

SUSTAINABILITY REPORT



FOR A CLEANER
AND MORE
SUSTAINABLE WORLD

An aerial photograph of a lush green landscape. In the foreground, there are several large, rectangular agricultural fields, likely cornfields, separated by dirt roads. The fields are a vibrant green color. In the middle ground, there is a large, calm lake or reservoir, surrounded by dense green trees and vegetation. The background shows a vast expanse of green fields stretching towards the horizon under a clear sky. The entire image has a strong green color cast.

**FOR A CLEANER AND
MORE SUSTAINABLE
WORLD**

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Dear reader:

Grupo Alen is a big family where we join talent and passion to work with a common purpose: a cleaner and more sustainable world.

As part of our commitment to share the results obtained by the actions carried out in the social and environmental settings, we submit our **Sustainability Report for 2017**, which is a reflection of the daily work of our partners, employees, clients, shareholders, and suppliers who we appreciate for their collaboration and trust.

At **Grupo AlEn** we work under the philosophy of investing with responsibility, thus sustainability is an inherent part in our decision making and has enabled us not only to generate social and environmental value, but it has also provided differentiation, competitive advantages and profitability.



Since our foundation, we have distinguished ourselves for including innovation as part of our culture, which has led us to consolidate as a leader company in commercializing solutions for home hygiene and wellness, undoubtedly a great responsibility we want to continue meeting by offering the best to our consumers.

As a result of this innovation, our PET containers are now manufactured with **100% recycled plastic**, which contributes to mitigate our environmental impact. In addition, we recycled around **40 thousand tons of plastic** and, from 2011 thru 2017, and captured **80 thousand tons of CO2** thanks to the reforestation of more than 9 thousand hectares in the Southeastern region in Mexico.

Another of our core pillars is talent, therefore we promote continuous personal and professional development for each one of our people through more than **78 thousand training hours** provided to 91% of our team. In addition, we are committed with the safety and the well-being of our employees in every moment through several initiatives such as family clinics, our own medical offices and different campaigns for them and their families.

We want to be part of every home for a long time, hence we will continue working with the highest quality standards in order to be the best option for our clients, consumers and employees, ensuring the generation of economic, social, and environmental value of our enterprise.

Grupo AlEn

CORPORATE PROFILE



WHO WE ARE

For about **70 years** we have worked in favor of a cleaner and more sustainable world, which has positioned us as the **leader enterprise in México** in the production of home cleaning products.

We have a portfolio of **12 brands and 30 products** and **more than 600 SKUs** manufactured with the highest quality standards in the categories of bleaches, cleaning products, softeners, dishwashing products, detergents and descaling agents; offering leading brands such as

PNOL

ensueño

CLORALEN

RNALEN



Xtra-Pine

97%



OF MEXICAN FAMILIES

have opened their doors at home when selecting our hygiene and wellness solutions.

Our strategy focused on satisfying the needs in each market has positioned us in millions of homes in the **United States, Central America, and the Caribbean.**

Through the **AIEn Industrial** division we supply raw materials to our own business and to third party customers, while we ensure caring for the environment through our plastic recycling capability and planting pine and palm trees.

OUR PHILOSOPHY is reflected in the actions that each employee carries out every day; in this way we work to meet our mission and thereby consolidate our leadership.

In favor of
a **cleaner and
more sustainable
world**

VISION

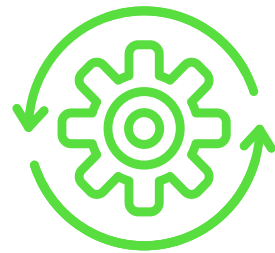
Being leaders in **hygiene and wellness solutions** in the Americas, as well as in raw materials and derivatives at a **global level**.

MISSION

To provide **high quality** consumer products through strong and innovating brands, as well as raw materials from **natural products, plastics, and chemical agents** that exceed our clients and consumers' expectations, thanks to a team that is united, diverse, talented and committed.



VALUES



CONTINUOUS DEVELOPMENT

We are an open-minded enterprise that develops and adopts excellence practices in a proactive manner, anticipating changes in the environment.



LEADERSHIP

We recognize the exceptional work, as well as the constant and daily work, respecting individuals and promoting teamwork.



ENTREPRENEURIAL SPIRIT

We generate innovation in our brands and products through new technologies and work processes, implementing them through impeccable execution.



SUSTAINABILITY

We generate sustainable growth based on social responsibility practices, respecting the environment for the benefit of the current and future generations.



INTEGRITY

We strengthen our work culture through an internal and external behavior reflecting righteousness, integrity, and congruity with all the values in our organization.



POLICIES

TALENT

We attract and maintain the best talent with continuous training, competitive compensation, and constant development. **Our people** are key.



SAFETY AND QUALITY

We take care of our collaborators' integrity, meeting our tasks on time, products and services, searching continuous improvement permanently.



PRESENCE



We are present in **MORE THAN 25 COUNTRIES** through our consumption and industrial products.

OUR PEOPLE'S INNOVATION AND TALENT HAS BEEN KEY TO CONTINUE DEVELOPING



PLANTS
for cleaning products



PLANTS FOR RECYCLING



+800,000

Points of sale



CORPORATE AND ADMINISTRATIVE OFFICES



PRODUCT CATEGORIES



RNOI

ensueño

CLORALEN

PNALEN



Xtra-Pine

VALUE GENERATION



OUTSTANDING RESULTS 2017



Leaders in **7 OUT OF 10** categories in México

5.7 MILLION palm and pine trees planted

ABOUT **80,000** +

tons of **CO₂** captured (2011-2017) due to reforesting of **9 thousand hectares.**

Around **40,000** + tons of **recycled plastic**

+ 350,000 beneficiaries through **FUNDACIÓN ALEN**

+78 THOUSAND Hours for training

PET Bottles **100%** recycled and recyclable



ECONOMIC AND ETHICAL PERFORMANCE

CORPORATE GOVERNANCE

Following an **ethical line** and always with our business objective ahead, we operate under a **Co-presidency** and **Co-General Direction** and **ten Directions** integrated by professionals and experts in **economic, social and environmental development**.

Matters related to corporate governance are addressed by top executives representatives of the different areas who are responsible for evaluating planning and finance, risks and ethics to foster sustainable growth of the business always having our stakeholders in mind.

