



alfa

2012 SUSTAINABILITY REPORT

# THE COMPANY

**ALFA** comprises five business groups: Alpek (petrochemicals), Nemark (high-tech aluminum auto components), Sigma (refrigerated food), Alestra (telecommunications and information technologies), and Newpek (natural gas and hydrocarbons).

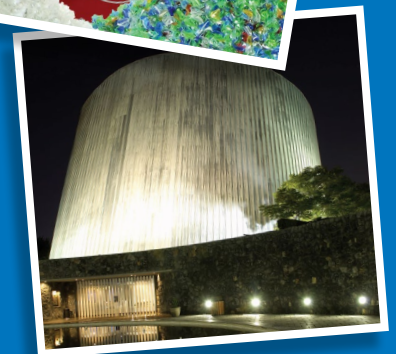
ALFA is the largest producer of aluminum engine components for the automotive industry in the world, and one of the world's largest producers of polyester (PTA, PET and fibers). In addition, it leads the Mexican market in petrochemicals such as polypropylene, EPS and caprolactam. It is the leading maker of processed meats in North America, and of cheeses in Mexico, as well as in the telecommunications and information technologies (TI) services for the business segment in this country.

**ALFA USES NATURAL GAS AS A SOURCE FOR 90% OF THE ENERGY CONSUMED IN ITS OPERATIONS.**

**IT IS THE LARGEST PROCESSOR OF RECYCLED ALUMINUM IN NORTH AMERICA AND ONE OF THE LARGEST IN THE WORLD.**

**PARTNER IN ONE OF THE LARGEST PET CONTAINER RECYCLING PLANTS IN NORTH AMERICA.**

**SPONSORS ALFA PLANETARIUM, ONE OF MEXICO'S LEADING INTERACTIVE MUSEUMS, WHICH WELCOMES MORE THAN 320,000 VISITORS A YEAR.**



# LETTER FROM THE CHAIRMAN OF THE BOARD AND THE PRESIDENT

For the ninth consecutive year, we are pleased to share our company's Sustainability Report with you. This document outlines the most important actions taken in 2012 to continue operating in a responsible and sustainable manner.

Even though the world's financial environment was difficult in 2012, our companies performed well by benefiting from the trends in the markets we serve, particularly the automotive industry and consumer products in the U.S. and Mexico.

We made substantial progress in the area of sustainability. Our priority continued to be the health, safety and development of our employees. We strengthened wellness, nutrition and safety programs. As a result, in 2012 we reduced the frequency rate and seriousness of accidents in our plants.

In order to increase the impact of its actions in the community, ALFA Foundation launched a major educational project in Monterrey, Mexico. It is aimed at supporting the academic development of young people through the stimulation and reinforcement of their preparation, so that they are better suited to successfully complete their studies.

We worked on running increasingly cleaner operations. Our energy efficiency and emission reduction programs, in place for several years, continued to bear fruit. In Veracruz, Mexico, we began building the first of three power and steam cogeneration plants that will make us even more efficient.

Also, we started up two major water and waste management projects. To improve our performance regarding water consumption, we created the ALFA Water Committee. Regarding waste management, three more DAK Americas plants reached the "zero waste" objective, while four ALFA plants in Mexico began pilot programs of the same type.



Our Sustainability Committee served as a central forum for generating ideas, creating synergies, transferring best practices among the ALFA companies, and working to strengthen a long-term sustainability strategy. We also published our Code of Ethics to reinforce the ethical values and business philosophy that we have practiced since this company was founded.

This coming year presents major challenges. Economically, the global scenario for 2013 remains uncertain. Environmentally, new regulations in some countries and the decreasing availability of water in certain regions have become increasingly important issues.

Nevertheless, we at ALFA firmly believe that challenges are also opportunities which we must capitalize with effort, dedication and perseverance. These attitudes have been the pillars of our work ethics throughout our history and have enabled us to attain a position of leadership and commitment as a responsible corporate citizen, in the interests of our employees, of the clients that honor us with their preference, and the communities that welcome us.

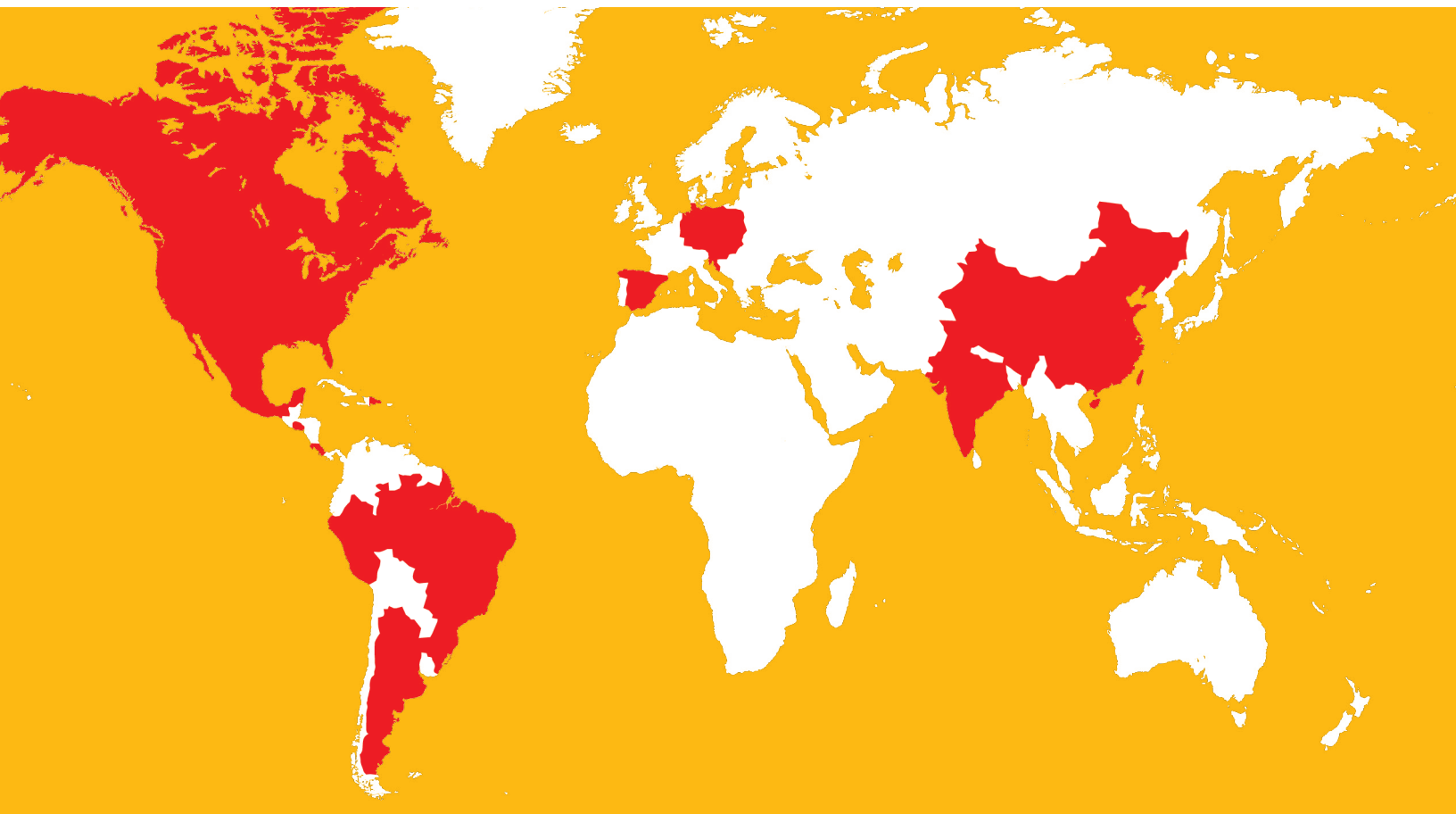
San Pedro Garza García, N.L., Mexico, January 31, 2013

**Armando Garza Sada**  
Chairman of the Board of Directors

**Álvaro Fernández Garza**  
President



# GLOBAL FOOTPRINT



**REVENUES: U.S. \$15,152 MILLION**  
**EMPLOYEES: 59,847**





ALFA COMPRISES FIVE BUSINESS GROUPS:



The largest private petrochemical company in Mexico. The leading producer of polyester (PTA, PET and fibers) in North America. Operates the largest plant of expandable polystyrene (EPS) in the Americas. Sole producer of polypropylene and caprolactam in Mexico.

The largest producer of aluminum engine components for the automotive industry in the world.

The leading company in the processed meats market in North America. The leading producer of cheese in Mexico.

A leading company in the telecommunications and IT services for the business segment in Mexico.

Company engaged in the exploration and exploitation of natural gas and hydrocarbons.

### HIGHLIGHTS

PLANTS:  
34, IN 14 COUNTRIES

CAPACITY:  
48 MILLION EQUIVALENT HEADS PER YEAR

EMPLOYEES:  
20,099

### HIGHLIGHTS

PLANTS:  
34 AND 133 DISTRIBUTION CENTERS, IN NINE COUNTRIES

CLIENTS:  
440,000

CAPACITY:  
1.25 MILLION TONS PER YEAR

EMPLOYEES:  
29,022

### HIGHLIGHTS

PRESENCE:  
200 CITIES IN MEXICO

EMPLOYEES:  
1,748

### HIGHLIGHTS

PLANTS:  
20, IN THREE COUNTRIES

CAPACITY:  
6.5 MILLION TONS PER YEAR

EMPLOYEES:  
4,675



# OUR SUSTAINABILITY VISION

For ALFA, generating value through sustainable development is fundamental to the growth of the company. In addition to creating economic value, ALFA seeks to promote the well-being and advancement of its employees and communities, and to operate in harmony with nature. ALFA has followed this principle for almost 40 years, and is convinced this is the only way to build a more promising environment for current and future generations.

## GLOBAL COMPACT

Since its founding in 1974, ALFA has assumed the commitment of being a responsible company toward its associates, the community and the environment. In pursuit of this principle, every year since 2006 ALFA has signed the UN Global Compact, an initiative that promotes social and economic development, as well as universal values. ALFA is committed to keep on carrying out its activities within the framework of the ten principles of the UN Global Compact.

## ALFA'S SUSTAINABILITY EFFORTS ARE BASED ON FOUR PILLARS:

### ECONOMIC

To reach adequate business returns, commensurate to the investments made and the risks taken.

### INTERNAL WELL-BEING

To promote the health, safety and development of employees.

### COMMUNITY

To be a responsible citizen towards the community.

### ENVIRONMENT

To reduce emissions into the air, soil and water.





# MISSION

Become a source of pride for our workers and shareholders; exceed stakeholder expectations through leadership, innovation and long-term exceptional performance.

# VISION

Commitments with our stakeholders:

**STOCKHOLDERS** Achieve outstanding long-term value creation through profitable growth, continuous portfolio optimization and careful investment in new opportunities.

**EMPLOYEES** Be a great place to work. Attract and develop the best talent, motivating them to achieve their full potential.

**CLIENTS** Exceed expectations with superior experiences and innovative offerings.

**SUPPLIERS** Build long lasting mutually beneficial relationships.

**COMMUNITY** Encourage safe and sustainable operations. Contribute to the development of our communities.



# VALUES

**INTEGRITY** Our actions are governed by our commitment to ethical conduct and social responsibility.

**RESPECT AND EMPATHY** We consider diversity as a strength. We seek to incorporate individuals with different backgrounds and experiences. We aspire to provide a work environment that promotes trust and cooperation.

**RESULTS ORIENTED** We are committed to value creation and to the continuous improvement of our businesses. All our employees embody a personal commitment to improving the performance of the company.

**INNOVATION AND ENTREPRENEURIAL APPROACH** Encourage and reward innovation and development of new business opportunities.

**CLIENT BASED** Dedicated to exceeding our clients' needs.

# CODE OF ETHICS

In 2012, ALFA formally drafted and released its Code of Ethics. This document explicitly establishes guidelines for the behavior it expects from its companies and employees. The Code is available at [www.alfa.com.mx](http://www.alfa.com.mx)

# STAKEHOLDERS

ALFA promotes a close working relationship with all its stakeholders, and is convinced that its development is directly linked to these groups. The company strives to maintain an ongoing dialogue with each group, in order to understand and respond to their concerns and establish initiatives for mutual benefit.



# YES

# TO THE FULL ADVANCEMENT OF OUR EMPLOYEES

At ALFA, sustainability begins at home, with its own employees. ALFA recognizes the contribution its employees make to achieve the company's goals, and is aware that without their efforts it could not have built its present state nor aspire to a better future. The company strives to provide them with a safe and secure workplace environment, opportunities for advancement, and a healthy balance between work and family life.



# 18.4%

REDUCTION IN THE  
ACCIDENT RATE AND 9.2%  
IN THE FREQUENCY RATE.

