

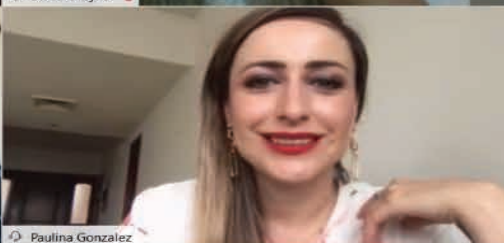
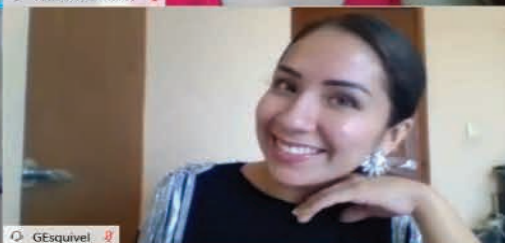
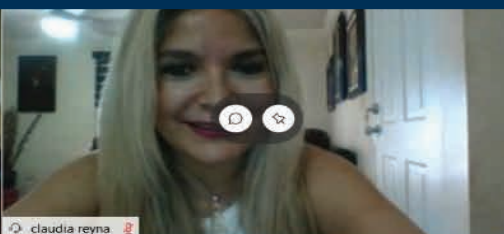
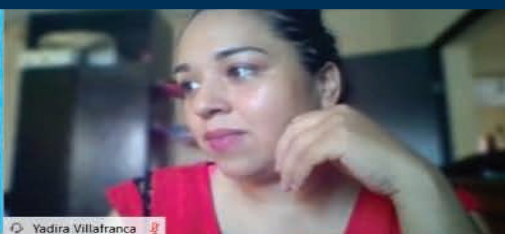


**American Industries®**



**Strenght in the Face  
of a Changing World**

**Reporte de  
Responsabilidad  
Social  
2020**



# Welcome



At **American Industries Group®** we have worked continuously for over a decade to create a system of corporate governance focused on social responsibility. Today we are proud to share the impacts our decisions and actions have had on our company and in our relationships.

Each year since 2012 we have published our corporate social responsibility report with the goal of reaffirming and sharing our commitment to guiding our company's performance in accordance with values that promote the wellbeing of our personnel, our clients, the community, and the environment.

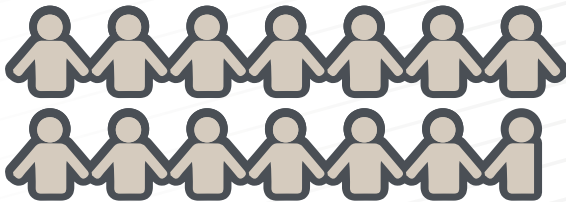
In 2013, American Industries Group reinforced its social and environmental commitment by joining the UN Global Compact. This movement has the goal of integrating and promoting universal principles relating to human rights, labor, the environment, and the fight against corruption.

Sharing our achievements in 2020 through this report allows us to inform you of our continuous adherence and commitment to the principles and values of social responsibility.

The information contained in this report is in relation to our operations in Chihuahua, Nuevo Leon, Coahuila, Queretaro, Guanajuato, San Luis Potosi and Jalisco, Mexico for our Shelter and Real Estate business units. Information regarding the performance of subcontractors and their staff is excluded. Moreover, information relating to personnel hired by American Industries Group and its subsidiaries that are managed directly by our clients under Shelter programs is included to provide context on the size of our operations, and is not considered in our indicators of social, economic, and environmental performance.

We welcome any comments you may have about the content of this report, which can be sent to: **[esr@aiig.com](mailto:esr@aiig.com)**

# Our Performance



**15,880**

Individuals employed  
as of Nov. 30, 2020

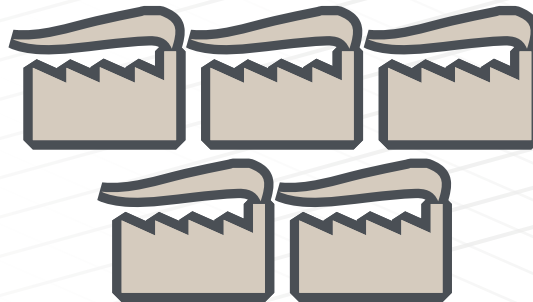
**51**

Shelter  
Clients

in 2020



Each image  
represents  
10 clients



**5**

New Service  
Contracts

in 2020



**13**

Contracts renewed  
in 2020



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# Message from the Director

Dear reader,

The strength of our company lies in our ability to serve society. At **American Industries Group®** we are convinced that our country's development depends on a shared commitment between companies and society to the pursuit of progress, the common good, and the determination to overcome great challenges.

Our long history has allowed us to serve as a pillar of support for our clients, collaborators and suppliers in challenging and uncertain times.

We are grateful for this opportunity to make a difference and help those who need it most.



2020 has been a year filled with adversity and paradigm shifts. Because of this, we have focused on three critical areas: the health of our collaborators and their families and that our clients and the community in general, job retention, and the reactivation of Mexico's economy.

Our work methods have evolved to meet the needs that arose with the appearance of the coronavirus pandemic in the business world. We have promoted the adoption and use of a variety of high-impact technologies that can be implemented across the entire value chain with the goal of making American Industries a more efficient and highly-productive company.

In conjunction with this, we remain dedicated to providing consistent and reliable service to our customers, renewing the certification of our quality management system under ISO 9001: 2015 .

In the face of this new reality, we have redoubled our efforts to promote the main axes of our social responsibility philosophy: the wellbeing of our collaborators, our business ethics, respect for human rights, ties to community where we have a presence, and conservation of the environment, thereby bolstering the country's economic stability.



Luis Lara Armendariz

Chairman of the Board of Directors  
**American Industries Group®**

# Strength in a Changing World

2020 was a year that transformed our lives and the world. Many things we took for granted changed over night, pushing us to reinvent ourselves. The strength of our institutional values has allowed us to adapt and become better each day in this new reality while still maintaining the world-class quality service our clients deserve and helping the communities we work in.

