



Annual Sustainability Report

July 1st, 2012 - June 30th, 2013



WE SUPPORT



**EMPRESA
SOCIALMENTE
RESPONSABLE**

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President's Letter

Raul Marmolejo

Dear friends:

Although it has only been a year since we formally committed to the UN Global Compact's Ten Principles, we have been living these principles for decades.

It is a great pleasure for me to announce that in April 2013 our commitment to our Social Responsibility Program was recognized by CEMEFI (Mexican Philanthropy Center) when it awarded Multiceras with the Social Responsible Enterprise Accolade (*Distintivo Empresa Socialmente Responsable*).



Raúl Marmolejo receiving the CEMEFI "Social Responsibility Award".
April 2013

Our Quality Management System, which has been ISO 9001–certified for 12 consecutive years, was built on two key elements: Measurement and Communication. Our Social Responsibility Program has added a third key element that complements the other two: Transparency.

These three elements — Measurement, Communication, and Transparency — are the foundation of our annual report, or CoP (Communication on Progress), this being the first one. We are pleased with our progress, and I am encouraged by the involvement of employees at every level of our organization. Their commitment has raised the bar for me personally and for the company.

As President of Multiceras, I confirm my commitment to the support and promotion of the UN Global Compact's Ten Principles. There is still much to do, however, and I invite you to explore in this first annual report some of the innovative actions we have implemented as a team within our company.

Sincerely,

A handwritten signature in cursive script that reads 'Raúl Marmolejo'.

Raul Marmolejo
President
Multiceras, SA de CV

Company's History

35 years

In 1977 our founder, Noe Marmolejo, began exporting beeswax from Mexico to the United States. In 1978 Noe and Robert Baldini founded Baldini S.A. in Mexico. At the beginning they only exported beeswax, but after the change of national regulations for Candelilla wax trade, Robert asked Noe to oversee the procurement and logistics of Candelilla wax, which is only available in Mexico.

The next natural step was to import petroleum waxes that Mexico did not produce, and this became a large source of business for the young company. At that time the Mexican government required importers to do some transformation to imported raw materials, creating the need for a wax plant. The first plant was built in Saltillo, Coahuila in 1981. In December 1983 there was a fire at the plant, which fortunately had no personal loss, but resulted in a relocation of the plant to Santa Catarina in the metropolitan area of Monterrey, Nuevo Leon.

The company's growth averaged 15% per year in the early years. Mr. Baldini also had a wax-trading company in the United States, and so to avoid conflict of interest with clients, in 1986 Mr. Baldini sold his stake in the company, and since then the Marmolejo family has retained 100% of Baldini S.A.

In the mid 1980s the chemical products division of BF Goodrich appointed Baldini S.A. as its Mexican representative for a line of chemicals called Carbopols, and Baldini S.A. added a chemicals division to its operations.

Because the petrochemical permission that was granted to Baldini S.A. was not required anymore, two new companies were formed in 1990: Multiceras S.A. de C.V. for the wax division, and Multiquim, S.A. de C.V. for the chemical products division, which began to distribute chemical products from another five foreign companies from Asia, Europe, and the United States.

In 1991, the Marmolejo family acquired a property in an industrial park in Garcia, Nuevo Leon, near Monterrey, and built the facility where the wax plant currently operates. From 1985, they began manufacturing the wax rings that are installed in toilets. The waxes used for these rings are provided by Pemex.

In 2000 the company incorporated Aztec Plumbing S.A. de C.V. for the manufacture of these rings in a separate plant that the family owns as well. In 2002 the company Multiquim S.A. de C.V. was sold to the company Noveon Inc., which had acquired all of BF Goodrich's chemical business.

Our History in Sustainability

Multiceras began an informal sustainability program more than ten years ago, one of the objectives being an effort to protect the environment. In 2004 we created the Candelilla Institute with the objective of assuring the sustainability of the Candelilla plant used to produce Candelilla wax. Also our Quality Management System was certified in ISO 9001 in 2000, and we have kept that certification every year since.

In 2012 we formalized our commitment to sustainability with the establishment of our Social Responsibility Program. One of the objectives of this program was to obtain the Social Responsible Enterprise Accolade granted by CEMEFI (Mexican Philanthropy Center). At the beginning of the process, CEMEFI recommended that we join the UN Global Compact, and on October 4, 2012, we did just that and committed to submit an Annual Sustainability Report.

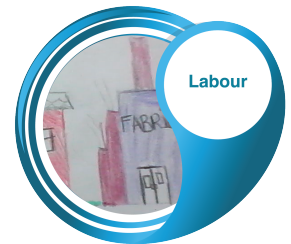
We pledge to respect and promote the principles listed below.

UN GLOBAL COMPACT'S TEN PRINCIPLES



1. Businesses should support and respect the protection of internationally proclaimed human rights.
2. Business should make sure that they are not complicit in human rights abuses.

