

II. Our strategy and analysis for sustainability on three pillars

Our Sustainability Strategy inside KCM is based on three basic pillars: Economic Pillar, Social and Occupational Safety Pillar and Environmental Care Pillar.

The goals and results of our Sustainability Strategy have an impact on all our operating and administrative areas, on the achievement of individual targets, and incentives for directors and managerial personnel (G4-52).





Pillars of our strategy

KCM's Sustainability Strategy is supported by three basic pillars:

Economic Pillar. The company's economic and financial performance make possible its sustainable growth, and the support of funding of programs that make up the other pillars: social and occupational safety, and environmental care. We are convinced that to achieve economic results consistent with our Vision, we must continually strengthen our commitment to our consumers, our products and our brands.

Social and Occupational Safety Pillar. The key objective of this pillar is to generate more value for society at large through the company's operations, and ensure that our personnel are protected in terms of their occupational health and safety.

Environmental Care Pillar. The key objective of this pillar is to meet and exceed the requirements of applicable environmental laws, identifying and seizing opportunities to become more energy efficient, reduce atmospheric emissions, monetize solid waste, reduce water consumption and create efficient systems for treating effluents that protect receiving water bodies and the biodiversity they support. Our environmental strategy applies the 5 "Rs"—Results, Reuse, Reduce, Recycle and Renew—throughout the value chain, from suppliers and production processes to administrative offices, logistics, support areas and clients. To do this, we are meticulous about design and execution of our Environmental Management System, which is aligned with the global guidelines of Kimberly-Clark Corporation and the ISO 14001 standard.

Material aspects and boundaries (G4-24, G4-26)

The scope of the material aspects covered by this report by KCM was determined according to the pillars of our sustainable strategy (economic, environmental, labor and social).

The material issues presented are relevant to both external and internal stakeholders (G4-20, G4-21).



We surveyed 181 people in all stakeholder categories (shareholders, employees, supplies, authorities, clients and consumers) who are directly involved in or affected by our operations and the development and taking of decisions, for their opinion on these matters, in order to define and prioritize the most material aspects for KCM.



Materiality matrix



Material aspects for the organization

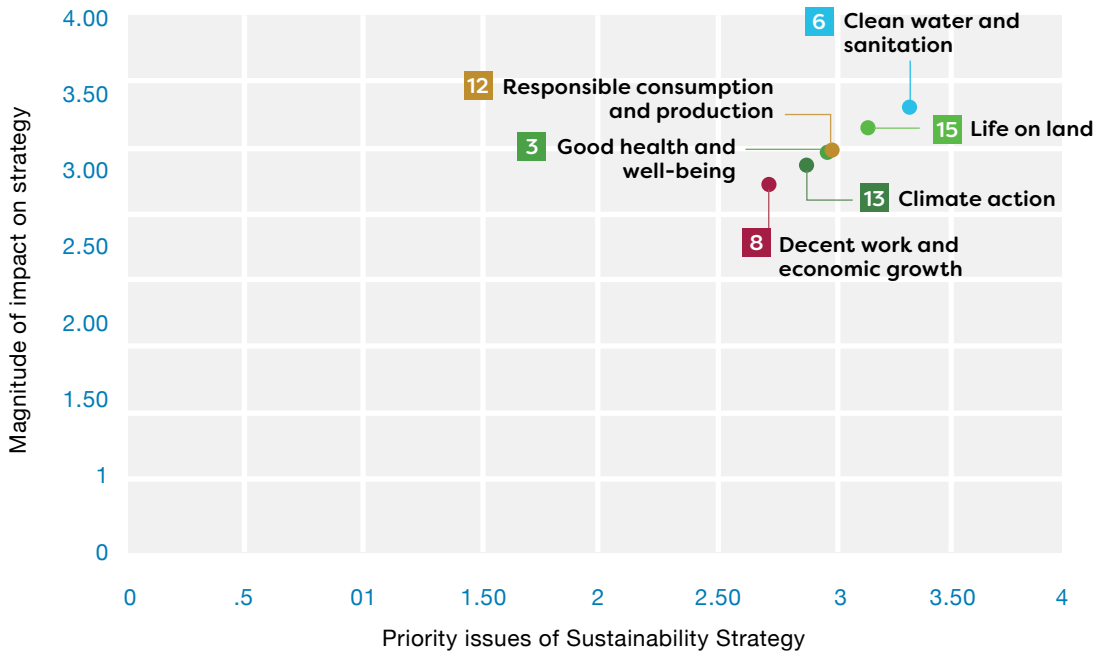
(G4-19, G4-20, G4-21)