# 2,909

COURSES AND 27 AVERAGE MAN-HOURS  
OF TRAINING TO DEVELOP THE SKILLS AND  
POTENTIAL OF EMPLOYEES.

# 3,494

CHILDREN OF ALFA EMPLOYEES  
RECEIVED COMPANY SUPPORT  
FOR THEIR STUDIES.



## HEALTH AND SAFETY

- Polioles Altamira, DAK Americas Cosoleacaque and DAK Americas Argentina completed their fifth, third and third years, respectively, free of lost time injuries.
- Nine work centers completed a year or more with no lost time injuries.

## DEVELOPMENT AND TRAINING

- Sigma University has 13 schools offering 11 programs, 10 workshops and 36 clinics that provide service to all areas of the company.

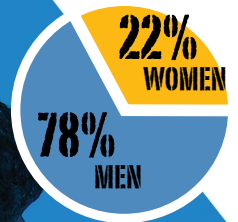
## WORK-FAMILY BALANCE

- 24 Sigma work centers received the "Family-Responsible Company" award.
- 30,000 participants in sporting, social, cultural and family development events organized by Nemak Mexico.

## EQUAL OPPORTUNITIES

- Programs like the Equal Employment Opportunity Policy at DAK Americas and Incorporation of Women and Inclusive Business at Nemak Mexico demonstrate ALFA's commitment to build an increasingly inclusive workforce.

## EMPLOYEES BY GENDER



265

PEOPLE WITH DISABILITIES WORKED AT ALFA IN 2012, 114 MORE THAN THE PREVIOUS YEAR. NEMAK BRAZILLED THIS NUMBER WITH 68, AND SIGMA WITH 67.



# YES

## TO THE QUALITY OF LIFE OF OUR COMMUNITY

ALFA encourages a relationship of trust with the communities where it operates, striving for mutual benefit in all cases. The company promotes the development of the community through various initiatives, such as support for educational institutions and social programs, as well as volunteer work. In this way ALFA contributes to the goal of generating sustainable development.



# 15,000

STUDENTS BENEFITED THROUGH ALFA'S SUPPORT OF 123 SCHOOLS.

# 5,273

PEOPLE PARTICIPATED IN COMMUNITY EVENTS ORGANIZED BY ALFA.

# 3,964

MAN-HOURS OF COMMUNITY WORK WERE CONTRIBUTED BY 1,223 ALFA EMPLOYEES IN SUPPORT OF DISADVANTAGED COMMUNITIES.



### COMMUNITY ENGAGEMENT

- Nemak Canada and Nemak Wisconsin supported the United Way, while Nemak Tennessee participated in Habitat for Humanity and the Food Drive initiatives, focused on building homes and collecting food for poor families, respectively.



## EDUCATION

- 114 collaboration and research agreements with universities and technical schools, benefiting 1,313 students.
- 704 outstanding students completed their internship at ALFA work centers in 2012, 53 more than in 2011.

## COMMUNITY DEVELOPMENT

- 700 community members benefited from events held by Nemark Argentina, and 500 students took part in the Nemark soccer tournament organized by Nemark Hungary.

## SOCIAL PROGRAMS

- 847,402 tons of Sigma products donated to the Food Bank.
- \$6'960,189 Mexican pesos donated by Sigma and its employees to the Teleton in Mexico, an institution that helps children with physical disabilities.



51

SOCIAL ASSISTANCE  
INSTITUTIONS SUPPORTED  
BY ALFA COMPANIES.

# YES

# TO ENVIRONMENTAL CARE

ALFA develops strategies for reducing the impact of its operations on the environment. In 2012, it continued to promote energy efficiency and emission reduction programs. Moreover, it began projects to improve performance in water management and waste disposal.



## WASTE MANAGEMENT

- Three more DAK Americas plants in the U.S. (Cedar Creek, Cooper River and Columbia) reached the “zero waste” goal in 2012.
- Four ALFA plants in Mexico (Nemak, Polioles Lerma, Terza and Sigma Noreste) began waste elimination pilot programs.

## RECYCLING

- 483,000 tons of recycled aluminum were used in Nemak processes. This avoided the emission of 4.83 million tons of CO<sub>2</sub>, equivalent to the emissions of 1.89 million cars in one year.
- Clear Path Recycling, a joint venture between DAK Americas and Shaw Industries in the U.S., recycled 54,432 tons of PET containers, saving 327,000 m<sup>3</sup> of sanitary landfill and 1.1x10<sup>6</sup> GJ, equivalent to the consumption of 11,370 U.S. households.

## VALUE CHAIN

- Nemak Mexico and Sigma took part in the Environmental Leadership Program for Competitiveness, whose objective is to increase efficiency and competitiveness of small and mid-sized businesses through environmental efficiency projects. Sigma led this effort, involving 57 of its suppliers, and Nemak Mexico brought this project to 11 suppliers.



## ENVIRONMENTAL AWARENESS

- 44 schools and 5,000 students celebrated Earth Day, an event organized by DAK Americas, in which employees offered talks and information about the benefits of recycling.
- 6,635 employees of Nemak Mexico participated in conferences, exhibitions and presentations on the subject of recycling and biodiversity, offered by the company as part of its Health, Safety and Environmental Management System.



## ENERGY

- In 2012, ALFA consumed  $32.9 \times 10^6$  GJ of energy from the use of fossil fuel, of which 90% was generated with natural gas, the cleanest fuel source. In 2010 and 2011, these percentages were 78% and 85%, respectively.

	2012	2011
ENERGY CONSUMPTION	$32.9 \times 10^6$ GJ	$31.0 \times 10^6$ GJ

- $4.7 \times 10^6$  GJ of energy saved through energy efficiency projects, 7% more than in 2011. This is the equivalent of the consumption of 449,943 Mexican households in one year.
- Alestra introduced the "Green Grid Guidelines" standard at its data centers, including a switch to movement-activated LED lighting and the isolation of cold and hot corridors, among others, saving a total of 600,000 kWh in the year.



## EMISSIONS

- ALFA began building a dedicated power and steam cogenerating plant in Veracruz, Mexico, which will generate energy more efficiently and cleanly. With a capacity of 97 MW, this plant will avoid the emission of 100,000 tons of CO<sub>2</sub> a year, equivalent to taking 46,000 automobiles off the road in the same period.

TONS CO <sub>2</sub>	2012	2011
DIRECT	2'356,623	1'980,000
INDIRECT	1'691,347	1'615,000
TOTAL	4'047,970	3'595,000

## BIODIVERSITY

- Wildlife at Work certified the DAK Americas Cape Fear plant for its wildlife habitat management program, which has 100 refuges for birds of different species.
- Petrotex Mexico has 300 hectares of buffer zones, which have been preserved and reforested to continue functioning as a natural habitat.

## WATER

- 40 wastewater treatment plants processed 22,464 m<sup>3</sup> of liquid, equivalent to the consumption of 281,500 people during one year





# YES

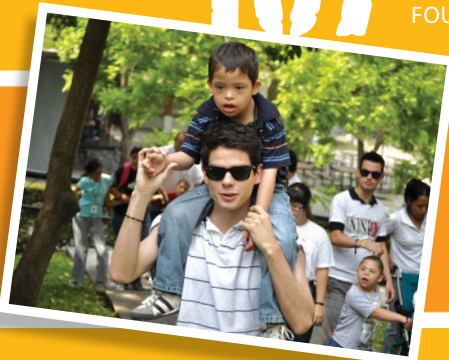
# TO EDUCATIONAL SUPPORT

*alfa* fundación

In 2011, this institution sponsored by ALFA and its companies, redefined its goals and strategies to focus its efforts on the area of education, aware that this is the most efficient way to transform the future of society.

# 157

EDUCATIONAL AND SOCIAL ASSISTANCE INSTITUTIONS SUPPORTED BY THE FOUNDATION.



# 77

EVENTS HELD BY THE ALFA PLANETARIUM.

# 323,112

VISITORS INCLUDING 103,353 SCHOOL CHILDREN.





As a result, in addition to supporting teaching institutions at all levels and regions, the company launched an important educational project aimed at empowering and maximizing the efforts of talented youngsters in high school who live in disadvantaged areas in Monterrey, Mexico. In 2012, the characteristics and scope of this project were set forth in detail.

Phase one of this project will start up in the first half of 2013, attending its first group of students. In this phase, extracurricular centers will be created where youngsters can receive additional preparation to complement their academic work. Through these centers, ALFA Foundation seeks to strengthen the development of young students' many capacities.



More than 70,000 plastic bottlecaps were donated by visitors to ALFA Planetarium, to create a 58 m<sup>2</sup> mural called "Water and Us", in celebration of the "UN International Year of Water Cooperation in 2013". The bottlecaps were later recycled and the proceeds went to support child chemotherapy treatment through AMANEC, A.C.



### **DINOSAURS: EGGS AND BABIES**

An interactive experience in which the public got a first-hand look at the prehistoric world through exploration stations and observation of dinosaur fossils, nests and eggs. The experience included a paleontology course for children.

### **MATISSE - PICASSO**

A workshop through which visitors learned about two of the most important artists of the 20th century, visited their studios, and discovered their art and pictorial innovation through interactive activities that helped them understand their creative process.

### **CURIOUS GEORGE "LET'S EXPLORE"**

This interactive temporary exhibition encourages kids' natural curiosity while they experiment and explore basic concepts of mathematics, science and engineering, just like the famous children's book character "Curious George".

# GRI INDEX

GRI	CONTENTS	2012	REPORTED
<b>STRATEGY AND ANALYSIS</b>			
1.1	Statement from Chairman of the Board and the President.	<p>See 2012 Sustainability Report, page 1.</p> <p><b>IMPORTANCE OF SUSTAINABILITY FOR ALFA</b></p> <p>For ALFA, operating under a sustainable development outline is fundamental to its viability and long-term business growth. In addition to creating economic value, ALFA promotes the development and well being of its employees and communities, as well as operating in harmony with nature.</p> <p><b>STRATEGIC PRIORITIES AND KEY ISSUES</b></p> <p><b>EMPLOYEES</b></p> <ul style="list-style-type: none"> <li>• To offer a healthy, safe and inclusive workplace.</li> <li>• To offer opportunities for personal and professional growth.</li> </ul> <p><b>COMMUNITY</b></p> <ul style="list-style-type: none"> <li>• To support education particularly.</li> <li>• To operate in safe facilities.</li> <li>• To elaborate healthy food products.</li> </ul> <p><b>ENVIRONMENT</b></p> <ul style="list-style-type: none"> <li>• To reduce carbon and water footprints of its manufacturing operations.</li> <li>• Waste reduction.</li> </ul> <p><b>BROADER TRENDS</b></p> <p><b>MEXICO</b></p> <ul style="list-style-type: none"> <li>• The possibility of stricter environmental legislation in the future, hence leading to a forced reduction of emissions.</li> <li>• A possible significant reduction in water availability.</li> </ul> <p><b>WORLD</b></p> <ul style="list-style-type: none"> <li>• Climate change process.</li> <li>• Compliance with international standards on environmental, health and nutrition issues, and so forth.</li> </ul> <p><b>MAIN EVENTS, ACCOMPLISHMENTS AND FAILURES</b></p> <p><b>EVENTS</b></p> <ul style="list-style-type: none"> <li>• The economic situation in Europe caused a lesser growth in the Eurozone.</li> <li>• American automotive industry continued to recover.</li> <li>• The change in the Mexican federal government.</li> </ul> <p><b>ACCOMPLISHMENTS (ALFA)</b></p> <ul style="list-style-type: none"> <li>• Favorable financial results.</li> <li>• Alpek issued public shares (IPO).</li> <li>• Nemak acquired American company J.L. French.</li> <li>• Natural gas and hydrocarbon business continued to grow.</li> <li>• Construction of an energy cogeneration plant began.</li> <li>• ALFA signed two contracts to provide Pemex with oil exploitation services in Mexico.</li> </ul> <p><b>STRATEGY:</b> ALFA aims to capitalize on its strengths to capture growth opportunities in existing and related businesses, through organic growth or acquisitions, with the goal to create value to its stakeholders.</p> <p><b>CHALLENGES AND GOALS</b></p> <p><b>SHORT TERM</b></p> <ul style="list-style-type: none"> <li>• To consolidate recent incursion markets.</li> <li>• To maintain a healthy financial condition.</li> <li>• To continue gaining experience in the hydrocarbon industry.</li> <li>• To continue improving energetic efficiency in its operations.</li> <li>• To continue developing innovative and sustainable products.</li> </ul> <p><b>MID TERM (3 - 5)</b></p> <p>To continue participating in markets where a leadership position can be reached and maintained. To increase cost-competitiveness based on human talent and cutting-edge technology.</p>	Fully



