

# FEMSA

Sustainability Report 2015



125 years  
creating stories  
with value

# About this Report

(G4-18, G4-20, G4-21, G4-28, G4-30, G4-33)

For FEMSA and the Business Units, 2015 was a year for reflecting on what we do and how we can do it better. The year was also very important, since it marked the **125<sup>th</sup> anniversary of when we first began to create stories with value.**

We appreciate the opportunity to share with you the way in which we contribute to create economic and social value, and that is why we have been publishing our Sustainability Report since 2005. Through this document, we are presenting the most relevant information concerning the Pillars of our Strategic Sustainability Framework: Our Ethics and Values, Our People, Our Planet, and Our Community. We have also included FEMSA Foundation's projects and results.

This Report refers to the period between January 1<sup>st</sup> and December 31<sup>st</sup>, 2015. The data contained is the result of a materiality analysis of the operations of FEMSA and the Business Units: Coca-Cola FEMSA, FEMSA Comercio, and FEMSA Strategic Businesses in Argentina, Brazil, Colombia, Costa Rica, Guatemala, Mexico, Nicaragua, Panama, Peru, the Philippines, and Venezuela. It does not include Heineken's results since, although FEMSA has an important economic stake, there is no operational interference since 2010. Furthermore, we do not report results of any businesses that were acquired less than a year ago.

We aligned our Report to the international guidelines of the **Global Reporting Initiative GRI G4** with comprehensive compliance and external assurance by Deloitte Mexico. On page 40 we include the GRI index, as a point of reference.

We also align our performance to the 10 Principles of the **United Nations Global Compact**, which means this Report is also our **Communication on Progress** for 2015. Progress can be identified with the abbreviation GC throughout this document.

All monetary amounts are expressed in MXN, with the conversion into US dollars based on the exchange rate as of mid-day December 31<sup>st</sup>, 2015, on the basis of \$17.195 MXN per USD \$1.00.

Because you have been part of our history, we invite you to celebrate these first 125 years with us and continue to create stories with value.



# 2015 in numbers

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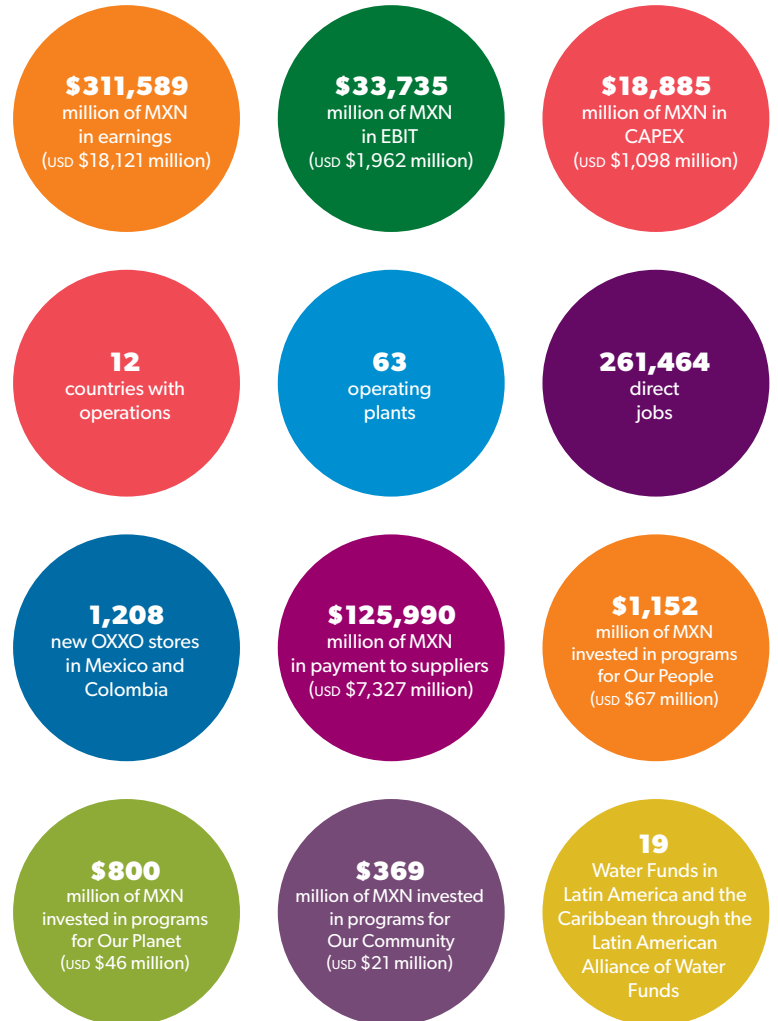
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To know more about our Sustainability programs and to access the online version of this report visit:

[www.sustainabilityreport.femsa.com](http://www.sustainabilityreport.femsa.com)



**Carlos Salazar Lomelín**  
Chief Executive Officer of FEMSA

**José Antonio Fernández Carbajal**  
Executive Chairman of the  
Board of Directors of FEMSA

# Message

from the Executive Chairman of the Board and  
from the Chief Executive Officer of FEMSA (G4-1, G4-24)

Dear friends:

We are proud to share with you our Sustainability Report for 2015, a year in which we commemorated our **125<sup>th</sup> Anniversary**. On the road, together with you, we have faced obstacles and fulfilled our mission to **“Create economic and social value through companies and institutions”**.

Today we are a company that participates in different sectors, is present in 12 countries, and is made up of more than 260,000 employees. We know that in order to face challenges and ensure sustainable growth, we must continue to work with passion and conviction, adopting a systemic vision.

To accomplish this, we began an **evolutionary process of adopting the trend toward sustainability in every division in the company. Our goal is to make sustainability part of all the business processes for the long term and to have it become a key variable in our culture.**

In 2015, we focused on strengthening the three Pillars that make up the **FEMSA Strategic Sustainability Framework**:

- 1) **Our People**, to promote the professional and personal growth of our employees based on three lines of action:
  - *Culture and Values*
  - *Training and Development*
  - *Comprehensive Development*

We employed talent-management initiatives in order to attract and develop the necessary human resources. We reviewed our **FEMSA Leadership Model**, ensuring that all our employees develop the capabilities the company requires today and in the future.

Since we know that in a changing world there is a permanent need to learn and be current at all times, in 2015 more than 120,000 employees took 4,363 courses at the **FEMSA University**. Furthermore, we developed the Logistics, Commercial, and Operations Functional Schools at FEMSA Comercio in order to strengthen employee training.

- 2) **Our Planet**, to better understand our environmental impact and prioritize and plan mitigation measures at each Business Unit based on the lines of action:
  - *Water*
  - *Energy*
  - *Waste and Recycling*



Given the importance of water in our life, we are constantly looking for innovative ways to minimize and mitigate our water footprint. In 2015, Coca-Cola FEMSA reduced water consumption per liter of beverage we produce by 10%, as compared to 2010, and we returned more than 100% of the amount of water used to the communities and environment in our operations in Mexico and Brazil.

Furthermore, with the **FEMSA Foundation** we continued working on the preservation and sustainable use of water. Today the Latin American Water Funds Alliance operates 19 funds that allocate resources to protecting the top surface of more than 3 million hectares, benefitting approximately 50 million potential water users in these regions.

We also concentrated our efforts on continuing to use renewable sources of electricity and on reducing energy consumption. The three wind farms that supply our operations in Mexico will help us meet our goal of satisfying 85% of our electric energy requirements in the country by 2020, in relation to consumption levels of 2010.

This places FEMSA at the forefront in environmental sustainability. And, by understanding the impact of our operations, we are setting the foundation to strengthen the **Environmental Strategy** we will implement over the next few years.

- 3) **Our Community**, to have initiatives and programs in place that promote the lines of action of:
- Healthy Lifestyles
  - Community Development
  - Sustainable Sourcing

We continued looking for solutions to global problems, with local programs centered on sports, nutrition, education, art and culture, local development, the environment, and entrepreneurship, among other things.

We invested, through the FEMSA Foundation, in programs that promote learning and the implementation of best practices in nutrition and supporting scientific research to help improve health and prevent food-related diseases.

In art and culture, the **FEMSA Collection** acquired works of highly recognized artists and published the second edition of the book *Latin American. Modern and Contemporary Art*, while the **FEMSA Biennial** invited artists to participate in its 12<sup>th</sup> edition, which for the first time will be made up of two pillars: a curatorial program and the competition.

Celebrations for our 125<sup>th</sup> Anniversary began with the inauguration of the new **Club de Fútbol Monterrey Stadium**, a world-class legacy, self-funded and built using the highest ecological and accessibility standards. The stadium is also part of the **Grand Río La Silla Park** rehabilitation project, which will offer ideal facilities for family, recreational, and sports activities, as well as nature hikes.

Furthermore, we developed the **Metodología de Atención a Riesgos y Relacionamento Comunitario (MARRCO)**, or the Methodology to Face Community Risks and Engagement, to train our Work Centers on how to build relationships with the community that are sustainable and generate value, all based on the trust and commitment of all parties.

We continued to have our suppliers read and sign our **Supplier Guiding Principles**, which set the conditions they must comply with in order to have a responsible balance in our supply chain.

Because we are aware that there is still much to be done, we continue to work closely with our stakeholders—clients, communities, organisms in civil society, suppliers, shareholders, employees and the government—to develop solutions for the challenges we face and to promote best practices with a focus on sustainability.



**Biennial FEMSA announced its 12<sup>th</sup> edition.**

Finally, we invite you to read this report, hoping that it could help you to know more about the results of our actions during 2015. We also ask for your comments and recommendations. We want to improve our performance and build, in collaboration with all of you, a much better sustainable future.

**José Antonio Fernández Carbajal**  
Executive Chairman  
of the Board of  
Directors of FEMSA

**Carlos Salazar Lomelín**  
Chief Executive  
Officer of FEMSA

Today, the Latin American Alliance for Water Funds with the participation of FEMSA Foundation is operating 19 Water Funds.



# FEMSA Profile

(G4-4, G4-6, G4-7, G4-8, G4-9,  
G4-17, G4-EC8)

FEMSA is a Mexican company that was founded 125 years ago. We currently operate in 12 countries: Argentina, Brazil, Chile, Colombia, Costa Rica, Guatemala, Mexico, Nicaragua, Panama, Peru, the Philippines, and Venezuela. Through our Business Units, Coca-Cola FEMSA, FEMSA Comercio, and FEMSA Strategic Businesses, we serve more than 357 million people, generating \$311,589 million MXN (USD \$18,121 million) in revenues and 261,464 direct jobs in 2015. Additionally, we hold a 20% share in Heineken, making us their second-largest shareholder. We operate 63 bottling plants and 345 distribution centers. We offer more than 110 beverage brands and have 14,061 OXXO stores in Mexico and Colombia.

It is the largest public bottler of Coca-Cola brand beverages in the world, and it distributes more than 3.4 billion unit cases a year. The company operates in Argentina, Brazil, Colombia, Costa Rica, Guatemala, Mexico, Nicaragua, Panama, the Philippines, and Venezuela, offering several brands, including Coca-Cola, Coca-Cola Light, Coca-Cola Zero, Coca-Cola Life, Fanta, Fresca, Sprite, Sprite Zero, Powerade, Del Valle, Ciel, FUZE Tea, Fuze Tea Light, Delaware Punch, Powerade ION4, Vitaminwater, BURN, Santa Clara, Estrella Azul, and Blak. Coca-Cola FEMSA distributes its products in 2.7 million points of sale, serving more than 357 million consumers. In 2015, it generated 99,018 direct jobs and more than 1.9 million indirect jobs.<sup>1</sup>



It operates several small-format retail store chains. Through OXXO, OXXO Gas, Doña Tota, Bara, and the Yza and Moderna pharmacies, it serves more than 10.8 million customers daily. The OXXO chain includes 14,061 stores, of which 1,208 were opened in 2015. During 2015, FEMSA Comercio announced it had purchased Farmacon pharmacies, which operates more than 200 branches in the Mexican states of Sinaloa, Baja California, and Baja California Sur. The company also announced the acquisition of a majority share in Grupo Socofar, a Chilean group that operates more than 640 pharmacies and 150 beauty-product stores in Chile and 150 pharmacies in Colombia. In 2015, FEMSA Comercio generated 138,996 direct jobs and more than 694,000 indirect jobs.<sup>2</sup>

Comprised by FEMSA Logística, Imbera and PTM, it offers its services to Coca-Cola FEMSA and FEMSA Comercio, as well as to external clients. In 2015, these companies generated 19,283 direct jobs.



FEMSA Logística is a multinational company that offers comprehensive value-generating logistics services focused mainly on innovation and safety. With presence in seven countries in Latin America: Mexico, Nicaragua, Costa Rica, Panama, Colombia, Peru, and Brazil, the company employs more than 13,000 people.



It is the world leader in the commercial refrigeration industry. Founded in 1941, the company designs, develops, and produces commercial refrigeration equipment. It exports its products to 53 countries, has three production facilities—one each in Mexico, Brazil, and Colombia—as well as sales headquarters and maintenance services in eight countries. Imbera is the only company in the Americas that both sells and services commercial refrigerators.



It has been offering solutions and developing plastic-transformation projects tailored to fulfill customer needs since 1976. It offers its services to food and beverage, automobile, and retail industries, among others. PTM is one of the largest plastic-recycling plants in Mexico, with two production facilities—one in San Juan del Río, in the state of Querétaro, and the other in Monterrey, in the state of Nuevo León—that recover and recycle more than 16,000 tons of plastics annually.



<sup>1</sup> It is estimated that for each direct job generated in the Coca-Cola System in Mexico, 19.23 indirect jobs are generated throughout the national economy.

<sup>2</sup> According to data from the National Association of Supermarkets and Department Stores in Mexico, in specialty format stores for every direct job there are 5 indirect jobs.

# Operational Overview

## Business Units

- FEMSA Comercio
- Coca-Cola FEMSA
- FEMSA Comercio and Coca-Cola FEMSA
- FEMSA Logística
- Imbera
- PTM



		Employees <sup>5,6</sup>	Plants	Stores	Distribution Centers	Distribution Routes <sup>1</sup>	Brands <sup>2</sup>	Millions of customers	Investment, millions of MXN	Investment, in millions of USD
Mexico ●●●●●	FEMSA Comercio	187,642	—	Stores: 14,015 Pharmacies: 933 Gas stations: 307	18	—	—	10.8 <sup>4</sup>	\$10,870	\$632
	Coca-Cola FEMSA		17	—	143	3,547	49	71.9		
Colombia ●●●●●	FEMSA Comercio	8,769	—	Stores: 46 Pharmacies: 150	—	—	—	10.8 <sup>4</sup>	\$2,309	\$135
	Coca-Cola FEMSA		7	—	25	1,230	17	46.7		
Central America <sup>3</sup> ●●	Coca-Cola FEMSA	6,553	5	—	31	320	24	21.9	\$807	\$47
Venezuela ●	Coca-Cola FEMSA	7,500	4	—	33	507	13	31	\$1,126	\$65
Argentina ●	Coca-Cola FEMSA	3,021	2	—	4	208	20	12.2	\$1,054	\$61
Brazil ●●●	Coca-Cola FEMSA	21,765	9	—	38	1,291	49	72.1	\$2,426	\$141
Chile ●	FEMSA Comercio	10,723	—	Beauty stores: 150 Pharmacies: 640	—	—	—	—	\$267	\$16
Philippines ●	Coca-Cola FEMSA	15,306	19	—	53	1,792	14	101.8	—	—

Note: Only includes information on our core businesses.

1. Includes external distributors.

2. Includes brand extensions.

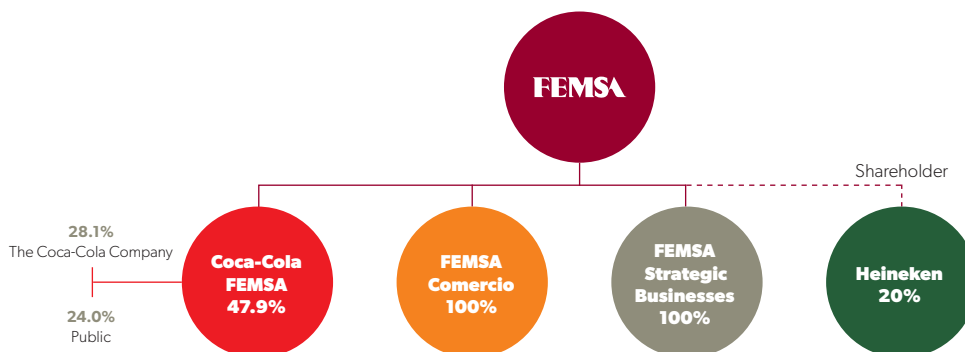
3. Includes Guatemala, Nicaragua, Costa Rica and Panama.

4. Millions of customers per day based on the number of daily transactions.  
Information for FEMSA Comercio in Mexico and Colombia.

5. Includes third-party and centralized services headcount.

6. Includes all personnel of businesses with operations in the country.

# Corporate Structure



# Actions creating value

(G4-9, G4-EC1, G4-LA1)

## Economic Performance

To create economic and social value through business enterprises and institutions is our mission; and our vision includes the following ambitious commitments:

- We satisfy the consumer of goods and services with excellence.
- We double the value of our businesses every five years.
- We are diversified in markets that privilege 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.