The **Consulting Board** led by the **Co-Presidency** and **Co-General Direction** and **six independent board members, who also participate on different comitees**; give follow-up to strategy, talent, audit topics as well as assessment and compensations.

SUSTAINABILITY AT GRUPO ALEN

Sustainability is a key aspect for the development of enterprises and society in general; thus, with the purpose of consolidating as the best value option for our clients and consumers, our business strategy is aligned to sustainability principles.

The **Sustainability Committee** integrated by representatives of the different areas of the company, is in charge of **evaluating policies, initiatives and best practices**, as well as giving follow-up to objectives and indicators in such matters

CODE OF ETHICS

We work under the highest ethics, integrity, and compliance standards. Our **Code of Ethics** regulates:

I. THE BEHAVIOR MODELS APPLICABLE:

- With our employees.
- With clients and consumers.
- With shareholders.
- With the community
- With the competition.
- With the government

II. RESOURCES UTILIZATION

III. CONFLICT OF INTEREST

IV. INFORMATION MANAGEMENT

V. SUSTAINABLE DEVELOPMENT

VI. ANTI-MONEY LAUNDERING

[CLICK HERE](#) to review our Code of Ethics

Every year, 100% of our employees look over and sign our Code of Ethics, demonstrating their commitment towards our principles.

To ensure compliance of our **Code of Ethics** we have available a transparency **mailbox** and **telephone line**.

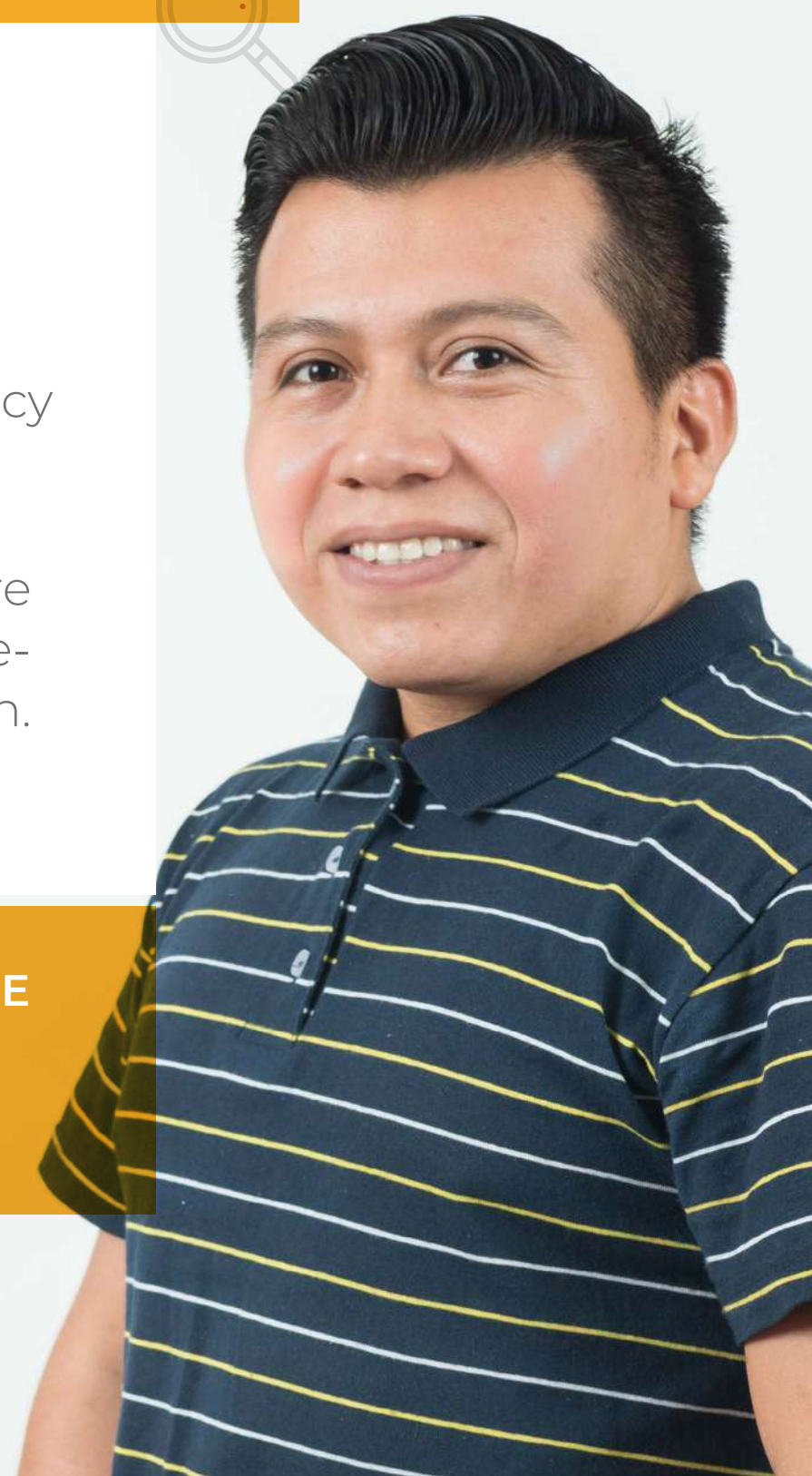
Through these means, managed by a third party, reports and complaints are received in an anonymous, confidential manner without reprisals, which receive punctual follow-up and the pertinent steps for each situation are taken.

TRANSPARENCY MAILBOX

[CLICK HERE](#)

TRANSPARENCY TELEPHONE LINE

 **01 800 772 8966**



SUPPLIER DEVELOPMENT

In **Grupo AEn** we train and connect each of our suppliers to comply our **Supplier Code**, in which the same parameters and standards that govern the activities of the company are established. Our suppliers commit to work under safe conditions, where their work teams are treated with respect and dignity and the tasks carried out in a responsible manner and strictly adhered to environmental, health, and safety standards, as well as the social responsibility principles.

We are in constant communication with our suppliers; we share and analyze new proposals in the market to continue innovating together. In addition, there are audits carried out including parameters for production sustainability, which helps us promote continuous improvement within their processes.

