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Actions for Environmental care



» For more than a century, FEMSA has assumed a commitment to responsible behavior, guaranteeing respect care and conservation of our natural environment, and generating value in a framework of sustainable development. The importance we give to environmental care has led us to design an Environmental Policy that governs the actions of our Business Units.

FEMSA is committed to respect, care and protection of the environment in each and every one of its projects, processes and products

Our Actions

- 10.6 million m³ of water saved over the last five years.
- Almost \$23 million pesos invested in energy savings programs.
- 90% of our installations certified as a “Clean Industry” in Mexico.
- 32 wastewater treatment plants, 20 of them in Mexico.
- The “Environmental Excellence” Award granted to three of our brewing facilities.
- Investment of US\$20 million, jointly with ALPLA and Coca-Cola de Mexico, in the construction of the IMER food-grade bottle-for-bottle PET recycling plant.
- Energy savings over the last five years equivalent to one year’s consumption of electricity by a community of 58,000 people.

\$23 million
pesos invested
in 18 energy
saving programs
in various
Business Units

Our Environmental Policy

The Policy is based on principles such as:

- Innovation of the production chain through environmentally-friendly technologies.
- Encouragement of a Pro-Safety and Pro-Environment leadership attitude among our associates.
- Constant training of personnel in techniques for the protection of health, safety and the environment.
- Compliance with governmental standards.
- Constant search for windows of opportunity in each of our processes towards maintaining operational efficiency and the proper use of resources, with performance monitoring.

In addition to this Environmental Policy, each Business Unit focuses on certain aspects of ecological protection. For example, Coca-Cola FEMSA fulfills its commitment, as a member of the Coca-Cola System, to implementing the Evolution III System in its operations, with the purpose of establishing an environmentally responsible beverage industry.

This program is equivalent to the ISO-14001 certification, aimed at protecting the environment and complying with government regulations.

Efforts on behalf of environmental conservation range from the efficient use of water and energy, and the maintenance of transport vehicles, to the recycling of solid waste and the protection of the ozone layer.

» We use compact vehicles run on electricity in heavy traffic areas such as downtown Mexico City



Care of raw materials and resources

Responsible use and care of water

Over the past five years, major efforts have been expended for the more efficient use of water at FEMSA's facilities in Mexico. This has resulted in savings of approximately 10.5 million m³ of water, or the equivalent of an annual supply for 38,000 households. FEMSA has 32 water treatment plants, 20 of which are in Mexico. The company's commitment is to comply with the Mexican government standards of water disposal and to promote water recycling in activities such as watering of public parks and gardens.

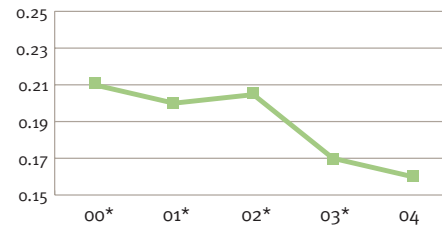
Energy savings

In 2004, \$23 million pesos were invested in 18 different energy savings programs in various Business Units. Programs implemented in our beverage sector over the past five years have resulted in savings of around 140 million kilowatt-hours of electricity, equivalent to the annual consumption of 108,000 households. In the area of gas consumption, the beverage sector has shown average annual savings of 9% per unit produced. In each Business Unit the updating and application of state-of-the-art technology has been of major

importance in helping us to make more efficient use of our electrical energy resources.

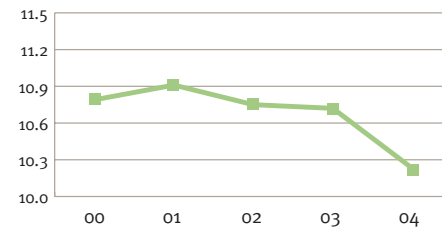
10.5 million m³ of water saved over the last five years

COCA-COLA FEMSA
kWh/Unit cases



* Only includes Coca-Cola FEMSA plants in Mexico, before the acquisition of PANAMCO.

FEMSA CERVEZA
kWh/Hectoliter



» Wastewater treatment facility in Toluca, Estado de Mexico

Recycling

More than 12,000 tons of recycled aluminum and more than 64,000 tons of recycled glass over the last two years

In conjunction with other organizations, FEMSA supports associations such as “Ecology and Corporate Commitment” (ECOCE), which promotes the creation of centers for the collection of solid waste and works on legislative proposals concerning its handling. ECOCE also supports campaigns to raise littering awareness. These efforts have been complemented by the ECO-RETO program with the participation of schools from diverse levels. Through competitions, students gather empty bottles, cans and containers to exchange for school supplies and sporting equipment.

PET

Through the REF PET program, returnable PET bottles which have been discarded because of their appearance, but that still conform to cleanliness and quality requirements, are totally recycled to produce new containers.

