



FEMSA Actions Creating Value
SUSTAINABILITY REPORT 2013



This is how



we do it

Mission

Our philosophy is furthered by the desire to attract and satisfy the needs of the consumers, consistently generate financial value for stockholders, as well as greater social development. All of the above based on the respect and comprehensive development of our employees and their families. Over the years we synthesized our business philosophy into a simple mission:


“Create economic and social value through business companies and institutions.”

Vision

The approach toward compliance of our mission can only be compared with the passion to achieve our strategic objectives:

- We satisfy the consumer of goods and services with excellence
- We double the size of our businesses every five years.
- We are diversified in markets that privilege high growth potential.
- We are leaders in the markets where we operate.
- We positively transform the communities where we participate.
- We are the best place to work.

Content

1	2013 in numbers
2	Message from the Chairman of the Board
5	Economic Performance
6	FEMSA Profile
7	Operational Overview
8	FEMSA Sustainability Strategy
12	Main programs and results at FEMSA
14	 Our People
20	 Our Planet
26	 Our Community
34	FEMSA Foundation
39	Global Reporting Initiative Report
70	About this Report
71	Global Reporting Initiative Index
81	KPMG Mexico Letter of Verification
82	Sustainability Recognitions 2013
82	Support for the United Nations Global Compact
IBC	Responsible Printing
IBC	Contacts and Information

For more information please go to our Sustainability Report online at:

www.sustainabilityreport.femsa.com

You can also download from iTunes our app Sustainability Report FEMSA 2013.

Or, check out our website: **www.femsa.com**





The global environment where we carry out our operations presents new challenges, but at the same time, opens opportunities to find innovating ways to face them. In FEMSA we are convinced that only being part of the solutions, creating alliances, acting with determination and generating economic, social and environmental value simultaneously, we will be able to contribute to positively transform our communities.

In this **Sustainability Report 2013** we want to share how we address sustainability-related topics and thus have selected the topic: **“This is how we do it”**. In the first part we present a summary of FEMSAs Sustainability Strategy and progress in each one of our Pillars: **Our People**, **Our Planet** and **Our Community**, under a long-term vision. The second part shows a report integrating the Global Reporting Initiative (GRI) indicators, where information in greater detail is addressed, based on the sustainability indicators for each of the three Pillars.

2013 in numbers:

USD **\$19,705**

Millions in income

USD **\$2,279**

Millions in EBIT

10

Countries with operations

65

Manufacturing facilities

209,232

Direct jobs

\$335.2

Million MXN (USD **\$25.5** million) invested in programs focused on communities.

\$579.1

Million MXN (USD **\$44.2** million) invested in environmental care programs and technology in our operations in 2013.

Message from the Executive Chairman of the Board of Directors

G4-1 and G4-39



Dear friends:

One of the best ways to get closer and know each other is sharing our stories, particularly those that enable us to show what we are doing, but mainly how and why we do it. For this reason, this year, our Sustainability Report's subject is "**This is how we do it**".

Previously, we shared that with our sustainability platform, integrated to the Business Strategy, we want to contribute in "Transforming Communities". This year we present a bit more of how it was designed, as well as the summary of the progress in each one of the Pillars and the main challenges we are facing.

To begin I want to communicate a relevant change in corporate governance in our company. We decided that starting January 1, 2014, we would separate the positions of Chief Executive Officer and Chairman of the Board in FEMSA that I served simultaneously during more than 12 years. Personally I will continue as Executive Chairman of the Board of Directors, while Carlos Salazar Lomelín is the new Chief Executive Officer who will head the efforts of this Company into the future.

In 2013 there was progress in our Business Strategy.

Coca-Cola FEMSA materialized the acquisition of 51% of the bottler in **Philippines**, announced the merger with the bottler **Grupo Yoli** in Mexico, and the acquisitions of **Grupo Spaipa S.A.**, and **Companhia Fluminense de Refrigerantes**, in Brazil. In turn, **FEMSA Comercio** purchased 75 % of **Farmacias YZA**, 100 % of **Farmacias Moderna**, and 80 % of **Doña Tota**. While **FEMSA Logística** carried out the acquisition of 100 % of **Expresso Jundiá**, in Brazil. With these acquisitions we reconfirm our goal of expanding our business into new markets, with an offering of products and services that enable us to serve more clients and consumers every day, and at the same time we consolidate our operations in the territories we are already present.

Our sustained growth and the diversity of countries and industries in which we participate lead us to face with



We are evolving towards a consolidated long-term vision, according to the peculiarities of all our Business Units.”

great challenges to remain at the cutting edge and with the competitiveness we have always worked with. This year in particular presented important changes in fiscal regulations for the beverage segment in Mexico, which drives us to continue improving our Business Strategy, and at the same time shows us we must take every opportunity with persistence and commitment to continuously adapt to changes in the environment.

For our Sustainability Strategy, 2013 was an important year, since we are evolving towards a consolidated long-term vision, according to the peculiarities of all our Business Units, which enables us, among other things, to align efforts and maximize our impact in order to meet our vision of Positively Transforming Our Communities.

One important result in this process was the renewal of our **Mission and Vision**, which now include sustainability concepts, formalizing with this its integration in the key business processes.

We know that our 200,000 employees are the engines of our business. Therefore, in 2013 we invested \$1,152.3 million MXN (USD \$87.9 million) in programs that contribute to their personal and professional development and their families'. We are working in evolving our talent development and management format in our organization and to this end, we have created an **Integral Talent Management** (GIT) platform that is enabling human resources processes standardization and their alignment with the Business Strategy in all the countries where we operate. We are also creating a new organizational culture based on leadership and self-development.

We are part of this planet and therefore we also focus in progressing in our work to minimize environmental impact of our operations and manage resources efficiently through the different programs and activities. In 2013 we invested \$579.1 million MXN (USD \$44.2 million), always with the vision to impact the environment positively, while we optimize our processes achieving more sustainable operations.

In order to be on the cutting edge on environmental matters advance, we have adhered to international initiatives promoting sustainable development. A very important achievement in 2013

for FEMSA and Coca-Cola FEMSA was joining to international efforts of mitigation and adjustment to climate change, participating in the reporting platform of the **Carbon Disclosure Project** (CDP) initiative. Besides, this year for the first time, FEMSA Logística, FEMSA Comercio, Imbera and ptm® participated in the **CDP Supply Chain** in collaboration with The Coca-Cola Company.

But we must go beyond the limits of our operations. We know that in order to contribute in positively transforming our communities, we have to take advantage of our capabilities, find the best allies, and select those programs with which we can generate the greatest positive impact in the lives of the people around us. Therefore, in 2013 we invested over of \$ 335.2 million MXN (USD \$ 25.5 million) in programs to build sustainable communities.

One of the efforts in which we worked with the greatest effort during 2013 was the development of an **Entrepreneur Support Platform**, which, supported in different alliances and programs, has the objective of promoting the development of social and community businesses that can be translated into employment generation, social and environmental well-being, and sustainable growth for the communities.

During the **Clinton Global Initiative Latin America** meeting in Rio de Janeiro, Brazil, in December 2013, we announced our commitment to promote 520 social entrepreneurship projects with an investment of \$58.9 million MXN (USD \$4.5 million) in the period 2014 thru 2017.

Also, **Fundación FEMSA**, our social investment instrument, makes programs that have a greater impact in the long run. With pride, we present some of its achievements in sustainable development of water resources and quality of life, such as the **Latin American Alliance for Water Funds in Latin America and the Caribbean**, which is currently working in 17 Water Funds in Brazil, Colombia, Ecuador, Mexico, Peru, and Dominican Republic. These Funds have been able to raise an investment greater than \$764.9 million MXN (USD\$ 58.4 million) carrying out conservation activities that contribute to the watershed sustainability in the long term.

Message from the Executive Chairman of the Board of Directors

As with these actions, here you will find more information regarding the progress in each Pillar and some of the key examples that enable us to ensure, on one hand, feasibility, permanence, and the development of our company in the long-term, and on the other hand, the generation of social and environmental value for the communities around us.

All the information contained in this Report has been verified by **KPMG Mexico** and follows indicators according to the standards in the Sustainability Report Guidelines of the **Global Reporting Initiative (GRI)**. This document also represents our 8th report regarding Progress with the **United Nations Global Compact**, to which we adhered since 2005.

We recognize the effort, focus, and work of our people in achieving the progress obtained. Only with the engagement of each one of them, are we able to meet our objective to continue our development and achievement of our goals.

We are committed to continue working to maximize value generation for our stakeholders, while we find innovating solutions that contribute in having sustainable communities.

"This is how we do it" and how we will continue doing so.



José Antonio Fernández Carbajal

Executive Chairman of the Board of Directors of FEMSA

We know that in order to contribute in positively transforming our communities, we have to take advantage of our capabilities, find the best allies, and select those programs with which we can generate the greatest positive impact."

To know more on FEMSA's Business Units, please go to:
<http://www.femsa.com>



Here we present an abstract of our new Chief Executive Officer's career:



Carlos Salazar began his career path at FEMSA in 1973. He has held several senior management positions such as Director of *Grafo Regia*, Director of *Plásticos Técnicos Mexicanos S.A*, Director of the International Division of *FEMSA Cerveza*, Director of Commercial Planning at *Grupo Visa*, CEO of *FEMSA Cerveza* and, from 2000 to 2013, he served as CEO of *Coca-Cola FEMSA*.

In 2010, he was awarded the medal of Distinguished Citizen by the Mexican state of Nuevo León. Also, since 2010, he has been President of the Planning Committee on the Reconstruction Council for the city of Monterrey, Mexico.

He has been a professor of economics for a number of years at the *Instituto Tecnológico y de Estudios Superiores de Monterrey (ITESM)*, and he is the current President of the Advisory Board of the *EGADE Business School* of this institution. He holds a B.A. in Economics and a Masters in Business Administration from the *ITESM*. He has also conducted graduate studies in Economic Development in Italy and a Management Program from the *Instituto Para La Alta Dirección de Empresas (IPADE)* in Mexico, among other studies in different countries.

Economic Performance



209,232

Direct jobs generated by FEMSA



+441,620

Indirect jobs generated by Coca-Cola FEMSA¹



+448,000

Indirect jobs generated by OXXO stores²



1,120

new OXXO stores in Mexico and Colombia

USD Million

Capital investment CAPEX	\$ 1,365
Supplier payment	\$ 9,915.9
Dividends paid to shareholders	\$ 1,259
Paid taxes in nine ³ countries ⁴	\$ 2,301.9
Total earnings	\$ 19,705
Assets	\$ 27,423
Direct Economic Value Generated ⁵	\$ 19,853
Retained Economic Value ⁶	\$ 120
Debt	\$ 5,860

- 1 According to data from the National Association of Soft Drink and Carbonated Beverages Producers (ANPRAC) for each direct job generated in this industry, there are 5.2 indirect jobs generated.
- 2 According to data from the National Association of Supermarkets and Department Stores, in the format of specialized stores, there are five indirect jobs per each direct job generated.
- 3 Does not include operations in Coca-Cola Philippines since FEMSA has operated this company less than one year.
- 4 Total direct and indirect contributions generated by the company.
- 5 Direct Economic Value Generated = Net sales + Earnings due to financial investments + Asset sales.
- 6 Retained Economic Value = Direct economic value generated - economic value distributed.

For more information regarding financial, fiscal, corporate governance and compliance, among others, please go to our Annual Report 2013 at:
<http://www.femsa.com>



FEMSA Profile

We are a Mexican company that along 124 years has expanded into new markets. As of today, our operations now total 10 countries: Argentina, Brazil, Colombia, Costa Rica, Philippines, Guatemala, Mexico, Nicaragua, Panama and Venezuela. With more than 190 beverage and product brands and 11,721 OXXO stores in Mexico and Colombia, we served 346 million people during the year. By the end of 2013, we registered earnings for \$258,097 million MXN (USD \$19,705 million) through the operation of 65 bottling facilities and 345 distribution centers, generating employment for more than 209,000 people. We continue moving forward towards a sustained growth thanks to all our employees' engagement in each one of our Business Units and the spirit that encourages us every day to continue satisfying our customers' needs and serving new markets.



Coca-Cola FEMSA

It is the largest Coca-Cola beverage bottler franchise in the world. It markets more than 190 brands distributed in 2.9 million points of sale in Argentina, Brazil, Colombia, Costa Rica, Philippines, Guatemala, Mexico, Nicaragua, Panama and Venezuela. In 2013, the acquisition of 51% of the bottler in Philippines and the merger with Grupo Yoli in Mexico was closed, as well as the successful acquisition of *Companhia Fluminense de Refrigerantes* and Grupo Spaipa S.A., in Brazil, widening the operation areas in these two countries.



FEMSA Comercio

It operates various small-format chain stores, including OXXO, with 11,721 stores in Mexico and Colombia, making it the largest retail store chain in Latin America in this format. It served more than nine million customers every day during 2013 in Mexico. This year it opened 1,120 outlets in Mexico and Colombia; acquired 75% of Farmacias YZA in the Southeast in Mexico and finalized the purchase of Farmacias Moderna, in Sinaloa, Mexico. It also acquired 80% of Doña Tota, with presence in Mexico and the United States, entering with this in the fast-service restaurant field.



Investment in Heineken

Since 2010, the Beer Division operations were exchanged for 20% of the shares of this company with presence in more than 70 countries, turning FEMSA in its second most important investor in this global company.

Strategic Businesses

It is a support area for Coca-Cola FEMSA and FEMSA Comercio. It comprises three companies:

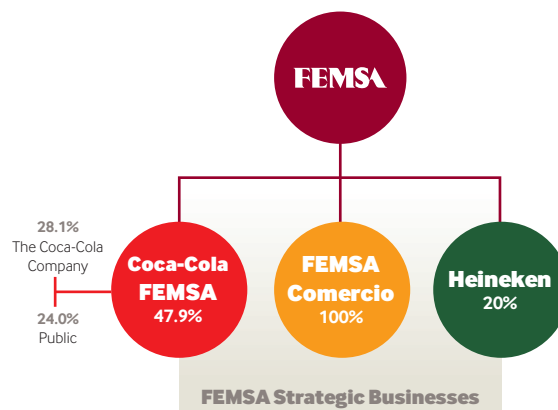
FEMSA LOGÍSTICA Offers the service of dedicated fleet management, administration of third carriers, maintenance and administration of commercial fleets, and administration of warehouses to FEMSA's Business Units as well as external customers. It has operations in Brazil, Colombia, Costa Rica, Mexico, Nicaragua and Panama.

Imbera Beyond Cooling It is the second largest producer for commercial refrigerators in the world; since 1941 it designs, develops, and manufactures them. It exports to 40 countries, has three production facilities in Mexico, Brazil and Colombia and sales offices in Argentina, Australia, Brazil, Canada, Colombia, United States, Finland and Mexico, offering maintenance service in Mexico, Colombia, Brazil, Venezuela, Panama and Ecuador. Imbera is the only company covering the entire American continent, which offers sales as well as maintenance service for commercial refrigerators.

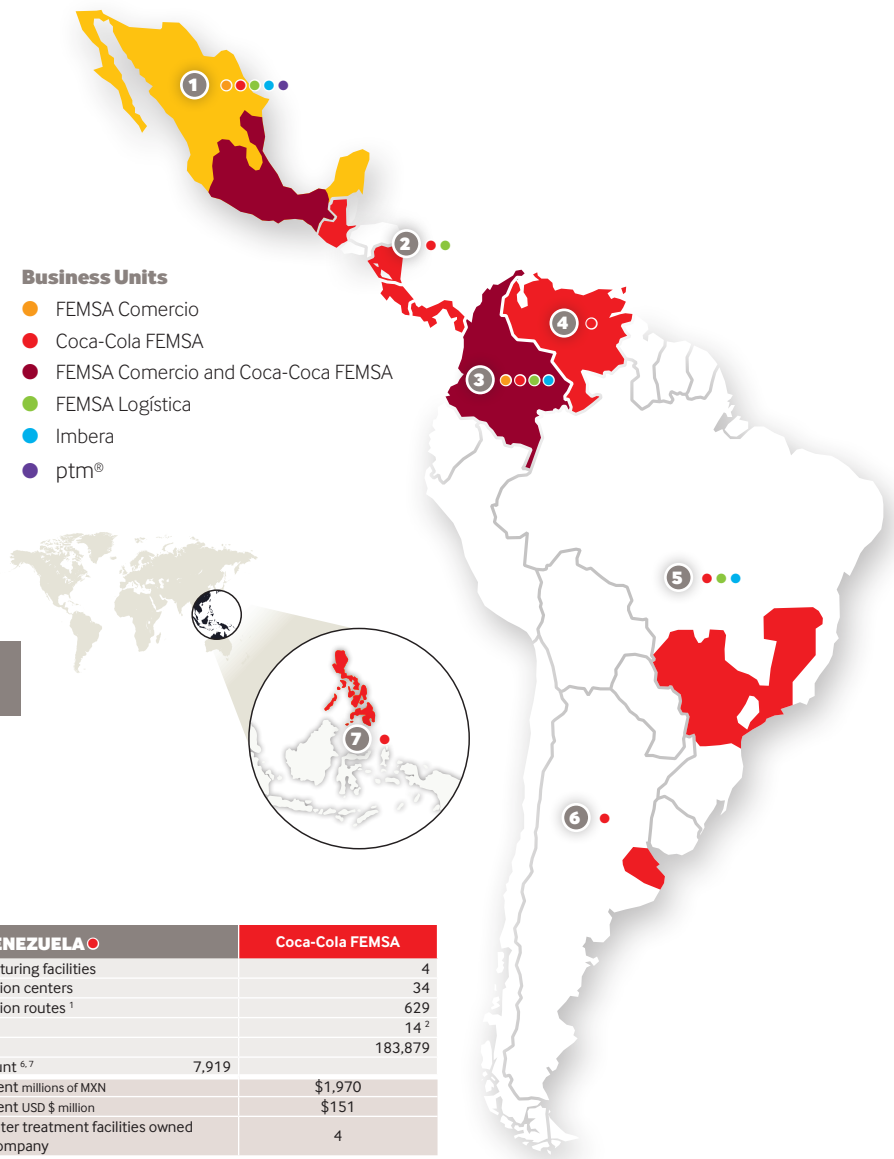
ptm It is a manufacturer dedicated to providing solutions and customized plastic transformation projects, serving industries such as: automotive, food and beverages and especially material management. It has two production facilities in Mexico, one in Queretaro and one in Nuevo Leon. It is one of the largest plastic recycling facilities in Mexico, recovering and recycling more than 8,000 tons of plastic annually.

FEMSA Corporate Structure

Ownership percentage



Operational Overview



1 MEXICO	FEMSA Comercio	Coca-Cola FEMSA
Manufacturing facilities	—	18
Stores ^a	11,721 ^b	—
Distribution centers	16	144
Distribution routes ¹	—	6,462
Brands	2 ^{4,8}	48 ²
Clients	9 ^{5,8}	767,836
Headcount ^{6,7}	163,687	
Investment millions of MXN	\$10,573	
Investment USD \$ million	\$807	
Wastewater treatment facilities owned by the company	13	

4 VENEZUELA	Coca-Cola FEMSA
Manufacturing facilities	4
Distribution centers	34
Distribution routes ¹	629
Brands	14 ²
Clients	183,879
Headcount ^{6,7}	7,919
Investment millions of MXN	\$1,970
Investment USD \$ million	\$151
Wastewater treatment facilities owned by the company	4

2 CENTRAL AMERICA ³	Coca-Cola FEMSA
Costa Rica	
Guatemala	
Nicaragua	
Panama	
Manufacturing facilities	5
Distribution centers	32
Distribution routes ¹	509
Brands	43 ²
Clients	109,830
Headcount ^{6,7}	6,220
Investment millions of MXN	\$694
Investment USD \$ million	\$53
Wastewater treatment facilities owned by the company	4

5 BRAZIL	Coca-Cola FEMSA
Manufacturing facilities	9
Distribution centers	41
Distribution routes ¹	2,398
Brands	37 ²
Clients	292,949
Headcount ^{6,7}	22,412
Investment millions of MXN	\$1,945
Investment USD \$ million	\$148
Wastewater treatment facilities owned by the company	8

3 COLOMBIA	FEMSA Comercio	Coca-Cola FEMSA
Manufacturing facilities	—	6
Stores ^a	11,721 ^b	—
Distribution centers	16	25
Distribution routes ¹	—	961
Brands	2 ⁸	23 ²
Clients	9 ^{5,8}	401,500
Headcount ^{6,7}	6,071	
Investment millions of MXN	\$2,086	
Investment USD \$ million	\$159	
Wastewater treatment facilities owned by the company	6	

6 ARGENTINA	Coca-Cola FEMSA
Manufacturing facilities	2
Distribution centers	4
Distribution routes ¹	345
Brands	28 ²
Clients	75,506
Headcount ^{6,7}	2,910
Investment millions of MXN	\$614
Investment USD \$ million	\$47
Wastewater treatment facilities owned by the company	2

7 PHILIPPINES	Coca-Cola FEMSA
Manufacturing facilities	21
Distribution centers	49
Brands	22 ²
Clients	925,000
Wastewater treatment facilities owned by the company	19

Note: It only includes core business information.

1. Includes external distributors.
2. Includes brand extensions.
3. Includes Guatemala, Nicaragua, Costa Rica and Panama.
4. Selected brands.
5. Millions of clients per day based on the number of daily transactions.
6. Includes third-party and centralized services headcount.
7. Includes all personnel of businesses with operations in the country.
8. Information for FEMSA Comercio in Mexico and Colombia.

FEMSA's Sustainability Strategy

In FEMSA our sustainability vision is focused on contributing to the positive transformation of the communities where we operate, generating economic, social and environmental value simultaneously, through our daily actions.

We have updated and strengthened FEMSA Sustainability Strategy since 2012, and in 2013, a multi-disciplinary, multi-task, and multi-Business Unit work group has continued with this effort.

FEMSA Sustainability Strategy is represented with the figure of a tree where the Core Foundation is Ethics and Values, while its three Pillars are Our People, Our Planet, and Our Community. The sum of actions that constitute allows us to ensure the sustainability of the business in the long term.



Promoting employees' comprehensive development

Minimizing our operations' environmental impact

Contributing to the generation of sustainable communities

It is relevant to consider that FEMSA Sustainability Strategy integrates Pillars, action areas and focus topics, which are under the responsibility of different teams working together to maximize efforts. For instance, Human Resources is related to Our People Pillar, while in Our Planet, Production and even specific departments such as Engineering, Quality, Expansion, Energy, Environment and Environmental Sustainability also participate. In the Pillar of Our Community, there are programs operated by Human Resources, Corporate Affairs or directly by the Social Sustainability areas in FEMSA and its Business Units.

Each of these Pillars comprises also three action areas, through which we maintain our efforts and actions focused. Likewise, we have cross-cutting enabling mechanisms to maximize the positive impact of our actions. Some of these mechanisms are education, innovation, fostering of public policies, establishment of multi-sectorial alliances, investment, and volunteer work, among others. This is how we seek to positively transform our communities in FEMSA, just like a tree does, in harmony with its environment.

Progress in FEMSA's Sustainability Strategy in 2013

During 2013 we moved forward in the implementation of our Strategy, adapting and aligning its elements based on the nature of each of our Business Units, being able to maximize their impact, generating synergies and moving on together towards a homologous vision.

Also, the integral sustainability vision was consolidated. The multi-disciplinary work group from all the Business Units contributed

in defining long-term objectives that were established for each of the nine action areas, while the operational definitions for the focus topics derived from these nine areas were agreed upon. The aforementioned has great relevance, since it has enabled us to generate a common understanding in order to join efforts around the focus topics in FEMSA and the Business Units.

Additionally, in 2013 the following actions in order to integrate sustainability to the Business Strategy were carried out:

- Inclusion of sustainability concepts in FEMSA Mission and Vision.
- Updating of the Sustainability Policy, including new concepts and governance scopes developed within FEMSA's Sustainability Strategy framework.
- Implementation of monitoring, reporting, and indicator verification processes.
- Initial integration of sustainability subjects in key business processes such as: periodic business reviews with FEMSA executive team, as well as planning, management and operation reviews of the Business Units.

Incorporating long-term vision is important to know where we are today and what we are committing ourselves to make progress during the following years, therefore, the work group, in which employees from all Business Units from all the countries where we have operations participated, started a process of definition, updating, and follow-up of our sustainability goals for each action area, as well as the identification of opportunity areas in which there will be corrective actions taken during 2014.

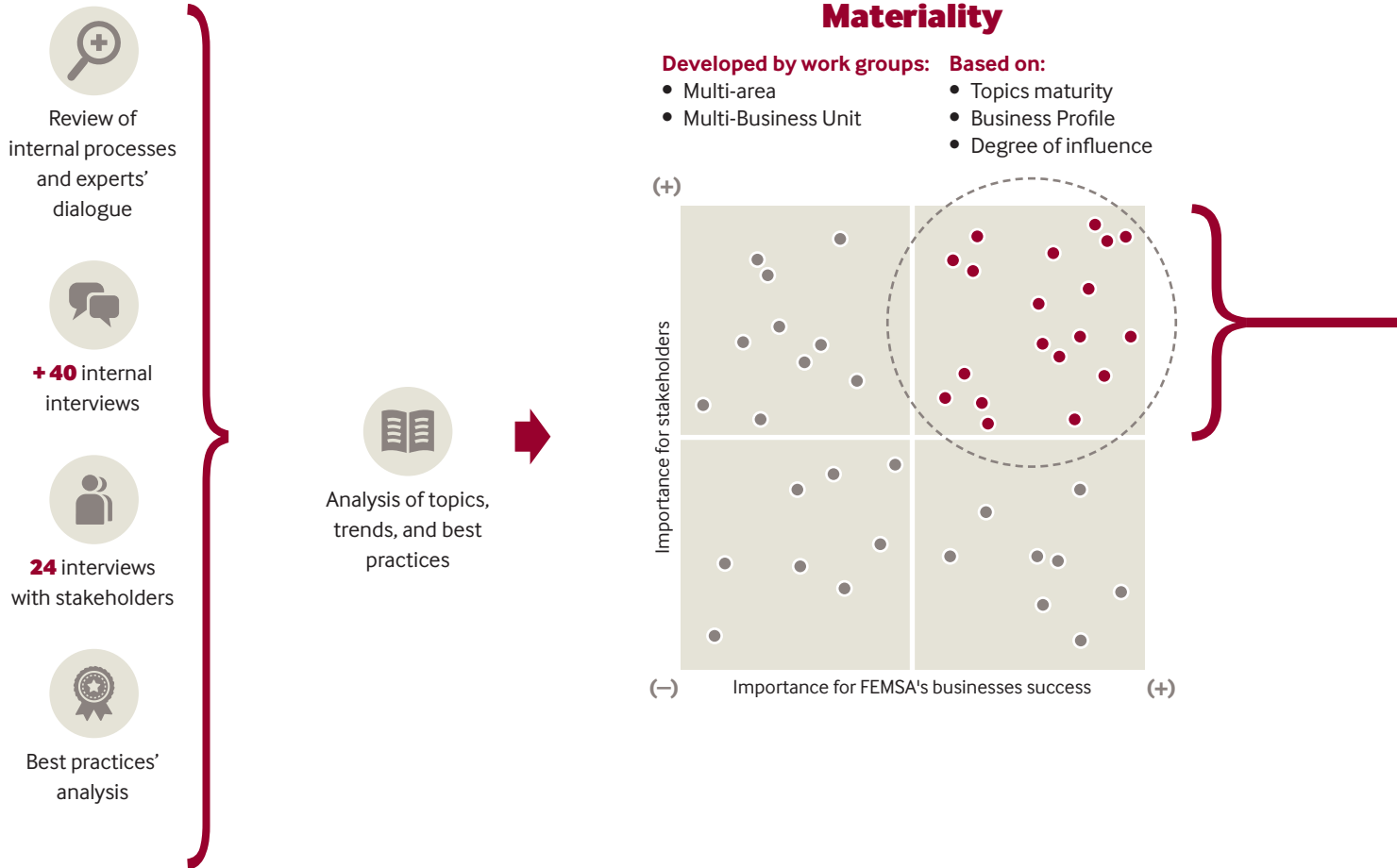
Stages of the implementation process of FEMSA's Sustainability Strategy



Next steps

- Completing the formalization of the sustainability goals for each of the Pillars, which are being built on a long-term vision considering actions and projects of the Business Units as well as different responsible areas.
- Implementing a Sustainability Information System that will enable to consolidate information from all the Business Units and will ease management of FEMSA's Sustainability Strategy.
- Extend the internal communication on sustainability and our employees' engagement.
- Continue strengthening FEMSA's Sustainability Strategy within the strategic planning processes.

