In this document we share some of the ways in which our dedication to customer satisfaction and Sustainability can be reflected in our Business Units. We strive to provide outstanding service to our consumers, to support our collaborators in achieving their personal development, to preserve our environment and to conserve natural resources for future generations, as well as to reinforce our commitment to support the communities in which we operate.
For over 130 years, FEMSA has been an active force in the economic progress and prosperity of Latin America, caring for our collaborators, serving our customers, preserving the environment, and supporting the communities that we call home.
At FEMSA, we have long recognized that integrating Sustainability in our business models is essential to our purpose of being a good neighbor, a responsible company, and a corporate citizen engaged in the collaboration of meeting global challenges.

Our Business Units abide by the law in all the countries where we operate, creating and satisfying customer needs while encouraging the professional and personal advancement of their collaborators, strengthening the supply chains that sustain them, preserving natural resources, and transforming the communities, thus generating social value.

2020 has been a year of dramatic contrasts for our company: it was with great pride that we celebrated the 130th anniversary of our foundation as Cervecería Cuauhtémoc, but we and the rest of humanity were troubled and deeply affected by the ongoing COVID-19 pandemic.

We were put to the test during this year, which has had widespread implications for business and society. The spread of the pandemic has become a constant threat to life and sustenance around the globe, placing great demands to governments, society and businesses.

FEMSA develop a strategy to respond immediately to the social and economic impact of COVID-19, a roadmap by which our Business Units could ensure the safety and welfare of our collaborators and protect our customers through operational adjustments, thus ensuring responsible business continuity and support for our communities, while remaining mindful of environmental, social, and governance issues like climate change, circular economy, water stewardship, human rights and ethical conduct.

In recent years, we had made considerable progress in our Sustainability Strategy, evolving our projects, adapting our governance, and improving our ESG reporting. We will continue focusing on a strategic approach, addressing global challenges through local action and working for faster, smarter, and more sustainable product and service solutions.

The events of 2020 sparked sweeping changes in business conditions around the globe. Our business units have adapted to respond to the new challenges. We know the present environment disrupted the ESG ecosystem, and we visualize a greater global relevance in these topics, including the megatrends of the industries in which we participate.

This year we began updating FEMSA’s Strategic Sustainability Framework, which will help us better understand our current impacts, redefine the way we want to operate in the future, and help us keep our stakeholders updated on the progress of our public commitments. This framework will also allow us to align with our core values, policies and statements, identifying ESG priorities, and setting ambitious goals and objectives.

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Through a collective effort in corporate and operative areas, we dedicated time, teamwork and collaborative approach to identify the Sustainability challenges of the Business Units by updating their materiality matrix. In this way, we will be able to channel the necessary and available resources to strengthen our Sustainability strategy and be accountable to our stakeholders.

The results obtained highlight that our main priorities are: climate action, water resource management, circular economy, human and labor rights, comprehensive development, inclusion and diversity, health and safety, and corporate ethics, among others.

During 2021 we will continue with this task in all our Business Units.

For more information on the materiality analysis, the Sustainability strategy and ESG priorities, visit: [https://www.femsa.com/en/sustainability/sustainability-strategy/materiality/](https://www.femsa.com/en/sustainability/sustainability-strategy/materiality/)

Recognizing the sustainability priorities in our Business Units will allow us to attend to our stakeholders, address the ESG criteria of our company and the industries in which we participate, focus resources, and improve our reporting, being consistent with global sustainability frameworks and principles.

In recent years, we have made steady progress in our Sustainability Strategy.

Some of our ESG priorities for the future are the following:

- Climate action
- Water resource management
- Circular economy
- Human and labor rights
- Comprehensive development
- Inclusion and diversity
- Health and safety
- Corporate Ethics
Our focus
FEMSA is committed to being a high-performing company in which talent and culture drive the development of our people. Our operations follow a principles-based approach to doing business; this means operating in ways that go beyond the fundamental responsibilities of safe and healthy working conditions, human and labor rights.

We invest resources to ensure that every employee is capable of advancing toward their fullest potential, giving them the training and tools they need to succeed professionally and personally, making every employee an ambassador of FEMSA’s values in their community, magnifying exponentially the social value that our company generates.

We seek to contribute to a cultural transformation that promotes human and labor rights, as well as inclusion and diversity, by creating safe work environments free of discrimination and harassment, where employee well-being translates into happiness, job satisfaction, personal development, and a healthy work-life balance.

Focus areas:

Our contribution to the Sustainable Development Goals:

Investment
In 2020, we invested more than Ps. 1 billion (US$ 50 million) in Our People.

Our partnerships
• Tent partnership for refugees
• United Nations High Commissioner for Refugees in Mexico
Culture and values

Our focus
At FEMSA, we know that human and labor rights constitute a set of prerogatives based on human dignity, which are indispensable for the comprehensive development of a person. We respect our collaborators’ human and labor rights, having as a fundamental principle the respect of human dignity above any other business consideration. We abide by international labor rules, as well as labor and social security laws, and individual and collective agreements, conventions or labor covenants in all countries where we operate.

We aspire to having a diverse workforce made up of talented, motivated and authentic people. For us, inclusion and diversity go beyond mere policies, programs and goals. It is about opportunities for all, adopting a culture that celebrates the authenticity of the talent that each one of us can contribute as unique individuals.

Our Business Units work on various projects and initiatives to enrich our inclusive culture, opening doors to diversity. Every day we take measures to enhance our diversity, equity and inclusion.

Our business legacy is intentionally inclusive: Don Eugenio Garza Sada made sure that every employee could contribute value, earn respect, and be considered an essential part of our company.

Being aware of the value of diversity and inclusion is one way we ensure our economic and social value is sustainable over the long term.

Programs and initiatives

FEMSA Comercio
Inclusive labour workplace
To encourage workplace inclusion for people in vulnerable groups, through our Proximity, Health and Fuel divisions, we offer job opportunities, primarily to people with disabilities, refugees and senior citizens.

We aim at developing equality, respect and empathy. We want our workplaces to build inclusive policies and give equal opportunities to all.

Through our training centers and our Inclusive Company award from the Mexican Ministry of Labor and Social Planning, we increased the number of people that now integrate our work force.

Employment and training center
This center offers people with disabilities a chance to train for a job, to encourage their professional development and facilitate their inclusion in the work force and in society, inside and outside of our company.

In Mexico, we have invested in establishing eleven such centers. Graduates have the option of applying for a job at one of our divisions or choose to apply for work in another company.
Inclusion and diversity workplace indicators
People with vulnerable status employed

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior citizens</td>
<td>3,200</td>
<td>3,007</td>
<td>1,584</td>
</tr>
<tr>
<td>People with disabilities</td>
<td>930</td>
<td>842</td>
<td>812</td>
</tr>
<tr>
<td>Refugees</td>
<td>200</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Inclusive Company Distinction
This distinction recognizes companies that apply good labor practice policies in the areas of equal opportunity, inclusiveness, development and non-discrimination against people in vulnerable situations, as a social responsibility measure and to respect human rights.

Workplaces with Inclusive Company Distinction

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total workplaces</td>
<td>315</td>
<td>462</td>
<td>436</td>
</tr>
</tbody>
</table>

Coca-Cola FEMSA
Inclusion and diversity strategy
At KOF, we listen to our people's opinions on matters of disability, gender equality, sexual orientation, culture and generational diversity. We want this strategy to help us form inclusive leadership throughout the organization, create a talent portfolio, and build an inclusive, flexible working environment.

Accreditations
Certified Equity MX
Since 2016, the Human Rights Campaign Equity MX Organization has been working with Mexican companies to promote LGBTQ diversity and inclusion. This certification is given to companies that take steps to apply inclusive policies, best practices and benefits for this community.

Bloomberg Gender Equality Index
This index is made up of companies committed to supporting gender equality by developing policies, representation and transparency across five dimensions: female leadership and talent, equal pay and gender parity, inclusive culture, sexual harassment policies, and pro-women brand.

2020 marked our third year of inclusion in this prestigious international index.
Training and development

Our focus
We firmly believe that our collaborators’ performance is closely related to their personal and professional advancement. With more than 300,000 collaborators working in our Business Units, we need to provide training and development programs in which every one of them can drive their own growth within our organization.

We want our people to develop skills and abilities that enable them to anticipate the company’s needs, be prepared to act in complex environments and amid constant change, and thus to respond to current and future challenges.

Training and development

<table>
<thead>
<tr>
<th>Training performance indicators</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hours of training</td>
<td>8,573,290</td>
<td>8,657,577</td>
<td>8,573,290</td>
</tr>
</tbody>
</table>

Some training topics in 2020

<table>
<thead>
<tr>
<th>Human Rights</th>
<th>Leadership</th>
<th>Technical knowledge</th>
<th>Health and safety</th>
<th>Sustainability</th>
</tr>
</thead>
<tbody>
<tr>
<td>436,269</td>
<td>127,966</td>
<td>4,724,823</td>
<td>712,488</td>
<td>14,166</td>
</tr>
</tbody>
</table>

Occupational safety and health
The safety and health of our people has always been an absolute priority. We make every effort to keep our collaborators healthy and injury-free while they are on the job. We work to evaluate, mitigate and minimize the risk associated with daily activities, improve our incident response through compliance and oversight of safety programs, and through closer communication with all our stakeholders.

We offer medical services that monitor and protect employee health through preventive activities, early detection of work-related illnesses, and quality medical care when someone falls ill during the work day.

At the same time, we try to keep our collaborators healthy through activities that promote physical activity, awareness-building and prevention campaigns, workshops on promoting mental wellness, psycho-social counseling, nutritional counseling and vaccination campaigns.

All of FEMSA’s Business Units have Industrial Safety and Occupational Health management systems consistent with their industries and sectors and area of business, in line with FEMSA Corporate Policies and the legal framework of the countries where we operate.

Our goal is to create safe workspaces and healthy lifestyles.

FEMSA Comercio

Health week, vaccination and prevention campaigns
In 2020, we continued to work on a number of events promoting holistic wellness for collaborators, illness prevention, early detection and self-care. The focus of our health week this year was the comprehensive wellness of our people, with the aim of improving their physical, emotional, social and psychological health through nutritional and medical checkups, cardiovascular evaluation, flu vaccine and psychosocial risk.
FEMSA Strategic Business

Health and Safety Fair - Health Week
To promote a culture of preventive health care and support occupational health and safety for collaborators and wellness for the entire community, 24 events were held, benefiting around four thousand collaborators. These included campaigns focusing on control and early detection of chronic degenerative illnesses. The end result has been a reduction in both accidents and absenteeism in the workplace.

Workers also attended talks on the use and benefits of medical insurance. An on-the-job workout campaign was also introduced, providing collaborators a program of exercises they can do at the workplace, helping offset the physical stress of the job and keep their bodies in shape and balanced to ensure good health.

Road safety
At Solistica, we have always been committed to ensuring the safety of our collaborators and all people linked to the value chains we support. During 2020, we implemented two programs for more than two thousand mid-level managers in all regions and functional areas of Solistica: ZEIF, a program to build a culture that strengthens safety behaviors through engagement and reflection activities. The second program was Five Minutes of Safety, aimed at plant operators, which consists of short five-minute talks, organized on a regular basis, to reinforce the "golden rules" for safe operation.

Coca-Cola FEMSA
At KOF, we consider it our basic and necessary responsibility to protect people’s safety so they enjoy every moment of their lives, and also to create more value for customers and to build a more sustainable business. For these reasons, KOF has repeatedly voiced its commitment to doing everything necessary to secure the lives of everyone with whom we interact in our operations, and maintain our goal of zero accidents.

QSE Cultural Transformation Model
This model consists of five key elements. The strategic framework and change plan for QSE Cultural Transformation was developed in 2019, and adapted for every country where we operate. The process began with the Leadership and Diagnostics phase of QSE Culture.

Risk prevention and culture
One of our strategic approaches at KOF is to reduce and manage strategic, operating and compliance risks. To this end, we have a Risk Management Model for properly managing risks and opportunities in the organization, by correctly understanding, identifying, analyzing, validating, prioritizing, responding to and controlling to achieve results.

Our safety technology and digitalization pipeline continues to enable our Road Safety Strategy and results. Based on three key elements—People, Organization, and Vehicles—this strategy has enabled us to significantly improve road safety by reducing the number of accidents within the organization. To support this strategy, our business units have continued to implement initiatives and innovations that have accelerated the positive performance in this critical area, focusing on the development of drivers' capabilities and the implementation of technology for road risk monitoring and management.

