

# Opportunities and Challenges

[www.americanindustriessgroup.com](http://www.americanindustriessgroup.com)

2013  
Report

Corporate Social  
Responsibility Report



 **American Industries**



## Welcome

Two years ago we started in American Industries Group a transparency exercise with the objective to show the scope and goals of our business aligned with the vision of Corporate Social Responsibility that we are looking to develop. This is our second report in which we represent the advances and achievements reached on the road toward sustainability.

During the year 2012 we published our first corporate social responsibility report which provided us with the bases to guide the performance of the company focusing on four fundamental pillars: our personnel, clients, community and the environment. This process facilitated the revision of our organizational principles at the time that a project concluded with the sale of a significant part of the real estate portfolio.

In the year 2013 American Industries Group strengthened its social and environmental compromise joining the United Nations Global Compact which represents a movement toward integration and sharing universal principles in the areas of human rights, labor, environment and the fight against corruption. Therefore it is perfectly viable for the company to

work in areas connected with different spheres of influence and community participation.

The 2014 report contemplates results corresponding to the years 2012 and 2013, giving continuity to the report previously presented in 2012. We used the guideline of the Global Reporting Initiative (GRI) according to version G4 at the core level to show information about our performance.

The information shown on the report corresponds to the operations of the business areas of Shelter and Real Estate in the cities of Chihuahua, Juárez, Monterrey, Querétaro and Guadalajara in Mexico. No information is shown regarding subcontractors and personnel in their charge. As well, information about the hired personnel by American Industries Group and its affiliates run directly by our clients under the Shelter plan is shown only to project the size of the plan, however it is not contemplated on the indicators of social, economical and environmental performance.

We appreciate all the comments about the content of the report, which can be sent to [esr@aig.com](mailto:esr@aig.com) or [gguerrero@aig.com](mailto:gguerrero@aig.com)

## Key Performance Highlights

 → **8,446**



Total number of employees of the group at the end of 2013.



Equivalency **Employees**  =1,000



**44**

Shelter clients in 2013.



Equivalency **Clients**  =10



 → **17**

New service contracts



**7**

Renewed contracts in 2012 y 2013.



# Contenido

<i>Message from the Board</i>	<b>5</b>
<i>Opportunities and Challenges</i>	<b>6</b>
<i>About Us</i>	<b>7</b>
<i>Materiality and Stakeholders</i>	<b>10</b>
<i>CSR Our Focus</i>	<b>12</b>
<i>Our People</i>	<b>13</b>
<i>Our Principles and Corporate Values</i>	<b>16</b>
<i>Our Clients</i>	<b>17</b>
<i>Our Community</i>	<b>19</b>
<i>Our Environment</i>	<b>20</b>
<i>Recognitions Obtained in 2013</i>	<b>22</b>
<i>GRI Index</i>	<b>23</b>
<i>Appendix</i>	<b>25</b>

# Message from the Board

## Dear reader

In American Industries Group we are convinced of the participation of companies in search for the common good as an essential element to face the challenges that we have at a social level in the country.

For more than 35 years we have developed strategies to assist Mexico in positioning itself as a competitive country in international markets with the purpose of attracting multinational companies in the manufacturing sector. This action has reaped benefits during the years, allowing that at this moment 8,000 people are hired giving their best effort on a daily basis to contribute to the productivity and competitiveness of these companies.

To be able to continue being competitive in the market for Shelter services for companies and administration of industrial real estate assets, we have to renew and develop new activities. During the year 2012 we initiated a process that was concluded in the year 2013 with the sale of 87 buildings from our real estate portfolio, which was in a partnership with Kimco Realty. The new owner of this portfolio is FIBRA Terrafina who at the same time has a strategic alliance with Prudential Real Estate Investors. At the present moment we have a contract for administration of the assets for all the buildings sold in the transaction.

The industrial real estate business in Mexico is in a transition toward the implementation of sustainable characteristics of construction. This movement will facilitate the implementation and acceptance by the majority of our clients, who at the same time will see the benefits in energy usage which impact directly in the level of emissions and carbon footprint of their production.

We continue working to develop chains of high added value. During 2013 and 2014 we have witnessed the aerospace cluster consolidation in Chihuahua, which allows the clear identification of the path for growth and attraction of specialized suppliers.

Nevertheless, with all these benefits, we continue facing the challenge of translating the benefits of a more solid economy to society and especially to the sectors of the population who require bigger and better opportunities.



A handwritten signature in black ink, appearing to read 'Luis Lara Armendáriz'.

**Luis Lara Armendáriz**  
President of the Board of Directors  
American Industries Group



## Opportunities and Challenges

We have named our 2014 report “Opportunities and Challenges” since it describes the moment in which we are now as a company. The challenges that we face present strategic opportunities to be able to position ourselves as leaders in the attraction of foreign investment in addition to strengthen and consolidate the operations of our clients in Mexico.

During 2013 the company went through a profound transformation due to the selling of an important part of its industrial real estate portfolio in Mexico. The selling operation was made in the country and included a portfolio formed by 87 industrial buildings, representing close to 11 million square feet, which were bought by a real estate trust (FIBRA) Terrafina (BMV: TERRA13) together with Prudential Real Estate Investors for the amount of \$600 million dollars. It is important to point out that part of the portfolio was in a partnership with Kimco Realty Corp. (NYSE:KIM).

The immediate result of the operation was the reduction of the real estate portfolio of the company to 5 properties, which are added to the millions of square feet available in land. After the sale of the portfolio, a contract was signed for the administration of the properties in which American Industries manages the assets under the guidelines and policies of Terrafina.

### Focused Growth

In 2013 a strategy for growth was implemented at the Shelter business unit, focused on concentrating the resources, capacities and competencies in the regions where we have presence. In this manner all the efforts are channeled to grow with our clients in the regions of Chihuahua and Ciudad Juarez, Monterrey, Guadalajara and Queretaro. This strategy caused an administrative decentralization of resources, therefore the information and key indicators are shown subtracted according to this new operation.

### Sustainable Construction

At the present moment there is a direct relationship between energy usage of buildings and the level of emissions to the atmosphere. As a result, it is a priority to improve the environmental performance and reduction of the ecological footprint of the buildings to implement mechanisms to make the usage of the energy more efficient during its life cycle, as well as materials and construction techniques.

In Mexico there are still obstacles that prevent the accelerated development of sustainable construction, among them the lack of coordination between the states to create regulations for construction and urban plans, in addition the absence of a system of certification practices. Nevertheless, there is a positive impulse by the private sector to promote practices and the acceptance of sustainable buildings for corporate offices, distribution centers or manufacturing plants. There are alternatives in the design and operation of a building that can favor a better environmental performance.

In American Industries Group we are convinced that in our real estate development we will have an offer that will contribute together with our clients to diminish the environmental impact of our buildings. We are looking for strategies such as fluorescent lighting of low intensity, sensor controls, high efficiency cooling and heating systems, solar panels and recycling of residual waters.