Relevant Financial Results	2015 MXN million	2015 USD million	2014 MXN million	Variation (%)
Total consolidated revenue FEMSA <sup>1</sup>	\$ 311,589	\$ 18,121	\$ 263,449	18.3
Total revenue Coca-Cola FEMSA	\$ 152,360	\$ 8,861	\$ 147,298	3.4
Total revenue FEMSA Comercio	\$ 151,401	\$ 8,804	\$ 109,624	38.1
Operating Income <sup>2</sup>	\$ 33,735	\$ 1,962	\$ 29,983	12.5
Consolidated net income	\$ 23,276	\$ 1,354	\$ 22,630	2.9
Controlling interest <sup>3</sup>	\$ 17,683	\$ 1,029	\$ 16,701	5.9
Non-controlling interest	\$ 5,593	\$ 325	\$ 5,929	-5.7
Assets	\$ 409,332	\$ 23,805	\$ 376,173	8.8
Debt	\$ 91,864	\$ 5,343	\$ 84,488	8.7
Capital expenditures	\$ 18,885	\$ 1,098	\$ 18,163	4.0
Book Value per share <sup>4</sup>	\$ 10.15	\$ 0.59	\$ 9.53	6.5
Net earnings per share <sup>4</sup>	\$ 0.99	\$ 0.06	\$ 0.93	5.9
Taxes paid in all countries <sup>5</sup>	\$ 54,632	\$ 3,177	\$ 48,317	13
Direct Economic Value Generated <sup>6</sup>	\$ 314,897	\$ 18,313	\$ 265,651	18.5
Economic Value Retained <sup>7</sup>	\$ 8,439	\$ 490	\$ 9,610	-12.1

1. The sum of total revenues by Business Unit differ from the consolidated revenue due to intercompany transactions that are eliminated in consolidation.

2. Key profit indicator of the company.

3. They represent income for the period that corresponds to the controller portion of the entity.

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

5. Total direct and indirect contributions generated by the company.

6. Direct economic value generated = net sales+ financial investments + Asset sales.

7. Economic Value Retained = direct economic value generated - economic value distributed.

For more information on our economic performance, please review our FEMSA Annual Report 2015 at: <http://www.annualreport.femsa.com>








## Social Performance

We are aware that with the capabilities and talent that we have, we can do a lot as a company, which is why while we aim to maintain economic profitability, we also carry out actions to create value for the people, the planet and the community:

- Nurture and develop our employees.
- Preserving the environment.
- Contribute to the positive transformation of the communities we serve.

	2015	2014	Variation (%)	
	Investment in the professional and personal growth of our employees	<b>\$1,152.9</b> MXN million (USD <b>\$67</b> Million)	\$1,082.3 MXN million (USD \$62.9 Million)	6.5
	Number of employees	<b>261,464</b>	216,740	20.6
	Percentage of employees who are satisfied with their job	<b>77.4</b> <sup>1</sup>	—	—
	New hires	<b>158,544</b> <sup>2</sup>	—	—
	Investment in minimizing the environmental impact of our operations	<b>\$800.2</b> MXN million (USD <b>\$46.5</b> Million)	\$762.1 MXN million (USD \$44.3 Million)	7.1
	Indirect energy consumption <sup>3</sup>	<b>8,418,810</b> GJ	8,246,774 GJ	2.1
	Percentage of recycled materials	<b>82.7%</b>	84.7%	2.4
	Water efficiency (litters of water per liter of beverage produced)	<b>1.77</b>	1.79	1.1
	Investment in community development	<b>\$369.8</b> MXN million (USD <b>\$21.5</b> Million)	\$355 MXN million (USD \$20.6 Million)	2.1
	Number of people bankarized through services provided by OXXO	<b>+3,000,000</b>	—	—
	Percentage of local suppliers <sup>4</sup>	<b>98</b>	97	1
	People participating in physical activation events supported by Coca-Cola FEMSA	<b>6,100,000</b>	5,700,000	7

1 According to FEMSA's Organizational Climate Diagnosis.

2 Includes new hires and turnover.

3 Includes electricity consumption from renewable and non-renewable sources.

4 Supplier originally from the country where the purchase is made.

# 125

## years creating value

1890's



Northern Mexico was lagging behind the central region as a result of the complex political and social environment, the lack of opportunities, and its location, far away from the capital city. Accordingly, a group of entrepreneurs in the city of Monterrey, in the state of Nuevo León, identified the opportunity to create a company that could benefit from national and global growth. It was under these conditions that *Cervecería Cuauhtémoc* was founded, and it later became the driver behind social and economic progress in the region.

1930's



During a decade of stabilization and institutionalization in the country, and in response to the prevailing need for a dialogue between the public and private sectors, Luis G. Sada, who was a member of the board at *Cervecería Cuauhtémoc*, promoted the creation of the *Confederación Patronal de la República Mexicana* (COPARMEX), in order to promote entrepreneurial awareness and social, economic, legal, and political reforms that would drive national growth and the reconciliation of interests between workers and employers.

1940's



Nuevo León continued to grow, and it was projected that the education system would not be able to provide enough university graduates with the required competencies to satisfy the demands of this growth. Consequently, a group of businessmen led by Don Eugenio Garza Sada, who ran *Cervecería Cuauhtémoc*, created the *Tecnológico de Monterrey*, an educational higher-learning institution with the mission to offer a full education to men and women, based on the belief that human growth is the key to having a better country.

1950's



Since Mexico was transitioning toward modernization and people required the mechanisms needed to form long-term wealth; we strengthened our housing policy and founded the *Cuauhtémoc* neighborhood. Between 1957 and 1972, we allocated 1,318 new homes, thus contributing to the comprehensive well-being of our employees. The total number of people employed by the company was close to 5,000.

1990's



During these years, which were marked by globalization and open markets, the company adopted international standards, by being listed on the New York Stock Exchange. With this major step, we strengthened our transparency, accountability, and corporate governance practices, gaining the trust of global investors. It was during this decade that we partnered with The Coca-Cola Company and acquired the first foreign company.

2000's



We consolidated the internationalization of the company by buying Panamerican Beverages, Inc., Panamco. The company then became the largest Coca-Cola bottler in Latin America, and second in the world. Afterwards, we made more acquisitions, transforming FEMSA into a world-class company. Moreover, due to the complexity of the global challenges, risks, availability of resources and the low quality of life in the communities where we have operations, we created the FEMSA Foundation, a social investment institution that contributes to education, science, and technology for the sustainable use of water and the well-being of society.

1900's



*Cervecería Cuauhtémoc* consolidated its growth as a business while simultaneously focusing on offering technical training to its employees, by creating the Cuauhtémoc Polytechnic School, offering facilities for house purchasing to employees as well as medical services for them and their families. These measures promoted education and health care, improving quality of life at a time when these types of employee benefits were not common. This aspect of our culture contributes to a sense of belonging and establishes a close relationship with the company.

1910's



During the Mexican Revolution, our employees were subject to the same social instability and challenges the whole country was facing. Fully aware of the context in which it was operating, and convinced that people are and have always been the driver behind growth *Sociedad Cuauhtémoc y Famosa* (SCYF) was founded, an employee co-op in which, employees and the company started a savings fund and promoted programs concerning nutrition, medical services, recreation, and financial services, to encourage a culture of work and savings that backs the stability of the family.

1920's



After World War I and the Mexican Revolution, uncertain economic and social conditions complicated trade between Mexico and the United States. Just before the Great Depression, access to U.S. raw materials worsened, and the *Cervecería* took a leadership role, facing the risks of the time by founding *Fábricas Monterrey, S.A.*, to produce carbonic gas, cardboard, and bottle caps. This stimulated local growth and economic stability in the region.

1960's



*Cervecería Cuauhtémoc* responded to this decade of prosperity for Mexico by building the most modern brewery in Latin America, in the city of Toluca. This promoted growth in the State of Mexico, generating jobs and saving energy in its processes. In addition, because of the support we granted to the *Instituto Tecnológico de Monterrey*, the university was able to offer postgraduate degrees, install its first computers, and build its first campus outside the city of Monterrey. This contributed to graduating students at a rate the country required.

1970's



In order to adapt to the changes in the social dynamic and the economic growth in Mexico, we opened the first OXXO store, satisfying the needs of our customers with a wide array of accessible and practical products and services that were part of the daily lives of Mexican families.

1980's



The effects of the economic crisis were evident, and there was widespread concern with ensuring the quality of life for our employees and their families in the midst of instability, which is why under the slogan "Health is wealth" we invested in the modern *Cuauhtémoc y Famosa* Hospital, consolidating a new health services system that, aside from benefiting our employees, also contributes to responsibility and commitment toward work and family.

2010's



Our presence in different sectors, countries, and cultures made it increasingly necessary to identify the particular needs of each setting to provide the social, economic, and environmental conditions required for adequate operation and business growth. Consequently, we strengthened our mission to create economic and social value by connecting the concept of sustainability to our business and decision-making processes.

Finding opportunities in the environmental challenges is how we will create value for many years to come.



# FEMSA's Sustainability Strategy (G4-19, G4-20, G4-21, G4-26)

**We have been in continuous evolution since 1890, working to fulfill our mission of generating economic and social value.**

In the time since we were founded, 125 years ago, we have developed a diverse set of best practices for social and environmental responsibility that we are very proud of. However, today we are operating in an interrelated and changing world that requires we go further and approach these issues with systemic discipline and a long-term view. Consequently, at FEMSA we contribute by seeking for solutions in those areas where we have the knowledge and capabilities to generate relevant changes or, more specifically, those areas that we regard as our material issues.

We are committed to developing the capabilities needed to generate the economic, social, and environmental conditions required to operate today—and to grow in the future—in harmony with our environment. That is how we at FEMSA understand **sustainability**.

## Our starting point

The materiality analysis we carried out in 2012 was the foundation upon which we built the **FEMSA Strategic Sustainability Framework**. With it, we are now able to effectively focus our efforts and resources on the most relevant matters. The core foundation is **Our Ethics and Values**. Its three Pillars have the following objectives:

**Our People:** Promoting the comprehensive development of our employees.

**Our Planet:** Minimizing the environmental impact of our operations.

**Our Community:** Contributing to generating sustainable communities.

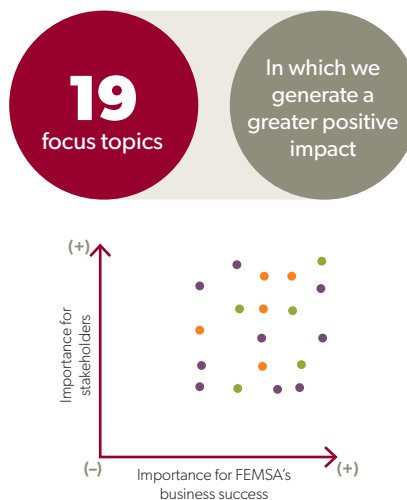
Each Pillar has three *Action areas*, and the 19 focus topics identified in the materiality study branch out of them. We carry out concrete actions based on those issues.

Over the past four years, we consulted with experts on sustainability and talked with employees at different FEMSA Business Units. Their feedback has contributed to our process of continuous improvement.

We are aware of the fact that our neighborhoods and communities face challenges that are increasingly more complex. Consequently, we know we need to evolve and strengthen our decision-making processes based on criteria that simultaneously creates economic and social value, as defined by our mission.

## Strengthening the concept of sustainability in our Business Strategy

We acknowledge that the evolution of Sustainability is for it to be part of the Business Strategy, our actions are moving in that direction. In the context of our Strategic Sustainability Framework. Our focus is:



- To incorporate sustainability in key business processes by a clear understanding of the concept, the transfer of knowledge and the development of capabilities in our employees.
- To reinforce the cultural feature of the simultaneous creation of economic and social value as a key attribute in all our operations.

In order to accomplish this, we are working on the following aspects:

- Restructuring the Sustainability Division. Our goal is to focus our efforts and widen the reach of our actions by:
  - › Aligning corporate policies.
  - › Designing and implementing management, accountability, and risk-mitigation mechanisms.
  - › Generating the knowledge needed to strengthen our Strategic Sustainability Framework.
  - › Developing capabilities in the teams at the Business Units and their work centers.
  - › Developing the policies and methodologies related to the business processes in order to make it easier to incorporate the concept of sustainability.
- Implementing a new Sustainability Information System that strengthens the way in which we manage relevant information and decision making in terms of the environment and the communities at all our work centers. The system contributes to optimizing the way in which we monitor our performance, goals, and objectives.
- Updating materiality. In 2016, we will review and validate our materiality issues, because we are convinced that the best practice is to do so every four years.



Furthermore, we are currently strengthening each of the Pillars that make up the Strategic Sustainability Framework, in order for them to support this evolution.

- In **Our People**, we promote initiatives to manage talent in a comprehensive manner in order to attract and develop the human resources needed to operate today, as well as to fulfill our long-term growth strategy.
- In **Our Planet**, we continued investing in acquiring clean energy from wind farms. Furthermore, we strengthen the Environmental Strategy to focus the efforts of each Business Unit on mitigating impacts based on their own context and on our materiality issues.
- In **Our Community**, we developed the Methodology for Addressing Risks and Relations with the Community (MARRCO), to teach employees at our work centers on how to build sustainable relationships with communities.

We know we still have much to do. Preparing for the future means we need to plan and act proactively today.

Pillar	Action area	Focus topics
 OUR PEOPLE	<b>Culture and values</b>	Culture and values
	<b>Training and development</b>	Safety and health in the workplace Compensation Training and development
	<b>Comprehensive development</b>	Comprehensive development
	<b>Water</b>	Water management
 OUR PLANET	<b>Energy</b>	Use of energy Environmental impact of transportation and logistics
	<b>Waste and recycling</b>	Packaging and recycling Waste
	<b>Healthy lifestyles</b>	Nutrition and physical activity
 OUR COMMUNITY	<b>Community development</b>	Responsible marketing and communications Offering sustainable products/services Local environmental impact Safety in the surroundings Social well-being in communities
	<b>Sustainable sourcing</b>	Supplier development Environmental impact of suppliers Labor rights and working conditions of suppliers



## Our Ethics and Values

(G4-56 / GC I, II, V and X)

**High ethical standards and best practices in corporate governance form the basis for generating value.**

We are passionate about seeking ways in which we can simultaneously create social and economic value. We have practiced this philosophy since we were founded, and this has helped shape our first 125 years of history, guiding us toward sustainability for the long term.



## Our Ethics and Values are the basis for accomplishing our mission.

Achieving our strategic goals depends directly on our commitment to putting into practice the values we have cultivated for more than a century.

### **Mission**

To create economic and social value through business enterprises and institutions.

### **Vision**

Our focus on accomplishing this mission is complemented by our passion for achieving our vision, which includes the following elements:

- We satisfy the needs of the consumers of our goods and services, with excellence.
- We double the value of our businesses every 5 years.
- We are diversified in markets that privilege high growth potential.
- We are leaders in the markets where we operate.
- We contribute to the positive transformation of the communities in where we participate.
- We are the best place to work.

Our daily actions and decisions are based on **Our Ethics and Values** because principles and rules are required to make sure we operate and grow in harmony with our surroundings. Correspondingly, they are the core foundation of the Strategic Sustainability Framework.

To learn about the 17 principles of the Cuauhtémoc Ideology, visit: <http://www.femsa.com/en/meet-femsa/company-culture/cuauhtemoc-ideology>



Complying with the law is a basic principle required for improving quality of life, strengthening trust among citizens, and consolidating the rule of law.

Consequently, we know that building a **Culture of Lawfulness** is essential to the future of the company and the communities where we operate.

Because we acknowledge that the first step consists of accepting the responsibility that comes with being an example, legality at FEMSA is part of our culture, and we work hard in order for our employees to practice it and to reject corruption.



At FEMSA we have policies, codes and guidelines that govern our actions to ensure the trust of our stakeholders.

**Carlos Aldrete**  
General Counsel at FEMSA



Being FEMSA means acting and making decisions ethically based on the values we have cultivated for over a century:

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

Furthermore, we are very proud of having inherited a series of personal principles and concepts from Don Eugenio Garza Sada. His philosophy toward life is captured in an inspirational phrase: “The respect for human dignity is above any economic consideration”. His ideas are still alive in 17 principles that are still a key component of the FEMSA Culture and make up what we know as the **Cuauhtémoc Ideology**. The wisdom behind this ideology is still relevant today, and we at FEMSA use it to guide our personal and professional lives.

Correspondingly, FEMSA collaborates in **Let’s Do It Right**, a multisector platform that started in Monterrey, Nuevo León, Mexico to enable and empower leaders and civil society organizations to promote and practice a Culture of Lawfulness.

Between the time it was launched in 2013 and by the end of 2015, the program had more than 650 promoters of the Culture of Lawfulness and has provided access to an online course to 7,000 people, for a total of more than 28,000 persons trained. In 2015, Let’s Do It Right became a Civil Association to continue promoting social change that inspires values such as honesty, cooperation, and transparency.



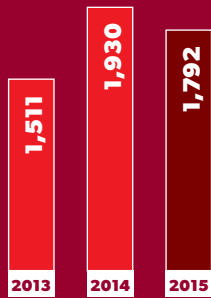
I am proud to belong to the FEMSA family and to promote the practice of respect and comprehensive development, integrity and austerity, passion for service and the creation of social value.

**Maricela Carreón**  
Executive of Operative Planning at FEMSA





**38.8%**  
of the proprietary  
members are  
independent



**Whistleblower System**  
Number of complaints at FEMSA and its Business Units

**Board of Directors**

**Audit Committee**

**Corporate Practices Committee**

**Planning and Finance Committee**



During 2015 we reviewed our Code of Ethics and incorporated relevant changes.

## Corporate Governance

(G4-34, G4-37, G4-38, G4-39, G4-40)

The clarity, reliability, and transparency of our corporate governance processes and policies are essential, because they provide us with a framework for operating and managing the company correctly and for creating value, thus contributing to our sustainability.

Our corporate practices are subject to applicable legislation in all the countries where we operate, and we also comply with the corporate governance standards established by the Mexican and United States Stock Exchange Law including the Sarbanes-Oxley Act for foreign companies.

Furthermore, our standards adhere to national and international corporate governance and ethics principles, such as the Code for Best Corporate Practices sponsored by the Mexican Business Coordination Council, and we are signatories of the United Nations Global Compact since 2005.

### Board of Directors

The FEMSA Board of Directors heads our corporate governance system and also approves the designation and nomination of the company's Chief Executive Officer. José Antonio Fernández Carbajal is Executive Chairman of the Board of Directors and Carlos Salazar Lomelín serves as the company's CEO.

The Board has 18 proprietary members (14 men and 4 women) and 17 alternate members. In accordance with the independence criteria established by the Mexican Stock Exchange Law, 38.8% of the proprietary members are independent.

