

2008 Social Responsibility Report

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"Torreon's Industrial Cheese Factory Complex" is already in operation, generating new employment, with modern residual water recollection system and high technology equipment that minimizes the use of water and emissions to the environment.

Just like a good citizen works for the common good and accepts with commitment and maturity the effects of his actions, a Socially Responsible Company integrates it's strategic purposes to the social and environmental dimension in order to add value to the society as part of their lives, making sure that all of it's activities favor and facilitate the common good.

Being socially responsible is a life long commitment and a great opportunity to contribute to enhance the conditions and quality of life for the present and future generations.

Message from the President of the Foundation

In Lala we believe that being responsible is always doing our job correctly. Everyday, in every area, in every factory, facing our consumers and society.

Being a Socially Responsible Company is a fundamental part of our passion to do things right and everybody benefits from that. Beyond the good intentions, we have learned to do more and better things.

This year, we are betting on research, on the development of healthy products, our people and on strengthening the support and nutrition programs. Instituto Lala, Universidad Lala and the

Foundation represent a big step towards our Social Responsibility strategy, letting us improve ourselves.

There's no going back on the commitment of being a Socially Responsible Company. When an adventure like this begins, the whole organization feels like contributing and participating, they feel passionate about a project which helps those who don't have much, enthusiasm is contagious and makes us feel full of life.

We celebrate the achievements we've had and are aware that there's much more to do, because in Lala we want our world to be a better one for the generations to come.

It's clear to us that the priority for the Social Responsibility of the entrepreneurs is to dare to generate progress for their companies and for others. We have to be optimistic and trust the future, because an optimistic society is a vigorous society. An optimistic attitude with our family, in school, in our job help us to be stronger, healthier, and to reach our goals for the progress that Mexico needs so much.

Each smile, each achievement motivates us and makes us continue to go on with our project and to be better in what we start. We are really glad to deliver this Third Report about Social Responsibility.

Eduardo Tricio

"A priority of the Social Responsibility of the entrepreneurs is to dare to generate progress for their companies and for others".

Social Responsibility Program

Main Axles

Lala's Social Responsibility Program is the result of the enthusiastic participation of our people and defines the roads of our participation with three main axles:

Social Development

It guides us to contribute to the social welfare and the satisfaction of the human being basic needs, like health and nutrition.

Improving the life of our collaborators, their families, and the communities to which we belong and to society in general.

Establishing constructive relationships with authorities, suppliers, clients and consumers.

Environmental Development

We understand the challenges of the planet concerning the conservation of the natural resources.

We are looking for solutions that guarantee the sustainability of our operations and contribute to the improvement of our surroundings.

Economical Development

Success sustains the initiatives of a fair and profitable business. We keep an unwavering commitment to lead ourselves ethically and to contribute to the economical development of Mexico and the regions in which we are present.

Lala is making an effort to be a company who is always aware and positive, who fosters social change, and makes products for better nutrition. We offer honorable employment and encourage research, education, culture and sports.

Lala's Social Responsibility Program has four areas, which include the year's activities:

Lala as a Role Model

Lala's Life Quality

Lala is a Good Neighbor

Lala and the Environment

To expand and fortify the Social Responsibility culture, work groups were organized, its first work plan was made, communication tools were used and an internal Social Responsibility evaluation was made to each factory or area in which 21 Organizational Units participated.

To fulfill the commitment established, we sent to the offices of the UN Global Compact in New York and Mexico, the report of the activities.

Lala obtained for the fourth consecutive year recognition as a Social Responsible Company as part of the CEMEFI-Aliarse (Centro Mexicano para la Filantropía y Alianza por la Responsabilidad Social Empresarial) (Mexican Center for Philanthropy and Alliance for a Social Responsible Company).

We are aware that to be consistent we need to promote Social Responsibility throughout the whole chain of value, that's why in Lala we work with our clients and suppliers to look for and integrate alternatives for the better practice of daily activities in a Social Responsible Company.

Our History

The history of this industry goes back to the year 1949, when under adverse circumstances we had to improve milk's quality and its process. A group of milk producers founded the Milk Producers Credit Union of Torreon, whose objective was to create an association with a common objective for all the producers, who produced and distributed dairy products using traditional methods, offering financial help needed to buy supplies and fodder. In 1950, Pasteurizadora Laguna was founded in Torreon; in order to market the milk from all the associated producers with the mission to "Offer a quality product to contribute with the nourishment of the Mexican people and to deliver safely to the consumer, the best milk in the country".

Mission

As a Social Responsible Company and with a human, capable and committed team.

Produce and market products with the highest quality

Work with maximum efficiency

Constantly innovating

Vision

"Being the leading food company, considered as the best option for consumers, clients, collaborators and shareholders "

Values

Respect, Positive Ambition, Passion, Integrity, Discipline, Austerity, Simplicity.

