



**ACTIONS
CREATING
VALUE**

FEMSA

SUSTAINABILITY REPORT 2011



Grounded by our business philosophy of promoting the simultaneous creation of economic and social value, and the commitment to remain faithful to our principles and values, at FEMSA we continue to develop actions that benefit our employees and their families, our clients, suppliers, the environment and the communities where we operate. We seek to share our programs and work ethics with our many stakeholders in order to contribute sustainably to the wellbeing of society at large.

For the third year in a row, our report was assigned an **A** rating by the Global Reporting Initiative (GRI).

We made a commitment to conduct an external verification of the results every two years in order to encourage an ongoing improvement and accountability toward our actions on sustainability. Because our 2010 report was verified by KPMG Mexico, this process will be performed again on the 2012 report.

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MAIN ACTIONS AND RESULTS IN 2011

Our commitment to sustainability begins with our employees and their families, so we strive to offer them opportunities for advancement and growth to their fullest capacity.



\$20.4 million

Mexican pesos (US \$1.4 million) invested in employee training through FEMSA University

23,670 new jobs generated in 2011

We continue to work toward a culture of health and self-care, and this year we introduced new programs and products to support this goal.



More than **498,000 people benefited** from health and wellness programs within and outside the company

\$404.2 million Mexican pesos (US \$28.9 million) invested in occupational health and safety programs

Core area 2
Quality of life in the company

Core area 5
Environmental care



Core area 3
Health and wellness

Core area 4
Community engagement

At FEMSA, we take responsibility for the impact that our operations may have on the environment, and we are constantly working to minimize them by investing in new technologies and processes.

We are convinced of the need to work hand in hand with our communities in order to build a more solid society, so we are constantly taking actions to benefit them.



650,054 m³

of water saved in all the operations of Coca-Cola FEMSA during 2011, compared to 2010

\$194.5 million

Mexican pesos (US \$13.9 million) invested in environmental care programs in the nine countries where we are present



\$228.9 million

Mexican pesos (US \$16.4 million) invested in education and community development programs in the nine countries where we operate

2.4 million

people benefited from our community engagement programs

MESSAGE

FROM THE CHAIRMAN OF THE BOARD AND CEO

GRI 1.1, 1.2, 4.2 and SO1 / GC VIII and IX

Our philosophy of simultaneously creating economic and social value has been embodied in every one of the actions we have taken since our founding in 1890, and the way we bring it to life has evolved and adapted to changes in the corporate world and in society over time.



In keeping with our commitment of informing our stakeholders of our economic, social and environmental performance, this report discusses the main actions we took in the area of sustainability in 2011.

For the fourth year in a row, our Sustainability Report followed the guidelines of the **Global Reporting Initiative (GRI G3)** and, for the first time, we are including indicators applicable to the Food Processing Sector Supplement. Our level of compliance with these indicators earned us an **A rating in the GRI application level**. This document also stands as reaffirmation of our commitment to the **United Nations Global Compact**, to which we subscribed in 2005.

This year, we are proud to be one of the first members of the 23-firm sampling of stocks that make up the **IPC Sustainable Index of the Mexican Stock Exchange**, a distinction that inspires us to strive toward continuous improvement in this area.

Every year we work to fortify our sustainability, which is why, as part of our business strategy, we integrate goals and programs into our Sustainability Platform and in 2011, we added a fifth core area, devoted expressly to **Ethics and corporate values**. Although these principles have always been an integral part of our actions, we believe it is important to make a specific commitment to promote and abide by them.

As part of a community, we encourage our employees to play an active role in social duties, and to live as ethical and law-abiding citizens by learning about, keeping and respecting the law. We want to make each of our employees an example of responsible citizenship to their families and to society. Accordingly, we encourage a **Culture of Lawfulness**.

We also took a big step forward by complementing our Social Responsibility Department with responsibilities regarding environmental management and climate change mitigation, consolidating it into the **Sustainability Department**. This new corporate area is responsible for designing sustainability strategies for each Business Unit and supporting each of the areas in incorporating sustainability criteria into their management. This ensures that our strategy is institutionalized, focused, and up to date with social and environmental needs.

After carefully analyzing the terms commonly used to reflect these efforts, we concluded that instead of social responsibility, we would from now on use the term *sustainability*, which better reflects our vision that, in order to operate today and grow over time, we must create social value in the communities where we operate, simultaneously to generating economic value.

In 2011, we closely monitored and studied the events in the global economy and issues pertaining to security in countries like Mexico. FEMSA and all of our Business Units have developed procedures and manuals to identify, evaluate, monitor and inform on risks, responsible personnel, work plans and budget required to manage the issues that have an impact on the business, such as the Risk Analysis Manual, the Incident Management and Crisis Resolution Program (MIRC), and the Business Environment Management Plan.

We keep ourselves focused, committed and in search of innovative solutions that ensure a better life for future generations.

Despite this daunting environment, our operations once again enjoyed vigorous growth in 2011. Coca-Cola FEMSA was strengthened by the talents of **Grupo Industrias Lácteas**, a dairy product company acquired together with *The Coca-Cola Company* in Panama. Our venture into this industry poses challenges to the business, but we are confident that our people can bring about significant progress in the short term. We were also enriched by the competence and experience of the teams from Grupo Tampico's **La Pureza, Grupo CIMSA and Fomento Queretano**, bottling companies that started their merging process into our Mexican operations in 2011. At present, these new members of our team are learning about the FEMSA work philosophy and our system of social development. Meanwhile, FEMSA Comercio kept up a brisk pace of growth, **opening 1,135 new stores during the year**, focusing on better serving its customers' needs and offering them an attractive value proposal.

We believe that in order to exponentially multiply the positive impact we have on communities, we must join forces to enrich our initiatives. For this reason, we are continually forging alliances with groups and institutions that share our vision of social development and growth.

We have progress to share in everyone of our core areas. In Quality of life in the company, the **Integral Talent Management** program was key to our efforts, because we needed to be ready to grow and offer our employees opportunities for advancement.

In Health and wellness within the company, we made further progress in our **Occupational Health and Safety Administration System (SASSO)**, integrating it into new operations and continuing to achieve goals in the existing Business Units. In the external programs, we continued to promote sports in the communities through a number of programs, like **Your Best Move, Integral Development Through Sports**, with which we will reach more than 105,000 children and youth from Mexico City and the states of Nuevo León and Puebla, in Mexico, during this school year, helping improve their health and scholastic performance through technology-assisted sports.

Our Community engagement programs gave us the opportunity of reaching out to more people and contribute to their wellbeing. Through **Coordinates for Life**, together with educational authorities, we seek to encourage more than 7,000 children and youth to develop decision-making skills, and give adults the practical resources they need to guide them. In an alliance with the program *Avancemos*, created by the non-profit organization Ashoka, we

introduced the **Youth with Value** program in the states of Michoacán, Nuevo León and Veracruz, benefiting 360 young people eager to serve as forces for positive change in their communities, by providing them training in social entrepreneurship.

Our commitment to Environmental care is present in our day-to-day actions, and we have important achievements to share, like continuing to serve as **a global benchmark for the entire Coca-Cola system in the efficient use of water**. We have made substantial progress toward achieving our goal of covering 85% of our own energy needs for all our businesses in Mexico by 2013 using wind energy (based on operations at year-end 2010). In 2011, the **Mareña Renovables wind farm** was built in the state of Oaxaca, Mexico, which will be complemented with the clean, renewable energy power generated by the Bee Nii Stipa wind farm, operating since 2010. Our commitment now is to continue seeking out alternative sources of energy to meet the needs of this constantly-growing organization.

In June 2011, FEMSA Foundation, together with The Nature Conservancy (TNC), the Inter-American Development Bank (IDB) and the Global Environment Facility (GEF), announced the start of work on the **Latin American Water Funds Partnership**, which comprises investments of over US \$27 million to create, implement, and capitalize at least 32 Water Funds in Latin America and the Caribbean. These actions will support the conservation of more than three million acres of watersheds that, in turn, could benefit up to 50 million people in just five years. A **Water Fund** is an innovative way to help pay for nature's services and reinvest the revenues in conservation in order to guarantee the quality and quantity of water in the future.

The road to sustainability is a long one, and there are many challenges and opportunities ahead, but we remain determined and committed to seek out new solutions that guarantee a better life for future generations. I invite you to learn more about our **Actions creating Value**.

José Antonio Fernández Carbajal

Chairman of the Board and CEO of FEMSA

MAIN SUSTAINABILITY PROGRAMS IN 2011

CORE AREA	PROGRAM	MAIN RESULTS
 <p>Ethics and corporate values</p>	Whistle-Blower System	A total of 530 complaints were registered, 322 of which have been solved. The remaining ones are in process of being solved.
 <p>Quality of life in the company</p>	OXXO Institute	In Monterrey: 53 students enrolled, and 55 OXXO employees volunteered as teachers. In Mexicali: 21 students enrolled and five volunteer teachers from OXXO.
	Integral Talent Management	Roll out of the program in all of FEMSA's Business Units.
	FEMSA University	Since it started, 74,854 employees have been trained, and during 2011 a total of \$20.4 million Mexican pesos (US \$1.4 million) were invested.
	Inclusive Workplace System	12,528 employees with disabilities, senior citizens or belonging to vulnerable groups integrated to our operations.
 <p>Health and wellness</p>	Occupational Health and Safety Administration System (SASSO)	Recognition from The Coca-Cola Company to SASSO, for fulfilling the highest international standards regarding occupational health and safety.
	Your Best Move, Integral Development through Sports	105,000 students benefited in Mexico City and in the states of Nuevo León and Puebla.
	Let's Play	38 schools, 60 teachers and more than 10,300 students benefited in Colombia, Costa Rica, Guatemala, Nicaragua, and Panama.
 <p>Community engagement</p>	Coordinates for Life	7,000 children and youth benefited in the states of Nuevo León and Puebla, in Mexico, and in Buenos Aires, Argentina.
	Youth with Value	Provides social entrepreneurship training for 360 youth and 40 mentors. Support for 90 social entrepreneurship projects developed by high school students of Nuevo León, Michoacán, and Veracruz.
	OXXO Rounding-Up Program	Thanks to the generosity of our customers, we raised \$107 million Mexican pesos (US \$7.6 million) to donate to more than 201 institutions that work in the fields of health, education and social assistance in Mexico.
	Community Learning Centers	Eight centers in various municipalities of Colombia in an alliance with Tecnológico de Monterrey. More than 2,120 people benefited from training courses.
 <p>Environmental care</p>	Mareña Renovables Wind Farm	By 2013, 85% of FEMSA's operations in Mexico will use wind energy ¹ .
	Reforestation	3.4 million trees planted by FEMSA, Coca-Cola FEMSA, FEMSA Comercio and FEMSA Logística. Coca-Cola FEMSA Mexico planted 31 million trees between 2008 and 2011, exceeding the goal for 2012 of planting 30 million trees.
	Join In, Live our Culture	Significant savings in electric energy, efficient use of water, solid waste recycling and the creation of an environmental care culture.
	Intelligent Store System	74% of OXXO stores now have the Intelligent Store System, decreasing by 14% the average annual consumption of Kw/h.

¹ Based on the size of FEMSA operations as of December 2010.

ADDITIONAL INFORMATION	BUSINESS UNIT	COUNTRY
The Whistle-Blower System is available in all nine countries where we operate, and is administered by an outside company in order to guarantee transparency. The system is open 24/7, year-round, in several languages, so that everyone who wants to make a report can do so confidentially.	FEMSA and all its Business Units	All nine FEMSA countries
Store sales personnel can take an Undergraduate Program in Retail Business Administration.	FEMSA Comercio	Mexico
This system works to make sure the organization is capable of developing talent according to its growth requirements.	FEMSA and all its Business Units	All nine FEMSA countries
FEMSA University is a strategic ally for employees' personal and professional development through classroom and online courses.	FEMSA and all its Business Units	All nine FEMSA countries
We encourage an inclusive workplace that welcomes into our operations, people with disabilities, senior citizens, or members of vulnerable groups.	FEMSA and all its Business Units	All nine FEMSA countries
20 occupational health programs and 12 industrial safety awareness workshops organized by Health and Safety Committees in each workplace.	FEMSA and all its Business Units	All nine FEMSA countries
Promoting sports in a systematic and fun way, helping students improve in areas like concentration, self-control, teamwork, tolerance, physical condition, and others.	FEMSA	Mexico
Organized in partnership with The Coca-Cola Company and the Ministries of Education of each country, the program promotes healthy living and physical activity through sports for children in public primary schools.	Coca-Cola FEMSA	Colombia, Costa Rica, Guatemala, Nicaragua, and Panama
Develops in children and young people between the ages of 10 and 18 good decision-making habits. Provides parents, guardians and other mentors, practical tools for supporting young people in developing life skills.	FEMSA	Mexico and Argentina
Carried out in an alliance with Ashoka, the program promotes, trains and advises the young to manage a social entrepreneurship project so they can make a difference in their communities.	FEMSA	Mexico
Since the program began in 2002, our customers have donated \$537 million Mexican pesos (US \$38.4 million), in support of 1,321 institutions that work for various social causes.	FEMSA Comercio	Mexico
Through these centers, inhabitants of communities that have been torn by the violence of armed conflicts have access to quality educational platforms.	Coca-Cola FEMSA	Colombia
CO ₂ savings will be equivalent to taking 161,903 cars off the road for a year.	FEMSA, Coca-Cola FEMSA, FEMSA Comercio, FEMSA Logística, Imbera, Imbera Servicios, PTM, and Quimiproducos	Mexico
Coca-Cola FEMSA in tandem with The Coca-Cola Company and other organizations promote ambitious reforestation programs.	FEMSA, Coca-Cola FEMSA, FEMSA Comercio, and FEMSA Logística	Brazil, Colombia, Costa Rica, and Mexico
Encourages employees to optimize resources, and promotes the culture of environmental care in all our work centers.	FEMSA and all its Business Units	All nine FEMSA countries
This system contributes to energy efficiency in OXXO stores through environmentally-friendly equipment and technologies.	FEMSA Comercio	Mexico

ABOUT FEMSA

GRI 2.1, 2.2, 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 2.9, 3.7, 3.8, 3.10 and 3.11

Our Roots

Fomento Económico Mexicano, S.A.B. de C.V., FEMSA, was established as a small company with 72 employees in 1890, when visionary businessmen Isaac Garza, José Calderón, José A. Muguerza, Francisco Sada Gómez, and Joseph M. Schnaider founded the Fábrica de Hielo y Cerveza Cuauhtémoc, S.A. in Monterrey, Mexico.

Our headquarters are still in Monterrey, Mexico. Today, we have operations in nine countries of Latin America, and a work force of 177,470 employees.



Coca-Cola FEMSA

Coca-Cola FEMSA is the largest Coca-Cola bottler in the world. It is present in Argentina, Brazil, Colombia, Costa Rica, Guatemala, Mexico, Nicaragua, Panama, and Venezuela with 120 brands, including Coca-Cola, Coca-Cola Light, Sprite, Fanta, Fresca, Lift, Ciel, and Jugos del Valle. This year, the beverage divisions of Grupo Tampico, Grupo CIMSA and Fomento Queretano merged with Coca-Cola FEMSA in Mexico, and the company also ventured for the first time into the dairy market, through its purchase of Grupo Industrias Lácteas in Panama.



FEMSA Comercio

FEMSA Comercio operates OXXO, the largest and fastest-growing convenience store chain in Latin America, with a total of 9,561 stores, 1,135 of which opened in 2011 (a 13.4% growth over the previous year), as well as 13 distribution centers throughout Mexico. To date, OXXO also has 23 stores in Colombia, and participates in different formats such as Bara stores.

Support area: Strategic Procurement

This area offers logistics, refrigeration and point of sale services to FEMSA's subsidiaries and other companies. FEMSA Logística operates in Brazil, Colombia, Costa Rica, Mexico, Nicaragua and Panama. Imbera and Imbera Servicios are present in Argentina, Brazil, Colombia and Mexico; while PTM and Quimiproducos operate in Mexico.

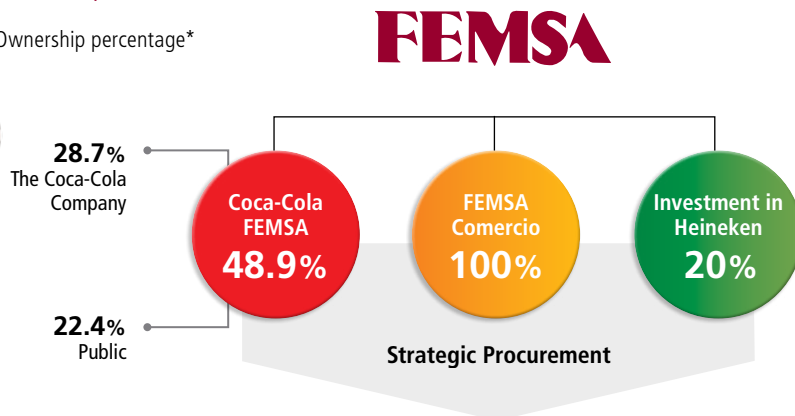


Investment in Heineken

Since January 2010, FEMSA owns a 20% stake in Heineken, making it the second largest investor in this global-scale brewery with operations worldwide.

FEMSA Corporate Structure

Ownership percentage*



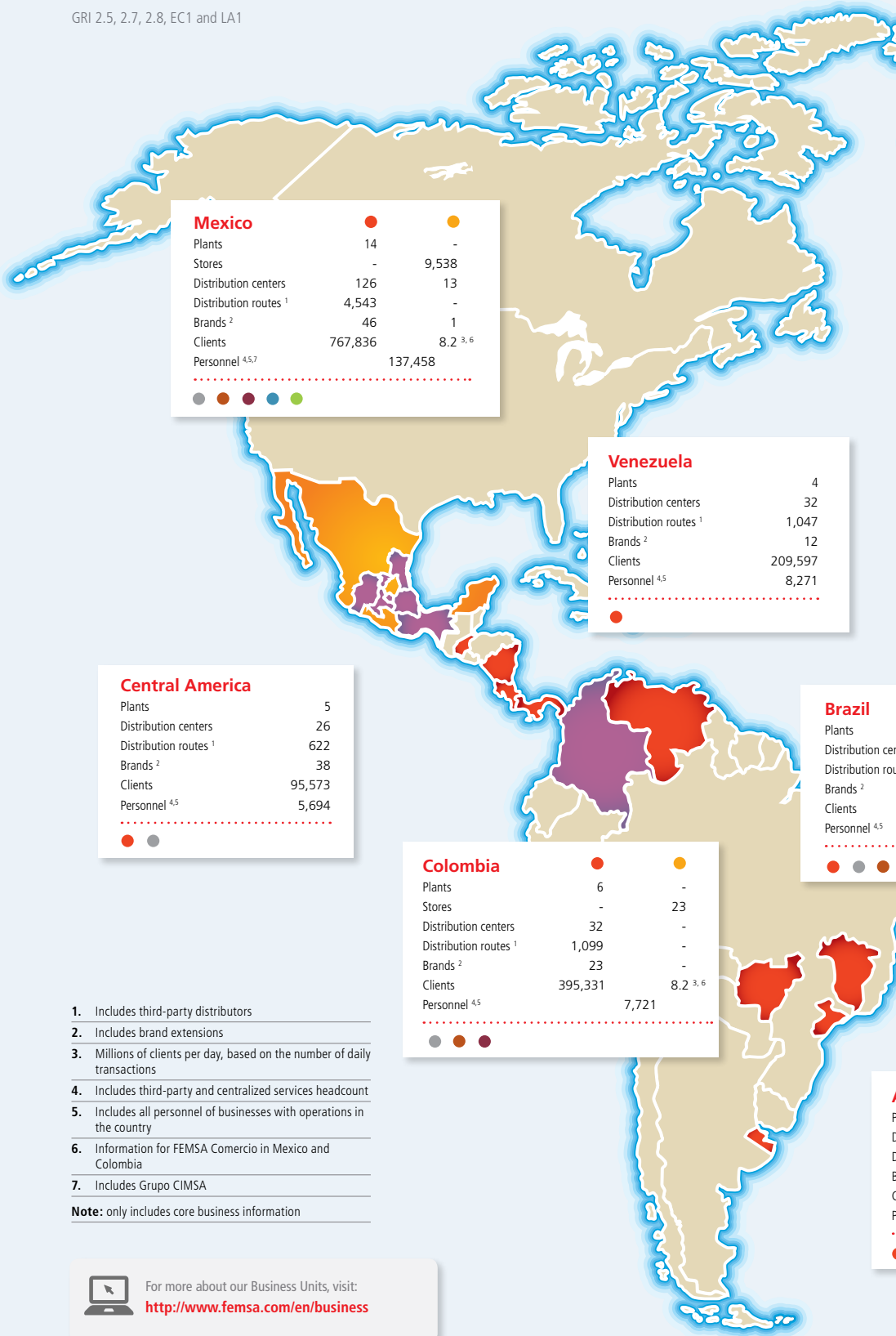
* Includes Grupo Tampico, Grupo CIMSA and Grupo Fomento Queretano.

