



**70** YEARS  
THANKS  
TO YOU

# SUSTAINABILITY REPORT

# 2018



# Content

## 1 About Grupo AlEn

Page 3

## 2 Inspiring hygiene and wellness through sustainable products

Page 18

## 3 We are leaders in plastic recycling

Page 25

## 4 Ensuring the efficient and sustainable use of resources

Page 32

## 6 We offer the best place to work

Page 36

## 7 Creating social value hand-in-hand with the community

Page 45

## 8 Working with ethics and integrity

Page 53

## 9 About our report

Page 55



# Dear reader:

We are celebrating a very special moment at **Grupo AEn**. It has been **70 years** since **Don Alfonso and Don Enrique Garcia Leal's dream** started with the funding of what is known as **Grupo AEn** today. We are very proud to see how our founders' leadership, vision and entrepreneurial spirit have been fruitful, and have provided success and fulfillment. Within the framework of this celebration, we submitted the most-outstanding results during **2018**.

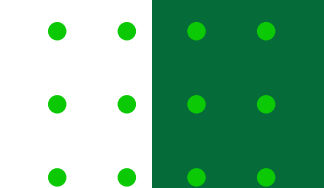
Since our establishment, we have been able to inspire the best practices for hygiene that can provide wellness to people. Today, we celebrate it by being present in **97% of the homes** in México and by transcending borders into the **United States, Central America and the Caribbean**. Additionally, we reach **more than 25 countries** with our raw materials.

Thanks to the entrepreneurial spirit and continuous innovation that distinguish us, in 2018 we developed a new brand focused on sustainability criteria: Art of Green. **Art of Green** offers a new solution to consumers that are searching for products that promote caring for the environment in the United States.

We are committed to maintaining the sustainable use of resources attached to our growth. While we reach more homes, we are also working on developing more-efficient packaging and on creating the necessary structure to take advantage of recycled plastic in the production of new bottles.

As industry leaders in plastic recycling, we produce our **PET** bottles using **100% recycled plastic** and take advantage of **70%–100% of recycled material** for the manufacturing of our **HDPE** bottles.

In Mexico, we continue supporting the development of local suppliers through a joint investment project that promotes the sustainable use of palm and pine trees — the plantations that produce natural essential resources for our products. To prove our commitment to developing this project responsibly, the lands have been certified by the Rainforest Alliance in different premises, while we simultaneously work on obtaining the **Forest Stewardship Council and the Roundtable on Sustainable Palm Oil certifications**. So far, we have planted **5.7 million palms and pines in Southeast Mexico**, which equals **14,000 soccer fields**.





We are an organization with a sound strategic vision and a well-defined plan to achieve our business objectives. Our employees are proud to be a part of the AEn family because we are an enterprise that is congruent between what we say and what we do. Our essence is comprised of an atmosphere of respect, inclusion, equal opportunities, collaboration, development and closeness with the directive team.

**We offer a great place to work.** In the most recent biannual organizational-climate survey, we achieved very positive results, including a satisfaction index that is **10 points above the industry average** in México and an improvement of three points vis-à-vis the previous survey.

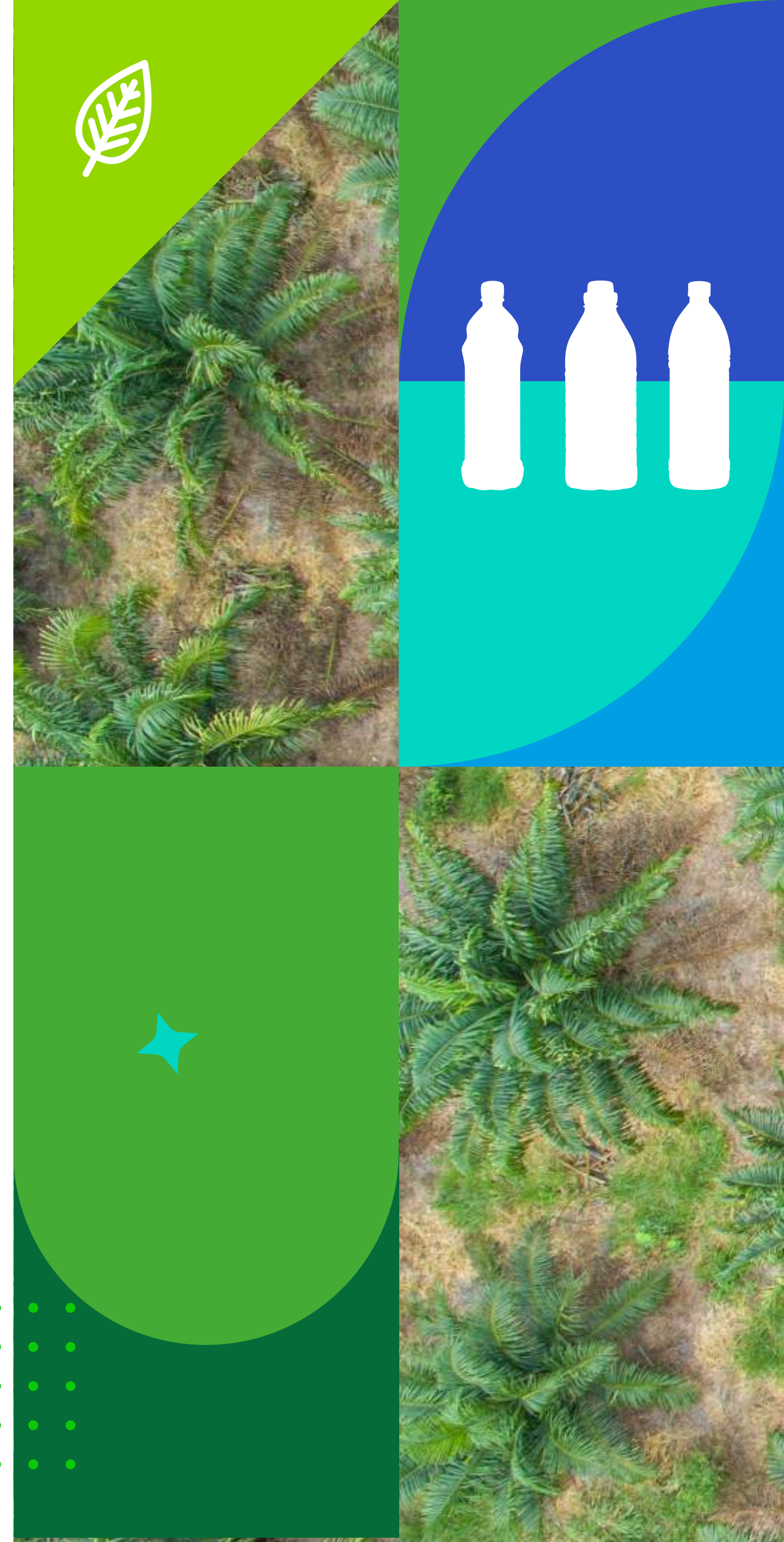
In 2018, our foundation **“Fundación AEn”** supported **52 organizations** that helped transform the lives of **more than 360,000 people** in one of the four sections that make up the foundation’s action platform of wellness, environment, education and community development. We carried out a coordinated volunteering activity at a national level, in which **800 employees** participated by visiting **55** orphan homes, senior homes, community centers, childcare facilities, and hospitals in **26 cities** in México and the United States.

At the beginning of 2019, we updated our materiality matrix in regards to sustainability through an analysis of our procedures and our audiences’ main interests. This exercise provided important information to communicate our strategy through a new **AEn Sustainability Model**.

Thanks to the unity and effort of each person who is part of the great AEn family, we have been able to reach great heights and results across our 70 years of history. On behalf of all our employees, we invite you to read our 2018 Sustainability Report to find more information on how we join talent and passion every day in order to build a cleaner and more sustainable world for you.

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**Grupo AEn**

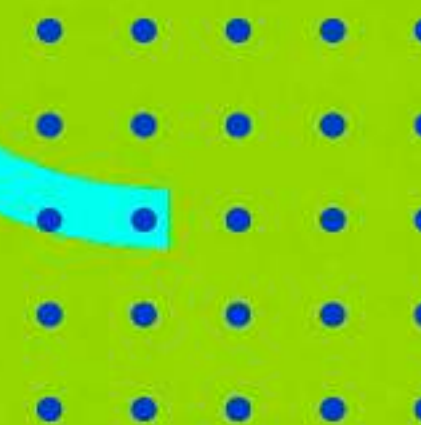






# About Grupo AlEn

**We build a cleaner and more  
sustainable world for you.**





# Our company

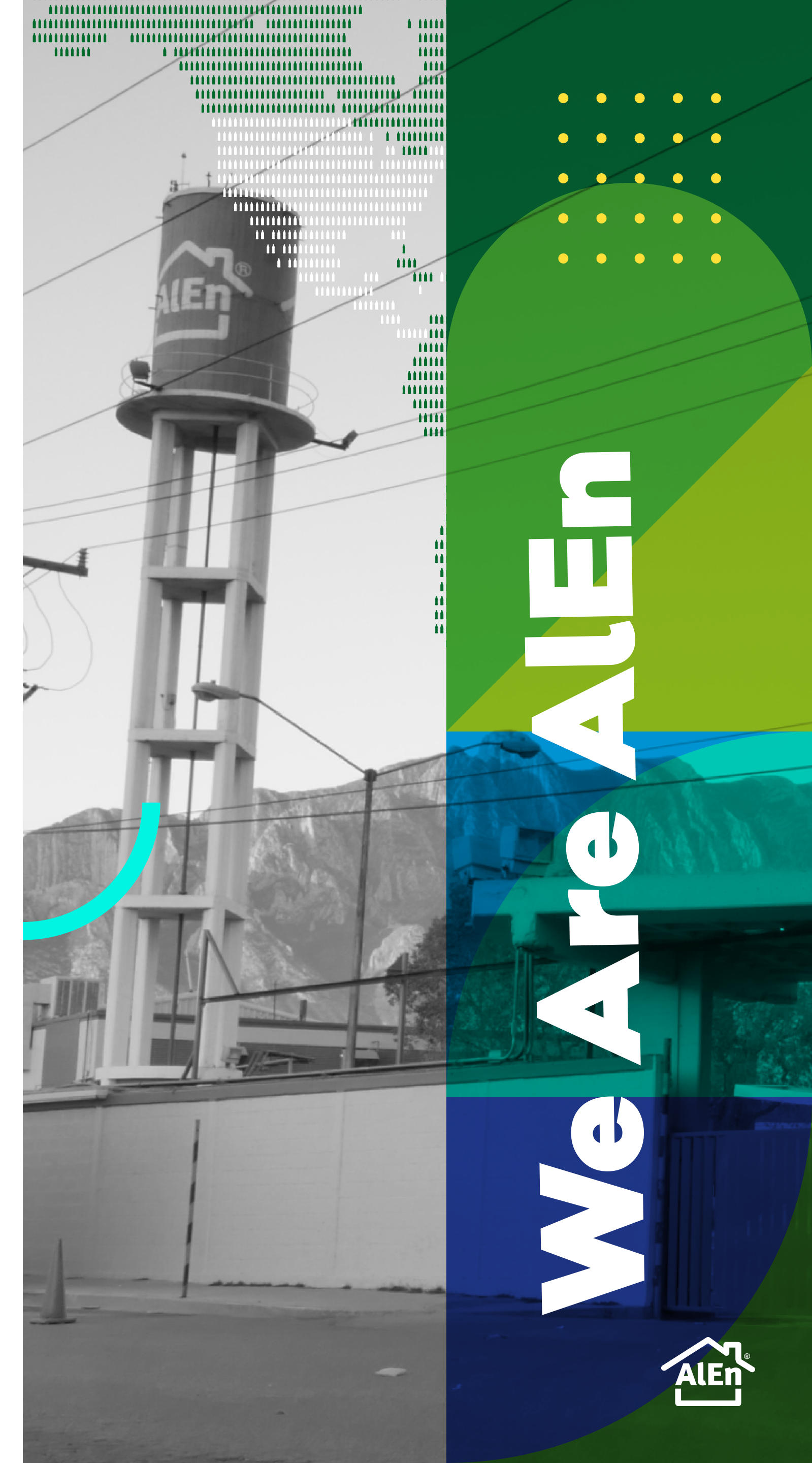
We are a proudly Mexican company that works to build a cleaner and more sustainable world for you through home-cleaning solutions. Since our establishment in **1949**, we have been characterized by the talent of our people who continuously drive innovation in our processes and vertical integration in our company, to satisfy our consumers and costumers. For 70 years, we have been able to inspire the best hygiene practices. With our brands, we are present in **97% of the homes** in México; transcend borders into the **United States, Central America and the Caribbean**; and we reach markets in **25 countries** with our raw materials.