# About us

American Industries Group is a leading company in the market in administrative and industrial real estate services that facilitate the start-up, operation and consolidation of international manufacturing companies in Mexico. It is part of a holding company that groups at the same time other companies. The corporate responsibility report in 2013 contemplates information about all the companies of the group.

Our Shelter services allow our clients a fast installation of any manufacturing project in the country, providing the right execution of business plans for the automotive, aerospace, medical industries, household appliances and metal mechanical, among others.

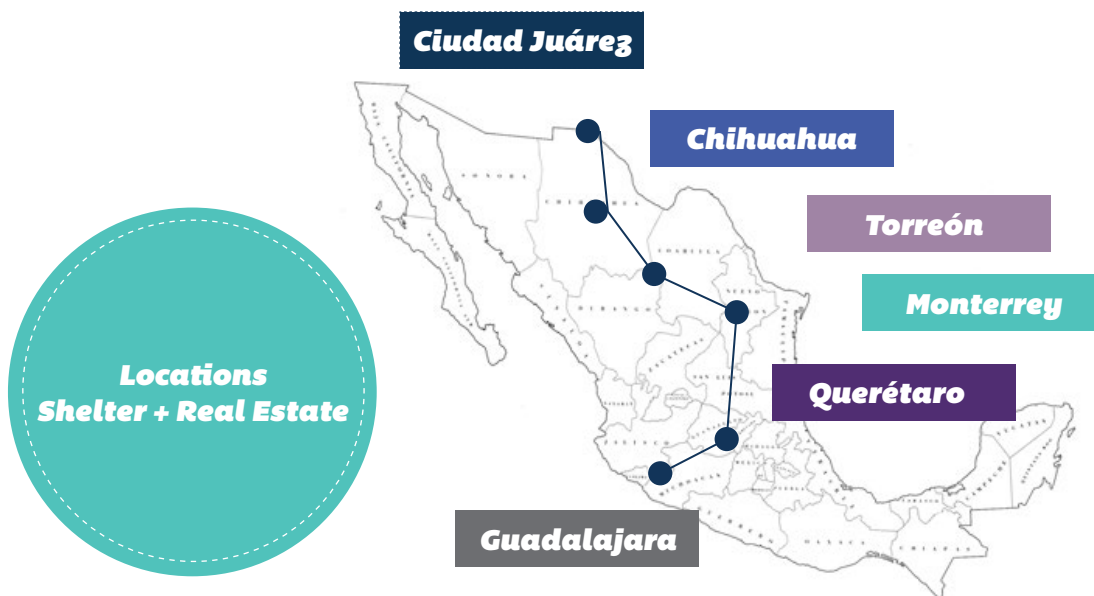
Through more than 35 years of presence in the market, we have facilitated the successful installation of more than two hundred international companies in Mexico, following the unique strategy of being the key business partner to attain success for our clients.



As is described in the previous section, at the present time we are administering an industrial portfolio of over 87 first class buildings for Terrafina Real Estate Investment

Fund. In addition, American Industries Group continues its strategic regional growth focusing its capacities in locations that show industrial growth in Mexico.

## Presence in the Country

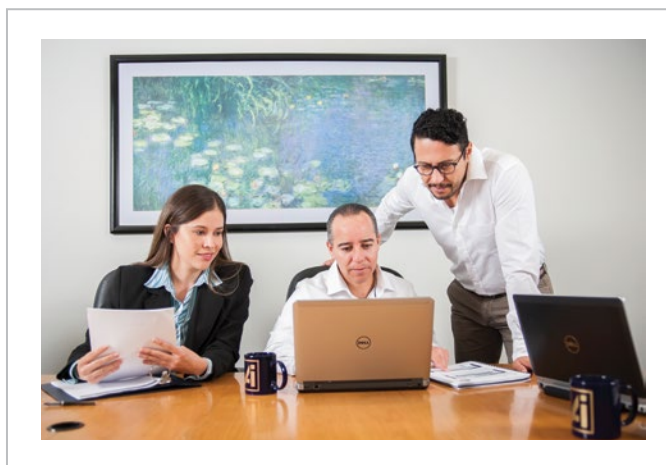


## About us

The operation strategy of American Industries Group allows a proper identification of requirements to be able to determine the perfect location for the manufacturing project.

At this moment we have presence in five regions with our Shelter services: Cd. Juárez, Chihuahua + Delicias, Monterrey, Querétaro and Guadalajara.

We managed more than 8,000 employees during the year 2013; this means an increase of 1,948 employees in comparison to the results obtained at the end of 2011.



Region	Employees under Shelter Scheme <sup>1</sup>	Shelter Clients <sup>2</sup>
Ciudad Juárez	481	5
Chihuahua + Delicias	7,276	32
Monterrey	169	3
Guadalajara	118	2
Queretaro	69	2
<b>Total</b>	<b>8113</b>	<b>44</b>

<sup>1</sup> Total of employees hired under personnel records of American Industries Group and its affiliated companies. These employees are managed under the human resources policies of our clients.

<sup>2</sup> Number of clients as of December 31, 2013.

State	New Buildings (Built-to-suit <sup>1</sup> )	Expansions <sup>2</sup>
Chihuahua	5	1
Coahuila	1	1
Nuevo León	0	1
<b>Total</b>	<b>6</b>	<b>3</b>

<sup>1</sup> The Built to-suit scheme allows us the construction of a building according to our clients' needs.

<sup>2</sup> An expansion is considered an increase of the space of the existing rented building.

American Industries Group currently owns more than 25.6 million square feet of available land.





***Corporate Social  
Responsibility  
Strategy***

# Corporate Social Responsibility Strategy

Being a corporate citizen goes beyond assuming the inherent responsibilities for any legally constituted organization. However, when we define how to “go further” it represents a complex process whose result must be incorporated in the strategy, therefore, in all the plans of performance of the company.

Our contribution as a corporate citizen is to create higher standards of living and quality of life in the communities in which we operate, and contribute to actions that maximize the welfare of all.