This is How We Define Our Priorities (Materiality)



Research — Analysis — Weighting

The process to update FEMSA's Sustainability Strategy, which started in 2012, implied the definition of focus topics, carrying out the following activities:

- Review of documents and internal processes containing relevant elements related to our sustainability actions.
- Interviews with more than 40 key executives.
- 24 dialogues with external stakeholder representatives.
- Identification of best practices in 17 global leading companies in sustainability.
- Dialogues with sustainability experts and FEMSA employees, through which the importance of the focus topics identified in 2012 was validated.

Starting with this exercise, and from weighing the relevance of the topics based on the importance each one has for the success of FEMSA's businesses, as well as for our different stakeholders, they were grouped by: one Core Foundation, three Pillars, nine *action areas* and 19 *focus topics*.

Seeking to focus efforts where we can maximize the positive impact of our actions, considering the Business Units' characteristics, we dedicate more human and economic resources towards the topics that are relevant for FEMSA's businesses and for our stakeholders.

19

Focus Topics
where we generate a
larger positive impact

Pillar	Action Area	Focus Topic
OUR PEOPLE	Culture and Values	Culture and Values
	Training and Development	Safety and health in the workplace Compensation Training and development
	Comprehensive Development	Comprehensive development
OUR PLANET	Water	Water management Energy usage
	Energy	Transportation and logistics environmental impact
	Waste and Recycling	Packaging and recycling Waste
OUR COMMUNITY	Healthy Lifestyles	Nutrition and physical activity
	Community Development	Marketing and responsible communication Sustainable products / services offering Local environmental impact Environmental safety Social well-being in communities Supplier development
	Sustainable Sourcing	Suppliers' environmental impact Suppliers' labor rights and working conditions



Results

- ✔ Maximize impact
- ✔ Prioritize actions
- ✔ Align efforts

Grouping

Definition

The *focus topics*, derived from the nine action areas, have the following characteristics:

- They have common relevance for the Business Units in FEMSA.
- They are the ones in which each Business Unit, due to their characteristics and/or business field, can generate a greater value and positive impact.
- They are topics in which there is a sufficient degree of maturity that enables the Business Units to currently be, or later become, agents of change.
- There have been previous investments made on these topics.
- There are elements that can become a competitive advantage and further enable us to outstand in the market.
- They are important for our stakeholders and we have identified that with some of them we can join efforts to generate positive transformations with greater impact.

Due to the nature of our operations and their complexity, the *focus topics* (materials) are addressed in accordance to the characteristics of each Business Unit, nevertheless, being considered in the long-term FEMSA's Sustainability Strategy, they will be addressed as required by the topic.

Main Programs and Results 2013

Pillar	Program	Business Unit/ Country	Description
	Integral Talent Management (GIT)	FEMSA and its BU's (All the countries)	Platform through which human resources processes are standardized making professional development of our employees easier and is based on 10 organizational competencies.
	FEMSA University	FEMSA and its BU's (All the countries)	Through FEMSA University we promote the personal and professional development for employees, to whom we offer a virtual and on-site educational offering.
	Occupational Health and Safety Administration System (SASSO)	FEMSA and its BU's (All the countries)	Platform promoting a safe working environment fostering well-being and health for our employees and their families.
	Social Development	FEMSA and its BU's (All the countries)	Program that promotes the employees' development through programs, activities, services and benefits that promote quality of life.
	Water management	Coca-Cola FEMSA (without acquisitions 2012 and 2013)	We optimize water consumption in our operations through efficiency projects that increase its reutilization and recycling while generating a culture for water care.
	Energy usage	Coca-Cola FEMSA (All the countries)	We concentrate efforts in reducing energy consumption in our operations with energy efficiency initiatives, emissions reduction, transportation efficiency, and use of clean and renewable energy.
	Transportation and logistics environmental impact	FEMSA Logística (Mexico)	We have permanent optimization in transportation routes and loads, purchasing and utilization of more efficient equipment and utilization of new energy alternatives.
	Waste	Coca-Cola FEMSA (All the countries)	We manage our operations' waste with the objective of reducing the impact generated by waste derived from our products and services.
	Packaging and recycle	Coca-Cola FEMSA (without acquisitions 2012 and 2013)	We seek the implementation of activities focused on reducing impact from our products and services through the elimination, reduction, reutilization or substitution for more sustainable packaging.
	Youth with Value	FEMSA / Mexico	Prompts youths from 14 to 24 years old to develop social entrepreneurship projects so they become agents of change .
	Coordinates for Life	FEMSA y Coca-Cola FEMSA / Argentina, Brazil, Colombia and Mexico	Strengthens the development of decision making skills in children and youths from 10 to 18 years old through workshops, presentations, and sharing guidelines.
	Edison Polygon Trust	FEMSA Comercio / Mexico	Program implemented in the eight neighborhoods surrounding the corporate offices with which tools are provided to strengthen positively the social fabric.
	Contributing Time	Coca-Cola FEMSA / Colombia	Social integration of demobilized individuals from armed movements in Colombia through training and counseling from our executives and employees.
	I Recycle	Coca-Cola FEMSA / Mexico	Contest promoting collection and recycling of PET in schools.
	Your Best Move	FEMSA / Mexico	We promote the integral development of children and youths fostering sports and physical activity. This program trains physical education professors in a methodology designed to support the neuro-psychomotor development of the students.

Main Results in 2013	
	There was 68.60% participation from our employees in the use of the Performance Management System.
	There were 84,977 employees trained through FEMSA University.
	1) There were 517.2 million MXN (USD \$39.5 million) invested. 2) Our accident rate index decreased in 11% in regards to 2012.
	1) There were 1,290 Social Development activities. 2) In the 326 volunteer activities there were 31,862 employees participating.
	Our performance in average water consumption per liter of beverage produced is 21% more efficient than our average in 2004.
	The energy consumption was reduced per liter of beverage produced in 3.5% compared to the previous year.
	Consumption of fossil fuel per kilometer traveled was reduced in 10.4% compared to 2010 en operations in Mexico.
	During 2013 we were able to recycle 90% of our waste.
	By the end of 2013, the amount of material recycled or with renewable origin in the PET bottles reached 12.4% .
	120 projects were supported in which 500 youths participated and 50 educators were trained. Additionally, the education process for the 3 rd Generation consisting of 130 projects and comprising more than 470 youths already started.
	In the 2012-2013 school cycle, more than 16,380 children and youths were benefited; 1,850 educators; and 10,750 people attended the presentations.
	More than 5,965 neighbors were benefited, 54 school scholarships were granted, and 437 trees were planted.
	Since 2009, 291 volunteers have participated and have supported 400 people in process of demobilization in seven cities: Barranquilla, Medellín, Bucaramanga, Montería, Valledupar, Bogotá, Cali.
	More than 250 tons of PET were recovered.
	There were 70,000 students from 200 schools benefited during the 2012-2013 school cycle.

Do you know our Actions Creating Value?

Check out our Sustainability videos on FEMSA Channel, go to **YouTube** and find them as:



Coordenadas para Vivir



Jóvenes con Valor



Tu Mejor Jugada



To check out our videos, please go to:
www.youtube.com



Ana

Marketing
Coca-Cola FEMSA
Mexico



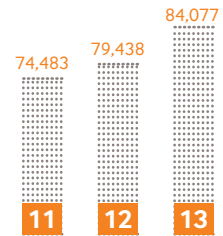
This is how we transform

Developing

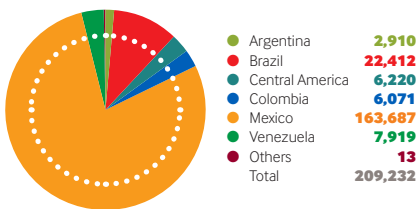


Promoting employees' comprehensive development

This Pillar is the engine that drives our business. With our employees' talent we achieve our goals in three *action areas*: Culture and Values, Training and Development, and Comprehensive Development.



Trained people
through FEMSA University
in the last three years



Total employees
per country

\$353.8

million MXN
(usd\$ 27.0 million)
were invested
in training and
development for
our employees
during 2013.

In an environment of constant evolution and with a growing business, even in countries abroad, one of our key priorities is how to make our people develop professionally and personally, since they are the ones who have the key role in achieving our objectives and this has been clear since our foundation in 1890.

Having the best professionals, attracting the correct individuals for each position in the organization, developing their talent and creating the right atmosphere so they decide to stay are not easy tasks. However it is a challenge that encourages us not only to maintain our management practices for human resources, but invites us to find innovating ways to improve them continuously.



We work in the generation of networking and learning synergies among the Business Units to standardize the level of mastery of FEMSA Leadership competencies”.

Javier Astaburuaga Sanjines
FEMSA Corporate Director

The scenarios presented in the countries where we have operations are very rich and diverse. We have learned that in order to be the best place to work for our more than 209,000 employees, it is necessary to know and take the best of each one of these cultures, their values and their unique characteristics.

The work of our Human Resources areas in each of our Business Units is to become a consulting partner and ensure we have the appropriate strategies for attracting and retaining talent, having the performance assessment systems and the programs to promote their comprehensive development. With all this, we want to ensure we are satisfying their needs and, as a consequence, improving our productivity.

Along these 124 years we have differentiated ourselves in the business environment as one of the best employers at a regional level. Nevertheless, we know that the growth pace in our business and the global environment where we participate force us to give bigger steps to remain competitive and respond to the accelerated development stage we are experiencing.

Our People is so important, which is why it was selected as the first Pillar of what today is FEMSA's Sustainability Strategy, considering besides the professional development of the employees, all the necessary tools and processes to empower them in the personal field. This Pillar has three action areas with long-term objectives for each one of them:



Culture and Values: To foster a culture of innovation, leadership, entrepreneurship and ethics that meets the needs of growth and global competitiveness.



Training and Development: To be the best place to work based on our emphasis on strengthening the capacity of our staff to meet current and future challenges.



Comprehensive Development: To support our employees and their families so they are able to improve their quality of life and transcend in their community.



More important than what we do, is how we do it, and under what principles and values we make decisions and carry out all our actions, because that is an essential part of our institutional culture. We have aligned our Business Strategy to it, in order

to cover the growth needs in FEMSA.

During 2013, we evaluated and renewed our business **Mission and Vision**, so it would adapt to our business role and the current needs in the environment.

We decided that from now on our business task and any decision we make has the following Mission: **“Create economic and social value through business companies and institutions”**. We also defined that the Vision that drives us will integrate the following six aspects:

- We satisfy the consumers of goods and services with excellence.
- We double the value of our businesses every five years.
- We have diversification in markets that privilege high growth potential.
- We are leaders in the markets where we operate.
- We positively transform the communities where we participate.
- We are the best place to work.

During 2013 our institutional values were also evaluated and during 2014 their update will be communicated.

New values at FEMSA

- Respect and comprehensive development of employees
- Integrity and austerity
- Passion for customer service
- Creation of social value



Executive Development Programs from Wharton University.



We are focused on being the best place to work and that implies that we must become a learning organization.

With more than 209,000 people working directly in all our businesses, it becomes necessary to enable them through training, so they can be the first promoters in their own development. To this end, we are building the tools and processes that ensure this. We want them to develop their competencies and acquire those that enable us to anticipate to the organizational needs in such a way that we may be prepared to face complexity and challenges in a constantly evolving environment.

For instance, in 2013 we invested \$14.9 million MXN (USD \$1.1 million) in **Universidad FEMSA**, to offer 32,866 online educational courses, giving the employees of all the Business Units access to new knowledge, in the countries where we have operations. Our virtual and on-site university has courses focused on FEMSA's leadership competencies, as well as functional courses, operations, manufacturing, supply chain, management and languages, among others.

During 2013, we generated synergies and strategic alliances with globally recognized universities such as *The Wharton School of the University of Pennsylvania* and *Thunderbird School of Global Management* for the creation of **Executive Development Programs**. In 2013, more than 350 executives took at least one of these courses.

Another great priority is our employees' security and health. Besides the installation of all the state-of-the-art industrial safety procedures, we are promoting a culture of self-protection among all our employees, which we manage through the **Occupational Health and Safety Administration System (SASSO)**. In 2013 we offered programs designed to cover these subjects and provide a safe working environment, preventing injuries in the workplace and general diseases. The investment made in SASSO was \$517.2 million MXN (USD \$39,5 million).

The previous elements, connected to a work place offering work harmony, competitive compensation, and good human resources management, are aspects we consider basic to retain talent. Nevertheless, in order to offer our employees additional value and turn FEMSA into the best place to work, since 2012 the Human Resources area started working with all the Business Units to engage them in the active participation of talent management, taking their best practices and developing a common work platform called **Comprehensive Talent Management (GIT)**.

Currently FEMSA and its Business Units are working in the integration and process design on leadership and development that will bring positive changes in all our business units. However, the support, commitment and active participation of all employees are vital to achieve that the Comprehensive Talent Management becomes part of FEMSA's culture.

GIT aims to secure the talent for the accomplishment of the business strategy, build the organizational capacities to drive the company's growth; attract, assess, develop and retain talent through a comprehensive model; and integrate talent management as part of the culture of the company.

Our personal development strategy is mainly leveraged on the FEMSA University platform, allowing us to take to all levels in the Organization the educational offering that enables potentiating people's abilities".

Raymundo Yutani Vela
Human Resources Director
at FEMSA Comercio





The Comprehensive Talent Management platform seeks an efficient connection among all the Human Resources processes, while it promotes the employees' comprehensive development at the pace required by the business.

Taking into consideration the knowledge we have acquired through the years and searching to adapt to each country where we operate, we reached the conclusion that in order to achieve the development of our employees, leadership is a key part. Therefore, we set the objective that the people in charge, in any organizational level, become the leaders and take an enabler and close facilitator role in the development of their employees.

In FEMSA, the leader is accountable for identifying the strengths and opportunity areas of his team and managing their transformation and professional development, in such a way that the results expected in the current and future operations can be achieved.

Work is not carried out only by the leader; the team participates as well with engagement and responsibility for its own development. Gradually we are implementing an annual process for the employees including:

- Talent attraction: The objective in this process is attracting and selecting the appropriate Talent which remains in a constant synergy with the vision and growth of the organization; since our strategy is integrating individuals with the corresponding skills and competencies to consolidate and enrich our competitive capability.
- Succession Management: Its objective is to identify, evaluate the necessary talent to generate a prepared pool to take the

positions efficiently, whenever necessary, and in a timely manner, ensuring the implementation of the business strategy.

- Career Management: Organizational process that manages employees' professional growth, joining their personal interests with the needs of the organization".
- Talent Planning: The objective is anticipating to the key talent that the organization requires in order to implementing its Business Strategy.
- Performance Management: Measures performance based on results, goals and objectives, through the TOPS (The one page system) methodology.
- Training and development: A development agenda is established to define competencies and knowledge that is implemented through the educational offering of FEMSA University.

While providing the leaders an array of options to manage talent, the expected results on the mid-term are:

- A management team taking the strategic role in talent development.
- Human Resources areas that support the change strategy for talent management.
- Evolution of the "boss" concept to that of a leader.
- A culture of self-learning where the leader takes a key role and the personal growth is the employees' responsibility.

We recognize that to generate a cultural change it is required to have a constant work pace for a long time. Nevertheless, we continue advancing consistently in getting prepared, technologically and individually, for this change that will be brought about. With great

+350

executives were part of the Executive Development Program with renowned universities worldwide

To know more about Our People, please go to: www.sustainabilityreport.femsa.com



The leadership I see in FEMSA is brilliant because there is a clear vision of where they want to go, and have the right team to achieve it. This is how the best companies in the world do it. With FEMSA's Talent Development process, we are teaching that leadership requires a vision and to be able to inspire, innovate, change management, acknowledge its potential, as well as to communicate and apply these skills in everyday work."

Ram Charan

Wharton Senior Fellow,
acclaimed author and global
advisor to CEOs.



effort we designed and implemented the processes needed for its execution and thanks to this we are prepared to deploy the technology that will give support to this model during 2014.

Thereby, year after year we advance towards a more sustainable business management on the long term and adapting to the unique characteristics of each environment where we operate. Having employees with such enriching diversity enables us to be more and more competitive in the global market.



In order for a person to have a comprehensive development, it is required to grow in all personal fields and in FEMSA we have focused on promoting their well-being and quality of life through **Social Development** activities, in which all the

employees and their families are involved. This is the way in which we give them an opportunity to find development and to transcend in their community, besides improving their quality of life while fostering a greater balance between work and family.

Our **FEMSA Social Development** scheme is integrated by seven dimensions and in 2013, 465 leaders were empowered to promote them through the **School for Leader Members**. Additionally, 1,280 initiatives were carried out which were implemented by the 281 **Employees' Internal Associations**, created to support and strengthen this component in the work centers.

Some examples of Social Development programs that we carried out are:

The Family Day, where integration of the families is promoted through different recreational activities; the **Health Week**, which seeks to create awareness in the employees in subjects for their health care, as well as providing them medical counseling through **Module 1, 2, 3, For your Health**. In this same line, nutritional education and healthy activation programs were carried out such as **Balance Challenge** and **5 and 10K Races**. Another initiative focused on the educational dimension is **Reading makes you Great**, which promotes the habit of reading in our employees and their families, through enabling spaces, campaigns, and shared reading circles.

Also worth mentioning is the **FEMSA Volunteer Network**, including programs and activities according to the characteristics of each work center and Business Unit, but following the same line, to contribute with this in the positive transformation of our communities. For instance, in 2013 in Mexico, in alliance with A Ceiling for my country, there were houses built for families living in extreme poverty conditions. A last example is the participation of our employees in **PrepQNet**, where they had the opportunity to be tutors for people in process of finishing their education with an online education scheme.

1,280

initiatives took place in order to promote the comprehensive development, well-being and quality of life of our employees and their families

Our Challenges

As in every change process, we have had to adapt and respond to different challenges that have emerged. Up to this day, managing the different levels of maturity presented by FEMSA Business Units, because of their own characteristics, has been among the most relevant, leading us to adjust the GIT implementation process in different stages, according to their needs.

On the other hand, with the intention of being more competitive and address the global challenges we face being a multi-national company that serves markets in different countries, we have also adopted new technologies for talent management, which undoubtedly has been challenging to achieving the integration of processes effectively.

Laura
FEMSA supplier,
Mexico

 **This is how we transform**

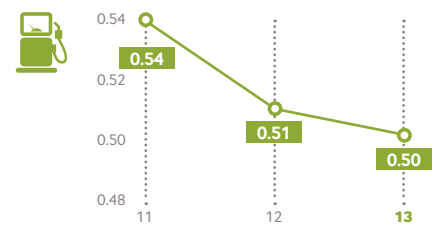
Caring



Minimizing our operations' environmental impact

We build a solid strategy with environmental matters, grouping activities in three *action areas*: Water, Energy, and Waste and Recycling.

Fuel efficiency in fleet managed by FEMSA Logística in Mexico
liters of fuel/km travelled



\$579.1

million MXN (USD \$44.2 million) invested in environmental care programs and technology in our operations in 2013.

Efficiency in use of water Coca-Cola FEMSA¹
Liters of water / Liters of beverage



1. By the end of 2013, our performance in the average consumption of water per liter of beverage produced is 21% more efficient than our average in 2004, being able to achieve our goal for 2015 of improving efficiency in the use of water in 20% compared with 2004. Due to the constant expansion of our operations, we are in the process of recalculating our base lines and turn in comparable historical information.

We seek to be one of the most outstanding companies in the topic of sustainability in Latin America and for this reason we are building a solid strategy in environmental matters, which groups a great number of actions around the three action areas: Water, Energy, and Waste and Recycling. We reconfirm every day the commitment we have with our planet and promote new and innovative processes that lead us to creating a positive impact in the communities where we have operations.

The economic and industrial economy faces the great challenge of managing and using natural resources efficiently. Aware of this situation, the productive processes and consumption patterns must evolve and adapt towards a sustainable development with a long-term view.

As actors in the industrial and services field, this challenge is not unfamiliar to us so we address our responsibility with pro-activity and engagement. We search to benefit the environment and minimize the related risks through our actions. Acting in a preventive manner is one way in which we do things, so we constantly ask ourselves, what can we do with the resources and human abilities and existing technologies to minimize such impact?

We answer this question with our daily work, adopting the best practices and technologies for environmental efficiency. This permanent responsibility with the environment is translated into concrete actions described in FEMSA's Sustainability Strategy through Our Planet Pillar. It consists of challenges and commitments integrated along all our operations which are focused on three action areas with the following long-term objectives:



Water: To optimize water consumption of our operations and improve the health of watersheds where we operate.



Energy: To achieve energy sustainability of our operations.



Waste and Recycling: To optimize operational waste management and reduce the impact of waste from our products and services.

Our Planet Pillar considers all the activities related with our Business Units' operations, while those environmental dimensions focused on the participation within society, such as recycling programs, reforestation, and environmental education, among others, are part of Our Community Pillar.

We have joined and support initiatives related with the most important environmental topics at an international level.

In addition, we establish environmental goals and indicators for each Business Unit according to the Guidelines of Global Reporting



FEMSA is clearly conscious that climate change matters to its business continuity and is driving efforts to manage risks and opportunities arising from this”.

Paul Simpson

CEO Carbon Disclosure Project



Initiative (GRI), as well as other renowned institutions in the world, such as the **Mexican Stock Exchange Market (BMV), Carbon Disclosure Project, Dow Jones Sustainability Index** and the **European Commission for Sustainable Development**.

Compliance and follow up of these indicators enable us to measure and compare our performance internally as well as with other organizations, industries and sectors around the world.



Since water is one of the most important inputs for our operations, in FEMSA we generated very great expertise in managing this resource. This, besides our awareness in the relevance of its availability for every human being, has allowed to focused our efforts through the years in learning how to manage it, achieving significant savings through its efficient use, treatment, and preservation in company operations.

Through initiatives focused on savings, training, water recovery and treatment, in Coca-Cola FEMSA we were able to maintain the water treatment index in 2013 in 100%. Moreover, we invested in processes to use the resource efficiently along our operations through improvement processes in all our work centers.

100%

is the water treatment index that Coca-Cola FEMSA was able to maintain in 2013

As an example of our effort to innovate in processes and technologies that enable water preservation, this year ptm® carried out an initiative related to water preservation, which reduced its consumption in 23% through the substitution of chemical products to natural products in the washing process of metal materials. By reducing the washing stages, productivity in the process increased in 77%.

Along with caring and preservation, the use of waste water is of most importance for us. During this year, one of the most important achievements was the incorporation of a **Water Recovery System** in Coca-Cola FEMSA at the Villahermosa, Mexico facility. This system, results which are being recorded in order to replicate in other operations, enables us to take advantage of recovered water in order to be used in the peripheral processes, has a capacity savings of 23,000 m³ of water: quantity equivalent to the annual consumption of 4,200¹ people .

Another example, in FEMSA Comercio, was the implementation of the improvement plan in the **Basket Washing** process. By the end of 2013, 25% of our Distribution Centers were enabled, increasing operational performance of the process and reducing water consumption.

These are examples of the efforts carried out in some of our operations. Additionally, many of our activities related to preservation of watersheds and construction of legacies in water matters are carried out in collaboration with FEMSA Foundation with research and preservation projects on water resources.

To know more about FEMSA Foundation programs, please go to: www.femsafoundation.org




The energy efficiency expression refers to an appropriate energy management and, therefore, its economic and environmental savings. Thus, its objective is promoting behaviors, work methods, and production techniques that reduce energy consumption per unit produced. The purpose is a better use of energy and finding some other clean and renewable sources.

In FEMSA we are searching to achieve energy sustainability in our operations, which also implies that we ensure the supply and accessibility of clean and renewable energies, as well as mitigation of the environmental impact. Therefore, we implemented ongoing, state-of-the-art energy efficiency processes also aligned to international efforts. The increase in energy efficiency is essential in achieving our environmental objectives, besides providing more sustainable operations and representing an important element for our energy assurance.

In 2013 we continued our adherence to different international initiatives for emissions mitigation and adjustment to climate change. An example is the ratification of our participation in the **Sustainable Energy for All**, a United Nations General Secretariat program that promotes the use of renewable energy at a world level in order to increase access to clean energy.

Another relevant example was that FEMSA and Coca-Cola FEMSA joined once again in a voluntary manner, the **Carbon Disclosure Project CDP Investors** international initiative, to which we report our greenhouse gas emissions, contributing in the international effort to generate emission mitigation capabilities. Additionally, FEMSA Comercio, FEMSA Logística, Imbera and ptm® joined in 2013 this effort, participating for the first time in the **CDP Supply Chain** in collaboration with The Coca-Cola Company, where environmental risks and opportunities involving all the value chain are analyzed.

CDP Investors

- FEMSA
- Coca-Cola FEMSA

CDP Supply Chain

- FEMSA Comercio
- FEMSA Logística
- Imbera
- ptm®

Our participation in this project provides us great benefits, such as the establishment of a benchmark from the analysis carried out by a third party that CDP provides in regards to our emissions. It also means that we carry out our emissions registration in accordance with the highest international standards in this subject.

We also participated as coordinators in the "Final User Renewable Energy Financing" work group of the **Green Growth Action Alliance** (G2A2) promoted by the World Economic Forum, whose objective is joining efforts of public and private institutions to find new ways of environmental project financing.

Together with these initiatives, FEMSA and all its Business Units participate since 2012 in the **GEI Mexico Program**, a volunteer program of the Mexican government for registration and reporting of Greenhouse Gas Emissions (GEI for its acronym in Spanish) led by the Environment and Natural Resources Department (SEMARNAT) and the Committee of Private Sector Studies for Sustainable Development (CESPEDES), whose objective is to develop the technical capabilities for GEI quantification and promote the voluntary participation of companies for climate change mitigation.

¹ The World Health Organization establishes that the average use of drinking, cooking and personal hygiene in any home is at least 15 liters per person per day. Reference: List of Guidelines for Health Emergency Minimum Water Quality.

In regards to projects and initiatives designed to achieve energy sustainability, we can mention the **refrigeration equipment renewal** plan for Coca-Cola FEMSA in Mexico and Central America. This year, 61,000 equipments were renewed for more efficient technologies and the use of lower environmental impact refrigerant gas, which are produced by Imbera and have reduced the Total Ownership Cost in 76% in the last eight years.

61,000
more efficient
refrigeration equipment

Additionally, Imbera has also started energy efficiency initiatives, such as the Intelligent Function Control (CIF), natural refrigerant gases, LED illumination and maintenance-free condensers in its refrigeration equipment, just to mention a few. These technological incorporations have enabled a reduction of more than 80% in energy consumption in its refrigeration equipment in the past 10 years.

We also carried out periodically energy efficiency diagnostics that enable us to detect opportunity areas and achieve improvements in the use of energy, such as in FEMSA Logística operations, where the energy efficiency project started to promote the development of specific strategies to optimize the use of electrical power, planning a staged implementation in the upcoming years; or in the Coca-Cola FEMSA facilities, where improvements to the operations processes are developed.



The recently opened corporate office building for Coca-Cola FEMSA in Mexico City meets the LEED Platinum certification in Core & Shell category.

Under FEMSA Logística's coordination, we organized the Work Group for **Sustainable Mobility** in Mexico, where all the Business Units participate searching to take advantage of the use of clean technologies, such as electrical vehicles, alternate fuels, among others.

We apply our environmental efforts not only to production, but to all of the company's operations. The recently opened corporate office building for Coca-Cola FEMSA in Mexico City meets the **LEED Platinum** certification (*Leadership in Energy & Environmental Design*) in Core & Shell category, while the bottling facilities in Itabirito, Brazil, and Tocancipá, Colombia from Coca-Cola FEMSA, are being built under the highest sustainable construction standards. In turn, with an investment greater than \$15 million MXN (USD \$1.15 million), the FEMSA corporate building in Monterrey, Mexico has the first insulated façade (in an existing building) in Latin America capable of generating energy.



78% of OXXO stores in Mexico already have implemented the Intelligent Store System, thus reducing the CO₂ emissions.

In the case of FEMSA Comercio, we constantly search efficient use of energy through the use of environmentally friendly equipment and technology in our OXXO stores. Through the installation of solar control film, we have reduced heat gain through windows and doors. By the end of 2013, in 19% of the stores where this is feasible, it has been installed, resulting in greater interior comfort and energy savings.