Strategic Purposes

Growth, Profitability, Client Satisfaction, Entrepreneur ability, Social Responsibility.

MAP

Our operations are distributed throughout the country and beyond our frontiers.

23 Factories, 150 Distribution Centers, 5,400 Delivery routes, 500,000 Clients

Role Model

One of the responsibilities of our company is to make sure that good quality products arrive to the table of our consumers, and with this we encourage a healthy lifestyle.

Our Social Responsibility programs, policies and actions are based on national and international standards, such as the Mexican Official Norms (NOM), Global Compact from the UN, the Rio Declarations and the indicators from the Global Reporting Initiative (GRI), among others.

One of our main responsibilities is to ensure the good quality of the products that arrive to the table of our consumers.

Lala has a Research and Development area that generates innovation and knowledge of new functional products that answer to the needs and demands of the consumers.

Instituto Lala

Instituto Lala was born in 2007, to promote a healthy life style in our country's population. It's focused on: nourishment Research, Education and Orientation.

Working with recognized institutions that are focused on research and with the support of leaders of opinion in the health and nutrition area, studies are being made within Mexico.

This year two important studies were concluded.

"The effect of a new kind of milk without cholesterol. Using cardiovascular risk indicators in susceptible groups of the population".

Obtaining results which scientifically support that:

Drinking 2 glasses of Lala Vive without cholesterol with Omega 3 Milk a day, provides health benefits.

This kind of milk helps to maintain an adequate level of cholesterol.

The study was made with the support of Dr. Adolfo Chávez Villasana, from the Instituto Nacional de Nutricion y Ciencias Medicas Salvador Zubirán.

"The effectiveness of yogurt with probiotics and prebiotics in helping intestinal function of the Mexican population".

The results sustain that by consuming 2 yogurts of Lala Vive with Fiber a day benefit intestinal health and helps:

-Improve intestinal function –Avoid constipation problems –Avoid colon problems

This study was made with the support of Dr. Jorge Luis Rosado Loria, from the Universidad Autonoma de Queretaro and the Cindetec.

Drinking 2 glasses of Lala Vive without cholesterol with Omega 3 Milk a day, provides health benefits.

Consuming 2 yogurts of Lala Vive with Fiber a day benefit intestinal health

Instituto Lala was founded to promote a healthy life style.

Nutritional Education

To guide and promote the culture of prevention and health self-care, through adequate nutrition, Lala Institute has a program called “How are you? Your health is important”; and it’s undergoing with different groups of people, children and adults.

This year, a guide for nourishment workshops was given to more than 70,000 children, their parents and their teachers.

Instituto Lala also offers information to health professionals, participating in different congresses of nutrition, gastroenterology, pediatrics and cardiology, among other specialties.

A magazine campaign was launched, communicating the “How are you? Your health matters” program benefits and the results of the scientific study of Lala yogurt and Lala Vive with Fiber.

Conferences to different public and private schools throughout the whole country are held to provide information about food types and groups.

Consumer Health and Safety

Consumers’ health and safety are the most important things for us, that’s are why we have procedures in the products cycle of life that allow us to make sure that they always get the best.

Lala has an integrated Safety Food system based on the requirements and guidelines of certifying organizations like Quality Chekd and Mexico Calidad Suprema.

HACCP System:

We have the following certifications:

HACCP: Hazard Analysis and Critical Control Points.

It's a preventive tool to protect food from the reception of raw material and packaging to the consumers' table. Its application is compatible with safety procedures like the regulations of ISO 9000.

The main benefits are:

- a) Waste, rejection and incidents reduction during production or service.
- b) Productivity increase.
- c) Increasing commitment to the client requirements.
- d) Encouraging continuous improvement.

Textos pie de fotos: (Instituto Lala in schools. Certified HACCP auditor.)

Quality Chekd: Is an organization focused on continuous counseling to dairy industries, to insure the quality of the processes and their products. It was founded 60 years ago and has over 35 members in Latin America; the organization counsels, assesses and validates their performance through auditing programs, training and independent tests made by third parties.

KOSHER: This is a certification given by the Jewish community and it's given to products made with natural origin ingredients.

FDA: This is a certification given by the Food and Drug Administration. The FDA is an agency of the United States Department of Health and Human Services and is responsible for regulating and supervising the safety of foods and drugs, dietary supplements, among others.

The official Brand "Mexico Calidad Suprema" is given by the Mexican government to the agricultural products of the country that fulfill the strict Mexican regulations and that have a superior quality guarantee.

The basic principles of the Supreme Quality brand are:

Sanitation: Trusting that the products have been produced, transformed, packaged and distributed under adequate conditions of hygiene and sanitation.

Harmlessness: Insuring that the consumption causes no harm to health.

Quality: Certainty that the products stand out for their superior quality, due to their qualities, properties and nature.