Comprehensive development

Our focus
FEMSA aims to support the comprehensive development and quality of life of all our collaborators, in order to positively impact our environment as well as our business strategy, which involves building a culture of wellness in the workplace that supports the physical and mental health of all our collaborators.

To do so, we invest in comprehensive development activities that include information, education and programs for improving physical, mental and financial health, and reducing the risk of preventable chronic illness. These activities are designed both for collaborators as well as their families. At the same time, we provide resources to collaborators who support the most vulnerable members of their communities in various social contexts.

With this, we work to give all our people an opportunity to grow and transcend in their community and improve quality of life through a better work-life balance. Our unwavering goal is to maintain and improve the physical, mental and emotional health of our workforce.

Our model of comprehensive development is the tool by which we promote healthy social, civic and family relations in harmony with the environment and the community. Our collaborators are encouraged to share our vision of corporate citizenship through charity, compassion, promising ideas and extraordinary energy.

FEMSA’s comprehensive development model consists of five dimensions:

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Definition</th>
<th>Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social</td>
<td>We promote the development of satisfactory social, civic, and family relationships in harmony with the environment and the community</td>
<td>2,126</td>
</tr>
<tr>
<td>Health</td>
<td>We promote healthy lifestyles (physical and emotional)</td>
<td>713</td>
</tr>
<tr>
<td>Labor</td>
<td>We foster commitment, excellence at work and a constructive work environment, developing a sense of belonging</td>
<td>448</td>
</tr>
<tr>
<td>Economic</td>
<td>We promote the construction and protection of the collaborators’ assets, generating an organizational culture of work and savings</td>
<td>81</td>
</tr>
<tr>
<td>Formative</td>
<td>We provide continuous learning so that our collaborators acquire knowledge and skills</td>
<td>144</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td></td>
<td><strong>3,512</strong></td>
</tr>
</tbody>
</table>
Focus areas:

Our focus
We strive for all our business models to address global challenges. We understand the relevance of collaborating and evolving as a society to transition to a carbon-neutral economy, and accelerate our steps to achieve a circular economy, efficient stewardship and protection of our water resources.

We recognize the value of innovation and collaboration, as tools for expanding the scope of our business philosophy. This is embodied in our long-term strategies and goals, our investment in developing eco-efficient products and services, in the awards we give for innovation in resolving complex environmental problems, and in the partnerships we forge with industry, civil associations and private investors.

We maintain our vision of pursuing the balance between expansion and the growth of our Business Units and meeting a clear and forceful objective: going further minimizing our impact.

Our investment
In 2020, we invested more than Ps. 890 million (US$ 44 million) in Our Planet.

Our partnerships
- ADIAL – Associação Brasileira Pró-Desenvolvimento Regional Sustentável
- CEMPRE (Compromiso Empresarial por el Reciclaje)
- CBH-AP - Comite de Bacias Hidrograficas - Aguapeí Peixe (Marília)
- CESPEDES (Comisión de Estudios del Sector Privado para el Desarrollo Sustentable)
- ECOCE
Our focus
Water is an essential component of our operations. It is also vital to the sustainability of our planet, our people, our communities and our business.

Since our beginnings 130 years ago we have been working to develop a comprehensive vision with the firm purpose of optimizing our use and management of water resources. This holistic approach includes operating efficiently, responsibly using water basins, and seek to achieve and sustain water security in the regions were we have presence, ensuring sustainable access to a sufficient quantity and quality of water to sustain human life and socioeconomic development. Through FEMSA Foundation, we carry out projects designed to improve communities’ quality of life by helping to provide them with safe water, improved sanitation, and hygiene education.

Our strategy includes conducting assessments in order to better understand the risks and impact on the watershed regions we occupy. We evaluate the long-term sustainability of water resources to select options that can avoid or mitigate any impact on the environment and other users.

We maintain our vision by pursuing a clear and unmistakable objective: going further minimizing our impact.

Our targets:
- Achieve a water-use ratio per liter of beverage produced of 1.5 liters
- Return to our communities and the environment the same amount of water used to produce our beverages.
Water access and availability are fundamental for the health and welfare of millions of species. But the supply of clean water can be affected by changes in climate patterns and/or government regulations. We are moved to confront this challenge with increasing conviction, considering the relevance of this powerful element for the health of human beings, wildlife and ecosystems.

The following are some examples, translated into projects and initiatives, of how we use innovation, technology and partnerships as a solution for preserving this vital resource.

Programs focused on efficiency:
- Condensate irrigation system in stores
- Environmental management system
- Bin and container washing system
- Water-neutral diagnosis

Programs focused on universal access, research and development, watershed conservation, and water security
- Water Funds
- Lazos de Agua
- Alianza Latinoamericana de Fondos de Agua
- IDB-FEMSA Award

To learn more about the programs, initiatives and results of FEMSA Foundation, please visit our Annual Report or our website: https://www.femsa.com/es/fundacion-femsa/

Programs and initiatives

Efficient use

FEMSA Comercio
Condensate irrigation system
The water that condenses our ventilation and air conditioning systems has been identified as a potential source of clean water, which generally goes down the drain. By investing in infrastructure, we can reuse this water for specific purposes, helping conserve and use water sustainably.

In 2020, more than three thousand OXXO stores used condensate water for watering trees located around the stores.

FEMSA Strategic Businesses
By integrating a set of initiatives for reducing water consumption, including the environmental management system, constant monitoring of performance indicators, continuous improvement of manufacturing processes, training personnel to positively influence their behavior, and investing in technology, we have achieved our goals.

In 2020, more than three thousand OXXO stores used condensate water for watering trees located around the stores.
Coca-Cola FEMSA
We have adopted a vision towards responsible management in the use and conservation of water through a comprehensive strategy. We promote efficient water consumption in all our manufacturing plants, through our Top 20 Water Saving Initiatives program that includes ranging from detection and elimination of leaks to investment in technology for recovering and optimizing consumption.

To calculate our efficiency, we measure the amount of water it takes to produce one liter of beverage.

Water replenishment and conservation
We continue to promote water replenishment programs through watershed conservation. We do this through environmental projects developed in partnership with stakeholders such as universities, development banks, public agencies and other experts.

Quality and treatment
FEMSA Strategic Businesses
Our manufacturing plants in Mexico have wastewater treatment facilities that ensure that their wastewater is compliant with environmental standards.

Coca-Cola FEMSA
The water we use in our manufacturing plants is treated according to rigorous standards. We ensure that 100% of our wastewater is treated and returned to nature with satisfactory quality. We have wastewater treatment plants at 100% of our bottling facilities.

By 2020 we achieved our goal of 1.49 liters of water per liter of beverage produced, an improvement of 24% compare to 2010 water use ratio; this positions us as the best practice in the Coca-Cola System worldwide.
Our focus
Energy is essential for all forms of life, and it makes our lives viable. The use of energy is basic to all human activity. We depend on energy to work our fields, power our homes, run our businesses. Without energy, life would be impossible.

We are aware, however, that the generation and use of energy can have both positive and negative environmental impacts. Energy use and sourcing are the main factors behind climate change, because it is the largest source of greenhouse gas emissions. This global challenge requires attention and collaboration between governments, companies, and consumers, to bring about the change needed to halt its adverse effects.

Our Sustainability strategy helps to mitigate and adapt to climate change, focusing on the efficient use of energy, the use of renewable sources, and product and service innovation.

FEMSA continues to advance toward achieving its corporate goal of supplying renewable energy. This initiative is our example of a global effort framed within the Paris Agreement.

Since 2015 we have been increasing the proportion of renewable energy in all our Business Units. Through purchase contracts we have access to renewable energy from various wind farms in Mexico.

We continue to make progress in our energy efficiency efforts. We have invested in clean technology, explored the use of vehicles powered by electricity, optimized distribution routes, developed energy saving campaigns, and used more energy efficient devices and equipment in our facilities. We go one step further in reducing our emissions: with our portfolio of low-carbon products and services, we help customers to reduce their own carbon footprint.

Our target:
• To achieve 85% of our electricity consumption in Mexico from renewable sources.
We recognize that investment, innovation and collaboration can drive the disruptive changes needed to deliver on the promise of achieving a low-carbon economy.

We share our projects and initiatives that contribute to the global effort to address climate change.

Programs focused on climate change mitigation
- Intelligent energy automation and control system
- Sustainable mobility
- Low-carbon products
- Wind energy
- Photovoltaic system in corporate building
- C+Verde Program

Programs focused on climate change adaptation
- Green bond
- OXXO LEED store
- LED lighting system

Programs and initiatives

Efficiency

FEMSA Comercio
Intelligent energy automation and control system
To create spaces designed around energy efficiency, we have invested in new technologies that optimize control systems, usability and potency of lighting devices, refrigeration and air conditioning. Our OXXO stores, distribution centers and offices all run on this system, which has so far helped save or reduce energy consumption by 35% compared to the year 2009.

In 2020, 26 offices, 18 distribution centers and 16,377 OXXO stores had this system installed.

FEMSA Strategic Businesses
Sustainable mobility
We have thousands of trucks on the road in Latin America, carrying and bringing happiness to millions of clients and consumers. We know that this gigantic logistical operation can have an environmental impact because of the carbon footprint that these means of transport generate.

Our initiatives have focused on developing more sustainable logistical operations. We have set ourselves the goal of reducing carbon emissions and eliminating our dependence on fossil fuels. Through the optimization of transportation routes, the use of alternative fuels and constantly testing new technologies, we work to minimize our carbon footprint.

During 2020, this initiative avoided the emission of 33,332 metric tons of CO₂.

In recognition of our success at reducing carbon emissions, for the tenth year in a row we received Clean Transport certification from the Ministry of the Environment and the Ministry of Communications and Transportation in Mexico.

Low-carbon products
The innovative vision of FEMSA Strategic Businesses inspires a continuous search for low-carbon products, bringing our clients more environmentally-friendly products, whose characteristics, through daily use, generate fewer greenhouse gas emissions in the entire product lifecycle—including sourcing, production, distribution, use and final disposal—than other products with similar functions.
The portfolio of low-carbon coolers offered by Imbera includes those that use R290 refrigerant gas, electronic temperature control systems, intelligent motors, latest-generation condensers, fifth-generation LED lighting and lead-free electronic cards.

For more information about Imbera solutions, visit: https://www.imberacooling.com/global

Coca-Cola FEMSA
Energy-efficient manufacturing and reduced emissions
To improve energy efficiency in our bottling plants and thus reduce greenhouse gas emissions, we have introduced initiatives that include employee training and energy consumption assessments.

We are the first Mexican Company to achieve the official approval our 2020 emissions reduction targets by the Science Based Targets Initiative.

Renewable energy
We try to obtain and incorporate new sources of renewable energy.

Since 2007, we have forged strategic partnership with various wind farm projects in Mexico, signing energy supply contracts to fulfill our energy needs.

During 2020 we increased the use of renewable electric energy in Mexico and, by the end of the year, we achieved 77.6%. Throughout FEMSA, we were able to provide 61% of our electricity needs with renewable energy.

For more information on renewable energy at FEMSA, visit our website at: http://www.energia.femsa.com/

FEMSA Servicios
Integrated solar cell systems
Integrated solar cell systems generate electricity for consumption in the building, helping reduce electricity costs.

Since 2013, FEMSA’s corporate headquarters in the city of Monterrey, Nuevo León, have an integrated photovoltaic system in its façade, that adds to the electrical supply of the building.

C+ Verde Program
This is a FEMSA initiative that helps collaborators to have access to clean and renewable technologies in their own homes, through advice on decision-making, answering questions and concerns and explaining the environmental and economic benefits of using this type of technology. Since 2014 more than 775 megawatts of solar energy have been generated, avoiding the emission of more than 400 metric tons of CO2.

We supply renewable electric energy in Mexico, to 13,437 OXXO stores, 13 distribution centers, 622 pharmacies, 1 OXXO GAS, at Coca-Cola FEMSA, 20 bottling plants and 58 distribution centers. At FEMSA Strategic Business, 1 Imbera manufacturing plant and 1 PTM manufacturing plant.
Adaptation to climate change

Coca-Cola FEMSA

Green bond

KOF issued its first green bond on the international market in 2020, which had the distinction of being the largest ever by a Latin American corporation. This financial instrument will help us achieve our environmental goals and contribute to the Sustainable Development Goals. We envision using the proceeds to fund projects that help mitigate adverse climate change effects, protect water sources, and pursue circular economy.