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
4. Businesses should uphold the elimination of all forms of forced and compulsory labor.
5. Businesses should uphold the effective abolition of child labor.
6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.



7. Businesses should support a precautionary approach to environmental challenges.
8. Businesses should undertake initiatives to promote greater environmental responsibility.
9. Businesses should encourage the development and diffusion of environmentally friendly technologies.

10. Businesses should work against corruption in all its forms, including extortion and bribery.



CEMEFI

When we started the process to achieve the Social Responsible Enterprise Accolade given by CEMEFI (Mexican Philanthropy Center), FIRA (*Fideicomisos Instituidos en Relación con la Agricultura*) invited us to participate in this process as part of its Value Chain.



**EMPRESA
SOCIALMENTE
RESPONSABLE**

The process began with an evaluation followed by their advice and suggestions. In April 2013 Multiceras was awarded the Social Responsible Enterprise Accolade. Our pledge is to continue to strive for this award, as it is evidence of our commitment to being a Socially Responsible Company.

WEB PAGE



When we began our Social Responsibility Program we created a new section on our website (www.multiceras.com) in which we explain our program, including our Code of Conduct. It also demonstrates our most recent activities and announces our improvements.

SOCIAL RESPONSIBILITY COURSE

In order to implement our Social Responsibility Program, we had two members of our management team obtain the Tools in Social Responsibility for Small-and Medium-Sized Companies Certificate from the *Tecnológico de Monterrey*. Currently one of our coordinators is taking a course in Social Responsibility, also given by *Tecnológico de Monterrey*.



In October 2012 we gave a Social Responsibility course for all the employees in our facilities in Garcia, Nuevo Leon. In November 2012 the same course was given to the Mexico City personnel.

Our COMMITMENT to Human Rights

A fundamental aspect for Multiceras is to generate a positive impact in our stakeholders. Therefore we are committed to protect and guarantee human rights.

Our ACTIONS with Human Rights



Santiago Arciniega, 4 years old,
son of Iván Arciniega



EMPLOYEES

Since our beginnings, the human rights of our employees have been a priority. We are committed to providing a safe and healthy work environment, promoting good relationships among employees, and upholding code-of-conduct and anti-sexual-harassment policies.

Anti-Sexual harassment Policy

The objective of this policy is to ensure an ethical relationship between the company and its employees with appropriate physical and verbal conduct without distinction between gender, age, civil status, and position

MULTICERAS Políticas de RSE

MULTICERAS	POLÍTICA DE CÓDIGO DE CONDUCTA				RSE
	Elaboró	Mireya Marmolejo	Clave	PO-RSE-04	
	Revisó	CRS Adaleno Solís	Revisión	1	
	Autorizó	GAN Carlos Medellín	Fecha	08/2013	

1. Propósito	
Establecer el Código de Conducta donde se especifique la conducta y forma de actuar esperada de los empleados, basada en los valores de la empresa.	
2. Alcance	
Aplica a todos los colaboradores de Multiceras.	
3. Desarrollo	
3.1 Definiciones	
Por Valores se entienden las cualidades de las personas, que son intangibles, pero que se demuestran mediante la forma de actuar y de conducirse en diferentes situaciones.	
Política: "Multiceras promoverá que el ambiente de trabajo sea agradable y productivo, permitiendo que sus colaboradores realicen sus actividades en forma respetuosa y segura."	

MULTICERAS

Políticas de Recursos Humanos

MULTICERAS	POLÍTICA ANTI-ACOSO SEXUAL Y HOSTIGAMIENTO			
	Elaboró	GRH	Clave	BH-09-0801
	Revisó	GAF	Revisión	0
	Autorizó	DGL	Fecha (mm/aa)	05/13

1. Propósito	
Asegurar una relación ética empresa-colaborador, estableciendo para ello las conductas de respeto verbal y físico a los colaboradores sin importar su género, edad, estado civil o la posición que tenga en la estructura Organizacional.	
2. Alcance	
Garantizar los derechos básicos de los trabajadores a no sufrir de acoso sexual y/o hostigamiento en su entorno laboral.	
3. Desarrollo	
DEFINICIONES.-	
Atendiendo al Art 3 BIS de la ley Federal del Trabajo, entendemos por:	
HOSTIGAMIENTO: El ejercicio del poder en una relación de subordinación real de la víctima frente al agresor en el ámbito laboral, que se expresa en conductas verbales, físicas o ambas;	
ACOSO SEXUAL: Es una forma de violencia en la que, si bien no existe la subordinación, hay un ejercicio abusivo del poder que conlleva a un estado de intimidación o de temor para la víctima. Indiscriminadamente en sus reacciones con o sin violencia.	

Code of Conduct Policy

The objective of this policy is to promote appropriate conduct and to set the parameters for expected behavior from all Multiceras employees according to our core values.