SGS: Management System Certification based on the BPM, HACCP and Codex Alimentarius requirements.

We have procedures to produce, liberate, handle and store products, supervised by the Quality Control and Research and Development areas.

Bacteriological, physiochemical and sensory analysis are being implemented in the Good Manufacturing Practices. Certified external laboratories validate these. We maintain the cold chain to its maximum level so that the product doesn't lose lifetime and we can guarantee its quality when it gets to our final client.

All the raw materials that are used in our processes, as well as the corresponding suppliers, are subject to a period of analysis and quality control, to insure that the norms and specifications are being met.

Self-Regulation Code

In order to have a better communication about the benefits of our products, we make previous research work with Instituto Lala, Research & Development and with the Marketing areas.

This year we signed the adhesion letter to the "Self Regulation Code for Publicity of Food and Non Alcoholic Beverages for Children" watched and carried out by the CONAR (Self Regulation Council and Publicity Ethics). Instituto Lala has the endorsement of the Mexican Diabetes Federation for the products, which can be taken by people who have this illness and obtained the recommendation from the Mexican Committee for Osteoporosis Preventions (COMOP) for the extra calcium milk.

Communication with our clients

To answer clearly and timely the questions and worries of our clients, they contact us through:

www.lala.com.mx

www.institutolala.org.mx

lala800@grupolala.com

800: 0180017040000

Everyday we get calls from our consumers through our customer service telephone line. Their complains, needs or suggestions have to be solved within 24 hours.

Lala is for the family, healthy, close, and trustworthy and of high quality.

Product Labeling

All of our products have packages with the required nutritional information, where the content of the product is specified. What is declared in the package's label complies with the specification of Lala's Research and Development Department, and with the Official Mexican Norms emitted by the Secretaria de Salud (Ministry of Health) and by the Ley Federal de Protección al Consumidor (Federal Consumer Protection Office).

Clients' Information Confidentiality

Clients' information is handled with the most strict confidentiality norms and we respect the purchase decision, supplier selection and brands they want to offer to the clients in their stores. We guarantee that the commitments agreed upon are delivered.

Contests and promotions

Many of our marketing efforts are aimed to support housewives, to help with the development and care of their children. The publicity and promotions are ruled by this idea and respect adequately the Code of Ethics and Values of our organization.

Promoting an ethical conduct in the company

We have a code of ethics that reflects the essential aspects of our culture, and considers the relationship with all the groups involved. It guides the decision-making, to, which we adhere.

Life Quality

Our collaborators and their families are the core of our Social Responsibility.

Our commitment is to give and guarantee a good working environment, one that's productive, healthy, safe, respectful, that encourages growth as well as personal and professional wellbeing for all the people who work in this company.

Lala is known for the enthusiasm and passion we imprint in everything we do.

Our commitment is to give and guarantee a good working environment, one that's productive, healthy, safe, respectful, that encourages growth as well as personal and professional wellbeing for all the people who work in this company.

Lala generates employment

To be able to deliver the most delicious and healthiest products on the Mexican families table, Lala and their producers generate over 50 thousand direct jobs that benefit the same number of Mexican families.

We maintain a strong relationship with the unions based on trust and collaboration. The unions represent our collaborators throughout the country. And this has allowed us to continue operations in a harmonic and peaceful working environment.

Internal channels of communication

Keeping informed the all of our collaborators about the relevant affairs that define the company's direction.

Internal means of communication:

-Quarterly magazine "This is who we are"

-Intranet

-"We are Lala" Journal

-Lala Communicates (Electronic journal)

Universidad Lala

Universidad Lala offers an educational system of the highest academic quality, to develop the talent that fortifies competitively and growth.

On May 12th 2008, we launched Universidad Lala, and nowadays we have 14 agreements signed by superior education institutes, which offer benefits for the collaborators of the Group and their families' throughout the country. Over a thousand collaborators have benefited from these agreements.

Having a source of talent with potential to cover long term and medium term needs is a priority. The program University Lala Students Projection, attracts, holds and develops talent proposed by the Institutions with which we have established agreements. During the first stage, 19 out of 200 candidates were admitted to the 2008 program.

Universidad Lala is an Institution that manages training, formation, development as well as abilities and capabilities of Lala's collaborators.

Their efforts hold the tradition of training and development with institutional programs: Leader Lala, My Personal Development, Lala'a Training Center – Tetrapak, Operator's Development and Family Values, among many more.

Textos cuadro (Proyección Lala, Competence Certification, Academia Lala, Master Degree, Major Degree, High School, Special Projects, Lala's Products, Training, Institutional, Technical, Benefits (discounts) for Lala's Families, Curriculum, Knowledge Management).