## Structure

**Grupo AlEn** is led by a **Co-presidency and a Co-general Directorate**. The Advisory Board of the company is comprised of the Co-presidency, Co-general Directorate, and six independent board members all of whom jointly establish and follow up on the company strategy designed to promote the sustainable growth of the business. The implementation of the strategy is led by ten managers, a group that includes expert professionals in planning, finance, marketing, operations, sales, innovation and human capital.

## A culture of innovation

**The AlEn Award for Innovation** was created more than **20 years ago** as part of the culture of continuous improvement that we promote in our organization. Every semester, Grupo AlEn employees submit initiatives that enable finding new ways to optimize the use of resources, improve product quality, increase productivity and make our procedures more efficient. In **2018**, a total of **200 projects** were submitted — a testament to the talent of those who are part of the AlEn family.







## Purpose:

**We build a cleaner and more sustainable world for you.**

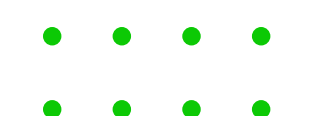


## Value proposition:

We generate innovative hygiene and well-being solutions by understanding what drives our consumers and customers — motivating our talent to build high-value brands together.



## Values:





# 70 years

of building a cleaner and more sustainable world for you

## 1949



May 21

Brothers **Alfonso and Enrique García** establish **Grupo AlEn** in Monterrey, Mexico.



Grupo AlEn launches **CLORALEX®** to the market as the first concentrated bleach in Mexico.

The sales force visits consumers on a home-by-home basis to present the benefits of and uses for **CLORALEX.**



## 50's

*Pinol*

Grupo AlEn launches **Pinol®** to the market — currently the preferred cleaner in the Mexican market.



Our **AlEn House** flagship logo is born.



## 1970

The new facilities open in **Santa Catarina, Nuevo Leon, Mexico** — supporting the growth of our brands.



Our brands are the official cleaning products for the **1968 Olympic Games in Mexico City.**



Our packaging evolves in order to reach new markets with **our products.**

Broadcasting of the first TV advertisement for **Cloralex** in Monterrey, Mexico.



The brands: Cloralex and Pinol are sold only in Mexico, in the United States they are known as Cloralen and Pinalen.

## 60's

## 70's

The vertical-integration strategy starts with the **first hypochlorite factory.** Hypochlorite is the raw material used to manufacture **Cloralen.**

We start producing pine oil, the basic raw material to manufacture **Pinalen.**



We start manufacturing **plastic lids.**

The famous **"Pinol, Pinol, aromatiza, limpia y desinfecta"** jingle is created.



AlEn USA is established with current offices in **Houston, Texas.**

## 1980





2000's

90's

80's

The **Villahermosa Plant** begins operations in order to increase our presence in the southeast of México and to export our products to **Central America and the Caribbean**.

The recycling process for PET plastic material starts at the **Monterrey Plant**.

The dishwashing liquid **Eficaz®** is born.

**Ensueño®**, the fabric softener is born, today it is the first and only vegetable-origin fabric softener in Mexico.

**Flash®** cleaner is born

The **Guadalajara Plant** begins operations — enhancing our presence in the Bajío region of Mexico.

2004

2006

2007

2010

2011

2012

The **Mexicali Plant** begins operations — strengthening our presence in **Northeast México, California and Arizona**.

The **AIEn Recycles** program produces bottles with **100% recycled plastic** for the first time.

The **Pilot Plant** in Monterrey begins operations to promote innovation in products, containers and packaging.

We start our participation in a joint project to produce high-quality natural, raw materials through reforestation and using **10,000 hectares of palm trees** and **5,000 hectares of pine trees** sustainably.

Our **flagship logo** is modernized with the identity that we currently know.

**Grupo AIEn's second recycling plant** is built in **Querétaro**.



2019

**Art of Green is born**, the brand with even more sustainable attributes that was created for the North American market.

2018

Grand opening of our **palm-tree benefit plant**.

2017

**FUNDACIÓN AIEn**

**Fundación AIEn is born** with the purpose of providing communities with well-being, education, environmental and development projects.





# Our Vertical Integration

Our operations began in **Monterey, Mexico**, and we have since strategically expanded across the country. With our presence, we are able to serve the Mexican market, while also exporting our products and raw materials efficiently.

Our vertically integrated operations enable us to participate in the different stages of value creation of our products; to achieve operational excellence; and to adhere to strict sustainability standards for the benefit of our production process, the consumers, the community and the environment.

## Leaders in Sustainable Cleaning Products in Mexico

We have 13 brands in 10 home-cleaning product categories. We continuously listen to the consumers in order to develop products that address the changing market demands. In production and packaging processes, we adhere to the highest sustainability standards.

**5**   
cleaning-product plants

**1**   
**PILOT PLANT**  
to approve new products





### Promoting Recycling

We are pioneers in the recycling industry and are currently one of the largest plastic-recycling companies in Mexico with the recycling of approximately **50,000 tons of HDPE and PET in 2018**. Through a comprehensive strategy, we were able to offer our consumers products that were packaged in bottles manufactured with **100% recycled plastic (PET)**.

**4** **PET and HDPE collection programs**  
where we work in synergy with the community.

**2** **container-preforming plants**  
that take advantage of recycled material.

**2** PET and HDPE recycling plants  
to create sustainable containers.

**1** lid-injection plant.

### Manufacturing Raw Materials

Through our industrial division, we manufacture raw materials with the highest quality to supply our production processes and commercialize with third parties. Additionally, we support the development of local suppliers through a joint project that promotes reforestation and sustainable use of palm and pine trees.

**4** **manufacturing plants**  
for raw material and chemical products.

**1** **palm-oil benefit plant**  
the largest and most-modern in Latin America.

### Marketing and Exports

Our products reach every corner of the country. Through our broad distribution network, we are able to reach more than **800,000 points of sales in all México** — serving the millions of consumers who favor us. Additionally, we proudly take our brands and industrial products to other parts of the world.

**8** **distribution centers**  
that enable us to reach the entire country.

**25** **countries**  
reached through our exports.





# Outstanding Results in 2018



We developed **Art of Green**, the artful balance of nature & clean.

More than **10 years ago**, our **PET bottles** began to be manufactured using **100% recycled plastic**.



We are present in **97%** of **Mexican homes**.



**4** of our brands are in Mexico's **Top 20** preferred brands for home cleaning.



We operate **17 automated machines** for PET and HDPE plastic collection.



We supported **4,600 homes** and **770 schools** in recycling throughout the year



**360,000+** people benefited through **Fundación AlEn**.



**5,000+** volunteering hours.

**6 million people**



benefited from the **"6 Steps to Health Through Prevention"** program.

**200+ internal projects** participated in the **AlEn Award for Innovation (Factor AlEn)**.



We have planted **5.7 million** palms and pines in Southeast Mexico, this is equal to more than **14,000** soccer fields.





# Our Priorities in Regards to Sustainability

In 2019, we updated our materiality matrix through a comprehensive analysis of our operations and our audiences’ main interests. Through this tool, we identified the area where the priority topics for our business and our stakeholders meet.

Adding an external point of view enables us to balance our vision of the critical topics for our organization and to support the correct allocation of resources in regards to priorities. In addition, knowing our material topics contributes in appropriately guiding the communication process and enabling us to build productive and long-term relationships with our stakeholders.

We renew the company’s materiality analysis every two years. The exercise carried out in 2019 supplements the studies made in 2015 and 2017 that were designed to identify our priority topics. The conclusions of the materiality study served as a foundation to build the new Grupo AEn Sustainability Model.

## The Stages of the Materiality Study

### Methodologies

List the relevant topics, based on the sustainability global agenda and trends in reporting of nonfinancial information.



### Global Trends

Screen according to global studies on consumer trends, labor market and best practices of responsible investors.



### Industry

Emphasize the priority topics for our industry according to our sectorial participation and outstanding issues from our business partners.



### Vision and Strategy

Evaluate the conclusions according to the purpose, value proposition and essence of Grupo AEn, by the Sustainability Committee and strategic areas.



### Employees

Include our employees’ points of view through focus groups and interviews.



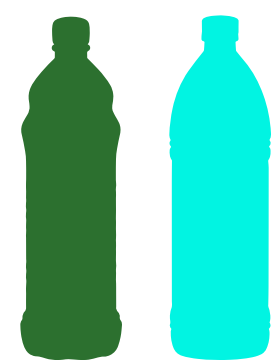
# Most-relevant sustainability issues for Grupo AlEn:



**Promoting hygiene**



**Sustainable products and ingredients**



**Responsible packaging**



**Communication with clients and consumers**



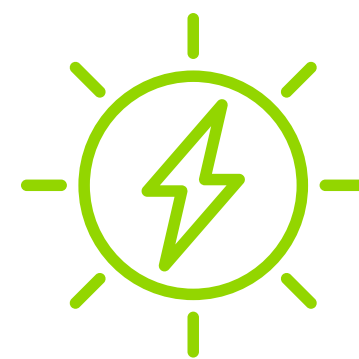
**Health and safety in everything that we do**



**Relationship with employees**



**Water management**



**Energy management and GEI emissions**



**Environmental excellence**





# Grupo AlEn Sustainability Model

Since our establishment, we have distinguished ourselves by adhering to the highest ethical and integrity standards and by working every day to bring our purpose of building a cleaner and more sustainable world for you to life.

Through our products, we help prevent diseases; we are able to improve the hygiene in people's homes; and we cultivate a better quality of life for people. From the research and development stage, we guarantee that our products are safe all the way from production, transportation, storage and to our consumers' usage. As we reach new locations, we have also been able to strengthen our commitment to packaging our products in containers that are manufactured with plastic that has been recycled at our facilities.

