



**Cinépolis®**  
LA CAPITAL DEL CINE

"A company's vision for Social Responsibility:  
The case of Cinépolis in Mexico"

*Communication of Progress*



THE GLOBAL  
COMPACT

MEXICO

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**Corporate Social  
Responsibility**

 **Cinépolis.**  
LA CAPITAL DEL CINE

[www.cinepolis.com.mx](http://www.cinepolis.com.mx)

## TABLE OF CONTENTS

|                                                                                                                                               |    |
|-----------------------------------------------------------------------------------------------------------------------------------------------|----|
| STATEMENT OF THE GENERAL MANAGER .....                                                                                                        | 3  |
| PRINCIPLE 1: Businesses should support and respect the protection of internationally proclaimed human rights. ....                            | 4  |
| PRINCIPLE 2: Business should make sure that they are not complicit in human rights abuses. ....                                               | 11 |
| PRINCIPLE 3: Business should support the freedom of association and the effective recognition of the right to the collective bargaining. .... | 14 |
| PRINCIPLE 4: Business should uphold the elimination of all forms of forced and compulsory labor. ....                                         | 17 |
| PRINCIPLE 5: Business should uphold the effective abolition of child labor. ....                                                              | 20 |
| PRINCIPLE 6: Business must support the elimination of the discrimination in the matter of job and occupation. ....                            | 24 |
| PRINCIPLE 7: Business will have to support a preventive approach to the environmental challenges.....                                         | 28 |
| PRINCIPLE 9: Business must encourage the development and diffusion of environment respectful. ....                                            | 36 |
| PRINCIPLE 10: Business should work against corruption in all its forms, including the extortion and the bribery.....                          | 39 |

## STATEMENT OF THE GENERAL MANAGER

The United Nations Global Compact is the world's largest global corporate citizenship initiative, which consists in a framework for businesses that are committed to aligning their operations and strategies with [ten universally accepted principles](#) in the areas of [human rights](#), [labor](#), [environmental](#) and [anti-corruption](#).

This is a voluntary initiative to which companies decide to commit in order to assume its social responsibility and its responsible business practices.

For Cinépolis being socially responsible means to dispose our key assets to contribute on the development of a fair and more equitable society, assuming our social commitment inside and out the movie theaters.

The UN Global Compact is for Cinépolis an important initiative to reinforce our commitment with our employees, the environment, the society and all our stakeholders.

Cinépolis joined the UN Global Compact on 2005. As a Social Responsible Business we are committed to support and reinforce the 10 Global Compact Principles and to apply them in our daily operation.

This document describes the actions we have adopted in correspondence to these 10 principles and the results we have achieved with these actions from 2005 up to date.



Alejandro Ramírez Magaña  
General Manager  
Cinépolis

## PRINCIPLE 1: Businesses should support and respect the protection of internationally proclaimed human rights.

**OUR COMMITMENT:** At Cinépolis we assume our commitment to respect and protect human right by the elaboration of different policies and our Code of Ethics, in which is stipulated that is of our principal interest the protection of every employees rights.

### SYSTEMS:

- Cinépolis Code of Ethics.
- Code of Ethics Line, Internal Client Line.
- Corporation's mission, vision and values.
- Civil Protection Program .
- Health Insurance.
- Social Program focused on visual health "Del Amor nace la Vista" ("From love comes sight").
- Social program: "Screens promoting education and social conscience".
- Fundación Cinépolis (Cinépolis' Corporate Foundation).
- Ambulante Tour.
- Festival Internacional de Morelia (Morelia Film Fest).
- Festival Latinoamericano de Cine Infantil y Juvenil "Lo que veo" (Latin American Children's Film Fest "What I See").

### ACTIONS:

- The Cinépolis Code of Ethics states that every employee inside and out the company should respect honesty, fair treatment, moral order, personal honor and the respect for human rights. It includes aspects of good citizenship, equal terms of employment, intellectual property, no discrimination, interest's conflicts and social responsibility. This corresponds to our commitment to the human right #1: The right of freedom and equality.





- The Code of Ethics Line is a confidential telephonic line which serves for accusations, complaints and detection of violations of the Code. The Internal Client Line is also a confidential telephonic line that is used to report conflicts between employees and their superiors. This corresponds to our commitment to the human right #19: Freedom of opinion and expression.
- In each of our cinema complexes, there is a group of employees trained to respond in case of an emergency, this is the Civil Protection Program. There is a special area in the corporation that looks after this program. This corresponds to our commitment to the human right #22: The right for social security.
- Every employee is registered at the *Instituto Mexicano del Seguro Social* (IMSS). As an additional benefit, most of them are granted with a major health insurance program. All employees are trained in health and civil protection topics along the year. This corresponds to our commitment to the human right #22: The right for social security.
- Fundación Cinépolis is born in 2008 with the mission of contributing to social justice in the communities where our employees live and work, through programs on visual health, education and community development oriented to support those in greatest need.
- This corresponds to our commitment to the human right #22: The right for social security, the right to health, and the human right #1: the right of freedom and equality.
- The social program "Del Amor nace la Vista" is the way Cinépolis assumed its commitment to support a public health problem highly related to its reason to be as business: the cinematographic exhibition. This way, Cinépolis took the right of visual health as its main cause to support, helping people in vulnerable situation to recover their sight, building cataract-free communities in the poorest regions of Mexico. This corresponds to our commitment to the human right #22: The right for social security and to the human right to health.



- Cinépolis has a new business concept of low cost cinemas called "Xtreme Cinemas". With this concept we are getting into low cost market segments which are normally left unattended, and now we are offering our services at a more affordable cost so local communities can experience as well the wonderful experience of the movies. This corresponds to our commitment to the human right #1: the right of freedom and equality.