The Board meets every quarter and holds additional meetings when needed. Directors are elected by the General Shareholders' Assembly, and they hold their post for one year. They can be reelected upon approval by the General Shareholders' Assembly.

For more information concerning our corporate governance practices, as well as the participation and voting rights of our minority shareholders, visit: <http://www.femsa.com/en/meet-femsa/corporate-governance/board-directors>



We comply with the corporate governance standards established by the Mexican and United States Stock Exchange Law including Sarbanes-Oxley Act for foreign companies.



## FEMSA Business Code of Ethics

(G4-57)

We know that having a valid Code of Ethics with which we comply reinforces trust, grants confidence, and provides transparency among shareholders, executives, employees, investors, clients, suppliers, competitors, authorities, and communities concerning our actions.

Correspondingly, in 2015 we reviewed our Code of Ethics and included the following changes:

- We included the importance of encouraging best practices in our suppliers in terms of human rights, the environment, community, ethics, and values through our Supplier Guiding Principles.
- We included a statement regarding the contribution to political campaigns.
- We included the importance of active citizenship.
- We reinforced the process of assurance for our Board Members to sign our Letter of Commitment to comply with the Business Code of Ethics every year.

To find out more about the sorts of conduct and behavior expected in the company, as explained in our Code of Ethics visit: [http://ir.femsa.com/mx/code\\_ethics.cfm](http://ir.femsa.com/mx/code_ethics.cfm)



available in different languages. The way in which reports are handled and how we promote ethical compliance are communicated at all of FEMSA's Business Units through our onboarding program, on the Human Resources website, and by means of internal communications campaigns.

### Number of complaints at FEMSA and its Business Units at year-end 2015\*

	2015	2014	2013
Number of complaints	1,792	1,930	1,511
Closed	64.6%	—	—
Currently in resolution	35.4%	—	—

\* Reports include situations relating to labor or sexual harassment, discrimination, violations to human rights, stealing, corruption, and negative impacts on the community or the environment, among others.

For more information on our Whistleblowing System, visit: [http://www.solistica.com/portal/page/portal/misolistica/fl\\_denuncias\\_esa](http://www.solistica.com/portal/page/portal/misolistica/fl_denuncias_esa)



## Whistleblower System

(G4-58, G4-EN34, G4-LA16, G4-HR3, G4-HR5, G4-HR6, G4-HR9, G4-HR12, G4-SO3, G4-SO5, G4-SO11, G4-PR8)

To monitor any omissions in the FEMSA Business Code of Ethics or in our institutional policies, we offer a **Whistleblower System** that is operated by an external third party and is supervised by the Audit Committee of the Board of Directors. Through this system we are able to detect possible risks and address violations in human rights issues, trade agreements, contract clauses, corruption, environment, privacy violation or any non-compliance to the standards of the organization. This system includes a telephone number and a website that every employee and interest group has access to. It is



We offer a Whistleblower System that is operated by an external third party and is supervised by the Audit Committee of the Board of Directors.



## Promoting the comprehensive development of our employees

(G4-DMA, G4-10, G4-LA10, G4-LA12 / GC III)

We know Our People are the driving force behind our growth. We have more than 261,000 employees in 12 countries, with a diversity that constantly challenges us to adapt to different and changing contexts. This is why we are building a work culture that helps us grow and transcend.



## Comprehensive talent management to promote sustainable growth.

At FEMSA, we want to offer our employees the best place to work.



### Materiality of the Our People Pillar

We work on three *Action areas* that guide our efforts toward creating an environment where our employees can grow both personally and professionally:

- **Culture and Values:** We foster a culture of leadership that responds to the needs of our global growth.
- **Training and Development:** We reflect our desire to be the best place to work by focusing on strengthening the ability of our employees to respond to current and future challenges, motivating them to reach their full potential as professionals and individuals.
- **Comprehensive Development:** We promote a comprehensive development that produces well-being and quality of life for our employees and their families.



It's been 125 years since we were founded, and at FEMSA, we are still convinced that the development and quality of our employees' lives are the key factors behind the company's growth and continued success through time. As a result, in 2015 more than 35,000 employees at FEMSA and its Business Units participated in the Organizational Health Index survey applied by McKinsey, assessing nine elements:

1. **Direction toward the future:** a shared vision and clarity in the strategy.
2. **Accountability:** transparency in management and orientation towards results.
3. **Coordination and control:** formal authority, policies, hierarchical structure, and financial management.
4. **External orientation:** relationship with clients, competitors, suppliers, and communities.
5. **Leadership:** transforming leaders that inspire a shared vision.
6. **Innovation and learning:** managing knowledge, environment of collaboration, and innovation.
7. **Capabilities:** clarity in roles, performance evaluation, and organizational skills models.
8. **Motivation:** orientation toward goals, managing commitment, values, and opportunities for growth.
9. **Culture and organizational climate:** vision, mission, and beliefs system.



“  
We aspire to develop the full potential of all of those who wear the FEMSA jersey.  
”

**Rodrigo Anzola**  
Director of Human Resources  
at FEMSA

Although our results were positive, we also learned that there is room for improvement in the way we manage our talent. Consequently, our Human Resources divisions are working on motivating and empowering our employees, by strengthening our **Comprehensive Talent Management** model, so that they are responsible for and are the main drivers behind their own growth as well as that of their team.

The Comprehensive Talent Management model integrates processes and systems to attract, develop, and retain the best talent, including:

- **Talent planning.** We analyze and define talent needs based on the company's growth scenarios.
- **Managing succession.** We identify key talent and design succession frameworks.
- **Managing career paths.** We plan the professional path our employees should follow.
- **Acquiring talent.** We recruit and select the best talent to align with our business strategy.
- **Managing performance.** We evaluate results based on established objectives, through The One Page System (TOPS).
- **Training and development.** We develop organizational skills and knowledge aligned with the FEMSA culture, by managing Development Agendas.
- **Comprehensive recognition.** We design and grant value proposals for good performance.

Because we know we still have much to do, we will continue to improve the tools used in this model and will keep working on building an environment where our employees can be themselves and grow.

“  
Talent is really abundant, the challenge is to generate the environment for it to develop and thrive.  
”

**Alfredo Jacobo**  
Director of Planning and Organizational Development at FEMSA



The study concluded that our organizational health is good, particularly in terms of the level of commitment our employees have for the company. We discovered that they are clear about FEMSA's goals and strategy, identify with and share the company's values, and are satisfied with their jobs.

In 2015, we invested **\$1,152.9**  
million MXN (USD \$67 million)  
in Our People to execute projects and programs,  
allocated as follows:



**79.5%**

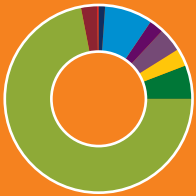


**20.5%**

Number of employees:

**261,464**

**Employees per country/region**



● Argentina	1.2%
● Brazil	8.3%
● Central America	2.5%
● Chile	4.1%
● Colombia	3.3%
● Philippines	5.8%
● Mexico	71.8%
● Venezuela	2.9%
● Others	0.1%

**Employees per age group**



● 18-34	62.8%
● 35-44	23.8%
● Over 45	13.4%

**Employees per gender**



● Women	32.7%
● Men	67.3%

**Employees per type of contract**



● Employees	19.9%
● Unionized	53%
● External services	5.9%
● Sales Commissioner OXXO	21.2%

**Culture and Values**

*We promote a culture of leadership that responds to the growth and global competitiveness needs of the company.*

We are passionate about accomplishing our goals, but we never forget that the way in which we reach our mission of generating economic and social value is equally important. We operate businesses in 12 countries facing particular challenges and needs, which is why one of our priorities is to develop and promote a culture of leadership that allows our employees to make the business philosophy their own and to fully live our values.

Consequently, we promote the **FEMSA Leadership Model**, the goal of which is to ensure that our employees at all levels of the company have the organizational skills that the Business Strategy, requires, thus, allowing us to grow and remain in time.



The FEMSA Leadership Model is based on nine competencies required by our Business Strategy.

These capabilities are behaviors that help guide the way in which FEMSA leaders act, reflecting values, criteria, attitudes, and management abilities that every employee needs. To reach excellence in our performance, we focus on the following nine leadership competencies:

1. Impeccable execution
2. Selling the vision
3. Talent development
4. Leadership for change
5. Cultural adaptability
6. Client focus
7. Developing strategic relationships
8. Innovation
9. Strategic leadership



We promote the development of our employees at all levels of the organization.

In 2015, we worked on designing our leadership programs. The goal is to ensure a sequence that helps develop these competencies in a proactive manner and is aligned with the level of maturity of our employees in their current positions. We also began a review process of the **FEMSA Leadership Model** that we will continue during 2016 in order to validate the characteristics that define how our employees continue to respond to the conditions and demands of the environment.

## Training and Development

(G4-LA6)

**We strengthen the ability of our employees to respond to current and future challenges.**

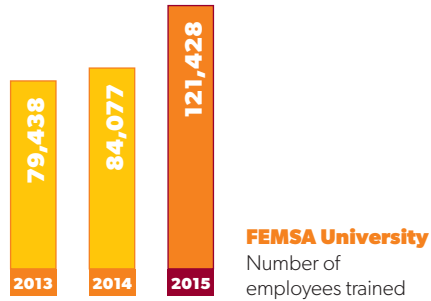
We know that in a changing world, there is a permanent need to learn and to be current at all times. To foster continuous employee development at all levels, we offer different learning options.

One of our main education initiatives is **FEMSA University**, whose goal is to identify, develop, and maintain organizational capabilities within the company. Through online and in-person courses, it offers tools to strengthen leadership capabilities and technical knowledge. In 2015, more than 121,000 employees participated in 4,363 training courses.

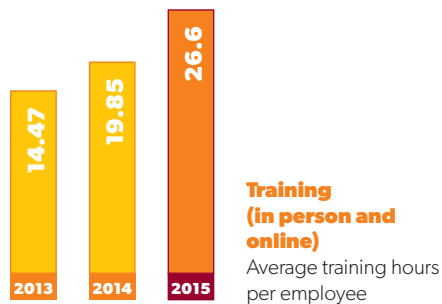
To learn more about Our People, please go to:  
[www.femsa.com/en/actions-with-value](http://www.femsa.com/en/actions-with-value)



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



During 2015, we worked on the FEMSA Human Resources Transversal School. Concerning the Functional Schools, follow-up was given to the Logistics School, while the Commercial and Operations' schools were developed for FEMSA Comercio. In 2016, we will focus on continuing with the work we began in 2015, and we will also design the Commercial and Supply Chain Functional Schools for Coca-Cola FEMSA, as well as the Transversal Schools for Strategic Planning, Finance, and Information Technology, among others.



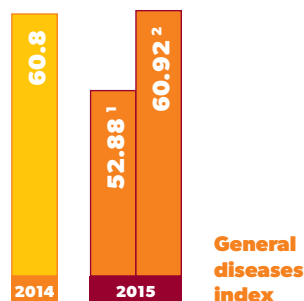
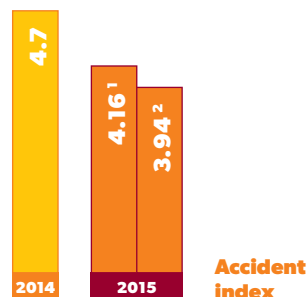


The Occupational Health and Safety Administration System (SASSO) identifies, evaluates, eliminates and controls risk factors at work and general diseases.

In 2006, every Business Unit began operating the **Occupational Health and Safety Administration System (SASSO)** for its initials in Spanish), in order to ensure compliance with the safety guidelines and to promote a safe working environment. The system helps identify, evaluate, eliminate, and control work-related risk factors and general diseases. In this system, we integrated international best practices for a safety culture, including specific indicators for the industries in which we participate. We also comply with international standards, such as those established by the World Health Organization and those of the Occupational Safety and Health Administration Agency (OSHA).

SASSO aims besides achieving regulatory compliance in countries where we operate, the constant reduction of accidents in all operations.

Through SASSO, in 2015 we were able to reduce our accident rate by 11%, and the general diseases index by 13% compared to 2014.



Note: Indexes are based on the number of incidents per 100 employees. These indexes are calculated based on the number of FEMSA direct employees reported to SASSO. Includes information on all countries.

- 1) Does not include acquisitions after 2014.
- 2) Includes acquisitions after 2014.



The comprehensive development of our employees is a commitment we made since our founding.

## Comprehensive Development

*We promote a comprehensive development that produces well-being and quality of life for our employees and their families.*

At FEMSA, the comprehensive development of our employees is a commitment based on the principles and values we adopted since we were first founded. Besides our efforts to promote the professional growth



of our employees, we encourage an adequate balance between work and family.

The latter makes us build on initiatives that contribute to:

- Fostering interaction among employees, their families, and the company.
- Promoting nutritional education, physical activity, and stress management.
- Encouraging a balance between work and personal time.
- Training our employees to generate economic and social value in the communities in which we participate.

Through our **FEMSA Social Development System**, we serve seven dimensions for the comprehensive development of our employees: values, family, social, health, economic, education, and work. Furthermore, we have a robust **Comprehensive Quality of Life System**, which is fed monthly through different diagnoses, where **FEMSA Organizational Climate** is one of the main sources of information<sup>1</sup>.

In 2015, for example, we identified the need to offer a personal finances course in order to motivate our employees to work on building their own personal assets. This gave origin to the Financial Education initiative, which was first implemented in Mexico and will be deployed to other countries during 2016.

During 2015, we implemented the Financial Education initiative in Mexico, which we will deploy to other countries during 2016.



We have different mechanisms that contribute to increasing the formal levels of education among our employees, and we have spaces, campaigns, and groups that encourage reading.

Since we are aware that the engagement and active participation of our employees into the communities where they live is important, we recognize those who put FEMSA values into practice, and at the same time we encourage and promote social commitment through volunteer activities. The **FEMSA Volunteer Network** is made up of employees, retirees, suppliers, family, and friends. It integrates FEMSA and the Business Units into a single structure of people acting as a great volunteer team, in their spare time, in search of their development and welfare, as well as that of the community and the environment.

<sup>1</sup> Each work center has to apply the survey at least every two years, and we alternate among all of them in order to generate information annually.



During 2015, a total of 45,450 volunteers participated in 1,292 initiatives.





## Minimizing the environmental impact of our operations

(G4-DMA, LT3 / GC VII, VIII and IX)

Because we are aware of the impact our operations have on the environment, we promote a culture of preservation and adequate management of natural resources, and we invest in environmental efficiency technologies. In this way, we are able to foster the conditions needed to operate and grow in balance with the environment.



## We focus our efforts on minimizing our impact.

We are convinced of the importance of incorporating environmental sustainability criteria in all our business processes.



### Materiality of the Our Planet Pillar

We identify and understand our impact in order to determine what issues we need to focus on, as well to establish goals and implement initiatives in the following *Action areas*:

- **Water:** We seek to optimize water consumption in order to reduce our water footprint.
- **Energy:** We make energy sustainability a priority while at the same time contributing to reducing CO<sub>2</sub>e emissions in our operations.
- **Waste and Recycling:** We are continually looking for ways in which to reduce the impact of the waste resulting from our products and services.

International best practices classify environmental impacts under the following scopes:

- Direct operations
- Suppliers
- Clients and consumers



“  
The formula we are looking for is how to dedicate our talent and knowledge to continue growing without polluting and minimizing the impacts we have today.

**Francisco Suárez**  
Director of Corporate Affairs  
of Coca-Cola FEMSA

”

At FEMSA, the work is based on those guidelines, generating specific strategies focused on **minimizing the environmental impact of our operations**, prioritizing the issues to which each Business Unit can make a greater contribution.

Belonging to the beverage industry, water is an essential resource for Coca-Cola FEMSA. In Mexico, our operations account for 0.2% of water consumption in the industry, a scenario which is similar in every country where we operate. This represents 99% of FEMSA's direct global consumption of water, and that's why we continue to work on decreasing our water consumption in all our processes.

Energy generation is the second source of greenhouse gas emissions (GHG) in Mexico and the main one globally, which is why we take particular care to optimize its use. For FEMSA Comercio, energy is a material issue because it concentrates 68% of FEMSA's consumption of electricity equivalent to 0.1% of the GHG emissions in Mexico. Due to its relevance to our business and the mitigation of climate change that we

all must address, we continue to try to use new sources of renewable energy, and we are making an effort to incorporate energy sustainability in our operations.

Consumption of energy from fossil fuels is a material issue for our logistics processes, since the transportation sector is the main source of GHG emissions in Mexico, contributing 22% of the domestic GHG emissions. At FEMSA Logística, GHG emissions from the consumption of fossil fuels by our Mexican operations represent 0.22% of the emissions generated by the transportation sector. We are constantly seeking to improve our energy efficiency and therefore contribute to reduce our environmental footprint.

We acknowledge that all production processes and the use and disposal of products at all our Business Units impact the generation of waste. Consequently, our priority is to adequately dispose of the waste and recycling materials that we use to make our products, while at the same time using the resources in the most efficient manner.

As part of the Environmental Profit and Loss Analysis started in 2014, in 2015 we used the information obtained as a basis for strengthening the **Environmental Strategy**, which will update our long-term vision, improve the actions and expand relations beyond our operations. We will be working to calculate the environmental footprint of our customers and consumers.

“  
We join international efforts to mitigate climate change by working to minimize the carbon footprint of our processes and incorporating clean energies.