We ensure that resources are used sustainably in our production processes. To this effect, we invest in technology and equipment that enable us to reduce our water and power consumption. We continuously search for new ways to reduce or eliminate waste-generation and we implement programs in favor of forest regeneration and preservation of green spaces.

We offer a great place to work — where our employees can find challenging opportunities for professional development, as well as an atmosphere that guarantees diversity and equal opportunity. We also maintain a high commitment to the development of the communities where we live and work by investing in programs that contribute to the well-being of our neighbors and by working hand-in-hand with them to develop programs for high social and environmental impact.

**The Sustainability Committee — encompassing different areas of the company — is in charge of evaluating policies, initiatives and best practices, as well as following up on the objectives that we establish.**





# Our participation in the Sustainable Development Goals

<b>The reason why we come to work every day</b>	<div><div>6</div><div>CLEAN WATER AND SANITATION</div><div></div></div>	<div><div>3</div><div>GOOD HEALTH AND WELL-BEING</div><div></div></div>		<div><div>p. 35</div><div>p. 18</div></div>	
<b>The way in which we operate sustainably</b>	<div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div><div></div></div>	<div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div></div></div>	<div><div>13</div><div>CLIMATE ACTION</div><div></div></div>	<div><div>15</div><div>LIFE ON LAND</div><div></div></div>	<div><div>p. 36</div><div>p. 25</div><div>p. 34</div><div>p. 33</div></div>
<b>The pathway to becoming stronger</b>	<div><div>4</div><div>QUALITY EDUCATION</div><div></div></div>	<div><div>5</div><div>GENDER EQUALITY</div><div></div></div>	<div><div>9</div><div>INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div></div></div>	<div><div>17</div><div>PARTNERSHIPS FOR THE GOALS</div><div></div></div>	<div><div>p. 42</div><div>p. 38</div><div>p. 21</div><div>p. 18</div></div>



# Sectorial Participation

Sustainability and Responsible Advertising	Chemical Industry and Cleaning products	Other Chambers and Organizations
<ul style="list-style-type: none"> <li>Environmental Protection Institute in Nuevo León (Instituto para la Protección Ambiental en Nuevo León in Spanish).</li> <li>Forestry Business Council</li> <li>ECOCE A.C.</li> <li>Red SumaRSE Nuevo León.</li> <li>National Federation of Advertising Agencies (CONAR México; Consejo de Autorregulación y Ética Publicitaria in Spanish).</li> <li>Monterrey Metropolitan Water Fund (FAMM; Fondo de Agua Metropolitano de Monterrey in Spanish).</li> <li>A favor de lo mejor.</li> </ul>	<ul style="list-style-type: none"> <li>American Cleaning Institute (ACI)</li> <li>National Association for the Chemical Industry (ANIQ A.C.; Asociación Nacional de la Industria Química in Spanish).</li> <li>National Chamber for the Oil, Grease, Soap and Detergents Industry (CANAJAD; Cámara Nacional de la Industria de Aceites, Grasas, Jabones y Detergentes in Spanish).</li> </ul>	<ul style="list-style-type: none"> <li>National Association for Wholesale Groceries (ANAM; Asociación Nacional de Abarroteros Mayoristas in Spanish).</li> <li>National Association of Supermarkets and Department Stores (ANTAD A.C.; Asociación Nacional de Tiendas de Autoservicio y Departamentales in Spanish).</li> <li>Transformation Industry Chamber in Nuevo León (CAINTRA N.L.; Cámara de la Industria de Trasnformación de Nuevo León in Spanish).</li> <li>National Chamber for the Transformation Industry (CANACINTRA; Cámara Nacional de la Industria de Transformación in Spanish).</li> <li>National Mexican Confederation (COPARMEX; Confederación Patronal de la República Mexicana in Spanish).</li> <li>Mexican Council for the Consumer Product Industry (CONMEXICO A.C.; Consejo Mexicano de la Industria de Productos de Consumo in Spanish).</li> <li>ERIAC Human Capital (ERIAC Capital Humano in Spanish)</li> <li>Industriales Regiomontanos del Poniente A.C. (IRPAC)</li> <li>Regulation organization for business standards (GS1).</li> </ul>

We are very proud to have received the award for Excellence in Supply to the retail sector from the National Association for Supermarkets and Department Stores (ANTAD in Spanish). Thanks to our talented people, we received this award for conquering the consumer preference during 2018 in recognition of our quality, innovation, compliance, social benefit and other aspects assessed.



# Bringing hygiene and wellness with sustainability-driven products

We see **sustainability as a way of life** that is reflected in **our products** and in everything that we do.





With our **13-brand portfolio**, we successfully serve markets in Mexico, the United States, Central America and the Caribbean.

**México:**



**United States:**



**Central America:**



**The Caribbean:**





# We Participate in 10 Product Categories



**Softeners**



**Detergents**



**Cleaning tablets**



**Pets**



**Bleaches**



**- Cleaning products  
- Stain removers  
- Descaling agents**



**Laundry soaps**



**Dishwashing products**

## Sustainable Characteristics in Our Products

Developing sustainable products requires incorporating a pro-environmental vision and wellness across the value chain. At Grupo AlEn, we not only seek to implement sustainable practices in our operations, but we also work hand-in-hand with suppliers, clients and consumers to achieve positive actions for the benefit of our planet.

We have a team of more than 80 employees who participate in innovation activities with the purpose of making sustainability our differentiator. In a coordinated manner, the product research, formula research, container and packaging development, marketing, supply, sales and logistics departments work in order to launch new cleaning solutions — optimizing our products and adapting our formulas to the new trends.

Vertical integration in our enterprise and teamwork between the different departments contribute to maximizing the benefits that we offer to the consumers through our brands.

Innovation and Sustainable Product Development Elements.

- 1. Research and innovation**
- 2. Design of safe, efficient, biodegradable and degradable formulas**
- 3. Sustainable ingredients and co-responsible suppliers**
- 4. Responsible communication, labeling and advertising**
- 5. Container and packaging design**





## Research and Innovation

Through our brands, we interact daily with millions of consumers who select us to solve the cleaning needs of their home. We listen to them continuously in order to maintain their preferences at the forefront of our objectives and to develop new products that address the changing needs of the market.

## Launch of Art of Green in the United States

The demand for environmentally friendlier products is growing around the world, with more and more consumers searching for naturally derived product options with affordable prices. Thanks to the entrepreneurial spirit and continuous innovation that distinguish us, in 2018 we developed a new brand in the AlEn family in the United States.

Art of Green offers a new solution to consumers that are searching for products with more-sustainable attributes. Our objective is to close the affordability gap for consumers who demand environmentally friendlier products or want to try them, but have doubts in regards to their efficiency. Art of Green solves this challenge since it achieves a high performance with natural-origin ingredients and an affordable price.



## Launch of Art of Green in the United States

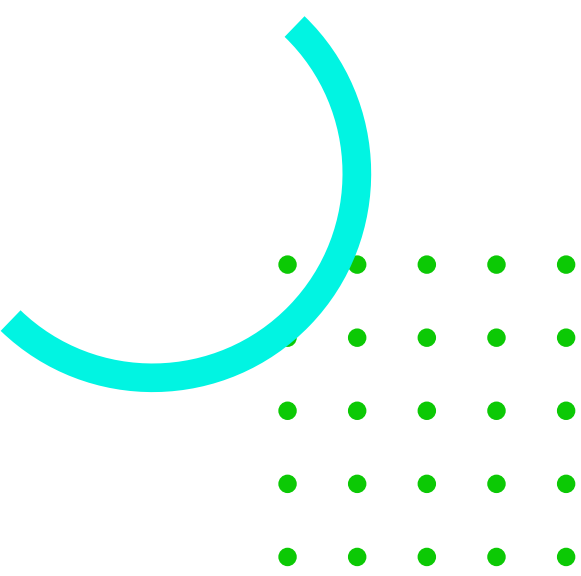


- Nontoxic formula.
- USDA-certified for content of renewable-source ingredients.
- No animal testing.
- Hypoallergenic and a formula that is safe for sensitive skin.
- Strong against dust.
- Its formula is made with 98% natural-origin ingredients.
- Contains essential oils that provide a pleasant aroma.
- PET bottles manufactured with 100% recycled materials.

To learn more about **Art of Green**, visit **[artofgreen.com](http://artofgreen.com)**



# Design of Safe, Functional, Biodegradable and Degradable Formulas



During the initial stages of research, we establish criteria that guide us in the development of safe, functional and environmentally friendly products. In addition to carrying out multiple tests in our labs, we also validate our products' attributes through third parties.

**Safety:** We constantly search for new technologies that help improve the safety conditions for the use of our formulas.

**Functionality:** We continuously set the challenge to improve functionality. For instance, we offer low-foam products which can be rapidly destroyed when combined with water — helping to shorten the length of rinsing cycles and increasing water savings.

**Biodegradability:** We have options for biodegradable formulas; we work in taking advantage of natural-origin ingredients; and we carry out evaluations to ensure that the components of our products degrade or biodegrade, or integrate into nature, after their use.

## Regulation Compliance

### Environmental Security

- American Code from the Environmental Protection Agency (EPA) for disinfecting-product registration.
- California Code of Regulations for Consumer Products, including regulations to reduce volatile organic-compound emissions.
- Green Guides from Federal Trade Commission in the United States.



# Sustainable Ingredients and Co-responsible Suppliers



We train and bind our supplies to comply with our Suppliers' Code, which is based on the same standards under which we regulate our own activities. We audit their production processes, which helps us promote continuous improvement in sustainability within our suppliers' procedures and processes. Some of the practices that we expect our suppliers to comply to include offering safe working conditions; maintaining an atmosphere of respect and dignity for their work teams; and strictly following the standards for environmental and social responsibility principles.

We remain in constant communication with our supply chain in order to analyze market trends and continue innovating together. We also support the development of small and midsize businesses by offering training that helps strengthen their management in alliance with the Center for Competitiveness in Mexico (CCMX; Centro de Competitividad de Mexico in Spanish).

## Development of Local Suppliers

In México, we support the development of local suppliers through a joint investment project that promotes the sustainable use of palm and pine trees, the plantations that produce natural essential inputs for our products.

Through a reforestation process, there have been lands that were previously used for cattle that have been rescued and are now used for forestry and agricultural use. As a testament to our commitment to the responsible development of the project, the lands have been certified by the Rainforest Alliance (RFA) in different premises, while we simultaneously work on obtaining the Forest Stewardship Council (FSC) and the Roundtable on Sustainable Palm Oil (RSPO) certifications.

## Objectives and Achievements of the Program

- **Driving field development and local economy.**
- **Promoting national production of raw materials.**
- **Innovate in the production of pine resin and palm oil.**
- **Maintaining diversity and the environment.**
- Driving small producers, 1,500 direct jobs and 3,000 indirect jobs.
- Planting more than 24,000 acres of palm trees and more than 12,000 acres of pine trees.
- Starting the most modern palm-benefit plant in Latin America.
- Greenhouse for 2.2 million plants and construction of a compost plant, endemic flora and fauna inventory, and more than 4,900 acres for conservation area.