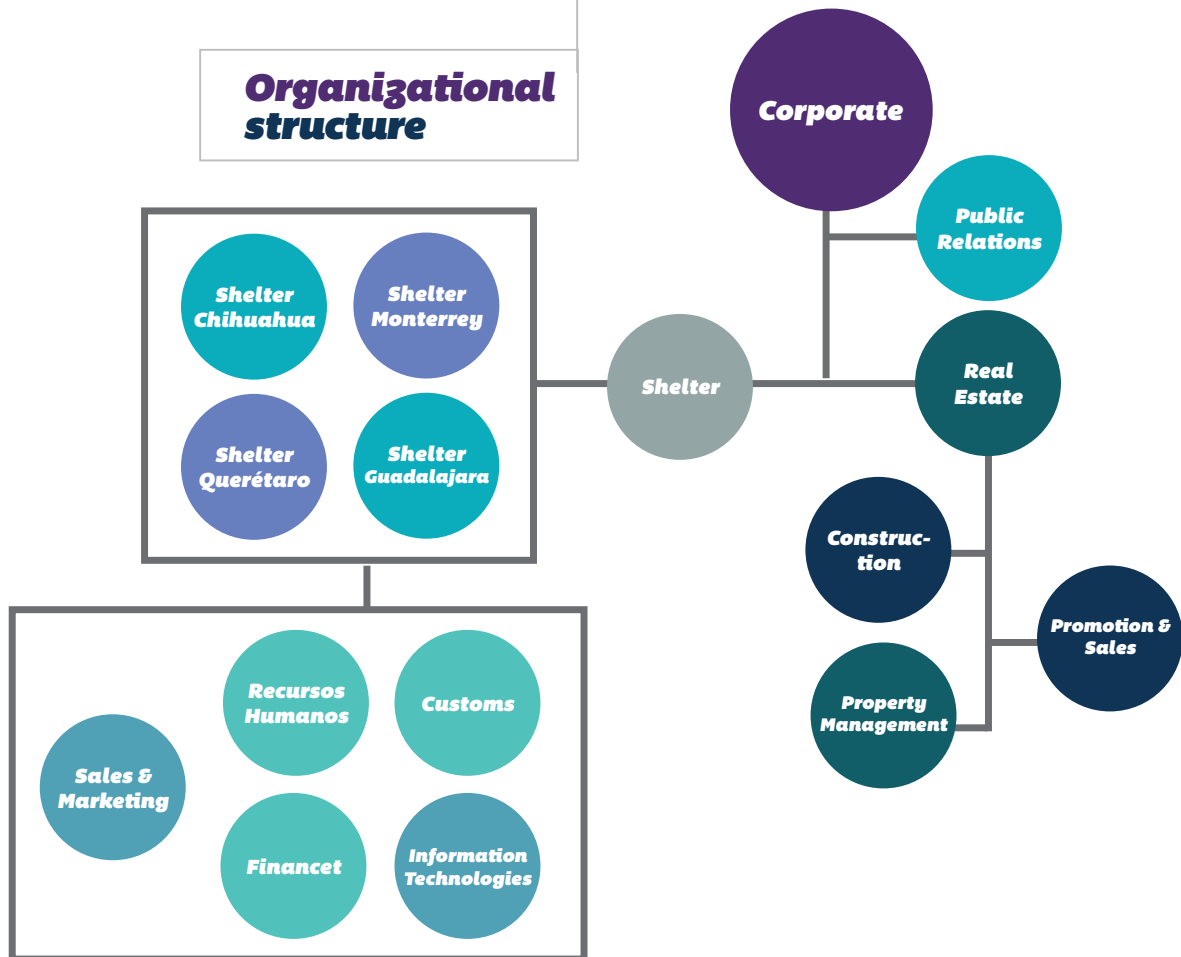
The starting point for the social corporate responsibilities in American Industries Group is identifying the duties and responsibilities of a company legally formed, that will allow us to honor and comply with Mexico’s laws. From this legal platform we are able to recognize the challenges and needs for economic development in the country and take a position that will allow us to participate in a positive manner.

## Implementing the strategy

To design and execute the strategy for corporate social responsibility we have a committee responsible for designing the programs, coordinating the execution and evaluating the progress inside and outside of the company. Inside the company the first objective is to create a working environment that promotes productivity and well being of the people that are part of the company, improving the quality of their lives; in addition to establishing the ethical and integral performance in the whole company. This strategy involves promoting a labor culture that gives advantages to the development of leaders in the whole company.

Toward the outside, we evaluate our actions in the communities where we have presence always looking for positive impact that sparks productive activities with participation based on economic development.

## Organizational structure



## Materiality and Stakeholders

The interaction with our groups of interests happen at different levels from the daily activities between employees and clients, providers of services and government institutions, to specific processes of feedback such as surveys and evaluations of service. These processes allow us to have first hand information and to validate the concerns and interests toward themes of impact.

*In addition, we participate in global forums where perspectives about social responsibility and corporate citizenship are discussed, like the UN Global Compact that helps us to have a vision about general initiatives regarding a broad diversity of themes.*

Group of Interest	Type of Relationship	Communication Schemes	Main Expectations
Shelter Clients	Service Contracts	Account Executive in charge. Frequent meetings. Corporate revision of contracts. Surveys of service satisfaction.	Quality of service. Search and retention of talent. Consolidation and growth in the country.
Real Estate Clients	Service Contracts	Monthly visits. Follow-up system (customer service).	Follow-up of service clauses. Characteristics of buildings.
Collaborators	Labor Contract	Internal communication. Survey of labor environment. Performance evaluation. Internal meetings and conferences.	Compensation. Training and development. Communication.
Collaborators' families	Indirect	Messages and indirect invitations through employees.	Quality of family life and outside work benefits.
Strategic partners	Alliances and joint ventures	Board meetings.	Global results. Investments.
Suppliers and subcontractors	Service Contract	Services feedback.	Evaluation of services.
Educational Institutions	Participation in forums and collaboration agreements	Forums and academic meetings.	Alignment with industry needs.
Industrial Associations	Membership	Partners' meetings.	Alignment with industry needs.
Government	Institutional	Norms compliance.	Norms and promotion.
Communities	Institutional	Relationship with organized groups.	Participation and connection.

# Materiality and Stakeholders

## Prioritizing expectations

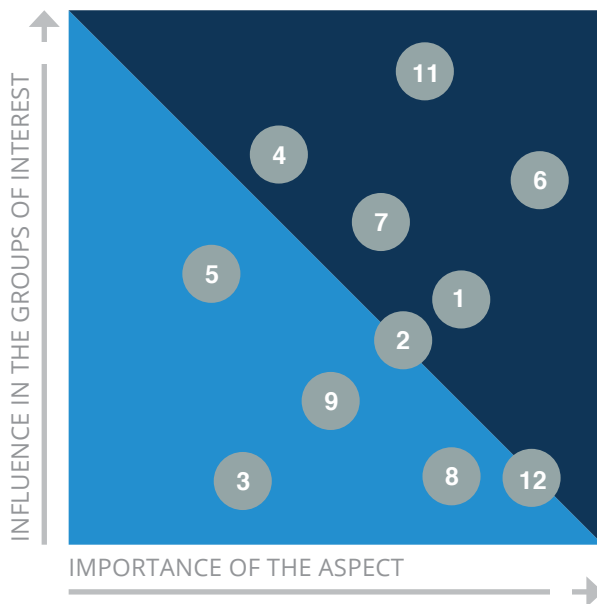
The process of bringing near and prioritizing of expectations implemented from 2011 allowed us to detect the following material aspects for our groups of interest:

- Energy and environmental impact<sup>1</sup>
- Continuity plans and risk management<sup>1</sup>
- Local suppliers<sup>2</sup>
- Training and labor performance<sup>1</sup>
- Safety and health<sup>1</sup>
- Code of ethics<sup>1</sup>
- Diversity and labor justice<sup>1</sup>
- Construction materials<sup>2</sup>

For this report we again verified the materiality of these aspects, monitoring its relevance in the industry and the view of our interest groups through daily interaction.

