

FAIR

FEMSA Allyship
for Immigrants, Refugees
& Repatriates



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FEMSA**

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*There is no functional business
acting in dysfunctional societies*

UNDERSTANDING THE ISSUE: AN EXPERIENCE WITH GLOBAL IMPACT

At the end of 2024, the global number of people forcibly displaced reached over 130 million, 8% more than in 2022 and 3x more than a decade ago.

Among the reasons for forcible displacement are persecution, conflicts, violence, human rights violations and events related to climate change (21.5 million people per year, according to the UNHCR, the UN's refugee agency).

The IEP (Global Institute of Economics and Peace) estimates that by 2050 1.2 billion people are going to migrate because of climate instability. The refugee population, as declared by the UNHCR, also increased 3x compared to a decade ago, totaling 43.4 million people by the end of 2023.

As referred by the World Bank, when refugees are displaced for five or more years, their needs morph from emergency into long-term development needs: jobs, education for them and their families, as well as the need for legal frameworks and policies that integrate them into the hosting community.

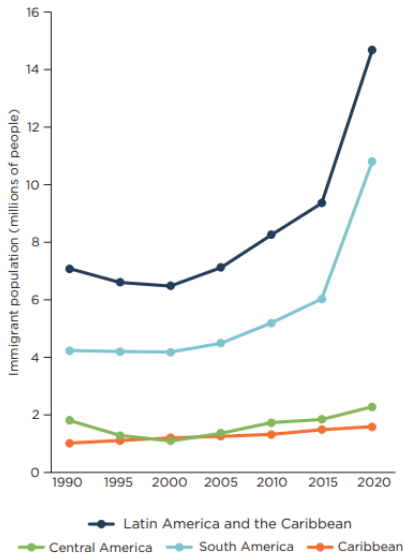
It is key for us to recognize that under these circumstances, all of us — no matter social, economic, racial, gender or any other diversity — would make the same decision of leaving.

LATIN AMERICA SCENARIO

Since 2000, Latin America and the Caribbean have witnessed a virtual doubling of their immigrant population: from 7M in 1990 to almost 15M in 2020, with 76% of them coming from countries within the region, compared to 5% in 1990. The increasingly restrictive immigration policies adopted in developed regions appears as the main reason for this significant change.

Waves: Venezuela is the most significant exodus phenomenon experienced in the last 50 years; about 6.8M Venezuelans have left their country, 80% of them relocated to countries in LATAM, in order of major hosting numbers Colombia, Peru, Ecuador, Chile and Brazil. Migration from northern countries in Central America has resulted in very high numbers of migrants at the southern border of the United States what caused a spike in applications for refugee status in Mexico.

Total immigrant population in Latin America and the Caribbean (millions), 1990-2020



Source: IDB/UNDP based on data from the United Nations Department of Economic and Social Affairs, International Migrant Stock 2020.

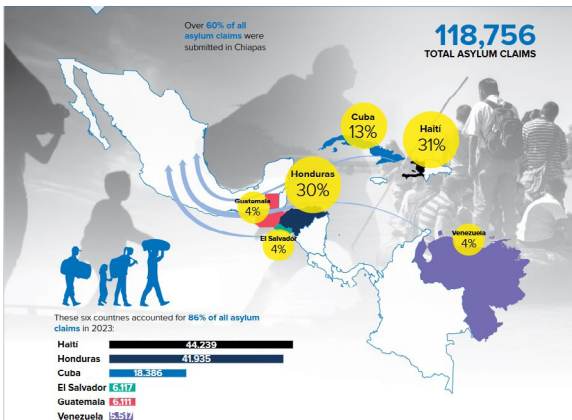
MEXICO'S STATE

In 2022, Mexico hosted 498,226 refugees, asylum-seekers, stateless persons and other persons needing international protection, most of them coming from Venezuela, Honduras, Haiti and Cuba. The country registered more than 140,000 asylum permission requests by 2023.

The southern border is the central arrival region, and by 2023, Chiapas had received 62% of all asylum permissions processed in Mexico. The country's northern region shows a more diverse dynamic with migrants and refugees who stay after being prohibited from entering the USA or those willing to cross the borders.

BREAKING DOWN FRONTIERS: AN INCLUSION THAT MATTERS

Studies from top-notch organizations specialized in migration indicate that the lack of information about the true impact and benefits of migrants' social and labour inclusion leads to prejudices and false beliefs. The main paradigms and facts about welcoming refugees and migrants and their benefits to organizations and communities are stated in this business case. A reluctance to accept greater social and cultural diversity may result from strong intergroup preferences that lead people to favour the construction of more homogeneous societies and exclude other social groups.



At FEMSA the choice of **doing the right thing** lives at the core of our mission; we firmly believe that providing opportunities for people to advance in their personal and professional lives is above and beyond the benefits that this strategy brings to the business.