A	Economic performance
D	KCM reputation and brands
E	Mission, vision and values
I	Compliance with environmental laws
J	Analysis of environmental risks and impact on communities
L	Virgin fiber from certified forests
M	Recycled fiber (including recycled raw materials in products)
N	Water consumption (sources and annual consumption)
O	Electricity consumption

Q	Consumption of energy from renewable sources
T	GHG emissions/Climate change
U	Water disposal (treatment, discharge and reuse)
V	Employee health and safety (on the premises)
Y	Employee development and training
AA	Local communities (development, investment and job creation)
AB	Responsible advertising
AC	Product innovation
AD	Safety and performance of hygiene and personal care products



Material issues in the Sustainability Strategy: comparability with UN SDGs



All 17 SDGs are relevant to this organization; the graph above includes those that are most significant for our Sustainability Strategy in the perception of our various stakeholders.

Stakeholder engagement (G4-26)

Involving our stakeholders in the determination of KCM's material aspects enabled us to decide on the frequency, mechanisms and persons responsible for communication between the company and its stakeholders, so we can address their concerns.

This is shown in the table below.

STAKEHOLDER GROUP e = external i = internal	MEANS OF COMMUNICATION	FREQUENCY
Consumers (e)	Social networks Website	Ongoing and frequent
Clients (e)	E-mail Phone Website	Ongoing and frequent
Employees (i)	E-mail Website Social networks	Ongoing and frequent
Shareholders (i)	Website BMV-Emisnet Social networks	Ongoing
Suppliers (e)	E-mail Website	Ongoing
Authorities (e)	Website E-mail Written notifications	Frequent
Others (NGOs, brokerage firms, rating agencies, opinion leaders, media, academe) (e)	Website E-mail Phone Social networks	Frequent



Based on our materiality analysis, we conducted a systemic operations study to identify and prioritize risks according to their magnitude, likelihood of occurrence, and impact on the company. These are reviewed and updated annually in meetings of the Board of Directors.

Through this process we can decide on opportunities, actions and goals in every aspect of our operations in order to keep them profitable, sustainable and resilient.

All groups of individuals or organizations, whether internal or external, who can affect the development of our company, are stakeholders (G4-25).

Analysis of impacts, risks and opportunities (G4-27)