It has been a year of solidarity, highlighting the importance of social responsibility more than ever before. To do our part, we have intensified our efforts to contribute to:

Maintaining the health and safety of our collaborators and their families by allowing them to work from home and providing medical attention to those who need it.

Supporting the local economy by maintaining our employees' salaries and wages and continuing to cover (sometimes even in advance) payments to our suppliers.

Helping the community through donations of medical supplies and respirators to increase hospital capacity.

Improving Mexico's economy by keeping our clients' operations in business and promoting the establishment of more companies here in this new context.

Our role as an industry leader implies a great responsibility to meet the needs of society and our country in an ethical way that respects values, the rights of individuals, and the environment.

The world has changed, but we remain firm in our commitment. We will continue working together with our collaborators, clients and suppliers to keep them safe and healthy and reactivate our economy.



# About Us

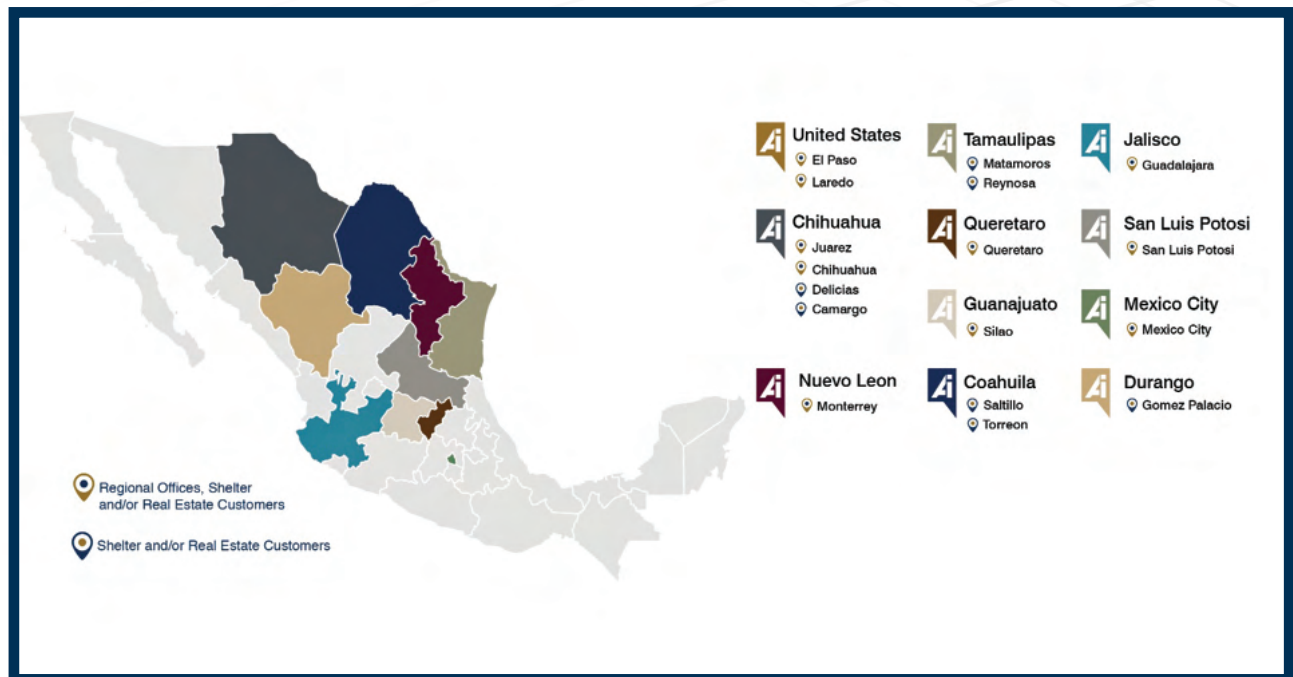
**American Industries Group®** is a leading company in the administrative and real estate industrial services industry that helps international manufacturing companies to start up, operate, and consolidate their businesses in Mexico. It belongs to a holding group which, in turn, houses other companies. Our 2020 corporate social responsibility report includes information about all the companies in the group.

Our Shelter services allow for all types of manufacturing projects to set up quickly in the country and ensure that all the elements are in place for the proper execution of business plans in the automotive, aerospace, medical, plastic injection, household appliances, and mechanical metal industries, among others.

□ Throughout our more than 40 years in the market we have facilitated the successful establishment of more than 200 international companies in Mexico, becoming our clients' strategic business partner for success.

We currently manage an industrial portfolio of 110 first-class buildings for PGIM Prudential, 22 in shared investment with PGIM Prudential, nine in shared investment with third parties, and nine of our own buildings. In addition, American Industries Group continues to implement its regional expansion strategy by concentrating its resources in locations that show potential for industrial growth in Mexico

## Our Presence





# About Us



**American Industries Group®** operating strategy allows us to quickly identify the requirements for each type of manufacturing project to select the ideal location.

We currently provide our Shelter Services in nine cities: Ciudad Juárez, Chihuahua, Chihuahua, Chihuahua, Delicias, Chihuahua, Monterrey, Nuevo Leon, Querétaro, Querétaro., Silao, Guanajuato, Guadalajara, Jalisco, Matamoros, Tamaulipas and San Luis Potosí, San Luis Potosí.

As of November 30, 2020, we manage **15,880** employees.

Location	Employees under Shelter scheme	Shelter Clients 2
Cd. Juárez	721	4
Chihuahua + Delicias	10,625	24
Monterrey/Matamoros	3,685	9
Guadalajara	242	3
Querétaro	133	8
Guanajuato/Silao	385	2
San Luis Potosí	89	1
<b>Total</b>	<b>15,880</b>	<b>51</b>

1. Total number of individuals registered as employees of **American Industries Group®** and its subsidiaries.y These employees are managed under our clients' human resources policies.
2. Number of clients as of November 30, 2020.

We currently own more than **3,983,142 square meters** in territorial reserve.