## RESULTS:

- Cinépolis counts with a Development Program for Executives focused on the development of competencies, and a Technical Development Program designed according the needs of the organization. In 2007 the company offered 75 training programs, such as the Real State Finance Seminar, Time Management, Budget Control and Creative Leadership among others, and funded 18 scholarships for university and master studies. This corresponds to our commitment to the human right #26: The right to education.
- Right before Cinépolis' social program "From love comes sight" went public in 2005, the company coordinated an ophthalmic evaluation within the corporation offering free visual health tests for all our employees, as well as a 20% off in eyeglasses and financial aid. 175 Cinépolis complexes were visited and 4,000 ophthalmic tests were done. 832 employees bought eyeglasses.



Through the "From love comes sight" social program, Cinépolis has contributed to the human right of health allowing low-income people recover the gift of sight for free.

### Launch of the 2nd. Fundraising campaign of "Del Amor nace la Vista" (December 2006).

Left to Right: Alejandro Ramírez -Cinépolis CEO-, Diana Bracho-actress and official promotor of the program-, Lorena Guillé-Cinépolis Social Responsibility Manager-, Dr. Jaime Villaseñor-President of APEC-, Dr. Villar Kuri-Director of APEC and Coordinatr of cataract journeys-.

Doctors and specialist from the Association to Eliminate Blindness in Mexico (APEC) donate 100% of their time to realize the surgeries, allowing Cinépolis to benefit more people by financing the cost of cataract surgeries at a 50% off the cost related to similar surgeries in the market.



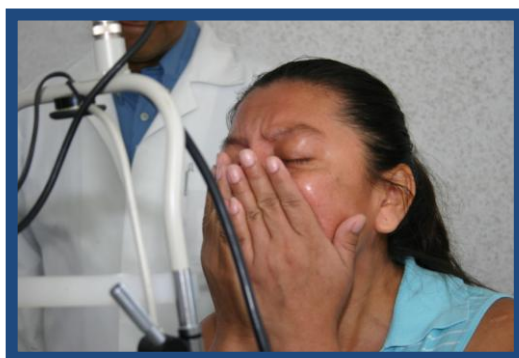
Social Alliances are made with the State and Federal governments, as well as with NGOs dedicated to the promotion of visual health, and with socially responsible corporations who make in-kind donations to the program.



1,514 people from 7 different States of Mexico have been benefited with a cataract surgery and have recovered their sight between 2006 and 2007. The States are chosen according the UNDP Human Development Index, and the benefited ones have been Michoacán, Durango,

Veracruz, Guerrero, Chiapas, Estado de México and Quintana Roo.

In 2008, 1,500 people more will be benefited with the surgeries in the following States of Mexico: Hidalgo, Veracruz, Michoacán, Campeche, Estado de México, and Chiapas.



This contribution represents a contribution of Cinépolis and its clients of over \$3 million dollars in cash and over \$30 million on in-kind donations (2005-2007). This corresponds to our commitment to the human right of health and the human right of social security. All this corresponds to our commitment to the human right #22: The right for social security and to the human right to health.



- Last December 19<sup>th</sup>, 2007 the shopping center where one of our Cinépolis is located, registered a fire caused by a shortcut. Our security and civil protection team of Cinépolis Plaza Aragón reacted quickly and prevented for expanding the fire all over the mall.

All Cinépolis complexes count with an internal program of civil protection as well as with teams trained for first aid, fires and vulnerable situations' reaction allowing our organization to ensure security to our employees and clients. This corresponds to our commitment to the human right #14: The Right to Seek a Safe Place to Live and the human right #22: The right for social security.

- In 2005 Cinépolis launched a new version of its "Vamos Todos a Cinépolis" Program ("Lets go all to Cinépolis) now focused on rural communities. In Alliance with Coca-Cola Foundation and the National Commission for the Development of Indigenous Communities, the company takes the experience of the movie theaters to the indigenous hostels. In 2006 the wonderful experience of the movies was shared with over 400 kids in 4 indigenous hostels in Michoacán (La Placita, Cofradía de Ostula, Coire and Pómaro). With this program Cinépolis give people in disadvantaged situation the opportunity and the right of entertainment and joy. This corresponds to our commitment to the human right #1: The right of freedom and equality and #2: non discrimination.





- In 2007 we took the "Vamos todos a Cinépolis" program to 4,950 people affected by the tremendous flooding in Tabasco who had to be transferred to the government hostels at Deportiva Tabasco, Bodega Chezuma, Centro de Convenciones, Tabasco 2000, Centro Recreativo Atasta, and Catedral del Señor de Tabasco. This corresponds to our commitment to the human right #24: the right to play and enjoy.



Screening at the Cathedral of Tabasco offered to 900 people in November 15th, 2007.



The First Lady of Mexico, Margarita Zavala, at one of the screenings showed by Cinépolis for the affected people by the floods in Tabasco (November 2007).



At Deportiva Atasta. 900 adults and children enjoyed the screening of "Norbit" last November 13th, 2007.

- Cinépolis social responsibility is spread and strengthened towards the preservation of Mexican culture and values through the art of cinematography. In 2006 the company organized a show of short films and documentaries with human rights themes, such as migration, health and violence.



- In 2007 Cinépolis and Save the Children (the leading independent organization creating lasting change in the lives of children in need in the United States and around the world) co-founded the First Latin American Children's Film Fest in Mexico and Latin America to provide a new space of expression to children and youth through the power of film. Six teams from Mexico and Guatemala were awarded in February 2008 by their film projects that showed the way they see the world. The selection criteria were: creativity, production, and the reflection of human dignity with a human rights approach.





