



DEVELOPMENT WITH PURPOSE



GRUPOMEXICO

SUSTAINABLE DEVELOPMENT
REPORT 2015



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LETTER FROM THE PRESIDENT

DEVELOPMENT WITH PURPOSE

(G4-1, G4-2)

GROW

At Grupo México, creating value for our different stakeholders is more than a goal, it's how we understand ourselves as a company. Our operations contribute to the social and economic development of the areas where we are present, protecting the environment as a future guarantee for the generations to come.

Our commitment is long term. We act as corporate citizens, dialoging closely with our stakeholders to multiply the efforts that allow us to reach the goals we share.

We invest to grow, and we grow to transform, contributing to a present and future of opportunities and prosperity. Our growth plans are solid in a context of global economic uncertainty. Noteworthy in our Mining Division is the Gran Visión (Big Picture) project, one of the most important industrial investments in Mexico, which helps us to take advantage, to a greater extent and more efficiently, of the enormous potential of our Buenavista del Cobre operation. We promote regional development in the different countries where we operate, with 2015 being a key year for our future growth in Peru and for the consolidation of the efficiency of our operations in the United States. Our investments in the Mining Division totaled US\$1.22 billion this year. Also, in our passion for what we do, we expanded our borders this year when we were awarded the Aznalcóllar mine in Spain.

We connect Mexico through our rail network, with the largest coverage in the country, and facilitate international trade through the ports and border crossings we serve. Committed to technological modernization,

in 2015 we invested US\$378 million and purchased 34 new locomotives, transporting hope for a more prosperous Mexico. Connecting is enriching, transforming challenges into opportunities guided by our approach on creating value. With the Salamanca-Leon Highway, the second section of which opened in 2015, we're making progress in connecting this region.

The energy that moves us in the present also drives us into the future. With a solid history contributing to the Mexican oil industry, we've always sought to improve the sector, offering drilling platforms equipped with cutting-edge technology. This year, we were proud to see the Veracruz platform start operations, and we will add the Tamaulipas platform in 2016. Both platforms join a family that grows together with the trust we deliver to the customer. Also, wind and sun are our allies on the new energy projects we want to develop, helping to support a low carbon economy.

We conduct our activities in collaboration with our different stakeholders, in a shared effort that allows us to create value and, in turn, to move towards achieving the goals we have set. Grupo México seeks to give back with its Distributed Economic Value, which in 2015 totaled US\$6.58 billion.

PROMOTE

We aim for our presence to contribute to the development of the areas where we operate, through solid social linkage programs that generate opportunities for communities. We want to build a legacy for a more

promising future, under a long term commitment, strengthening one of our most prized assets, the trust our communities place in us.

The connectivity that has changed our lives can also mark the difference in social efforts, favoring collaboration. Grupo México Foundation is decidedly committed to this and has launched the Network of Business Foundations and Associations, an innovative initiative without precedent in Mexico, which fosters working together. Focusing on training, sharing experiences and building partnerships, 650 business foundations, social enterprises, and charity organizations have already signed up to join us on this journey. Without doubt, we're marking new paths, and Doctor Vagón has become a benchmark in Mexico, offering free medical services thanks to the collaboration of Grupo México (Health Train) Foundation and Ferromex. During 2015, we traveled to 12 states and served over 32,000 people.

Through Casa Grande (Big House), our social linkage model, we deepened our relationships with community and contributed to creating value. We invest in efforts that put communities on the path of development, materialized through calls for community funds and local projects, together with the help of our volunteer collaborators. This model, which has matured in our Mining Division, has also been extended to the Infrastructure Division, with the strength of the best practices learned. Through close dialog with our neighbors, we detect the needs on which to focus community development, which represented an investment of US\$86 million in 2015.

Each collaborator is an ambassador for our commitment to Development with Purpose. We're a team of 28,333 collaborators and, like a large family, we want to grow together and to promote prosperity. Through training, we build safety, sense of belonging, and motivation for the present and for the future, having provided 1,091,206 training hours during 2015.

Guaranteeing the safety of our collaborators is a fundamental goal and a commitment that unites us with our families. Prevention is a pillar of our culture, a shared effort that produces the best results: a safe and healthy collaborator. We work hard to maintain the best working conditions and to provide the most relevant training. At our operations in Peru, we're proud to have started a safety program based on behavior, creating a transforming experience for the whole Company. We invested US\$132 million in health and safety in 2015, which together with the efforts of our collaborators, resulted in a reduction in the incident rates in both the Mining Division and the Infrastructure Division.

PROTECT

The environment is not only the home where we live and work, a source of resources and opportunities, it's also our future guarantee as a society. As we build the shared value that guides Grupo México's performance, we cannot understand progress without respect for our environment and the global challenge of climate change.

We are striving to produce and move more with less, channeling important investments to our operations to improve energy efficiency. In the Transportation Division, our fuel saving system helped us to reduce the consumption of diesel by 15 million liters in 2015. Our efforts are focused on energy efficiency, and also on minimizing our consumption of fossil fuels, with high carbon content, seeking out more environmentally friendly energy sources. Through our combined cycle plants and the El Retiro Wind Farm, we have mitigated the release of 237,379 tons of CO₂eq annually.

Water is life, symbol of prosperity and an essential resource for our activities. We're working tenaciously to achieve a sustainable and more efficient water usage at all our operations, also encouraging the reuse of this resource.

As part of our commitment to the environment, we've given continuity to the work to guarantee the environmental conditions in the areas of the Sonora and Bacanuchi rivers, which were affected by the copper sulfate spill in 2014 at a leaching dam at our Buenavista del Cobre operation. Since the immediate containment and cleanup actions, we've implemented a remediation program, and also environmental monitoring for the coming years. Biological diversity is key for the balance of the ecosystems around us, and we seek to contribute to their future as corporate citizens. To this effect, of note are the

efforts of the Cananea Environmental Management Unit, which is dedicated to recovering species at risk and environmental education.

Operating in harmony with the environment, and also guaranteeing sustainability in the use of the resources available, are essential criteria that we consider when designing our processes. We work decidedly for the efficiency and incorporation of innovative technologies, having invested US\$236 million in environment-related activities in 2015.

COMMITTED TO THE FUTURE

Our business history cannot be understood without the creation of value for our stakeholders, and the relationships of trust that allow us to face the challenges of the present and the future together. The distribution of the economic value we generate is aligned with the Development with Purpose model, which manifests our vision of the corporate citizen. Our pillars, Grow, Promote and Protect, sustain our economic, social and environmental performance, with an approach on dialog, collaboration, and synergy moving firmly into tomorrow.



GERMÁN LARREA MOTA VELASCO

Chairman of the Board

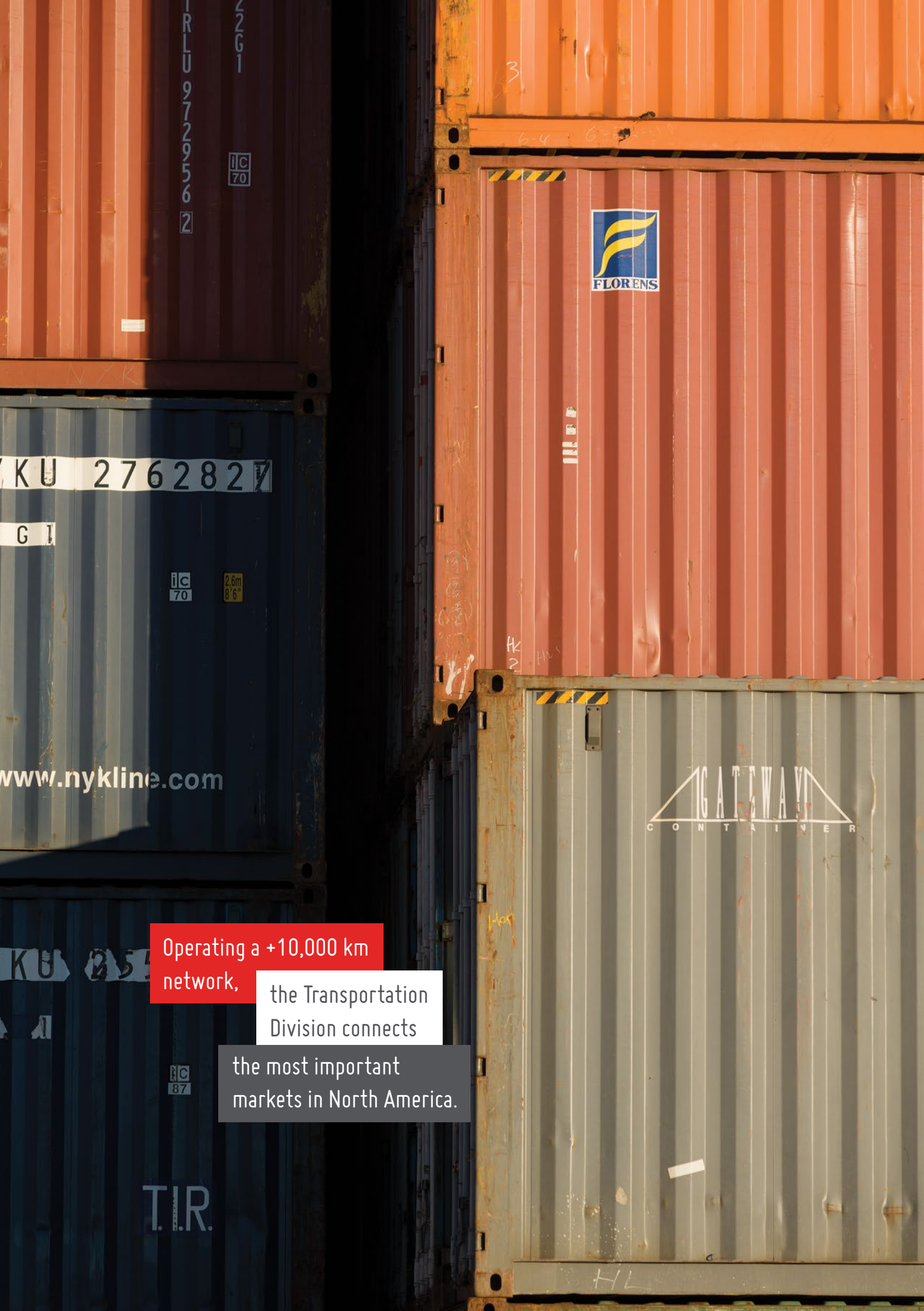
ABOUT GRUPO MÉXICO

We're a solid Company with global presence, backed by experience.

With this tenth sustainability report, we affirm our commitment

to Development with Purpose.





Operating a +10,000 km network, the Transportation Division connects the most important markets in North America.

INTRODUCTION TO GRUPO MEXICO

(G4-6, G4-7, G4-8, G4-9, G4-13)

We are a diverse group, with mining operations in Mexico, Peru and the United States, which position us as the fifth largest copper producer in the world, and we operate the largest multimodal freight railroad service in Mexico, with a network covering nearly 10,000 km¹ that connects to major industrial centers, ports, and border crossings. We also offer engineering and construction services, power generation, and ocean and land drilling, including the leasing and operation of oil platforms. To this we have added the operation of highways under concession.

The diversification of operations is achieved under the joint approach of cost efficiency and productivity, to guarantee financial balance so as to follow a sustainable path, in synergy with the creation of value for our stake-

holders. We are committed to Development with Purpose, with which we contribute to the health and safety of our collaborators, to the strengthening of the communities that embrace us, and to the respect for the environment that surrounds us.

Grupo México has been trading on the Mexican Stock Exchange since 1966, with 40% floating capital. Over 50% of the ownership is held by 4 major stockholders, persons or entities. Also, our subsidiary Southern Copper Corporation (SCC) trades on the NYSE and the Lima Stock Exchange.

Our activities are distributed through three business units and countries².

Mexico	United States	Peru
Infrastructure Division		
	Transportation Division	
		Mining Division

¹ Between both the Ferromex and Ferrosur networks.

² The Infrastructure Division has started operations in Peru through the subsidiary GMSI.

OUR PRESENCE

(G4-6)

INFRASTRUCTURE DIVISION



MINING DIVISION MEXICO & UNITED STATES



TRANSPORTATION DIVISION



MINING DIVISION PERU & SPAIN



AT A GLANCE

(G4-9)

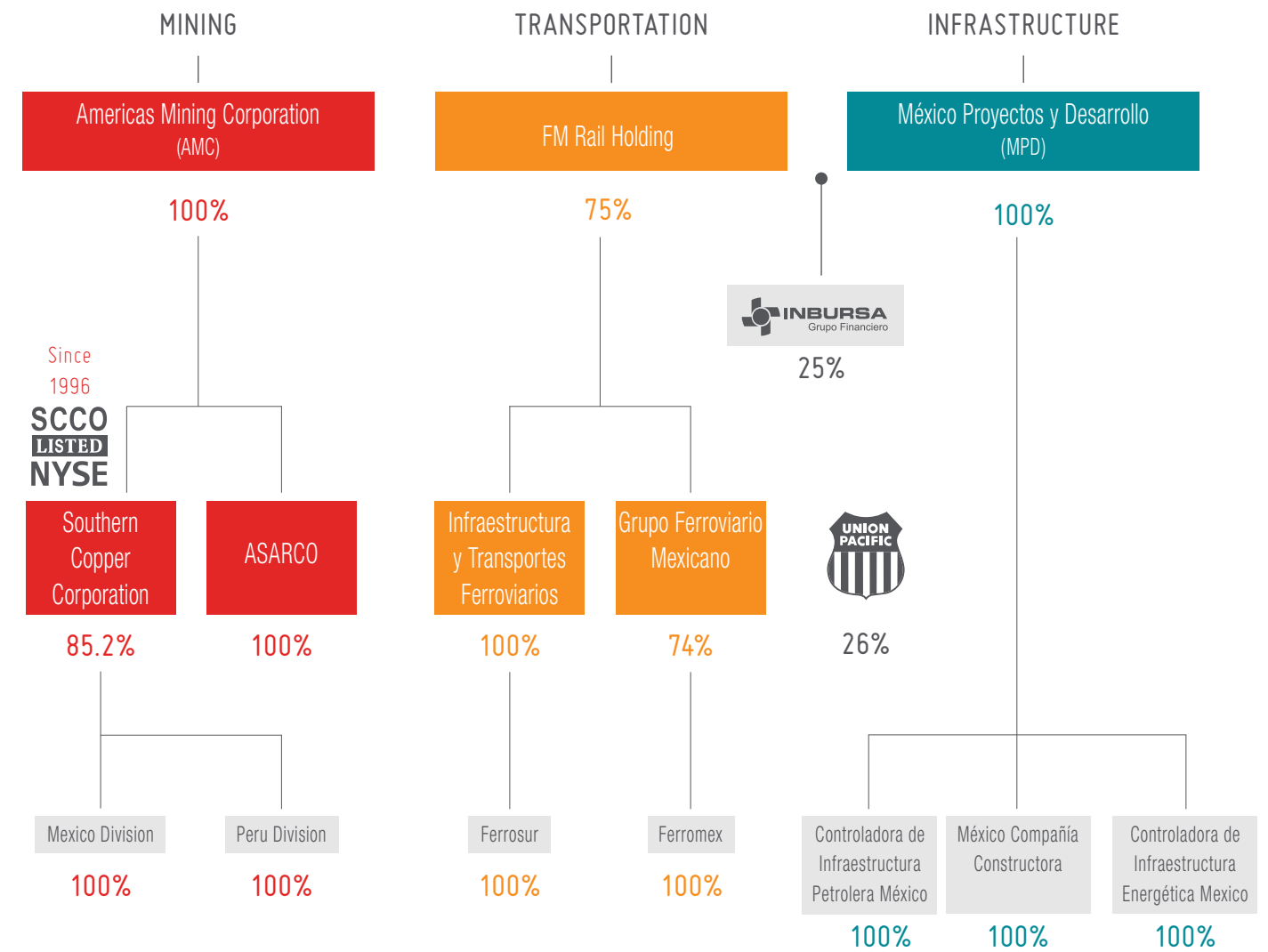
- 64% of the members of the Board of Directors are independent
- US\$8.175 billion in economic value created
- US\$6.580 billion in economic value distributed
- US\$454 million in environmental, health and safety, and community related investments
- 28,333 employees
- 1,091,206 training hours
- 69% of the water consumed by the Mining Division is reused
- 12 units OHSAS 18001 certified in the Mining Division
- 15.13 million liters of diesel saved in the Transportation Division as a result of AESS systems and other practices
- 3,053,802 MWh of clean energy generated by the Infrastructure Division

In 2015, our Mining Division achieved new horizons with the Aznalcóllar project in Spain. With this, Grupo México solidifies its position as a global Company.

CORPORATE STRUCTURE



THE GRUPO MEXICO SHARE HAS BEEN TRADING SINCE 1966



Among the world's largest producers of Copper, Molybdenum, Silver and Zinc, with the largest copper reserves worldwide.

The largest railroad company in Mexico.

79 years experience in infrastructure and construction projects.

LINES OF ACTIVITY & MARKETS

(G4-4, G4-9, G4-13, G4-17)

MINING DIVISION

Our Mining Division is represented by the subsidiary Americas Mining Corporation (AMC), whose principal subsidiaries are Southern Copper Corporation (Mexico and Peru) and ASARCO (United States). To this we add Minera Los Frailes (Spain), which started activity in 2015. Southern Copper Corporation includes Minera México (Mexico) and Southern Peru Copper Corporation (Peru).