RISKS	REAL OR POTENTIAL IMPACTS	OPPORTUNITIES AND SPECIFIC ACTIONS
ENVIRONMENTAL		
WATER		
Consumption and disposal	<ul style="list-style-type: none"> • Lack of availability • Poor water quality supplied to operations • Regulatory changes 	<ul style="list-style-type: none"> • Invest in treatment plants for supply and waste water/ Meet or exceed regulatory requirements • Use of post-consumer water • Closed water cycles (4.5x recirculation) • Best practices for obtaining discharge quality certification (Quality beyond regulatory minimum) • Investment in advanced technology
Performance indicators		
Management system		
SOLID WASTE		
Consumption and disposal	<ul style="list-style-type: none"> • Environmental impact • Impact on third parties • Excessive use of sanitary landfills • Changes in applicable laws and regulations 	<ul style="list-style-type: none"> • Development of solid waste and special waste handling systems/ Ensure compliance with laws and regulations • Co-processing of fiber sludge instead of sending it to sanitary landfills • Monetization of waste for recycling and co-processing: "Zero landfill" goal • Increase in operating productivity/Waste reduction • Sustainable innovation • Lifecycle analysis
Performance indicators		
Management system		
ENERGY		
Consumption	<ul style="list-style-type: none"> • Increase in prices and availability • Industry competitiveness • Impact on operating costs • GHG emissions 	<ul style="list-style-type: none"> • Energy management and training systems • Identification and execution of projects and investments to improve energy efficiency • Supply contracts with private companies that produce energy with low GHG emission factors • Use of clean energies • Cogeneration of thermal and electric power • Increase in operating productivity
Performance indicators		
Management system		
DEFORESTATION AND CLIMATE CHANGE		
GHG emissions	<ul style="list-style-type: none"> • Impact on protected forests and areas • Impact on biodiversity from wastewater discharge or impact on woodlands • Impact on our facilities from climate change • Compliance with laws and regulations • Regulatory changes • Commitments derived from COP21 • Supply of sufficient quantities of virgin pulp 	<ul style="list-style-type: none"> • Use of 100% virgin pulp fiber from certified forests • Zero deforestation commitment • More than 60% use of recycled fibers from post-consumer paper • Report to CDP Forests and benchmark • Report of official emissions from fixed and mobile sources through the National Emissions Registry (RENE) • Wastewater discharges in keeping with legislation and above quality standards • Risk Prevention and Property Safety Manual • Resilience of productive units to eliminate or mitigate material damages • Insurance coverage to cover economic losses resulting from physical damage caused by hydro-meteorological events • Training in evacuation and damage control procedures • Risk management program to identify, evaluate, reduce and prevent losses • Commitment to national climate change strategy • Identification of adaptation and mitigation actions. Capital expenditures to ensure regulatory compliance • Registry of GHG emission mitigation-reduction projects • Supply contracts with private companies that produce energy with low GHG emission factors and clean energy sources • Transition to use of cleaner energies/Cogeneration and renewable sources
Performance indicators		
Management system		

(G4-21)

RISKS	REAL OR POTENTIAL IMPACTS	OPPORTUNITIES AND SPECIFIC ACTIONS
SOCIAL		
OCCUPATIONAL HEALTH AND SAFETY / LOSS PREVENTION		
Performance indicators	<ul style="list-style-type: none"> • Possibility of serious/ Incapacitating accidents or fatalities • Absenteeism/Loss of productivity due to injury or illness 	<ul style="list-style-type: none"> • Ongoing improvement of the SAES system • Preventive health programs for personnel and their families • Preparation and execution of preventive training plans with high industry standards. • Safety Week activities • Training in evacuation and damage control procedures • Program of regular drills • Programs with Civil Protection authorities • Appropriate personal safety equipment • Training of instructors/Fire brigades • Systems for handling chemicals and hazardous waste • Training drivers of our new product transportation and distribution fleet • Prevention of truck theft/Radiolocation systems • Training in handling risk situations • Investment in insurance to protect company property (2014: Ps.65m and 2015: Ps.81m)
Management system	<ul style="list-style-type: none"> • Natural phenomena associated with climate change or earthquakes that affect our operations • Safety of our drivers • Possibility of fire or earthquakes at our facilities 	
RELATIONSHIP WITH COMMUNITIES AND UNIONS		
See chapter on Social responsibility	<ul style="list-style-type: none"> • Lack of acceptance by community • Possibility of strikes • Impact on productivity • Negative social impact on the communities where we operate • Retention of highly qualified personnel 	<ul style="list-style-type: none"> • Publicize company's Mission, Vision and Values • Support for local social initiatives • Dialogue with community representatives • Strengthening of labor relationships with unions/Incentives for productivity and occupational safety • Wage negotiations and collective bargaining • Mixed Health and Safety Commission • Cultural and family events • Safety Week activities • Encouraging good labor practices • Benefits above federal labor law requirements
LABOR MARKET COMPETITIVENESS		
See chapter on Social responsibility	Retention of key personnel and employees with high growth potential in the company	<ul style="list-style-type: none"> • Training and career development plans • Competitive compensation system • Encourage employees to commit to KCM's Mission, Vision and Values • Board Compensation/Committee evaluation of performance and succession plans • Performance evaluation and feedback • Financial results — level of profit-sharing • Programs to reduce employee turnover and absenteeism • Actions to favor work-life balance



