

FEMSA

Moving forward creating Value

A photograph of four children playing in a grassy field under a large tree. A red ball is suspended in the air above them. The scene is bright and sunny, with green grass and trees in the background.

**Global Reporting
Initiative Report**

2014

G4

Actions with Value | Committed to Sustainability



Report on GRI Indicators

Global Reporting Initiative

In this document we report results and performance of the sustainability indicators during the period January-December 2014 under the methodology of the Global Reporting Initiative G4 (GRI G4). The structure of the document and information of our actions is presented based on the 3 Pillars of FEMSA's Sustainability Strategic Framework: Our People, Our Planet and Our Community.

As a supplement to this report, an executive version was prepared with relevant figures and data of our company and a website that can be reviewed in <http://www.sustainabilityreport.femsa.com>

For additional information about the company visit: <http://www.femsa.com/en/>



QR Code this is a quick access to our online report.

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FEMSA Profile

G4-4, G4-6, G4-8-9 and G4-17

We are a Mexican company founded 125 years ago. We currently operate in 10 countries and serve more than 351 million people through our Business Units. The company is integrated by Coca-Cola FEMSA, FEMSA Comercio, and a Strategic Businesses area which generated earnings in 2014 for \$263,449 million MXN (USD \$17,861 million); likewise, we are the second largest shareholder for Heineken, having 20% of its shares.

Business Units

Coca-Cola FEMSA it is the largest public Coca-Cola beverage bottler in the world, distributing more than 3.2 billion unit boxes a year. It operates in Argentina, Brazil, Colombia, Costa Rica, Philippines, Guatemala, Mexico, Nicaragua, Panama and Venezuela. With a diversity of brands, Coca-Cola FEMSA distributes its products through 2.9 million points of sale, serving more than 351 million consumers daily. In 2014, 83,371 direct jobs and 433,529 indirect jobs were generated.¹

FEMSA Comercio operates various small-format store chains. Through its OXXO stores, Doña Tota, Bara, Farmacias Yza, and Farmacias Moderna, it serves more than 10 million clients every day. The OXXO store chain has 12,853 stores, out of which 1,132 opened during 2014. By the end of this same year, FEMSA Comercio announced the acquisition of Farmacias Farmacón, with more than 200 drugstores in the states of Sinaloa, Baja California, and Baja California Sur, in Mexico. This operation is expected to close during the first quarter of 2015. During this year, it operated with the support of 111,525 employees, 23,675 suppliers², and generated more than 557,625 indirect jobs.³

FEMSA Strategic Businesses comprised by FEMSA Logística, Imbera and ptm®, offers its services to Coca-Cola FEMSA and FEMSA Comercio, as well as to external clients. Together, they generated 17,185 direct jobs.

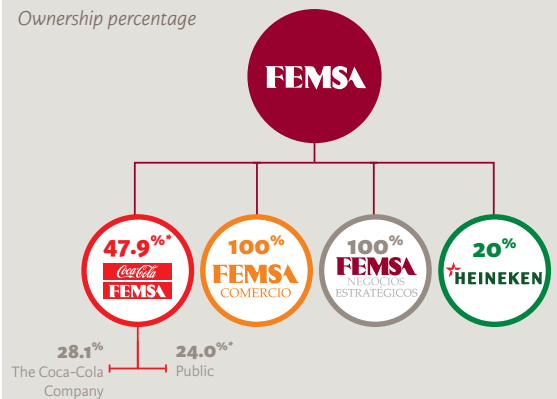
¹ According to data from the National Association of Soft Drinks and Carbonated Beverages Producers (ANPRAC) for each direct job generated in this industry, there are 5.2 indirect jobs generated.

² Suppliers in Mexico.

³ According to data from the National Association of Supermarkets and Department Stores, in the format of specialized stores, there are 5 indirect jobs per each direct job generated.

Corporate Structure

Ownership percentage



- » **216,740 employees**
- » **64 manufacturing plants**
- » **345 distribution centers**
- » **+200 brands**
- » **12,853 OXXO stores**

- **FEMSA Logística** offers the service of dedicated fleet management, administration of third carriers, maintenance and administration of commercial fleets and warehouses to FEMSA's Business Units, as well as external costumers. It has operations in Brazil, Colombia, Costa Rica, Mexico, Nicaragua, Panama and Peru.
- **Imbera** is the world's second-largest commercial cooler manufacturer; it exports its products to 45 different nations around the world. It has three production facilities, in Mexico, Brazil and Colombia; and alliances with manufacturers in Argentina, Turkey and Pakistan; as well as sales offices in eight countries and maintenance services in nine.
- **ptm®** provides solutions and develops projects for customized plastic transformation for each client, serving industries such as material management, automotive, and food and beverages. It is one of the largest plastic recycling companies in Mexico with two production facilities. In 2014 it recovered and recycled more than 14,000 tons of plastic.

Message from the Executive Chairman of the Board and from the Chief Executive Officer of FEMSA

G4-1



José Antonio Fernández Carbajal

Executive Chairman of the Board of Directors of FEMSA (LEFT)

Carlos Salazar Lomelín

Chief Executive Officer of FEMSA (RIGHT)

Dear friends:

Proud for leading the efforts that FEMSA carries out since 125 years ago to generate economic, social, and environmental value simultaneously, we present to you FEMSA's 2014 Sustainability Report. You will find here the progress and achievements we obtained during the year. Thanks to the engagement and effort of all of us who comprise FEMSA, we continue moving forward steadily in the pathway toward sustainability.

The notion of “accountability” and “sustainability” is not a fad; it has been the guiding principle in our history as a Mexican company with social purpose, and it will continue being in the future. We are convinced that corporate sustainability and transparency are sources of competitiveness and progress in the long term.

As a transparency exercise, a large number of actions, programs and initiatives, as well as their results, are portrayed here, ordered under the Sustainability Strategic Framework of the company and in the three Pillars conforming it: **Our People, Our Planet** and **Our Community**. Likewise, also the important progress in **FEMSA Foundation** are shown here.



Results

The results of our efforts in 2014 are presented in this document according to the guidelines of the Global Reporting Initiative (GRI G4), in exhaustive compliance and with the external verification of Deloitte Mexico.

2014 was a consolidation year for us, strengthening the pathway forward, capitalizing our learnings, and integrating processes to continue growing and maintaining the positive impact in the communities in the countries where we have operations.

This year we carried out a review and validation of the Sustainability Strategy, which strengthened the plans for risk awareness, and the definition of concrete actions from each Business Unit managing them. Along with this review, we continued a dialogue process with directors, experts, employees and suppliers to validate the topics for the Strategy approach, which were defined in 2012.

The results of our efforts in 2014 are presented in this document according to the guidelines of the **Global Reporting Initiative G4** (GRI G4), in exhaustive compliance and with the external verification of Deloitte Mexico.

For the ninth consecutive year, as signatories of the principles of the United Nations Global Compact, we present in this report our Communication on Progress.

All the programs and initiatives we developed would not be a reality without the talent and engagement of **Our People**. In 2014, we invested \$1,082.3 million MXN (USD \$73.3 million) in activities in favor of our employees and their families. We incorporated best practices in the safety culture through the Occupational Health and Safety Administration System (SASSO), as well as in the FEMSA Social Development programs.

“ This year we invested \$355 million MXN (USD\$24 million) in programs than benefit communities in the following areas: Healthy Lifestyles, Community Development, and Sustainable Sourcing. ”

A great challenge during this year, and toward 2015, has been the work in talent management. In a company where the vision includes doubling the value of the business every five years, the definition of the practices that constitute our work culture, as well as the profile of our leaders is key in order to achieve this goal and be able to maintain and increase the talent base that distinguishes FEMSA from other companies.

In **Our Planet**, we invested in 2014 \$ 762.1 million MXN (USD \$51.7 million) in environmental programs and technologies, as well as a large number of operational efficiencies which translate into better resource management.

This year, we were able to maintain the index for wastewater treatment in Coca-Cola FEMSA in 100%, while with some other savings and water consumption reduction initiatives, the results achieved were also encouraging.

We endorse our participation in national and international initiatives promoting the use of clean and renewable energy such as: *Top 10 Energy Saving Challenge* from the *World Wildlife Fund (WWF)*, *Sustainable Energy for All*, *Green Growth Action Alliance*, *Carbon Disclosure Project (CDP)* and the *GEI Mexico Program*, amongst others. In 2014, 7 Coca-Cola FEMSA plants joined the effort of recycling 100% of the waste generated, and we recovered and recycled more than 14 thousand tons of plastic in ptm®.

We are a company with social purpose committed with **Our Community**. This year we invested \$355 million MXN (USD \$24 million) in programs that benefit communities in the following areas: Healthy Lifestyles, Community Development, and Sustainable Sourcing.

FEMSA Foundation operates since 2008 as a social investment instrument for communities in Latin America through projects focused on Sustainable Development of Water Resources and Quality of Life. Through alliances, such as the **Latin American Alliance of Water Funds**, and through the **Water Center for Latin America and the Caribbean**, in 2014 we continued with projects for protection, preservation,

and recovery of water basins in Latin America and the education in hygiene, sanitation, and water preservation practices. Likewise, it continues its work strengthening its initiatives for nutritional education and quality of life in different communities with excellent results.

It has been a challenge, on one hand, defining the punctual needs of the communities we can satisfy, and on the other, determining the scope of our own capabilities and initiatives. Additionally, we seek to address them, with the best allies, consistently and measure the impact of these projects to generate greater benefits on the long term.

Actions say more than words, and this report shows a huge number of concrete decisions and actions from all of us who are FEMSA. Our results are supported on planning, execution, measurement, and continuous improvement of all our activities.

However, we are aware there is still very much to do. We need to continue evolving in our way of doing things and constantly assess our performance, as well as making a greater effort in our daily work to achieve more and better results. Thus, through this report we invite our allies to continue advancing with a spirit of collaboration so that, together, we can be more efficient in each one of the economic, social, and environmental projects in which we participate.

We thank you for the opportunity to present how we work, why we do it, and particularly in what areas we are **moving forward creating value**, together and with a steady pace. It is an honor having shared one more year of work with you. We hope this report may be of interest. |

José Antonio Fernández Carbajal

Executive Chairman of the Board of Directors of FEMSA

Carlos Salazar Lomelín

Chief Executive Officer of FEMSA

Economic Performance

G4-DMA, G4-EC1 and G4-EC8

Our mission is to generate economic and social value through companies and institutions. We work in order to have a growing business that is profitable, generates revenues and employment, contributes to the development of our communities, and enables us to continue adapting to our markets and consumers' needs.

In 2014 Coca-Cola FEMSA was selected for the second year as a member enterprise in Dow Jones Sustainability Index (DJSI) Emerging Markets, as well as in the Yearbook of RobecoSAM as Industry Movers. At the same time, FEMSA and Coca-Cola FEMSA are part, for the third consecutive year, of enterprises in the IPC Sustainable Index of the Mexican Stock Exchange.

Economic Performance Highlights:

- » **216,740 Direct jobs generated by FEMSA**
- » **433,529 Indirect jobs generated by Coca-Cola FEMSA¹**
- » **557,625 Indirect jobs generated by OXXO stores²**
- » **1,178 new OXXO stores in Mexico and Colombia**
- » **55,095 suppliers support our operation³**

- ¹ According to data from the National Association of Soft Drinks 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 5 indirect jobs per each direct job generated.
- ³ Suppliers of merchandise sold in OXXO stores are not included.

Comparative Table of FEMSA and its Business Units' earnings

	2014 Million Mexican pesos	2014 USD Million ¹	2013 Million Mexican pesos	Change %
FEMSA's Total Consolidated Revenues ²	263,449	17,861	258,097	2.1
Coca-Cola FEMSA Total Revenues	147,298	9,986	156,011	12.6
FEMSA Comercio Total Revenues	109,624	7,432	97,572	12.4

- 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, 2014, was 14.7500.
- ² The addition of the Business Units' total earnings differs from the total consolidated earnings since inter-companies transactions were eliminated in the consolidation.

	MXN Million	USD Million
Capital investment CAPEX	\$ 18,163	\$ 1,231
Supplier payment	\$ 148,819.5	\$ 10,089.4
Dividends paid to shareholders	\$ 3,152	\$ 214
Paid taxes in nine ¹ countries ²	\$ 48,317	\$ 3,276
Total earnings	\$ 263,449	\$ 17,861
Assets	\$ 376,173	\$ 25,503
Direct Economic Value Generated ³	\$ 265,651	\$ 18,010
Retained Economic Value ⁴	\$ 9,610	\$ 651
Debt	\$ 84,488	\$ 5,728

- ¹ Does not include operations from Coca-Cola FEMSA Philippines.
- ² Total direct and indirect contributions generated by the company.
- ³ Direct Economic Value Generated = Net sales + Earnings due to financial investments + Asset sales.
- ⁴ Retained Economic Value = Direct economic value generated - economic value distributed.



For more information in regards to the economic performance, review FEMSA Annual Report 2014: <http://www.annualreport.femsa.com/>

Financial Highlights	2014	2014	2013	Change %
	Million Mexican pesos	USD Million	Million Mexican pesos	
Total revenues	263,449	17,861	258,097	2.1
Income from operations ¹	29,983	2,033	29,857	0.4
Consolidated net income	22,630	1,534	22,155	2.1
Controlling Interest ²	16,701	1,132	15,922	4.9
Non-Controlling Interest	5,929	402	6,233	-4.9
Total assets	376,173	25,503	359,192	4.7
Total liabilities	146,051	9,902	136,642	6.9
Total equity	230,122	15,601	222,550	3.4
Capital expenditures	18,163	1,231	17,882	1.6
Controlling interest book value per share ³	9.53	0.65	8.91	7.0
Net controlling interest income per share ³	0.93	0.06	0.89	4.9
Headcount ⁴		216,740	209,232	3.6

¹ Company's key performance indicator.

² Represent the net income that is assigned to the controlling shareholders of the entity.

³ Data based on outstanding shares of 17,891,131,350.

⁴ Includes headcount from Coca-Cola FEMSA, FEMSA Comercio and Other Businesses of FEMSA.

Corporate Governance

G4-DMA, G4-EC1 and G4-EC8

Clarity, reliability, and transparency of our processes and corporate governance policies are essential to ensure our sustainability on the long term, since they provide a frame in the creation of value and the correct operation and management of the company.

Our corporate practices are subject to the Mexican Legislation applicable and also, since FEMSA and Coca-Cola FEMSA are public companies trading in the Mexican Stock Exchange and the New York Stock Exchange (NYSE), we also meet the corporate governance standards and applicable regulations established by the Mexican Stock Exchange Law, and the Sarbanes-Oxley Act from the United States of America, for foreign issuers.

Likewise, we adhere our standards to the national and international corporate and ethical governance standards, such as the Code of Best Corporate Practices supported by Mexico's Business Coordinating Council, and we have undersigned the **United Nations Global Compact**.

Board of Directors

G4-34-40, G4-43-44, G4-46, G4-49-50 and G4-LA12

The Board of Directors leads our corporate governance system and is who, at the same time, approves the designation and nomination of the General Director of the company. The Board of Directors in FEMSA is integrated by 17 proprietary members (13 men and 4 women) and 17 alternate members. According to the criteria of independence set by the Mexican Stock Exchange Law, 41% of the proprietary members are considered independent¹.

The Board meets quarterly and has extraordinary meetings when deemed required. The board members are elected by the general shareholders' meeting and their position lasts for one year, with the possibility to be reelected in their position if so determined by the general shareholders' meeting. José Antonio Fernández Carbajal holds the position of Executive Chairman of the Board of Directors and Carlos Salazar Lomelín as General Director of FEMSA.

¹ Valid information as of February 12th, 2015

Integration of the Board of Directors

The Board of Directors has three committees assisting in the performance of its duties. The committees are comprised by board members responsible for analyzing business issues according to their competency area and are supported by a high level executive from FEMSA who performs the role of technical secretary, without being a committee member.

- **Audit Committee:** it is in charge of reviewing accuracy and integrity of the financial information; naming, hiring and overseeing the external auditor of the company; and identifying and giving follow-up to contingencies and legal procedures.
- **Planning and Finance Committee:** it assesses investment policies and financing proposals from the General Director, risk factors to which the company is exposed, and its administrative policies.
- **Corporate Practices Committee:** it is in charge of anticipating or reducing risks in operations that can affect the company value; approves policies in regard to the use of company assets or transactions with related parties; it approves the compensation scheme for directors and key executives and evaluates their performance.