## PRINCIPLE 2: Business should make sure that they are not complicit in human rights abuses.

**OUR COMMITMENT:** At Cinépolis we are committed with the protection of human rights and the avoidance of its abuses. In order to this we have created our Code of Ethics and different policies that makes possible the protection of these important rights.

### SYSTEMS:

- Policies that protect worker's human rights: Cinépolis Code of Ethics, Suppliers Policy, Suppliers Development Program, and Contracting Policy.
- Courses and training about human rights: Training on the COP of the Global Compact, International Congress on Corporate Social Responsibility, Strategic Reunions, Training in Organizational Culture and Integration events.
- With Cinépolis social programs such as: "From love comes sight", "Let's go all to Cinépolis" and "Screens promoting education and social conscience", we encourage the protection of human rights such as the right of health, of non discrimination, the right of enjoy life and play, as many others.

### ACTIONS:

- The Code of Ethics Line and the Internal Client Line are anonymous telephonic lines that serve to employees to denunciate violations of the Code of Ethics and abuses in general that take place inside the company. All this corresponds to our commitment to the human right 12: the right to privacy.



- Cinépolis has supported many organizations of human rights in different events, such as Witness International by sponsoring its 2007

Gala Witness, an event organized to raise funds for this organization that works for the promotion of denunciation and documentation of violations on human rights. Cinépolis also supports Ambulante, another organization for human rights. This action works for the human right # 19: freedom to express ideas, and the right #30: everyone must respect others rights.

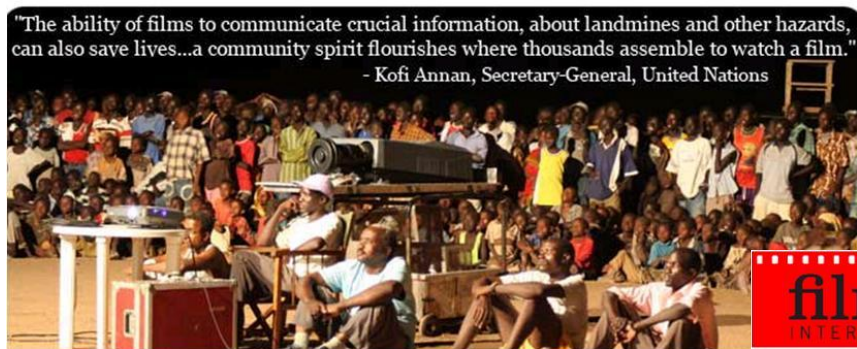


- Since 2005 Cinépolis co-chairs the Mexican Communication Council, a not-for-profit organization that works promoting social values and the respect for human rights through the power of media.



- Our CEO, Alejandro Ramírez, was a keynote speaker at the Universal Forum of the Cultures 2007 (Monterrey, Mexico) offering the conference: "Corporate Social Responsibility from a human rights' perspective". This Forum promotes the interconnection between cultures and the generation of commitments that allow the adoption of sustainable ways of life for the planet. This corresponds to our commitment to the right # 1: freedom and equality for all.

- Alejandro Ramírez Magaña, CEO, is member of the Board of the international organization Film Aid, which uses the power of film to change lives. This organization does a real innovative work, to offer education, a sense of community, and a heart-lifting diversion through the power of film, to displaced population by either natural disasters or poverty. It started in Kosovo and now strongly operates in East Africa, Macedonia, Afganistán, and USA Gulf Coast. This corresponds to the right #2: non discrimination, and #14: right to asylum.



## RESULTS:

- From September to December, 2007 our speak-up lines: the Code of Ethics Line and the Internal Client Line, served more than 40 employees that denunciate violations and abuses to the Code of Ethics and to human rights.



Cinépolis received, in 2006, the "Inclusive Corporation" award, given by the Mexican Ministry of Labor, for our commitment to employ people with disabilities, HIV-AIDS and aged people under equal conditions of employment. This is in accordance to the right #2: non discrimination.

## PRINCIPLE 3: Business should support the freedom of association and the effective recognition of the right to the collective bargaining.

**OUR COMMITMENT:** At Cinépolis we recognize the right of free association and guarantee by our Code of Ethics the protection of the worker's rights.

### SYSTEMS:

- Policy of labor union freedom: Cinépolis Code of Ethics.
- Employee Service Department which facilitates the employees to attend their issues according to their needs.

### ACTIONS:

- The Code of Ethics guarantees that workers can join the Union without fear to be intimidated or to suffer reprisals. The company respects the right of its employees to negotiate collectively in labor matters and respects its freedom of association. This responds to our commitment to the right #23: Everyone has the right to form and to join trade unions for the protection of his interests.
- The Employee Service Department is in charged of all the services the company offers to its employees (social protection) and of attending every issue that comes from the relation between these two parts. This responds to our commitment to the right #23: Everyone who works has the right to just and favorable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.





- The Company makes available to its employees, institutional and operational information by internal bulletin boards, forums and conventions, corporate Intranet, meetings among areas, monthly reunions and virtual meetings with the regional managers and all the complexes, periodic meetings with executives and/or the Board, among others. This responds to our commitment to the right #23: worker's right.



- The cooperation at work and the sense of property towards the organization and their policies are part of the organizational culture of Cinépolis and its values. This is demonstrated by means of concrete actions as the Innova Program, the volunteering and the Organization Committees. This responds to the rights #19: Everyone has the right to freedom of opinion and expression, and # 27: Everyone has the right to the protection of the moral and material interests resulting from any scientific, literary or artistic production of which he is the author.

## RESULTS:

- In Mexico, the law recognizes the freedom of coalition among workers and employers. Cinépolis signed in 2005 a Collective Contract of Work with the National Union of the Exhibition Industry in Mexico. As titular of this union, Cinépolis assumes itself as the only representative of the interests of the workers who work in our cinemas. Authorities of the Mexican Labor Ministry recognize it that way, and it is the only union with which the company has celebrated collective agreements. Over 10,000 employees are under this collective agreement of work.
- By the seasonal nature of the cinema business Cinépolis agreed with the Union a Collective Contract of flexible work for our cinema employees per worked hour. The company absorbs the union costs, and therefore our employees do not pay anything for membership.

