

COMMUNICATION ON PROGRESS 2007 – 2008

Message from the General Director.

In June, 2005, Grupo Inmobiliario y Constructor **m**, S. A. de C. V. filed in its letter of Commitment to the UN Global Compact, thus becoming part of the net of enterprises, institutions and organizations in general that align their operations and strategies with the 10 basic principles in the areas of Human Rights, Labor, Environment and Anti-Corruption.

It remains a challenge to carry out actions intended to collaborate in making a cleaner, more equitable, and with more justice. It shows particularly defiant in view of the examples reported by big organizations in their COP's. Grupo **m** is a small company, with no more than twenty base employees, but with a strong fighting spirit to impel us in achieving a better world.

Today, we ratify our commitment towards the 10 Principles; and we, hereby, communicate our actions taken during this year to our collaborators, suppliers, clients, friends and the society in general.

Eduardo Macías
Director General

June, 2008.

Description of actions taken.

Many large organizations exhibit important actions regarding the Compact intended to impact their groups of influence. Some of them are powerful enough to notably impact those groups. There is nothing else for us to do than to acknowledge those efforts, which represent their capabilities. We, at Grupo **m** also use our limited power of influence at its most. By leaning on our spirit of work and our decision to constantly improve, we struggle to overcome our physical and economic limitations.

Human Rights.

It is often that in our industry, and in our Country, the 10 Principles of the United Nations Global Compact are affected. This encourages us into developing in our own personnel a mindset in agreement with the Compact Principles. We are convinced that before we go out and preach about these principles among our suppliers, clients, and friends, we must become a living testimony of how to operate according to the Principles.

Therefore, we invested in a different kind of training. A training program oriented to developing our employees as persons, more than professionals or workers. The course, titled **“Rediscovering my Values”** promoted personal human values in our employees. Fully respecting individual thinking, we did not talk about corporate values, or business ethics; but rather about developing a human profile that has been left behind while adopting technology. A total of 16 participants, including all administrative staff and construction site supervisors were trained. It should be

made clear that participants in the group worked shoulder to shoulder, whether they were the General Director or the office cleaning lady, no distinction made at all.

Labour Rights.

Every worker is entitled to a safe work place. Construction industry presents a special challenge, since our workers have to perform their duties in unfinished facilities; which means that many safety devices that work for the users of a building are not in place.

We have made a special effort to provide our workers with a safe environment. As an example, in the construction site of a luxury apartment complex, we installed an elevator for our workers, something that in similar constructions is perceived as a luxury item, thus replacing it with simple wooden ladders.

The height of these buildings represents a continuous risk. Since the building has no façade, there is nothing that stops people from falling down. For that reason, we installed a safety mesh around the structure. This bright color mesh offers a visible limit that allows people to size their movements. (See photo annex.)

Additionally, safety nets were installed, therefore, should anyone, in spite of the mesh, slipped off; he would fall on this net without harm (See photo annex.)

For many, the cost of these actions is excessive. For Grupo m, even though the cost is high, we think that the safety of our employees is worth more than any investment of this type.

Environmental Protection.

In constant search for methodologies that reconcile environmental protection with building construction, we came across the **LEEDS (Leadership in Energy and Environmental Design) Certification**. We are finding out what the requirements are to obtain such certification, since we feel it will encourage us to make environmental protection a reality in our works.

In another vein, we were invited to participate in the construction of a resort in the Playa del Carmen area, in Quintana Roo. It is common knowledge that the Yucatan Peninsula possesses a very rich biodiversity, both in plants, as well as animals. Striving to minimize the effect on the biodiversity, we have implemented simple, but with big impact, measures. For example, the whole construction area has been fenced with barbed wire, so as to avoid trespassing onto the jungle area surrounding it. This fence indicates, also, an implicit prohibition on throwing materials or waste, cutting woods or plants, introducing vehicles or machinery that might affect flora. (See photo annex.)

Bilingual Spanish – Mayan signs have also been placed, to promote cleanliness, to advice on risk zones, etc. (See photo annex)

Likely, differentiated trash containers for organic and non-organic waste have been installed in the work area. (See photo annex.)

Anti-Corruption.

We continue with our policy against corruption. During the year, we have been invited to participate in a number of bids and contests. There were two specific invitations to bid for a couple of huge works, very important ones. Earning those projects meant to us having two long lasting projects and great income. Unfortunately, during the bidding process, corruption made itself present. In face of unethical propositions made to us, we decided to reject our invitations.

These actions inside Grupo Inmobiliario y Constructor **m**, S. A. de C. V. show how we make reality our support to the Global Compact. In spite of being inner oriented, they show off, and we have heard comments from suppliers, clients and sub-contracted agents that reflect how our actions influence third parties.

As a matter of fact, we have often been questioned on this regard. When they hear about our commitment to the Global Compact, they have been interested, and proudly we have invited our clients and suppliers to underwrite their own commitment. We have shared with them the information we possess, and we have even offered to make a presentation to their organization on the Global Compact.

ANNEX 1

Grupo
Inmobiliario
y Constructor **m** s.a. de c.v.

SAFETY SYSTEMS INSTALLED IN OUR CONSTRUCTION SITES.



Two views of one of the luxury apartments buildings. The orange safety mesh wrapping the levels being worked on can be seen; also, around the higher levels, the blue protection net.



ANNEX 2

ENVIRONMENTAL PROTECTION



Barbed wire fence separating the work area from the protected zone.



Bilingual Spanish – Mayan sign encouraging cleanliness and care for the environment



Tidiness and the separation of organic and non-organic waste are encouraged.



Protection of the flora and fauna is also promoted.