The concerns of shareholders and investors in regards to the company are addressed to the Board of Directors, received in electronic or physical format and channeled through FEMSA's Investors Relations area.

Within FEMSA's executive team, the Director for Corporate Affairs is responsible for communicating the challenges and opportunities related to sustainability to the highest levels in the organization and ensuring that FEMSA and its Business Units have the processes and plans to contribute to the sustainability of the company in the long term, generating social value and mitigating risks.

Policies, processes and tools for information and control

G4-41, G4-49-50, G4-56-58, G4-LA16, G4-HR3, G4-HR12, G4-SO3 and G4-SO5 / GC I, II, IV, V and X

We align to different policies, processes and tools that enable us to unify our performance in all the Business Units. The documents guiding the behavior of our employees and operations in FEMSA are:

- Business Code of Ethics
- Corporate Policies Manual
- Risk Management Manual
- Internal Control Manual

The **Business Code of Ethics** and the **Corporate Policies Manual** are the documents that establish the guidelines for the ethical behavior expected from our employees and in all our operations. **FEMSA's Sustainability Policy** is part of this manual and offers the guidelines defining management of sustainability related topics.

During 2014, **FEMSA's Supplier Guiding Principles** were developed and its communication began. These principles determine the minimum compliance expectations we have from our suppliers in regards to their management in key sustainability areas. The document comprises 16 principles grouped into topics of labor rights, environment, community, ethics and values.

In order to give follow-up to omissions to these institutional policies, we have a **Whistle-Blower System** operated by an external party and supervised by the Audit Committee of the Board of Directors. This system provides a telephone line and an Internet website available for employees and stakeholders, also available in different languages. The procedures for reports and ethical management are communicated throughout FEMSA's companies through an induction program, in the human resources website and internal communication campaigns.

Number of reports in FEMSA and Business Units by the end of 2014

	2014	2013
Number of reports	1,930	1,511
Substantiated and sanctioned according their severity	27.8%	31.2%
Unsubstantiated	29.4%	38.7%
In process of resolution	42.8%	30.1%

Reports consider situations related to work and/or sexual harassment, discrimination, human rights violations, robbery, corruption, negative impact on the community and the environment, among others.



For more information regarding our corporate governance practices, as well as our minority shareholders' participation and right of voting please review: <http://ir.femsa.com/governance.cfm>



For more information regarding the Business Code of Ethics and Whistle-Blowing System review:

Ethics Code:
<http://bit.ly/1av5lsM>

Whistle-Blower System:
<http://bit.ly/1EP9xwC>

Environmental Management

G4-2, G4-14, G4-41, G4-45-46, G4-EC2, G4-EN27, G4-SO3 and G4-HR9

The appropriate risk management is a strategic element in managing our sustainability in the future. Operational efficiency is complemented with timely detection of internal and external risks, as well as the elimination or mitigation of harm due to unexpected events in our operations, affecting the environment, or the communities where we operate.

We have the tools to identify, address, and give systematic follow-up to risk related to strategic, financial, operational, social compliance, environmental, frauds or extortions. These tools 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 lifestyles, 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 and addressing them privileging our employees, clients and consumers' health and safety.

Supported on these tools, in 2014 we identified risks to which our Business Units are exposed. Among the most relevant we find:

Coca-Cola FEMSA

- Changes in consumer preference
- Water shortage or some inability to maintain the existing concessions
- Risk of raw material price increase
- Significant changes in regulatory affairs and taxes

FEMSA Comercio

- Impact on sales due to changes in economic conditions in Mexico
- Significant changes in regulatory affairs and taxes
- Changes, failures or interruptions in information technology systems
- Increase in price of energy
- Probability of not maintaining historical growth
- Business acquisitions may lead to decreased profit margins

Risks related to the countries where we operate

- Economic and political conditions
- Depreciation of local currency
- Insecurity

FEMSA Sustainability Strategy

G4-2, G4-35-36, G4-42-43 and G4-45

Stemming from FEMSA's Mission and Vision, and our interest in generating simultaneous economic and social value, we aligned our actions with a long-term vision to contribute in the positive transformation of the communities in a focused manner and connected with our business objectives. To this end, in 2012 we updated our FEMSA Sustainability Strategy, guideline that governs us currently and under which we coordinate our efforts in all our Business Units.

This Strategy, aligned to the Business Strategy, enables us to unify visions and concepts, as well as measure the progress and compliance of the goals we set.

FEMSA's Strategic Sustainability Framework is represented by the shape of a tree with a Core Foundation and three Pillars, as well as three *action areas* in each Pillar.

Through the Core Foundation and the Pillars we seek:

Our Ethics and Values: adherence to the highest standards in business ethics and corporate governance.

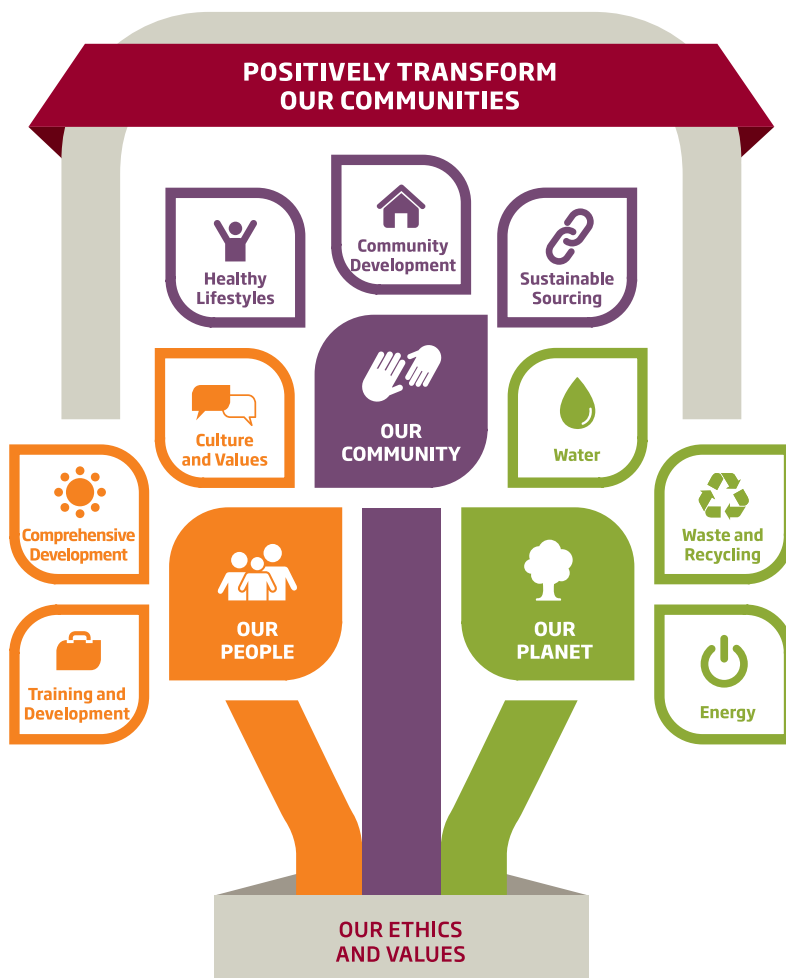
Our People: promoting the employees' integral development.

Our Planet: minimizing the environmental impact of our operations.

Our Community: contributing in the generation of sustainable communities.

The programs and institutional initiatives are aligned to these three Pillars, each one with three *action areas*, represented by the leaves of a tree, from which there are 19 focus topics branching out, in which each Business Unit has a unique contribution based on its characteristics and business priorities.

We also have transversal enabling mechanisms that allow us to maximize the impact of our actions, such as education, innovation, public policy promotion, establishing multi-sectorial alliances, investment, and volunteer work, amongst others.



Progress in the implementation of FEMSA Sustainability Strategy during 2014:

- During the first quarter of the year, the new General Direction reviewed and validated the Strategy, incorporating a greater focus on risk mitigation. As part of this exercise, concrete actions were defined in which each Business Unit has worked with the purpose of strengthening the plans for risk attention and the identification of opportunities.
- New long-term goals were defined in the Business Units to strengthen the efforts in sustainability affairs. Thus, under the FEMSA's Sustainability Strategy umbrella and based on its priorities and business characteristics, each one of them builds and carries out action plans to meet their own goals.
- We advanced in the development of the Sustainability Information System, which will enable managing and consolidating information from all our Business Units, with the purpose of improving the detail and traceability level of the information we share with our stakeholders, as well as identifying internal improvement opportunities and follow-up to the established goals.
- In Coca-Cola FEMSA we started the pilot test of an Assessment Platform of our operations, through which we are seeking to ensure that our management systems and standards used contribute to the objectives and goal achievement of FEMSA Sustainability Strategy. This will enable us to identify opportunity areas and work in action plans to address them.

1 Build		2 Implement		3 Integrate		4 Monitor	
2012		2013-2014				Continuous	
Internal Diagnosis	Strategic Vision	Long-term objectives	Operational definitions	Strategic planning	Investment plans	Continuous improvement	Updating of priorities
Dialogue with Stakeholders	Best practices analysis	Analysis of opportunity areas	Metrics, baselines, and goals	Sustainable sourcing	Risk management platform	Follow-up manual	Monitoring, report and verification
Analysis of priorities (Materiality)	Communication plan	Strategic Lines	Action plans				

■ Finalized
■ Periodic
■ In implementation
■ In design/Re-design

Next steps

- Formalize long-term goals pending during the 2014 process, due to the lack of information or alignment to business plans.
- Deploy the Sustainability Information System which will allow to consolidate information from all the Business Units, and facilitate the management of FEMSA's Sustainability Strategy.
- Integrate and promote Sustainability among the FEMSA Culture to involve more employees.
- Continue strengthening FEMSA's Sustainability Strategy within the processes of Strategic Planning and Auditing.

Materiality

G4-18, G4-19, G4-20 and G4-21

A key objective in developing FEMSA's Sustainability Strategy has been the definition of the focus topics, that is, the material issues for FEMSA and our Business Units. This is relevant since it allows us to concentrate our efforts and resources toward those issues with greater impact from our operations, enabling operational efficiency and ensuring sustainability of our businesses in the future.

In 2014 we continue sustaining dialogues with key executives, sustainability experts, FEMSA employees and, for the first time, suppliers to validate the focus topics identified during the development of FEMSA's Sustainability Strategy. This practice was established and maintained since 2012 when the focus topics were defined.

These topics, derived from the nine *action areas*, have as characteristic:

- Are relevant for FEMSA's Business Units
- Are topics where value and positive impact can be generated
- Have a degree of maturity and experience that enables the Business Units to be, or may be, change agents
- Relevant investments have been made in these topics
- Mean a competitive advantage that enables us to stand out in our markets
- Are important for our stakeholders.

All the focus topics require special attention due to the complexity of our operations, thus they are being addressed differently, adapting to the nature of each Business Unit.



For more information on materiality visit:

<http://www.sustainabilityreport.femsa.com>

Pillar	Action area	Focus Topic
	Culture and Values	Culture and Values
		Safety and health in the workplace
	Training and Development	Compensation
		Training and development
	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
		Marketing and responsible communication
		Sustainable products / services offering
	Community Development	Local environmental impact
		Environmental safety
		Social well-being in communities
		Supplier development
	Sustainable Sourcing	Suppliers' environmental impact
		Suppliers' labor rights and working conditions

Stakeholders

G4-24, G4-25, G4-26, G4-27, G4-37, G4-49, G4-53, G4-LA16 and G4-PR5

We work taking into consideration our stakeholders' needs and expectations to mutually address relevant topics, since we assume the responsibility to join capabilities and avoid duplicating efforts to address the dilemmas which are a concern for the community as well as our company. To this end, we have different means of contact available that allow us to come in contact with their points of view, expectations and opinions regarding our performance, as well as to find possible collaboration lines.

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	■	■	■			■	■	Sourcing	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 Affairs, Institutional Relations, Labor Relations, and Sustainability	Status of Business Units including macro-economic atmosphere, consumption patterns and financial results; company strategy and investment plans.
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.

■ Permanent ■ Biennial ■ Variable

*Organizational Work Environment Diagnosis

The consultation mechanisms for our stakeholders in 2014 were:

- Organizational Work Environment Diagnosis:** it is a system that enables us to measure the level of work satisfaction of our employees, as well as their engagement, empowerment, and leadership level. The tool was consolidated during 2014, to be unified in all FEMSA's Business Units. It is applied at least every two years. This diagnosis enables us to design strategies in human resources management and improve competitiveness, while it enables the identification and transfer of successful practices among the Business Units. The categories assessed are work environment, level of engagement, empowerment, leadership, quality of life, and work plan. In 2014 there were 78,513 surveys applied to employees, which represents 89.14% of the total employees that were expected to participate during this year.
- OXXO Listens:** it is an open communication channel to the community and through which we receive feedback regarding the service offered in our stores. In 2014 we received 54,833 comments related mainly with the operation of the store, service attitude, invoice related questions, among others.
- FEMSA Internet Web page:** through the Website www.femsa.com there were 6,120 emails received related mainly to human resources, sales, program information inquiries, suppliers, sponsorships, among others.
- Communication platform - Atienda:** it is a support desk available via Web to provide services to OXXO stores personnel in order to enable them and assist them in administration, maintenance, marketing, operations, patrimonial protection, and human resources, which allow them to provide a better service to our clients. In 2014 there were 3,000,070 folios.
- Sustainability Stakeholders' survey:** there were 2,530 individuals surveyed via web in order to learn their perception about FEMSA's and its Business Units' Sustainability performance.

- Dialogue sessions with stakeholders:** for the third consecutive year employees, experts in sustainability, and for the first time, suppliers participated by evaluating FEMSA's 2013 Sustainability Report, the process of materiality definition, as well as FEMSA's Sustainability Strategy objectives and the programs in which we work. The findings have been taken into consideration in the elaboration of this Report and in improving our sustainability management.
- Whistle-Blower System:** anonymous communication from society regarding opinions or irregularities are received through this means. To this end, we have a telephone line and Internet Website available for all our stakeholders.

In 2014, we received 6,120 e-mails through the section Contact us within the corporate Web page:

Topic	Number of mails received
Human Resources	1,385
Suppliers	1,361
Sales	1,141
Sponsorships and donations	780
Complaints	497
Sustainability	169
Others	787

Through the Sustainability email account there were 1,030 messages related to:

Topic	Number of mails received
Interactions with employees	800
Communication	170
Donations and alliances	48
Human Resources	12

The email accounts available for all our stakeholders are:

comunicacion@femsa.com
sostenibilidad@femsa.com.mx

Inter-sectorial Alliances

G4-15-16

In FEMSA we build alliances and synergies which help us optimize processes and multiply the impact of our actions. Through joining efforts with organizations from different disciplines, we have complemented our initiatives and operations, generating better results that benefit our stakeholders.

Our participation in alliances and initiatives is carried out in several ways, either through economic or in kind participation, memberships, joint work, operation or participation in governance bodies.

As part of these alliances, we have subscribed our commitment with the **United Nations Global Compact**, since 2005, through which we are committed to respect the 10 principles established by this organization related to human rights, work conditions, environment, and fight against corruption.

We participate in Confederations, Chambers and Associations in the different countries where we have operations.

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 de 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)
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 (NPTC)



Promoting employees' comprehensive development

Our People

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

Nowadays, and since 125 years ago, the priority in FEMSA has been Our People. To promote their personal and professional development we adhere to our values and principles through which we strive to contribute in generating an enriching work culture for our company and for the communities where we operate.

In the Pillar of Our People, we work in three *action areas* which drive us into continuing to build a better place to work. These three areas are Culture and Values, Training and Development, and Comprehensive Development.

In 2014 we invested \$1,082.3 million MXN (USD \$73.3million) in programs that positively impact our employees and their families.

Investment in Our People divided by action area



Number of employees

216,740 employees in 9 of the 10 countries where we operate.

Employees per region or country

Country/Region	Employees
Argentina	2,873
Brazil	23,093
Central America	6,367
Colombia	6,370
Mexico	170,109
Venezuela	7,768
Others*	160
Total	216,740

* Does not include employees from the Philippines.

Employees by age group and gender

	18-34			35-44			45+			Total		
	2012	2013	2014	2012	2013	2014	2012	2013	2014	2012	2013	2014
Women	29,755	39,687	41,423	19,716	15,380	15,385	6,436	7,579	9,064	55,907	62,646	65,872
Men	65,696	82,331	90,148	37,122	30,887	33,618	14,226	15,675	18,420	117,044	128,893	142,186
N/A ¹										9,309	17,693	8,682
Total	95,451	122,018	131,571	56,838	46,267	49,003	20,662	23,254	27,484	182,260	209,232	216,740

¹ Information on some providers of external services to Coca-Cola FEMSA is not available.