GRI	CONTENTS	2012	REPORTED
1.2	Description of key impacts, risks, and opportunities.	<p><b>MOST SIGNIFICANT IMPACTS</b></p> <p>Stakeholder</p> <ul style="list-style-type: none"> <li>To eliminate industrial and workplace accidents.</li> <li>Polluting emissions (air, ground and water).</li> <li>Water consumption.</li> </ul> <p>Employees, community Community, environment Community, environment</p> <p><b>MAIN CHALLENGES</b></p> <p>Stakeholder</p> <ul style="list-style-type: none"> <li>To eliminate industrial and workplace accidents.</li> <li>Emissions reduction.</li> <li>Water management improvement.</li> </ul> <p>Employees, community Community, environment Community, environment</p> <p><b>MAIN OPPORTUNITIES</b></p> <p>Stakeholder</p> <ul style="list-style-type: none"> <li>Reinforcement of safety equipment and programs.</li> <li>To explore cleaner and/or renewable energy sources.</li> <li>Reducing non-renewable raw material consumption; boosting recycling.</li> <li>Continuous support to education programs.</li> </ul> <p>Employees, community Environment, community Environment, community Employees, community</p> <p><b>COMPANY'S PRIORITIES</b></p> <ul style="list-style-type: none"> <li>Investments and occupational security and health programs.</li> <li>Energy efficiency project and emission reduction.</li> <li>Aluminum, PET and water recycling programs.</li> <li>Education and environmental support.</li> </ul> <p>Security equipment investing Preventive health programs Training programs Cogeneration plants and cleaner energies usage Water consumption optimization Aluminum and PET recycling. Investing in water treatment plants ALFA Foundation Support to schools and vulnerable groups</p> <p><b>RISKS AND OPPORTUNITIES IN THE NEXT 3-5 YEARS AND THEIR IMPACT ON ALFA'S COMPANIES</b></p> <ul style="list-style-type: none"> <li>Slow economic growth.</li> <li>Less availability and/or cost increase on of raw materials and goods.</li> <li>Difficulty to obtain financing and/or increased interest rates.</li> <li>Stricter environmental regulations.</li> </ul> <p><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>Growth through mergers and acquisitions in relevant markets.</li> <li>Add value to products and services.</li> <li>Boost sustainable products innovation.</li> <li>Enter new business ventures where ALFA's expertise and capabilities can be capitalized.</li> </ul> <p><b>STRATEGIES TO ADDRESS SUCH RISKS IN A 3-5 YEARS SPAN</b></p> <ul style="list-style-type: none"> <li>Growth in current or related businesses.</li> <li>Hedge contracts, negotiation to transfer cost increases to the client, global sourcing.</li> <li>Energy efficiency projects, raw material and feedstock recycling.</li> <li>Innovation/added value products and services development, new technologies.</li> <li>Maintaining adequate financial health.</li> </ul> <p><b>INTERNAL GOVERNANCE MECHANISMS TO ADDRESS SUCH RISKS</b></p> <ul style="list-style-type: none"> <li>Constant review of business strategy and, when appropriate, adapt it to the new circumstances.</li> <li>Risk Management Committee.</li> <li>Policies issuing and reviewing.</li> <li>Greater impulse in the energy, innovation, sustainability and human resources areas.</li> <li>To improve dialog with stakeholders.</li> </ul>	Fully

GRI	CONTENTS	2012	REPORTED																		
<b>ORGANIZATIONAL PROFILE</b>																					
2.1	Name of the organization.	ALFA, S.A.B. DE C.V.	Fully																		
2.2	Primary brands, products, and/or services.	<p><b>BUSINESS GROUPS AND PRODUCTS</b></p> <table border="1"> <thead> <tr> <th>Group</th> <th>Main products and services</th> <th>Brands</th> </tr> </thead> <tbody> <tr> <td>Alpek</td> <td>Polyester (PTA, PET and fibers), plastics and specialty chemicals (polypropylene, EPS, polyurethanes and caprolactam).</td> <td>Laser, Melinar, Delcron, Dacron, Styropor, Hydrotec, Profax, Valtec, Terza, Luxor.</td> </tr> <tr> <td>Nemak</td> <td>Aluminum heads and blocks for gas and diesel engines; transmission parts.</td> <td>Nemak.</td> </tr> <tr> <td>Sigma</td> <td>Processed meats, cheese, yogurt and prepared meals.</td> <td>FUD, San Rafael, Chimex, Iberomex, Tangamanga, San Antonio, Zar, Chen, Braedt, La Villita, Chalet, Yoplait, Guten, Sosúa, Checo, Norteñita, Bar-S, Zar.</td> </tr> <tr> <td>Alestra</td> <td>Data centers, Cloud applications, information security, managed networks and consultancy services, vertical applications for specific industries.</td> <td>Alestra.</td> </tr> <tr> <td>Newpek</td> <td>Natural gas and hydrocarbons.</td> <td></td> </tr> </tbody> </table>	Group	Main products and services	Brands	Alpek	Polyester (PTA, PET and fibers), plastics and specialty chemicals (polypropylene, EPS, polyurethanes and caprolactam).	Laser, Melinar, Delcron, Dacron, Styropor, Hydrotec, Profax, Valtec, Terza, Luxor.	Nemak	Aluminum heads and blocks for gas and diesel engines; transmission parts.	Nemak.	Sigma	Processed meats, cheese, yogurt and prepared meals.	FUD, San Rafael, Chimex, Iberomex, Tangamanga, San Antonio, Zar, Chen, Braedt, La Villita, Chalet, Yoplait, Guten, Sosúa, Checo, Norteñita, Bar-S, Zar.	Alestra	Data centers, Cloud applications, information security, managed networks and consultancy services, vertical applications for specific industries.	Alestra.	Newpek	Natural gas and hydrocarbons.		Fully
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Newpek	Natural gas and hydrocarbons.																				
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	<p><b>Percentage of ALFA's ownership in its businesses:</b> Alpek 85%; Nemak 92.5%; Sigma 100%; Alestra 100%; Newpek 100%. In addition, it has four corporate support areas: Development, Legal and Institutional Relations, Finance and Human Capital.</p> <p><b>Joint Ventures:</b>  Poliolés (ALFA 51%, BASF 49%)  Nemak (ALFA 92.5% Ford 7.5%)  Indelpro (ALFA 51% Basell 49%)  Temex (ALFA 91.5% and BP 8.5%)  Terza (ALFA 51%, Shaw Industries 49%)</p>	Fully																		
2.4	Organization's headquarters.	Ave. Gómez Morín 1111 sur, Col. Carrizalejo, San Pedro Garza García, N.L. Mexico. C.P. 66254.	Fully																		
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Mexico, Argentina, United States, Germany, Austria, Brazil, Canada, China, Slovakia, Spain, Hungary, India, Poland, Czech Republic, Costa Rica, El Salvador, Peru, Dominican Republic (18 countries total).	Fully																		
2.6	Nature of ownership and legal form.	ALFA, S.A.B. de C.V. is a stock limited company with variable capital, whose regulations comply with Mexico's laws on Mercantile Corporations and the Stock Market.	Fully																		
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	<p>ALFA's products serve mainly the food and beverage, automotive, packaging, textile, construction, furniture, telecommunications and energy sectors. Their main markets are located in Mexico, United States, Germany and Brazil.</p> <p><b>MARKET PRESENCE</b></p> <table border="1"> <thead> <tr> <th>Geographical zone</th> <th>Industry fields</th> <th>Customers types</th> </tr> </thead> <tbody> <tr> <td>North, Central and South America, Europe and Asia.</td> <td>Food and beverages, automotive, packaging, textile, construction, telecommunications, energy.</td> <td> <ul style="list-style-type: none"> <li>- Food and beverage bottles, containers and packaging manufacturers; construction companies and contractors; nylon manufacturers.</li> <li>- Automotive parts manufacturers.</li> <li>- Retail, supermarkets and convenience stores.</li> <li>- Information and telecommunications market for the corporate sector.</li> </ul> </td> </tr> </tbody> </table>	Geographical zone	Industry fields	Customers types	North, Central and South America, Europe and Asia.	Food and beverages, automotive, packaging, textile, construction, telecommunications, energy.	<ul style="list-style-type: none"> <li>- Food and beverage bottles, containers and packaging manufacturers; construction companies and contractors; nylon manufacturers.</li> <li>- Automotive parts manufacturers.</li> <li>- Retail, supermarkets and convenience stores.</li> <li>- Information and telecommunications market for the corporate sector.</li> </ul>	Fully												
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2.8	Scale of the reporting organization.	<table border="1"> <tbody> <tr> <td>Employees</td> <td>59,847 by december 31<sup>st</sup>, 2012</td> </tr> <tr> <td>Total operations</td> <td>See pages 2 and 3 on Sustainability Report 2012</td> </tr> <tr> <td>Revenues</td> <td>USD \$15,152 million</td> </tr> <tr> <td>Total capitalization in terms of debt and equity</td> <td>See 2012 Annual Report: <a href="http://informe.alfa.com.mx/ia/2012/">http://informe.alfa.com.mx/ia/2012/</a></td> </tr> <tr> <td>Total products and services rendered</td> <td>See page 3 on 2012 Sustainability Report</td> </tr> <tr> <td>Total assets</td> <td>USD \$11,827million</td> </tr> </tbody> </table>	Employees	59,847 by december 31 <sup>st</sup> , 2012	Total operations	See pages 2 and 3 on Sustainability Report 2012	Revenues	USD \$15,152 million	Total capitalization in terms of debt and equity	See 2012 Annual Report: <a href="http://informe.alfa.com.mx/ia/2012/">http://informe.alfa.com.mx/ia/2012/</a>	Total products and services rendered	See page 3 on 2012 Sustainability Report	Total assets	USD \$11,827million	Fully						
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GRI	CONTENTS	2012	REPORTED
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Alpek listed shares in the Mexican Stock Market. Nemak acquired American company J.L. French. Alpek refinanced debt with bond issue to international markets. Alestra extended its telecommunications network. Newpek connected 135 new hydrocarbons wells to sales. ALFA signed two contracts to provide Pemex with services on oil exploration and exploitation.	Fully
2.10	Awards received in the reporting period.	See back cover of 2012 Sustainability Report.	Fully
<b>REPORT PARAMETERS</b>			
3.1	Reporting period for information provided.	ALFA's sustainability activities from January 1 <sup>st</sup> to december 31 <sup>st</sup> , 2012.	Fully
3.2	Date of most recent previous report (if any).	Published on february 29 <sup>th</sup> , 2012. Reports activities from january 1 <sup>st</sup> to december 31 <sup>st</sup> , 2011.	Fully
3.3	Reporting cycle.	Annual.	Fully
3.4	Contact point for questions.	Enrique Flores R. - ALFA Vice President of Corporate Communications - eflores@alfa.com.mx - Ph. (52) 81 8748-1207.	Fully
3.5	Process for defining report content.	See About This Report, page 32.	Fully
3.6	Boundary of the report (countries, divisions, subsidiaries, leased facilities, JV, suppliers).	See About This Report, page 32.	Fully
3.7	State any specific limitations on the scope of the report.	See About This Report, page 32.	Fully
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	See About This Report, page 32.	Fully
3.9	Data measurement techniques and the bases of calculations for the Indicators and other information in the report.	See About This Report, page 32.	Fully
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.	See About This Report, page 32.	Fully
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	See About This Report, page 32.	Fully
3.12	Table of the Standard Disclosures in the report.	See pages 14 - 31.	Fully
3.13	Policy and current practice with regard to seeking external assurance for the report.	The 2012 Report was externally verified by Universidad Anáhuac. Attached to this document is the Letter of Verification. Moreover, attached as well is the Letter of Verification by GRI (GRI Check), which validates the present document with a B+ level.	Fully