# Responsible Communication, Labeling and Advertising

Appropriate communication with consumers enables us to reveal our brands and our product benefits. At the same time, maintaining open channels allows us to listen to the consumers and solve their questions and concerns.

The label design for an efficient and responsible use is a fundamental part of the consumer experience. At Grupo AlEn, we comply with label-content regulations that require the clear and complete indication of the benefits, applications and usage indications of a product. These same criteria apply in our advertising strategy of sharing our product attributes with clear messaging and friendly language that is focused on all of our audiences. In terms of advertising, for the United States we comply with the Federal Trade Commission Green Guides.

## We promote standards in favor of quality in the products

In 2018, we were part of several forums to promote improvements in the standards that regulate labeling and bottling of home-cleaning products. These changes promote greater standards of quality and guarantee the application of more strict requirements for the consumers' benefit, such as appropriate containers for the type of product, usage instruction, statements for net content and caps or seals that prevent product spills.

To learn more about the quality of our products, please contact client and consumer support at **1-888-238-3343**





# We are leaders in plastic recycling

As we continue to reach more homes with our products, we also continue to work on giving **new opportunities to recycled plastic** and using it to manufacture new containers.





# Grupo AlEn is one of the largest plastic recycling companies in Mexico

We are committed to maintaining the sustainable use of resources attached to our growth. As we continue to reach more homes with our products, we also continue to work on developing more-efficient packaging, increasing the collection initiatives, and creating the necessary infrastructure to transform recycled plastic into new bottles.

Being one of the largest recycling companies in the country has required a comprehensive strategy. In 1995, we were pioneers in promoting a culture in favor of recycling in our operations and in México. More than two decades later, our vision has brought benefits and we have established alliances with more than 360 partners with whom we work as a team in promoting recycling.

## Comprehensive strategy for plastic recycling

### Research

Our research team develops bottles that use plastic in a more efficient way.

### Culture

> We foster a culture of recycling in the community and inside our operations

### Collection

> With the help of communities and institutions, we implement plastic-collection programs



### Recycling

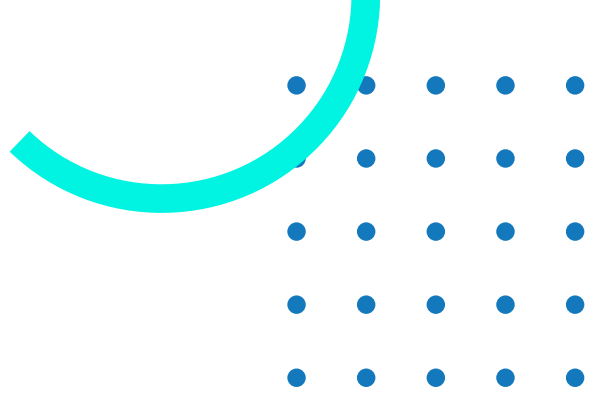
< We have two facilities where we recycle around **50.000 tons** of plastic every year.

### PET bottles with 100% recycled plastic

We package our products with these bottles.







# We design **more sustainable** containers and packaging

Applying sustainability criteria in the manufacturing of bottles and packaging is part of our commitment to the environment and our consumers. Our bottles and packaging are the result of coordinated work between the research, product, formula, marketing, procurement, sales and logistics departments. We work as a team to minimize the use of materials; we meet the safety requirements during fabrication, transportation and storage; and we maximize our consumers’ experience during the use of the products.

## Innovations that make our packaging more efficient and add consumer value.

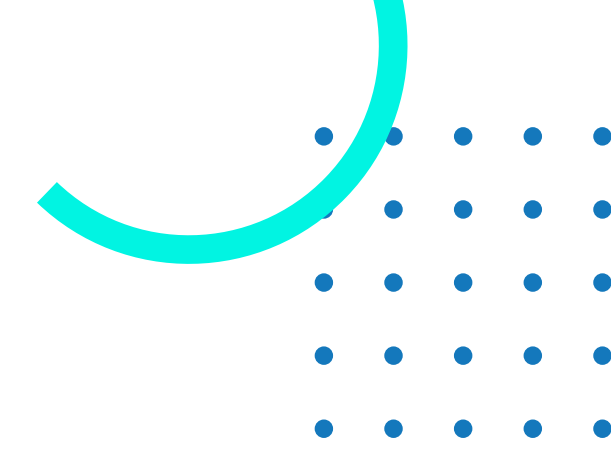
	Innovation	Benefits
1	Our PET bottles are manufactured using <b>100% recycled plastic</b> , and we take advantage of <b>70%–100%</b> of recycled material for the manufacturing of our HDPE bottles.	We use resources more efficiently, while eliminating the consumption of virgin material in the fabrication of our bottles. At the same time, we contribute to reducing the environmental footprint of consumers.
2	We use recyclable PET and HDPE in our bottles, and continuously evaluate and implement new ways to make their recycling easier.	
3	We have some of the lighter and more-resistant bottles in the market due to our research and development processes for new designs.	We can carry more bottles per trip, resulting in lower traffic, less fuel consumption and less CO <sub>2</sub> emissions. The efficiencies that are earned are also reflected in lower costs.
4	We use shrink wrap in packaging pallets. Besides it being a recyclable material, it weighs less and reduces volume vis-à-vis alternate materials.	



**In addition to creating sustainable products, we are committed to packaging responsibly.**



# We promote a culture in favor of **recycling**



## AlEn Family Race: Run — Recycle:

In 2018, we hosted the fourth edition of the Run — Recycle Race with the purpose of promoting the culture of plastic collection and recycling in an atmosphere of sports family sharing. In 2018, approximately 1,000 runners participated in recycling 700 kilograms of plastic.

## Activation: “Plastianguis”:

In 2018, we held the fourth annual “Plastianguis” (Plastic market) with the support of the government in Mexico City. The event entails the exchange of plastic waste for basic consumer basket products. In 2018, we were able to collect more than 2,000 kilograms that benefitted more than 500 people.

## Exhibition: “Plastic in Your Life”

We continuously work at creating awareness in our society about the benefits of plastic, its appropriate use, and the importance of recycling it. One of our initiatives is the traveling museum exhibition “Plastic in Your Life,” which is touring the areas of different technology museums in México.

## Ambassadors: World Recycling Day

At Grupo AlEn, we take advantage of commemorative dates to strengthen our commitment to making recycling a daily activity. On Global Recycling Day, we invite all employees, along with their families and friends, to become ambassadors for our culture of recycling.





## Research: Plastic Degradation and Biodegradation

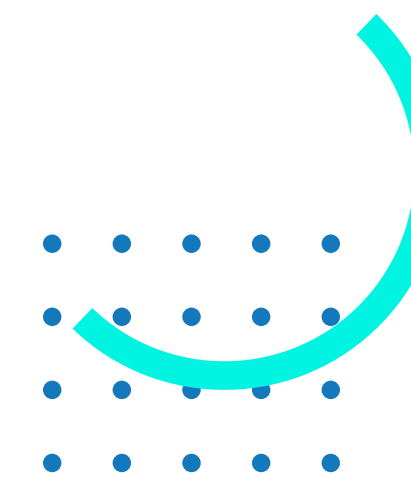
Through the Responsibility, Sustainable Development and Plastic Industry Commission (CIPRES in Spanish) of the National Association for the Chemical Industry (ANIQ in Spanish), we actively participated in programs that are focused on promoting the recycling culture. For example, in 2018, we collaborated on plastic degradation and biodegradation research that provided greater scientific foundations that helped broaden our understanding of these materials and helped us communicate the importance of the appropriate post-consumption handling of plastic, as a mechanism to avoid environmental impact.

**Every time you use any of the AlEn family products, you support our efforts of promoting the recycling culture.**

## We Make Recycling a Daily Practice

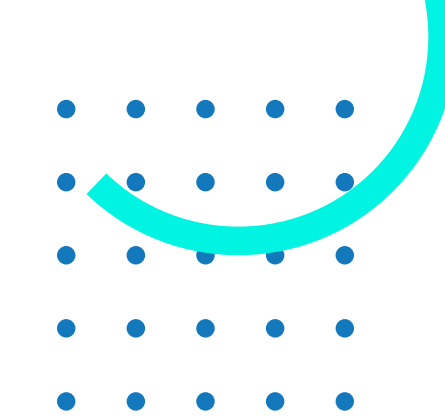
We build strong connections with the community by fostering the culture of recycling in Mexico. In order to achieve that goal, we drive different initiatives in the community that communicate and advocate the importance of separating waste. We also establish plastic-collection programs directly in homes, schools, institutions and public spaces to avoid the disposal of plastic into landfill sites.





For example, people can easily access, deposit and recycle any PET and HDPE at our collection machines that operate 24 hours a day and seven days a week and can be found in public spaces. In return, they receive an electronic wallet that can be redeemed at different stores. In 2018, we installed 13 machines that reach a total of 17 stations that are distributed throughout the metropolitan area of Monterrey. Our midterm goal is to cover 80% of our PET and HDPE needs directly through our institutional collection programs.





# AlEn Collection Programs



Homes	Schools	Institutions	Public Spaces
<p>We offer a PET and HDPE collection service in neighborhoods in the metropolitan area of Monterrey in exchange for AlEn brand products.</p> <div>  <div> <b>4,600</b> homes </div> </div>	<p>We contribute to the improvement of the infrastructure in schools that actively promote recycling practices in the young generations.</p> <div>  <div> <b>770</b> schools </div> </div>	<p>We create alliances within organizations and the community to promote a culture of appropriate separation of waste and recycling.</p> <div>  <div> <b>360</b> alliances </div> </div>	<p>We team up with clients, governments and organizations to install collection stations that provide incentives to people who deposit PET and HDPE.</p> <div>  <div> <b>17</b> collection machines </div> </div>



Our PET and HDPE collection stations are a unique technology development in México that was patented by Grupo AlEn that, in alliance with different organizations, we will continue taking to new locations throughout Mexico.

RECICLAR  
PARA GANAR!



# We have integrated capabilities to give plastic a new life.

Since the beginning of our recycling operations, we have experienced a long journey full of challenges and accomplishments. While in 1995 we had a recycling line with a processing capacity of 50 tons of plastic per year, now we have two plants that recycle more than 50,000 tons of PET and HDPE — the equivalent of filling the Azteca Stadium twice. Furthermore, we also recycle Polypropylene to produce lids with recycled material.