Our ACTIONS to Human Rights

COMMUNITY

At Multiceras we recognize the importance of a solid formation of today's childhood in order to ensure a promising future for all. We have established initiatives to support specialized groups to generate well being for children and youths from marginal sectors.

Ciudad de los Niños – Salamanca, Gto.

For many years, the Marmolejo family along with Multiceras has supported the organization *Ciudad de los Niños* in Salamanca, Guanajuato. *Ciudad de los Niños* is a recognized organization with more than 35 years of history of helping children. It hosts 315 children and provides them with the opportunity to experience different cultural activities such as music, chorus, orchestra, dance, Mariachi, as well as to develop different skills in trades such as mechanics and blacksmithing.



Many alumni go on to become successful professionals in fields such as medicine, the clergy, and business. Some also come back to teach, and provide services pro bono to the organization.

In order to learn more about *Ciudad de los Niños*, please visit its web site (in Spanish): www.ciudaddelosniños.org



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Our RESULTS in Human Rights

Since 2009 Multiceras has contributed more than MXN\$300,000 towards the organization's operational and maintenance costs, including the construction of sanitary infrastructure and shoes for the children.





Our ACTIONS with Human Rights

La Gran Familia – Monterrey, N.L.

La Gran Familia is a civil association with more than 30 years of experience fostering the successful development of youth living in poverty and marginal conditions.

Founded in 1982, *La Gran Familia* began operations in the community of Los Rodriguez in the municipality of Santiago Nuevo León, hosting 13 children aged 4 to 11, and providing appropriate dwelling, medical and psychological attention. After more than 30 years, *La Gran Familia* has supported more than 2,500 children.



La Gran Familia also promotes the development of labor skills, providing courses and workshops in areas such as gardening, cooking, bakery and fashion.



Our RESULTS in Human Rights

In 2013 Multiceras contributed MXN\$10,000 towards a project to improve classrooms.



Multiceras has contributed to this institution for many years. In 2013 we visited their facilities to learn more about their needs and future projects. We are looking forward to continuing to support their work.

To learn more about their significant task, please visit their website:
www.lagranfamilia.org.mx



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Our ACTIONS with Human Rights



Casa Simón de Betania, A.C.

Simón de Betania, la Casa de los Pobres

Casa Simón de Betania, A.C. – Monterrey, N.L.

Established in 1987, *Casa Simón de Betania A.C.* is a free nursing home that hosts and cares for children, youth, and the elderly infected with HIV, cancer, and tuberculosis, without regard to religion, gender, or age.

They help those unable to afford medical treatment, those whose family cannot care for them, as well as abandoned people.

Casa Simón de Betania A.C. provides 24/7 service and care, including medicine, medical and nursing treatment, mobility of patients to medical consultancy, nourishment, religious services, different kind of therapies, and funeral services if necessary.

To learn more about their outstanding work, please visit their website:
www.casasimondebetaniamina.org.



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Our RESULTS in Human Rights

In 2013, together with the Mexican chapter of the American Chamber of Commerce, Multiceras employees collected donations of groceries, hygiene and cleaning products, personal care, and disposables.

Campaña de Recolección de Despensa y Medicamentos en favor de
Casa Simón de Betania, A.C.

Te invitamos a apoyar su noble labor donando los productos que ellos más necesitan:

Despensa:
Frijol
Sal
Leche Light (tetrapak)
Leche Light Deslactosada (tetrapak)

Lavandería:
Jabón de barra, marca Zote
Detergente en polvo para lavar ropa (marca indistinta)
Detergente líquido lavatrastos (marca indistinta)

Higiene y cuidado personal:
Gel para el cabello (botes chicos)
Pañales grandes, para adulto
Pañales transversales, conocidos "salvacamas"

Desechables:
Vaso térmico #12
Vaso plástico #12
Plato térmico con tapa, tipo para hamburguesa.

Fecha límite para realizar el donativo:
15 de Febrero, 2013.
Lugar: Con Hazelvy J.

¡GRACIAS!

Campañas de apoyo a la Comunidad



Our ACTIONS with Human Rights

Candelilleros – Rural Communities in Mexico's Chihuahuan Desert

At Multiceras we believe success is not attainable without a sustainable framework. Since becoming a part of the Candelilla wax plant's value chain, we have committed ourselves to contribute to its improvement.



Multiceras works closely with hundreds of families living in difficult conditions whose main source of income is the collection and extraction of Candelilla wax from the Candelilla plant.

Aware of this commitment, Multiceras continuously works establishing different strategies of tangible social programs and volunteering to support and encourage the Candelilla wax production.



In order to learn about the conditions and needs of the rural communities in the Chihuahuan Desert, the following box provides socio-economic data gathered from official sources such as CONABIO, 2009; INEGI, 2010; and CONEVAL, 2012, as well as additional information obtained during field work.