# Corporate Social Responsibility Strategy



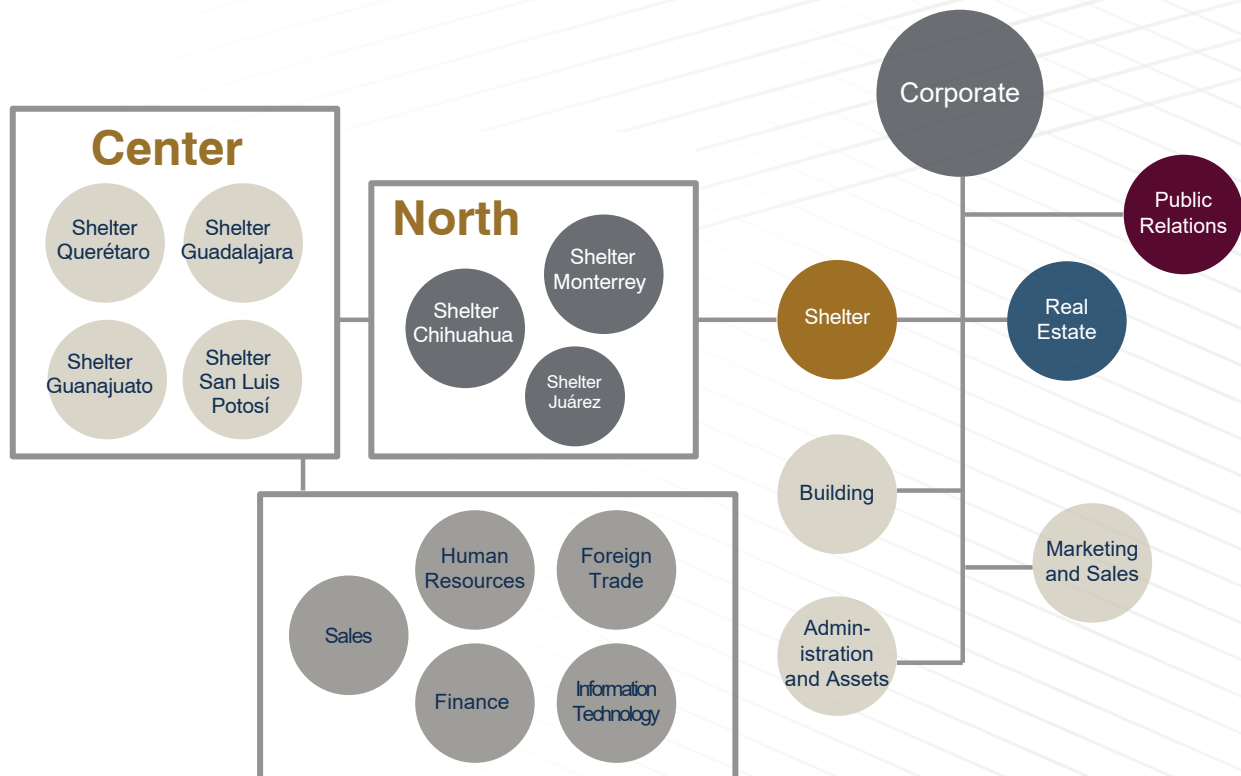
***American Industries®***

# Corporate Social Responsibility Strategy

Being a corporate citizen goes beyond assuming the legal responsibilities that apply to enterprises in terms of labor and tax law and environmental footprint. It represents incorporating the results of a complex process into an institution's strategy and guidelines. We are inspired to maximize our engagement in the social, environmental, and economic development of the communities we are a part of.

At **American Industries Group®**, we start by identifying all applicable legal and regulatory commitments to ensure we are in full compliance. Based on this platform of legality, we take actions to play an active role in Mexico's development. These actions include, among others, those aimed at improving the quality of life of our employees and their families, respect for people, the environment and the customs and traditions of each community, as well as ethics and fighting corruption in all our transactions and business.

## Organizational Structure





# Our Foundations

**American Industries®** bases its social responsibility philosophy on two fundamental pillars:

The principles of social responsibility (according to ISO 26000):

- Accountability
- Transparency
- Ethical behavior
- Respect for the interests of the stakeholders
- Respect for the principle of legality
- Respect for international norms of behavior
- Respect for human rights



**And the decalogue of the Socially Responsible Company, which includes:**

1. Promoting and fostering a culture of responsible competitiveness that seeks goals and success of the business, while contributing time to the welfare of society.
2. Making their values known to the public, fighting corruption internally and externally, and operating to a code of ethics.
3. Executing schemes of participative leadership, solidarity, service, and respect for human rights and human dignity.
4. Promoting favorable working conditions for the quality of life, and the human and professional development of their entire community.
5. Respecting the ecological environment in all its processes and contributing to the preservation of the environment.
6. Identifying the social needs of the environment in which it operates and collaborating in its solution, promoting the development and improvement of the quality of life.
7. Identifying and supporting social causes as part of its business action strategy.
8. Investing time, talent, and resources in the development of the communities where it operates.
9. Collaborating, through intersectoral alliances, with other companies, civil society organizations, chambers, groups and / or government in the discussion, proposals, and attention to social issues of public interest.
10. Taking into account the input of staff, shareholders, and suppliers in its investment and social development programs.

# Implementing the CSR Strategy and its Principles

To ensure that our corporate social responsibility strategy forms an integral part of our entire operation, we have a committee in charge of designing the programs and coordinating the execution and evaluation of the company's internal and external performance.

Our primary objective is to create a work environment that promotes productivity and the wellbeing of our staff, improves their quality of life, and lays the foundations for ethical performance. This strategy involves promoting not only their professional growth, but also helping them to adopt healthy habits and achieve a work-life balance, thereby contributing to their integral development as humans and their participation in a positive organizational environment.

This year we focused on two main efforts: first, preserving the physical and emotional health of our collaborators by implementing work-from-home programs and COVID-19 protocols, among others. The second consists of supporting economic reactivation in the communities where we work through the economic spillover created by maintaining existing jobs and generating new employment, the consumption and timely or advance payment to our suppliers, and helping our clients to maintain their operations in Mexico.



# Our Stakeholders

2020 has been a year filled with challenges, reflection, and disruption and profound changes in personal and professional lives. These unusual times have also allowed us to value what we have. We have strengthened our ties with stakeholders to face the challenges posed by this health emergency together. We are grateful for the relationships we have built with individuals, organizations and communities. Thank you for helping us to reaffirm our pledge to make a difference and meeting the possibilities the future holds with open arms.