For more information on our green bond issuance, visit: https://coca-colafemsa.com/en/investor-relations/debt-holder-information/green-bond/

FEMSA Comercio

LEED Gold OXXO store

LEED (which stands for Leadership in Energy and Environmental Design) is an internationally recognized certification system for sustainable buildings, created by the United States Green Building Council. It consists of a method for evaluating buildings and projects taking into account energy and water use, raw materials, management of waste during construction and quality of interior design.

In 2020, our Rosario Norte OXXO store in Chile, was recognized with LEED Gold certification in the category of Interior Design and Construction.

LED lighting system

LED technology represents one opportunity to reduce the environmental impact associated with electricity hazardous, because it uses less energy, lasts longer and requires less maintenance. LED lighting do not contain contaminating materials like mercury, lead or tungsten, nor other toxic materials. They do not burn out or fail, and can last up to 11 years with a daily use of 12 hours a day.

In 2020 we succeeded in installing some type of LED application in 100% of our OXXO stores.

100% of our OXXO GAS service stations have LED lighting systems.
Our focus

Transition toward circular economy is crucial for preserving and protecting our planet’s natural resources, while promoting the success and continuity of our Business Units.

The rising tide of waste impacts the environment, because most of it is not disposed off responsibly, and some of it can remain in the environment for hundreds of years.

Today, throughout our value chain, we need to explore resource and process efficiency in the stages of production and consumption. One way to do this is by promoting circular economy, which focuses on redesigning products and services, reducing waste, reusing as much as possible and maximizing recycling. The principles of circular economy promote the minimization and/or elimination of waste and pollution, maximizing the use of products and materials in a closed cycle and thus avoiding the need to extract new resources from the environment.

At FEMSA we accelerate the adoption and promotion of the principles of circular economy. We are developing business models, redesigning products, strengthening collaboration in the value chain and investing in waste management infrastructure.

This approach has served as our guide in reducing waste and using fewer resources, while developing opportunities for eco-efficient design and innovation in products and services.

To make these ambitions a reality, we invest in technology and infrastructure to increase recycling, and we have made a commitment to the redesign and promotion of reusable and/or recyclable containers.

Projects and programs on circular economy

- Program for sustainable decommissioning of office equipment and furniture
- Program for decommissioning and recycling uniforms
- “No bag, thanks” campaign
- Comprehensive waste management program
- EOS REPARE Plant
- Zero Waste Plant
- SÚMATE

To learn more about circular economy, please visit our video: https://www.youtube.com/watch?v=_rIs6UGRRVY

Our targets

- Zero operational waste to landfill by 2030.
- Incorporate 25% of recycled or renewable materials into our PET packaging.
This program aims at reducing and encouraging waste recycling through investment in infrastructure for waste separation. The program has been introduced to six FEMSA corporate and administrative office buildings so far. Our collaborators are encouraged to bring the waste generated at their homes.

In 2020, we were able to recycle and/or reuse 100% of paper, cardboard, PET, aluminum, organic waste and electronic trash generated in our buildings.

FEMSA Comercio
Waste separation infrastructure program
As part of the comprehensive waste management strategy, we are implementing mechanisms to optimize their separation, by investing in visual signage and primary infrastructure.

More than 11,700 OXXO stores and 500 OXXO GAS service stations are equipped with waste separation infrastructure.

Program for responsible decommissioning of office equipment and furniture
Since 2013, through this program we have been recycling equipment and furniture that had reached the end of its useful life. In collaboration with various authorized independent companies, we have stepped up our efforts, and to date we have decommissioned and recycled more than 114,000 pieces of equipment.

Sustainable uniforms
With implementation of the circular economy strategy, PET bottles are recovered and recycled to rejoin the productive cycle again as a raw material for making new products.

Since 2014, OXXO uniforms worn by our collaborators contain 50% recycled polyester fiber and 50% cotton fiber. This program supports plastic recycling to be used in making our uniforms. Once a uniform has reached the end of its useful life, it can be recycled. In 2020 we recycled more than 16,000 uniforms.

Eco-friendly bags
We have been working on plastic bag solutions since 2014 in order to minimize their negative impact. We redesigned the bags to incorporate recycled material, eliminating colored dyes and making them smaller. Today our bags are made up of 30% recycled material.

In 2016 we launched a campaign called “No bag, thanks” to discourage their use and, in 2020, we were able to reduce the number of bags distributed by 60% against 2019. We are continuing to offer our clients new bag choices: bio-plastics, and reusable paper and fabric bags.

FEMSA Strategic Businesses
We are developing programs for the reduction of waste generated by the packaging, bottling and wrapping of materials used for manufacturing, as well as for delivering the final product, while complying with the strict quality standards that characterize our product portfolio.

We are working on programs to reduce the waste generated in packaging, containers and wrapping, both of the materials used in manufacturing and in delivery of the final product, while continuing to comply with the strict quality standards our product is known for.

At Imbera we continue to adopt the principles of a circular economy. During 2020, we focused on redesigning the packaging of our coolers to achieve the transition of our vision of sustainable packaging. Our target is to reduce the use of materials with low recyclability. Today,
our cooler packaging use recycled and biodegradable plastics. We have managed to eliminate single-use plastic, using recycled and biodegradable stretch film composed of 30% recycled material recovered from our own waste. We also use recycled brown paper to pack accessories and documents, such as user manuals and warranty policies that come inside the cooler.

**EOS REPARE Plant**
In 2019 we opened the EOS REPARE plant, whose purpose is to recycle coolers that have reached the end of their useful life.

This recycling plant is one of the most modern centers of its type in Latin America, covering 3,000 square meters, and has an annual disposal capacity of 75,000 coolers, providing more than one hundred direct and indirect jobs.

This plant carries out recovery, recycling and disposal processes for coolers. Through this technology, 97% of components can be recovered, repaired and recycled for later use in other equipment, or responsibly destroyed.

Since 2019 EOS REPARE has disassembled more than 18,000 coolers, and thus disposed in a sustainable manner of more than 1,631 metric tons of waste. Through our processes at this plant, we guarantee that the materials are recycled or sent for destruction in a fully responsible manner.

**Coca-Cola FEMSA**
**PET packaging redesign**
We are committed to redesigning PET packages in our product catalogue to achieve two goals: make them 100% recyclable, and incorporate a percentage of recycled resin.

**Zero Waste Certification**
This is a comprehensive system for managing, disposing and reusing operating waste from our bottling plants, which to date has enabled us to recycle 98% of the waste generated. 100% of our bottling plants at Mexico achieved this certification.

**Post-consumption collection and recycling**
In our operations in Costa Rica, as part of our efforts in the collection and recycling of PET bottles, we partnered with Geocycle, which offers waste conditioning, loading, transportation and destruction services. During 2020, 210 metric tons of plastic have been co-processed, and we began tests so that the recovered plastic can be processed by our Mission Planet recycling plant. Co-processing technology has been recognized as a recovery alternative by various authorities such as the United Nations Environment Program (UNEP), the European Union and the World Council for Sustainable Development (WBCSD). The latter recognizes the double benefit of recycling and energy use of co-processing.

Movimiento RE is an alliance with Bavaria, Coca-Cola Company, Postobón and PepsiCo, that aims to strengthen recyclers’ organizations in the Colombian Caribbean Region and increase the recovery of plastics. During 2020, 1.15 metric tons of PET were collected, equivalent to 30 million plastic bottles, thus increasing the collection rate of usable material by 40%.

During 2020 at OXXO we managed to recycle more than 1,000 tons of equipment and furniture, and 1,943 recycled furniture from our pharmacies.
Our Community

Focus areas:

Our focus
Every day, we work for a positive transformation of our communities in Latin America. We invest in social innovation programs, prioritize dialogue and collaboration, and help build sustainable communities. Our actions have had a significant impact on health, education, cultural life, sports activities and the holistic advancement of our collaborators, their families, and the communities where we operate.

The focus of the Our Community pillar is to support the development of the communities around us.

For information about the contribution of FEMSA and its Business Units to communities during the pandemic, please consult our Annual Report.

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

Our contribution to the Sustainable Development Goals:

1. No Poverty
2. Zero Hunger
3. Good Health and Well-being
4. Quality Education
5. Gender Equality
6. Clean Water andSanitation
7. Affordable andClean Energy
8. Decent Work andEconomic Growth
9. Industry, Innovationand Infrastructure
10. ReducedInequalities
11. Sustainable Cities andCommunities
12. ResponsibleConsumption andProduction
13. Climate Action
14. Life BelowWater
15. Life on Land
16. Peace, Justice andStrong Institutions
17. Partnerships for theGoals

Our investment
In 2020, we invested more than Ps. 507 million (US$ 25 million) in Our Community.

Our alliances and partnerships
• Red de Bancos de Alimentos de México
• Hambre Cero Nuevo León
• #SinDesperdicio
Our focus
We want to build safer, more inclusive societies with better and more equitable conditions for all. Our operations engage on a permanent basis with the communities where we are present; we strive to be a good, responsible, and collaborative neighbor.

In 2015 we created the Model for Managing Risks and Community Engagement (MARRCO), through which we build more effective relations with local communities by fostering dialogue, commitment, trust and collaboration; and by detecting and managing the risks and opportunities of value generation in communities. The model also helps us spot ways to optimize existing actions and programs to maximize the mutual benefit.

These are some of the projects and initiatives that contribute to a positive transformation in our communities.

Community projects and initiatives
- Vive Bailando
- FEMSA Corporate volunteering
- Restoration of public spaces, sports promotion, environmental preservation and health brigades
- Food banks
- OXXO and YZA Round-Up Campaign

Our targets
- Have 100% of our workplaces develop community engagement processes.
- Have social license programs in 100% in all our main plants and distribution centers.
- Benefit 5 million people through nutrition and physical activation programs and initiatives at Coca-Cola FEMSA.
- Generate 1 million hours of volunteer work at Coca-Cola FEMSA.

Programs and initiatives

Nutrition and healthy lifestyles
We focus on promoting healthy habits in our communities through local programs that promote good nutrition and physical activity. We promote programs that help create a culture of health and self-care.
Through various lines of action, we work to encourage healthy lifestyles, and for ten years we have been investing strategically in social projects with a strong educational component, focused on addressing problems stemming from diet and nutrition. Our extensive portfolio of store-brand includes alternatives made with low calories. The labeling on our products contains clear and accessible nutritional information, including nutrients, fats, sugar and sodium in each of them.

Coca-Cola FEMSA
Vive Bailando
This social intervention model focuses on teenagers and uses dance classes as both a transformation and healthy lifestyles tool that sustainably and positively impacts their behavior, leadership, family unit, and ability to change their surroundings, which have been affected by violence.

Attending the general prevention recommendations on COVID-19, during 2020 this initiative was implemented in an on-line modality. To achieve this, participants were sent support materials to carry out the entire project, including a secure digital card (microSD) with more than 630 minutes of dance content and 18 hours of live classes. An activity booklet with physical conditioning exercises and a kit for participants to continue these artistic practices in the long term was also shared.

In 2020, despite the pandemic that broke out around the world, we sought out ways to continue positively transforming life in our communities. Together we donated more than one million hours of work through more than 1,533 actions and programs aimed at improving people’s quality of life and well-being.

We also invested in developing digital tools that promote collaborators’ interests in joining in this wave of support. This year we launched our Social Development mobile app, a platform for mobile phones where users can look up activity schedules, programs and projects they can participate in.

Community development
FEMSA Corporate volunteering
We encourage our collaborators to actively and responsibly participate with their communities, sharing their time, capacities and talent to support causes, projects and organizations focused on the action lines: Health and Wellness, Community Support, Education, and the Environment.

We promote the active, solidary and responsible participation of our collaborators to share their time, capacities and talent.
in schools, and tree-planting around OXXO stores. During the year, our community efforts focused on addressing the needs and requirements derived from the COVID-19 pandemic.

Community activities carried out by FEMSA Comercio

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food banks</td>
<td>536</td>
<td>366</td>
<td>291</td>
</tr>
</tbody>
</table>

Food banks

A tremendous amount of resources and energy go into the production, distribution, processing and final disposal of food. But it is estimated that in developed countries, almost 30% of food is unused and goes to waste. This unfortunate practice also hurts the environment, because food waste ends up in sanitary landfills where it can generate methane, which is considered a greenhouse gas.

Currently, food waste represents a great challenge that requires strategies and alliances to achieve the global objectives established to address it, such as reducing food waste and losses in the production and supply chains.