FEMSA operational overview

GRI 2.5, 2.7, 2.8, EC1 and LA1

Business Units

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



Mexico

Plants	14	-
Stores	-	9,538
Distribution centers	126	13
Distribution routes ¹	4,543	-
Brands ²	46	1
Clients	767,836	8.2 ^{3,6}
Personnel ^{4,5,7}	137,458	

Venezuela

Plants	4
Distribution centers	32
Distribution routes ¹	1,047
Brands ²	12
Clients	209,597
Personnel ^{4,5}	8,271

Central America

Plants	5
Distribution centers	26
Distribution routes ¹	622
Brands ²	38
Clients	95,573
Personnel ^{4,5}	5,694

Brazil

Plants	4
Distribution centers	28
Distribution routes ¹	1,745
Brands ²	33
Clients	190,997
Personnel ^{4,5}	14,323

Colombia

Plants	6	-
Stores	-	23
Distribution centers	32	-
Distribution routes ¹	1,099	-
Brands ²	23	-
Clients	395,331	8.2 ^{3,6}
Personnel ^{4,5}	7,721	

Argentina

Plants	2
Distribution centers	5
Distribution routes ¹	303
Brands ²	30
Clients	77,350
Personnel ^{4,5}	4,003

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

Note: only includes core business information



For more about our Business Units, visit:
<http://www.femsa.com/en/business>



Economic impact

177,470 direct jobs
generated by FEMSA

us \$14.554 billion
total income

us \$19.691 billion
in assets

More than 410,000 indirect jobs generated by
Coca-Cola FEMSA*

us \$2.474 billion
in capital expenditure (Capex)

us \$1.768 billion
in taxes paid in 9 countries

1,135 new OXXO stores in Mexico; 3 stores
opened daily

us \$159.6 million
paid to suppliers

us \$14.580 billion
in Direct Economic Value
Generated¹

us \$474.8 million
in dividends to shareholders

* According to data from the National Association of Soft Drink and Carbonated Beverage Producers (ANPRAC), every direct job in this industry generates 5.2 indirect jobs.

¹ Direct Economic Value Generated= Net Sales + Income from Investments + Asset Sales

GRI 4.14, 4.15, 4.16, 4.17, and PR5

Dialogue and relations with stakeholders

We have identified our stakeholders and we define them as individuals or organizations with which we have a clear engagement. Among them are: employees and their families; neighbors; governments and civil organizations; shareholders and investors; suppliers, clients and consumers; industries; unions; educational sectors and communication media.

An ongoing dialogue with our stakeholders is a way to improve our processes and forge lasting relationships of trust. Each group is different, which is why we have set up specific areas and communication channels in each of our businesses to get to know them and address their concerns and opinions.

Through these communication channels, we get to know our stakeholders' concerns, opinions and suggestions. In 2011 these were related to environmental performance, water efficiency, solid waste management, product portfolio; product management of drinks limited to children; social investment criteria, business growth, among others.

As an example, FEMSA Comercio has several channels available:

The toll-free **OXXO Listens hotline, the section Contact Us at www.oxxo.com and the e-mail atencionaclientes@oxxo.com**, available to OXXO store customers. In 2011, a total of 17,652 incidents were handled by OXXO Listens. The breakdown by report was mostly as follows: store operation (26.9%) services (16.3%), request to pay services and utilities (14%); request for information on working at OXXO (12.5%); offerings of land and commercial premises (10%); electronic billing (9.1%); prices and promotions (5.6%).

The toll-free **ATIENDA** employee hotline, and the web-based tool **ATIENDA on-line**, aimed at employees, fielded 2,506,099 reports. The category break down is as follows: Marketing and Supply (83.4%); General Maintenance (11.9%); Administration (2.1%); Human Resources (2.0%); Operations (0.6%).

Dialogue channels with stakeholders								
	Whistle-Blower Hotline	1-800 Line	E-mail / web site	DICOYES*	Community studies	Specialized areas	Dialogue meetings	Forum participation
Employees and families								
Community								
Clients and consumers								
Suppliers								
Shareholders and investors								
Authorities, unions and business associations								
Non-profit organizations								
Press								
Educational institutions								

* Organizational Climate Diagnosis and Sociometric Study

CONTINUOUS BIANNUAL VARIABLE

GRI 4.12, 4.13, S05, and EC4

Inter-sector alliances

Alliances are a way to multiply the positive impact of our programs on society, and guarantee that these programs can be sustainably continued. Since our founding in 1890, we have worked alongside many organizations for this purpose, and have contributed to the creation of institutions and legacies that continue to have an impact in Mexico and abroad. One example of this was our role in founding the **Tecnológico de Monterrey**, the creation of the **Center for Economic and Social Value Integration (CIVES)** of the *EGADE Business School* at the **Tecnológico de Monterrey**, our work with the **High Council on Reintegration** in Colombia, and our collaboration with the organization **SOS Mata Atlântica** on reforestation programs in Brazil, among others.

In 2011, in Mexico alone, we participated in 17 **confederations, chambers of commerce, associations, institutions and organizations**, national and international, public and private. We seek participation in groups that share our concerns on matters of business, education, community support, and the environment, in which we are present in their governance bodies, operation, and contribute economic and/or in-kind support to projects that benefit our stakeholders.

Coca-Cola FEMSA is a member of various business associations in the nine countries where it operates, and sits on the boards of at least 17. In Argentina, for example, we are part of the Argentine Soft Drinks Industry Chamber (CADIBSA); in Colombia, the National Association of Colombian Businessmen (ANDI); in Costa Rica, the Costa Rican Food Industry Chamber (CACIA); in Nicaragua, the National Chamber of Industry; in Panama, the Chamber of Commerce and Industry; and in Venezuela, the Venezuelan Food Industry Chamber (CAVIDEA) and National Soft Drinks Association (ANBER).

FEMSA Logística sits on the board of governors of CAINTRA, CONCAMIN and the Mexican National Private Transport Association (ANTP).

As part of the community, and in the interests of preserving conditions that can stimulate economic and social development, we maintain a respectful, ongoing dialogue with groups and individuals who are responsible for public policy. Based on our values, our policies and the FEMSA Business Code of Ethics, we establish relations with these authorities in full respect for the law and in an open and above-board manner.

In compliance to the laws of each country, during 2011 we received \$77.4 million Mexican pesos (US \$5.5 million) as financial stimulus in Brazil, Mexico and Nicaragua due to the promotion to investigation, culture and arts, as well as export credit and investments.

SOME OF THE ASSOCIATIONS TO WHICH WE BELONG

- **ANPRAC**
(National Association of Soft Drink and Carbonated Beverage Producers, Mexico)
- **ANTAD**
(National Association of Supermarkets and Department Stores, Mexico)
- **ASCOCA**
(Association of Coca-Cola Bottlers)
- **CAINTRA Nuevo León**
(Nuevo León Manufacturing Industry Chamber, Mexico)
- **CANACINTRA**
(The National Manufacturing Industry Chamber, Mexico)
- **CANACO**
(National Chamber of Commerce, Mexico)
- **CCE**
(Business Coordinating Council, Mexico)
- **CEMEFI**
(Mexican Center for Philanthropy)
- **CESPEDES**
(Commission for Private-Sector Studies in Sustainable Development, the Mexican branch of the World Business Council for Sustainable Development)
- **CONCAMIN**
(Confederation of Industrial Chambers, Mexico)
- **COPARMEX**
(The Mexican Confederation of Employers)
- **Mexican Nature Conservation Fund**
- **Red SumaRSE** (Mexico)
- **TEC-ASU Sustainability Institute**
(Tecnológico de Monterrey-Arizona State University)
- **World Environment Center**



GRI PR1, PR2, PR3, PR4, PR5, PR6, PR7, PR9, FP5, FP6, FP7, and FP8

Responsible marketing

Aware of the importance of providing reliable information on our product's characteristics, we comply with the regulations regarding labeling and information for our customers in each of the countries where we operate.

In our beverage business and as partners of The Coca-Cola Company, we follow the Global Responsible Marketing Policy, which, among other things, guarantees that advertising will not be bought in media where more than 35% of its target market is composed of children under 12. This policy applies to television, radio, printed materials, the Internet and mobile phones. We are committed to monitoring and measuring our adherence to this policy across all the markets we serve.



For more information about this policy, please visit:

http://www.thecoca-colacompany.com/citizenship/responsible_marketing.html

In Mexico, as bottlers of The Coca-Cola System, we adhere to the Self-Regulatory Code on Children's Food and Soft Drink Advertising (the PABI Code), which works towards responsible advertising in the area of health, consumer protection, and dietary guidance.

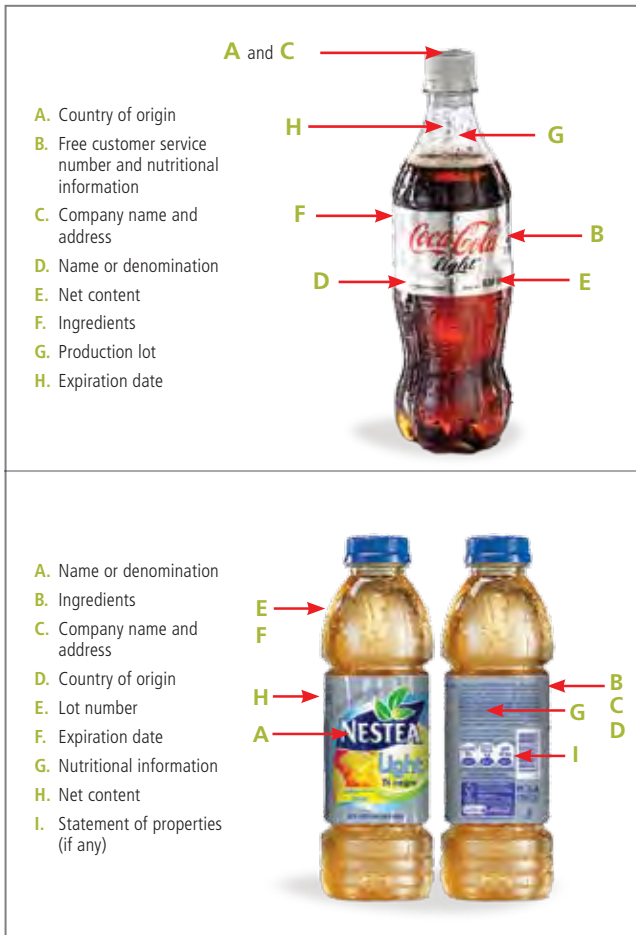
We promote the appropriate and healthy consumption of our products; therefore at Coca-Cola FEMSA our goal is to offer our customers a wide array of products in various forms to adapt to the varying needs for hydration and refreshment. Today we have categories like Coca-Cola, non-cola soft drinks, ready to drink iced tea, sports beverages, fruit-based juices and drinks, water, dairy products, energy drinks, coffee and vitamin-enriched beverages.

In total sales of Coca-Cola FEMSA beverages, 5.1% are products low in sugars and 1.5% are beverages enriched with vitamins, fibers, minerals, or added nutritional supplements.

The Coca-Cola Company evaluates the impact of our products on customer health and safety throughout the various phases of the product's life, and for every one of our products. Coca-Cola FEMSA also has an **Integral Quality System** that ensures our compliance with hygiene and quality standards set by The Coca-Cola Company.

Regarding the products subject to specific regulations on their sale, like alcoholic beverages, cigarettes and medicines, we work together with the vendors of these products to ensure that the laws are respected in all of our OXXO stores. We also have programs to ensure that sales policies on this type of product are respected through constant monitoring and ongoing education of store managers. Because of these measures, in 2011 we received no complaints on the sale of restricted products to minors.

As a result of these practices, in 2011 our business received no reported incidents in which governmental regulations on the health and safety of our clients were violated.



GRI EC6, EC9, FP1, and FP2

Value chain

We know that the responsibility to customers and suppliers does not end with our commercial relationship. As a leading company, we seek to forge long-term ties with our commercial partners based on mutual trust.

We have a **Supply Committee** made up of representatives from the supply areas of all of our Business Units, which aligns criteria and creates synergies in the area of provisioning.

In 2011, we took steps to incorporate sustainability into our relationship with more than 69,300 suppliers. For example, a program we launched in Mexico in 2010 began with a diagnosis of the composition of our value chain, and then proceeded to analyze risks and impact according to each commercial sector. Afterwards,

a questionnaire was sent to a sampling of suppliers in order to gauge their level of maturity in sustainability issues, and thus to define priorities to be addressed in the various sectors to which these suppliers belong. This program is divided into three basic areas: **the incorporation of social and environmental criteria in our purchasing processes; educating suppliers in sustainability matters, and introducing joint programs to solve mutual needs.** As an example of some of the actions taken, we have an agreement with the cleaning and maintenance services supplier at our corporate headquarters in Monterrey, Mexico. Under this alliance, the opportunity to complete basic education is offered to whoever is interested. For this program, we have the support of the National Association for Adult Education (INEA). We believe it is highly important to make it possible for adults to continue their studies so they can improve their self-esteem and stability, and to encourage our suppliers to provide their employees with plans for career advancement within the company.

Furthermore, in the interest of developing the potential of local economies, we always strive to work with as many local or national suppliers as possible in the countries where we operate. Among FEMSA suppliers in the nine countries with operations, 94.7% of the total was of national origin.

GRI HR1, HR2, HR6, HR7, FP1, and FP2 / GC I, II, IV, and V

We guarantee that all of our operations are undertaken with full respect and compliance with the principles of human rights, for our employees and for the communities and groups with whom we interact. Our **Whistle-Blower System** and our corporate policies allow us to detect and address any complaint regarding possible violations. This criteria extends to the process of analysis we follow when making capital investments or acquisitions.

Regarding acquisitions in 2011, none of the investment agreements required a specific clause to address human rights' protection, due to the fact that they were not in risk of being violated.

Regarding responsible supply policies and standards, we comply with The Coca-Cola Company's **Supplier Guiding Principles**, a set of guidelines for the promotion and respect of human rights in the workplace. Our leading suppliers and distributors receive authorization only if they comply with these principles.

In compliance to the applicable laws in each of the countries where we operate, our corporate policies, and the United Nations Global Compact, child and forced labor are forbidden at FEMSA. We are aware of the need to extend this commitment to our value chain, through suppliers and third-parties. In order to avoid the possibility of such events, we have control processes that help us to ensure that third parties that provide any service comply with legal obligations.

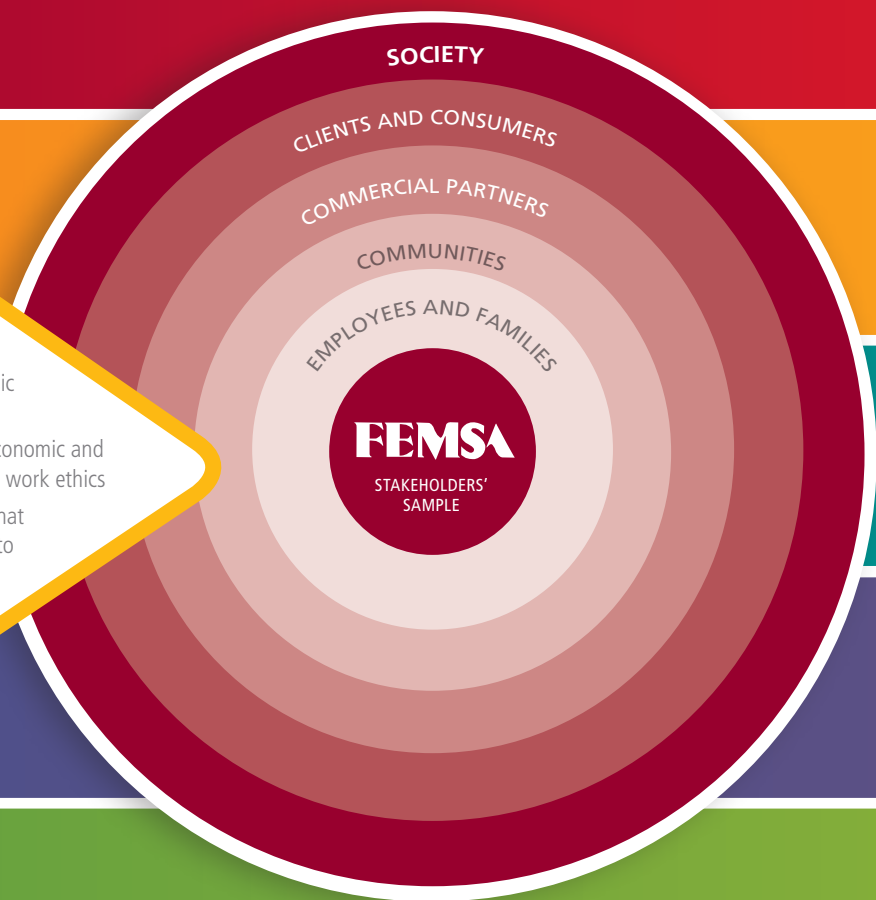
FEMSA SUSTAINABILITY PLATFORM

GRI 1.2, 4.12, 4.14, and 4.15

Looking forward to ensure the sustainability of our business and keep creating value, we take into account our stakeholders' needs onto our Sustainability Platform, which consists on three pillars that allow us to properly manage these issues:

The actions that make up our sustainability platform are inspired by two basic principles:

1. to simultaneously generate economic and social value, which is part of our work ethics
2. to mitigate risks and ensure that we have created the conditions to grow and continue operating in the future.



SUSTAINABLE OPERATIONS

A **A methodology** for a comprehensive environmental management, by which our operating areas can identify, analyze and define action programs to address the key risks relating to sustainability.

B **An operational approach** involving programs and goals, based on our five core areas of corporate social responsibility, which keeps us focused and aligned regarding issues relating to our business.

C **Clear guidelines and processes** that allow us to work in a consistent and systematic manner.

Defines the commitment to acting, deciding and organizing ourselves in accordance with our corporate values and culture, with the highest standards of business ethics and corporate governance, and all the laws of the countries where we operate. We seek to set the example and share this commitment with the communities with which we interact.



Core area 1
Ethics and corporate values

Encourages integral development of our employees and their families through programs that support their professional and personal advancement.



Core area 2
Quality of life in the company

Promotes an attitude of health, self-care, nutrition, and physical activity, both within and outside the company.



Core area 3
Health and wellness

Develops education and learning projects that improve the quality of life in the communities where we operate.



Core area 4
Community engagement

Establishes guidelines that result in actions to minimize the impact that our operations might have on the environment and create a broader awareness of caring for our environment.



Core area 5
Environmental care

FUNDACIÓN
FEMSA

FEMSA Foundation is the social investment instrument of FEMSA focused on promoting replicable, long term projects for Latin American communities. Its work is divided in two strategic areas:

Sustainable Development of Water Resources
Focused on: sustainable use and conservation of water

Quality of Life
Focused on: Nutrition, physical activity and biotechnology

FEMSA Foundation seeks to derive more benefits from strategic alliances that allow to multiply resources and efforts to create a better future for everyone.

SOCIAL LEGACY

EVOLVING TOWARDS SUSTAINABILITY

GRI 4.12

Over more than a century of corporate existence, we have worked to generate economic and social value for our employees and their families, shareholders, suppliers, customers, and communities where we operate.

These practices have evolved over time, and our sustainability platform has been enriched and matured over more than 120 years.

The following are some of the highlights and programs developed over the past five years:



Coca-Cola FEMSA is the first company to join Colombia's program for reintegrating citizens displaced during the guerrilla war in that country, through the **Time Bank program**.

- The **FEMSA Biotechnology Center** opens.
- FEMSA creates a **Department of Corporate Affairs** and **Department of Community Affairs and Social Responsibility**, to consolidate and align efforts in these areas.
- The first **Corporate Social Responsibility Report** under the Global Reporting Initiative (GRI) standards is published.
- The first **Healthy Space** fitness center is opened at Coca-Cola FEMSA's Alcorta plant in Buenos Aires, Argentina.

2007	2008
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- **FEMSA University** begins operations, meeting the need for comprehensive training of our employees.
- We support the **integration of social responsibility in small and mid-sized companies** who are FEMSA suppliers in Monterrey, Mexico, through a joint program with the Universidad Anáhuac Centro IdeaRSE and the Inter-American Development Bank.
- FEMSA Logística receives the **National Safety Award** for the second year in a row from the Mexican National Private Transport Association (ANTP).

FEMSA Foundation is created, and its first action is to create the Water Center for Latin America and the Caribbean, together with Tecnológico de Monterrey and the Inter-American Development Bank.



To learn more about the company's history and its evolution towards sustainability, please visit:

<http://www.femsa.com/en/about/history/>



The first **Water and Sanitation Prize for Latin America and the Caribbean** is awarded, sponsored by FEMSA Foundation and the Inter-American Development Bank.

- FEMSA pledges to ensure that its Mexican operations draw more than **85% of their electrical supply from wind energy** by 2013.
- First intervention by the **Disaster Response Water Purification Vehicle (Come for Water)**, through which FEMSA Foundation brought fresh water to disaster-stricken zones of Veracruz, Mexico.
- First FEMSA Sustainability Report verified by independent auditing firm KPMG.**



FEMSA creates the **Sustainability Department** which also embraces responsibilities for environmental management topics at the corporate level.

2009

- The **21K OXXO** race in the state of Chihuahua, Mexico was held for the 19th time, attracting more than 1,500 sports enthusiasts from Mexico and around the world, people with physical and mental challenges, and indigenous people from the Sierra Tarahumara of that state.
- For the fourth year in a row, the Mexican Center for Philanthropy awards FEMSA's Business Units the **Socially Responsible Company** Distinction.
- FEMSA Foundation conducts its **first four studies of Mexican watersheds.**
- For the first time, the **Latin American Journalist as Agent and Leader of Social Development diploma** is offered in a partnership with the Tecnológico de Monterrey, in which scholarships are offered to Latin American journalists.

2010

The program **Your Best Move, Integral Development through Sports** is implemented in Mexico City schools, in order to develop children's abilities and competences through physical activity.



