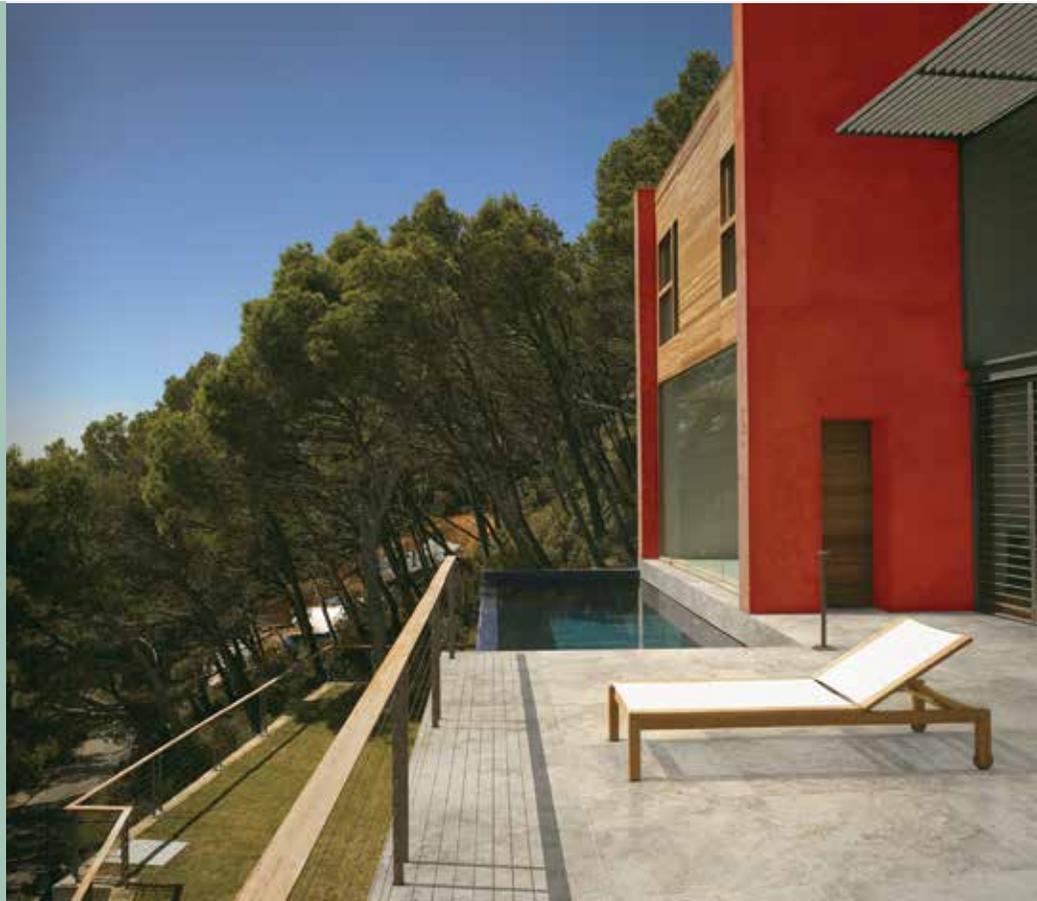


Sustainability  
Report **2013**

# Sustainability



A track record of more than 120 years in the construction market in Mexico reflects that Grupo Lamosa's Mission and Values have always had sustainability as the focus for its actions.

Aware of how important it is for the company to carry out and communicate sustainable actions, for the past couple of years it has been implementing a program to integrate all efforts in a comprehensive sustainability program that was communicated in 2013.

Grupo Lamosa's sustainability program requires the measuring and recording of a series of selected indicators, as well as the defining of clear goals and objectives in the short, medium and long term for each of them.

Grupo Lamosa abides by the value of transparency on a daily basis and, as a result, reports not only on its economic performance, but also on its actions and achievements in labor, social and environmental matters, as a way of communicating to its different stakeholders and as an important source of value for the company.