The division operates mines and metallurgical plants, and also has exploration projects in Mexico, Peru, the United States, Argentina, Chile, Ecuador, and Spain.

MINING DIVISION: AMERICAS MINING CORPORATION (AMC)

Activity	Subsidiaries	Description
Exploration, extraction and production of minerals, metals and byproducts (Copper, Molybdenum, Zinc, Gold and Silver, among others).		 <ul style="list-style-type: none"> • Mexico • 8 mines & 3 exploration projects; 11 smelters, refineries and other plants • 8,799 employees
		 <ul style="list-style-type: none"> • Peru • 2 mines; 4 exploration projects, 5 smelters, refineries and other plants • 4,834 employees
	 <ul style="list-style-type: none"> • United States • 3 mines; 6 smelters, refineries and other plants • 2,429 employees 	
	 <ul style="list-style-type: none"> • Spain • 1 exploration project 	

TRANSPORTATION DIVISION

The Transportation Division is represented by the subsidiary FM Rail Holding, which in turn has the following subsidiaries: Grupo Ferroviario Mexicano (GFM), Ferrocarril Mexicano (Ferromex), Infraestructura y Transportes Ferroviarios (ITF), Ferrosur, Intermodal México (IMEX), and Texas Pacifico, LP, Inc. (TXP)³.

TRANSPORTATION DIVISION: FM RAIL HOLDING, S.A. DE C.V.

Activity	Subsidiaries	Description
General and intermodal freight rail services as well as passenger services. Also, auxiliary management services for terminals and intra-terminal movements.	 <ul style="list-style-type: none"> • Mexico • Approximately 8,130 km of track; 5 connections border and access to 6 ports • 7,734 employees 	
	 <ul style="list-style-type: none"> • Mexico • Approximately 1,822 km of track (central and southeast Mexico); access to 2 ports • 1,981 employees 	

³ Grupo Ferroviario Mexicano is the holding company of Ferromex and Infraestructura y Transportes Ferroviarios is the holding company of Ferrosur. The scope of the report includes only the operations of Ferromex and Ferrosur. For more information, see "About this Report".

INFRASTRUCTURE DIVISION

Our Infrastructure Division is represented by the subsidiary México Proyectos y Desarrollos (MPD), and its subsidiaries are: México Compañía Constructora (MCC), Grupo México Servicios de Ingeniería (GMSI), Controladora de Infraestructura Energética México (CIEM), and Compañía Perforadora México (PEMSA).

Controladora de Infraestructura Energética México (CIEM) is comprised of México Generadora de Energía (MGE) and Eólica El Retiro (“El Retiro”).

INFRASTRUCTURE DIVISION: MÉXICO PROYECTOS Y DESARROLLOS, S.A. DE C.V. (MPD)

Activity	Subsidiaries	Description
Engineering and infrastructure construction services, drilling and power generation.		<ul style="list-style-type: none"> • Mexico • Construction of infrastructure works and industrial parks, commercial projects and services • 1,517 employees
		<ul style="list-style-type: none"> • Mexico y Peru • Comprehensive engineering services for infrastructure and industrial projects • 422 employees
		<ul style="list-style-type: none"> • Mexico • Operation and maintenance of combined cycle plants and wind farms • 68 employees
		<ul style="list-style-type: none"> • Mexico • Comprehensive ocean and land drilling services • 5 jack-up and 2 modular platforms • 549 employees

MISSION, VISION & VALUES

(G4-42, G4-56)

At Grupo México, we conduct our operations according to our Mission, Vision and Values, which establish the focus for our relationships with our stakeholders, to create value in the short, medium and long term, committed to corporate sustainability to guarantee our contribution.

We conduct our activities based on integrity and respect, contributing to the development of every member of the team and the communities where we operate, to the satisfaction of our customers, safeguarding the interests of our stockholders, and strengthening our suppliers and contractors. We strive to go further than simply strict adherence of law, adopting our own guidelines which convert risks into opportunities for improvement, based on prevention.

Our Mission, Vision and Values are outlined in the Grupo México Corporate Policy, approved by the Board of Directors and applicable to all personnel.

MISSION

“To meet the needs of our markets through large scale and long term projects, staying on the cutting-edge in technology, and always committed to our people, the environment, our values, and our social responsibility, maximizing the creation of value for our stockholders”.

VISION

“To be the world leader in efficiency and profitability in our areas of business, prioritizing people and their comprehensive development, guaranteeing the sustainability of our operations.”

VALUES

- **Honesty**, acting with integrity, professional ethics and ongoing improvement.
- **Respect**, for all persons, laws and the environment.
- **Responsibility**, meeting our commitments with results.

CORPORATE GOVERNANCE



All our stakeholders are key to assessing our performance and shaping our Company.

Our results would not be possible without ongoing dialog with our customers, investors and employees.

STRUCTURE & OPERATION

(G4-34, G4-35, G4-36, G4-37, G4-38, G4-39, G4-40, G4-43, G4-44, G4-49, G4-50, G4-51, G4-52, G4-53, G4-LA12)

At Grupo México, our corporate governance model seeks to ensure the decision-making process contributes to the sustainability of the Company over time, respecting the trust deposited in us by our investors and the shared value for our stakeholders.

The governing structure is laid out in the Grupo México Bylaws, approved by the Stockholders' Meeting.

The Stockholders' Meeting approves the management reports presented by the Board of Directors and is comprised of the holders of Grupo México stock. It also names the members of the Board of Directors, the Executive Committee, and the Audit and Corporate Practices Committee, considering their experience and absence of conflicts of interest. The Stockholders' Meeting also sets the remunerations for board members.

The Board of Directors is the governing body of Grupo México and sets the corporate strategy. It also ensures the creation of value through an efficient use of resources and available assets, as well as compliance with the directives on ethics. The Board of Directors monitors the company's social and environmental performance, and also performs an annual self-assessment of its members and committees.

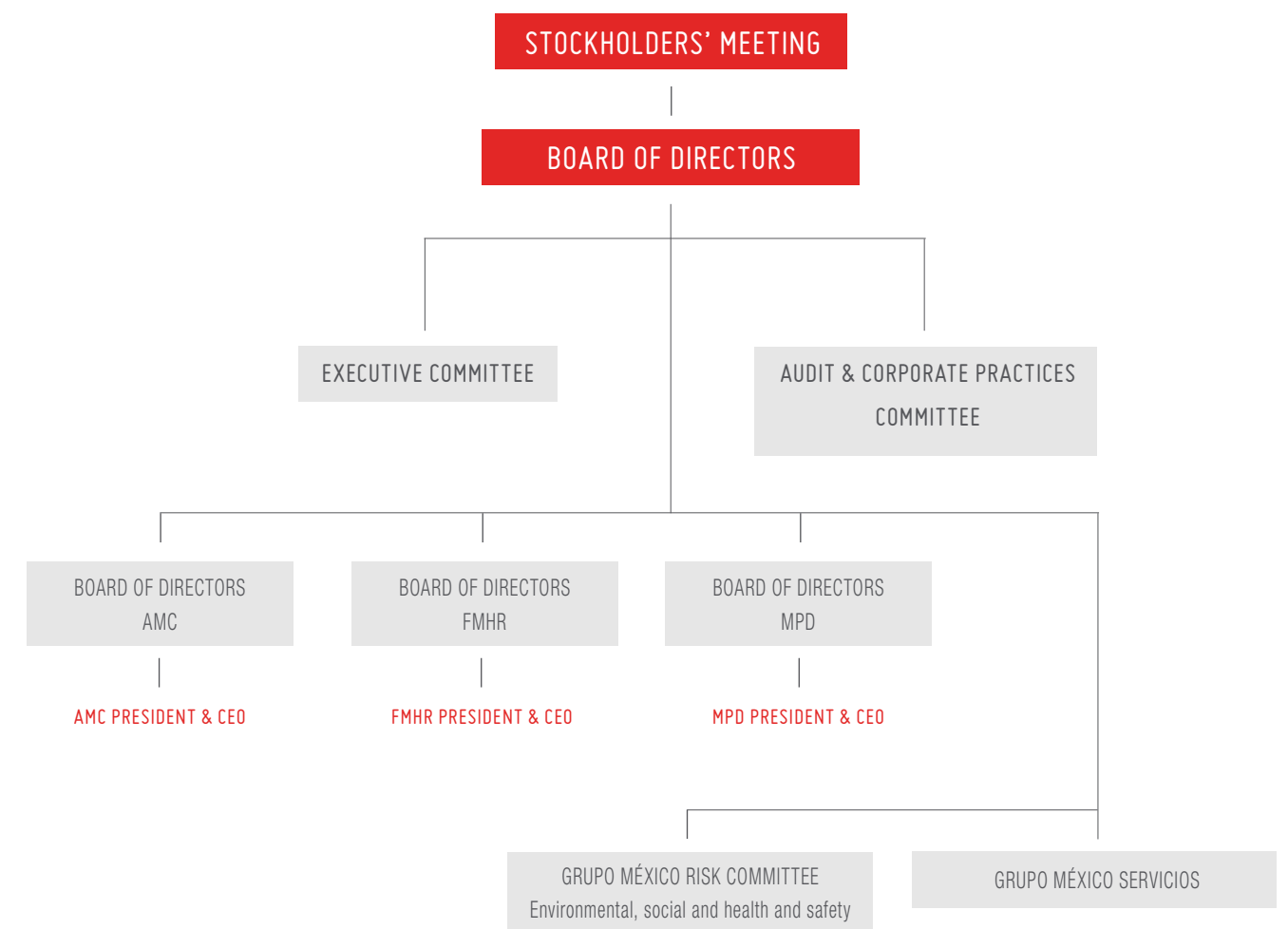
Board members serve for terms of one year and may be reelected by the Stockholders' Meeting. They are required to perform due diligence to prepare themselves for making decisions. In 2015, the Board was comprised of 11 members, 7 of which are independents, meeting 4 times this year⁴. The non-independent board members are senior

management, which contributes to coordinating decision making between the Board and the team responsible for the day-to-day operation of Grupo México.

The Board is regularly informed, including the results of the principal financial and operational indicators, such as production and sales, and also the Company's projects and investments, the organizational structure, and risk management, including economic, social and environmental aspects.

The Chairman of the Board is also the Executive President of Grupo México and 4 board members sit on the Executive Committee, which provides more frequent supervision and prepares the quarterly reports presented to the Board. Three of these committee members are independents.

The principal subsidiaries also have Boards of Directors, who report to Grupo México. Their responsibilities include monitoring and assessing social and environmen-



⁴Details of the members of the Board of Directors are available in the Grupo Mexico 2015 Annual Report and on the Grupo Mexico website.

For Grupo México, Corporate Governance entails best practices in transparency and sound relationships with our stakeholders. Our performance depends on a solid corporate structure, mission and values, and a strong Code of Ethics.

tal performance, the management of which falls to collaborators in the operating departments of each subsidiary, and also teams created for this purpose.

The Company also has an Audit and Corporate Practices Committee, comprised of independent board members. This Committee monitors the internal control and internal audit system, conducting periodical reviews, and also the due diligence for the implementation of and compliance with the ethics directives outlined in the Code of Ethics. This Committee also sets the remuneration policies for senior management.

The Risk Committee, unlike the Executive Committee and the Audit and Company Practices Committee, is comprised solely of people holding senior management positions in Grupo México, including members of the Board of Directors.

Each subsidiary also has management committees that address different assessment indicators and stakeholder concerns, raised by the management personnel responsible for these relations.

ETHICS & INTEGRITY

(G4-41, G4-56, G4-57, G4-58, G4-S03, G4-S04, G4-S05)

Creating the value we strive to generate for our different stakeholders requires a performance that adheres to demanding guidelines on respect and professionalism, included in our Code of Ethics. This constitutes an essential piece in building a culture of integrity and collective effort among everyone at Grupo México. Our collaborators receive the

Code of Ethics when they join the Company, signing a certificate of agreement. In addition to having this code available to them for consultation, our collaborators receive refresher training on these topics from time to time. Additionally, the Code of Ethics is also a frame of reference for our board members, suppliers and contractors.

In this manner, we seek to conduct our activities in harmony with our stakeholders and according to our values. The Code of Ethics includes our requirements on topics such as preventing conflicts of interest, non-discrimination, open competition, protecting human rights, and respect for the communities where we are present and for the environment.

Violations of the Code of Ethics can be channeled directly to the immediate supervisor, manager or respective officer, and may also be reported to the Director of Human Resources, Internal Auditor, or the General Counsel, as corresponds depending on the subsidiary. At Grupo México, we promote an environment of trust that facilitates reporting and actions on conducts that are illegal and which violate our guidelines. We also have a reporting line managed by an independent third party, with a telephone number, email address, and website. The Ethics and Discipline Committee investigates reports and determines the measures to be taken.

To prevent conflicts of interest, Grupo México has a policy in place that aligns the efforts of the subsidiaries, approved by the Board of Directors, which is also responsible for overseeing its enforcement.

New hires receive orientation on the Code of Ethics, and we have developed training initiatives specifically related to anti-corruption practices, such as the program we implemented in 2015 for middle and senior management at our mining operations in Mexico. These efforts are complemented by taking measures in response to potential violations, although no such incident was reported in Grupo México in 2015.

RISK MANAGEMENT

(G4-2, G4-14, G4-45, G4-46, G4-47, G4-EN29⁵, G4-S07⁶, G4-PR4⁷, G4-PR9⁸)

Our central coordination and monitoring means solid risk management for our subsidiaries, which was reinforced this year with the creation of the Grupo México Risk Committee. This body is responsible for managing risks associated with social, labor, environmental, and health and safety related issues, and approves the Risk Management Strategic Plan and Policy, overseeing its implementation. The Committee is comprised of management from the different Divisions and technical areas of the Company involved in the operational aspects and sustainability. The Committee chairman is named by the Chairman of the Board of Directors.

The Risk Committee periodically reports to the Board of Directors on its performance and the effectiveness of the management system, being subject also to the decisions the Board makes based on the content reported and any additional requirements set by the Board.

To ensure the continuity of our operations and the safety of our collaborators and the environment, Grupo México prioritizes programs, equipment, and training adapted to the particulars of each sector of activity in which we participate. We are committed to comprehensive risk management offering certainty and confidence to our stakeholders, and consolidating among our collaborators a culture of risk prevention, leadership and proactivity.

DILIGENCE IN HUMAN RIGHTS

(G4-HR1, G4-HR2, G4-HR4, G4-HR5, G4-HR6, G4-HR7, G4-HR8, G4-HR9, MM5, MM6, MM7, MM8)

At Grupo México, we're committed to respecting human rights, according to the United Nations Universal Declaration of Human Rights and also local regulations.

We promote an inclusive workplace and reject child exploitation and forced labor, and also any form of discrimination. Equal opportunity is a commitment undertaken by Grupo México and we do not discriminate on the basis of ethnic origin or nationality, gender, age, disability, social condition, political affiliation, health condition, religious beliefs, immigration status, personal opinion, sexual preference, or marital status. All these topics are covered in our Code of Ethics and we monitor due diligence in their compliance within the Company.

Our collaborators receive semiannual training on the Code, including its content on human rights. Additionally, we have developed specific training initiatives that are partially or wholly related to human rights. Noteworthy is our Leadership Program implemented at our mining operations in Mexico in 2015, which emphasized the treatment of coworkers. We provided a total of 16,001 training hours on these topics this year.

To continue, our Company security personnel are trained on protecting and defending human rights. All private security and protection companies that provide

Our Code of Ethics focuses on preventing incidents including ethics and integrity; it's a fundamental tool for avoiding conflicts of interest, corrupt practices and is designed to protect the Human Rights of everyone associated with our Company.

their services at our various companies and facilities are trained in this area and receive constant refresher training.

At Grupo México, we protect the freedom of association, the terms agreed to in the collective bargaining agreements, and we adhere to the principles of the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. At Grupo México, we not only work to ensure that respect for human rights is present in our decision making and in how we operate, we also promote consideration of these topics throughout our value chain, among customers, suppliers and contractors. Our contracts with suppliers and contractors include relevant clauses according to the regulations in the countries where we operate. In Mexico, the requirements set by the Federal Labor Law, the Social Security Law, and the National Worker's Housing Fund Law are incorporated, among others, respecting and promoting the protection of human rights. In Peru, our contracts also contain clauses that define human rights acts and

obligations for each of the parties involved, including non-discrimination and rejection of child exploitation and forced labor. Meanwhile, in the United States, we adhere to the Arizona state and other federal laws.

It should be noted that our mining operations in Peru are situated near rural communities of the Aymara indigenous people, who we have involved in our community development programs. In the United States, part of our operations are located within the Tohono O'dham Native American Reserve, and as part of a lease agreement, preference is given to hiring people from this Reserve. We're committed to respecting our environment and the community, respecting their lifestyle, culture, and traditions. No incidents were reported in this area.

There is small scale coal mining near our Nueva Rosita Coke Plant (Mexico), where we are working to reinforce a culture of occupational health and safety through the dissemination of best practices by means of our collaborators, contributing to the wellbeing of local families.

^{5,6,7,8} We received no fines or sanctions this year other than those detailed in this report.

OUR SUSTAINABLE APPROACH

At Grupo México, we're diversifying our energy mix towards renewable energy.

Our combined cycle power plants and the El Retiro wind farm,

mitigate 237,379 tons of CO₂eq annually.