Stakeholders	Type of Relationship	Communication Schemes	Main Expectations
Shelter Clients	Service contracts	Account executive in charge Periodic meetings Corporate contract reviews Service satisfaction survey	Quality of service Research and talent retention Savings in operating costs Effective processes with ongoing optimization efforts Consolidation and growth in the country
Real Estate Clients	Service contracts	Monthly visits Monitoring system (customer service)	Follow-up to service clauses Characteristics of buildings
Contributors	Work contract	Internal communication Work climate survey Performance evaluation Internal meetings and conferences	Fair compensation Personal and professional development Empowerment and recognition Quiet work environment Quality of life
Suppliers and Subcontractors	Service contracts	Purchase orders Service feedback	Fair and timely payment Transparency in bids
Industrial Associations	Membership	Indirect messages and invitations through employees	Promotion and consolidation of industries
Government and public institutions	Institutional	Offices and communications Official websites	Compliance with laws and regulations Payment of obligations
Communities	Institutional	Relationship with organized groups	Participation and linkage Preservation of the environment
Civil Society Organizations	Collaboration, volunteering and / or sponsorship	Messages and meetings	Leadership / participation in activities in favor of social responsibility



# CSR, Our Priority Commitments

Our approach to integrating Corporate Social Responsibility into our business model is based on the belief that by working together—employees, customers, partners and the community—we become more profitable and build a more balanced society.

## Committed Human Capital

The achievement of our objectives is based on qualified, full and committed collaborators. Therefore, we maintain an organizational climate that encourages the adoption of healthy habits, work-family balance, and professional development, which reinforces their commitment and loyalty.

## Business Ethics

Our actions and behavior in business reflect our organizational culture that is based on respect for the law, integrity, transparency and full compliance with our commitments.

## Operational Excellence

Our customers deserve the best service. To maintain the highest quality standards and ensure the coherence and consistency of our operations, we standardize, monitor and constantly improve our service processes, guaranteeing these through certifications such as ISO 9001: 2015.

## Community Outreach and Ties

As part of our commitment to society in the regions where we operate, we identify the areas of need in the community where we can contribute and actively participate, serving as agents of change.

## Respect for The Environment

We seek to develop and implement practices that allow us to mitigate the environmental impacts generated by our operation, among which are the promotion of ecological culture, the implementation of clean technologies and compliance with applicable regulations in this area.

## Sustainability

Sustainability is a priority for American Industries when making business decisions. We work to conserve the environment and culture in all of the communities we operate in through a careful site selection process, implementing sustainable building practices, and offering favorable working conditions. This ensures that our consumption of resources and impact on local development will contribute to sustainable growth for generations to come.



# Commitment to Our People

## Motivated and Engaged Human Capital

The talent and commitment of the individuals who make up *American Industries®* are the driving force that allows us to provide a service that transforms ideas and consolidates projects.

### Talent Attraction and Retention

Our staff plays a pivotal role in providing the world-class service our customers deserve. To achieve this, we must find the right talent for each of our business' key functions.

Throughout all stages of our personnel selection processes for our clients, from contract negotiation with suppliers to making ties with educational institutions, our team is committed to achieving results that create positive impacts.

Our strategy for attracting and retaining talented individuals includes offering a dynamic and challenging work environment that allows for both professional and personal development.

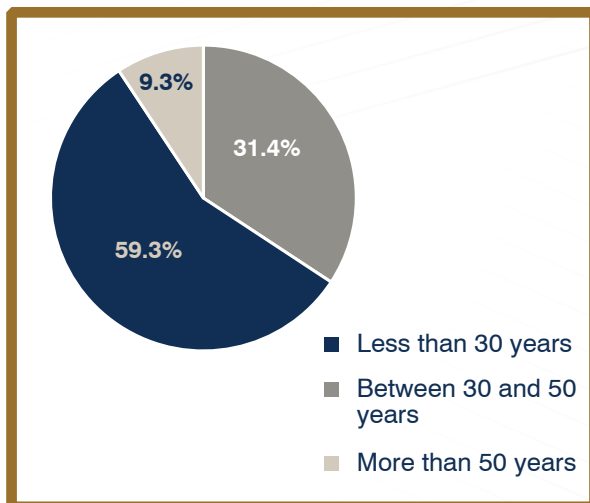


### Recruitment

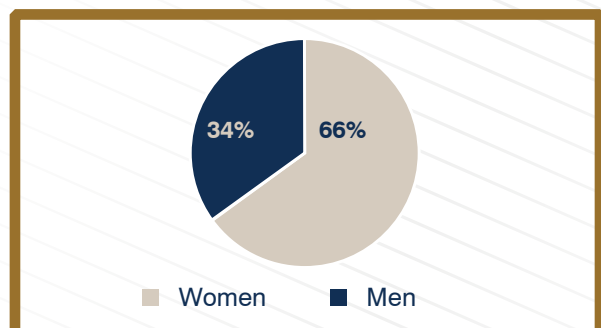
The search for talent begins by identifying the skills necessary to achieve our vision and that of our clients. In our search, we consider candidates from different backgrounds, applying criteria for inclusion and non-discrimination.

We actively contribute to generating opportunities for young people, working together with public and private universities in developing and updating study plans that reflect the needs of industry. We then invite them to participate as interns who may subsequently be hired, helping them to develop workplace skills.