Employees by gender and type of contract

	Employees			Unionized			External services			Sales Commission OXXO			Total		
	2012	2013	2014	2012	2013	2014	2012	2013	2014	2012	2013	2014	2012	2013	2014
Women	8,583	11,202	11,493	19,408	24,244	26,326	819	376	553	27,097	26,824	27,500	55,907	62,646	65,872
Men	30,072	35,137	39,543	61,574	69,311	77,464	2,316	407	1,494	23,082	24,038	23,685	117,044	128,893	142,186
N/A ¹		2,318			6,646			8,729	8,682				9,309	17,693	8,682
Total	38,655	48,657	51,036	80,982	100,201	103,790	3,135	9,512	10,729	50,179	50,862	51,185	182,260	209,232	216,740

¹ Information on some providers of external services to Coca-Cola FEMSA is not available.

New hires in 2014

	Women			Men			Total
	18-34	35-44	45+	18-34	35-44	45+	
Employees and Unionized	17,558	3,856	1,414	37,939	5,106	1,750	67,623
External services and Sales Commission	26,165	6,276	4,108	30,829	3,174	2,910	73,462
Total	43,723	10,132	5,522	68,768	8,280	4,660	141,085

We promote hiring personnel from the local community in our operations. In 2014, 79.74 % of the executive positions were filled by individuals from the country where they work.

Culture and values

G4-56

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

Our culture is supported on the FEMSA Mission, Vision, and Values, statements we reviewed and updated during 2013 to adapt to the environment needs and those of our operations. The deployment of this update was carried out in 2014.

Mission

- Create 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 5 years.
- We have market diversification that privileges a 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.

Values

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

Cuahtémoc Ideology

FEMSA is governed by a group of personal principles and concepts inherited by Don Eugenio Garza Sada, who based his life philosophy on a transcendental phrase: *“Respect to human dignity is above any economic consideration”*. His ideas have been captured in 17 principles that represent the essence of the values which are nowadays a fundamental part of FEMSA Culture and integrate what we know as the Cuahtémoc Ideology.

In FEMSA, employees live and make the values their own through daily practices and behaviors that generate our work culture which is, undoubtedly, a differentiating aspect in our business.

This philosophy includes the promotion of the **Culture of Lawfulness**, through which we invite our employees and stakeholders to join and have all their actions carried out within the legal frame, rejecting corruption and inappropriate practices such as payment of unauthorized commissions, avoiding wrongdoing with clients and suppliers, and in general, not incurring in behaviors which go against our policies and values, as well as the laws in the countries where we operate.

Training and Development

G4-LA9, 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 2014 we invested \$630.2 million MXN (USD \$14.2 million) in face-to-face and online training.

FEMSA University has the objective of identifying, developing, and maintaining the organizational capabilities within the company. Through online and face-to-face courses it provides tools to strengthen leadership competencies and technical knowledge. In 2014, we trained 88,138 employees through 6,350 educational resources.

FEMSA University

Year	Investment ¹	Number of employees trained
2012	31.6	79,438
2013	14.9	84,077
2014	28.0	88,138

¹ Million Mexican pesos.



In order to learn about the 17 principles in the Cuahtémoc Ideology, review:

<http://bit.ly/1ALRPGg>

In order to learn our Business Code of Ethics where we underline the behavior and demeanor expected in the organization, review:

<http://bit.ly/1av5lsM>

Face-to-face training by employee category

Average training hours per employee

Year	Investment ¹	Employees	Unionized	External services	Sales commissioner OXXO	Total
2012	368.9	38.88	2.64	0.59	ND ²	9.46
2013	338.9	21.26	13.61	16.73	9.26	14.47
2014	248.6	30.99	19.10	7.29	12.89	19.85

¹ Million Mexican pesos

² The average of the Sales commissioners' training in 2012 was not reported.

Face-to-Face training by topic and employee category

	Safety	Health	Human Rights	Ethics and corruption	Culture of Lawfulness	Sustainability	Languages	Technical knowledge	Other
Employees	406,177.61	95,553.30	41,205.15	10,560.75	8,400.50	44,003.75	30,418.00	645,630.75	299,910.85
Unionized	325,094.41	109,421.42	28,886.55	8,998.00	5,246.50	49,533.5	—	1,366,921.48	88,319.58
External services	24,573	3,236.50	786.50	17.50	423	5,929	—	25,686.00	17,564.78
Sales commissioner OXXO	24,030	2,009	720	142	0	100	0	632,901	0
Total¹	779,874.52	210,220.47	71,598.20	19,718.25	14,070.00	99,565.75	30,418.00	2,671,138.73	405,795.21

¹ The total hours of face-to-face training during 2014 was 4.3 million.

As part of the FEMSA University Learning Model, the **Functional Development Schools** are the mechanism to identify and develop the competencies and technical knowledge required to:

- Build organizational capabilities
- Develop talent
- Manage knowledge

The **Learning Schools** are the foundation of FEMSA University in two modalities: Transversal Schools, which refer to functions or areas common to all Business Units, and the Business Functional Schools, designed and managed directly by each Business Unit for specific processes.

Comprehensive Talent Management

G4-LA11

In order to respond to the accelerated and sustainable growth of FEMSA and ensure that the company has the necessary talent to meet the Business Strategy we continue implementing the Comprehensive Talent Management model.

The objectives of the Comprehensive Talent Management model are:

- Ensuring the necessary talent to achieve the Business Strategy.
- Building 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.

The processes and programs that intervene in the Comprehensive Talent Management model are being implemented in the Business Units, and some of these processes are supported by unified technological platforms.

Execution and implementation elements of Comprehensive Talent Management during 2014

Process	Description	Status
Training and Development	<ul style="list-style-type: none"> Through FEMSA University there have been training and development processes carried out with the current methodologies and tools. 	<ul style="list-style-type: none"> We trained 88,138 employees through 6,350 educational resources.
	<ul style="list-style-type: none"> Synergies and strategic alliances were carried out with global and prestigious universities such as Wharton School of the University of Pennsylvania and Thunderbird School of Global Management for the creation of Executive Development Programs. 	<ul style="list-style-type: none"> 347 Strategic and Tactical Leaders attended the workshops held during 2014
	<ul style="list-style-type: none"> The Identification of Training and Development Needs was carried out during the first semester of 2014 to identify the most common development priorities by contribution level. 	<ul style="list-style-type: none"> 4,552 Identifications of Training and Development Needs were carried out.
	<ul style="list-style-type: none"> Employees were advised to continue focusing their performance and professional development through the Development Agenda, which is 70% based on learning through critical actions, 20% through coaching or mentoring, and 10% theoretical training. 	<ul style="list-style-type: none"> There were more than 26,500 Development Agendas managed.
	<ul style="list-style-type: none"> We have also deepened in the transactional process transference to the Shared Services Center through the HR Line, as well as unified the training processes and development of the Business Units. 	<ul style="list-style-type: none"> With the new scheme for attention, support, and operation of the HR Line, the operational load of the Business Unit Administrator is expected to decrease at least in 40%.
Human Resources Planning	<ul style="list-style-type: none"> Talent planning: anticipates the organization's talent needs to implement its Business Strategy. This is achieved through: <ul style="list-style-type: none"> Identification of the business growth scenarios for the next three years. Analysis of the impact of supply and demand regarding the growth scenarios around talent. Design of HR strategies that allow the availability of the required talent for each growth scenario. Succession management: identifies, evaluates and develops the necessary talent to effectively replace the key positions that guarantee the implementation of the Business Strategy. Career management: administers the professional growth of the employees, combining their personal interests with the needs of the organization. 	<p>During 2014</p> <ul style="list-style-type: none"> Succession management: 100% of the talent and key positions among Strategic and Tactical leaders were mapped under the 9-BOX methodology. Career management: Career routes for key positions and definition of career plans for corporate key talents were updated.
Talent Platform	The Talent Platform was implemented to support the Comprehensive Talent Management processes with the modules:	
	<ul style="list-style-type: none"> Critical Factors and Performance: We continued using the TOPS methodology through which staggered goals performance is administered, managed and followed-up to assess the critical factors identified to ensure the implementation of the Business Strategy. 	<ul style="list-style-type: none"> Service was provided to more than 15,500 users in FEMSA and its Business Units with more than 90% compliance.
	<ul style="list-style-type: none"> Employee profile: This module offers FEMSA a more complete vision of the qualities and talents of all its employees, by providing an electronic file which supports the Development, Succession and Personnel Administration processes. Additionally, the module has general information of the employee such as personal and family data, which is also interconnected with other personnel management systems. 	<ul style="list-style-type: none"> Service was provided to more than 30,000 users in FEMSA and its Business Units.
<ul style="list-style-type: none"> Succession module: This module has functionalities that will enable the HR planner to visualize and manage talent in the organization. Other benefits are the possibility to search for talent and obtain talent indicators, visibility and assigning of successors or replacements, as well as the automatic generation of talent information. It has a visualization functionality which will be deployed during 2015. 	<ul style="list-style-type: none"> It was implemented during 2014 in Coca-Cola FEMSA, FEMSA Logística, Shared Services Center, Imbera, ptm® and FEMSA Headquarters. During 2014 provided service to 117 users in Human Resources. 	
RH Line as support to Talent Platform	As a result of the strategy to increase the scope of the services provided by the HR Line to support the processes of the Comprehensive Talent Management Model, first level support was broadened to include the provision of service to process administrators and users of the new platform. To this end, the HR Line team was trained. The same strategy was adopted in Brazil, with a similar service carried out by the "RH com você" team	HR Line and "RH com você" broadened their services providing comprehensive support to more than 50,000 users of the Talent Platform in 9 countries.
Talent attraction	We have a new unified web based mechanism for talent attraction where the vacant positions from all the Business Units are generated and published. Approximately 1 million candidates a year are evaluated through this platform as part of talent attraction.	The web based mechanism provided service to more than 800 recruiters at FEMSA.

FEMSA Diversity Model

G4-LA6 and G4-LA13

Since 2011 we have worked in the planning and development of the **FEMSA Diversity Model** as an additional effort to build a diverse and inclusive organization. This model considers six aspects: equality and gender, people with disabilities, ethnicity, age, sexual orientation, and socio-cultural integration.

Our hiring and retention processes and policies in all the FEMSA Business Units are free of discriminatory practices. We do not make distinctions due to gender, age, nationality or any other feature, and the economic compensation is established according to employees' individual contribution, performance and competencies.

We continue working in regards of employment inclusion with a greater positioning of the program and designing new initiatives. The **OXXO Guided Work Training Center** located in Nuevo León and Mérida, Mexico, offer training to people with intellectual disabilities to promote the development of competencies, so they can be potential candidates to be recruited by OXXO or other companies.

Occupational Health and Safety

Employees integrated in 2013 and 2014

Business Units	People with disability		Senior Citizens ¹		Total	
	2013	2014	2013	2014	2013	2014
Coca-Cola FEMSA	295 ²	329	616	300	911	629
FEMSA Comercio	381	333	923	1,135	1,304	1,468
FEMSA Corporate Offices and Strategic Businesses	21	17	92	17	113	34
Total	697	679	1,631	1,452	2,328	2,131

¹ In FEMSA we consider senior citizens those individuals older than 65 years.

² Includes information from Argentina, Brazil, Colombia and Venezuela.

G4-LA-7

With the purpose of ensuring compliance of safety guidelines and promote a safe work environment, the **Occupational Health and Safety Administration System (SASSO)** started operating in all Business Units in 2006.

Through SASSO we carry out a continuous effort to identify, assess, eliminate, and control work risk factors and general illnesses. We integrate the best international practices on safety culture,

and incorporate our own indicators from the industries where we participate. Likewise, we adhere to different international standards related to health and safety in the workplace, such as the International Labor Organization (ILO).

One of the tangible results of SASSO, related to

2014 Accident rate, illnesses and lost days¹

	2013	2014	Change
Accident rate	5.52	4.89	-11.41%
Lost days due to accidents	93.3	86	-7.52%
General illness	55.2	45.94	-16.77%
Lost days due to illness	381.86	366.36	-4.05%

¹ Rates are based on the number of incidents per 100 employees. These rates are calculated based on the number of FEMSA direct employees who are reported to SASSO. Includes information from all countries except the Philippines.

training and promotion of safe practices, is the fact that in FEMSA Logística we have the lowest turnover rate in the transportation industry in Mexico with 14.6%, while the personnel turnover average in the transportation sector in Mexico is above 30 %.

The Comprehensive Safety System of FEMSA

Logística has the key objectives of constantly reducing accidents in all the operations, being recognized in safety issues, and ensuring regulation compliance in the countries where we operate. The aforementioned enables FEMSA Logística to be catalogued as one of the safest transportation enterprises in the American continent, with a rate of 0.156 accidents per million kilometers traveled, and a 15% reduction in lost days due to work related risks in 2014.

Compensation and Benefits

G4-52, G4-EC3, G4-EC5, G4-LA2 and G4-HR4 / GC III

Work compensation for our employees is based on competitive figures for the industries and locations where we participate. Regardless of the work agreement they have, employees receive benefits and incentives established by the law and according to performance.

Compensation of top executives is estimated based on two factors:

- Assessment of the Performance Management System.
- Added Economic Value of the company (AEV).

In accordance to the laws where we operate, our employees have the right to exercise their freedom of association and collective bargaining, which enables them to join a union. In FEMSA we respect this right, as well as their labor agreements and work together with the unions in a respectful, transparent and timely manner.

Comprehensive Development

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

Social Development for FEMSA is a commitment based in the origin, principles, and values we assume as a business, with the purpose of generating economic and social value through our actions. Social Development functions as a strategic partner of the businesses and is the driver for hundreds of individuals who define their commitment by promoting institutional programs in all the Business Units.

The **Social Development Comprehensive System** focuses on the 7 dimensions of individual's comprehensive development:

- Values
- Family
- Social
- Health
- Economic
- Educational
- Work

Some benefits granted to our employees:

Business Unit	Benefit	Description and results
FEMSA	<ul style="list-style-type: none"> • Flex-time, home office, and reduced schedules. 	<ul style="list-style-type: none"> • 292 employees from corporate offices benefited.
Coca-Cola FEMSA	<ul style="list-style-type: none"> • Flex-time, home office, and reduced schedules. 	<ul style="list-style-type: none"> • 1,244 employees benefited
FEMSA Comercio	<ul style="list-style-type: none"> • Scholarships • Life insurance 	<ul style="list-style-type: none"> • Employees and their families were benefited
FEMSA Logística	<ul style="list-style-type: none"> • Recognition to excellent worker 	<ul style="list-style-type: none"> • Recognitions based on productivity and seniority indicators.
Imbera-ptm®	<ul style="list-style-type: none"> • Educational scholarships • Recognition for Academic Excellence 	<ul style="list-style-type: none"> • Employees and their families. • Recognitions for good school performance.

Some of the challenges that Social Development in FEMSA faces in 2015 are:

1. Growth and expansion into new markets force us to respond to diverse cultural contexts and business models. From 2013 to 2014 Work Centers increased from 209 to 335.
2. Maintain investment in Social Development despite financial and environment changes of our Business Units.
3. Design and implement Social Development strategies that respond or go beyond international Human Rights norms from institutions such as the International Labor Organization (ILO), the Organization for Economic Co-operation and Development (OECD) and the United Nations Global Compact.
4. Design volunteer programs that capitalize our work experience to support the development of capabilities among stakeholders such as young people.
5. Succeeding at implementing FEMSA's Social Development programs among our employees and their families in areas such as workplace integration, opportunities and comprehensive development as well as quality of life.
6. Continue contributing to the development of a conscience and care for the environment through the efforts of the FEMSA Volunteer Network, with reforestation, cleaning of water bodies, and environmental actions.