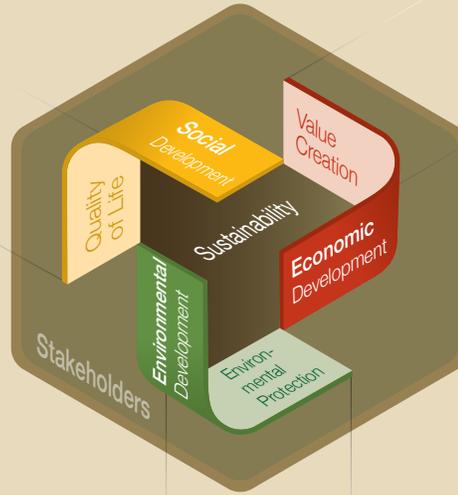
These initiatives and actions in the area of sustainability underscore Grupo Lamosa's commitment to continue acting in a responsible manner, complying with the guidelines of the GRI (Global Reporting Initiative) and the Principles of the UN's Global Compact with regard to human rights, the environment and best practices in labor and anticorruption.

### Sustainability Platform

Grupo Lamosa's Sustainability Platform is based on three pillars: Social Development, focused on Quality of Life; Economic Development, with an emphasis on Value Creation; and Environmental Development, focused on Environmental Protection. Action areas, as well as short-, medium- and long-term objectives, have been defined for each of these pillars.

#### Action Areas

- Quality of life for associates and their families
- Respect for human rights and diversity
- Anti-corruption initiatives
- Social investment



#### Action Areas

- Innovation in business model, products and processes
- Creation of economic value
- Development of local suppliers
- Investments in the community

#### Action Areas

- Innovation
- Energy
- Water
- Reduction of emissions, spills and waste
- Product recovery

### Stakeholders

Aware of the importance of its different stakeholders for the company's success, Grupo Lamosa uses different media and ways to communicate and interact with them.

Stockholders/ Investors	Customers	Associates	Suppliers
<ul style="list-style-type: none"> <li>■ Stockholders' meetings (annually)</li> <li>■ Area of stockholder relations (continuously)</li> <li>■ Transparency line (continuously)</li> <li>■ Meetings with analysts (continuously)</li> <li>■ Reports on results (quarterly)</li> </ul>	<ul style="list-style-type: none"> <li>■ Focus groups (continuously)</li> <li>■ Transparency line (continuously)</li> <li>■ Visits from commercial advisors (continuously)</li> </ul>	<ul style="list-style-type: none"> <li>■ Evaluation of the work environment (annually)</li> <li>■ Transparency line (continuously)</li> </ul>	<ul style="list-style-type: none"> <li>■ Transparency line (continuously)</li> <li>■ Signing of agreements and clauses in favor of human rights and sustainability (continuously)</li> <li>■ Development of local suppliers and SMEs (small and medium-sized enterprises)</li> </ul>
Community	Government	Academia	Communication media
<ul style="list-style-type: none"> <li>■ Transparency line (continuously)</li> <li>■ Donations program (continuously)</li> <li>■ Dialog with neighbors (continuously)</li> </ul>	<ul style="list-style-type: none"> <li>■ Participation in meetings on this topic and advisory forums (continuously)</li> <li>■ Relations with Government agencies (continuously)</li> </ul>	<ul style="list-style-type: none"> <li>■ Agreements with research projects (when necessary)</li> </ul>	<ul style="list-style-type: none"> <li>■ Press conferences (annually)</li> <li>■ Participation in interviews and reporting (when necessary)</li> </ul>

### **Sourcing**

Grupo Lamosa has always tried to support the suppliers of goods and services in the communities and regions in which it operates in whatever ways possible.

*More than 90% of Grupo Lamosa's suppliers are Mexican.*

During the year, the company actively supported programs for the development and professionalization of Small and Medium-sized Enterprises (SMEs) through institutions such as the Mexican Chamber of Industry (CAINTRA) and the Center for Competitiveness Mexico (CCM).

These programs focus on identifying SMEs' needs and developing training schemes and advisory services in areas such as marketing, innovation, production and quality. The main objective is to share the skills and know-how of large companies with smaller ones.

*More than 30% of Grupo Lamosa's suppliers have taken part in diploma courses and professionalization programs.*



### **Health and safety**

Caring for the health and safety of the Lamosa team is one of the company's main priorities. Consequently, year after year, all production facilities hold diverse activities to move forward in this area.

Each Lamosa plant has mixed safety and hygiene commissions made up of employees and workers who are responsible for making security inspections within the facility in order to identify unsafe conditions and activities and thus correct them, preventing accidents and risks.

In order to train and prepare people for contingencies, Grupo Lamosa's main offices and plants have brigades for fire prevention, evacuation, search and rescue, first aid and communication to handle crises. These groups carry out drills with the support of the authorities, including the fire brigade and the civil protection agency.

