities evaluation is required to help us define our objectives and the required planning to achieve them. Risk Assessments covering environmental impacts from our operations and supply chain are conducted. During the process of conducting the assessments on risks, opportunities and impacts, input is requested from internal and external stakeholders across our diverse internal functions and partners. This process informs the creation of an action plan to mitigate negative impacts and maximize opportunities. Once identified, the risks, opportunities and corresponding action plans are discussed with the Supply Chain Leadership Team and Global Leadership Team. Their feedback is considered before implementing the action plan.

To complement this environmental assessment with a greater emphasis on social risk and impact, we hired an external agency in 2021 to engage in a comprehensive materiality assessment. The assessment adopted the principles of inclusivity and responsiveness to better communicate on the issues most relevant to our stakeholders and identify a strategic response to critical ESG risks and opportunities. We engaged in robust internal and external interviews, and developed workshops with our Good Spirited Leadership Council, including members of our Global Leadership Team, reviewing strategy and significance. Our materiality matrix reflects topics that we believe are important to our business and is an explanation of the views of our internal and external stakeholders on topics of most importance seen through the lens of our Good Spirited strategy and aligned with the United Nations SDGs. As a result of the materiality assessment and stakeholder research, we confirmed that climate risk was a crucial material topic to our business and stakeholders, and it is assessed as part of our internal audit scope review.

We continue to engage and welcome input from all stakeholders to help us further continue to develop and implement our strategy, Good Spirited. **The Good Spirited strategy, which has been shaped as a product of these environmental and social assessments, drives our desire to issue a Green Bond and the content of our green financing framework.**

4. Rationale for Issuance

Our goal is to become the world's most sustainable spirits company and we view sustainable finance as an enabling force towards that goal and as a way to further align Bacardi's sustainability ambitions and our stakeholders' expectations.

Bacardi has established this Green Financing Framework (the "Framework") to align our corporate sustainability commitments and initiatives to our financing instruments in order to help meet our goals. From this Framework, we may from time to time, offer, enter into and issue green bonds (notes), private placements, preferred stock/hybrids, commercial paper, convertible bonds or other debt-like financing (together the "Green Financing Instruments") for new and/or existing specific investments, assets and projects that adhere to:

- The Eligibility Criteria (as defined below) (such investments, assets and projects, the "Eligible Green Projects")

This Framework intends to explain how our financing will support Bacardi's sustainability strategy. Current and future stakeholders should refer to the relevant documentation of each transaction for further details.

5. Alignment with the ICMA Green Bond Principles, 2021

This Framework is designed to ensure any Green Financing Instruments issued by Bacardi Limited and/or its subsidiaries are aligned with the voluntary guidelines outlined by the International Capital Markets Association (ICMA) Green Bond Principles (GBP)³ (collectively, the "Principles").

This Framework address the core components and key recommendations of the Principles:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

This Framework may be updated from time to time to ensure continued alignment with voluntary market practices, emerging standards and classification systems. Any updated version of this Framework will either maintain or improve the current levels of transparency and reporting disclosures, including the corresponding External Review.

5.1 Use of Proceeds

³ Green Bond Principles, 2021 (with June 2022 Appendix 1)
https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green-Bond-Principles_June-2022-280622.pdf

In this Framework, Bacardi commits to allocate an amount equal to the net proceeds from the issuance of any Green Financing Instruments to finance and/or refinance, in whole or in part, one or more new and/or existing Eligible Green Projects. Eligible Green Projects are those that adhere to the Eligibility Criteria (as set forth in the following table) and may include those for which Bacardi made disbursement in the 24 months preceding the date of issuance of a Green Financing Instrument.

ELIGIBLE GREEN PROJECT CATEGORY

ELIGIBILITY CRITERIA AND EXAMPLE PROJECTS

SDG ALIGNMENT

Green Buildings

Expenditures related to design, construction, and improvements of facilities such as distilleries, offices, factories, and other Bacardi facilities that have received or are expected to receive third-party sustainability certifications or verification such as:

- LEED: Gold, Platinum
- ENERGY STAR: Certification of 85 or greater
- BREEAM: Very good or above
- Additional recognized and equivalent certification



Renewable Energy

Expenditures related to the construction, development, acquisition, maintenance, and operation of renewable energy derived from solar, wind and geothermal with direct emissions of less than 100g CO2/kWh as well as energy derived from biogas with emissions less than 80% of fossil fuel equivalents or less than 58g CO2/kWh.

Example projects may include:

- Sourcing expenditures pursuant to long-term (≥ 5 years), project-tied power purchase agreements (PPAs) or virtual power purchase agreements (VPPAs) at distilleries
- On-site and off-site production and transmissions of electricity from renewable energy sources, such as solar rooftop panels and Combined Heat & Power (CHP) systems
- Investments and costs related to the capture of biogas during wastewater treatment systems to power biomass boilers



Circular Economy and Sustainable Packaging

Expenditures and investments related to reducing, preventing or removing the use of plastics in point-of-sale materials, secondary packaging and products as well as any investments and R&D in increasing the recyclability and reusability of packaging and products including the collection and replacement of glass bottles.