We promote the development of SMEs offering training and consulting that helps strengthen their management together with the **Center for Competitiveness in Mexico**.



PRODUCT

ACCOUNTABILITY

We strengthen our commitment with the legal compliance in regards to labeling, filling and advertising applied in each country where we are present.

LABELING

- **NOM-189-SSA1/SCFI-2002**, Products and services. Labeling and filling for domestic use cleaning products.
- **NOM-002-SCFI-2011**, Pre-filled products – Net content – Tolerances and verification methods.
- **NOM-030-SCFI-2006**, Commercial information – Quantity statement on label – Specs.
- **General Health Regulation**
- **Federal Consumer Protection Law in Mexico.**
- **Central American Technical Regulations** for sanitary registration, labeling and generation of safety sheets.

ADVERTISING

- **General Health Regulations for Advertising matters**
- **National Federation of Advertising Agencies in Mexico (CONAR)**
Autonomous organization operating as mediator following an Advertising Ethics Code.

ENVIRONMENT

- **Environmental Protection Agency Code** for registration of our disinfecting products.
- **Regulations code from the State of California for Consumer Products**, including regulations to reduce emissions of Volatile Organic Compounds
- **Special Program for Responsible Production and Consumption.**



CERTIFICATIONS AND REWARDS



Socially Responsible Enterprise (CEMEFI).



Clean Industry (PROFEPA).



Safe Enterprise (STPS).



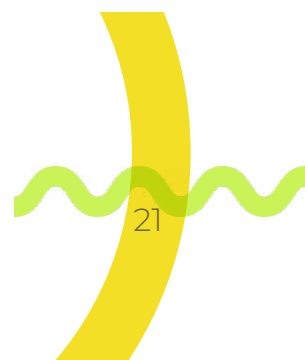
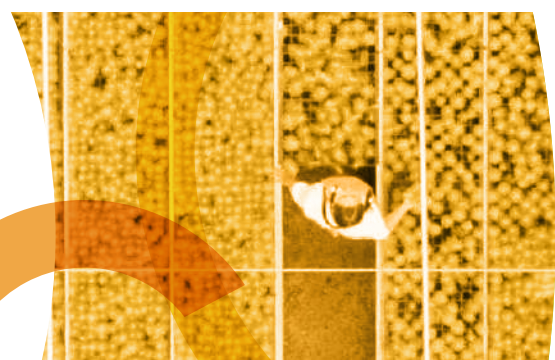
Rain Forest Alliance Certification in our joint venture UUMBAL (3,300 hectares)



Best Walmart Supplier in the Logistics Category



Preferred Supplier of the National Association of Grocer Wholesalers (ANAM)



SECTORIAL PARTICIPATION

We participate in different organizations and commissions, being the following among them:

- A Favor de lo Mejor
- American Cleaning Institute (ACI) AIEn USA.
- Mexican Chemical Industry Association, A.C (ANIQ)
- Transformation Industry Chamber in Nuevo León (CAINTRA).
- Environmental Protection Institute of Nuevo León (IPA).
- National Chamber for Oil, Grease, Soap, and Detergents Industry (CANAJAD)
- National Chamber for the Transformation Industry (CANACINTRA).
- National Mexican Confederation (COPARMEX).
- National Federation of Advertising Agencies (CONAR).
- National Forestry Council. (Mexico)
- Mexican Council for the Consumer Product Industry (CONMEXICO).
- American Chamber of Commerce (AMCHAM)
- ECOCE.
- ERIAC Human Capital
- Industriales Regiomontanos de Poniente, A.C. (IRPAC).
- Regulation Organization for business standards (GSI).
- Red SumaRSE N.L.

SOCIAL PERFORMANCE



Grupo AlEn, more than an enterprise, is thousands of employees' house where we share a common purpose: **a cleaner and more sustainable world.**

We seek to achieve development for everyone; hence we focus on providing the **best conditions, opportunities and work experiences to our employees**, as well as working hand in hand with the communities where we are present.

OUR PEOPLE

We are a dynamic company where we work with energy and enthusiasm for what we do. The challenges for innovation and sustainable development are the source of inspiration for growth and development of our people.

We are AlEn, committed with our work, we comprise a solidary human group who is honest and responsible, and who develops its tasks with a high level of professionalism and dedication.



INCLUSION AND EQUAL OPPORTUNITIES

We foster diversity and talent inclusion, because due to this we generate ideas and initiatives that help us remain at the forefront in the industry we are part of.

+6,000
employees

17
nationalities

30% women
professionals

8 years
average in loyalty

4 GENERATIONS:

8%



50+

Baby Boomer

45%



35-49

Gen X

45%



21-34

Millennial

2%



<20

Gen Z



Being committed to provide competitive employment and having the best talent, we offer working conditions that enable full development of each employee.

We offer a competitive compensation based on the position valuation, considering expertise, leadership, and responsibilities as well as our employees' performance and achievements.

TALENT DEVELOPMENT



Every year we invest in our talent development, which make the success of the company possible. In **2017** there were **2,235 training courses provided with a total of 78 thousand hours**, where **91%** of the employees participated. Besides formal training, we foster the development of our people through challenging experiences and projects and multi-skilled work teams.

The **Institutional Scholarship Program** provides our employees and their families the opportunity to study or finish their middle or higher education. In **2017** we had 12 colleagues who graduated and 39 continue with their education through this program. On the other hand, we offer discounts and agreements with educational institutions that our employees and their families may enjoy and study different levels of education.

We launched the Sales School, a specialized comprehensive training with the purpose to strengthen the commercial and human skills in our commercial team, as well as providing the tools that enable them the best performance and service in the market.

We carried out an objective talent mapping to identify high potentials, key positions and successors and to ensure continuity of our leadership.