### Distribution by Age Range as of 2020



### Distribution by Gender as of 2020



# Commitment to Our People

## Motivated and Engaged Human Capital

### Employees by region

Location	Employees
Chihuahua-Delicias	277
Juárez	25
Monterrey/Matamoros	85
Guadalajara	52
Querétaro	33
Guanajuato-Silao	28
San Luis Potosí	5
<b>Total</b>	<b>505</b>

### New Hires 2019

Location	Men	Women	Total
Chihuahua-Delicias	18	44	62
Juárez	3	6	9
Monterrey	11	34	45
Guadalajara	9	12	21
Querétaro	3	3	6
Guanajuato-Silao	1	2	3
San Luis Potosí	0	3	3
<b>Total</b>	<b>45</b>	<b>104</b>	<b>149</b>

### New Hires 2020

Location	Men	Women	Total
Chihuahua-Delicias	26	7	33
Juárez	14	13	27
Monterrey	26	20	46
Guadalajara	8	5	13
Querétaro	2	1	3
Guanajuato-Silao	1	0	1
San Luis Potosí	4	1	5
<b>Total</b>	<b>81</b>	<b>47</b>	<b>128</b>

### Employee Leaves

By gender	Men	Women	Total
2019	50	92	<b>142</b>
2020	38	63	<b>101</b>

By age	<30	30-50	50>
2019	42.3%	48.5%	9.2%
2020	49.5%	44.5%	6%

### Professional Development

Our world-class service requires our personnel have the most up-to-date skills in their fields. We identify training and development opportunities that allow our employees to provide the level of service our clients deserve.

The changes required for our operation to succeed in this new normal motivated us to implement remote work tools and quickly train our personnel to use them.

We also participated in external training to implement COVID-19 protocols, and to stay updated on changes in tax regulations, foreign trade matters, and in HR topics.

We have developed and constantly update our online training platform on Moodle.

Our labor units are accessible online, allowing us to make the most efficient use of our personnel's time and resources.

Our collaborators have access to online training opportunities and scholarships, and benefit from our agreements with institutions and universities. We also have scholarships available for them to learn English and participate in educational activities to help further their professional development.



# Commitment to Our People

## Motivated and Engaged Human Capital

### Feedback and Performance

It is essential that our team reaches the levels of competence and service excellence our clients deserve.

We have implemented an evaluation process based on competency profiles whereby each of the team leaders reviews the individual performance of the members of their group once a year.

We identify areas of opportunity for interaction among the staff in different areas through our internal client evaluation process.

Based on the results obtained, a work plan is prepared to provide feedback to staff about their strengths and areas of opportunity.

This plan contains specific actions to be developed by the evaluated employee and their area leader to raise the level of performance through internal or external training, project assignment or coaching.

The training needs identified in this process are evaluated and integrated into the company's training plans and programs.

### Continuous Improvement

Despite restrictions on in-person meetings and working in the office, our personnel continued to do their jobs with unwavering motivation, creating and implementing projects to ensure the continuous improvement of our services processes and activities to provide added value to our clients. **American Industries®** acknowledges and values these achievements.

Improvement Projects Developed		
	2019	2020
Projects	20	13

### Climate and Work Culture

We continuously monitor our work climate and culture.

This allows us to take timely actions to ensure that our institutional values are part of the work life of our employees and that their level of wellbeing meets the expectations we have set as a company.



# Commitment to Our People

## Motivated and Engaged Human Capital

### Respect for Individuals

We believe our interactions should be carried out with respect, dignity, and physical and mental integrity.

We guarantee a work environment that is free of bullying and sexual harassment. To ensure this, we distribute information and train all personnel on these issues. In addition, we have implemented procedure PRO41002 (Procedure for reporting harassment and bullying), our policy for preventing psychological and social risks, and PRO03098 (Procedure for receiving internal complaints and suggestions).

### New ways of working

The COVID-19 pandemic changed our work environment.

Our collaborators are the heart of American Industries, and their health and safety are our priority.

In order to implement the safety measures necessary to protect them, we undertook the task of transforming their homes, offices and common areas into workplaces. We use a variety of digital platforms for internal communication which allow us to safely maintain the level of service required by our clients and at the same time strengthen our workplace culture and collaboration among our personnel.



### Good habits at home

This year we adapted to the new environment of social distancing and working from home, promoting good habits among our collaborators to help them maintain optimal physical and emotional health.

We created materials, and gave talks and training on a variety of topics, including:

- Home office: how to use available technology in accordance with applicable policies
- Simple exercises to do at home: cardio, strength and muscle-building
- Handling stress and emotions
- Mental health, among others

We also stay constantly informed of the safety protocols to follow to prevent the spread of COVID-19 and updates issued by health authorities including:

- The use of masks
- Hand washing
- Using hand sanitizer
- Maintaining social distance



# Our Principles and Corporate Values

## Business Ethics

The way we conduct our relationships with stakeholders should reflect our corporate values and principles. Ensuring integrity in decision-making and behaviors is a critical aspect of maintaining the highest standards of performance. Through communication and training we spread awareness of the company's principles and its commitments to stakeholders.



### Human Rights

Our values and culture are the basis for establishing the expected behaviors, policies, and general guidelines.

One of the main objectives is to demonstrate integrity in each of our relationships with stakeholders. These principles are described in the Code of Ethics.

As part of our induction training, we review the organization's policies and procedures, including topics related to harassment, bullying, and preventing corruption.

We ensure that all our employees receive training on social responsibility, ethics and respect for human rights.

### Social responsibility training\*

	2019	2020
No. of Trained Employees	186	49

### Fight Against Corruption

In **American Industries Group®** we respect the principles of legality, making sure to continuously identify and comply with the laws and regulations of all jurisdictions in which we operate.

The nature of the services we provide to our clients in the area of purchases of non-productive goods and services exposes us to the possibility of conflicts of interest over the choice of a supplier or product.

We have controls in place to prevent corruption and money laundering. The most recent version of our code of ethics defines prohibited behaviors in greater detail.

In 2020 we went one step further in our commitment to legality. Three of our industrial parks are in the last stages of the process to obtain the designation of Safe Industrial Park granted by AMPIP: San Jorge (Guadalajara), Aerotech (Querétaro) and Apodaca (Monterrey).

\* Includes human rights, anti-corruption, and code of ethics

# Our Principles and Corporate Values

## Business Ethics



### Sales Practices

At **American Industries®** we establish a commitment to promote sales practices based on ethical and legal criteria, backed by the drafting of contracts, both in the Shelter Services and in the lease and purchase agreements in Real Estate. We operate with honest and collaborative market practices with other companies in the sector.

### Ethical Standards of Our Personnel

Our culture of following the law is strengthened through the development of our ethical standards and training on how to act in accordance with these. We reinforce ethical consciousness in our employees through our commitment to acting with integrity and providing them with the skills necessary to apply and spread awareness about these norms in life, work and society.