- It is important to share that Cinépolis has never suffered a strike, as a result of the good relations between the corporation and its Union. We appreciate and enjoy working in a peaceful environment, and realize how important this is for improving the performance of our people and the results of the business. This responds to our commitment to the right #23: Everyone has the right to form and to join trade unions for the protection of his interests.
- The Amount of employees who are under collective agreements of work can be variable depending on the necessities of the own business, and thus we have, that the total number of employees can vary between 10,000 and 11,000.
- Additional comment: The signing of the Collective Contract of Work with the National Union of Industry and the foundation of the Union of Similar and Connected Workers of the Cinematographic Exhibition Industry in Mexico does not allow the free hiring of workers who belong to another Union within the same industry.



## **PRINCIPLE 4: Business should uphold the elimination of all forms of forced and compulsory labor.**

**OUR COMMITMENT:** At Cinépolis we are against all kind of forced and compulsory work. We make sure that the labor hours and days are clearly stipulated at the beginning to avoid being involved in any of these practices.

### **SYSTEMS:**

- Policies against obligatory work: Cinépolis Code of Ethics, Contacting Policy, and Induction Manual.

### **ACTIONS:**

- When an employee signs its contract, the Human Resources area gives the employee a copy of the contract; the terms and conditions of the contract are clarified to them, and specified in the contract itself. This corresponds to our commitment to the right #23: worker's rights.
- In the Induction Manual and in the contract of each employee the labor hour and days are clearly specified. This corresponds to our commitment to the right #23: worker's rights.
- Cinépolis ensures none of its employees is paid under minimum wage. This corresponds to our commitment to the right #23: worker's rights.
- The company has been awarded with the recognition of "Great Place To Work", which measures the quality and satisfaction of the relations between employees and their bosses, employees and their work, and the relations between employees. Being awarded with this recognition means that employees trust in the people who they work for, they feel proud for what they do and enjoy working with their mates. This corresponds to our commitment to the right #23: worker's rights.



- Cinépolis helps minor age employees to receive support to conclude their basic education if they have not done it. This corresponds to our commitment to the right #26: right to education.
- Cinépolis has a specific area called Employee's Services Direction, which looks after the employee's issues, conflicts and relations inside the company. Every employee can get to this area and express freely their conflicts, doubts and suggestions. This works for the human right # 19: freedom to express ideas
- The company launched In February 2008 the program "Ideas Xtremas" to promote the generation of new ideas oriented to impact and benefit the business as well as our people. This also works for the human right # 19: freedom to express ideas.



- The Human Resources Department works quarterly on internal surveys based on the opinion of the employees to measure -qualitative and quantitatively- their levels of satisfaction, as well as to get comments, complaints and new ideas that contribute to make of Cinépolis a better place to work. This works for the human right # 19: freedom to express ideas.

## RESULTS:

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- Cinépolis has been recognized as a "Great Place to Work" in 2004, 2006, 2007 and 2008. Recognition given by the Great Place to Work Institute Mexico.
- Internal surveys implemented to measure satisfaction levels among our employees show qualifications between 85 and 91 in all our cinema complexes and the corporation in the last 3 years (2005, 2006 and 2007).
- Cinépolis was also recognized in 2007 as "The place where everybody wants to work", recognition given by the organization Top Companies and the consulting Price Water House Coopers.



## PRINCIPLE 5: Business should uphold the effective abolition of child labor.

**OUR COMMITMENT:** At Cinépolis we are committed to fight against child labor and to support kids to have the right to receive education and enjoy life.

### SYSTEMS:

- Adherence to the State Agreement for Infantile Work Eradication.
- The Human Resources area is in charge of the processes of employee's selection, taking care of issues like infantile work.
- The social program "Let's go all to Cinépolis".
- Cinépolis' Business Unit "Cinema Park".
- NGO "Mexicanos Primero" (Mexicans First).

### ACTIONS:

- In 2007 Cinépolis signed the State Agreement for Children's Work Eradication, which implies the development of mechanisms to avoid infantile work, such as detection, control and combat, working in collaboration with its suppliers and commercial partners.
- The Human Resources area, when contracting an employee, asks for his or hers birth certificate to verify the age, to avoid contracting kids or minor aged persons without the permission of their parents.
- For Cinépolis the growth and education of its employees is really important. The company supports the minors that work in





the company to conclude its basic education and give scholarships to employees that wants to continue with their studies. This corresponds to our commitment to the right #26: right to education.

- Cinépolis supported the AGEs Project, an investment in Education. Jointly with the Mexican Ministry of Education (CONAFE), researchers from the University of California at Berkeley and the World Bank, Cinépolis contributed to launch the project in Mexico. The AGEs project provides financial support to parents associations of about \$600 annually, as well as training to increase the parental involvement in school activities -in highly disadvantaged communities- and students academic achievement. The cost of the AGEs Program for the 2007-08 school year, were estimated at \$179,250. the World Bank and the Mexican Ministry of Education donated \$43,600 and the rest -\$95,000- was financed by five donors, Deutsche Bank Foundation, Fundación Televisa, Grupo Cinépolis, Fundación Lazos and Western Union Foundation.



- In 2006, Cinépolis opened an innovative concept in edutainment and the first in America: "Cinema Park". Cinema Park is a cinema complex which has been upgraded to serve as an educational theme park. It takes advantage of the off-peak hours, usually mornings and afternoons, for a unique first rate attraction. It counts with six multi-sensorial theaters where visitors – mainly children from elementary schools-experience a different aspect of the day's theme through a different technology.