Social Development Programs

Dimension	Approach	Program	Objective	Impact
Values	Culture of Values	Recognition for value practicing.	Distinguish employees who stand out for practicing the universal and FEMSA's values.	Initiatives: 255 Employees: 53,754 Relatives: 4,284
Family	Family integration	Environment and family strengthening	Strengthen the family concept and promote fraternity among employees, family, and company.	Initiatives: 1,086 Employees: 78,334 Relatives: 54,121
Social	Civic engagement among employees and families	FEMSA Volunteer Network	Promote and drive social engagement through volunteer activities.	Initiatives: 814 Employees: 17,896 Relatives: 33,924
		Workplace integration for people with disabilities	Adapt spaces and identify positions and functions to integrate people with disabilities.	Initiatives: 178 Employees: 5,481 Relatives: 2,323
Health	Healthy lifestyles	Nutritional education	Promote and support healthy nutritional habits.	Initiatives: 1,524 Employees: 53,754 Relatives: 4,284
		Healthy activation	Promote healthy lifestyles and a work-life balance.	
Economic	Creation of family patrimony	Financial education	Promote the culture of personal finances, savings, retirement savings, and healthy credit.	Initiatives: 348 Employees: 78,157 Relatives: 8,670
		Service agreements	Economic support to employees through agreements with different businesses.	
Educational	Educational development: education and culture	Formal education	Increase the levels of formal education.	Initiatives: 316 Employees: 5,852 Relatives: 5,660
		Reading promotion	Arrangement of reading spaces, reading promotion campaigns and reading circles.	
Labor	Work harmony	Work-life balance	Promote an appropriate balance between work and personal time.	Initiatives: 2113 Employees: 120,804 Relatives: 8,719



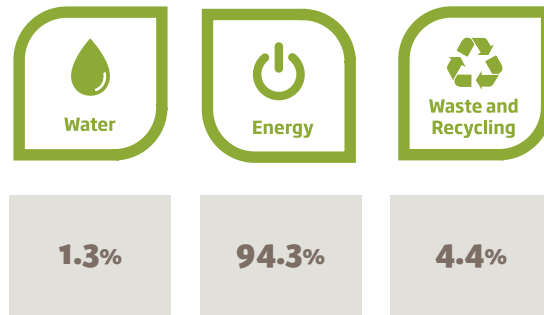
Minimizing our operations' environmental impacts

Our Planet

G4-DMA, G4-EN27, G4-EN31, G4-LT3 and G4-LT8 / GC VI, VIII and IX

We know that our operation is interdependent with the environment, thus we align environmental management to our Sustainability Strategy in a pro-active way. To achieve the challenges we have established in this pillar, in 2014 we invested \$762.1 million MXN (USD \$51.7 million) with positive impact in each action area.

Investment in Our Planet by action area¹



This year FEMSA, supported by Trucost², developed a baseline analysis to assess our environmental footprint, as well as the status of the Environmental Profit and Loss (EP&L), which measures business risk and opportunities using natural capital valuations for FEMSA's key environmental impacts.

The 3 key objectives of this analysis were:

- Measure and improve how FEMSA manages the environmental impact of our operations and supply chain, in accordance with the natural capital valuation concept.
- Validate the Sustainability Strategy focus topics.
- Contribute in building a resilient supply chain.

¹ The operation and maintenance cost of our green technologies are not included in this figures.

² <http://www.trucost.com>

This analysis measures environmental impact from FEMSA's direct operations and its supply chain (purchasing of goods and services) all the way through raw material supply. All FEMSA's Business Units were analyzed. The environmental impacts included in this assessment were the greenhouse gas emissions, water use, waste generation, and land use.³

The key findings of the analysis were the following:

- FEMSA's environmental footprint, considered in this analysis, is distributed throughout its operation to its supply chain, concentrating latter at different levels about 90% of the environmental impact. This is a typical behavior considering the business sectors where FEMSA participates.⁴
- Based on the results of this analysis, we validated that water use and energy use are both material topics for FEMSA.
- Approximately 25% of the greenhouse gas emissions (GHG) considered, are concentrated in Scope 1 (direct emissions) and Scope 2 (indirect emissions). This information confirms and motivates us to continue towards our goal to provide 85% of our electricity needs from renewable sources.
- We have established a solid foundation on which FEMSA will continue working to seize in greater detail the environmental footprint and generate actions to minimize our operations' environmental impact.

The actions and initiatives that ensure good environmental performance and enable us to efficiently manage resources, are coordinated under the Environmental Management System (EMS). Through EMS we address the requirements for internal information of the Business Units through the documentation of procedures and measurement indicators in our process.

Environmental Management Systems⁵

- **ISO 14001:** ptm[®] facility, Imbera Colombia facility, and 97% of Coca-Cola FEMSA facilities certified.
- **One Planet:** ptm[®] facility, Imbera facilities (Mexico, Colombia and Brazil) certified.
- **Our own systems:** our EMS, in FEMSA Comercio and FEMSA Logística enable us to follow-up on: indicators to ensure process compliance, continuous improvement, program formulation and the established environmental objectives.

In 2014, the ptm[®], Imbera (Mexico, Colombia and Brazil) facilities achieved the One Planet Living⁶ certification, which is an international program that offers a methodology providing a practical route to work with 10 environmental sustainability principles.

³ This analysis was performed with data reported in 2013.

⁴ <http://www.greenbiz.com/article/state-green-business-2015>

⁵ Includes operations of FEMSA and its Business Units.

⁶ For more information regarding One Planet Living, visit: <http://www.oneplanetliving.net>

Water

G4-EN8-10, G4-EN22 and G4-EN26

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

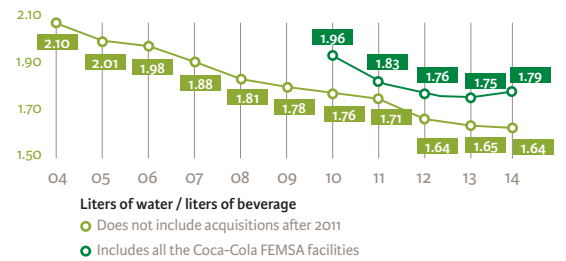
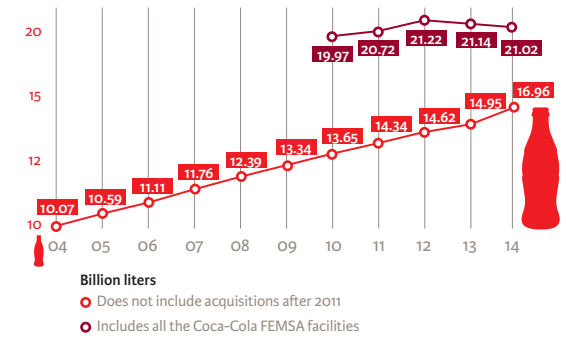
One of the key projects in which we focused our efforts during 2014 for water care and optimization was the **Water Recovery System** implemented in the Coca-Cola FEMSA facilities in León, Villahermosa, San Juan del Río and Toluca in Mexico, and Itabirito in Brazil.

This system enables us to reuse the water used in bottle washing and in sand filters from water treatment for their use in general services using physical-chemical recovery processes such as ultrafiltration, inverse osmosis, filtration, among others. In Mexico facilities, we saved 395,057 m³ of water, equivalent to the minimum annual consumption of 72,156 people⁷. In Itabirito facility, the System started operations in December 2014.

On the other hand, at FEMSA Comercio's distribution centers, processes have been implemented enabling to increase the operational performance and reduce water consumption. According to the plan for infrastructure improvements in the Basket Washing process, by the end of 2014, 18.7% of our Distribution Centers are enabled, increasing the operational performance of the process and reducing water consumption in more than 60%. Likewise, in OXXO GAS, 64.8% of our Service Stations have low consumption sanitary devices, which represented savings of 342,000 liters of water during 2014.

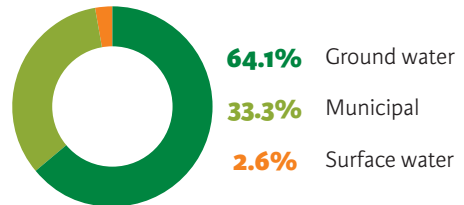
In FEMSA Logística we adapted our maintenance workshops' infrastructure where the operation of vehicle washing is done with technology such as water recycling equipment, and solids, oil and grease traps that prevent contamination of water bodies.

Efficiency in use of water vs. beverage production in Coca-Cola FEMSA



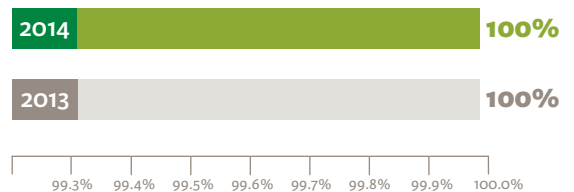
Percentage of water consumption by source

Includes the total uptake of water by source. Does not include FEMSA Comercio and FEMSA Logística.



Percentage of waste water treatment at Coca-Cola FEMSA

This is accomplished through wastewater treatment facilities owned by the company or municipal property.



Ecosystems protection is a priority, thus, through different programs operated by FEMSA Foundation we dedicate efforts to the protection, preservation, and recovery of watersheds in Latin America.

⁷ The World Health Organization (WHO) establishes that the minimum daily consumption required by an individual to survive is 15 liters. Source: List of Guidelines for Healthy Emergency Minimum Water Quality.

Energy

DMA Energy, G4-EN3, G4-EN5-7, G4-EN15-19, G4-EN27, G4-EN30 and G4-LT4-6

To achieve energy sustainability of our operations.

Energy is an essential input for our operation, therefore we continuously seek to make our processes more efficient to decrease its consumption, at the same time neutralizing our environmental liabilities searching to be efficient with the lowest consumption of energy possible, and having this energy come from clean and renewable sources.

Within the Energy action area, we work in energy use and transportation and logistics environmental impact.

National and international initiatives related to Energy in which we participate

Initiative	Description	Business Units
World Wildlife Fund (WWF) and The Coca-Cola Company	The World Wildlife Fund (WWF) promotes, through the application of ten practices, energy efficiency and greenhouse gas emissions reduction. All our facilities are in the process of engagement to these ten practices. The facilities that already have the Top 10 certificate Energy Saving Challenge are: Toluca, Morelia, Reyes, and San Cristóbal in Mexico, Junidiaí and Mogi Das Cruzes in Brazil.	Coca-Cola FEMSA
Sustainable Energy for All	Promotes energy efficiency, the use of renewable energies, and ensures universal access to energy services. It is an initiative promoted by the United Nations Secretariat where governments, private sector, and civil society participate.	FEMSA
Green Growth Action Alliance	Alliance coordinated by the World Economic Forum promoting private sector investment in enterprises and technologies that assist in reducing greenhouse gas emissions. They identify key initiatives for green growth, design strategies and promote private investment.	FEMSA
Carbon Disclosure Project¹	International initiative that promotes measuring and reporting of Greenhouse Gas Emissions (GHG) in order to identify opportunities and risks around climate change.	FEMSA and Coca-Cola FEMSA
GEI Mexico Program	Public-private alliance coordinated by the Ministry of Environment and Natural Resources (SEMARNAT), which works in promoting capabilities for the development of GHG emission inventories and promotes its mitigation. This program plays a key role in the support of the new Climate Change General Law approved in Mexico.	FEMSA and its Business Units

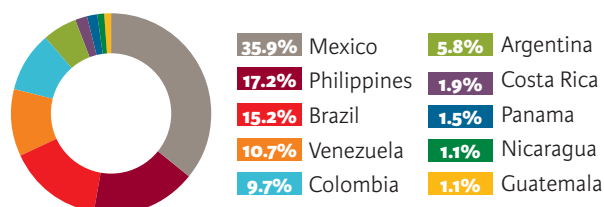
¹ For more information of CDP, review: <http://www.cdp.net>

Intensive direct energy consumption (stationary) of FEMSA and its Business Units

Non-renewable sources (Gigajoules/Total FEMSA Revenues in million Mexican pesos)



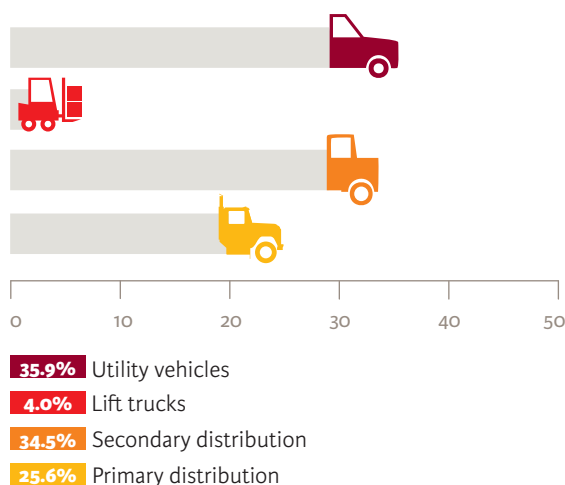
Direct energy consumption (stationary) Non-renewable sources (2,682,630 GJ)



Includes only operations with relevant consumption of the Business Units.

Direct energy consumption in Mexico (mobile) (6,979,448 GJ = 488,168 ton CO₂e)

Fuel consumption of our own units.



There was an increase on utility vehicles consumption compared to 2013 because the information scope was broader.

Intensive direct energy consumption in Mexico (mobile)¹

2013		2014	
GJ/MMXN ²	Ton CO ₂ e/MMXN ³	GJ/MMXN ²	Ton CO ₂ e/MMXN ³
12.97	0.92	26.49	1.85

¹ Includes fuel consumption from transportation units owned by FEMSA. There was an increase because the information scope was broader.

² Gigajoules/Total FEMSA Revenues in million Mexican pesos.

³ Tons of equivalent CO₂/Total FEMSA Revenues in million Mexican pesos.



Distribution of indirect' energy consumption of FEMSA and its Business Units

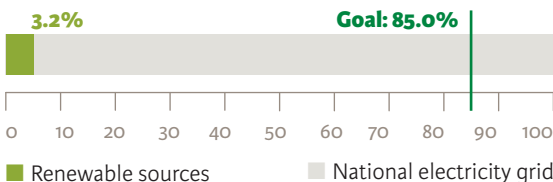
Indirect renewable and non-renewable sources (8,246,774 GJ)



¹ Includes electricity consumption from sources not owned by FEMSA.



Indirect' consumption of electricity by FEMSA and its Business Units²



¹ Includes electricity consumption from sources not owned by FEMSA.
² In Mexico.



Intensive indirect' energy consumption of FEMSA and its Business Units.

Renewable and non-renewable sources (Gigajoules/ Total FEMSA Revenues in million Mexican pesos)



¹ Includes electricity consumption from sources not owned by FEMSA.

As part of our energy efficiency initiatives, FEMSA Comercio has an **Integral Energy Efficiency Program**. This program includes constant improvements in operations, optimization and equipment maintenance under specific criteria which contribute to energy efficiency linked to all the areas in the company, combining equipment, processes, and operation, in order to achieve the maximum optimization in the use of energy sources. It includes different activities, from training programs and the adoption of regulations and efficiency standards, to research and development projects to identify and implement new technologies. To measure our results, we monitor performance indicators that enable us to give follow-up, assess, and optimize our efforts.

Within these technologies, we have searched for thermal load reduction through windows and doors with the installation of solar control film in OXXO stores, by the end of 2014 there have been installed in 38% of the applicable stores providing greater inside comfort and energy savings.

Within this concept, the implementation of the **Intelligent Automation and Energy Control System** continues expanding, with the purpose of utilizing environmentally friendly equipment and technology. At the end of 2014, 78% of OXXO stores in Mexico are part of this project, as well as 87.5% of the Distribution Centers and the 22% of our offices. This has enabled us to reduce emissions in this Business Unit by 19,311 tons of CO₂e during 2014.

Some other energy efficiency efforts carried out in 2014 in our Business Units were:

In ptm® Mexico:

- Several initiatives were implemented for energy processes optimization, thereby 619.32 tons of CO₂e were avoided to be released to the environment.
- CO₂ emissions calculator from products, which measures the carbon footprint of our main products.

In Imbera Mexico and Colombia:

- Ecology options were implemented in refrigerant gases, such as CO₂, and in Colombia the use of gases with high potential for global warming in refrigeration equipment was eliminated. With these efficiencies, in Mexico 50, 600 tons of CO₂e were not emitted.

In Coca-Cola FEMSA Mexico:

- Bio-fuels are used in the Apizaco facility to generate the steam used in the bottling process, enabling us to save fuel. In 2014 we substituted the use of more than 175,000 liters of diesel.

Since 2007 we have carried out alliances and signed agreements to acquire electricity coming from renewable energy sources for our operations in Mexico. Since 2012 we receive energy from the Bii Nee Stipa Wind Farm and from Stipa Naya Wind Farm, both located in Oaxaca, Mexico. The energy generated by these sources is supplied to our Coca-Cola FEMSA operations.