Additionally, we have implemented the **Intelligent Store System** in 78% of the OXXO stores in Mexico. On the other hand, 87% of our Distribution Centers have the Intelligent CEDIS System and 17% of OXXO Offices with Intelligent System. With all these actions, FEMSA Comercio achieved an emission reduction of 34,213 tons of CO₂ equivalent during 2013.



Modern life activities, daily consumption levels, and population growth in the world are some factors that contribute in increasing the amount of accumulated waste. Although there are appropriate technologies to recycle waste, these are not totally accessible in all the areas where they are required; therefore, management of these materials is a situation that claims attention.

In FEMSA we are trying to ensure we have permanent processes to manage waste efficiently and responsibly from their generation to the final destination in all our Business Units.

We continue aligning all our operations with new investments and development in this topic. We work to achieve process standardization and continue implementing mechanisms that promote recycling and the use of recycled and recyclable materials. We are glad to communicate that after being assessed by Coca-Cola de Mexico, representative of The Coca-Cola Company which grants franchises to bottlers, under their waste management mechanisms, the Toluca facility of Coca-Cola FEMSA has been recognized as **Zero Waste Facility**. Meeting this verification led to increasing 40% the tons of materials reutilized or recycled compared to 2012.

Integral waste management focused on its appropriate management and final disposal is a priority in FEMSA Comercio.**

José Zavala
Sustainability Manager
at FEMSA Comercio



Integral waste management, focused on its appropriate management and final disposal, is a priority for FEMSA Comercio. Specifically in OXXO Mexico, important waste management initiatives were implemented. During 2013 the approach focused on the responsible disposal of unused furniture and equipment through the establishment of an **Integral Waste System**. By the end of the year it was possible to dispose more than 1,600 equipment and furniture responsibly, equivalent to the use and recycling of more than 53,900 kg of value waste that may be reused. Additionally, we currently have 27% of our offices enabled with infrastructure for waste separation.

1,600

unused equipment and furniture were responsibly disposed of through the Integral Waste System in FEMSA Comercio

Another achievement happened in ptm@ in the San Juan del Rio, Queretaro facility, in Mexico, where we integrated a new recycling line that has enabled us to improve the quality of the materials and increase 40% recycled material for our products, reaching an installed capacity for recycling 11,000 ton/year.

Our challenges

We recognize that the economic growth rate in the world, as well as our industrial activity involves the use of natural resources. Facing this reality, we remain focused on integrating, along all our processes, a series of projects for preservation, efficiency and technology innovation that enable us to have a positive impact in the environment and preserve natural resources as much as possible.

At times, infrastructure availability and technology developments do not advance at the same speed we require to innovate and address environmental challenges that arise. Nevertheless, we work constantly to integrate new technologies to our operations, besides making alliances that help us find solutions that enable us to achieve our environmental goals.

We search to constantly develop and test innovating ideas that, once they work, we can increase their scale. This way of doing things is already integrated in our operational processes, from where we work daily, investing in new methods to achieve environmental efficiencies and having a better use of resources.

In 2014 we will continue with our eco-efficiency processes, focused on making a clear definition of the goals and update the action plans, following the guidelines in our FEMSA Sustainability Strategy and the spirit to achieve a sustainable performance for the benefit of the future generations.

To know more about Our Planet programs, please go to:
www.sustainabilityreport.femsa.com



Participants
during a workshop
of Coordinates for Life,
in Brazil.



This is how we transform

Enabling

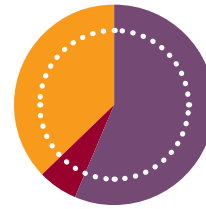




Contributing to the generation of sustainable communities

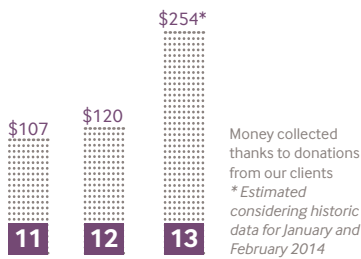
\$335.2

million MXN (USD \$25.5 million)
invested in programs
focused on communities.



Coordinates for Life

People benefited in school
cycle 2012-2013



OXXO Rounding-up Program

Million mexican pesos

We build partnerships, contribute and participate as a strategic actor in activities and programs of community in three *action areas*: Healthy Lifestyles, Community Development and Sustainable Sourcing.

If we have learned something in these 124 years, is that only actively participating in our communities we will be able to form alliances, design programs, provide knowledge and resources to transform them positively. This is how we are and that is how we meet our objective of generating social value.

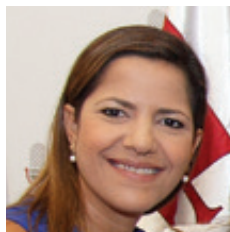
Our main task as a company is being successful in business, but we cannot stop there; in FEMSA we want to go beyond that border generating economic, social and environmental value simultaneously and thus, participate actively in the positive transformation of the communities we are part of.

Improving our environment is everyone's responsibility. We cannot remain indifferent facing the needs of the communities around us, even more, when our participation can make a positive difference.

In Coca-Cola FEMSA Venezuela, we demonstrate our commitment with sports and the promotion of a healthy lifestyle through our Caimaneras baseball and soccer program, in order to purposefully influence the quality of life of children and young, promoting the values of discipline, teamwork and peace”.

Mariana Parma

Corporate Affairs Director at
Coca-Cola FEMSA Venezuela



In all the places where we are present we find the way to support thousands of people face the challenges that reality presents and improve the environment in a sustainable way with a long-term vision.

There is no doubt that together we are stronger, thus, one of the ways in which we participate in the resolution of those challenges is joining efforts and capabilities with different stakeholders in the community such as suppliers, government, civil organizations, educational, financial, and private institutions.

We select programs and projects focused on the generation of healthy environments which are favorable for development, while we seek to maintain alignment with the Business Strategy.

We work in those topics that we know it is where we can generate a greater positive impact, due to the nature of our businesses and the capabilities and knowledge we have developed. The action areas in which we have decided to directly get involved have the following long-term objectives:



Healthy Lifestyles: To promote active lifestyles and adequate nutritional balance in our communities.



Community Development: To contribute with economic, social and environmental well-being in the communities where we operate.



Sustainable Sourcing: To contribute with the improvement of labor, social, and environmental performance of our suppliers and enable the integration of local, small, and medium companies to our supply chain.



Wellness in a community is intrinsically related to its inhabitants' lifestyle. The modern routine influences our activities and habits and these, are not always the best to balance our health and wellness of our body. Stress, little social life, lack of a balanced diet and exercise, lack of hygiene and nutritional education practices, as well as low self-esteem are factors which impact negatively in the style and quality of life of a person.

We are particularly interested in contributing in the promotion of healthy lifestyles which generate benefits in quality of life and consequently promote healthy communities. Also, we communicate nutritional information to maintain a balanced diet with the purpose of creating opportunities that develop new habits and the knowledge we share may remain and transcend in the families.

One of the programs that Coca-Cola FEMSA has expanded in alliance with *The Coca-Cola Company* in six countries is **Let's Play**, existing in Argentina, Colombia, Costa Rica, Guatemala, Nicaragua and Panama.

If a good habit is taught from a young age, it is more likely to remain over the life of the person. Therefore, through Let's Play, we promote teaching young children to value and grow fond of physical activity, starting to become accountable for their own health.

The program includes also didactic and technical training for teachers in subjects related to physical activity, besides providing the schools equipment to carry out exercises and suggested programs. In 2013, we trained 2,037 teachers from 717 schools in Central America, Argentina and Colombia, benefiting 305,770 students.

305,770

students benefited
through Let's Play

70,000

**students benefited through
Your Best Move program during
the 2012-2013 school year**



We promote the comprehensive development in children and youth, encouraging sports and physical activity through Your Best Move program.

Your Best Move is another example of how we promote healthy lifestyles in FEMSA. This program promotes the comprehensive development of children and youths through fostering sports and physical activity. The methodology is specially designed so physical education professors support neuro-physicomotor development and coexistence skills of the students, which eases their physical, psychological, social, and academic performance. Your Best Move was implemented in 200 schools during the 2012-2013 school cycle, where 200 professors were trained, benefiting 70,000 students.

Since 23 years ago, FEMSA Comercio organizes the 21K OXXO race in the city of Chihuahua in Mexico, as an effort to promote a healthy life for people and motivate them to carry out physical activity. In its 2013 edition, it had the participation of 5,000 runners.

In regards to our products, we ensure that all of them have the necessary information so the consumers may know their attributes and can make an appropriate personal decision in regards to their consumption. FEMSA products meet all the legal requirements and labeling codes in the countries where we operate.



The first step towards contributing in social and economic development in a community is asking ourselves: What are the most important challenges that people who live in it experience day after day? Each community is different and shows a unique and exclusive reality in regards to its problems and challenges. If we shall have a positive impact in them on the long-term, we must first identify their specific needs.

Once this is done, the following steps include determining how we can participate, and who we should make an alliance with to generate greater and better results. Based on these three questions, we design strategies and plans with our allies to create projects focused initially on the development of communities near our operations.

The result of our efforts is materialized in programs and initiatives on education, entrepreneurship, culture, civic participation and local environmental care, through which we seek to enable the individuals in our communities and promote its development so it can endure in time.

One of the key educational FEMSA programs that have been designed particularly for their communities is Coordinates for Life, which started in Mexico in 2011 and due to the support of Coca-Cola FEMSA it was replicated in different communities in Argentina, Brazil and Colombia.

Through this program we strengthen the development of skills for decision making in children and youths from 10 thru 18 years old and provide the adults with practical resources that support them in their educating role. This is done through workshops, conferences and social skill guides. During the 2012-2013 school cycle, 16,380 children and youths and 1,850 educators participated in the workshops, while 10,750 people attended the conferences. When evaluating the impact, we are proud to find out that in the two implementation cycles, the program supported the development of decision making skills and strengthened the protection factors for children and youths, as well as provided the educators tools to empower them in this important work.

+16,380

**children and youth benefited
through Coordinates for Life program**

Aware that in the environment and reality we face not everyone has the same opportunities to find ways to be self-sufficient and develop projects that can generate economic value, as well as value for the community, we seek to achieve it through Social Entrepreneurship.

Enabling youths, promoting their ideas, and motivating them to dare and take risks to become entrepreneurs, are key characteristics for the development of social and community businesses. With this objective in mind, a core part of our social sustainability work has focused on the development of a program called **Youth with Value**, where different social entrepreneurship projects are supported.

+970

young participated with social entrepreneur projects in Youth with Value program

We carried out an alliance with Avancemos Ashoka, leading organization in promoting high impact social entrepreneurship and supported key actors from different fields to create spaces for creative interaction and collaboration that strengthen the entrepreneurial eco-system, always seeking that these projects can translate into economic, social and environmental development within the community.



Participants in Youth with Value program in Michoacan, Mexico.

Since 2011, Youth with Value supports the young between 14 thru 24 years old so they develop and lead social entrepreneurial projects and become agents of change in their communities. It operates in the states of Michoacan, Nuevo Leon and Veracruz in Mexico, where in 2013 promoted two generations formed by more than 970 young who developed 250 social entrepreneurship projects. Each team or collective group received training, technical guidance, networking, monitoring, assessment and a seed capital that varies between USD \$700 and USD \$1,300 per project, as well as professional coaching and counseling who voluntarily support them.

In order to complement the work carried out in Youth with Value, a **Platform of Support for Entrepreneurs** was developed in Mexico as a way to strengthen the social entrepreneurship efforts and increase the scope and impact of those projects. This initiative seeks to support new companies that generate social and environmental wellness, the creation of employment in a sustainable manner and foster the explosion of economic development in their communities.

Likewise, there were economic sectors detected with a greater potential for development in specific zones or regions and through this Platform we promoted projects which have the following characteristics:

Youth with Value is doing just that – giving young people the opportunity and encouragement to realize their potential as changemakers. Once you know you are a changemaker and can lead others to change things, you will seek out the problems everyone else tries hard not to see.”

Bill Drayton

CEO and Chairman of the Board,
Ashoka



- Focusing on water, energy, waste and recycling, community development and/or healthy lifestyle.
- Having a high content of innovation with a social approach
- Being aligned to market trends and environmental needs, linking supply with demand where the projects are being developed.
- Being committed with the sustainable development of the communities.
- Having very strong characteristics for scalability and/or replicability of the project.

During this first stage, we have been focused in enabling capacity building among youths and strengthening strategic allies. In the second stage we will start the creation of financial support mechanisms for entrepreneurs and companies that enable this Platform to be sustainable in the long-term.

The goal is big, since at the end of 2013 during the **Clinton Global Initiative** Latin-American meeting in Rio de Janeiro, Brazil, we announced our commitment to promote 520 youth social entrepreneurial projects, with an investment of \$58.9 million MXN (USD \$4.5 million) in the period from 2014 to 2017. This event in which we participated for the first time, gathers efforts from around the continent in order to support concrete and measurable plans and strategies for the development of the region. Working together with other companies with presence in Latin America, 27 commitments were established with an investment valued in \$2,907.8 million MXN (USD \$222 million).

The promotion of culture is a key factor in the development of a community and therefore, FEMSA participates through two cultural programs.

FEMSA Collections' objective is to promote the appreciation of art by sharing it with the communities in Mexico and the world through a program of itinerant exhibitions. This is one of the most important art collections of Latin-American modern and contemporary art, comprised by more than 1,200 artworks. In 2013 we organized 12 exhibits in Mexico, the United States and Canada, as well as conferences, workshops and round-tables in the venues of these exhibits, reaching 877,081 visitors.

On the other hand, the **Biennale Monterrey FEMSA** is the most recognized visual arts contest in Mexico, currently in its 11th

edition. For more than 22 years, through this contest we have been promoting artistic creations and supporting artists so they exhibit their artworks. Since it started, there have been 8,642 artists in total who have presented 21,085 works in painting, sculpture, installation, photography, and digital production, among other disciplines.

8,642

**artists have participated in
Biennale Monterrey FEMSA
during its first 10th editions**

Another aspect that really makes a difference in the transformation of the communities and their wellness is the participation of their members in solving their problems. In this sense, we seek to promote collaborative work with the immediate community, promoting joint efforts to achieve common wellbeing, promoting values at the same time, in order to have active citizens who care for their surroundings and the environment.

A good example is the **Good Neighbor** initiative from FEMSA Comercio, where the OXXO stores together with the immediate community, focus their efforts to foster the quality of public spaces and strengthen values related to the protection of the surrounding



During 2013, FEMSA Collection's itinerant exhibitions, conferences and events held in Mexico, USA and Canada, received 877,081 visitors.

environment, a culture of environmental care, and health through exercise. During 2013 there were 325 actions in benefit of the community in Mexico with an investment of more than \$20 million MXN (USD \$1.5 million).

Another initiative is **OXXO Award for Ecology**, which recognizes children and young who stand out because of their actions in favor of environmental care. This recognition is granted since 27 years ago in the cities of Hermosillo, Ciudad Juarez, Chihuahua, and Monterrey in Mexico. In its 2013 edition, it had the participation of more than 250,000 students from 923 schools, 46 of them being recognized.

250,000

students participated in
OXXO Award for Ecology in 2013

The **Great Rio La Silla Park** is a good example of the work we have carried out in the recovery of public spaces. FEMSA and Club de Fútbol Monterrey (Monterrey Soccer Club) invested more than \$25.6 million MXN (USD \$1.9 million) in what was previously *La Pastora Park* in Nuevo Leon, Mexico, with the objective of improving the quality of life of the people living in the area. This has been carried out through the recovery of green areas and sport spaces that promote family sharing. In 2014 the second stage of the rehabilitation of this park will continue.

Moreover, **Let's do it Correctly** is an initiative promoted by COPARMEX in Monterrey, Mexico, to which FEMSA adhered with the vision of transforming our society. It gathers organizations, companies and educational, religious, civil, sport, and cultural institutions with a common purpose: working together in building a city where legality and respect for others enables us all to feel free, safe, and with the ability to carry out our dreams and potential.



More than 150 institutions and more than 470 people attended the launching event of **Let's do it Correctly**, held in Monterrey, Mexico.

Examples of some activities we are carrying out in FEMSA to promote the Let's do it Correctly initiative are training employees on the subject of Culture of Legality; the promotion of good actions in leaders, employees and the community; inviting other organizations and companies to be allies and engage with this initiative, among others.

The community outreach programs vary from country to country, but always with the same purpose. For instance, in Brazil we carry out the program **Citizens' Plaza**, developed by Coca-Cola FEMSA, which is implemented in five communities in the country.

Efforts are joined here with municipal governments, institutions and civil society organizations, and our own employees, among others, to organize a day that provides support services such as legal counseling, dental clinics, personal hygiene workshops, and health brigades within an atmosphere of healthy entertainment and family time. This program benefited more than 23,000 people in 2013.



The economic results and social transformation that our operations achieve would not be possible without the group of actors who are part of our value chain. Our commitment is to provide support so we all behave responsibly in regards to environmental care and the generation of social value.

In this great team each party performs its function, therefore we work together with our suppliers so both our operations can be more efficient, hence maximizing the positive impact in society.

This is a great challenge since there are more than 49,000 suppliers who provide us with service in all the Business Units. With the commitment to strengthen our work in this topic, in 2013 we carried out two internal workshops for sustainable sourcing in which the general requirements and expectations from the suppliers were defined and best practices between the Business Units were exchanged.

+49,000

suppliers provide us with
service in all our Business Units

Our initiative for **Sustainable Sourcing** is fed by the efforts and programs from each of the Business Units and is strengthened when incorporating sustainability topics into the current procurement processes. This is carried out through mapping and

3,000

micro, small and medium-size companies in Mexico will participate in the Eco-efficient Chains program

prioritizing suppliers to whom we seek to support in the generation of capacities that promote improvement in the environmental, labor, and social performance of our supply chain. During 2014 this effort will continue being reinforced with the complement of FEMSA Guiding Principles.

For example, in the OXXO Exclusive Brands area, sustainability concepts were incorporated within the supplier evaluation processes, which will be applied starting in 2014. Likewise, during FEMSA Comercio's Supplier Quality Seminar a workshop regarding sustainability was provided.

We are convinced that multi-sectorial alliances and joint work with the value chain are key topics to promote sustainable development. The Business Summit 2013, organized by the Global Institute for Sustainability, served as the framework to introduce the **Eco-efficient Chains** portal, a project that seeks to support more than 3,000 micro, small and medium-size companies in Mexico that are part of the FEMSA, Wal-Mart, and Banorte suppliers to consolidate a more sustainable and productive value chain. This initiative is developed in coordination with the Global Institute for Sustainability of the Tecnológico de Monterrey and the Multi-Lateral Investment Fund (FOMIN) from the Inter-American Development Bank with the purpose of generating capabilities with a focus on energy, water, and waste management.

Our Challenges

Challenges are constantly greater and those encountered in regards to support community development grow day by day. We are aware that our role is important and requires actions and initiatives that can adjust to the reality of each community we can support.

Achieving development and the transformation of communities is a task of big dimensions; nevertheless, every effort generates benefits. We recognize that we are a small actor within the global perspective, but with our capabilities we can have a greater impact in the communities near our operations.

The dimension of FEMSA's operations and its geographical distribution represent an important challenge in the development of community support programs. Flexibility is not easy for a large and

diverse company in the industries in which it participates, but we know that the results of the efforts are worthwhile, thus we seek to generate mechanisms to identify the needs, get closer, and develop concrete plans with measurable results.

Carrying out the impact measurement in social projects it's not easy. Obtaining conclusive results from these projects requires time, and aware of this, we are establishing mechanisms and indicators that, although they imply time, will enable us to have the relevant information for projection and decision making in the future.

Each Business Unit operates in different regions, provides diverse services and has a high number and different nature of suppliers, which has led us the challenge to implement different strategies and initiatives to adapt to these conditions. In this sense, we are facing this situation with a clear and solid Sustainability Strategy that allows us to identify opportunities and determine what is the indicated role that we must adopt in each project to maximize the results.

Recognizing these and other challenges, sustainability is present in the way of being of the company. We were born like this, and this is how we do things every day. Generate economic, social and environmental value simultaneously, for all the actors surrounding us is part of the core objectives of the organization since its beginning 124 years ago. We will continue with our conviction and will keep evaluating the results to achieve the goals that benefit more and more people and lead us to move forward towards the generation of sustainable communities.

We are developing a work plan to start the sustainable sourcing project in our Company, where we mainly considered reviewing policies and procedures as well as benchmark of best practices, looking forward towards the integration of sustainability in the current procurement processes".

Alex Theissen

Director of Technical Support and Procurement in FEMSA Logística



To know more about Our Community Programs, please go to:
www.sustainabilityreport.femsa.com



Beneficiaries
from the CuencaVerde
Water Fund in Colombia



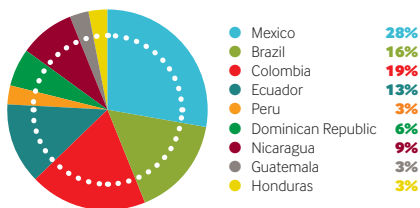
This is how we transform

Constructing legacies

Medellín, Colombia
Fondo de Agua Cuenca Verde
@Ana Guzmán/TNC



FEMSA Foundation is an instrument of social investment for communities in Latin America



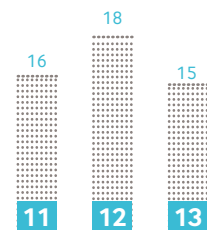
Presence 2013
by country

We support communities in nine countries through interventions ranging from the preservation and sustainable use of water resources to nutritional education.

+13,000

people benefited through better water sources.

Based on innovation, productivity, creativity, honesty, quality, and congruence, we support projects focused in the Sustainable Development of Water Resources and Quality of Life.



Supported projects in the last three years
Number

Created in 2008, FEMSA Foundation is our social investment instrument which leads the commitment of the company to contribute in improving the sustainable use of water resources and quality of life of the Latin American communities.

These two areas have been selected due to the nature of our industries and our participation in different global scenarios, in such a way that, based on the values of innovation and generation of knowledge, we support projects in the region that generate social and economic value on the long term.

In the **Sustainable Development of Water Resources**, the approach focuses on supporting the projects addressing water preservation and sustainable use. The result has been greater access to clean water for the citizens in communities where there has been an intervention, and better preservation in the region watersheds. The area also focuses on the search to improve decision making in the water sector through the development of capabilities within people in the region. In regards to the **Quality of Life** area, efforts are focused towards education and nutritional research programs that promote a healthy lifestyle and generate well-being of the individual.

We know that the problems and needs in the regions where we participate are many and very complex, therefore, we work in synergy with other key actors joining efforts. The integration of projects with strategic allies multiplies their impact and benefits more individuals and more communities every time.

Many are the projects and social alliances in which we participate, in each of them we emphasize collaboration and learning to support transcendental long-term solutions. Today we share the efforts of three of our most outstanding projects: Latin American Alliance for Water Funds, Water Bonds, and Colors Campaign.

USD\$ **65.9**
**million invested in Water Funds
 to preserve watersheds**

Latin American Alliance of Water Funds

We know that sustainable development in communities is not possible without the appropriate use of natural resources. Water is a resource that is increasingly scarce, thus we strive, together with our allies, in projects that support its preservation.



One of the projects with the greatest impact in the development of communities are the Water Funds. The Water Funds are institutions created to maintain the watersheds with a long-term vision, supporting its actions in science, with a strong monitoring and evaluation component, following efficiency criteria to allocate its investments. Therefore, the economic resources generated by a Fund are reinvested in actions and preservation projects, which also imply the integration of public, private sectors and the community itself to carry this out.

The Water Funds, as inclusive, innovative, sustainable projects based on science, generate the following benefits:

- Enable a comprehensive approach in watershed management.
- Ensure long-term preservation financing preservation activities based on earnings generated by the Fund.
- Provide a transparent and safe handling of the projects while involving all the relevant actors.
- Complement government and public institution actions.
- Generate new economic resources and offer greater liquidity.
- Enable the connection of the communities with the business sector.

In order to create, implement and capitalize 32 Water Funds in Latin America in a five-year period, FEMSA Foundation joined The Nature Conservancy and Global Environment Facility through the Inter-American Development Bank (IDB), to create the **Latin American Alliance for Water Funds**.

By the end of 2013, the Alliance already has 17 functional Water Funds and operating in Latin America and the Caribbean located in six countries: Brazil, Colombia, Ecuador, Mexico, Peru and Dominican Republic. More than 100 non-government obligations, public institutions, private, or multi- or bi-lateral agencies are already associated to one of these Funds. Through collections that reach US\$65.9 million, the Funds have been able to carry out different preservation activities that contribute to ensure sustainability of these watersheds.

Water Bonds

Access to clean water, sanitation and best cleaning practices improve life conditions and well-being of individuals in rural communities. With this in mind, and the conviction that by creating alliances we can generate a sustainable hygiene culture in these communities, in 2013 FEMSA Foundation joined efforts with Coca-Cola Latin America and *Millenium Water Alliance (MWA)* to create **Water Bonds**.

This program was created to benefit 110,000 people in Mexico, Guatemala, Honduras, Nicaragua and Colombia. Planning to operate from 2013 through 2015, Water Bonds invests its resources in infrastructure and promotion of hygiene habits in different environments such as homes, schools, health clinics or community meetings. Besides, the program creates a learning platform that helps the transfer of best practices between the implementing partners in the different countries.

The objectives of the Water Bond program are:

- Increasing access to safe water.
- Promoting coverage for sanitation access.
- Improving water quality in homes.
- Improve hygiene practices.

In its first year operating, 13,311 people were benefited with access to new or refurbished water sources and 13,701 people received sanitation and hygiene information through promotion activities, while it was possible to establish and strengthen 52 Water Committees in the communities intervened. These Committees are organized by members of each community and the objective is improving their understanding of water usage and supply in their location, so there is also a better management of the resource achieved. The Committees receive training from the organizations involved in topics like infrastructure, monitoring, water quality, and hygiene, among others.



110,000

people in five countries will benefit through the Water Bonds program

Colors Campaign

The quality of life and health of the children greatly depends on the appropriate nourishment, which is not only linked to access to nutritious food, but to education and knowledge in nourishment topics within the family and community.

In order to collaborate with this purpose, FEMSA Foundation, in Alliance with the *American Nicaraguan Foundation (ANF)* and the Federación Red NicaSalud, created the **Colors Campaign** in Nicaragua in 2013, country where chronic malnutrition in children is a national problem, since 22% of the children from one to five years old suffer from it. The purpose is to ensure that thousands of children and Nicaraguan families receive information in regards to how to nourish in a balanced and healthy way.

The initiative emerged from the program "One Dish, One Smile", that *The Coca-Cola Company* and Coca-Cola FEMSA support in Nicaragua since 2005, to which FEMSA Foundation joined in 2013. This program provides daily nourishment to children in 211 schools and rural and urban children dining rooms, during the school year. Accordingly, 62,500 children living in marginalized communities have been benefited since the beginning of the program.

During this year, through the **Colors Campaign**, nutritional nourishment workshops were taught focusing on seven nutritional education topics:

1. Basic concepts on healthy nutrition.
2. Nutritional content in foods.
3. Physical exercise.
4. Breakfast as an important element in school performance.
5. Importance of three meals and two moments for snacks.
6. Relevance in sharing meals in the family and school within an atmosphere of harmony.
7. Creatively making a "colorful dish", through the classification of foods in groups divided by colors.

The program was complemented with a Good Habits Schedule, that suggests actions related with personal hygiene and washing fruits and vegetables before ingesting.

Together with these workshops, **Colors Campaign** also promotes physical activity as a fundamental element in preventing chronic non-transmissible diseases, besides overweight and obesity. Some other complementary activities in the Campaign were: cooking practices for fathers and mothers and/or relatives, school visits from the Blue Bus to promote educational entertainment activities through video forums, and the Good Habit Brigades.

The program started with an investment of USD \$28,536 in 10 schools in Managua, Nicaragua, with more than 2,700 children benefited.

The challenge of the **Colors Campaign** is working with the complexity that implies detecting the available eating resources of the population in Nicaragua, in order to really generate an impact in the behavior of families and children. If this population is able to modify its habits and behaviors, their nourishment and health will be benefited through time, thus, improving their quality of life.

+2,700

**children benefited in Managua,
Nicaragua through the
Colors Campaign initiative**

Another challenge of the **Colors Campaign** is being able to extract the learning obtained in 2013 to incorporate in the next phase, in which the program can be replicated to more schools and with the same encouraging results that have been obtained up to this moment, but in a greater scale and lower cost.