Textos Fotos y graficas: (Signing the agreement with Tecnológico de Monterrey, Average of study hours a year per collaborator, Man hours per event, Specialty 46%, Induction 24%, Sales 23%, Lala Courses 6%, SAP 1%)

17,272 collaborators, trained, 376,376 man-hour training, 1,055 courses given.

Initiatives of the company to improve the quality of life at work

It's a privilege being a motor that thrusts progress for individuals and families that are committed with our mission.

The initiatives to improve the quality of life at work include:

A campaign to promote values, suggestion mailbox, study of the working environment with actions to improve it, awards to collaborators, a program to improve facilities and working conditions, ergonomic study using NIOSH system (it's a method that evaluates load limit recommended, and also determines the variables to be modified in each working situation).

Lala is aware of the people's dignity

In Lala we recognize each person's dignity. Nobody is discriminated by gender, marital status, age, religion, race, physical ability, political preference or social class.

Hiring processes are open and with no distinction. Promotion based on competences and not by gender.

Lala maintains its commitment in favor of the Human Rights.

Nobody is discriminated by gender, marital status, age, religion, race, physical ability, political preference or social class.

Health and Safety at work

Safety is everybody's responsibility and in Lala it's an employment condition. We want to fortify a safety culture that allows minimizing the risks involved in the activities of the collaborators to prevent accidents and to preserve the environment.

We also have medical exams to new comers; annual check ups and special exams.

The company gives a personal protection kit (safety shoes, back support belts, ear plugs, safety glasses, leather and synthetic safety gloves, pants and shirts, etc.) to collaborators whose job requires it.

In collaboration with the unions, Hygiene and Safety Commissions are organized in the working centers.

Industrial safety and occupational health

During 2008, the program STOP (Safety Training Observation Program) was strengthened in all the facilities. This industrial safety program is based on people's conduct and its fundament is that every lesion and illness can be avoided.

STOP is the basis of the program Occupational Health in Lala, and it helps us change bad habits at work; changing them into safe practices, making safe working conditions in every work center.

We also have the program named SOL (Safety, Order and Cleanliness), which consists on the detection of non-safe condition and the immediate adaptation.

Prevention

All working centers with the support of the IMSS's Preventive Medicine program, practice the health and safety week. These are preventive and early detection of chronic and degenerative illnesses like obesity, hypertension and diabetes campaigns. Also included are informative AIDS and breast cancer campaigns. Vaccines against, measles, tetanus and influenza are promoted.

Bonding activities with the families of the collaborators

In direct relation with the adequate balance between life and work, we have activities to bond collaborators and their families with the Values of Lala. Some of the daily activities are:

Family visits to the facilities

Cultural workshops

Sports and celebrations

Reforestation activities, and

Activities for the common wellbeing.

Textos pie de fotos:(Ammonia control practice, measles vaccine, Ultra Lala Open House, Death Altar and Calaveras (skulls) contest, InterLala Volleyball Tournament, Recreational Activities).

Good Neighbor

In Lala we want to have a respectful relationship based on the comprehension of the social and cultural characteristics, and the environment of the communities where we operate.

A permanent commitment

Lala foundation is joining the multiple efforts organized by the civilian society and the federal, state and municipal governments, to fight nourishment poverty, donating thousands of gallons of milk and tons of dairy products to Food Banks and it's mainly focused on the children whose situation is vulnerable.

Lala foundation programs 2008

Nourishing a hope

Through this effort, vulnerable youngsters or in a special situation, living in places as distant as Tijuana, Reynosa or Acapulco, receive two glasses of milk a day.

Some of these children are living in shelters located in small rural communities like Tehua in Durango or in big population centers, like Mexico City. Many of the beneficiaries are in native communities like the Tarahumara or Zongolica, or in urban centers like Guadalajara or Torreon, Gomez Palacio and Lerdo.

United against hunger

Poverty, and specially food poverty, is one of the government's, company's and society's challenges that have to be overcome.

There are times when the difference between eating or not eating at all, for one of the people beneficiated by this program, is exactly the dairy product they are receiving.

Every week, and through the food bank that belongs to the Mexican Association of Food banks (AMBA), products from our company are delivered to 1956 communities, associations and institutions throughout the country.

Lala's Foundation Mission is to "Contribute with nourishment of poor, unprotected people, especially children".

Overcoming marginalization

This year we made official the program “Overcoming marginalization”, through which we contribute to nourish people who live in marginal communities, especially children, by delivering some of our products.

This way, through other foundations, we are present in the following highly excluded zones: Sierra Tarahumara (7 municipalities), Cuatro Ciénegas Semi Desert (1 municipality), Mixteca de Oaxaca (31 municipalities), Zona Mazahua (12 municipalities), where they have benefited 27,224 children with 36,000 monthly kilos of Lala products during 2008.

We also collaborate with other projects like “Chispitas”, through which we encourage the participation of 2,080 Mixtec children in productive and commercialization projects, reforestation and cultural activities in their communities.