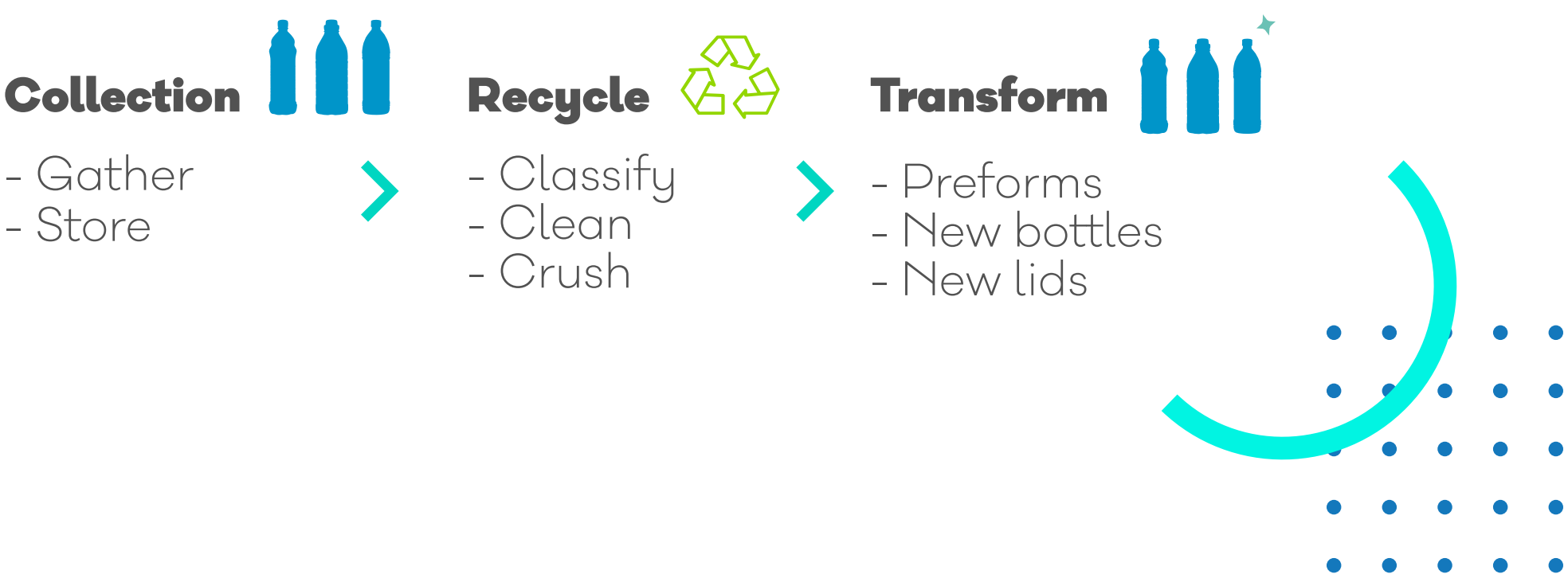
In order to develop integrated capabilities, we have invested in creating the necessary infrastructure to collect, store, classify, clean, crush and transform plastic into new bottles. We continuously invest in training our new employees who participate in the development of new recycling technologies, and the development of better containers and packaging. We also innovate in conjunction with our machinery suppliers by testing and improving the technical capabilities of the equipment that is installed at our plants.

Our work to achieve the production of containers made from recycled material has required the development of new operations. Through our two preforming plants and a lid-injection plant, we are able to give the recycled material a new life and use it to create new containers.

## Building a circular economy is everyone's responsibility.

The journey toward a circular economy includes reintegrating the waste that is generated by modern society into new productive processes. The main participation of Grupo AlEn in the construction of a circular economy in México can be seen in our investment in creating integrated capabilities that take advantage of PET and HDPE consumption as a valuable resource for the fabrication of new bottles — resulting in two benefits. First, it enables us to promote the preservation of natural resources within our operations, which in turn minimizes or eliminates the use of virgin materials in the production of containers. In addition, it provides communities with a feasible alternative to the inappropriate disposal of plastic in landfills, which results in the reduction of consumers' environmental impact.

## We participate in the entire recycling chain.







# We ensure the efficient and sustainable use of resources

Every one of our actions follows **values with commitment and respect** for the environment and the communities





# Our commitment to **the environment** is shown in our daily work

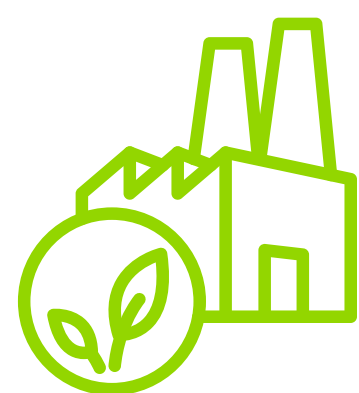
All of us who are part of the AlEn family are committed to building a more sustainable world for you. Besides incorporating biodegradable materials in our products and using recycled and recyclable plastic in our packaging, we are constantly innovating our operations in order to contribute to environmental preservation. To this effect, besides meeting the applicable regulations, we promote a culture of efficient usage of natural resources.

Our environmental-management system enables us to implement processes for continuous improvement of our environmental performance. For each one of our focus topics, we establish initiatives that help us have more efficient use of resources. We also follow up on the key indicators that measure our performance vis-à-vis the objectives that are set for each one of our operations.



## More-efficient electrical equipment

Throughout 2018, we developed engineering projects in our plants that led us to a more-efficient use of power. For example, we started a program where we substituted lamps for LED technology at different facilities. We also substituted equipment in our production lines at different plants that enabled us to reduce energy consumption, in addition to increasing production efficiency.



### At Plant Villahermosa

we were able to reduce the consumption of electrical power by more than 10% per ton produced thanks to the modernization of different equipment throughout the year.

## Waste Reduction

In 2017, we started implementing the Zero Waste Program with the purpose of developing alternatives to landfills or confinement processes for the waste that is generated in our operations. The program is already operating in all of our interest operations since 2018 — allowing us to separate waste effectively and deliver it to approved third parties for its recycling, use or valorization.



We decreased hazardous waste generated in all our operations by 10% vis-à-vis 2017.

## We reported our performance in regards to climate change to CDP for the fifth consecutive year.

In order to contribute to the objectives and our clients' programs, we participate in the CDP. Based on the requirements and feedback, we have improved our risk management that stems from climate change by implementing strategies that contribute to the efficient use of energy, reduction of emissions, comprehensive waste management, and making that the use of recycled and recyclable materials is more efficient. CDP is a nonprofit organization that runs the global disclosure system and manages the environmental impact and the effect on climate change for investors, companies, cities, states and regions.



# A comprehensive vision for the sustainable use of water

Water is an essential resource for our production processes and products, therefore, a comprehensive approach to its care is fundamental for our operations. In addition to reducing its consumption, we seek to reuse water as much as possible by integrating it in other processes and treating it at the end of the production cycle.

In 2018, through our Integral Water Program, we invested resources on the development of processes and installation of equipment that allowed us to continue improving the efficiency of our use of water in our production processes, packaging and cleaning. As a result, we were able to reduce water consumption by 23% per ton produced at the AlEn Industrial division in 2018 vis-à-vis 2017.

We continuously develop projects that focus on increasing the number of cycles in which residual water is reused. This task allowed us to decrease water discharges by 13% in 2018 compared to the previous year. Every location where we operate has treatment plants that enable restoring or purifying water at the end of the water-usage cycle to the same or to improved conditions than those in which the water was received.

At our recycling facilities, we have technology that allows us to reuse the water that is used in the plastic-washing process that the plastic we collect to manufacture new bottles goes through. At the Monterrey Plant, we have been able to continuously reuse more than 99% of the water we use. At the Querétaro Plant, we made investments in 2018 that allowed us to considerably increase the reutilization of water in the washing process.

Part of our commitment includes searching for new opportunities to make water usage more sustainable. For example, in 2018 we developed a process to incorporate water that is a subproduct of one of the production processes, as resource in the production of one of our products. Due to its optimum chemical qualities, this process allows us to reduce the quantity of water we send to treatment and the amount of new water to be consumed in the fabrication process.

- **We decreased water consumption by 23%** per ton produced at AlEn Industrial vis-à-vis 2017
- **We decreased water discharge by 13%** vis-a-vis- 2017







# We offer a Great Place to Work

**Grupo AlEn** is the home for many employees who share a common purpose of **building a cleaner and more sustainable world for you**

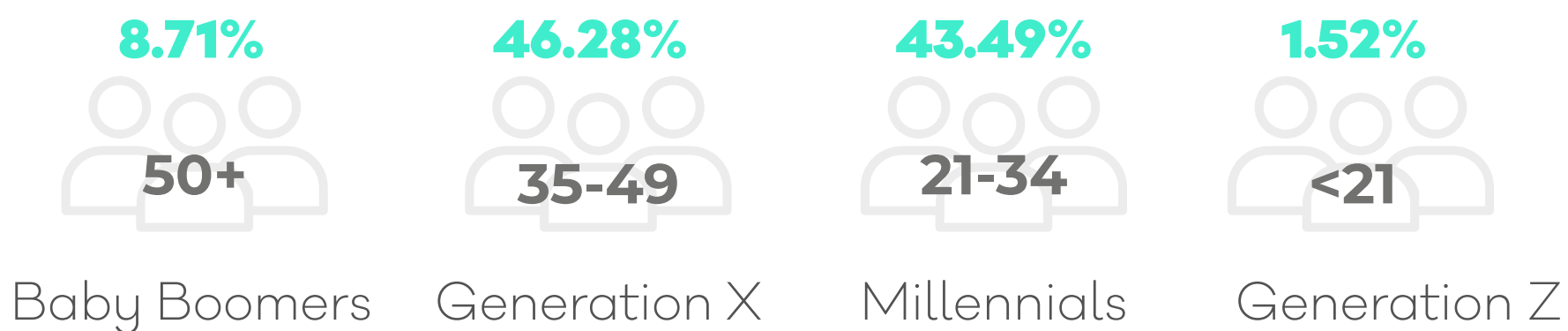


# We are proud of the people who shine at AlEn

We are an organization that is made up by individuals with great talent and love for what they do. The family created by our employees is the fundamental element in the success of our organization. Their knowledge, skills and attitudes, in conjunction with the broad opportunities for professional development that they can find within the company, make Grupo AlEn the best place to work.

Our employees are proud to be part of the AlEn family because we are an enterprise that remains congruent between what we say and what we do. An atmosphere of respect, inclusion, equal opportunities, collaboration, development and closeness with the executive team are part of our essence. All of this makes it possible for our people to shine at AlEn.

- +4,900 employees
- 30% women professionals.
- 7 years loyalty average.
- 15 nationalities.
- 4 generations.



## A diverse and inclusive enterprise

At Grupo AlEn, we respect individuals' dignity and diversity of opinions. We do not allow any type of discrimination, harassment, physical or psychological violence, or sexual harassment. We reject any behavior against dignity or any behavior that creates an intimidating, demeaning or offensive atmosphere.

It is the responsibility of every collaborator at Grupo AlEn to enforce respect of the individuality of people with whom we interact, including their personality, lifestyle, thinking processes, personal and work experience, ethnic origin, political orientation, religion, gender, sexual orientation, marital status, physical conditions, etc.

We are committed to basing our hiring and promotion processes on the principles of equal opportunity. In addition, we are accountable for carrying out positive actions that guarantee diversity in the work environment — which supports our economic, intellectual and ethical development.