Example projects may include:

- Purchases, directly or via intermediary suppliers, of recycled PET (rPET) and renewable or bio-PET for use in product packaging
- Investments and R&D into the use of biopolymers to reduce and/or replace plastics in packaging
- Investments in glass recycling and bottling collection



**ELIGIBLE
GREEN PROJECT
CATEGORY**

ELIGIBILITY CRITERIA AND EXAMPLE PROJECTS

**SDG
ALIGNMENT**

	<p>programs</p> <ul style="list-style-type: none"> Investments and expenditures related to the research, design, development, or procurement of sustainable packaging materials, such as recycled plastic, paper-based packaging (with third-party certification from the Forest Stewardship Council), recycled paper, compostable materials and reusable packaging Other initiatives and programs to drive circularity and removal of plastics in product packaging 	
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<p>Sustainable Water and Wastewater Management</p>	<p>Expenditures related to reducing water consumption across operations, watershed replenishment, returning water used in operations to its original sources, and onsite and offsite treatment of wastewater that will help Bacardi achieve water positivity across operations by 2030 and ensure more than 100% of the product water in our most water scarce areas will be restored back to the source by 2025.</p>	
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Example projects may include:

- Investments in water stewardship projects, such as *Charco Bendito*, which support the replenishment of watersheds in water-stressed communities in which we operate.
- Direct discharges of treated wastewater to local bodies of water following onsite treatment
- Water consumption efficiency projects at all facilities
- Investments in wastewater treatment technology at our PATRÓN facility
- Investments in R&D for desalination technology in our Puerto Rico locations
- Investments in rainwater harvesting and collection processes



Example social co-benefits:

- Our water stewardship projects, like *Charco Bendito*, serve additional social-impact purposes of replenishing watersheds in high water-stressed areas and providing communities in these areas with access to clean water and water-saving technologies

<p>Energy Efficiency</p>	<p>Investments and expenditures related to equipment, systems and technologies that are designed to reduce energy consumption and GHG emissions and aim to improve the energy efficiency of our facilities by at least 30%, including:</p> <ul style="list-style-type: none"> Energy efficiency improvements such as HVAC, LED lighting, temperature setpoint reduction, heat recovery systems, vacuum distillation, sub-metering systems, air compressors etc. 	
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**ELIGIBLE
GREEN PROJECT
CATEGORY**

ELIGIBILITY CRITERIA AND EXAMPLE PROJECTS

**SDG
ALIGNMENT**

- Energy management system software to monitor, control, and optimize the performance of the utility distribution and consumption in our manufacturing facilities

Environmentally Sustainable Management of Living Natural Resources and Land Use

Expenditures related to providing technology and education to growers of key ingredients and procurement of sustainably produced ingredients such as agave, barley, wheat, grapes, sugar cane, and botanicals that meet the criteria of third-party certified labels that help Bacardi achieve its goal of sourcing 100% of key ingredients from sustainably certified suppliers by 2025.

Example projects may include:

- Procurement of Equalitas Certified Asti Must, SAI Certified Alcohol (Wheat), Ecocert Certified Botanicals, Bonsucro/ProTerra Certified Sugar Cane Derivatives
- Investments in education and technology centers in Italy, such as Ossevatorio Erbe Aromatiche, to support the agriculture and create new perspectives for new generations of farmers of key botanical ingredients for MARTINI



Example social co-benefits:

- Bacardi works with our suppliers to ensure that the raw ingredients that go into our products are sourced from suppliers that meet the highest standards of labor and human rights, health and safety, environmental, and ethical business practices
- Bacardi works with our suppliers and farmers across the globe, promoting employment and more sustainable practices

We will not knowingly allocate proceeds from the Green Financing Instruments to the following:

- Activities related to the exploration, production or transportation of fossil fuels (e.g., coal, oil and gas);
- Consumption of fossil fuels for power generation;
- Large hydroelectric power generation (e.g., plants with a capacity of greater than 20 megawatts or dams with a height greater than ten meters); or
- Activities related to the exploitation of human rights, forced labor, and weapons and arms trafficking

5.2 Process for Project Evaluation and Selection

Bacardi has established an ESG Finance Committee with the responsibility of governing the selection and monitoring of the Eligible Green Projects. Representatives from the Treasury, Legal, Procurement, ESG, Communications, Supply Chain, Finance, and Marketing teams will evaluate and select Eligible Green Projects by consensus, and annually, assess their performance in compliance with this Framework. The ESG Finance Committee will annually review the list of Eligible Green Projects against

the Eligibility Criteria. If a project no longer meets the Eligibility Criteria outlined in this Framework, the project will be removed from the list of Eligible Green Projects selected by the ESG Finance Committee.