In Cuatro Ciénegas Coah. we help 985 children and 60 teachers from the municipality schools and 4 common lands, which constitute the reservation, participate in environmental education workshops to preserve the valuable patrimony of Cuatro Ciénegas.

Propelling La Laguna Region

Besides the children and adults living in 35 shelters or the people who benefit through the 2 food banks that exist in La Laguna Region, the Foundation assigns economical and other kind of support to fortify the activities undertaken by many organizations or groups from the civilian society.

Just like in the past 8 years, culture, education, health, social assistance, community development and environmental issues have integrated the main cause of the projects we support.

Some associations and institutions have received our contribution: Museo Arosena, Cruz Roja, Instituto de Desarrollo Integral, Asociación Pro Niños con Leucemia de la Laguna, Fundación Down, Cáritas de Torreón, Tecnológico de Monterrey, DIF Torreón, among others.

Textos adicionales en la pagina (23,831 boys and girls benefited this year in 176 shelters or associations supported in 65 communities in 20 states, which meant 2,937,220 liters donated. In a monthly average 496,080 people were benefited 1,956 communities, associations and institutions throughout the country, and 10,106,914 kilos were donated, 12,645 people benefited, \$4,919,404 supporting 25 projects.)

Institutional Strengthening

The Foundation helped 18 projects with economical contributions, to strengthen the infrastructure and operation of these groups, among them are: Museo de Arte Popular –Mexico City, Fundación de Empresarios por la Educación Básica, Museo Bebe Leche –Durango, Hospital Universitario –Nuevo León, Reforestemos México, A.C., Fundación Pro Mixteca, A.C., Mexico’s, Fndación Teleton, among others.

Godfather program

The donation of time, talent and economical resources from different companies of the Group, is added to the tasks of Lala's Foundation, and is now a permanent allied.

Contingencies and emergencies

Without having the magnitude like the one from Tabasco 2007, this year has been characterized by a larger number of events of a lesser magnitude, non the less, leaving thousand of victims.

Fundacion Lala has been present in the following communities that were affected: Floods in Tlaltenango, Zac. Calvillo, El Llano in Aguascalientes, Parral Chih., San Pedro, Matamoros, Madero and Torreon Coah., victims in Tabasco and Minatitlan Ver.

A committed team of volunteers that makes the Foundation's task possible supports these programs.

Social Responsibility Alliances

We made an alliance with the government of Coahuila State, in order to support the population with low resources through the program "Hand in Hand with Nutrition" and with the program "Nutri People". It consists of a subsidy of millions of pasteurized milk.

Also, through the Social Founding of Milk Producers of Gomez Palacio, Dgo. 360 thousand pesos were granted in a joint effort with the Municipality.

We maintain alliances with the Municipal Presidency of Cuatro Cienegas Coah, the CONAFE, Asociación Mexicana de Bancos de Alimentos (AMBA), Instituto para el Desarrollo de la Mixteca, Fundación de Empresarios por la Educación Básica y el Proyecto Concentrate A.C.

Textos adicionales en la pagina (\$6,462,539 to support 18 projects, 169,000 of UHT milk distributed in these communities, 20,800 victims were supported)

Texto pie de foto: ("Hand in Hand with Nutrition Program")

Supporting the community

We are supporting the improvement of the infrastructure of the neighborhoods and municipalities by rehabilitating parks, making contributions for waste deposits, platforms and sacks, cleaning canals and surrounding areas, repairing schools, public lighting, forestation, responding to the needs of the surrounding communities of our facilities throughout the country.

We also maintain the traditions of Mexico and support communities with their celebrations, parades, and popular festivities.

Emergency Brigades

Emergency brigades integrated in Lala's Working Centers, collaborate with the Civil Protection office, Corporate Organizations and Educational Institutions to attend emergencies in the places where we are present. This year we made the first Macro Chemical Drill in Azcapotzalco, Mexico City.

In La Laguna Region we participated in local and national competitions of emergency brigades, winning second place for extinguishers' handling and health attention. We also trained firemen in the use of autonomous and encapsulated air to handle dangerous material.

The emergency brigades are part of the coordination organisms like GAME (Enterprise Help Group), CELPE (Coordination of Organizations in la Laguna for Emergencies), OSPI (Construction Work and Services for La Laguna's Industrial Park) and the CICA (Institutions with Environmental Certification Committee).

Lala and the culture

The Cow Parade in Tijuana

The third edition of the countries most important urban art exhibition called Cow Parade was held in Tijuana, Baja California during June and July 2008. Over 1,500,000 people attended to appreciate the 70 artistic pieces on fiberglass cows. 220 thousand pesos from the proceedings of the auction were donated to the DIF Tijuana.

\$220,000 proceedings from the auction, 1,500,000 visitors to Lala's Cow Parade.