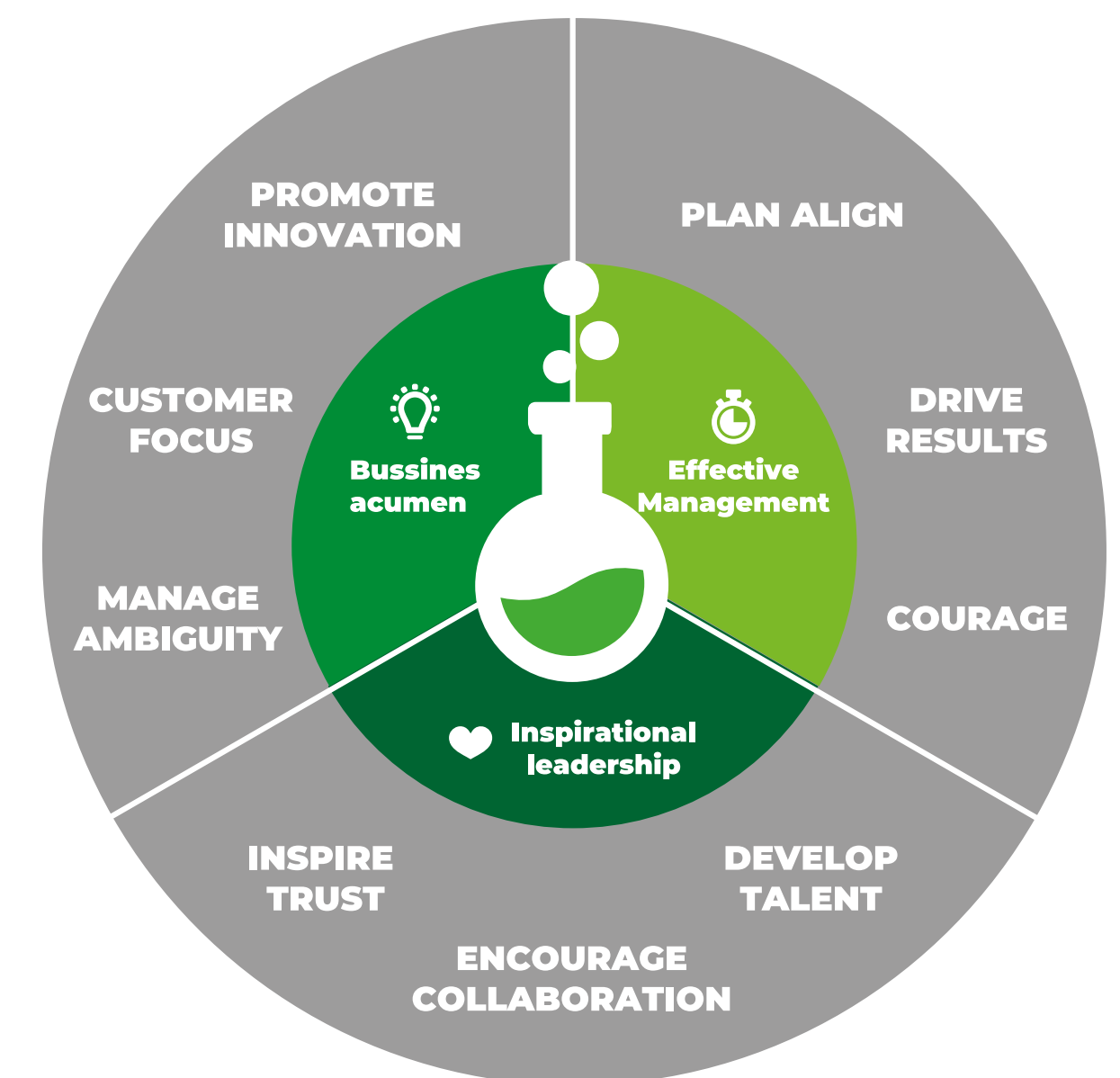
# AlEn Formula: Aligning everyone with the same objectives

In 2018, we completed a planning exercise with the purpose of renewing and aligning our strategic objectives throughout the company. We worked with the executive team, and later with management, to ensure that all employees and work teams participate in accordance to the organizational objectives.

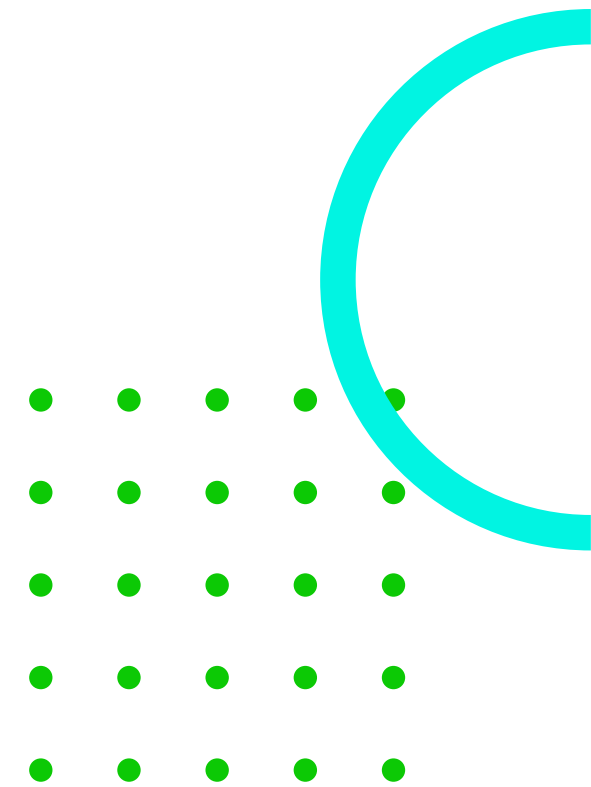
We also included the AlEn Formula in our performance assessment, which is a set of fundamental principles for the development of our company. We supplemented this by providing our employees with learning tools that promote behaviors that help strengthen the competencies that we all need in order to prepare ourselves for the future. We seek that, individually and in team work, all of our people apply the behaviors that distinguish and make us unique.

Measuring our employees' performance is important in order for us to learn if together we are meeting the company's objectives. In order to guarantee that the principles of the AlEn Formula are used on a daily basis, we strengthened our annual performance assessment procedure. Starting in 2018, it now includes measurement of the AlEn Formula behaviors, in addition to the traditional measurements of the individual business objectives.

## AlEn Formula for the growth of our company







## Moving Forward Together

Maintaining open and transparent communication with the executive team strengthens the alignment to the business objectives, sense of belonging and effective change management. We hold quarterly video conferences with all of our employees and the executive team to inform them of any relevant results of the business, to listen to their questions and concerns, and to provide on time answers.





# Feedback is fundamental in strengthening the work atmosphere

The biannual organizational-climate survey is one of our most effective procedures that we use to listen to our employees. The survey is done confidentially and anonymously and managed by an independent third party, it has a twofold objective — learning the level of employee satisfaction and identifying the areas of opportunity in our relationship with our employees.

In 2017, we obtained very positive results in the survey with a satisfaction index that is 10 points above the average level in the industry in México, and an improvement of three points vis-à-vis the previous survey.

Some of the topics with outstanding results and higher scores included:

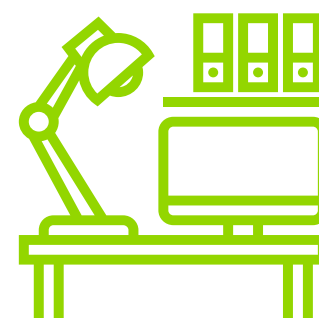
- Feeling pride in being part of the AlEn family
- A work atmosphere that based on values, respect and integrity
- Customer and consumer focus
- Focus on achievements and results
- Successfully competing against globally recognized companies

Once the areas of opportunity were identified, action plans were created for organizational climate in collaboration with the management team. Starting in 2018, we implemented two types of plans, including institutional initiatives that are relevant throughout the organization and action plans for microclimates with the purpose of improving specific matters in a specific department or location.





# Action plans that were launched as a result of the **organizational climate survey**



Work-life Balance	Parental Leave	Space Renovation	Targeted Training
Benefit of personal days, more vacation days for new incoming employees and new interactive activities.	Availability for extended leaves, additional days without pay, breastfeeding schedules, continuous work shifts with no break but earlier release and access to child care.	We transformed offices, furniture, cafeterias and common areas into spaces that facilitate work and collaboration.	We increased effectiveness and number of training hours through the online platform, which offers better supply and 24/7 access.

## We invest in the development of our talent

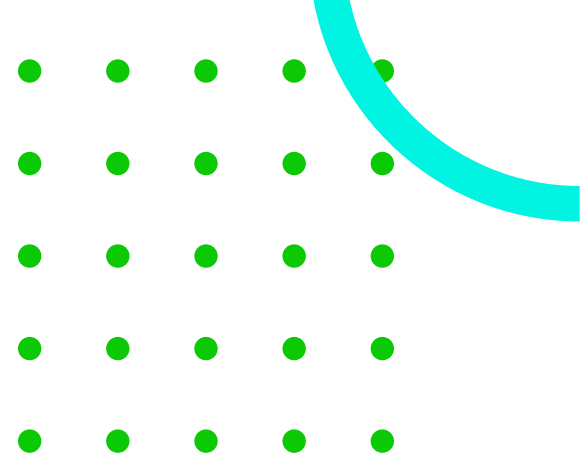
Grupo AlEn invests on training that is focused on best practices, which helps our employees improve their quality of work and increases our competitive advantage. In addition to formal training programs, we also promote the development of our people through experience, challenging projects and multiskilled work teams.

In 2018, we diversified our learning offering and advocated for our employees' self-development. Now, each collaborator may access thousands of online training resources along with their learning history. We increased the offering of online training courses and included our institutional courses in the offering (E.g., "Welcome Home," internal control, information security, industrial security and care for the environment).

**3,800** training courses | **95,000** hours of training | **91%** employee participation



# Our Training Program



## Strong foundation

**Welcome Home:** An onboarding program designed for new employees to learn our culture, operations and business objectives.

**Operational Training:** Operational employees participate in a continuous training program that is updated each semester.

**Leadership for Supervisors:** We create supervisors with strong leadership skills so that they are able to lead, plan, prioritize and motivate their work teams.

## Continuous education

**Scholarships:** We offer discounts for educational institutions so that our employees and their families may further their education at different levels.

**Get Abstract:** Employees at Grupo AlEn have access to this learning platform that contains thousands of summaries of books in formats that are easy to understand and with multi-platform access.

**Linked In Learning:** We partnered with one of the best global-learning platforms which has thousands of videos related to business, project management, human resources, finance, sales and technology.

## Excellence in what we do

**Operational Excellence:** Through activities, we reinforce the application of the AlEn Operational Excellence Model that governs the behaviors and tools for continuous improvement and helps us achieve the objectives that we establish.

**Innovation and Development Week :** More than 80 employees from the research and development area strengthened their technical abilities, lab practices and project-management skills.

**Sales School:** More than 50 executives and 400 promoters received training focused on reinforcing their commercial skills, driving excellence at work, and promoting their personal development.



# Safety, Health, and Wellness

At Grupo AlEn, we promote a culture of prevention in regards to safety and health. We have policies, procedures and programs with the purpose of maintaining the mental and physical well-being of our employees. The strong commitment from management, as well the culture and active participation of employees, are necessary elements for the success in our initiatives.



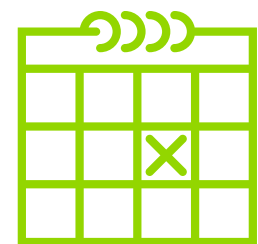
**Management:** Our plants meet the health and safety requirements indicated in regulations. Additionally, through the application of our Safety Management System, our operations are at different stages of the process of achieving Safe Enterprise certifications issued by the Labor Department.