COMMUNICATION AND CONSTANT FEEDBACK

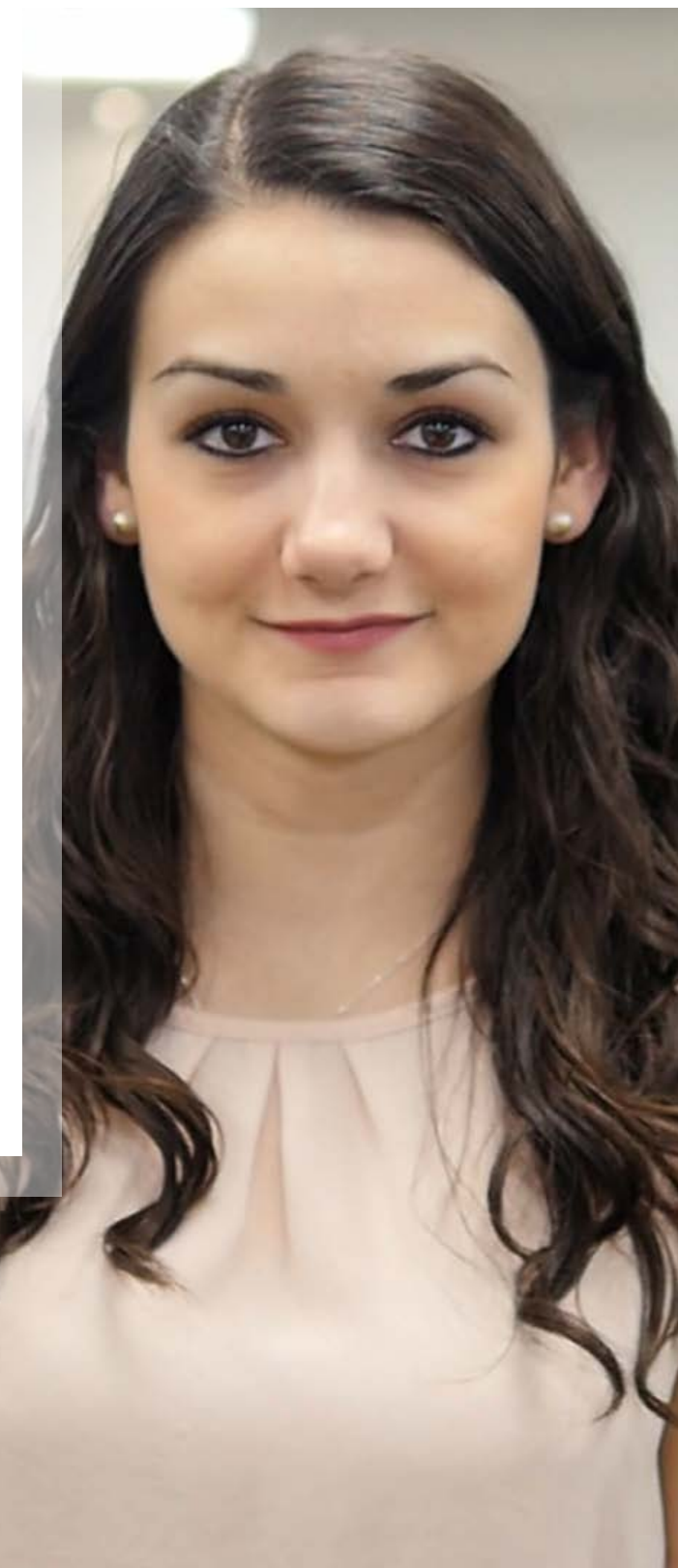
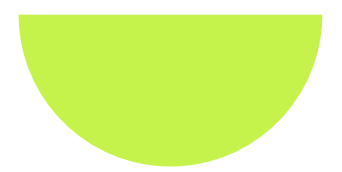
Transparent and continuous communication among our work team strengthens bonds in the organization, promotes improvement opportunities and initiatives and contributes to a good work atmosphere. This is why we offer different communication channels that strengthen pride of belonging, alignment to the business, and effective change management.

We have an annual performance assessment mechanism in which each member of the AEn family establishes his/her annual objectives aligned to the strategic objectives of the business. There is also continuous feedback between employee and immediate boss, as well as the joint generation of development plans.

In 2017, our employees shared their opinion through the organizational atmosphere survey, resulting in a favorable index of 10 percentage points above the Standard in México, through this initiative we aim to develop strategies for improvement to keep consolidating AEn as a great place to work.

Juntos en AEn is the dialogue and interaction channel between our employees and the directive team. In a quarterly manner and taking advantage of technology in the transmission of a video conference and simultaneous translation we are able to link all our employees who learn the relevant results of the business and express their concerns and doubts to our leaders.

Likewise, we continue with investments to improve and build new communication channels and work spaces that promote collaboration, innovation and a better quality of life at work.



SAFETY, HEALTH AND WELL BEING

Safety and wellbeing of our employees is a priority for the Group. We guarantee the correct operation of all our equipment and being aware that safety is a topic involving everyone, we certify different positions to strengthen the culture of safety and established the basic safety principles for all machines.

“ I AM SAFETY ”

It is an initiative promoting the culture, training and recognition of performing a safe work.

During the **industrial safety and environment week** we received our employees and their relatives in the different plants, who experienced a series of demonstrations, conferences and workshops with the purpose of promoting the culture of safety and environmental engagement.

AlEn employees enjoy free general and emergency medical consultation including their families. Additionally, we have health and wellness programs where we observe cardiovascular risk control, periodical medical examinations, health and awareness campaigns, ergonomics plans and the Wellness program.



OUR COMMUNITIES

We are a Mexican enterprise that undertakes voluntary actions that benefit social development and show care for the environment. During 9 consecutive years we have been recognized as **Socially Responsible Enterprise by the Mexican Center for Philanthropy (Cemefi)** and the **Alliance for Enterprise Social Responsibility (aliaRSE)**, thanks to the commitment and the actions of each one of the members of the AEn Family.

FUNDACIÓN ALEN

Since its foundation in **1949**, **Grupo AEn** has maintained a high commitment with community development, achieving a society with equal opportunities and preserving our environment. In just the last 5 years, there has been investment in more than **400 civil society projects** in order to maintain this objective. In **2017** our social investment strategy evolved and **Fundación AEn** was born in order to support the following causes:



Wellness:

To adopt of a culture of hygiene and wellness through our products.



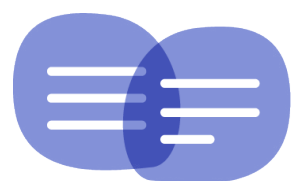
Environment:

To foster the efficient and sustainable use of resources and the regeneration and conservation of green spaces.