FEMCO has developed a strategy of permanent collaboration in its entire value chain focused on eliminating food and medication waste. Since 2017 we have been members of the Zero Hunger initiative in Nuevo León, an inter-institutional platform for eradicating extreme food poverty and food waste. In 2020 we supported 25 food banks in Mexico by donating Ps. 100 million worth of food and medicine, equivalent to 1,240 metric tons of food.

OXXO and YZA Round-Up Campaign

Our actions through this program in 2020 were redirected to deal with the effects of the COVID-19 pandemic. The funds raised were donated to 125 nonprofit organizations working in the areas of health, diet and nutrition, and economic reactivation.

Additionally, in alliance with the Mexican Red Cross, we launched the 4X1 campaign together with FEMSA Foundation; Santander, Coppel and Soriana, where every peso rounded up was converted into four pesos.

In 2020, through the Round-Up campaign for OXXO, Bara and YZA shoppers, Ps. 4 million were raised.

Tree planting

Since 2010, our tree-planting program has aimed at planting, keeping and maintaining native trees; 22,832 trees have been maintained in as many stores as possible. During 2020, we planted 769 trees.

In 2020, through the Round-up campaign for YZA pharmacies’ customers, more than Ps. 4 million were raised.
Our focus
In today’s business climate, where commercial relations are increasingly complex, we have identified a need and a value in developing and extending the Sustainability commitment to our entire value chain. Stakeholders are beginning to be more aware of the value of managing risks and opportunities in the supply chain.

FEMSA shares this awareness, and we are strengthening our practices with suppliers and commercial partners. We want to build fair long-term commercial relations, apply the Guiding Principles for Suppliers, develop sourcing models that include Sustainability criteria, and involve suppliers and commercial partners in the effort to meet quality, environmental and social standards.

We value our suppliers and commercial partners and recognize that they are an integral part of our business. Our interaction is reflected through commercial relations with 38,846 local suppliers.

The Sustainability strategy points toward developing business capacities for local suppliers, and reducing environmental impacts, while promoting and adopting the Guiding Principles for FEMSA suppliers.

Programs and initiatives

Supplier development
Through this area of action, we want to expand the total number of companies that are using Sustainability as an opportunity to improve their economic, social and environmental performance in the long term. We are working with suppliers in different countries to acquire raw materials and products we need to satisfy our clients and consumers.

We have devised a four-step process for developing sustainable procurement in our supply chain, aware that this is just the first step in creating a comprehensive strategy that will enable us to achieve our goals.

1. Guiding principles
For FEMSA, behaving ethically in all areas is a commitment and an essential element of trust for the sustainable development of our business. At every level, we seek to meet the highest standards of business ethics.

Through our Supplier Guiding Principles, which consist of five pillars, we promote good practices in the areas of human rights, environment, community, ethics, and values. We include the Supplier Guiding Principles in our various interactions, whether through purchase orders or contracts.
2. Awareness
Investing in local suppliers has positive effects: first, it generates and promotes activity in their own supply chains and in their communities, and it also promotes local economies and creates jobs. It provides opportunities to companies, which in turn brings greater representation, employment and economic benefits to local small businesses.

In this step, we identify local and critical suppliers for Business Units, determining the economic impact on our local suppliers and communities. In 2020, 97% of our suppliers were local.

3. Evaluation
We want our suppliers to develop their potential to implement Sustainability strategies and thus increase the number of participants involved in improving economic, environmental and social conditions today.

Through various mechanisms that include self-diagnostics, diagnoses and evaluations of critical suppliers in Sustainability issues, we can identify possible social and environmental risks.

Since 2015, Imbera and PTM have presented a Supplier Award in recognition for the most sustainable practices. In evaluating suppliers, they take into account actions regarding the Sustainability strategy axis. In the past year, 10 of our suppliers took part in this process.

4. Development
In partnership with our suppliers, we created and developed projects aligned with better performance in our Sustainability strategy. Because of the importance of this issue, we have made circular economy and Sustainability certification priority issues. In the long term, we plan to develop Sustainability decisions in purchasing decisions, and train and build awareness for more companies.

During 2020, together with the Commission of Private Sector Studies for Sustainable Development (Cespedes) and the German Society for International Cooperation (GIZ), we offered the Resource Efficiency and Climate Action course, which aims to share methods and approaches to resource efficiency in companies.

FEMSA Comercio
We work to create conditions and support for local micro, small and mid-sized business suppliers in order to improve their commercial performance and contribute to their development. In 2020 we succeeded in supporting and developing 500 suppliers.

Coca-Cola FEMSA
To learn more about Coca-Cola FEMSA’s supplier development efforts, visit their annual report at: [https://coca-colafemsa.com/wp-content/uploads/2021/03/KOF_2020_Eng.pdf](https://coca-colafemsa.com/wp-content/uploads/2021/03/KOF_2020_Eng.pdf)

FEMSA Strategic Businesses
In 2020, Imbera took on the task of designing joint strategies with local suppliers aimed at reducing the waste generated by packaging and wrapping of raw materials. Using quality engineering methodologies, this program succeeded in reducing total waste through various projects and initiatives.

During 2020, we collaborated with Redecim to promote our suppliers’ contribution to the UN SDGs. Altogether, 38 companies participated in this effort, committing to specific goals and linking the achievement of these goals to their business success.
In this section we share the performance of the material key performance indicators that help clarify the impact of FEMSA Sustainability Strategy implemented in its Business Units.
At FEMSA, we constantly seek out learning and new challenges, striving for more robust and comprehensive data collection and reporting with greater transparency. This is how we set priorities and objectives, quantify shared value, and measure our performance and impact of our social value initiatives.

As part of our commitment to transparency, we have established corporate goals and key performance indicators that will help us assess the impact of the sustainability strategy and share our progress.

For information regarding calculation methodologies, please refer to Scope section of this document. For more information about how we manage each of the issues addressed here, see section I.

**Our progress toward corporate goals**

**Corporate goals**

<table>
<thead>
<tr>
<th>Goals</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase water use efficiency to 1.5 liters of water per liter of beverage produced</td>
<td>1.49</td>
<td>1.52</td>
<td>1.59</td>
</tr>
<tr>
<td>Return to our communities and the environment the same amount of water used to produce our beverages</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>85% of our electrical energy in Mexico from renewable sources by 2020</td>
<td>77.60%</td>
<td>73.4%</td>
<td>36.90%</td>
</tr>
<tr>
<td>Zero operating waste sent to landfill</td>
<td>53%</td>
<td>52%</td>
<td>N/A</td>
</tr>
<tr>
<td>Include 25% recycled materials in our PET packages</td>
<td>29.29%</td>
<td>23.70%</td>
<td>20.80%</td>
</tr>
<tr>
<td>Recycling at least 90% of our waste at each of our bottling plants</td>
<td>98%</td>
<td>95.7%</td>
<td>95%</td>
</tr>
<tr>
<td>Collecting the same volume of PET containers placed in the market by Coca-Cola FEMSA by 2030</td>
<td>53%</td>
<td>50%</td>
<td>58%</td>
</tr>
</tbody>
</table>

Disclaimer: In the goal of collecting PET containers, the data reported corresponds to Mexico.
Economic value
FEMSA began operating in 1890 as a brewery company. Today, we are a global leader in retailing, beverages, logistics and the specialized distribution of cleaning and packaging supplies.

Over the past 130 years we have steadily strengthened our competitive position, demonstrating our resilience in difficult times, offering excellent alternatives and solutions through our products and services, striving to improve our value proposition and our customers’ experience.

In this section, we share some key data on the economic value FEMSA generates through its Business Units.

Economic value distributed
GRI 201-1 Direct economic value generated and distributed (Ps. million)  

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenues</td>
<td>492,966</td>
<td>506,711</td>
<td>469,744</td>
</tr>
<tr>
<td>Operating income</td>
<td>41,503</td>
<td>47,152</td>
<td>41,576</td>
</tr>
</tbody>
</table>

Disclaimer: For more information, see operating and financial results at: https://femsa.gcs-web.com/es/financial-reports/

Workplaces
GRI 102-9 Supply chain  

| Economic benefits generated | 226 billion pesos |

Disclaimer: Data include local suppliers, community investment, tax and wages.

Over the past 130 years we have consistently strengthened our competitive position.
Our People

Social performance
For FEMSA, our people are our most valuable asset, and their performance is closely linked with their personal and professional growth, and with a values-based organizational culture.

Our job opportunities bring challenges and growth opportunities in a dynamic working environment focused on customer service. We are committed to working with passion and delivering quality. We are interested in hiring and retaining the best talent.

Our workplaces invest in and promote the comprehensive development of our employees, safely and inclusively, and we have training programs that support the pursuit of organizational goals.

In this section we share some of FEMSA’s labor key performance indicators.

Comprehensive development

Training

<table>
<thead>
<tr>
<th>GRI 404-1 Average hours of training per year per employee</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total hours</td>
<td>8,573,290</td>
<td>8,657,577</td>
<td>8,957,257</td>
</tr>
<tr>
<td>Average hours per collaborator</td>
<td>26.50</td>
<td>27.81</td>
<td>30.1</td>
</tr>
</tbody>
</table>

Employability

Employees

GRI 102-8 Information on employees and other workers

<table>
<thead>
<tr>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-34 years</td>
</tr>
<tr>
<td>35-44 years</td>
</tr>
<tr>
<td>45-59 years</td>
</tr>
<tr>
<td>60 and over</td>
</tr>
</tbody>
</table>

GRI 102-8 Information on employees and other workers

<table>
<thead>
<tr>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
</tr>
<tr>
<td>Women</td>
</tr>
</tbody>
</table>

Health and safety

Occupational safety and health management

GRI 403-9 Work related injuries

<table>
<thead>
<tr>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accident frequency rate, in employees (per hundred employees)</td>
<td>1.25</td>
<td>2.45</td>
</tr>
<tr>
<td>Occupational illness frequency rate in employees (per hundred employees)</td>
<td>0.085</td>
<td>0.069</td>
</tr>
</tbody>
</table>

GRI 403-10 Work-related ill health

<table>
<thead>
<tr>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accident frequency rate in employees (per million hours)</td>
<td>4.9</td>
<td>9</td>
</tr>
<tr>
<td>Occupational illness frequency rate in employees (per million hours)</td>
<td>0.34</td>
<td>0.25</td>
</tr>
</tbody>
</table>
### Investment in training

<table>
<thead>
<tr>
<th>GRI 404-1 Investment in employee training (Ps. million)</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total investment in training</td>
<td>168</td>
<td>402</td>
<td>299</td>
</tr>
</tbody>
</table>

### Performance evaluations

<table>
<thead>
<tr>
<th>GRI 404-3 Regular performance and career development reviews</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of evaluations</td>
<td>69,349</td>
</tr>
</tbody>
</table>

Disclaimer: Information includes senior management, management and employees.

### Training by topic

<table>
<thead>
<tr>
<th>GRI 404-1 Training hours</th>
<th>Human rights</th>
<th>Leadership</th>
<th>Technical knowledge</th>
<th>Health and safety</th>
<th>Sustainability</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total hours of training</td>
<td>436,269</td>
<td>127,966</td>
<td>4,724,823</td>
<td>712,488</td>
<td>14,166</td>
<td>2,557,580</td>
</tr>
</tbody>
</table>

Disclaimer: “Others” includes ethics and legality culture, coaching, functional training, languages, onboarding and others.

### Organizational climate assessment

<table>
<thead>
<tr>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>82%</td>
<td>81%</td>
<td>81%</td>
</tr>
</tbody>
</table>
Our Planet

Environmental performance
For more than a century, our business philosophy has centered around the care and conservation of our planet. Today we continue this legacy by incorporating it into all our Business Units. Our goals have evolved, and we now intend to go further in mitigating our environmental impact.

Our aspirations are embodied in our efforts to optimize efficiency, introduce management systems, invest in new technologies, diversify our energy portfolio, reduce the amount of materials we use, and continually improving operations based on the principles of circular economy.

Only in this way can we create the conditions needed to operate and grow in balance with our environment, bearing in mind future generations.

In this section we share our progress toward our environmental indicators for FEMSA.

Water
The table below shows our water consumption by source.