SUSTAINABILITY STRATEGY

At Grupo México, we're committed to creating value in the surroundings where we operate, aligned with our business goals. To this effect, our efforts are directed at achieving an operation that is more and more responsible in terms of social, economic and environmental aspects, considering the expectations of our stakeholders and under the goal of making the organization sustainable over time, to continue to contribute directly and indirectly to the development of the country.

Our business approach is Development with Purpose, where we align our investments and the distribution of economic value based on strengthening the environment from both the human and environmental perspectives, among our collaborators, communities, and the other stakeholders.

The Grupo México Policy on Social Responsibility, Ethics and Values reflects how we consider the relationship with our stakeholders should be, and is complemented by a series of guidelines for sustainable performance and the creation of value.

DECALOGUE FOR SUSTAINABILITY AND CREATING VALUE

- Manage economic, environmental and social risks to ensure the continuity of the business.
- Attract, develop and retain people who are highly skilled, motivated and aligned with our values.
- Provide a workplace of respect, non-discrimination and equal opportunity.
- Maximize the development of local and regional suppliers, wherever possible.
- Actively participate in social programs for our neighboring communities, fostering a spirit of collaboration and sustainable development.
- Keep our investors informed, with accurate, timely, relevant and transparent reporting.
- Ongoing improvement processes to improve efficiency in the use and consumption of energy, water, and other natural resources, and also the conservation and protection of wildlife.
- Environmental management focused on reducing our waste and emissions.
- Define an organizational structure that is process and result oriented.

This approach guides our performance, also ensuring the sustainability of Grupo México and our strength for the investor. For the fifth year in a row, we were selected to be included in the Mexican Stock Exchange (BMV) IPC Sustainability Index, a financial indicator that recognizes, based on independent assessments, the companies most committed to social responsibility, environmental performance and corporate governance, in response to the increasing interest of individual and institutional investors worldwide in funding sustainable companies.

It should be noted that the IPC Sustainability Index has grown in value since its inception to above the IPC for the Mexican Stock Exchange itself.

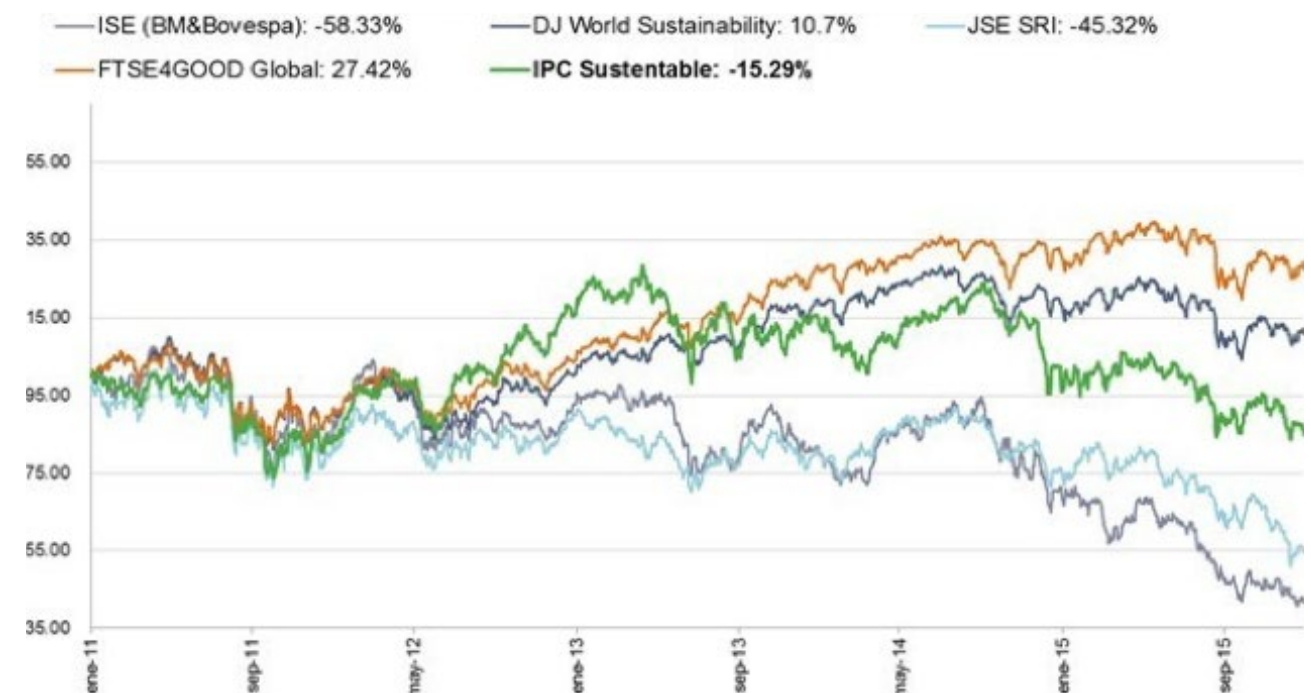
IPC VS. IPC SUSTAINABILITY INDEX

Jan 2011 - Dec 2015



IPC SUSTAINABILITY INDEX PERFORMANCE COMPARATIVE

With other international sustainability indexes (yields in US\$)



RELATIONS WITH OUR STAKEHOLDERS

(G4-24, G4-25, G4-26, G4-27)

We are constantly striving to consolidate the trust placed in Grupo México by our stakeholders, who are involved in the management and communication of our performance, listening to their expectations so as to jointly contribute to creating shared value.

Our different departments map our stakeholders by type of activity and context, which we combine to establish categories at the corporate level, reflecting the diversity of our business. We seek to build relations of mutual growth, converting challenges into joint development opportunities.

We offer various communication channels to maintain close dialog with our different stakeholders, which allows us to provide the best alternative for each case, from online tools and resources to in-person consults, always focusing on building and fostering relations. These mechanisms facilitate the reporting of complaints involving environmental and social impacts by our stakeholders.

Through our various channels and mechanisms, Grupo México provides our different stakeholders with open and transparent communication, particularly those that are most vulnerable, so as to build a culture of collaboration and sustainability in benefit of everyone.

We conducted a materiality analysis in 2015, which in addition to serving as the basis for preparing the content for this report, helped us to identify the relevant issues for our stakeholders.

COMMUNICATION WITH STAKEHOLDERS & FEEDBACK

Communication channels and mechanisms / Stakeholders	Customers	Collaborators	Unions	Investors	Suppliers	Contractors	Communities	Opinion leaders Charity organizations Media	Financial Institutions Government agencies Academic institutions Rating agencies
	Website	■	■	■	■	■	■	■	■
E-Ferromex; E-Ferrosur	■								
Intranet		■							
Sustainable Development Report	■	■	■	■	■	■	■	■	■
Annual financial report				■				■	■
Quarterly financial reports				■				■	■
News bulletins							■	■	■
Company newsletters		■	■						
Publication of relevant events				■					■
Press releases								■	
Stockholders' meetings				■					
In-Person meetings			■				■		■
Collective contract review			■						
Diagnostic studies							■		
Interviews							■		
Surveys	■						■		
Workplace climate survey		■							
Telephone consultations	■			■	■	■		■	■
Ethics Reporting Line	■	■		■	■	■			
Guided visits							■	■	■
Site visits							■		
Community committees							■		
Awareness days							■		
Community development centers							■		

■	Ongoing	■	Quarterly
■	Yearly	■	Bimonthly
■	Yearly or Semiannually	■	As necessary

STAKEHOLDERS

Stakeholder	Area of interest
Customers	<ul style="list-style-type: none"> Quality of the products and services Operational continuity Market value of the products Ethics and integrity
Collaborators	<ul style="list-style-type: none"> Remuneration and benefits Occupational health and safety Internal communication and workplace climate Recognition Training and career development Ethics and integrity
Unions	<ul style="list-style-type: none"> Labor relations Ethics and integrity
Investors	<ul style="list-style-type: none"> Business strategies and models Financial results Share value Corporate governance practices Risk management Ethics and integrity
Suppliers Contractors	<ul style="list-style-type: none"> Contract conditions (payment, termination, etc.) Financial results Occupational health and safety (contractors)
Communities	<ul style="list-style-type: none"> Job creation Quality of life Operational risk management Environmental impacts Community development programs and initiatives
Opinion Leaders Charity Organizations Media	<ul style="list-style-type: none"> Ethics and integrity Social and environmental impacts Financial results
Financial Institutions	<ul style="list-style-type: none"> Financial results Risk management
Government Agencies	<ul style="list-style-type: none"> Risk management Legal compliance
Academic Institutions	<ul style="list-style-type: none"> Social and environmental impacts Innovation
Rating Agencies	<ul style="list-style-type: none"> Business strategies and models Financial results Share value Corporate governance practices Risk management Ethics and integrity Transparency

SUPPORT FOR OUTSIDE INITIATIVES & ASSOCIATIONS

(G4-15, G4-16)

Our commitment at Grupo México to sustainable development extends beyond our operations, supporting organizations and initiatives that foster synergies between the efforts of the private and public sectors and charity organizations, to move forward together on improving local socioeconomic conditions and respect for the environment.

As part of our involvement in the development of public policy and initiatives, our operations in Mexico are involved in the CESPEDES program, which is part of the Business Coordinating Council, which addresses environmental issues affecting the business sector. This body provides a space for discussing and participating in legislative initiatives on environmental issues, contributing the best practices of the industry.

Our Development with Purpose approach, building value for our different stakeholders, extends to all our divisions and subsidiaries, in a joint effort to strengthen us as a team. In this sense, it is of note that Ferromex was recognized as a Socially Responsible Company in 2015 by the Mexican Center for Philanthropy (CEMEFI).

Our Santa Eulalia and Nueva Rosita operations in Mexico were recognized as Family-Responsible Companies by the Department of Labor and Social Welfare, for their efforts in gender equity, eliminating workplace and sexual harassment, and balancing work and personal life.

PARTICIPATION IN ASSOCIATIONS

Division	Association
Mining Division: Global	<ul style="list-style-type: none"> International Copper Association (ICA) International Molybdenum Association (IMOA) International Zinc Association (IZA)
Mining Division: United States	<ul style="list-style-type: none"> Arizona Mining Association (AMA) North American Metals Council (NAMC) Society for Mining Metallurgy and Exploration (SME) Tucson Metropolitan Chamber of Commerce
Mining Division: Mexico	<ul style="list-style-type: none"> Cámara Minera de México (CAMIMEX) Sociedad Minera de México Asociación de Mineros de Sonora (AMSAC) Comisión de Estudios del Sector Privado para el Desarrollo Sustentable (CESPEDES), del Consejo Coordinador Empresarial (CCE)
Mining Division: Peru	<ul style="list-style-type: none"> Sociedad Nacional de Minería, Petróleo y Energía de Perú (SNMPE) Cámara de Comercio de Lima (CCL) Asociación de Exportadores (ADEX) Confederación Intersectorial de Empresas Privadas (CONFIEP) Sociedad de Comercio Exterior del Perú (ComexPerú) Instituto de Ingeniero de Minas de Perú (IIMP)
Transportation Division	<ul style="list-style-type: none"> Asociación Mexicana de Ferrocarriles (AMF) American Association of Railroads (AAR) The Rail Transportation and Engineering Center (RailTEC) Asociación de Proveedores de Productos Agropecuarios (APPAMEX) Asociación mexicana de Transporte Intermodal (AMTI) Consejo Nacional Agropecuario (CNA) Asociación Nacional de la Industria Química (ANIQ) Asociación Nacional del Plástico (ANIPAC) Comisión Regional de Logística de Guanajuato (CORELOG)
Infrastructure Division	<ul style="list-style-type: none"> Cámara Mexicana de la Industria de la Construcción (CMIC) Asociación de Recursos Humanos de la Industria Petrolera (ARHIP) Asociación Mexicana de Energía Eólica (AMDEE)

1) EVG: Refers to revenue and includes: (i) net sales of products and services, (ii) income from financial investments, and (iii) income from the sale of assets and intangibles.

2) Grupo México's sales include the Mining Division, Transportation Division, and Infrastructure Division.

3) EVD: Refers to an economic indicator that helps to identify the manner in which the organization has created value for its stakeholders, and includes: (i) operating costs, (ii) employee salaries and benefits, (iii) payments to equity providers, (iv) payments to the authorities, (v) investments in the community, (vi) environmental-related investments, and (vii) investments in occupational health and safety.

GENERATING SHARED VALUE

(G4-9, G4-EC1, G4-EN31)

Grupo México has a clear intention, Development with Purpose, under which we strive for our investments to transcend in value for our different stakeholders, both directly and indirectly.

Through our activities, we favor job creation and purchasing products and services from local companies, which drives the economy in the areas where we operate. We are working closely together with the community to transform our presence in an opportunity for social development, combining social investment with corporate social responsibility programs.

ECONOMIC VALUE GENERATED & DISTRIBUTED (US\$ MILLIONS) – GRUPO MÉXICO

	2013	2014	2015	VAR. 2015-14
Economic Value Generated (EVG)				
Sales	9,357	9,324	8,179	-12%
Economic Value Generated (EVG)				
Employees	1,040	1,092	1,053	-4%
Suppliers and contractors	2,707	3,676	4,189	14%
Government (taxes)	1,180	1,025	822	-20%
Financial institutions and stockholders	59	84	62	-26%
Investments in communities	47	74	86	16%
Environmental investments	483	186	236	27%
Investments in health and safety	101	121	132	9%
Total Economic Value Distributed (EVD)	5,617	6,257	6,580	5%

4) All the elements considered for the calculation of the Economic Value Distributed include the Mining Division, with operations in Mexico, Peru and the United States, the Transportation Division, and the Infrastructure Division.

5) Employees: includes salaries, wages, employee profit sharing, benefits, and others.

6) Investments in the environment include water, energy, waste, air, soil, forestation, biodiversity, power generating projects and their management in the Mining, Transportation and Infrastructure Divisions.

Although metals prices remained low during 2015, Grupo México's sales decreased only 12% year-over-year, due to increased activity in the different Divisions as a result of investments made in previous years, to which we give continuity.

Of note is that at year close, we had generated an economic spillover for our stakeholders of US\$6.58 billion, a 5% increase over 2014.

Grupo México paid US\$822 million in taxes this year, 20% less than in 2014. Reduced earnings, principally due to the low metals prices, also contributed to lower tax rates.

Our environmental investments increased 27%, to US\$236 million, and were focused on waste management, energy efficiency, and the mitigation of greenhouse gas emissions (GHG) through technological improvements, among others.

Meanwhile, we invested US\$86 million in community development, a 16% increase over 2014, allocated to education, sports and cultural promotion initiatives, strengthening skills and infrastructure, focused on improving the quality of life of the communities.

Our investments in health and safety totaled US\$132 million, a year-over-year increase of 9%, allocated to engineering works for a safe environment, training, protective equipment, health awareness, and detection, treatment and rehabilitation programs, among others.

INVESTMENTS

Grupo México, 2015

(US\$ millions)



SUPPLY CHAIN

(G4-12, G4-EN33)

At Grupo México, we contribute to the development of auxiliary industries in the different activity sectors where we participate: mining, transportation, energy, construction and engineering, and drilling. It should be noted that the expense associated with the purchase of goods and services was US\$4.19 billion in 2015, an increase of 14% over 2014.

When a commercial relationship is established with suppliers and contractors, their legal compliance is assessed in terms of environmental and labor history, and that they have the permits required.

In addition, in the case of the provision of services at our facilities, we require contractors to have the tech-

nical expertise necessary, which we reinforce with any knowledge that may be specific to our processes. The assessment of legal compliance during the provision of the service is strengthened with the requirement to act according to our health and safety policies and procedures, and also the Code of Ethics. Any breach may lead to our disassociation from the contractor, as occurred in 2015 at our mining operations in the United States, due to an environmental incident.

Additionally, we seek to strengthen the economy of the regions where we operate and to contribute to their social development, by selecting local suppliers and contractors according to our criteria of quality, price, and environmental and labor compliance.

GRUPO MÉXICO FOUNDATION

Grupo México Foundation
represents the human vision

through which we undertake
institutional social actions,

to foster Development
with Purpose.



At Grupo México Foundation, we're proud to announce the start of a new project with each annual report. Since our beginnings, we've developed and implemented new projects every year, which over time have grown and taken hold achieving important recognition and marked watershed moments in social action in Mexico.

This year was no exception and at the beginning of 2015, we finished establishing what is today the Network of Business Foundations and Associations.

The Network is an alliance that Grupo México Foundation created and developed among Business Foundations and Companies with social activity to bring together the options for support and to unify social action in Mexico.

We've integrated efforts and created synergies with all who share with us their ongoing work in benefit of those most in need. Thus, through the Network, we've generated multipliers to broaden the scope of this work and to make it more effective, while offering the Charity Organizations registered within the Network different channels of support and training to professionalize their social action endeavors.

Similarly, within the Network, all our registered charities are offered a unique space to receive training under the international criteria that govern social action. With these efforts, we are able to more efficiently promote and support social action, and by consequence expand

the work we do, resulting not only in the standardization of social support, but also greater impact for that support. Additionally, the Network serves as a vehicle for registered NGOs to connect with each other and to generate partnerships that strengthen their activities.

The Network has a Digital Platform that can be accessed by all the registered Organizations and the Business Foundations and Companies with social action activities who form part of this Network.

Within this Platform, various training programs are offered in different areas and partnerships are created among the participants. In addition, a directory has been developed to place each Organization within their respective field of action.