Our Challenges

In FEMSA Foundation we have evolved through learning processes. In the beginning of our operations, interventions centered mainly in specific projects, that while they have had a high impact and important benefits, they taught us that an essential component in order to make them sustainable is sharing the knowledge.



Nicaraguan children benefited through the Colors Campaign initiative.

On the other hand, creating the appropriate synergies that ensure success of each of the projects involves a great responsibility, since it requires finding the appropriate allies who have the capabilities and necessary knowledge to carry out the implementation and operation in the communities in the different countries.

With the purpose of building legacies through the **Sustainable Development of Water Resources** projects and **Quality of Life**, we are working in the development of the platforms to share best practices and replicate the projects in other countries and communities for them to become self-sufficient.

In 2014 we will continue, together with our allies, measuring the impact of our projects. In this way, FEMSA Foundation seeks, not only to participate in successful projects, but also evaluate their impact and generate knowledge to share it and scale to higher levels.

In the same way, we will continue working actively in establishing solutions to contribute in the sustainable use of water and supporting initiatives focusing health and nutrition. We will continue seeking the best allies to capitalize efforts, as well as to find the best opportunities for investment that generate greater benefit for a larger number of people and build with this, a better future for everyone.

To know more on FEMSA Foundation programs, please go to:
www.femsafoundation.org





Actions

Creating Value 2013

Global Reporting Initiative (GRI)
Report

FEMSA



Global Reporting Initiative (GRI) Report

As a supplement to the prior section introducing the most important achievements of the Sustainability Strategy Pillars, and with the purpose of presenting the qualitative and quantitative progress that enable us to compare our performance internally and among other organizations, we submit this second section of the Report, where the reader will find the sustainability results at FEMSA corresponding to the period from January thru December 2013, aligned to the Guideline of the Global Reporting Initiative (GRI) G4.

This section presents the data regarding the economic, social, and environmental indicators and how they are linked to FEMSA's Sustainability Strategy and Business Strategy in each of the Business Units that belong to FEMSA.

Content

FEMSA Profile	41
Economic Performance.....	42
Corporate Governance.....	43
Board of Directors.....	43
FEMSA's Sustainability Strategy	45
Stakeholders.....	48
 Our People	52
 Our Planet.....	59
 Our Community.....	65
About this Report	70
Global Reporting Initiative Index	71
KPMG Mexico Letter of Verification	81
Sustainability Recognitions in 2013	82
Support for the United Nations Global Compact.	82

FEMSA Profile

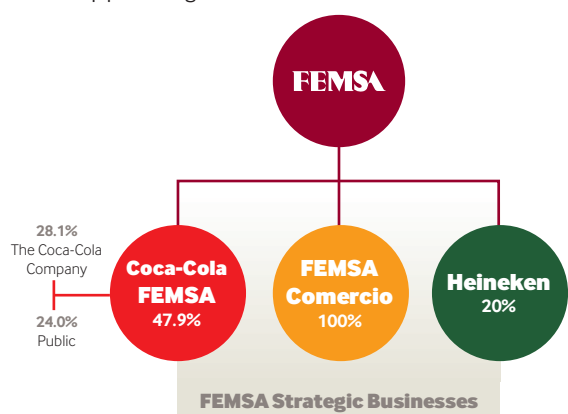
G4-3-4, G4-6 and G4-8-9

Present in 10 countries, more than 190 brands, more than 11,700 OXXO stores in Mexico and Colombia and 346 million people served by its Business Units during 2013, FEMSA is a company that, after 124 years of its foundation has been able to portray itself as a leader in Latin America. It is integrated by Coca-Cola FEMSA, FEMSA Comercio and a Strategic Business area, besides being the second largest shareholder in Heineken, having 20% of its shares.

By the end of 2013 FEMSA and its Business Units recorded earnings for \$258,097 million MXN (USD \$19,705 million) operating 65 manufacturing facilities and 345 distribution centers, creating employment for 209,232³ people.

FEMSA Corporate Structure

Ownership percentage



Business Units

Coca-Cola FEMSA is the largest Coca-Cola beverage bottler franchise in the world. It markets more than 190 brands distributed in 2.9 million points of sale in Argentina, Brazil, Colombia, Costa Rica, Philippines, Guatemala, Mexico, Nicaragua, Panama, and Venezuela. It generates 84,927 direct jobs, and 441,620 indirect jobs.¹

FEMSA Comercio operates various small-format chain stores, including OXXO, as the largest and fastest growing in Latin America, with 11,721 stores in Mexico and Colombia. Through its outlets, nine million clients were served daily during 2013. FEMSA Comercio employs 104,564 employees and through OXXO Stores it generates more than 448,000 indirect jobs.²

Strategic Businesses is a support area for Coca-Cola FEMSA and FEMSA Comercio, besides providing services to external clients. It comprises three companies: FEMSA Logística, Imbera, and ptm®, and generates 15,569 direct jobs.

Most relevant investments during 2013

Coca-Cola FEMSA	51% of Coca-Cola Bottlers Philippines Inc. 100% of bottler in Grupo Yoli 100% of Spaipa S.A. Brazilian Beverage Industry 100% of Companhia Fluminense de Refrigerantes
FEMSA Comercio	100% of Farmacias Moderna 80% of Doña Tota 75% of Farmacias YZA
FEMSA Logística	100% of Expresso Jundiaí – Brazil

FEMSA Logística	Imbera	ptm®
Provides services of dedicated fleet management, administration of third carriers, maintenance and administration of commercial fleets and administration of warehouses to FEMSA Business Units and other clients.	Imbera is one of the largest producers of commercial refrigerators at a world level and through its service area, offers maintenance for their equipments.	It is a manufacturer dedicated to providing solutions and customized plastic transformation projects, serving industries such as: automotive, food and beverages and especially material management.
Countries where it operates: Brazil, Colombia, Costa Rica, Mexico, Nicaragua, and Panama. Daily deliveries: 16,189.	Countries with Imbera facilities: Brazil, Colombia, and Mexico. Countries where Imbera offers maintenance: Brazil, Colombia, Ecuador, Mexico, Panama and Venezuela.	Countries where it operates: Mexico. Recovering and recycling more than 8,000 tons of plastic annually.

¹ According to data from the National Association of Soft Drink and Carbonated Beverages Producers (ANPRAC) for each direct job generated in this industry, there are 5.2 indirect jobs generated.

² According to data from the National Association of Supermarkets and Department Stores, in the format of specialized stores, there are five indirect jobs per each direct job generated.

³ Centralized services of the Company generate 4,152 jobs.

Economic Performance

G4-9, G4-EC1, G4-EC4 and G4-EC8

Generating economic and social value through companies and institutions is the mission in FEMSA.

As a reflection of the implementation of this declaration, in 2013 Coca-Cola FEMSA was selected as a company member of the Dow Jones Sustainability Index (DJSI) Emerging Markets, and also, for the second consecutive year, FEMSA and Coca-Cola FEMSA were recognized within the companies that are part of the Sustainable Price and Quotation Index (Sustainable IPC) of the Mexican Stock Exchange Market.

In 2013, the total consolidated earnings increased 8.3% reaching \$258,097 million MXN, (USD \$19,705 million), in comparison with \$238,309 million MXN in 2012. Total earnings in Coca-Cola FEMSA increased 5.6% to \$156,011 million MXN (USD \$11,911 million). Total earnings in FEMSA Comercio increased 12.9% to \$97,572 million MXN (USD \$7,449 million), mainly due to opening of 1,120 new stores during the year and the average increase in sales-same-stores of 2.4%.

Our economic performance in 2013 had the following results:

209,232	+441,620	+448,000	1,120
direct jobs generated by FEMSA	indirect jobs generated by Coca-Cola FEMSA ¹	indirect jobs generated by OXXO Stores ²	new OXXO stores in Mexico and Colombia

	MXN Million	USD Million
Capital investment CAPEX	\$ 17,882	\$ 1,365
Supplier payment	\$ 129,878.9	\$ 9,915.9
Dividends paid to shareholders	\$ 16,493	\$ 1,259
Paid taxes in nine ³ countries ⁴	\$ 30,158	\$ 2,301.9
Total earnings	\$ 258,097	\$ 19,705
Assets	\$ 359,192	\$ 27,423
Direct Economic Value Generated ⁵	\$ 260,040	\$ 19,853
Retained Economic Value ⁶	\$ 1,573	\$ 120
Debt	\$ 76,748	\$ 5,860

¹ According to data from the National Association of Soft Drink and Carbonated Beverages Producers (ANPRAC) for each direct job generated in this industry, there are 5.2 indirect jobs generated.

² According to data from the National Association of Supermarkets and Department Stores, in the format of specialized stores, there are five indirect jobs per each direct job generated.

³ Does not include operations in Coca-Cola Philippines since FEMSA has operated this company less than one year.

⁴ Total direct and indirect contributions generated by the company.

⁵ Direct Economic Value Generated = Net sales + Earnings due to financial investments + Asset sales.

⁶ Retained Economic Value = Direct economic value generated - economic value distributed.

Financial Highlights	2013 ¹	2013	2012 ²	Change
	USD Million	Million Mexican pesos	Million Mexican pesos	
Total revenues	19,705	258,097	238,309	8.3%
Income from operations ³	2,280	29,857	29,227	2.2%
Consolidated net income	1,692	22,155	28,051	-21.0%
Controlling interest ⁴	1,216	15,922	20,707	-23.1%
Non-Controlling interest	476	6,233	7,344	-15.1%
Total assets	27,423	359,192	295,942	21.4%
Total liabilities	10,432	136,642	85,781	59.3%
Total equity	16,991	222,550	210,161	5.9%
Capital expenditures	1,365	17,882	15,560	14.9%
Controlling interest book value per share ⁵	0.68	8.91	8.68	2.6%
Net controlling interest income per share ⁵	0.07	0.89	1.16	-23.3%
Headcount ⁶	209,232		182,260	14.8

¹ U.S. dollars figures are included for convenience of the reader, using the exchange rate published for the purchase by noon by the Reserve Bank of New York, which at December 31, 2013 was 13.0980.

² The figures for 2012 were restated for comparison with 2013 as a result of the transition to International Financial Reporting Standards (IFRS).

³ Company's key performance indicator calculated using figures in International Financial Reporting Standards.

⁴ Represent the net income that is assigned to the controlling shareholders of the entity.

⁵ Data in Mexican pesos based on the number of outstanding shares: 17,891,131,350.

⁶ Includes headcount from Coca-Cola FEMSA, FEMSA Comercio and other businesses of FEMSA.

Corporate Governance

In FEMSA, we adhere to the values and business philosophy we inherited from our founders Isaac Garza, Francisco Sada Gómez, José Calderón, José A. Muguerza, and Joseph M. Schnaider who, together with Don Eugenio Garza Sada and Don Eugenio Garza Lagüera, left a legacy in our organizational culture that survives until now.

The Business Strategy at FEMSA is operated with a long-term vision. Our goal is to consistently generate profitable growth and strengthen our position as one of the leading consumption companies in Latin America. At the same time we operate our business activities aligned to the best practices in corporate governance, in compliance with the regulation established by the Mexican Stock Exchange Market in Mexico and the New York Stock Exchange in the United States, as well as incorporating the recommendations of the Code for Best Corporate Practices from the Business Coordinating Council in Mexico.

Internally, in FEMSA we have governing and surveillance bodies and Committees that enable us to maintain a structure to ensure transparency in our operations, the correct administration and management of our Business Units, as well as the appropriate management in regards to sustainability.

To learn more about our mission, vision, values and Cuauhtémoc principles, please go to:
<http://www.femsa.com/en/about/philosophy/>



Board of Directors

G4-34-40, G4-43-44, G4-46, G4-48-50, G4-LA12, G4-HR9 and G4-S011

According to the provisions of the Securities Market Law, FEMSA's management is entrusted to the Board of Directors and its Chief Executive Officer, who is appointed by the Board of Directors.

A group of 17 proprietary members (four of them women) and 15 alternate members comprise the Board of Directors in FEMSA. According to the independent criteria of the Mexican Securities Market Law, 47% of the proprietary members are considered independent board members.

This group is assembled quarterly and there are extraordinary meetings when deemed required. The Board of Directors are appointed by the shareholders assembly and their positions last for one year, with the possibility for re-election, in case the shareholders determine so. Until December 31, 2013, José Antonio Fernández Carbajal, Executive President of the Board of Directors, also held the position of Chief Executive Officer in FEMSA. Since January 1, 2014, Carlos Salazar Lomelín serves as Chief Executive Officer in FEMSA, while José Antonio Fernández Carbajal continues being the chair of the Board of Directors.

The Board of Directors of FEMSA has three committees, which assist in the performance of its duties. These committees are comprised of directors who are responsible for analyzing aspects of the business according to their area of competence. The Committees

are supported by a high level FEMSA executive who plays the role of technical secretary, but is not a member of the Committee.

Audit Committee	Planning and Finance Committee	Corporate Practices Committee
Reviews accuracy and integrity of the financial reports; names, hires, defines, and oversees the external auditor's function; and identifies and gives follow up to contingencies and legal issues.	Assesses investment policies and financing proposals from the Chief Executive Officer, risk factors, and management policies.	Approves policies regarding the use of company assets or transactions with related parties; approves the compensation of directors and key executives and evaluates their performance.

The Investor Relations areas in FEMSA and Coca-Cola FEMSA are the instances indicated to address and manage the shareholders' and investors' concerns and comments to be communicated to the Board of Directors. The comments or requests for information may be received electronically or personally. In 2013 there were 1,312 meetings with investors.

To know more about our corporate governance practices as well as regarding participation and voting rights of our minority shareholders, please go to:
<http://ir.femsa.com/mx/reports.cfm>



The Vice President of Corporate Affairs, who is part of the Management Team of FEMSA, the highest organ of functioning government, is responsible for giving visibility to the highest level of the organization, regarding aspects related to sustainability and ensuring that FEMSA and its Business Units have processes to help mitigate regulatory risks and within the community that could affect revenue, growth and/or reputation of the company.

Policies, processes and information and control tools

G4-41, G4-56-58, G4-LA16, G4-HR1, G4-HR3, G4-HR12, G4-S03, G4-S05 and G4-S07 • PMI, II, IV, V and X

The documents that guide the behavior of all FEMSA employees are the **Business Code of Ethics, the Corporate Policy Manual, the Risk Management Manual, and the Internal Control Manual.**

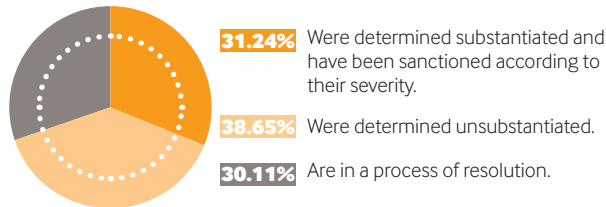
In turn, the **FEMSA Sustainability Policy** is the reference framework defining the way to manage topics related with sustainability. It is a policy at FEMSA to generate the economic, social and environmental conditions necessary to operate and develop in time, in harmony with the environment, thus each Business Unit must integrate the Sustainability Strategy based on FEMSA ethics and values, focused on people, planet and community in its Business Plan.

Through the Business Code of Ethics and the Corporate Policy Manual we convey to our stakeholders the basic criteria governing the ethical behavior of all our employees and our operations. In the

same way, we have mechanisms to manage their correct application and, if necessary, sanction the violations to these documents.

We have a **Whistle-Blower system** which is operated by a third party that has a 1-800 line as well as an Internet portal available in several languages for the employees and stakeholders. This system is under the supervision of the Audit Committee of the Board of Administration. The internal communication of these documents and the Whistle-Blower system is carried out through induction programs, the human resources portal, and the internal communication campaigns.

In 2013 there were 1,511 reports in FEMSA and its Business Units.



The reports received are classified according to the following topics: Operations, Human Resources and Financial Information identifying those related to labor and/or sexual harassment, discrimination, human rights violations, robbery, corruption, negative impact on the community and the environment, among others.

You may review our FEMSA Code of Ethics and Whistle-Blower System in the following Web pages:
Code of Ethics: http://www.femsa.com/en/about/philosophy/code_of_ethics.htm
Whistle-Blower System: http://www.solistica.com/portal/page/portal/misolistica/fl_denuncias_esa



Environmental Management

G4-2, G4-14, G4-41, G4-45-46, G4-EC2 and G4-EN27

Appropriately managing risks in FEMSA is a strategic element in managing our sustainability in the future. Doing so enables us to detect internal and external risks relevant for operational efficiency in a timely manner, as well as eliminating or mitigating the harm of unexpected events, not only in our operations, but also those that may impact the environment, or the communities where we operate.

The tools we use to identify, address and give systematic follow-up to risks related with strategic, financial, operational, compliance, social, environmental, fraud, bribery or extortion issues are:



The Business Risks Integral Management System

tool used by top management to manage, assess, control, and monitor risks related with the business.



The Environmental Master Plan (PME)

whose key objective is managing risks related with recurring issues such as: water, packaging, healthy lifestyle, and climate change; as well as the challenges posed in the environments where we operate.



The Incident Management and Crisis Resolution Program (MIRC)

methodology through which risks are identified and analyzed, with the objective of timely mitigating them and address privileging our employees, clients and consumers' health and safety.

Managing risks under the frame of our corporate governance is crucial to ensure growth and sustainability of the Business Units. Therefore, we keep especial focus and follow up on the risks we consider most relevant:

Coca-Cola FEMSA

- Dependency on the relation with The Coca-Cola Company.
- Changes in consumer preference.
- Water shortage or some inability to maintain the existing concessions.
- Risk of raw material price increase.
- Significant changes in regulatory matters.

FEMSA Comercio

- Competition from other retailers in Mexico.
- Impact on sales due to changes in economic conditions in Mexico.
- Significant changes in regulatory matters.
- Impact due to increase in crime in Mexico.
- Changes, failures or interruption in the IT systems.
- Increase in price of energy.

Risks related with the countries in which we operate

- Economic and political conditions.
- Local currency depreciation.
- Insecurity.

FEMSA' Sustainability Strategy

G4-2, G4-35-36, G4-42, G4-45 and G4-47

In FEMSA we are focused on contributing through our daily actions to the positive transformation of the communities where we operate, generating economic, social and environmental value simultaneously.

Our actions and achievements in sustainability matters are the result of the sum of actions from FEMSA and its Business Units. These actions are carried out with a long-term vision supported on our own philosophy based on values, human and social principles, and work as a guideline to transcend and serve the community.

In 2012 we started a process to strengthen FEMSA's Sustainability Strategy, which we continued in 2013. This exercise was carried out by a multidisciplinary, multi-area, and Multi-Business Unit *work team* where the Chief Executive Officer, as well as the directors in each Business Unit, participated actively.



The Sustainability Strategy is represented with the shape of a tree where the Core Foundation is Our Ethics and Values, while its three Pillars are Our People, Our Planet, and Our Community.

- OUR ETHICS AND VALUES**
We seek to adhere to the highest standards in business ethics and corporate governance.
- OUR PEOPLE**
We seek to promote a comprehensive development of the employees.
- OUR PLANET**
We seek to minimize the environmental impact from our operations.
- OUR COMMUNITY**
We seek to contribute in the generation of sustainable communities.

Each of these Pillars is made up also by three *action areas* represented in the leaves of the tree, through which we keep our efforts and actions focused. Likewise, we have cross-cutting enabling mechanisms to complement and maximize the positive impact of the Strategy. Some of these mechanisms are education, innovation, promotion of public policies, establishing multi-sectorial alliances, investment, and volunteer work, among others. This is how we seek to positively transform our communities in FEMSA, just like the tree does in harmony with its environment.



Progress in FEMSA's Sustainability Strategy in 2013

During 2013 we moved forward in the implementation of our Strategy, adapting and aligning its elements based on the nature of each of the Business Units, being able to maximize their impact, generating synergies and moving on together towards a homologous vision.

2013 was a year in which the integral sustainability vision of FEMSA was consolidated. The multi-disciplinary *work group* contributed in defining the long-term objectives. These objectives were established for each of the nine *action areas* of the Sustainability Strategy, while the operational definitions for the material topics derived from these nine areas were agreed upon. The aforementioned has a great relevance, since it has enabled us to generate a common understanding in order to join efforts around the focus topics in FEMSA and the Business Units.

Additionally, in 2013 the following actions to integrate Sustainability to the Business Strategy were carried out:

- Inclusion of Sustainability concepts in FEMSA Mission and Vision.
- Updating of the Sustainability Policy including the concepts and new scope developed for the Sustainability Strategy.
- Implementation of monitoring, reporting and indicator verification processes.
- Integration of Sustainability subjects in key business processes such as the following started; periodic reviews of FEMSA steering team and exercises of the planning, management and operation of the Business Units.

The *work group*, where employees from all the Business Units from all the countries where we have operations participated, started a process of definition, updating and follow up on our sustainability goals for each action area, as well as identifying the opportunity areas on which there will be corrective actions taken during 2014. This work group will continue focused on the following stages of the implementation process of the Sustainability Strategy described as follows:



Next steps

- Completing the formalization of the sustainability goals for each of the Pillars, which are being built on a long-term vision considering actions and projects of the Business Units as well as different responsible areas.
- Implementing a Sustainability Information System that will enable to consolidate information from all the Business Units and will ease management of FEMSA's Sustainability Strategy.
- Extend the internal communication on sustainability and our employees' engagement.
- Continue strengthening FEMSA's Sustainability Strategy within the strategic planning processes.

Materiality

G4-18-21

Searching to focus efforts where, due to the characteristics of the Business Units, we can maximize the positive impact of our actions, we dedicated more human and economic resources on the subjects that are relevant for the business and for our stakeholders.

During FEMSA's Sustainability Strategy update, the definition of the focus topics (materials) has had a key importance. In order to carry out the aforementioned, there was a review of documents and internal processes containing relevant elements related to our sustainability actions during 2012, there were interviews carried out with more than 40 key executives, 24 dialogues with external stakeholder representatives were carried out, and best practices from 17 global company leaders in sustainability were identified. In 2013, there were dialogues carried out with sustainability experts and with FEMSA employees, through which the importance of the focus topics (materials) identified in 2012 was validated.

Starting with this exercise and from weighing the relevance of the topics based on the importance each one has for the success of FEMSA's businesses, as well as for our different stakeholders, they were grouped by: one Core Foundation, three Pillars, nine action areas and 19 focus topics.

The focus topics, derived from the nine action areas, have the following characteristics:

- They have common relevance for the Business Units in FEMSA.
- They are the ones in which each Business Unit, due to their characteristics and/or business field, can generate a greater value and positive impact.
- They are topics in which there is a sufficient degree of maturity that enables the Business Units to currently be, or later become, agents of change.
- There have been previous investments made on these topics.
- There are elements that can become a competitive advantage and further enable us to outstand in the market.
- They are important for our stakeholders and we have identified that with some of them we can join efforts to generate positive transformations with greater impact.

Due to the nature of our operations and their complexity, not all the focus topics (materials) are addressed alike by all our Business Units, nevertheless, being considered in our long-term strategy, they will be addressed as the topic requires.

Pillar	Action Area	Focus Topic
	Culture and Values	Culture and Values
	Training and Development	Safety and health in the workplace
		Compensation
	Comprehensive Development	Comprehensive development
	Water	Water management
	Energy	Energy usage
		Transportation and logistics environmental impact
	Waste and Recycling	Packaging and recycling
	Waste	
	Healthy Lifestyles	Nutrition and physical activity
	Community Development	Marketing and responsible communication
		Sustainable products / services offering
		Local environmental impact
	Sustainable Sourcing	Environmental safety
Social well-being in communities		
Supplier development		
	Suppliers' environmental impact	
	Suppliers' labor rights and working conditions	

Stakeholders

G4-24 -27, G4-37, G4-49, G4-53, G4-LA16 and G4-PR5

Our stakeholders are fully identified and have had an active role in the development of FEMSA's Sustainability Strategy. They consist in all those individuals, organizations or entities with which we have interaction due to our activities. We maintain constant communication with them in order to know their needs, opinions and concerns in regards to our Business Units, products, and operations. In order to achieve it we have different dialogue tools in each Business Unit.

Dialogue channels and Stakeholders									
	Whistle-Blower System	1-800 Line	Mail/ Web page	DICOYES*	Community Studies	Dialogue Meetings	Forum Participation	Area responsible for attention	Key interest topics identified
Employees and their families	■	■	■	■		■	■	Human Resources and Social Development	Business philosophy, sense of ownership, comprehensive development, and work conditions.
Community	■	■	■		■	■	■	Human Resources, Corporate Communications and Sustainability	Strategy and impact of sustainability programs, product portfolio, job opportunities, donations, sponsorships, and safety in our work centers.
Clients and Consumers	■	■	■			■	■	Commercial	Requests for miscellaneous information, OXXO stores operation, product portfolio of the Business Units, job opportunities, donations, technical support, and sales.
Suppliers	■	■	■			■	■	Procurement	Presentation of service proposal, invoicing, delivery dates and payment.
Shareholders and Investors	■		■			■	■	Investor Relations	Status of Business Units including macro-economic atmosphere, consumption patterns and financial results; company strategy and investment plans.
Authorities, unions and business associations	■		■			■	■	Regulatory Matters, Institutional Relations, Labor Relations, and Sustainability	Annual negotiations for collective bargaining agreements and new productivity schemes, collaboration in initiatives regarding healthy lifestyles, physical activity, obesity, transportation, and water.
Civil society organizations	■		■			■	■	Corporate Communication, FEMSA Foundation, and Sustainability	Proposals for joint work in community development, healthy lifestyles and environmental initiatives to achieve a greater impact, donations, in-kind support, among others.
Media	■		■			■	■	Corporate Communication	Business strategy, operations results, sustainability programs, and institutional positioning in juncture topics, financial results and legislation changes, among others.
Educational Institutions	■		■			■	■	Human Resources, Social Development Corporate Communications and Sustainability	Proposals for joint work, donations, sponsorships, among others.

*Organizational Atmosphere Diagnosis and Sociometric Study ■ Permanent ■ Biennial ■ Variable

For FEMSA employees we have several communication tools, one of them is the **Organizational Atmosphere Diagnosis and Sociometric Study (DICOYES)**, which enables to monitor the perception and concerns at an internal level, in topics related to operation, working conditions, compensation or any other relevant issues at least every two years. This diagnosis also evaluates our employees' engagement and their sense of belonging towards the work place. With the findings received, each Work Center must develop an action plan that enables giving attention and follow up to the relevant topics of the evaluation. In 2013 this diagnosis was applied to 94,603 employees, which represents 87.87% participation of the population that could participate this year.

We also have specific dialogue mechanisms for our stakeholders. Some examples are:

- **OXXO Listens**, which is an open channel for the clients and the community in general, during 2013 it addressed 30,640 comments and offerings mostly related to Store operation, service attitude, land offering and receiving of curricula, among others.
- **FEMSA Web page**, which received 7,016 emails mainly related to human resources topics, sales, requests for program information, suppliers, sponsorship, among others.
- **OXXO customer satisfaction survey**, carried out in Mexico in 2013 with a national level sample, where 49% indicated being very satisfied with their purchasing experience, 43% satisfied and 8% somewhat or not satisfied.
- Communication platform **ATIENDA**, through which store personnel receive support in subjects, related with the administration, maintenance, marketing, operations, patrimonial protection, and human resources areas in order to enable them to provide better service to our final customers, in the year 2013 it generated 2,996,649 folios.

In June 2013, for the second consecutive year, there were **consultation sessions with stakeholders** where external experts in sustainability and employees participated. The perception that these groups have regarding FEMSA's Sustainability Strategy and the subjects considered more relevant for the future of FEMSA were reviewed in these meetings. The participants' comments have been taken into account in the making of this Report, and there will be continuous follow up to the information obtained in these work sessions.

Inter-sectorial Alliances

G4-15-16 and G4-EC2

Another way to establish bonds with our stakeholders is through building alliances and participation in forums. In FEMSA we are convinced about the importance of multiplying the impact of our actions and this can be achieved in great part through alliances, internal synergies, optimizing processes and joining efforts.

We consider that the interaction with organizations in different business, social and environmental disciplines provide added value to our initiatives and operations and are a key part in achieving results.

We give priority to our participation in areas related with education, the community and the environment, as well as business topics. Our participation in initiatives and alliances varies as required. At times it is through economic donations or in-kind, working together to maximize impact, operating some initiatives or being part of government bodies.

We have subscribed our commitment with the **United Nations Global Compact** since 2005, through which we are committed to complying with the ten principles established related with human rights, environment and fight against corruption.