2011

- FEMSA Foundation, together with The Nature Conservancy and the Inter-American Development Bank, promotes and launches **Water Funds**, a mechanism for conserving watersheds.
- The **Coordinates for Life** corporate program is created to help children and young people between 10 and 18 years of age, develop their abilities to take responsible decisions, as well as to strengthen educational tools in teachers, parents, and tutors to support developing life skills in the young.
- In an alliance with Ashoka, the **Youth with Value program** is promoted, to train young social entrepreneurs in the states of Nuevo León, Michoacán, and Veracruz, in Mexico.
- With seed capital granted by FEMSA in 2009, the **Center for Economic and Social Value Integration (CIVES)** starts operations at the Tecnológico de Monterrey EGADE Business School.



Core area 1

Ethics and corporate values



GRI 4.8

We have a work culture based on values, which we have been putting into practice since our founding. Over time, we have adapted our mission and business vision, but they have always rested on the firm foundations of respect for human dignity, which stands above any economic consideration.

MISSION

- To satisfy and please the beverage consumer with excellence.

VISION

- To double the value of our businesses every five years.
- To generate a substantial proportion of our income in foreign markets and currencies.
- To provide our stockholders an attractive return on their investment.
- To be leaders in the markets in which we participate.
- To contribute to social development.

VALUES

- Passion for service and focus on the client/consumer.
- Innovation and creativity.
- Quality and productivity.
- Respect, integral development, and excellence of our employees.
- Honesty, integrity, and austerity.

FEMSA Business Code of Ethics and Whistle-Blower System

GRI SO2, SO3, SO4, SO7, SO8, EN28, PR8, PR9, HR4, and HR9 / GC X

Our policies, rules and procedures are clear, and ensure that every one of our actions is in keeping with the laws, regulations and ordinances of the countries where we operate.

Every year, we review our corporate documents and, in 2011, adjustments were made to the FEMSA Business Code of Ethics and Corporate Policies. Among the primary changes and additions were the incorporation of the issues of **sustainability, social commitment and legality**, as part of our business strategy and in keeping with our institutional purpose of simultaneously generating economic and social value.

The **Code of Ethics** and the **Whistle-Blower System** are widely spread in our workplaces to ensure that 100% of our employees are aware of their existence. They are available for any stakeholder through our intranet, the institutional website on the internet, as well as through toll-free lines. Both are available in all nine countries where we operate, 24 hours a day, 365 days a year, and in various languages, so that anyone who wishes to file a report can call in absolute confidentiality. The Whistle-Blower System is staffed by an independent company, in order to guarantee transparency and objectivity.

Through this system, 530 complaints were filed in 2011, most of them related to mismanagement, work harassment, theft, and a few to sexual harassment, discrimination and violation of human rights. Every claim was addressed and, by year-end, 60.75% of them had already been solved, while the rest are in the process of being solved. In those cases where some infraction was proven, the measures taken ranged from an admonition to dismissal or legal action, depending on the gravity of the charges. Regarding indigenous communities, we did not receive complains on discrimination or violation to human rights.

During this year, the Federal Law on Protection of Personal Data was published, to which FEMSA adheres, thus, in 2011, there were no requirements or complaints about the theft of personal data or violation of our clients' privacy.

Because of our strong system of corporate governance, during 2011, the company was not cited by the authorities for any monopolistic or anti-competitive practices. We also received no significant sanctions or fines for violation of laws in the countries where we operate, of environmental regulations, or regulations regarding the usage and supply of goods and services.



The FEMSA Business Code of Ethics is available on our website at:

http://www.femsa.com/en/about/philosophy/code_of_ethics.htm

GRI 4.4, 4.6, 4.9, and 4.12

Corporate governance

In order for companies and institutions to endure, it is important that their rules of action are clearly and correctly communicated, and the primary tool for achieving this is strong corporate governance.

FEMSA's corporate governance covers all of our Business Units and all the countries where we are present. We comply with national and international standards of operation, like the **U.S. Sarbanes-Oxley Act**, the **Code of Best Corporate Practices** established by

This year, we incorporated into our corporate documents topics such as sustainability, social commitment, and legality.

Mexico's Business Coordinating Council, and the guidelines of the Mexican and New York Stock Exchanges. This year, in recognition of our solid management and our sustainability programs, FEMSA and Coca-Cola FEMSA were included in the **Mexican Stock Exchange's Sustainability Index**.

GRI 1.2, 4.1, 4.3, 4.4, 4.5, 4.7, 4.9, 4.10, 4.11, LA13, SO2, SO3, and SO4

Board of Directors

Our Board of Directors is made up of 17 highly experienced and honorable proprietary members, 13 men and four women; in compliance to Mexican law, more than 25% of our members are independent. Under Mexican law, board members are elected for a one-year period in the Ordinary Shareholders' Meeting, which is also responsible for overseeing the Board's performance. Economic compensation for Board members is based on the practices by similar companies. The Board has the support of three Committees:



Each Committee is responsible for evaluating performance, risks, and opportunities, and for supervising FEMSA guidelines and corporate projects. The committees meet at least on a quarterly basis.

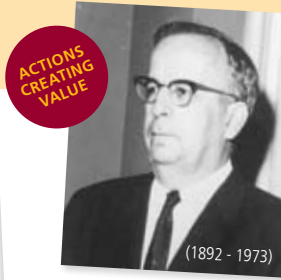
Our shareholders and investors have several channels of communication with the Board of Directors, by which they can present their recommendations and concerns. The Investor Relations areas of FEMSA and Coca-Cola FEMSA are in charge of these communications, which can take place online or in person. In 2011, our investor relations executives attended more than 1,130 events with investors.

This year, we grieve the death of Alexis Rovzar de la Torre, a member of the Board of Directors since 1998. His example will continue to guide all of us.

GC X

Managing our environment

The normative structure of our Corporate Government system is incorporated in documents such as FEMSA's **Business Code of Ethics, Corporate Policies Manual, Risk Management Manual** and **Internal Audit Manual**.



The Cuauhtémoc Principles

Don Eugenio Garza Sada, a renowned business leader and a driving force in FEMSA's history, promoted this set of principles for action that remain a very present force in our day-to-day activities. The following briefly lists these principles:

- I. Recognize the merit of others.
- II. Control your temper.
- III. Never mock others.
- IV. Be polite.
- V. Be tolerant.
- VI. Be punctual.
- VII. If you are vain, don't let it show.
- VIII. Do not alter the truth.
- IX. Let others have their say.
- X. Express yourself concisely.
- XI. Refine your vocabulary.
- XII. Make sure you enjoy your work.
- XIII. Acknowledge the enormous value of the manual laborer.
- XIV. Consider the interest of the business rather than your own.
- XV. Prefer analysis above inspiration or intuition.
- XVI. Be committed to your work.
- XVII. Be modest.

We are continually vigilant about corruption in our internal operations and in our interactions with various stakeholders. In 2011, there were no incidents involving corruption of employees in our operations. When we detect an operating area that may be at risk of corruption or bribery, we take the necessary measures to avoid it. Starting in 2012, we even required our vendors to sign the FEMSA Business Code of Ethics, in order to align our relationship around fundamental values and principles.

The annual strategic planning and management processes of each of our Business Units have incorporated the evaluation of risks related to environment (social, economic, and environmental), financial, compliance, and operational issues, as well as those related to fraud, bribery or extortion.

The permanent identification, valuation, mitigation, monitoring and evaluation of risks are part of the **Business Integral Management System**. The evaluation of its effectiveness is responsibility of the Audit Committee of FEMSA's Board of Directors.



For more about our financial, fiscal, corporate governance, and regulatory issues, you can consult Form 20F at: <http://ir.femsa.com/en/sec.cfm>

Core area 2



Quality of life in the company

Our people are the engine that drives FEMSA's development. For this reason, we work on being an inclusive company and offering the conditions necessary for the full professional and personal advancement of our employees and their families. We strive to always respect the principle of human dignity, above any economic consideration.



**ACTIONS
CREATING
VALUE**

A man in a dark suit, light blue checkered shirt, and dark blue tie is holding up his right hand, palm facing forward. The text is printed on his palm. The background is a blurred office interior with a grid pattern.

+ \$337.1
million Mexican
pesos (US \$24.1 million)
in education, training,
and family development
programs, in the nine
countries where we operate.

More than
5,990 people
joined FEMSA's Business
Units through our Inclusive
Workplace System.

Since its beginning,
74,854 employees
have received training through FEMSA
University, with an investment in
2011 of \$20.4 million Mexican pesos
(US \$1.4 million).



PROGRAM:

FEMSA Social Development System



**ACTIONS
CREATING
VALUE**

OBJECTIVE:

To promote quality of life among our employees and their families through the integral development of the individual.

DESCRIPTION:

This system promotes the social and personal development of our employees and their families through various activities and programs, services and benefits that promote their quality of life.

The system is managed by committees integrated by FEMSA employees. The seven dimensions on which it works are:

Labor: We promote learning and development among our employees and their families, so they can have access to better labor opportunities.

Education: We promote the ongoing development of their intellectual and cultural wealth.

Economic: We encourage our employees and their families to protect and build their equity, adjusting it to present and future needs.

Health: We promote healthy lifestyles and safe behaviors within and outside the work environment.

Values: We understand and live the human values that make each of us a better person.

Family: We promote family development so that it can provide a strongly integrated nucleus of affection.

Social: We promote the development of our employees and their families as responsible citizens, committed with their community, society and the environment.

LOCATION:

All nine countries where FEMSA operates: Argentina, Brazil, Colombia, Costa Rica, Guatemala, Nicaragua, Mexico, Panama, and Venezuela.

ACTIONS 2011:

- Sociedad Cuauhtémoc y Famosa in Monterrey, Mexico, conducted 28 ongoing sports, culture, recreational and training programs that were attended by 90,838 participants.
- A total of \$32 million Mexican pesos (US \$2.3 million) were invested in promoting social development at Coca-Cola FEMSA, through 1,000 activities.

COMMITMENT:

To transmit our work philosophy and social development to employees and their families in all of FEMSA's operations, particularly in new businesses incorporated in 2011.

Company and employees, always working together, have given continuity to the Social Development models since 1918. An example is Sociedad Cuauhtémoc y Famosa, which has seven Social Development Centers, 65 affiliates in Mexico, and an affiliate in Argentina.

OPERATING MODEL

Humanist History and Philosophy

Vocal Leaders

Participative Models

Services and Benefits

FEMSA acts according to a humanist philosophy based on the dignity of the individual, where solid business results are based on the integral development of the individual and their family.

Actively contribute with commitment and conviction, to the integral development of employees and their families.

FEMSA's Social Development is carried through the cooperation and involvement of employees and leaders in the definition, implementation, evaluation and improvement of programs and activities intended for FEMSA families.

Programs, activities, services and benefits that all together seek to transmit transcendental values, promote work and savings, encourage a human philosophy at work and be a school for leaders.



FEMSA Social Development





PROGRAM:

Integral Talent Management

**ACTIONS
CREATING
VALUE**



OBJECTIVE:

- Generate an **organizational capability** for Talent Development.
- Further accountability in talent management by FEMSA's leaders, which are responsible for the individual and group development.
- Build a **systematic vision** of talent management through an alignment of criteria (processes, distinctions, focuses, etc.).
- Provide **strategic information** for decision-making through indicators that allow us to obtain visibility on development processes and generate future scenarios.

DESCRIPTION:

The Integral Talent Management model is based on three pillars:

1. **Strategic Alignment:** according to needs and requirements of the business.
2. **Systemic Vision:** a holistic vision of the processes in human resources, managing capacities and behaviors of employees to achieve strategic goals.
3. **Business Focus:** the management efficiency is measured in terms of the contribution to the business objectives.

We must develop organizational capabilities that will allow us to attract, develop, and retain the best talent.

LOCATION:

All nine countries where FEMSA operates: Argentina, Brazil, Colombia, Costa Rica, Guatemala, Nicaragua, Mexico, Panama, and Venezuela.

ACTIONS 2011:

Definition and design of the full model.

Progress on strategy definition, competence development, talent management, and succession management.

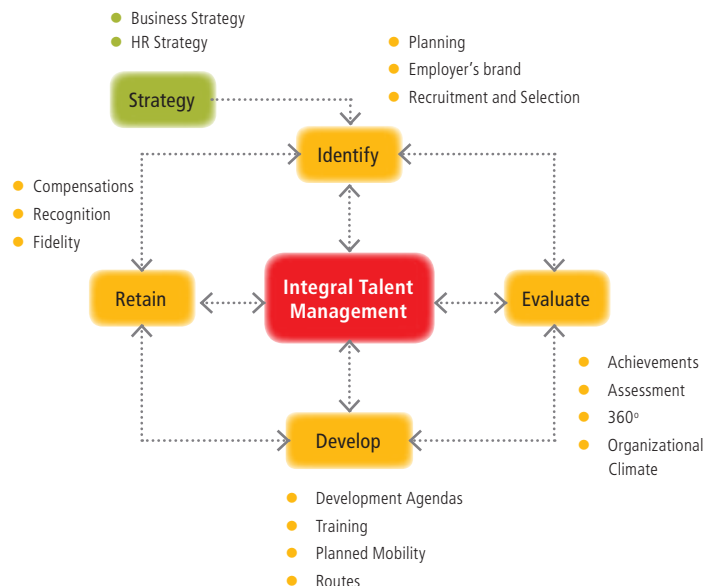
Involves all of FEMSA's Business Units in developing the model and definition of Talent Management and Training processes.

COMMITMENT:

Consolidate this model as a part of FEMSA's workplace culture.

In 2012, we will be working on Leadership Development, Culture Acquisition, and Integral Recognition.

OPERATING MODEL





Core area 2

Quality of life in the company



We are well aware that this company's development is intrinsically linked to the development of our employees. We strive to facilitate this process through our actions and programs, creating tools that ensure that we can meet our goals and retain our talent. We do this by offering the same opportunities to all with no discrimination whatsoever, and we include the families of our employees in these actions and programs, offering them room to grow together.

The following are some of our initiatives in the area of quality of life in the company, beginning with those implemented by all FEMSA companies. Then, aware that each Business Unit has specific needs to address, we will mention the programs that were the most representative during this year.

Talent attraction and retention

GRI EC3, EC5, EC7, LA1, LA3, LA4, LA13 and LA14 / GC VI

Because we operate in many different countries, we know that diversity enriches our work force. That's why we incorporate **objective equality** criteria into the hiring and promotion of employees. Our policies and Business Code of Ethics prohibit discrimination of any nature.

We want to be the best place to work no matter where we operate. This is why, besides offering attractive development plans, we try to attract and retain highly talented employees, offering

competitive wages and benefits, ensuring that men and women working in similar jobs, with similar experience, receive the same pay for their work, and we base our job evaluation exclusively on how well the person carries out the duties assigned to them. We comply with and respect labor laws in all the countries where we operate, and our wages, benefits and salaries are determined according to these rules. We match or exceed established minimum wage requirements and make no distinction between permanent and temporary workers.

Additionally, FEMSA has established support schemes for retirement, so that when the time comes for our employees to leave the

Jobs created by age group and gender*								
	18-34		35-44		45+		Total	
	2010	2011	2010	2011	2010	2011	2010	2011
Women	36,675	35,723	6,973	12,427	2,088	6,389	45,736	54,539
Men	72,184	81,022	25,593	28,090	10,289	13,819	122,930	122,931
Total	108,859	116,745 ¹	32,566	40,517	12,377	20,208	153,802	177,470

* Total in all nine countries, including Grupo CIMSA

¹ 159 employees between 15 and 17 years old.

Jobs created by gender and type of contract*										
	Employees		Unionized		External contractors		OXXO store commissioner ¹		Total	
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
Women	6,567	8,206	12,454	18,179	1,899	3,603	24,816	24,552		
Men	23,133	27,417	47,894	54,017	17,230	17,153	19,809	24,344		
Total	29,700	35,323	60,348	72,196	19,129	20,755	44,625	48,896	153,802	177,470

* Total employees in the nine countries with operations, including Grupo CIMSA

¹ Only in Mexico

Training to Grow



ACTIONS
CREATING
VALUE

For Guadalupe Hernández, Operations Manager in Costa Rica and Nicaragua, FEMSA Logística is her second home. When she graduated from college 10 years ago, she went

out to look for a job. She was called for an interview at the Vehicle Service Workshops, and that was where her career with the company began.

"I'm always learning something," she tells us, "both about the operation and about the people around me. The training I've received over these years has prepared me not just for my work, but for life."

The FL Institute and FEMSA University have given me tools, opportunities for international growth, that have helped me develop my skills and fine-tune the knowledge I already have. Four years ago they gave me a chance to participate in a startup of operations abroad, and when I came back to Mexico they made me Chief of Operations and later, Operations Manager for Costa Rica and Nicaragua in FEMSA Logística. I'm the first woman ever to hold that post in this company." Guadalupe has the support of her family and friends, and considers FEMSA Logística a place for people to grow. "The key to growth is being prepared, giving a little extra every day, never losing your curiosity or your thirst for learning. FEMSA gives you the tools you need, and there's no limit; just what you set for yourself."

The OXXO Institute offers store managers the opportunity to study a Bachelor's Degree In Retail Company Management.

company, they have a decent pension. Therefore, in all countries where we operate, we have **pension schemes** that abide by the applicable legislation of each one of them, creating the necessary reserves so that funds are administrated independently to business operation resources.

We seek to integrate into the communities of every country where we are present, and to hire as many local employees as possible. This is why 78.2% of our **management positions are held by people from the country where they are working.**

We frequently develop pilot programs from which we learn, and which we then replicate. Such is the case of the breast-feeding lounges that we created in 2010. By the end of 2011, we already had 20 such facilities. Progress was made in the pilot test regarding flex time, which we established to identify the best way to retain employees that need to work with other schemes. Using the results of the past year, we will plan our actions for 2012.

In order to guarantee that we have the tools to encourage the full advancement of our employees without limitations of any kind, we developed the **FEMSA Diversity Model** in 2011, which consists of six areas of action:

- Gender** Encourage gender equity at FEMSA

- Persons with disabilities** Incorporate these persons to the diversity strategy

- Ethnicity** Inclusion of people of a different nationality, race, ethnic origin and/or religion

- Age** Avail ourselves of the talents of many generations

- Sexual orientation** Encourage equal opportunities regardless of sexual preference

- Socioeconomic background** Encourage the inclusion of people of different educational, cultural, socio-economic and labor background



An excellent example of the programs included in our Diversity Model is the FEMSA **Inclusive Workplace System**, created in 2001. In 2011, we incorporated more than 5,900 employees with disabilities or belonging to groups in vulnerable situations into our operations, and now employ more than 12,500 workers who have since 2001, found in FEMSA an opportunity for professional and personal advancement with equal opportunity.

Employees with disability, senior citizens and other groups in vulnerable situation							
Business Unit	Employees with disabilities		Senior citizens		Other groups in vulnerable situation		Total 2011
	2010	2011	2010	2011	2010	2011	
Coca-Cola FEMSA	16	240	0	20	378	3,184	3,444
FEMSA Comercio	63	243	59	227	1,049	2,026	2,496
FEMSA Headquarters and Strategic Procurement	11	7	1	3	33	43	53
Annual total	90	490	60	250	1,460	5,253	5,993
Accumulated as of 2011 12,528							

GRI LA10, LA11, and LA12

Development and training

To ensure that FEMSA's goals and strategic plans are met, we use **The One-Page System** methodology, which aims at creating a work culture through which all management personnel, professionals and intermediate level employees establish their Critical Success Factors, as well as the dynamics to permeate, align and focus critical tasks within the organization, following up on the fulfillment of these targets. In 2011, 12,914 management personnel, professionals and intermediate level employees were assessed through this methodology. The rest of the employees were evaluated according to FEMSA's Key Competences and other metrics specific to each Business Unit.



The training for our employees, strategically managed by the corporate Human Resources Department, who reports directly to the CEO of FEMSA, has been supported by **FEMSA University**. Offering more than 4,118 online and onsite courses, has been able to reach 74,854 employees since its creation. In 2011, we invested \$20.4 million Mexican pesos (US \$1.4 million) in this initiative.

We also created an **online library** organized by each of our Business Units. The library is a training tool available to all of our employees, through which they have access to high-quality specialized courses developed according to their individual needs.

GRI HR3 and HR8 / GC I and II

Some of the company's service areas require specific training in human rights issues. For example, 100% of our security personnel receive training in this area, to ensure that they treat everyone with whom they come into contact with warmth and respect.

Communication and labor relations

GRI 4.4, EC3, HR5, LA4, LA5, LA6, and LA9 / GC III

To ensure ongoing and open dialogue with our employees, FEMSA has developed a number of communications channels such as the **HR Hotline**, and the **Organizational Climate Diagnosis and Sociometric Study (DICOYES)**, through which we can take notice of employees' opinions about labor conditions. In 2011, more than 68,300 employees took part in the diagnosis, representing an 82% of the target population.

FEMSA also provides a series of magazines, newsletters, institutional e-mail and informational bulletins, which keep them abreast of what is going on in the company and organizational changes that may have an effect on their jobs.

Our collective bargaining contracts do not stipulate a minimum period of advance notice of organizational changes, so the period may vary depending on the channel used and the type of information being communicated.

Freedom of association and collective bargaining are a basic right at FEMSA. Our employees are represented by workplace committees made up by representatives of the employees, the company, and union delegates. These committees address matters of labor, security, and organizational health and safety. All of our unionized workers are covered by collective bargaining agreements in accordance with national laws, conventions and accepted international treaties, ensuring full respect to their rights. Because of these practices, in 2011 there were no reports of situations in which union rights were threatened.

Each one of FEMSA Business Units has specific needs for recruitment and retention of talent, and develops specific plans to meet these goals.

GRI FP3



In 2011, Coca-Cola FEMSA developed several programs, one of which was a concept called **Training Cells**, which is intended to support the transfer of organizational knowledge and best practices, and involved the support of 145 key executives.