Education:

To support the entrepreneurial spirit and the innovation through better education opportunities.



Community Development:

To empower the community to achieve their own development and maintaining bonds to help people affected by natural disasters.



VALUE GENERATION 2017 – FUNDACIÓN ALEN



125

projects received



Investment in
60 initiatives.



+350,000

direct beneficiaries





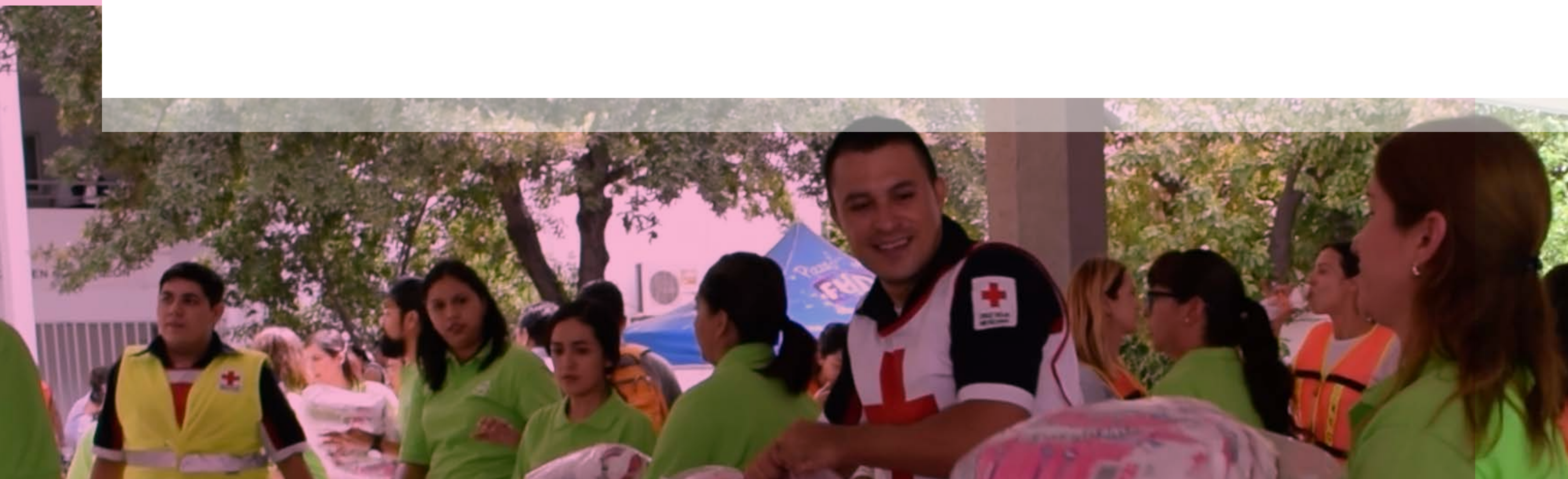
FUERZA MÉXICO

Due to the natural disasters occurred in September 2017, in **Grupo AEn** we got together for Mexico in order to bring humanitarian support to the affected communities..

With the participation of more than 600 employees who gave their time and resources and through AEn Foundation, through the Red Cross we provided cleaning products and articles, food, medications, hard hats and clothes. Our distribution units also contributed transporting humanitarian support to Oaxaca.

Thanks to the altruistic engagement of our shareholders and AEn Foundation together with Puebla Community Foundation, the reconstruction of homes was possible in the community of San Francisco Xochiteopan in Puebla, one of the most damaged communities by the earthquake on September 19th 2017.

It is during these moments where solidarity, commitment and team work characteristic in the AEn family, become more urgent to respond the calling of vulnerable communities in our country. For this reason we have a mechanism for emergency and natural disaster attention that enables us to respond in a timely manner.



ALEN VOLUNTEERS

Our employees act as change agents within and outside the organization. They experience our purpose of working in favor of a cleaner and more sustainable world, offering their talent and time in different projects in the communities where we are present.

Among the causes supported by ALEn Volunteers in 2017 we find: cleaning of public spaces and schools, support to patients with breast cancer, environmental awareness presentations among others.

19 
activities

1,437 
volunteers and donors

The **ALEn USA** team kept its support to children in situation of vulnerability through its **Houston Children's Festival and El Salvador Foundation**. Besides supporting homeless individuals, individuals affected by floods and shelter individuals in preventing infections and diseases through the promotion of cleanliness and disinfection of the facilities through **Warehouse of Hope, Delancey Street Foundation and Houston Food Bank**.

PINK CAMPAIGN

Every October we join the awareness campaign for timely detection of breast cancer, where our consumers contribute while purchasing ALEn products supporting the association Unidas Contigo A.C. that provides integral support to women suffering this illness. Likewise, our employees contribute to this cause with their donations and participation in presentations and awareness workshops.





ALEN FAMILY RACE: RUN - RECYCLE

We carried out the third edition of the AlEn Run - Recycle family race which has the objective of fostering spaces for sports and family sharing in society in addition to promote the plastic recycling culture among the families.

In 2017, there were more than **900 runners** participating in the **5K and 3K** tracks, who at the same contributed with recycling of **600 kg of plastic**.

ALEN BRIGADES

In each of our plants we have the **AlEn Brigades**, comprised by highly trained employees in preserving the safety of all the Group and the surrounding communities in topics related to evacuation, first aid, search and rescue, fire extinction and chemical contingencies.

Based on a specialized training, **AlEn Brigades** provides technical and operational support to the neighboring communities.

In order to strengthen the work of the AlEn Brigades we have a system for emergency attention. Besides being participating in the Committees for Mutual Support

ENVIRONMENTAL PERFORMANCE





ENVIRONMENTAL PERFORMANCE

Our purpose of working for a cleaner and more sustainable world is seen in our operation since in each stage in our processes we ensure the efficient use and preservation of natural resources. Hence, with the purpose of mitigating our impact, day after day we continue using state-of-the-art technology to strengthen sustainability in our processes and products.

We have reported for the second consecutive year, our performance in terms of climate change in the Carbon Disclosure Project (CDP), which has the objective of fostering in companies around the world, the measurement, management, disclosure and reduction of greenhouse emissions.