This Platform also offers Business Foundations and Companies with social activity a "thermometer" to measure how the Organizations are performing and using their resources, giving us, the donors, certainty of the benefit gained from the social action work of the organizations we support.

www.RedAsociaciones.com

The Network Board, comprised of Business Foundations and Companies with social activity, met twice during 2015, to discuss the overall development of the Network, the content of the Platform, new initiatives and the work plan for 2016. Thus, at 2015 close, the

Network includes 33 Business Foundations and Companies with social activity, and we know that in the coming year this number will increase, making a Network a benchmark for social action in Mexico.

Similarly, at 2015 close, 625 Charity Organizations are registered with the Network of Business Foundations and Associations, which are today receiving ongoing training.

The Expo Fundación y Congreso held this year was highly successful. This event was created to offer all Charity Organizations essential training to improve their community work. Sadly, social action in Mexico has not yet reached a level of professionalization, which impedes those who dedicate themselves to this work from being able to fully access all the resources available to be able to expand their projects and programs.

The Conference brought together more than 250 organizations, which not only received training, but also built partnerships to work collaboratively and multiply the support offered. Accountability, managing resources, communication, and social marketing, use of social networks, social publicity, fundraising, and fiscal management, among others, were some of the topics presented by internationally recognized speakers over three days.

We appreciate the invaluable support and trust placed in us for the organization of this event: Grupo de León, MVS Radio, Fundación CMR, Grupo Fórmula, Fundación Azteca, PM on Street, Fundación Acir, Dish, Corresponsable, Kuter, Casa Xavier, Fundación Televisa, Fundación Cinopolis, Children International México, En Nuestras Manos, ORT México, Fundación NEMI, Fundación Clínica Médica Sur, TECHO, UNETE, Fundación Luis Pasteur, Fundación BBVA Bancomer, Banamex, and Televisa Cine.

EDITORIAL FUNDACIÓN GRUPO MÉXICO

TOMATO

It's been five years since Editorial Fundación Grupo México published its first book. Three of our books have been recognized by the "Gourmand World Cookbook Award", an international competition for the best in food publications.

When we decided to create Editorial Fundación Grupo México, we proposed launching a collection of books that would meet two parallel goals: the first being to support institutions working for Mexicans most in need through the profits generated from book sales.

The sixth book published by Editorial Fundación Grupo México will support CANICA (Centro de Apoyo al Niño de la Calle de Oaxaca) to continue their work with abandoned, lost, abused and/or orphaned children. Grupo México Foundation is committed to supporting people at risk and in situations of vulnerability.

The second goal we've set is to give talented youth and professionals a platform for showcasing their publishing work. It should be noted that many of our previous collaborators have been recognized and are known in the field of gastronomy both nationally and internationally. For the first time, the person that was responsible for the culinary aspect is not Mexican; he is an internationally recognized chef holding two Michelin stars. This important collaboration fills us with pride and drives us to continue working to develop new and better books. Editorial Fundación Grupo México has grown and has achieved with each of its publications, wonderful work, support, and also international recognition.

EDUCATION & THE ENVIRONMENT

Each year, we've increased the number of reforestation days we do. During 2015, we held seven tree planting days with the participation of 2,023 volunteers from among our employees and their families and in partnership with various institutions and state governments, who are committed to the environment and who collaborate with us. In 2015, we planted 504,412 trees to reforest 505 hectares in 13 Mexican states: Estado de Mexico, Puebla, Veracruz, Michoacan, Hidalgo, Aguascalientes, Chiuhuahua, Mexico City, Jalisco, Morelos, Coahuila, and San Luis Potosi. With this, we impacted 4,827,654 people who live in the communities near the reforested lands.

For the third year, we offered Educational Workshops. This year, in addition to continuing the workshops in the state of Sonora, we expanded our coverage and reached the state of Baja California Sur. With this, 28,289 middle and high school students attended our various talks on sexuality, addiction, violence, life planning, smart communication, and nutrition. It is an ongoing interest of ours to offer youth tools to help them through adolescence to prepare themselves and become model adults for our society. At Grupo México Foundation, we firmly believe that comprehensive education is fundamental to individual and societal development. Education is not only academic, it's everything that gives us the opportunity to live better and improve ourselves.

In August 2015, 159 high school students graduated in the state of Sonora, supported by the scholarships we award in collaboration with the program Béalos. In

addition, the first class of 400 university scholarship recipients graduated from the Universidad Tecnológica de Sonora and 84 from the Universidad Tecnológica de Colima. In total, 643 scholarship recipients completed their high school or university studies in 2015.

During 2015, we continued to work with Fundación CMR, under the "World Food Day" program, providing nutritional foods and supplements, contributing to the optimal growth of 1,524 children in the states of Oaxaca, Estado de Mexico, Chiapas, and Mexico City.

CONCIENCIA CINEMEX & SUPPORT FOR INSTITUTIONS

As is the case each year, since the start of our operation, our Benefit Premieres Program in collaboration with Conciencia Cinemex, has provided many Charity Organizations with the funds necessary to be able to continue their community activity. In 2015, again we doubled the funds raised for each participating organization, to benefit 17,996 people. Our Benefit Premieres are now being held around Mexico, which means we are able to support Organizations working outside of Mexico City.

Conciencia Cinemex works hand in hand with many partners to carry out our support programs. They make it possible to support all the organizations that approach us. We want to sincerely thank, as we do each year, each of our partners in this program: Videocine, Diamond, Paramount, Zima, Gussi, Nueva Era, Mantarraya, Amarak, Sony, Dragon Films, and Corazón Films.

The NGOs that participate in our Social Message Dissemination Program receive a nationwide space to raise awareness for their work. Under this program, we benefited 6,427,321 people in 2015. It's amazing that the spots to transmit the cineminutos for the various organizations that ask for this support are filled at the very beginning of the year. Because of this, we undertook the task of creating a new program to expand the support we are able to offer: Marquee Social Campaign.

These marquee campaigns at various Cinemex complexes support NGOs in disseminating their work, or promoting values. In 2015, our marquee campaign was present throughout the Mexican Republic at 270 complexes with 544 marquees, the goal of which was to reach youth and raise awareness on alcoholism, promoting healthy choices.

For the third year, we supported the organization Convivencia sin Violencia, in both their awareness campaign and the "#Yolo" Forum, which was attended by 2,000 middle and high school students. The work being done with youth is highly encouraging, building a society that lives in harmony and chooses always to affirm oneself and others instead of turning to violence and abuse. The Forum offers conferences that showcase success stories, encouraging youth to live with dignity and to reach their goals. As a society, every day we're becoming more and more accustomed to hearing bad news and a way of life that is becoming more self-oriented and violent. Thus, education on harmony, effort and generosity can add the ingredient that is so necessary and so long awaited in our society.

Through Cinemex, we gave away 72,367 promotional items for various movies to different organizations, who with their work are benefiting 56,100 people. With this activity, we've found a way to share a little of the "Magic of the Movies".

The synergies generated alongside Grupo México Foundation are fundamental to our commitment to protecting the environment and build respect for nature.

SOCIAL LINKAGE

For the third year in a row, Grupo México Foundation put out the call to the Grupo México community and their families to actively participate in the "Grupo México Foundation Volunteer Day". Each year the response is greater, which means the scope and impact we can achieve is also greater. Our employees and their families participated in tree planting, cleaning, painting, remodeling, maintenance activities at schools and institutions, benefiting 43,000 people in 14 Mexican states. Volunteer Day brought together 6,325 employees and families of Minera México, Ferromex, Ferrosur, IMEX, Infrastructure, and Cinemex, an increase of 149% over 2014. In addition to the community work we were able to do on this day, we all came together as one big family, the Grupo México Family.

Social Linkage, as we've mentioned on other occasions, is the pillar that provides support to all the Programs our Foundation operates, and helps to "polish" the initiatives we undertake.

Social Linkage identifies the communities that are most in need of the services Dr. Vagón (the Health Train) offers. Also, this area developed and distributed a prevention and safety video raising awareness on Railroad Crossings among the communities through which the trains pass. This video is shown in all the communities the Health Train visits, to reduce accidents and generate a culture of support and respect for the railroad. In addition, educational materials were developed, which are handed out during the "Health Education" workshops the Health Train doctors offer to patients while waiting for their doctor's visit. With these workshops, we're making an important difference in the prevention and early detection of different ailments.

Social Linkage created the idea of transforming one car on the train into a movie theater on rails and it is also what allowed us to make the most of the nurseries we have at Grupo México by doubling our reforestation efforts.

In addition, this important area for carrying out our work, offers its support holding benefit premieres outside of Mexico City, managing partners for our Expo, and strengthening the promotion of the Network of Business Foundations and Associations to increase the number of businesses and organizations registered.

DR. VAGÓN, THE HEALTH TRAIN

2015 represented the first full year of operations for the Health Train. Dr. Vagón visited 12 states: Nuevo Leon, Tlaxcala, Puebla, Veracruz, Zacatecas, Aguascalientes, Guanajuato, Hidalgo, Oaxaca, Baja California, Sonora, and Chihuahua. In each state, the Health Train offers its services over 17 days in 3 different communities. Dr. Vagón visited 36 communities, providing 148,756 doctor's visits to 32,408 people; men and women of all ages.

The Health Train is a symbol of our commitment to the wellbeing of the communities where we operate.

In addition, with the support of Farmacias del Ahorro, 39,880 medications were given out for the people who needed them to start their medical treatment.

Educational workshops are offered in parallel to the basic comprehensive health and prevention services that Dr. Vagón provides. During 2015, 19,775 people attended 598 workshops which addressed the most relevant issues for the communities we visited: all forms of violence, sexuality, dental education, health emergencies, addictions, breast self-exams, and nutrition.

We know that the practice is not always the same as the theory and during our various visits, the doctors on board the Health Train encounter cases that are difficult and/or that go beyond merely medical knowledge. Because of this and to provide further training to the Health Train doctors, we've taken on the task of offering conferences that may serve as a tool to offer an even better service. To this effect, specialists in addiction and codependency, pregnancy, prescription medications, and psychological support, trained the Dr. Vagón doctors throughout the year.

SOCIAL LINKAGE COMPARATIVE

Project	No. of People Benefited		Total	Increase 2014-2015
	2014	2015		
FGM Volunteer Day	30,000	43,000	73,000	43%
	Volunteers		Total	Increase 2014-2015
	2014	2015		
	8,413	10,501	18,914	49%

EDUCATION & THE ENVIRONMENT COMPARATIVE

Project	No. of People Benefited		Total	Increase 2014-2015
	2014	2015		
Reforestations	2,283,477	4,827,654	7,111,131	111%
	Trees Donated		Total	Increase 2014-2015
	2014	2015		
	340,700	504,412	845,112	48%
	Volunteers		Total	Increase 2014-2015
	2014	2015		
	662	2,023	2,685	305%
Project	No. of People Benefited		Total	Increase 2014-2015
	2014	2015		
Community Center	8,526 students	28,289 students	36,815	231%

CONCIENCIA CINEMEX & SUPPORT FOR INSTITUTIONS COMPARATIVE

Project	No. of Viewers		Total	Increase 2014-2015
	2014	2015		
Cineminutos	9,730,668	22,249,745	31,980,413	128%

	Institutions Supported		Total	Increase 2014-2015
	2014	2015		
	9	12	21	33%

Project	Volunteers		Total	Increase 2014-2015
	2014	2015		
In-kind Donations	15,020 16 institutions	56,100 5 institutions	71,120	273%

Project	No. of People Benefited		Total	Increase 2014-2015
	2014	2015		
Expo Fundación y Congreso	105	225	330	114%

Project	Institution Supported		Total	Increase 2014-2015
	2014	2015		
Benefit Premiers	18	21	39	16%

DR. VAGÓN, THE HEALTH TRAIN COMPARATIVE

Project	No. of Communities		Total	Increase 2014-2015
	2014	2015		
Dr. Vagón, The Health Train	21	36	57	71%

	Patients		Total	Increase 2014-2015
	2014	2015		
	17,758	32,408	50,166	82%

	Medical Consults		Total	Increase 2014-2015
	2014	2015		
	47,447	148,756	196,203	214%

	Kilometers		Total	Increase 2014-2015
	2014	2015		
	8,798	13,859	22,657	58%

	Workshops held		Total	Increase 2014-2015	Medications delivered
	2014	2015			
	336	598	934	16%	214,349

MINING DIVISION

The continuity of our operations reflects the wellbeing and labor place in our Mining Division.

Our 2015 results demonstrate our commitment

to a team that's motivated to achieve projects with grand visions.

MINING DIVISION 2015 PERFORMANCE & 2016 GOALS

Health & Safety	Business unit	2015 Goal		Performance
	Mining Division	Maintain the incident rate at below 0.77.	✓	The goal was met, reporting an incident rate of 0.69, an 18% decrease compared with 2014.
	Mexico	Maintain 11 operating units in the voluntary self-management program of the Department of Labor and Social Welfare (PASST).	✓	We exceeded the goal with 18 units certified.
	Mining Division	Maintain our OHSAS 18001:2007 certifications.	✓	We have 12 units OHSAS 18001:2007 certified.

2016 Goal
Maintain the incident rate at below 0.62.
Maintain the certifications held by our units under the voluntary self-management program of the Department of Labor and Social Welfare (PASST).
Maintain our operating units OHSAS 18001:2007 certified.

Our Communities	Business unit	2015 Goal		Performance
	Mining Division	Zero human rights related incidents.	✓	Zero human rights related incidents.
	Mining Division	Increase the number of people benefited per dollar invested in social development programs.	✓	We increased the number of people benefited per dollar invested in social development programs.
	Mining Division	Meet our commitments to our community development programs and report performance per the indicators established.	✓	We met our commitments to our community development programs as projected for 2015.

2016 Goal
Zero human rights related incidents.
Meet our commitments to our community development programs and report performance per the indicators established.

Our Environmental Commitment	Business unit	2015 Goal		Performance
	Mining Division	Improve efficiency in recovered water usage compared to first use water usage.	✓	We increased our recovered water usage 2% compared with our first use water usage.
	Mining Division	Improve energy efficiency in terms of production at each operating unit in the Mining Division.	→	We maintained our energy efficiency in terms of production at each operating unit in the Mining Division.
	Mexico	Clean Industry certification for 19 operating units.	→	We continued to work to increase the number of units certified.
	Mining Division	Maintain our operating units ISO 14001 certified.	✓	We maintained the units ISO 14001 certified.
	Mexico	Maintain the production capacity of our nurseries / greenhouses.	✓	We maintained the production capacity of our nurseries / greenhouses.

2016 Goal
Improve efficiency in recovered water usage compared to first use water usage.
Improve energy efficiency in terms of production at each operating unit in the Mining Division.
Maintain the number of operating units that are Clean Industry certified.
Maintain our operating units ISO 14001 certified.
Reduce the intensity of GHG emissions from our activity.

✓ GOAL REACHED

→ GOAL IN PROGRESS

GROW

PRINCIPAL PRODUCTS & SERVICES

(G4-4, G4-8, G4-9)

The principal activities of our Mining Division are: exploration, exploitation (mining and ore extraction) and processing minerals and metals, and other byproducts, which are sold in different markets and industrial sectors around the world.

Our products include copper, molybdenum, zinc, silver and gold.

METALLIC COPPER

Used primarily in the construction sector, electrical and electronic products, telecommunications, industrial machinery and equipment, consumer products, and in the automotive and transportation industry, as well as by metal product marketers, smelters, and metal recovery and recycling companies.

MOLYBDENUM

Used primarily to strengthen steel alloys and to soften tungsten alloys, and is also used in fertilizers, dyes, paints, and reagents.

Our principal customers are in the transformation industry, treating and processing molybdenum and its derivatives, such as molybdenum oxide.

SILVER

Used in photography, electrical and electronic products, and to a lesser degree, in traditional welding and welding alloys, jewelry, coins, silverwork, and catalysts.

Our principal customers are in the hazardous waste treatment and recovery industry, manufacturers of specialty pieces that use metal alloys, and sellers of construction materials.

ZINC

Used primarily to galvanize steel and iron to protect these from corrosion. It is also used in batteries and for architectural purposes.

Our customers are in the steel, electrical and cable industries, sellers of zinc alloy products, and pure metals supply companies.

GOLD

Used in jewelry, cancer and other treatments, for industrial welding, coloring in photography, and also in the aerospace sector, among others. Therefore, our customers are active in many sectors, benefiting from the properties of this metal, such as its corrosion resistance, among others.

INVESTMENTS & PROJECTS

(G4-13, G4-EC8, G4-EN27)

At Grupo México, we've set as a goal to double copper production to become the third largest copper producer worldwide. We continued to make strong investments in 2015, a year characterized by the global instability of the mining sector, with downward trends in metals prices.

As a result of this commitment to growth, we increased copper production 7% to produce a record 905,601 tons. Also of note is the 3% increase in silver production and 12% increase in gold. The Buenavista del Cobre expansion project in Mexico has increased production at this mine by 26% this year. In 2015, we received the construction permit for the Toquepala expansion project, on which work has started. Our investments in the United States mines are focused on projects to improve operational efficiency and better usage of resources and energy.

Grupo México's investment approach focuses on improved operational efficiency for our processes to remain a world leader in low-cost production.

Buenavista del Cobre Expansion

Our Buenavista del Cobre (Mexico) operation is the second largest mine worldwide in copper reserves and is being expanded to increase its annual copper production to 500,000 tons by 2017, and also to increase its production of molybdenum. This expansion project is the most important industrial investment in the mining sector in Mexico. At year close, we have invested US\$3 billion of the US\$3.50 budgeted for this project.