Cultural Promotion in La Laguna Region

We attend and support the main cultural and sport events of the Region. Among others: temporary expositions in the Arocena Museum, Coahuila Cultural Festival, Sport Gallery and regional Fairs.

Lala and sports

In March 2008 the twentieth edition of Lala's International Marathon, was held. This marathon holds the second place in participation in Mexico, and the most important in the country. This year more than 4,200 people from different countries participated.

Lala's International Marathon is known for having the biggest number of spectators along its route. The enthusiastic motivation from the population of the La Laguna Region is one of the reasons that many runners come back to participate.

To organize this sport event, collaborators from Lala volunteer in all the areas of the organization like logistic, attention to the runners, special guests and authorities. Obtaining a high quality race and the warmth of the people is what that characterizes this event.

Sponsoring sport teams

Lala supports sports as one of the main activities that favor a healthy life style.

Soccer

We still sponsor the Mexican Soccer Federation and all of their national teams, the national team, Sub 20, Sub 17 and women national team.

National Referee Commission

In Lala we are sure of the importance of encouraging the fair game inside and outside the field, that's why this year we started giving support to more than 600 referees in the country. We are doing this through an exclusive sponsorship to the National Referee Commission, in order to help training and to improve the performance of the Mexican referees.

Club Santos Laguna

Lala is a fighting, passionate institution, just like Club Santos Laguna. We are the team of a whole Region, for this reason and because we are proud of our origins in this Region, we support this winning soccer team.

Baseball

We support the best players of this sport in several states of the country. Teams: Vaqueros from La Laguna, Venados from Mazatlan, Tomateros from Culiacan, Potros from Tijuana, Aguilas from Mexicali, Rojos del Aguila, Petroleros from Minatitlan.

Mexican Olympic Committee

We support the Mexican athletes as a way to promote a healthy life style, through exercising a sport. That's why this is the third year that we sponsor The Mexican Olympic Committee, in order to give the high level athletes the quality and nutrition of our products in their daily nutrition.

The factories also sponsor sports and leisure activities among the collaborators. They have teams that compete in amateur leagues, and organize Inter Lala tournaments as well as between other companies.

Every negotiations and collaboration with government authorities, made in representation of the company, with offices or government representatives, are done according to the applicable laws.

All the necessary licenses and permits are obtained to run projects such as non-hazardous solid remnants handling, waste collection programs, environmental impact research, civil protection program, exclusive Federal and State environmental licenses, among others.

In a joint effort with Television Azteca, a reforestation campaign called “Un Nuevo Bosque” (A New Forest”) was launched. This was done in order to preserve and create more green areas throughout the whole country. This year we were present in Cuernavaca, Zapopan and Aguascalientes, and planted 16,500 trees in these regions.

Pie de foto (Lala establishes a commitment with Movimiento Azteca to donate dairy products.)

Environment

Deterioration of the environment is one of the greatest worries of humanity and for Lala too. This is the reason why the company is making a series of initiatives oriented to promote sustainable development in all the communities where it operates.

During the period of the report, the work of the committees and the environmental groups in each work center, was strengthened, as well as diffusion of the relevant information and interchange of the best practices in the subject.

Clean Industry

The factories of the group participate in the Clean Industry voluntary certification program, which takes place by the Procuraduria de Proteccion al Ambiente (PROFEPA) (Environmental Protection Office). Up to now, eight of them have been certified and the rest are in the process.

8 Factories Certified as Clean Industry: Envases Elopak, S.A. de C.V., Tecnopak de la Laguna, S.A. de C.V., Transportadora de Alimentos, S.A. de C.V., Lala México, S.A. de C.V., Lala Guadalajara, S.A. de C.V., Lala Acapulco, S.A. de C.V., Servicios Especializados de Transporte y Logística, S.A. de C.V., Comercializadora de Lácteos y Derivados, S.A. de C.V. (Ultra Lala Plant).

All of the Plants and Distribution Centers have energy saving and effective use of energy programs and campaigns.

Biodiversity care

Preserving the existing resources and using them in a sustainable way, are two lines of action required by biodiversity.

Besides of the actions relative to the use of the responsible use of the natural resources and energy preservation, in Lala we want to contribute with our effort in the areas where we operate.

Facility	Initiatives
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Lala Irapuato:	Care of the protected area of the Temascatío River and the construction of a plant for residual water treatment.
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Lala Mazatlán: 380 green turtles were liberated in front of the Aquarium in Mazatlan. Beaches, canals and estuaries were cleaned. Accumulated reforestation during the year consisted in 650-planted trees.

Transportadora de Alimentos: Emission to the atmosphere from permanent sources (cauldron) and waste treatment discharged to the municipal sewer verification program.

Nuplen Alimentos: Planting trees and collection and disposal of used batteries.