Our participation in public and private organizations that address climate change during 2013 was active. In the month of July, FEMSA Comercio, FEMSA Logística, Imbera and ptm[®] participated for the first time in the program **CDP Supply Chain** in collaboration with *The Coca-Cola Company*. This great effort helps us evaluate and improve the performance in sustainable management of our carbon footprint and compare us with leading companies in our sector.

During 2013 we also participated in different Confederations, Chambers and Associations in the different countries where we have operations: four in Argentina, six in Brazil, 14 in Central America, seven in Colombia, 32 in Mexico, five in Venezuela, and seven international.

Some of the associations in which we participate:

Country	Name of the Association
Argentina	Association of Coca-Cola Bottlers in Argentina (AFACC) Chamber of Non-Alcoholic Beverage Industry in Argentina
Brazil	Associação Brasileira das Indústrias de Bebidas Frias (ABIR) Associação Brasileira dos Anunciantes (ABA) Associação dos Fabricantes Brasileiros de Coca Cola (AFBCC) Associação Brasileira de Refrigeração e ar condicionado (ABRAVA)
Colombia	National Businessmen Association in Colombia (ANDI) Business Corporation in the North of Cauca (CENCAUCA)
Costa Rica	Chamber of Food Industry in Costa Rica (CACIA) Union of Chambers and Private Business Associations from Costa Rica (UCCAEP)
Mexico	Chamber for Industrial Manufacturing in Nuevo León (CAINTRA) National Association of Private Transportation (ANTP) Confederation of Industrial Chambers (CONCAMIN) Committee of Private Sector Studies for Sustainable Development (CESPEDES) Mexican Fund for Nature Conservation (FMCN) Business Coordinating Council (CCE) National Association for Soft Drink and Carbonated Beverages (ANPRAC) Mexican Center for Philanthropy (CEMEFI) Chamber of Commerce for the Processing Industry (CANACINTRA) Mexican Confederation of Employers (COPARMEX) National Association of Supermarkets and Department Stores (ANTAD) National Chamber of Commerce (CANACO) Association of Coca-Cola Bottlers (ASCOCA) Global Institute for Sustainability (IGS) National Consulting Committee for Land Transportation Normalization (CCNN-TT) United States Agency for International Development (USAID)
Venezuela	National Association for Refreshing Beverages (ANBER) Chamber for Food Industry in Venezuela (CAVIDEA)
Costa Rica, Guatemala, Nicaragua and Panama	American Chamber (AMCHAM)
International	The World Economic Forum (WEF) Corporate Eco Forum (CEF) World Environment Center (WEC) Sustainable Energy for All (SE4All) Clinton Global Initiative (CGI) The Aspen Network of Development Entrepreneurs (ANDE) National Private Truck Council (HPTC)

Sustainability Commitments

Pillar	Action Area	Topic	Business Unit
		Integral Talent Management	FEMSA and BUs
		Occupational Health and Safety Administration System (SASSO)	FEMSA and BUs
		FEMSA Employees	FEMSA and BUs
		Water	Coca-Cola FEMSA
			Coca-Cola FEMSA
			FEMSA and BUs
		Energy	Coca-Cola FEMSA
			FEMSA
			Imbera
	Waste	Coca-Cola FEMSA	
		Coca-Cola FEMSA	
	Packaging and Recycle	Coca-Cola FEMSA	
		Coordinates for Life	FEMSA
			FEMSA
			FEMSA
		Youth with Value	FEMSA
		Entrepreneurship	FEMSA
		Code of Ethics	FEMSA and BUs

Since our Sustainability Report 2011 we have defined commitments as part of the continuity of our programs and strategies. Some ended successfully, others are in process and we continue giving them follow-up and some have changed their approach.

Commitment	Status	Comments
Consolidating the model as part of FEMSA work culture and focus on efforts for leadership development, culture, and integral recognition.	■	In process since it is a multi-annual plan.
Implementing the system in the new businesses.	■	Continues in process since it is a multi-annual plan due to the acquisitions carried out.
Continuing with the decreasing trend in accident rate.	■	The trend continues decreasing. Permanent process.
Working in the design and development of the gender equality initiative that will be implemented in 2013 and will seek process improvements to facilitate inclusion.	■	
Improving in 20% efficiency in water usage by 2015 compared to 2014.	■	By the end of 2013, our performance in the average consumption of water per liter of beverage produced is 21% more efficient than our average in 2004.
Improving in 15% efficiency of water usage by 2020, compared to 2010.	★	New goal with vision 2020. Based on our annual growth projections and of water consumed by unit of product.
Covering 85% of the energy requirements for FEMSA businesses in Mexico with clean and renewable energy, based on the dimension of the FEMSA operations in 2010.	■	It remains, nevertheless, due to delays in the development process and construction of one of the projects, this commitment is planned to be finished by 2015.
Improving in 10% efficiency in the use of energy by 2020, compared to 2010.	★	New goal with vision 2020. Based on our current growth projections and use of energy consumed by unit of product.
Photovoltaic project in FEMSA Corporate building.	■	
Use of natural refrigerant gases in 50% of the commercial equipment produced by the year 2015.	■	By the end of 2013, we have achieved an average annual production of 25% of commercial refrigeration with natural refrigerants.
Reduce by 10% the ratio of waste generation per volume of beverage produced by 2020 compared to 2010.	★	New goal with vision 2020. Based on our current growth projections and the amount of waste generated by unit of product.
	■	We have achieved an increase of 7.7% from 2008 to the end of 2013.
25% of the total material of PET containers should be recycled or from renewable sources by 2015.	■	By the end of 2013, the amount of recycled material or renewable origin in PET bottles reached 12.4%.
Benefiting during the school cycle 2012-2013 more than 15,500 children and youth, more than 3,800 educators and 8,900 attendees to the presentations provided.	■	The goal for children and youth was exceeded reaching 16,380 and attendees in presentations were 10,750. The goal for educators was not met since there were only 1,850 completing the 12-hour education workshop.
Adding FEMSA volunteers in Mexico.	■	
Implementing inside the Company in SCYF and Coca-Cola FEMSA Corporate.	■	
Incorporating FEMSA volunteers as mentors who can counsel youth.	■	
Supporting 120 new social entrepreneurship projects benefiting more than 600 youth and 70 educators.	●	The goal was re-established in 2013 and due to operational reasons it was defined that the 2 nd generation of youth would be integrated by 120 projects which were met.
Promoting 520 social entrepreneurship projects with the youth, with an investment of \$ 58.9 million MXN (USD \$4.5 million) in the 2014 thru 2017 period.	★	New goal established within the <i>Clinton Global Initiative</i> frame.
Requesting suppliers to sign the FEMSA Business Code of Ethics.	■	New suppliers are constantly integrating in the business processes.

● Goal re-established and met ■ Reached ■ In process ■ Unmet ★ New Goal



The most valuable resource in FEMSA is our people. Thanks to them we can achieve the objectives established, always aligned to the principles and values that have distinguished us since our foundation in 1890.

Our People

G4-10, G4-EC6, G4-LA1 and G4-LA12

In FEMSA we work continuously to contribute in the personal and professional development of our employees. This is achieved integrating strategies and actions that promote a better quality of life for everyone who supports the achievement of our business goals and objectives every day.

In 2013 we invested \$1,152.3 million MXN (USD \$87.9) in programs that positively impact our employees and their families.

Investment in Our People divided by action area



91.8%

Culture and Values



Training and Development



8.14%

Comprehensive Development

Our workforce comprises 209,232 employees in the countries where we operate,

Employees per country or region*

Country / Region	Employees
Argentina	2,910
Brazil	22,412
Central America	6,220
Colombia	6,071
Mexico	163,687
Venezuela	7,919
Others	13
Total	209,232

*Does not include Philippines

Employees by age group and gender

	18-34		35-44		45 +		Total	
	2012	2013	2012	2013	2012	2013	2012	2013
Women	29,755	39,687	19,716	15,380	6,436	7,579	55,907	62,646
Men	65,696	82,331	37,122	30,887	14,226	15,675	117,044	128,893
ND ¹							9,309	17,693
Total	95,451	122,018	56,838	46,267	20,662	23,254	182,260	209,232

¹ Information from some commissioners who provide external services to Coca-Cola FEMSA and recent acquisitions of Coca-Cola FEMSA and FEMSA Comercio are not available.

Employees by gender and type of contract										
	Employees		Unionized		External Services		Sales Commission OXXO		Total	
	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013
Women	8,583	11,202	19,408	24,244	819	376	27,097	26,824	55,907	62,646
Men	30,072	35,137	61,574	69,311	2,316	407	23,082	24,038	117,044	128,893
ND ¹		2,318		6,646		8,729			9,309	17,693
Total	38,655	48,657	80,982	100,201	3,135	9,512	50,179	50,862	182,260	209,232

¹ Employees that belong to recent acquisitions of Coca-Cola FEMSA and FEMSA Comercio.

Jobs generated in 2013							
	Men			Women			Total
	18-34	35-44	45+	18-34	35-44	45+	
Internal	9,811	2,068	752	22,088	3,085	940	38,744
External	10,643	2,511	1,667	11,050	1,144	1,190	28,205
Total	20,454	4,579	2,419	33,138	4,229	2,130	66,949

Having directors working in their country of origin helps strengthen human capital, increases the economic benefits for the local community and enables us to better understand the needs of the immediate zones. In 2013, 79.24% of the directive positions were taken by people original from the country where they perform their work.

Culture and Values

G4-56

Fostering a culture of innovation, leadership, entrepreneurship and ethics that meets the needs of growth and global competitiveness.

Guided by an organizational culture based on ethics and the fundamental principle inherited by Don Eugenio Garza Sada "respect to human dignity is above any economic consideration", during 2013 we renewed our Mission and Vision to adapt our business role to the current needs of the environment. Likewise, in 2014 the new FEMSA Values will be updated and communicated, which will complement the renewal of our organizational culture.

Mision

"Generating economic and social value through companies and institutions."

Vision

- We satisfy the consumer of goods and services with excellence.
- We double the value of our businesses every five years.
- We have market diversification that privileges a high growth potential.
- We are leaders in the markets where we operate.
- We transform positively the communities where we participate.
- We are the best place to work.

New FEMSA Values

- Respect and comprehensive development of employees.
- Integrity and austerity.
- Passion for customer service.
- Creation of social value.

Training and Development

G4-LA9-10, G4-HR2, G4-HR7 and G4-SO4

To be the best place to work based on our emphasis on strengthening the capacity of our staff to meet current and future challenges.

In 2013 we invested \$353.8 million MXN (USD \$27.0) in face-to-face and on line training.

Since 2007 while adapting to the new training trends, we started to develop an online platform that we called the **FEMSA University**. Along the years we have been investing in infrastructure, including content, enabling the Business Units for its use. In 2013 we have maximized the benefits of this project which implied six years of effort, which currently has 32,866 options for educational offerings online and face to face and provides state-of-the-art training with a great scope and appealing costs.

We taught 3,029,674.05 hours of face-to-face training in all our Business Units.

FEMSA University			Face-to-face Training				
Year	Investment ¹	Number of employees trained	Average training hours per employee				
			Employees	Unionized	External Services	Sales Commission OXXO	Total
2012	31.6	79,438	38.88	2.64	0.59	ND ²	9.46
2013	14.9	84,077	21.26	13.61	16.73	9.26	14.47

¹ Million MXN

¹ Million MXN

² The average of the sales commission training in 2012 was not reported.

Face-to-Face Training									
	Security	Health	Human Rights	Ethics and Corruption	Culture of Legality	Sustainability	Languages	Technical Knowledge	Other
Employees	98,115.05	40,852.00	20,398.50	6,538.00	2,884.00	9,346.50	61,062.00	371,087.40	424,454.00
Unionized	328,602.51	225,966.34	105,461.09	17,261.79	1,360.50	77,615.50	—	177,285.50	431,131.30
External Services	11,560.00	5,121.00	111.00	499.00	71.00	1,346.50	866.00	135,796.57	3,835.00
Commissioners	16,016.00	3,545.00	—	—	1,352.00	745.00	8,498.00	425,902.00	14,988.00
Total	454,293.56	275,484.34	125,970.59	24,298.79	5,667.50	89,053.50	70,426.00	1,110,071.47	874,408.30

In Mexico, 100% of security personnel who started in the organization were trained in subjects related to Human Rights during 2013.

OXXO Institute started operations in January 2010 and has currently graduated two classes of alumni of the different work centers.

In FEMSA Comercio, through the **OXXO Institute**, employees are offered the opportunity to carry out their undergraduate education for a bachelor degree in Commercial Business Administration.

Likewise, the development **Functional Schools** are being organized through which the objective will be to develop specific skills and competencies for the functions that mean a great competitive advantage for Coca-Cola FEMSA and FEMSA Comercio.

Comprehensive Talent Management (GIT)

G4-LA11

The accelerated pace and sustainable strategies at FEMSA require having in the organization the necessary talent to respond to the current and future challenges; therefore, during 2013 the foundations of a model for comprehensive talent management have been built.

This model implies the integration of existing processes, and systems that enable attracting, developing, and retaining the best talent, which is key in consolidating our development culture.

The new Comprehensive Talent Management model has the objective of aligning the Human Resources strategy to the business strategy and

being the enabler to capitalize its opportunities. To this end, the HR processes are optimized and standardized and the systems supporting them, facilitating strategic decision making. Some of the aspects which are important to ensure through GIT are:

- Ensuring the necessary talent to achieve the business strategy.
- Building the necessary organizational capabilities to promote the development of the company.
- Attracting, evaluating, developing, and retaining talent through a comprehensive model.
- Integrating talent management as part of the culture of the company.

Execution and implementation elements in Comprehensive Talent Management

GIT Element	Description / Objective	Advance 2013 (or achievement)
Human Resources Planning	Its objective is to anticipate in a timely manner the demand and supply of the best Talent in order to meet the strategic objectives of the companies in the FEMSA group.	<p>Talent Planning. Analysis and definition of the development scenario of the company in order to plan the Talent demand and supply through the definition of talent strategies. It was applied in Strategic and Tactical contribution levels.</p> <p>Succession Management. Talent mapping under the 9-BOX methodology, identification of replacement pool, 100% talent identification for strategic level and 50% for tactical level, and 100% for key positions at a strategic level and 50% at a tactical level.</p> <p>Career Management. Definition of career routes for key positions and career plans for key talents at 100%. The career routes and plans are in the implementation process in the BU.</p>
Performance Management	Competitive evaluation of results based on objectives through TOPS (The One Page System). Performance management has as its objective focusing, aligning and integrating the behavior of the entire organization toward achieving results. Performance is managed and administered through this System, and staged goals are set, giving follow-up to development and evaluating the critical factors identified to ensure the implementation of the Business Strategy.	We had 68.60% participation in the use of this system, out of a total of 20,584 employees. The technology platform was updated. The employees that are not part of those organizational levels are assessed according to specific methodologies in each Business Unit.
Training and Development	Deployment of several programs that help tap the talent and performance of our employees through the development of competencies and knowledge aligned to the FEMSA culture.	The Development Agenda process in FEMSA was homologated and 100% of the Key Talent for the Organization Agendas were managed. Synergies and strategic alliances with recognized global universities were developed (<i>Wharton Business School</i> and <i>Thunderbird School of Global Management</i>), for the development of Executive Development Programs in which more than 350 directors and managers participated. The construction of the Logistics Learning School in FEMCO was carried out and the FEMSA HR School to ensure the development of organizational abilities in key processes.
Talent Development Culture	Individual management practices, promoted by the bosses, who are key parts in the development and learning processes of their teams. The bosses become the leaders in supporting their employees to improve their knowledge, competencies, and performance, improving therefore the organizational results.	The importance of self-development has been conveyed through communication and training strategies, as well as fostering the bosses to manage the development of their teams.
Talent Platform	The GIT- Comprehensive Talent Management project started in 2013 with the participation of HR functional experts from all BU, which implies the integration of existing processes, and systems that enable attracting, developing, and retaining the best talent, which is fundamental to consolidate the development culture in FEMSA. A new Talent Platform is being implemented to give support to the Comprehensive Talent Management processes such as Development, Planning, Recruitment, and Selection.	Pilot test: In 2013 a pilot test for the critical factors and performance modules was carried out with the participation of 150 people between bosses and employees from all the BU that will be released in 2014. This previous process was also useful in measuring the results for training, communication, and process support. Configuration also advanced in other modules such as: Employee profile, Succession, 9-BOX and Work pool to be released in 2014.

FEMSA Diversity Model

G4-LA13

In FEMSA we are building a diverse and inclusive company attracting, developing, and retaining internal and external talent. The processes to achieve this objective are based on the respectful relation with the employees, clients, suppliers, and global communities, as well as compliance of the laws and cultural habits.

Convinced that the aforementioned guarantees that our operations are sustainable thanks to the abilities of the best professionals, since 2011 we have worked in planning and development of the **FEMSA Diversity Model** which considers six *action areas*:

- Gender equality
- Individuals with disabilities
- Ethnicity
- Age
- Sexual orientation
- Socio-cultural integration

In regards to gender equality, we promote a balance in gender in the workforce, with development plans for women. Likewise, we promote hiring individuals with disabilities and work so that our workforce has the talent and expertise of employees from different generations.

In 2013 we concluded the review process for all the hiring and retention policies in all the Business Units to validate that our processes are free of discriminatory practices. This includes economic compensation according to performance and competencies, where there is no distinction due to gender, age, nationality, or any other.

Safety and Occupational Health

G4-LA5-7

The **Occupational Health and Safety Administration System (SASSO)** is a program that operates since 2006 in FEMSA Business Units, in all the countries where we are present. In 2013 we invested \$517.2 million MXN (USD \$39.5) in SASSO.

We know that all our employees are exposed to injuries while performing their daily activities; therefore, through SASSO we promote a safe work environment. We constantly work in identifying, evaluating, eliminating, and controlling the work risk factors and general diseases. There have been designed health programs with the intention to support the development of a Prevention and Self-accountable culture.

We adhere to the International Labor Organization (OIT) and different international standards in regards to health and safety in the workplace, thus SASSO exceeds the standards while integrating international best practices for industrial safety culture with unique indicators of the industries in which we participate that contribute to improve the quality of life of our employees.

Since in the latest years we have acquired businesses with diverse accident rates, we work every day to incorporate the Occupational Health and Safety system into these businesses; in order to maintain the standards desired in each industry.

Employees Integrated in 2012 and 2013

Business Unit	Individuals with Disabilities		Senior Citizens		Total	
	2012	2013	2012	2013	2012	2013
Coca-Cola FEMSA	648	295 ¹	348	616	996	911
FEMSA Comercio	537	381	696	923	1,233	1,304
FEMSA Corporate Offices and Strategic Businesses	32	21	119	92	151	113
Total	1,217	697	1,163	1,631	2,380	2,328

¹ Includes information of Argentina, Brazil, Colombia and Venezuela.

Accident rate, disease and lost days¹

	2012	2013	Variation
Accident rate	6.20	5.52	-11%
Rate for general disease	68.64	55.2	-20%
Rate of lost days due to accident	99.6	93.3	-6%
Rate of lost days due to illness	384.34	381.86	-1%

¹ The 2012 data was recalculated including the new acquisitions that were not considered in the 2012 Report since they had been in operations less than one year. In this way the data is comparable.

In turn, FEMSA Logística has a **Prevention System for Road Risk in Transportation** that enables to mitigate the employees' exposure to work accidents. Thanks to this program, it is one of the safest transportation companies in the American continent, having one of the lowest accident indices per million kilometers traveled.

Likewise, in 2013 it was recognized for the eighth consecutive year with the **National Award for Road Safety** and from 2005 to date, 196 operators in primary and secondary distribution have been recognized with the National Award for Road Safety in the Operator category granted by the National Association of Private Transportation (ANTP).

All this is reflected in FEMSA Logística having the lowest turnover rate in the Auto-Transportation industry, with 11%¹, while the average personnel turnover in transportation companies in Mexico is higher than 30%.²

Compensation and benefits

G4-S1-S2, G4-S5, G4-EC3, G4-EC5, G4-LA2-3, G4-LA8 and G4-HR4 • PM III

Our employees are compensated in accordance to competitive amounts for the industries and locations where we participate. Likewise they receive benefits, provisions and incentives according to their performance during the year, regardless of the time or duration of their contract. In the case of top executives, this compensation is calculated based on two factors: their assessment of the Performance Management System and the Added Economic Value of the Company (VEA).

As a response to the employees' needs in order to contribute in their quality of life improvement, in FEMSA and its Business Units we have schemes with flexible schedules, work from home, and short-time schedules where 393 employees are benefited.

Moreover, from the total women and men absent due to motherhood/fatherhood, 96% women and 97% men rejoined their work. In regards to working mothers with young children, we provide 17 breastfeeding areas located in different Business Units.

FEMSA Comercio carried out the pilot and deployment of the **Integral Living Program** this year, for all its employees, where new policies for fatherhood and motherhood were established; special permissions due to direct relatives' death or marriage; as well as the possibility to have vacations additional to the ones established by the law based on the agreement to certain criteria. In 2014, the program will continue to be complemented in order to get closer to the employees needs.

The right and collective bargaining processes are respected and carried out in a timely manner, with transparency and complying with the law. Our operations are established in countries where Freedom of Association and Collective Bargaining are respected and safeguarded, therefore we do not have work centers where they are restricted or violated, on the contrary, we work respectfully with all the union organizations that represent our workers and respect their right to partner with a union or create a new one, always complying with the laws in each country and within a framework of respect and order.

Other benefits granted

Strategic Business – Imbera and ptm®	Education scholarships	Available for the employees and their children.
Strategic Business – FEMSA Logística	Recognition for Academic Excellence	Incentive program and recognitions for employees and their families due to good school performance.
	School support	Offers school support for employees and their children.
	Recognition to Excellent Worker	Recognizes workers based on a series of productivity and seniority indicators.

¹ The information includes Primary Distribution operations in Mexico, Colombia, Panama, Nicaragua, Costa Rica, and Brazil FL.

² Based on an analysis by an independent third party with information reported in 2011.

Comprehensive Development

To support our employees and their families so they are able to improve their quality of life and transcend in their community.

In order for a person to have a comprehensive development, it is required to grow in all personal fields and in FEMSA we have focused on promoting their well-being and quality of life through social development activities, in which all the employees and their families are involved. This is the way in which we give them an opportunity to find development and to transcend in their community, besides improving their quality of life while fostering a greater balance between work and family.

Our **FEMSA Social Development** scheme is integrated by seven dimensions and in 2013, 465 leaders were empowered to promote them through the **School for Leader Members**. Additionally, 1,280 initiatives were carried out which were implemented by the 281 **Employees' Internal Associations**, created to support and strengthen this component in the work centers.

Some examples of Social Development programs that we carried out are:

The Family Day, where integration of the families is promoted through different recreational activities; the **Health Week**, which seeks to create awareness in the employees in subjects for their health care, as well as providing them medical counseling through **Module 1, 2, 3, For your Health**. In this same line, nutritional education and healthy activation programs were carried out such as **Balance Challenge** and **5 and 10K Races**. Another initiative focused on the educational dimension is **Reading Makes You Great**, which promotes the habit of reading in our employees and their families, through enabling spaces, campaigns, and shared reading circles.

Also worth mentioning is the **FEMSA Volunteer Network**, including programs and activities according to the characteristics

of each work center and Business Unit, but following the same line, to contribute with this in the positive transformation of our communities. For instance, in 2013 in Mexico, in alliance with A Ceiling for My Country, there were houses built for families living in extreme poverty conditions. A last example is the participation of our employees in **PrepQNet**, where they had the opportunity to be tutors for people in process of finishing their education with an online education scheme.



Green Points, KOF Attitude program logo

Green Points, KOF Attitude, is an example of how we implement the health, work, and social topics in our action area in Integral Development. This strategy, born in 2013, offers our employees innovating options to promote the adoption of habits focused on fostering health care, generation of value through work effectiveness and efficiency, as well as care for the environment.

The program operates through the assignment of points that are credited according to the action performed that enables them to exchange for the rewards they desire.

The Coca-Cola FEMSA Corporate offices and Staff from Mexico and Central America have been involved in this program. During the first year of this initiative, there have been up to 70% of the employees of the corporate office involved in any of these programs.



Companies have a significant role in ensuring a sustainable environment and a better quality of life for the current and future generations. FEMSA, through different initiatives, contributes daily in this.

Our Planet

G4-EN31, LT3 and LT8 • PM VI, VIII and IX

Environmental sustainability is a key objective in our Sustainability Strategy and in the Business Units. The *action areas* of Our Planet focus on water management, energy usage and its environmental impact, and waste management and recycling.

The commitment we established to minimize environmental impact from our operations and manage resources efficiently is reconfirmed day after day through concrete projects and actions coordinated under our **Environmental Management Systems (EMSs)**. These systems operate as tools to ensure good environmental performance in our operations through procedure documentation and generation of key performance indicators that enable us to monitor and measure our processes with the purpose of achieving a continuous improvement.

The EMSs adapt to the operational characteristics of each Business Unit, from which the following have been implemented: ISO 14001, the *One Planet Living* initiative, and an own one for FEMSA Logística.

During 2013 the ptm®, Imbera Brazil and Imbera Colombia facilities started a certification process in One Planet Living developing their action plan in the 10 sustainability principles that must govern their efforts in environmental matters.

Environmental Management Systems (EMS)

FEMSA and its Business Units



ISO 14001
ptm®'s facility, Imbera's facility in Colombia, and 68 Coca-Cola FEMSA's facilities certified.¹

One Planet
Imbera's facility in San Juan del Rio, Queretaro, Mexico certified.
ptm® Imbera in Brasil and Imbera in Colombia with certification in progress.

Internal Systems
FEMSA Logística, following the guidelines of our environmental policy, developed its EMS, which will enable continuous improvement and documentation of processes that will allow to formulate programs and environmental objectives.



For more information about One Planet Living, you may go to:
www.oneplanetliving.org



¹ Includes acquisitions in 2013.

In 2013 we invested \$ 579.1 million MXN (USD \$44.2 million) in optimizing our processes toward more sustainable operations.



5%
Water



93%
Energy



2%
Waste and Recycling

Water

G4-EN8-14, G4-EN22 and G4-EN26

To optimize water consumption of our operations and improve the health of watersheds where we operate.

Water consumption and caring are core topics within our operations and Business Strategy. We are committed to water management and we focus on promoting efficiency projects that optimize their consumption per unit produced, increase their reutilization and recycling, and generate a culture of caring for water under a long-term vision.

In FEMSA we recognize the impact it implies to start, enlarge or modify our facilities in the ecosystems that surrounds us. Therefore, we carry out specialized studies to evaluate and mitigate the environmental impact from our operations in the adjacent lands, and we do not intervene in the superficial water resources, maintaining with this the ecosystem and biodiversity in them.

An example of the environmental efficiency initiatives related to water consumption in 2013 was the installation of a **Water Recovery System** in our Coca-Cola FEMSA facility in Villahermosa, Mexico. This system enables us to take advantage of water of the washing and peripheral processes, with which we achieved a monthly saving of more than 23,000 m³ of water, equivalent to the minimum annual consumption of 4,200 people.²

In ptm[®] there was another optimization process carried out by substituting one of the chemical products for natural products in the washing process of metal materials. In 10 months, we achieved:

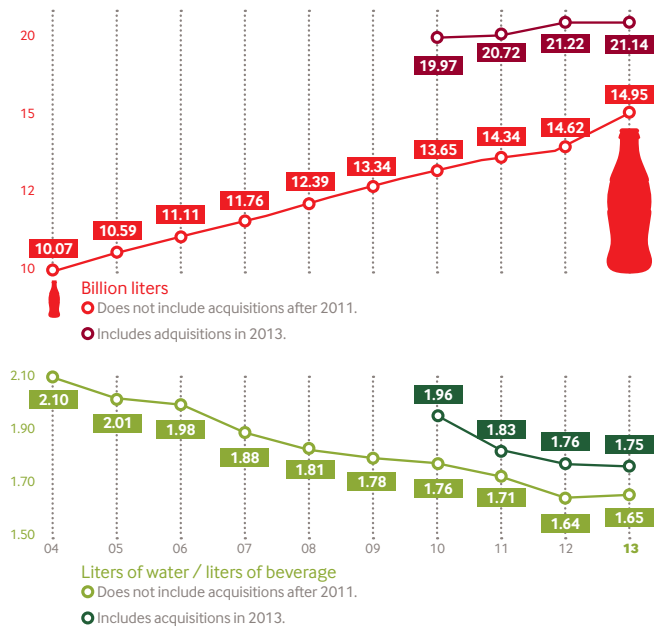
- Saving 173,959 liters of water.
- Increasing process productivity in 77% by reducing washing stages.
- Decreasing in 23% the specific³ water consumption.