Water stewardship

<table>
<thead>
<tr>
<th>GRI 303-1 Water withdrawal by source (thousands of cubic meters)</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total volume of water consumed</td>
<td>31,939</td>
<td>34,832</td>
<td>39,006</td>
</tr>
<tr>
<td>Total volume of ground water</td>
<td>27,197</td>
<td>18,724</td>
<td>21,955</td>
</tr>
<tr>
<td>Total volume of water from public supply</td>
<td>4,741</td>
<td>15,610</td>
<td>16,496</td>
</tr>
<tr>
<td>Total volume of surface water</td>
<td>N/A</td>
<td>497</td>
<td>548</td>
</tr>
</tbody>
</table>

Disclaimer: During 2020, Coca-Cola FEMSA updated its water consumption calculation methodology. The information presented in water from public supply and surface water sources excludes data from Coca-Cola FEMSA.

N/A = Not available
Energy
The table below sums up our energy consumption.

Energy consumption

<table>
<thead>
<tr>
<th>GRI 302-1 Energy consumption within the organization (GJ)</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total energy</td>
<td>16,902,143</td>
<td>17,372,781</td>
<td>18,982,198</td>
</tr>
<tr>
<td>Indirect energy</td>
<td>9,607,001</td>
<td>9,803,273</td>
<td>9,768,060</td>
</tr>
<tr>
<td>Indirect energy from renewable sources</td>
<td>5,827,728</td>
<td>4,779,769</td>
<td>2,305,416</td>
</tr>
<tr>
<td>Indirect energy from non-renewable sources</td>
<td>3,779,274</td>
<td>5,023,504</td>
<td>7,462,644</td>
</tr>
<tr>
<td>Direct energy</td>
<td>7,295,142</td>
<td>7,569,508</td>
<td>9,214,138</td>
</tr>
<tr>
<td>Direct energy from fixed sources</td>
<td>1,790,662</td>
<td>1,608,439</td>
<td>1,904,681</td>
</tr>
<tr>
<td>Direct energy from mobile sources</td>
<td>5,504,479</td>
<td>5,961,069</td>
<td>7,309,456</td>
</tr>
<tr>
<td>GRI 302-2 Energy intensity (GJ/ total revenues)</td>
<td>34.29</td>
<td>34.29</td>
<td>40.41</td>
</tr>
</tbody>
</table>

Disclaimer: Indicated in MWH, the consumption of indirect energy from renewable source during 2020 was: 1,618,813 megawatts hour (MWh).

The next table shows our consumption of renewable energy by country.

Renewable energy consumption

<table>
<thead>
<tr>
<th>GRI 302-1 Energy consumption within the organization</th>
<th>Argentina</th>
<th>Brazil</th>
<th>Colombia</th>
<th>Mexico</th>
<th>Panama</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage renewable energy consumption</td>
<td>68%</td>
<td>53%</td>
<td>53%</td>
<td>77.60%</td>
<td>88%</td>
</tr>
</tbody>
</table>

Disclaimer: The data presented in Mexico applies to the end of the year. For the other countries, the data applies to the accumulated consumption in the year.

The following table shows our carbon emissions.

Greenhouse gases

<table>
<thead>
<tr>
<th>GRI 305-1 Energy consumption within the organization (metric tons of CO₂ equivalent)</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total CO₂ emissions</td>
<td>948,464</td>
<td>1,138,118</td>
<td>1,670,288</td>
</tr>
<tr>
<td>CO₂ emissions scope 1 (direct)</td>
<td>496,138</td>
<td>519,355</td>
<td>657,027</td>
</tr>
<tr>
<td>CO₂ emissions scope 1 (direct fixed sources)</td>
<td>102,346</td>
<td>92,986</td>
<td>122,782</td>
</tr>
<tr>
<td>CO₂ emissions scope 1 (direct mobile sources)</td>
<td>393,791</td>
<td>426,369</td>
<td>534,245</td>
</tr>
<tr>
<td>CO₂ emissions scope 2 (indirect)</td>
<td>452,326</td>
<td>618,763</td>
<td>1,013,261</td>
</tr>
<tr>
<td>GRI 305-2 Emissions intensity (MTon CO₂/ total revenues)</td>
<td>1.92</td>
<td>2.25</td>
<td>3.56</td>
</tr>
</tbody>
</table>
Waste

FEMSA keeps track of two kinds of waste: waste relating to our operations, and waste relating to the products and services we offer (post-consumer). The indicators presented in this section refer only to operations.

Circular economy

The following table shows the use of recycled material.

Recycled raw materials

<table>
<thead>
<tr>
<th>Material Type</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of plastic</td>
<td>97.75%</td>
<td>72.86%</td>
<td>95.28%</td>
</tr>
<tr>
<td>% of paper and cardboard</td>
<td>2.06%</td>
<td>3.42%</td>
<td>4.58%</td>
</tr>
<tr>
<td>% of metal</td>
<td>.12%</td>
<td>23.67%</td>
<td>N/A</td>
</tr>
<tr>
<td>% other materials</td>
<td>.08%</td>
<td>.05%</td>
<td>N/A</td>
</tr>
<tr>
<td>Total material used</td>
<td>101,775</td>
<td>130,439</td>
<td>92,575</td>
</tr>
</tbody>
</table>

The following table shows the various types of waste generated.

Waste management

<table>
<thead>
<tr>
<th>Waste Type</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total waste</td>
<td>260,932</td>
<td>257,964</td>
<td>240,333</td>
</tr>
<tr>
<td>Total non-hazardous waste</td>
<td>246,286</td>
<td>255,547</td>
<td>239,698</td>
</tr>
<tr>
<td>Total hazardous waste</td>
<td>13,235</td>
<td>1,467</td>
<td>584</td>
</tr>
<tr>
<td>Total special management waste</td>
<td>1,411</td>
<td>950</td>
<td>51</td>
</tr>
<tr>
<td>Total recycled waste</td>
<td>53%</td>
<td>52%</td>
<td>63%*</td>
</tr>
</tbody>
</table>

*Estimated data

The table below shows the number of bottling plants that have obtained zero waste certification.

Zero waste certification

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage of manufacturing plants with zero waste certification</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>100%</td>
</tr>
</tbody>
</table>

Disclaimer: This initiative is designed for Coca Cola FEMSA operations in Mexico.
Our Community

Social performance
FEMSA contributes to the positive transformation of communities where we operate, working every day to bolster our internal capacities to build relations with the communities, based on dialogue and cooperation, which give both people and companies greater possibilities of success and endurance.

We have a permanent commitment to interacting with society and the world around us in a balanced, sensitive, tolerant and respectful way, in an effort to engage successfully with communities neighboring our operations and involving ourselves in the solution to local problems.

In this section, we share some indicators of FEMSA's community engagement strategies

Community development
The following table shows the number of volunteers and hours of volunteer time.

Corporate volunteering

<table>
<thead>
<tr>
<th>Volunteers</th>
<th>2020</th>
<th>Volunteer hours</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total employees who volunteered their time (collaborators)</td>
<td>58,027</td>
<td>Total hours spent in volunteer work</td>
<td>1,059,944</td>
</tr>
</tbody>
</table>

The table below shows community activities.

Community action

<table>
<thead>
<tr>
<th>GRI 413-1 Actions, programs and initiatives for the community</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total community actions or initiatives</td>
<td>3,640</td>
<td>7,363</td>
<td>2,515</td>
</tr>
</tbody>
</table>

Disclaimer: Community actions include volunteering.

Sustainable supply
The following table shows the total number of suppliers.

Supplier practices

<table>
<thead>
<tr>
<th>GRI 204-1 Proportion of spending on local suppliers</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total suppliers</td>
<td>40,167</td>
</tr>
<tr>
<td>Total local suppliers</td>
<td>38,846</td>
</tr>
<tr>
<td>Procurement spending to local suppliers</td>
<td>92%</td>
</tr>
</tbody>
</table>

Disclaimer: Local suppliers operate in the country where they provide services.
Ethics and values
Economic performance
FEMSA needs organizations and individuals committed to society, which is why we actively work to build a culture of legality and respect for the law in every country where we are present, operating honestly and with zero tolerance for corruption. Only thus can we truly fulfill our company’s mission and vision.

The FEMSA Code of Ethics is the basis for our business conduct. It serves as a fundamental guide to policies, procedures and directives. It is a guide for all employees so that when faced by some conflict, they can make the right decision, in keeping with our values, with respect for our working environment, and acting in an ethical and upright manner.

In this section we share some indicators on ethics and values management at FEMSA.

Ethics
This table shows the total number of reports received through the various channels that make up our ethical system.

### Ethical reporting system

<table>
<thead>
<tr>
<th>GRI 102-17 Reporting mechanisms</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total reports received in the grievance mechanisms that make up FEMSA’s ethical reporting system</td>
<td>3,457</td>
<td>3,258</td>
<td>2,743</td>
</tr>
<tr>
<td>Percentage of reports resolved in same calendar year</td>
<td>82%</td>
<td>71%</td>
<td>78%</td>
</tr>
<tr>
<td>Percentage of reports resolved after calendar year</td>
<td>18%</td>
<td>29%</td>
<td>22%</td>
</tr>
</tbody>
</table>
I. About this report
Since 2004, FEMSA has regularly published the non-financial results of its operations. Through the Annual Report, the Sustainability content and the website we address the various issues relating to our economic, social, environmental and corporate governance impact.

The purpose of this report is to share with stakeholders the extent to which we have fulfilled our mission of generating economic and social value. We do so through the results of the Sustainability Strategy initiatives and projects of FEMSA and its Business Units.

II. About FEMSA
FEMSA is a company with a 130-year history of generating economic and social value through companies and institutions, which strives to be the best employer and neighbor in the communities where it is present.

FEMSA participates in retailing through FEMSA Comercio, which includes the Proximity Division containing OXXO, a small-format store chain; the Health Division, which includes drugstores and related operations; and the Fuel Division, which operates the OXXO GAS chain of retail service stations.

In the beverage industry, we operate Coca-Cola FEMSA, a publicly-traded Coca-Cola bottling company; and in the brewery industry, we own shares in Heineken, a company present in more than 70 countries.

Additionally, through FEMSA Strategic Businesses, Solistica offers comprehensive logical solutions in Latin America, Imbera offers point-of-sale refrigeration solutions and PTM brings plastic solutions to FEMSA companies as well as external clients. Through the merger of Waxie and North American, this division is also engaged in the specialized distribution of cleaning and packaging supplies.

FEMSA is a member of various Sustainability indexes, among them the Dow Jones MILA Pacific Alliance, the FTSE4Good Emerging Index, and the S&P/BMV Total Mexico ESG Index. This report consolidates information on our Business Units in all the countries where we operate:

- Coca-Cola FEMSA
- FEMSA Comercio
- FEMSA Strategic Businesses

The presentation of the non-financial information includes the entities covered in the consolidated financial statements. The list of the main companies that are consolidated in this report appears on page 3 of the Annual Report. Information regarding FEMSA Comercio includes the Proximity, Health and Fuel divisions; Coca-Cola FEMSA includes its manufacturing plants, and FEMSA Strategic Businesses includes data regarding Imbera, Solistica, PTM and Torrey. Results or information about Heineken is not included nor is part of FEMSA’s non-financial information.

Each business unit generates non-financial information on its workplaces. The scope of this information incorporates workplaces active in all twelve months of the year covered by this reporting cycle. This non-financial information may come from various sources, which may include internal management systems, databases, surveys and annual interviews.

FEMSA continues to present this report on an annual basis. There are no significant changes in the materiality and coverage of material issues between previous periods and this report.

The following information was recalculated and restated from the 2019 Annual Report:

a) Restatement of the calculation of direct energy from mobile sources for FEMCO and FNE in 2018.

b) Update to the methodology for calculating waste generated in the FEMCO Proximity division.

c) Update information about the scope of health and safety in 2019.


To reaffirm our commitment to transparency and accountability in the reports we publish, we have a process for verifying content (indicators). This year, Ernst and Young (EY) verified the information and...
process for calculating annual indicators of the Sustainability Strategy. For more details about this external verification, see Independent Assurance Report.

We use the following guides, protocols or frames of reference for calculating and measuring performance indicators:

- Ethics and values: Internal methodology
- Our People: Internal methodology
- Our Planet:
  - Water: Internal methodology
  - Energy: Internal methodology
  - Greenhouse gas emissions: Scope 1 and 2 emissions for the operations in Mexico are quantified using the methodology of the National Emissions Registry (RENE) promoted by the Ministry of the Environment and Natural Resources. Accordingly, we use emissions, calorific value, and other data as the basis for our calculation. For quantifying Scope 1 and 2 emissions in the rest of the countries, we use the data from the International Energy Agency, with a lag of two years. For Scope 3 emissions, we developed an in-house methodology for calculating the distance covered in business travels for the company.
  - Waste: Internal methodology

The Annual Report, the Sustainability content, and additional information presented on our website follow the methodology of the Global Reporting Initiative (GRI). This document was developed to comply with the “core” option of the standards. To locate information, indicators and disclosures on management’s approach to economic, environmental and social issues, refer to Performance section of this document.