In addition to considering other relevant aspects for the company:

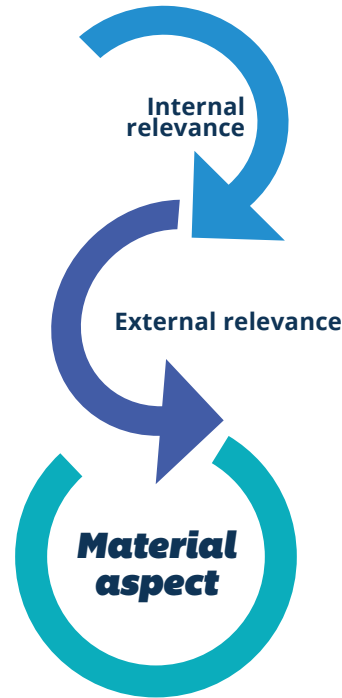
- Human rights<sup>1</sup>
- Anticorruption<sup>1</sup>
- Client satisfaction<sup>1</sup>
- Economic value generated and distributed<sup>1</sup>



<sup>1</sup> Relevant aspect inside the organization  
<sup>2</sup> Relevant aspect outside the organization

## Priority Themes

- Benchmark of sustainability reports of the sector
- Feedback from groups of interest
- Projects and strategies of the company



## Material Aspects

- 1) Energy and environmental impact** (GRI Aspect: Energy)
- 2) Continuity plans and risk management**
- 3) Local supplier**
- 4) Labor training, development and performance** (GRI Aspect : Training and education)
- 5) Safety and health**
- 6) Code of ethics** (GRI Aspect: Investment)
- 7) Diversity and labor justice** (GRI Aspect: Employment)
- 8) Construction materials**
- 9) Human rights**
- 10) Anticorruption** (GRI Aspect: Fight against corruption)
- 11) Satisfaction of clients** (GRI Aspect: Product labeling and services)
- 12) Economic value generated and distributed**

## CSR our focus

**Our focus to integrate Corporate Social Responsibility in our business model is based on the belief that together, collaborators, clients, partners and community, all grow and we build a more stable society.**

### Committed Workforce

One of the main pillars in our focus is to count on a developed and inspired team. To achieve this we have to build a working place that favors the commitment and loyalty towards the organizational objectives.

### Business Ethic

Our commitment and behavior come from the values and reflect the organizational culture in American Industries Group. Having a clear understanding allows us to set the basis and obtain the desired results.

### Operational Excellence

Our clients expect the best service and fulfilling our commitments. To keep the highest standards of service, we constantly monitor our service processes and promote improvement in each one of them.

### Community Closeness and Bonding

We participate in areas where there exists a priority for the community and we have the capacity to intervene in a positive manner. Even though different needs exist at a community level, we may not always have the capacity to intervene. We have selected the areas where we have the tools to generate a change or become part of it.

### Respect for the Environment and Our Surroundings

We are looking to develop and implement practices that allow us to mitigate the negative environmental impact generated from our operations, in the Real Estate area through the implementation of sustainable building characteristics and in the Shelter area promoting the culture of ecology.



## Our people: Committed Workforce

**The main drive that allows us to offer a service that transforms ideas and consolidates projects is the talent and commitment that make up American Industries. The fundamental premise is value and it must be present in everything that we develop. Maximizing talent is the most important task that allows us to have an inspired and committed workforce.**



### Attracting and Retaining Talent

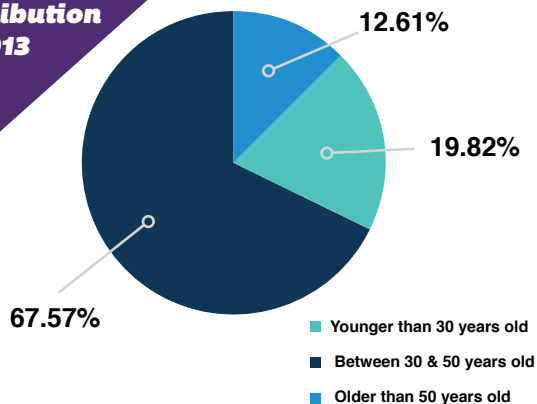
The participation of our people is key to bring outstanding service which is appreciated by our clients; To reach this it is necessary to have the required talent in each one of the key functions, being in personnel selection processes for our clients, negotiation of contracts with suppliers or connecting with educational institutions. The company personnel are committed to getting results that create a positive impact.

To attract and retain talented people, we offer dynamic and challenging working environments that allow development and professional growth.

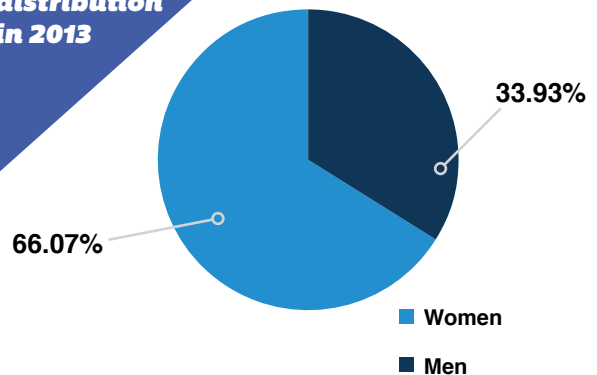
### Recruitment

The search for talent begins with identifying the new needed skills to reach our vision. Therefore we work close with universities and technical education centers. We currently have 7 agreements with public and private universities in the country. Since 2013 we started the pilot program Modelo Mexicano de Formación Dual (Mexican Dual Formation Model) along with CONALEP (Chihuahua, COPARMEX, and our client Fokker ([www.fokker.com](http://www.fokker.com))) consisting in selecting students through a scholarship or internship process equivalent to one academic year. At the end the students receive their degree as technicians from CONALEP.

#### Age rank distribution in 2013



#### Gender distribution in 2013



## Our people: Committed Workforce

### New employment contracts in 2012

Region	Men	Women	Total
Chihuahua	15	33	48
Juárez	1	2	3
Monterrey	2	2	4
Guadalajara	1	3	4
Querétaro	0	3	3
<b>Total</b>	<b>19</b>	<b>43</b>	<b>62</b>

### New employment contracts in 2013

Region	Men	Women	Total
Chihuahua	9	16	25
Juárez	1	5	6
Monterrey	1	3	4
Guadalajara	5	10	15
Querétaro	0	1	1
<b>Total</b>	<b>16</b>	<b>35</b>	<b>51</b>

### Turnover in 2012 and 2013

Year	Turnover
2012	3.17%
2013	1.55%

### Employee dismissal by gender

Year	Men	Women	Total
2012	20	32	52
2013	10	36	46

## Development

The specialization in specific areas requires the development of technical skills of the personnel. Our objective is to offer opportunities for growth and acquiring new knowledge.