These theaters are: the dark theater, the motion theater, 3D theater, Inspiration theater, interactive theater and the music theater. The Public Education Secretariat of Mexico signed an agreement with Cinépolis, so children from public schools visit Cinema Park with special prices and enjoy these activities while learning. This corresponds to our commitment to the rights #24: right to rest and leisure, #26: right to education and #27: right to culture.

- In 2007, Cinépolis' CEO Alejandro Ramírez co-founded non-profit organization "Mexicanos Primero" (Mexicans First) to elevate Mexico's educational level by reforming in 15 years the educative system and to reach in that time a schooling of high quality.



- With the program "Let's go all to Cinépolis" we give children from different disadvantaged communities the opportunity to live the wonderful experience of the movies. By this we promote the right of children to enjoy and have fun, so they can stay out of working activities. This corresponds to the right #24: the right to play.

## RESULTS:

- The signature of the State Agreement for Children's Work Eradication.
- Cinépolis has benefited 1,311,000 kids with its social program "Let's go all to Cinépolis" from 1997 to 2007, in its urban version.



- In the rural version of "Let's go all to Cinépolis", 8 indigenous communities in Michoacán have been benefited, such as El Coire, Pómaro and Cofradía de Ostula.



- In 2007 52,000 persons, mostly children, visited Cinema Park, experiencing through their senses the magnificence of the universe and an impressive tour, throughout the human body, converting an entertainment experience into a learning lesson. 80% of visitors are children from public schools.



## PRINCIPLE 6: Business must support the elimination of the discrimination in the matter of job and occupation.

**OUR COMMITMENT:** Cinépolis fully assumes its commitment to the right of non discrimination in any form and it is stipulated in our Code of Ethics, which every employee must sign and follow.

### SYSTEMS:

- Cinépolis' Code of Ethics establishes equality of labor opportunities, as well as clear policies and procedures for all the company.
- The Executive Development Program, the Technical Competencies Development Program, advanced training courses and the Job Posting Program are some of the capacities and abilities Cinépolis offers for the recruiting, hiring, qualification and ascent processes.
- The Code of Ethics Line and the Internal Client Line are denunciation procedures for matters of discrimination.
- Internal surveys to record employees' satisfaction degree.

### ACTIONS:

- In the Code of Ethics is stipulated that it is obligation of the employees to know and to maintain the equality of opportunities, as well as it is policy of the company to provide the equality of opportunities.
- Cinépolis is working in the Career Plan to identify the potentials of the collaborators and to establish professional and personal plans of development that can be measurable and improved.





- The company considers the equality of treatment as far as gender, sexual orientation, age, social condition and ethnic origin, giving the same opportunities to all by hiring, promotion, remuneration and division of the work, eliminating all kinds of discrimination. This corresponds to our commitment to the human rights #1: All human beings are born free and equal in dignity and rights, and #2: Everyone is entitled to all the rights and freedoms without distinction of any kind.



- The Code of Ethics Line and the Internal Client Line are confidential telephonic lines which serve for accusations, complaints, detection of violations of the Code, and to report conflicts between employees and their superiors. They serve for complaints about discrimination issues also. This corresponds to our commitment to the human right # 19: Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference.
- The Cinépolis' Code of Ethics establishes the company's commitment to recruit, retain and develop the more talented candidates in a wide range of disciplines and experience levels. The strength of the company is based on the talent and performance of its staff. The company counts on a Program for the Development of Executive Competencies; Development of Technical Competitions directed to all the personnel, as well as different advanced training courses throughout the year such as the Organizational based on values Culture, and courses to develop strategic, mental, analytic, communication and human skills. This corresponds to our commitment to the human rights #23: worker's rights and # 26: right to education.
- The company, through its Market Research Department elaborates internal surveys to measure employees' satisfaction degree. This corresponds to our commitment to the human rights # 19: Everyone has the right to freedom of opinion and expression; this right includes

freedom to hold opinions without interference and #23: worker's rights.

- When contracting an employee, the post for that specific job adjusts to the profiles of the position, previously defined to avoid discrimination practices. It is not required to send a photograph with the CV to assure an interview and/or hiring. This corresponds to our commitment to the human rights #2: non discrimination and #23: worker's rights.



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**RECOMPENSA**

- In 2006 Cinépolis advanced towards to the generation of a culture of diversity and inclusion. The Mexican Ministry of Labor recognized Cinépolis as an Inclusive Company for recruiting and hiring employees with special capacities with all the prerogatives of the law. Cinépolis offers equal opportunities and counts with the necessary conditions for the development of the activities within our processes of work. This corresponds to our commitment to the human rights #2: non discrimination and #23: worker's rights.

- Also, Cinépolis counts on the process of Job Posting, where in a public way; the vacancies available are shared to favour the healthy and free labor competition. This corresponds to our commitment to the human rights #23: worker's rights.



## RESULTS:

- Cinépolis received the 2006 Inclusive Company Award, given by the Mexican Ministry of Labor in recognition of its culture of diversity and inclusion.
- As for March, 2008 Cinépolis employs 43 workers with special capacities (auditive, motor, intellectual and visual disabilities) of which 34 are men and 9 are women, as well as 30 greater adults.
- As to March 2008, 43.83% of our employees are women and 56.17% are men.





## PRINCIPLE 7: Business will have to support a preventive approach to the environmental challenges.

**OUR COMMITMENT:** At Cinépolis we assume the responsibility of promoting environmentally-friendly actions in both complexes and Headquarters, to support a preventive approach to the environmental challenges with a focus in the communities where we operate.