GRI	CONTENTS	2012	REPORTED
<b>GOVERNANCE, COMMITMENTS AND ENGAGEMENT</b>			
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	<p><b>2011</b></p> <p>The Board consists of 12 regular members without deputies.</p> <p><b>2012</b></p> <p>The Board of Directors comprises 11 proprietary members who have not alternates. Each member was chosen based on their academic background, professionalism, business records and consistency with ALFA's values. The 100% of Board members are male, of Mexican nationality, and among 50 to 65 years old. Average age is 55. No other diversity indicators are shown.</p> <p>In order to correctly perform its duties, three committees assist the Board of Directors n: a) Audit; b) Corporate Practices; and c) Planning and Finance. Each committee is headed by an independent board member and they meet from four to six times a year to discuss relevant matters. All board members participate in at least one of such committees. The Audit and the Corporate Practices committees are formed by independent members only. The three committees follow up on topics related to the company's social and environmental performance.</p> <p>The Audit Committee examines and makes recommendations to the Board on matters such as the external auditor selection and their fees, coordination with the company's internal audit department and the analysis of accounting policies, among others. ALFA has internal control systems with general guidelines. These are submitted to the Audit Committee for its opinion. Moreover, the external auditor validates the effectiveness of the internal control system and issues the corresponding reports.</p> <p>The Corporate Practices Committee makes recommendations to the Board in such matters as employment terms and severance payments for senior executives and compensation policies, among others.</p> <p>The Planning and Finance Committee evaluates all matters related to its particular area and issues recommendations to the Board on matters such as feasibility of investment, the company's strategic positioning, alignment of investment and financing policies, and review of investment projects.</p> <p>The Human Capital and Audit department, as well as the Audit and Corporate Practices committees of the Board of Directors are responsible for monitoring the members of the Board's ethical performance. Salary compensation for directors is set by comparing standards of companies similar in size and the industrial field in which they operate.</p>	Fully
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	The Chairman of the Board does not hold an executive position in the company. He is responsible of convening, preparing the agenda and presiding all meetings. Furthermore, he is responsible for the Board's correct operation and organizing annual assessments.	Fully
4.3	Number and gender of members of the highest governance body that are independent and/or non-executive members.	The Board of Directors consists of 11 members, 9 of which are independent.	Fully
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	<p><b>Communication channels between the Board of Directors and shareholders, including:</b></p> <ul style="list-style-type: none"> <li>• The Communications Department provides information and ongoing attention to shareholders through diverse forums, in addition to conveying their concerns to the Board of Directors.</li> <li>• Shareholders meetings.</li> <li>• The Transparency Mailbox, which offers free access to shareholders and other audiences.</li> </ul> <p><b>Shareholders' most relevant concerns (occupational, economic, environmental and social):</b></p> <ul style="list-style-type: none"> <li>• To achieve an attractive investment return.</li> <li>• To have a competitive business portfolio in attractive industries and sustained growth potential in the long term.</li> <li>• That ALFA adheres to the corporate governance guidelines.</li> <li>• That an appropriate and constant communication exists between shareholders and other stakeholders.</li> <li>• That ALFA fully complies with its obligations to pertinent authorities.</li> </ul> <p><b>Processes to learn about labor relations' status:</b></p> <ul style="list-style-type: none"> <li>• Daily interaction between boss and subordinates.</li> <li>• Daily interaction with unions.</li> <li>• Organizational climate studies.</li> </ul> <p><b>Corporate committees or other employee representative bodies in a position to convey concerns and/or suggestions:</b></p> <p>In addition to unions, associations of employees exist to channel concerns and suggestions through their companies' Human Resources departments and the Transparency Mailbox. What's more, other media such as boss-subordinate interaction, union representation, internal publications, Intranet and bulletin boards are widely available.</p> <p><b>Employees' most relevant concerns (occupational, economic, environmental and social):</b></p> <ul style="list-style-type: none"> <li>• To be offered with professional growth opportunities.</li> <li>• To be rewarded with a competitive wage in relation to their duties.</li> <li>• To work in an inclusive and participative organizational climate.</li> <li>• To work under evermore increasing health and safety conditions.</li> </ul>	Fully



GRI	CONTENTS	2012		REPORTED
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives.	The Board members and senior executives' compensation is set by comparing standards of companies similar in size and the industrial field in which they operate. In the particular case of executives and managers, a portion of their monetary compensation is variable and is linked to their performance in their respective area, as well as their achievements of previously set goals and the company's results.		Fully
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	<p>ALFA holds a Conflict of Interests policy for the Board members and its employees. This policy states that responsibilities and duties of the members of the ALFA Board of Directors are governed under the Mexican Stock Market Law (LMV, acronym in Spanish), under the applicable dispositions in Mexico to stock issuers, and taking into account the Mexican Stock Exchange Code of Professional Ethics, the Code of Better Corporate Practices and the internal regulations of the Mexican Stock Exchange, as well as ALFA's Code of Ethics.</p> <p>In accordance with the aforementioned LMV, members of the Board have a duty of due diligence and thus should always act in good faith to society's best interest. They should also maintain confidentiality in regard to the company's information or public affairs, as well as to keep from participating or be present during deliberation and voting on issues that might pose a conflict of interest.</p> <p>By ordinance, those members of the ALFA Board of Directors who might have a conflict of interests in deciding over any matter are compelled to inform the Chairman and the rest of the Board, as well as to keep from participating in the discussions and from exercising their vote on board meetings.</p> <p>Regarding employees, ALFA's policies state that they must avoid any situation in which their interests might differ from those of the company. All employees who might have interests or relations with current or potential clients and suppliers must immediately inform their superior.</p>		Fully
4.7	Process for determining the composition, qualifications and expertise of the members of the highest governance body and its committees.	Members of the Board of Directors are elected based on their professionalism, business record, leadership, experience and compliance with ALFA's code of values.		Fully
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	2011	2012	Fully
		There was no global Code of Ethics for all ALFA. It was established as a commitment for 2012.	<p><b>How do these concepts pass through all levels of the organization?</b> There are several channels to circulate the Mission, Vision, Code of Values and the Code of Ethics, such as induction programs, values campaigns, Intranet and Internet websites and planning and results meetings, among others.</p> <p><b>How has the implementation of this philosophy impacted on the economics, the environment and the social?</b> Economically, it has framed the business strategy that ALFA has been executing in recent years, which is to increase competitiveness of its businesses and to participate in markets where it can consolidate and/or have a strong leadership position in a global environment. On the environmental aspect, a greater effort in the preservation of the environment stands out, which has resulted in concrete actions like the creation of a Sustainability Committee, responsible for setting up a strategy and vision at ALFA, including effort coordination and monitoring of the companies in this regard. Socially, there's a greater emphasis on linking ALFA to its communities, including the creation of ALFA Foundation and the design of a community support strategy especially focused on education. ALFA's Code of Ethics embraces international standards such as those determined by the UN Global Pact. The commitment of creating and publishing a global Code of Ethics for all ALFA was fully complied.</p>	
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	<p>The Board of Directors follows procedures consistent with those set by the corporate governance standards established in Mexico's Stock Exchange Law (LMV) and the Code for Better Corporate Practices. Moreover, the Board is supported by the Audit, Corporate Practices and Planning and Finance committees to review the strategy, management and results of the company, including environmental and social issues.</p> <p><b>How are the risks and opportunities assessed?</b> Assessment is based on complying with ALFA's business strategy criteria and investment policies: affairs related to current operations, competitive position reinforcement, attractive markets (profitability and growth) and synergy generation, among others.</p>		Fully
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	There are several board members' evaluation aspects, such as attendance at Board and their particular committee meetings, their involvement in strategic decision-making process as well as the effectiveness of such decisions.		Fully

GRI	CONTENTS	2012	REPORTED						
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	<p><b>1. IDENTIFIED RISKS</b></p> <p><b>Work-related</b></p> <ul style="list-style-type: none"> <li>• Workplace accidents. Due to the nature of their operations, some of ALFA's companies handle raw materials, products and processes that could pose a risk of an accident.</li> <li>• Strikes. Despite Human Resources programs and a zero-strikes or serious conflict record, this should always be regarded as a potential risk.</li> </ul> <p><b>Environmental</b></p> <ul style="list-style-type: none"> <li>• Emissions, spills or discharges that could potentially pollute air, land and water due to the nature of feedstock, products and processes, including their handling and transportation.</li> <li>• Post-purchase product cycle. Some of ALFA's products like PET, polypropylene or polystyrene foam could pose a risk to the ecosystem. At Sigma, the sale of a food product not apt for human ingestion, for causes that could or could not be attributed to the company, might pose a risk to the consumer's health.</li> </ul> <p><b>Community-related</b></p> <ul style="list-style-type: none"> <li>• Potential neighbors' rejection of a plant's operations due to emissions, explosions, traffic, life-quality detriment, etcetera.</li> </ul> <p><b>Economical</b></p> <ul style="list-style-type: none"> <li>• Changes in regulations.</li> <li>• Economic unpredictability.</li> <li>• Cyclic nature of some businesses.</li> <li>• Lesser availability of raw materials and feedstock like water and energy, and so forth.</li> <li>• Increased energy cost.</li> </ul>	Fully						
		<p><b>2. MEASURES THE COMPANY HAS TAKEN TO PREVENT SUCH RISKS</b></p> <p><b>Work-related</b></p> <ul style="list-style-type: none"> <li>• Noticeable boost to investments and programs on safety.</li> <li>• Work relations programs, including training, integral development of workers and their families, company-family relationship, competitive wages and benefits, as well as promoting an inclusive and participative, healthy work environment.</li> </ul> <p><b>Environmental</b></p> <ul style="list-style-type: none"> <li>• Investing in the best available process technology to reduce or eliminate emissions.</li> <li>• Investments to promote final product recycling (PET recycling plant).</li> <li>• Complying with regulations set by authorities, suppliers and industry sectors.</li> <li>• Promoting an environmental culture, in and outside the company.</li> </ul> <p><b>Community-related</b></p> <ul style="list-style-type: none"> <li>• Promoting the company's proactive involvement in programs that benefit the community.</li> <li>• Supporting communities with volunteer groups in case of natural disasters and other contingency situation</li> <li>• Boosting ALFA Foundation's education support.</li> <li>• Participating in community interest initiatives and events (i.e., schools improvement, health clinics, and so forth).</li> </ul> <p><b>Economical</b></p> <ul style="list-style-type: none"> <li>• Constant business strategy revision and update.</li> <li>• Search for feedstock and substitute materials or self-sufficiency.</li> <li>• Boost innovation and technological development.</li> </ul>							
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	<table border="1"> <thead> <tr> <th data-bbox="410 1367 699 1415">Social</th> <th data-bbox="699 1367 1105 1415">Environmental</th> <th data-bbox="1105 1367 1424 1415">Economical</th> </tr> </thead> <tbody> <tr> <td data-bbox="410 1415 699 1799"> <p>From 2012 onwards, the greater focus of ALFA's efforts has been on education, with contributions made out to:</p> <ul style="list-style-type: none"> <li>• UDEM, ITESM, Mano Amiga.</li> <li>• Teletón and Food Banks.</li> <li>• Red Sumarse.</li> <li>• ANSPAC.</li> <li>• Movimiento Congruencia.</li> <li>• UN Global Pact.</li> <li>• ALFA Planetarium.</li> <li>• Welfare and charitable institutions (Cáritas, orphanages).</li> </ul> </td> <td data-bbox="699 1415 1105 1799"> <ul style="list-style-type: none"> <li>• Liderazgo Ambiental para la Competitividad (Environmental Leadership for Competitiveness, Monterrey, Mexico).</li> <li>• Adopt a Highway (NC, U.S.)</li> <li>• Comité Local de Ayuda Mutua (CLAM, Mutual Aid Local Committee).</li> <li>• Working mainly on reducing the water and carbon footprint. Some examples are:</li> <li>• Cleaner energies—energetic efficiency programs.</li> <li>• Zero Waste Programs.</li> <li>• Recycling (Aluminum, PET).</li> <li>• Water-treating facilities.</li> <li>• Nature reserves preservation.</li> <li>• Ecological culture circulation.</li> </ul> </td> <td data-bbox="1105 1415 1424 1799"> <ul style="list-style-type: none"> <li>• Job generation.</li> <li>• Investments in technology development centers.</li> <li>• Participation in Corporate Chambers and Associations.</li> <li>• Suppliers Development Program.</li> </ul> </td> </tr> </tbody> </table>	Social	Environmental	Economical	<p>From 2012 onwards, the greater focus of ALFA's efforts has been on education, with contributions made out to:</p> <ul style="list-style-type: none"> <li>• UDEM, ITESM, Mano Amiga.</li> <li>• Teletón and Food Banks.</li> <li>• Red Sumarse.</li> <li>• ANSPAC.</li> <li>• Movimiento Congruencia.</li> <li>• UN Global Pact.</li> <li>• ALFA Planetarium.</li> <li>• Welfare and charitable institutions (Cáritas, orphanages).</li> </ul>	<ul style="list-style-type: none"> <li>• Liderazgo Ambiental para la Competitividad (Environmental Leadership for Competitiveness, Monterrey, Mexico).</li> <li>• Adopt a Highway (NC, U.S.)</li> <li>• Comité Local de Ayuda Mutua (CLAM, Mutual Aid Local Committee).</li> <li>• Working mainly on reducing the water and carbon footprint. Some examples are:</li> <li>• Cleaner energies—energetic efficiency programs.</li> <li>• Zero Waste Programs.</li> <li>• Recycling (Aluminum, PET).</li> <li>• Water-treating facilities.</li> <li>• Nature reserves preservation.</li> <li>• Ecological culture circulation.</li> </ul>	<ul style="list-style-type: none"> <li>• Job generation.</li> <li>• Investments in technology development centers.</li> <li>• Participation in Corporate Chambers and Associations.</li> <li>• Suppliers Development Program.</li> </ul>	Fully
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4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations, and how the organization participates in them (as governance bodies, projects or committees, providers of substantive funds).	<ul style="list-style-type: none"> <li>• Consejo Coordinador Empresarial (CCE)</li> <li>• Confederación Patronal de la República Mexicana (COPARMEX)</li> <li>• Cámara Nacional de la Industria de Transformación (CAINTRA)</li> <li>• Consejo Mexicano de Hombres de Negocios (CMHN)</li> <li>• Consejo Empresarial Mexicano de Comercio Exterior, Inversión y Tecnología (COMCE)</li> <li>• Consejo Cívico de Instituciones de Nuevo León (CCINLAC)</li> <li>• Asociación Nacional de la Industria Química (ANIQ)</li> <li>• Instituto Mexicano de Ejecutivos de Finanzas (IMEF)</li> <li>• Asociación Pro Superación Personal A.C. (ANSPAC)</li> <li>• Comisión de Estudios del Sector Privado para el Desarrollo Sustentable (CESPEDES)</li> <li>• Asociación de Industriales del Sur de Tamaulipas, A.C. (AISTAC)</li> <li>• Alianza Verde Automotriz</li> <li>• Comité Local de Ayuda Mutua (CLAM)</li> <li>• Centro para la Integración y Desarrollo de la Industria Automotriz (CIDIAC)</li> <li>• Confederación de Cámaras Industriales (CONCAMIN)</li> <li>• Cámara Nacional de la Industria de la Transformación (CANACINTRA)</li> <li>• Cámara Nacional de Industriales de la Leche (CANILEC)</li> <li>• Consejo Mexicano de la Industria de Productos de Consumo (CONMEXICO)</li> <li>• Asociación Nacional de Establecimientos TIF, A.C. (ANETIF)</li> <li>• Consejo para el Fomento de la Calidad de la Leche y sus Derivados (COFOCALEC)</li> <li>• Asociación Nacional de Transporte Privado (ANTP)</li> <li>• Asociación Mexicana de Bancos de Alimentos (AMBA)</li> <li>• Ejecutivos de Relaciones Industriales, A.C.</li> <li>• Cluster Automotriz (CLAUT)</li> <li>• Consejo Nacional de Autoregulamiento Publicitario (CONAR, Brazil)</li> <li>• National Associate for PET Containers Resources (U.S.A.)</li> <li>• Manufacturers and Chemical Industry Council of NC (Carolina del Norte, U.S.)</li> <li>• National Right-to-Work Legal Foundation Employers' Association (U.S.)</li> <li>• American Foundry Association (U.S.)</li> <li>• IHK Dillingen (Cámara Nacional de Comercio, Germany)</li> <li>• Barren County Chamber of Commerce (Kentucky, U.S.)</li> <li>• Association of China Casting (China)</li> <li>• Cámara de Comercio Exterior (Argentina)</li> <li>• Cámara de Industriales Metalúrgicos (Argentina)</li> <li>• Asociación Argentina de Componentes (Argentina)</li> <li>• Silesian Union of Private Employers (Poland)</li> <li>• Slovak Society for Quality (Slovakia)</li> <li>• Slovak Association for Maintenance (Slovakia)</li> <li>• Automotive Industry Association (Slovakia)</li> <li>• Slovak Centrum of Productivity (Slovakia)</li> <li>• Society Human Resources (Tennessee, U.S.)</li> <li>• Tennessee Chamber of Commerce (Tennessee, U.S.)</li> <li>• Sheboygan Chamber of Commerce (Wisconsin, U.S.)</li> <li>• Confederación Patronal de la República Mexicana (COPARMEX)</li> <li>• Cámara Nacional de la Industria de Transformación (CAINTRA)</li> <li>• Asociación Nacional de la Industria Química (ANIQ)</li> <li>• Red Sumarse en Nuevo León</li> <li>• Movimiento Congruencia</li> <li>• National Associate for PET Containers Resources (U.S.)</li> <li>• The PET Resin Association (U.S.)</li> <li>• National Council of Textile Organizations (NCTO, U.S.)</li> <li>• America Fiber Manufacturers Association (AFMA, U.S.)</li> <li>• Carolinas Air Pollution Control Association (CAPCA)</li> <li>• Association of the Nonwoven Fabrics Industry (India)</li> <li>• Association of the Hungarian Automotive Industry (Hungary)</li> <li>• Association of Hungarian Foundries (Hungary)</li> <li>• Asociación Brasileña de la Fundición (ABIFA, Brazil)</li> <li>• Cluster Automotriz (CLAUT)</li> <li>• Centro para la Integración y Desarrollo de la Industria Automotriz (CIDIAC)</li> </ul> <p>A number of the companies' executives participate in the corporate governance bodies of some of these organizations, although not in all. The economic contributions that ALFA, its companies or executives and employees grant these organizations do not exceed what their other partners normally give out.</p>	