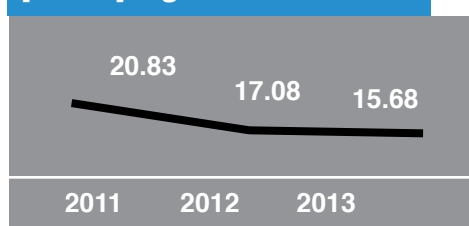
During 2012 and 2013 we offered a very complete training program to handle a new version of our ERP based on Oracle R12.

In addition, external training sessions were given to get to know and adapt to the LEED projects guidelines (Leadership in Energy and Environmental Design) and clean industrial parks according to the NMX-R-046-SCFI-2011 norm.

### Employee dismissal by age

Year	<30	30-50	>50
2011	11	1	0
2012	16	30	6
2013	17	27	8

### Average training hours per employee



## Approach and Reorganization

During 2012 and 2013 significant changes occurred in American Industries Group. The business areas of Real Estate and Shelter were remodeled from the sale of the real estate portfolio and the strategy of focus in locations.

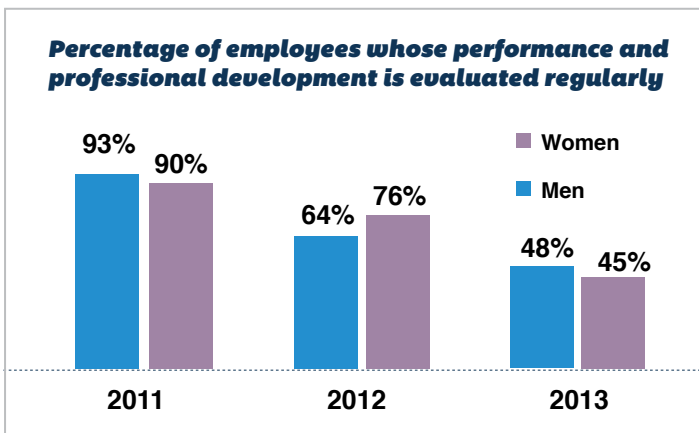
Under this strategy it was necessary to evaluate the organizational structure and adapt it to the new focus and business objectives. Some responsibilities were reassigned to avoid duplication and others had to be concluded. We believe that our strategy will offer better value to our clients and collaborators.

# Our people: Committed Workforce

## Feedback and performance

A relevant responsibility of the team leaders is to perform an evaluation of individual performance on each member once a year.

During 2013 the competencies profile project was concluded which lead us to conduct a process of evaluation of performance according to the required level.



The evaluation responsibilities of the performance and follow-up have been assigned to each region leader due to the implementation of the relocation of resources in the Shelter area.

The results of 2013 show a reduction in the number of employees that received a complete evaluation.

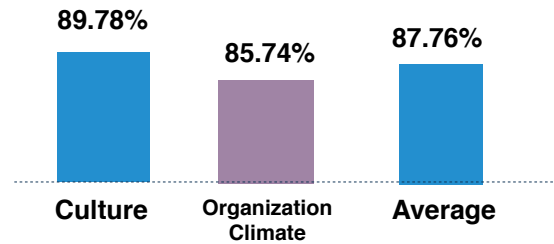
An important aspect of the process is the elaboration of an individual improvement plan starting from the results of the evaluation. This plan has specific actions that need to be developed by the evaluated employee and his/her area leader to raise the level of performance through internal or external training, assignment of projects or coaching.

## Labor environment and culture

In 2013 as part of the initiatives for improvement of the labor environment, the evaluation for the culture and labor environment was implemented under the methodology of "Súper Empresas" together with the magazine "CNN Expansión".

The number of companies that participate at a national level allows a ranking to be created with the results in each segment. In our segment, belonging to big service companies, we obtained the 52nd place in employee satisfaction. On the other hand, the level of employee participation was very good, reaching 90.61% of the personnel.

## Survey result of the labor environment and culture



The percentage of policies approval and practices for the company in each aspect of culture and labor environment were better in comparison to global results of 2011.

## Continuous improvement

We continue fostering the development of projects that stimulate improvement in the processes of service and activities that add value to our clients. In 2011 we launched the initiative Forum AI of continuous improvement projects as well as in 2012 and 2013 with good participation results.

Improvement projects developed			
	2011	2012	2013
Projects	6	15	12



# Our Principles and Corporate Values: Business Ethics

*The manner in which we conduct our relationships with the groups of interest have to reflect the principles and corporate values at all times. A critical aspect to maintaining the highest standards of performance is to assure the integrity in all decision making and behavior. We lean on communication and training to share the principles and commitment of the company with its groups of interest.*



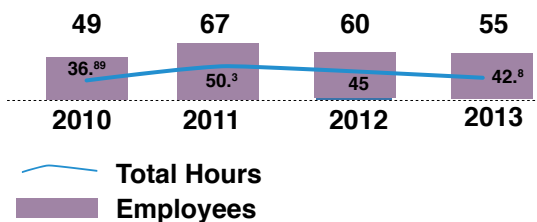
## Human Rights Ethics

Our values and culture are the base to establish the expected behaviors, policies and general guidelines.

One of the main objectives is to show integrity in each one of our relationships with groups of interest. These principles are described in the Code of Ethics which during 2013 was newly revised and is actually in its sixth version.

We continue working in the induction program where we share all the policies of the organization. In the same manner, we have worked so that all the employees have the training of the module for social responsibility and ethics.

### Training hours in human rights



## Fight Against Corruption

Due to the services that we offer to our clients in the areas of purchasing of goods and non-productive services, there is a risk of conflict of interests over choosing a supplier or product. To decrease this risk, internal audit controls have been created that constantly check the application of purchasing policies. In addition, we train the newly hired employees regarding this issue through the use of the code of ethics. We are also in updating processes with the employees who have significant seniority.