With an investment of US\$20 million, Coca-Cola FEMSA, Coca-Cola de México and bottle supplier ALPLA joined forces to build the first PET recycling plant in Latin America,

called Industria Mexicana de Reciclaje (IMER). The plant has a capacity of 25,000 annual tons, thus tripling the amount currently recycled in the country. The process yields food-grade resin for the production of new bottles. Furthermore, the plant backs ECOCE recollection, or gathering of empty containers, thereby creating more jobs for a greater number of Mexicans.

Aluminum

FEMSA companies have designed strategies that allow the reuse of materials in their production processes. Over the last two years, more than 12,000 tons (901 million cans) of recycled aluminum was used to produce new containers.

Glass

Thanks to the recycling of 64,000 tons of glass over the last two years, 22.1 million kilowatt-hours of electricity were saved, which would have been used to produce glass from raw materials. This saving is equivalent to the annual supply of electricity to 17,000 households.

» Cutting and compression of aluminum for recycling at the FAMOSA facility in Toluca, Estado de Mexico



Clean air



Shipping

In its shipping equipment, FEMSA uses motors with electronic devices that improve gas mileage, catalytic converters in gasoline and diesel engines, and high-quality synthetic oils that require less frequent changing. All of these measures reduce harmful emissions.

FEMSA has also developed truck bodies with a greater delivery capacity for supermarkets and other outlets, thus reducing distribution time. It uses compact vehicles that run on electricity for the

distribution of our products to areas of difficult access or with heavy traffic, such as Mexico City.

Because of these efforts, during 2004 Coca-Cola FEMSA received the Mexican federal government's National Shipping Energy Savings Award (first prize in the category of Corporate Industry with Its Own Shipping Fleet), awarded by the Ministry of Energy.

FEMSA participated in the construction of **IMER**, the first food-grade bottle-for-bottle **PET** recycling plant in Latin America



» FEMSA's shipping vehicles are equipped with environmental devices

During 2004:

» 750 schools

» 112,500 students

» 3,750 teachers

» 15,200 parents

» 41 municipalities

participated in

the OXXO

Environmental

Award in the state

of Nuevo Leon

Environmental awareness

OXXO in the environment

In 1986 FEMSA Comercio, in conjunction with FEMSA Insumos Estratégicos and the Mexican Ministry of Education, established the OXXO Environmental Award in Nuevo Leon to encourage children and young people, along with their teachers and parents, to promote environmental protection awareness through community projects and activities such as recycling. The winning schools are awarded prizes ranging from classroom renovation to the donation of educational and computer equipment.

Courses and celebrations

FEMSA companies sponsor various programs for the promotion of environmental awareness for the public, and especially for young people and children. The FEMSA Cerveza facility in Monterrey, for example, has given talks on environmental protection to more than 18,000 children, while the Tecate facility welcomed more than 4,500 children to their environmental courses given by company personnel. FEMSA Cerveza facilities celebrate key dates in the environmental calendar, such as World Water Day, World Ecology Day and the Recycling Fair, together with their local communities.

ISO Certifications

Coca-Cola FEMSA	FACILITY Argentina	YEAR Since 2002*	CERTIFICATION ISO 14001
	Brazil	Since 1997*	ISO 14001
FEMSA Cerveza	FACILITY 6 Facilities	YEAR Since 1996*	CERTIFICATION ISO-9000
FEMSA Insumos Estratégicos	FAMOSA FACILITIES Ensenada	YEAR Since 1997*	CERTIFICATION ISO 9000:2000
	Monterrey	Since 1995*	ISO 9000:2000
	Toluca	Since 1997*	ISO 9001:2000

* To date

Reforestation

The FEMSA Cerveza facility in Tecate, Baja California runs reforestation and cleaning campaigns in coordination with the municipal government. Over the last two years more than 3,000 trees have been planted in the community because of this initiative.

The FEMSA Cerveza facility in Orizaba, Veracruz, in conjunction with the city

government, celebrates Tree Day, promoting reforestation through a gift of trees native to the region.

The FEMSA Cerveza facility in Navojoa, Sonora, has supported reforestation in various communities, including the “Paquín Estrada” Sporting Complex located in the municipality.



» 90% of FEMSA's facilities in Mexico are certified as Clean Industry

Awards and Certifications

FEMSA was one of the first Mexican companies to join the “Clean Industry” National Environmental Audit Program, under the auspices of the Ministry of the Environment (SEMARNAT), which confers recognition on companies whose processes demonstrate a complete respect for the environment.

To date, 90% of FEMSA's plants have this certification.

This proactive stance has borne fruit, and now three of our breweries (Monterrey, Orizaba and Navojoa) have received the “Environmental Excellence Award 2004”, granted by the federal government's environmental protection agency PROFEPA. This award is given to companies that show a consistent focus on sustainable development in their operations.



» Reforestation programs