In 2015, the Concentrator II started operations and is expected to reach full capacity in the second half of 2016, producing 188,000 tons of copper and 2,600 tons of molybdenum each year. With a daily processing capacity of 110,000 tons of ore, the Concentrator II will produce 2.3 million ounces of silver each year and 21,000 ounces of gold. This project represents an investment of US\$1.38 billion by Grupo México.

Following the startup of the SX/EW III Solvent Extraction Electrowinning Plant in 2014, the plant reached full capacity this year and is expected to produce 120,000 tons of copper cathode annually.

During 2015, we continued the construction of the Quebalix IV Crusher and Conveyor Belt System, reporting 90% progress. This system is expected to start operations in the first half of 2016. This infrastructure breaks down and transports ore over belts, one of which is 1.7 km long, the largest in Mexican industry. With a haulage capacity of 12,300 tons of ore per hour, this project will improve the efficiency of the haulage process and contribute to reducing greenhouse gas emissions (GHG) by replacing trucks. At year close, we've invested US\$209 million of the total US\$340 million budgeted for this project.

The Buenavista del Cobre expansion has created 9,000 new jobs during construction, for employees and contract workers, including local residents.

Toquepala Expansion

Our mining operations in Peru have also received important investments to increase our production capacity and contribute to the economic development of the area. In 2015, work continued on the Toquepala expansion project, which includes a new crusher and conveyor belt system, which will replace haulage by train, and also a new concentrator. As a result, the annual copper production capacity will increase 100,000 tons to 235,000 tons, and molybdenum production will increase by 3,100 tons, when the project is completed in 2018.

Representing an estimated investment of US\$1.20 billion, 2,200 direct and indirect jobs are expected to be created during construction, and also 300 jobs for the operation of the expansion.

Tia Maria

The Tia Maria project will produce 120,000 tons of copper annually, using SX/EW technology, the most environmentally friendly, minimizing atmospheric emissions due to its technical process. Additionally, the project will use only seawater, ensuring the water from the Tambo River and the local wells will be used solely for agriculture and human consumption.

In August 2014, the Environmental Impact Assessment for the project was approved and we are currently waiting for the construction permit, which was delayed by

the Peruvian government due to certain pressures from anti-mining groups. In response to this, the Company implemented a multifaceted plan in 2015 to explain the characteristics and benefits of the project, particularly in environmental terms, including a national media campaign.

Aznalcóllar Mine Concession

The international expansion of Grupo México continues and 2015 marked a watershed moment with Minera Los Frailes, a new subsidiary of Americas Mining Corporation (AMC), being awarded the 30 year concession for the exploration and exploitation of the Aznalcóllar mine in Spain. The mine has reserves of 50 million tons of copper, zinc, lead and silver, and we are budgeting a direct investment of over €300 million for this projection.

Since receiving the concession this year, Minera Los Frailes has already begun the first tasks, and approximately 1,000 jobs are expected to be created during the exploration and startup phases, as well as 1,200 direct and indirect jobs during the operation over more than 19 years. This will contribute to the local socioeconomic development of an area that has been particularly affected by unemployment.

The project design considers water self-sufficiency with the capturing and reuse of rainwater and the use of 100% renewable energy. Additionally, the project will be carbon neutral from the first year of operations due to the compensation of its greenhouse gas emissions (GHG).

INNOVATION, CONTINUITY AND OPERATIONAL EFFICIENCY

Grupo México's operations develop specialized processes thanks to cutting-edge technology and the performance of our professionals. In addition to incorporating available solutions, we seek to contribute to innovation in the industry. In this regard, we support projects submitted by different universities to the Mexican Council of Science and Technology (Conacyt) to receive funding from the Regional Institutional Development Fund for Science, Technology and Innovation (Fordecyt), including projects that focus on water usage, energy, human resources management, and communications. In addition to providing financing, the combination of our experience and university research teams creates important synergies.

At Grupo México, we also participate in the Technological Innovation for Large Companies (Innovatec) program, which also supports university research. Proposals for improving processes and technological solutions arise from this program, which enrich our body of knowledge and give fresh impetus to the industries in which we participate. In addition, we're innovating within the Company by re-engineering processes and responding to possibilities for ongoing improvement, and as a result in 2015 we submitted a patent application to the Mexican Industrial Property Institute (IMPI). Partnerships with universities are also present at our

operations in the United States, where we've been working together for years. We've completed various projects with the University of Arizona, and our collaborations with various institutions include biodiversity protection programs and biosolid reuse. Also, in keeping with our collaborative projects, we've coordinated connections between different institutions such as the University of Arizona Center for Sustainable Mining and the University of Zacatecas.

Developing more environmentally friendly processes and alternatives is a major focus of innovation at Grupo México. This year, we made important inroads on one of our most noteworthy projects: the use of bioleaching to extract copper, which has proven to be highly efficient. After completing the initial research in 2000 and large scale testing, in 2014 we put into operation a 300,000 liter bioreactor to produce bacterial biomass for bioleaching. The operation of this bioreactor was consolidated during 2015, making it replicable and scalable to other Company operations.

CUSTOMER RELATIONS

(G4-PR4, G4-PR5, G4-PR9)

The satisfaction of our customers is essential to the current and future performance of Grupo México, and moves us to deliver quality products.

We conduct annual satisfaction surveys within our mining operations, the results of which are reviewed by senior management to identify and implement improvements.

Monitoring the perception of our customers is part of our approach of efficiency and ongoing improvement, to continue to advance on our path as a solid and trusted Company.

At Grupo México, we operate in adherence of law and received no fines or sanctions this year related to the supply or information for the products we deliver to our customers.

PROMOTE

COMMITMENT & WORKPLACE CLIMATE

(G4-9, G4-10, G4-11, G4-LA1, G4-LA4, G4-LA13, G4-HR3, G4-HR4, MM4)

At Grupo México, we work to strengthen who we want to be in the present and future, building a flexible, dynamic and strong organization. Our “Cambio de Cultura” (Changing Cultures) program has been in place since 2010 and focuses on maintaining labor peace, developing leadership skills, teamwork and communication, and reinforcing our corporate values every day.

The Mining Division team was comprised of 16,062 collaborators in 2015, a 3% growth over 2014, which is particularly noteworthy in the context of the difficulties the mining sector faces worldwide. We’re committed to a stable workforce, with 98% of collaborators holding permanent contracts and nearly all working full time.

The presence of women on the team is increasing and currently represent 6% of the workforce. Grupo México respects salary equality between men and women holding the same position. Our team is also enriched with different generations, where communication and respect are paramount. This is an ongoing goal that we’ve set, which is also reflected in our Code of Ethics. However, during the year, there were 3 cases of alleged discrimination at our mining operations in the United States, pending resolution.

At Grupo México, we guarantee freedom of association, with 12,011 union employees in the Mining Division, representing 75% of the workforce. We strive to strengthen trust within the Company and our collabora-

tors, including their union representatives, for which we maintain ongoing dialog through the Human Resources Department. We communicate operational changes with the advance notice established in the collective bargaining agreements and we act according to legal requirements, as applicable, as occurs in the United States with the Worker Adjustment and Retraining Notification Act (WARN), which requires 60 days notice for mass layoffs and/or closures.

There were no strikes or additional work stoppages in 2015, as has been the case for 8 years thanks to the efforts of all in fostering labor peace and the organizational change of culture.

COLLABORATORS

Mining Division, 2013–2015



NUMBER OF COLLABORATORS BY COUNTRY

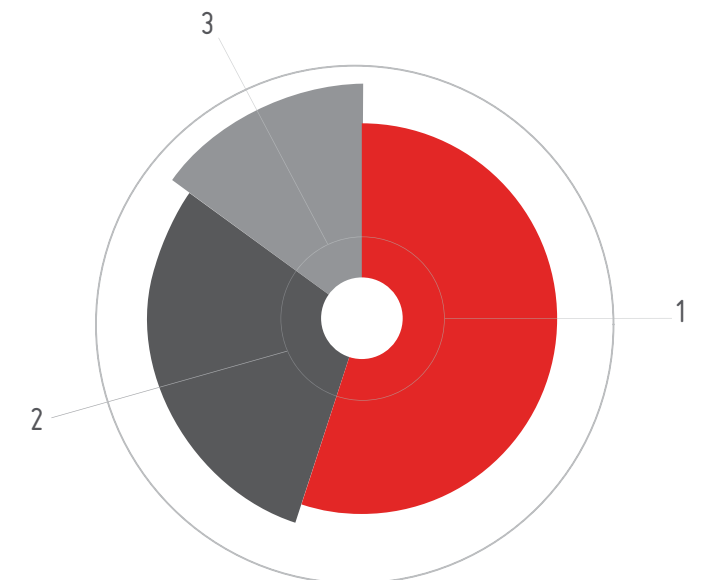
Mining Division, 2015

Mexico	8,799
Peru	4,834
United States	2,429

PERCENTAGE OF COLLABORATORS BY REGION

Mining Division, 2015

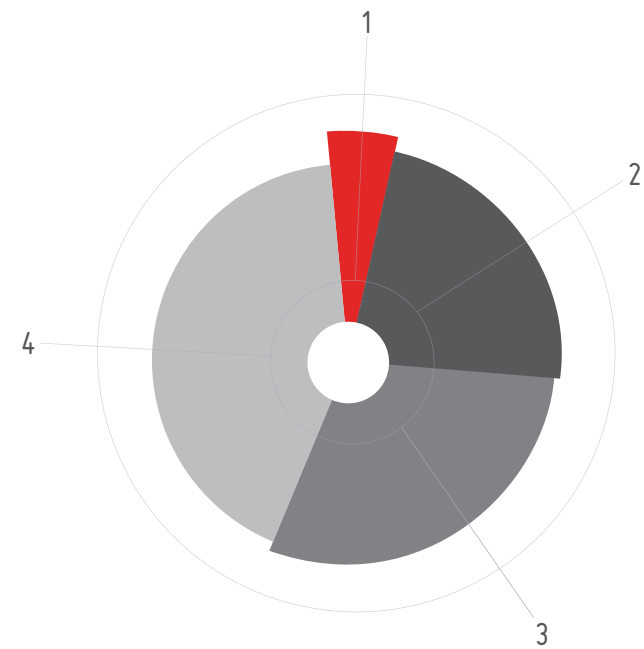
1	Mexico	55%
2	Peru	30%
3	United States	15%



PERCENTAGE OF COLLABORATORS BY AGE GROUP

Mining Division, 2015

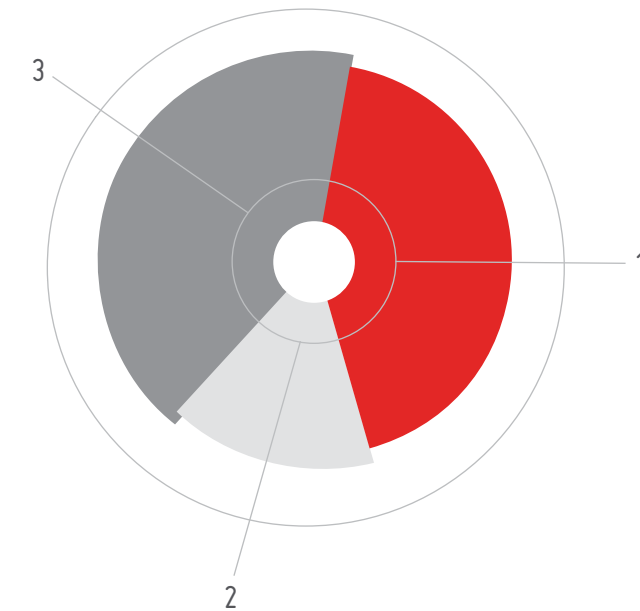
1	18-24	5%
2	25-34	23%
3	35-44	30%
4	Over 45	42%



SEPARATIONS BY REGION

Mining Division, 2015

1	Mexico	43%
2	Peru	16%
3	United States	41%



WOMEN BY COLLABORATOR CATEGORY

Mining Division, 2015

Senior Management & Department Heads

Technicians

Specialists

Assistants

	N° Collaborators	% Women
Senior Management & Department Heads	213	10.8
Technicians	3,302	11.4
Specialists	3,583	7.7
Assistants	8,964	3.5

TURNOVER RATE (%)

Mining Division, 2013-2015



We strive to offer our collaborators conditions that will motivate them to participate in our collective efforts, guaranteeing their safety and encouraging their professional development. Although there were some separations from the Company, the turnover rate for the Mining Division was 6.7%⁹, in 2015, remaining stable compared with the previous year. It should be noted also that in 2015, there were 9,253 new hires between our mining operations in Mexico, Peru and the United States.

(G4-EC5, G4-LA2)

The commitment of our team is one of Grupo México's key assets, which we recognize by offering salaries that allow for the wellbeing of our collaborators and their families. We also offer benefits above those required by local law, and those established in the collective bargaining agreements in effect at our operations. Our efforts particularly focus on education, for our collaborators and their families, and health through medical and life insurance, and also additional coverage in the event of accidents, for both union and non-union employees, independent of the type of contract and whether the employee works full time.

During 2015, the average Base Salary in the Mining Division was equal to 11.86 times the local minimum wage¹⁰. The Base Salary includes the starting salary, productivity bonuses, cash benefits, and profit sharing, where applicable.

Working with a satisfied team is an ongoing commitment of Grupo México. In 2015, we conducted a workplace climate survey at our mining operations in Mexico, in which 74% of our collaborators participated. More than half of those surveyed said they were highly satisfied and committed, which represents a successful result for all of us who form part of this big family. To share the results with the participants and to receive feedback first-hand, we hold informational sessions that help us to define the groups and actions to prioritize.

TRAINING & CAREER DEVELOPMENT

(G4-LA9, G4-LA10, G4-LA11)

We want to offer our collaborators opportunities for professional development, making training programs available that cover both technical competencies and behavioral skills, and which are also key due to the high specialization of our processes. In 2015, we provided 595,426 training hours in the Mining Division, with an average 38 hours per collaborator.

The skills management and training programs we offer at the Mining Division vary according to the type of work activity and the country of operation.

⁹ The Turnover Rate for the Mining Division is calculated as the number of people leaving the Company in terms of the total number of collaborators (x100).

¹⁰ Considering the Base Salary (BS) and the Minimum Wage (MW), the calculation of the BS/MW average is determined weighting the BS and MW for each country where we operate, based on the number of collaborators in the Mining Division in each territory.

At Grupo México, youth and adults come together, sharing experiences and learning. Our low turnover rates are a reflection of our strong, solid family.

TRAINING PROGRAMS

MEXICO
<p>Programs based on the Minera México Corporate, Administrative and Technical Competencies Model, where each position has a specific description of the competencies required, which are assessed to identify training needs and define the annual training programs.</p> <p>The detection of training opportunities is the result of dialog between supervisor and collaborator, planning their training and professional development together.</p>
PERU
<p>The competencies required are defined based on the position, considering the type of activities performed, the technology available, and possible special projects. These competencies then provide essential input into the Annual Training Plan.</p> <p>The principal programs are: (i) occupational health and safety, (ii) technical competencies, and (iii) behavioral skills (coaching, supervisor responsibilities, and management skills).</p>
UNITED STATES
<p>Programs based on the development of leadership skills, such as conflict resolution, mechanisms for employee feedback, and adaptive leadership, among others. Management courses are offered on diversity, understanding policies and procedures, gender equity and discrimination. Additionally, courses are held at a creative leadership center, outside the ASARCO facilities, where we strive to maximize the management skills of our collaborators.</p>

We are continuing the competency certification process in Mexico for our collaborators through CONOCER (Mexican competency certification agency), which recognizes skills and knowledge according to a specific national standard by the type of activity performed.

We offer assistance at our mining operations in Mexico for employees who are nearing retirement, to help them with the administrative processes they will need to complete and we offer advice on how to design life plans for their new phase of life. We support people who are let off by the Company through job search orientation sessions.

In addition to training and also relevant for professional development, we conducted performance reviews for all non-union employees in 2015.

PERFORMANCE REVIEW PROCESSES

MEXICO
<p>Goals for employees are defined based on the strategic goals of the business. Employees are assessed annually in terms of competencies and achieving the goals set. In the process, dialog is strengthened between the employee and their supervisor, and also alignment between projects and teamwork.</p>
PERU
<p>A Performance Review tool is applied to employees that have been with the Company for more than 6 months, and includes general criteria, such as: applying skills and knowledge, work planning and organization, interpersonal relationships, results, initiative, work attitude, and creativity. Additionally, management with employees under their charge are assessed in: management skills, cost control and resource management, safety, problem analysis and decision making, and the development of their team.</p>
UNITED STATES
<p>Each employee and their supervisor set goals, which forms the basis for the annual review at the end of the year, using an online tool. Career planning sessions are held where the employee and the supervisor set new goals, skills, and areas for improvement for the next performance review.</p>

OCCUPATIONAL HEALTH & SAFETY

Safety in the Workplace

(G4-LA5, G4-LA6, G4-LA8)

The health, safety and wellbeing of our collaborators is the highest priority for Grupo México, and our goal is ZERO ACCIDENTS. We're committed to creating optimal and safe workplaces, according to the highest international standards.

Our mining operations have a Comprehensive Workplace Health and Safety Management System in place, which monitors risks and develops improvement plans according to the results obtained, and also the responsibilities for our collaborators and contract workers. We maintained 12 business units certified in OHSAS 18001:2007 in Mexico and Peru.