We recognize that our Sustainability reporting efforts are important to our shareholders, clients, and the communities where we live and work. This year, FEMSA is also using Sustainability Accounting Standards Board (SASB) principles for the first time.

This Annual Report also represents our Communication of Progress regarding the ten principles of the United Nations Global Compact. As signatory, we consider it to be the driving force in our programs, processes and activities relating to human and labor rights, the environment and anticorruption. We focus on meeting the United Nations Sustainable Development Goals; and we join in efforts toward the 2030 Global Agenda, which means we help to promote prosperity, improve quality of life and well-being for all people, and are mindful of the conservation, restoration and sustainable uses of ecosystems.

The FEMSA Corporate Sustainability and Energy Department is responsible for compiling, publishing and validating the non-financial information presented in the Annual Report, the Sustainability content and the Sustainability section of our website.

If you have any questions, comments or suggestions relating to the non-financial information included in the Annual Report or the Sustainability Content, please feel free to get in touch with us at the following contact:

FEMSA S.A.B. de C.V.
Av. General Anaya 601 Pte.
Colonia Bella Vista
Monterrey, Nuevo León, México
Mail: sostenibilidad@femsa.com
Phone: +52 (81) 8328-6000
### Organizational Profile

<table>
<thead>
<tr>
<th>GRI Standard</th>
<th>Content</th>
<th>Reference page or disclosure</th>
<th>SASB</th>
<th>UNGC</th>
<th>Omission</th>
</tr>
</thead>
<tbody>
<tr>
<td>102-1</td>
<td>Name of the organization</td>
<td>FOMENTO ECONOMICO MEXICANO S.A.B. de C.V.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-2</td>
<td>Activities, brands, products, and services</td>
<td>See 2020 Annual Report p. 3 FEMSA at a glance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-3</td>
<td>Location of headquarters</td>
<td>Monterrey, Mexico</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-4</td>
<td>Location of operations</td>
<td>See 2020 Annual Report p. 3 FEMSA at a glance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-5</td>
<td>Ownership and legal form</td>
<td>Fomento Economico Mexicano, S.A.B. de C.V. (“FEMSA”) is a Mexican holding company. BMV: FEMSA UBD; NYSE: FMX</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-6</td>
<td>Markets served</td>
<td>See 2020 Annual Report p. 3 FEMSA at a glance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-7</td>
<td>Scale of the organization</td>
<td>See 2020 Annual Report p. 3 FEMSA at a glance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-8</td>
<td>Information on employees and other workers</td>
<td>At the end of 2020 FEMSA workforce was integrated by 323,542 employees as follow: By gender: Men (59%) Women (41%) By age range: 18-34 (58%), 35-44 (25%), 45-59 (16%) and more than 60 years (1%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-9</td>
<td>Supply chain</td>
<td>FEMSA’s supply chain includes 40,167 suppliers. 38,846 suppliers are local, meaning they are based in the country where they provide the service.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-10</td>
<td>Significant changes to the organization and its supply chain</td>
<td>See 2020 Annual Report: p. 11 Dear Shareholders</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-11</td>
<td>Precautionary Principle or approach</td>
<td>See our 20-P’s Form Ethics: <a href="https://www.femsa.com/en/sustainability/">https://www.femsa.com/en/sustainability/</a> focus-topics/our.ethics-and-values/ sostenibilidad/materialidad/</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-12</td>
<td>External initiatives</td>
<td>We contributed to the 2030 Agenda - Sustainable Development Goals promoted by the United Nations.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Strategy

<table>
<thead>
<tr>
<th>GRI Standard</th>
<th>Content</th>
<th>Reference page or disclosure</th>
<th>SASB</th>
<th>UNGC</th>
<th>Omission</th>
</tr>
</thead>
<tbody>
<tr>
<td>102-13</td>
<td>Membership of associations</td>
<td>*Non-exhaustive list</td>
<td>BMV (Bolsa Mexicana de Valores) CAINTRA (Cámara de la Industria de la Transformación) CANACO (Cámara Nacional de Comercio) CCE (Consejo Coordinador Empresarial) CEMERI (Centro Mexicano para la Filantropia) CESPEDES (Comisión de Estudios del Sector Privado para el Desarrollo Sustentable) COMCE (Consejo Empresarial Mexicano de Comercio Exterior) CONCAMIN (Confederación de Cámaras Industriales) CONSEJO CONSULTIVO DEL AGUA CONSEJO MEXICANO DE NEGOCIOS COPARMEX (Confederación Patronal de la República Mexicana) Mexicanos primero OCDE (Organización para la Cooperación y el Desarrollo Económicos) Red SumaRSE Woodrow Wilson Center</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Ethics and Integrity

<table>
<thead>
<tr>
<th>GRI Standard</th>
<th>Content</th>
<th>Reference page or disclosure</th>
<th>SASB</th>
<th>UNGC</th>
<th>Omission</th>
</tr>
</thead>
<tbody>
<tr>
<td>102-14</td>
<td>Statement from senior decisionmakers</td>
<td>See 2020 Annual Report: p. 11 Dear Shareholders</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

GRI Standard | Content | Reference page or disclosure | SASB | UNGC | Omission
---|---|---|---|---|---
102-17 | Mechanisms for advice and concerns about ethics | FEMSA has developed an Ethical Compliance System, managed by an independent firm and available 24 hours a day, 365 days a year. It is open to both collaborators and other stakeholders, by four different channels, all of them confidential and anonymous: telephone, webpage, e-mail and chat. Code of Ethics: [https://www.femsa.com/assets/2020/11/FEMSA-Codigo_de_Etica.pdf](https://www.femsa.com/assets/2020/11/FEMSA-Codigo_de_Etica.pdf) Whistleblower system website: [www.lineaeticafemsa.com](http://www.lineaeticafemsa.com) | 10 | | |
102-18 | Governance structure | See 2020 Annual Report: p. 48 Corporate Governance | | | |
102-19 | Delegating authority | The Corporate Practices Committee is responsible for preventing or reducing the risk of performing operations that could damage the value of our company or that benefit a group of shareholders. The committee may call a shareholders’ meeting and include matters on the agenda for that meeting that it may deem appropriate, approve policies on the use of our company's assets or related-party transactions, approve the compensation of the Chief Executive Officer and relevant officers and support our board of directors in the elaboration of reports on accounting practices. Each member of the Corporate Practices Committee is an independent director. See 2020 Annual Report: p. 48 Corporate Governance. | | | |
102-20 | Executive-level responsibility for economic, environmental, and social topics | See 2020 Annual Report: p. 48 Corporate Governance. | | | |
GRI Standard | Content | Reference page or disclosure | SASB | UNGC | Omission
---|---|---|---|---|---
102-23 | Chair of the highest governance body | José Antonio Fernández Carbajal was named Executive Chairman of the Board of FEMSA in 2001 | | | |
102-24 | Nominating and selecting the highest governance body | Members of FEMSA's Board of Directors are appointed by company shareholders in the Annual Ordinary Shareholders' Meeting. See 2020 Annual Report: p. 48 Corporate Governance. | | | |
102-25 | Conflicts of interest | At FEMSA, we conduct all of our activities with integrity and professional ethics, always seeking FEMSA’s and not personal benefits. See Code of Ethics: [https://www.femsa.com/assets/2020/11/FEMSA-Codigo_de_Etica.pdf](https://www.femsa.com/assets/2020/11/FEMSA-Codigo_de_Etica.pdf) | | | |
102-26 | Role of highest governance body in setting purpose, values, and strategy | Through Corporate Governance leadership, FEMSA is paving the way toward the future that we want. As part of our business mission, we incorporate Sustainability at every level, starting with the Board of Directors. The Board of Directors is responsible for directing corporate strategy, defining and supervising implementation of the Company's vision and values. See 2020 Annual Report: p. 48 Corporate Governance. | | | |
102-27 | Executive Director of Energy and Sustainability | The Corporate Director of Energy and Sustainability is Víctor Treviño. | | | |
102-27 Collective knowledge of highest governance body

The Committees of the Board of Directors assist the Board of Directors in its functions and support it in making decisions on various issues, whether economic, social or environmental. Board Committees may ask board members, directors, employees, external consultants, or others, to attend meetings or to meet with one or more of its members to provide relevant information as necessary.

See 2020 Annual Report: p. 48 Corporate Governance

102-28 Evaluating the highest governance body’s performance

The Committees of the Board of Directors assist the Board of Directors in its functions and support it in making decisions on various issues, whether economic, social or environmental. Board Committees may ask board members, directors, employees, external consultants, or others, to attend meetings or to meet with one or more of its members to provide relevant information as necessary.

See 2020 Annual Report: p. 48 Corporate Governance

102-29 Identifying and managing economic, environmental, and social impacts

The management team keeps track of the main risks to which FEMSA and its Business Units are exposed. Each Business Unit is responsible for identifying and tracking internal and external business risks, including social and environmental risks.

See 2020 Annual Report: p. 48 Corporate Governance

102-30 Effectiveness of risk management processes

Business Units establish measures to mitigate and manage risks, which are validated in the annual risk identification process.

102-31 Review of economic, environmental, and social topics

Through Corporate Governance leadership, FEMSA is paving the way toward the future that we want. As part of our business mission, we incorporate sustainability at every level, starting with the Board of Directors. The Board of Directors is responsible for directing corporate strategy, defining and supervising implementation of the Company's vision and values.

See 2020 Annual Report: p. 48 Corporate Governance

102-32 Highest governance body's role in Sustainability reporting

Through Corporate Governance leadership, FEMSA is paving the way toward the future that we want. As part of our business mission, we incorporate sustainability at every level, starting with the Board of Directors. The Board of Directors is responsible for directing corporate strategy, defining and supervising implementation of the Company's vision and values.

See 2020 Annual Report: p. 44 Corporate Governance

102-33 Communicating critical concerns

See 2020 Annual Report: p. 48 Corporate governance
See whistleblower system webpage http://www.lineaeticafemsa.com
See Code of Ethics: p. 44

102-34 Nature and total number of critical concerns

Confidentiality issues

See 2020 Annual Report: p. 44 Corporate governance
### Stakeholder Engagement

**102-40 List of stakeholder groups**
At FEMSA we have various stakeholders with whom we engage and with which we remain in constant communication, among them are: nonprofit organizations, investors, industry, specialized institutions, government, consumers, clients, suppliers, employees, society and the media.

**102-41 Collective bargaining agreements**
100% of our unionized employees are covered by a collective bargaining contract, past or agreement.

**102-42 Identifying and selecting stakeholders**

**102-43 Approach to stakeholder engagement**

**102-44 Key topics and concerns raised**

### Reporting Practice

**102-45 Entities included in the consolidated financial statements**
The entities included in the consolidated financial statements are:
- Coca-Cola FEMSA
- FEMSA Comercio
- FEMSA Negocios Estratégicos

**102-46 Defining report content and topic Boundaries**
See Scope section p. 40, Sustainability Content

**102-47 List of material topics**
FEMSA has identified nine areas of action, three for each of the core axes. This is how we ensure that human and economic resources are focused on issues that most affect our operations. See webpage: https://www.femsa.com/en/sustainability/sustainability-strategy/materiality/

**102-48 Restatements of information**
See Scope section p. 40, Sustainability Content

**102-49 Changes in reporting**
See Scope section p. 40, Sustainability Content

**102-50 Reporting period**
This report includes information from January to December 2020.

**102-51 Date of most recent report**
2019 Report

**102-52 Reporting cycle**
Annual

**102-53 Contact point for questions regard**
See Scope section p. 40, Sustainability Content
<table>
<thead>
<tr>
<th>GRI Standard</th>
<th>Content</th>
<th>Reference page or disclosure</th>
<th>SASB</th>
<th>UNGC</th>
<th>Omission</th>
</tr>
</thead>
<tbody>
<tr>
<td>102-54</td>
<td>Claims of reporting in accordance with the GRI Standards</td>
<td>External Verification p. 55, Sustainability Content</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-55</td>
<td>Content index</td>
<td>GRI Index section p. 42, Sustainability Content</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-56</td>
<td>External assurance</td>
<td>See Scope section p. 40, Sustainability Content</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**ECONOMIC ISSUES**

**ECONOMIC PERFORMANCE**

201-1 Direct economic value generated and distributed See Annual Report: p. 5

201-2 Financial implications and other risks and opportunities due to climate change See 20-F Form 7

201-3 Defined benefit plan obligations and other retirement plans FEMSA and its Business Units have compensation and benefit plans that exceed Mexican regulatory requirements. Benefits include savings plans, family benefits and quality-of-life benefits. There are also retirement programs, one of which helps employees build voluntary retirement savings.

