

Fomento Económico Mexicano S.A.B. de C.V.

TICKER
MEX:FEMSAUBD

MARKET CAPITALIZATION
US\$33 billion

HEADQUARTERS
Mexico

DISCLOSURES
UK Modern Slavery Act: Not applicable
California Transparency in Supply Chains Act: No

TARGETS
None

OVERALL RANKING

39 out of **43**

(2018 Rank: 34 out of 38)

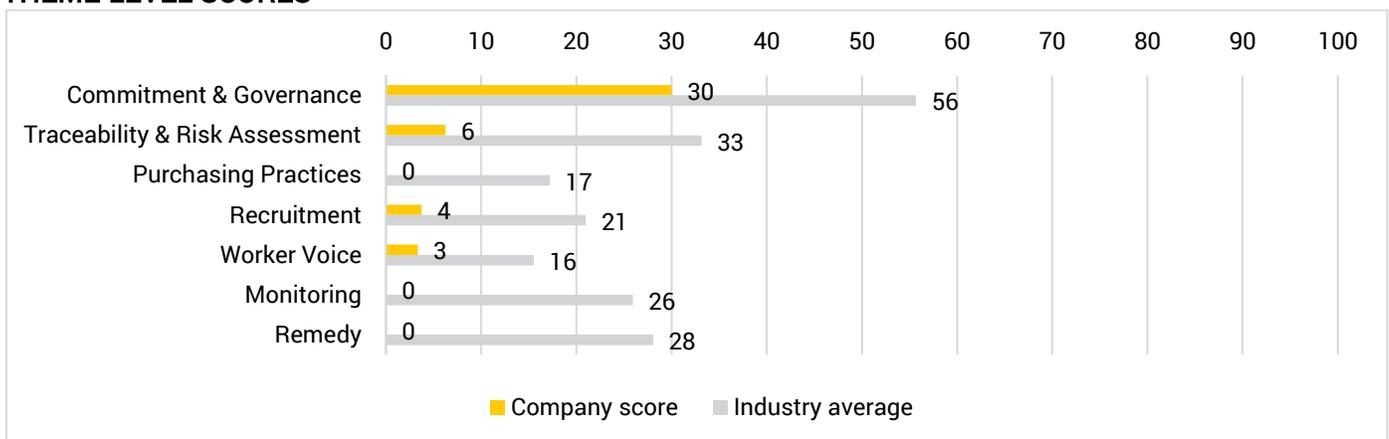
OVERALL SCORE

6 out of **100**

SUMMARY

Fomento Económico Mexicano S.A.B. de C.V. (FEMSA), the largest franchise bottler of Coca-Cola, ranks 39th out of 43 companies, disclosing significantly less information on its forced labor policies and practices than its peers. Since 2018, the company does not seem to have taken additional steps to strengthen its performance and disclosure. As the benchmark methodology requires companies to keep up with evolving stakeholder expectations and emerging good practices, the company's score has decreased by one point. The score is based on some disclosure FEMSA has in place on the themes of Commitment & Governance, Traceability & Risk Assessment, and Worker Voice. The company has an opportunity to improve on the themes of Purchasing Practices, Worker Voice, and Remedy.

THEME-LEVEL SCORES



Research conducted through February 2020 or through May 2020, where companies provided additional disclosure or links. For more information, see the full dataset [here](#). For information on a company's positive and negative human rights impact, see the Business & Human Rights Resource Centre [website](#).

KEY DATA POINTS**SUPPLIER LIST**

No

NO-FEE POLICY

No

SUPPORTS FREEDOM OF ASSOCIATION

No

REMEDY FOR SUPPLY CHAIN WORKERS

No

HIGH-RISK COMMODITIESSugarcane, coffee, cattle (milk), and others¹

LEADING PRACTICES

None.

NOTABLE FINDINGS

Commitment & Governance: The company expresses its commitment to international labor standards and discloses a supplier code of conduct that prohibits forced labor.

Traceability & Risk Assessment: The company notes that it uses locally sourced sugar in the countries where it is located, including Mexico, Brazil, Colombia, Argentina, Guatemala, Philippines, Venezuela, Nicaragua, Costa Rica, and Panama.

Worker Voice: The company's supplier code makes reference to a whistleblowing means for workers.

OPPORTUNITIES FOR IMPROVEMENT

Purchasing Practices: To address forced labor and human trafficking risks in its supply chains, the company is encouraged to integrate supply chain standards that include forced labor into its supplier contracts. The company may further consider assessing risks of forced labor at potential suppliers before entering into any contracts with them and adopting purchasing practices that decrease risks of forced labor and human trafficking (such as ensuring prompt payment or providing longer-term contracts and price premiums to suppliers with good labor practices).

Worker Voice: While the company's supplier code makes reference to a whistleblowing means for workers, the company may consider ensuring that a formal mechanism to report grievances regarding labor conditions is available and communicated to its suppliers' workers and relevant stakeholders such as worker organizations or labor NGOs. To demonstrate effectiveness, the company may further consider providing data on usage of the mechanism by supply chain workers. Further, the company is encouraged to take steps to ensure that workers in its supply chains are educated on their rights and are able to exercise their right to freedom of association.

Remedy: The company may consider establishing a process for creating corrective action plans with suppliers that are found to violate workers' fundamental rights and freedoms (those articulated in the

ILO Declaration on Fundamental Principles and Rights at Work). It may also consider designing a procedure to ensure that remedy is provided to its suppliers' workers in cases of human trafficking and forced labor.

ENGAGED WITH KNOWTHECHAIN

No.

¹ The US Department of Labor lists these commodities as commodities that may be produced using forced labor. US Department of Labor (20 September 2018), "[List of Goods Produced by Child Labor or Forced Labor.](#)"