SOCIAL RESPONSIBILITY

<p>See chapter on Social responsibility</p>	<ul style="list-style-type: none"> • Ability to meet our stakeholders' expectations • Respect for human rights • Operating and financial transparency • Prevention of bribery and corruption • Product stewardship • Legal and regulatory compliance 	<ul style="list-style-type: none"> • Creation of strategies and mechanisms for stakeholder dialogue • Definition and action plans for aspects that are material/Relevant to stakeholders • Product donations to charitable institutions and the needy • Structure and scope of Annual Sustainability Report • Actions to support stakeholders • Solid Corporate Governance • Financial reports • Training personnel in Code of Conduct; orientation and ongoing follow-up • Standards of social compliance for suppliers • Comprehensive supply chain audits: quality, service, internal control systems, transparency and respect for human rights • Whistleblower mechanisms and exhaustive investigation of each case/Report to Board of Directors' Audit and Corporate Practices Committee • Medical approval for materials and products and HACCP system • Strict compliance with laws and standards applying to each product group • Process Control Systems and Quality assurance/Statistical and real-time quality indicators (EWMA) • Campaigns to promote health and hygiene • "Reading makes you greater" campaign • Ongoing review of compliance and changes to laws and regulations governing products, tax, environment, health and hygiene, labor, market, accounting, privacy and other aspects
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RISKS	REAL OR POTENTIAL IMPACTS	OPPORTUNITIES AND SPECIFIC ACTIONS
ECONOMIC		
ECONOMIC IMBALANCES IN MEXICO		
	<ul style="list-style-type: none"> • Economic crisis or sluggishness of domestic market and economy • Impact on sales of frequently consumed products • Increase in inflation • Increase in financing costs • Impact on profit margins 	<ul style="list-style-type: none"> • Technological innovation to generate added value in our products • Investment in prices to generate scale and protect market share • Continue promoting fair, transparent relations with our clients • Generate added value in our products that can be reflected in price increases to offset impacts, maintaining competitiveness • Strategic boost to the use of our brands in public places, out of home • Operating efficiency • Acquiring derivative financial instruments (hedges) • Increase in domestic-origin fiber for recycling • Continue promoting the development of domestic suppliers • Ongoing evaluation of new avenues for growth (M&A)

GLOBAL ECONOMY, PARTICULARLY TRENDS IN U.S. ECONOMY		
	<ul style="list-style-type: none"> • Complex global economic situation affects domestic market • Increase in inflation and exchange-rate volatility 	<ul style="list-style-type: none"> • Technological innovation to generate added value in our products • Invest efficiently and be prepared for periods of more rapid growth • Strengthen competitive advantages in innovation and costs • Limit exposure to exchange-rate and interest-rate risk through cross-currency swaps • Strategic support for categories with high growth potential/ Investment in markets and segments where we can generate competitive advantages • Export growth projects • Import substitution projects/Vertical integration and development of domestic suppliers • Operating efficiency and cost and expense cutting programs to mitigate exchange-rate effects
LIQUIDITY RISK		
	<ul style="list-style-type: none"> • Insufficient cash flow to pay for operations and service financial debt 	<ul style="list-style-type: none"> • Maintain healthy cash flow and cash position through sales and profits and efficient handling of working capital • Take out debt with progressive maturities • Maintain “investment grade” rating of peso-denominated and foreign-currency debt
ENERGY, WATER, SOLID WASTE AND ATMOSPHERIC EMISSIONS		
	<ul style="list-style-type: none"> • Increase in cost of energy and water. Increase in cost of appropriately handling solid waste and compliance with atmospheric emission regulations • Stricter environmental regulations 	<ul style="list-style-type: none"> • Private electrical energy supply contracts/ Use of co-generation and clean energies • Efficient fuel consumption • Projects to improve energy efficiency and reduce consumption • Use of post-consumer water and closed-loop water systems • Investment in wastewater treatment—quality of discharges/ Obtain water quality certifications • Full compliance with all obligations related to existing water use and exploitation concessions • Monetization of solid waste through recycling and co-processing • Increase in operating productivity and efficiency • Efficient investment and spending in environmental control and performance
BRAND COMPETITIVENESS AND STRENGTH		
	<ul style="list-style-type: none"> • Intensely competitive industry can affect financial results • Global brands with specific quality problems in one country can affect local brand reputation • Limited resources to support multi-brand strategy and sustainability in the long term 	<ul style="list-style-type: none"> • Leadership in innovation and generation of value for consumers/ Efficacy in differentiating brands and products • Investment in advanced technology for efficiently making value-added products • Investment in brand wattage/Relevance • Study of market habits, customs and trends • Translate studies into preferences and unsatisfied/Changing needs of consumers in differentiated and high value-added goods • Translate insights from clients and consumers into specific actions to strengthen brand and trade marketing • Multi-segment and multi-channel strategy/Optimum management of product portfolio, focusing resources and priorities on categories and segments with more long-term potential for KCM • Competitive advantages in product and cost performance • Strategies for continuing improvement in brand reputation and positioning • Proper handling of social media and dialogue with stakeholders • Digital strategies for approaching stakeholders • Excellence in managing quality, service and attention to clients and consumers