Additionally, we have 6 healthy workplace certificates at our operations in Mexico, given by the Department of Health. We also participate in the Mexican Department of Labor and Social Welfare Workplace Health and Safety Self-Management Program (PASST), which is voluntary and expresses the strict adherence of Grupo México to safety legislation, with 18 units certified.

Grupo México's efforts and commitment to the health and safety of our collaborators has delivered the following achievements for the Mining Division in 2015:

- The Mexican Mining Chamber (CAMIMEX) awarded the Casco de Plata "Jorge Rangel Zamorano" prize to the Mexicana de Cobre and the Buenavista del Cobre SX/EW plants, for reporting the lowest incident rates in the industry and for their efforts in accident prevention.
- Our incident rates at our mining operations in Mexico are 54% below the national average.
- In Peru, a Behavior Based Safety process has been adopted, the purpose of which is to reinforce safe behaviors through observation and feedback during the day-to-day work, creating a positive environment that stimulates participation and pride in the efforts aimed at building a safe work environment.
- Our mining operations in the United States again reported the lowest accident and severity rates in their history, with an incident rate 70% below the regional average.

We have different coordinated bodies that manage health and safety, to guarantee due diligence in these areas.

In the case of our mining operations in Mexico, we have a Central Safety Committee, comprised of managers, directors and superintendents, and which is responsible for ensuring compliance is met with regulations and the corrective measures defined from monitoring the

operations. The Departmental Safety Committee reviews the work conditions within the Company and is comprised of supervisors, and the Health and Safety Commission (or Joint Commission), which is comprised of management and employees, where 100% of the workforce is represented.

Also, safety cells have been created comprised of employees and supervisors, whose responsibilities include detecting unsafe behaviors among the workforce and unsafe conditions in the workplace, raising awareness with coworkers, and suggesting potential safety improvements. The fifth Forum on Safety Cells was held this year, in which the groups that proposed the best initiatives for prevention and management participated.

In Peru, we have a Joint Workplace Health and Safety Committee (CSST) at each operating unit, comprised of management and employees from the different areas, representing 100% of the workforce. This Committee regularly inspects the operating conditions, analyzes potential risks, and develops and follows-up on health and safety plans and programs.

Our mining operations in the United States also have Health and Safety Committees, as outlined in the collective agreement for each plant. The members of these committees include employees designated by the Company and others elected by the union, and represent all employees. In addition to participating in the design of the health and safety programs, the committee periodically inspects the working conditions, participates

The severity rate for the Mining Division decreased 82% in 2015, compared with 2014. This is a clear indication of our concern and commitment to the safety of our collaborators.

in accident investigations, and answers concerns from employees on health and safety issues.

Providing a safe workplace and building strong collective awareness on the importance of prevention is the result of the joint efforts of all who form part of Grupo México, under the supervision and support of the different committees responsible for health and safety. The training we offer is also key, promoting caution among our collaborators when performing their duties.

In 2015, we made significant efforts in training. Our mining operations in Mexico offer a mandatory basic safety course for all collaborators and we also offer a pre-hiring workshop program, to increase safety knowledge before joining the Company.

We also implemented a Behavior Based Safety Program at our mining operations in Peru, which encourages observation and feedback between collaborator teams on unsafe behaviors. The observations made are entered into a software, which helps to analyze and develop actions. This program reinforces good practices aligned with risk prevention. The behavior of our collaborators also forms part of the new safety program at our mining operations in the United States, together with monitoring workplace conditions. Through these actions, in addition to offering training, we've made each collaborator an active observer in their surroundings. As a result of the collective effort, the incident rate has been reduced 27% over the last three years, and 18% compared with 2014. Additionally, the severity rate has also lowered, as reflected

in the number of days lost, reporting a severity rate in 2015 that is 53% lower than the previous year.

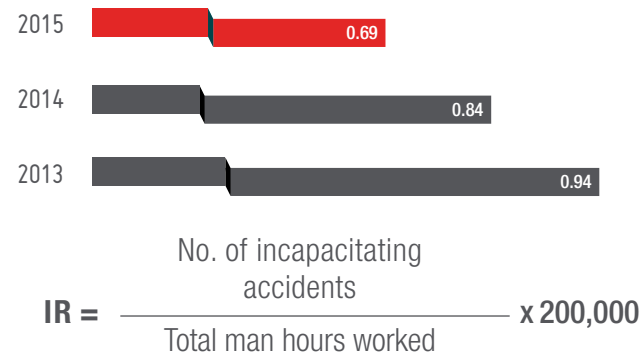
At Grupo México, we ensure our contractors comply with the safety policies and procedures in place at our sites, encouraging them also to participate in our culture of prevention and integrating these employees into our Workplace Health and Safety Comprehensive Management System.

The incident rate for contractors increased 24% at our mining operations, compared with 2014, from 0.51 to 0.63, and the severity rate decreased 82% from 0.60 to 0.11.

We lament the loss of one of our collaborators. In response to this unfortunate incident, we've reinforced the implementation of preventive measures to eliminate unsafe conditions and actions that could cause a similar accident to occur.

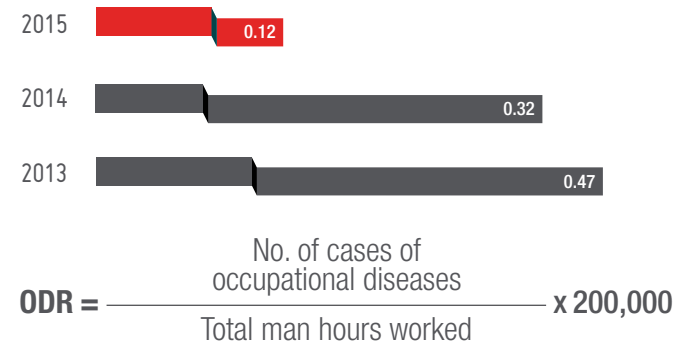
INCIDENT RATE

Mining Division, 2013-2015



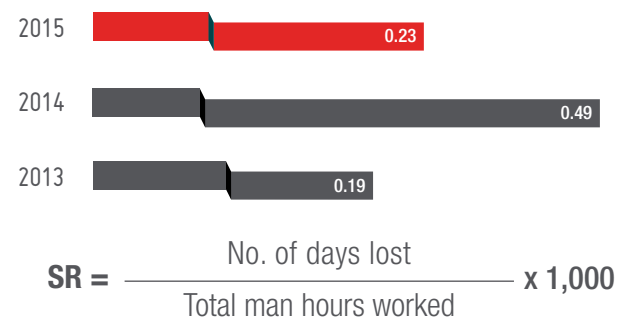
OCCUPATIONAL DISEASE RATE

Mining Division, 2013-2015



SEVERITY RATE

Mining Division, 2013-2015



OCCUPATIONAL HEALTH

(G4-LA7)

The wellbeing of our collaborators is a priority for Grupo México and we guarantee the health of the members of our teams, making health-care services available to them and their families.

At our operations in Mexico, we have also developed the program "Bienestar" (Wellbeing), which focuses on preventing chronic degenerative diseases, such as diabetes, high blood pressure, dyslipidemias, or obesity, through the detection of potential risk factors and recommending measures, with the support of nutritionists.

In Peru, our collaborators and their families have 3 Company hospitals available to them, in Cuajone, Ilo and Toquepala. Collaborators who perform higher risk activities receive medical examinations so as to assess their health and take any measures needed. In addition, we have developed engineering measures that contribute to reducing risk, such as installing geodesic domes for ore storage areas at our Buenavista del Cobre (Mexico), Toquepala and Cuajone (Peru) mines, and we monitor potential contaminants as part of our industrial hygiene efforts.

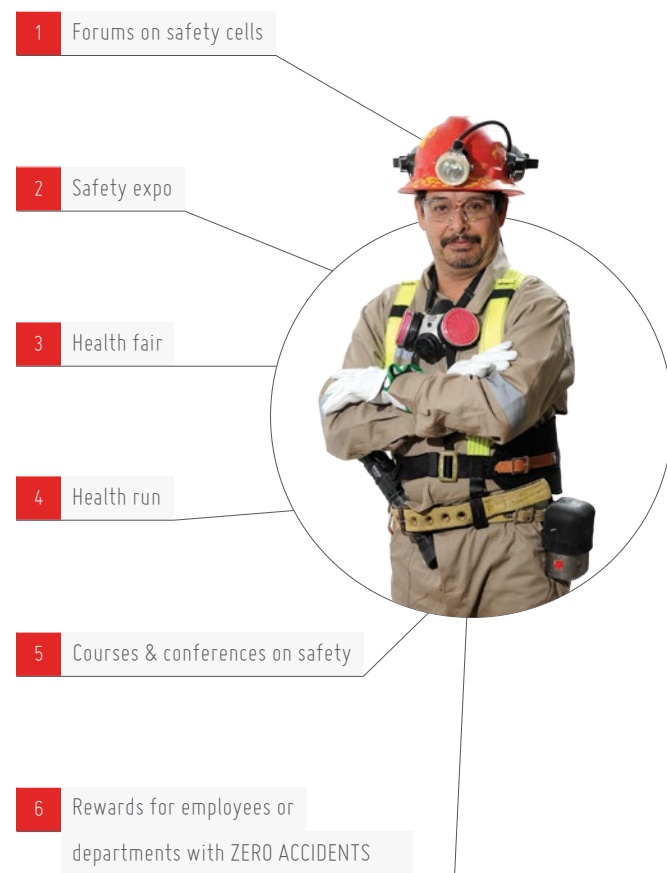
The efforts made by everyone that forms parts of this team have resulted in a 74% reduction in the occupational disease rate for the Mining Division over the last three years and a 62% reduction compared with 2014.

In Mexico, we continue working on the "Entornos Saludables" (Healthy Environments) program, with 3 schools and 5 Company neighborhoods being recognized as healthy and safe environments by the Department of Health.

Raising awareness around responsibility, prevention and self-care is a goal we've set for our collaborators, their families and the community. We hold a Health and Safety Week at each mine, taking a participatory approach that include workshops and conferences, and also a vaccination campaign in Mexico.

ACTIVITIES DIRECTED AT:

PERSONNEL



EMPLOYEE FAMILIES & THE COMMUNITY



At Grupo México, our collaborators are not only our employees, each of their families are also part of our community.

INVESTMENT IN HEALTH & SAFETY

During 2015, the Mining Division invested US\$117 million in occupational health and safety, an 11% increase over 2014.

INVESTMENTS IN WORKPLACE SAFETY

(US\$ millions)

	Mining Division
Administrative costs	\$ 6.43
Training	\$ 4.90
Personal protective gear	\$ 10.01
Hygiene studies	\$ 1.82
Engineering Works	\$ 84.78
Total	\$ 107.94

INVESTMENTS IN WORKPLACE HEALTH

(US\$ millions)

	Mining Division
Health awareness, promotion and protection	\$ 0.72
Detection and prevention	\$ 0.69
Treatment	\$ 7.54
Rehabilitation	\$ 0.03
Total	\$ 8.98

COMMUNITY DEVELOPMENT

Community Development Model

(G4-S01, G4-S02)

We strive to contribute to the development of the areas where we operate, creating opportunities for the community. As corporate citizens, we want to build a legacy for a more promising future, with a long term commitment, strengthening one of our most precious assets: the trust placed in us by our neighbor communities.

Through solid social linkage programs, we encourage local transformation processes in the community, instilling entrepreneurship to ensure that efforts transcend and become engines of change. This approach is reflected at our mining operations in Mexico and Peru, where through close dialog with the community, we kick-start initiatives that respond to the needs of each region. In the United States, our efforts are focused on other aspects, due to the high degree of development in the areas where we operate.

Our involvement and contributions to the community are carried out through a process of social linkage, which starts with an assessment conducted together with local residents of the potential impacts the operation will cause and the current needs and expectations of our neighbors. We develop proposals based on the results obtained, to maximize the social value with initiatives that are integrated into a work plan. This was the setup that we followed at Minera México for the design and

implementation of the 2013-2015 Community Development Strategic Plan, which has matured our approach to community relations and helped to implement successful initiatives.

Our social linkage process considers the Development with Purpose model, which is the basis for Grupo México's commitment to sustainability and creating value. This process also seeks to involve the different sectors and institutions present in the community (educational, governments, etc.), under an approach of co-responsibility and shared work, which contributes to strengthening the initiatives and helps to ensure their continuity.

Mexico

(G4-S01, G4-EC7, G4-EC8)

The work plans for the operations of the Mining Division, and also the Infrastructure Division, in Mexico are executed applying the Casa Grande community development model. With the efforts of our team of community volunteers and experts, the model helps us to develop projects that are designed together with our neighbors. In 2015, we conducted 3,054 activities with the collaboration of 6,946 volunteers, which shows how through our involvement and ongoing dialog, we're increasing the social capital in the areas where we operate.

Through Casa Grande, we've invited the community to submit project proposals to receive financing, allocating resources independent from the mining tax in Mexico.

We've identified our primary areas of focus as education and the environment, to which we add health and safety, and productive development as complementary areas of interest. Children and youth are a priority for us, knowing that by giving special attention to these age groups, we're influencing the generations that will mark the path in the future. The projects submitted are reviewed by the community committees, joint bodies that involve members of both Grupo México and the community, strengthening dialog and citizen involvement.

At 2015 close, the Mining Division, through its activities in Mexico, and the Infrastructure Division had 16 operations and explorations in 11 states with the Casa Grande model already in place, having launched 6 calls for projects and financed 76 initiatives.

Of note this year is the extension of Casa Grande to the mine exploration projects, such as El Arco (Baja California Sur, Mexico) and Angangueo (Michoacan, Mexico). For this, we have adapted the model to focus on building the relationship between future mine developments and traditional ways of life.

At Grupo México, we're also striving to create value through social investments for the communities to have facilities and spaces that could contribute to their quality of life. At the beginning of 2015, the Cananea Regional Specializations Hospital was opened, built through a three-level investment partnership between the Federal Government, the Sonora State Government, and Grupo México, where our

At Grupo México, we support more than 3,500 students, building hope for a better future.

VISION		
To be the leader in Community Development in the country, recognized for performance and impact.		
MISSION		
To strengthen the Company's operations, improving the quality of life in the communities where we operate, building community linkage structures and promoting collective involvement to improve the common good, recognizing people as the core generators of development.		
PRINCIPLES		
<ul style="list-style-type: none"> • Co-responsibility • Respect for the rhythms and needs of the community • Horizons, not limits 	<ul style="list-style-type: none"> • Transparency • Accompaniment in the social change that strengthens structures • Feedback from the community • Empathy, acceptance and consistency 	<ul style="list-style-type: none"> • Proactive leadership • From the community to our ears • Communication • Inclusion
VALUES		
Honesty	Respect	Responsibility
COMMUNITY MODEL		
CASA GRANDE		
TOOLS	METHODOLOGY	
<ul style="list-style-type: none"> • Invitations to submit projects • Community committees 	<ul style="list-style-type: none"> • Social investment fund • Multidisciplinary linkage • Corporate • Volunteering 	<ul style="list-style-type: none"> • Formation of leaders and transfer of knowledge • Identity modeling • Experiential learning • Community immersion to promote local processes • Measuring social impact

Casa Grande is a place for everyone and where development with purpose is built on our community model.

contribution was more than US\$7.2 million. This is the first medical center with universal access in Mexico, receiving cardholders from any medical service and also people without coverage, with a potential to benefit the 35,000 residents in the area. The hospital offers consulting and emergency services, operating rooms, delivery room, x-ray lab, imaging lab, blood bank, and telemedicine. The next steps will include implementation of a dialysis service so that patients won't have to travel to other cities.

The hospital is situated in Tamosura Park, opened in 2014, which over 56 hectares includes a combination of public spaces and recreational, sports and commercial areas and facilities. The park was built for the residents of Cananea and the region as a meeting point and place for leisure activities; this is a space that balances nature and infrastructure.

Peru

(G4-SO1, G4-EC7, G4-EC8)

In Peru, our mining operations are situated in the south of the country, in a farming area, and we seek to contribute to their development in close cooperation with the authorities and representative organizations in the region.

Our commitment to the community is reflected in three areas of work: education and skills strengthening, health and nutrition, and infrastructure and support for the agricultural sector.

Regarding health and nutrition, in 2015, we continued our commitment to support the community health agents in the province of Candarave, through actions such as demonstration sessions on the use of local products and training, contributing to strengthening the follow-up and monitoring with children 0 to 5 years of age. In addition, we've developed health awareness and prevention campaigns for residents in the provinces of Candarave and Jorge Basadre.

With regard to infrastructure, we're contributing to the water supply; in 2015, 4 water storage structures were built for irrigation, totaling 11,128 m³, and construction began on 9 channels for the province of Candarave with a total 4,888 lineal meters, and also the construction of pressurized irrigation modules for 231 parcels and 466 hectares in the district of Ite. We also supported the development of projects to strengthen fruit production and cattle farming in the provinces of Candarave and Jorge Basadre.

We are working on the implementation of public infrastructure for the community, being the first contributor of the Consortium of Companies with High Commitment to Investment, effort that was recognized in 2015 by the Private Investment Promotion Agency (Proinversión). We also seek, in collaboration with the different levels of government in Peru, to develop projects that will deliver high social return and, thus, contributed significantly to the development of the regions where we operate.

by the authorities and the communities that participate in the roundtable discussions, contributing to the economic development of the area by contracting local companies to execute these projects.