GRI	CONTENTS	2012	REPORTED																														
4.14	List of stakeholder groups engaged by the organization.	Shareholders, clients, employees, community and suppliers.	Fully																														
4.15	Basis for identification and selection of stakeholders with whom to engage.	The process to define ALFA's stakeholders is based on the following criteria: ALFA considers every person or institution affected and impacted directly or indirectly by the company's operations. Said affectations and impacts are mainly linked to labor, financial, commercial, government, community and environmental relations established by the company in the performance of its functions towards said groups. Under this criteria, each business unit defines its own stakeholders, which at ALFA's level are: employees, shareholders, suppliers, clients and community.	Fully																														
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	The vast majority of ALFA'S companies maintain an open and constant dialogue with their stakeholders. The criteria is that all stakeholders are important and deserve to be heard in a timely manner. The relationship with them is always carried in a professional, ethical and transparent way. Frequency of contact depends on the audience and its particular situation. The company, however, keeps an open door policy for all their stakeholders. In 2012, new channels to communicate with the audiences were devised. For example, ALFA, Sigma and Alestra now make use of social media —Facebook and Twitter— to constantly publish data and articles. See paragraph 4.17.	Fully																														
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	<table border="1"> <thead> <tr> <th>Audience</th> <th>Relevant media</th> <th>Frequency</th> <th>Concerns</th> <th>Response</th> </tr> </thead> <tbody> <tr> <td>Shareholders</td> <td>Results meetings E-mail Direct phone lines Board meetings Bulletins</td> <td>Quarterly, annual Continuous Continuous Bimonthly Continuous</td> <td>Attractive investment return. Competitive business portfolio in attractive industries with growth potential. Adherence to corporate governance practices. Constant communication with shareholders.</td> <td>Investing in business with potential growth and profitability. Competitiveness boost. Adherence to corporate governance practices. Response: Compliance with the Mexican Stock Exchange Law (LMV) and the Code for Better Corporate Practices. Communications and Industrial Relations Departments.</td> </tr> <tr> <td>Clients and consumers</td> <td>Visits to plants E-mail Satisfaction surveys 01 800 lines Fairs Focus groups</td> <td>Continuous Continuous Periodical Continuous Continuous Continuous</td> <td>More efficient and innovative products at a fair price.</td> <td>Development of added value products and services.</td> </tr> <tr> <td>Employees and their families</td> <td>Organizational climate surveys Transparency mailbox Meetings Ethics Committee Training Human Resources Communication forums Intranet Bulletins</td> <td>Periodical Continuous Continuous Continuous Continuous Annual Continuous Periodical</td> <td>Safe working conditions Competitive wages and benefits Growth opportunities/ career plans Life balance</td> <td>Safety programs Benefit programs and wage reviews Education and training programs Family development programs</td> </tr> <tr> <td>Communities</td> <td>Discussion panels and perception surveys Neighborhoodly visits and dialogue E-mail Website Plants events</td> <td>Bimonthly Periodical Continuous Continuous Continuous</td> <td>Less polluting emissions Industrial safety Sustainable/biodegradable products</td> <td>Emission reduction programs Investing in safer equipment and technologies</td> </tr> <tr> <td>Suppliers</td> <td>Suppliers portal Meetings Purchases department surveys Audits E-mail</td> <td>Continuous Continuous Periodical Periodical Continuous</td> <td>Development support</td> <td>Suppliers' Development program</td> </tr> </tbody> </table>	Audience	Relevant media	Frequency	Concerns	Response	Shareholders	Results meetings E-mail Direct phone lines Board meetings Bulletins	Quarterly, annual Continuous Continuous Bimonthly Continuous	Attractive investment return. Competitive business portfolio in attractive industries with growth potential. Adherence to corporate governance practices. Constant communication with shareholders.	Investing in business with potential growth and profitability. Competitiveness boost. Adherence to corporate governance practices. Response: Compliance with the Mexican Stock Exchange Law (LMV) and the Code for Better Corporate Practices. Communications and Industrial Relations Departments.	Clients and consumers	Visits to plants E-mail Satisfaction surveys 01 800 lines Fairs Focus groups	Continuous Continuous Periodical Continuous Continuous Continuous	More efficient and innovative products at a fair price.	Development of added value products and services.	Employees and their families	Organizational climate surveys Transparency mailbox Meetings Ethics Committee Training Human Resources Communication forums Intranet Bulletins	Periodical Continuous Continuous Continuous Continuous Annual Continuous Periodical	Safe working conditions Competitive wages and benefits Growth opportunities/ career plans Life balance	Safety programs Benefit programs and wage reviews Education and training programs Family development programs	Communities	Discussion panels and perception surveys Neighborhoodly visits and dialogue E-mail Website Plants events	Bimonthly Periodical Continuous Continuous Continuous	Less polluting emissions Industrial safety Sustainable/biodegradable products	Emission reduction programs Investing in safer equipment and technologies	Suppliers	Suppliers portal Meetings Purchases department surveys Audits E-mail	Continuous Continuous Periodical Periodical Continuous	Development support	Suppliers' Development program	Fully
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GRI	CONTENTS	2012		REPORTED	
<b>EC ECONOMIC</b>					
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	2011 (U.S. \$ million)		2012 (U.S. \$ million)	Partially
		Revenues	14,728	15,152	
		Assets	10,816	11,827	
		Capital investments	1,362	874	
		Paid taxes	372	119	
		Dividends	138	162	
		Payments to suppliers	138	11	
		Direct economic value generated	14,740	15,196	
		Economic value retained	250	408	
Direct jobs	57,000	59,847			
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	See Statement from the Chairman of the Board and CEO, page 1 Sustainability Report 2012. Complement: Climate change is subject to the company's attention given the possible consequences it may have on the availability of feedstock and certain resources used by the company, like energy and water. In this regard, ALFA has implemented strategies that aim to reduce their carbon and water footprint through a more efficient and sustainable operation.		Fully	
EC3	Coverage of the organization's defined benefit plan obligations.	Retirement plans, education support and medical assistance are available to all plant employees. The retirement system consists of a fixed contribution plan provided by the company, ranging from 4% to 17% of the salary.		Fully	
EC4	Significant financial assistance received from government.	In 2012, the company did not receive significant financial aid from governments, except for tax incentives destined to technology development projects.		Fully	
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	ALFA's standard entry level salary, compared to Mexico's minimum wage in 2012 was 2.3 to 1. ALFA's employees in the U.S., who perceive the lowest salary, receive 1.85 times over the minimum wage in regions where the company operates. These two countries represent the 75% of ALFA's workforce with 45,000 employees.		Fully	
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Depending on the type of feedstock and equipment required to operate, as well as factors such as quality, price and service, ALFA's companies seek their supplies with local suppliers in the countries and communities in which they operate. Some companies like Nematik and Sigma, hold supplier development programs targeted to small and medium businesses. Expense ratio of local supply from the total bought by ALFA companies in 2012 fluctuated between 10% and 95%, depending on the company. The average of local suppliers sought by ALFA companies was 60% globally in 2012.  Proportion of spending on local suppliers (most significant companies): ALPEK 38% NEMAK 61% SIGMA 63%		Fully	
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	ALFA hires local staff for the companies they establish and maintains the workforce of those companies it acquires. This allows for greater engagement with the local communities and it contributes to their development. By the end of 2012, 90% of ALFA's executive and managerial positions were held by local staff members.		Fully	
<b>EN ENVIRONMENTAL</b>					
EN1	Materials used by weight or volume.	Petroleum products (paraxylene, ethylene, propylene, glycols) as well as aluminum scrap, meat and dairy products.		Partially	
EN2	Percentage of materials used that are recycled input materials.	2011	2012	Partially	
		NEMAK used 483,000 tons of recycled aluminum in its processes.	NEMAK Mexico used 483,000 tons of recycled aluminum and 470,250 tons of sand in its processes. NEMAK Poland used 14,467 tons of aluminum, steel and sand. NEMAK Tennessee recycled 250 tons of scrap metal and DAK America's Cape Faer and Columbia sites, used 1,360 tons of recycled PTA in their processes. Also Clear Path Recycling (ALFA & Shaw Industries joint venture), recycled 54,432 tons of PET containers for their use in other processes.		