With the obtained results, we have successfully implemented the recommendations to improve our greenhouse emissions performance. A prove of this is the publication of our Climate Change Policy, the energetic diagnose of each site and the emissions measurement of each of our suppliers. The latter, through the update of the Analysis of the Life Cycle of the Product.





8

PLANTS CERTIFIED

as clean industry by PROFEPA



ENERGY

Decrease in consumption of electric energy by ton produced

4% IN ALEN INDUSTRIAL

2% IN ALEN CONSUMPTION.



WATER

Members of the **Monterrey Metropolitan Water Fund (FAMM)**, which contributes with preservation of ecosystems in high basins and infiltration areas for underground water.



We decreased water discharges in **16%** and its consumption in **0.2%** vs. **2017**

EMISSIONS



Decrease of **29%** in special handling of waste in our operations.

WE GENERATED

19% less hazardous waste than the previous year.

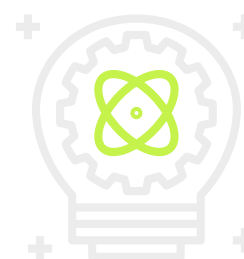
ZERO WASTE PROGRAM

CEDIS México prevents that more than **90%** of their waste in landfills.

EMISSIONS



Decrease of **16%** in **AlEn Industrial** in direct emissions.



CARBON DISCLOSURE PROJECT (CDP)

CIRCULAR ECONOMY AND LIFE CYCLE



An example of our commitment in mitigating the environmental impact is the implementation of two models, circular economy and life cycle of the product. The first one involves the production and consumption processes, through changing fossil fuels to using renewable energies, utilization of natural origin raw materials and recycling of plastic waste, with the purpose to generate less waste, decrease the use of virgin materials and close economic and ecologic flows.

While life cycle, an essential complement of circular economy, refers to the constant evaluation of every stage of the production and consumption process to identify the opportunity areas and implement actions that support minimizing risks.

With continuous work in order to make product sustainability our differentiator, we have implemented several actions:

CONSUMER HEALTH AND SAFETY:

Through different hypoallergenic studies, we assess our products irritability and sensitization in individuals.

FUNCTIONALITY AND EFFICIENCY:

We constantly look for safer alternatives for the components of our formulas, looking for them to additionally include new technologies that might offer innovations to our consumers. For example, we offer low foam products which, in contact with water, is rapidly destroyed; this helps shortening the washing cycles and creating energy savings.

BIODEGRADABILITY:

We evaluate continuously the formula of our products in order to guarantee their fast biodegradation and their decomposition into substances that are integrate to the environment, thus reducing with this decrease our impact in the water.

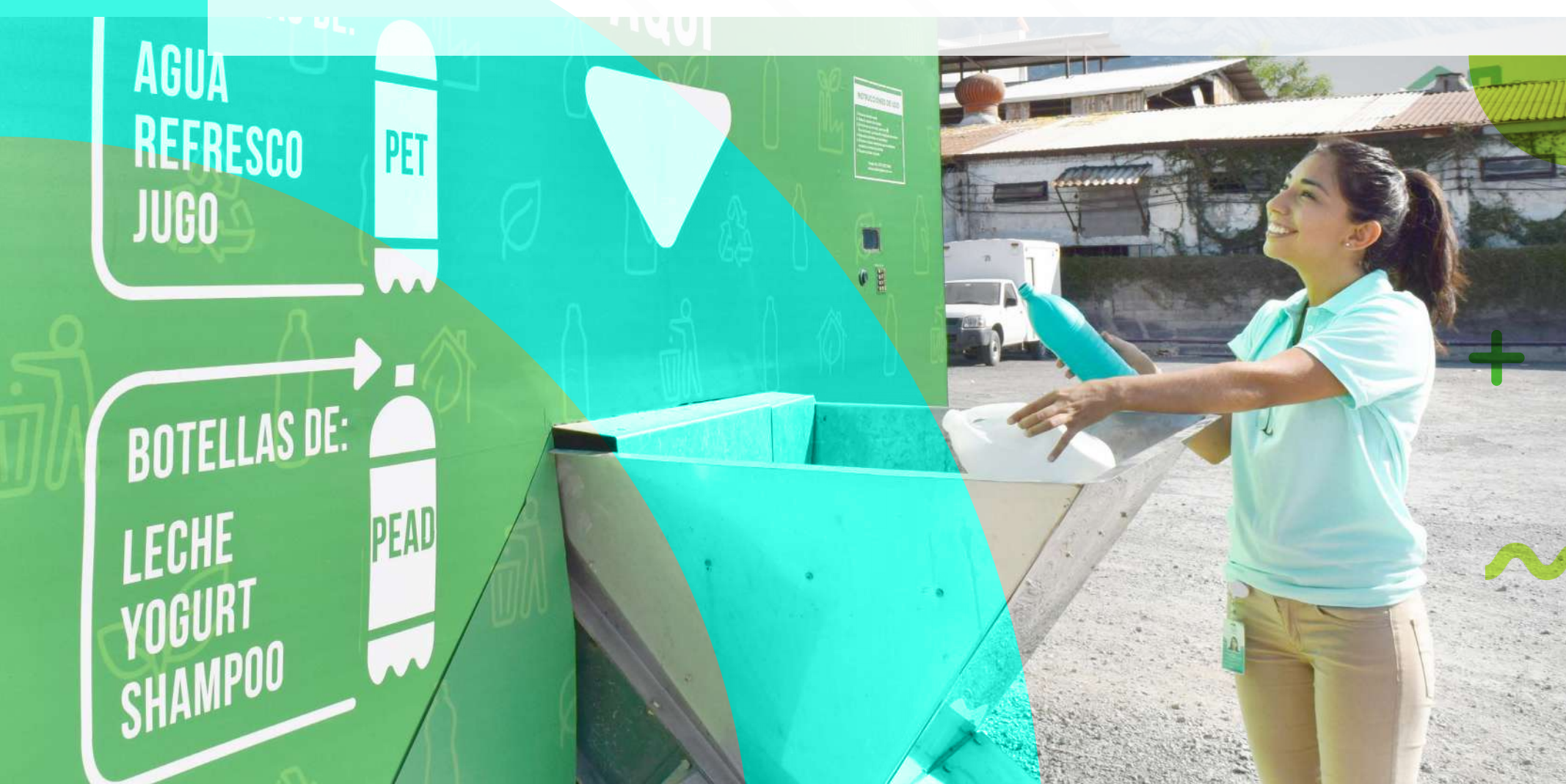


ALEN RECYCLES

Throughout our history, recycling has been part of our day to day activities. In the beginning, our products used to be distributed in returnable bottles made out of glass, with the purpose of being reused and decrease the waste generation and the consumption of fossil fuels. Later on, we kept on transforming and anticipating to the changes in the environment, we adopted plastic as our new supply for the production of our bottles. During the nineties, we ventured on new activities related to plastic recycling which lead us to have 2 recycling plants of PET and PEAD, in which we create around **40,000 tons of plastic per year**, avoiding the landfill disposal. Our products are filled in bottles made out of **100%** recycled plastic for the case of PET and for **70%** for the case of PEAD. For PEAD we have the goal to reach **100%** in the short term.