United States

(G4-S01)

The ASARCO Government and Community Affairs Plan is in place at our operations in the United States and establishes the guidelines for our community relations. In a different context to our mines in Mexico and Peru, we focus our efforts on educational, sports and cultural activities, involving different organizations. We strive to be a good neighbor, contributing to the quality of life in the area.

EDUCATION & ENTREPRENEURSHIP

(G4-EC7, G4-EC8)

At Grupo México, we believe that supporting education and entrepreneurship is synonymous with building the bases for a more prosperous future, and we're dedicated to this work. We contribute to the education of children and youth from our neighbor communities throughout their different stages, from basic education through to university.

Our mining operations in Mexico and Peru contribute to education for our communities through schools that are

sustained and/or sponsored by the Company, which we complement by awarding scholarships for different levels of study, extending this to our employees and their families.

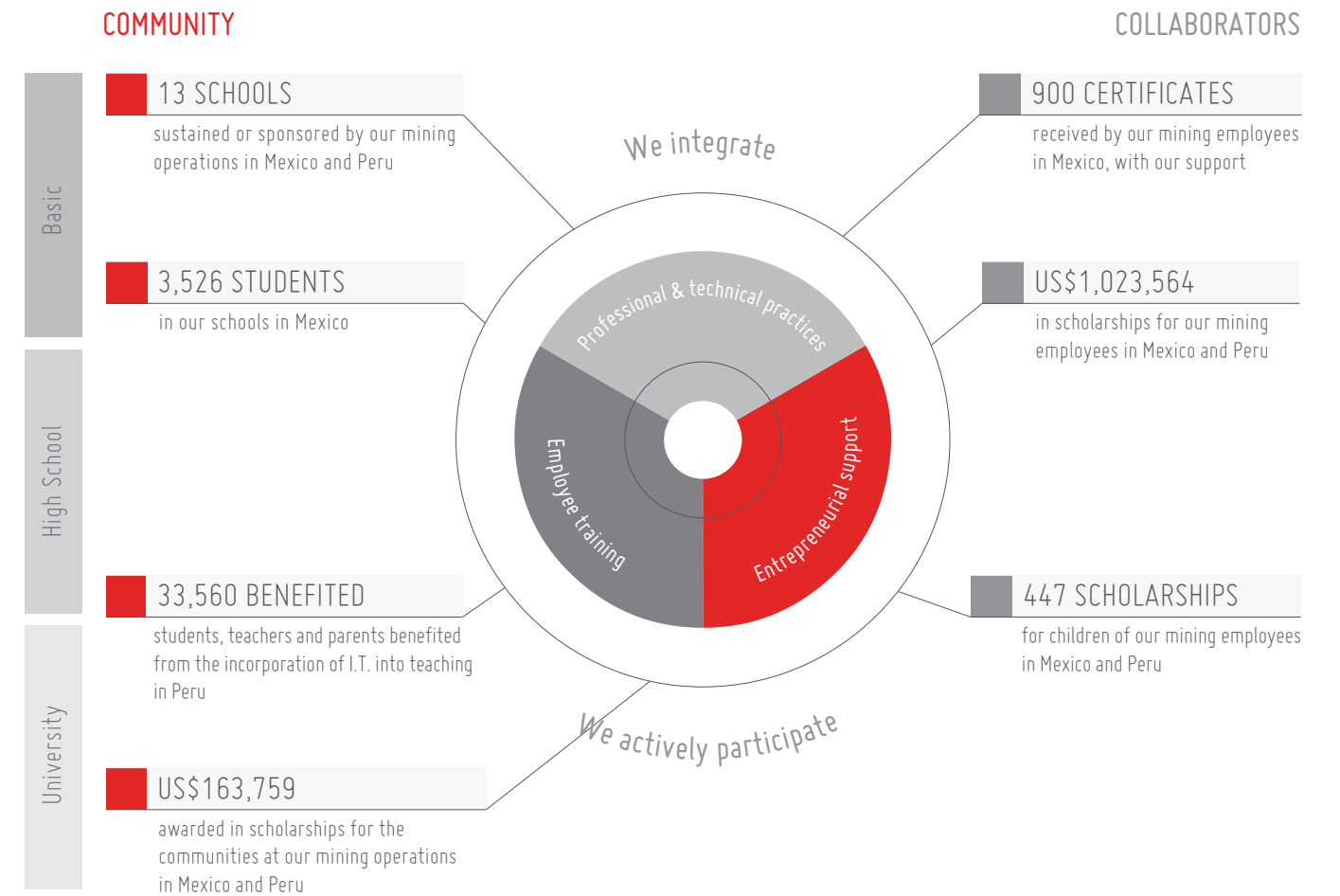
In the United States, we also operate a scholarship program and also participate in joint initiatives with charity organizations and the government. Additionally, we support development with actions such as donations to United Way made by both the Company and our collaborators. It should be noted that the Arizona education system has strongly benefited from mine royalties.

We have an internship program in place at our mining operations in Peru, for university or college graduates from our neighbor communities, which started three years ago with various annual invitations, and which offers three-month internships to gain professional experience. We have also launched the "Forjando Futuro" (Forging Futures) program, which provided training to 45 youth in 2015 as operators in different mine processes. Fourteen of these trainees were hired permanently. The program received 500 applications, which motivates us to further develop the program in the coming years.

Supporting entrepreneurship among women is also one of our goals, creating opportunities for their professional development and contributing to strengthening the

family economy. In the Peruvian province of Mariscal Nieto, our "To-rateñas Emprendedoras" program trained 40 women in bakery skills and in producing fruit juices and dairy products. We were excited to see that, before year end, participants in the program had created two companies applying the skills learned. Our support for future professionals is reflected in programs like "Jóvenes Emprendiendo para el Éxito" (Young Entrepreneurs Preparing for Success), which trained 508 participants in business management, marketing, finance, and personal development, among others. It should be noted that 15 of these participants received seed grants to start their businesses.

EDUCATIONAL SUPPORT



INVESTMENT IN COMMUNITIES

In 2015, the Mining Division invested US\$86 million in our communities, an 18% increase over 2014.

INVESTMENTS IN COMMUNITIES

(US\$)

Mining Division

Community development

Social linkage	641,396
Community development programs	8,003,291
Sponsorships and donations	10,620,100
Infrastructure and equipping local neighborhoods	50,066,980

Employees and communities

Investment in education	586,592
Sports and cultural activities	898,001
Investment in infrastructure in Grupo México neighborhoods	15,034,969
Total	85,851,329



We reduced the occupational disease rate

in the Mining Division

by 62% in 2015 compared with 2014.

PROTECT

ENVIRONMENTAL MANAGEMENT

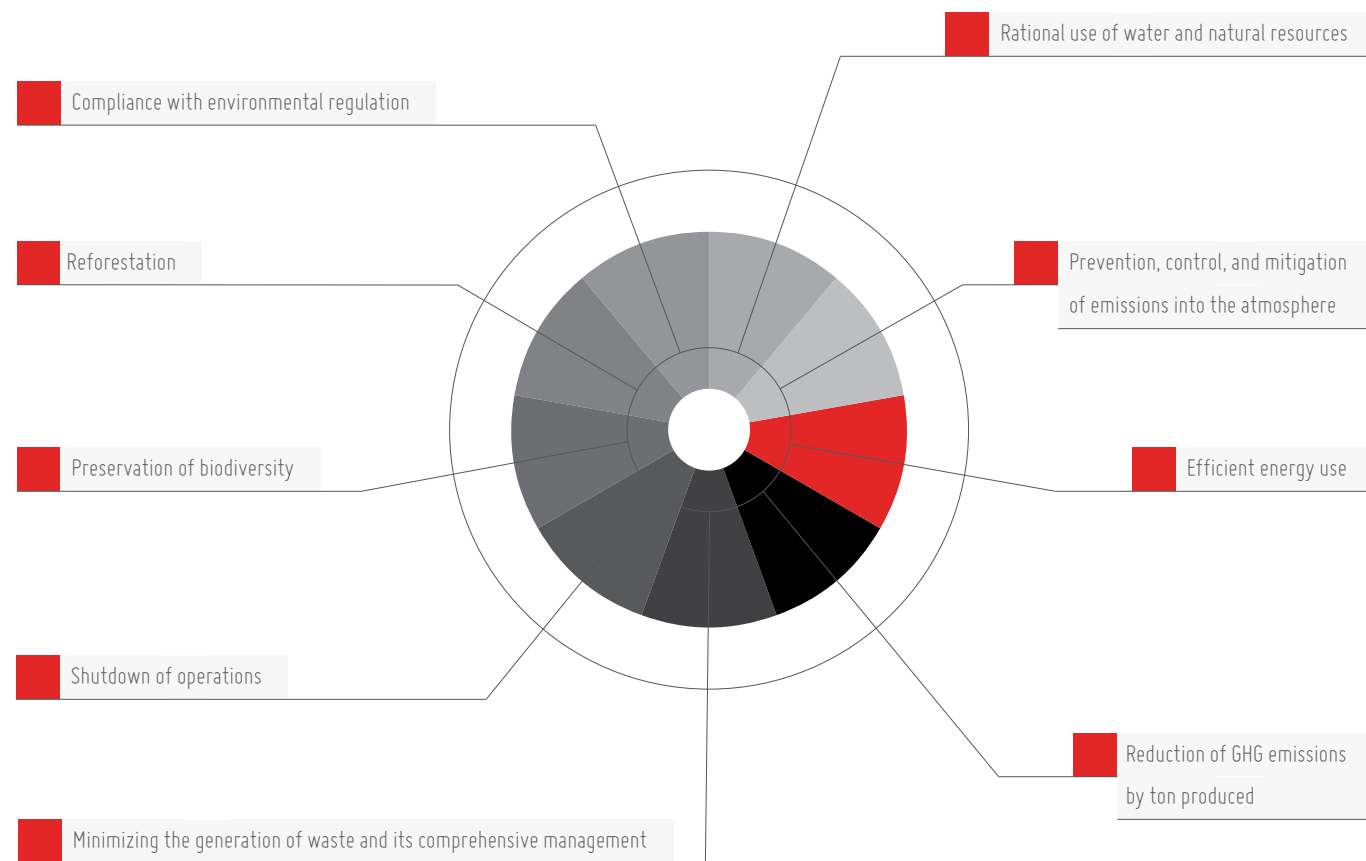
(G4-EN29, G4-SO2)

The value we deliver to our stakeholders is based on the vision of a prosperous future in which the generations to come will be able to develop. In this regard, we strive to protect our environment and guarantee the availability of essential resources over time.

We operate under an approach of ongoing improvement, incorporating best practices in terms of efficiencies in the use of materials and energy. We implement reduction and/or mitigation initiatives in response to the identification and assessment of our environmental impacts. Our environmental management has eight main lines of action:

ENVIRONMENTAL EQUILIBRIUM

A DETALLE



The Mining Division has environmental management systems, according to reference standards. In 2015, we maintained ISO 14001:2004 certification for 4 units in Peru: Ilo Smelter, Ilo Refinery, and joint certification for the Cuajone and Toquepala leaching systems; in Mexico, the Mexicana del Cobre metallurgic plants in the state of Sonora maintained their certifications. Additionally, our mining operations in Mexico hold 12 Clean Industry Certificates and 6 Environmental Quality Certificates given by the Mexican Environmental Protection Agency (PROFEPA).

We understand that the major environmental challenges require the cooperation of different parties. At Grupo México, we participate in the Sonora-Arizona Binational Program, which develops response plans for environmental emergencies, accidents, waste management, and flora and fauna conservation.

We also strive to raise awareness together with our stakeholders on protecting the environment, focusing on youth and families. At our Mining Division and Infrastructure Division operations in Mexico, we organize an Environment Family Event, which over 21 days includes cultural festivals, workshops, talks, and tree planting events, among other activities. This year, the initiative experienced a notable growth, being held at twice as many locations, 13, tripling the number of participants to 6,457 and planting 9,000 trees.

Although we operate in strict adherence of law, in 2015 our mining operations received 10 fines totaling US\$4.7 million. In Mexico, these were related to violations of legislation on waste, atmospheric emissions, water, environmental impact, and others. In Peru, we received a fine related to waste management and our mining operations in the United States received 11 non-monetary sanctions related to dumping and spills.

ENVIRONMENTAL INVESTMENTS

(G4-EN31)

The Mining Division invested US\$233 million in environmental projects in 2015, a 40% increase over 2014.

ENVIRONMENTAL-RELATED INVESTMENTS

(US\$ millions)

	Mining Division
Water	32.81
Energy	2.66
Air	85.01
Soil	16.46
Waste	63.71
Biodiversity & reforestation	15.97
Management	16.78
Total	233.40

ENERGY & EMISSIONS

Energy is key to our performance and we endeavor to use this resource efficiently. In this manner, with less energy consumed per ton produced, we're contributing to reducing our greenhouse gas emissions (GHG). We're also working to mitigate emissions, through our commitment to developing cleaner energy sources and diversifying our energy mix, as well as implementing reforestation projects to increase carbon absorption. We support the communities that neigh-

bor our operations in adapting to the effects of climate change and manage the potential risks generated by our activity.

Energy Efficiency

(G4-22, G4-EN3)

At Grupo México, we've set as a goal for the Mining Division, producing more with less, implementing energy efficiency initiatives according to best practices. To this effect, we're working on redesigning, converting and adapting equipment, improving and reorganizing processes, and training our collaborators to optimize the use of energy, making significant investments in these areas.

We performed an assessment of the milling circuit at the concentrator at our La Caridad (Sonora, Mexico) mine, which led us to change the cyclones to improve the operating conditions, reducing the power consumed by milled ore. This improvement will also be incorporated into our Buenavista del Cobre (Sonora, Mexico) mine in 2016, expecting savings of 0.90 kWh/ton.

We are firm in our commitment to energy efficiency, having invested US\$371 million in 2015 in modernization projects for the crusher, concentration and haulage systems. The Mining Division's energy mix is comprised of 54% fuel, primarily diesel and natural gas, and the remainder is supplied power generated by third parties or other Company subsidiaries under the Grupo México self-supply program¹¹.

ENERGY CONSUMPTION (FUEL)

Mining Division, 2013 - 2015

PETAJOULES



ENERGY CONSUMPTION (POWER)

Mining Division, 2013 - 2015

PETAJOULES



Emissions

(G4-EN15, G4-EN16, G4-EN21, G4-EN27)

Our mining operations release emissions into the atmosphere from different processes, including blasting, smelter furnaces, and moving ore, and also from burning fossil fuels.

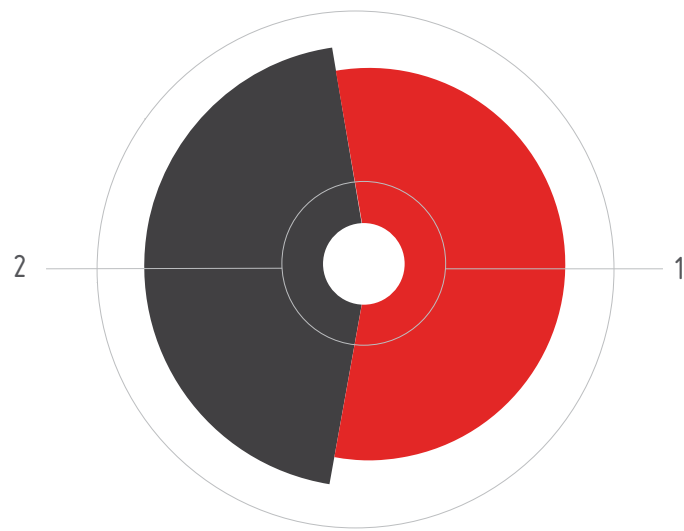
At Grupo México, we strive to maintain our emissions below the maximum thresholds permitted by law, and we're investing in infrastructure and technology to guarantee respect for the environment. The Buenavista del Cobre (Mexico) expansion project is a good example

¹¹ The fuel and power consumption for 2014 reported in the Sustainable Development Report have been restated due to adjustments in the accounting available.

ENERGY CONSUMPTION

Mining Division, 2015

1	Fuel	54%
2	Power	46%



of this, with the construction of a 120 meter diameter dome for storing ore, reducing particle matter emissions.

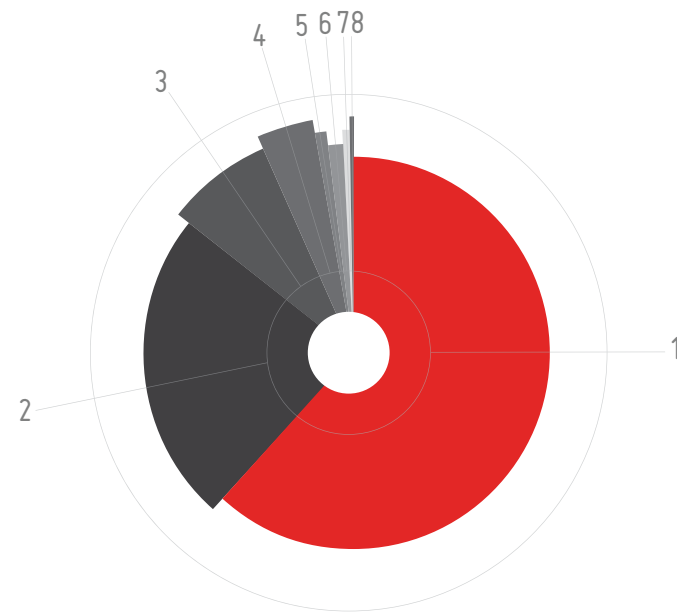
In addition, we're implementing a technological improvement project at our Toquepala (Peru) operation, for hauling ore to the Concentrator. In the United States, we reached an agreement with the Environmental Protection Agency (EPA) at the end of 2015 on the implementation of the converter retrofit project at our USA operations, which will allow us to achieve 99% efficiency in capturing sulfur at the Hayden smelter furnace, setting a benchmark for the industry.