The **Internal Coaching and Mentoring Program** supports the development of leadership abilities at the executive and management levels. And for specific training needs, our **Functional Schools** have been an excellent tool to facilitate the development of the skills the business requires. This year they were organized in Sales/Marketing and Supply Chain, with the participation of 617 employees from all our operations.



Programs provided by Coca-Cola FEMSA in 2011

Training	75% of Coca-Cola FEMSA workers trained
Inclusive Workplace System	240 persons with disabilities integrated into our operations
Family events	More than 1,000 activities benefiting more employees and their families

At Coca-Cola FEMSA, we extend the **Workplace Rights Policy** of The Coca-Cola Company, and we join to the global goal of ensuring 98% compliance with this policy by the year 2015.

To know about Workplace Rights Policy, please visit:
http://www.thecoca-colacompany.com/citizenship/workplace_rights_policy.html

In 2011, from all 30 Coca-Cola FEMSA plants located in the nine countries where we operate, only the one in Valencia, Venezuela, registered an event of lost time due to a strike provoked by unionized workers negotiating their collective agreement. This resulted in a 1.78% annual lost-time index in that country.

OXXO FEMSA Comercio

To promote the professional advancement of our employees, the **OXXO Institute**, created in 2009, offers a **Bachelor's Degree in Retail Company Management** to store managers. In 2011, 74 students took part in this program, which is taught by 60 volunteer employees from FEMSA Comercio. Also, in 25 commercial regions, more than 460 employees had the opportunity to obtain high school equivalency degrees in a semi-open system.

FEMSA Logística's employee turnover rate is 13%, significantly lower than the 30% industry average.

Strategic Procurement

Training is a fundamental part of the programs carried out by the companies that make up Strategic Procurement.

Imbera and PTM

In 2011, **Imbera** and **PTM** granted scholarships for employees and their children, benefiting 63 students at various educational levels.

FEMSA Logística

FEMSA Logística has a solid training instrument called the FL Institute, which develops the skills of its employees, in order to:

- Have the **best trained** drivers, mechanical technicians and employees in the industry.
- Keep turnover to a minimum. At present, our **employee turnover rate is 13%**, which is significantly lower than other companies in this industry, averaging approximately 30%.
- Strengthening FEMSA culture and values.
- Establishing **career development paths** for our personnel to further their advancement in the company.

In 2011, more than 4,000 employees took advantage of more than 218 courses offered.

FEMSA Logística seeks not only to train, but also to recognize and encourage the personal growth of its employees. We introduced the **Academic Excellence Award** in 2010, to encourage and recognize employees and their families for outstanding scholastic achievement. This past year, 52 employees and family members were recognized during a special event held for this purpose. As a complement to this program, we extended scholarship support to 124 children of our employees from primary school to technical training. Additionally, since 2002 we award the **Worker Excellence Recognition** every year, which measures a series of productivity indicators over the course of the year. This year, 139 workers received this distinction.





More than \$486.3 million Mexican pesos (US \$34.8 million) invested in programs that promote sports, health and safety in all our operations and communities.

33% reduction in accident index in FEMSA Comercio in Mexico, through safety and prevention programs.



Core area 3

Health and wellness

GRI 4.12, FP4

Promoting healthy habits is part of our business philosophy, because we know community development is related to its wellbeing and integral health. We seek to lead the field in developing a culture of health and self-care, and we take actions accordingly, designing and supporting programs to maximize every person's potential.

ACTIONS
CREATING
VALUE





GRI FP4

PROGRAM:

Occupational Health And Safety Administration System (SASSO)



OBJECTIVE:

To support FEMSA and its Business Units in:

- Raising **awareness on how to prevent illness in general and workplace risks**
- Keeping employees and their co-workers safe and healthy
- Identifying, eliminating and/or controlling internal and environmental risks
- Promoting **individual responsibility for occupational health and safety**
- Abiding by all **occupational health and safety laws**

DESCRIPTION:

This system was introduced in 2006 in all of FEMSA's Business Units. It teaches workers to keep themselves and their co-workers safe and healthy, and to correctly use and care for their workplace and equipment.

It is made up of 20 occupational health programs and 12 institutional safety awareness practices, and it is disseminated in our work centers through the Safety and Hygiene Committees.

FEMSA University has courses designed to train employees in the areas of occupational health and safety that help disseminate SASSO principles and practices throughout the organization.

ALLIANCES:

- National Ministries of Labor
- National Ministries of Health
- Social Safety Institutions

The Coca-Cola Company has recognized SASSO is consistent with, and at an equivalent level of compliance with international occupational health and safety standards such as OHSAS 18000.

LOCATION:

All nine countries where FEMSA operates: Argentina, Brazil, Colombia, Costa Rica, Guatemala, Mexico, Nicaragua, Panama, and Venezuela

ACTIONS 2011:

We have gradually reduced our workplace accident and illness indicators, even when our operations grew in 2011 and we faced the challenge of bringing new operations up to SASSO standards.

GRI LA7 and LA8

Accidents and workdays lost index *			
	2010	2011**	Change
Accident index	4.83	4.12	-15%
Illness index	45.82	41.21	-10%
Index of workdays lost due to accident	69.09	65.23	-6%
Index of workdays lost due to illness	249.18	165.63	-34%

* Index based on number of incidents per 100 workers.

** 2011 figures include newly acquired operations.

COMMITMENT:

To ensure that health prevention and attention services, as well as processes and procedures that are safe for our employees, the company, and the environment are available in each of our workplaces and new businesses incorporated in 2011.

Continue lowering our accident index in all Business Units.

OPERATING MODEL





**ACTIONS
CREATING
VALUE**



GRI FP4

PROGRAM:

Your Best Move, Integral Development Through Sports

OBJECTIVE:

To encourage primary and secondary school students to take a comprehensive view of their own development, so that **through sports they can pursue physical, academic, psychological and social formation**. This is done by training physical education teachers in a methodology designed to improve neuropsychomotor development, social and life skills, and competences for better classroom performance. The program also integrates the practice of universal values, **using sports as a vehicle to improve students' performance in the classroom** and to develop social abilities with concepts such as equality and the importance of playing by the rules and obeying the law at all levels.

DESCRIPTION:

The methodology is as follows:

- Teaching Program**, divided into seven categories according to student age. It includes planning the training for each session according to age and school curriculum; a structure by sessions, which supports a healthy integration into his or her environment and develops sports and neuropsychomotor skills; developing physical-athletic abilities and learning technical and tactical skills for each sport and physical activation through different sports such as soccer.
- Program of neuropsychomotor development and sensorial integration**, which comprises activities that generate new neuronal connections that increase and improve motor function and favor learning and sports skills.
- Automated Management System** that gives the teacher, through an electronic tablet, the possibility to carry out web-based group and team administration; class and training session times; keeping record of results and ongoing attention and communication with supervisors and teachers.

ALLIANCES:

Center for Integral Development through Sports (CFITD)

Ministries of Education of each State

LOCATION:

Mexico City and the state of Nuevo León, Mexico. The program will be extended to the state of Puebla, Mexico starting in 2012.

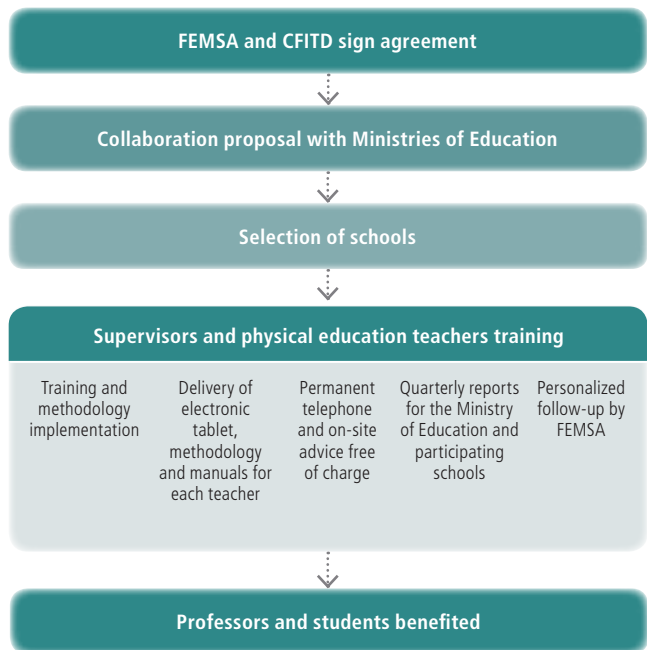
ACTIONS IN 2011-2012 SCHOOL YEAR:

- 100 schools in Nuevo León
- 100 schools in Mexico City
- 100 schools in Puebla

More than 105,000 students benefited

300 physical education teachers trained

OPERATING MODEL





Core area 3 Health and wellness



GRI FP4

In 2011, we continued to build a culture of health and self-care through the various programs promoted by each of our Business Units, which demonstrate and fortify our commitment to promoting physical activity and healthy lifestyles.

Through these programs, all of FEMSA's Business Units seek to transmit the benefits of health and safety to our employees and their families, and this year a number of other actions were taken in support of these goals: vaccination programs, awareness-raising talks, health weeks, medical checkups for workers, breast cancer screenings, and others.

In all of our Business Units we held activities that promote health through sports, such as internal sports tournaments and different types of classes like spinning, aerobics, summer courses, races, and others. These are open to all our employees and their families, and their objective is not just health, but family togetherness and development.

The following lists the actions taken at the FEMSA corporate level and in each of the Business Units to address their specific needs and audiences.



Coca-Cola FEMSA

GRI FP4

Health and safety initiatives at Coca-Cola FEMSA continued growing throughout 2011.

In Colombia, we gave a number of courses during the year in order to guarantee safety in all phases of our operations, both inside and outside of our facilities. A total of 6,500 employees benefited from these courses.



The **Let's Play program**, which we introduced in an alliance with The Coca-Cola Company and the Ministries of Education of Colombia, Costa Rica, Guatemala, Nicaragua and Panama, promotes children's integral development through play, physical activity and healthy social interaction. The goal of Let's Play is to encourage children to enjoy and develop physical activity skills, and to promote values like solidarity, respect and tolerance. Its basic components are donating materials that stimulate physical activity to the schools, training teachers and preparing manuals with training routines for kids. In 2011, 38 schools, 60 teachers and more than 10,300 students were benefited in these countries.

Through the **Healthy Parks** initiative, Coca-Cola FEMSA Colombia helped create recreational spaces equipped for exercise that can be used by both children and adults. This year, more than 4,000 people visited the six sports parks that have been created so far, with an investment totaling \$2.1 million Mexican pesos (US \$154,162).

Since 2009, Coca-Cola FEMSA Mexico has been offering a program of comprehensive health education and prevention called **Together for your Wellness**, which promotes healthy lifestyles, good nutrition and physical activity among school communities. The program has benefited more than 670,000 children, parents and teachers in the past three years.

The program includes the following:

- **Children's theater**, which offers a fun way to learn about correct nutrition and hydration, the needs and benefits of physical activity, and protecting the environment.
- **Health brigades**, in which mobile medical units visit schools and provide diagnostics of children's weight, height, BMI, and vital signs.
- **Talks for parents**, in which we provide scientific information about diet, hydration and physical activity for themselves and their families.
- **School drinking fountains**, helping to install 80 drinking fountains in 20 public primary and secondary schools in the city, with the support of the Mexico City government. Close to 20,000 children were benefited.

In Costa Rica, **Community in Balance** focuses on promoting healthy lifestyles and environmental care. The program includes an initiative called **Families in Movement** that promotes physical activity in the community. In 2011, the first of these was held in the city of San José, where more than 645 people benefited. Also, the neighbors of our operations participated in **90 Minutes Powerade**, dances coordinated by physical fitness experts, football tournaments, Coca-Cola soccer penalty games and other physical activities.

More than 670,000 children, parents and teachers benefited through the Together for your Wellness program in the past three years.

In Venezuela, Coca-Cola FEMSA continued with its **Baseball Program** through sports clinics, which are given by professional ball-players and aimed at underprivileged children between five and 15 years of age. In 2011, 50 such clinics were given throughout the country, attended by 6,780 children.



FEMSA Comercio

GRI FP4

Promoting awareness of safety was a priority at the OXO Distribution Centers in 2011, and one of the ways it did so was the application of the **Safe System**, based on 12 best safety practices for reducing job hazards. The system reached 100% of the employees of the 13 distribution centers and succeeded in lowering accident rates from 2010.

Through the **Risk Prevention Manual**, FEMSA Comercio continued to promote awareness of operational safety and accident prevention. In 2011, it was implemented in all 13 Distribution Centers and 21 commercial regions, where 21,451 employees were able to benefit from new information and methodologies.

During 2011 and thanks to the **Safe System**, the **Risk Prevention Manual and other actions**, the workplace accident index at FEMSA Comercio was reduced by 33% from the previous year, and days lost to illness declined by 20%.

We are also concerned about the health of our neighboring communities, so in 2011, for the second year in a row, we set up **vaccination and cervical-uterine cancer** detection modules for three days in various cities of Mexico, attended by more than 170 neighbors of OXO stores.

OXO continues its commitment to encourage sports and healthy lifestyles. This year the 21st edition of the already well-known annual **21K OXO** race was held in Chihuahua, Mexico, attracting 6,057 national and international sports enthusiasts. We also carried out a number of sports competitions, tournaments and races in the various commercial regions where OXO operates in Mexico, benefiting 12,629 individuals.

Strategic Procurement

GRI FP4

At Quimiproducos, we held a number of training programs, among them **Safe Operations, Blocking and Labeling, Industrial Ergonomics, Fire Safety and Emergency Brigades**, in order to train and make more than 410 employees aware of the SASSO methodology. Meanwhile, Imbera trained 550 employees on how to protect their hearing during operations.

Sports and health: Your best move

ACTIONS
CREATING
VALUE



In 2010, FEMSA began an alliance with the Center for Integral Development through Sports, creating a program called **Your Best**

Move, Integral Development through

Sports. In 2011, the program reached 100 schools of Nuevo León, Mexico. For Aurora Álvarez, a physical education teacher in the Vicente Guerrero primary school, the program represents a significant advance in educational methods and is ideal for inculcating healthy lifestyles in children: "The program is very complete," she tells us, "because it trains us in a new methodology and prepares us through technological platforms. We work every day with children using the established activities, using games and sports to strengthen their skills in areas like organization, teamwork, and values. I've seen for myself that they're more respectful to each other now, and more integrated. They're more active in school and outside of it."

"I'd like to thank FEMSA on behalf of the 800 students of the Vicente Guerrero primary school for the opportunity to participate in this program, and we'd like to continue it in order to build a stronger, wiser and above all, a healthier society," Ms. Alvarez concludes.

FEMSA Logística continues to work on remaining a global benchmark in the area of road safety. Through its bimonthly safe driving campaign, 2,000 employees received training in this field. Besides, the **Risk Prevention Integral Structure** was implemented in all FEMSA Logística operations, therefore ensuring that duties and specific responsibilities are properly defined in order to meet the company's risk prevention goals and targets.

Through the **Safety Week**, we offered vaccines, family planning talks, first aid courses, and other benefits. At the FEMSA Logística Service Centers, safety courses were given to 300 employees; they included safety tips that could be applied not just on the job but at home as well.



Core area 4

Community engagement

GRI 4.12, EC8, EC9 and SO1

We know that our company's sustainability is directly linked to the development of the communities around us. Because we want to help build stronger communities, we work in areas where we can share our experience and maximize the positive impact of our actions.



**ACTIONS
CREATING
VALUE**



GRI EC9
\$228.9
million Mexican pesos
(US \$16.4 million)
invested in educational
and community
development
programs

More than
2.4 million people
benefited from our community
engagement programs.



\$107 million
Mexican pesos (US \$7.6 million)
donated by our customers
through the OXXO Rounding-Up
Program.



GRI EC9

PROGRAM:

Coordinates for Life



**ACTIONS
CREATING
VALUE**

OBJECTIVE:

To encourage the development of **decision-making skills** in children and young people between the ages of 10 and 18, and to give family members, teachers and other adults the practical tools they need to support them as mentors.

DESCRIPTION:

The program consists of a series of workshops, 10 conferences, and three social skill guides that help children and young people develop 16 necessary skills they need to make better decisions throughout their lives; and gives the adults who will be training them the tools to assist in this process.

ALLIANCES:

- Sociedad Cuauhtémoc y Famosa in Monterrey, Mexico
- State Ministries of Education of Nuevo León and Puebla in Mexico
- Villas Asistenciales A.B.P. in Monterrey, Mexico
- Convivir Foundation in Argentina

LOCATION:

The states of Nuevo León and Puebla in Mexico, and Buenos Aires, Argentina.

ACTIONS 2011:

164 workshops were held for children and young people, along with 34 conferences, benefiting more than 7,000 youth.

- 135 children of FEMSA employees; 120 children who attended through the organization Villas Asistenciales, A.B.P.; and 3,800 fifth- and sixth-grade students from 34 public schools of Nuevo León, Mexico.
- 2,800 fifth- and sixth-graders and high school freshmen from three School Centers and one school in the state of Puebla, Mexico.
- 190 sixth- and seventh-grade students from two schools in Buenos Aires, Argentina.

COMMITMENTS:

- To benefit more than 14,500 children and 3,500 mentors in 2012.
- Implement the program in Brazil and Colombia.
- Attract FEMSA volunteers.

In Mexico:

- States of Nuevo León, Puebla and Veracruz.
- Implementation within the company through Sociedad Cuauhtémoc y Famosa, and Coca-Cola FEMSA corporate offices.

In Argentina

- Implementation within the company and public primary schools.

OPERATING MODEL

Coordinates for Life

- Develop the methodology and impact evaluation
- Workshops for mentors
- Make alliances with the Ministries of Education and institutions
- Perform the first evaluation
- Implementation of the program
- Monitor progress
- Perform half-term evaluation
- Application of long-term evaluation

More than 7,000 children and young people benefited.



EC9

PROGRAM:

Youth with Value



OBJECTIVE:

To help young people between the ages of 14 and 18 become agents of change in their communities, **by designing and developing programs that train them as social entrepreneurs.**

To encourage society **to value young people as powerful agents of change.**

DESCRIPTION:

This program focuses on giving high school students between the ages of 14 and 18 the tools, motivation and advice they need to develop and lead social programs. The methodology used helps them create a plan of action with clear and attainable goals, and a way to sustain the programs in the future. Also, FEMSA provides them with seed capital to start up their projects.

ALLIANCES:

Ashoka
 Servicios a la Juventud, A.C. in Veracruz, Mexico
 Universidad de Monterrey, Mexico
 Instituto de la Juventud Regia, Mexico
 Universidad Valle de México in Monterrey, Mexico
 Nosotros los Jóvenes, A.C. in Michoacán, Mexico

LOCATION:

States of Nuevo León, Michoacán and Veracruz in Mexico.

ACTIONS 2011:

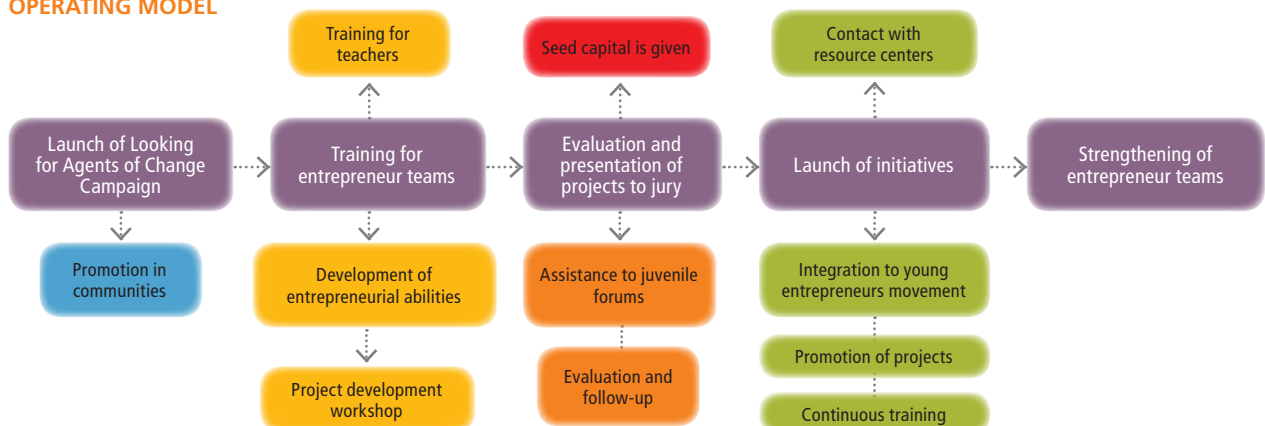
- 360 young people trained in social entrepreneurship, and training of 40 mentors.
- Support for 90 social entrepreneurship programs developed by high school students of Nuevo León, Michoacán and Veracruz, Mexico, in the form of advice and seed capital equivalent to \$1.2 million Mexican pesos (US \$90,000).
- Monitoring of social entrepreneurship.
- Documentation and dissemination of the programs.
- More than 5,000 people benefited thanks to these entrepreneurship projects.

COMMITMENT:

- To follow-up on the performance of the 90 social entrepreneurship programs.
- To incorporate FEMSA volunteers to act as mentors for the young people.
- To support 150 social entrepreneurship programs through training and support for more than 600 youth and 70 mentors in 2012.

360 youth trained as social entrepreneurs in three states of Mexico.

OPERATING MODEL





Core area 4 Community engagement



This year, we continued to work toward improving the quality of life in these communities, offering opportunities for sustainable economic and social development.

In this section, we will share the community engagement initiatives at the corporate level, and then continue with the initiatives that each Business Unit implemented during the year.