- Due to the isolated location of the communities and the extreme weather conditions in Mexico's Chihuahuan desert, there are limited job opportunities. Candelilla wax collection represents the main source of income for the rural producer ("Candelillero").
- The Candelilla wax process provides an opportunity for self-employment and a source of income that increases according to a Candelillero's efforts. The Candelillero has the flexibility to combine this activity with other jobs.
- Based on official data on well being and living conditions, a Candelillero generates an average income above the food and income poverty line. However, there are other needs related to infrastructure and full coverage of health and education services that could be addressed by multidisciplinary development projects, as the one explained in this document.
- Over the past 60 years Candelilla wax production has been diminishing in produced volume, principally because of the diminishing available labor force to process the wax. This has caused the concentration of wax production in certain regions of the Chihuahuan desert.
- Due to the diminishing production volume, the available bio-stock of Candelilla plant has grown, because of the natural regeneration and the reforestation and preservation campaigns generated by environmental organizations. This situation provides an opportunity to encourage sustainable production of Candelilla wax in rural communities in order to foster rural development based on economic activities.



Our ACTIONS with Human Rights



Multiceras sees the Candelillero community as one of our key stakeholders. We have developed the following objectives to collaborate in their development:

- Encourage personal development and training.
- Improve safety conditions.
- Promote settlement of local families in rural areas.
- Collaborate with sustainable development programs.

From 2007 the most significant results obtained for each objective are:

✓ Personal Development

- A customized training course was developed for the Candelilleros on the proper handling, production, and preservation of the Candelilla plant. This training is based on Scientific and official information from environmental and governmental institutions.
- More than 100 hours of training has been provided to Candelilleros from current production sites and newly formed communities on best practices for Candelilla wax collection and production.
- More than 20 seminars have been provided for Candelilleros on the legal framework, regularization and requirements to apply for collection permits.
- To date, 150 hours of training and support on administrative paperwork related to the application for collection permits have been provided.



✓ Improve Safety Conditions in Working Areas

- More than 300 hours of workshops on organization and cleaning working areas have been provided.
- To date, 150 hours of training on good safety practices and the use of safety equipment have been provided to Candelilleros.
- Improvement projects have been established in coordination with the Candelilla Institute and local Universities.



✓ Our RESULTS in Human Rights

From 2007 the most significant results obtained for each objective are:

✓ Promote settlement of local families at rural areas

- Based on our policies of defined purchasing dates and guaranty of continuous purchases, the Candelilleros feel the security of a serious source of income.
- With the promotion of the Candelilla wax process in new communities, Multiceras provides a secure source of income for rural families.
- The promotion of the Candelilla wax process also includes elderly people, providing a job and opportunity for marginalized groups.
- Multiceras has the largest logistics network for Candelilla wax purchase in the Chihuahuan desert, reaching the most isolated areas and representing an opportunity for families living outside major cities and helping to reduce migration.
- Professionalization of Candelilleros is encouraged at current and newly developed Candelilla wax production sites.



✓ Collaborate with sustainable development programs

- More than 45 communities (ejidos) during the last six years have been economically supported in order to obtain their collection permit.
- More than 150 communities (ejidos) during the last six years have received technical assistance in order to report their activities to SEMARNAT and get their remissions.
- In order to activate the production of Candelilla wax in isolated areas, Multiceras provides more than 100 processing vats (pailas) every year, which represents a yearly investment of more than US\$80,000.
- In order to sustain the resource and maximize the outcome, different efficiency projects have been developed in our internal production process, representing the preservation of several hectares of wild Candelilla plant.
- As an incentive to the working relationship with the candelilleros, Multiceras has created a fund of more than US\$20,000 provided as a cash bonus, benefiting more than 200 families every year.
- Every year more than 250 Candelillero families in the most isolated areas receive a Multiceras package with groceries and basic supplies in addition to the yearly cash bonus.

✓ Our COMMITMENT to Labour

In addition to being one of Multiceras stakeholders, employees are our most valuable asset. We are committed to respect, value, and support our employees to help them reach their professional and personal goals.

✓ Our ACTIONS with Labour



Maricela Andrade, 12 years old,
daughter of Maricela Moreno

SUPPORT CAMPAIGNS

Since we consider our partners as members of a closed team, Multiceras has a policy to support our employees in an annual base, collaborating to improve their quality of life, establishing the following campaigns:

Visual Health Campaign; this year supported 22 employees for access to a visual checkup, and helped them to acquire lenses

School Aid Campaign; this year supported 32 people with children at kindergarten, elementary and junior high school level

Celebrations: The International Women's Day, Día de Muertos, Mexico's Independence day, Christmas and New Year's celebration, and a monthly cake for employees birthdays

Transportation service:
daily route that benefits 14 employees

And in our scholarship program, we have:

2 Master scholarships
1 College scholarship
6 Bursaries to learn English

✓ Our ACTIONS with Labour

AKNOWLEDGMENT EVENT

Recognition was given to employees who demonstrated outstanding commitment to company values. This annual event was held during the traditional Christmas celebration, where 18 employees received acknowledgment from our CEO, Fernando Montaña, and our President, Raul Marmolejo.