### Responsible Decision Making

All our business decisions take into account the impact they can have on our employees, their families, organizations and society in general, in the places where we have presence.

We seek to contribute to social, environmental and economic development through the generation of jobs, development of local suppliers and respect for the needs and culture of the communities.

Our processes of selection of sites where operations will be installed as well as the technologies and methods that will be used, are created taking into account the way in which these will promote development in the community.





# Commitment to Our Customers

## Operational Excellence

We become partners with our clients when looking for the consolidation and growth of their operations in the country, so the level of service we offer must meet their needs and expectations.

To do this, we establish processes, objectives and goals that allow us to achieve the expected results.

In the Shelter Area we have the ISO 9001: 2015 Certification.



### Creation of Value for Our Clients

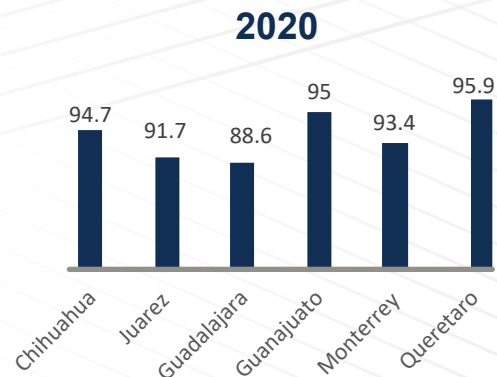
Our services are developed with a focus on our clients with the idea of designing and implementing processes to support them in accordance with the value creation approach. All our efforts are aimed at creating a support structure to facilitate the start up and maintenance of a successful operation.

In our Shelter division we ensure that all processes are carried out in a consistent manner and achieve optimal results for our clients using a quality management system based on ISO Standard 9001:2015. In 2020, we presented and approved our first recertification audit for this version of the standard.

The work this entailed helped us to further understand the requirements and expectations of our clients, as their full satisfaction is our top priority.

In order to see how we measure up, we carry out an annual customer satisfaction survey. Depending on the results of this, we carry out the actions necessary to meet their needs.

### Results of customer satisfaction surveys



For this reason, we also monitor the performance of our activities through the customer complaints indicator. This allows us to solve them and prevent their recurrence.

Number of Customer Complaints		
	2019	2020
Complaints	2	2

# Commitment to Our Clients

## Operational Excellence

### Client Mentoring

In order to achieve optimal results, we must have a thorough understanding of the national and global panorama. To this effect, we mentor our clients to ensure that they are ready to handle issues like:

- Optimizing operations in terms of fiscal matters by ensuring compliance with new regulations for companies operating under the Shelter system.
- Transitioning to the new USMCA agreement.
- Determining the best possible labor benefits for the market conditions in each area allowing them to remain competitive.
- Adapting to new labor trends.

### Supply Management

The purchasing processes for non-productive goods are part of the range of services offered by American Industries. During 2020, we handled purchasing transactions totaling more than \$1.7 billion pesos.

	Percentage of Spending on Suppliers	
	2019	2020
Nationals	72%	95%
International	28%	5%

As part of these processes, and as much as possible, we seek to develop suppliers, preferably local, for the benefit of the communities.

We participate in savings initiatives or economies of scale in national and international purchases.

We certify suppliers to ensure they comply with all legal, fiscal and social responsibility requirements.

### New Technology for a New Normal

To ensure we uphold the level of service our clients deserve and also adhere to social distancing practices, at American Industries we leveraged our cutting-edge technology to change the ways we interact. These new methods allow for remote work, keeping everyone safe without affecting the quality of our activities.

Depending on their duties, our collaborators are able to work from home.

### Focus on Services in Property Management and Real Estate

In 2013 an agreement was made with Terrafina (BMV:TERR A13) on a portfolio administration services scheme.

This agreement remains in force today and has increased the number of buildings we manage to 110 thanks to the level of quality achieved.

To date, we own and manage nine buildings in different regions, which are adapted to the specific characteristics of each client and region. We have also expanded the territorial reserve to 398 acres, which will allow us to better serve our clients and create alliances with strategic partners.

### Upgrades to internal Real Estate processes

In 2020 we improved and updated our internal processes for our Real Estate business area to ensure consistency and uniformity in the quality of our customer service for our portfolio, both those managed under the Terrafina guidelines and properties owned by American Industries.

This allows us to ensure that our administration and maintenance policies and processes provide services of the same quality to all lessees.

### Specialized Industrial Parks

We work hand in hand with municipal development and urban planning departments to define the guidelines that allow for the development of industrial spaces according to international needs and requirements, from the point of view of urban infrastructure, sustainability and the regulatory framework applicable in Mexico.

In this way we can develop industrial parks designed to facilitate interconnection and provide industry specific services.

# Commitment to the Community

## Community Outreach and Ties

At American Industries®, we contribute to improving the quality of life in the communities where we operate.

We generate employment by facilitating the installation of international companies in domestic soil, and we support the training of people as potential candidates.

This represents a greater economic activity that has a positive impact in many sectors of society.



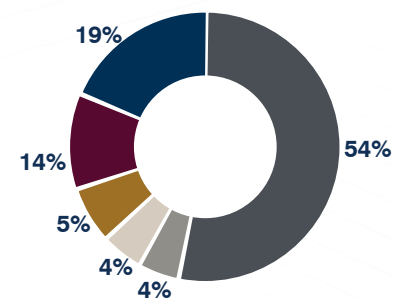
### Social Investment

We contribute economically through the financing of social projects that have a positive impact on the community. These projects comply with legal requirements and have programs that meet basic needs. We currently support 32 civil society organizations (CSOs).

Among the objectives of the benefited organizations are:

- Providing education and support to low-income children and youth
- Forming future leaders
- Promoting entrepreneurship
- Providing a shelter and care for children and the elderly individuals in vulnerable situations
- Supporting individuals with special needs
- Helping individuals who have served prison sentences reintegrate into society
- Supporting pregnant women in vulnerable situations so that they can have or adopt their children
- Providing medical attention to individuals infected with COVID-19 through donations of medical supplies and respirator equipment

Percentage Distribution of Social Investment in 2020



- Promotion of entrepreneurship and education
- Support for vulnerable communities
- Health support
- Support for people with different abilities
- Social reintegration and fight against addictions
- Care for children in vulnerable situations

We also changed our corporate gift purchase policies to give priority to providers that represent social benefit such as Fundación Dibujando un Mañana A.C.