TRANSPORTATION AND DISTRIBUTION NETWORK		
	<ul style="list-style-type: none"> • Increase in diesel fuel prices • Increase in cost of maintaining KCM fleet • Increase in shipping costs with outside carriers • Loss of product due to road crime/Safety issues • Availability of transport to meet service commitments to clients 	<ul style="list-style-type: none"> • Efficient and controlled logistical planning. Minimize empty trips to reduce consumption of diesel and shipping costs • Purchase and efficient handling of spare parts inventories/ Preventive maintenance programs • Fleet optimization strategies and loading-unloading operations with clients and outside carriers • Continuing measurement of client service (fill rate) and actions for ongoing improvement • Efficient planning of programmed order deliveries, billing, production and inventories • Timely and efficient investment in transportation equipment with advanced technology • Continuing program of packaging and stacking optimization • Prevention of truck theft/Radiolocation systems • Drivers trained in properly handling risk situations • Ongoing contact with authorities for prevention and surveillance actions
SUPPLY CHAIN		
	<ul style="list-style-type: none"> • Sudden interruption of supply due to market variables beyond our control due to force majeure • Increase in commodity costs • Inconsistent input quality • Product safety and hygiene 	<ul style="list-style-type: none"> • Development of two or more vendors with sufficient capacity and high quality standards to supply each key raw material • Efficient handling of inventories in raw materials with greater market risks and contingency plans for key materials • Projects for increasing client-supplier operating efficiency • Sustainable innovation projects and operating cost reduction • Quality Assurance programs for raw materials, including medical and material approvals, good world-class manufacturing practices and HACCP system • Regulatory compliance audits in the supply chain

Risks due to climate change (G4-2, G4-EC2, G4-EC8)

We are aware that climate change will heighten existing risks and create new risks to natural and human systems. We are mindful of the repercussions of climate change on the states and municipalities where our productive plants are located and strive to adapt our loss reduction and prevention programs to the changes, while maintaining protection and safety levels for both our personnel and for the company's assets and operations.

We have a well-structured contingency plan to enhance the resilience of each productive unit and reduce potential human and material losses. This, along with the measures taken in each production unit to eliminate or reduce material damage from natural phenomena and the insurance coverage acquired against such losses, is a key part of our risk prevention and control program (G4-14).

In addition to loss identification, reduction and prevention programs, we have an insurance program to cover financial losses caused by hydro-meteorological events stemming from climate change. Our investment in this program totaled Ps.74 million in 2016.

The financial consequences of addressing risks to our operation include the expense of insuring our assets (G4-EC8).

YEAR	INSURANCE EXPENSE (Ps. million)
2015	81
2016	74

Our Sustainability Strategy: Economic value for shareholders and stakeholders, a positive social impact on an increasing number of people, and outstanding environmental performance in our industry.