Communication and training against corruption	
	2013
Number of informed employees	220
Number of trained employees	55

## Our Clients: Operational Excellence

*We are partners with our clients, searching together for consolidation and growth of their operations in the country for which the level of service that we offer must respond at all times to their needs and expectations; for which we must establish objectives and goals that will allow our abilities to develop. We are based on a system of quality that supports our operations under high standards of service.*



### Creating Value for Our Clients

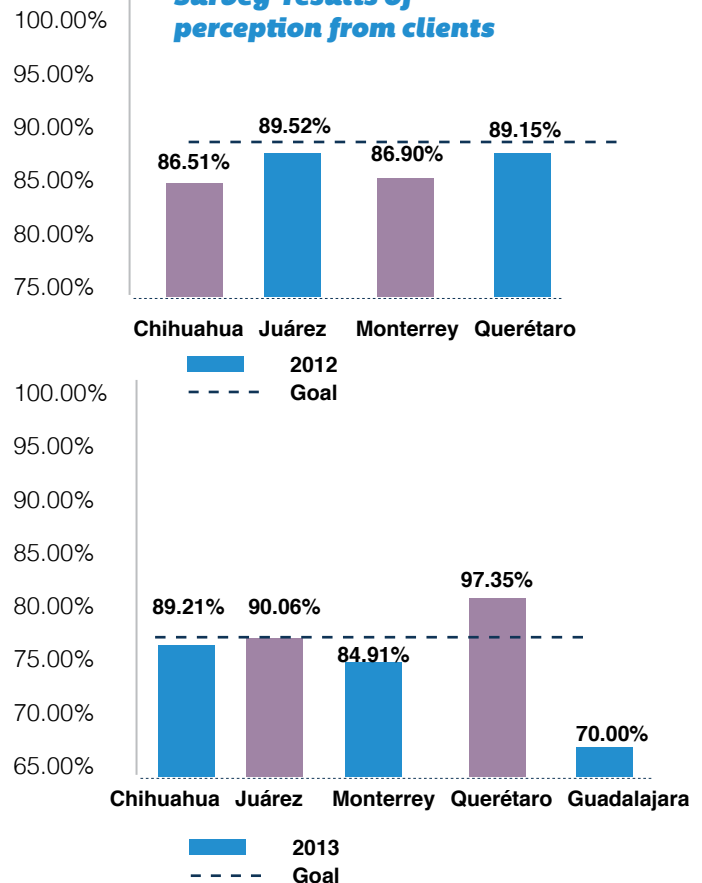
Our clients are the starting point to design the service processes under the focus of creating value. This means that all our efforts are driven to create a support structure that will facilitate and allow a successful operation.

In the Shelter business area we create value when we generate positive results in each one of the service areas. To make sure that all the processes comply with the expectations of our clients, we have a certified system of quality control in ISO 9001:2008.

From 2012, as part of our improvement commitment, we raised the goal for the clients satisfaction survey to a minimum of 90 percent, before this goal was established at 86 percent. In 2013, Guadalajara was integrated as a region beginning with the evaluation of a client.

In the regions of Chihuahua, Juárez and Querétaro we were able to have a better result of perception the same year.

Survey results of perception from clients



## Our Clients: Operational Excellence

In the same manner, we monitor the performance of our activities through the client's complaints indicator. This indicator is evaluated monthly when the complaints are reported.

It is important to identify the causes of the complaints and make sure they are handled effectively, preventing their recurrence.

	Number of complaints from Clients		
	2011	2012	2013
Complaints	23	14	8

To reach the total satisfaction of our clients is a key objective in the whole organization.

### Supplier Management

The purchasing processes of non productive goods are part of the variety of services offered by American Industries. During 2012 and 2013 purchases for more than 7.2 million dollars were managed.

	Percentage of purchasing expenses		
	2011	2012	2013
National	71%	81%	83%
International	29%	19%	17%

### Property Management and Real Estate Services Focus

In September of 2013 the process of sale of the real estate portfolio to Terrafina (BMV:TERRA13) was concluded which was constituted of 87 industrial buildings. At the same time a plan for services of administration was configured for this portfolio under the policies and guidelines established by Terrafina.

In the following years we will be looking to develop the land reserve that the company has through a focused strategy based on the characteristics of each region where we have presence. This strategy will allow us to be more flexible and adjust each building to the necessities of our clients. At the same we will have the capacity to invest together with partners in a high value portfolio.

### Attention and Effective Response to Tenants

We continue renovating the client portfolio attention quality under the guidelines of Terrafina. This has made the transition and acceptance of the new policies of administration and building maintenance, allowing us to offer the same quality of service to the tenants of our portfolio and those of Terrafina buildings.

### Specialized Industrial Parks

We work hand in hand with the areas of urban development and planning of the municipalities to define the guidelines that will allow planning of industrial spaces according to the international necessities and requirements, from the urban infrastructure point of view and norm standards applicable in Mexico.

Starting from the identification of specific needs of an industrial sector, it is possible to develop an industrial park destined to facilitate the interconnection and focused services to one type of industry in particular. This is the objective of the Aerotech Industrial Park in the city of Queretaro which was inaugurated on September of 2012. It has enough space to house more than 24 industrial buildings.

## Our Community: Closeness and Community Ties

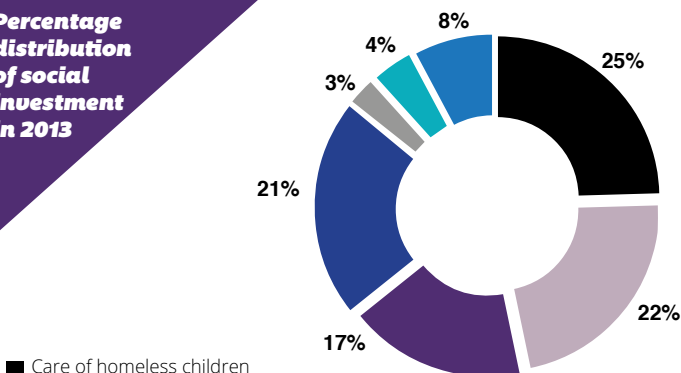
**There is a close relationship between major economic activity and the creation of opportunities for the community. One of the main contributions that we bring to this positive relationship between economy and opportunity is the attraction of sources for employment when we facilitate the installation of international companies in the country. Detonating major economic activity has implications in many sectors of society, education and training for employment are main objectives for American Industries.**



### Social Investment

We contribute financially through the funding of social projects that influence the community in a positive manner. These projects comply with legal requirements and have programs that attend basic needs. We presently support 16 organizations from civil society in the cities of Chihuahua and Queretaro.

Percentage distribution of social investment in 2013



- Care of homeless children
- Visual and motor disability and mental health
- Entrepreneurship promotion
- Children with disabilities
- Social Integration
- Addiction Prevention
- Prenatal care

### Educational Links

We have developed connection plans and direct contact with universities and technical institutions in the city of Chihuahua with the purpose to facilitate the participation of students in internships and professional practices, in addition to participating in committees for connection with companies in the educational sector.

### Promotion of Corporate Social Responsibility

We are part of three committees focused on promotion of corporate social responsibility:

- Aliarse Chihuahua (Allied with Chihuahua)
- Comité de RSE en Canacinttra Chihuahua (CSR Committee in Canacinttra Chihuahua)
- Comité de RSE en Index Chihuahua (CSR Committee in Index Chihuahua)

The objective of the committees' work is to promote acceptance of practices for corporate social responsibility at a municipal level using the most representative companies in the community.

## Our Environment: Respect for the Environment and Our Surroundings

The management of the environmental impact of our operations is key to generate well-being in the long run. Under this focus we look to build a portfolio that allows us the efficient use of resources and satisfaction of the needs of our clients. Therefore part of the support of our Shelter services are dedicated to ensuring that compliance with the norms regarding the environment, the handling of hazardous waste, and environmental projects.