In all our operations, we have a methodology to conduct **community studies** to learn about their needs more directly, so we can develop programs and work plans with specific goals that result in a mutual benefit. As part of our direct relationship, we have various channels of communication available, like phone lines and e-mail.

Education and culture

This year, the second class of students graduated from the **Latin American Journalist as Agent and Leader of Social Development diploma** offered by FEMSA in collaboration with the Tecnológico de Monterrey through an online platform provided by that institution. This program is intended to provide participants with personal and professional tools and to promote an ethic attitude in their profession. A total of 69 students graduated in this diploma program this year.

At FEMSA, we are convinced that society benefits from the promotion of culture, artistic creation and appreciation. For this reason, we share with the general public our **FEMSA Art Collection**, made up of more than 1,000 works of art, one of the largest private collections of Latin American contemporary art in the world. In 2011, seven exhibitions were held in Mexico and abroad, in addition to seven workshops and conferences. At the end of last year, the FEMSA Collection had been viewed by a total of 1,296,080 individuals.

To recognize, strengthen, stimulate, and promote the artistic creation in Mexico, we began organizing the **FEMSA Monterrey Biennial** in 1992, in which we invite fine artists to share their work. In 2011 we held the 10th edition of this competition and, in June 2012, we will announce and exhibit the winning works. A record number of creators submitted work in this year's Biennial: 1,439 artists submitting 3,992 works. In the 10 editions since its founding, the FEMSA Monterrey Biennial has accepted 21,085 entries by 8,640 artists.

Furthering social development

Since 1993, in an alliance with the Tecnológico de Monterrey, the **Eugenio Garza Sada Award** was created to recognize Mexican and foreign individuals and institutions for outstanding achievement in building a better world. In 2011, in the category of individuals, this award went to Bernardo Quintana, who heads Empre-

sas ICA and was recognized for his commitment to helping young people follow their vocation and giving them a chance to continue their studies through scholarships in Mexico and other countries. In the category of Social Entrepreneurship, the awards went to the association Alternativas y Procesos de Participación Social, A.C. for its achievements in encouraging social involvement among communities around Tehuacán, Puebla, and indigenous communities in that region.



Coca-Cola FEMSA

Coca-Cola FEMSA Colombia was the first company to support the High Council on Reintegration in its efforts to contribute to the peace and reconciliation in Colombia, through an integral scheme made up by three programs: **Time Bank**, **Productive Projects** and **Community Learning Centers**. The **Time Bank** program provides opportunities for former members of Colombia's guerrilla forces and for people displaced by the armed conflict, to acquire training and re-join civil life. At the close of 2011, 321 former guerillas and paramilitary soldiers were being trained as entrepreneurs, and 218 company volunteers shared their time to support them in the cities of Bogotá, Bucaramanga, Barranquilla, Medellín, Montería, and Valledupar.

Once participants in the Time Bank program complete their training as micro-entrepreneurs, they have an opportunity to become Coca-Cola FEMSA suppliers. Company executives help them to develop **Productive Projects** with personalized consultancy. This year, 49 people took part in the program and 35 of them are now suppliers to the company.

The goal of the **Community Learning Centers** is to offer training tools to vulnerable communities. The Centers are physical spaces where participants can use virtual media to access educational programs designed and given by the Tecnológico de Monterrey. Today the program benefits 2,197 people in eight Colombian communities: Guapí, Medellín, Santuario, Santa Marta, Cereté, Aguachica, Curumaní and Yopal. These centers help individuals to re-join community life after having been part of the armed conflict.



The Edison Polygon project in Monterrey, Mexico, involves an investment of \$40.8 million Mexican pesos (US \$2.9 million).

For three years, Coca-Cola FEMSA Brazil has held its **Citizens' Plaza** program, in alliance with governments and various institutions, in order to restore the concept of civic involvement and offer communities information and a range of free services in the area of health and environmental care. In 2011, this program served 11,000 people with the support of 100 volunteers in the cities of Mogi das Cruzes, Jundiá, Belo Horizonte, and Itabirito.

Coca-Cola FEMSA Venezuela began a sustainability program with local communities called **Productive Neighborhoods**, whose purpose is to create cooperative production networks among the inhabitants of a territory and thus generate Family Production Units. The program seeks to generate self-employment by training and transferring knowledge. The initiative involved 90 participants from three Community Boards of the city of Barcelona in the state of Anzoátegui, where 22 Family Production Units were formed for the benefit of around 4,500 of the city's inhabitants.



FEMSA Comercio

Through **OXO's Rounding-Up Program**, since 2002 this company and its clients have supported 1,321 philanthropic organizations with more than \$537 million Mexican pesos (US \$38.4 million) in donations. Thanks to the generosity of our clients, between March 2011 and February 2012, the program collected a total of \$107 million Mexican pesos (US \$7.6 million), which went to 201 associations in Mexico that work in the areas of health, education, and social assistance.

The OXO Distribution Centers, through the **PRO Alimentos program**, supported various food banks in Mexico by channeling non-controlled medicines that were withdrawn from stores far enough in advance of their expiration date. We delivered \$2.9 million Mexican pesos worth of medicine (US \$207,000) and \$3.7 million Mexican pesos (US \$265,000) in packaged and canned food products during the year.

In the city of Monterrey, Mexico, FEMSA Comercio began the **Edison Polygon** project in the community surrounding OXO's corporate headquarters. This three-year program seeks to improve quality of life in the community by fostering economic development through the solution of social problems, promoting full and sustainable human development. The actions we have carried out with this community are: social work with groups of young people, in which we succeeded in bringing together 13 gangs who operate in the zone to sign a truce and begin the process of rebuilding the community; equipping a security post, a health center and educational and public spaces in the neighborhood; buying a patrol car for the local police, and sponsoring reforestation days. This project involves an investment of \$40.8 million Mexican pesos (US \$2.9 million), and benefits 24,144 neighbors in this zone.

The **Adopt a School** program is an initiative by the state of Nuevo León, Mexico under which companies are invited to adopt a primary school where they can help work toward lowering absenteeism and the dropout rate. With an investment of \$181,000 Mexican pesos (US \$12,900), FEMSA Comercio adopted the Juan Guzmán Cabello primary school.

Strategic Procurement

Imbera organized its first **Sustainable Farmers' Market**, with the participation of 21 local producers from Querétaro, Mexico, who offered food, organic produce and crafts. A special guest at this event was the association La Sonrisa de Dios, I.A.P., a non-profit organization that provides rehabilitation and therapy to disabled children, including the children of some of our employees. The association sold handicrafts and clothing in order to raise funds for its programs.

In Monterrey, Mexico, the employees of Quimiproducos supported a program from Impulsa called **JA Being an Entrepreneur (Junior Achievement)**, that benefited 150 students from High-school No. 9 of the Universidad Autónoma de Nuevo León, and participated with motivational sessions to share their academic and professional experiences.



ACTIONS
CREATING
VALUE

Alliances to Help

Since it was created in 2001, the OXO Rounding-Up program has worked to improve the quality of life in the neediest communities by inviting store customers to round up their ticket to the next full peso. In 2011,

one of the associations supported by the Rounding-Up Program was *Sólo por Ayudar*, a foundation headed by renowned journalist and philanthropist Lolita Ayala. In her words, *"I am deeply grateful to my dear friends at OXO, on behalf of this Foundation, for the help they gave us in 2011, which enabled us to provide basic health services to 1,200 people without social security benefits, by helping them pay for medicines, surgical procedures, prosthesis, and other medical treatments. My special thanks go to the managers of each store and their clients, for supporting Rounding-Up. Their generosity and assistance have allowed us to continue working for a fairer society. They say gratitude is the memory of the heart, so: thank you."*



GRI EN30

+ \$194.5

million Mexican pesos (US \$13.9 million) invested in environmental care programs and technologies in all our operations.

650,054 m³

water saved in 2011 by Coca-Cola FEMSA in the nine countries where we operate, compared to 2010.

74% of OXXO stores with the Intelligent OXXO Store System, decreasing 14% the average consumption of energy Kw/h annually.



Core area 5 Environmental care

We are committed to the care and preservation of the environment in our daily operations. We pursue programs and technologies that help us to achieve the goal of minimizing our environmental footprint and improving awareness of environmental care. We do so by seeking to balance this company's operations with the environmental resources around it, in an effort to meet the needs of current generations without compromising future generations' resources and opportunities for growth and development.



**ACTIONS
CREATING
VALUE**





GRI EN6 and EN7

PROGRAM:

Mareña Renovables Wind Farm



**ACTIONS
CREATING
VALUE**

OBJECTIVE:

To continue looking for **alternative energy sources to meet our requirements** due to the constant growth of the company.

The wind farm will begin operating in the third quarter of 2013 and will supply energy to the Mexican operations of Coca-Cola FEMSA, FEMSA Comercio, Imbera, Imbera Servicios, PTM, Quimiproducos, and FEMSA Logística.

DESCRIPTION:

FEMSA, in collaboration with Macquarie Capital and the Macquarie Mexico Infrastructure Fund, is developing **one of the largest wind farms in Latin America**, with an installed capacity to produce 396 megawatts, generating 1,632 GWh/year of electrical energy and help reduce emissions by about 825,707 metric tons of CO₂ a year. It includes the installation of 132 wind turbines and construction of 52 kilometers of power lines to connect the wind farm to the national electrical network.

ALLIANCES:

- Macquarie Capital
- Macquarie Mexico Infrastructure Fund
- Federal, state and municipal governments of Mexico, Oaxaca and Juchitán
- Local communities

LOCATION:

The project is located in the Isthmus of Tehuantepec, in the Mexican state of Oaxaca, in the municipalities of San Dionisio del Mar and Santa María del Mar.

BENEFITS:

1. Help reduce CO₂ emissions by 825,707 metric tons a year.
These emissions are equivalent to:
 - a. Avoiding the consumption of 1.92 million barrels of oil a year.
 - b. Taking 161,903 cars off the road for a year.
2. Social projects include installation of a water desalination plant to provide fresh water for the use of the Santa María del Mar community.
3. Scholarships.
4. Creation of jobs for local communities.

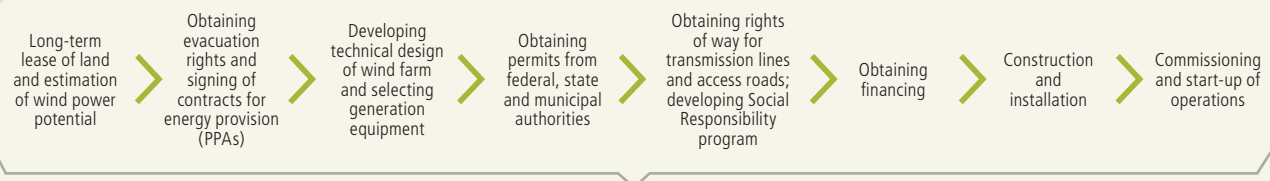
COMMITMENT:

To supply 85% of all the energy required by FEMSA's businesses by 2013 using clean, renewable sources.*

** Based on the size of FEMSA operations in 2010.*

The wind farm will reduce emissions equivalent to taking 161,903 cars off the road for a year.

OPERATIONAL MODEL



Wind Farm Project Development Stages



GRI EN13 and EN18

PROGRAM:

Reforestation



**ACTIONS
CREATING
VALUE**

OBJECTIVE:

- **Restore areas that have been depleted through over-cutting**
- **Contribute to hydrological balance**
- Raise awareness of environmental care through **volunteer programs** with employees and communities
- **Increase CO₂ sequestration** in reforested areas
- Increase **rainwater capture for restocking watersheds** that are used by urban and rural zones
- **Improve fertility, avoid erosion and reduce soil temperatures**
- **Restore forest ecosystems and preserve the biodiversity** of natural resources

DESCRIPTION:

In several of the countries where we operate, we have large-scale reforestation programs with specialized organizations under which we make an effective contribution to re-foresting the planet. These projects have a **high tree survival rate and help protect biodiversity and maximize the environmental benefits** of these actions.

ALLIANCES:

Brazil: SOS Mata Atlântica and The Coca-Cola Company

Colombia: Fundación Natura

Costa Rica: Municipality of San José and Banco Nacional

Mexico: The Coca-Cola Company, SEMARNAT, CONAFOR, Pronatura, Reforestación Extrema, and the Mexican Nature Conservation Fund

COMMITMENTS:

Coca-Cola FEMSA is committed to becoming water-neutral by 2020, particularly through reforestation.

Reforestation activities contribute to the hydrological balance.

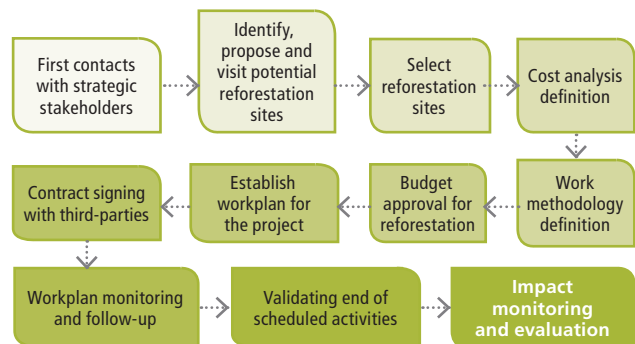
LOCATION:

Brazil, Costa Rica, Colombia, and Mexico.

ACTIONS 2011:

- Under various reforestation programs, Coca-Cola FEMSA Mexico planted 31 million trees between 2008 and 2011, exceeding its goal of 30 million trees by 2012. In Apizaco, Tlaxcala, it planted 50,000 seedlings of plants native to the region.
- Coca-Cola FEMSA Brazil, through the Águas das Florestas Tropicais Brasileiras project, planted 3.3 million trees in the Sierra do Japi region in 2011, as part of its commitment to replacing 33 million trees in a five-year period.
- Coca-Cola FEMSA Costa Rica planted 50,000 trees native to the zone of the nation's capital and 1,200 trees in Parque de la Paz to the south of San José.
- Coca-Cola FEMSA Colombia helped plant 4,500 native species around its Manantial plant, with the help of visitors to the facility.
- FEMSA Comercio worked on urban reforestation, planting 2,515 shrubs and 366 trees in 21 OXXO commercial regions across Mexico. With this reforestation project, about 6,600 trees were planted.
- Together with Pronatura, volunteers from FEMSA companies in Monterrey, Mexico planted 4,000 trees at the Cumbres National Park.

OPERATING MODEL



Reforestation Programs



Core area 5 Environmental care



We are focusing our efforts on three pillars: becoming water-neutral, using renewable-source materials, and mitigating climate change, by becoming more energy efficient and incorporating clean energy.

The core areas of environmental action are: water, energy, emissions and climate change, residues and waste, and culture.

Next, we present a description of the programs performed at company level and those carried out by our Business Units.

GRI EN9, EN11, EN12, EN13, EN14, EN15, EN21, EN23, EN25, EN28, and EN30 / GC VIII

Water

We recognize the importance of caring for the ecosystems that surround our operations. For this reason, before we open, expand or modify any facility, we conduct environmental impact studies and specialized research into the area, as necessary. These actions, together with wastewater treatment processes, allowed us to **properly manage** our environmental footprint in 2011, so there were no reports of damage to water resources or habitats in areas close to our operations. We also received no substantial fines or sanctions for failure to comply with environmental regulations in the countries where we operate.

We focus our efforts on correctly managing our impact on biodiversity, and on actions that support the water cycle, an area in which forest and ecosystem preservation plays a fundamental role. For this reason, reforestation is part of our strategy of action in environmental care.

GRI EN6, EN7, and EN30 / GC VIII and IX

Energy

We continue our pursuit of energy efficiency and the use of renewable energy sources. We remain committed to covering 85% of the energy needs of our Mexican operations¹ through wind energy by 2013. Proof of this can be found in our involvement in the construction of the Mareña Renovables wind farm in Oaxaca, México.

GRI EC2, EN18, and EN26 / GC VII and IX

Emissions and climate change

Because we recognize the urgency of climate change, FEMSA is committed to helping more precisely define the sources of greenhouse gas (GHG) emissions and intensify its actions to reduce them. Accordingly, we set a goal of analyzing the **Carbon Footprint** of all our Mexican businesses in 2012, using the criteria of Greenhouse Gas Protocol Corporate Standard developed by the World Resources Institute and the World Business Council for Sustainable Development, and to design specific plans of action that can help us minimize the impact of our growth. With these actions, we contribute to international emissions reduction efforts embodied in the Kyoto Protocol, and promote sustainable development in the countries where we operate.

GRI EN23, EN24 and EN28

Waste

We have strict guidelines and programs for **correctly managing the waste generated** by our operations, under which we comply with the regulations of each country, and because of which we were able to avoid any spill of hazardous substances in our operations in 2011. Our businesses do not treat, transport, export, or import hazardous waste; all the waste we generated is channeled to companies that specialize in its proper handling.

GRI EN5 and EN6 / GC VIII

Culture

We create programs that help us build a culture of environmental care in our daily operations, like **Join In, Live our Culture**, which focuses on raising awareness of environmental care and resource conservation. In FEMSA's corporate headquarters in Monterrey, Mexico, our savings were as follows:

Savings achieved in FEMSA's corporate offices through Join In, Live our Culture	
Item	Savings in 2011
Electricity	\$795,337 Mex. pesos/ US \$57,009
Landline telephones	\$175,149 Mex. pesos/ US \$12,554
Mobile telephones	\$84,391 Mex. pesos/ US \$6,049
Recycling aluminum, paper, iron, PET and copper	29 metric tons

¹ Based on the size of FEMSA operations in 2010.

We established the goal to analyze, by 2012, the carbon footprint of our businesses in Mexico.

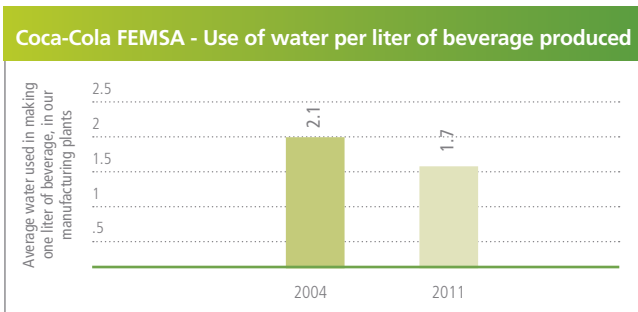


Coca-Cola FEMSA

GRI EN9, EN10, EN13, EN14, EN21, EN25, EN26, and EN30 / GC VII, VIII, and IX

Water

Coca-Cola FEMSA is the worldwide benchmark in the Coca-Cola System regarding the use of water for each liter of beverage produced. At the close of 2011, our **average consumption of water per liter of beverage produced was 19% lower** than our average in 2004.



Through 28 wastewater treatment plants of our own, and three municipal plants, **Coca-Cola FEMSA treats 99.5% of the wastewater** from our manufacturing facilities and returns it to the municipal network with a quality that exceeds regulatory requirements in each country. As part of our ongoing improvement, in 2011 we expanded the wastewater treatment plant at the Coronado bottling plant in Costa Rica and upgraded the ones in Maracaibo and Valencia, Venezuela. We reuse water from our various processes to provide general services such as irrigation, floor cleaning, toilets, steam generation, and equipment cooling processes, among others.



As part of our commitment to caring for water and biodiversity, we conducted six studies of watersheds in Mexico and Colombia in 2011, in order to determine their current status and design concrete strategies and actions for their, conservation and long-term sustainability. These studies also revealed that our operations have not affected these sources of water.

The **Water Wardens** program, promoted by Acueductos y Alcantarillados de Costa Rica (AyA), Coca-Cola FEMSA, and the Coca-Cola System, teaches students and schoolchildren about the importance of water and the need to protect it. Selected children become **Water Wardens** and are put in charge of making sure their schools optimize their use of this vital liquid.

Focus on water



Focus on water

In 2011, in an alliance with the National Institute for Forestry, Agriculture and Fishing Research (INIFAP), Coca-Cola FEMSA conducted three watershed studies

in Sierra de Lobos, León, Guanajuato; Río Zahuapan in Tlaxcala; and San Cristóbal de las Casas, Chiapas, in Mexico.

For Dr. José Antonio Cueto Wong, Director of the National Center for Disciplinary Research into Water-Soil-Plant-Atmosphere relationships at INIFAP, these studies are tremendously important because they contribute crucial information for decision-making at the state level regarding soil use and conservation of water bodies. *“With the results obtained through our advanced measuring techniques, we have been able to conduct a diagnosis of soils, forests, and others. We can obtain more than 500 years of historical information on water age, which helps us to understand the quality and behavior of these bodies. We have already invested five years of work in this project, alongside Coca-Cola FEMSA.”* He goes on to say, *“One thing Coca-Cola FEMSA and INIFAP agreed on was that the information and results of these studies would be shared with the public through books. This is a job we are doing for society as a whole, and the challenge is to distribute it to more people. I hope we can continue to collaborate in this field and enrich our experience in helping to improve and care for our environment.”*



The Coca-Cola System contributes what the schools need to repair or change traditional fixtures for automatic shut-off systems that avoid water waste. The program was introduced in Costa Rica and Panama, and at the close of 2011, 35 schools had taken part, with estimated savings of 137.4 million liters of water.

Coca-Cola FEMSA Colombia, together with **FEMSA Foundation**, introduced a program called **Water for Education, Education for Water**, under which water purification plants were donated to four schools of Antioquia, Colombia. This initiative educated 650 people about the importance of caring for water and trained 35 people to operate the plants, providing the communities with 500,000 liters of drinking water.