**Víctor Treviño**  
Director of Energy at FEMSA

”



In 2015, we invested **\$800.2** million MXN (USD **\$46.5** million) in Our Planet to execute projects and programs, allocated as follows (G4-EN31):



**13.5%**



**77%**

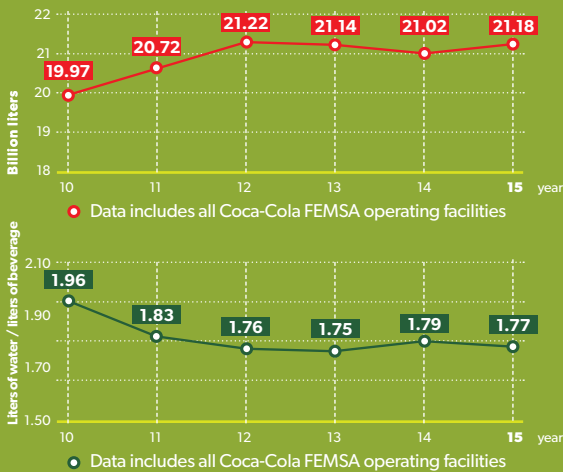


**9.5%**



Currently we acquire wind energy from three wind parks in Mexico.

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



### Water

(G4-EN10, G4-EN27)

**We optimize water consumption at our operations by reducing our water footprint.**

Given the importance of water in our operations, we continue innovating through the following programs and initiatives, which are all examples of good practices and on which we will continue to work as part of the strengthening of our Environmental Strategy.

### Water Efficiency

#### Coca-Cola FEMSA

- Day after day, we work to incorporate actions and tools into our processes that will help us be more efficient, and so try to reduce our water consumption. Consequently, in 2015 we reduced our water consumption by 10% for each liter of beverage that we produce, in comparison to 2010. This improvement in efficiency translates into annual savings of more than 1.5 billion liters of



In Coca-Cola FEMSA our goal for 2020 is to improve our water use efficiency index to 1.5 liters per liter of beverage produced.

water in our beverage-making processes, equivalent to a minimum annual consumption of 285 thousand people<sup>1</sup>.

- We seek to give back to nature the same amount of water we use to prepare our drinks through replenishment and conservation of water sources. In our operations in Mexico and Brazil, we returned more than 100% of water to communities and the environment.
- In order to optimize the processes in our operations, water care extends to managing it after it has been used. We ensure the treatment of wastewater in 100% of our manufacturing facilities.

### FEMSA Comercio

- At the Distribution Centers, we implement processes to increase operating performance and reduce water consumption. At year-end 2015, we installed a system that optimizes water consumption for washing baskets at 66% of our Distribution Centers, resulting in savings of more than 60% in this process.

## Energy

(G4-EN6, G4-EN7, G4-EN19, G4-EN27 and LT4, LT5, LT8)

### We seek to achieve sustainable energy supply for our operations.

In recognition that energy is a material issue for FEMSA and its Business Units, in 2015 we focused on implementing initiatives and programs to promote the use of renewable energy, as well as to encourage greater efficiency in the consumption of electric power and mobile sources.

### Renewable Energy

#### FEMSA

- **Use of Renewable Sources of Energy.** Since 82% of our consumption of electric power is concentrated in Mexico, since 2007 we have established joint ventures and signed contracts to acquire and privilege the use of renewable sources of electric power for our operations in

To learn more about Our Planet, please visit:  
[www.femsa.com/en/actions-with-value](http://www.femsa.com/en/actions-with-value)

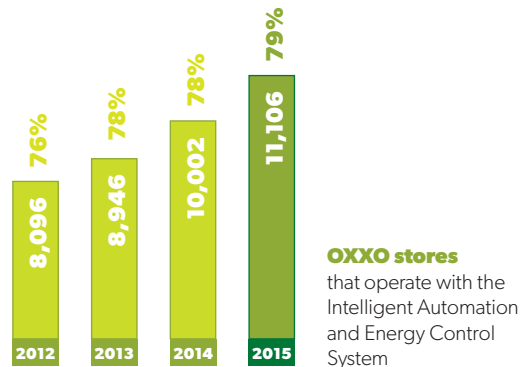


this country. Currently, three wind farms supply us with renewable energy, Bii Nee Stipa and Stipa Naya, located in the state of Oaxaca, and Dominica II, inaugurated in 2015 in the state of San Luis Potosí, jointly they will supply more than 215,000 MWh/year for 1,084 load points for our OXXO and Coca-Cola FEMSA operations in Mexico, when the latter functions to its full capacity. The 126 MW Ventika II wind farm, currently being built in the state of Nuevo León, Mexico, will supply an additional 350,000 MWh/year starting in 2016. These actions contribute to reaching our 2020 goal of supplying 85% of the electric power of our operations in Mexico with renewable sources, considering the 2010 consumption baseline.

### Efficiency in the Consumption of Electric Power

#### FEMSA Comercio

- **Intelligent Automation and Energy Control System.** An energy efficiency initiative that uses sensors, alarms, and controls to continually regulate the operation of refrigeration equipment, air-conditioning, and lighting circuits. At year-end 2015, the system was operating in 11,106 OXXO stores in Mexico, 79% of total stores. We also apply this technology in 94% of our Distribution Centers and in 21% of the office and administration buildings.



<sup>1</sup> The World Health Organization (WHO) points out that the minimum daily water consumption required by one person in order to survive is 15 liters.  
 Source: List of Guidelines for Healthy Emergency Minimum Water Quality.



Through the Comprehensive Energy Efficiency Program, we monitor performance indicators to follow-up on, evaluate, and optimize our results.

- Comprehensive Energy Efficiency Program.** Alongside our research and development projects, we implement training programs and adopt efficiency norms and standards in order to identify and employ new technologies. Through this program, we monitor performance indicators to follow-up on, evaluate, and optimize our results.

As a result of these initiatives, we were able to reduce consumption by more than 14.5% as compared to 2009 in our FEMSA Comercio operations, avoiding 20,704 tons of CO<sub>2</sub>e emissions in 2015.

**Imbera**

- Since 2012 we have continued working the project designed to replace the conventional electric panels that control air extractors with programmable panels that would allow us to reduce the electric power produced by each piece of equipment. As of 2015, we were able to reduce this indicator by 11%.

**Efficiency in the Consumption of Energy of Transportation and Logistics**

**FEMSA Logística**

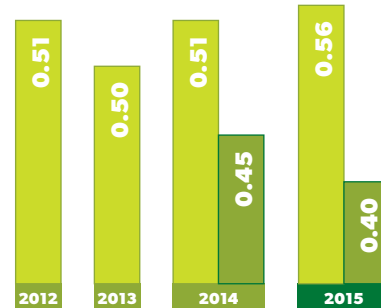
- Sustainable Mobility.** It is a group coordinated by FEMSA Logística that combines the efforts of all

of FEMSA's Business Units to define, explore, and test clean technologies and alternative sources of energy that could be included in our fleet.

- Efficiency in the Use of Fuel.** As a result of the optimization initiatives for fuel usage, in 2015 we lowered by 11.1% the consumption of fuel per kilometer traveled in our international operations compared to 2014.

**Fuel consumption per kilometer traveled**

FEMSA Logística Primary and Secondary Distribution (does not include utility vehicles)



● Domestic Operation Mexico  
 ● International Operation (Brazil [includes Expresso Jundiaí], Colombia, Panama, Nicaragua and Costa Rica)

- Clean Transportation Volunteer Program.** We obtained recognition for the fifth consecutive year for our fleet's environmental performance, including the more efficient use of fuel, a reduction in Greenhouse Gas Emissions, and the decrease in the costs related to operating our trucks. The program is sponsored by the Department of the Environment (SEMARNAT) and by the Department of Communications and Transportation (SCT), in Mexico.



During 2015 we lowered by 11.1% the consumption of fuel per kilometer traveled in our international operations compared to 2014.



## Waste and Recycling

(G4-EN27, G4-EN28)

***We optimize waste management and reduce the impact of those from our products and services.***

In order to manage the waste we generate in a comprehensive, efficient, and responsible manner, we have programs in place that strengthen our waste management and environmental culture.

### **Coca-Cola FEMSA**

- **Zero-Waste Facility.** This program establishes measures to improve environmental waste management in our operations, including ways to adequately dispose of and reuse waste. In 2015, six Coca-Cola FEMSA plants adopted this program, for a total of 14 plants that are now employing it.
- Through the recycling plant IMER, we recovered and recycled 17,676 tons of PET, material used in our beverage containers.

### **FEMSA Comercio**

- **Program for the Sustainable Disposal of Equipment and Furniture.** During 2015 more than 890 tons of waste were funneled through companies specializing in dismantling equipment.
- We use uniforms made with 50% recycled PET, which at the end of their useful life are turned into rags and other cleaning materials by an external supplier.
- During 2015 we recycled 3,917 wooden pallets at our central acquisitions warehouse where we implemented a program to repair them, being able to reuse 200 pallets. Overall, the results of both initiatives are equivalent to avoiding cutting down more than 97 trees.

### **Imbera**

- **Reducing Waste.** In 2015, we were able to reduce our indicator for waste generated in the production of our refrigerators by 13%, as compared to 2012.

### **PTM**

- In 2015 we used 75% recycled materials in our plastic products, which is equal to the plastic waste of more than 2.2 million people in Mexico annually.



***We coordinate our efforts with the government, the private sector, and civil society.*** (G4-15)

At FEMSA, we actively participate in initiatives that promote investments in new technologies and energy efficiency, the use of renewable energies, and the reduction of Greenhouse Gas Emissions (GHG). Of particular importance is our participation in Sustainable Energy for All, sponsored by the General Assembly of the United Nations, Green Growth Action Alliance, coordinated by the World Economic Forum, and Top 10 Energy Saving Challenge, led by World Wildlife Fund (WWF) and The Coca-Cola Company. Furthermore, we continue to participate in frameworks that promote measuring Greenhouse Gas Emissions and developing capabilities to identify opportunities and risks regarding climate change, including the GHG Mexico Program and the Carbon Disclosure Project in its Climate Change and Water versions. Additionally, in the context of the COP21, we participate in international initiatives to support the agreements of the Climate Change Conference, particularly the Paris Pledge For Action, We Mean Business, CDP Commitments, and the Lima-Paris Action Agenda.





## Contributing to creating sustainable communities

(G4-DMA, G4-SO1)

For 125 years, we have contributed with actions aimed at transforming our communities into better places in which to live and do business. Because we are aware that we still have much to learn, we continue to work on strengthening internal capabilities in order to build relationships with our communities based on dialogue and collaboration that offer both people and companies greater possibilities for success and permanence.



## We are ready to create more value near our communities.

We know that responding to the challenges of our surroundings requires a strong will, specific capabilities, shared responsibility, and collaborative work.



### Materiality of the Our Community Pillar

We have identified three *Action areas* where we focus our efforts, which are aimed at building healthy and resilient environments.

- **Healthy Lifestyles:** We promote physical activity and balanced nutrition habits to foster the general well-being of our communities.
- **Community Development:** We contribute to the economic, social, and environmental well-being of the communities neighboring our operations.
- **Sustainable Sourcing:** We work towards improving the performance of our suppliers around issues of labor, social responsibility, and the environment.

During 2015, we developed **MARRCO**, which stands for Methodology for Addressing Risks and Relations with the Community. This initiative was a response to our belief that we need to strengthen our capabilities in order to be ready to face the challenges and opportunities present in our surroundings. The objective of this methodology is to have a more professionalized way to interact with communities and generate social intelligence that can be used in the business strategy and operational plans at each work center. With MARRCO, we seek to build solid and respectful relationships with our communities. In order to accomplish this, we need to expand the abilities of our local teams and identify:

1. The impact our operations can have on our communities.
2. The circumstances of the immediate communities that could impact our operations.
3. The existing opportunities for collaboration that can improve the surroundings for a mutual benefit.

We have a good number of work centers in 12 countries. This translates into equal number of opportunities to establish a dialogue with the community in order to understand the specific characteristics of the surroundings as well to develop projects that, in collaboration with local agents, can generate value and help mitigate community risks. MARRCO is part of the effort that we, at FEMSA and our Business Units, are carrying out to evolve toward a sustainable business strategy.

MARRCO was designed in a collaborative way, to include best practices that are already in place, as well as the characteristics we all have in common and those that are specific to each operation.

The tools that make up this methodology are grouped into five steps:

- 1 Identify and understand**
  - Needs, resources, and commitments of the business with the community
  - The characteristics, needs, and priorities of the community.



“ We have the opportunity to build trust and work together with our neighbors to improve the environment we share. ”

**Daniela Villarreal**  
Executive of Institutional Relations and Sustainability at FEMSA Logística

- 2 Analyze and plan**
  - The risks and opportunities to design strategies, programs, and actions concerning community engagement.
- 3 Agree and act**
  - Listen to and build in collaboration with the community in order to establish commitments and execute programs and actions that are mutually beneficial.
- 4 Evaluate and measure**
  - Levels of impact and progress of the community management initiatives and actions.
- 5 Learn and improve**
  - Identify opportunities, best practices, and exchange of knowledge.



Deploying it throughout the company will be a great challenge, since we need to develop capabilities in every team at every one of our work centers, which are located in complex and different geographies and contexts. Throughout 2016, we will focus on concluding the pilot test and on starting to prepare the first generation of MARRCO teams in all our Business Units.

In 2015, we invested **\$369.8** million MXN (USD \$21.5 million) in Our Community to execute projects and programs, allocated as follows:



**FEMSA Comercio** Pro Rounding-Up Program

**\$100.8** MXN million  
(USD **\$5.8** million)  
raised in 2015



**Healthy Lifestyles** (FP4)

**Promoting an active lifestyle and an adequate nutritional balance in our communities.**

A culture of health and wellness is an important factor that contributes directly to quality of life in communities. Encouraging physical and mental balance is part of our commitment to promoting the comprehensive well-being of our employees, clients, and consumers. This is why at FEMSA and its Business Units we carry out programs and initiatives to promote physical activity and healthy nutrition habits.

**Sports**

**FEMSA**

- **Your Best Move.** In collaboration with the state Ministries of Education of Nuevo León and Puebla in Mexico as well as the Centers for Comprehensive Education through Sports we sponsored a methodology that promotes sports and physical activity, thus fostering health and good performance in the classroom. In 2015, we ended our participation in the program after having trained more than 200 physical education teachers and over 70,000 basic education students annually during four school years, coaching them and offering the tools and capabilities needed to continue to implement the program without us.

**Coca-Cola FEMSA**

- **Time to Move.** Program in which we collaborate with The Coca-Cola Company and the Departments of Education in Argentina, Costa Rica, Guatemala, Nicaragua, and Panama to promote physical activity through training and by donating sports materials and equipment. 155,536 students were benefited in 2015.

To learn more about Our Community, please visit: [www.femsa.com/en/actions-with-value](http://www.femsa.com/en/actions-with-value)



Encouraging physical and mental balance is part of our commitment to promoting the comprehensive wellbeing of our employees, clients, and consumers.



- **Baseball and Soccer Caimaneras.** Initiative taught by professional sports figures in Venezuela. In 2015, 12,939 children between the ages of 5 and 15 in the cities of Barcelona, Barquisimeto, Bolívar, Caracas, Maracaibo, and Valencia participated in this program.

### FEMSA Comercio

- **Promoting Sports.** One line of action of the Good Neighbor program, through which we contribute to making communities healthier by advocating activities that encourage practicing a sport with neighbors, employees, and others in the community. In 2015, in collaboration with different civil society organizations, neighbor groups, and authorities, we organized 50 sports events between races, tournaments, physical activations such as dance, among others.

## Community Development

(G4-15 / GC VIII)

**We contribute to the economic, social, and environmental well-being of the communities in which we participate.**

We understand that global challenges require solutions that adjust to local needs. It is through this *Action area* that we have the opportunity to establish a dialogue with and get to know the communities where we operate—and thus better promote initiatives and programs with local perspective. In order to better focus our efforts, we support initiatives related to education, art, culture, local development, the environment and entrepreneurship.

### Art, Culture and Education

#### FEMSA

- **FEMSA Collection.** With more than 1,200 works of art, this private art collection is known as one of the most important Latin American modern and contemporary art collections in the world. In 2015, the collection added 10 works of highly recognized artists and published the second edition of the book **Latin American. Modern and Contemporary Art**, which documents the works of one-hundred artists. Additionally, in order to bring art closer to communities, the collection had 7 exhibits in Mexico and the United States.
- **FEMSA Biennial.** Recognized as the most important visual arts competition in the country, its purpose is to recognize, strengthen, stimulate, and communicate artistic creations in Mexico. In late 2015, the FEMSA Biennial invited artists to participate in its twelfth edition. For the first time,



We promote recycling in schools through different programs.

FEMSA Biennial will include two pillars: a Curatorial Program and the Competition.

Both the FEMSA Collection and the FEMSA Biennial launched their respective new websites during 2015 at: [www.coleccionfemsa.com](http://www.coleccionfemsa.com) and [www.bienalfemsa.com](http://www.bienalfemsa.com)



- **Coordinates for Life.** Program focused on strengthening the decision-making abilities of elementary school students, and offering teachers and parents the resources needed to perform their role as educators. Implemented since 2011 in the Mexican states of Nuevo León, Puebla and Veracruz, and in Argentina, Colombia, and the Philippines, it has been implemented in collaboration with organizations such as *Save the Children*, the DEHYCO Group, *Teach for the Philippines*, the Colombian National Police, the SAF Group, the Convivir Foundation, and local Departments of Education. In 2015, this program strengthened its digital platform to widen the range of its impact. Furthermore, we trained academic teachers and parents under the name Ambassador Instructors, so that the positive impact of the program will remain in the schools even when the FEMSA trainers are not physically accompanying them. At the end of the school year 2015, since its beginning in 2011, the program has benefited more than 55,660 children and youth, more than 5,880 educators and more than 44,280 conference attendees.

To learn more about *Coordinates for Life*, visit: [www.coordenadasparavivir.com](http://www.coordenadasparavivir.com)



### Local Development

#### FEMSA

- **Gran Río La Silla Park.** The new stadium of the *Club de Fútbol Monterrey* inaugurated in the context of our 125<sup>th</sup> anniversary, is part of a comprehensive project that implied the rehabilitation of the Gran Río



The inauguration of the *Club de Fútbol Monterrey Stadium* was held in August 2015.

La Silla Park. This public and free space now offers ideal facilities for family and recreational activities, sports and for contact with nature.