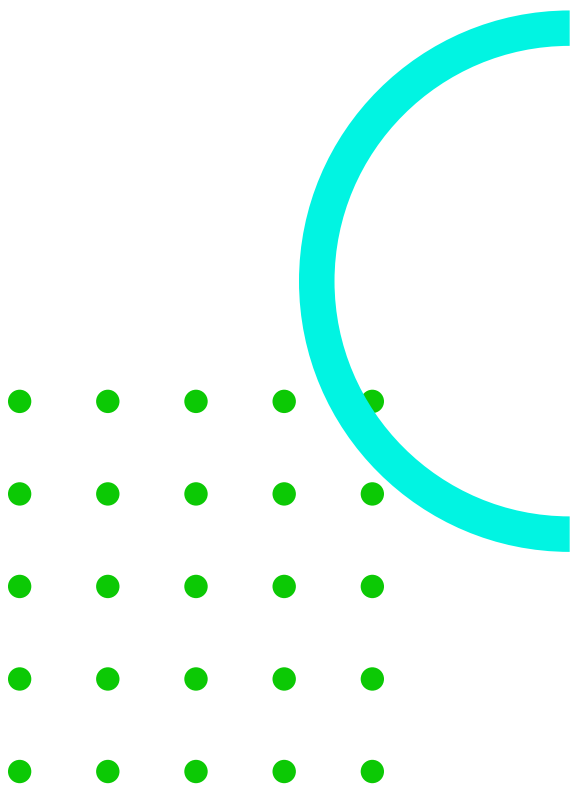
**Leadership:** Safety is lived from the leaders in the organization. Our senior and middle management teams receive training that enables them to promote safe practices with greater effectiveness among their work teams, as well as reacting faster and learning the root cause of any incident that may arise.



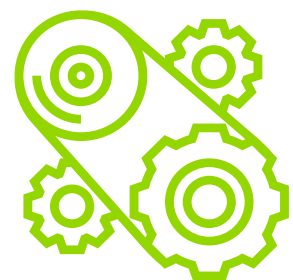
**“I Am Safety” Program:** This program is one of our key tools for promoting the culture of safety. It includes communication, training and activation initiatives, all of which provide relevant information and drive the adoption of safe practices.



**Safety Week:** We host a week where our employees, their relatives and our suppliers participate in demonstrations, workshops and attend expert conferences that promote the culture of safety in our operations.







**Safe Machinery:** We guarantee the correct operation of all our equipment. We acknowledge that safety is a concept that involves everyone and we have safety principles regarding the use of all machinery.



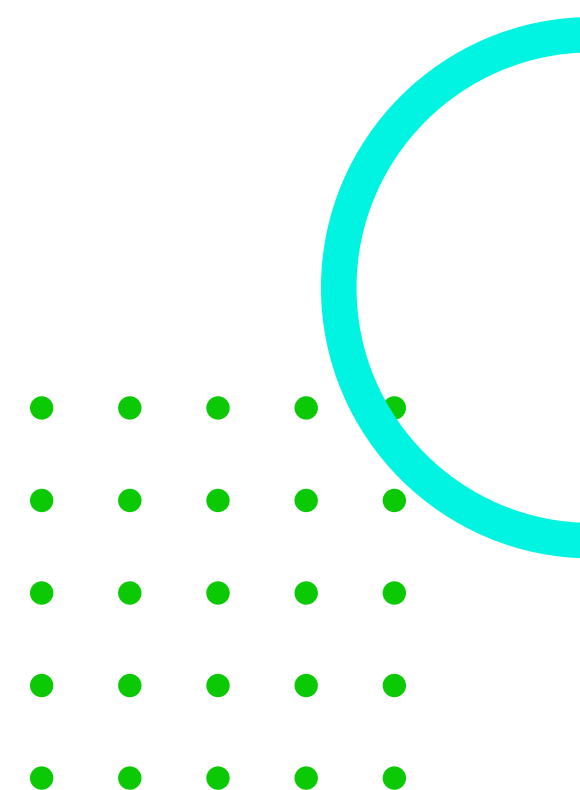
**Health Management:** Employees at Grupo AlEn and their families can enjoy free general and emergency medical consults. In addition, we provide access to periodical medical exams, health and awareness campaigns, ergonomics plans, and a well-being program.



**AlEn Brigades:** Each plant has an established emergency-response system and employees that are highly trained in first aid, evacuation, search and rescue, fires, and chemical contingency with the purpose of preserving the security and safety of the facilities and the surrounding communities.



**Inspections and Audits:** We have a multiskilled collaborator group that periodically tours, validates and makes recommendations in regards to the safety conditions of our operations. Additionally, we receive clients' audits, who verify our compliance with regulations and safety standards.





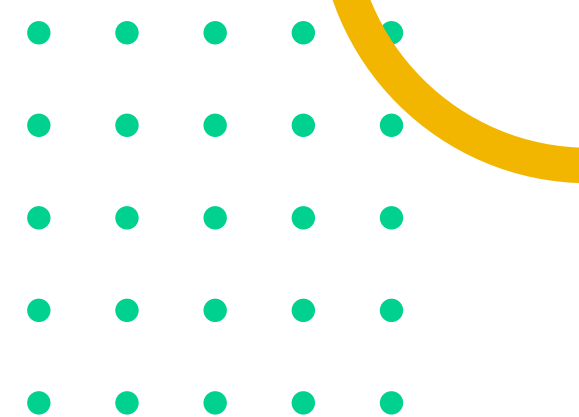


# We create social value hand-in-hand with the community

We work in collaboration with civil organizations and **AlEn Volunteers** to promote development in the communities where we live and work.



# 70 Years of action in favor of the community



Since its foundation in 1949, Grupo AlEn has continuously stood out due to its close involvement with the community and the altruistic spirit of its shareholders.

The constant growth of our company is even more significant when it is accompanied by 70 years of movements and projects in favor of the community. Achieving long-term positive impact requires connecting our social and environmental initiatives with the business strategy of our company.

From promoting the best practices in hygiene in Mexican communities through the collaboration of civil society to developing a model for recycled-plastic usage in the production of our bottles and the creation of jobs in México —Grupo AlEn is in continuous evolution toward building a cleaner and more sustainable world for you.

The results of our initiatives are possible thanks to our consumers' preference for our brands. Each time they select our products, they contribute to creating social value through our programs. By the same token, our employees act as change agents within and outside the organization. Thanks to their leadership and dedication, we are able to develop creative solutions for some of the most important challenges in modern society.



## A decade of being recognized as a Socially Responsible Enterprise

In 2018, we were recognized as a Socially Responsible Enterprise (ESR®) by the Mexican Center for Philanthropy (Cemefi; Centro Mexicano para la Filantropía in Spanish) and the Alliance for Social Responsibility of Enterprises (AliaRSE; Alianza por la Responsabilidad Social Empresarial in Spanish).

Receiving this distinction for the 10th consecutive year makes us feel committed to continue strengthening our social-impact programs, the environmental performance in our operations, and the recycling programs that we complete in unity with the community for more than two decades. In the future, we will continue to create new alliances with suppliers, clients, consumers and organizations that share our values — so that together we contribute to the creation of social and environmental value in our country.



# The **power of our brands** in favor of the community

We seek new opportunities to participate in initiatives that enable the improvement of the hygienic conditions and quality of life of the people.

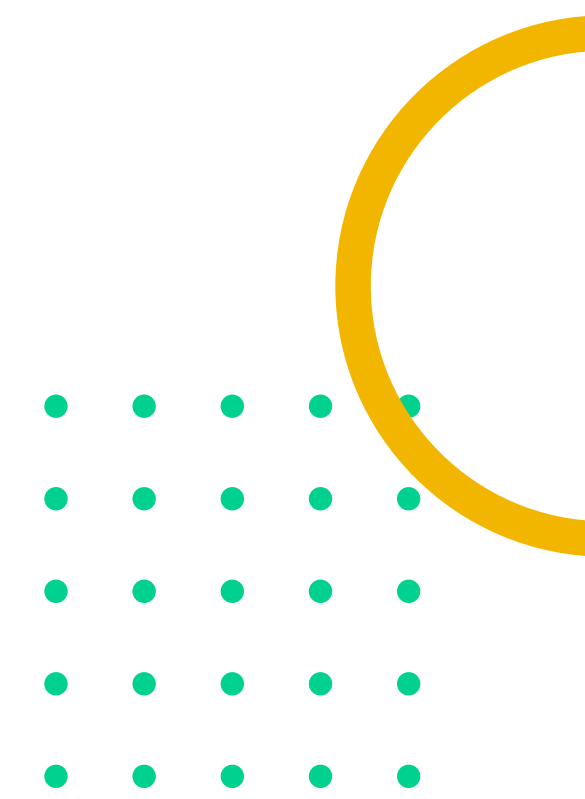
In 2018, committed to improving the wellness of the most-vulnerable communities, our brand Cloralex participated along with COFEPRIS to distribute essential health information through the “6 Steps to Health Through Prevention” program. The program is recognized by the Education Ministry in México and validated by the National Council for Standardization and Certification of Labor Practices.

As part of our participation, Grupo AEn donated education material based on the “Notebook on Tips on Health with Prevention” developed by COFEPRIS to 9,200 health promoters. With this, we multiplied the teaching abilities at educational and health institutions, both in the public and private sectors, throughout the country.

During the donation ceremony, Commissioner for COFEPRIS Julio Sánchez y Tépoz recognized the support of Grupo AEn. In addition, he appreciated our participation during other emergency situations where some of our brands — such as Cloralex, the only chlorine supported by the Mexican Epidemiology Association — has become the hygiene solution for preventing diseases such as cholera or chikungunya.

**With the participation of Cloralex, 6 million people benefited from the improvement of their hygiene conditions with the “6 Steps to Health Through Prevention” program.**

Cloralex is a brand sold only in Mexico, in the United States it is known as Cloralen.





# Fundación ALEn

In 2017, the company took an important step in its commitment with the development of the communities where we live and work by the creating of **Fundación ALEn**, in order to integrate strategic philanthropy criteria in our initiatives for social investment.

The purpose of the foundation is to increase the impact of social projects in which ALEn participates by teaming up with the appropriate civil society organizations in order to benefit more people. In order to meet the foundation’s purpose in a comprehensive, balanced and sustained manner, the operation of the foundation is supported by policies and processes which are online with the best transparency practices and standards and donation issuance.

In the 2018 call, the foundation supported **52 organizations** that helped transform the life of more than **360,000 people** in one of the four causes which are part of its action platform of wellness, environment, education and community development.

## Causes supported by Fundación ALEn:



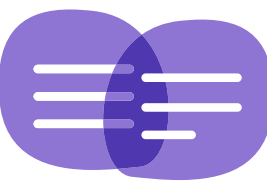
### Wellness

Promote a culture of cleanliness and hygiene through our products.



### Environment

Foster the sustainable use of natural resources and preservation of green spaces.



### Education

Support spirit of entrepreneurship and innovation.



### Community Development

Empower the communities and provide support to people affected by natural disasters.

**+360,000**  
people benefited



To learn more about Fundación ALEn, click here.  
<https://www.grupoalen.com/es/fundacion-alen/>





# An insight to **Fundación AlEn's** 2018 initiatives

## **Instilling wellness, cleanliness and good habits**

Grupo AlEn's donation helped Casa Hogar para Varones de Mexicali A.C., an orphanage for males in the city of Mexicali, maintain its facilities clean, safe and disinfected. The best living conditions can help children learn that a clean living space contributes to being healthy and helps create habits that they will be able to replicate.