### SYSTEMS:

- Adherence to international and national environmental norms.
- Support for environmental friendly campaigns and forums.
- The construction of our brand new "green corporation".
- The use of low energy consumption systems.
- Program for Suppliers Development.

### ACTIONS:

- A two-way communication process is being set up with some stakeholders such as the Board, NGOs, our clients and employees regarding risk management and environmentally-friendly actions, assessed by KPMG Consulting Group.
- Cinépolis is going to launch an internal Audit Committee in 2008 that acts as an advisory group for the application of preventive and environmentally-friendly practices.
- The company is regulated by the established international environmental norms: The Under Writers Laboratories and The National Fire Protection Association.
- Although we have not supported economically a scientific research on environmental issues, we do have supported environmental causes through in-kind donations (premiers and fundraising screenings with movies such as "11th. Hour" and "An Inconvenient Truth") and volunteering with our employees (detection of infected trees with MUERDAGO and with a high risk of dying, in the center of Mexico City).

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Travel with a conscience
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- ## Corporate Social Responsibility

- Since January of 2005, the distributors began to edit the printed analogous soundtrack in films without silver nitrate, which causes that the revealed process does not pollute the environment. This environmentally-friendly action took Cinépolis to update its equipments to be able to use these new formats.
- Water Treatment Plants were implemented in our complexes to reuse water internally; as well as sinks and toilets with sensors in order to save and avoid water waste.
- Inside the movie theaters, the company installed conditioned air equipment with sensors, which control the quality of air, maintaining it optimal (they measure the amount of carbon dioxide and they regulate it).
- Cinépolis assumed in 2007 an internal commitment to promote environmental issues in its supply chain through the Suppliers Development Program, in order to introduce a preventive approach as well as a permanent follow-up of the environment impact caused by our suppliers and clients. This effort is part of the Suppliers Development Program which is coordinated with UNDP Mexico, the Economic Ministry of Mexico and Cinépolis, and is being implemented from March 2008 to december 2009. All these points respond to our commitment to the human rights # 3: the right for life, #22: the right to social security and the right #28: the right to a free and fair world.
- Cinépolis' Corporate Social Responsibility Department is responsible of assessing and promoting preventive environmental practices throughout the organization, with support of the COO, CFO and CEO such as the Office Waste Campaign and the Recycling Pilot Program.







- Cinépolis voluntarily assumed in February 2008, a social commitment to preserve Monarca's Butterflies in the State of Michoacán. These butterflies travel every year from all over the World to this Ecological Paradise that has become for centuries, their habitat. These species are now in danger of extinction. The resources of Fundación Azteca, Fondo Monarca, and the Wild World Foundation,

jointly with the Cinépolis' and the Mexican society's donations will serve to sow, proctor and manage sustainably 6,250 hectares of forest with the active participation of the owners of the lands and the indigenous communities who inhabit in the Reserve.

- The company is working on the Complex Recycling Program to recycle all our cardboard and paper containers of soda, popcorns, hot dogs, that are sold in Cinépolis nation-wide. This project is being implemented in the second semester of 2008.

## RESULTS:

- The Fair Travel Reforestation Fundraising Campaigns (2006 and 2007) have been successful; over \$20,000 dlls. have been raised in both years just during the Morelia Film Fest. Many of Cinépolis clients donated and our employees volunteered raising funds.
- The consumption of energy in our cinema complexes is 10% less than in 2006 because of the implementation of new environmentally-friendly air conditioning systems.

## Fair Travel México

Fair Travel was born in 2005 with the mission of promoting community development through forest plantations with resources derived from responsible tourism.

This NGO co-founded by Cinépolis, Fomento Ecológico Banamex, Reforestamos México, Terreno Baldío Arte and the Government of Michoacán encourages the commitment of touristic companies for the donation of one euro per traveler designated for the plantation of trees in benefit of the visited country. Mexico is the first country to be benefited with this program.



The indigenous community of Cocucho, Michoacán accepted to collaborate in the Reforestation Project of Fair Travel with its workforce and 500 hectares of community lands. Cinépolis, jointly with Fair Travel, invested 25,000 euros for the reforestation of 45,000 trees in the first 50 hectares.



The land for future stages of reforestation will be designated, enclosure and signaled specially for Fair Travel. The community will decide its environmental priorities to work in long-term solution.

<http://fair-travel.net>

## **PRINCIPLE 8: Business should undertake initiatives to promote greater environmental responsibility.**

**OUR COMMITMENT:** Is part of the values of Cinépolis to be environmentally responsible, thus we have implemented some actions to promote this responsibility in and out the company.

### **SYSTEMS:**

- Cinépolis' Code of Ethics, in its fifth policy talks about the obligation of all employees to have knowledge of and accomplish all the laws and applicable regulations that regulate the environmental, health and civil defense issues.
- Cinépolis' Social Responsibility Area
- Organizational Culture and its values, especially Integrity which contemplates the responsibility with the environment. In its definition the following thing is enunciated: "To demonstrate austerity in my behavior and in the advantage of resources. Acting in benefit of the society and the environment"

### **ACTIONS:**

- The company encourages sustainable development, through economic results, preservation of the environment and social justice through a policy of Good Citizenship explicit in its Code of Ethics as well as in its fifth principle of Civil Defense, Environment and Social Responsibility.
- The mission of Cinépolis' Social Responsibility Area, which reports to the CEO and has been shared to all the company, is to make possible to be a Social Responsible Company. To be socially responsible means to dispose our key assets to contribute on the development of a fair and more equitable society.



- Cinépolis has begun the construction of its brand new building for the corporation in Morelia, Michoacán. This building is called "green" because it is environmental friendly. The windows that are going to recover the building are specially made to avoid heat and reduce the consumption of energy in the air conditioning. The illumination system is also programmed to reduce the consumption of energy.