MYTHS AND FACTS

Myth

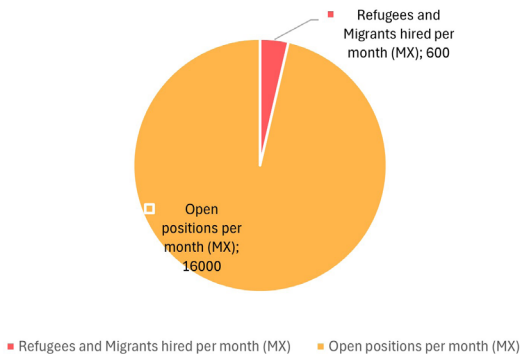
Migrants come to take jobs from local people

Fact

Eager Talent

Studies quoted by the IBD (Inter-American Development Bank) show that the impact of migration is positive for receiving countries' economies. Ecuador, for example, upon the arrival of almost half a million migrants (up to 2019) had not had a perceptible negative impact on the hiring of the local population in the labor market nor their participation in it.

Mexico's unemployment rate has been low, while the country has experienced a high migration volume. The unemployment rate in May 2024 was 2.6%, which sustains the hypothesis that both local and foreign people would be able to find jobs in equal conditions. At FEMSA, the amount of our monthly opened positions versus migrants and refugees hired are a living proof of the hypothesis: from 18,500¹ people hired per month, less than 600 (3%) are refugees or migrants in vulnerable situations.



¹Total FEMSA — 16,000 out of the 18,500 hirees are in Mexico

Myth

Migrants' turnover is higher

Fact

Greater dedication

A case study prepared by IFC² (International Finance Corporation — World Bank Group) taking OXXO Mexico as a role model in hiring migrants and refugees. Our experience has shown that migrant workers often demonstrate strong reliability, with lower absenteeism, higher punctuality, and longer tenure in their roles — typically staying an additional four to six months compared to local talent.



Creating Markets, Creating Opportunities

Public Disclosure Authorized

Labor Supply and Diversity: *How OXXO Strengthened its Workforce by Hiring Refugees and Migrants.*

OXXO is Mexico's leading convenience store chain and a subsidiary of the multinational beverage and retail company Fomento Económico Mexicano S.A.B. de C.V. (FEMSA). Like many companies worldwide, OXXO had to manage labor shortages as it expanded its operations. By using inclusive employment practices, the company was able to meet its labor needs while also providing vital jobs for refugees and asylum seekers in Mexico.¹



Myth

Including refugees and migrants is not worth it to business financial gains

Fact

Win-Win

There is no increment in operational costs when granting opportunities for migrants and refugees (R&M) to work locally by providing them with the same salary and benefits as local workers.

²You may access the study [here](#).

It is also important to note that even in exceptional situations, hiring R&M has a double winning factor: it benefits the business operations whilst creating a highly positive impact on people in vulnerable situations.

Recently, OXXO — in partnership with AMEXCID (*Agencia Mexicana de Cooperación Internacional para el Desarrollo*), filled open positions with a group of migrants brought from Tapachula to Monterrey in a commercial flight with a housing rental for a month. For example, our analysis has shown that providing air transportation for a new migrant hiree and their family from the South of Mexico to the North of the country is 26% less costly than the cost per day of a vacant position at one of our stores.

Myth

Including migrants within the organizations is charity

Fact

Doing the Right Thing

IFC quoting OXXO Mexico indicates that R&M workers bring new and diverse skills and perspectives to the workforce, inspiring other employees with their resilience, adaptability, and kindness in the face of significant personal challenges, enriching the company's culture and fostering employee loyalty and commitment. To achieve proper integration of R&M in local markets, it is crucial to facilitate deserving, formal employment that allows them to earn an income and participate in their local markets and systems.

Employing these individuals challenges our ways of working, bringing innovation and defying the status quo, which is necessary for us to keep evolving and moving forward as organizations.

R&M Inclusion also leads to a reputational investment for companies. Through its work, FEMSA has been appointed the leading employer of refugees and migrants in Mexico; according to the UNHCR, FEMSA's involvement encouraged about 500 additional companies to adopt similar efforts, which is fully recognized by stakeholders, media and consumers.

Myth

Migrant inclusion leads to increased crimes

Fact

For better societies

The available information does not offer a relationship between migration and insecurity or increased crimes. In Latin America, the main factors of crime and violence are the drug trade, cartels and corruption in the political and judicial systems, economic opportunity scarcity and education is poor.

A study referred by the IDB (Inter-American Development Bank), on data from Colombia, Peru, and Chile for 2019 concluded that Venezuelan migration did not increase crime in the region. In Chile, the Venezuelan population represented 2.4% of the population, and only 0.7% of crimes had been committed by people of that nationality. In Peru, only 1.9% of imprisoned people were foreigners, while the Venezuelan population alone reached 2.9% of the total population. In Colombia, 2.3% of people arrested were Venezuelans when they represented 3.2% of the population.

People's concern with security is usually associated with negative feelings and frequently rises with a xenophobic tone of media.