Projects eligible for Bacardi's Green Financing Instruments will be identified by representatives from the ESG Finance Committee using the following Eligibility Criteria:

- The projects are aligned with Bacardi's ESG Strategy and *Good Spirited* priority areas
- The projects have been identified as a result of the environmental and social risk assessment process and have been reviewed by our SCLT and GLT
- The projects are new and/or have not been completed more than 24 months prior to the issuance of Green Financing Instruments
- The projects provide measurable and quantifiable environmental impact
- The projects fall within one of the selected Eligible Green Project Categories
- The projects do not meet any of the exclusionary criteria and will strive to achieve positive environmental impact

5.3 Management of Proceeds

Bacardi's Finance and Treasury department will manage the allocation of an amount equivalent to the net proceeds of its Green Financing Instruments to expenditures related to Eligible Green Projects. Prior to allocation, expenditures related to Eligible Green Projects will be tracked internally by the ESG Finance Committee via an enterprise resource planning system. Bacardi commits to achieve a level of allocation to the Eligible Green Project Portfolio that matches or exceeds the balance of net proceeds of its outstanding Green Financing Instruments within 36 months of issuance of each Green Financing Instrument.

Pending full allocation of an amount equal to the net proceeds of outstanding Green Financing Instruments, the proceeds will be held in temporary investments such as cash, cash equivalents and/or other liquid marketable investments in line with Bacardi's Treasury management policies or used to repay portions of outstanding indebtedness. Payment of principal and interest on any Green Financing Instruments will be made from our general account and not be linked to the performance of the Eligible Green Projects.

If any Eligible Green Projects are removed from the Eligible Green Project Portfolio, Bacardi will substitute those projects with replacement Eligible Green Projects, as soon as possible.

5.4 Reporting

5.4.1 Allocation Reporting

Annually, until the full allocation of the net proceeds of its Green Financing Instruments, and on a timely basis in case of material developments, Bacardi commits to publish a report on the impact and allocation of proceeds that will be made publicly available on the Company's website. The report will include the following:

- (i) The amount of net proceeds of outstanding Green Financing Instruments that have been allocated to one or more Eligible Green Projects either individually or by category, subject to confidentiality considerations;
- (ii) The list of Eligible Green Project categories with a selection of brief descriptions;
- (iii) The percentage of allocation of net proceeds between financing and refinancing;
- (iv) Estimated impact metrics, where feasible; and

- (v) The outstanding amount of net proceeds of the Green Financing Instruments that is yet to be allocated to Eligible Green Projects at the end of the reporting period.

5.4.2 Impact Reporting

Where feasible, Bacardi will adopt the recommendations in the ICMA Harmonized Framework for Impact Reporting (June 2022). The impact report will include where feasible i) quantitative environmental impacts of our Eligible Green Projects and ii) case studies with additional information on highlighted projects. The impact report will include the methodology and material assumptions used to calculate impact metrics.

Examples of the type of impact metrics that may be included in our impact reporting include:

ELIGIBLE PROJECT CATEGORY	EXAMPLE IMPACT METRIC/ KPI
Green Buildings	<ul style="list-style-type: none"> Office or manufacturing space that is certified (Gold or Platinum LEED) (m²)
Renewable Energy	<ul style="list-style-type: none"> Annual renewable energy generation (MWh or GWh) Electricity sourced from renewable sources (%) GHG emissions avoided/reduced (metric tonnes of CO₂e)
Circular Economy and Sustainable Packaging	<ul style="list-style-type: none"> Plastic packaging reduction (% or tons) Funds invested in biopolymer R&D (\$) Bottles recycled or collected (#) Waste prevented, minimized, recycled, or directed from landfill (metric tonnes)
Sustainable Water and Wastewater Management	<ul style="list-style-type: none"> Reduction in water consumption (megaliters / cubic meters of water) Total water withdrawal (megaliters / cubic meters of water) Volume of wastewater treated (megaliters / cubic meters of water)
Energy Efficiency	<ul style="list-style-type: none"> Total energy consumption (TJ) Energy consumption savings by energy efficiency projects (GJ or TJ)
Environmentally Sustainable Management of Living Natural Resources and Land Use	<ul style="list-style-type: none"> Raw material ingredients sustainably sourced (%) Funds invested in technology and education centers for key ingredient suppliers

Social Co-Benefits

As feasible, Bacardi will report on the social co-benefits (e.g., number of jobs created, number of communities/households benefited, etc.) and broader social impacts of the Eligible Green Projects. Where appropriate, Bacardi will use case studies outlining qualitative and/or quantitative metrics to discuss the Eligible Green Projects' impact.

6. External Review

6.1 Second Party Opinion (“SPO”)

Bacardi has retained S&P Global to provide a Second Party Opinion on the Framework's alignment to the ICMA Green Bond Principles.

If the Framework is subject to change, an updated Second Party Opinion will be procured.

6.2 Assurance

Each allocation report will be accompanied by assertions by Bacardi's management as to the amount of the net proceeds of the Green Financing Instruments that have been allocated to Eligible Green Projects which in turn will be verified by an independent registered public accounting firm or an independent third-party environmental consultant or rating agency with experience in sustainable research and analysis.

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