201-4 Financial assistance received from government Confidential information

**INDIRECT ECONOMIC IMPACTS**

202-1 Ratios of standard entry level wage by gender compared to local minimum wage Confidential information

**PROCUREMENT PRACTICES**

203-1 Infrastructure investments and services supported Confidential information

203-2 Significant indirect economic impacts Confidential information

**PROCUREMENT PRACTICES**

204-1 Proportion of spending on local suppliers 92% of procurement spending went to local suppliers.

**ANTI-CORRUPTION**

205-1 Operations assessed for risks related to corruption As is the case every year, in 2020 we carried out the process of reviewing, updating and communicating the Code of Ethics with our employees. We also launched an online Code of Ethics certification module, which was taken and passed by employees in some of our Business Units 10

205-2 Comunicación y formación sobre políticas y procedimientos anticorrupción We provided training for our employees in areas such as anticorruption, money-laundering, personal data protection, and others, involving strategic areas of FEMSA. 10

205-3 Confirmed incidents of corruption and actions taken FEMSA has developed an Ethical Compliance System, administered by an independent firm and available 24 hours a day, 365 days a year. It is open to both employees and other stakeholders, by four different channels, all of them confidential and anonymous: telephone, webpage, e-mail and chat. Code of Ethics: https://www.femsa.com/en/sustainability/focustopics/our-ethics-and-values/Whistleblower system website www.lineaeticafemsa.com See Code of Ethics: https://www.femsa.com/assets/2020/11/FEMSA-Codigo_de_Etica.pdf 10
## ANTI-COMPETITIVE BEHAVIOR

<table>
<thead>
<tr>
<th>GRI Standard</th>
<th>Content</th>
<th>Reference page or disclosure</th>
<th>SASB</th>
<th>UNGC</th>
<th>Omission</th>
</tr>
</thead>
<tbody>
<tr>
<td>206-1</td>
<td>Legal actions for anti-competitive behavior, antitrust, and monopoly practices</td>
<td>See 20-F Form</td>
<td></td>
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</table>

## TAX

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<thead>
<tr>
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<th>UNGC</th>
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</thead>
<tbody>
<tr>
<td>207-1</td>
<td>Approach to tax</td>
<td>See Annual Report 2020, Management's Discussion &amp; Analysis p. 55</td>
<td></td>
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<tr>
<td>207-2</td>
<td>Tax governance, control, and risk management</td>
<td>See Annual Report 2020, Management's Discussion &amp; Analysis p. 55</td>
<td></td>
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</tr>
<tr>
<td>207-3</td>
<td>Stakeholder engagement and management of concerns related to tax</td>
<td>See Annual Report 2020, Management's Discussion &amp; Analysis p. 55</td>
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## ENVIRONMENTAL ISSUES

### MATERIALS

<table>
<thead>
<tr>
<th>GRI Standard</th>
<th>Content</th>
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<th>SASB</th>
<th>UNGC</th>
<th>Omission</th>
</tr>
</thead>
<tbody>
<tr>
<td>301-1</td>
<td>Materials used by weight or volume</td>
<td>See Performance section p. 36, Sustainability Content FB-NB-410a.1</td>
<td>7,8,9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>301-2</td>
<td>Recycled input</td>
<td>See Performance section p. 36, Sustainability Content</td>
<td>7,8,9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>301-3</td>
<td>Reclaimed products and their packaging materials</td>
<td>See Performance section p. 36, Sustainability Content</td>
<td>7,8,9</td>
<td></td>
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</table>

### ENERGY

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<thead>
<tr>
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<th>SASB</th>
<th>UNGC</th>
<th>Omission</th>
</tr>
</thead>
<tbody>
<tr>
<td>302-1</td>
<td>Energy consumption within the organization</td>
<td>See Strategy section p. 16, Sustainability Content See Performance section p. 35, Sustainability Content FB-FR-130a.1</td>
<td>7,8,9</td>
<td></td>
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<tr>
<td>302-2</td>
<td>Energy consumption outside of the organization</td>
<td></td>
<td></td>
<td>7,8</td>
<td>Not material topic</td>
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</table>

## ENVIRONMENTAL ISSUES

### WATER

<table>
<thead>
<tr>
<th>GRI Standard</th>
<th>Content</th>
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<tbody>
<tr>
<td>303-1</td>
<td>Interactions with water as a shared resource</td>
<td>See Strategy section p. 13, Sustainability Content</td>
<td>7,8,9</td>
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<tr>
<td>303-2</td>
<td>Management of water discharge-related impacts</td>
<td>See Strategy section p. 13, Sustainability Content</td>
<td>7,8,9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>303-3</td>
<td>Water withdrawal</td>
<td>See Performance section p. 34, Sustainability Content See Strategy section p. 13, Sustainability Content</td>
<td>7,8,9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>303-4</td>
<td>Water discharge</td>
<td>See Strategy section p. 13, Sustainability Content</td>
<td>7,8,9</td>
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<tr>
<td>303-5</td>
<td>Water consumption</td>
<td>See Performance section p. 34, Sustainability Content FB-NB-140a.1. FB-NB-140a.2.</td>
<td>7,8,9</td>
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## BIODIVERSIDAD

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<tbody>
<tr>
<td>304-1</td>
<td>Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas</td>
<td>Non material topic</td>
<td></td>
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<tr>
<td>GRI Standard</td>
<td>Content</td>
<td>Reference page or disclosure</td>
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<tr>
<td>304-2</td>
<td>Significant impacts of activities, products, and services on biodiversity</td>
<td>Non material topic</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>304-3</td>
<td>Habitats protected or restored</td>
<td>Non material topic</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>304-4</td>
<td>Red List species and national conservation list species with habitats in areas affected by operations</td>
<td>7,8 Non material topic</td>
<td></td>
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**EMISSIONS**

<table>
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<tr>
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<th>Omission</th>
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<tbody>
<tr>
<td>305-1</td>
<td>Direct (Scope 1) GHG emissions</td>
<td>See Performance section pág. 35, Sustainability Content</td>
<td>FB-FR-110a.1, FB-NB-110a.1</td>
<td>7,8</td>
<td></td>
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<tr>
<td>305-2</td>
<td>Energy indirect (Scope 2) GHG emissions</td>
<td>See Performance section pág. 35, Sustainability Content</td>
<td>See Strategy section p.16, Sustainability Content</td>
<td>7,8</td>
<td></td>
</tr>
<tr>
<td>305-3</td>
<td>Other indirect (Scope 3) GHG emissions</td>
<td>In 2020, collaborator’ working flights decreased by 78%; therefore, emissions were reduced by the same amount.</td>
<td>7,8</td>
<td></td>
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<tr>
<td>305-4</td>
<td>GHG emissions intensity</td>
<td>See Performance section pág. 35, Sustainability Content</td>
<td>See Strategy section p.16, Sustainability Content</td>
<td>8</td>
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<tr>
<td>305-5</td>
<td>Reduction of GHG emissions</td>
<td>In 2020 due to our progress towards our renewable energy corporate goal, we significantly reduced GHG emissions.</td>
<td>See Performance section p. 35 and Strategy Section p. 13, Sustainability Content</td>
<td>8,9</td>
<td></td>
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</table>

**EFFLUENTS AND WASTE**

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<thead>
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<tbody>
<tr>
<td>306-1</td>
<td>Waste generation and significant waste-related impacts</td>
<td>See Performance section p. 36, Sustainability Content</td>
<td>See Strategy section p. 16, Sustainability Content</td>
<td>7,8,9</td>
<td></td>
</tr>
<tr>
<td>306-2</td>
<td>Management of significant waste-related impacts</td>
<td>See Performance section p. 36, Sustainability Content</td>
<td>See Strategy section p. 16, Sustainability Content</td>
<td>7,8,9</td>
<td></td>
</tr>
<tr>
<td>306-3</td>
<td>Waste generated</td>
<td>See Performance section p. 36, Sustainability Content</td>
<td>See Strategy section p. 16, Sustainability Content</td>
<td>7,8,9</td>
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<tr>
<td>306-4</td>
<td>Waste diverted from disposal</td>
<td>See Performance section p. 36, Sustainability Content</td>
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<tr>
<td>306-5</td>
<td>Waste directed to disposal</td>
<td>See Performance section p. 36, Sustainability Content</td>
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**ENVIRONMENTAL COMPLIANCE**

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</thead>
<tbody>
<tr>
<td>307-1</td>
<td>Noncompliance with environmental laws and regulations</td>
<td>In 2020 there were no instances of non-compliance with applicable environmental regulations</td>
<td></td>
<td></td>
<td>7,8</td>
</tr>
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**SUPPLIER ENVIRONMENTAL ASSESSMENT**

<table>
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<th>Content</th>
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<th>SASB</th>
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<th>Omission</th>
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</thead>
<tbody>
<tr>
<td>308-1</td>
<td>New suppliers that were screened using environmental criteria</td>
<td>We encourage our suppliers to apply good practices in human rights, the environment, the community, ethics and values, based on our Supplier Guiding Principles, which we expect all of them to familiarize themselves with.</td>
<td></td>
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<td>7,8,9</td>
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<tr>
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<tr>
<td>308-2</td>
<td>Negative environmental impacts in the supply chain and actions taken</td>
<td>We encourage our suppliers to apply good practices in human rights, the environment, the community, ethics and values, based on our Supplier Guiding Principles, which we expect all of them to familiarize themselves with.</td>
<td>7,8,9</td>
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</table>

**SOCIAL ISSUES**

**EMPLOYMENT**

| 401-1 | New employee hires and employee turnover | Given the variety of industries in which FEMSA and its Business Units participate, turnover is measured on a business-by-business basis. | | Confidential information | |
| 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | At FEMSA, the same salaries and benefits are provided to full-time and temporary employees. Examples of some of the benefits extended to FEMSA employees: annual bonus, vacation bonus, complementary compensation, pension plan, retirement savings plan, annual medical checkup, savings fund, life insurance, dining room service, scholarships. | | | |
| 401-3 | Parental leave | The reinstatement rate for employees returning from parental leave (maternity and paternity) is 97%. The retention rate one year after parental leave is 80%. | | | |

**LABOR/MANAGEMENT RELATIONS**

| 402-1 | Minimum notice periods regarding operational changes | Notice periods are given according to the applicable laws of the countries where we operate. | | | |

**OCCUPATIONAL HEALTH AND SAFETY**

| 403-1 | Occupational health and safety management system | FEMSA and its Business Units has Health and Safety management system according to its sector and activities, complying with FEMSA corporate policies and local legal framework in the countries we operate. Our main objective is to create safe workplaces and healthy lifestyles. | 6 | | |

FEMSA and its Business Units had developed certified professionals in charge of managing health and safety processes, such as: Compliance with the regulations applicable to each Business Unit Health and Safety Policies, Identification and mitigation of risks in the work centers, Monitoring the health and safety of employees. Also, we have grievance and communication mechanisms so that collaborators, clients and third parties can report any risk situation.

At FEMSA we have health care services that contribute to the monitoring and the surveillance of our collaborators health through a prevention approach and an early detection of diseases associated with working conditions. We provide quality medical care to employees who present any discomfort during their work journey. Some of our activities: Medical attention, Entrance and periodic medical analysis, Medical emergency care, Accident investigation, Work environment assessment and Continuous improvement and compliance audit annual plan.
At FEMSA and its Business Units, we develop Health and Safety internal Committees through diverse topics are addressed, such as: Health and safety policies, Health and safety management system management, Health and safety KPIS, Communication systems. Through our Organizational Climate Surveys, we understand the perception that employees have regarding management systems, work environment, relationship with their bosses, processes and assigned tasks.

At FEMSA diverse health care programs are promoted through the Occupational Health areas, internally or with interaction with public or private institutions, such as: Vaccines campaigns, Nutritional Campaigns and attention, Psychological attention, Mental health awareness campaigns, Prevention and awareness campaigns (breast cancer, prostate cancer, smoking, cardiovascular risk factors) and Activities that encourage physical activity (running, cycling, pilates, zumba, yoga, etc.).