FEMSA, through FEMSA Foundation, provides integral solutions for water usage through different programs. These programs satisfy the needs of the eco-systems to promote and guarantee protection, preservation and recovery of watersheds in the Latin American region on the long-term.

FEMSA Foundation has carried out, by 2013, seven studies of watersheds in Mexico:

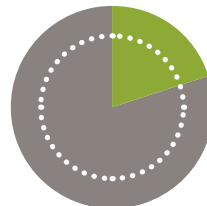
- Leon basin, in the state of Guanajuato.
- Zahuapan River basin, in the state of Tlaxcala.
- San Cristobal de las Casas basin, in the state of Chiapas.
- Antigua River basin, in the state of Veracruz.
- Blanco River basin, in the state of Veracruz.
- Basin Valle de Mexico (D.F.).

Efficiency in use of water Coca-Cola FEMSA²



Percentage of volume of water reused by Imbera and ptm[®]

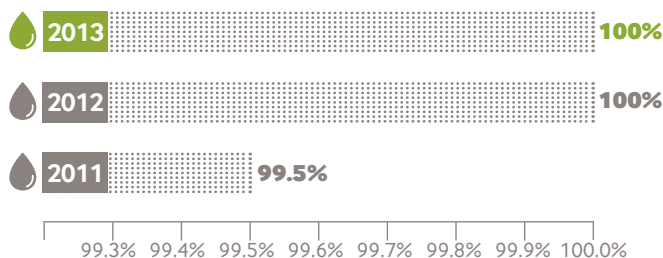
Reuse of water for landscape irrigation at Imbera's facility in San Juan del Rio, Queretaro, Mexico



20% Reused water
80% Non-reused water

² The World Health Organization establishes that the average use of water for drinking, cooking and personal hygiene in any home is at least 15 liters per person per day. Reference: List of Guidelines for Health Emergency Minimum Water Quality.

Percentage of waste water treatment at Coca-Cola FEMSA



Includes acquisitions in 2013. This is accomplished via wastewater treatment facilities owned by the company or municipal property.

Energy

G4-EN3, G4-ENS-7, G4-EN15-20, G4-EN27, G4-EN30 and LT4-6

To achieve energy sustainability of our operations.

We have concentrated efforts in reducing energy consumption in our operations through energy efficiency initiatives, reduction of emissions, transportation efficiency, and use of clean and renewable energy.

We have adhered to international initiatives that promote sustainable growth through different alliances. In 2013 we ratify our commitment with **Sustainable Energy for All**, initiative promoted by the United Nations Secretariat, which fosters energy efficiency, stimulates the use of renewable energy at a global level, and increases access to clean energy.

Another international initiative where we have participated as coordinators is the **Green Growth Action Alliance** (G2A2), coordinated by the Economic World Fund. This alliance, which groups more than 50 financial institutions, corporations, governments and non-governmental organizations, joins the efforts and knowledge of its members to find ways of financing and policies that favor projects focused on green growth.

We recognize the importance of climate change and we are committed to minimizing our emissions through mitigation actions. Therefore, FEMSA and its Business Units participate in transparency and measurement actions.

In the first quarter of 2013, FEMSA and Coca-Cola FEMSA joined the international efforts to generate capabilities for mitigation and adjustment to climate change by participating in the report platform for the **Carbon Disclosure Project** (CDP), CDP Investors initiative, through which we reported our Greenhouse Gas Emissions and our strategy in regards to climate change.

Additionally, FEMSA is part of the **CDP Global 500** report, where it appeared as the Mexican company with the highest evaluation. Likewise, FEMSA Comercio, FEMSA Logística, Imbera y ptm® participated for the first time in the **CDP Supply Chain** program in collaboration with *The Coca-Cola Company*, which enables the organizations to create strategies to engage its suppliers through the risk analysis and the opportunities associated to climate change and manage greenhouse gas emissions. It is a collaborative and innovative approach that contributes to sustainable development of the value chain.

For more information regarding CDP, go to:
<https://www.cdp.net>



Since 2012, all the FEMSA Business Units participate in the **GEI Mexico Program**, a national volunteer program for accounting and reporting Greenhouse Gas Emissions and promoting projects that seek to reduce this type of emissions. This program is coordinated by the Environment and Natural Resources Department (SEMARNAT) and the Committee of Private Sector Studies for Sustainable Development (CESPEDES) of the Business Coordinating Council (CCE), and has the technical support of the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD).

One of our most important objectives in Coca-Cola FEMSA is being more efficient in the production of beverages per unit of energy used. In 2013 we have achieved a reduction of 3.5% in the use of energy used compared to 2012 with an average of 4.03 liters of beverage produced per Megajoule of energy used.⁴

Meanwhile, in the maintenance area of Imbera, we substituted the use of R-134 gas in the sweeping process of the refrigeration system for nitrogen, generating savings of 4,782 kg of refrigerant gas and preventing the generation of environment emissions for the equivalent of 5,260 tons of CO₂.⁵

Likewise, during 2013 in Coca-Cola FEMSA we renewed 61,000 refrigeration equipment with more efficient technologies and use of gases with a lower environmental impact.

In ptm®, this year we also decreased 44% the specific Natural Gas consumption³ in the process of metal washing, which represents not expelling 6 tons of CO₂ to the environment, equivalent to the annual greenhouse gas emissions of 20 transportation vehicles.⁶

³ Specific consumption: consumption per unit produced.

⁴ Includes new acquisitions in 2013.

⁵ Global Warming Potential = 1,100 (IPCC 4th Assessment Report).

⁶ Source: US Environment Protection Agency: Greenhouse Gas Equivalence Calculator.

During 2013 we also performed environmental efforts in the construction and remodeling of our work centers. We renovated the facade of the FEMSA Building in Monterrey, Mexico, using one of the most innovating and ecological techniques in the world, which is based in placing photovoltaic glass in a ventilated facade, being the first of its kind in Latin America in an existent building.

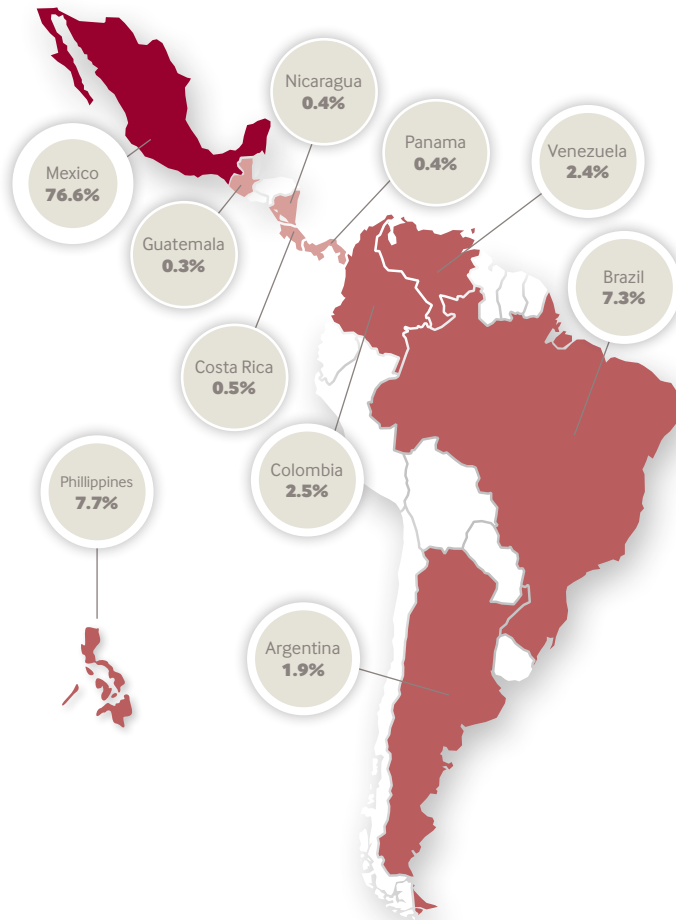
Among the key advantages in the new facade we can find:

- Energy production.
- Energy savings thanks to insulation.
- Increase of interior thermal comfort.
- Reduction of acoustics pollution.
- Facade protection.
- Appealing and innovative design.

In regards to energy savings, we will reduce consumption in 4% of the total consumption of the building (104,983 KWh) annually, being equivalent to carbon captured by 42 hectares of spruce and pine tree.⁷

Indirect energy consumption

Indirect renewable and non-renewable sources (7,814,845 GJ)
Includes acquisitions in 2013.

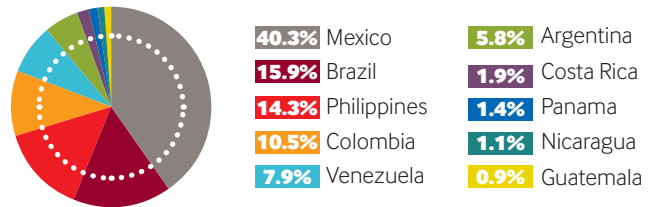


Likewise, the new administration office building for Coca-Cola FEMSA in Mexico City meets the **LEED (Leadership in Energy & Environmental Design)**, while the bottling facilities in Itabirito, Brazil and the Tocancipa, Colombia for Coca-Cola FEMSA, are also being built under the highest sustainable construction standards.

In FEMSA Comercio we are continuously searching for energy efficiency through the use of ecofriendly equipment and technologies in our stores. Among these technologies, we have reduced the heat gain of the windows and doors with the installation of solar control films in OXXO stores. By 2013, 19% of the applicable stores have them installed, resulting in a more comfortable interior and energy savings. We have also implemented an Intelligent Store System in 78% of Mexico's OXXO stores. On the other, 87% of our Distribution Centers have Intelligent CEDIS System and 17% of our OXXO Offices have Intelligent System, contributing to the efficient management and savings of energy. With all these actions we have reduced our emissions by 34,213 tons CO₂.

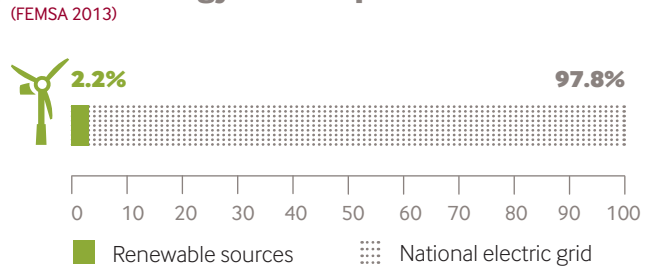
Direct energy consumption (stationary)

Non-renewable sources (2,605,929 GJ)



Includes only transactions with significant consumption of the Business Units. Includes acquisitions at the end of 2013.

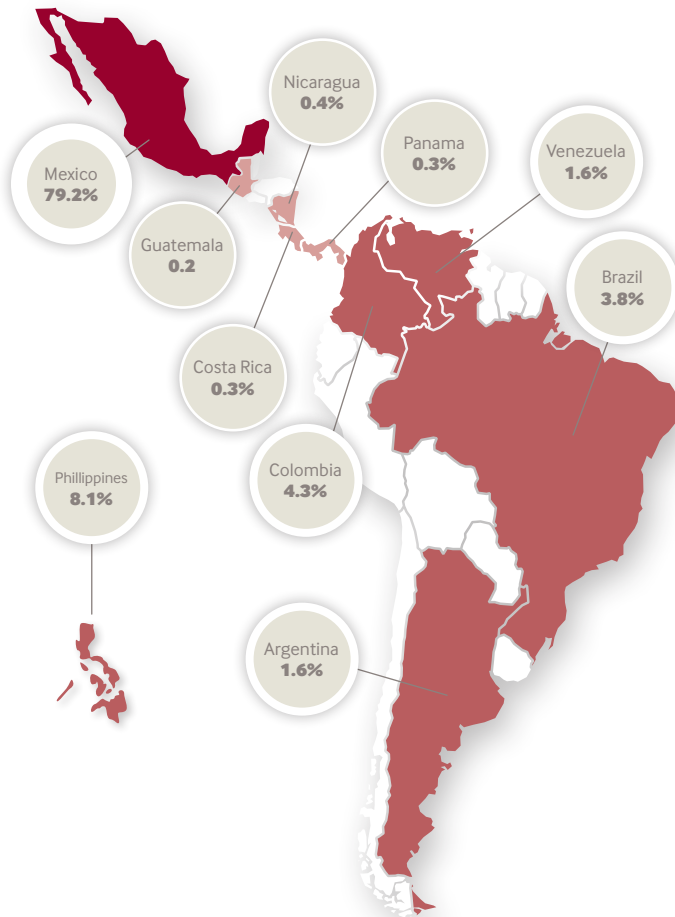
Indirect energy consumption in Mexico (FEMSA 2013)



⁷ Source: Environment Protection Agency; Greenhouse Gas Equivalencies Calculator.

Total emissions Scope 1 (stationary) + Scope 2

(1,397,389 ton CO₂e)
Includes acquisitions in 2013.



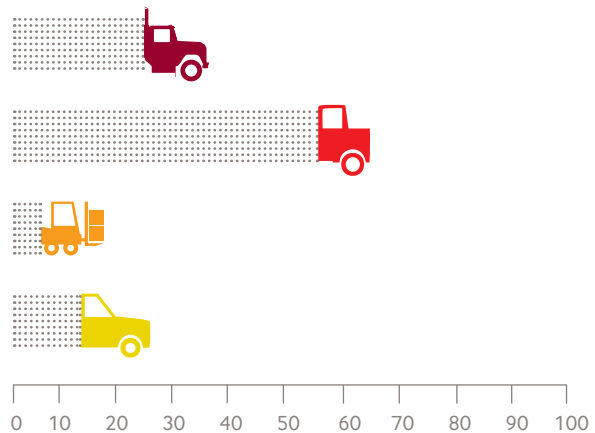
In our transportation and logistics operations we focus on optimizing the use of fuels and reducing emissions. Under the coordination of FEMSA Logística, in 2013 we created, with all our Business Units in Mexico, the **Sustainable Mobility Workgroup**, which has the objective of taking advantage of the use of clean technologies and alternate fuels that enable an eco-efficient transportation and logistics operation.



Likewise, FEMSA Logística started the Energy Efficiency project which promotes the development of specific strategies to optimize the use of electric energy in their operation bases, planning their staged implementation in the following years.

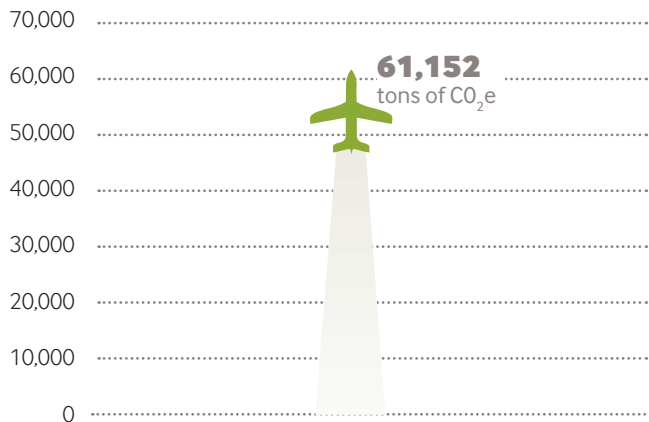
Direct energy consumption in Mexico (mobile)

(3,347,429 GJ = 236,397 ton CO₂e)
Fuel consumption of own units. Includes acquisitions at the end of 2013



Tons of CO₂ resulting from employee flights

Flights purchased by FEMSA during 2013.



24.8% Primary distribution 6.4% Lift
55.3% Secondary distribution 13.5% Utility vehicles

Waste and Recycling

G4-EN1-2, G4-EN23 and G4-EN28

To optimize operational waste management and reduce the impact of waste from our products and services.

We consider extremely important to minimize the environmental impact of our products during their life cycle. Because of this, we optimized waste management of our operations through appropriate disposal from its generation to the final destination. Likewise, we generated mechanisms to foster recycling and the use of recycled and recycling materials and try to give them a new useful life. We continue with the optimization of the materials used through initiatives such as lightening PET bottles and caps in different products, the use of bio-plastics, and recycled materials.

Our initiatives and operating standards allow us to meet the specific guidelines and regulations in regards to waste in each country in which we operate.

The recovery and reutilization of plastic materials in our products is a great effort that is being achieved with new investments and developments. An example of this is the integration of a new recycling line in the ptm[®] facility in San Juan del Rio, Mexico during the first semester of 2013. This innovation has enabled us to increase 40% of the recycling capacity reaching 11,000 tons per year, improving the quality of the materials and achieving greater efficiency in the process.

We implemented new and better alternatives in waste management that enable an appropriate disposal and valuation. In 2013, the Coca-Cola FEMSA Toluca facility for became a **Zero Waste Facility** thanks to the efficient handling of waste of difficult disposal. In 2013, we added 1,200 tons to the more than 3,000 that were already reutilized and recycled in 2012.

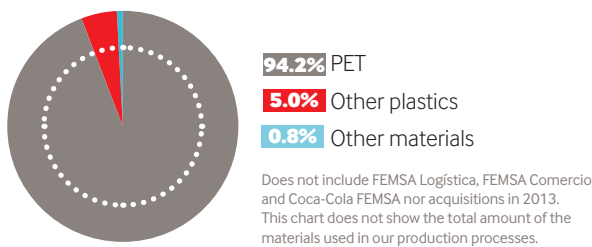
In 2013, with initiatives for environmental efficiency, in Imbera Mexico we stopped sending more than six tons of waxed paper to landfills per month. Likewise, we worked with our suppliers to reuse the pallets and cork used as packaging material in our products avoiding sending more than 11,200 kg of waste to landfills.

The integrated waste management focused on its proper handling and disposal is a priority at FEMSA Comercio. We currently have 27% of our offices with enabled infrastructure for waste separation. Also in our Distribution Centers, programs are being implemented that allow responsible disposal of waste generated, allowing us to send them to recycling.

We have also implemented initiatives for responsible handling and disposal of furniture and equipment at the end of its useful life. In OXXO, during 2013, there were more than 1,600 equipment and furniture sent to be recycled, out of which more than 53,900 kgs are valued waste.

Percentage of used materials

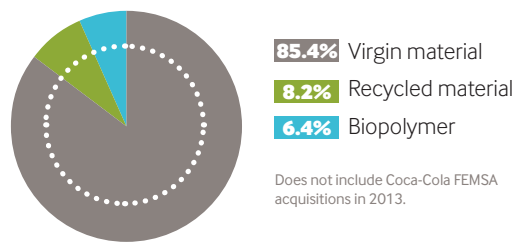
(282,400 tons)



Usage of recycled materials in

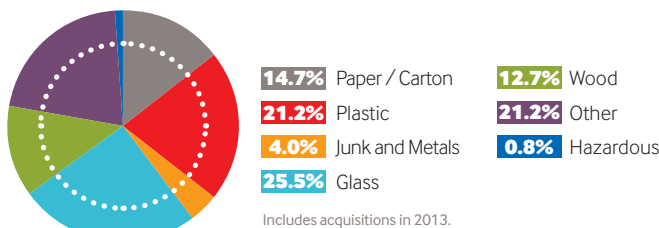
Coca-Cola FEMSA and ptm[®]

(282,400 tons)



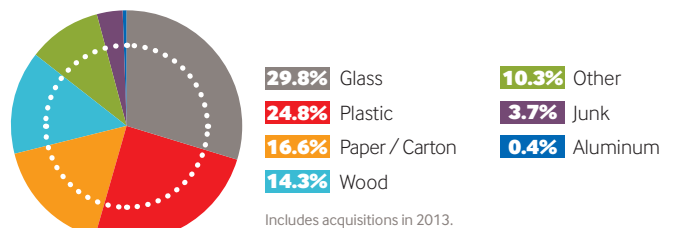
Generated waste

(210,795 tons)



Recycled material from generated waste in Coca-Cola FEMSA and FEMSA Comercio

(188,246 tons)





Contributing to the generation of Sustainable Communities

Our Community

G4-EC7

In 2013, investment in programs dedicated to generating social value and development in the communities where we operate were \$335.2 million MXN (USD \$25.5 million).



9.69%
Healthy
Lifestyles



89.18%
Community
Development



1.12%
Sustainable
Sourcing

Healthy Lifestyles

FP4

Promoting active lifestyles and an appropriate nutritional balance in our communities.

We recognize that an essential factor to have quality of life and integral wellness is the adoption of an active and healthy lifestyle. For this reason, in FEMSA and the Business Units we implement programs that contribute to live a health culture.

Programs

Name	Description and Objectives	Results 2013	Alliances
Your Best Move (FEMSA)	We promote the integral development of children and youth fostering sports and physical activity. This program is implemented in Nuevo León and Puebla, Mexico, training physical education teachers in a methodology designed to support the neuro-psychomotor development of the students.	During the 2012-2013 school cycle, it was implemented in 200 schools through 200 teachers trained, benefiting 70,000 students.	Center for Integral Education through Sports (CFITD) and the Ministries of Education in Nuevo Leon and Puebla.
Caimaneras (Coca-Cola FEMSA Venezuela)	The Program comprises the execution of baseball and soccer sports clinics taught by professional athletes to children interested in those sports, ages between five thru 15 years old, with limited resources. With the development of this program, children are expected to channel their energy through the development of sports as an integral activity in human beings which demands individual effort as well as team work in order to achieve the objectives.	There were 75 sports clinics carried out benefiting more than 9,800 children and youth who participated. It was implemented in Maracaibo, Ciudad Ojeda, Valencia, Maracay, Barquisimeto, Caracas, Barcelona, and Puerto Ordaz.	Coca-Cola System.
Sign Up to Play (Coca-Cola FEMSA Argentina, Central America and Colombia)	The program promotes the comprehensive development of children delivering sports materials in schools and manuals for the teachers related to physical activation and healthy coexistence.	It benefited 305,770 students through the training of 2,037 teachers in 717 schools.	<i>The Coca-Cola Company</i> and the Ministry of Education in Argentina, Colombia, Costa Rica, Guatemala, Nicaragua and Panama.
21K OXXO (FEMSA Comercio)	During 23 years, the promotion of sports and healthy habits has been fostered through this race.	More than 5,000 runners participated.	Municipal and State Government of Chihuahua and the Chihuahua Institute for sports and physical culture.

Community Development

G4-S01 • PM II, VIII

Contributing to the economic, social and environmental well-being of the communities where we operate.

In all the places where we take our businesses we seek to establish coordinated efforts that may be transformed into concrete actions that promote development in the communities. Each community has unique characteristics and needs; this is why we have different mechanisms to assist in the determination of the best way to work together with them. An example of this is the methodology under which we carry out community studies, we also maintain constant

dialogue with its inhabitants and search opportunities to collaborate together with local governments, education institutions and civil society organizations.

Supported by FEMSA's Sustainability Strategy, we prioritize and focus on the topics where we have greater knowledge to generate the greatest possible positive impact. We seek to generate concrete results that address their needs, based on sound programs that have a measuring and follow up mechanisms to achieve the goals established and the greatest value for everyone involved.

Programs

Name	Description and Objectives	Results 2013	Alliances
Youth with Value (FEMSA)	Supports youth from 14 to 24 years old to develop social entrepreneurship projects so they become change agents. The program provides training, technical support, networking, monitoring, assessment, strengthening possibilities, and the knowledge and expertise of volunteers at the service of the youth, as well as a seed capital of up to USD\$1,300. It is implemented in Nuevo León, Michoacán and Veracruz in Mexico.	In the 2 nd Generation there were 120 social entrepreneurship projects supported led by 500 youth and there were 20 trainers trained. Additionally, the training process of the 3 rd Generation comprised by 130 projects started including more than 470 young.	Avancemos Ashoka, Tecnológico de Monterrey, Universidad Latina de América, Auge, Supera, Cauce Ciudadano, among others.
FEMSA Collection (FEMSA)	Promotes the appreciation of culture being one of the most important private collections in Latin America, comprising more than 1,200 artworks.	There were 12 exhibits in Mexico, the United States and Canada. There were conferences, workshops and round-tables in the venues of these exhibits reaching 877,081 visitors.	Public organizations, the private sector, and education and cultural institutions, among others.
Coordinates for Life (FEMSA and Coca-Cola FEMSA Argentina, Brazil and Colombia)	Strengthens the development of skills for decision making in children and youth from 10 to 18 years old and provides adults with tools to support them in their educating role. It is carried out through workshops, conferences, and social skill guides.	During the 2012-2013 school cycle more than 16,380 children and youth, and more than 1,850 adults were benefited, and more than 10,750 attended the conferences. We have established the commitment of taking it to the Philippines in 2014.	Mexico: DEHYCO Group, Save the Children and the Ministries of Education in Nuevo León, Puebla and Veracruz. Colombia: SAF Group and National Police. Argentina: Fundación Convivir. Brazil: SENAC.
Citizens' Plaza (Coca-Cola FEMSA Brazil)	Program that organizes a day of support and counseling sessions for communities promoting citizen engagement and awareness regarding participation in activities for common well-being.	There were five Plazas which benefited more than 23,000 people in different cities in Brazil, with the support of more than 975 volunteers.	Civil Society Organizations, universities and education and government institutions.
I Recycle (Coca-Cola FEMSA Mexico)	Contest that promotes the collection and recycling of PET in schools in the States of Mexico and Altamira, Tamaulipas.	More than 250 tons of PET were recovered. More than 200,000 students.	Ministries of Education from the States of Mexico and Tamaulipas.
Planet Mission (Coca-Cola FEMSA Costa Rica)	Since 1997 PET collection days, cleaning of public spaces, classification processes and educational campaigns regarding collection and recycling of plastic packaging are carried out.	2,180 tons of plastic was recovered.	<i>The Coca-Cola Company</i> and Animal Advocates.

Name	Description and Objectives	Results 2013	Alliances
Eco-Schools (Coca-Cola FEMSA Nicaragua)	Promotes knowledge and valuation of natural resources in the educational community, through activities for environmental care.	There were six schools, 4,000 students and 174 teachers benefited.	Fundenic SOS – RECINSA – Ministries of Education and Health.
One Drop of Water (Coca-Cola FEMSA Costa Rica)	Provides technical counseling to associations of aqueducts administrators, creating a guide to improve their administrative techniques.	1,240 people and two associations of aqueducts administrators were benefited.	National University and Acueductos y Alcantarillados (ASADAS).
OXXO Rounding-Up Program (FEMSA Comercio)	Since 2002, thanks to our clients' generosity, 1,818 welfare organizations have been we supported	There were \$129 million MXN (USD \$9.8 million) collected supporting 254 institutions en Mexico.	Institutions that support health, education and welfare projects.
Edison Polygon Trust (FEMSA Comercio)	Program implemented in the eight neighborhoods around the corporate offices of FEMSA Comercio in Monterrey, Mexico. Promotes grassroots development through social programs which develop abilities and skills in the local community and improvements in the infrastructure of educational and public spaces.	There were more than 6,196 neighbors benefited, 54 education and sports scholarships granted, a school was remodeled and 437 trees were planted.	Cauce Ciudadano, VETSA, Promoción de Paz, Anima Urbis, CreeSer, Musical Arts School, amongst others.
Great Rio la Silla Park (FEMSA)	Project for the recovery of public spaces through restoration of green areas and sport spaces, in what was previously La Pastora Park in Nuevo Leon, Mexico. This project promotes family and social sharing improving the quality of life of the people living in the area.	More than \$25.6 million MXN (USD \$1.9 million) were invested in refurbishing green areas and walking spaces. 151 luminaires were installed, toilet modules, drinking fountains and resting areas. It is expected to have more than 200,000 people visiting the park during its first year.	Monterrey Soccer Club.
OXXO Award for Ecology (FEMSA Comercio)	Program implemented in schools in the cities of Hermosillo, Chihuahua, Ciudad Juárez and Monterrey, Mexico, through which actions in favor of environmental care linked to social purposes are rewarded.	923 schools and more than 250,000 students participated. 46 schools were awarded. The 27 th edition of the award was celebrated in Nuevo León,	Ministries of Education in Chihuahua, Nuevo León and Sonora.
Good Neighbor (FEMSA Comercio)	Program that supports and benefits the immediate communities surrounding the stores. Consists of actions that are carried out in three areas: ecology, education, reforestation, and recycling, rehabilitation of public spaces, and the promotion of health and sports.	There were 325 actions for the benefit of the community.	Government, civil society organizations and the private sector.
Let's do it Correctly (FEMSA Mexico)	Initiative promoted by COPARMEX in Monterrey, Mexico, with the vision of transforming our society. Its purpose is to work together to build a city in which the legality and respect for others allow us to feel free, safe, and able to realize our dreams and potential.	Training employees on the subject Culture of Lawfulness; promotion good deeds of leaders, employees and community, invite other organizations and companies to ally and commit to this initiative.	Over 150 companies organizations and educational, religious, civil, sports and cultural institutions.