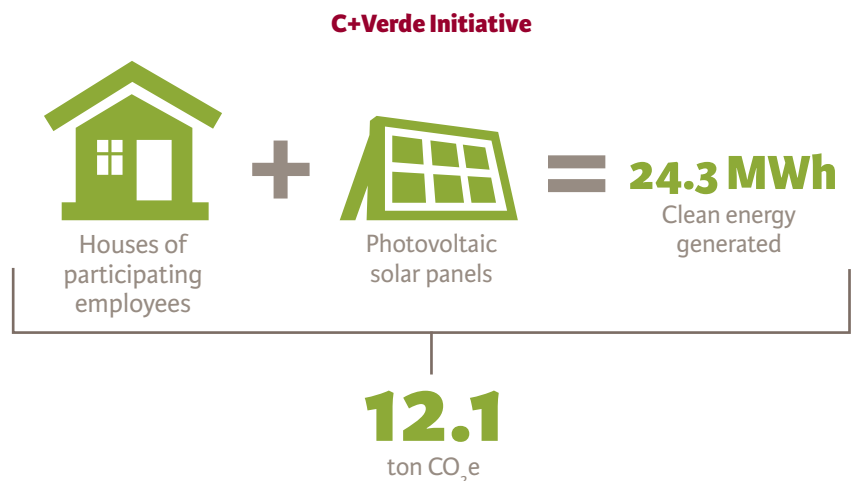
During 2014 we continued working in our objective of incorporating renewable energies in our operations. We signed two agreements for energy supply generated through wind technology:

1. Project Dominica II, of 100 MW, located in San Luis Potosí, Mexico, that will supply 193,617 MWh/year in 1,090 load points, including stores, facilities, and distribution centers in our OXXO operations and Coca-Cola FEMSA in Mexico. This wind farm is under construction.
2. Project Ventika II, of 126 MW, located in Nuevo León, Mexico that will supply 350,000 MWh/year in 3,477 load points of OXXO operations including stores and offices. This wind park is under construction.

With these actions we continue working permanently in our objective to substitute 85% of the electricity we consume in our operations with renewable energy. Considering our operation growth, we are continuously evaluating other technologies and renewable energy projects as geothermal, solar in its various forms, among others, with the objective to be prepared and achieve the energy sustainability of our operations.

During 2014 we also worked in taking advantage of the photovoltaic technology advances:

- We developed a project incorporating Building Integrated Photovoltaics technology in the modernization of the façade of our headquarter office building in Monterrey, Mexico. This innovating technology, used in Mexico for the first time, generates benefits not only because of the electricity produced by its photovoltaic cells, but also contributes to the building's energy efficiency while reducing the thermal load received from the outside, enabling to decrease the requirement of air conditioning.
- We started the **C+Verde** initiative, a pilot program that promotes the use of renewable energy among our collaborators in Monterrey, Mexico. This program enables them to incorporate photovoltaic panels in their homes so they achieve an economic saving in their energy consumption, while they contribute in decreasing the amount of greenhouse gas emissions to the atmosphere. In 2014 our collaborators' homes generated 24.3 MWh of clean energy, which represents a decrease of 12.1 tons of CO₂e.



FEMSA Sustainable Mobility Group, coordinated by FEMSA Logística, combines the effort of all the Business Units to define the clean technologies and alternate energies we must incorporate to the fleet. To consolidate a sustainable transportation and logistics operation on the long term, in 2014 the following initiatives have been carried out:

- Pilot testing for gasoline to LP gas conversion technology in vans and cars.
- Test in trucks with compressed natural gas engines.
- Test protocol to use natural gas in a mix with diesel.
- Review of electric vehicles for the operations of supervision and pre-sales.

Additionally, in the secondary distribution operation for FEMSA Comercio, we have specialized vehicles with a smaller dimension which, besides enabling us to supply OXXO stores, many of them located in the historical centers of the city, offer the following benefits:

- Lighten road congestion in zones where our stores are located.
- Issue a smaller amount of noise from vehicles.

Additionally, FEMSA Logística, Coca-Cola FEMSA and FEMSA Comercio received, for the fourth consecutive time the recognition for Clean Transportation due to the environmental performance of their fleets. This program promoted by the Ministry of Environment and Natural Resources (SEMARNAT) and the Communications and Transportation Ministry (SCT) is voluntary and FEMSA participates as founder member since 2010.

Intensive total emissions Scope 1 (stationary) + Scope 2 of FEMSA and its Business Units

(Tons of CO₂e/Total FEMSA Revenues in million Mexican pesos)

	2013	2014
Scope 1	0.81	0.78
Scope 2	3.71	3.80

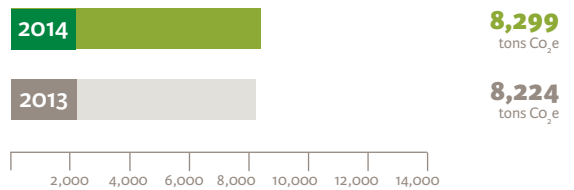
CO₂ Total emissions Scope 1 (stationary) + Scope 2 of FEMSA and its Business Units.
(1,207,727 ton CO₂e)



Includes emissions resulting from FEMSA's operations.

Tons of CO₂ equivalent from employee flights

Flights purchased by FEMSA during 2014



Note: In 2013 61,152 tons of CO₂e were reported due to this concept, nevertheless there was an adjustment in the calculation and the correct data for 2013 is 8,224 tons of CO₂e. This does not represent the 100% of our emissions.

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.

To achieve integral, efficient, and responsible management of the waste we generate in our operations, we have established programs that enable us to strengthen the environmental culture and its management.

The **Waste Management Integral Plan** promoted by FEMSA Comercio, has the purpose of optimizing management of operational waste –in offices, Distribution Centers, stores and OXXO Gas– besides reducing impact of the by-products of our products and services. In 2014 we enabled 46% of the offices with a waste management plan and recycled more than 578.7 tons of waste through responsible disposal of more than 24,057 equipment and furniture.

In FEMSA Comercio Mexico we promote recycling through the use of uniforms containing 50% of its raw material of recycled PET which enabled us to recycle during 2014 approximately 1,800 kg of PET.

In Coca-Cola FEMSA, the **Zero Waste Facility** program establishes actions to improve environmental management of waste in the manufacturing operations of Coca-Cola FEMSA. In 2014, besides the recognition of Toluca Facility as the first facility in Mexico to achieve the Zero Waste goal, the facilities in Coatepec, Morelia, León, Cuautitlán, Reyes, Altamira, and Ojuelos in Mexico, joined this program and were able to achieve the goal of sending zero waste to landfills. During the year, more than 27,000 tons of waste generated in the eight facilities were recycled.

In **ptm**[®] optimization of packaging materials in products was carried out by substituting bags for a lower gauge. With this, in 2014 12.67 tons of CO₂e were not emitted.

Materials used, generated and valorized in tons

	2013	2014
Materials used ^{1,3}	282,400	312,259
Waste generated ¹	210,795	212,346
Valorized materials ²	282,400	309,906

¹ FEMSA and its Business Units

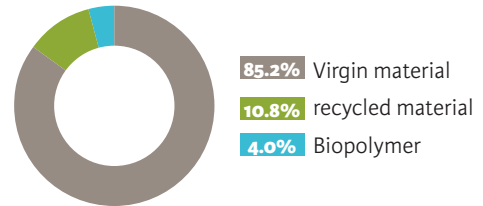
² Coca-Cola FEMSA and ptm[®]

³ This chart does not show the 100% of the materials used in our production processes.



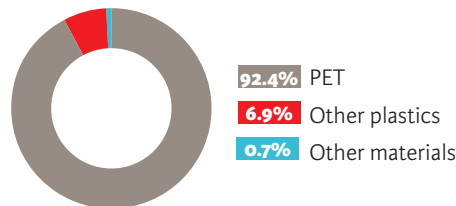
Valorized materials used in Coca-Cola FEMSA and ptm[®]

(309,906 tons)



Percentage of materials used¹ by FEMSA and its Business Units.

(312,259 tons)

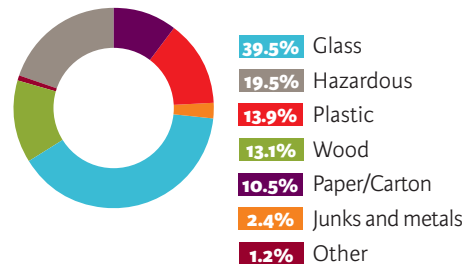


¹ This chart does not show the 100% of the materials used in our production processes.



Generated waste by FEMSA and its Business Units

(212,346 tons)



In 2014 we recycled 84.7% of the generated waste.



**Contributing to
the generation
of sustainable
communities**

Our Community

G4-DMA and G4-EC7

In FEMSA and our Business Units we seek that our operations, besides generating economic value, provide environmental and social value that contribute to the positive transformation of the communities where we are present.

The execution of projects and programs in Our Community Pillar, have a budget that enables us to advance according to the objectives of FEMSA's Sustainability Strategy. In 2014 we invested \$355 million MXN (USD \$24 million).

Investment in Our Community by action area



Healthy lifestyles

FP4

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

The health culture is a determining factor to contribute in the communities' quality of life. Promoting physical and mental balance is part of our commitment to promote the comprehensive well-being of our consumers. This is carried out supporting programs and activities that promote physical exercise and positive attitude.

Programs that promote the adoption of healthy lifestyles

Program (Business Unit)	Description	Results 2014
Your Best Move (FEMSA, Mexico)	Training physical education teachers with a methodology designed so children and youth improve their health and good performance in their classrooms through play and physical activity. Implemented in alliance with Centers for Comprehensive Education Soccer Planet and the Ministries of Education of Nuevo León and Puebla in Mexico.	During the school cycle 2013 - 2014: <ul style="list-style-type: none"> • 200 physical education teachers were trained and 70,000 students from 200 schools participated. • Two family sports tournaments and a soccer rally, in which 1,250 people participated.
Sign up to Play (Coca-Cola FEMSA Argentina and Central America)	Promotion of physical activity through didactic and technical training to professors, and donation of material and sports equipment. It was carried out in alliance with The Coca-Cola Company and the Ministries of Education in Argentina, Costa Rica, Guatemala, Nicaragua and Panama.	Training of 1,277 teachers benefiting 123,398 students from 212 ¹ schools.
One dish, One smile (Coca-Cola FEMSA Nicaragua)	Daily supplementary food is provided to children during the school year with the purpose of reducing malnutrition and promoting school retention. Implemented in Alliance with FEMSA Foundation, The Coca-Cola Company, Coca-Cola Foundation and the American Nicaraguan Foundation (ANF).	21,000 children in 55 school centers benefited through 48 dining rooms.
Caimaneras of baseball and soccer (Coca-Cola FEMSA Venezuela)	Baseball and soccer sports clinics taught to children from 5 thru 15 years old by professional athletes.	There were 12,136 children benefited in 80 clinics in the cities of Maracaibo, Bolívar, Valencia, Barquisimeto, Caracas and Barcelona.
21K OXXO (FEMSA Comercio Mexico)	Promotion of sports and healthy habits through this event that has been carried out for 24 years in Chihuahua, Mexico in alliance with the Municipality of Chihuahua, the Government of the state of Chihuahua and the Chihuahua Institute for Sports and Physical Culture and has extended to other states in the latest years.	More than 5,000 runners participated.
Pro-Alimentos (FEMSA Comercio Mexico)	Food rescue program to address the hunger problem in vulnerable populations. It is implemented in alliance with Food Bank Mexico (BAMX)	13.5 million MXN (USD \$ 941.9 thousand) in groceries and other products such as personal hygiene items were channeled. This is equivalent to support 630 families a month.

¹ Schools from Panama are not included

Community development

G4-SO1 / GC II and VIII

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

Through our programs we seek to adapt to the characteristics and singularities of the inhabitants in the communities where we are present so there may be a consistent and true benefit. Additionally, we seek to align the design of these programs to our strategy, thus achieving a shared benefit.

We work to develop or support social programs that cover the needs of our operations, and those of the communities where we operate. Being aware of the limitations to serve these needs, we focus our efforts in those actions and programs with the greatest positive impact in its inhabitants.

We have community development programs in 100% percent of the countries where we have operations.

Community Development Programs

Category	Program (Business Unit)	Description	Results 2014
Education, art and culture	Coordinates for Life (FEMSA and Coca-Cola FEMSA in Argentina, Colombia, Mexico and the Philippines)	<p>It is a set of programs to strengthen the development of decision making skills in children and youth and provides adults with resources for their work as educators.</p> <hr/> <p>Implemented in Nuevo León, Puebla, and Veracruz in Mexico; Argentina, Colombia and the Philippines, in alliance with organizations such as Save the Children, Grupo DEHYCO, Teach for The Philippines, Policía Nacional de Colombia, Grupo SAF, Fundación Convivir and the local Ministries of Education.</p>	<ul style="list-style-type: none"> The participation of 16,200 children and youth was achieved, 1,100 educators and more than 9,300 attendees to the conferences during the school cycle 2013-2014. The program started in the Philippines. Graduation ceremonies were carried out with the attendance of 450 educators in the states of Nuevo León, Puebla and Veracruz in Mexico. In Colombia, it was implemented in alliance with the Policía Nacional in Bogotá, Cali and Tocancipá.
	FEMSA Collection (FEMSA)	Private art collection with more than 1,200 works of art, which makes it one of the most important in Latin America. Presented in different communities to contribute with the appreciation of art.	<ul style="list-style-type: none"> 7 exhibits in Puebla, Chetumal, Monterrey, and Toluca in Mexico, with 78,275 attendees. International exhibits in Canada and the Philippines with a joint attendance of 24,900.
	Biennial Monterrey FEMSA (FEMSA, Mexico)	It is the most important visual arts contest in the country that seeks to recognize, strengthen, stimulate and communicate the artistic creation in Mexico.	3,487 works registered from 1,255 participants and the attendance of 36,628 visitors in the Centro de las Artes, in Monterrey, Mexico.
Culture of Lawfulness	Let's do it Correctly (FEMSA, Mexico)	<p>Initiative led by COPARMEX to promote a city driven by legality and respect to others.</p> <hr/> <p>Implemented in Monterrey, Mexico, in alliance with more than 150 companies and educational, religious, civil, sports, and cultural organizations.</p>	FEMSA employees were trained in the topic of Culture of Lawfulness; good actions from leaders, employees, and community were promoted, and other organizations and companies were invited to engage and join forces in this initiative.
	OXXO Good Neighbor, Community Actions (FEMSA Comercio, Mexico)	<p>Engages the employees with the neighboring communities of OXXO stores through programs and activities classified into environmental culture, recovery of public spaces, and health and sports promotion.</p> <hr/> <p>Implemented in the immediate communities around the OXXO stores in alliance with civil society organizations, local authorities and the private sector.</p>	364 community actions were carried out.
Local Development	Edison Polygon Trust (FEMSA Comercio, Mexico)	<p>Program implemented in the eight neighborhoods surrounding FEMSA Comercio Corporate offices in Monterrey, Mexico. Promotes local development through social programs that develop skills and abilities in the local community and infrastructure improvements in educational spaces.</p> <hr/> <p>Implemented in Monterrey, Mexico, in alliance with Cauce Ciudadano, A.C., CreeSer, A.B.P., Promoción de Paz, A.C., VETSA, A.C., Escuela de Artes Musicales, A.B.P., Museo de Arte Contemporáneo, (MARCO) A.C., Bosque Urbano México, Ser México, A.B.P., Save the Children, METAS, A.C. and IMIFAP, A.C.</p>	4,000 neighbors served, 27 academic scholarships granted and 804 trees planted.