#### Coca-Cola FEMSA

- **Time Bank.** An initiative through which our employees in Colombia are involved in rebuilding the social fabric by training demobilized people from the armed conflict who need advice to start their own businesses. With this effort, we benefited 80 people throughout 2015.
- **Citizen's Plaza.** A program we implement in Brazil through which we organize support and advice conferences on health and environmental care. In 2015, we benefited 4,670 people.

#### FEMSA Comercio

- **Edison Polygon Trust.** It operates in the neighborhoods near the FEMSA Comercio corporate offices in Monterrey, Mexico. Through the trust, we help develop abilities in the local community, reforestation and make improvements to public infrastructure. During 2015 there were 7,835 participations from neighbors, 51 new scholarships were allocated reaching 94 currently active students and planted 194 trees.
- **Rounding-up Program.** Since 2002, we invite our clients in Mexico to share their generosity by rounding up their bill to the next peso, thus supporting fund-raising campaigns for charities in every city in which we operate. In 2015, \$100.8 million MXN (USD \$5.8 million) were raised to support 268 charities.
- **Food Program.** We collaborate with the Mexican Food Bank (BAMX) to distribute excess food that is in good condition, as well as non-controlled medications. In 2015, \$29 million MXN (USD \$1.6 million) in products and articles, equivalent to benefiting 858 Mexican families monthly, were distributed.
- **Rehabilitating Public Spaces.** Line of action of the Good Neighbor program, which partners our

employees with the communities neighboring the stores in programs and activities of public spaces rehabilitation. In 2015, we transformed 212 spaces investing \$15.4 million MXN (USD \$900 thousand).

#### Environment

##### Coca-Cola FEMSA

- **I Recycle.** Program implemented in Mexico, to promote collection and recycling of PET. 1,050 schools participated in 2015.

##### FEMSA Comercio

- **OXXO Award for Ecology.** Initiative whose goal is to promote respect for nature by rewarding environmental care activities. It is carried out in collaboration with the Department of Education in the states of Baja California, Chihuahua, Sonora and Nuevo León, in Mexico. More than 138,000 students from 915 schools participated in the 29<sup>th</sup> edition celebrated in 2015.

#### Entrepreneurship

##### FEMSA

- **Youth with Value.** Initiative in partnership with Ashoka Avancemos through which we offer young people training in entrepreneurship, accompaniment, job networks, and seed capital to develop entrepreneurial and social business projects. Between 2011 and 2015, the program has benefited more than 1,700 young people who have started more than 430 projects in the Mexican states of Michoacán, Nuevo León, and Veracruz, establishing alliances with more than 20 organizations with the participation of more than 49 volunteers. The work we have carried out over the years makes us confident that we can transition by empowering participants so they can continue working on their own. This will allow us to allocate resources and offer benefits to the community by establishing and strengthening other ventures.
- **Alliances and Support to the Entrepreneurial Culture.** Since 2014, we have worked in collaboration with Impact HUB Monterrey, an entrepreneurial platform that promotes sustainable development and innovation, and with entrepreneur club The Pool, which operates a network of education and business relations. In 2015, we supported different programs and organizations that promote entrepreneurial culture, including the following: Cleantech Challenge Mexico, Enactus, F\*ckup Nights, Entrepreneurship Festival, INCmty, and the Latin American Impact Investment Forum.



## Sustainable Sourcing

(G4-12, G4-EC8, G4-EN32, G4-LA14, G4-HR1, G4-HR5, G4-HR6, G4-HR10, G4-SO4, FP2 / GC I, II, IV and VIII)

**We contribute to improving the performance of our suppliers around issues of labor, social responsibility, and the environment.**

At FEMSA and its Business Units, we operate a network of 49,253 suppliers of goods and services, which in 2015 translated into an economic spillover into the economy of \$125,990 million MXN (USD \$7,327 million), a figure that is equal to the GDP of the Mexican state of Zacatecas with a population of more than 1.4 million.

We are fully aware that our supply chains include numerous sectors, industries, and geographies, and that suppliers face different environmental and social responsibilities. Consequently, we have worked on developing governance structures, processes, and tools to contribute to improving the performance of our suppliers around issues of labor, social responsibility, and the environment.

Our **Supplier Guiding Principles** are a clear example of this, and their goal is to ensure that our suppliers operate based on responsible policies, principles, and business practices.

These principles, designed based on international standards such as the OECD Guidelines for Multinational Enterprises and the United Nations Global Compact, establish the minimum requirements on four issues that each supplier must regulate in order for us to be able to do business with them:

### Supplier Guiding Principles

<b>Labor rights</b>	Child labor
	Compulsory labor and freedom of movement
	Freedom of association and collective bargaining
	Discrimination and harassment
	Work hours and compensation
	Health and safety in the workplace
	Reporting mechanisms
<b>Environment</b>	Environmental impacts and compliance
	Community development
<b>Ethics and values</b>	Compliance with the law
	Fiscal integrity
	Anti-corruption
	Money laundering
	Fair competition
	Conflicts of interest
	Privacy and intellectual property

In order to institutionalize them at FEMSA and its Business Units, starting in 2015 the Supplier Guiding Principles were incorporated into the Corporate Policies Manual and our Code of Ethics. The latter demands that our suppliers at all of the FEMSA operations sign a letter that confirms their knowledge of and compliance with these principles. During the year, we also worked on designing a guide to help our operations implement this initiative.



In 2015, we supported different programs and organizations that promote entrepreneurial culture.

To help its suppliers comply with the Guiding Principles, Coca-Cola FEMSA provided follow-up to the pilot program carried out with 30 companies, with whom it implemented a strategy that included five sustainability-related issues: commitment, comprehension, grading, control, and compliance. In 2015, Coca-Cola FEMSA began this process with 107 suppliers, which were assessed in human rights, environment and labor practices. As a result of this evaluation operations with 12% of them were canceled for breaches on any of these subjects.

Additionally, at FEMSA and its Business Units, we are seeking to promote the inclusion of micro and small local suppliers in our value chain by training and developing them, as well as by implementing preferential commercial conditions that do not affect the competitive environment. We know that in order to truly collaborate with our suppliers, we need to continue to learn and develop abilities in conjunction with them.

The FEMSA Foundation is the company's social-investment instrument that focuses on two main issues: water and nutrition. It is run by its own Board of Directors, with a mission to create a long-term impact through high-level international partnerships that can leverage the benefits we bring to communities and increase the social return on our investments.



## A legacy of innovation in sustainability.

We continue to evolve to build regional platforms through which we can continue to work together with our strategic partners to benefit communities in the sectors of water and nutrition.

### **Vision**

It is a responsible and cutting-edge promoter of social development, and it is known for being a good partner that offers solutions and provides programs that are an international benchmark in its fields of action.

### **Values**

- Innovation
- Creativity
- Quality
- Productivity
- Honesty
- Coherence

One of the priorities of the FEMSA Foundation is to promote the active participation of our strategic partners, particularly in projects founded by us. The Direct Leverage Factor is an indicator that measures the resources contributed by other partners in support of our goals. In 2015, we guaranteed more than USD \$21.61 million in partner investments, or an additional USD \$3.42 for each dollar we invested this year. The results up to now have stemmed from a strategy that has evolved over time. The steps taken have been increasingly firm in order to build scope platforms and partnerships throughout the region. We see the steps taken so far as the beginning of a road we will continue on in order to innovate and share the knowledge and lessons that have come from our work benefitting the water and nutrition sectors, which are areas in which we specialize.



“  
 These first seven years are only the beginning, FEMSA Foundation will continue to innovate and benefiting the sectors of water and nutrition.  
 ”

**Vidal Garza**  
*Director of Public Affairs and Strategic Relations of FEMSA\**

## Water

The FEMSA Foundation focuses on helping face water challenges in Latin America and the Philippines through initiatives that promote informed decision-making, preservation, and the sustainability of the basins. This is accomplished by implementing infrastructure and making positive changes in hygiene habits. In this process, we always involve the community and form joint ventures that help us multiply our impact.

Inter-American Development Bank, The Nature Conservancy, and the World Environment Facility, we promote the sustainable use of the basins that are the source of water for human consumption. The Alliance has a flexible work model that includes several tools to protect basins, including preservation initiatives, building infrastructure, educational programs, and implementing different measures to make the local use of water resources more efficient.

Through the Alliance, we provide seed capital to local Water Funds, a transparent mechanism for investing, preserving, and monitoring these sources of water. The Alliance currently has 19 Water Funds in operation, which jointly allocate resources to protecting the top layer of three million hectares and directly or indirectly benefit approximately 50 million people.

Since it currently operates a proven work model that can be replicated and it promotes collaboration between the private sector, government, academia, and other organisms of civil society, we will continue to coordinate with and promote the work of the Latin American Water Funds Alliance by doubling the number of Water Funds in the region.

“  
 We want our projects have work plans replicable and scalable in other regions and countries.  
 ”

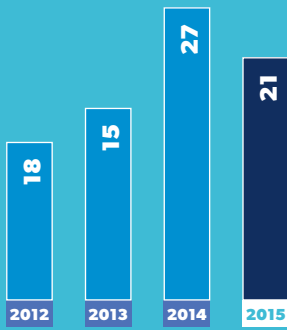
**Mariano Montero**  
*Director of FEMSA Foundation*



## Preservation of the basins

The main program we promote is the **Latin American Water Funds Alliance**, with which we have been working since 2011. In collaboration with the

\*Director of FEMSA Foundation from 2008 to 2015.



**Number of water and sanitation projects** supported in the past four years.



**Number of Water Funds** through the Latin American Alliance of Water Funds.

## Water and sanitation

The FEMSA Foundation, in collaboration with The Coca-Cola Company Latin America and the Millennium Water Alliance, carries out the **Water Links** program, a platform that generates sustainable and long-term impacts in the Water, Sanitation and Hygiene (WASH) sector in Latin America.

The main challenge we face through the Water Links program is how to contribute to improving the health and quality of life of people who live in very low income communities in five countries in Latin America. To achieve this, we work with the population on addressing the particular needs of each location through three lines of action: building safe water infrastructure, adopting good hygiene habits, and developing local capabilities so that in the future the local people can maintain the installed systems. During 2015, these efforts provided clean water to more than 37,400 people, better sanitation to 531 people, and programs to promote good hygiene to more than 30,500 people.



I feel very happy because we will no longer have to go to the river to wash; we will have drinking water at home.

**Esthela López Soto**  
Benefited through Water Funds program, in Guatemala.



Water Links has become a trusted program, and many of the best organizations that are dedicated to water-access, sanitation, and hygiene rigorously evaluate their impact and share best practices. We are convinced that these steps are fundamental to building a better legacy of water access in Latin America.

Starting in 2016, our efforts in water and sanitation will enter a second phase, focused on using social art to engender positive changes in habits. During this phase, we will use the knowledge we have accumulated during the past three years to multiply the program's benefits and methodologies. All of this





During 2015, more than 37,400 people were benefited with safe water.

has the goal of reaching more communities, benefiting more people, and strengthening the sustainability mechanisms we've already installed, both for the present and in the future.

## Water Center for Latin America and the Caribbean

Over the past seven years, the water sector in Latin America has undergone a process of decentralization that has required transferring water management responsibilities from national governments and local governments and other stakeholders. This transformation has presented the challenge of leveraging the capabilities that had already been developed.

In November 2008, the FEMSA Foundation in collaboration with the Inter-American Development Bank and the *Instituto Tecnológico de Monterrey* created the **Water Center for Latin America and the Caribbean**, an organism in charge of developing capabilities and generating and sharing information on the efficient management and use of water resources in the region. It developed a platform for exchanging expertise between actors in the region, and it continues to establish research programs that respond to sector needs, as well as training professionals on water issues.

Through the Water for Latin America and the Caribbean, we have trained 450 water specialists to improve their ability to manage water resources in the region. In addition, the next to the Stockholm International Water Institute (SIWI), the United Nations Development Programme (UNDP) and the Latin American

Development Bank (CAF), published *Water and Cities in Latin America Center: Challenges for Sustainable Development*, a book that examines the challenges that large Latin American cities face in water issues. In 2015, the Center also created his Theater to Make Decisions that will support these specialists and the authorities with relevant information to consider multiple variables when deciding issues related to water.

## Nutrition

At the FEMSA Foundation, we promote the adoption of healthy lifestyles and habits. Our focus is directly related to infants, children, and the people who care for them in order to identify nutritional deficits, prevent nutrition-related diseases, and ensure that healthy eating habits are acquired from a young age.

Workshops were held in Mexico, Guatemala, Nicaragua, Colombia, and Argentina, in collaboration with Save the Children and regional food banks, on

“

We have been taught how to give a balanced diet to our children, so they can perform better in school.

**Karla Miranda González**  
Benefited through Colors Campaign program.

”





Through the Nutrition Education Program, more than 6,000 mothers have been trained, and transformed the lives of nearly 20,000 people in Mexico.

issues as diverse as eating fruits and vegetables, the importance of exercise and breast feeding, and cooking methods.

### Education for better decisions on nutrition

Malnutrition is the number one public health issue in Mexico and in the world. Particularly during infancy, food plays an essential role because it provides the energy and nutrients needed to support the demands of growth and establish the conditions for optimal development.

The goal of the **Nutritional Education Program in Food Banks** is to improve eating habits in vulnerable families by offering them complementary information to help improve their nutrition. The project currently operates in 10 food banks in Mexico, and in some of them it is complemented by the Eating as a Family and Nutritional Self information programs, which in addition to other theoretical and practical education

tools, use mobile kitchens as a learning tool to help participants learn how to prepare nutritional meals.

In order to determine in which communities to implement this initiative, we carry out a diagnosis that shows the main nutritional and social needs of the community. The methodology was developed by specialized nutritionists and psychologists and has a comprehensive focus centered on food and culture, with a social construction perspective.

Since the program began, we have trained more than 6,000 mothers and transformed the lives of close to 20,000 people, motivating the adoption of healthy habits such as the frequent consumption of water and fruits and vegetables, basic hygiene, and the importance of sitting down to eat with the whole family in order to strengthen relationships between parents and children.

### Colors Campaign

Understanding what constitutes healthy eating is key to improving school performance and development in children. In contrast, it is a lack of information that contributes to the development of unhealthy eating habits and leads to diseases related to poor nutrition, such as chronic malnutrition, anemia, and obesity, as well as chronic nontransferable diseases such as diabetes and blood pressure.

**The Colors Campaign**, sponsored in Nicaragua by the FEMSA Foundation, Coca-Cola FEMSA Nicaragua, and the American Nicaraguan Foundation, focuses on promoting consumption of food that is high in protein, vitamins, and minerals, in order to directly contribute to achieving a better balance in the daily diet.

Since 2015, the Colors Campaign has operated in 17 schools in eight municipalities in Nicaragua. So far the program has promoted healthy eating to more than 4,000 students, 800 parents, and 270 teachers, encouraging habits that help infants and children improve growth and develop an active, healthy life.



The FEMSA Foundation invests in promoting the development of scientific evidence that contributes to strengthening health and preventing food-related diseases.

Colors Campaign focuses on promoting consumption of food that is high in protein, vitamins, and minerals, in order to directly contribute to achieving a better balance in the daily diet.



## Research in health and nutrition

The FEMSA Foundation invests in promoting the development of scientific evidence that contributes to strengthening health and preventing food-related diseases. The main challenge the FEMSA Foundation faces is to take that scientific knowledge to the market in order to obtain tangible social benefits that can have a positive impact on people's lives.

Through a study of nutrigenomics, the science that explains the interaction between the human genome and nutrients, we are able to improve the quality of life. Since Mexico has one of the most diverse assortments of plants and food in the world, the Foundation has worked with the **Nutrigenomics Center of the FEMSA Biotechnology Center**, attempting to generate positive contributions through research and development into new products that improve human health. Research is carried out in collaboration with the *Instituto Tecnológico de Monterrey*, Houston University, and the Superior Council of Scientific Research in Spain.

In particular, the Center works on connecting genomics with designing foods and food technologies that will contribute to avoiding the metabolic syndrome that produces problems such as diabetes, high cholesterol levels, and cardiovascular complications. Additionally, the Center has focused its efforts on developing food supplements specifically to meet the particular needs of vulnerable groups among the Mexican population, including infants, pregnant women, senior citizens, people with diabetes, and patients with autism.

Other projects we have promoted include research on new technologies to detect diseases. For example, a prototype is currently being developed for a new device that can detect diabetes with noninvasive saliva samples.

For more information about FEMSA Foundation's projects please review: [www.fundacionfemsa.org](http://www.fundacionfemsa.org)



The Nutrigenomics Center works on connecting genomics with designing foods and food technologies that will contribute to avoiding the metabolic syndrome.