### Energy

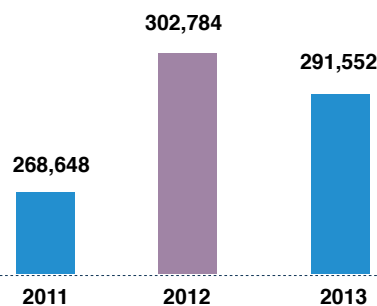
One of the main components in our daily activities is electric energy. In the main offices in Chihuahua we have two locations called the Operational Building, where we hold all the Shelter activities and the Business Center Building, where all the activities of the real estate area are concentrated. In both buildings the use of energy is directly related with the amount of working equipment, air conditioning and lighting of the working areas.

Since 2011 we began monitoring the use of electric energy with the purpose of finding a reduction and generating savings. This objective has been reflected in benefits for the Business Center Building where through a preventive maintenance program of the air conditioning and lighting units the use has been reduced in 2012 and 2013.

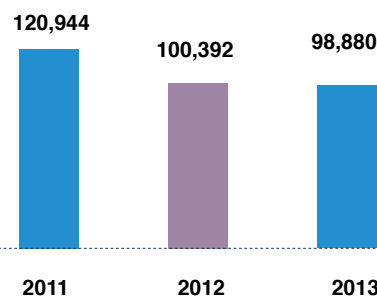
In the Operational Building the use of electric energy is influenced by the amount of computer equipment and servers located in it.

#### Use of electric energy (Kwh)

##### Operational Building



##### Business Center Building



# Our Environment: Respect for the Environment and Our Surroundings

Therefore the increase in the amount of operations and personnel has been reflected in an increase in energy requirements.

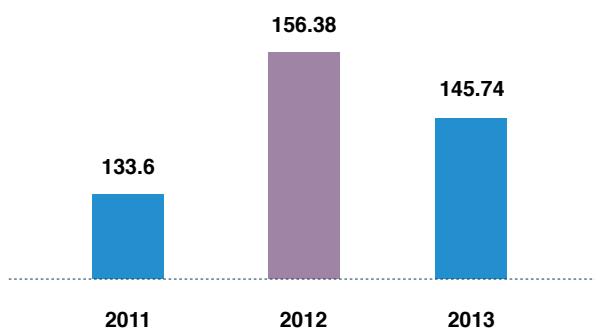
## Servers Virtualization

During 2013 the project for replacement of servers and virtualization was implemented. With that we facilitate the use and capacity of one physical server through a layer of virtualization that allows us to keep up to 10 virtual servers.

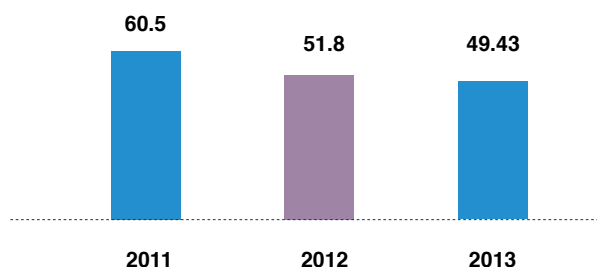
Greenhouse Gas Emissions Effect  
Indirect emissions as a result of the use of electric energy in the Operational Building and Business Center Building is calculated according to the international standard 2 of "The GHG Protocol".

### Emissions (Tons of CO2 equivalent)

#### Operational Building



#### Business Center Building



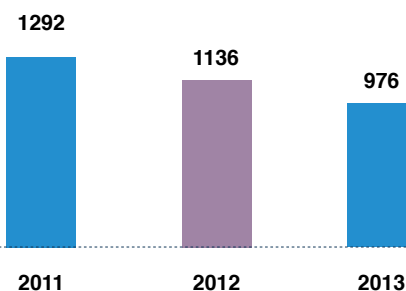
In the years to come, we must focus our efforts in finding better efficient uses of energy mainly with intelligent lighting and computer equipment.

## Water Consumption

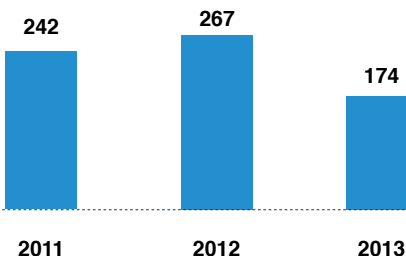
The water used in the Operational and Business Center Buildings is assigned to restrooms, dining areas and air conditioning systems. We have conducted awareness campaigns to reduce waste. We use recycled water for the green areas, avoiding the use of potable water.

### Water consumption in m<sup>3</sup>

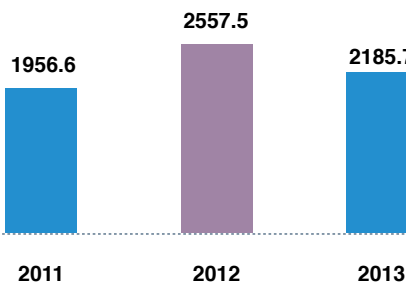
#### Operational Building



#### Business Center Building



#### Consumption of recycled water (m<sup>3</sup>)



## Our Environment: Respect for the Environment and Our Surroundings



### Real Estate Environmental Management

The environmental strategy in Real Estate is defined starting from our position as developers before transcendental subjects such as climate change and sustainability. After this analysis, as well as understanding the needs of the industrial market, we can offer a renewed portfolio directed toward increasingly more efficient buildings in the use of resources (energy, water and materials) that can be adapted better to the environmental programs of our clients.

To implement this focus, we developed an action strategy in each phase of the lifecycle of the properties:

- Selection and location for the site of the project for sustainable industrial development.
- Improvement in energy efficiency and reduction of the carbon footprint in the buildings of the new portfolio.
- Continuous exploration of new developments in energy efficiency and integral solutions of construction materials.

The efforts for implementing the initiatives for sustainability create an added value to our future clients and investors, reducing operational costs and creating labor environments that improve workers' productivity.

Our objective is to preserve the value of the assets in the long run through the reduction of obsolete buildings, obtaining better occupation and better income return on investment.

This strategy of real estate development is aligned with the principles and vision of our partners in each location where we have presence. This effort must include a market logic where our industrial clients find a competitive advantage to locate their operations in our buildings.

The technologies and sustainable initiatives implemented in the new buildings of American Industries include:

- Efficient lighting systems through the use of LED lights outside and adding high efficiency T5 and T8 fluorescent equipment in the interior.
- The use of natural light by 5% of the total required for lighting through a dome shaped skylight system in covered areas and windows, lowering the use of energy and improving the quality of the labor environment inside.
- Adding insulation to the buildings, reducing the effect of concentrated heat, improving comfort for the occupants.
- Addition of solar heaters.
- Addition of efficient air conditioning equipment that reduces the use of energy.
- Installation of low water use equipment in the restrooms.
- Using efficient drip water systems for green areas and landscape design with endemic vegetation.
- Using environment friendly coolants that do not contain chlorofluorocarbon (CFC'S).
- The use of paints, sealers, adhesives and varnishes that have low or non volatile organic content (VOC'S).