GRI	CONTENTS	2012		REPORTED
		2011	2012	
EN3	Direct energy consumption by primary energy source.	2011 31 X 10 <sup>6</sup> GJ 85% was natural gas.	2012 <b>Direct energy consumption</b> Natural gas Others (fuel oil, carbon, diesel) Total See page 11 Sustainability Report 2012. These figures represent the energy consumption derived from burning fuel in Alfa plants. These data does not include the consumption at Bar-S, Newpek, J.L. French, steam from	Fully
EN4	Indirect energy consumption by primary source.	<b>Indirect energy consumption</b> 2012 Steam      5.4 x 10 <sup>6</sup> GJ Electricity      0.6 x 10 <sup>6</sup> GJ Gasoline      0.2 x 10 <sup>6</sup> GJ Diesel      ~0.74 x 10 <sup>6</sup> GJ LPG      ~0.07 x 10 <sup>6</sup> GJ Total      7.01 X10 <sup>6</sup> GJ ALFA consumes steam derived from burning fuel in third-party facilities. This steam is utilized in its processes and it also generates electricity for its own use. 2012 consumption is shown in the chart above.		Fully
EN5	Energy saved due to conservation and efficiency improvements.	2011 4.4 x 10 <sup>6</sup> GJ (2007-2011)	2012 4.7X10 <sup>6</sup> GJ This data responds to saved energy due to energy efficiency programs implemented between 2007 and 2012.	Fully
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	2011 In the period 2007-2011, U.S. \$58 million were invested in 288 energetic efficiency programs, such as new technologies, fuel switching and better practices, among others. Such projects aim to reduce depletion of primary sources like natural gas, fuel oil, carbon, et cetera, as well as electricity and the indirect impact it carries. Projects' total energy savings amount to 4.4 x 10 <sup>6</sup> GJ a year, which is equivalent to put 397,000 cars out of transit in the same period.	2012 See 2012 Sustainability Report, page 11. In 2012, U.S \$20 million were invested in 314 energy efficiency programs, such as new technologies, fuel switching and better practices, among others. Such projects aim to reduce depletion of primary sources like natural gas, fuel oil, carbon, etc., as well as electricity and the indirect impact it carries. Projects' total energy savings amount to 4.7 x 10 <sup>6</sup> GJ a year. During the 2007-2012 period, U.S. \$78 million have been invested, which is equivalent to withdraw from circulation 424,000 cars in the same period.	Fully
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	All companies carried out programs to reduce indirect energy consumption. As an example, 100 telepresence and six videoconference rooms have been installed, reducing the energy consumption derived from transportation to attend live meetings.		Partially
EN8	Total water withdrawal by source (m <sup>3</sup> )	<b>Water withdrawal by source</b> 2011      2012 Public utilities           3'217,900 Wells           7'814,901 Rivers or lakes           98'835,520 From third parties           5'056,701 Total      118'492,915      121'074,678		Fully
EN9	Water sources significantly affected by withdrawal of water.	No significant damage to water sources derived from the company's consumption was registered.		Fully
EN10	Percentage and total volume of water recycled and reused.	Approximately 50% of water consumed in ALFA's companies is reused in their processes.		Fully



GRI	CONTENTS	2012	REPORTED																																
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Nemak plant in Monterrey, Mexico, is located within a protected area known as Yuca Forest, as well as Wilmington and Charleston in the U.S. All three facilities carry out reforestation and care programs. In 2012, DAK Americas obtained habitat certification by CF Wildlife Habitat for the third year in a row. The Temex plants in Cosoleacaque, Mexico, as well as those in Wilmington, NC and Charleston, SC are located alongside diversity value areas. The first case is a rainforest whereas the other two are woodlands among rivers.	Fully																																
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	If not properly disposed of in waste deposits, containers and other PET, polystyrene and polypropylene-manufactured products could pose a threat to nature reserves. In order to prevent such situations, ALFA, in association with Shaw Industries, has invested in a PET container recycling plant. Moreover, permanent campaigns are held to raise awareness on product recycling and final disposal as well as environmental care.	Fully																																
EN13	Habitats protected or restored.	ALFA operations in Monterrey, Cosoleacaque and Altamira in Mexico, as well as those in Wilmington and Charleston in the U.S., located next to or in important biodiversity areas contributed actively in their protection and preservation, together with local authorities and institutions. Actions to be highlighted are the placing of bird shelters, reforestation and species transplant, and so forth. The Yucas primarily located in the NEMAK Monterrey plant are considered a protected species, and thus NEMAK keeps a preservation and maintenance program in their gardens, an area close to 5,000 m <sup>2</sup> .	Fully																																
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	See EN2, EN5, EN6, EN7, EN10, EN11, EN13 and EN14 indicators.  The company operates permanent projects in: <ul style="list-style-type: none"> <li>• Emission reduction (the use of cleaner energies, dust covers, gas capture systems, etcetera).</li> <li>• Material recycling (mainly PET and aluminum).</li> <li>• Waste disposal programs.</li> <li>• Water treating plants.</li> </ul>	Fully																																
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Operations of ALFA's companies do not pose a threat to endangered species.	Fully																																
EN16	Total direct and indirect greenhouse gas emissions by weight.	<table border="1"> <thead> <tr> <th>CO<sub>2</sub> ton</th> <th>2011</th> <th>2012</th> </tr> </thead> <tbody> <tr> <td>Direct</td> <td>1,980,000</td> <td>2,356,623</td> </tr> <tr> <td>Indirect</td> <td>1,615,000</td> <td>1,691,347</td> </tr> <tr> <td>Total</td> <td>3,595,000</td> <td>4,047,970</td> </tr> </tbody> </table> <p>These figures correspond to ALFA's total emissions for the period, excluding Bar-S, Newpek and J.L. French. Direct emissions cover the fuel usage in Sigma's plants and transport fleet. Indirect emissions cover the electricity usage, Enertek, DAK Columbia and Polioles Altamira steam usage. The methodology used for measurement is based on "The GHG Protocol Corporate Standard" of the Greenhouse Gas Protocol Initiative.</p> <ul style="list-style-type: none"> <li>• GHG emissions from stationary combustion 4.0</li> <li>• GHG emissions from purchased electricity 4.0</li> <li>• GHG emissions from transport or mobile sources 4.0</li> </ul>	CO <sub>2</sub> ton	2011	2012	Direct	1,980,000	2,356,623	Indirect	1,615,000	1,691,347	Total	3,595,000	4,047,970	Fully																				
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EN21	Total water discharge by quality and destination.	<table border="1"> <thead> <tr> <th colspan="2">Discharge volume (m<sup>3</sup>)</th> </tr> </thead> <tbody> <tr> <td>Public sewage</td> <td>1'879,522 m<sup>3</sup></td> </tr> <tr> <td>Rivers or lakes</td> <td>99'751,243 m<sup>3</sup></td> </tr> <tr> <td>Oceans</td> <td>NA</td> </tr> <tr> <td>Other</td> <td>965,405 m<sup>3</sup></td> </tr> </tbody> </table>	Discharge volume (m <sup>3</sup> )		Public sewage	1'879,522 m <sup>3</sup>	Rivers or lakes	99'751,243 m <sup>3</sup>	Oceans	NA	Other	965,405 m <sup>3</sup>	Fully																						
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GRI	CONTENTS	2012		REPORTED
EN22	Total weight of waste by type and disposal method.	2011	2012	Fully
		This information wasn't available at this time.		
		Residue	Weight or volume (tons/ m <sup>3</sup> )	Treatment or confinement method (compost, reuse, recycling, incineration, landfill, etc.)
		Process waste, litter, solid residues.	35,000 ton aprox.	Internal/external recycling, landfill, confinement.
		Oil (spent, thermal, polluted).	3,600 ton aprox.	Oxidation process, confinement, recycling (for energy generation).
		Sand residues.	50,000 ton aprox.	Landfill, recycling.
		Steel and aluminum scrap.	7,900 ton aprox.	Internal/external recycling.
		Paper, cardboard and PET.	2,100 ton aprox.	Internal/external recycling.
		It is important to mention that over 60 significant residues are generated in ALFA's companies. The chart above shows those most common. Also worth mentioning is the fact that in 2012 several ALFA facilities launched a Zero Waste program (see 2012 Sustainability Report, page 10).		
EN23	Total number and volume of significant spills.	No significant residue spills were registered in ALFA companies during 2012.		Fully
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	See 2012 Sustainability Report, pages 10-11 and EN3, EN10, EN11, EN13, EN14, EN18, EN21, EN22, EN23 indicators.		Fully
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Most companies do not use packaging materials for their products, since they are stocked up in bulk through chutes or tanks. Other companies recycle and reuse materials such as pallets and sacks whereas others, like Sigma do have a use for them. In particular, this company has developed containers and packages that are lighter and friendlier to the environment.		Fully
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	No fines or sanctions were received for breach of environmental regulations.		Fully
EN30	Total environmental protection expenditures and investments by type.	2011	2012	Fully
		This information wasn't available at the time.	U.S. \$26.4 million	
<b>LA LABOR PRACTICES AND DECENT WORK</b>				
LA1	Total workforce by employment type, employment contract, and region broken down by gender.	2011	2012	Partially
		Total workforce	57,000	59,847
		Employees	31,296	31,795
		Unionized	27,176	28,599
		Men	43,320 (76%)	46,681 (78%)
		Women	13,680 (24%)	13,166 (22%)
		The percentage of employees with full time contract is 97%, and with part time contract is 3%. The percentage of unionized workers with full time contract is 93%, and with part time contract is 7%.		
		ALFA's workforce by continents is divided by: Asia, 645 employees. Europe, 4,462 employees. America, 54,740 employees.		
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	3,798 unionized employees ceased to work in ALFA's companies in 2012 (1.30% monthly average rotation), whereas 5,589 non-unionized employees ceased their activities in ALFA also (1.50% monthly average rotation).		Fully
		For a better comparability, see chart on page 18 Sustainability Report 2011 <a href="http://informe.alfa.com.mx/rs/2011/">http://informe.alfa.com.mx/rs/2011/</a>		