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

G4	Content	Reference or response	Business Units				External assurance (page 56)
			KOF	FC	FL	I/PTM	
<b>Strategy and Analysis</b>							
G4-1	Statement from the most senior decision-maker of the organization	Message from the Executive Chairman of the Board and from the Chief Executive Officer of FEMSA, page 2	•	•	•	•	✓
G4-2	Impacts, risks, and opportunities	<p>In 2015, we identified the risks which our Business Units are exposed to, with the following being the most relevant:</p> <p>Coca-Cola FEMSA</p> <ul style="list-style-type: none"> <li>• Changes in consumer preferences</li> <li>• Water scarcity and some inability to keep the existing concessions</li> <li>• Risk of a hike in the price of raw materials</li> <li>• Significant changes in regulatory or fiscal regimens</li> <li>• Competition could affect Coca-Cola FEMSA's performance</li> </ul> <p>FEMSA Comercio</p> <ul style="list-style-type: none"> <li>• Impact on sales resulting from changes in the economic situation in Mexico</li> <li>• Significant changes in regulatory or fiscal regimens</li> <li>• Changes, failures, or interruptions in information technology systems</li> <li>• Increase in the price of electricity</li> <li>• Probability of not being able to maintain historic growth rates</li> <li>• Recent acquisitions could result in lower profit margins</li> </ul> <p>Risks related to the countries where we operate</p> <ul style="list-style-type: none"> <li>• Economic and political conditions</li> <li>• Depreciation of local currencies</li> <li>• Lack of security</li> </ul> <p>In order to manage these risks we have the following tools in place:</p> <ul style="list-style-type: none"> <li>• The Business Risks Integral Management System, a high-level tool to manage, evaluate, control, and monitor business-related risks.</li> <li>• Incident Management and Crisis Resolution Program (IMCR), a methodology through which we identify and analyze risks in order to mitigate and manage them in a timely matter, putting the health and safety of our employees, clients, and consumers above everything else.</li> </ul>	•	•	•	•	✓
<b>Organizational Profile</b>							
G4-3	Name of the organization	Fomento Económico Mexicano, S.A.B. de C.V.	•	•	•	•	✓
G4-4	Brands, products, and services	FEMSA profile, page 4	•	•	•	•	✓
G4-5	Organization's headquarters	Monterrey, Nuevo León, Mexico	•	•	•	•	✓
G4-6	Countries in which organization operates	FEMSA profile, page 4	•	•	•	•	✓
G4-7	Nature of ownership and legal form	FEMSA profile, page 4 Fomento Económico Mexicano, S.A.B de C.V.	•	•	•	•	✓
G4-8	Markets served	FEMSA profile, page 4	•	•	•	•	✓
G4-9	Scale of the organization	FEMSA profile, page 4 Actions with value, page 6	•	•	•	•	
G4-10	Breakdown of workforce	Our People, page 16	•	•	•	•	✓
G4-11	Percentage of employees covered by collective bargaining agreements	Of the total number of employees, 53% are unionized, and of these 100% are covered by a collective contract, pact, or agreement.	•	•	•	•	✓

**KOF:** Coca-Cola FEMSA • **FC:** FEMSA Comercio • **FL:** FEMSA Logística • **I/PTM:** Imbera and PTM

G4	Content	Reference or response	Business Units				External assurance (page 56)
			KOF	FC	FL	I/PTM	
G4-12	Supply chain of the organization	Sustainable Sourcing, page 33	•	•	•	•	✓
G4-13	Significant changes during the reporting period	We consolidated the expansion of FEMSA Comercio by acquiring the FarmaCon business, including more than 200 drugstores in Mexico. We also entered into the Chilean market, with the acquisition of 60% of Socofar, which currently operates more than 640 drugstores and 150 beauty shops in Chile under the Cruz Verde and Maicao brands, respectively. Socofar also operates more than 150 points-of-sale and dispensaries in Colombia under the brands Cruz Verde and Farmasanitas. In addition, FEMSA Logística reached an agreement to acquire the totality of Atlas Transportes y Logística, one of the most reputable companies in the logistics industry in Brazil, with a solid presence in that country.	•	•	•	•	✓
G4-14	Precautionary Approach	The Audit Committee monitors the process of identification of contingencies, lawsuits and business risks including those related to the environment. The Corporate Practices Committee is in charge of managing the risk of the company.	•	•	•	•	✓
G4-15	Social, environmental, and economic programs and initiatives.	We coordinate our efforts with the government, the private sector, and civil society, page 27 Community Development, page 31 Support of the United Nations Global Compact, page 61	•	•	•	•	✓
G4-16	Associations of which the organization is a member	Inter-sectoral alliances, page 62	•	•	•	•	✓
<b>Material aspects and coverage</b>							
G4-17	Operational structure	FEMSA profile, page 4	•	•	•	•	✓
G4-18	Process for defining report content	About this Report, Inside front cover	•	•	•	•	✓
G4-19	Material aspects	FEMSA's Sustainability Strategy, page 10	•	•	•	•	✓
G4-20	Aspect boundary within the organization	About this Report, Inside front cover FEMSA's Sustainability Strategy, page 10	•	•	•	•	✓
G4-21	Aspect boundary outside the organization	About this Report, Inside front cover FEMSA's Sustainability Strategy, page 10	•	•	•	•	✓
G4-22	Effect that any restatements of information may have	No significant changes	•	•	•	•	✓
G4-23	Significant changes in scope and level of coverage of each aspect with respect to materiality reports	No significant changes	•	•	•	•	✓
<b>Stakeholders' engagement</b>							
G4-24	Stakeholders	Message from the Executive Chairman of the Board and from the Chief Executive Officer of FEMSA, page 2	•	•	•	•	✓
G4-25	Selection of stakeholders	At FEMSA, one of our priorities has always been to establish relationships based on dialogue with all those persons, organisms, and entities with which we relate to in our operations.	•	•	•	•	✓
G4-26	Stakeholder engagement	FEMSA's Sustainability Strategy, page 10 Additionally, this year we surveyed for the first time the beneficiaries of our corporate community programs in the Mexican states of Veracruz, Puebla, and Michoacán.	•	•	•	•	✓
G4-27	Topics raised by stakeholder engagement	Over the past year, we consulted with experts in sustainability and employees and we listened to their opinions concerning the FEMSA Sustainability Strategy and materiality topics. Feedback on the need to evolve to managing sustainability from a systemic business perspective was particularly relevant.	•	•	•	•	✓
<b>Report Profile</b>							
G4-28	Reporting period	About this Report, Inside front cover	•	•	•	•	✓

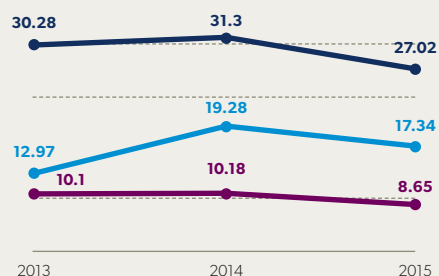
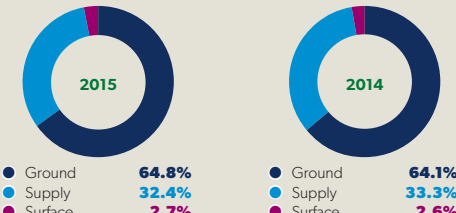
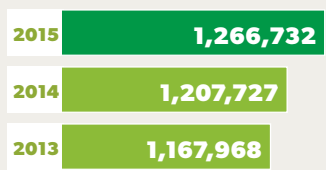
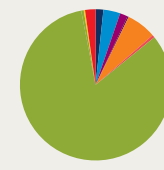
G4	Content	Reference or response	Business Units				External assurance (page 56)
			KOF	FC	FL	I/PTM	
G4-29	Date of most recent report	The last Sustainability Report based on the GRI G4 Guidelines was published in 2014. Additionally, for the past three years we have been publishing a half-year progress report that includes our January–June results for the year.	•	•	•	•	✓
G4-30	Reporting cycle	About this Report, Inside front cover	•	•	•	•	✓
G4-31	Contact	Contact information, page 64	•	•	•	•	✓
G4-32	Content index and “in accordance” option	This table shows the GRI content index for our Report.	•	•	•	•	✓
G4-33	External Assurance	About this Report, Inside front cover The Independent Assurance Report for the GRI indicators and the Assurance Letter for greenhouse gas emissions are located on pages 56 and 59, respectively.	•	•	•	•	✓
<b>Governance</b>							
G4-34	Corporate governance	Corporate Governance, page 14	•	•	•	•	✓
G4-35	Process for delegating authority from the highest governance body	FEMSA’s management is responsibility of the Board of Directors and the Chief Executive Officer. Management functions, conduction and execution of the businesses of FEMSA and its subsidiaries are the responsibility of the Chief Executive Officer, who abides the strategies, policies and guidelines approved by the Board of Directors. The Board of Directors, in the performance of its monitoring activities, is assisted by Committees, which analyze issues, give their opinions and offer recommendations regarding their areas of competence. Executive officers interact regularly with the Committees to discuss matters within its competence. The resolutions of the Board of Directors must be approved by a majority of votes of the Council members.	•	•	•	•	✓
G4-36	Executive-level with responsibility for economic, environmental, and social topics	Within the FEMSA managing team, the Director of Corporate Affairs is responsible for ensuring that FEMSA and its Business Units have the processes and plans needed to contribute to the growth and permanence of the company in the long term.	•	•	•	•	✓
G4-37	Consultation with the highest governance body	See G4-43	•	•	•	•	✓
G4-38	Composition of the highest governance body and its committees	Corporate Governance, page 14 The Board of Directors includes the following Committees: • Audit Committee: reviews the accuracy and integrity of the financial information; nominates, hires, and supervises the external auditor of the company; and identifies and monitors contingencies and legal procedures. • Planning and Finance Committee: analyzes investment and financing policies proposed by the CEO, the risk factors the company is exposed to, and its managing policies. • Corporate Practices Committee: prevents and reduces operational risks that could affect the value of the company; approves policies for using company assets and transactions with related parties; approves compensation packages for directors and key executives and evaluates their performance.	•	•	•	•	✓
G4-39	Chair of the highest governance body	Corporate Governance, page 14	•	•	•	•	✓
G4-40	Nomination and selection processes for the highest governance body	Corporate Governance, page 14	•	•	•	•	✓
G4-41	Managing conflicts of interest	In accordance with the Mexican Stock Market Law, the members and, when needed, the Secretary of the Board of Directors, who have a conflict of interest with a given matter, will abstain from participating and being present in the deliberation and voting of such matter, without this having an effect on the quorum needed to establish the Board.	•	•	•	•	✓



G4	Content	Reference or response	Business Units				External assurance (page 56)
			KOF	FC	FL	I/PTM	
G4-42	Highest governance body's role related to economic, environmental, and social impacts.	The Board of Directors has to approve the changes and updates to the purpose, values, and statements of the mission, strategies, policies, and goals related to the economic, environmental, and social impacts of the organization.	•	•	•	•	✓
G4-43	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental, and social topics.	The Director of Corporate Affairs is responsible for informing the highest levels of the organization on the challenges and opportunities pertaining to sustainability, while the CEO informs the Board of Directors.	•	•	•	•	✓
G4-44	Evaluation of the highest governance body's performance	Our business practices are subject to applicable Mexican law and comply also with corporate governance standards established by the applicable provisions of the <i>Ley del Mercado de Valores de México</i> and the securities laws of the United States of America to foreign issuers, including the Sarbanes - Oxley Act. The shareholders' meeting is the highest body, appoints or ratifies members the Board of Directors.	•	•	•	•	✓
G4-45	Highest governance body's role in the identification and management of impacts, risks, and opportunities	The Board of Directors monitors the main risks to which FEMSA and its subsidiaries are exposed, identified based on the information submitted by the Committees, the CEO and the external auditor. The Audit Committee monitors the process of identification of contingencies, lawsuits and business risks including environmental, and reviews the general guidelines set out in the Corporate Policies for Risk Management and Internal Control issued by the CEO to be approved by the Board of Directors. The Finance and Planning Committee has among its functions to identify risk financial factors to which the company is subject and evaluate policies for administration.	•	•	•	•	✓
G4-46	Highest governance body's role in reviewing the effectiveness of the organization's risk management processes	The Board of Directors monitors the main risks to which FEMSA and its subsidiaries are exposed, identified based on the information submitted by the Committees, the CEO and the external auditor.	•	•	•	•	✓
G4-47	Frequency of the highest governance body's review of economic, environmental, and social topics	The Corporate Affairs Division and the CEO carry out quarterly Business Reviews.	•	•	•	•	✓
G4-48	Highest committee or position that approves the organization's sustainability report	See G4-36	•	•	•	•	✓
G4-49	Process for communicating critical concerns to the highest governance body	The CEO communicates critical concerns to the Board of Directors.	•	•	•	•	✓
G4-50	Nature and number of concerns that were communicated to the highest governance body	Confidential information	•	•	•	•	
G4-51	Remuneration policies for the highest governance body and senior executives	Economic remuneration for the FEMSA members of the Board complies with the standards for companies that are similar to FEMSA. Remuneration is approved annually by the general shareholders' meeting and the information is made public in the Annual Reports (that information is reported to the Mexican and United States stock market authorities).	•	•	•	•	✓

G4	Content	Reference or response	Business Units				External assurance (page 56)
			KOF	FC	FL	I/PTM	
G4-52	Process for determining remuneration for the highest governance body and senior executives	According to the <i>Ley del Mercado de Valores de México</i> , the overall compensation of the CEO, as well as overall compensation policies of relevant directors, are approved by the Board of Directors, after hearing the opinion of the Committee of Corporate Practices.	•	•	•	•	✓
G4-53	Stakeholders' views regarding remuneration	Does not apply	•	•	•	•	
G4-54	Ratio of the organization's highest-paid individual to the median annual total compensation for all employees	Confidential information	•	•	•	•	
G4-55	Ratio of percentage increase for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees	Confidential information	•	•	•	•	
<b>Ethics and Integrity</b>							
G4-56	Organization's values, principles, standards, and norms	Our Ethics and Values, page 12	•	•	•	•	✓
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behavior	Code of Ethics, page 15	•	•	•	•	✓
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior	Whistleblower System, page 15	•	•	•	•	✓
<b>Economic Indicators</b>							
G4-EC1	Direct economic value generated and distributed	Actions with value, page 6	•	•	•	•	
G4-EC2	Implications, risks, and opportunities posed by climate change	<p>Risks</p> <ul style="list-style-type: none"> <li>• Changes in the availability of natural resources</li> <li>• Greater probability of extreme rain and drought</li> <li>• Increase in the average temperature</li> <li>• Variations in the behavior of meteorological phenomena</li> </ul> <p>Consequences</p> <ul style="list-style-type: none"> <li>• Decrease or impact on production capacity</li> <li>• Increase in operating costs</li> </ul>	•	•	•	•	✓
G4-EC3	Benefits plan	Employees receive the benefits established by law, and incentives based on their performance.	•	•	•	•	✓
G4-EC4	Financial assistance received from governments	We receive from the Mexican government a financial stimulus equivalent to \$702,736 MXN (USD \$49,869) for promoting research and development and technological innovation projects.	•	•	•	•	✓
G4-EC5	Standard entry level wage	Remuneration for the work done by our employees is based on competitive amounts for the industries and locations where we participate, regardless of their type of work contract.	•	•	•	•	✓
G4-EC6	Senior management hired from the local community	We encourage hiring personnel from the local communities of our operations. In 2015, 76.7% of senior management positions were held by people from the country where they were performing their jobs.	•	•	•	•	✓
G4-EC7	Investments in infrastructure investments and public benefit services	In 2015, we invested 204,205,541 MXN (USD 11,376,353) in initiatives for the public well-being.	•	•	•	•	✓

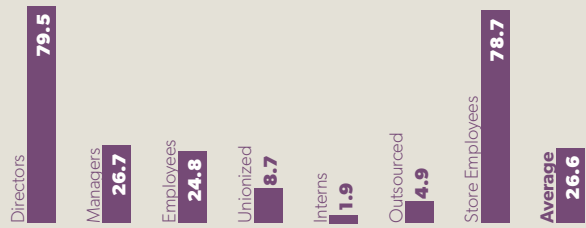
G4	Content	Reference or response	Business Units				External assurance (page 56)												
			KOF	FC	FL	I/PTM													
G4-EC8	Indirect economic impacts	FEMSA profile, page 4 Sustainable Sourcing, page 33	•	•	•	•	✓												
G4-EC9	Percentage of the procurement budget spent on local suppliers	The percentage of the budget spent on local suppliers during 2015 was 98%. We define local suppliers as those who come from the same country where the purchase is being made.	•	•	•	•	✓												
<b>Environmental Indicators</b>																			
G4-EN1	Materials used, by weight or volume	<p><b>Packaging materials used</b> (tons)</p> <table border="1"> <tr> <td>2015</td> <td>361,362</td> </tr> <tr> <td>2014</td> <td>312,259</td> </tr> <tr> <td>2013</td> <td>282,400</td> </tr> </table> <p>This graph does not show 100% of the materials used in our production processes.</p> <ul style="list-style-type: none"> <li>PET: 93.6%</li> <li>Plastic: 5.9%</li> <li>Other: 0.5%</li> </ul>	2015	361,362	2014	312,259	2013	282,400	•			•	✓						
2015	361,362																		
2014	312,259																		
2013	282,400																		
G4-EN2	Recycled materials	<p><b>Reusable materials</b> (tons)</p> <table border="1"> <tr> <td>2015</td> <td>359,520</td> </tr> <tr> <td>2014</td> <td>309,906</td> </tr> <tr> <td>2013</td> <td>282,400</td> </tr> </table> <p>The percentages shown are of the reusable materials used as inputs in our production processes.</p> <ul style="list-style-type: none"> <li>Virgin materials: 81.8%</li> <li>Recycled materials: 13.8%</li> <li>Biopolymer: 4.4%</li> </ul>	2015	359,520	2014	309,906	2013	282,400	•			•	✓						
2015	359,520																		
2014	309,906																		
2013	282,400																		
G4-EN3	Internal energy consumption	<p><b>Direct consumption<sup>1</sup> of energy (stationary) (Gj)</b></p> <table border="1"> <tr> <td>2015</td> <td>2,694,817</td> </tr> <tr> <td>2014</td> <td>2,682,630</td> </tr> <tr> <td>2013</td> <td>2,605,929</td> </tr> </table> <p><sup>1</sup> Includes stationary consumption of nonrenewable sources.</p> <p><b>2015</b></p> <ul style="list-style-type: none"> <li>Argentina: 5.7%</li> <li>Brazil: 13.2%</li> <li>Colombia: 10.7%</li> <li>Costa Rica: 2.2%</li> <li>Philippines: 17.8%</li> <li>Guatemala: 1.2%</li> <li>Mexico: 35.6%</li> <li>Nicaragua: 1.1%</li> <li>Panama: 1.5%</li> <li>Venezuela: 11%</li> </ul> <p><b>Indirect consumption<sup>1</sup> of energy (Gj)</b></p> <table border="1"> <tr> <td>2015</td> <td>8,418,810</td> </tr> <tr> <td>2014</td> <td>8,246,774</td> </tr> <tr> <td>2013</td> <td>7,814,845</td> </tr> </table> <p><sup>1</sup> Includes consumption of electric power from indirect renewable and nonrenewable sources.</p> <p><b>2015</b></p> <ul style="list-style-type: none"> <li>Argentina: 1.7%</li> <li>Brazil: 5.2%</li> <li>Colombia: 2.4%</li> <li>Costa Rica: 0.5%</li> <li>Philippines: 4.9%</li> <li>Guatemala: 0.3%</li> <li>Mexico: 81.8%</li> <li>Nicaragua: 0.4%</li> <li>Panama: 0.4%</li> <li>Venezuela: 2.4%</li> </ul>	2015	2,694,817	2014	2,682,630	2013	2,605,929	2015	8,418,810	2014	8,246,774	2013	7,814,845	•	•	•	•	✓
2015	2,694,817																		
2014	2,682,630																		
2013	2,605,929																		
2015	8,418,810																		
2014	8,246,774																		
2013	7,814,845																		
G4-EN4	External energy consumption	563,073 Gj				•	✓												