Furthermore, these two institutions, together with Colombia Humanitaria, donated state-of-the-art equipment to 10 populations affected by flooding during the winter months. This initiative benefited the towns of Sopó, Nariño, Argelia, Santa Marta and Guajira, with 1.7 million liters of water a day, benefiting 36,300 people. It also introduced a **disaster response water purification vehicle**, which provides mobile water purification services throughout the country and is able to serve disaster-stricken zones that urgently require water. The vehicle is available to Colombia Humanitaria 24 hours a day, and can supply a liter of water per second, to benefit more than 4,000 people every day.

Coca-Cola FEMSA Brazil and FEMSA Foundation donated **two mobile water purification plants** to the state government of Minas Gerais in order to support communities in emergency situations. The Civil Defense authorities of Minas Gerais will manage and operate the plants during the rainy season.

GRI EN3, EN4, EN5, EN6, EN7, and EN26

Energy

Coca-Cola's plants are worldwide leaders in the Coca-Cola system in terms of energy efficiency. This year they saved more than 54,000 Gigajoules of energy, equivalent to avoiding the emission of more than 2,800 metric tons of CO₂, or the annual emissions of 549 cars.²

² Source used to determine equivalence: U.S. EPA Calculator.

Our efforts to improve energy consumption in our manufacturing operations have achieved a 18.4% reduction with respect to 2004 figures, an average of 0.204 Megajoules/liter of beverage produced.

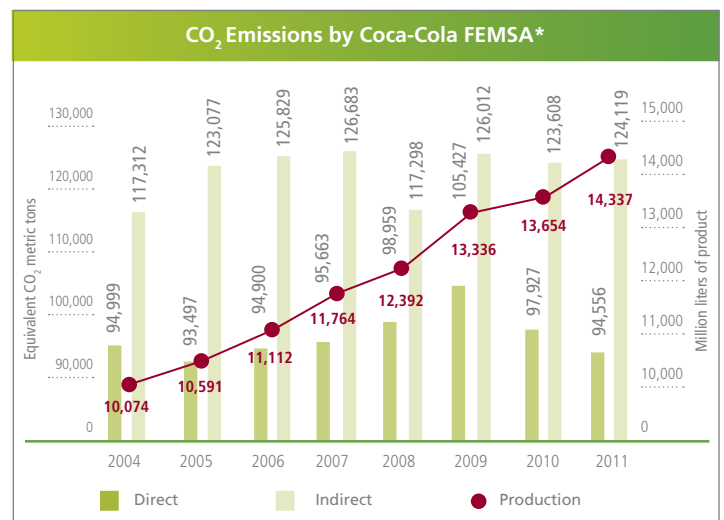
Direct and indirect consumption of energy by Coca-Cola FEMSA		
Type of energy in Gigajoules	2010	2011
Electricity*	1,452,392	1,464,748
LP Gas	161,811	166,994
Natural Gas	877,889	865,108
Fuel oil	273,457	295,537
Diesel	207,511	125,890

Includes only manufacturing plants
* Indirect

GRI EN3, EN4, EN16, EN17, EN18, EN19, and EN20 / GC IX

Emissions

At Coca-Cola FEMSA, our goal is to "Grow the Business, not the carbon footprint," so we have the goal of keeping our CO₂ emissions in 2015 at their 2004 level. In Mexico, we participate in the SEMARNAT's Voluntary Accounting and Reporting of Greenhouse Gases Program. (The total emissions of CO₂ in the nine countries, show a 3% increase between 2004 and 2011, in spite that our production increased in 42.3%). Our emissions of NOx and SOx from fixed sources are not reported because they are negligible compared to CO₂ emissions.



*In the nine countries with operations.

At Coca-Cola FEMSA, we continued to advance in our program of replacing or overhauling the coolers we use to serve our markets and to reduce their CO₂ emissions. The gases they use are environmentally-friendly and do not damage the ozone layer. This equipment **uses 75% less energy than those manufactured in 2000**. In Mexico, we closed 2011 with 133,700 energy-efficient coolers in Mexico City, State of Mexico, Morelos, Michoacán, Guanajuato, Tlaxcala, Puebla, much of Veracruz, Tabasco, Oaxaca and Chiapas. These efficiencies represent annual savings of more than \$300 million Mexican pesos (US \$21.5 million) on the electrical bills of small stores. In Central America, our program includes 4,160 duly certified new refrigerators.

Coca-Cola FEMSA Colombia added **17 electrical vehicles to its fleet**, which do not emit fine particles like soot, hydrocarbons, carbon monoxide, nitrogen oxide, and lead.

In Mexico, Coca-Cola FEMSA Mexico incorporated more than **45 electric cars** to its pre-sales processes, and we are studying the possibility of introducing these automobiles on a much larger scale.

GRI EN1, EN2, EN26, EN27 and EN30 / GC VIII and IX

Recycling and waste

We are aware of the impact our products have when the containers are discarded. That is why Coca-Cola FEMSA invests in technologies that allow us to produce more environmentally-friendly packaging. Between 2007 and 2011, we have introduced measures to **lighten PET bottles by an average of 25% and reduce the weight of the 600ml bottle caps by 17%**. We have also optimized labeling and packaging material for transporting the product in pallets. Through the incorporation of various technologies, we are saving 60,000 metric tons of plastic per year.

The use of returnable bottles helps reduce waste, and approximately 27% of the volume we produce has these bottles. Coca-Cola FEMSA Brazil has the largest returnable bottle line in the Coca-Cola system, with a capacity to produce 50 million crates a year.

Materials collected and sent by Coca-Cola FEMSA for recycling (metric tons)*		
Material	2010	2011
Plastic	16,800	17,000
Glass	19,600	25,000
Paper	9,200	8,900
Wood	9,200	9,700
Aluminum	302	370

*Includes only manufacturing plants

Our **IMER³ Recycling Plant** located in Toluca, Mexico, is one of the largest in Latin America. It was opened in 2005, as a joint venture between ALPLA Mexico, Coca-Cola FEMSA and Coca-Cola Mexico. In 2011, IMER recycled around 15,000 metric tons of post-consumer PET bottles, equivalent to 735 million 600ml bottles. Between 2007 and 2011, IMER has processed more than 65,000 metric tons of PET, equivalent to producing more than 3.15 billion 600ml bottles.

The third annual **I Recycle** program at Coca-Cola FEMSA Mexico brought together the efforts of more than 380 schools and more than 181,000 primary and secondary school students from the Mexico City metropolitan area. Thanks to this program, students, teachers and parents have gained a greater awareness of the importance of recycling, collecting 500 metric tons of PET from the time the program began in 2008, through the end of 2011.

Through **Planet Mission**, Coca-Cola FEMSA Costa Rica promotes collection and recycling of plastic bottles across the country. Over the past decade, this program has collected 500 million bottles from the country's beaches and rivers. The material that is collected is taken to a Coca-Cola FEMSA bottling plant, where it is processed and exported to be used as polyester fiber to make clothing, tote bags, packaging, and other articles, and even "plastic wood" products like tables and chairs. Planet Mission also generates local jobs through 200 collection centers, led by micro and small businesses.

15,000 metric tons of PET, equivalent to 735 million 600ml bottles, recycled by IMER.



³ IMER: Industria Mexicana de Reciclaje.

Coca-Cola FEMSA and The Coca-Cola Company, in collaboration with The Ocean Conservancy, held a series of **water body clean-up days**, in which employees and their families volunteered to help collect waste.

Coca-Cola FEMSA Mexico volunteers cleaned up 14 bodies of water in 2011, gathering more than 30 metric tons of trash with the help of around 2,600 volunteer employees and their families.

Coca-Cola FEMSA Costa Rica took part for the fifth year in a row in the annual **Cleanup Day**, led by Asociación Tierra and The Ocean Conservancy, with the participation of volunteers who gathered 360 kg of recyclable material and trash at Playa Chacarita, Puntarenas.

Coca-Cola FEMSA Colombia's **Everyone for Water** program, which cleans up coastlines, rivers and wetlands throughout the country, collected 25.4 metric tons of trash in 2011 with the participation of 2,495 volunteers in the cities of Cartagena, Santa Marta, Barranquilla, Leticia, San Andrés, Girón, Bahía Solano and Bogotá. The campaign was carried out in an alliance with Coca-Cola Servicios of Colombia, Alpina, Acueducto de Bogotá, and more than 100 local companies and volunteer organizations.

Coca-Cola FEMSA Venezuela carried out **The Coastal Cleanup Day** and brought together more than 700 volunteers from its employees and their families for a coastal cleanup effort, collecting more than 13 metric tons of solid waste.

GC VIII

Culture

Coca-Cola FEMSA Brazil has an **Ecobus** that serves as a mobile source of information about waste recycling, water use, reducing emissions, and other topics. It serves the communities surrounding our operations, and brought information to 6,000 people last year.



FEMSA Comercio

GC VIII

In 2011, FEMSA Comercio carried out 45 environmental care actions in different parts of Mexico. These actions included recycling programs, reforestation, and energy saving efforts, to cite just a few examples.

In 2011, the **OXO Ecology Award** was presented for the 25th year, recognizing the efforts of 1,360 students in 58 schools. The program was held in the cities of Hermosillo, Chihuahua, and Monterrey, Mexico. This year 1,047 high schools and more than 220,680 students took part. The award recognizes teams of students that take actions to care for the environment, linked to social causes.

GRI EN26

Water

As part of the efforts for urban reforestation, in 2011 OXXO store volunteers continued the Tree-Planting Program, where approximately 6,600 trees were planted in OXXO stores.

GRI EN5, EN6, EN7 and EN26

Energy

FEMSA Comercio is always looking for ways to incorporate environmentally-friendly energy sources. As part of a pilot program, photovoltaic panels were placed in two OXXO stores in Monterrey, Mexico, to generate some of the energy used in their operations.

We continued to amplify the Intelligent Store System, installed in 74% of OXXO stores in Mexico, which aims at contributing to the saving and efficient use of energy in stores through environmentally-friendly equipment and technology. Through this system, about 14% reduction was achieved in annual consumption.

GRI EN6, EN7, EN14, EN18, EN26 / GC VII, VIII, and IX

Strategic Procurement

We use the technology available to improve our impact on the communities that surround us.

Last year, Imbera conducted an environmental diagnosis, and drafted a plan to join the global **One Planet Living** initiative in 2012. Imbera will be the first Latin American company to join the initiative, which was developed by the World Wide Fund for Nature (WWF) and BioRegional, and establishes 10 sustainability principles: zero carbon, zero waste, sustainable transport, sustainable materials, local and sustainable food, sustainable water, land and wildlife, culture and heritage, local economy and equity, and health and wellness.

GRI EN13

Water

FEMSA Logística held its annual **Tree Day**, reforesting areas surrounding our operations and maintaining previously-planted trees. The effort was carried out with the help of 40 employee volunteers in Monterrey, Mexico.

GRI EN5, EN6, EN7 and EN26

Energy

The program **Join In, Live our Culture** continues to grow and thrive in our businesses. For example, Quimiproducos sponsored various initiatives that collected batteries, and recycled printing cartridges, with savings and a reduction of greenhouse gases. Furthermore, through an energy savings program, it reduced electrical energy consumption by 40% during the top record months of production, equivalent to the monthly consumption of 146 households⁴, as well as 6,310 m³ of natural gas, equivalent to avoiding the emission of 13.2 metric tons of CO₂ into the atmosphere. In 2011 it invested in videoconferencing technology that avoided emissions of 33.1 metric tons of CO₂ into the atmosphere by reducing the need for business travel.

FEMSA Logística introduced this program into 12 operating bases in 2011.

GRI EN16, EN18, EN20, EN26, and EN29

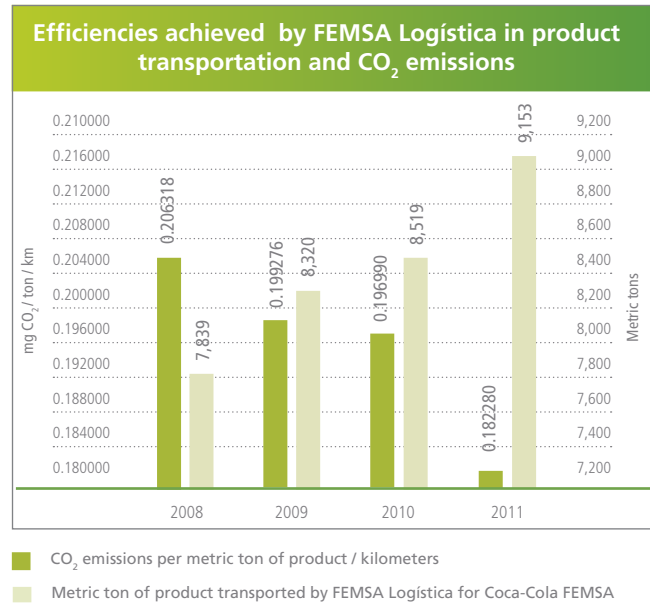
Emissions

To help reduce our carbon footprint, Imbera continued its strategy of introducing coolers that incorporate intelligent controls, better insulation materials, LED lighting, variable-speed compressors, and a series of other improvements made to reduce environmental impact and save energy. These **Imbera coolers are a point of reference for the beverage industry around the world for being 75% more efficient than those produced in 2000.**



⁴ Source to determine equivalence: National Income-Expense Survey (ENIGH) 2010, INEGI.

On the other hand, FEMSA Logística continues working on increasing their efficiency in the transportation industry. In this manner, CO₂ emissions per metric ton of beverage produced by Coca-Cola FEMSA in relation to kilometers traveled were reduced by 7% between 2010 and 2011.



Also, in tandem with Coca-Cola FEMSA, FEMSA Logística began a program in 2011 to upgrade around 28% of its transportation fleet, translating into fuel efficiencies and a substantial reduction in CO₂ emissions.

In the transportation industry, NO_x and SO_x emissions are not measurable in direct operations, but we control them by using vehicles that comply with the environmental regulations of each country.

GRI EN22, EN23

Waste

In 2011, we installed three grease and silt traps in facilities run by FEMSA Logística, which prevent diesel and oils from filtering into the municipal drainage system.

FEMSA Logística also continued to send its used tires to cement plants, where they are used as a source of fuel.

Because of the safety measures and equipment used in our Strategic Procurement operations, no significant spills were reported in 2011.

FEMSA Foundation

FUNDACIÓN
FEMSA



+70
communities
served in
Latin America

**ACTIONS
CREATING
VALUE**

Through water, sanitation, watershed conservation and quality of life initiatives, we have reached underprivileged communities that have improved their development opportunities.

More than **140,000**
people benefited from FEMSA
Foundation initiatives

Three years after its formation in November 2008, FEMSA Foundation continues to expand in Latin America, with a clear vision on building a better future. Our growth in 2011 enabled us to help five times more people and four times more communities than the year before. Inspired by our work ethics and by the commitment of partners with values similar to ours, we have joined forces with them to magnify our impact and change lives in the communities in which we are involved.

Water and Sanitation for Latin America

Since 2010, FEMSA Foundation has been working in Colombia with the donation and installation of **two water disinfection plants** in Argelia and Sopó, bringing safe water to 14,000 people as part of its **Water and Sanitation Program**. But the winter of 2010 caused massive flooding, the worst in 30 years for Colombia, and FEMSA Foundation responded by redoubling its support for the communities through three actions.

In partnership with Colombia Humanitaria, Coca-Cola FEMSA, and Coca-Cola Servicios de Colombia, we began a program to install **10 water disinfection plants** to provide safe water for various communities. To date, six are up and running, already benefiting 40,000 individuals.

We also donated and operate a **mobile water disinfection plant** that can generate a liter of safe water every second. The vehicle has been traveling the country since February 2011 and has brought fresh water to over 75,000 people in six communities.

The last component is an alliance with Empresas Públicas de Medellín, in a program called **Water for Education, Education for Water**, which installs disinfection plants and drinking fountains in rural schools which will benefit more than 6,000 children in Antioquia in two years. So far it has completed its work in 32 schools, benefiting over 3,600 children. Education is one of the key elements of the project, helping to improve hygiene habits among the children and families of the communities it serves. 35 people in the communities were trained to operate and maintain the plants to ensure their sustainability.

Brazil was also the recipient of the Foundation's safe water actions; and at the ceremony to lay the first stone of the new Coca-Cola FEMSA plant in Itabirito, Minas Gerais, we donated **two mobile water disinfection plants** to the state government in order to support communities in emergency situations. As in Colombia, these plants have tremendous capacity; each can produce one liter of safe water per second and help over 4,500 persons a day. The Civil Defense authorities of Minas Gerais will manage and operate the plants during the rainy season. So far, the technology supplier has trained 21 operators in that state.

In Mexico, together with Coca-Cola FEMSA and in an alliance with authorities of Mexico City, FEMSA Foundation helped install **80 drinking fountains and an on-site filtration system in 20 schools** of the Mexico City's metropolitan area, benefiting more than 12,000 schoolchildren every day by giving them access to safe water throughout the school year.

Healthy Watersheds and Sustainable Water Use

In June 2011, The Nature Conservancy (TNC), FEMSA Foundation, the Inter-American Development Bank (IDB) and the Global Environment Facility (GEF) launched the efforts of the **Latin American Water Funds Partnership**, which comprises investments of over US \$27 million to create, implement, and capitalize at least 32 Water Funds in Latin America and the Caribbean. This will support the conservation of over 3 million hectares of watersheds that, in turn, could benefit up to 50 million people in just five years.

A **Water Fund** is an innovative way to help pay for nature's services and reinvest that money in conservation.



The Latin American Water Funds Partnership will conserve almost 3 million hectares of watersheds, benefiting up to 50 million people.

Watersheds are the areas from which rural and urban communities draw their water. Since a healthy watershed helps minimize water treatment costs, the funds attract voluntary contributions from large water users downstream, like water utilities, hydroelectric companies, or industries. Revenue from these investments is directed to preserve key lands upstream that filter and regulate the water supply, through activities such as reforestation, ecotourism and water flow monitoring. **Water Funds** also help create incentives for green economic opportunities that have a positive impact on local communities, like sustainable husbandry and farming. The expectation is that this conservation model can be adapted and replicated in other regions of the world, and that more institutions will commit to working in favor of water and watersheds in Latin America, for nature and people.

The **Second Regional Forum of the Alliance for Water Stewardship-Regional Initiative for Latin America and the Caribbean (AWS-LAC)**, which is supported by FEMSA Foundation, brought together specialists from seven countries at the Tecnológico de Monterrey. AWS-LAC is a regional initiative within a global process that seeks to develop a certification, as well as an organization to administer it, that would recognize and encourage water operators and users to promote socially, environmentally, and economically sustainable use of water. During the two days of the Forum, specialists from Mexico, Chile, Costa Rica, Ecuador, Brazil, Colombia, and Germany conferred on the issues, concluding that the certification should be grounded in four thematic pillars: water quality, water sufficiency, biodiversity and governance. It also organized five workshops in various Latin American countries in an effort to include standards from the region in the certification.

Meanwhile, in the State of Mexico, FEMSA Foundation continued to support the **Fondo Procuencia Valle de Bravo**, whose aim is to introduce green technologies to the community—science-based innovations that help reduce the environmental impact of actions taken in communities in and around watershed regions. In 2011, with the support of more than 500 volunteers, 2,610 families benefited from a total of 2,218 green technologies, including the construction of integrated rainwater capture systems, backyard vegetable gardens, dry latrines, and firewood-saving ovens. Another 100 hectares of land were recovered in the zone through reforestation and the use of compost.

Solutions to the Problems of Water and the Community

The **Water Center for Latin America and the Caribbean** was FEMSA Foundation's first great action, created in 2008 in partnership with the IDB and Tecnológico de Monterrey, and in 2011 it continued to expand its area of action. The Center specializes in promoting the sustainable use of water through training, consultancy and research. Last year, it trained more professionals, offering courses to over 200 executives and technical personnel in the water community. It currently has 18 research projects under way, 16 publications in specialized journals, and six books. Also last year, highschool student Luis Alberto Lira, a student of the Tecnológico de Monterrey, in collaboration with the Water Center, represented Mexico at the Stockholm Junior Water Prize, an international competition organized by the Stockholm International Water Institute (SIWI), held in Sweden. The project, sponsored by Dr. Roeb García Arrazola, Director of the Mexico City Water Center, focused on decreasing the water footprint of biodiesel production.

FEMSA Foundation was also present at the **World Water Week** in Stockholm, organizing the **Latin America and Caribbean Focus Day** for the third year in a row. The central theme was the relationship between water and cities, in keeping with the United Nations' mission statement for the year. A number of sessions were held during the day, including a Regional Dialogue on Water Policy and Adapting to Climate Change in the Americas, which brought together leading specialists in this field. The purpose was to help decision-makers in Latin America forge public water management policies that incorporate adaptation to climate change.

Also during Latin America and Caribbean Focus, a FEMSA Foundation-supported **project on eradicating trachoma in Chiapas** was presented by The Global Network for Neglected Tropical Diseases, the IDB, and the Pan-American Health Organization (PAHO). These institutions have joined forces in an alliance to head up the **Neglected Tropical Diseases initiative in Latin America and the Caribbean (LAC NTD)**. Emergent Tropical Diseases (ETD) can affect a community's health, education and economic development. Rarely lethal, their effects can extend to paralysis, worsening the cycle of poverty. In Mexico, trachoma (an ETD that is the world's leading cause of infectious blindness) is found only in Chiapas. FEMSA Foundation supports the efforts of this alliance to reach 56 communities and introduce water, health and sanitation measures to tackle NTDs there.



FEMSA Foundation also continued to recognize advances made by water operators and authorities in the Latin American region. Together with the IDB, we organized the third **IDB-FEMSA Water Prize**, which this year was awarded in two parts. In the Solid Waste Management category, the prize went to the municipality of La Pintana in Santiago de Chile, and was accepted by Mayor Jaime Pavez Moreno, in recognition of the success of the program for source separation and selective collection, composting and vermicomposting techniques. The award was presented at the International Conference on Waste Minimization and Recycling of the International Solid Waste Management Association on June 21, 2011 in Buenos Aires, Argentina.