Our Values



Commitment



Quality



Creativity

The Commitment acknowledgement celebrates the time worked at Multiceras by giving a recognition for 5, 10, and 15 years of service. This year the recognition was given to seven employees.

For the Quality and Creativity awards, employees are invited to vote for peers who have excelled in the implementation of each value on their daily work.

Because of their exceptional and continuous quest for improvement in their daily work, recognitions for Quality were given to Alba Garay and Alejandro Vazquez. The acknowledgment for Creativity was given to Jesus Santoyo.

Alba Garay's Testimony

"Receiving the acknowledgement for Quality, not only recognizes your work, but also motivates you to keep striving every day and develop hard and constant work, honoring this award which was a recognition by teammates and friends."





Our ACTIONS with Labour

DRAWING CONTEST

This year we held our first drawing contest for employee's children between the ages of 6 and 12.

The contest was called "What Can I Do for the Environment?" and was intended to promote an environmental awareness and ecological conscience in the children, as well as provide the opportunity for families to have conversations on this important subject.



Julián Arciniega, 7 years, son of Iván Arciniega



Each of the 27 participants received a certificate along with a drawing kit of crayons, colored pencils, and a sketchpad. The three winners also received a diploma and a school kit that consisted of a backpack and calculator.

The Monterrey awards ceremony took place in Sesame Street Park. The Mexico city ceremony took place at Six Flags Park, and the Cuatro Ciénegas ceremony was held in a pool complex.



Sarahi Torres, 11 years,
daughter of Martha Reyna



✓ Our ACTIONS with Labour

MOTHER' S DAY

To celebrate all women who have the good fortune of being moms, our Human Resources department merged the annual event for Mother's Day with the celebration of Children's Day, so that employees' families could be together for some family time.

For Monterrey offices the event was held in Sesame Street Park, where the children spent a fun afternoon, and families enjoyed a healthy environment where they performed shows and Mariachi.



A similar event was held on Mexico City for the office located there, which was organized on the Six Flags Park.

Meanwhile in Cuatro Cienegas our peers had a barbeque on a pool complex resort.

WORK ENVIRONMENT

The Multiceras "palapa" is a common area in our Monterrey facility where employees can get together for recreational activities. The use of the "palapa" is under Human Resources Department control, who are responsible for approving its use upon request.



Father's Day celebration took place on the common area for recreation, where they organized a barbeque contest among employees, getting to detach from work stress for the afternoon, resulting in a fun and healthy environment.



Our ACTIONS with Labour

COURSES AND TRAININGS

In our quest to provide opportunities for our employees to improve their quality of life and develop professional and life skills we have provided the following educational and training courses:

- Courses for staff development, which have been given to 4 people.
- 14 General Courses Induction for new staff.
- Developing Managerial Skills for 12 of our employees.
- 30 employees were supported by various courses to enrich Skills Development

Some follow-up actions to be taken are other training courses for the development of specific skills. This to be defined after reviewing the detailed job descriptions, and provide a focus on people skills, generating a table of training needs.

Courses planned for next year include:

- First Aid
- Fire Brigade
- English Classes
- Workshop Leader Coach
- Organizational Culture
- Basic Mechanics
- Computing Classes



SUPPLIERS DEVELOPMENT

We have implemented the supplier development program in order to enrich our value chain, this program has started as a pilot with two of our local suppliers.

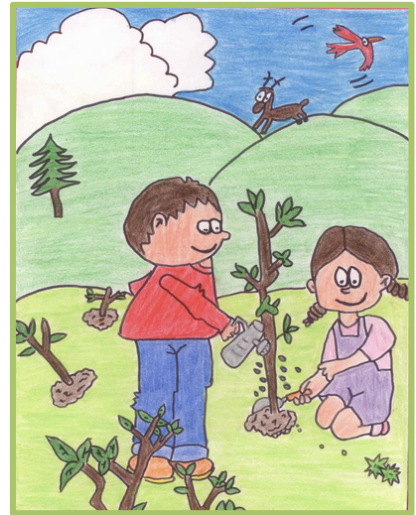
These suppliers were evaluated using a questionnaire covering the main areas for a company, which are legal and ethical, so that it can implement policies and activities to stand out as a socially responsible company.

Multiceras participation is acting as advisor to the issues that may cause doubts for the inclusion of these companies in the area of corporate social responsibility, as well as to the projects for the sake of environment.



✓ Our COMMITMENT to the Environment

At Multiceras we are aware that we only have one world and the natural resources are limited. We are committed to make decisions that minimize the negative impact on the environment and to implement environmentally responsible policies.