G4	Content	Reference or response	Business Units				External assurance (page 56)
			KOF	FC	FL	I/PTM	
G4-EN5	Energy intensity	<p><b>Intensive direct and indirect consumption of energy</b> (Gj)/FEMSA total revenue in millions of MXN)</p> <ul style="list-style-type: none"> <li>● Indirect<sup>1</sup></li> <li>● Mobile direct<sup>2</sup></li> <li>● Stationary direct<sup>3</sup></li> </ul> <p>1 Includes consumption of indirect renewable and nonrenewable sources. 2 Includes consumption of fuel by our own transportation units. 3 Includes stationary consumption of nonrenewable sources. In 2014, we reported 26.49 Gj/ MMXN for this concept; however, an adjustment was made to the calculation and the correct data for 2014 is 19.28 Gj/MMXN.</p> 	•	•	•	•	✓
G4-EN6	Reductions in energy consumption	Energy, page 25			•	•	✓
G4-EN7	Reductions in the energy requirements of products and services	Energy, page 25				•	✓
G4-EN8	Total water withdrawal by source	<p><b>Percentage of water consumption by source</b> Includes total water withdrawal by source</p> 	•		•	•	✓
G4-EN9	Water sources affected by withdrawal	Through different programs operated by FEMSA Foundation we dedicate efforts to the protection, preservation, and recovery of watersheds in Latin America.	•	•	•	•	
G4-EN10	Recycled and reused water	Water, 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	Direct Greenhouse Gas Emissions (Scope 1)	<p><b>Direct and Indirect Greenhouse Gas Emissions</b> CO<sub>2</sub>e tons (stationary + indirect)</p> 	•	•	•	•	✓
G4-EN16	Energy Indirect Greenhouse Gas Emissions (Scope 2)	<p><b>2015</b></p> <ul style="list-style-type: none"> <li>● Argentina 1.8%</li> <li>● Brazil 4.0%</li> <li>● Colombia 1.7%</li> <li>● Costa Rica 0.4%</li> <li>● Philippines 7.0%</li> <li>● Guatemala 0.4%</li> <li>● Mexico 81.7%</li> <li>● Nicaragua 0.5%</li> <li>● Panama 0.4%</li> <li>● Venezuela 2.1%</li> </ul>  <p>Note: 1,397,389 ton CO<sub>2</sub>e were reported in 2013 for this concept; however, there was an adjustment and the correct data for 2013 is 1,167,698 ton CO<sub>2</sub>e</p>	•	•	•	•	✓

G4	Content	Reference or response	Business Units				External assurance (page 56)																
			KOF	FC	FL	I/PTM																	
G4-EN17	Other Indirect Greenhouse Gas Emissions (Scope 3)	<p><b>Tons of CO<sub>2</sub> equivalent from employee flights</b></p> <p>2015 <b>8,857</b></p> <p>2014 <b>8,299</b></p> <p>2013 <b>8,224</b></p> <p>This number does not represent the 100% of our Scope 3 emissions. 447 routes were not included because of missing data.</p>	•	•	•	•	✓																
G4-EN18	Greenhouse Gas Emissions Intensity	<p><b>Intensive total emissions Scope 1 (stationary) + Scope 2</b></p> <p>Tons of CO<sub>2</sub>e/total income of FEMSA in MXN million</p> <ul style="list-style-type: none"> <li>● S1 stationary<sup>1</sup></li> <li>● S1 non-stationary<sup>2</sup></li> <li>● S2<sup>3</sup></li> </ul> <p>1 Includes the stationary consumption of non-renewable sources. 2 Includes the fuel consumption of own units. 3 Includes fuel consumption of renewable and non-renewable sources. In 2014, 1.85 ton CO<sub>2</sub>e/MMXN were reported for this concept; however, an adjustment was made and the correct data for 2014 is 1.3 ton CO<sub>2</sub>e/MMXN.</p> <table border="1"> <caption>Intensive total emissions (Tons of CO<sub>2</sub>e/total income of FEMSA in MXN million)</caption> <thead> <tr> <th>Year</th> <th>S1 stationary</th> <th>S1 non-stationary</th> <th>S2</th> </tr> </thead> <tbody> <tr> <td>2013</td> <td>0.81</td> <td>0.92</td> <td>3.71</td> </tr> <tr> <td>2014</td> <td>0.78</td> <td>1.38</td> <td>3.80</td> </tr> <tr> <td>2015</td> <td>0.75</td> <td>1.28</td> <td>3.31</td> </tr> </tbody> </table>	Year	S1 stationary	S1 non-stationary	S2	2013	0.81	0.92	3.71	2014	0.78	1.38	3.80	2015	0.75	1.28	3.31	•	•	•	•	✓
Year	S1 stationary	S1 non-stationary	S2																				
2013	0.81	0.92	3.71																				
2014	0.78	1.38	3.80																				
2015	0.75	1.28	3.31																				
G4-EN19	Reduction of Greenhouse Gas Emissions	Energy, page 25			•	•	✓																
G4-EN20	Emissions of Ozone –Depleting Substances (ODS)	We do not have significant emissions from Ozone Depleting Substances (ODS).				•	✓																
G4-EN21	NO <sub>x</sub> , SO <sub>x</sub> , and other significant air emissions	We do not have significant emissions from NO <sub>x</sub> and SO <sub>x</sub> .				•	✓																
G4-EN22	Water discharge	<p><b>Water discharge</b></p> <ul style="list-style-type: none"> <li>● Wastewater treatment facilities owned by the company</li> <li>● Wastewater treatment facilities of municipal property</li> </ul> <p>84%</p> <p>16%</p>	•				✓																
G4-EN23	Waste management	<p><b>Waste management</b></p> <p>(Tons)</p> <p>2015 <b>202,479</b></p> <p>2014 <b>212,346</b></p> <p>2013 <b>210,795</b></p> <p>During 2015, we recycled 83% of the 202,479 tons of generated waste.</p> <p><b>2015</b></p> <ul style="list-style-type: none"> <li>● Glass 32%</li> <li>● Hazardous 22%</li> <li>● Plastic 17%</li> <li>● Paper / Cardboard 12%</li> <li>● Wood 9%</li> <li>● Scrap and metals 2%</li> <li>● Others 6%</li> </ul>	•	•	•	•	✓																
G4-EN24	Spills	During 2015 there were no hazardous substances spills in our operations.	•	•	•	•	✓																
G4-EN25	Hazardous waste transported	All residues generated are channeled to specialized companies to ensure appropriate handling and disposal.	•	•	•	•	✓																
G4-EN26	Water resources	Any body of water has been affected by discharges from our operations.	•	•	•	•	✓																



G4	Content	Reference or response	Business Units				External assurance (page 56)
			KOF	FC	FL	I/PTM	
G4-EN27	Mitigation of environmental impacts	Water, page 24 Energy, page 25 Waste and recycling, page 27	•		•	•	✓
G4-EN28	Recovery of packaging materials	Waste and recycling, page 27	•				✓
G4-EN29	Fines for environmental regulation noncompliance	There were no significant fines or nonmonetary sanctions received due to noncompliance of the legislation and environmental regulations.	•	•	•	•	✓
G4-EN30	Environmental impacts of transporting product and other goods, and people	<p><b>Direct energy consumption in Mexico (mobile)<sup>1</sup></b> (Gj)</p> <p><b>2015</b> 5,403,429</p> <p><b>2014</b> 5,080,423</p> <p><b>2013</b> 3,347,429</p> <p><b>2015 Breakdown:</b>            Utility vehicles: 12.1%            Lift trucks: 2.4%            Secondary distribution: 38.5%            Primary distribution: 47%</p> <p><sup>1</sup> In 2014, 6,979,448 Gj of energy were reported for this concept; however, there was an adjustment and the correct data for 2014 is 5,080,423 Gj.</p>	•	•	•	•	✓
G4-EN31	Environmental investments	Investment in Our Planet, page 24	•	•	•	•	✓
G4-EN32	Percentage of new suppliers examined in regards to environmental criteria	Sustainable Sourcing, page 33	•	•	•	•	✓
G4-EN33	Significant, real and potential environmental impacts in supply chain	With the support of Trucost, during 2013 we quantify the environmental impacts corresponding to our direct operations and supply chain, including the supply of raw materials.	•	•	•	•	✓
G4-EN34	Number of environmental complaints	Whistleblower System, page 15	•	•	•	•	✓
<b>Social - Labor Practices and Decent Work</b>							
G4-LA1	Employee hires and turnover	<p>Actions with value, page 6</p> <p><b>New hires</b> by gender and age range</p> <p><b>Men</b>            18-34: 76,191            35-44: 8,619            45+: 5,069</p> <p><b>Women</b>            18-34: 50,736            35-44: 11,536            45+: 6,393</p> <p>1. Includes new hires and replacements.            2. Does not include information from Imbera-PTM</p>	•	•	•	•	✓

G4	Content	Reference or response	Business Units				External assurance (page 56)																		
			KOF	FC	FL	I/PTM																			
G4-LA2	Employee benefits	<p>These are some of the benefits granted to our employees:</p> <ul style="list-style-type: none"> <li>• Christmas bonus</li> <li>• Complementary annual compensation</li> <li>• Savings fund</li> <li>• Scholarships</li> </ul> <p>Further, through the Sociedad Cuauhtémoc y Famosa (SCyF) in Monterrey, Nuevo León, Mexico, we promote comprehensive development programs, medical attention, recreational programs, and financial services for our employees to encourage a culture of work and savings to support family stability.</p>	•	•	•	•	✓																		
G4-LA3	Return to work and retention after parental leave	The rate of return was 88.7% for men and 68.7% for women.	•	•	•	•	✓																		
G4-LA4	Prior notice of significant operational changes and specification in collective bargaining agreements	We maintain scheduled and constructive communications with all Unions representing our workers. Furthermore, at all our operations we respect and act based on timetables and procedures established in the labor legislation of the countries where we are present.	•	•	•	•	✓																		
G4-LA5	Health and Safety committees	We have committees in each Business Unit that approach and monitor Safety and Health issues in the organization. Furthermore, we have established mechanisms to train employees on those topics.	•	•	•	•	✓																		
G4-LA6	Absenteeism and lost days	Training and Development, page 19	•	•	•	•	✓																		
G4-LA7	Incidence or high risk of diseases	We have programs in place that help detect possible unsafe conditions in our operations in order to minimize risk. In case of an accident, we analyze it in order to determine the causes and find the way to ensure that they will not happen again.	•	•	•	•	✓																		
G4-LA8	Health and safety topics covered in formal agreements with Unions	Health and safety aspects are covered in the collective bargaining agreements with Unions.	•	•	•	•	✓																		
G4-LA9	Hours of training	<p><b>Average hours of training</b> per type of employee</p>  <table border="1"> <caption>Average hours of training per type of employee</caption> <thead> <tr> <th>Employee Type</th> <th>Average Hours</th> </tr> </thead> <tbody> <tr> <td>Directors</td> <td>79.5</td> </tr> <tr> <td>Managers</td> <td>26.7</td> </tr> <tr> <td>Employees</td> <td>24.8</td> </tr> <tr> <td>Unionized</td> <td>8.7</td> </tr> <tr> <td>Interns</td> <td>1.9</td> </tr> <tr> <td>Outsourced</td> <td>4.9</td> </tr> <tr> <td>Store Employees</td> <td>78.7</td> </tr> <tr> <td>Average</td> <td>26.6</td> </tr> </tbody> </table>	Employee Type	Average Hours	Directors	79.5	Managers	26.7	Employees	24.8	Unionized	8.7	Interns	1.9	Outsourced	4.9	Store Employees	78.7	Average	26.6	•	•	•	•	✓
Employee Type	Average Hours																								
Directors	79.5																								
Managers	26.7																								
Employees	24.8																								
Unionized	8.7																								
Interns	1.9																								
Outsourced	4.9																								
Store Employees	78.7																								
Average	26.6																								
G4-LA10	Programs for skills management and lifelong learning	Our People, page 16	•	•	•	•	✓																		
G4-LA11	Career Performance and Development	In 2015, 23,443 of our employees received an evaluation on their performance and career evolution.	•	•	•	•	✓																		
G4-LA12	Diversity	<p>Structure of the Board of Directors, page 14</p> <p>Our People, page 16</p> <p>Additionally, in 2015 our Workplace Inclusion Program included 1,370 people with disabilities and 1,550 senior citizens at FEMSA and its Business Units.</p>	•	•	•	•	✓																		
G4-LA13	Equality in remuneration	We do not make any distinctions for gender, age, nationality, or any other characteristic, and economic remuneration is established based on the individual contributions, performance, and capabilities of each employee.	•	•	•	•	✓																		
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	Sustainable Sourcing, page 33	•	•	•	•	✓																		

G4	Content	Reference or response	Business Units				External assurance (page 56)	
			KOF	FC	FL	I/PTM		
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain	We did not have any significant negative impacts, actual or potential, for labor practices in the supply chain that could put our operation at risk.	•	•	•	•		
G4-LA16	Number of grievances about labor practices	Whistleblower System, page 15	•	•	•	•	✓	
<b>Social - Human Rights</b>								
G4-HR1	Investment agreements that include human rights clauses	Sustainable Sourcing, page 33	•	•	•	•	✓	
G4-HR2	Training in Human Rights	<b>Number of hours of training on human rights</b>		•	•	•	•	
		<b>Degree of Contribution</b>						<b>Hours</b>
		Directors						46
		Managers						1,970
		Employees						19,984
		Unionized						18,505
		Interns						35
		Outsourced						343
		Store/Station/Drugstore/Restaurant Leaders						38
Store/Station/Drugstore/Restaurant Employees		1,535						
Total		<b>42,457</b>						
G4-HR3	Incidents of discrimination	Whistleblower System, page 15	•	•	•	•	✓	
G4-HR4	Freedom of association	In accordance with the legislation of the places where we operate, our employees and suppliers have the right to practice their freedom of association and collective bargaining. At FEMSA we respect these rights, as well as labor contracts, and we work in collaboration with the Unions that represent our employees in a respectful, transparent, and timely manner.	•	•	•	•	✓	
G4-HR5	Measures taken against child labor	Whistleblower System, page 15 Sustainable Sourcing, page 33	•	•	•	•	✓	
G4-HR6	Measures taken against forced labor	Whistleblower System, page 15 Sustainable Sourcing, page 33	•	•	•	•	✓	
G4-HR7	Security personnel who have received formal training	100% of the security guards hired by the company in Mexico received Human Rights training.	•	•	•	•	✓	
G4-HR8	Indigenous rights	We did not detect or receive any reports on violations of indigenous rights in any of our operations.	•	•	•	•	✓	
G4-HR9	Reviews of Human Rights centers	Whistleblower System, page 15	•	•	•	•	✓	
G4-HR10	Suppliers screened using human rights criteria	Sustainable Sourcing, page 33	•	•	•	•	✓	
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain	We did not detect any significant actual or potential negative human rights impacts in the supply chain	•	•	•	•		
G4-HR12	Number of grievances related to human rights filed, addressed, and resolved through formal grievance mechanisms	Whistleblower System, page 15	•	•	•	•	✓	

G4	Content	Reference or response	Business Units				External assurance (page 56)		
			KOF	FC	FL	I/PTM			
<b>Social - Society</b>									
G4-SO1	Impact on communities	Our Community, page 28	•			•	✓		
G4-SO2	Operations with significant potential or actual negative impacts on local communities	We have not identified any significant real or potential negative impacts in the communities where we operate.	•	•	•	•			
G4-SO3	Centers assessed for risks related to corruption and significant risks detected	Whistleblower System, page 15	•	•	•	•	✓		
G4-SO4	Percentage of employees trained in organization's anti-corruption policies and procedures	<b>Training hours in ethics and anti-corruption</b>							
		<b>Degree of Contribution</b>	<b>Hours</b>						
		Directors	0						
		Managers	201						
		Employees	4,676						
		Unionized	8,323						
		Interns	76						
		Outsourced	53						
		Store/Station/Drugstore/Restaurant Leaders	0						
		Store/Station/Drugstore/Restaurant/Distribution Center Employees	1,545						
		<b>Total</b>	<b>14,873</b>						
					•	•	•	•	✓
		<b>Training hours Culture of Legality</b>							
		<b>Degree of Contribution</b>	<b>Hours</b>						
Directors	2								
Managers	118								
Employees	3,674								
Unionized	1,856								
Interns	26								
Outsourced	198								
Store/Station/Drugstore/Restaurant Leaders	0								
Store/Station/Drugstore/Restaurant/Distribution Center Employees	0								
<b>Total</b>	<b>5,875</b>								
G4-SO5	Actions taken in response to incidents of corruption	Whistleblower System, page 15	•	•	•	•	✓		
G4-SO6	Contributions to political parties or related institutions	We strictly comply with local legislation concerning the participation of companies on those issues.	•	•	•	•	✓		
G4-SO7	Free competition and anti-monopoly	We did not receive any claims regarding anti-trust, monopoly, or anticompetitive behaviors.	•	•	•	•	✓		
G4-SO8	Sanctions and fines for noncompliance with laws or regulations	We did not receive any significant fines or nonmonetary sanctions for noncompliance with laws and regulations in the countries where we operate.	•	•	•	•	✓		
G4-SO9	Percentage of new suppliers screened using criteria for impacts on society	Sustainable Sourcing, page 33	•	•	•	•	✓		
G4-SO10	Significant actual and potential negative impact on society in the supply chain	We did not detect any significant actual or potential negative human rights impacts on society in the supply chain.	•	•	•	•			
G4-SO11	Number of grievances about impacts on society	We did not receive any grievances about impacts on society through formal grievance mechanisms.	•	•	•	•	✓		