Community Development Programs

Category	Program (Business Unit)	Description	Results 2014
Local Development	Great Río La Silla Park (FEMSA, Mexico)	The recovery of La Pastora public park in Nuevo León, Mexico. Seeks to improve the quality of life of the city offering green areas and sports spaces that promote family time.	151 outdoor lamps, 4 restroom modules, and 11 drinking fountains installed. An attendance of more than 236,200 people was registered.
	Bio-healthy Park (Coca-Cola FEMSA Colombia)	Joint work with municipalities to install parks which promote active and healthy lifestyles.	Support was given for the construction of the park in the community of El Manantial in the city of Tocancipá.
	Citizens' Plaza (Coca-Cola FEMSA Brazil)	Promotes support and counseling services related to health and environmental topics. Implemented in Sumaré, Jundiaí, Curitiba, Santos, Marília, Campo Grande, Belo Horizonte, Mogi das Cruzes and Porto Real, in alliance with civil society organizations, universities and educational and government institutions.	47,576 people benefited in nine Plazas.
	Time Bank (Coca-Cola FEMSA Colombia)	This program supports the reconstruction of social fabric in Colombia. Comprises having employees from Coca-Cola FEMSA participate as instructors and trainers for demobilized entrepreneurs who need counseling to start a business.	175 people supported in their process of demobilization.
	OXXO Rounding-Up program (FEMSA Comercio, Mexico)	Invitation to our clients to share their generosity rounding their ticket to the next peso, channeling these resources to institutions working in favor of the community. Implemented in Mexico in alliance with institutions supporting health, education and social welfare projects.	\$100.2 million MXN collected (USD \$6.7 million) to support 224 social welfare organizations.
	Eco-Schools (Coca-Cola FEMSA Nicaragua)	Practices for environmental care in schools with the purpose of promoting knowledge and appreciation for natural resources. Implemented in alliance with Fundenic SOS.	6 schools, 4,000 students and 156 teachers benefited.
	Environment	Palmares Planet Mission (Coca-Cola FEMSA Costa Rica)	PET collecting activities, cleaning of public spaces, classification processes and educational campaigns for recollection and recycling. Implemented in alliance with The Coca-Cola Company and Defensores de los Animales.
Children to the Rescue of the Planet (Coca-Cola FEMSA Costa Rica and Panama)		Training leader students, educators and parents in a lifestyle that cares and respects the environment.	1,662 tons of PET recovered with the participation of 4,500 people.
OXXO Award for Ecology (FEMSA Comercio, Mexico)		Program through which actions for environmental care linked to social causes are recognized. Implemented in Chihuahua, Ciudad Juárez and Monterrey, Mexico, in alliance with the Ministries of Education in these states.	955 schools and 184,000 students participated. In Nuevo León the 28th edition of the award was celebrated.
I Recycle (Coca-Cola FEMSA Mexico)		Contest promoting PET collection and recycling in schools. Implemented in the Estado de México and Tamaulipas, Mexico in alliance with the Ministries of Education from both states.	More than 400 tons of PET were recovered.

During 2014 we continued to search for opportunities together with civil organizations to design and promote initiatives that fit the needs of the communities, enabling us to collaborate in risk mitigation and generation of value. An example of this are local projects such as the OXXO Good Neighbor (Mexico), Edison Polygon Trust (Mexico), Villa Zavaleta (Argentina) and Citizen's Plaza (Brazil), which address punctual needs in these communities.

Likewise, as part of our commitment with road safety, in 2014 FEMSA Logística received for the ninth occasion the National Prize for Road Safety awarded by the National Association of Private Transportation of Mexico in the category for Companies with primary distribution operations, and for the first time, in the category for operations of secondary distribution. This prize underscores our commitment with the prevention of accidents and our leadership in the low rate of accidents in our operations. Additionally, in the Driver category 48 employees of both operations were distinguished, adding up to 245 drivers awarded since 2005.

Entrepreneurship

G4-SO1

The **FEMSA Entrepreneurship Platform** is an initiative through which, besides the creation of social value, we seek to drive talent, innovation and generate makers who can impact the local economies. We see entrepreneurship as an efficient vehicle for achieving sustainability in the communities where we operate, through the generation of employment.

To this end, we developed the FEMSA Entrepreneurship Platform, that supports strategic allies and initiatives through different stages by the implementation of the following:

- **Communication and culture:** we support organizations focused on creating and communicating the entrepreneurship culture through events, courses, publications, and exchange of best practices.
- **Fostering ideas:** we support programs focused on the development of new ideas with the potential to become new ventures.
- **Business model validation:** we help to validate entrepreneurs' business models based on our experience and connection with the market.
- **Connection between supply and demand:** we support entrepreneur developers which, train and speed-up high impact business models, under pivoting and fast prototyping methodologies.
- **Investment:** we validate investment mechanisms in early stages to help the scaling of successful ventures.

Programs and partnerships to promote entrepreneurship

Organization	Description	Results 2014
ASHOKA	Civil Society Organization founded by Bill Drayton in 1980. It works under the vision that "We can all change the world" through the promotion of social entrepreneurship in different sectors of society. It seeks to spark in each individual and organization the potential to become change agents. Likewise, it supports social entrepreneur leaders (individuals who seek to solve social problems in an innovative manner) providing them economic resources, professional support, with an approach of high systemic impact and access to a global network of entrepreneurs. Ashoka has presence in 70 countries and more than 30 years experience.	Through the alliance with FEMSA, the program Youth with Value is implemented to promote young entrepreneurs between 14 and 24 years old so they become change agents through the development of social entrepreneurship projects. The alliance ASHOKA-FEMSA provides them entrepreneurship training, support, work networks, and a seed capital ranging from USD \$700 to \$1,300 for the development of their project. To date, more than 1,700 youth have been benefited, and have developed more than 430 entrepreneurship projects and social businesses which have been promoted since 2011 in Michoacán, Nuevo León and Veracruz in Mexico.

Programs and partnerships to promote entrepreneurship

Organization	Description	Results 2014
Cleantech Challenge Mexico	It is the most important contest for green technology companies in Mexico. Since its creation, it has sought to promote: <ul style="list-style-type: none"> • competitiveness and economic development in Mexico, • protection, licensing and commercialization of Mexican clean technology, and • the active participation of women in technology based entrepreneurship. 	There were 997 proposals received, out of which 250 were selected for the regional in Chihuahua, Guadalajara, Mérida, Monterrey, Oaxaca, Puebla, Querétaro, Tijuana, Villahermosa, and Mexico City.
Enactus	It is a global organization with presence in 36 countries dedicated to mobilizing university students so they transform the reality of the less privileged communities in the world in a sustainable manner.	In Mexico 70 universities from 21 states participate. They work in more than 100 projects and dedicate more than 140,000 working hours to their projects.
F*ckup Nights	It is a global movement that started in Mexico in 2012. Attendees may listen to 3 or 4 failure stories with the conviction that this is one of the best ways to strengthen the entrepreneurship culture.	F*ckup Nights is in 93 cities, in 33 countries in the world where 956 entrepreneurs have shared their failure story and more than 100,000 people have attended the events.
Forum of Impact Investing in Latin America	Event organized by New Ventures which has been positioned as the most important gathering in the region seeking to strengthen the ecosystem of social and environmental entrepreneurship, and impact investing.	During the 2014 event, 370 participants of the impact investment ecosystem met to promote the strengthening of social and environmental entrepreneurship in the region in a dynamic, participatory and innovative way.
Global Social Business Summit (GSBS)	The GSBS is the most important forum regarding social business, where participants can learn from existing businesses around the world.	Mexico was the first country in the American continent to host this important international forum with more than 700 participants from more than 60 countries.
Impact HUB Monterrey	It is an entrepreneurship platform that supports sustainable development and innovation through a collaborative ecosystem.	Through the partnership with FEMSA, 8 startups were supported: Circula Vida, Dharma Mushrooms, ALYAX, Maka, FOPALA, Tu Porción, Cricket Food and IDASE.
INCmty	INCmty seeks to generate incentives that spark the development of new enterprises and the execution of innovating ideas through the creation of spaces where the experts, entrepreneurs and investors gather to guide the attendees in their entrepreneurship process through conferences and workshops.	The second edition of INCmty registered: <ul style="list-style-type: none"> • 8,194 attendees • 194 partner organizations • 425 activities • 64 launchings
RedEmprendia Spin 2014	It is the greatest gathering between Iberoamerican university entrepreneurship. It is an open gathering with the purpose of awakening, supporting and promoting entrepreneur talent and strengthen the contribution of the University to economic and social development of cities and countries.	In the first event in Mexico, there were more than 1,500 people participating linked to the investment world and enterprise, administration, entrepreneurship, and university.
SenseCamp Mexico by MakeSense	It is a festival dedicated to social entrepreneurship where innovating conversations, creative workshops, networking, and celebrations converge.	During the SenseCamp more than 300 people were mobilized: social entrepreneurs, support organizations for social entrepreneurship, enterprise leaders and international organizations, but mainly individuals from outside the ecosystem interested in learning more and engaging in the social entrepreneurship sector.
Startup Grind	It is a community in which founders and key people of the entrepreneurial ecosystem share their successes and experiences.	Startup Grind has built a community in Monterrey, Mexico, of more than 250 entrepreneurs.
The Pool	The Pool is an entrepreneur club which offers a collaborative workspace, a network of business training and networking, based on creativity, innovation and the generation of economic and social value.	Through the partnership with FEMSA, 9 startups were supported: C Guacamole, Korremania, Econduce, Kiwi, Nomad Republic, Aamba, Kangou, FitMates and Sporah.

Responsible Marketing and Communication

G4-PR1, G4-PR3-4 and G4-FP5-8

In FEMSA as well as in all our Business Units, we adhere to regulations and standards regarding labeling and information of the countries where we operate.

Our products offer all the information necessary to the consumer so they have the possibility to make responsible decisions. We meet the standards and codes in regards to our products and to ensure the protection of children we adhere to the following:

- Code for Self-Regulation of Food and Non-Alcoholic Beverages: applicable in Mexico, focused mainly on children audiences.
- Global Responsible Marketing Policy¹: practice promoted internationally by The Coca-Cola Company establishing there must not be any advertising purchased in the media in schedules where more than 35% of the target audience are children younger than 12 years, including radio, television, Internet, press, and mobiles.
- General guideline agreement for sales or distribution of foods and beverages in outlets for school consumption in basic education schools, in compliance to what is established for Mexico.
- FEMSA Comercio trains its OXXO personnel to comply with the norms regarding the sale of products subject to regulations.

During 2014 there were not significant sanctions in any of our Business Units derived from non-compliance of government regulations regarding impacts on health and safety of our clients, the regulation related to information and labeling of products, as well as volunteer codes regarding advertising.

In regards to quality of our products, in FEMSA we have certifications and meet the requirements to minimize environmental impact through sustainable attributes:

- We meet the Coca-Cola System guidelines related to the assessment of impacts that products sold by Coca-Cola FEMSA have on health and safety of the clients and consumers during all their life stages. Based on our national and international procedures and regulations, we ensure that all the ingredients, materials and processes, look after our consumers' health and safety.

- Out of the total volume of beverages sold by Coca-Cola FEMSA in 2014, 19.9% are reduced in calories, and 3.4% contain vitamins, minerals or added nutritional fibers or supplements.
- In Coca-Cola FEMSA we operate under KORE (*Coca-Cola Operating Requirements*), which are the operational requirements of The Coca-Cola Company, to guarantee high quality, consistency and reliability of products.
- Food Safety Management System in Coca-Cola FEMSA, based on FSSC 22000, which at the same time incorporates the international ISO 22000 and PAS 220 standards for food manufacturers.

Sustainable Sourcing

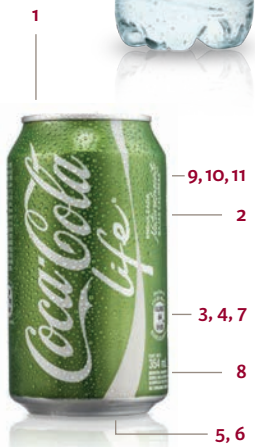
G4-12, G4-EC9, G4-HR1, G4-HR5-6, G4-HR9-10, G4-EN32, G4-LA14 and G4-SO9 / GCI, II and V

To contribute with 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.

The supply chain at FEMSA and its Business Units is aligned to an initiative developed internally which has been operating since 2012 to coordinate the efforts for the integration of sustainable practices, where each one of the Business Units establishes its own implementation program.

FEMSA and its Business Units have 55,095 suppliers, hence the Sustainable Sourcing initiative seeks to improve the labor, social and environmental performance of our existing suppliers and facilitate the integration of MISMEs to our supply chain. Based on this objective, we seek to define the most appropriate methodology to integrate the sustainability topic into the sourcing processes. We have established **FEMSA's Supplier Guiding Principles** which define the minimum expectations we have from our suppliers in regard to their sustainability management. In parallel we are

- A. Country of origin
- B. Free customer service number and nutritional information
- C. Company name and address
- D. Name or denomination
- E. Net content
- F. Ingredients
- G. Production lot
- H. Expiration date



- 1. Name or denomination
- 2. Ingredients
- 3. Company name and address
- 4. Country of origin
- 5. Lot number
- 6. Expiration date
- 7. Nutritional information
- 8. Net content
- 9. Statement of properties (if any)
- 10. Fats
- 11. Energy/Calories

¹ To access the Global Responsible Marketing Policy from The Coca-Cola Company visit <http://bit.ly/1D9FwVX>

developing mapping processes and supplier prioritization, in order to determine which are the tools, resources, and necessary strategies to get closer and relate with them, to monitor, evaluate, provide follow-up and collaborate in the continuous improvement of priority topics for both parties.

One of the most important efforts in 2014 was the launch of the implementation of **FEMSA's Supplier Guiding Principles**, document consisting of 16 principles grouped into topics regarding labor rights, environment, community, ethics, and values.

The process followed to implement the Sustainable Sourcing initiative is:



In the last quarter of 2014 a pilot test for this project started in Coca-Cola FEMSA for the assessment and generation of work plans with a sample of service and indirect product suppliers. Taking into consideration different characteristics of this group of suppliers, 30 companies were selected to implement a strategy named the 5C's of Sustainability (for its translation in Spanish): commitment, understanding, evaluation, control, and compliance. Afterwards, an evaluation was carried out and feedback was given including an improvement plan. In this way Coca-Cola FEMSA is providing value to the company by reducing reputation, environmental, social, and community risks.


FEMSA, in alliance with the Mexican Business Council and the Ministry of Economy through the Center for Competitiveness of Mexico in Monterrey, allowed FEMSA Comercio in 2012 to implement a pilot project for supplier development in Nuevo León with 9 suppliers. In the last couple years, we have strengthen this methodology, which allowed us in 2014 to achieve a significant improvement in average of 29% in the productivity of the programs implemented by our 35 suppliers that participated in Monterrey and Jalisco, Mexico, in addition to sales and profit growth.


In 2012, FEMSA Comercio started a development program of the value chain to identify and strengthen sustainability actions in our equipment suppliers. By December 2014 we have advanced 92.1% in the current stage of the process, which is

equivalent to 82% cumulative advance of the plan for 2013-2015. As a result of this pilot, suppliers have incorporated social and environmental responsibility in their business strategies, with actions to make their energy consumption and waste management more efficient, as well as activities that contribute to the development of the communities where they operate.

Within the program for supplier development of FEMSA Comercio, since 2008 the Diploma for Supplier Development is offered. In 2014, this program trained 160 participants that included directors, managers, quality assurance and manufacturing personnel from more than 45 supplier companies, reviewing topics such as leadership, business management, programs and methods to ensure product quality from its reception until shipping.

Other guidelines followed during the search and selection of responsible suppliers in accordance to our values and Business Strategy 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, among 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's Sourcing Committee** integrated by representatives from the sourcing areas of all the Business Units that works in generating synergies and the definition of criteria for sourcing issues.

Percentage of national' suppliers

FEMSA	97%
OXXO	99.74% of the products sold are national.

¹ Supplier originally from the country where the purchase is made

About this Report

G4-20, G4-21, G4-23, G4-28, G4-29, G4-30, G4-32 and G4-33

Measuring our economic, social, and environmental performance and informing the results is a constant and evolutionary process. Under this premise, we present, as every year, our FEMSA 2014 Sustainability Report, a document which captures the commitment to transparency, continuous improvement, and value generation for which we work in our organization.

The responsible operation and ethical practices have been constant since our foundation 125 years ago. However, for the past ten years we have formally presented our Sustainability Report where we communicate qualitative and quantitatively our economic, social, and environmental performance.

FEMSA's 2014 Sustainability Report covers the activities carried out during this year by FEMSA and its Business Units: Coca-Cola FEMSA, FEMSA Comercio and Strategic Businesses which includes FEMSA Logística, Imbera and ptm® in the ten countries where we are present: Argentina, Brazil, Colombia, Costa Rica, the Philippines, Guatemala, Mexico, Nicaragua, Panama, and Venezuela. This document was externally verified by Deloitte Mexico.

From 2008 to date, our Reports are aligned to the international guideline Global Reporting Initiative (GRI), migrating in the 2013 Report from version G3.1 to G4 with exhaustive compliance, which we maintain in this edition. Additionally, we included indicators corresponding to the Sector Supplement for Food Processing companies that apply to Coca-Cola FEMSA, and Transportation and Logistics for FEMSA Logística. Likewise, as a support for the reader, the document has a Table of Contents for GRI Indicators showing the page where the information can be located. For more information regarding the methodology implemented in the development of this document based on GRI, please visit www.globalreporting.org

We align our performance to the 10 Principles of the United Nations Global Compact, thus this Report also represents our Communication on Progress for 2014. The integration of these principles can be identified with the nomenclature GC along the document.