Carolina Navarro, 11 years old,
daughter of Martín Navarro

✓ Our ACTIONS with the Environment



Ángel Meléndez, 10 years old,
son of Simón Meléndez

RECYCLING

Some years ago we have started recycling pallets and cardboard, and in February 2013 we started a campaign to recycle aluminum cans, plastic bottles and paper. At the beginning we set recycling containers, but later on we found out that the paper that was generated in the dining area could not be recycled properly, so we decided to start another campaign for recycling paper in the office area where this material is generated.

We established a Reduce, Reuse and Recycling Policy through various campaigns. The money gathered from the sale of recycled materials is used to buy special equipment for our employees or to help out our volunteer activities.

✓ Our RESULTS with the Environment

1,920 Recycled
pallets

32.8 Kg recycled
aluminum cans

13.5 Kg plastic
bottles

3,000 Kg recycled
cardboard

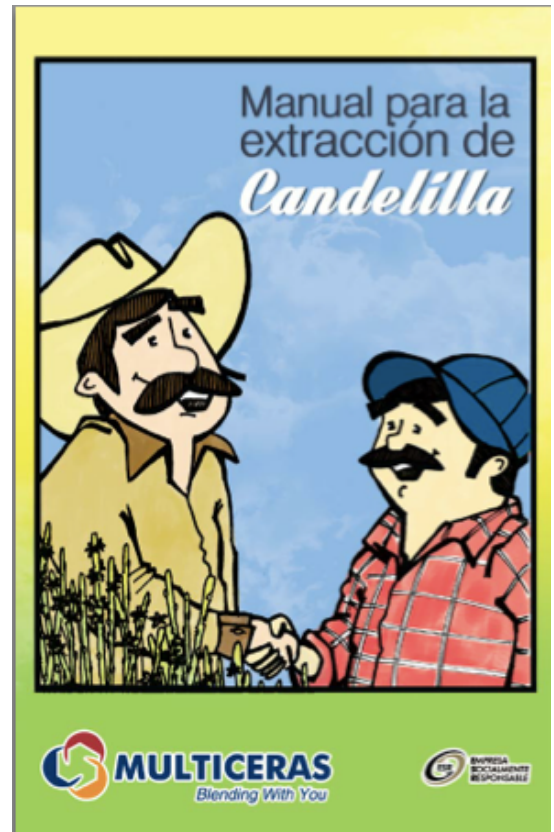
✓ Our ACTIONS with the Environment

CANDELILLA WAX PROCESS MANUAL

The people who harvest the Candelilla plants to produce Candelilla wax are known as Candelilleros.

Because some Candelilleros are not familiar with the correct process to harvest and produce the wax, and because there are more people interested in becoming a Candelillero, we decided to prepare a manual with the appropriate and sustainable way to harvest the Candelilla plant and produce the wax.

In order to have an easy-to-read and easy-to-understand manual, we decided to do it as a comic, with one character explaining to the other the proper way of working with the Candelilla plant.



One of the main parts of the manual explains the importance of obtaining a Harvesting Permit from SEMARNAT, and also of following all indications in the norm NOM-018-RECNAT-1999 to ensure that their use of the Candelilla plant is sustainable and the environment will not be adversely affected.

Another important part explains the need of using proper safety equipment to avoid health damage and accidents.

In the coming months we will begin training, using the manual as a teaching aid.

✓ Our RESULTS with the Environment

1,500 Printed manuals

Our ACTIONS with the Environment

WORLD ENVIRONMENT DAY

June 5 was World Environment Day, organized by the United Nations Environment Program (UNEP). Multiceras joined the campaign this year, which was called Think-Eat-Save.

We plan to closely follow UNEP campaigns going forward to align our efforts with theirs. This will also give us new ideas to improve our own Sustainability program.

Our ACTIONS with the Environment

CANDELILLA INSTITUTE

In 2004 we created the Candelilla Institute whose primary objective was to promote the sustainability of the Candelilla plant, as Multiceras is one of the main Candelilla wax exporters.

In July 2013 we converted the Candelilla Institute into an NGO (Asociacion Civil). With this step we will be able to be more closely involved with projects such as: research, publications, and social development in the Candelilla region.



5 de junio **Día Mundial del Medio Ambiente**

Desde 1972 en esta fecha se celebra el Día Mundial del Medio Ambiente. Es una herramienta de Naciones Unidas para concientizarnos en lo que podemos hacer.

Tiene como lema este año Piensa. Aliméntate. Ahorra, una campaña para reducir los desechos y las pérdidas de alimentos.

- ¿Has pensado cuánta comida desperdiciamos cada día?
- ¿Compras cosas de más y luego se echan a perder?
- ¿Puedes hacer algo?

Campañas de apoyo al Medio Ambiente



We also updated the Candelilla Institute website: www.candelilla.org.