The plans for near future implementation of technologies and sustainable programs such as:

- The use of white cover Pintro KR 18 as refractive insulation material.
- Use of Forest Stewardship Council (FSC) certified lumber . Increasing by 10% recycled construction material as well as adding the use of 15% of material from the region.
- Promote initiatives for the use and sharing of low emissions vehicles with special parking areas for these types of vehicles.

# Awards Received in 2012 and 2013




**Empresa Socialmente Responsable**

**American Industries Group was recognized for the sixth consecutive year as a Socially Responsible Company by the CEMEFI (Mexican Center for Philanthropy).**

## Distinctive CSR 2013

We were once again recognized as a socially responsible company through an evaluation process for the evidence of actions, policies and guidelines implemented by the company to respond to its groups of interest in the areas of quality of life, business ethics, connection with the community and caring for the environment.

## UN Global Compact

In May of 2013 American Industries Group became one of the companies to sign the UN Global Pact. This group of companies works to align its operations to the 10 principles of the Pact in the areas of human rights, labor rights, environment and fight against corruption.

## Distinction by the Secretary of Labor as a Family Responsible Company

During 2013 the commitment of the company was renewed to work in the areas for balance of work-family, equal opportunities and fighting against labor violence and sexual harassment. This award was obtained for the first time in the year 2010.

## Expansión Super Company 2013

A key action to know the perception of our employees in relation to the culture and environment within the organization was the evaluation through the "Super Empresas" (Super Companies) methodology. Once the results were in, we were in 52nd place.


**The Expansión Super Company ranking is formed by organizations that participate in an evaluation of cultural themes and labor environment.**

**In 2013 we participated for the first time, being part of the ranking of 68 recognized companies.**



## Environmental Compliance Award from the Urban Development and Ecology Department of the Municipality of Chihuahua

During 2012 we obtained for the third consecutive year the award for Environmental Compliance given by the Municipality of Chihuahua to the companies that have proper compliance with environmental norms at the municipal level.



**The distinctive FRC is focused in the improvement of the policies and guidelines for human resources inside the company.**



<b>1. Strategy and Analysis</b>		
Indicator	Description	Page
G4-1	Statement of the main person responsible for organizational decisions	5
<b>2. Organization Profile</b>		
G4-3	Name of the Organization	2
G4-4	Most important brands, products and services	2
G4-5	Location where the main office of the organization is located	2
G4-6	Specify in how many countries the organization operates	2
G4-7	Describe the nature of the judicial and property policy	7
G4-8	Specify in which markets you serve	7
G4-9	Determine the size of the organization	7
G4-10	Number of employees by contract, gender, etc.	4
G4-11	Number of employees by contract, gender, etc.	Appendix
G4-12	Describe the chain of suppliers of the organization	Appendix
G4-13	Communicate all significant changes during the period	9
G4-14	Indicate how the organization addresses, where appropriate, the precautionary principle	Appendix
G4-15	Make a list of charters, principles or other external initiatives that are subscribed to by the organization	22
G4-16	Make a list of the associations and the national and international promotional organizations to which you belong	19
<b>3. Subject Matters and Coverage</b>		
G4-17	Make a list of the entities shown in the consolidated financial statements, specify if one does not appear in the report	Appendix
G4-18	Describe the process that has been followed to determine the content of the report, coverage of every aspect and application of elaboration principles of the report	10
G4-19	Make a list of the identified subject aspects	11
G4-20	Specify the coverage of each subject aspect inside the organization	11
G4-21	Specify the limit of each subject aspect outside the organization	11
G4-22	Describe the consequences of the use of the information of previous reports and their causes	Appendix
G4-23	Point out all significant change in the scope and coverage of each aspect in relationship to previous reports	Appendix
<b>4. Participation of Groups of Interest</b>		
G4-24	Make a list of the groups of interest of the organization	10
G4-25	Specify on what the selection of the interest groups is based on with whom you work	10
G4-26	Describe the focus of the organization about the participation of the groups of interest	10
G4-27	Problems and key issues arising from the participation with groups of interest	10
<b>5. Report profile</b>		
G4-28	Period report corresponds to	2
G4-29	Date of last report	2
G4-30	Cycle of report presentation	2
G4-31	Provide a point of contact to resolve any questions regarding the content of the report	2
G4-32	Specify which option of agreement you have chosen in GRI index and reference to external verification	23
G4-33	Describe the actual policy and practices in relationship with external verification	Appendix
<b>6. Government</b>		
G4-34	Describe the government structure of the organization	9
<b>7. Ethics and Integrity</b>		
G4-56	Describe the values, principles, standards and norms of the organization	16

## GRI Content Index

Indicator	Description	Page
<b>Economy</b>		
G4-EC9	Percentage of expenses corresponding to local suppliers	18
<b>Environment</b>		
G4-EN3	Internal use of energy	20
G4-EN8	Total collection of water according to the source	21
G4-EN16	Indirect greenhouse gas emissions effect (scope 2)	21
<b>Labor Practices and Work with Dignity</b>		
G4-LA1	Number and rate of hires and average turnover of employees	14
G4-LA9	Yearly average of hours of training per employee	14
G4-LA11	Percentage of employees whose individual performance and development is evaluated regularly	15
<b>Human Rights</b>		
G4-HR2	Hours of training for the employees about policies and procedures in human rights, including the percentage of employees trained	16
<b>Society</b>		
G4-SO4	Policies and communication procedures and training regarding the fight against corruption	16
<b>Products Responsibilities</b>		
G4-PR5	Results of surveys to evaluate customer satisfaction	17

## GRI Content Index

Indicator	Description	Answer
G4-11	Percentage of employees covered by collective contracts	On the date of making the report, the total of employees in the company have a unique individual long term contract, for labor or a specific time. 0% of the employees are hired under collective contracts.
G4-12	Describe the chain of suppliers of the organization	Due to the nature of the services rendered by the organization, we count on a supplier base for service activities and manufacturing plants such as a cafeteria, security, housekeeping, among others. As well as for the area of Real Estate, we have contractors for building, plant maintenance and outdoors.
G4-14	Indicate how the organization addresses, where appropriate, the precautionary principle	In the Real Estate area we have mechanisms in place to properly identify environmental impact and assure compliance with norms.
G4-17	Make a list of the entities shown in the consolidated financial statements, specify if one does not appear in the report	The group of companies that participate and are part of the report are: American Industries Group SA de CV, Idea Servicios Administrativos SA de CV, American Industries International SA de CV, Shelter American Industries SA de CV and Talento Delfos SA de CV.
G4-22	Describe the consequences of the use of the information of previous reports and their causes	We had no repeated information from previous reports reflected in the present report.
G4-23	Point out all significant change in the scope and coverage of each aspect in relationship to previous reports	There are no significant changes in the scope and coverage of the aspects regarding previous reports.

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**American Industries**