At FEMSA, we hire legal migrant employees, showing that their migration status does not present higher risks to the operations compared to local employees

Myth

Migrants are less educated

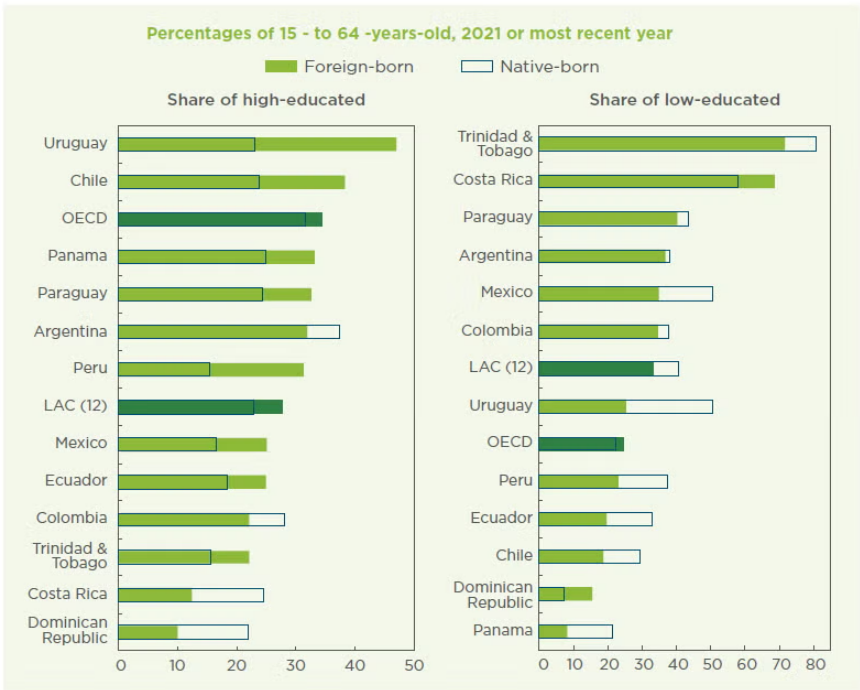
Fact

Leveraging Capacities

A 2022 study from the International Monetary Fund on Venezuelan migrants in Latin America reinforces this information as it demonstrates that Venezuelan migrants face higher unemployment regardless of

having higher education than local talent, leading them to initially work in the informal sector, provoking an underutilization of talent and skills through local enterprises.

On average, refugees and migrants in Latin America have higher educational levels than natives. The study *How do migrants fare in Latin America and the Caribbean* quoted by the IDB analyzes the situation of the migrant population in 12 Latin American countries and show that in 8 of the 12 countries analyzed, including Mexico, the proportion of working-age people with a high educational level is higher than the local population.



Note: Countries are sorted in descending order of the proportion of high- and low-educated foreign-born.

Myth

Including migrants is expensive for receiving countries

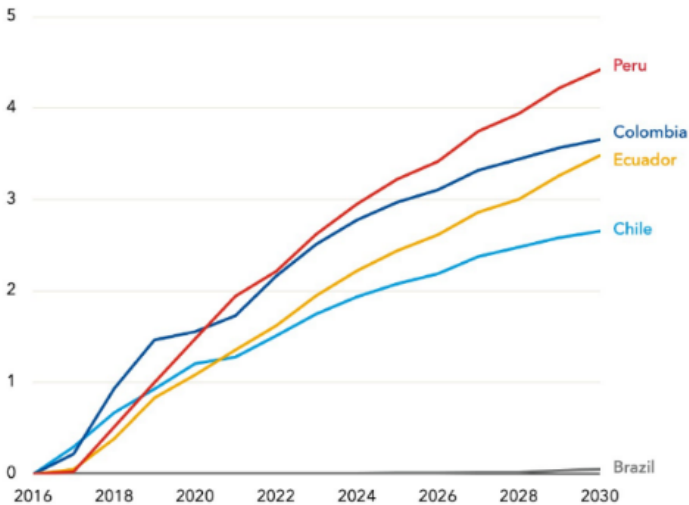
Fact

GDP Increasing

An analysis of the fiscal impact of the migrant population in the OECD (The Organisation for Economic Co-operation and Development) countries show that migrants contribute more in taxes and social contributions than they receive in individual benefits. Migrants contribute as entrepreneurs. In the Dominican Republic, Venezuelan investments amount to approximately \$553.3 million and generates approximately 9000 jobs, representing 0.2% of the employed economically active the population of the country and as taxpayers contributed 0.35% of the national fiscal revenue from current income, including revenue.

Potential economic gains

Investing in integrating migrants has the potential to increase GDP in host countries by up to 4.5 percentage points by 2030. (economic impact of Venezuelan migration in percent of GDP)



Sources: Flexible System of Global Models simulations; and IMF staff calculations.

IMF

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IOM – The UN agency for Migration

<https://www.iom.int/data-and-research>

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IEP – Institute of Economics and Peace

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FEMSA

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JUSTICE, EQUITY, DIVERSITY & INCLUSION

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