✓ Our ACTIONS with the Environment

TECHNOLOGICAL WASTE

Technological waste causes great harm to the environment and this risk is growing every day, as equipment rapidly becomes obsolete.

At Multiceras we are committed with the environmental preservation and we know the irreversible damage that this waste cause to the planet, therefore our Information Technology team (IT) deliver our obsolete equipment only to authorized recycling contractors.



The UN calculates that every year more than 50 million tons of technological waste is generated. A lot of this material is irresponsibly discarded in garbage dumps. An inadequate treatment of the e-waste will result in a negative impact to the environment and a health risk.

Multiceras has a policy of sending all discarded equipment to specialized companies for updating or recycling.

In addition:

1. We set up a lease program for all the computing equipment.
2. We use refilled printer cartridges.

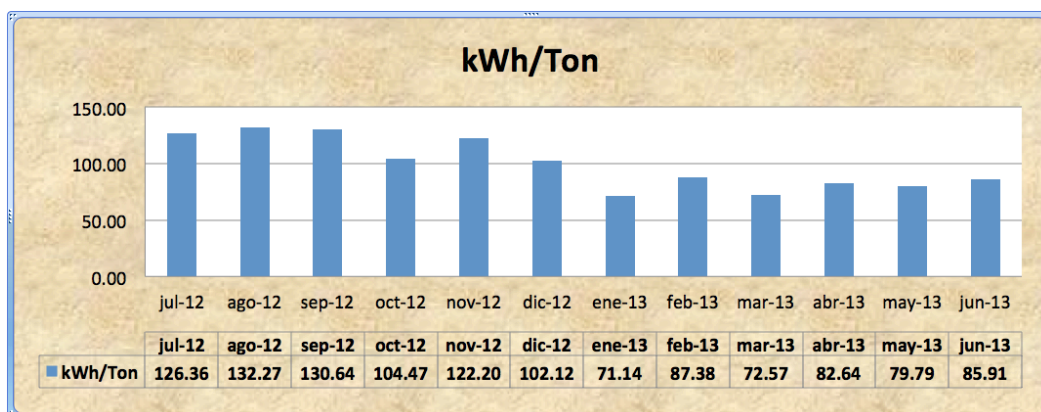
✓ Our ACTIONS with the Environment

SUSTAINABILITY MEETINGS AND UTILITIES USAGE REVISION

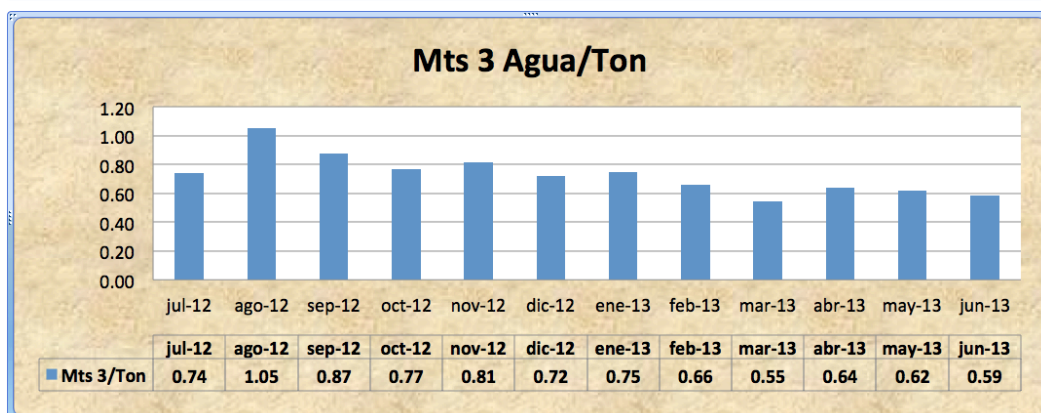
In order to set action plans for the economic, social, and environmental aspects of the company, and to keep track of them, we hold a quarterly sustainability meeting. At this meeting the person responsible for each area presents his or her results.

Among the results analyzed, we put emphasis on those that affect environment the most: Energy, Water and Gas consumption.