South Pacific Region: Restored 200 yards of the National Park El Veladero.

Emission Control

To minimize the environmental impact of the transportation used with logistic goals, Lala has a strict maintenance system, that controls mileage and fuel consumed, and it calculates whenever the unit requires calibration. The system is programmed so that every 3,000 miles the unit is serviced. This prevention allows the units to be in optimum work and safety condition, and also complies with the environmental norms established by the federal and state organisms.

Energy saving

All the Plants and Distribution Centers have programs and campaigns to use efficiently and save energy, some of them have it implemented since a few years back.

Water care

100% of our factories comply with the Mexican official water norm NOM 127SSA-1994. This Mexican Official Norm establishes the quality permissible limits and the treatments to be used and consumed by humans, which the public and private supply system or any organization that distributes it in has to comply with.

Some initiatives that reflect the adequate use and care of the water are: Water saving projects that helped decrease 13% the consumption, recovering water from condensations and machine drains, investment in a residual water treatment Plant, use of extracted water fro the retro wash of the sand and carbon filters and from the cooling molds.

Residual water treatment plants

Factory	Liters per second
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Derivados Lácteos Torreón	13.0
Enfriadora and Ultra Lala	9.0
Lala Guadalajara	6.5
Lala Irapuato	7.0
Lala Mérida	1.0
Lala México	9.5
Lala Monterrey	8.0
Multilácteos de México (Naranjos Plant)	4.0
Lala Mazatlán (Tecate Plant)	4.5

100% of the factories comply with the official Mexican water norm.

Materials we use and recycle en our productive processes

gas, cauldron maintenance, residual water neutralization, among others, and also has continuous improvement plans.

Texto pie de foto: (Polyethylene recycling, Cardboard recycling)

Institutions that are supported

North Region: Albergue del Padre Manuelito A.C., Asilo de Niños y Casa Hogar I.B.P., Asociación de Damas de la Caridad de Durango A.C., Brindemos Alegría para Vivir A.C., Casa de Beneficencia de Torreón A.C., Casa del Anciano Dr. Samuel Silva A.C., Casa del Enfermo Misionero del Padre Manuelito A.C., Casa de Retiro la Esperanza S.C., Casa Hogar Protección a la Joven A.C., Casa Hogar Quinta Manuelita A.C., Casa Paterna Divina Providencia A.C., Casa Sonrisa A.C., Centro Alzheimer de la laguna A.C., Centro de Formación y Protección Integral para la Mujer y el Menor de la Laguna A.C., Centro Educativo de la Niñez Torreonense A.C., Centro Lagunero de Educación Especial A.C., Centro Nigropetense de Asistencia Social A.C., Ciudad de los Niños A.C., Clínica y Asilo Jesús Medico A.C., Desarrollo Dorado de Milagros A.C., DIF Lerdo PAMAR, Ejército de Salvación A.C., Espíritu que Danza A.C., Grupo Encendamos una Luz A.C., Guardería Infantil Torreón I.A.P., Hogar de los Ancianos Desamparados del Estado de Durango A.C., Hogar de Niños la Fe, Hogar para Niñas "Elena Domene de González" A.C., Hospital Vilaseca de la Laguna A.C., Instituto de Desarrollo Integral de la Laguna A.C., Instituto Lagunero de la Audición y el Lenguaje A.C., Instituto José David A.C., Internado Casa Hogar DIF-Gómez, Instituto Médico Social San Francisco de Asis A.C.,Mentes con Alas A.C., Patronato de Apoyo Casa del Anciano de Cd. Lerdo A.C., Patronato Profesora Lucinda Mijares Valdés A.C., Patronato Pro-Formación de una Niñez Mejor A.C., Reformatorio Casa de Jesús A.C., Residencia Juvenil Laguna, Santa María de los Niños A.C., Sistema para el Desarrollo Integral de la Familia, Vida Centro de Salud Mental A.C., Patronato Villa de los Ángeles de Matamoros A.C., Centro de Estudios Ichiméame A.C., Western Region: Ejército de Salvación A.C., Centro de Renovación y Promoción Femenina Olaez A.C., Hogar de Amor y Protección al Niño A.C., Hogar la Sonrisa de los Niños A.C., Hogares Betania A.C., Hogares Providencia de Don Vasco I.A.P., Instituto Cabañas, Instituto Cultural en Pro de la Mujer y la Niñez A.C., Instituto de Capacitación al Niño Ciego y Sordo A.C., Madre Felicitas A.C., Movimiento de Apoyo a Menores Abandonados Mama A.C. , Orfanatorio de la Soledad de María A.C., Orfanatorio Magdalena Sofía A.C., Orientación Juvenil Femenina Casa de Jesús A.C., Patronato Pro Hogar del Niño de Irapuato .A.C., Pro Cultura y Capacitación de la Mujer Mexicana A.C., Promotora Juvenil Don Bosco A.C., Protección a la Infancia A.C., Sociedad Protectora a la Niñez Desvalida A.C., Un Hogar Para Cada Niño, Cada Niño Un Hogar A.C.,Villa de los Niños Guadalajara A.C., Dolores Avellanal, A.C., South Pacific Region: Casa Hogar del Niño de Acapulco, A.C., Casa Hogar San Juan Eudes de Acapulco A.C., Casa para Niños del Pacífico I.A.P., Ejército de Salvación A.C., El Amor Nunca Falla A.C., Granja Hogar Para el Niño de Acapulco la Providencia A.C., Hogar Infantil Marsh A.C., Asociación Mexicana de Ayuda a Niños con Cáncer de Guerrero A.C., Grupo de Amigos con VIH A.C., North Pacific Region: Orfanatorio de Mazatlán I.A.P., Ministerio Puente A.C., Sistema Municipal para el DIF del Municipio de Mazatlán, Asociación de Padres y Compadres I.A.P., Nazareth A.C., Asociación para los Niños de Tijuana A.C., Aldeas Infantiles y Juveniles, S.O.S México I.A.P., Central Region: Fundación para el Servicio I.A.P., Fundación Permanente de Asistencia Privada Dr. José María