Being aware of the need to encourage the waste collection in the community and avoid sending waste to landfills, we foster a culture of care for the environment through direct recycling programs in schools, homes, institutions and our facilities, where we increased our collection in **68%** versus **2016**. Our goal in **5 years** is to increase by **90%** the collection of plastic for recycling with our institutional programs.

We establish strategic alliances with government and institutions that enable us to communicate the importance of recycling through their platforms. In Monterrey we have available 4 plastic collecting machines that foster the recycling culture providing economic incentives to the citizens for the community, in alliance with clients, government and sports clubs. The machines are located at the **University Stadium, BBVA Stadium, Municipality of San Pedro and AlEn Plant at Santa Catarina N.L.**



 **RECICLAR
PARA GANAR!**

RECYCLING EDUCATION AND PROMOTION

With our program AEn Recycles in Schools, we not only bring new partners to our recycling efforts, but we also collaborate in the environmental education by fostering a culture of care for the environment in about 700 schools. Furthermore, through the Responsibility and Sustainable Development Commission in the Plastic Industry we actively participate in programs focused on the promotion of a recycling culture mainly for plastics.

- **TECHNOLOGY MUSEUMS IN MÉXICO.**

We create awareness in society in regards to recycling through the exhibition “Plastics in your life” in different technology museums in Mexico, starting at Planetario ALFA in Nuevo León.

- **KIDZANIA.**

We support and communicate the educational program implemented in Kidzania, where children learn about recollecting different types of commonly used plastics, which are later separated and classified. Greater emphasis is given through different activities in specific holidays such as the **World Environment Day and the International Recycling day.**

- **PLASTIANGUIS.**

For the third year and with the support of Government in México City we carried out this initiative, consisting of the exchange of plastic waste for products in the basic consumer basket. During 2017 there was an increase in **PET** and **PEAD**, gathering **1,673 kg.**



DEVELOPMENT OF NATIONAL SUPPLY

For the seventh consecutive year and in collaboration with **UUMBAL**, we guarantee that our products are manufactured with sustainable raw materials while we promote local employment.

ACHIEVEMENTS

- More than 1,500 direct jobs and 3,000 indirect.
- Development of small producers.
- Preservation of diversity in flora and fauna.
- Regional economic benefits.
- Integration of local communities.
- Compost plant for sustainable management of solid and liquid waste from extracting plant.
- Greenhouses for 2.2 million plants per year.

OBJECTIVES

- Having the largest and most modern palm oil extraction plant in México.
- Innovating in the production and treatment of pine and palm oil resin at a national level.
- Promote the development of the countryside.
- Continue benefiting small local suppliers.
- Promoting the consumption of the highest quality national raw materials.

PLANTING NEAR 10 THOUSAND HECTARES OF AFRICAN PALM TREE AND PINE TREES.

Through this project we transformed some farm lands to forest and agricultural lands, which have the Rainforest Forest Stewardship Council (FSA) and Round Table on Sustainable Palm Oil (RSPO) certification for palm oil and the extraction plant.

For AIEn and UUMBAL it is important to have the appropriate certifications to strengthen our commitment to provide responsible and quality products through a specific guideline appropriate to the Mexican context. Hence we are part of the work group that develops the National Interpretation of RSPO Principles and Criteria, certified leader in verifying the origin responsible for palm oil.

THE FINAL OBJECTIVE IS
IS PLANTING 10,000 HECTARES HECTARES OF PALM
AND **5,000** OF PINE WITH A POTENTIAL CAPTURING
OF **300 THOUSAND TONS OF CO2 BY 2020**



ABOUT THIS REPORT





Continuing with the report submitted in 2016, we carried out the **Sustainability Report 2017**, where the results obtained in the social, environmental and economic pillars are shown during the period of **January 1 thru December 31, 2017**.

If you would like to provide feedback on the current document and the information presented, the following Sustainability mail is available:

sustentabilidad@alen.com.mx

MATERIALITY:

We determine the most relevant topics for the company through the materiality study carried out in 2015 and its supplement in 2017.

Thanks to this tool we identified the place where the topics that we consider priority for the business with the most relevant impact four our stakeholders overlap, (chambers and associations, clients, suppliers, consumers, researchers and employees).

The results of the research are focused on the following topics:





DIMENSION	MATERIAL TOPIC	IMPACT	
		INTERNAL	EXTERNAL
ECONOMIC DIMENSION	CORPORATE GOVERNANCE	●	
	RISK MANAGEMENT	●	●
	FINANCIAL TOPICS	●	●
	PRODUCT DEVELOPMENT	●	
	RELATIONSHIP WITH CLIENTS	●	●
ENVIRONMENTAL DIMENSION	ENVIRONMENTAL POLICIES/ ENVIRONMENTAL MANAGEMENT SYSTEMS	●	●
	OPERATIONS	●	
	CLIMATE CHANGE	●	●
SOCIAL DIMENSION	SUPPLIER STANDARDS	●	
	COMMUNITIES	●	●
	WORKERS' PROGRAMS	●	

SUSTAINABLE DEVELOPMENT GOALS OF THE UNITED NATIONS

The United Nations established the goal to achieve better conditions in the world through a plan focused on individuals comprising **17 Objectives for Sustainable Development**. In 2018, we will begin a deeper analysis of the SDGs in order to set plan aligned to the business strategy and to our sustainability goals.