GRI	CONTENTS	2012	REPORTED																								
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Full-time employees are given a Christmas and vacation bonus, food stamps, savings fund, years of service acknowledgement and a retirement system which consists in a fixed contribution plan provided by the company, ranging from 4% to 17% salary. Temporary employees and part-time workers do not benefit from the retirement plan.	Fully																								
LA4	Percentage of employees covered by collective bargaining agreements.	47% .	Fully																								
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Notice is general, a week in advance.	Fully																								
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	All employees are represented in committees. These are formally put together and they have clear goals, strategies and plans of action, as well as monitoring and review of results. The amount of employees who engage in the committees varies by work center, always representing the Human Resources, Unions and Health and safety areas. In general lines, around 2% to 4% of the workforce participates in these committees.	Fully																								
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and gender.	<table border="1"> <thead> <tr> <th></th> <th>2010</th> <th>2011</th> <th>2012</th> </tr> </thead> <tbody> <tr> <td>Injury rates</td> <td>1,475</td> <td>1,728</td> <td>1,838</td> </tr> <tr> <td>Lost days</td> <td>26,265</td> <td>30,265</td> <td>26,024</td> </tr> <tr> <td>Fatal accidents</td> <td>0</td> <td>2</td> <td>0</td> </tr> <tr> <td>Frequency</td> <td>10.55</td> <td>11.28</td> <td>10.24</td> </tr> <tr> <td>Accidentality rates</td> <td>259.59</td> <td>281.31</td> <td>229.69</td> </tr> </tbody> </table>		2010	2011	2012	Injury rates	1,475	1,728	1,838	Lost days	26,265	30,265	26,024	Fatal accidents	0	2	0	Frequency	10.55	11.28	10.24	Accidentality rates	259.59	281.31	229.69	Fully
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LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	<p>A special emphasis on health issues is made during family events in addition to promoting physical activity campaigns. There are available medical services as well as preventive medicine and weight-loss campaigns in most work centers.</p> <p>Some of the most important programs implemented in ALFA's companies are:</p> <ul style="list-style-type: none"> <li>• Vacunar es prevenir (To vaccinate is to prevent, for employees and their families)</li> <li>• Periodical medical check-ups (employees)</li> <li>• Health fairs (community, employees and their families)</li> <li>• Yo decido bajar de peso (I choose to lose weight, for employees)</li> <li>• Know your numbers (community and employees)</li> <li>• Coworking with national and international Red Cross (community, employees and their families)</li> <li>• Cruzada Nacional contra el sobrepeso y la obesidad (National campaign against overweight and obesity for employees)</li> <li>• SAFE program (community)</li> <li>• Programa Integral de Salud (Integral Health Program for employees)</li> <li>• Programa Escuela Saludable (Healthy School Program for communities).</li> </ul>	Fully																								
LA9	Health and safety topics covered in formal agreements with trade unions.	Programs to reduce workplace accidents and occupational diseases are constantly developed with support from the Safety, Health and Hygiene committees. Internal worker guidelines cover these issues.	Fully																								
LA10	Average hours of training per year per employee by gender and by employee category.	<table border="1"> <thead> <tr> <th>2011</th> <th>2012</th> </tr> </thead> <tbody> <tr> <td>1.86 million of man-hours for training.</td> <td>In 2012, an average of 27 hours of training per employee were equally given to men and women in 2,909 courses. This investment amounted to U.S. \$7.3 million. It is important to mention that a significant portion of training activities is not accounted due to their being held within the companies at no extra cost. Some of the training areas were general administration, environment, health and safety, leadership and floor training.</td> </tr> </tbody> </table>	2011	2012	1.86 million of man-hours for training.	In 2012, an average of 27 hours of training per employee were equally given to men and women in 2,909 courses. This investment amounted to U.S. \$7.3 million. It is important to mention that a significant portion of training activities is not accounted due to their being held within the companies at no extra cost. Some of the training areas were general administration, environment, health and safety, leadership and floor training.	Partially																				
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LA12	Percentage of employees receiving regular performance and career development reviews by gender.	<table border="1"> <thead> <tr> <th>2011</th> <th>2012</th> </tr> </thead> <tbody> <tr> <td>80% approximately.</td> <td>76% of ALFA's companies' workforce received performance evaluations during 2012.</td> </tr> </tbody> </table>	2011	2012	80% approximately.	76% of ALFA's companies' workforce received performance evaluations during 2012.	Partially																				
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GRI	CONTENTS	2012	REPORTED
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	With operations in 18 countries, our workforce encompasses great diversity of nationality, race, religion and culture. 22% of our workforce consists of women. See 2012 Sustainability Report, page 7.  Inside ALFA's Board of Directors there are no female members.	Fully
LA14	Ratio of basic salary of men to women by employee category.	There is no base salary distinction for male and female personnel in the same job position. Compensation is determined based on knowledge, capability and expertise.	Fully
<b>HR HUMAN RIGHTS</b>			
HR4	Total number of incidents of discrimination and corrective actions taken.	No discrimination acts complaints were registered in ALFA's companies during 2012.	Fully
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	In ALFA, there is full freedom of association for our employees, and they benefit from collective labor agreements or contracts, for which there is no risk of violating this right. 47% of the workforce holds a collective labor agreement. This opening is followed by the companies' Human Resources Committees.	Fully
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	ALFA fully complies with labor legislation in all countries where they operate, as well as the UN Global Pact, so there's no potential risk of child labor in the company's work centers.	Fully
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	In 2012, no complaints were registered for practices contrary to the above nor were complaints registered for forced-labor. This is ensured through labor contracts. ALFA provides benefits such as flexible schedule, parental leaves beyond those covered by legislation, nursery rooms in their premises and working from home, which are a testament to ALFA's disposition to help its employees adapt to different working conditions. On a different note, ALFA's policy to maintain the workforce of those companies they acquire is an effort to be highlighted.	Fully
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	100% of ALFA's employees in security areas have been trained on issues covered by the Global Pact on Human Rights.	Fully
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	No ALFA's business units or facilities are located in zones populated by indigenous people. Even so, it is important to highlight that thanks to human rights abiding practices, in 2012 there were no violations of indigenous people's rights with whom there might be community or work relations.	Fully
HR11	Number of grievances related to human rights filed, addressed, and resolved through formal grievance mechanisms.	No complaints on human rights violations were registered in any of ALFA's operations during 2012.	Fully

GRI	CONTENTS	2012	REPORTED																		
<b>SO</b>	<b>SOCIETY</b>																				
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	100% of ALFA's companies' operations conduct activities and programs focused on community engagement, from working in collaboration with civilian entities (Red Cross, Civil Protection, Health institutions) to internally developed programs under these premises. Some examples are: <ul style="list-style-type: none"> <li>• The essence of ALFA Fundación.</li> <li>• Internal and External Communication Program, at Akra Polyester</li> <li>• SHE Programs, at Indelpro</li> <li>• Community Advisory Panels (DAK Americas, U.S.)</li> <li>• Earth Day celebration, all ALFA's plants (CAINTRA's School-Company Plan, at Alestra)</li> <li>• Environmental awareness by talks in school, job fairs, at NEMAK U.S.</li> <li>• Annual Community Engagement Program, at NEMAK Mexico</li> <li>• Volunteering, at all ALFA's plants</li> <li>• Agreements with universities, all ALFA's plants</li> <li>• Gansos Community and Healthy School programs, at SIGMA</li> </ul>	Fully																		
SO2	Percentage and total number of business units analyzed for risks related to corruption.	100% of ALFA's operations. ALPEK with 20 plants in three countries, NEMAK with 34 plants in 14 countries, SIGMA with 34 plants in nine countries, Alestra in Mexico and Newpek in the U.S.	Fully																		
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	100%.	Fully																		
SO4	Actions taken in response to incidents of corruption.	In 2012, 320 reports related to corruption acts were received, whereas all of them were properly addressed and solved. Depending on the incident, the actions taken vary between a simple cautioning or reprimand, to the terminations of the employee's job contract.	Fully																		
SO5	Public policy positions and participation in public policy development and lobbying.	Through its participation in associations and chambers, ALFA helps develop public policies on issues in its expertise within a legal framework and the highest ethical standards.	Fully																		
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	ALFA does not grant this type of contributions.	Fully																		
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	There were no sanctions on these grounds.	Fully																		
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	There were no sanctions on these grounds.	Fully																		
SO9	Operations with significant potential or actual negative impacts on local communities.	60% of ALFA's companies operations' present a potential negative impact risk on their communities due to the processes they conduct. In order to alleviate this risk, the strictest controls and necessary measures are observed. See chart SO10.	Fully																		
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	<table border="1"> <thead> <tr> <th>Facility</th> <th>Risk type</th> <th>Mitigation actions</th> </tr> </thead> <tbody> <tr> <td>Colombin Bel</td> <td>Fires.</td> <td>Strict controls on all processes, preventive training, direct contact with authorities, communication with neighboring companies and mutual help programs.</td> </tr> <tr> <td>Akra Polyester</td> <td>Chlorine gas, thermal oil or methanol leakage.</td> <td>Water spray systems, control valves and fire detection systems.</td> </tr> <tr> <td>Indelpro</td> <td>Hydrocarbons or combustion gas leakage.</td> <td>Preventive facility maintenance, instrumented safety system and vent control program.</td> </tr> <tr> <td>DAK Americas</td> <td>Chemical emissions into the atmosphere.</td> <td>Constant on-off-failure control which ensures a prompt detection and shutdown in case of any incident.</td> </tr> <tr> <td>Polioles</td> <td>Hazardous material emission risk, fires or explosions due to the handling of flammable substances.</td> <td> <ol style="list-style-type: none"> <li>1. Process control system.</li> <li>2. Pressure relief devices on containers.</li> <li>3. Contingency response plans.</li> <li>4. Engaging in mutual help groups.</li> <li>5. Emergency brigade staff training.</li> <li>6. Fire fighting water supply.</li> <li>7. Fire detection and alarm system.</li> </ol> </td> </tr> </tbody> </table>	Facility	Risk type	Mitigation actions	Colombin Bel	Fires.	Strict controls on all processes, preventive training, direct contact with authorities, communication with neighboring companies and mutual help programs.	Akra Polyester	Chlorine gas, thermal oil or methanol leakage.	Water spray systems, control valves and fire detection systems.	Indelpro	Hydrocarbons or combustion gas leakage.	Preventive facility maintenance, instrumented safety system and vent control program.	DAK Americas	Chemical emissions into the atmosphere.	Constant on-off-failure control which ensures a prompt detection and shutdown in case of any incident.	Polioles	Hazardous material emission risk, fires or explosions due to the handling of flammable substances.	<ol style="list-style-type: none"> <li>1. Process control system.</li> <li>2. Pressure relief devices on containers.</li> <li>3. Contingency response plans.</li> <li>4. Engaging in mutual help groups.</li> <li>5. Emergency brigade staff training.</li> <li>6. Fire fighting water supply.</li> <li>7. Fire detection and alarm system.</li> </ol>	Fully
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GRI	CONTENTS	2012		REPORTED	
		Univex	Hazardous material leakage.	Surveillance program for equipment and line cracks and thickness, emergency training program, fire and rescue, engaging in mutual help groups.	
		Nemak Mexico	Atmospheric emissions, fires caused by natural gas, explosions.	<ol style="list-style-type: none"> <li>1. The Health, Safety and Environmental Management System cover procedures to prevent and respond to risks in addition to helping mitigate damages. System features include monitoring, operational controls, simulations and audits.</li> <li>2. There's also a strategic alliance with the Mutual Help Committee on the western regions.</li> <li>3. Crisis Management Committee kick-start.</li> <li>4. A specialized supplier with Pemex supervising these connections on a daily basis and complying with CRE's (Energy Regulatory Commission, in Spanish) regulations.</li> </ol>	
		Nemak Global	Emissions into the atmosphere.	New equipment installation to contain emissions throughout 2012, facility optimization, joint work with authorities and agencies to mitigate risks, training on safety in nearby communities.	

## PR PRODUCT RESPONSIBILITY

PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	2011	2012		Fully																																																								
		This information wasn't available at this time.	<p>The following chart shows those ALFA's companies which can measure their products lifecycle. This indicator is not applicable to Nemak, Alestra and Alfa Corporation. Security and environmental risks analyses are conducted annually at Akra Polyester to all the manufacture, storage, distribution and supply processes. Such risk analyses, duly documented, are not applicable to the development, consumption or service processes, nor marketing and promotion activities. Corrective actions are taken for those activities or processes that might represent a significant risk to the environment or the personnel's safety.</p> <table border="1"> <thead> <tr> <th></th> <th>Akra Polyester</th> <th>DAK Americas</th> <th>Polioles</th> <th>Petrote-mex</th> <th>Indelpro</th> <th>Sigma</th> </tr> </thead> <tbody> <tr> <td>Product develop-ment</td> <td>NA</td> <td>Yes</td> <td>Yes</td> <td>Yes</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>Manufacturing</td> <td>Yes</td> <td>Yes</td> <td>Yes</td> <td>Yes</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>Marketing and promotion</td> <td>NA</td> <td>Yes</td> <td>No</td> <td>Yes</td> <td>No</td> <td>Yes</td> </tr> <tr> <td>Storage, distribution and supply</td> <td>Yes</td> <td>Yes</td> <td>Yes</td> <td>Yes</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>Purchase and service</td> <td>NA</td> <td>Yes</td> <td>Yes</td> <td>Yes</td> <td>No</td> <td>Yes</td> </tr> <tr> <td>Disposal, reuse or recycle</td> <td>Yes</td> <td>Yes</td> <td>Yes</td> <td>Yes</td> <td>Yes</td> <td>No</td> </tr> <tr> <td>Percentage of products to which this evaluation is applied to</td> <td>100%</td> <td>100%</td> <td>100%</td> <td>100%</td> <td>30%</td> <td>100%</td> </tr> </tbody> </table>		Akra Polyester	DAK Americas	Polioles	Petrote-mex	Indelpro	Sigma	Product develop-ment	NA	Yes	Yes	Yes	Yes	Yes	Manufacturing	Yes	Yes	Yes	Yes	Yes	Yes	Marketing and promotion	NA	Yes	No	Yes	No	Yes	Storage, distribution and supply	Yes	Yes	Yes	Yes	Yes	Yes	Purchase and service	NA	Yes	Yes	Yes	No	Yes	Disposal, reuse or recycle	Yes	Yes	Yes	Yes	Yes	No	Percentage of products to which this evaluation is applied to	100%	100%	100%	100%	30%	100%		
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PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcome.	No fines or sanctions due to accidents of this nature were registered during 2012.			Fully																																																								