In the categories of Water Management and Sanitation Management, the first award went to Brazil's Minister for Social Development and Fight against Hunger, Tereza Campello, for a program to build over 350,000 individual water tanks in rural areas of eastern Brazil. In the second category, Dilma Pena, President of the São Paulo State Water Utility (SABESP) accepted the award for the Rio Tieté Watershed Environmental Improvement Program, which will recover and treat 100% of that region's wastewater. The ceremony was held during the XXVI Brazilian Conference of Sanitation Engineers, organized by the Brazilian Association of Sanitary and Environmental Engineering (ABES) in Porto Alegre, Brazil, on September 26, 2011.

New Research in Nutrition

The **Nutrigenomics Research Chair**, created by the FEMSA Biotechnology Center with the Salvador Zubirán National Institute for Medical Sciences and Nutrition, works on scientific research on the influence of food on the onset and prevention of illnesses, and the effects of specific nutrients on human metabolism. At present, it has 17 projects under way and has published or been accepted for publication into 12 scientific journals. Its scientific production also includes publication of three books and seven chapters, as well as the application for one patent. Some of its projects include food vaccine prototypes, smart packaging, and techniques for growing plants rich in anti-cancer molecules.

The road is just beginning for FEMSA Foundation. Its goal is to forge more alliances in support of projects to benefit more communities, train more people, preserve more watersheds, and continue building a better future for the countries where we operate.

FEMSA Foundation helps to eradicate trachoma in 56 communities in Chiapas, the only place in Mexico where this disease is found.



FEMSA Foundation Principal Allies and Partners

- Inter-American Development Bank (IDB)
- FEMSA Biotechnology Center of the Tecnológico de Monterrey
- Water Center for Latin America and the Caribbean
- Alliances for Development Center (CAD)
- The Coca-Cola Company
- National Water Commission (CONAGUA, Mexico)
- National Forestry Commission (CONAFOR, Mexico)
- Department of Civil Defense, Minas Gerais, Brazil
- Empresas Públicas de Medellín
- Coca-Cola de México Foundation
- Global Network for Neglected Tropical Diseases
- Global Water Partnership (GWP)
- Colombia National Government
- Salvador Zubirán National Institute for Medical Sciences and Nutrition (INNSZ, Mexico)
- International Water Association (IWA)
- ONU-Hábitat
- Pronatura Noreste (Mexico)
- Stockholm International Water Institute (SIWI)
- The Nature Conservancy (TNC)
- World Wide Fund for Nature (WWF)



To know more about FEMSA Foundation, please visit: <http://www.femsafoundation.org>

Global vision

Our work culture is based on the humanist philosophy that holds the principle of human dignity above any economic consideration. At FEMSA, we strive to take our Corporate DNA to all the countries where we operate. We are proud to share and enrich this work culture in the nine countries where we are now present, as well as the Social Development System, which promotes integral development of all our employees and their families.



For more about our Global vision, visit:
<http://www.femsa.com/en/social/global-vision>





ARGENTINA

GRI 4.12

2011

Employment¹: 4,003

Investment²: \$4.10 billions of Mexican pesos

Investment²: US \$294.2 million

Wastewater treatment plants: 2

¹ Includes external

² In 2011, South America Region includes Argentina, Brazil, Colombia, and Venezuela.



Quality of life in the company

Vacation Festival

Coca-Cola FEMSA celebrated its 17th **Vacation Festival**, an initiative that promotes the integration and values of FEMSA among 7 to 18-year old children of our employees. This year, 333 children and young people participated in recreational and educational activities.



Health and wellness

Central Market Athletic Club

This program was organized in collaboration with the **Central Market Athletic Club**, an association created recently with the purpose of promoting sports, mainly soccer and boxing, in areas near the Central Market of Buenos Aires.



Community engagement

Coordinates for Life

This program was designed to help children and young people between the ages of 10 and 18 to **learn good decision-making habits** and to provide parents, guardians or any other adult to act as mentor, offering them practical tools for supporting these children. It consists of workshops, a series of 10 conferences and three social skill guides that help children develop 16 skills needed to prepare them for better decision-making throughout their lives; and gives the adults that will train them the tools they will need in guiding them in this process. This year, in an alliance with Convivir Foundation, we benefited 190 sixth- and seventh-grade students from two primary schools in Buenos Aires, and gave a conference to our employees on the responsible use of technology.



Environmental care

GRI EN26

San Isidro Recycles

This program is aimed at **collecting PET bottles and cartons for recycling**. The initiative was introduced together with the municipality of San Isidro, the Habitat & Development Foundation, and the companies Tetra Pack CLIBA, DISCO and RECICLAR S.A. A total of 219.8 metric tons of PET and 17.7 metric tons of cartons were recovered in 2011, for a total of 1.3 million containers.

Garrahan Foundation

To raise funds for the **Garrahan Pediatric Hospital Foundation** and simultaneously create a culture of environmental care and recycling, we supported the collection of paper and plastic caps. This year, six metric tons of paper and 265 kg of caps were collected.

Transforming Optimism

In collaboration with Wal-Mart, this program invites customers in participating stores to **sort their PET bottles** for recycling. In 2011, 17.3 metric tons of PET were collected.



BRAZIL

GRI 4.12

2011

Employment¹: **14,323**

Investment² : **\$4.10** billions of Mexican pesos

Investment² : **US \$294.2** million

Wastewater treatment plants: **3**

¹ Includes external

² In 2011, South America Region includes Argentina, Brazil, Colombia, and Venezuela



Quality of life in the company

School supplies

To support our employees' children, we gave out 100 **packages of school supplies** to equip them for the back-to-school season.



Health and wellness

Healthy Living Posters

Coca-Cola FEMSA Brazil, through its **Healthy Living Posters** program, communicates, demonstrates and promotes practical actions to support the lives of the community, both at work and at home. Each poster talks about a different topic, and in 2011 they dealt with day-to-day ethics, nutrition and its effects on health, recycling, waste and climate change.

Soccer Tournament

To encourage sports and togetherness among our employees, we held a **soccer tournament** in the city of São Paulo, with 100 players taking part.



Community engagement

FEMSA Award for Children and Youth Theater

This award was created 19 years ago to recognize outstanding achievement in the production of **children's and youth theater**, as a way to revive and promote the work of professionals in the field of drama. The program is carried out under an alliance with the Ministry of Culture and Education of São Paulo, and last year involved more than 49 plays that were judged by a jury, and attended by more than 50,000 people. Also, 2,000 persons benefited from drama classes.

Education for Work

Created together with the State Ministry of Social Assistance and Development (SENAC), this program is aimed at promoting self-awareness and a greater clarity in identifying

goals and expectations, and at modifying work culture and social relations based on ethical information. As a result, **participants develop basic capabilities that allow them to succeed in the labor market**. In 2011, 300 young people took part in this program. Since its creation, 1,500 young people at risk have concluded the program.

Citizens' Plaza

This annual initiative offers communities information and a range of free services, and **seeks to encourage a sense of personal commitment to citizenship** and involvement in introducing positive practices for the common good. This was the third year of this program, and in 2011 it served 11,000 people with the support of 100 volunteers in the cities of Mogi das Cruzes, Jundiáí, Belo Horizonte and Itabirito.



Environmental care

GRI EN13 and EN26 / GC VIII

Ganhou Recycles

This 13-year-old program by Coca-Cola FEMSA Brazil introduces practices to **promote collection and encourage recycling** of post-consumer containers, through support for recycling cooperatives.

Águas das Florestas Tropicais Brasileiras

Coca-Cola FEMSA Brazil supports the **Águas das Florestas Tropicais Brasileiras** initiative, which planted 3.3 million trees in the Sierra do Japi in 2011, as part of its commitment of planting 33 million trees over a five-year period.

Floresta do Futuro Água Crystal

This initiative, in which we have participated for seven years, promotes the preservation of biodiversity in Brazil's river basins. In 2011, **35,000 trees** were planted around the Rio Jundiáí, in Mogi das Cruzes, which will help preserve the Tiête River watershed, serving 302 municipalities.



CENTRAL AMERICA

GRI 4.12

2011

Employment¹: 5,694

Investment²: \$30.410 billions of Mexican pesos

Investment²: US \$2.18 billion

Wastewater treatment plants: 4

¹ Includes external

² During 2011, Mexico and Central America Region includes: Mexico, Costa Rica, Guatemala, Nicaragua, and Panama. Includes CAPEX plus mergers and acquisitions.



Health and wellness

Community in Balance

In Costa Rica, we promote **Community in Balance**, focused on promoting healthy lifestyles and environmental care. The program includes an initiative called **Families in Movement** that promotes physical activity in the community. In 2011, the first of these was held in San José, where more than 645 people were benefited. The neighbors participated in **90 Minutes Powerade**, dances coordinated by physical fitness experts, football tournaments, Coca-Cola soccer penalty games and other physical activities.

Let's Play

The **Let's Play** program, which we introduced in an alliance with The Coca-Cola Company and the Ministries of Education of Costa Rica, Guatemala, Nicaragua and Panama, promotes children's integral development through play, exercise and healthy social interaction. The goal of Let's Play is to encourage children to enjoy and develop physical activity skills, and to promote values like solidarity, respect and tolerance. Its components consist of donating materials that stimulate physical activity to the schools; preparing manuals for teachers and other adults; training routines for teachers in charge of encouraging and controlling physical activity among the kids; and taking advantage of physical space in schools to stimulate movement, optimism and leadership. In 2011, the program benefited 25 schools, 60 teachers, and more than 9,000 students.

A Plate, a Smile

Developed at Coca-Cola FEMSA Nicaragua, this program distributes basic grains, de-hydrated food, vegetables, canned products and milk to 36 selected schools in order to **complement the daily diet** of more than 9,000 underprivileged children during the school year. The program is intended to encourage school attendance and improve their learning capacity.



Environmental care

GRI EN26 / GC VIII

Eco-Schools

Eco-Schools is an educational and awareness-raising program born out of an initiative by the Fondo Natura (FUNDENIC-SOS) and Coca-Cola FEMSA Nicaragua. It involves students, teachers and parents in various schools, by providing each institution with a set of containers for sorting solid wastes. The purpose of the program is to promote an awareness appreciation of natural resources and the environment among school communities, encouraging them to protect and conserve it. The Eco-Schools program benefited four schools, 2,775 children and 89 teachers last year.

Water Wardens

This program, supported by Acueductos y Alcantarillados de Costa Rica (AyA), Coca-Cola FEMSA and The Coca-Cola System, provides teachers and students with information about the rational use and preservation of water. Children selected to become **Water Wardens** must watch that water is used rationally in their school. The program has been introduced in Costa Rica and Panama, and by year-end, it had been established in 35 schools, generating estimated savings of 137.4 million liters.

Planet Mission

For 13 years, through **Planet Mission**, Coca-Cola FEMSA Costa Rica promotes collection and recycling of plastic bottles across the country. In 2011, this program has picked up **76.5 million bottles from the country's beaches and rivers**. The material that is collected is taken to a Coca-Cola FEMSA bottling plant where it is processed and exported to be used as polyester fiber to make clothing, tote bags, packaging, and other articles, and even "plastic wood" products like tables and chairs. Planet Mission also generates local jobs through 200 collection centers, led by micro and small businesses.



COLOMBIA

GRI 4.12

2011

Employment¹: 7,721

Investment²: \$4.10 billions of Mexican pesos

Investment²: US \$294.2 million

Wastewater treatment plants: 6

¹ Includes external

² In 2011, South America Region includes Argentina, Brazil, Colombia and Venezuela



Quality of life in the company

Integration and Development programs

In 2011, various programs were conducted to comprehensively improve the quality of life of our employees and their families. We sponsored **talks on home economics and crafts workshops for employees' spouses**, to name just a few examples. A total of 31,088 participants attended.

Community Learning Centers

Their goal is to offer training tools to vulnerable communities, where participants, through virtual media, have **access to educational programs designed and given by the Tecnológico de Monterrey**. Today the program has benefited 2,197 people in eight communities: Guapí, Medellín, Santuario, Santa Marta, Cereté, Aguachica, Curumaní, and Yopal.



Health and wellness

Let's Play

The Let's Play program was introduced in an alliance with The Coca-Cola Company and the Colombian Ministry of Education. It **promotes children's integral development through play, physical activity and healthy social interaction**. In 2011 the program was present in 13 schools, benefiting 1,300 young people.



Environmental care

GRI EC26 / GC VIII

Diploma on Climate Change

Coca-Cola FEMSA and the Tecnológico de Monterrey, with the support of FEMSA Foundation, offered the diploma program **Technical Elements for Preparing a Government Climate Change Action Program** to give government employees working in areas related to the environment the tools to effectively address the effects of climate change. In its first year, 70 people took the course with a scholarship from Coca-Cola FEMSA, which comprises basic concepts about climate change, impact reduction, vulnerability, risk and adaptation, as well as principles to design the Government Program for Action to Address Climate Change and an Inventory of Greenhouse Gases.

Caring for Myself and Caring for the Environment

This program, supported by volunteers and employees of Coca-Cola FEMSA, **promotes the donation of library sets comprised by books on environmental protection**. During 2011, 26,000 students benefited from the donation of 35 eco-libraries.



Community engagement

Time Bank

Coca-Cola FEMSA Colombia was the first company to support the **Time Bank** program, developed by the High Council on Reintegration, and whose objective is to provide opportunities for former members of Colombia's guerrilla forces and for people displaced by the armed conflict, to acquire training and re-join civil life. At the close of 2011, 321 former guerrillas and paramilitary soldiers are being trained as entrepreneurs, and 218 company volunteers are sharing their time to support them in the cities of Bogotá, Bucaramanga, Barranquilla, Medellín, Montería, and Valledupar.

Productive Projects

Once participants in the Time Bank program complete their training as micro-entrepreneurs, they have an opportunity to develop **Productive Projects** and become FEMSA suppliers with personalized consultancy from Coca-Cola FEMSA executives. This year, 49 people took part in the program and now have their own productive projects; 35 of them are now suppliers to the company.

Recycling has Value

Recycling has Value is a program introduced in chain stores, whose objective is to promote the appropriate management of post-consumer solid recyclable waste. In 2011, 130 metric tons of solid waste were collected and two recycling associations in Bogotá and Medellín were strengthened.



MEXICO

GRI 4.12

2011

Employment¹: 137,458

Investment²: \$30.410 billions of Mexican pesos

Investment²: US \$2.18 billion

Wastewater treatment plants: 11

¹ Includes external and Grupo CIMSA

² During 2011, Mexico and Central America Region includes: Mexico, Costa Rica, Guatemala, Nicaragua, and Panama. Includes CAPEX plus mergers and acquisitions.



Quality of life in the company

Training Cells

In 2011, Coca-Cola FEMSA developed the program **Training Cells**, intended to support the transfer of organizational knowledge and best practices, and involved the support of 145 key executives.

OXXO Institute

To promote the professional advancement of our employees, the **OXXO Institute**, created in 2009, offers a Bachelor's Degree In Retail Company Management to store managers. In the past year, 74 students studied within this program, which is taught by 60 volunteer employees from FEMSA Comercio.

Scholarships

Imbera and PTM supported employees and their children, benefiting 63 students at various educational levels with scholarships.

FL Institute

FEMSA Logística has a solid training instrument called the FL Institute, which develops the skills of its employees, in order to have **the best trained work force** in the industry and keep turnover to a minimum. At present, our **employee turnover rate is 13%**, which is significantly lower than the industry average of 30%.



Health and wellness

Together for your Wellness

In 2009, Coca-Cola FEMSA developed a comprehensive education and prevention program called **Together for your Wellness**, whose objective is to promote a healthy lifestyle, an adequate nutrition and physical activity among school children. In the past three years, this program has so far benefited more than 670,000 children, parents and teachers.

Your Best Move, Integral Development Through Sports

This initiative strives to integrate the practice of universal values, **using sports as a vehicle to improve students' performance in the classroom**, by training physical education teachers in a methodology designed to improve neuro-psychomotor development, social and life skills, and competences for better classroom performance. More than 105,000 students will be benefited from this program in the states of Nuevo León, Mexico City and Puebla.

Safety Week

FEMSA Logística strives to remain the world benchmark in terms of road safety. Through bimonthly safety campaigns, 2,000 employees received training in this area. During **Safety Week** we also offered vaccines, family planning talks, first aid courses, and other benefits.



Community engagement

Coordinates for Life

This program was designed to help children and young people between the ages of 10 and 18 to **learn good decision-making habits** and to provide parents, guardians or any other adult to act as mentor, offering them practical tools for supporting these children. It consists of workshops, a series of 10 conferences and three social skill guides that help children develop 16 skills needed to prepare them for better decision-making throughout their lives; and the adults that will train them can gain tools for guiding them in this process. In 2011, 7,000 Mexican children and young people benefited from this program.

Youth with Value

Carried out in an alliance with Ashoka, the program seeks to help young people between the ages of 14 and 18 to become agents of change and social entrepreneurs by designing and developing programs to improve their communities. This year more than 360 students received **social entrepreneurship**



training, and 90 social entrepreneurship projects developed by high school students of Nuevo León, Michoacán and Veracruz received support in the form of consultancy and seed capital. Each project receives approximately US \$1,000 to get started, and it is estimated that a total of 5,000 will be benefited.

FEMSA Art Collection

The collection is formed by more than 1,000 works of contemporary Latin American artists. In 2011, seven national and international exhibitions were held, besides seven workshops and conferences. The events organized around the **FEMSA Collection** were attended by 1,296,083 people.

OXXO Rounding-Up Program

Since 2002, OXXO and its clients have supported 1,321 organizations with more than \$537 million Mexican pesos (US \$38.4 million). Between March 2011 and February 2012, thanks to the generosity of our clients, a total of **\$107 million Mexican pesos (US \$7.6 million)** were collected, which went to 201 associations in Mexico working in health, education and social assistance areas.

Diploma for Journalists

Aware of the importance of journalists and editors as opinion leaders and agents of social and economic development, FEMSA offers a program to members of the leading communication media in Latin America. **The Latin American Journalist as Agent and Leader of Social Development Diploma** was developed by the Tecnológico de Monterrey at FEMSA's request, and is taught through that university's virtual network. It strives to further their knowledge through techniques and tools for research, administration, finance, ethics and leadership. The second class of more than 69 journalists graduated in 2011.

Edison Polygon

In the city of Monterrey, Mexico, FEMSA Comercio began the **Edison Polygon** project in the community surrounding its corporate headquarters. This three-year program seeks to improve quality of life in the community by fostering economic development, integral and sustainable human development. The actions we have carried out with this community are: social work with groups of young people, in which we succeeded in bringing together 13 gangs who operate in the zone to sign a truce and begin the process of rebuilding the community; equipping a security post, a health center and educational and public spaces in the neighborhood; buying a patrol car for the local police, and sponsoring reforestation days. This project involves an investment of \$40.8 million Mexican pesos (US \$2.9 million), and benefits 24,144 neighbors in this zone.



Environmental care

GRI EN5, EN6, EN13, EN26 / GC VIII

Tree Nursery for the Apizaco Community

As part of the events conducted to commemorate World Environment Day, in Mexico Coca-Cola FEMSA opened a **Tree Nursery for the Apizaco Community** in Tlaxcala. The facility will be able to turn out 50,000 tree seedlings a year for planting in the region, and will also provide a place for children, young people and community members to learn more about the environment. We also helped plant 50,000 native trees, helping preserve biodiversity in that region.

Intelligent OXXO Stores

To make more efficient use of energy in its stores, OXXO continued to consolidate this system with environmentally-friendly equipment and technology. In 2011, 74% of OXXO stores in Mexico had this system, reducing in 14% the average energy consumption annually.

OXXO Ecology Award

The **OXXO Ecology Award** celebrated its 25th edition in the cities of Hermosillo, Chihuahua and Monterrey, in Mexico, where 1,360 students in 58 schools were recognized for their efforts. This year, 1,047 secondary schools and more than 220,680 students participated. This award acknowledges teams that take part in environmental protection activities related to social causes.

One Planet Living

Imbera conducted an environmental diagnosis, and drafted a plan to join the global **One Planet Living** initiative in 2012. Imbera will be the first Latin American company to join the initiative, which was developed by the World Wide Fund for Nature (WWF) and BioRegional, and establishes 10 sustainability principles: zero carbon, zero waste, sustainable transport, sustainable materials, local and sustainable food, sustainable water, land and wildlife, culture and heritage, local economy and equity, and health and wellness.

I Recycle

The third annual **I Recycle** program at Coca-Cola FEMSA brought together the efforts of more than 380 schools and more than 181,000 primary and secondary school students from the Mexico City metropolitan area. Thanks to this program, students, teachers and parents have gained a greater awareness of the importance of recycling, collecting 500 metric tons of PET from the time the program began in 2008, through the end of 2011.



VENEZUELA

GRI 4.12

2011

Employment¹: 8,271

Investment²: \$4.10 billions of Mexican pesos

Investment²: US \$294.2 million

Wastewater treatment plants: 2

¹ Includes external

² In 2011, South America Region includes Argentina, Brazil, Colombia, and Venezuela.



Health and wellness

Baseball Program

The well-known **Baseball Program** consists of sports clinics given by professional ballplayers and aimed at underprivileged children between five and 15 years of age. In each clinic, between 120 and 200 children take part, and have a chance to practice alongside pro ball players in their own communities, learning about each position in the baseball game. The program began in 2009, and in 2011, 50 such clinics were given throughout the country, attended by 6,780 children.