Sustainability Strategy

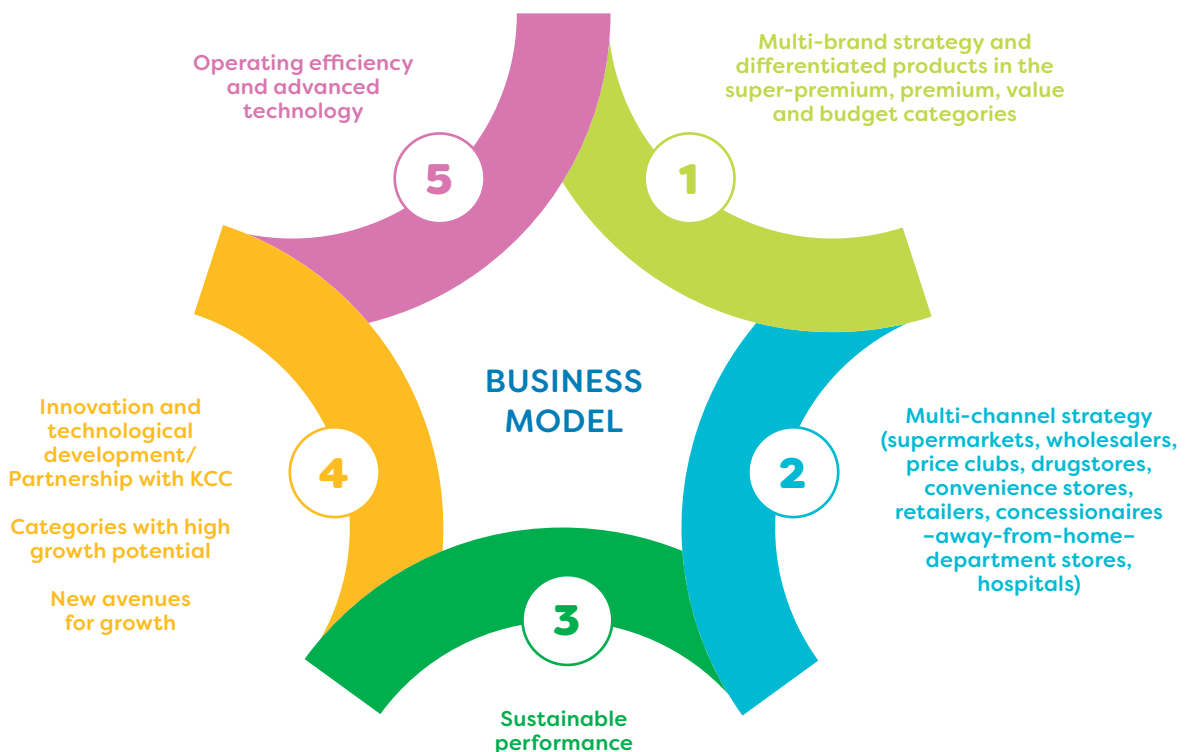
An in-depth understanding of all areas of the organization, internal and external stakeholders, material aspects, and the risks we face and their potential effects, enable us to detect opportunities to generate value for the company and for society.

With this in mind, the Board of Directors, supported by the CEO and the Sustainability Committee, created a business strategy to generate value in every fundamental aspect of KCM, to guide the company toward profitable, sustainable growth. This strategy translates into targets in areas like Corporate Governance, ethics and integrity, social responsibility and environmental care, in actions consistent with our Mission and Vision, in an effort to respond more effectively to the challenges around us and to our stakeholders.

The company's long-term vision is focused on achieving sustainable results that translate into profitable, sustainable growth through constant value generation in the three dimensions of our Sustainability Strategy: economic value for shareholders and stakeholders, a positive social impact on an increasing number of people, and outstanding environmental performance in our industry.

KCM has a mission of significantly improving people's quality of life from the most essential elements.

KCM's vision is tuned toward sustainable results, through the values that sustain this company's organizational culture: Leadership, Innovation, Passion and Achievement.