After the construction, all the trees higher than 3 meters are going to be replaced to protect the species. Inside the building there are going to be specific kind of plants based on their required care and their adaptability for indoors.

- Through the Suppliers Development Program, Cinépolis intends to encourage its suppliers' environmental performance.
- Cinépolis co-founded Fair Travel in 2005 to encourage the commitment of tourist companies to donate one euro per traveler designated to the plantation of trees in benefit of the visited country, in addition to the commitment of co-founders of funding and promoting the program in Mexico.
- Cinépolis voluntarily assumed in February 2008 a social commitment to preserve Monarca's Butterflies in the State of Michoacán. These butterflies travel every year from all over the World to this Ecological Paradise that has become for centuries their habitat. These species are now in danger of extinction.
- In order to accelerate the consciousness in environmental issues Cinépolis extends the invitation to all its collaborators to the Reforestation Campaign, and promotes the generation of an environmental conscience through corporate bulletin boards.

All these points respond to our commitment to the human rights # 3: the right for life, #22: the right to social security and the right #28: the right to a free and fair world.

## RESULTS:

- Environmental audits are expected to be implemented in 2009.
- Designed to become one of Mexico's most energy efficient buildings, the Cinépolis headquarters will feature natural lighting throughout, an expansive green roof, sun-shading between others. The new concept will also have a recycling culture, water and energy savings.
- The Cinépolis' "Green" Corporate design heralds a major step forward in sustainable design and ecologically-minded 'green' architecture in Mexico.
- The Cinépolis building will be a cost-efficient facility via energy efficiency and design. Its operating costs are expected to be reduced 30% off, compared to typical buildings in and around Mexico.

## PRINCIPLE 9: Business must encourage the development and diffusion of environment respectful.

**OUR COMMITMENT:** At Cinépolis we assume the commitment of spreading environmentally respectful messages and practices through our capabilities as media and as leaders of the exhibition industry in Latin America, promoting therefore the generation of an environmental culture among our stakeholders.

### SYSTEMS:

- Code of Ethics, asserting the commitment of Cinépolis towards the respect and care of the environment.
- Civil protection program.
- Policy of business trips.
- Policy of utilization of technologies respectful to the environment.
- Life-cycle analysis made for the development of new technologies and products. Their impact on the manufacture, utilization and elimination processes is considered.
- Organizational culture based on values.
- Decision-making processes related to adaptability, as well to the implementation and utilization of sustainable technologies.

### ACTIONS:

- Cinépolis started in February 2008 the construction of Mexico's "Greenest" major building, completely supporting the development of sustainability in our country.
- Shared with our stakeholders –through internal and external media– the initiative of building our "Green Headquarters" to let them know our commitment of using environmental-harmless technology.
- Within the design of the Development Suppliers Program, a sustainable investment criteria and a policy of origin for suppliers and



contracts is being consider, in order to benefit those offers that fulfill with an environmental criteria.

- Through the Showest and Showeast anual meetings, the exhibition industry collaborates sharing best practices on technology usage (environmentally-friendly) as well as corporate social responsibility practices.
- Through the 2008 Light bulb project, Cinépolis expects to increment energy efficiency as well as promoting the usage of renewable energy sources.
- Reduction of environment impact on business trips. In order to optimize resources and contribute to preserve the environment, a policy of business trips was launched in 2006. This policy resulted on the establishment of an internal shuttle service for employees who want or need to travel from Morelia to Mexico City or vice verse, every day. All these points respond to our commitment to the human rights # 3: the right for life, #22: the right to social security and the right #28: the right to a free and fair world.

## RESULTS:

- Cinépolis adopted a new software called Interwise to reduce business trips, improve the quality of life of our employees, and contribute to the environment with the reduction of carbon dioxide that result from air flights.
- The company installed a system of energy controllers, which looks forward to control energy usage caused by the activation of the air conditioned in the movie theaters. These work maintaining ignited the air conditioned, in a very low intensity; therefore, the temperature in the rooms stays the same all the time, and the energy usage diminishes. Since this system was implemented in 2006, an annual saving of 10% on electrical energy has been registered.

- All Cinépolis movie theaters count with other forms of respectful environment technologies like dry toilets, electronic keys in washbasins, saving lamps of energy.



- In May 2008 the Recycling Pilot Program will be launched in two complexes of Mexico City. It will start by recycling Cinépolis' paper cups. Our employees will be responsible of detaching the recyclable parts and the supplier of recollecting and recycling. Cinépolis will get paid back for this action, causing savings for the corporation by doing well to the society.

## **PRINCIPLE 10: Business should work against corruption in all its forms, including the extortion and the bribery.**

**OUR COMMITMENT:** At Cinépolis we are committed to ensure totally compliance with the national and international law and it is part of our priorities, established in our Code of Ethics, to avoid corruption.

### **SYSTEMS:**

- Code of Ethics, asserting the commitment of Cinépolis of punishing anti-ethic and corrupt practices. It is signed by all the employees of the organization and by commercial partners as well.
- Risk Management Program.
- Enterprise Resource Planning (ERP)
- Human Capital Management programs focused on ethical behavior.
- Internal Client Line.
- Code of Ethics Line.
- Committee of Sponsoring Organization (COSO).
- Quality Management Model.
- Internal audits by KPMG Consulting Group.

### **ACTIONS:**

- In 2007 Cinépolis began building the Internal Control Platform to detect risks, define control lines, and generate control processes all over the organization. This is the first step required to implement in 2009 the Enterprise Risk Management, a portfolio of identified risks in the organization which at the same time are classified by level of risk. The third step will be to implement the formula "VaR" (Value at Risk).
- The Quality Management Model is being implemented from 2008 to 2012. This year Cinépolis is applying this model in three areas of the corporation: Cuentas por Pagar, Compras and Crecimiento.
- The company counts with a Code of Ethics, which must be signed by all the collaborators of Cinépolis when initiating activities in it. In



addition, they are due to become attached to the Code at any moment.