*15 drills carried out in 2013.*

*Labor and Social Welfare Ministry Safety Self-management Certification in 2013 for the Porcel Tile Plant in Tlaxcala.*

### Training

Grupo Lamosa believes that access to training opportunities motivates its people and guarantees equal growth opportunities across the company.

In order to expand the knowledge base of its personnel, during 2013 the company held training sessions, mainly on topics involving technical knowledge and business management skills.

**115 thousand hours of training in 2013.**

**More than \$9 million pesos invested in training.**

### Diversity

Grupo Lamosa believes that it is of paramount importance for achieving its business objectives to have a diversified workforce and inclusive environment. This assures equal opportunities and generates significant benefits for the company, such as the retention of talented people, the strengthening of organizational values and the creation of an environment that is receptive to new ideas that drive innovation and creativity within the company.

Through its Human Resources Areas, the company promotes equal work opportunities. Candidates who are involved in recruiting and selection processes are evaluated according to the requirements of the profile of the position they are seeking and their skills, competencies, knowledge and experience, regardless of their sex, race, religion or nationality.

	Employees	Union Workers
Total personnel	2,194	3,327
Men	1,761	3,001
Women	433	326
By age range		
Less than 20 years old	1	43
20-29 years	454	1,064
30-39 years	901	1,205
40-49 years	589	775
50-59 years	226	235
More than 60 years old	23	5
Nationality		
Mexican	2,190	3,327
Other	4	0



### Corruption

Through Grupo Lamosa's Transparency Line, complaints are responded to and followed up on, in relation to acts of corruption or anything else related to non-compliance with the Lamosa Code of Ethics. Established bodies, such as the Ethics Committee and Audit Committee, ensure that any complaints are properly channeled, thereby strengthening the company's internal controls.



*More than 100 complaints received through the Transparency Line.*

*30% of the complaints received and responded to were related to acts of corruption.*

### Human rights

During 2013, the company focused on promoting and assuring that the suppliers of its different business units included Human Rights clauses in their service contracts. The clauses incorporated included those related to the avoidance of discriminatory practices, forced labor and child labor.

*More than 80% of Grupo Lamosa's main suppliers included clauses for respecting Human Rights in their contracts.*

In order to enhance the knowledge of the Values and Principles contained in the company's Code of Ethics, training sessions based on e-learning were held throughout the year.

*1,253 Grupo Lamosa associates trained.*

### Product recovery

During 2013, practices for recovering different materials used in the different businesses of Grupo Lamosa were standardized. Internal control procedures were implemented in order to homologize the steps required to collect different recoverable materials and assure their adequate treatment.

*2,900 tons of recovered materials, mainly wood, cardboard, paper and metals.*

A paper, cardboard, PET and aluminum recycling program was implemented at the main offices of the company in order to make people aware and contribute to environmental protection. This program enables personnel training and advising and the production of reports on the environmental impact of the recovered materials, among other benefits.



### Social investment

Throughout its history, Grupo Lamosa has sought to be an agent of change, contributing to the communities where it operates by supporting social and educational institutions, among others.

*More than \$3 million pesos in donations in cash and kind.*

*76 institutions supported.*

During 2013, voluntary projects were implemented at the company's different plants, with the enthusiastic participation of employees and workers from the different Grupo Lamosa businesses.



*Program to support Centro de Adaptación y Atención al Menor, A.C in Santa Catarina, N.L.*



*Maintaining of Casa de Salud, a clinic in the community of San Marcos Contla, Tlaxcala.*

### Energy and water

Seeking to protect and preserve the environment, in 2013, Grupo Lamosa continued to voluntarily incorporate new plants into the Mexican National Environmental Audit Program.

*Four production facilities awarded Clean Industry Certification by the Mexican Federal Environmental Protection Agency (PROFEPA).*



In addition, the company's business units intensified their efforts to optimize the management and control of water consumption and treatment, assuring that they comply with all applicable laws and regulations.

Grupo Lamosa has placed great importance on adopting international standards for sustainable ceramic tiles across its production facilities. One result of this was that during 2013 the Querétaro plant gained ANSI A138.1 - Green Squared Certification.

*Three plants certified according to ANSI A138.1 - Green Squared.*

*First North American ceramic producer to obtain this certification.*

With the support of environmental institutions, during the past months Grupo Lamosa has implemented reforestation initiatives at its different plants in the states of Tlaxcala, Guanajuato and Querétaro. These activities received the full support of workers' and employees' families.

*Approximately 1,000 trees planted.*