# Commitment to The Community

## Community Outreach and Ties



In order to achieve this we:

- Are in periodic contact with institutions such as the CONALEP, ULSA and Tecnológico de Monterrey, among others, to give them feedback on the topics to be included in their curriculum to meet the needs of industry.
- Work together with universities and technical schools to recruit interns, whom we subsequently hire according to their skills.
- We make financial and in-kind donations to schools, churches and universities. The latter mainly include furniture and computer equipment (computers, printers, servers, etc.)
- Create opportunities for students to receive scholarships to study undergraduate programs related to the maquila industry at the Technological University of Arkansas, ULSA, and Tecnológico de Monterrey, among other institutions.

### Corporate Volunteering

We encourage our collaborators to participate in activities to improve our community. Some of these activities include:

- Participating in ecological organizations to collect recyclable materials.
- Sponsoring children through the Lazos Foundation and Guardian Angel Children's Home.
- Following-up with beneficiary institutions that help people with special needs or those in vulnerable situations.
- Making donations to purchase food baskets for immigrants in vulnerable situations.
- Making donations to cover medical treatment for employees and/or their families affected by COVID-19.
- Collecting and delivering food baskets and donations for individuals affected by hurricanes in Tabasco.

### Opportunities for Young People

Our future lies in the hands of our youth. Because of this, we work to support their education and incorporation into the workplace.

### Support during the COVID-19 pandemic

At American Industries we implemented an array of social initiatives to support the community during the pandemic by forming alliances with public and private institutions and civil society organizations. Some of these initiatives included:

- Donación de mascarillas a China al inicio de la pandemia
- Donación de consumibles médicos para trabajadores de la salud de primera línea a través del programa Héroes de la Secretaría de Innovación y Desarrollo Económico de Chihuahua.
- Donación de equipos de respiración asistida para hospitales públicos del país para reforzar el sistema de salud a través del programa Unidos para la Salud de Fundación Mexicana para la Salud A.C. (FUNSALUDI).

Our clients have also contributed to these efforts: EZ Air donated isolation capsules for transporting coronavirus patients for public and private institutions. Xylem, EZ Air and KAMAN also made economic and in kind donations to the Index foundation to help deliver medical supplies to several hospitals.

### Corporate Social Responsibility Strategy

We promote and support other companies and our clients in obtaining the SRC distinction.



# Commitment to the Environment

## Respect for Our Environment

We are aware of the relationship of our operations with our environment. For this reason, we plan our activities in a way that minimizes its environmental impact.

We strive to achieve an efficient use of resources both in our Shelter Services and in our portfolio of buildings, ensuring that we comply with applicable environmental regulations and with the requirements of our customers.

We know that the involvement of all is key to conservation, so we encourage the participation of our staff in activities in favor of the environment both in a work context and in their personal lives.

### Energy

One of the main inputs to perform our daily activities is electricity.

In our main office in Chihuahua, we have two locations. One is called the Operational Building where we host all Shelter activities, and the other is the Business Center Building, where all the activities of the Real Estate area are located. In both buildings the energy consumption is directly related to the quantity of equipment in operation, artificial climate systems and lighting of the work areas.

At the end of 2016, solar panels were installed in the Business Center building, reducing energy consumption by 94%, level we have maintained to date.

We have an electric power plant located in the Operational Building which provides electricity in the event of power outages to the building itself, as well as the nearby facilities inside the Las Américas Industrial Park.



Since 2010 all the facilities we build are designed to have at least 6% of their roof space with domes that allow for illumination with natural light.

### Water

The water used in the Operational and Business Center buildings is mainly used for restrooms, dining rooms and cooling systems.

We have carried out awareness campaigns to reduce water waste and have implemented sensors and other devices on faucets and toilets to minimize consumption.

We use treated water to irrigate green areas, avoiding the use of drinking water.

We also support the Fundación Vida Digna in building rainwater harvesting systems for communities in the Tarahumara mountain range.

# Commitment to The Environment

## Respect for Our Environment



In order to measure our environmental impact, the Measurable system was implemented in conjunction with PGIM Prudential, to evaluate each property's consumption of energy and water and to determine if it can be optimized. It also allows tracking of generated waste and its disposal (donation, recycling, final disposal, compost, etc.).

Currently, 31 properties from the shared portfolio of AI and Prudential plus Chihuahua Shelter operations participate.

The impacts / consumption of the clients and the own operations are monitored.

This information is collected and shared in the GRESB.

### Best Environmental Practices in Shelter

In our Shelter Division, we obtained an Environmental Compliance and Environmental Best Practices for Waste, 2019 edition, issued by the Chihuahua municipal government through the Department of Urban Development and Ecology.

The project presented to obtain this certification includes reusing toner cartridges to ensure they don't end up in a landfill.

These types of practices have been shared with our other regions and clients, and have even been acknowledged by our suppliers, such as HP.

### Environmental Management in Real Estate

As part of the responsibility that represents our position in the industrial real estate branch in Mexico, we consider key environmental issues when defining our business strategies, among which are climate change and sustainability.



# Commitment to The Environment

## Respect for Our Environment



### Shared commitment with our clients

We encourage the use of sustainable technologies and incentives by our customers. Our new buildings already incorporate them, and we support them to achieve their implementation in those that do not yet have them.

The contracts that we engage in with our clients include an annual amount allocated for improvements of the buildings. We promote the incorporation of clean technologies in order to reduce the environmental footprint.

Among the actions in favor of sustainability carried out by our customers with support from American Industries are:

- Replacing regular interior luminaires with LED luminaires.
- Implementation of energy efficient climate equipment.

### Energy committee

With the goal of fulfilling our commitment to legality and the environment, we established an energy committee to understand the legislative changes regarding energy and the Mexican electricity market. This committee is dedicated to studying the Mexican government's regulatory and internal policy changes in the energy sector and the technologies relating to this (including renewable and thermic energies that could be implemented).