Entrepreneurship

G4-S01

One of the ways in which we contribute to social development is through fostering entrepreneurship within the members of a community. In alliance with other key actors, we promote and motivate the youth in the development of social and community businesses, always seeking that these projects can translate into economic development and generation of employments within the community.

We developed a **Platform of Support for Entrepreneurs** in Mexico to support new businesses in sectors that have a greater potential for growth and generate social and environmental

wellness in a sustainable manner. In a second phase we'll develop mechanisms for financial support for entrepreneurs that enable this platform to be sustainable on the long-term.

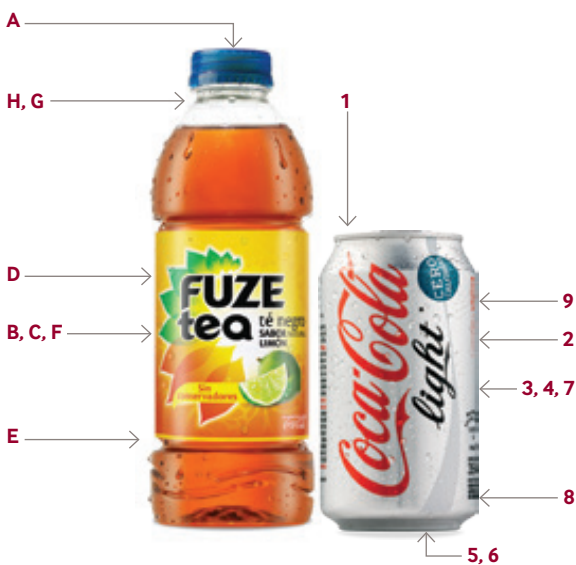
In December 2013, during the Clinton Global Initiative Latin-American meeting in Río de Janeiro, Brazil, we announced our commitment to promote 520 social entrepreneurship projects for the youth, with an investment of \$58.9 million MXN (USD \$4.5 million) in the period of 2014 through 2017.

Responsible Marketing and Communication

G4-PR1, G4-PR3-4 and FPS-8

In FEMSA and the Business Units we meet all the current norms and regulations regarding labeling and information supplied in the countries where we operate. Our consumers have the necessary information regarding the products that enable them to decide and manage their consumption, since each one of our products provides clear and transparent information regarding its characteristics.

- | | |
|--|--|
| A. Country of origin | 1. Name or denomination |
| B. Free customer service number and nutritional information | 2. Ingredients |
| C. Company name and address | 3. Company name and address |
| D. Name or denomination | 4. Country of origin |
| E. Net content | 5. Lot number |
| F. Ingredients | 6. Expiration date |
| G. Production lot | 7. Nutritional information |
| H. Expiration date | 8. Net content |
| | 9. Statement of properties (if any) |



Following our commitment with transparency and a responsible performance, in Mexico we adhere to the **Code for Self-Regulation of Foods and Non-Alcoholic Beverages** focused on children audiences, which promotes responsible advertising in topics like health, consumer protection, and nutritional orientation.

Coca-Cola FEMSA offers a broad range of products with an assorted brand portfolio and different presentations that serve the customer needs. Out of 100% of the total volume of beverages sold by Coca-Cola FEMSA in 2013, the 20.6% are reduced calories beverages and 3.2% are beverages with added vitamins, minerals, fibers or nutritional supplements, representing together 23.8% of the total volume.

At an international level, the **Global Responsible Marketing Policy** from *The Coca-Cola Company* governs all the markets where we participate and establishes that there must not be advertising purchased in media where more than 35% of the audience are children younger than 12 years old, including radio, television, Internet, press, and mobile phones. Additionally, in Mexico we meet the *"Agreement through which the general guidelines are established for the sale or distribution of food and beverages for establishment of school consumption in elementary schools"*.

In turn, FEMSA Comercio trains those responsible for the OXXO stores, in the sale of products which are subject to regulations to meet the norms related to sales of such products.

As a result of these practices, during 2013 there were no significant sanctions derived from non-compliance of government regulations regarding impact on health and safety of our clients, the regulation regarding information and labeling of the product, as well as the voluntary codes related to advertising in our Business Units.

To learn more you can visit:
 Nutrition topics: <http://www.coca-colacompany.com/brands/policy-on-nutrition-labeling-and-nutrition-information>
 Global Responsible Marketing Policy: http://www.thecocacolacompany.com/citizenship/responsible_marketing.html



We are committed to offer products and services with a high quality standard and minimum environmental impact through sustainable attributes. In Coca-Cola FEMSA we adhere to the Coca-Cola System guidelines related to the evaluation of impact that our products have on our clients and consumers' health and safety during the life-cycle stages of the products we market. Based on our procedures and national and international regulations, we ensure all ingredients, materials, and processes protect the health and safety of our consumers.

The Coca-Cola System operates under the Operational Requirements of *The Coca-Cola Company* (KORE) to guarantee the high quality, consistency and reliability on the products.

Likewise, Coca-Cola FEMSA has a Food Safety Management System that is based on the FSSC 22000 Certification System that incorporates ISO22000 and PAS220 international standards for food manufacturers, while we also meet all the standards and regulations in the countries where we operate.

Sustainable Sourcing

G4-12, G4-EC9, G4-HR5-6, G4-HR10, G4-EN32-33, G4-LA14, G4-SO9, FP1-2 • PMI, II, V

Contributing in the improvement of labor, social and environmental performance of our suppliers and facilitating the integration of local, small and medium size companies into our supplier chain.

In FEMSA and its Business Units, we have a network of more than 49,000 suppliers of goods and services with which we work to improve mutual performance. We also facilitate the integration of the local, small and medium size companies into our supplier chains.

Some of the parameters and guidelines we adhere to in the search for responsible and sustainable commercial interactions are:



Coca-Cola FEMSA applies the Supplier Guiding Principles provided by *The Coca-Cola Company* which are a series of standards and policies for responsible sourcing to which we adhere in our operations and with which we assess key suppliers and contractors under international guidelines regarding the respect to human rights, forced labor and child labor, amongst others.



FEMSA Business Code of Ethics and commercial criteria of the organization, to which all the suppliers in our Business Units must align. They are evaluated based on compliance to quality, price, warranty, customer service, and geographic coverage.



• **FEMSA Sourcing Committee**, integrated by representatives from the sourcing areas of all the Business Units that works in generating synergies in the definition of criteria for sourcing issues.

In FEMSA we support the development of communities while promoting commercial relations with local suppliers. During 2013 in FEMSA, 92% of our suppliers were of local origin, and in the case of OXXO in Mexico, 99.81% of the products we offer are national products.

In 2013 we carried out the following projects and initiatives with our suppliers, in the search for responsible sourcing and a supply chain that meets the applicable regulations and generates also sustainable development along its links.

- Starting October, through the launch of **Eco-efficient Chains** portal, we seek to consolidate a more sustainable and productive value chain through a program that generates capabilities in topics such as energy, water, and waste management. This initiative was developed in coordination with the Global Institute for Sustainability from the Tecnológico de Monterrey and the Multilateral Investment Fund (FOMIN) of the Inter-American Development Bank.

- In FEMSA Comercio a supply chain development pilot program started in 2012. The objective is identifying and strengthening sustainability actions in our suppliers. The project has a total lifespan of three years and by the end of 2013 the execution was 93% advanced.
- Imbera carried out an exercise with 56 of its suppliers to identify opportunity areas in topics related to sustainability (labor, environmental, and culture of lawfulness) through an assessment. As part of the follow up of the assessment, four suppliers participated in a workshop focused on measuring their carbon footprint and identifying opportunities to decrease their emissions.
- Sustainability and Culture of Lawfulness topics were included in the **Supplier Manual in Imbera** that was presented to suppliers of Imbera's maintenance area in Mexico and Imbera Colombia, which has the purpose of establishing the important management points between Imbera and its suppliers.
- For the third consecutive year, FEMSA supported the training program of the Social Union of Mexican Businessmen (USEM) and some suppliers so they carry out the implementation of a responsible management model.
- We carried out two internal workshops for Sustainable Sourcing in which the requirements and general expectations for the suppliers and best practices were exchanged among the Business Units.
- The initiative for **Sustainable Sourcing** was fed from the efforts and programs of each Business Unit and it was strengthened by incorporating sustainability topics in the current sourcing processes through establishing minimum expectations (FEMSA Guiding Principles), which are considered to be ready during 2014 and among the topics included are labor rights, environment, community, and ethics and compliance.
- **Sustainable Sourcing Plans** per Business Unit were initiated, which include the processes for mapping and prioritizing suppliers, follow up systems and initiatives to generate capabilities which seek to improve the environmental, labor, and social performance of our supply chain. These actions will continue to be developed during 2014.

About this Report

G4-13, G4-17-23, G4-28-30 and G4-33

FEMSA is committed with the global principles of social responsibility in regards to transparency, accountability, performance measurement, and sustainable development and as a demonstration of this we present our FEMSA 2013 Sustainability Report.

The information included in this document considers the activities carried out by FEMSA and its Business Units during 2013. Our Sustainability Reports are presented annually and the previous Report corresponds to 2012, nevertheless, we also generate a preliminary report with the results of the first quarter in 2013, which is available for all our stakeholders in the FEMSA Web page¹. In 2005 we presented the first FEMSA Sustainability Report and for the first time in 2008 it was generated with the Global Reporting Initiative (GRI) methodology.

The generation of this Report was carried out following the GRI G4 guidelines, under the exhaustive option in accordance to the Guide. This document differs from the previous since the previous was created with version G3.1. As of this Report we started a transition exercise toward Guide G4, published by GRI in May 2013.

Additionally we included the indicators corresponding to Food Processing Sector Supplement, which apply to Coca-Cola FEMSA, and Transportation and Logistics Sector Supplement that applies to FEMSA Logística operations. This Report has been verified externally by KPMG Mexico.

The Report covers the activities in FEMSA as well as its key Business Units: Coca-Cola FEMSA, FEMSA Comercio and the Strategic Businesses area, including FEMSA Logística, Imbera and ptm® in nine countries where we operate, which are Argentina, Brazil, Colombia, Costa Rica, Guatemala, Mexico, Nicaragua, Panama, and Venezuela.

We do not reflect the performance corresponding to Heineken in this document since, although FEMSA is the second most important investor in the company, there is no operational interference. Likewise, unless it says the opposite, business operations acquired less than a year ago are not reported, or those changes in the structure and size of the company generated during 2013.

The results achieved are presented through qualitative and quantitative data that enables measuring, carrying out and comparing the development of our Sustainability Strategy through indicators. The criteria under which materiality of this document was determined were:

- Sustainability Strategy updating exercises.
- Congruence and continuity with the information reported in 2012.
- GRI Indicators.
- Most relevant initiatives and programs in sustainability matters in 2013.
- Consultation with stakeholders.

The amounts reported are expressed in Mexican pesos (MXN) and the conversions to American dollars (USD) were calculated based on the exchange rate at noon on December 31, 2013 based on \$13.0980 Mexican pesos per USD \$1.00.

Likewise, we report on the ten Principles of the United Nations World Compact, to which we adhered since 2005. In order to reflect the progress in the implementation of these principles, this document represents our Communication regarding Progress in 2013.

The current Report portrays the Profile of the company, the message of the Chief Executive Officer and Chairman of the Board of FEMSA, the Sustainability Strategy and a summary of the approach of each Area of the Sustainability Strategy, with its key results and challenges during this year, as well as a brief summary of the key results and challenges of FEMSA Foundation. There is also a report of the performance indicators based on GRI version G4, in the three areas which comprise our Sustainability Strategy: Our People, Our Planet, and Our Community.

Throughout the document there is reference made to the GRI indicators highlighted in black color, while the principles of the Global Compact are in Burgundy color.

For more information regarding the topics reported and the Sustainability Strategy in FEMSA, we complement this Report with an information platform integrated by different tools in the sustainability section in FEMSA Web page:

<http://www.femsa.com/en/sustainability>

In order to receive your feedback regarding this document, please contact: sostenibilidad@femsa.com.mx.

Global Reporting Initiative Index G4-32-33

All indicators of the GRI Guide-G4 and sector supplements were verified by KPMG Mexico.

G3.1	G4	Page	Content	Declaration	Business Unit				External Verification pg. 81
					KOF	FC	FL	SB	
Strategy and Analysis									
1.1	G4-1	2	Statement from Chairman of the Board and Chief Executive Officer		●	●	●	●	✓
1.2	G4-2	44, 45	Impacts, risks, and opportunities		●	●	●	●	✓
Company Profile									
2.1	G4-3	41, back cover	Name		●	●	●	●	✓
2.2	G4-4	41	Brands, products and/or services		●	●	●	●	✓
2.4	G4-5	71	Headquarters	Monterrey, N.L., Mexico.	●	●	●	●	✓
2.5	G4-6	41	Countries where we operate		●	●	●	●	✓
2.6	G4-7	71	Nature of ownership and legal form	Fomento Económico Mexicano, S.A.B. de C.V.	●	●	●	●	✓
2.7	G4-8	41	Markets served		●	●	●	●	✓
2.8	G4-9	41, 42	Scale of the organization		●	●	●	●	✓
LA1	G4-10	52	Employment		●	●	●	●	✓
LA4	G4-11	71	Collective Agreement	From the total employees 47.9% are unionized, out of which 100% are covered by a contract, covenant, or collective agreement and the majority is represented through commissions organized in the work centers.	●	●	●	●	✓
New	G4-12	69	Supply chain in the organization		●	●	●	●	✓
2.9	G4-13	70	Significant changes during the period covered		●	●	●	●	✓
4.11	G4-14	44, 82	Precautionary principle		●	●	●	●	✓
4.12	G4-15	49	Social, environmental, and economic programs and initiatives		●	●	●	●	✓
4.13	G4-16	49	Presence in associations		●	●	●	●	✓
Material Aspects and Coverage									
2.3	G4-17	70	Operational Structure		●	●	●	●	✓
3.5	G4-18	47, 70	Content definition		●	●	●	●	✓
New	G4-19	47, 70	Material aspects		●	●	●	●	✓
3.6, 3.7, 3.8	G4-20	47, 70	Coverage / Limitations on scope of coverage / Information inclusion in case of joint ventures		●	●	●	●	✓
3.6, 3.7, 3.8	G4-21	47, 70	Coverage / Limitations on scope of coverage / Information inclusion in case of joint ventures		●	●	●	●	✓
3.10	G4-22	70, 71	Effect of any re-statement of information from prior reports	No re-formulations regarding prior reports.	●	●	●	●	✓
3.11	G4-23	70	Significant changes related to previous reports		●	●	●	●	✓
Stakeholders' participation									
4.14	G4-24	48	Stakeholders		●	●	●	●	✓
4.15	G4-25	48	Stakeholders		●	●	●	●	✓
4.16	G4-26	48	Stakeholders		●	●	●	●	✓

KOF: Coca-Cola FEMSA / FC: FEMSA Comercio / FL: FEMSA Logística / SB: Strategic Businesses

G3.1	G4	Page	Content	Declaration	Business Unit				External Verification pg. 81
					KOF	FC	FL	SB	
4.17	G4-27	48	Stakeholders		●	●	●	●	✓
Report Profile									
3.1	G4-28	70	Period covered		●	●	●	●	✓
3.2	G4-29	70	Date of most recent previous report		●	●	●	●	✓
3.3	G4-30	70	Reporting cycle		●	●	●	●	✓
3.4	G4-31	Back cover	Contact		●	●	●	●	✓
3.12	G4-32	71	Table of contents		●	●	●	●	✓
3.13	G4-33	70, 71	External verification		●	●	●	●	✓
Governance									
4.1	G4-34	43	Corporate governance		●	●	●	●	✓
New	G4-35	43, 45	Process of highest governance body in delegating its authority to top management		●	●	●	●	✓
New	G4-36	43, 45	Executive positions or accountable in economic, environmental and social matters		●	●	●	●	✓
4.4	G4-37	43, 48	Corporate governance		●	●	●	●	✓
4.1	G4-38	43	Corporate governance		●	●	●	●	✓
4.2	G4-39	2, 43	Corporate governance		●	●	●	●	✓
4.7	G4-40	43	Corporate governance		●	●	●	●	✓
4.6	G4-41	43, 44	Corporate governance		●	●	●	●	✓
New	G4-42	45	Corporate governance		●	●	●	●	✓
New	G4-43	43	Corporate governance		●	●	●	●	✓
4.10	G4-44	43	Performance assessment of highest governance body		●	●	●	●	✓
4.9	G4-45	44, 45	Corporate governance		●	●	●	●	✓
New	G4-46	43	Corporate governance		●	●	●	●	✓
4.9	G4-47	44	Corporate governance		●	●	●	●	✓
New	G4-48	43	Committee or highest position regarding the sustainability report		●	●	●	●	✓
4.4	G4-49	43, 48	Corporate governance		●	●	●	●	✓
New	G4-50	43	Nature and number of concerns conveyed to the highest governance body		●	●	●	●	✓
4.5	G4-51	57, 72	Corporate governance	Economic compensation of FEMSA board members meets the standards of companies similar to FEMSA.	●	●	●	●	✓
New	G4-52	57	Processes through which compensation is determined		●	●	●	●	✓
4.4	G4-53	48	Corporate governance		●	●	●	●	✓
New	G4-54	72	Relation between the best compensated individual with average total annual compensation of all workforce	Information confidential for security reasons	●	●	●	●	✓
New	G4-55	57, 72	Relation between percentage of increase of the best compensated individual with percentage of increase of average total annual compensation of all workforce	Information confidential for security reasons	●	●	●	●	✓
Ethics and Integrity									
New	G4-56	43, 56	Values, principles, standards, and rules in the organization		●	●	●	●	✓

KOF: Coca-Cola FEMSA / FC: FEMSA Comercio / FL: FEMSA Logística / SB: Strategic Businesses

G3.1	G4	Page	Content	Declaration	Business Unit				External Verification pg. 81
					KOF	FC	FL	SB	
New	G4-57	43	Internal and external mechanisms in counseling in favor of an ethical and lawful behavior		●	●	●	●	✓
New	G4-58	43	Internal and external mechanisms to report unethical or illicit behaviors		●	●	●	●	✓
Performance Indicators									
Economic Performance									
EC1	G4-EC1	42	Direct economic value generated		●	●	●	●	✓
EC2	G4-EC2	44, 49	Consequences, risks and opportunities due to climate change		●	●	●	●	✓
EC3	G4-EC3	57	Social benefit programs		●	●	●	●	✓
EC4	G4-EC4	42	Government financial support	In accordance to the laws in each country, we receive from the Mexican government, financial stimuli equivalent to \$2.7 million MXN (USD \$207,963) for research, development and/or technology innovation project promotion.	●	●	●	●	✓
EC5	G4-EC5	57	Standard entry wage		●	●	●	●	✓
EC7	G4-EC6	52	Local hiring		●	●	●	●	✓
EC8	G4-EC7	65	Investments in infrastructure and services provided for public benefit		●	●	●	●	✓
EC9	G4-EC8	42	Indirect economic impact		●	●	●	●	✓
EC6	G4-EC9	69	Suppliers		●	●	●	●	✓
Environmental Performance									
EN1	G4-EN1	64	Materials used		●			●	✓
EN2	G4-EN2	64	Materials		●			●	✓
EN3 and EN4	G4-EN3	61	Energy direct consumption / indirect consumption		●	●	●	●	✓
New	G4-EN4	73	External energy consumption	Energy consumed by units external transport: 600,875 GJ. 40.38 GJ/MMXN			●		✓
New EN5 and EN7	G4-EN5 G4-EN6	61 61	Energy intensity Energy		●	●	●	●	✓
EN6	G4-EN7	61	Energy		●	●	●	●	✓
EN8	G4-EN8	60	Total water withdrawal by sources		●				✓
EN9	G4-EN9	60, 69	Water sources affected by withdrawal of water		●	●	●	●	✓
EN10	G4-EN10	60	Water recycled and reused					●	✓
EN11	G4-EN11	60	Natural spaces or high biodiversity areas		●	●	●	●	✓
EN12	G4-EN12	60	Impact on biodiversity		●	●	●	●	✓
EN13	G4-EN13	60	Habitat protection		●	●	●	●	✓
EN15	G4-EN14	60	Species and habitats affected		●	●	●	●	✓

KOF: Coca-Cola FEMSA / FC: FEMSA Comercio / FL: FEMSA Logística / SB: Strategic Businesses

G3.1	G4	Page	Content	Declaration	Business Unit				External Verification pg. 81
					KOF	FC	FL	SB	
EN16	G4-EN15	61	Emissions		●	●	●	●	✓
EN16	G4-EN16	61	Emissions		●	●	●	●	✓
EN17	G4-EN17	61	Emissions		●	●	●	●	✓
New	G4-EN18	61	Intensity of greenhouse gas emissions	5.41 Ton CO ₂ /MMXN.	●	●	●	●	✓
EN18	G4-EN19	61	Emissions		●	●	●	●	✓
EN19	G4-EN20	61	Emissions						✓
EN20	G4-EN21	74	Emissions	No NO _x and SO _x significant emissions regarding.	●	●	●	●	✓
EN21	G4-EN22	60	Water discharge		●				✓
EN22	G4-EN23	64	Waste management		●	●	●	●	✓
EN23	G4-EN24	74	Spills	During 2013 there were no hazardous substances spills in our operations.	●	●	●	●	✓
EN24	G4-EN25	74	Waste	Our businesses do not treat, transport, export, or import hazardous waste. All waste generated is channeled to specialized companies that ensure appropriate management and final disposal.	●	●	●	●	✓
EN25	G4-EN26	60	Water resources		●	●	●	●	✓
EN26	G4-EN27	44, 61	Mitigation of environmental impacts		●	●	●	●	✓
EN27	G4-EN28	64	Recovery of packaging materials		●	●			✓
EN28	G4-EN29	74	Fines for environmental regulation non-compliance	There were no significant fines or non-monetary sanctions received due to non-compliance of the legislation and environmental regulations.	●	●	●	●	✓
EN29	G4-EN30	61	Transportation		●	●	●	●	✓
EN30	G4-EN31	59	Environmental investments		●	●	●	●	✓
New	G4-EN32	69	Percentage of new suppliers examined in regards to environmental criteria		●	●	●	●	✓
New	G4-EN33	69	Significant, real and potential environmental impacts in supply chain	No known significant actual and potential supply chain environmental impacts.	●	●	●	●	✓
New	G4-EN34	74	Number of environmental complaints	There were no environmental complaints received.	●	●	●	●	✓
Social Performance – Labor Practices and Dignified Work									
LA2	G4-LA1	52	Employment		●	●	●	●	✓
LA3	G4-LA2	57	Benefits		●	●	●	●	✓

KOF: Coca-Cola FEMSA / FC: FEMSA Comercio / FL: FEMSA Logística / SB: Strategic Businesses

G3.1	G4	Page	Content	Declaration	Business Unit				External Verification pg. 81
					KOF	FC	FL	SB	
LA15	G4-LA3	57	Diversity		●	●	●	●	
LA5	G4-LA4	75	Pre-notification of organizational changes and specifications in collective agreements	We maintain a programmed and constructive communication with all unions representing our workers. In particular, we inform, explain and listen in a timely manner all the operational changes, when these are planned; likewise we respect and act in these cases according to the timing and procedures established in labor regulations in the countries where we are present.	●	●	●	●	✓
LA6	G4-LA5	56	Health and Safety Committees		●	●	●	●	✓
LA7	G4-LA6	56	Absenteeism and lost days		●	●	●	●	✓
LA8	G4-LA7	56	Health		●	●	●	●	✓
LA9	G4-LA8	57	Health		●	●	●	●	✓
LA10	G4-LA9	54	Training		●	●	●	●	✓
LA11	G4-LA10	54	Training		●	●	●	●	✓
LA12	G4-LA11	55	Professional Development and Performance		●	●	●	●	✓
LA13	G4-LA12	43, 52	Diversity		●	●	●	●	✓
LA14	G4-LA13	56	Ratio of base salary between men and women		●	●	●	●	✓
New	G4-LA14	69	Percentage of new suppliers examined in regards to labor criteria		●	●	●	●	✓
New	G4-LA15	75	Negative, significant, real and potential impacts in work practices in the supply chain	There were no negative or significant impacts registered, real or potential, in the work practices in the supply chain that put our operation in risk.	●	●	●	●	✓
New	G4-LA16	43, 48	Number of complaints regarding work practices		●	●	●	●	✓
Social Performance – Human Rights									
HR1	G4-HR1	43	Investment agreements including human rights clauses		●	●	●	●	✓
HR3	G4-HR2	54	Training on human rights		●	●	●	●	✓
HR4	G4-HR3	43	Discrimination incidents		●	●	●	●	✓
HR5	G4-HR4	57	Freedom of association		●	●	●	●	✓
HR6	G4-HR5	69	Actions taken against child exploitation		●	●	●	●	✓
HR7	G4-HR6	69	Actions taken against forced labor		●	●	●	●	✓
HR8	G4-HR7	54	Security personnel training		●	●	●	●	✓
HR9	G4-HR8	75	Indigenous rights	There were no reports detected or reported due to human rights violations of indigenous people in any of our operations.	●	●	●	●	✓
HR10	G4-HR9	43	Human Rights Evaluation		●	●	●	●	✓
HR2	G4-HR10	69	Distributors and contractors analyzed in human rights matters		●	●	●	●	✓

KOF: Coca-Cola FEMSA / FC: FEMSA Comercio / FL: FEMSA Logística / SB: Strategic Businesses

G3.1	G4	Page	Content	Declaration	Business Unit				External Verification pg. 81
					KOF	FC	FL	SB	
New	G4-HR11	76	Negative, significant, real and potential impacts on human rights in the supply chain	There were no significant negative impacts in regards to human rights matters, real or potential, in the supply chain.	●	●	●	●	✓
HR11	G4-HR12	43	Number of complaints related to human rights that have been turned in, addressed and solved through formal conciliation mechanisms.		●	●	●	●	✓
Social Performance - Society									
S01	G4-S01	66, 67	Impact on communities		●	●			✓
S09	G4-S02	76	Operations with negative significant, possible or real impact in local communities	There are no real or potential risks identified in the communities where we operate.	●	●	●	●	✓
S02	G4-S03	43	Anti-corruption risks, policies and procedures		●	●	●	●	✓
S03	G4-S04	54	Employees trained in anti-corruption policies and procedures		●	●	●	●	✓
S04	G4-S05	43	Actions taken in response to corruption incidents		●	●	●	●	✓
S06	G4-S06	76	Contributions to political parties or related institutions	We meet strictly with the local legislation regulating the participation of companies in these topics.	●	●	●	●	✓
S07	G4-S07	43	Anti-trust and free competition	No complaints were received for unfair competition practices, monopolistic or against free competition.	●	●	●	●	✓
S08	G4-S08	76	Fines and sanctions	There were no significant fines or non-monetary sanctions due to non-compliance of the legislation and regulations in each one country we operate.	●	●	●	●	✓
New	G4-S09	69	Percentage of new suppliers examined based on social impact criteria		●	●	●	●	✓
New	G4-S010	76	Significant, real and potential environmental impacts for society in the supply chain.	There were no negative or significant impacts and potential for society in the supply chain.	●	●	●	●	✓
New	G4-S011	76	Number of complaints regarding social impact	There were no complaints on social impact through formal mechanisms to complain.	●	●	●	●	✓
Social Performance - Product Responsibility									
PR1	G4-PR1	68	Product life-cycle evaluation in regards to customer health and safety		●	●			✓
PR2	G4-PR2	76	Regulations on voluntary codes on health and safety	There were no incidents registered derived from non-compliance of regulations or codes related to impacts from our products and services on health and safety, during their life cycle.	●	●			✓

KOF: Coca-Cola FEMSA / FC: FEMSA Comercio / FL: FEMSA Logística / SB: Strategic Businesses

G3.1	G4	Page	Content	Declaration	Business Unit				External Verification pg. 81
					KOF	FC	FL	SB	
PR3	G4-PR3	68	Product information		●	●			✓
PR4	G4-PR4	68	Regulations and voluntary codes on labeling		●	●			✓
PR5	G4-PR5	48	Customer satisfaction practices		●	●			✓
PR6	G4-PR6	77	Adherence to voluntary codes in advertising	Do not sell forbidden products or in litigation.	●	●			✓
PR7	G4-PR7	77	Incidents related to marketing, advertising, promotion, and sponsoring	There were no cases for non-compliance of regulations or codes related to our marketing communication.	●	●			✓
PR8	G4-PR8	77	Customer privacy	There were no complaints received in regards to privacy protection and individuals' data confidentiality in hands of FEMSA and its Business Units.	●	●	●	●	✓
PR9	G4-PR9	77	Fines for non-compliance in regulations regarding product and service use and supply	We didn't receive significant fines due to non-compliance of regulations and legislation related to supply and usage of our products and services.	●	●	●	●	✓
Food Processing Sector Supplement									
Sourcing									
FP1		69	Percentage of volume purchased from suppliers compliant with company sourcing policy		●				✓
FP2		69	Percentage of volume purchased, verified with internationally recognized production standards		●				✓
FP3		77	Percentage of working time lost due to strikes, disputes, or work stoppage	We had 64 hours lost due to labor conflicts, this derived from the negotiation process of the Collective Labor Agreement with the authorities in the Coca-Cola Distributor in Valencia, Venezuela.	●				✓
Society									
FP4		65	Programs that promote healthy lifestyles, prevention of chronic disease, access to healthy, nutritious and affordable food; and improvement in community wellness		●				✓
Product Responsibility									
FP5		68	Percentage of production volume certified by independent third party, according to recognized food safety international standards		●				✓
FP6		68	Percentage of total sales of products low in added sugars		●				✓
FP7		68	Percentage of total sales of products which contain nutritional ingredients such as fiber, vitamins, minerals or functional nutritional additives		●				✓

KOF: Coca-Cola FEMSA / FC: FEMSA Comercio / FL: FEMSA Logística / SB: Strategic Businesses

G3.1	G4	Page	Content	Declaration	Business Unit				External Verification pg. 81
					KOF	FC	FL	SB	
FP8		68	Communication about ingredients and nutritional information beyond legal requirements		●				✓
Animal Welfare									
FP9			Percentage and total animals raised and/or processed by species and breed type	Does not apply					✓
FP10			Policies and practices by species and breed type related with physical alterations and use of anesthetics	Does not apply					✓
FP11			Percentage and total animals raised and/or processed by species and breed type by type of breeding	Does not apply					✓
FP12			Policies and practices regarding antibiotics, anti-inflammatories, hormones and/or treatments by species and breed type	Does not apply					✓
FP13			Total number of incidents of law and regulations violation and adherence to voluntary codes related to transportation, handling and slaughter practices for terrestrial and aquatic animals	Does not apply					✓
Transportation and Logistics Sector Supplement									
Economic Dimension / Shipment Registration									
LT1			Number of ships controlled by the organization	Does not apply					✓
Environmental Dimension / Fleet Composition									
LT2		78	Fleet composition	Administrative Units: National Primary distribution 40.10%; International ¹ Primary distribution 19.90%; National Secondary distribution 36.50%; International ¹ Secondary distribution 3.50%; Fuel liters: National Primary distribution 72.20%; International ¹ Primary distribution: 16.60%; National Secondary distribution 10.80%; International ¹ Secondary distribution 0.40%				●	✓
Environmental Dimension / Policies									
LT3		59	Description of environmental impact policies and programs					●	✓
Environmental Dimension / Energy									
LT4		61	Description of initiatives to use renewable energy sources and to increase energy efficiency					●	✓

KOF: Coca-Cola FEMSA / FC: FEMSA Comercio / FL: FEMSA Logística / SB: Strategic Businesses

¹ International includes: Brazil, Colombia, Costa Rica, Nicaragua and Panama.