Álvarez, Granja Para Niños la Esperanza A.C., Hogar Rafael Guizar y Valencia I.A.P., Hogar y Futuro A.C., Hogares Providencia I.A.P., Institución de Benef. Privada Escuela Hogar Nuestros Pequeños Hermanos A.C., Instituto Casa Hogar Nuestro Sr. de la Misericordia y Nuestra Señora de la Salette A.C., Instituto Pro-Niñez Mexicana A.C., Instituto para el Desarrollo de la Mixteca A.C., Internado de Niñas de San Juan Ixhuatepec A.C., Internado Guadalupano de Calacoaya A.C., Internado Infantil Guadalupano A.C., La Asunción A.C., La Casa de la Sal A.C., Las Nieves A.C., Las Rosas Rojas I.A.P., Ministerios de Amor A.C., Orfanatorio Santo Thomas de Aquino, Patronato de la Ciudad de los Niños de Pachuca Hidalgo A.C., S. J. B. A.C., Servicio, Educación y Desarrollo a la Comunidad I.A.P. , Compartamos Alimentos A.C.(Tehuacán), Villa de los Niños A.C., Villa Infantil Jesús y Dolores Martínez I.A.P., Northeast Region: Asistencia y Desarrollo Social A.C., Asociación de Beneficencia Privada León Ortigosa A.B.P., Casa Hogar Galilea A.C., Casa Hogar el Refugio de Monterrey A.B.P., Casa Paterna la Gran Familia, A.C., Centro Integral de Apoyo para el Pobre Mas Pobre A.C. , Centro de Educación del Rey A.B.P., Hogar de la Misericordia A.B.P., Instituto Nuevo Amanecer A.B.P., Ministerios de Amor A.C., Orientación Social Femenina de Monterrey A.C., Villa Eudes de Monterrey A.B.P., Villas Asistenciales Santa María A.B.P., Secretaría de la Defensa Nacional “Voluntariado de la Sexta Zona Militar Saltillo”, Instituto Juvenil Saltillense A.C., Fundación Ayuda en el Servir A.C., Ministerio de Amor y Misericordia A.C., Southeast Region: Casa Hogar Yahve Yire A.C., Compartamos Alimentos A.C. (Orizaba), Bancos de Alimentos: Alimento para Todos I.A.P., Fundación de Beneficencia Privada Banco de Alimentos de Cáritas Puebla I.A.P, Fundación Sólo por Ayudar I.A.P., Banco de Alimentos del Centro del Estado de Hidalgo A.C., Guerrero Contra el Hambre A.C., Banco Diocesano de Alimentos Guadalajara A.C., Bodega de Alimentos de Cáritas de Aguascalientes A.C., Alimento para los más Necesitados de León A.C., Fundación Nutrición y Vida A.C., Banco de Ayuda A.C., Banco de Alimentos de Guanajuato A.C., Banco de Alimentos de Cuernavaca A.C., Banco de Alimentos Caritas del Estado de México I.A.P., Alimentos para la Vida I.A.P., Dame para Ayudar A.C., Banco de Alimentos de Cuautitlán Izcalli A.C., Banco de Alimentos de Durango A.C., Compartamos Alimentos A.C., Banco de Alimentos de Reynosa A.C., Cáritas de Matamoros A.C., Medicina y Asistencia Social A.C., among others.

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The information in this 2008 Social Responsibility Report corresponds to the activities done during the period between November 2007 and October 2008 in the different organizations of Grupo Lala.

If you wish to comment about the information in this document, or if you have a question, you can contact us:

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