The goal of the first stage is to diagnose energy capacity needs in the different areas we have a presence. The second stage, which will be starting soon, proposes possible energy supply strategies through the Federal Electricity Commission or other private market participants (qualified suppliers or generators), seeking to find the most efficient way of doing this for each of American Industries' developments or industrial parks.





# Commitment to The Environment

## Respect for Our Environment



### Green Industrial Park Certification

As part of our search for ways to reduce the environmental impact we generate, we extend our reach to the industrial parks under our responsibility. Our American Industries park in Apodaca, NL is certified as GRABS a green industrial park before the Mexican Association Private Industrial Parks AC.

To achieve this certification, actions were taken such as:

- Control of the engines used in the park (i.e., treatment plant), determining their age and efficiency to assess the technical feasibility to exchange them for more efficient ones when they fail. Five of the 23 installed motors were replaced.
- Measurement of gasoline consumption of utility vehicles in the park and their CO2 emissions.
- Capacitor bank project in the fire system room and treatment plant to improve the quality of energy (power factor).
- Installation of photocontrols in the exterior lighting of buildings, roads and outside of common areas to have better lighting and optimize energy consumption.

- Installation of sensors in office restrooms of the park to improve energy use.
- Processing of residual water from the park in the treatment plant.
- Installation of saving keys and ecological toilets in the restrooms of the security booths.
- Awareness campaign for water care.
- Sending informative water care emails to clients, external personnel and park employees.
- Training for operation and treatment of wastewater.
- Analysis of discharges from the treatment plant every 3 months by a certified laboratory.
- Implementation of a procedure for remediation due to soil contamination.
- The waste management plan of the park is being obtained.

### Environmental Quality Certification

In an effort to further our commitment to environmental conservation, we are currently working on obtaining the environmental quality certification granted by PROFEPA for our industrial park in Apodaca.





# Our Contribution to The Future

## Sustainability

As a company and as a people, we are committed to responsibly using current resources in such a way that will benefit future generations.

For this reason, American Industries includes the key elements of sustainability in its business model and decision-making process.



### Our Commitments

**Economic Sustainability:** ensure that we have the resources to give continuity to the company.

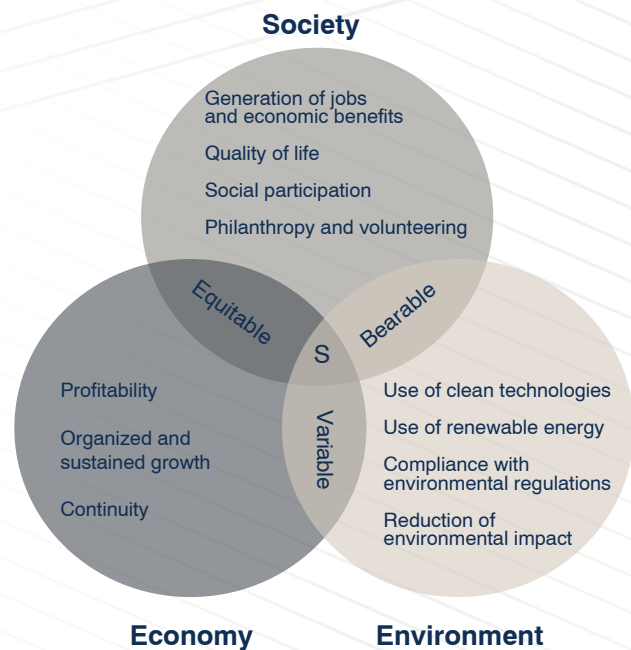
**Ecological Sustainability:** optimize the use of natural resources to preserve the ecosystems in the areas where we operate.

**Energy Sustainability:** promote the use of clean technologies that consume the same or less energy than they produce, both in our internal operations and in those of our customers.

**Social Sustainability:** generate fair employment and development opportunities in the communities where we have a presence.

**Cultural Sustainability:** respect and favor local, regional, national and international cultural events to enrich the life of the communities.

### Our Sustainability Model (S)



# Recognitions and Certifications

## SRC Distinction 2020



This year we received our socially responsible company badge for thirteen consecutive years. Through the process established by CEMEFI (Mexican Center for Philanthropy) to obtain this distinction, the actions we have implemented to respond to our stakeholders in the areas of quality of life, business ethics, and community bonding are evaluated and recognized.



## Pacto Mundial de la ONU



**United Nations**  
Global Compact

En el 2020, cumplimos siete años manteniendo la adhesión de Grupo American Industries al Pacto Mundial de la ONU, alineando sus operaciones a sus principios en áreas de derechos humanos, derechos laborales, medio ambiente y lucha contra la corrupción.

## Named a Responsible Family Business by the Ministry of Labor (STPS)



In 2017 we again obtained the distinction for being a Responsible Family Business from the Secretariat of Labor and Social Welfare.

In 2020 we continued to uphold all these guidelines.

## AAA IVA-IEPS Certification by SAT (Tax Administration Service) for Exporting Companies

## IVA-IEPS

We reaffirm our commitment to legality and accountability by having this certification aimed at companies that introduce goods to the temporary import customs regimes for processing, processing or repair in maquila programs, or export among others and that requires to be at current fiscal and customs obligations.

## OAS (Authorized Economic Operator)



We maintain this certificate established by the SAT as a way to implement our fight against insecurity and corruption, which we permeate towards.

## Distinction of a Company Committed to Human Rights



In 2019 our efforts aimed at protecting and respecting human rights were acknowledged with the granting of this distinction from the Chihuahua State Human Rights Commission.

## AMPIP Safe Industrial Park



Currently, three of our industrial parks are in the final stages of becoming certified Safe Industrial Parks by AMPIP: San Jorge (Guadalajara), Aero-tech (Querétaro) and Apodaca (Monterrey).

## ISO 9001:2015



This year we presented and approved the first recertification audit to maintain our quality management system in compliance with the requirements of ISO 9001.

In this way, we ensure that our processes are consistent and standard in all our locations.