- The Code of Ethics Line serves for reporting cases that do not fulfill the rules of the Code, and to pursuit them, making the respective investigations to clarify the supposed violation. This corresponds to our commitment to the human right # 19: Right to free expression and opinion.
- The Internal Client Line serves for employees to report any anomaly or conflict presented between them and their superiors, any employee can report in this line any kind of issue with a guarantee of confidentiality. This corresponds to our commitment to the human right # 19: Right to free expression and opinion.
- Cinépolis assumes its commitment with the national and international law, and encourages the fully accomplishment of its legal responsibilities in each region where it operates. This corresponds to our commitment to the human rights # 6: Right to use the law and #7: the right to be protected by the law.
- Cinépolis' employees receive training on values including an ethical behavior through the organizational culture process. Similarly, members of the Board, the Leadership Team as well as executives of the Corporate Social Responsibility Team have taken courses on Risk Management, Governance, e-government, Corporate Citizenship and the implementation of the Global Compact universal principles. This corresponds to our commitment to the human right # 26: Right to education.



**Nuestra  
Misión**

Ser la **mejor** opción de **entretenimiento**, fortaleciendo nuestro **liderazgo** en la industria cinematográfica **a nivel internacional**, ofreciendo **diversión**, **innovación** y un **servicio estelar**.

**Nuestros  
Valores**  
*Pasión*

Significa entregarme a mi trabajo con entusiasmo genuino, hacer las cosas lo mejor posible, buscando mi superación constante y el bienestar de mi empresa.



- The negotiation with agents and commercial partners are realized by the Purchasing and the Financial Planning Departments, asserting the observance of Cinépolis' Code of Ethics.
- All incidents reported on the Code of Ethics Line as well as on the Internal Clients Line, receive a special treatment by the Regulatory Committee. This Committee is in charge of assessing the accomplishment of all internal processes and the respect for the Cinépolis' Code of Ethics.
- Cinépolis is member of the Ethics Committee of the Mexican Institute of Financial Executives (IMEF) since 2008.
- As member of the Board of the Mexican Communication Council (MCC), Cinépolis promotes through its program "Screens promoting education and social conscience" all the messages produced by the MCC related to ethics, anti-corruption, drugs' consumption, social unity, etc.
- Cinépolis promotes NGO's committed with the generation of social justice and equity, such as Sociedad en Movimiento promoting their events among all the organization.
- In Cinépolis all our business processes are measured by the Balanced Score Card system. This is a management system that enables Cinépolis to clarify its vision and strategy and translate them into action. It provides feedback around both the internal business processes and external outcomes in order to ensure transparency, a proper development of the strategy, the accomplishment of the Code of Ethics, and continuously improve strategic performance and results.

## RESULTS:

- An example of the cases treated by the Code of Ethics Line is the following: A manager of one of our complexes was fired last year because he decided to terminate the contract that his complex had with a cleaning company in order to give the concession to the company of his brother. The contract with the first company has not been finished and he decided to terminate it because he thought it

was convenient for him and his family. The contract with the company of his brother was 269% higher in costs than the one they had before.

- A Regulatory Committee made up of five executive directors representing the areas of Human Resources, Financial Planning, Operations, Law, and the General Management, was created in the first semester of 2007. From September to December 2007, 40 cases of attempts of the Code of Ethics have been reported and been treated by the Committee to control risks and offer a solution.
- In 2006 the Corporation promoted among all its employees the informed vote and encouraging the vote of all citizens for the national elections where President Calderón resulted elected.







Morelia, Michoacán a 9 de junio de 2006

Estimada Familia Cinépolis,

En un tiempo donde la decisión de en manos de quién pondremos a nuestro país está cada vez más cerca, es necesario que los mexicanos correspondamos a nuestra responsabilidad de ciudadanos y ejerzamos nuestro derecho al voto, con plena responsabilidad del que ha razonado su decisión y sabe a quién elige y por qué.

Estoy seguro que comparto con ustedes el deseo de vivir en un México justo, honesto, seguro, cimentado en valores universales y donde se protejan en todo momento los derechos humanos; una nación donde las causas estructurales de la pobreza sean eliminadas, exista una nueva generación de mexicanos con educación, donde todos tengamos opción a un buen empleo y en sí, un país donde se generen progreso, buen gobierno y una estabilidad económica, política y social.

Ante esto, les quiero hacer una invitación especial a ustedes, a sus familias y amigos: que como yo se presenten a votar el 2 de julio y elijan a aquel que consideren sea capaz de concretar compromisos y encabezar un desarrollo sustentable para nuestra generación y las futuras.

Para promover este análisis y discusión en quienes formamos parte de nuestra organización, nos dimos a la tarea de recabar plataformas políticas de cada partido que fueron registradas ante el Instituto Federal Electoral al inicio de su campaña electoral y revisadas por expertos de la Escuela de Graduados en Administración Pública y Política Pública del Tecnológico de Monterrey (EGAP), por lo que les pido que las lean y analicen a profundidad, para que de ello emitan un voto libre, informado y razonado.

Las compartimos en esta carta esperando sean fructíferas en su proceso de toma de decisión.

Recuerden que votar es un derecho fundamental en nuestra democracia, y en la medida que ejerzamos este derecho, dictaremos el futuro de nuestro país.

Les envío un cordial saludo,

Atentamente,

Alejandro Ramírez Magaña  
Director General  
Cinépolis

Organización Ramírez Cinemas  
Av. Enrique Ramírez Magaña 201





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THE GLOBAL  
 COMPACT