GRI	CONTENTS	2012	REPORTED																														
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	<p>The following chart shows those ALFA's companies that label their products.</p> <table border="1"> <thead> <tr> <th></th> <th>DAK Americas</th> <th>Polioles</th> <th>Sigma</th> <th>Terza</th> </tr> </thead> <tbody> <tr> <td>Origin of the components of the product or service</td> <td>Yes</td> <td>No</td> <td>No</td> <td>Yes</td> </tr> <tr> <td>Content (if there are substances that may have environmental or social impact)</td> <td>Yes</td> <td>No</td> <td>No</td> <td>No</td> </tr> <tr> <td>Safe use of the product</td> <td>Yes</td> <td>Yes</td> <td>Yes</td> <td>No</td> </tr> <tr> <td>Disposal of the product and its environmental and social impact</td> <td>Yes</td> <td>Yes</td> <td>Yes</td> <td>No</td> </tr> <tr> <td>Other</td> <td></td> <td>Yes</td> <td></td> <td>Yes</td> </tr> </tbody> </table>		DAK Americas	Polioles	Sigma	Terza	Origin of the components of the product or service	Yes	No	No	Yes	Content (if there are substances that may have environmental or social impact)	Yes	No	No	No	Safe use of the product	Yes	Yes	Yes	No	Disposal of the product and its environmental and social impact	Yes	Yes	Yes	No	Other		Yes		Yes	Fully
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PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	No fines or sanctions on the breach of these regulations were registered in 2012.	Fully																														
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	<table border="1"> <thead> <tr> <th>2011</th> <th>2012</th> </tr> </thead> <tbody> <tr> <td>This information wasn't available at the time.</td> <td>All ALFAS's companies have a system to measure client satisfaction, the most common being 1-800 numbers, e-mail, live meetings and periodical satisfaction surveys. In 2012, the average satisfaction result measured through the companies was 84%.</td> </tr> </tbody> </table>	2011	2012	This information wasn't available at the time.	All ALFAS's companies have a system to measure client satisfaction, the most common being 1-800 numbers, e-mail, live meetings and periodical satisfaction surveys. In 2012, the average satisfaction result measured through the companies was 84%.	Fully																										
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PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	<p>This paragraph applies only to Sigma and Alestra.</p> <table border="1"> <thead> <tr> <th></th> <th>Alestra</th> <th>Sigma</th> </tr> </thead> <tbody> <tr> <td>Voluntary marketing codes or standards applied by the company.</td> <td>The Alestra Code of Ethics has a specific chapter on advertising and sales. The company commits to respecting its clients and be truthful in its advertising and pitching.</td> <td>PABI Code</td> </tr> <tr> <td>Frequency in which compliance is reviewed.</td> <td>Permanent</td> <td>Reviewed every time advertising is devised.</td> </tr> </tbody> </table>		Alestra	Sigma	Voluntary marketing codes or standards applied by the company.	The Alestra Code of Ethics has a specific chapter on advertising and sales. The company commits to respecting its clients and be truthful in its advertising and pitching.	PABI Code	Frequency in which compliance is reviewed.	Permanent	Reviewed every time advertising is devised.	Fully																					
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PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	No fines or sanctions for breaching these regulations were registered in 2012.	Fully																														
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	No complaints caused by personal data leakage were registered during 2012.	Fully																														
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	No fines or sanctions for breaching the regulations were registered in 2012.	Fully																														

# ABOUT THIS REPORT

GRI 3.5, 3.6, 3.7, 3.8, 3.9, 3.10 and 3.11

This Report contains ALFA's sustainability activities conducted throughout the year 2012. It is the ninth consecutive sustainability report published by the company, and covers its five business groups: Alpek, Nematik, Sigma, Alestra and Newpek. It also includes its operations in 18 countries.

The Report frequency is annual, the preceding being released in 2011. For the seventh year running, we express our support to the 10 principles of the UN Global Pact. In 2012, we reported a total of 106 fully reported indicators, 20% more than in 2011 with 90. This should be taken into account when comparing previous Reports.

Three criteria were used for content selection: first, consistency with the 2011 report; second, in accordance to the most relevant events of 2012 and third, based on the indicator's materiality of those industries ALFA serves and in reference to concerns expressed by our stakeholders through the multiple communication channels.

The same GRI methodology was used, in its 3.1 version (the version used in 2011 was the 3.0). This meant modifications and increased number of indicators to report were in place. Moreover, this report sought to cover them in greater depth. As for the report's design structure, a significant change from 2011 took place. This document is divided in two sections. The first section contains the message of the President of the Board of Directors and ALFA President, company profile, our sustainability strategy and a summary of each of our core lines: Our Employees, Our Communities and Our Environment, as well as the achievements of ALFA Foundation, closing with the most important awards on social responsibility received during the reported year.

The second section encloses information on the company's sustainability actions, grouped within the GRI Index and comparability to 2011 (when applicable). The structure follows the indicators proposed by the GRI. Some indicators are located in the first part, as specified in the index. This allows us to better identify the data comparability to the previous year's Report.

Measurement methods were based on those defined by the GRI. To convert Mexican peso to U.S. dollars in terms of income and expense items, we used the average exchange rate for the month in which the peso transactions were carried out. On the balance sheet, the exchange rate used was that of \$13.01 Mexican pesos per dollar, on december 31st, 2012.

This is consistent with the methodology used in our financial reports.

Finally, the About this Report, the 10 principles of the United Nations Global Compact, the third party check letter and the GRI check application B+ level letter sections are included in this second part of the Report.

This Sustainability Report is the second to be reviewed with the GRI level and a third party check. For the preparation of this document we have worked with the consulting firm Ética y Estrategia Consultores S.C. and Universidad Anáhuac del Norte's Centro IdeaRSE, who has validated the application of GRI methodology and our B+ level qualification.

# PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT

## HUMAN RIGHTS

**Principle I** (PM I)  
To support and respect human rights protection.

**Principle II** (PM II)  
To not be an accomplice of rights abuse.

## LABOR CONDITIONS

**Principle III** (PM III)  
To support the principles of freedom of association and the right to collective negotiation.

**Principle IV** (PM IV)  
To eliminate forced and obligatory labor.

**Principle V** (PM V)  
To abolish any way of child labor.

**Principle VI** (PM VI)  
To eliminate discrimination on employment and job positions matters.

## ENVIRONMENT

**Principle VII** (PM VII)  
To support the preventive focus towards environmental challenges.

**Principle VIII** (PM VIII)  
To promote a greater environmental responsibility.

**Principle IX** (PM IX)  
To encourage development and spreading of environmental respectful technologies.

## FIGHT AGAINST CORRUPTION

**Principle X** (PM X)  
To act against every form of corruption, including extortion and bribery.



# THIRD PARTY CHECK LETTER



Huixquilucan, State of Mexico, May 10 2013.

## **Alfa S.A.B. de C.V**

### ***External Assurance Statement for the 2012 Alfa Sustainability Report***

To the Directors and management of Alfa,

In response to the request from Alfa, we conducted an independent external assurance of its 2012 Sustainability Report; in this process we reviewed its application of the content and quality principles for Sustainability Reporting, according to the Global Reporting Initiative (GRI) G3.1 Guidelines, and the description of the organizational profile, its management approach to sustainability, and the economic, social and environmental performance indicators proposed in these Guidelines.

### ***Director's Responsibility***

The elaboration and presentation of 2012 Alfa Sustainability Report, its content and performance indicators, and the B level self-declaration according to GRI G3.1 Guidelines are the sole responsibility of the Directors of Alfa.

### ***Scope of our work***

The IDEARSE Centre is responsible to express its conclusions about the independent assurance process conducted for the 2012 Alfa Sustainability Report, in accordance to GRI G3.1 content and quality principles for Sustainability Reporting and the inclusion of economic, social and environment indicators, based on the methodology and procedures applied in our review. This statement could not be considered as an audit report.

### ***Assurance Process***

The external assurance process was carried out in three stages by applying specific guidelines for collecting and analyzing information:

- Review and analysis of the content of the 2012 Alfa Sustainability Report and the annexes provided by Alfa.
- Interviews with specific executives and managers of various related areas and responsible for the elaboration of the 2012 Alfa Sustainability Report, to validate cross-sectional information on its sustainability model and its implementation throughout the companies they represent.



**IDEA RSE**  
CENTRO PARA LA RESPONSABILIDAD  
Y SUSTENTABILIDAD DE LA EMPRESA

- Information analysis and presentation of a critical-reading report containing the conclusions and improvement recommendations for future reports.

During all the process, the application of GRI Guidelines for the report preparation was validated, and the mainstreaming of sustainability in the management approach towards economic, social and environmental performance was assured. We reviewed the alignment with the quality and content principles proposed by GRI, the consistency between the qualitative and quantitative information about specific practices and the application of GRI Guidelines for the content of the report. *(All complementary information requested was timely provided by Alfa and there was no limitation to the access of any evidence).*

### **Conclusions**

As a result of the external assurance process, we found no significant deviations or omissions in the application of the methodology proposed in GRI Guideline version 3.1 (G3.1) for Sustainability Reporting, as well as any aspect showing significant inconsistencies in the information reported by Alfa in the texts or indicators of its 2012 operations. These enable Alfa to self-declare their 2012 Sustainability Report as a B level report.

### **Recommendations**

Additionally, we presented a report to Alfa Management containing the detail of our external assurance process and the recommendations emerging from it, in order to improve their sustainability reporting practice in future years.

Sincerely,

**Sybil Aréchiga Vargas**  
External Assurer

**Jorge Reyes Iturbide**  
Director of IDEARSE Centre



## Statement GRI Application Level Check

GRI hereby states that **Alfa S.A.B. de C.V.** has presented its report "2012 Alfa Sustainability Report" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level B+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see [www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf](http://www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf)

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 22 May 2013

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a large, faint watermark of the GRI globe logo.

Nelmara Arbex  
Deputy Chief Executive  
Global Reporting Initiative



The "+" has been added to this Application Level because Alfa S.A.B. de C.V. has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

*The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. [www.globalreporting.org](http://www.globalreporting.org)*

**Disclaimer:** Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 13 May 2013. GRI explicitly excludes the statement being applied to any later changes to such material.



# AWARDS AND CERTIFICATIONS 2012

In 2012, ALFA and its companies were granted several awards and certifications by government bodies and private institutions throughout various countries. The foregoing, besides being a recognition of the work carried out, represents a commitment to continue operating in a responsible way.

COMPANY	AWARD / CERTIFICATION	GRANTED BY	COUNTRY
Alestra	Mitigation of Greenhouse Gases Emissions	Nuevo Leon State Government	Mexico
	Clean Industry	Ministry of Environment and Natural Resources	Mexico
	Safe Company	Ministry of Labor and Social Welfare	Mexico
ALFA Corporate Offices	Safe Destruction and Environment Contribution	Eco Trust	Mexico
DAK Americas Cape Fear	Wildlife at Work	Wildlife at Work	U.S.A.
Nemak Alabama	ISO 14001	KIWA International Cert.	U.S.A.
Nemak Canada	ISO 14001	KIWA International Cert.	Canada
Nemak Kentucky	ISO 14001	Intertek	U.S.A.
Nemak Monclova	ISO 14000	DNV	Mexico
	Clean Industry	Ministry of Environment and Natural Resources	Mexico
Nemak Monterrey	Clean Industry	Ministry of Environment and Natural Resources	Mexico
	Affiliation Certificate	Congruencia Movement	Mexico
	Environmental Leadership for Competitiveness	Ministry of Environment and Natural Resources	Mexico
	ISO 14001	ABS Quality Evaluations	U.S.A.
Nemak Poland	ISO 14001	Det Norske Veritas	Poland
Nemak Saltillo	EcoFest	SEMAC - Canacintra	Mexico
Nemak Tennessee	ISO 14001	KIWA International Cert.	U.S.A.
Nemak Wisconsin	ISO 14001	Intertek	U.S.A.
Petrotemex	Environmentally Responsible Company	Ministry of Environment and Natural Resources	Mexico
	Clean Industry	Ministry of Environment and Natural Resources	Mexico
	Integral Responsibility	National Chemical Industry Association	Mexico
Petrotemex Altamira	Safe Company	Ministry of Labor and Social Welfare	Mexico
Petrotemex Cosoleacaque	Clean Industry	Ministry of Environment and Natural Resources	Mexico
	Self-management Work Safety and Health Program	Ministry of Labor and Social Welfare	Mexico
Poliolos	Family Responsible Company	Ministry of Labor and Social Welfare	Mexico
	Clean Industry	Ministry of Environment and Natural Resources	Mexico
	Safe Company	Ministry of Labor and Social Welfare	Mexico
	Integral Responsibility	National Chemical Industry Association	Mexico
Sigma	Family Responsible Company	Ministry of Labor and Social Welfare	Mexico
	Strategic Alliance with Nuevo Leon's Food and Beverage Industry	Ministries of Health and Education	Mexico
	Environmental Leadership for Competitiveness	Ministry of Environment and Natural Resources	Mexico
	Inclusive Company	OAS and UTSC	Mexico
Terza	Environmental Leadership for Competitiveness	Ministry of Environment and Natural Resources	Mexico
	Contribution to the Environmental Protection and Conservation	Ministry of Environment and Natural Resources	Mexico