Social impact

We collected more than 15,000 signatures in support of the “3 out of 3” Citizens’ Anti-Corruption Initiative.

We supported 131 charitable institutions with cash and in-kind donations.



Virgin and recycled fiber

We used 66.6% recycled fiber in our tissue paper products.

100% of our virgin fiber comes from certified forests.



Water

We reduced the overall water consumption index for KCM operations.

We reuse water in our processes 4.5 times.



Energy

Energy efficiency initiatives generated savings of Ps.22.56 million.

Energy cogeneration plant started up at Ramos Arizpe.



Supply chain

We are committed to human rights, occupational safety, anti-corruption and environmental protection.

This means we incorporate the precautionary principle (G4-14) into the company’s very DNA, which is reflected in our processes, regulatory systems and the technologies we use in productive processes and in our product design, development and safety. It is also why we are continually perfecting, innovating and making constant progress toward reducing the environmental footprint of every one of our activities and generating the greatest prosperity and satisfaction possible for our stakeholders.

Keeping our employees and stakeholders informed about our Sustainability Strategy is a high priority for the company. The Executive Sustainability Committee, which is responsible for designing and implementing the Sustainability Strategy, reviews the relevant aspects of our environmental performance every quarter.

The conclusions of these meetings are passed on to the Chief Executive Officer, who in turn reports on the most salient aspects of our environmental performance and progress toward the goals of our long-term vision in meetings of the Board of Directors.

In developing our environmental care culture, we make use of various tools to build awareness within the company regarding the importance of achieving qualitative and quantitative goals, and of communicating our progress or challenges in specific areas, so that based on our continuous improvement program, plans and actions can be reformulated or reinforced to achieve the targets.

Among the tools we use to communicate our Sustainability Strategy and progress toward our sustainable targets are the following:

We are continually perfecting, innovating and making constant progress toward reducing the environmental footprint of every one of our activities and generating the greatest prosperity and satisfaction possible for our stakeholders.

The positive trend in the consumer products industry, combined with our brands' solid positioning and our innovation and promotional plans in various categories brought an 11% increase in our sales during the year.

1. Monthly operating meeting (see above).
2. Quarterly meetings of the Executive Sustainability Committee (CES).
3. Reports to the Chief Executive Officer, the Audit and Corporate Practices Committee and the Board of Directors, including presentation of the Annual Sustainability Report to the board members in their July meeting.
4. Publication of articles on specific issues like water, climate change, energy efficiency, waste management, sustainability trends, etc., in our quarterly digital magazine IN HOUSE KCM.
5. Publication of our environmental policies on posters and bulletin boards in all company plants and operations.
6. Publication of the annual sustainability report on the internet and on our website.
7. In 2016, optimization of various packing materials by between 9.2% and 13.4%, and reduction in the gauge of polyethylene film resulted in savings of Ps.6.16 million, and reduction of the base weight of our nonwoven fabrics using proprietary technology contributed savings of more than Ps.26 million.
8. Explaining our Sustainability Strategy and its goals to all newly hired personnel as well as those undergoing re-induction.

Economic performance (G4-17, G4-EC1, G4-EC2, G4-EC3, G4-EC4, G4-EC5, G4-EC6, G4-EC7, G4-EC8, G4-EC9, G4-EN31)

Sustainable economic performance that is aligned with our Sustainability Strategy permits us to continue generating socio-environmental value, so we can continue pursuing our strategies of innovation, marketing, sales and distribution, cost advantage, operating and



administrative efficiency, and new avenues for growth in accordance with our business model. All of this supported by the capital expenditures required to achieve our annual growth targets.