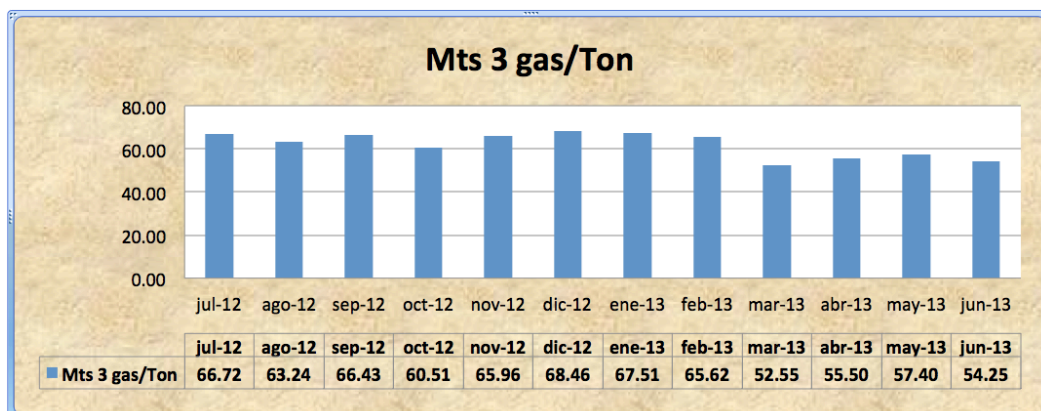
Energy



Water



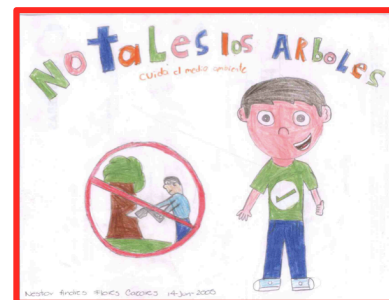
Gas





Our COMMITMENT to Anti-Corruption

In Multiceras we know that the only way to fight corruption is by doing everything correctly, therefore we commit ourselves to respect the laws of the land, and promote our values especially when dealing with customers and suppliers.



Néstor Flores, 7 years old,
son of José Inés Flores



Our ACTIONS with Anti-Corruption

CODE OF CONDUCT

Our Code of Conduct is based on our Core Values of Honesty and Responsibility. All employees are familiar with the Code of Conduct and they are expected to use it in their every day activities. Our Code of Conduct is available for download from our website in the Social Responsibility Program section: <http://multiceras.com/en/responsabilidad-social-multiceras>.

CONFLICT OF INTEREST POLICY

Some of our employees, especially those who deal with customers, suppliers, and government agencies, must be prepared to deal with corrupt situations in a proper way.

MULTICERAS, S.A. DE C.V.				Políticas Internas	
	POLÍTICA DE CONFLICTO DE INTERESES				
	Elaboró	GAF	Francisco Díaz	Clave	PO-AD-0101
	Revisó	DGL	Fernando Montaño	Revisión	1
	Autorizó	DGL	Fernando Montaño	Fecha (mm/aa)	08/13
1. Propósito Evitar que los intereses de un empleado, personal, trabajador, consejero, directivo, funcionario, auxiliar, asesor ya sea persona física o moral (en lo sucesivo referidos como "Colaborador" o "Colaboradores") de Multiceras, S.A. de C.V. ("Multiceras") influyan en su juicio y/o en las decisiones que tome(n) en nombre o con relación a Multiceras.					
2 Alcance Esta política se aplica a todos los Colaboradores de Multiceras.					
3. Desarrollo 3.1 Definiciones					

Therefore we have prepared a Conflict of Interest Policy in which we clearly specify the way Multiceras expects our employees to act, as well as a test for those employees who have been trained in the usage of this policy.

ABOUT THIS REPORT

This report was prepared by the Social Responsibility team:

- Adaleni Solís
- Carlos Medellín
- Miguel Arato
- Mireya Marmolejo

And with the participation of:

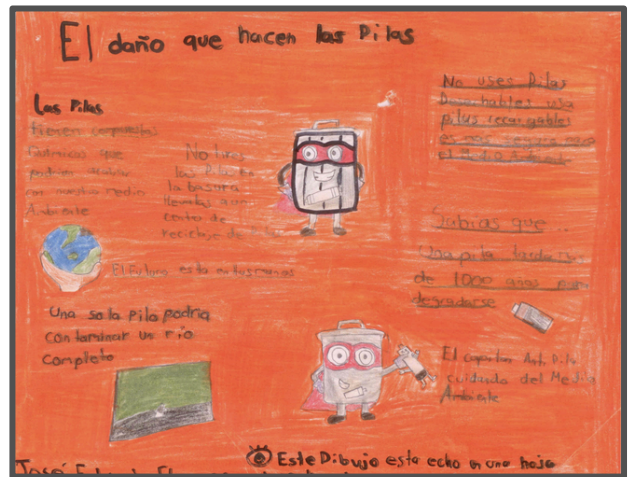
Liliana Ayala, Reynold Valdez, Laura González, Marcos Hernández, Alejandro Canizales, Raúl Marmolejo and Ana Marmolejo.

We thank the children who participated in our first Drawing Contest. We have included some of their drawings in this report.

For any comments in this report please contact Adaleni Solís at:
adaleni.solis@multiceras.com.



Ángel Meléndez, 10 years old,
son of Simón Meléndez



José Eduardo Flores Cazares, 12 years old,
son de José Inés Flores



Diego Alejandro Solís Garza, 10 years old,
son of Ruth Garza