In support to this agenda and committed to a cleaner and more sustainable world we present some actions of AEn that contribute with the Sustainable Development Goals.

ODS	DESCRIPTION	ACTIONS
3  GOOD HEALTH AND WELL-BEING	Ensuring a healthier life and promoting wellness for all in all ages.	<ul style="list-style-type: none"> • State-of-the-art and innovation in our products. • Occupational health and industrial safety. • AEn Foundation. • Volunteering. • Natural disaster relief.
4  QUALITY EDUCATION	Ensuring an inclusive, fair and quality education and promoting learning opportunities during all their life for everyone.	<ul style="list-style-type: none"> • Institutional Scholarship Program (employees). • Professional internship. • AEn Foundation. • Volunteering.
5  GENDER EQUALITY	Achieving equality between genders and empowering all women and girls.	<ul style="list-style-type: none"> • AEn Foundation. • Equal opportunities, diversity and inclusion in the company.
6  CLEAN WATER AND SANITATION	Guaranteeing water availability and its sustainable ordering and sanitation for everyone.	<ul style="list-style-type: none"> • Monterrey Metropolitan Water Fund. • Integral plan for water care.
8  GOOD JOBS AND ECONOMIC GROWTH	Promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for everyone.	<ul style="list-style-type: none"> • Employment generation in Grupo AEn • Development of national supply with UUMBAL. • Supplier development. • Code of ethics.

<p>9</p>  <p>INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>Building resilient infrastructures, promoting inclusive and sustainable industrialization and fostering innovation.</p>	<ul style="list-style-type: none"> • Grupo AIE. • UUMBAL Agroforestal. • AIE Recycles. • Innovation, research and development.
<p>12</p>  <p>RESPONSIBLE PRODUCTION AND CONSUMPTION</p>	<p>Ensuring sustainable consumption and production modalities.</p>	<ul style="list-style-type: none"> • Circular Economy and life cycle of our products. • UUMBAL Agroforestal. • AIE Recycles. • Environmental performance indicators.
<p>13</p>  <p>CLIMATE ACTION</p>	<p>Adopting urgent steps to fight against climate change and its impacts.</p>	<ul style="list-style-type: none"> • Circular economy and life cycle of our products. • UUMBAL Agroforestal. • AIE Recycles. • Environmental performance indicators. • Carbon Disclosure Program.
<p>15</p>  <p>LIFE ON LAND</p>	<p>Sustainably managing woods, fighting against desertification, stopping and reversing land degradation and stopping the loss of biodiversity.</p>	<ul style="list-style-type: none"> • UUMBAL Agroforestal. • AIE Foundation.

GRI INDEX

MATERIAL TOPICS	GRI CONTENT	DESCRIPTION	PAGE
CORPORATE GOVERNANCE	"This material relates to contents in GRI 102-18: General Revelations 2016 and Contents 103-1, 103-2 and 103-3 in GRI 103: Management Approach 2016"	<ul style="list-style-type: none"> • Governance Structure. 	17
RISK MANAGEMENT	"This material refers to contents in GRI 403-3: Health and Safety in the Job 2016 and Contents 103-1, 103-2 y 103-3 in GRI 103: Management Approach 2016"	<ul style="list-style-type: none"> • Workers with high incidence or high risk of diseases related with their activity 	28
PRODUCT DEVELOPMENT	"This material relates to contents in GRI 417-1: Marketing and Labeling 2016 and its Contents 103-1, 103-2 and 103-3 in GRI 103: Management Approach 2016"	<ul style="list-style-type: none"> • Requirements for information and labeling for products and services 	20
RELATIONSHIP WITH CLIENTS	"This material refers to contents in GRI 417-1: Marketing and Labeling 2016 and Contents 103-1, 103-2 and 103-3 in GRI 103: Management Approach 2016"	<ul style="list-style-type: none"> • Requirements for information and product and service labeling. 	20
ENVIRONMENTAL POLICIES/ ENVIRONMENTAL MANAGEMENT SYSTEMS	"This material refers to contents in GRI 301-2: Materials 2016, to Contents 301-1: Energy, to contents 304-2: Biodiversity 2016 and Contents 103-1, 103-2 y 103-3 in GRI 103: Management Approach 2016"	<ul style="list-style-type: none"> • Recycled inputs used. • Energy consumption within the organization . • Significant impacts of activities products and services on biodiversity. 	33-40
OPERATIONS	"This material refers to contents in GRI 102-4 and 102-6: General Revelations 2016 and Contents 103-1, 103-2 y 103-3 in GRI 103: Management Approach 2016"	<ul style="list-style-type: none"> • Operations location. • Markets served. 	9, 13

<p>CLIMATE CHANGE</p>	<p>“This material refers to contents in GRI 301-2: Materials 2016, to Contents 302-1: Energy, to Contents 304-2: Biodiversity 2016 and Contents 103-1, 103-2 y 103-3 in GRI 103: Management Approach 2016”</p>	<ul style="list-style-type: none"> • Recycled inputs used. • Energy consumption within the organization. • Significant impacts of activities products and services on biodiversity. 	<p>33-40</p>
<p>SUPPLIER STANDARDS</p>	<p>“This material refers to contents in GRI 102-9 General Revelations 2016 and Contents 103-1, 103-2 and 103-3 in GRI 103: Management Approach 2016”</p>	<ul style="list-style-type: none"> • Supply chain 	<p>39-40</p>
<p>COMMUNITIES.</p>	<p>“This material refers to contents in GRI 413-1: Local Communities 2016 and Contents 103-2, 103-2 y 103-3 in GRI 103: Management Approach 2016”</p>	<ul style="list-style-type: none"> • Operations with the local community participation, evaluations of impact and development programs 	<p>29-32</p>
<p>WORKERS' PROGRAMS</p>	<p>“This material refers to contents in GRI 404-1 and 404-2: Education and teaching 2016 and Contents 103-1, 103-2 and 103-3 in GRI 103: GRI 103: Management Approach 2016”</p>	<ul style="list-style-type: none"> • Average education hours per employee per year. • Programs to improve employment skills and support programs for transition. 	<p>27-28</p>





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AND MORE
SUSTAINABLE WORLD**



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