Heineken's performance is excluded from this report since FEMSA does not operate this Business Unit since 2010. Likewise, there are no operations reported of businesses acquired less than a year ago.

All the monetary figures are expressed in MXN, with the conversion to USD based on the exchange rate by noon on December 31, 2014 based on \$14.75 MXN per USD \$1.00.

If you wish to learn more about FEMSA's Sustainability Strategy, as well as the topics included in this Report, please review: <http://bit.ly/1Bb9FWL>

For feedback regarding this document, please send your comments to: sostenibilidad@femsa.com.mx

Global Reporting Initiative Index

G4-32-33

GRI G4, Food Processing Sector Supplement and Transportation and Logistics Sector Supplement



G4	Content	Page or Declaration	Business Unit				External verification pg.50
			KOF	FC	FL	I/ ptm®	
Strategy and Analysis							
G4-1	Statement from the Chairman of the Administrative Board and Chief Executive Officer	Page 2	■	■	■	■	✓
G4-2	Impacts, risks and opportunities	Pages 7 & 8	■	■	■	■	✓
Company Profile							
G4-3	Name of the company	Fomento Economico Mexicano, S.A.B. de C.V.	■	■	■	■	✓
G4-4	Brands, products and/or services	Page 1	■	■	■	■	✓
G4-5	Headquarters	Monterrey, N.L., Mexico	■	■	■	■	✓
G4-6	Countries where we operate	Page 1	■	■	■	■	✓
G4-7	Nature of ownership and legal form	Fomento Economico Mexicano, S.A.B. de C.V.	■	■	■	■	✓
G4-8	Markets served	Page 1	■	■	■	■	✓
G4-9	Scale of the organization	Page 1	■	■	■	■	✓
G4-10	Employment	Page 14	■	■	■	■	✓
G4-11	Collective Agreement	From the total employees 47.88% 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.	■	■	■	■	✓
G4-12	Supply chain in the organization	Page 36	■	■	■	■	✓
G4-13	Significant changes during the period covered	Page 38	■	■	■	■	✓
G4-14	Precautionary principle	Page 7	■	■	■	■	✓
G4-15	Social, environmental, and economic programs and initiatives	Page 13	■	■	■	■	✓
G4-16	Presence in associations	Page 13	■	■	■	■	✓
Material Aspects and Coverage							
G4-17	Operational structure	Pages 1 & 38	■	■	■	■	✓
G4-18	Content definition	Page 10	■	■	■	■	✓
G4-19	Material aspects	Page 10	■	■	■	■	✓
G4-20	Coverage / Limitations on scope of coverage/ Information inclusion in case of joint ventures	Pages 10 & 38	■	■	■	■	✓

G4	Content	Page or Declaration	Business Unit				External verification pg.50
			KOF	FC	FL	I/ ptm®	
G4-21	Coverage / Limitations on scope of coverage / Information inclusion in case of joint ventures	Pages 10 & 38	■	■	■	■	✓
G4-22	Effect of any re-statement of information from prior reports	No re-formulations regarding prior reports.	■	■	■	■	✓
G4-23	Significant changes related to previous reports	Page 38	■	■	■	■	✓
Stakeholders' Participation							
G4-24	Stakeholders	Page 11	■	■	■	■	✓
G4-25	Stakeholders	Page 11	■	■	■	■	✓
G4-26	Stakeholders	Page 11	■	■	■	■	✓
G4-27	Stakeholders	Page 11	■	■	■	■	✓
Report profile							
G4-28	Period covered	Page 38	■	■	■	■	✓
G4-29	Date of most recent previous report	Page 38	■	■	■	■	✓
G4-30	Reporting cycle	Page 38	■	■	■	■	✓
G4-31	Contact	Page 58	■	■	■	■	✓
G4-32	Table of Contents	Page 38	■	■	■	■	✓
G4-33	External verification	Page 38	■	■	■	■	✓
Governance							
G4-34	Corporate Governance	Page 5	■	■	■	■	✓
G4-35	Process of highest governance body in delegating its authority to top management	Pages 5 & 8	■	■	■	■	✓
G4-36	Executive positions or accountable in economic, environmental and social matters	Pages 5 & 8	■	■	■	■	✓
G4-37	Corporate Governance	Pages 5 & 11	■	■	■	■	✓
G4-38	Corporate Governance	Page 5	■	■	■	■	✓
G4-39	Corporate Governance	Page 5	■	■	■	■	✓
G4-40	Corporate Governance	Page 5	■	■	■	■	✓
G4-41	Corporate Governance	Pages 6 & 7	■	■	■	■	✓
G4-42	Corporate Governance	Page 8	■	■	■	■	✓

G4	Content	Page or Declaration	Business Unit				External verification pg.50
			KOF	FC	FL	I/ ptm®	
G4-43	Corporate Governance	Pages 5 & 8	■	■	■	■	✓
G4-44	Performance assessment of highest governance body	Page 5	■	■	■	■	✓
G4-45	Impacts, risks and opportunities identification and management.	Pages 7 & 8	■	■	■	■	✓
G4-46	Corporate Governance	Pages 5 y 7	■	■	■	■	✓
G4-47	Corporate Governance	Business Reviews from the Direction of Corporate Affairs and Chief Executive Officer are quarterly.	■	■	■	■	✓
G4-48	Committee or highest position regarding the sustainability report	The Direction of Corporate Affairs, part of the Executive Team, is the highest governance body that formally reviews and approves the organization's sustainability report.	■	■	■	■	✓
G4-49	Corporate Governance	Pages 5 & 11	■	■	■	■	✓
G4-50	Nature and number of concerns conveyed to the highest governance body	Pages 5	■	■	■	■	✓
G4-51	Corporate Governance	Economic compensation of FEMSA board members meets the standards of companies similar to FEMSA.	■	■	■	■	✓
G4-52	Processes through which compensation is determined	Page 20	■	■	■	■	✓
G4-53	Corporate Governance	Page 11	■	■	■	■	✓
G4-54	Relation between the best compensated individual with average total annual compensation of all workforce	Confidential information	■	■	■	■	
G4-55	Relation between percentage of increase of the best compensated individual with percentage of increase of average total annual compensation of all workforce	Confidential information	■	■	■	■	
Ethics and Integrity							
G4-56	Values, principles, standards, and rules in the organization	Pages 6 & 16	■	■	■	■	✓
G4-57	Internal and external mechanisms in counseling in favor or an ethical and lawful behavior	Page 6	■	■	■	■	✓
G4-58	Internal and external mechanisms to report unethical or illicit behaviors	Page 6	■	■	■	■	✓
Performance Indicators							
Economic Performance							
G4-DMA		Pages 4 & 5					
G4-EC1	Direct economic value generated	Pages 4 & 5	■	■	■	■	✓
G4-EC2	Consequences, risks and opportunities due to climate change	Pages 7 & 13	■	■	■	■	✓
G4-EC3	Social benefit programs	Page 20	■	■	■	■	✓

G4	Content	Page or Declaration	Business Unit				External verification pg.50
			KOF	FC	FL	I/ ptm®	
G4-EC4	Government financial support	In accordance to the laws in each country, we receive from the Mexican government, financial stimuli equivalent to \$7.7 million MXN (USD \$524.4 thousand) for the promotion of projects regarding research, development, technology innovation, and/ or other stimuli.	■	■	■	■	✓
G4-EC5	Standard entry wage	Page 20	■	■	■	■	✓
G4-EC6	Local hiring	Page 14	■	■	■	■	✓
G4-EC7	Investments in infrastructure and services provided for public benefit	Page 30	■	■	■	■	✓
G4-EC8	Indirect economic impact	Pages 4 & 5	■	■	■	■	✓
G4-EC9	Suppliers	Page 36	■	■	■	■	✓
Environmental Performance							
G4-DMA		Page 22					
G4-EN1	Materials used	Page 29	■			■	✓
G4-EN2	Recycled materials	Page 29	■	■		■	✓
G4-EN3	Energy direct consumption	Page 25	■	■	■	■	✓
G4-EN4	Indirect consumption	Energy consumed by units external transport: 1,009,645 GJ.			■		✓
G4-EN5	Energy intensity	Page 25	■	■	■	■	✓
G4-EN6	Energy	Page 25	■	■	■	■	✓
G4-EN7	Energy	Page 25	■	■	■	■	✓
G4-EN8	Total water withdrawal by sources	Page 24	■				✓
G4-EN9	Water sources affected by withdrawal of water	Page 24	■	■	■	■	✓
G4-EN10	Water recycled and reused	Page 24	■			■	✓
G4-EN11	Natural spaces or high biodiversity areas	Not material					
G4-EN12	Impact on biodiversity	Not material					
G4-EN13	Habitat protection	Not material					
G4-EN14	Species and habitats affected	Not material					
G4-EN15	Emissions	Page 25	■	■	■	■	✓
G4-EN16	Emissions	Page 25	■	■	■	■	✓

G4	Content	Page or Declaration	Business Unit				External verification pg.50
			KOF	FC	FL	I/ ptm®	
G4-EN17	Emissions	Page 25	■	■	■	■	✓
G4-EN18	Intensity of greenhouse gas emissions	Page 25	■	■	■	■	✓
G4-EN19	Emissions	Page 25	■	■	■	■	✓
G4-EN20	Emissions	We do not have significant emissions from ODS since they represent less than 2% of our GHG emissions.	■	■	■	■	✓
G4-EN21	Emissions	We do not have significant emissions from NOx and SOx since they represent less than 1% of our GHG emissions.	■	■	■	■	✓
G4-EN22	Water discharge	Page 24	■				✓
G4-EN23	Waste management	Page 29	■	■	■	■	✓
G4-EN24	Spills	During 2014 there were no hazardous substances spills in our operations.	■	■	■	■	✓
G4-EN25	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.	■	■	■	■	✓
G4-EN26	Water resources	Page 24	■	■	■	■	✓
G4-EN27	Mitigation of environmental impacts	Pages 7, 22 & 25	■	■	■	■	✓
G4-EN28	Recovery of packaging materials	Page 29	■				✓
G4-EN29	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.	■	■	■	■	✓
G4-EN30	Transportation	Page 25	■	■	■	■	✓
G4-EN31	Environmental investments	Page 22	■	■	■	■	✓
G4-EN32	Percentage of new suppliers examined in regards to environmental criteria	Page 36	■	■	■	■	✓
G4-EN33	Significant, real and potential environmental impacts in supply chain	We're working with a third party to identify any significant, real and potential environmental impacts in our supply chain.	■	■	■	■	✓
G4-EN34	Number of environmental complaints	There were no environmental complaints received	■	■	■	■	✓
Social Performance - Labor Practice							
G4 DMA		Page 14					
G4-LA1	Employment	Page 14	■	■	■	■	✓
G4-LA2	Benefits	Page 20	■	■	■	■	✓

G4	Content	Page or Declaration	Business Unit				External verification pg.50
			KOF	FC	FL	I/ ptm®	
G4-LA3	Retire to work and retention rates after parental leave	We have a 98.2% return rate for men and 96.33% for women.	■	■	■	■	✓
G4-LA4	Pre-notification of organizational changes and specifications in collective agreements	We have a commitment to work transparency. Therefore the prenotice periods and relevant notifications to the employees are made according to the normatives and procedures established by the labor authorities in each of the countries where we are present.	■	■	■	■	✓
G4-LA5	Health and Safety Committees	In every Business Unit we have Committees that review and follow up on Health and Safety issues in the company. Also, we have mechanisms to train our employees in these matters.	■	■	■	■	✓
G4-LA6	Absenteeism and lost days	Page 6	■	■	■	■	✓
G4-LA7	Health	Page 19	■	■	■	■	✓
G4-LA8	Health	Health and Safety issues are covered in collective agreements with unions.	■	■	■	■	✓
G4-LA9	Training	Page 16	■	■	■	■	✓
G4-LA10	Training	We have programs for the final career management of our employees for their retirement.	■	■	■	■	✓
G4-LA11	Professional Development and Performance	Page 17	■	■	■	■	✓
G4-LA12	Diversity	Pages 5 & 14	■	■	■	■	✓
G4-LA13	Ratio of base salary between men and women	Page 19	■	■	■	■	✓
G4-LA14	Percentage of new suppliers examined in regards to labor criteria	Page 36	■	■	■	■	✓
G4-LA15	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	■	■	■	■	✓
G4-LA16	Number of complaints regarding work practices	Pages 6 & 11	■	■	■	■	✓
Social Performance - Human Rights							
G4 DMA		Pages 14 & 30					
G4-HR1	Investment agreements including Human Rights clauses	Page 36	■	■	■	■	✓
G4-HR2	Training on Human Rights	97% of our security employees hired by the company in Mexico were trained in Human Rights.	■	■	■	■	✓
G4-HR3	Discrimination incidents	Page 6	■	■	■	■	✓
G4-HR4	Freedom of association	Page 20	■	■	■	■	✓

G4	Content	Page or Declaration	Business Unit				External verification pg.50
			KOF	FC	FL	I/ ptm®	
G4-HR5	Actions taken against child exploitation	Page 36	■	■	■	■	✓
G4-HR6	Actions taken against forced labor	Page 36	■	■	■	■	✓
G4-HR7	Security personnel training	Page 16	■	■	■	■	✓
G4-HR8	Indigenous rights	There were no reports detected or reported due to Human Rights violations of indigenous people in any of our operations.	■	■	■	■	✓
G4-HR9	Human Rights Evaluation	Pages 7 & 36	■	■	■	■	✓
G4-HR10	Distributors and contractors analyzed in Human Rights matters	Page 36	■	■	■	■	✓
G4-HR11	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.	■	■	■	■	✓
G4-HR12	Number of complaints related to Human Rights that have been turned in, addressed and solved through formal conciliation mechanisms.	Page 6	■	■	■	■	✓
Social Performance - Society							
G4 DMA		Pages 14 & 30					
G4-SO1	Impact on communities	Pages 31 & 34	■	■		■	✓
G4-SO2	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.	■	■	■	■	✓
G4-SO3	Anti-corruption risks, policies and procedures	Pages 6 y 7	■	■	■	■	✓
G4-SO4	Employees trained in anticorruption policies and procedures	Page 16	■	■	■	■	✓
G4-SO5	Employees trained in anticorruption policies and procedures	Page 6	■	■	■	■	✓
G4-SO6	Contributions to political parties or related institutions	In our Business Code of Ethics we mention that the contributions to political parties is on a personal basis by our employees since the company does not have influence, supports or contributes with politicians, political parties or candidates to public positions.					✓
G4-SO7	Anti-trust and free competition	No complaints were received for unfair competition practices, monopolistic or against free competition.	■	■	■	■	✓
G4-SO8*	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.	■	■	■	■	✓
G4-SO9	Percentage of new suppliers examined based on social impact criteria	Page 36	■	■	■	■	✓

KOF: Coca-Cola FEMSA / FC: FEMSA Comercio / FL: FEMSA Logística / I/ptm®: Imbera and ptm®.

*The extension of this verification does not include operations from Coca-Cola FEMSA Philippines.

G4	Content	Page or Declaration	Business Unit				External verification pg.50
			KOF	FC	FL	I/ ptm®	
G4-SO10	Significant, real and potential environmental impacts for society in the supply chain.	There were no negative significant impacts and potential for society in the supply chain.	■	■	■	■	✓
G4-SO11	Number of complaints regarding social impact	There were no significant complaints on social impact through formal mechanisms to complain.	■	■	■	■	✓
Social Performance - Product Responsibility							
G4 DMA		Page 30					
G4-PR1	Product life-cycle evaluation in regards to customer health and safety	Page 36	■	■			✓
G4-PR2*	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.	■	■			✓
G4-PR3	Product information	Page 36	■	■			✓
G4-PR4*	Regulations and voluntary codes on labeling	Page 36	■	■			✓
G4-PR5	Customer satisfaction practices	Page 11	■	■			✓
G4-PR6	Adherence to voluntary codes in advertising	We do not sell forbidden products or in litigation.	■	■			✓
G4-PR7*	Incidents related to marketing, advertising, promotion, and sponsoring	There were no cases for noncompliance of regulations or codes related to our marketing communication.	■	■			✓
G4-PR8*	Customer privacy	There were no reclamations regarding the privacy protection and personal data confidentiality in possession of FEMSA and there Business Units.	■	■	■	■	✓
G4-PR9*	Fines for non-compliance in regulations regarding product and service use and supply	We did not 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	Percentage of volume purchased from suppliers compliant with company sourcing policy	In the Supplier Guiding Principles part of the Sustainable Sourcing initiative, we will start working on and measuring this indicator.	■				✓
FP2	Percentage of volume purchased, verified with internationally recognized production standards	In the Supplier Guiding Principles part of the Sustainable Sourcing initiative, we will start working on and measuring this indicator.	■				✓
FP3	Percentage of working time lost due to strikes, disputes, or work stoppage	We had 244 hours lost due to labor conflicts	■				✓
Society							
FP4	Programs that promote healthy lifestyles, prevention of chronic disease, access to healthy, nutritious and affordable food; and improvement in community wellness	Page 30	■				✓

KOF: Coca-Cola FEMSA / FC: FEMSA Comercio / FL: FEMSA Logística / I/ptm®: Imbera and ptm®.