G4	Content	Reference or response	Business Units				External assurance (page 56)
			KOF	FC	FL	I/PTM	
<b>Social - Product Responsibility</b>							
G4-PR1	Assessment of the life cycle stages of products regarding customers' health and safety	At Coca-Cola FEMSA, 40% of our brand portfolio is low-calorie beverages and 26% of our brands have vitamins, fiber, minerals, and nutritional supplements. For more information, view Coca-Cola FEMSA's 2015 Sustainability Report.	•				✓
G4-PR2	Noncompliance with voluntary codes concerning health and safety	We did not register any incidents regarding noncompliance with the norms or codes on the impacts of our products and services on health and safety during the life cycles.	•	•	•	•	✓
G4-PR3	Product information and labeling	Because we want our consumers to be well-informed, we make the necessary data on the content of our beverages available to them. This helps them choose the best beverage option for their lifestyle, based on a 2,000 calorie daily intake according to the Daily Food Guidelines. For more information, view Coca-Cola FEMSA's 2015 Sustainability Report.	•				✓
G4-PR4	Noncompliance with regulations and voluntary codes concerning labeling	In 2015, we did not register any significant sanctions in any of our Business Units concerning noncompliance with government regulations on the impacts of the health and safety of our clients, regulations concerning information and labeling of our products, as well as voluntary codes on advertising.		•	•	•	✓
G4-PR5	Customer satisfaction practices	We make sure to maintain two-way communication with our clients and consumers. Consequently, we make available to them our customer service 1-800 number, which is printed on our packaging and included in our website; we also carry out surveys and market research to better understand their concerns and needs. For more information, view Coca-Cola FEMSA's and FEMSA Comercio's 2015 Sustainability Reports.	•				✓
G4-PR6	Sale of banned or disputed products	We do not sell banned or disputed products.	•	•		•	
G4-PR7	Incidents concerning marketing, advertising, promotion, and sponsorships	We did not register any cases of noncompliance with the norms and codes regarding our marketing communications.		•	•	•	✓
G4-PR8	Complaints received concerning breaches of customer privacy	Whistleblower System, page 15	•	•	•	•	✓
G4-PR9	Fines for noncompliance with the norms concerning the provision and use of products and services	We did not receive any significant fines for noncompliance with the laws and regulations regarding the provision and use of our products and services.	•	•	•	•	✓
<b>Food Processing Sector Supplement</b>							
<b>Sourcing</b>							
FP1	Percentage of volume from suppliers compliant with company's sourcing policy	100% of the volume purchased from suppliers complies with our Sourcing Policy.	•	•	•	•	✓
FP2	Percentage of volume verified with internationally recognized production standards	Sustainable Sourcing, page 33	•				✓
FP3	Percentage of working time lost due to strikes, disputes and lock-outs	We had 5 lost hours due to labor conflicts.	•	•	•	•	✓
<b>Society</b>							
FP4	Programs that promote healthy lifestyles; the prevention of chronic diseases; access to healthy, nutritious, and affordable food; and improved welfare for communities	Healthy Lifestyles, page 30	•				✓



G4	Content	Reference or response	Business Units				External assurance (page 56)
			KOF	FC	FL	I/PTM	
<b>Product Responsibility</b>							
FP5	Percentage of production volume certified by an independent third party according to internationally recognized food safety management system standards	For more information on the external certification of the Coca-Cola FEMSA products, view their 2015 Sustainability Report.	•				✓
FP6	Percentage of total sales of products that are low in added sugars	40% of our Coca-Cola FEMSA brand portfolio is low-calorie beverages. For more information, view Coca-Cola FEMSA's 2015 Sustainability Report.	•				✓
FP7	Percentage of total sales of products that contain nutritious ingredients such as fiber, vitamins, minerals, or functional food additives	26% of our Coca-Cola FEMSA beverage brands include vitamins, fiber, minerals, or nutritional supplements. For more information, view Coca-Cola FEMSA's 2015 Sustainability Report.	•				✓
FP8	Communication about ingredients and nutritional information beyond legal requirements	For more information on communications about ingredients and nutritional information, beyond legal requirements of the Coca-Cola FEMSA products, view the 2015 Sustainability Report.	•				✓
<b>Animal Welfare</b>							
FP9	Percentage and total of animals raised or processed, by species and breed type	Does not apply					
FP10	Policies and practices, by species and breed type, related to physical alterations and the use of anesthetic	Does not apply					
FP11	Percentage and total of animals raised or processed, by species and breed type, per housing type	Does not apply					
FP12	Policies and practices on antibiotic, anti-inflammatory, hormone or treatments, by species and breed type	Does not apply					
FP13	Number of incidents of noncompliance with laws and regulations, and adherence with voluntary standards related to transportation, handling, and slaughter practices for live terrestrial and aquatic animals	Does not apply					
<b>Sectorial Supplement on Transportation and Logistics</b>							
<b>Economic - Shipment Registration</b>							
LT1	Number of ships controlled by the organization	Does not apply					
<b>Environmental - Composition of the Fleet</b>							
LT2	Composition of the fleet	<b>Fleet administrated by FEMSA Logistica</b>		<b>Units %</b>	<b>Fuel %</b>	•	✓
		Primary distribution	National	39.4	58.3		
			International	27.8	28.7		
		Secondary distribution	National	20.4	9.8		
			International	12.4	3.1		

G4	Content	Reference or response	Business Units				External assurance (page 56)
			KOF	FC	FL	I/PTM	
<b>Environmental – Policies</b>							
LT3	Describe environmental impact policies and programs	Our Planet, page 22 For more information, view FEMSA Logística's 2015 Sustainability Report.			•		✓
<b>Environmental – Energy</b>							
LT4	Describe initiatives to use renewable sources of energy and to increase energy efficiency	Energy, page 25 For more information, view FEMSA Logística's 2015 Sustainability Report.			•		✓
<b>Environmental - Urban Pollution</b>							
LT5	Describe initiatives to control emissions as related to land transportation	Energy, page 25 For more information, view FEMSA Logística's 2015 Sustainability Report.			•		✓
<b>Environmental - Vehicular Pollution</b>							
LT6	Describe policies and programs implemented to manage the impacts of vehicular traffic	Review the policies and programs implemented to manage the impacts of vehicular traffic in FEMSA Logística's 2015 Sustainability Report.			•		
<b>Environmental - Noise and Vibration</b>							
LT7	Describe policies and programs to manage noise	At FEMSA Logística, we make sure that during the useful life of the transportation units with which we operate, original replacement parts are used that comply with all the requirements established by law. For more information, view FEMSA Logística's 2015 Sustainability Report.			•		
<b>Environmental - Developing Transportation Infrastructure</b>							
LT8	Describe environmental impacts of the main infrastructure assets of the reporting organization	Energy, page 25			•		✓
<b>Social - Work Patterns</b>							
LT9	Describe policies and programs to determine work and rest schedules, rest facilities, and driver licenses	At FEMSA Logística, our drivers comply with required resting periods. We have policies that establish work and rest schedules. The goal of these policies is for each trip to be managed effectively and efficiently, and to ensure the health and safety of our operators through medical evaluations done prior to the trip, and vehicle inspections. For more information, view FEMSA Logística's 2015 Sustainability Report.			•		
LT10	Describe methods to provide mobile workers with the means to maintain personal communications while working	Does not apply. FEMSA Logística handles its own national distribution service in every one of the countries where it operates, which means its workers do not spend long periods away from home. For more information, view FEMSA Logística's 2015 Sustainability Report.			•		
LT11	Describe policies and programs concerning substance abuse	At FEMSA Logística, we carry out awareness campaigns, including adequate information concerning the negative effects and consequences of illegal drug and narcotics use. We do aleatory medical evaluations constantly to determine the health of our employees and monitor the use of any drugs or narcotics. For more information, view FEMSA Logística's 2015 Sustainability Report.			•		
<b>Social - Road Safety</b>							
LT12	Number of on-the-road fatalities by driver per million kilometers driven	0.062 fatalities of drivers or third parties by million kilometers driven.			•		✓

G4	Content	Reference or response	Business Units				External assurance (page 56)
			KOF	FC	FL	I/PTM	
<b>Social - Safety Ship Inspections</b>							
LT13	Describe incidents of ships being detained by port inspectors	Does not apply					
<b>Social - Access to Mail</b>							
LT14	Describe policies and programs for public access to mail services	Does not apply					
<b>Social - Humanitarian Programs</b>							
LT15	Supply of logistics and transportation capabilities to deliver humanitarian aid and in-kind contributions during natural disasters	FEMSA has a policy of allocating resources for natural disasters as well as providing logistics and aid services to humanitarian needs. For more information, view FEMSA Logística's 2015 Sustainability Report.			•		
<b>Social - Labor Programs</b>							
LT16	Criteria to select employee hiring and relocating services	As a result of the Labor Reform, FEMSA Logística has taken internal measures to make all temporary hires directly instead of using recruiting agencies. For more information, view FEMSA Logística's 2015 Sustainability Report.			•		
<b>Social - Job Permanence</b>							
LT17	Measures that ensure income security and job permanence of temporary workers	1.58% of the FEMSA Logística workforce are temporary workers. Therefore, it is not a significant percentage.			•		✓

# Independent Assurance Report



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## Independent assurance report to Fomento Económico Mexicano, S.A.B. de C.V. (FEMSA) Management on the Sustainability Report 2015

### Responsibilities of FEMSA and Independent Reviewer

The elaboration of the Sustainability Report 2015 (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 November 17<sup>th</sup>, 2015 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.

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**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 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.

**Indicators**

The following table details the revised indicators.

G4-1	G4-19	G4-36	G4-57	G4-EN8	G4-EN29	G4-LA12	G4-SO5	G4-FP4
G4-2	G4-20	G4-37	G4-58	G4-EN9	G4-EN30	G4-LA13	G4-SO6	G4-FP5
G4-3	G4-21	G4-38	G4-EC2	G4-EN10	G4-EN31	G4-LA14	G4-SO7	G4-FP6
G4-4	G4-22	G4-39	G4-EC3	G4-EN15	G4-EN32	G4-LA16	G4-SO8	G4-FP7
G4-5	G4-23	G4-40	G4-EC4	G4-EN16	G4-EN33	G4-HR1	G4-SO9	G4-FP8
G4-6	G4-24	G4-41	G4-EC5	G4-EN17	G4-EN34	G4-HR2	G4-SO11	G4-LT2
G4-7	G4-25	G4-42	G4-EC6	G4-EN18	G4-LA1	G4-HR3	G4-PR1	G4-LT3
G4-8	G4-26	G4-43	G4-EC7	G4-EN19	G4-LA2	G4-HR5	G4-PR2	G4-LT4
G4-10	G4-27	G4-44	G4-EC8	G4-EN20	G4-LA3	G4-HR6	G4-PR3	G4-LT5
G4-11	G4-28	G4-45	G4-EC9	G4-EN21	G4-LA4	G4-HR7	G4-PR4	G4-LT8
G4-12	G4-29	G4-46	G4-EN1	G4-EN22	G4-LA5	G4-HR8	G4-PR5	G4-LT12
G4-13	G4-30	G4-47	G4-EN2	G4-EN23	G4-LA6	G4-HR9	G4-PR7	G4-LT17
G4-14	G4-31	G4-48	G4-EN3	G4-EN24	G4-LA7	G4-HR10	G4-PR8	
G4-15	G4-32	G4-49	G4-EN4	G4-EN25	G4-LA8	G4-HR12	G4-PR9	
G4-16	G4-33	G4-51	G4-EN5	G4-EN26	G4-LA9	G4-SO1	G4-FP1	
G4-17	G4-34	G4-52	G4-EN6	G4-EN27	G4-LA10	G4-SO3	G4-FP2	
G4-18	G4-35	G4-56	G4-EN7	G4-EN28	G4-LA11	G4-SO4	G4-FP3	

The scope of the review work on the following indicators: **G4-EN6, G4-EN7, G4-EN19, G4-SO1, G4-PR1, G4-PR3, G4-PR5** does not include FEMSA Comercio (FEMCO) operations.





## Conclusion

The SR considers the application of the GRI Guidelines G4.

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:

- Improve the management and validation of the corresponding information for the material aspects for FEMSA and its business unit.
- Strengthen the information contained in the material indicators to be reported in the SR according to the guidelines and sector supplements of the Global Reporting Initiative (GRI) aiming to enhance the transparency towards FEMSA stakeholders.
- Involve the parties responsible of the information by empowering them on the high relevance of their contribution and on FEMSA's accomplishments.

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

MBA Daniel Aguiñaga Gallegos  
Partner  
February 26th, 2016

# Independent Assurance Report of Greenhouse Gas Emission indicators



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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), reported in FEMSA's Sustainability Report 2015 and it refers only to those indicators mentioned in this assurance report, which is complementary to the independent assurance of FEMSA's Sustainability Report 2015.

### 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 November 17<sup>th</sup>, 2015 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 GHG Indicators 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.

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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	NOx, SOx, and other significant air emissions

**Reporting Period:** January 1st, 2015 to December 31st, 2015.

#### **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 internal management system for the GHG emissions generated by FEMSA and its business unit through a web-based platform that allow the various information owners to manage the data and obtaining a greater certainty.
- Implement GHG emissions reduction practices aligned to the core business of FEMSA and its several business unit

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Member of Deloitte Touche Tohmatsu Limited

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

MBA Daniel Aguiñaga Gallegos  
Partner  
February 26th, 2016

# Inter-sectorial Alliances (G4-16)

Some of the associations in which we participate:

## Argentina

- Association of Coca-Cola Bottlers in Argentina (AFACC)
- Chamber of Non-Alcoholic Beverage Industry in Argentina

## Brazil

- Associação Brasileira das Indústrias de Refrigerantes e Bebidas não Alcoólicas (ABIR)
- Associação Brasileira de Anunciantes (ABA)
- Associação Brasileira de Indústria de Água Mineral (ABINAN)

## Colombia

- National Businessmen Association in Colombia (ANDI)
- Association of Industrials in Tocancipá (ASIENORTE)

## Central America

Chamber of Food Industry in Costa Rica (CACIA)

- Union of Chambers and Private Business Associations from Costa Rica (UCCAEP)
- American Chamber Costa Rica, Guatemala, Nicaragua (AMCHAM)

## Philippines

- Beverages Industry Association of The Philippines

## 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)
- Red SumaRSE

## Venezuela

- National Association for Refreshing Beverages (ANBER)
- Chamber for Food Industry in Venezuela (CAVIDEA)

## 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)
- RedeAmérica
- New Employment Opportunities (NEO)



## Sustainability Recognitions 2015

### FEMSA

- Socially Responsible Company 2015 (CEMEFI, Mexico)
- Award on Industry Ethics and Values (CONCAMIN, Mexico)
- Ganar-Ganar Award 2015 for Best Social Responsibility Report (Promotora Accse)

### Coca-Cola FEMSA

- Dow Jones Sustainability Index Emerging Markets
- Silver Eikon Prize in the category of Relations with the community (Revista Imagen, Argentina)
- 1<sup>st</sup> Place PEGASUS 2015 (Brasil)
- Participation in Environmental Fair MIINAE (Minister of Environment and Energy, Central America)
- Triple A 2015 Prize to good practices in the management of hazardous waste (Triple A, Central America)
- Socially Responsible Company 2015 (CEMEFI, Mexico)
- Clean Transportation Program (SEMARNAT, Mexico)
- Inclusive Company to the Coca-Cola FEMSA Contact Center (Department of Labor and Social Prevision, Mexico)
- Clean Industry (SEMARNAT, Mexico)
- Award for Alliance (Olimpiadas Especiales, Venezuela)

### 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.

### FEMSA Comercio

- Socially Responsible Company 2015 (CEMEFI, Mexico)
- Inclusive Company Distinction "Gilberto Rincón Gallardo" <sup>1</sup> (Department of Labor and Social Prevision, Mexico)

### FEMSA Negocios Estratégicos FEMSA Logística

- Socially Responsible Company 2015 (CEMEFI, Mexico)
- National Award for Road Safety: Company Category and Employee Category (ANTP, Mexico)
- Distinction to the excellent fleet's environmental performance (SEMARNAT, Mexico)

### Imbera

- Socially Responsible Company 2015 (CEMEFI, Mexico)
- Clean Industry (SEMARNAT, Mexico)

### PTM

- Socially Responsible Company 2015 (CEMEFI, Mexico)

### 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.

## Support for the United Nations Global Compact

(G4-15)



COMMUNICATION ON  
PROGRESS

<sup>1</sup> Distinction awarded to 185 OXXO stores.

# Contact and Information

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## Annual Reports



### **FEMSA**

Annual Report 2015

[www.annualreport.femsa.com](http://www.annualreport.femsa.com)



### **Coca-Cola FEMSA**

Annual Report 2015

[www.coca-colafemsa.com](http://www.coca-colafemsa.com)

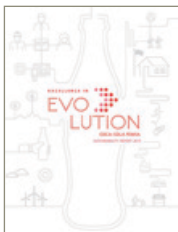


### **FEMSA Foundation**

Annual Report 2015

[www.femsafoundation.org/report2015](http://www.femsafoundation.org/report2015)

## Sustainability Reports



### **Coca-Cola FEMSA**

Sustainability Report 2015

<https://www.coca-colafemsa.com/sustainability.html>



### **FEMSA Comercio**

Sustainability Report 2015

<http://www.oxo.com/responsabilidad-social/>



### **FEMSA Logística**

Sustainability Report 2015

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

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# FEMSA

Actions creating Value



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