The positive trend in the consumer products industry, combined with our brands' solid positioning and our innovation and promotional plans in various categories brought an 11% increase in our sales during the year. We further improved our operating efficiency, and our ongoing cost- and expense-trimming program allowed for record savings. This, together with higher sales prices and a more profitable sales mix, helped us weather the repercussions of the peso's depreciation. With all of this, operating income rose 12% and net income grew by 11%, and we were able to remain profitable despite an

increasingly complex cost environment. Our EBITDA came to Ps.9.62 billion, which we applied in combination with financing to fund an ambitious investment program and still close the year with Ps.7.46 billion in cash and cash equivalents on hand. During the year, we invested Ps.4.13 billion (Ps3.83 billion in capital expenditures and acquisitions and Ps.298 million in stock buybacks). Finally, in 2016 we paid off Ps.800 million in debt and obtained a five-year bank loan for Ps.200 million. In keeping with our policies, to hedge against exchange-rate risk we signed derivative contracts involving a conversion of both principal and interest on the loan into pesos. All of the company's debt is currently denominated in Mexican pesos.

The consolidated financial statements of KCM, which are reported publicly, include those of Kimberly-Clark de México, S.A.B. de C.V. and its subsidiaries, of which it owns 100%. (G4-17)

- Crisoba Industrial, S.A. de C.V. provides property rental and other services to KCM.
- Servicios Empresariales Során, S.A. de C.V. provides financing, equipment rental and, through its subsidiaries, distribution and other services to Kimberly- Clark de México, S.A.B. de C.V.

- Taxi Aéreo de México, S.A. provides air transport services to the personnel of KCM, its subsidiaries and the general public.
- Evenflo México, S.A. de C.V and Evenflo Inc. are engaged in producing baby feeding accessories in Mexico and the United States and selling other Evenflo® brand products in Mexico.

Throughout our history, we have maintained a steady pace of growth, sustained by our capacity for innovation and the operating efficiency that results from using cutting-edge technology, along with a business model focused on serving every segment of the population, developing human capital and building a leading market share and tremendous financial solidity based on operations results. All of this helped us bring in net sales of Ps.35.66 billion in 2016, a growth of 10.7% over the previous year.

EBITDA came to Ps.9.6 billion, a 9.3% increase in the year, and the EBITDA margin was 27.0% (G4-EC1). Net income rose 10.6% over 2015.

At the close of 2016, KCM reported a health leverage ratio of 1.95 times debt to EBITDA.

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED (G4-EC1) (Ps.million)				
STAKEHOLDER IMPACT	2013	2014	2015	2016
Customers (net sales)	29,678	29,107	32,206	35,660
Suppliers/productive chain (GRI-EC9) (cost of goods sold and operating expense)	19,922	21,031	22,362	24,739
Employees and their families (salaries and benefits) ¹	2,515	2,222	2,736	2,872
Investment ² (CAPEX)	1,637	1,645	1,318	1,993
Lenders/banks (net interest expense)	599	796	865	1,073
Federal and state governments (taxes)	2,806	2,082	2,659	2,932
Communities (donations)	23.1	28.0	33.9	17.65
Shareholders (dividends)	4,146	4,378	4,583	4,703

¹ Includes Social Security and Employee Profit-Sharing

² Includes Ps.1.63 billion for the acquisition of Evenflo in 2012. (G4-EC1)

Actions taken to strengthen our brands, along with a better consumption climate, made last year a good one for net sales, which rose 11%.

Actions taken to strengthen our brands, along with a better consumption climate, made last year a good one for net sales, which rose 11%. In terms of our economic performance, basic earnings per share came to Ps.1.55, which is 8.5% higher than in 2015.

Net sales reached a record level of Ps.35.66 billion and EBITDA also reached an all-time high of Ps.9.62 billion.

We improved our operating efficiency, and our ongoing cost and expense reduction program generated record savings, which alongside better sales prices and a more favorable revenue mix, helped to mitigate the impact of the peso's depreciation.



During the year, we invested Ps.4.13 billion (Ps.3.83 billion in Capex and investments, and Ps.298 million to repurchase company stock).

In 2016 we invested USD11.13 billion in executing our environmental care policies.

INVESTMENT IN ENVIRONMENTAL CARE IN 2016 (USD thousands) (G4-EN31)

Air	1,758
Water and wastewater	5,620
Hazardous waste	90
Solid non-hazardous waste	3,170
Preventing pollution	6
Others	849
Total	11,132