*The extension of this verification does not include operations from Coca-Cola FEMSA Philippines.

G4	Content	Page or Declaration	Business Unit				External verification pg.50
			KOF	FC	FL	I/ ptm®	
Product Responsibility							
FP5	Percentage of production volume certified by independent third party, according to recognized food safety international standards	Page 36	■				✓
FP6	Percentage of total sales of products low in added sugars	Page 36	■				✓
FP7	Percentage of total sales of products which contain nutritional ingredients such as fiber, vitamins, minerals or functional nutritional additives	Page 36	■				✓
FP8	Communication about ingredients and nutritional information beyond legal requirements	Page 36	■				✓
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 adhesion 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	Fleet composition	Administrative Units: Primary Distribution in Mexico 36.0%; Primary International Distribution (1) 18.7%; Secondary Distribution in Mexico 34.4%; Secondary International Distribution 10.9% Fuel liters: Primary Distribution in Mexico 59%; Primary International Distribution (1) 26.1%; Secondary Distribution in Mexico 14.1%; International Secondary Distribution (1) 0.8%			■		✓

G4	Content	Page or Declaration	Business Unit				External verification pg.50
			KOF	FC	FL	I/ ptm®	
Environmental Dimension / Policies							
LT3	Description of environmental impact policies and programs	Page 22			■		✓
Environmental Dimensions / Energy							
LT4	Description of initiatives to use renewable energy sources and to increase energy efficiency	Page 25			■		✓
Environmental Dimension / Urban Pollution							
LT5	Description of initiatives to control air emissions in regards to land transportation	Page 25			■		✓
Environmental Dimension / Vehicle Pollution							
LT6	Description of policies and programs implemented to manage impact of traffic congestion	Page 25			■		✓
Environmental Dimension / Noise and Vibration							
LT7	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 normative requirements.			■		✓
Environmental Dimension / Development of Transportation Infrastructure							
LT8	Description of environmental impact of the key assets of the informing organization infrastructure	Page 22			■		✓
Social Dimension / Work Patterns							
LT9	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. We have policies that establish working and resting hours. These policies promote managing each trip effectively and efficiently, besides, we oversee the health and safety of our operators through medical valuations before traveling and mobile unit inspections.			■		✓
LT10	Describe the methods for providing mobile workers the means that enable them to maintain personal communication while they work	Does not apply. 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	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.			■		✓

G4	Content	Page or Declaration	Business Unit				External verification pg.50
			KOF	FC	FL	I/ ptm®	
Social Dimension / Road Safety							
LT12	Number of driver road fatalities per million kilometers traveled	.013 driver or third party fatalities per million kilometers.			■		✓
Social Dimension / Safety Inspections in Ships							
LT13	List incidents when ships have been stopped by inspectors in port	Does not apply					✓
Social Dimension / Mail Access							
LT14	Descripción de políticas y programas para el acceso público a los servicios de correo	Does not apply					✓
Social Dimension / Humanitarian Programs							
LT15	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	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	Actions that facilitate security in entering and employment continuity of the workers hired temporarily	In FEMSA Logística, we take measures to do all temporary hirings directly and not through a third party. Additionally, less than 2% of the FEMSA Logística workforce has a temporary contract.			■		✓

Deloitte Mexico External Verification

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Independent assurance report to Fomento Económico Mexicano, S.A.B. de C.V. (FEMSA) Management on the Sustainability Report 2014

Responsibilities of FEMSA and Independent Reviewer

The elaboration of the Sustainability Report 2014 (SR), as well as its content, is responsibility of FEMSA, who is also responsible for defining, adapting and maintaining the management systems and internal controls from which the analysis information is obtained.

Our responsibility is to issue an independent report based on the procedures applied during our review.

This report has been prepared exclusively for the management of FEMSA in accordance with the terms of our letter of agreement dated October 23, 2014 and is not intended to be nor should it be used by someone other than this. We do not assume any responsibility against any other than the management of FEMSA and it has no intention to be used by other than the management of FEMSA.

The elaboration of this work was aligned to the International Federation of Accountants (IFAC) independence normativity.

Scope of our work

The scope of our assurance was limited, and is substantially lower than a reasonable assurance work. Therefore the security provided is also lower. This report in no case can be understood as an audit report.

We conducted our review of the SR under the following conditions and/or criteria:

- a) The adaptation of the contents of the SR to the Global Reporting Initiative (GRI) Guidelines version 4 (G4) and according to the materiality study provided by FEMSA.
- b) The review of the sustainability performance indicators reported according to the option Comprehensive and specified in the GRI Index at the same report.
- c) The information contained in the SR is consistent with supporting evidence provided by management.

Assurance standards and procedures

We have performed our work in accordance with the International Auditing Standard ISAE 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Boards (IAASB) of IFAC. As well, we have applied the AA1000 Assurance Standard.



Our review work included the formulation of questions to the management as well as various departments of FEMSA that have participated in the elaboration of the SR and the application of certain analytical and sample screening tests that are described below.

- a) Meetings with staff of FEMSA to learn the principles, systems and applied management approaches.
- b) Analysis of the process to collect, validate and consolidate the data presented in the SR.
- c) Analysis of scope, relevance and integrity of the information included in the SR in terms of the understanding of FEMSA and of the requirements that stakeholders have identified as material aspects.
- d) Selected sample review from the evidence that supports the information included on the SR.

The following table details the revised indicators.

G4-1	G4-24	G4-41	G4-EC2	G4-EN10	G4-EN31	G4-LA14	G4-SO3	G4-PR9	G4-LT11
G4-2	G4-25	G4-42	G4-EC3	G4-EN15	G4-EN32	G4-LA15	G4-SO4	G4-FP1	G4-LT12
G4-3	G4-26	G4-43	G4-EC4	G4-EN16	G4-EN33	G4-LA16	G4-SO5	G4-FP2	G4-LT15
G4-4	G4-27	G4-44	G4-EC5	G4-EN17	G4-EN34	G4-HR1	G4-SO6	G4-FP3	G4-LT16
G4-5	G4-28	G4-45	G4-EC6	G4-EN18	G4-LA1	G4-HR2	G4-SO7	G4-FP4	G4-LT17
G4-6	G4-29	G4-46	G4-EC7	G4-EN19	G4-LA2	G4-HR3	G4-SO8	G4-FP5	
G4-7	G4-30	G4-47	G4-EC8	G4-EN20	G4-LA3	G4-HR4	G4-SO9	G4-FP6	
G4-8	G4-31	G4-48	G4-EC9	G4-EN21	G4-LA4	G4-HR5	G4-SO10	G4-FP7	
G4-9	G4-32	G4-49	G4-EN1	G4-EN22	G4-LA5	G4-HR6	G4-SO11	G4-FP8	
G4-10	G4-33	G4-50	G4-EN2	G4-EN23	G4-LA6	G4-HR7	G4-PR1	G4-LT2	
G4-11	G4-34	G4-51	G4-EN3	G4-EN24	G4-LA7	G4-HR8	G4-PR2	G4-LT3	
G4-12	G4-35	G4-52	G4-EN4	G4-EN25	G4-LA8	G4-HR9	G4-PR3	G4-LT4	
G4-13	G4-36	G4-53	G4-EN5	G4-EN26	G4-LA9	G4-HR10	G4-PR4	G4-LT5	
G4-14	G4-37	G4-56	G4-EN6	G4-EN27	G4-LA10	G4-HR11	G4-PR5	G4-LT6	
G4-15	G4-38	G4-57	G4-EN7	G4-EN28	G4-LA11	G4-HR12	G4-PR6	G4-LT7	
G4-16	G4-39	G4-58	G4-EN8	G4-EN29	G4-LA12	G4-SO1	G4-PR7	G4-LT8	
G4-17	G4-40	G4-EC1	G4-EN9	G4-EN30	G4-LA13	G4-SO2	G4-PR8	G4-LT9	

The scope of the review work on the following indicators: G4-S08, G4-PR2, G4-PR4, G4-PR7, G4-PR8, G4-PR9 does not include the Philippines operations.

Conclusion

The SR considers the application of the GRI Guidelines G4, and is elaborated according to the principles of inclusivity, materiality and responsiveness of the AA1000APS Standard.



Based on the performance of our work described in this report, nothing comes to our attention that could make us believe that the SR contains significant errors or has not been prepared in accordance with the Comprehensive option established in the GRI Guidelines G4.

Recommendations

The following list summarizes the most significant recommendations, which do not alter the conclusions expressed in this report:

- Continue working on identifying indicators supporting documentation and automating the data consolidation.
- Analyze the submitted information by applying the Global Reporting Initiative guidelines and sector supplements for the material aspects for FEMSA.

Inclusion

There have been identified the different channels of communication between FEMSA and its various stakeholders. We suggest to continue its inclusion by generating social impact activities and shared value.

Relevance

The materiality exercise strengthens the sustainability strategy and, therefore, the identification of the relevant aspects within the organization. We suggest to establish revision periods of materiality based on the increase in number and size of the operations and the integration of other businesses.

Responsiveness

Within FEMSA's Sustainability Report is identified information from various business units. It is suggested to generate more specific information on material and strategic subjects for each one and also the comparability of the performance of the generated initiatives.

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Member of Deloitte Touche Tohmatsu Limited

Daniel Aguiñaga Gallegos
Partner
March 18, 2015



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Independent assurance report to Fomento Económico Mexicano, S.A.B de C.V. (FEMSA) Management on Greenhouse Gas Emission indicators.

Objective

This document has the objective to issue an independent assurance report on Greenhouse Gas Emission Indicators (GHG Indicators) reported according to the Global Reporting Initiative Guidelines (GRI) version 4 (G4), included in FEMSA's Sustainability Report 2014 and it refers only to those indicator mentioned in this assurance report, which is complementary to the independent revision of FEMSA's Sustainability Report 2014.

Responsibilities of FEMSA and Independent Reviewer

The elaboration of the GHG Indicators, as well as its content is responsibility of FEMSA, who is also responsible for defining, adapting and maintaining the management systems and internal controls from which the information is obtained.

Our responsibility is to issue an independent report based on the procedures applied during our review.

This report has been prepared exclusively for the management of FEMSA in accordance with the terms of our letter of agreement dated October 23rd, 2014 and is not intended to be nor should it be used by someone other than this.

Scope of our work

The scope of our assurance was limited, and is substantially lower than a reasonable assurance work. Therefore the security provided is also lower. This report in no case can be understood as an audit report.

We conducted our review of the SDR under the following conditions and/or criteria:

- a) The adaptation of the contents of the GHG Indicators to the Global Reporting Initiative (GRI) Guidelines version 4 (G4).
- b) The information contained in the GHG Indicators is consistent with supporting evidence provided by management.



Assurance standards and procedures

We have performed our work in accordance with the International Auditing Standard ISAE 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Boards (IAASB) of IFAC.

Our review work included the formulation of questions to the management as well as various departments of FEMSA that have participated in the elaboration of the GHG Indicators and the application of certain analytical and sample screening tests that are described below.

- a) Meetings with staff of FEMSA to learn the principles, systems and applied management approaches.
- b) Analysis of the process to collect, validate and consolidate the data presented in the GHG Indicators.
- c) Selected sample review from the evidence that supports the information included in the GHG Indicators.

The following table details the revised indicators:

G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)
G4-EN18	Greenhouse gas (GHG) emissions intensity
G4-EN19	Reduction of greenhouse gas (GHG) emissions
G4-EN20	Emissions of ozone-depleting substances (ODS)
G4-EN21	NO _x , SO _x , and other significant air emissions

Reporting Period: January 1st, 2014 to December 31st, 2014.



Conclusion

Based on the performance of our work described in this report, nothing comes to our attention that could make us believe that the GHG Indicators contain significant errors or have not been prepared in accordance with the GRI Guidelines G4.

Recommendations

Additionally we present our recommendations, which do not modify the conclusions expressed in this report.

- Strengthen the communication of Greenhouse Gas Emission intensity indicators for each business unit with the aim of managing performance indicators on regarding the specific measure for each one of them. This will help define initiatives related to their particular activity.
- Focus the mitigation efforts of Greenhouse Gas Emissions reduction in order to start a strategy that will allow to regenerate the relevant supplies for each business unit in a way that the investment in mitigation activities may support a long term business.
- Continue working in increasing the measurement scope of the Greenhouse Gas Emissions from other indirect emissions.
- Continue working for the information protection and automatization.

Galaz, Yamazaki, Ruíz Urquiza, S.C.
Member of Deloitte Touche Tohmatsu Limited

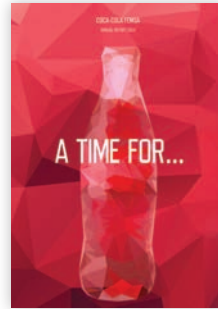
A handwritten signature in black ink, appearing to be "Daniel Aguiñaga Gallegos".

MBA Daniel Aguiñaga Gallegos
Partner
March 18th, 2015

Annual Reports



FEMSA
Annual Report 2014
www.annualreport.femsa.com



Coca-Cola FEMSA
Annual Report 2014
www.coca-colafemsa.com



Fundación FEMSA
Annual Report 2014
www.fundacionfemsa.org/informe2014

Sustainability Reports



Coca-Cola FEMSA
Sustainability Report 2014
<http://www.coca-colafemsa.com/en/sustainability.html>



FEMSA Comercio
Sustainability Report 2014
www.oxxo.com/responsabilidad-social



FEMSA Logística
Sustainability Report 2014
<http://www.fl.com.mx/es/sostenibilidad/informe-sostenibilidad.htm>

Sustainability Recognitions in 2014

FEMSA

Socially Responsible Company 2014 (CEMEFI, Mexico)
Award on Industry Ethics and Values (CONCAMIN, Mexico)

Coca-Cola FEMSA

Venezuela

V Annual Ecoefficiency and Clean Energy Award (Vitalis)

Argentina

Best practices in CSR 2014 (CEMEFI, Mexico)

Colombia

Recognition for Coordinates for Life (Policía Nacional)

Costa Rica

Distinction "Contribution to environmental preservation"
(Goicochea's Health Minister)

Brazil

Selo Ambiental (SENAI)

Mexico

Socially Responsible Company 2014 (CEMEFI, Mexico)
Clean Transportation Program (SEMARNAT, Mexico)
National Award for Road Safety (ANTP, Mexico)

FEMSA Comercio

Inclusive Company Distinction "Gilberto Rincón Gallardo"
(Department of Labor and Social Prevision, Mexico)

Socially Responsible Company 2014 (CEMEFI, Mexico)

Strategic Businesses

FEMSA Logística

National Award for Road Safety:
Company Category and Employee Category (ANTP, Mexico)

Best practices in CSR 2014 (CEMEFI, Mexico)

Socially Responsible Company 2014 (CEMEFI, Mexico)

Imbera

Socially Responsible Company 2014 (CEMEFI, Mexico)

Clean Industry (PROFEPA, Mexico)

Supplier of the year (The Coca-Cola Company, USA)

Support for the United Nations Global Compact

G4-15

Human Rights

Principle I (GC I)

Support and respect the protection of human rights.

Principle II (GC II)

Not being an accomplice in human rights abuse.

Labor conditions

Principle III (GC III)

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

Principle IV (GC IV)

Eliminate forced and compulsory labor.

Principle V (GC V)

Abolish any form of child labor.

Principle VI (GC VI)

Eliminate discrimination in employment and occupation matters.

Environment

Principle VII (GC VII)

Support a precautionary approach to environmental challenges.

Principle VIII (GC VIII)

Promote greater environmental responsibility.

Principle IX (GC IX)

Encourage the development and communication of environmentally respectful technologies.

Fight against Corruption

Principle X (GC X)

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

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G4-31

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