## **Restoring public spaces in communities**

Our AlEn Volunteers collaborated closely with communities and Sociedades Sostenibles A.C. — an organization that develops environmental and social projects in local communities — to restore urban ecosystems by replanting green areas and preserving native and endemic species in the Mexican state of Nuevo León. In 2018, we supported more than 2,800 square meters with this initiative that fosters harmony between society and the environment.

## **Promoting talent that translates into opportunities**

We believe that education generates opportunities and is the foundation of development. For the third consecutive year, through Fundación AlEn, we supported the professional education of our employees' children by granting scholarships that would cover up to 90% of the cost of pursuing a professional degree. In 2018, we awarded two scholarships to study the degrees of industrial engineering and engineering in business management at Universidad de Monterrey. After heavy

## **Aiding people harmed in Sinaloa and Nayarit**

rains in 2018, a state of emergency was declared in the Mexican states of Sinaloa and Nayarit. Through Fundación AlEn, we helped bring more-hygienic conditions to the families who saw their homes affected. In total, we donated 1,000 boxes filled with cleaning and disinfecting products, including Pinol, Cloralex and Blancatel®, that were delivered to the Collection Center to be distributed to the impacted zones.

## **Scoring goals with a cause**

In 2018, the goals scored by the professional soccer team Rayados Monterrey Team had a very special purpose. Through Fundación AlEn, each goal that was scored helped support medical studies and treatments that improve the quality of life of children and young people through "Fundación Besitos Salados," a foundation that supports patients of cystic fibrosis, and "Cardiochavitos," an association that supports children with congenital cardiopathies.





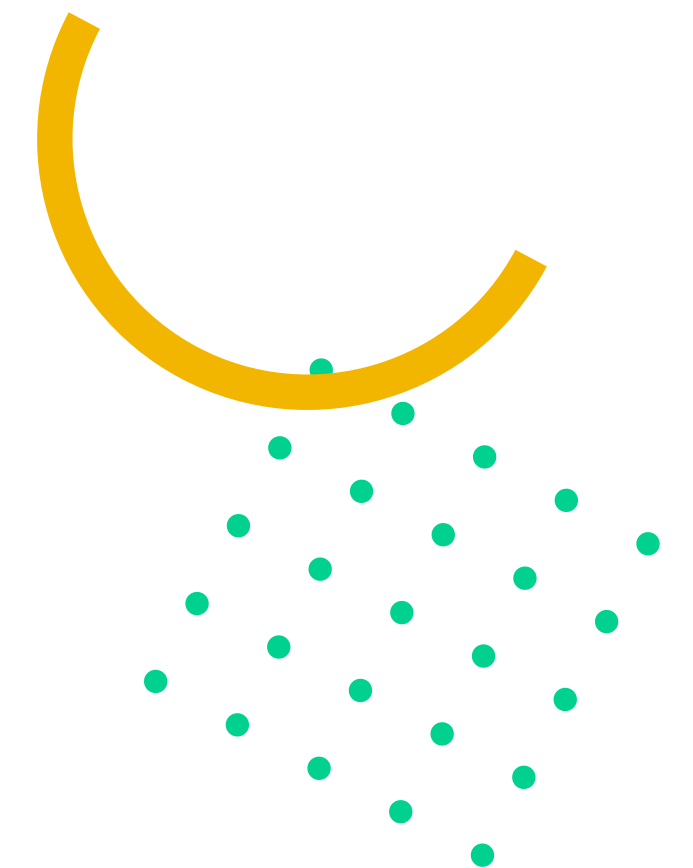


## The Pink Campaign

Every year, thousands of women are diagnosed with breast cancer, an illness in which time and early detection are a powerful tool because they contribute to recovery in 90% of the cases. Every October, Grupo AlEn joins different awareness campaigns that promote early detection and provide support women who face this illness.

In 2018, our brands in México launched the campaign, “Show you care, be aware” at our points of sale, social networks profiles and internal communication channels to provide more information about the illness and the appropriate ways for detection. AlEn USA also joined this effort by providing funds to Susan G. Komen®, an association that addresses people with breast cancer and supports the research to find its prevention and cure.

Internally, we broadcasted an educational conference to all our operations at a national level that provided more information about breast cancer. Additionally, thanks to the donations received from employees who purchased pink products, we supported women who are fighting against cancer with the support of Unidas Contigo A.C., an organization that provides workshops and leadership to women who have been diagnosed.





# AlEn Volunteers

**Grupo AlEn** employees live our purpose by offering their time and talent to participate in different social and environmental projects in the communities where we are present. In 2018, AlEn Volunteers supported a variety of causes, including cleaning public spaces and schools, providing support to breast cancer patients, environmental-awareness presentations, and more.

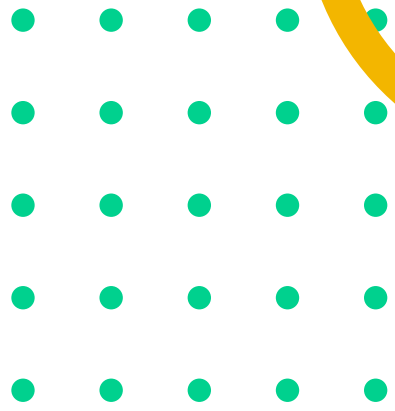
In 2018, we carried out the **“Comparte Felicidad”** program — a journey where more than 800 Grupo AlEn employees shared happiness and joy with children and seniors by visiting 55 orphanage homes, senior homes, community centers, childcare centers, and hospitals in 26 cities in México and the United States where they delivered approximately **2,000 presents**.



**+3,500**  
volunteering par-  
ticipations



**+5,000**  
volunteer hours





## Earth Week

The best way to celebrate **International Mother Earth Day** is by engaging and taking action. For a whole week in 2018, we carried out initiatives in favor of the environment throughout our operations with our employees and their families, civil society organizations, and our communities.

The journey started with the national broadcast of a workshop designed to teach people about the effects of climate delivered by The Climate Reality Project, a nonprofit organization founded in **2006** by former United States Vice President Al Gore.

During the rest of the week, **Grupo AEn** employees and their families participated in volunteer activities, workshops, eco-challenges and initiatives that promoted families coming together, including saving water, taking advantage of reusable bags and carpooling. In addition, we collaborated with the Vida Silvestre A.C., an organization that promotes the preservation of wildlife, to adopt endemic trees with the purpose of increasing green areas in the urban zones in the country.

**AEn Volunteers** provided their hands in a variety of initiatives, including:

- Reforesting and maintenance of Integral Education Center No. 1 in Villahermosa, México.
- Donation of endemic trees and AEn products for Mariano Azuela Elementary School in México City.
- Rehabilitation and maintenance of the Youth Institute in Puebla, México.
- Rehabilitation of sports fields at Conchita Becerra de Celis Elementary School in Guadalajara, México.
- Replanting and cleaning Eugenio Canavatti Park located in Santa Catarina, México, in collaboration with Sociedades Sostenibles A.C., an organization that develops environmental and social projects in local communities.
- Maintenance and reforesting of green areas in the 5 de Mayo Elementary School in Querétaro, México.

**All of these activities unite us as AEn family and strengthen our commitment to building a cleaner and more sustainable world.**





A photograph of two women with long dark hair, one of whom is smiling broadly while looking at a tablet held by the other. The image is partially obscured by a large blue circle on the left and a green semi-circle on the right. The background of the slide is purple with decorative elements: a grid of green dots in the top right, a grid of blue dots in the bottom right, and a thick cyan curved line in the bottom right corner.

# We work with ethics and integrity

We strongly believe that a work culture that is based on **ethical principles** contributes in generating identity and pride and increasing value for all our stakeholders.



# Code of Ethics

Our Code of Ethics is a guideline that promotes high behavior standards, in order to preserve the Grupo AEn's integrity and philosophy. The code requires the commitment and responsibility of every member of the organization in order to ensure the correct completion of our activities. It is focused on Grupo AEn, its affiliates and subsidiaries, and it regulates the behavior models that apply to our employees, clients, consumers, shareholders, communities, competitors and government.

It is the formal responsibility of all Grupo AEn to become familiar with the Code of Ethics and the company policies applicable to the work that they perform. The Code of Ethics was updated in 2018 to make the expected behavior standards clearer and complete. In addition, we carried out a campaign so all of our employees would read and reaffirm their commitment to the Code of Ethics.

Noncompliance of the Code of Ethics may lead to different types of penalties that are dependent on the severity of the violation committed. If there is a question about a potential fault or violation to the code, the Ethics Committee will evaluate the evidence available before the appropriate penalty is enforced.

If there is knowledge or suspicion about a situation against what is established in the Code of Ethics, it is the collaborator's obligation to report it through the reporting line. This mechanism is managed by a third party, who confidentially and anonymously gathers the necessary information so that the internal audit and human resources departments, supervised by the Audit Committee and Ethics Committee, carry out the appropriate investigation and take the necessary steps for each situation. You may report potential failures to comply with the established Code of Ethics to a third party to any of the following channels.

## Mexico:

Phone: **800 062 3171**

Visit: **<http://www.ethic-line.com/ALEN>**

E-mail: **[alen@ethic-line.com](mailto:alen@ethic-line.com)**

## U.S.A.

Phone: **1-888-238-3343**

Website: **<http://www.ethic-line.com/ALENUSA>**

E-mail: **[alenusa@ethic-line.com](mailto:alenusa@ethic-line.com)**

See the updated Code of Ethics by visiting **<http://grupoalen.com/es/codigo-de-etica/>**







# About our report

Grupo AlEn publishes a Sustainability Report to inform our stakeholders about the main environmental and social achievements of the company, along with the principles and ethical values that guide the economic performance of the organization.

## Report cycles

This is the fifth Sustainability Report from Grupo AlEn, which covers results for calendar year 2018. The company publishes an annual report. The previous one was published in September 2018. In order to review previous reports, please visit: <http://grupoolen.alen.com.mx/es/sustentabilidad/>.

## Report limits

In the development of the 2018 report, we included information about the operations that we control. There were no significant changes that imply a substantial modification in the scope of our report during the year.

## Focus topics

We based the priority issues for the report on the strategic planning process of the company, the Grupo AlEn Sustainability Model and the most-recent Materiality Analysis. To review the conclusions of the Material Analysis, please visit page ###.

## Information-gathering process

The information in the current report stems from the internal management systems of the company, the communication materials developed during the year and the interviews carried out with organization executives.

## Measurement and verification techniques

Grupo AlEn established measurement techniques for performance indicators and the results of our initiatives in order to follow up to the performance of the organization. We did not carry out an external verification of our Sustainability Report.

## Inspired by GRI's reporting standards

We used Global Reporting Initiative's standards for the development of sustainability reports without an option "of conformity." For more information regarding GRI, please visit their web page.

## Share your comments

We want to continue working with you for a cleaner and more sustainable world. Share your comments regarding the current Report by emailing us at [sustentabilidad@alen.com.mx](mailto:sustentabilidad@alen.com.mx)