FEMSA seeks to promote the safety and health of its employees at its work centers as well as continuous improvement, through the application of measures and the development of the necessary activities to prevent or limit the risks derived from work conditions, having as a fundamental tool the risk assessment developed in each Business Unit by technical specialists in Occupational Risk Prevention.

During 2020 we provided an average of: 26.50 hours of training per employee

We have programs for this purpose, like the Life and Development Program (PLAVIDE). The program is designed for employees approaching retirement, along with their partners, to prepare for this new phase, understanding it as a natural process in life.

In 2020 we evaluated the performance of 69,349 employees including the categories of directors, managers and employees.
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<tbody>
<tr>
<td><strong>DIVERSITY AND EQUAL OPPORTUNITY</strong></td>
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<tr>
<td>405-1</td>
<td>Diversity of governance bodies and employees</td>
<td>See 2020 Annual Report: p. 48 Corporate Governance</td>
<td></td>
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<tr>
<td>405-2</td>
<td>Ratio of basic salary and remuneration of women to men</td>
<td>Confidential information</td>
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<tr>
<td><strong>NON-DISCRIMINATION</strong></td>
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<tr>
<td>406-1</td>
<td>Incidents of discrimination and corrective actions taken</td>
<td>FEMSA has developed an Ethical Compliance System, administered by an independent firm and available 24 hours a day, 365 days a year. It is open to both employees and other stakeholders, by four different channels, all of them confidential and anonymous: telephone, webpage, e-mail and chat. Code of Ethics: <a href="http://www.femsa.com/es/sostenibilidad/temas-de-enfoque/nuestra-etica-y-valores/">www.femsa.com/es/sostenibilidad/temas-de-enfoque/nuestra-etica-y-valores/</a> Whistleblower system website: <a href="http://www.lineaeticafemsa.com">www.lineaeticafemsa.com</a> See Code of Ethics: <a href="https://www.femsa.com/assets/2020/11/FEMSA-Codigo_de_Etica.pdf">https://www.femsa.com/assets/2020/11/FEMSA-Codigo_de_Etica.pdf</a></td>
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<td><strong>CHILDB LABOR</strong></td>
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<tr>
<td>408-1</td>
<td>Operations and suppliers at significant risk for incidents of child labor</td>
<td>FEMSA has designed a Labor Intelligence System by which we prevent and mitigate occupational hazards. The system is based on a methodology in which risk scenarios are developed and weighted by probability of occurrence and level of impact for the organization. To define the risks, we evaluated each workplace with respect to various human rights issues—child labor, shifts, discrimination, etc. In 2020 no risks were identified in FEMSA Business Units relating to human rights.</td>
<td></td>
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<tr>
<td>409-1</td>
<td>Operations and suppliers at significant risk for forced or compulsory labor</td>
<td>FEMSA has designed a Labor Intelligence System by which we prevent and mitigate occupational hazards. The system is based on a methodology in which risk scenarios are developed and weighted by probability of occurrence and level of impact for the organization. To define the risks, we evaluated each workplace with respect to various human rights issues—child labor, shifts, discrimination, etc. In 2020 no risks were identified in FEMSA Business Units relating to human rights.</td>
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<tr>
<td><strong>SECURITY PRACTICES</strong></td>
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<tr>
<td>410-1</td>
<td>Security personnel trained in human rights policies or procedures</td>
<td>In 2020 73 members of our security staff received training in human rights policies and procedures.</td>
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</tbody>
</table>
FEMSA has developed an Ethical Compliance System, administered by an independent firm and available 24 hours a day, 365 days a year. It is open to both employees and other stakeholders, by four different channels, all of them confidential and anonymous: telephone, webpage, e-mail and chat. Whistleblower system website www.lineaeticafemsa.com


FEMSA has designed a Labor Intelligence System by which we prevent and mitigate occupational hazards. The system is based on a methodology in which risk scenarios are developed and weighted by probability of occurrence and level of impact for the organization. To define the risks, we evaluated each workplace with respect to various human rights issues—child labor, shifts, discrimination, etc. In 2020 no Human Rights related risks were identified in FEMSA Business Units.

In 2020, 100% of FEMSA's Business Units developed community actions.

The internal methodology developed by FEMSA—the Model for Managing Risks and Community Engagement (MARRCO)—enables us to identify risks and opportunities for creating value and optimizing our actions and programs. MARRCO supports the development of capacities through multi-disciplinary teams in our plants and distribution centers.

We encourage our suppliers to apply good practices in human rights, the environment, the community, ethics and values, based on our Supplier Guiding Principles, which we expect all of them to familiarize themselves with.

We encourage our suppliers to apply good practices in human rights, the environment, the community, ethics and values, based on our Supplier Guiding Principles, which we expect all of them to familiarize themselves with.

We abide by the law in every country where we operate.

Our production processes meet the highest quality standards and our ingredients conform to the local regulations applicable to each of our products, services and operations as well as those of other regulatory agencies.
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<tbody>
<tr>
<td>416-2</td>
<td>Incidents of non-compliance concerning the health and safety impacts of products and services</td>
<td>In order to allow our consumers to make informed decisions about each of our products, services and operations, the labeling on our products presents clear and accessible nutritional information.</td>
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**MARKETING AND LABELING**

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</thead>
<tbody>
<tr>
<td>417-1</td>
<td>Requirements for product and service information and labeling</td>
<td>In order to allow our consumers to make informed decisions about each of operations, the labeling on our products presents clear and accessible nutritional information.</td>
<td></td>
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<tr>
<td>417-2</td>
<td>Incidents of non-compliance concerning product and service information and labeling</td>
<td>In 2020 there were no instances of non-compliance with product and service labeling regulations.</td>
<td></td>
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<tr>
<td>417-3</td>
<td>Incidents of non-compliance concerning marketing communications</td>
<td>In 2020 there were no instances of non-compliance with marketing communication regulations.</td>
<td>FB-FR-270a.1.</td>
<td>FB-NB-270a.2.</td>
<td>FB-NB-270a.3.</td>
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**CUSTOMER PRIVACY**

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<tbody>
<tr>
<td>418-1</td>
<td>Substantiated complaints concerning breaches of customer privacy and losses of customer data</td>
<td>In 2020 there were no instances of non-compliance with data privacy regulations, including violations of customer privacy or customer data loss.</td>
<td>FB-FR-230a.1.</td>
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**SOCIOECONOMIC COMPLIANCE**

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<tbody>
<tr>
<td>419-1</td>
<td>Non-compliance with laws and regulations in the social and economic area</td>
<td>During 2020 there were no instances of non-compliance with laws and regulations in the social and economic area</td>
<td>FB-FR-310a.4.</td>
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Independent Assurance Report

To the Board of Directors of Fomento Económico Mexicano, S.A.B. de C.V.:

Scope of our Work

We have undertaken an independent limited verification of the performance indicators included in Annex A and presented in the Annual Report (the “Report”) of Fomento Económico Mexicano, S.A.B. de C.V. (“FEMSA” or the “Company”) corresponding to the year calendar 2020, based on with the reporting criteria set forth in the GRI Standards (the “Criteria”).

The preparation of this report is the responsibility of FEMSA’s Management. FEMSA’s Management is also responsible for the information and the assertions contained therein, defining the scope of the Report and the management and control of the information systems that provided the reported information.

Our work was conducted in accordance with International Standard on Assurance Engagements (ISAE) 3000 issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). This standard requires that we plan and perform our engagement to obtain limited assurance about whether the report is free from material misstatement and that we comply with ethical requirements, including the independence requirements included in the Code of Ethics of the International Ethics Standards Board for Accountants (IESBA).

Standards and verification procedures

The verification procedures performed focused on the following:

- Interviews with the individuals responsible for the information to understand the activities performed and the procedures used to gather the information.
- Review of the structure and content of the Report in accordance with the GRI Standards.
- Understanding of the procedures used in compiling and consolidating quantitative and qualitative data, as well as their traceability.
- Review of the support documentation through analysis and recalculations, as well as sampling, to increase the certainty of the indicators reported.

It is worth mentioning that the scope of this review is substantially less than a reasonable assurance engagement. Therefore, the assurance provided is also less. This Report shall in no way be considered an audit report.

The performance indicators identified for the work of our verification until December 31, 2020, are mentioned below:

- Energy consumption (Direct and indirect)
- Total Water withdrawal
- Direct (Scope 1) GHG emissions
- Indirect GHG emissions from energy generation (Scope 2)
- Total waste generated and disposal method
- Accident frequency rate and occupational illness rate
- Average hours of training per employee
- Public Report on non-compliances/complaints relate to Code of conduct
- Investment in Our Community
- Investment in Our Planet
- Investment in Our People
- Percentage of renewable energy consumed at year-end from operations in Mexico

Conclusions

Based on our work described in this Report, nothing has come to our attention that causes us to believe that the performance indicators selected are not presented, in all material respects, in accordance with the applicable criteria.

This report has been exclusively prepared for the Board of Directors of Fomento Económico Mexicano, S.A.B. de C.V., in accordance with the terms of our engagement agreement.

Mancera, S.C.,
Integrante de Ernst & Young Global Limited

Saul Garcia Arreguin
Partner
March 22th, 2021; Mexico City
### Annex A: Performance indicators verified

#### Performance indicators

<table>
<thead>
<tr>
<th>Name of the performance indicator</th>
<th>Scope of the information</th>
<th>Reported information</th>
<th>Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct energy consumption</td>
<td>FEMSA and its business units</td>
<td>7,295,142</td>
<td>GJ</td>
</tr>
<tr>
<td>Indirect no renewable energy consumption</td>
<td>FEMSA and its business units</td>
<td>3,779,274</td>
<td>GJ</td>
</tr>
<tr>
<td>Indirect renewable energy consumption</td>
<td>FEMSA and its business units</td>
<td>5,827,728</td>
<td>GJ</td>
</tr>
<tr>
<td>Percentage of energy from renewable sources at year-end</td>
<td>FEMSA and its business units</td>
<td>77.6</td>
<td>%</td>
</tr>
<tr>
<td>Total water withdrawal</td>
<td>FEMSA and its business units</td>
<td>31,939</td>
<td>Thousands of total cubic meters</td>
</tr>
<tr>
<td>Direct (Scope 1) GHG emissions</td>
<td>FEMSA and its business units</td>
<td>496,138</td>
<td>Metric tons of CO2 equivalent</td>
</tr>
<tr>
<td>Indirect (Scope 2) GHG emissions</td>
<td>FEMSA and its business units</td>
<td>452,326</td>
<td>Metric tons of CO2 equivalent</td>
</tr>
<tr>
<td>Total waste generated and disposal method</td>
<td>FEMSA and its business units</td>
<td>260,932</td>
<td>Metric tons of waste generated</td>
</tr>
<tr>
<td>Accident frequency rate</td>
<td>FEMSA and its business units</td>
<td>1.25</td>
<td>Cases per 100 employees</td>
</tr>
<tr>
<td>Occupational illness frequency rate</td>
<td>FEMSA and its business units</td>
<td>0.085</td>
<td>Cases per 100 employees</td>
</tr>
<tr>
<td>Accident frequency rate</td>
<td>FEMSA and its business units</td>
<td>4.9</td>
<td>Cases per million hours</td>
</tr>
<tr>
<td>Occupational illness frequency rate</td>
<td>FEMSA and its business units</td>
<td>0.34</td>
<td>Cases per million hours</td>
</tr>
<tr>
<td>Average hours of training per employee</td>
<td>FEMSA and its business units</td>
<td>26.50</td>
<td>Hours of training</td>
</tr>
<tr>
<td>Investment in Our Community</td>
<td>FEMSA and its business units</td>
<td>507</td>
<td>Million MXN</td>
</tr>
<tr>
<td>Investment in Our Planet</td>
<td>FEMSA and its business units</td>
<td>890</td>
<td>Million MXN</td>
</tr>
<tr>
<td>Investment in Our People</td>
<td>FEMSA and its business units</td>
<td>1,009</td>
<td>Million MXN</td>
</tr>
<tr>
<td>Public Report on non-compliances/complaints relate to Code of conduct</td>
<td>FEMSA and its business units</td>
<td>3,457</td>
<td>Number of complaints received</td>
</tr>
<tr>
<td></td>
<td></td>
<td>82</td>
<td>% of complaints resolved during the same calendar year</td>
</tr>
<tr>
<td></td>
<td></td>
<td>18</td>
<td>% of complaints in progress</td>
</tr>
</tbody>
</table>

*The geographic scope of the information only considers the operations in Mexico*