G3.1	G4	Page	Content	Declaration	Business Unit				External Verification pg. 81
					KOF	FC	FL	SB	
Environmental Dimension / Urban Pollution									
LT5		61	Description of initiatives to control air emissions in regards to land transportation			●			✓
Environmental Dimension / Vehicle Pollution									
LT6		61	Description of policies and programs implemented to manage impact of traffic congestion			●			✓
Environmental Dimension / Noise and Vibration									
LT7		79	Description of policies and programs for noise management	In FEMSA Logística we ensure that during the useful life of the transportation units with which we operate, they use original parts and thus meet the requirements of the Regulations.			●		✓
Environmental Dimension / Development of Transportation Infrastructure									
LT8		59	Description of environmental impact of the key assets of the informing organization infrastructure			●			✓
Social Dimension / Work Patterns									
LT9		79	Description of the policies and programs to determine the hours worked and rested, resting facilities and driving licenses	In FEMSA Logística our operators meet necessary resting periods through the policies that establish working and resting hours. These policies promote managing each trip effectively and efficiently, besides, overseeing the health and safety of our operators performing pre-trip medical evaluations and mobile unit inspections.			●		✓
LT10		79	Describe the methods for providing mobile workers the means that enable them to maintain personal communication while they work	FEMSA Logística carries out its distribution service at a national level in each one of the countries where it is present, thus its workers do not spend long periods away from their home.			●		✓
LT11		79	Description of policies and programs regarding substance abuse	In FEMSA Logística we carry out the awareness campaigns and appropriate information regarding the negative effects and consequences of the use of drugs and forbidden narcotics. We continuously carry out random medical reviews in order to determine the health conditions of our employees and the likelihood of using any drug or narcotic, guaranteeing the existence of a good working atmosphere.			●		✓

KOF: Coca-Cola FEMSA / FC: FEMSA Comercio / FL: FEMSA Logística / SB: Strategic Businesses

G3.1	G4	Page	Content	Declaration	Business Unit				External Verification pg. 81
					KOF	FC	FL	SB	
Social Dimension / Road Safety									
LT12		80	Number of driver road fatalities per million kilometers traveled	.006 driver or third party fatalities per million kilometers.			●		✓
Social Dimension / Safety Inspections in Ships									
LT13		80	List incidents when ships have been stopped by inspectors in port	In FEMSA Logística there are no ships as means of distribution. Only land transportation is used.					✓
Social Dimension / Mail Access									
LT14		80	Description of policies and programs for public Access to mail services	FEMSA Logística does not perform a messenger-courier service.					✓
Social Dimension / Humanitarian Programs									
LT15		80	Supply of logistics and transportation competencies to deliver humanitarian support and in-kind contributions in disaster response	It is the policy in FEMSA to have a Budget for natural disasters as well as providing logistic services and support to humanitarian needs when they occur.			●		✓
Social Dimension / Work Programs									
LT16		80	Criteria for the selection of hiring services and personnel allocation	Due to the labor reform, FEMSA Logística has taken internal steps so all temporary hiring is carried out directly and not through any recruiting agency.			●		✓
Social Dimension / Work Continuity									
LT17		80	Actions that facilitate security in entering and employment continuity of the workers hired temporarily	Less than 2% of the FEMSA Logística workforce has a temporary contract.			●		✓

KOF: Coca-Cola FEMSA / FC: FEMSA Comercio / FL: FEMSA Logística / SB: Strategic Businesses

KPMG Mexico Letter of Verification



KPMG Cárdenas Dosal
 Boulevard Manuel Ávila Camacho 176
 Col. Reforma Social
 11650 México, D.F.

Teléfono: + 01(55) 52 46 83 00
 Fax: + 01(55) 55 96 80 60
 kpmg.com.mx

Verification Letter

(Free translation from the original in Spanish. In case of discrepancy, the Spanish language version prevails).

To the readers of this Report:

We have conducted a review of the non-financial information included in the Sustainability Report of Fomento Económico Mexicano, S.A.B. de C.V. (henceforth FEMSA) for the period ended December 31, 2013 (henceforth "the Report"). The information reviewed is confined to the matters referred-to in the Report's section called "Content Index".

Our work has been limited to ascertain that the financial information included in this Report comes from FEMSA's annual accounts, which have been audited by independent third parties.

FEMSA management is accountable for the preparation and presentation of the Report in accordance to the Guide for the preparation of Sustainability Reports of the Global Reporting Initiative version 4.0 (G4) as listed in item G4-32 of the Report's "Content Index" and following the criteria of *Materiality Matters*. Management obtained confirmation from the Global Reporting Initiative on the correct enforcement thereof.

Management is also accountable for the Information and the assertions contained therein; for the implementation of processes and procedures that comply with the principles established in the Accountability Principle Standard AA1000 2008 (AA1000 PS); for the determination of FEMSA's objectives regarding the selection and presentation of information on the sustainable development performance; and for establishing and maintaining control and performance management systems from which the information is obtained.

Our responsibility lies in conducting a limited review and, based on the work done, render a report that refers exclusively to the information corresponding to 2013.

Our work has been done according to Standard ISAE 3000, *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accountants (IFAC). These standards demand that we plan and conduct our work to obtain limited assurance on whether the Report is free from material misstatements and whether we comply with the ethical demands, including independence as described in the Ethics Code of the International Ethics Standards Board for Accountants. Besides, we have conducted our work according to the Sustainability Assurance Standard AA1000 AS 2008 of AccountAbility (Type 2) that includes not only the nature and scope of compliance by the organization of standard AA1000 APS, but also evaluates the reliability of the information regarding performance as indicated in the scope.

The scope of evidence compilation procedures followed in a limited review job is less than that of a reasonable assurance job and therefore the assurance level provided is also less. This report cannot be understood in any instance as an audit report.

Our limited review job has consisted of asking Management questions, mainly the people in charge of the preparation of the information included in the Report and of enforcing the following analytic procedures and others directed to compiling evidence:

- Risk analysis, including media search to identify material issues during the exercise covered by the report.
- Verify consistency of the information that responds to the Overall Basics of internal systems or documentation.
- Inquire Management to understand the processes in place at FEMSA to determine what the material aspects are as well as the participation of groups of interest in these processes.
- Inquire pertinent FEMSA personnel about the enforcement of policies and the sustainability, company governance, ethics and integrity strategies.
- Inquire pertinent FEMSA personnel responsible for providing the information contained in the Report.
- Analyze the compilation and quantitative data internal control processes reflected in the Report regarding the reliability of the information, using analytic procedures and review tests based on sampling.
- Review the enforcement of requirements established in the Guide for the preparation of Sustainability Memories G4 from Global Reporting Initiative for the preparation of Reports as per the comprehensive compliance option.

- Reading the information included in the Report to determine whether it is in line with our general knowledge and experience, regarding FEMSA's sustainability performance.
- Verify whether the financial information reflected in the Report has been extracted from FEMSA's annual accounts, audited by independent third parties.
- Visit and review by information sampling/GRI indicators of sites described below, selected per a risk analysis, taking quantitative and qualitative criteria into account:

Business Unit	
FEMSA	FEMSA Monterrey Corporate Offices
	OXXO Corporate Offices
	10 OXXO stores in Mexican territory
	Coca-Cola FEMSA Corporate Offices
	1 Production Plant
	Strategic Input Corporate Offices
1 manufacturing plant Imbera	
FEMSA Logistics Corporate Offices	
1 operating base CSD and MTK	

- Review by sampling the information generated by the organization and presented at a consolidated level and/or by country, in aspects and data considered material by FEMSA. The list of countries where FEMSA is present and in consequence that contributed information for the development of the Report is the following:
 - Argentina, Brazil, Colombia, Costa Rica, Filipinas, Guatemala, Mexico, Nicaragua, Panama y Venezuela.

Our multidisciplinary team has included AA1000 APS specialists in dialogs with interest groups and in social, environmental and economic performance of the company.

Based on the procedures followed and previously described, no aspect has come to our attention that leads us to believe that the data compiled in the Sustainability Report of Fomento Económico Mexicano, S.A.B. de C.V. of the period ended December 31, 2013 was not obtained reliably, that the information is not presented properly, or that there are significant deviations or omissions, or that the Report was not prepared, in all material respects, in accordance with the Guide for the preparation of Sustainability Reports from Global Reporting Initiative version 4.0 as indicated in item G4-32 of the Report's "Content Index".

Additionally and also based on the procedures followed and previously described, no aspect has come to our attention that indicates that Fomento Económico Mexicano, S.A.B. de C.V. has failed to enforce the inclusivity, relevance and capacity of response principles of the Accountability Principle Standard AA1000 APS 2008.

In another document, we will provide FEMSA Management with an internal report that includes all our findings and areas of improvement. Notwithstanding the conclusions presented above, the main observations regarding Inclusivity, Relevance and Response are listed below.

- Standardize annual comparative indicators on social and environmental issues that allow following up on performance year after year, through all business units.
- Consider the potential disclosure of material matters, in greater detail, by business unit.

KPMG Cárdenas Dosal, S.C.

Jesús González Arellano.
 Mexico City, February 28, 2014.

Sustainability Recognitions in 2013

FEMSA

Socially Responsible Company 2013 (CEMEFI, Mexico)

Best Practices in RSE 2013 (CEMEFI, Mexico)

Award on Industry Ethics and Values (CONCAMIN, Mexico)

Coca-Cola FEMSA

Brazil

Best Practices in RSE 2013 (CEMEFI)

Colombia

Special Recognition BRITCHAM LAZOS (British Colombo Chamber)

Mexico

Socially Responsible Company (CEMEFI)

National Award for Road Safety ANTP

(National Association of Private Transportation)

Inclusive Company Distinction "Gilberto Rincón Gallardo"

(Department of Labor and Social Prevision)

FEMSA Comercio

Socially Responsible Company 2013 (CEMEFI, Mexico)

Inclusive Company Distinction "Gilberto Rincón Gallardo"

(Department of Labor and Social Prevision)

Best Practices in RSE 2013 (CEMEFI, Mexico)

Award on Philanthropic Merit "Company Aware of its Environment"

(Government State of Yucatán, Mexico)

Nuevo León Recognition for Recycling Practices and Care for the Environment 2013 (Department of Sustainable Development, Mexico)

"Empresa de 10" Recognition (INFONAVIT, Mexico)

Strategic Businesses

Socially Responsible Company 2013 (CEMEFI, Mexico)

Imbera

Clean Industry (PROFEPA, Mexico)

Queretaro Socially Responsible Company (CEMEFI, Mexico)

FEMSA Logística

Socially Responsible Company 2013 (CEMEFI, Mexico)

Best Practices in RSE 2013 (CEMEFI, Mexico)

Recognition due to Clean Transportation Program (SEMARNAT, Mexico)

National Award for Road Safety (ANTP, Mexico)

Safe Company (Department of Labor and Social Prevision, Mexico)

We appreciate the valuable participation of our employees in the making in this report:

Information

FEMSA: Rosa María Rodríguez, Graciela García, Claudia García, Luis Quiros, Martha García, Paloma González, Claudio Peragallo, Rocio Rocha, Jaime Domínguez, Ginnie Dorado, Natalí Ibarra, Lilian Rodríguez, Rebeca Huerta, Rossana Valdez, Leticia Garibaldi, Fernanda Gómez, Julie Olvera, Analicia de Andar, Felipe de Jesús Rodríguez, Ingrid Pérez, Ampolita Cruz, Mauricio Luna, Alejandra Silva, Jorge Raguse, Marco Lara, Rosa María Ornelas, David Holguín, Yesenia Navarro, José Ángel González Franco, Julio Santesteban, Mauricio Cavazos, Gerardo Espronceda, Fabiola Luna, Virgilio Mena, Guadalupe Monterde, Adriana Arévalo, Laura Aboytes, Adriana Salazar, Alonso Morales, Mario López Carrillo, Pablo Monroy, Sergio Cuellar, Esau Delgado, Miguel Ángel González, José Viggiano, Juan Antonio Montalvo, Janeth Luna, Milton Armijo, Luis Felipe Muñoz, Araceli Rivera, Norma Maldonado, Jorge Sepúlveda, León Felipe Prior Cuervo, Veronica Barajas, Alberto Rodríguez, Francisco Alanís, Francisco Dávila, Talía Siller, Carlos Aldrete, Alejandro Gil, Karina Becerra, Karina Flores, José Alfredo Ríos, Maximilia Zimmermann, Juan Fonseca, Mauricio Reyes, Marcelo Solís, Erika de la Peña, Gabriel González, Edna García, José Francisco Martínez, Alejandra Torres, Mónica Flores, Darío Ochoa, Rocio Hernández, Alejandra Treviño, Rogelio Gómez, Liz Paola Castellanos, Adriana Rivas, Elias Armenta, Zuly Silerio, Ana Morales, Melanie Villaseñor, Graciela Serna, Gerardo Jiménez, Juan Esquivel, Cintia Shain, Cynthia Espinosa, Mariana Perales, Stephanie Zertuche, Martha Cavazos, Carolina Galindo, Adrián Inguanzo, Abiel Guerra, Arelí González, Javier Astaburuaga, David Martínez, Víctor Treviño.

FEMSA FOUNDATION: Ilsa Ruiz, Samantha Loza, Vidal Garza, Eva Fernández, Carlos Hurtado.

COCA-COLA FEMSA

México: Juan Carlos Cortés, Mariana Contreras, Perla Islas, María Zubiria, Agustín Ahumada, Guadalupe Riquelme, Adrian Kauffmann, Roland Karig, Miguel Murcio, Ana Pallares, Ferrnín Granillo, Guillermo Díaz de León, Erika Mariana Velasco, Yahaira García, Cristian García, Silvia Aranda, Sarah Orellana, Ricardo Milán, Paula Franco, Alejandra Muñoz, Cecilia Hidalgo, Alejandro Duncan, Salvador Trejo, Agustín Ahumada, Mariano García, Jorge Torres, Cecilia Villamil, Eduardo Salazar, Carlos Sedano, Jose Martín del Campo, Salvador Fonseca, Virgen Pineda, Raúl Perez Murguía, Salvador Luna, Castillo, Adolfo Vidals Rosas.

Brazil: Ana Flavia Rodrigues, Natasha Gabrieli de Fatima Monteiro Santos, Alexandre Frederico de Almeida, Celise Aparecida Rocha Ritto, Felipe Conrad Martins, Wilson Marques, Clodoaldo de Barros, Pedro Mendoza, Priscila Fernandes, Wagner Bermudes, Junior Vittorio Ferreira.

Argentina: Guillermo Casanova, Gabriel Llorens, Magdalena Senatore, Mariana Tajada, María Valeria Pessagno.

Centro América: Roberto Ramos.

Venezuela: Mariana Parma, Thomas Aranguren, Liliana Sierraalta, Rafael Briceño, Aldo Ibarlucea, Gerardo Jiménez, Mickael Abdalah.

Colombia: Julio César Galvis, María Fernanda Rodríguez, Jesus Alfonso Cardenas, Carlos Jose Trujillo, Alberto Correal Ballen, Henry Astudillo, Sandra Milena Santa Ruiz, Vivian Ruiz Peraza.

FEMSA COMERCIO: Raymundo Yutani, Tania Sandoval, Sandra Avelar, Lorena Chávez, Victor Hernández, Reynaldo Martínez, José Carlos Ablo, Gerardo Rudy Guajardo, Diego Saucedo, Hilda García, Raúl Rivero, Leonardo Pérez, Cordelia Portilla, Sergio Cancino, Juan Palomino, Rodrigo Alvarez, Raúl Dávila, Erika Cárdenas, Irma León, Ariel Salazar, Norma Dávila, Olga Torres, José Luis Callejas, José Clemente Benavides, Lorena Rabago, Abraham Garza, Rocio Martínez, Gerardo Herrera, Enrique de la Garza, Mayela Escobar.

STRATEGIC BUSINESSES: Alejandra Mercado, Soraya Quintero, Rubén Montemayor, Alberto Benítez, Maximino Ramírez, Gilberto Ibarra, Jose Martín Limón, Guadalupe de la Garza, Mariano Cervantes, Luis Mejía Valencia, Arlette Reyes, Juan Pablo Valdés Abramo, José Luis Mondragón, Jessica De La Cruz, Alma Lucía García Morquecho, Carlos Felipe López Mendez, Luis Tapia, Israel Mendoza, María José Cerda, Adriana Carlos, Esmeralda Moreno, Brenda Ramos, Olga Correa, Martín Frías, Yubari Ríos, Laura Isidro, Virginia Martínez, Nuria Coello, Sandra Álvarez, Victoria Valencia, Aline Almeida, Cristina Sánchez, Emilio Villegas, Mario Gómez, Mariano Montero, Hernán Mendoza, Juan Pablo Valdés, Enrique Hernández, Yahaira Quintanar, Isidro Cruz, Onofre Costilla, Jose Antonio Fernández, Daniela Villarreal, Amaranta Díaz, Alex Theissen, Carla Rivera, Frinné Sevilla, Francisco Carrera, Roberto Hernández, Valentín Flores, Carlos Rodríguez, Irma Niño, Irma Rodríguez, Alberto Fonseca, Jesús Flores, Héctor Apolinar, Reynaldo Alvarez, Eduardo Puentes,

Marina leal, Lydia Treto, Mario Rojas, Sairi García, Carlos Muñiz, Ray Reyes, Carlos Pantoja, Hidelberto Carrera, Francisco Caballero, Carlos Benavides, Francisco Montoya, Angel Orozco, Manuel Pichardo, Daniel Rivera, Ana Karina Gloria, Ricardo Cortázar, Bernardo García, Juan José Cavazos, Edgar Sampayo, Gerardo Corzo, Mario Largo, Luis Mendez, Héctor Cruz, Filiberto Gonzalez, Carlos Quintero, José Avitia, Sergio Moreno, Christian Guadiana, Edlamar Souza, Patricia Saldívar, Marina Leal, Jesús Cardenas, Israel García, Erik Reyes, Vicente Jaquez, Aristóteles Alberto Olivares, Luis Alberto Kennion, Jaime Muñoz, Juan Luna, Benjamín Aguilar, Aristóteles Olivares, Sergio Caballero, Sergio Carrillo, Jorge Amaro, Jesús Vega, Bernardo García, María Fernanda Espinosa, Jorge Rodríguez, Carlos Montoya, Luis Rodríguez, Maribel de la Garza, Guillermo García Sanchez, Guillermo García Ramos, Mario Garza, Jesús García, Roberto Hernández, Vanessa Gallo, Laura Isidro, Rodrigo Figueroa, Andrés Camilo Izquierdo, Victoria Valencia, Karla Londoño, Paola Del Castillo, Carlos Martínez, José Ernesto Méndez, Abraham Heriberto Cano, Ana María Pérez, José Alfonso Pérez, Chris Andrea Pozas, Cristina Sánchez, Isidro Cruz.

Photos:

FEMSA: Luis Felipe Muñoz, Raymundo Hernández, Martha Cavazos, Verónica Barajas, Gloria González, Adrián Inguanzo, Javier Astaburuaga

COCA-COLA FEMSA

México: Sofía Garza, Carla Cortés, Jordi Cueto, Ana Echenique Carrasco, Sharon Morales, Yahaira Valencia, Carlos Sedano, Polly Avelica, José Francisco

Martínez, Cindy Salazar, Jaime Domínguez, Daniel Álvarez, Luis Alberto Alba.

Brazil: Caroline Augusto, Gabriela Tenório, Tamara Ramos, Mariana Hardman, Camila Bosnich, João Facciolo, Danilo Biancalana, Adriana Oliveira, Amanda Tsuruda, Luiz Nemer, Rodrigo Honda, Cassio Magnavita, Fernando Kupper, Bruno Emanuel, Humberto Liu, André Bernardes, Daniele Rodrigues, Aírio Granados, Juan Carlos Torres, German Suarez, Colombia: Ángel María Reyes, James Cuellar, Bernardo Vargas, Jairo Rivera, Bienvenido Cabezas, Hilton Molina, Ronal Valenzuela, Faustino Amaya, Jorge Lozano, Gerardo Salamanca, Jhon Umbarila, Ismael Bello, Luis Hernandez, Javier Rodriguez, Aírio Granados, Juan Carlos Torres, German Suarez, Ederiklia Garza, Jorge García, Andrés Durán de La Puente, Silvia Barrero Varela, Betsy Ninco, Andrea Gutiérrez, Rafael González, Natalia Encinales, Sebastián Pérez, Gustavo López, Andrés Durán, Natalia Encinales, Betsy Ninco, Andrés Carvajal, Luis Fernando Gómez, Duvier Cangrejo, Miguel Romero, Sebastián Ruiz, Carlos Nieto, Jasón Silva, Bryan Duque, Sandra Pinilla, Sandra Montenegro, Paulina Restrepo, Jennifer Peñaloza, Francisco Núñez, José Serrato, Harold Garzón, Andrés Mora, Diana Encinales, Ginna Medrano, Andrea Ladino, Venezuela: Mariana Parma

FEMSA COMERCIO: José Zavala, Claudia Álvarez, Eugenia Martínez, Raymundo Yutani y Sandra Avelar.

STRATEGIC BUSINESSES: Alex Theissen, Mario Kerber, Daniela Villarreal.

External
Ram Charan, Paul Simpson, Bill Drayton.

Support for the United Nations Global Compact

G4-15

Human Rights

Principle I (PM I)

Support and respect the protection of human rights.

Principle II (PM II)

Not being an accomplice in human rights abuse.

Labor conditions

Principle III (PM III)

Uphold the freedom of association principles and the right to collective bargaining.

Principle IV (PM IV)

Eliminate forced and compulsory labor.

Principle V (PM V)

Abolish any form of child labor.

Principle VI (PM VI)

Eliminate discrimination in employment and occupation matters.

Environment

Principle VII (PM VII)

Support a precautionary approach to environmental challenges.

Principle VIII (PM VIII)

Promote greater environmental responsibility.

Principle IX (PM IX)

Encourage the development and communication of environmentally respectful technologies.

Fight against Corruption

Principle X (PM X)

Work against corruption in all its forms, including extortion and bribery.

Responsible printing

Aware that all efforts are important and although printing of this report is relatively reduced, we show our commitment with the environment using harmless materials.

Following we indicate the savings achieved using recycled fiber instead of virgin fiber in this document, in which we use paper with 30% post-consumption recycled material.

- **18.34 million BTU's in energy** in non-used energy = 0.09 taking this many homes off the power grid
- **0.09 acres preserved** via sustainable forestry
- **41.76 less trees** consumed
- **4,729.89 lbs. of greenhouse gases** eliminated = 0.20 taking this many cars off the road
- **12,888.38 gallons of water** not used

The estimates for environmental impact were carried out based on the Earth Savings Calculator, available in: <http://www.earthcolor.com/sustainability/earth-savings-calculator>

This report was printed in paper:

- Cover FSC Accent Opaque Cover (30% Post Consumer fiber, cover)
- 80# Text FSC Accent Opaque Cover (30% Post Consumer fiber, interiors)
- 80# Classic Crest Bright White Eggshell (100% Post Consumer fiber, interiors)

Certified by FSC and Rainforest Alliance, manufactured in conditions free of acid with 30% post-consumption recycled material.

Contact and Information ^{G4-31}

Corporate Communication Department

Carolina Alvear Sevilla

Karla Torres Elizondo

Phone: (52) 81 83 28 60 46

Fax: (52) 81 83 28 61 17

comunicacion@femsa.com

Sustainability Department

Francisco Suárez Hernández

Anik Varés Leal

Luis Fernando Ramírez Yañez

Phone: (52) 81 83 18 19 56

Fax: (52) 81 83 28 61 17

sostenibilidad@femsa.com.mx

Sustainability Reports

Business Units:

Coca-Cola FEMSA:

www.coca-colafemsa.com/kof/sostenibilidad/info2013

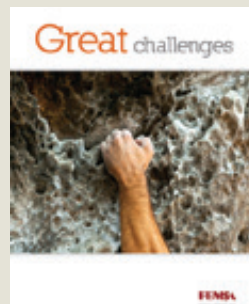
FEMSA Comercio:

www.oxo.com/responsabilidad-social

FEMSA Logística:

<http://www.fl.com.mx/es/sostenibilidad/informe-sostenibilidad.htm>

Annual Reports



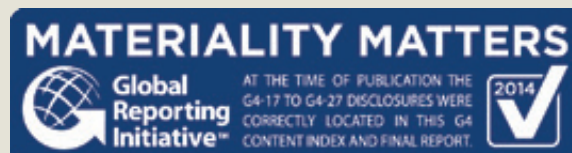
FEMSA
2013 Annual Report
www.annualreport.femsa.com



FEMSA Foundation
2013 Annual Report
www.femsafoundation.org/report2013



30% Post-consumption recycled material





FEMSA Actions Creating Value

Fomento Económico Mexicano, S.A.B. de C.V.
General Anaya 601 Pte. Col. Bella Vista C.P. 64410
Monterrey, Nuevo León, México

www.femsa.com