Tachira Tour

To promote sports and healthy lifestyles, FEMSA Logística took part in the **Táchira Tour** bicycle race, an event that has gained wide national and international reorganization, and in which it has been involved since 2009. This year, it benefited 3,000 sports enthusiasts.



Community engagement

Productive Neighborhoods

Coca-Cola FEMSA began this program to create cooperative production networks among the inhabitants of a territory and thus generate **Family Production Units**. The program seeks to generate self-employment and strengthen community organization by training and transferring knowledge in the areas of human capital, social management, formation of social projects, and technical transfer. The initiative involved 90 participants from three Community Boards of the city of Barcelona in the state of Anzoátegui, where 22 Family Production Units were formed for the benefit of around 4,500 of the city's inhabitants.



Coca-Cola Maracaibo Tour

This social program offers guided tours of the Coca-Cola FEMSA plant in the city of Maracaibo, for **school children from underprivileged communities**. In 2011, the plant hosted 75 guided tours for 2,879 schoolchildren. Children have the opportunity to learn in a fun way the value of work in the construction of a company and the country.

Social Entrepreneur of the Year

Great social entrepreneurs of Venezuela who have contributed significantly to that country's development are recognized with the **Social Entrepreneur of the Year** award. Its purpose is to recognize Venezuelan leaders who have worked for positive change in their communities. The award is organized by Coca-Cola FEMSA in an alliance with the *Fundación Venezuela Sin Límites* and the Schwab Foundation. This year, the award went to Dr. Tomás Sanabria, a pioneer in providing medical services to remote rural areas through the use of communications technology, and collaborator in the Maniapure Project.



Environmental care

GRI EN26 / GC VIII

Coastal Cleanup

This program, which has been going on since 2007, promotes **environmental awareness on the pollution caused by solid waste** along the world's coastlines and beaches. In 2011, more than 800 volunteer employees and their families collected 13 metric tons of solid waste in four areas near Coca-Cola FEMSA's plants.

About this Report

GRI 2.5, 3.1, 3.2, 3.3, 3.5, 3.6, 3.7, 3.8, 3.9, 3.10, 3.11, and 3.13

This report discusses the activities of FEMSA and its Business Units in the area of sustainability in 2011. It is the sixth sustainability report to date. As part of our commitment, we publish this report on an annual basis, so this one immediately follows the 2011 document.

For the fourth year in a row, we used the **Global Reporting Initiative (GRI G3)** Guidelines and for the seventh year in a row, we support the **10 Principles of the UN Global Compact**. As part of our process of continually improving this report, for the first time this year we included indicators applicable to the **Food Processing Sector Supplement**, adding them to the indicators reported in previous editions, which are applicable only to Coca-Cola FEMSA. Throughout this document, each reference to a specific GRI core indicator is printed in gray-colored ink, while references related to the UN Global Compact are printed in **orange**.

The actions reported cover our programs in the nine countries where we operate: **Argentina, Brazil, Colombia, Costa Rica, Guatemala, Mexico, Nicaragua, Panama, and Venezuela**, and includes operations by business areas: **Coca-Cola FEMSA, FEMSA Comercio, and the Strategic Procurement area**, which includes **FEMSA Logística**, as well as the Imbera businesses that now include what was formerly known as Friomix; **Imbera Servicios** that now include what was known as Repare; **PTM and Quimiproducos**. It does not include information on less significant businesses or those less than a year old, except when there is a notation on this regard. We acquired different businesses in 2011, among them Grupo Tampico's La Pureza, Grupo CIMSA, and Grupo Industrias Lácteas in Panama. This aspect should be taken into account when comparing these indicators against those reported prior to 2011.

To define the content of this report, we followed three criteria: the first was preserving **congruence with information reported in 2010**; the second was to **report the most important events** of 2011; the third, the **relevance of indicators** for our industry, **based on what our stakeholders have communicated** to us through the various communication channels available to them. Comments on our previous report by GRI and KPMG (who audited the 2010 version) were also incorporated into this year's document.

Measurement methods were based on GRI guidelines; to restate Mexican peso figures in U.S. dollars, we used the exchange rate in effect at noon on December 31, 2011, which was \$13.9510 Mexican pesos per US \$1.00. The financial results were entered

with this exchange rate in order to be consistent with our financial reports to the Mexican and New York stock exchanges. The economic results mentioned in our report include those relating to programs and projects of which only a representative sample is covered in this document.

This document is organized in nine sections: the first one presents relevant data of 2011, followed by a message from our Chairman of the Board and Chief Executive Officer.

The second section includes a description of our business, an operating overview and financial highlights, along with a timeline showing the past five years of sustainability actions and FEMSA's Sustainability Platform.

In the third section, we describe the actions corresponding to the five core areas of our Sustainability Platform:

- Core area 1** **Ethics and corporate values**
- Core area 2** **Quality of life in the company**
- Core area 3** **Health and wellness**
- Core area 4** **Community engagement**
- Core area 5** **Environmental care**

This year we incorporated a new core area, **Ethics and corporate values**.

The fourth section is devoted to **FEMSA Foundation**. The fifth section provides a Global vision, which summarizes the programs carried out in the countries where FEMSA operates. Sections six through nine include an **Index of GRI Indicators**, the **assessment of the GRI application level check** and a listing of the 10 Principles of the **United Nations Global Compact**. Finally, the report cites the most important social responsibility awards that we have received during the year.

This Sustainability Report is the third to be prepared with GRI Application Level Check, under which we received an **A** rating for this report. We are convinced that the transparency and consistency of the actions reported here are fundamental to forming a bond of trust with our stakeholders. For this reason, we have decided to have this report audited independently every two years, so next year's report will once again be audited.

GRI 3.12

Global Reporting Initiative (G3) Index

(GRI G3 and Food Processing Sector Supplement)

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2.	COMPANY PROFILE		
2.1	Name	6	Fully
2.2	Brands, products and/or services	6	Fully
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2.4	Headquarters	6	Fully
2.5	Countries where the company operates	6, 7, 60	Fully
2.6	Nature of ownership and legal form	6	Fully
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3.	REPORT PARAMETERS		
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3.8	Basis for reporting on joint ventures	6, 60	Fully
3.9	Data measurement techniques and bases for calculations	60	Fully
3.10	Effect of any re-statements of information provided in earlier reports, and reasons for re-statement	6, 60	Fully
3.11	Significant changes from previous	6, 60	Fully
3.12	Content index	61-63	Fully
3.13	External assurance	60	Fully
4.	GOVERNANCE, COMMITMENTS, AND ENGAGEMENT		
4.1	Governance	17	Fully
4.2	Governance	2	Fully
4.3	Governance	17	Fully
4.4	Governance	16, 17, 24	Fully
4.5	Governance	17	Fully
4.6	Governance	16	Fully
4.7	Governance	17	Fully
4.8	Mission or values, codes of conduct, and relevant principles	16	Fully

GRI Ind.	Content	Page	Report
4.9	Governance	16, 17	Fully
4.10	Processes for evaluating highest governance body's performance	17	Fully
4.11	Precautionary principle	17	Fully
4.12	Economic, environmental, and social charters, principles, or other initiatives	9, 12, 14, 16, 27, 32, 53-57, 59, 65	Fully
4.13	Presence in associations	9, 10	Fully
4.14	Stakeholders	8, 12, 14	Fully
4.15	Stakeholders	8, 12	Fully
4.16	Stakeholders	8	Fully
4.17	Stakeholders	8	Fully
ECONOMIC PERFORMANCE			
Disclosure on Management Approach			
	Economic performance	3, 6-8	Fully
	Market presence	6, 7	Fully
	Indirect economic impacts	8, 11, 32-37	Fully
EC1	Direct economic value	7, 8	Fully
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	42	Fully
EC3	Benefit plan obligations	22	Fully
EC4	Significant financial assistance	9	Fully
EC5	Entry level wage	22	Fully
EC6	Suppliers	11	Fully
EC7	Procedures for local hiring	22	Fully
EC8	Infrastructure investments and services provided primarily for public benefit	32	Fully
EC9	Indirect economic impact	11, 32-35	Fully
ENVIRONMENTAL PERFORMANCE			
Disclosure on Management Approach			
	Materials	45	Fully
	Energy	42, 44, 46	Fully
	Water	42, 43, 46, 47	Fully
	Biodiversity	41, 43, 46	Fully
	Emissions, effluents and waste	42, 45, 47	Fully
	Products and services	42-47	Fully
	Compliance	42, 47	Fully
	Transport	47	Fully
	Overall	42-47	Fully
EN1	Materials used	45	Fully
EN2	Recycled input materials	45	Fully

GRI Ind.	Content	Page	Report
EN3	Direct energy consumption by primary energy source	44	Fully
EN4	Indirect energy consumption by primary source	44	Fully
EN5	Energy saved	42, 44, 46, 47, 58	Fully
EN6	Energy saved	40, 42, 44, 46, 47, 58	Fully
EN7	Energy saved	40, 42, 44, 46, 47	Fully
EN8	Total water withdrawal by source	Information considered confidential	
EN9	Water sources significantly affected by withdrawal of water	42, 43	Fully
EN10	Water recycled and reused	43	Fully
EN11	Land adjacent to protected areas	42	Fully
EN12	Significant impacts of activities on biodiversity in protected areas	42	Fully
EN13	Habitats protected or restored	41, 42, 43, 47, 54, 58	Fully
EN14	Biodiversity	42, 43, 46	Fully
EN15	Number of species affected by operations	42	Fully
EN16	Emissions	44, 47	Fully
EN17	Emissions	44, 47	Fully
EN18	Emissions	41, 42, 44, 46, 47	Fully
EN19	Emissions	44	Fully
EN20	Emissions	44, 47	Fully
EN21	Total water discharge	42, 43	Fully
EN22	Total weight of waste	47	Fully
EN23	Total number and volume of significant spills	42, 47	Fully
EN24	Hazardous waste	42	Fully
EN25	Water resources	42, 43	Fully
EN26	Initiatives to mitigate environmental impacts	42, 43, 44, 45, 46, 47, 53-56, 58, 59	Fully
EN27	Reclamation of packaging materials	45	Fully
EN28	Monetary value of significant fines	16, 42, 48	Fully
EN29	Environmental impacts of transporting products	47	Partial
EN30	Environmental investment	38, 42, 43, 45, 47, 48	Fully
LABOR PRACTICES AND DECENT WORK			
Disclosure on Management Approach			
Employment		22	Fully
Labor/management relations		24	Fully
Occupational health and safety		28, 31	Fully
Training and education		23-25	Fully
Diversity and equal opportunity		23	Fully

GRI Ind.	Content	Page	Report
LA1	Total workforce by employment type	7, 22	Fully
LA2	Employee turnover	N/D ¹	Fully
LA3	Benefits	22	Fully
LA4	Collective bargaining agreements	22, 24	Fully
LA5	Minimum notice period regarding operational changes, including whether it is specified in collective agreements	24	Fully
LA6	Health and safety committees	24	Fully
LA7	Absenteeism and lost days	28	Fully
LA8	Health	28	Fully
LA9	Health	24	Fully
LA10	Training	23	Fully
LA11	Training	23	Fully
LA12	Employees receiving performance and career development reviews	23	Fully
LA13	Diversity indicators	17, 22	Fully
LA14	Ratio of basic salary of men to women by employee category	22	Fully
HUMAN RIGHTS			
Disclosure on Management Approach			
Investment and procurement practices		11	Fully
Non-discrimination		23	Fully
Freedom of association and collective bargaining		24	Fully
Abolition of child labor		11, 65	Fully
Forced and compulsory labor		11, 65	Fully
Complaints and grievance practices		16	Fully
Security practices		28	Fully
Indigenous rights		16	Fully
HR1	Percentage and total number of investment agreements that include human rights clauses	11	Fully
HR2	Significant suppliers and contractors that have undergone screening on human rights	11	Fully
HR3	Total hours of employee training in human rights	24	Fully
HR4	Incidents of discrimination	16	Fully
HR5	Risks and actions to support freedom of association	24	Fully
HR6	Risks for incidents of child labor	11	Fully
HR7	Risks for incidents of forced labor	11	Fully
HR8	Security personnel training	24	Fully
HR9	Violations to rights of indigenous people	16	Fully
SOCIAL PERFORMANCE			
Disclosure on Management Approach			
Community		32-37	Fully
Corruption		16, 17, 65	Fully
Public policy		9	Fully
Anti-competitive behavior		16	Fully
Compliance		16, 17	Fully

GRI Ind.	Content	Page	Report
SO1	Programs to assess impacts of operations on communities	2, 32	Fully
SO2	Risks related to corruption	16, 17	Fully
SO3	Employees trained in anti-corruption policies	16, 17	Fully
SO4	Actions taken regarding incidents of corruption	16, 17	Fully
SO5	Public policy and lobbying	9	Fully
SO6	Contributions to political parties and related institutions, by country	We do not make such contributions	
SO7	Anti-competitive behavior, anti-trust and monopoly practices	16	Fully
SO8	Fines and non-monetary sanctions for non-compliance with laws	16	Fully

PRODUCT RESPONSIBILITY

Disclosure on Management Approach

	Customer health and safety	10, 11	Fully
	Product and service labelling	10, 11	Fully
	Marketing communications	10	Fully
	Customer privacy	16	Fully
	Compliance	10	Fully
PR1	Life cycle stages in which health and safety impacts of products and services are assessed	10	Fully
PR2	Regulations and voluntary codes of health and safety	10	Fully
PR3	Product and service information	10	Fully
PR4	Product and service information and labeling	10	Fully
PR5	Practices related to customer satisfaction	8, 10	Fully
PR6	Adherence to voluntary codes related to marketing	10	Fully
PR7	Incidents related to marketing, promotion and sponsorship	10	Fully
PR8	Customer privacy	16	Fully
PR9	Fines for non-compliance with laws and regulations concerning the provision and use of products and services	10 and 16	Fully

FOOD PROCESSING SECTOR SUPPLEMENT

SOURCING

Disclosure on Management Approach			
	Protecting natural resources	41-47	Fully
	Minimizing toxicity		N/A
	Fair trade	11	Fully
	Fair compensation for labor	22	Fully
	Traceability	11	Fully
	Genetically modified organisms (GMO)		N/A
	Animal welfare		N/A
	Biofuels		N/A

GRI Ind.	Content	Page	Report
FP1	Percentage of purchased volume from suppliers compliant with company's sourcing policy	11	Fully
FP2	Percentage of purchased volume verified in accordance with credible, internationally recognized responsible production standards.	11	Fully
FP3	Percentage of working time lost due to industrial disputes, strikes and/or lock-outs	24	Fully

SOCIAL

Disclosure on management approach

	Healthy and affordable food	10, 30, 31	Fully
FP4	Programs and practices that promote access to healthy lifestyles; the prevention of chronic disease; access to healthy nutritious and affordable food public policy	26-31	Fully

PRODUCT RESPONSIBILITY

FP5	Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards	10	Fully
FP6	Percentage of total sales volume of consumer products, by product category, that are lowered in added sugars	10	Fully
FP7	Percentage of total sales volume of consumer products sold, that contain increased fiber, vitamins, minerals, or functional food additives	10	Fully
FP8	Communication to consumers about ingredients and nutritional information beyond legal requirements	10, 11	Fully

ANIMAL WELFARE

Disclosure on Management Approach

	Breeding and genetics		N/A
	Animal husbandry		N/A
	Transportation, handling and slaughter		N/A
FP9	Percentage and total of animals raised and/or processed, by species and breed type		N/A
FP10	Policies and practices, by species and breed type, related to physical alterations and the use of anaesthetic		N/A
FP11	Percentage and total of animals raised and/or processed, by species and breed type, per housing type		N/A
FP12	Policies and practices on antibiotic, anti-inflammatory, hormone, and/or growth promotion treatments, by species and breed type		N/A
FP13	Number of incidents of non-compliance with laws and regulations, and adherence with voluntary standards related to transportation, handling, and slaughter practices for live terrestrial and aquatic animals.		N/A

¹ We do not have standardized data on average turnover rate segmented by similar age groups and gender. This data is not considered material for all our businesses since the turnover rate and the needs for segmentation vary according to the different industries in which we participate.

Global Reporting Initiative Application Level Check



Statement GRI Application Level Check

GRI hereby states that **Fomento Económico Mexicano SAB de CV (FEMSA)** has presented its report "Sustainability Report 2011" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, March 2nd 2012

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a faint, large watermark of the GRI logo in the background.

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

***Disclaimer:** Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on February 3rd 2012. GRI explicitly excludes the statement being applied to any later changes to such material.*

GRI 4.12

Support for the United Nations Global Compact

Human rights

Principle I (GC I)

Support and respect the protection of internationally proclaimed human rights.

Principle II (GC II)

Make sure that they are not complicit in human rights abuses.

Labor conditions

Principle III (GC III)

Uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle IV (GC IV)

Uphold the elimination of all forms of forced and compulsory labor.

Principle V (GC V)

Uphold the effective abolition of child labor.

Principle VI (GC VI)

Uphold the elimination of discrimination in respect of employment and occupation.

Environment

Principle VII (GC VII)

Support a precautionary approach to environmental challenges.

Principle VIII (GC VIII)

Undertake initiatives to promote greater environmental responsibility.

Principle IX (GC IX)

Encourage the development and diffusion of environmentally friendly technologies.

Fight against corruption

Principle X (GC X)

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

Sustainability Recognitions in 2011

FEMSA

Socially Responsible Company 2011 (CEMEFI, Mexico)

Industry Ethic and Values Award 2011 (CONCAMIN, Mexico)

Coca-Cola FEMSA

Colombia

Carrefour Allies Award 2011 (Carrefour)

Britcham Lazos Award 2011 (British and Colombian Chamber of Commerce)

Western Hemisphere Corporate Citizenship Award 2011 (Latin American Chamber of Commerce Association (AACCLA) and Center for Entrepreneurial

Environmental Social Responsibility Award (SIEMBRA Colombia)

Note: Awards received for the Water and Sanitation Program carried out in Colombia with FEMSA Foundation and Coca-Cola Servicios de Colombia.

Brazil

Juscelino Kubitschek Medal 2011 (IDB)

Mexico

Socially Responsible Company 2011 (CEMEFI)

Venezuela

Recognition by the Venezuelan American Chamber of Commerce

Recognition Barrio Simón Bolívar (Community Council Simón Bolívar Neighborhood)

Recognition Todo Corazón Foundation

FEMSA Comercio

Socially Responsible Company 2011 (CEMEFI)

Environmentally-Friendly Business (Municipality of Guadalupe, N.L., Mexico)

Community Outreach (Government of Guanajuato, Mexico)

Strategic Procurement Area

Quimiproducos

Clean Industry Certification (PROFEPA, Mexico)

Imbera

Clean Industry Certification (PROFEPA, Mexico)

Technological Development Award (CONACYT, Mexico)

Certified Laboratory

PTM

Clean Industry Certification (PROFEPA, Mexico)

FEMSA Logística

Road Safety National Award, Company Category (ANTP, Mexico)

Road Safety National Award, Operators Category (ANTP, Mexico)

Socially Responsible Company 2011 and Best Practices in Social Responsibility, Category Quality of Life in Company (CEMEFI, Mexico)

Clean Industry Certification (PROFEPA, Mexico)

FEMSA Foundation

Carrefour Allies Award 2011 (Carrefour)

Britcham Lazos Award 2011 (British and Colombian Chamber of Commerce)

Western Hemisphere Corporate Citizenship Award 2011 (Latin American Chamber of Commerce Association (AACCLA) and Center for Entrepreneurial






Environmental Social Responsibility Award (SIEMBRA Colombia)

Note: Awards received for its Water and Sanitation Program carried out in Colombia with Coca-Cola FEMSA and Coca-Cola Servicios de Colombia.

Responsible Printing

Because we know that every effort matters, and although we printed only a small number of these reports, we demonstrate our commitment to the planet by using environmentally safe materials.

The following lists the environmental savings obtained by using recycled fiber instead of virgin pulp for this document, in which we used paper that includes 30% of recycled post-consumer waste.

	14.63 million fewer BTUs energy used	=	powering 0.16 homes for a year
	0.06 acres preserved via sustainable forestry		
	20.94 less trees consumed		
	2,408.63 lbs of greenhouse gases reduced and/or offset	=	taking 0.22 cars off the road for a year
	7,615.53 gallons less water consumed		

The environmental impact estimations were performed based on the Earth Savings Calculator, available at:

<http://www.earthcolor.com/sustainability/earth-savings-calculator>

The report was printed on:

Cover FSC Accent Opaque Cover
(30% post-consumer waste, covers)

80# Text FSC Accent Opaque Cover
(30% post-consumer waste, interiors)

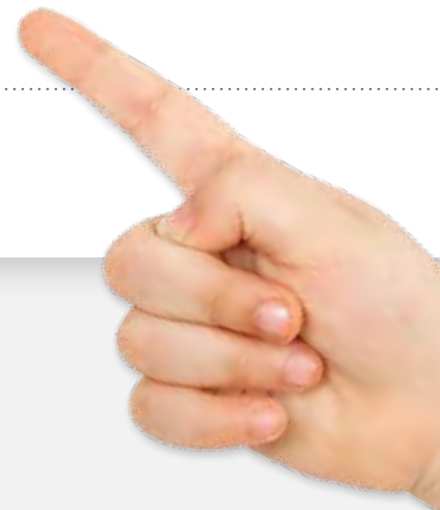
Certified by the FSC and Rainforest Alliance, manufactured in acid-free conditions with elementally chlorine free fiber, and with 30% recycled post-consumer material.





For a complete version of this 2011 Sustainability Report, please visit:

www.sustainabilityreport.femsa.com



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