FUEL CONSUMPTION

Mining Division, 2015

By fuel type

1	Diesel	63.8%	5	LP Gas	0.7%
2	Natural Gas	25.4%	6	Gasoline	0.9%
3	Fuel Oil	4.4%	7	Coal Coke	0.7%
4	Furnace Gas	4.0%	8	Others	0.1%



In 2015, our mining operations in the United States generated 391 tons of nitrous oxide (NO_x), 14,630 tons of sulfur oxide (SO_x), and 2,079 tons of particle matter; meanwhile, the emissions in Mexico were 1,056 tons of NO_x, 9,261 tons of SO_x, and 48,146 tons of particle matter; in Peru, we generated 36,937 tons of SO_x.

At Grupo México, we continue working to transition our energy mix to cleaner sources to reduce the greenhouse gas emissions (GHG) we produce from our consumption of fuels. Committed to self-supply within the Company, our first combined cycle plant, "La Caridad I" started

operations at the end of 2013 and the second, "La Caridad II" started operations in 2015, supplying power to our mining operations in Sonora (Mexico). The use of natural gas, improved efficiency in fuel consumption, and use of heat at these plants, resulted in the prevention of 106,852 tons of CO₂eq being released into the atmosphere. During the year, our "El Retiro" wind farm supplied electrical power to the Mining Division, the Transportation Division, and to Cinemex. This project is operated by our Infrastructure Division and helped the Mining Division to prevent the release of 40,838 tons of CO₂eq.

In the Mining Division, we're also making efforts to take advantage of the possibilities our processes offer in terms of generating energy. Such is the case of the smelter gases, from which we obtain energy for the heat recovery boiler. Additionally, we are using the land at our mines to develop solar and thermal solar power generation projects in Mexico. In Peru, we have two hydroelectric plants with a joint capacity of 130 terajoules.

Grupo México also contributes to generating renewable energy by third parties. Our operations in the United States support the development of solar power energy projects, taking advantage of the enormous extensions of land the mining operations require. Following the implementation of the Avalon Solar Project in 2014, the second phase is now underway, also in association with Tucson Electric Power (TEP) and under the Environmental Protection Agency program to promote renewable energies on affected lands. This second phase will increase production from 35 MW to 58 MW, generating sufficient electricity to meet the power needs of 7,000 homes. The startup of this phase in mid-2016 will help to achieve the Arizona state renewable energy goals and will prevent the release of 53,000 tons of CO₂eq each year.

GREENHOUSE GAS EMISSIONS

Mining Division, 2015

Million tons CO₂eq



In Mexico, the National Emissions Register (RENE) took effect in 2015, resulting from the Climate Change Law and which sets a threshold for mandatory reporting of GHG emissions. Grupo México was a pioneer in preparing and reporting its greenhouse gas emissions, under the GEI Mexico Program, which encouraged companies in Mexico to voluntarily join this effort.

Our mining operations in the United States comply with the Environmental Protection Agency (EPA) requirement to report GHG emissions for fixed combustion sources. Additionally, our operations in Peru are audited by the Ministry of Energy and Mines for atmospheric emissions.

At Grupo México, we're also working to mitigate emissions by carbon capture methods, promoting reforestation to deliver double value to the environment. On the one hand, we're contributing to biological diversity and enhancing flora and fauna, and on the other, we've increased the number of trees serving as carbon sinks, trapping CO₂ from the environment. Additionally, we've started to prepare studies to scale our contribution to capturing CO₂ from the atmosphere, including the differences in carbon storage among the various types of species used, in order to maximize the effect of our initiatives in the future.

Climate Change

(G4-EC2)

In the Mining Division, we are considering the risks associated with climate change, particularly changes in rainfall, with the possible occurrence of more intense rains and droughts. This will require engineering works for water control and the reinforcement of our water management systems to reduce the dependence on fresh water.

"El Niño" had particularly extreme effects on Peru in 2015, potentially influenced by climate change. The Mining Division has been collaborating with the Ministry of Agriculture and the Water User Boards that manage water resources in the areas where we operate. The consequences of the "El Niño" phenomenon include droughts in the central and southern regions of the country, countered by heavy rains along the coasts. In Peru, we operate a program that provides feed for cattle during the cold season, due to the lack of vegetation for animals, initiative that we've reinforced this year because of the effects of "El Niño".

WATER

(G4-EN8, G4-EN9, G4-EN10, G4-EN22, G4-EN26, G4-EN27)

Water is the most important input in our mining operations and is used in both the extraction and the metallurgical processes. To ensure the sustainability of this resources in the areas where we operate, both the Mining Division and throughout Grupo México, we're developing projects to improve efficiency in water usage, maximizing reuse and making use of third party wastewater, when this is possible and can be properly treated.

Our actions for water efficiency and reuse include:

- Implementation of recovered water pumping systems.
- Continual recycling of process water at tailings dams and thickeners to be reused in the metallurgical processes.
- Implementation and maintenance of closed circuits for the usage of the total volume of process water.
- Compliance with the "Zero Descarga de Aguas Residuales" (Zero Wastewater Discharge) program, which strives to improve efficiency in both the consumption and reuse of water.

As part of our mining processes, we use closed water circuits capturing this resource to compensate for evaporation and increased demand. The water output flow at each mine is principally from the concentrator and is recovered in the thickeners and tailings dams. In the Mining Division, and at Grupo México in general, 69% of the total water consumed is reused water. Treated municipal wastewater is used at some of our units, such as at our operations in San Luis Potosi (Mexico), to increase the availability of fresh water for the local residents.

In 2015, we consumed 128.40 million m³ of first use water, 71.30 m³ of which came from underground sources.

The Mining Division discharged 2.36 million m³ of wastewater in 2015, after being properly treated, meeting the physical-chemical standards set by local legislation, preventing nearby water bodies and habitats from being altered.

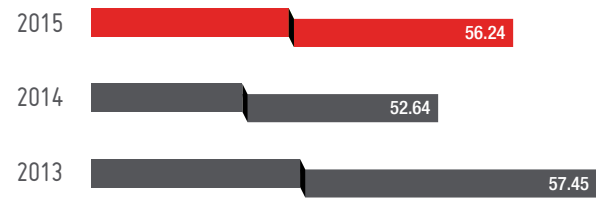
Reused water represents 69% of the total water we consume at our mining operations. We know that such a valuable resource must be looked after and used efficiently as possible.

CONSUMPTION OF FIRST USE WATER

Mining Division, 2013-2015

m³ millions

Surface

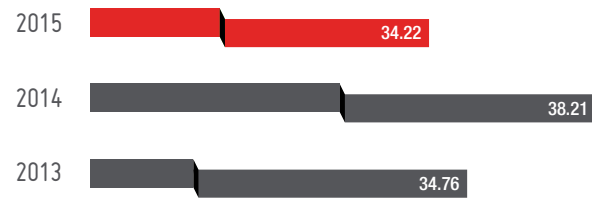


CONSUMPTION OF FIRST USE WATER

Mining Division, 2013-2015

m³ millions

United States

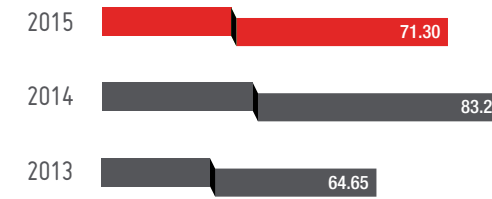


CONSUMPTION OF FIRST USE WATER

Mining Division, 2013-2015

m³ millions

Underground



CONSUMPTION OF FIRST USE WATER

Mining Division, 2013-2015

m³ millions

Desalinated



CONSUMPTION OF RECOVERED WATER

Mining Division, 2013-2015

m³ millions

Mexico

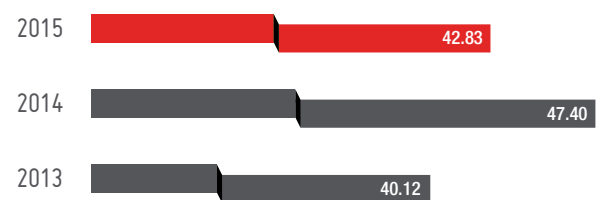


CONSUMPTION OF FIRST USE WATER

Mining Division, 2013-2015

m³ millions

Mexico

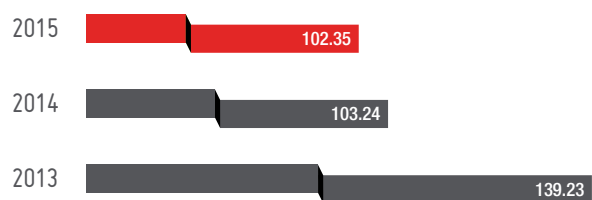


CONSUMPTION OF RECOVERED WATER

Mining Division, 2013-2015

m³ millions

Peru



CONSUMPTION OF FIRST USE WATER

Mining Division, 2013-2015

m³ millions

Peru

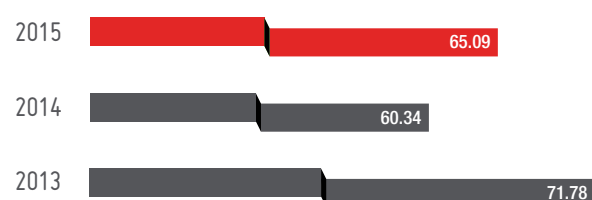


CONSUMPTION OF RECOVERED WATER

Mining Division, 2013-2015

m³ millions

United States



USE OF MATERIALS

(G4-EN1, G4-EN2)

The primary input at our mines is the ore we extract from the deposits we operate and base material for the different processes in the transformation phase, which in the case of copper, extend to obtaining concentrates and cathodes.

We have adopted best practices and developed innovative techniques to improve efficiency in the handling and processing of ore and to reduce the waste per unit of product obtained. An example of this is the development and application of a bioleaching process to recover copper from the ore extracted. This technique is more efficient than traditional leaching and is also more environmentally friendly. After completing the initial research in 2000 and large scale testing, in 2014 we put into operation a 300,000 liter bioreactor at La Caridad (Mexico) to produce bacterial biomass for bioleaching. The operation of this bioreactor was consolidated during 2015, making it replicable and scalable to other Company operations.

In our efforts to optimize resources, we try to reincorporate into our production processes the waste we generate, through reuse and recycling. Such is the case of electrolytic anodic slimes, from the copper electrowinning process, which we reincorporate as raw materials to recover lead and precious metals. We also reused 1,302,503 liters of

used oil in the explosive mix for blasting, so as not to use new oil or diesel. Also, we give value to other waste, such as byproducts that can be used by third parties.

As part of our efficiency measures, we also use a portion of the by-products we generate, such as sulfuric acid, which we incorporate into the hydrometallurgical processes.

ORE PROCESSED

Mining Division, 2013-2015
Thousands of tons



WASTE MANAGEMENT & SPILLS

(G4-EN23, G4-EN24, G4-EN25, G4-EN27, MM3)

In keeping with our commitment to efficiency and respect for the environment, our processes place emphasis on minimizing the generation of waste and recovering that which can be reused, recycled, or recovered for energy.

The majority of the total waste produced by the Mining Division is classified as high volume mine waste, which is characterized as inert or low toxicity and of minimum risk to the environment. A large portion of this waste (72%) is overburden, the material generated when the deposit is opened, on removing the layers of soil to reach the ore we process. This waste is considered sterile material, therefore its impact on the environment is minimal.

Our smelting and refining processes include a comprehensive waste management system, by which we can recover a portion of our metallurgic waste. In this manner, we foster good practices for the mining industry and for sustainability in general.

MINE WASTE

(Tons)

	Mining Division
Overburden	475,324,472.58
Slag	1,753,663.00
Tailings	146,312,949.82
Total	623,391,085.40

Mine waste is disposed of on site at our own facilities, in waste-rock heaps, tailings dams, and slag heaps, which are infrastructure and engineering works that adhere to the design and operation set by environmental regulations. At the end of their operating life, the leaching systems will be converted into heaps which will be treated according to environmental regulations.

We produced 12,250 tons of non-mine hazardous waste, 96% of which was recycled, reused and/or treated by third parties.

A total of 10,180 tons of non-mine hazardous waste were transported from our operations to treatment cen-

ters or for disposal by authorized specialists, complying with local requirements. Additionally, 33 tons of non-mine hazardous waste were exported.

We also produce waste that is recycled and requires special handling, such as scrap metal and tires. Similarly, the degraded organic waste produced during the hydrometallurgical process is mixed with used oil and sold to a third party as an alternative fuel.

We have infrastructure and procedures in place at our operations that ensure the safe storage and handling of materials, products and byproducts. In 2015, there was an accidental spill of 1,247 tons of ground mineral with water and lime at our mining operations in Mexico, which produced no significant environmental impact. The event was treated according to the Company's procedures, which guarantee quick response.

At Grupo México, we have implemented measures to guarantee the confinement of the effluents generated by our activities, and we also monitor these. In the event of any accidental spill, we respond quickly, taking the relevant actions. In 2015, there were spills totaling 353 m³ at our mining operations in Mexico, 0.5 m³ in Peru, and 837 m³ in the United States, which activated the corresponding emergency response plans.

At Grupo México, we've done everything within our reach to care for and protect our communities, their ri-

vers and their lands. In keeping with our commitment to sustainability, we've completed all the clean-up works and remediation as a result of the copper sulfate solution spill that occurred on August 6, 2014 at a dam at our Buenavista del Cobre operation.

On August 7, 2014, we activated an emergency plan to contain and collect the spilled materials, and also to minimize their dispersal. A contingency containment dam was built and lime and lime slurry were used to neutralize the solution. Also soil was collected and sediment from the riverbed. The clean-up actions were completed in October 2014. Because of the measures taken immediately following the spill, the amount of contaminants in the water was significantly decreased and as a result, on August 27, 2014, the Delegate for the Department of Agriculture, Rural Development, Fishing and Foods (SAGARPA) declared the 500 meters on each side of the Sonora and Bacanuchi Rivers had not been affected by contaminants.

In addition to important tasks to prevent damage to the river, in 2015 we implemented a remediation program, the actions of which were highly effective. With the initial cleaning and subsequent remediation, a greater amount of metals was removed than that contained in the spill, which is explained by the geology of the area characterized by highly mineralized geological formations.

When Sonora and our communities were at risk, we provided immediate and unconditional support to guarantee the needs of the local residents. We compensated everyone who could have been susceptible to the potential consequences resulting from the precautionary measures and the water shutoff, by creating a trust, the technical committee for which was created with representatives from the Mexican federal government, the Company and specialists, assisted by a team of environmental experts, all to guarantee the appropriate use of the funds provided. Through this mechanism, we've invested more

than US\$70 million to supply clean water, install water infrastructure, and also to compensate farmers and local residents, among other efforts.

Grupo México continues to meet its commitment to environmental and sanitation monitoring along the Sonora and Bacanuchi Rivers, and we continue working to reforest those areas of the river affected by Hurricane Odile. These actions ensure there are no negative effects on the environment or the local residents, and add to our mission of Development with Purpose.

SOIL MANAGEMENT & BIODIVERSITY

(G4-EN11, G4-EN13, G4-EN14, G4-EN27, MM1)

Biological diversity is key to the balance of the ecosystems that surround us, the future of which we seek to contribute to as corporate citizens, in a shared effort with the rest of society.

Each year it is our aim to have less impact on areas with high biodiversity value, effort that we base on 5 key activities:

1. Prevent and identify potential environmental impacts, according to local regulations.
2. Proper handling of large volume waste, disposing of this in waste rock heaps, tailings dams, and slag heaps.
3. Mitigate potential environmental impacts through compensation measures, such as the rescue and relocation of species, soil conservation, restoration, and reforestation.
4. Develop a closure plan to restore and recover the environmental conditions after our concessioned mining operations are exhausted.

5. Leave the areas where we had operations in the best conditions possible, monitoring water bodies and implementing ongoing improvement actions according to local regulations.

Our Buenavista del Cobre (Mexico) operation is adjacent to the Sierra La Elenita, which has high biodiversity value and is also immersed in the West Sierra Madre Important Bird and Biodiversity Area. In the United States, our Silver Bell unit is adjacent to the Ironwood Forest National Monument, a protected area with no mining activity.

At Grupo México, we consider areas with high biodiversity value as collective heritage and we work to guarantee they are protected, through management plans for our La Caridad, Buenavista del Cobre, and Coahuila (Mexico) operations, and also at our Mission mine (United States).

We've created a 100 km² conservation area at our Buenavista del Cobre mine called "El Mosco", in addition to the 1.3 hectare Buenavista del Cobre Environmental Management Unit. This is a clear reflection of how we want to involve the community in the common challenge of protecting our environment, particularly the biological diversity of Sonora. There is an Eco-Path that offers educational and recreational activities along the 1.8 km trail, which receives approximately 5,000 visitors each year. The total protected surface area at our mining operations at 2015 close was 121 km².

We also conduct restorations of certain areas at our operations, where activities are no longer taking place,

Handling waste at our mining operations is a task we undertake with diligence and care. The lifecycle of our products is a process we preserve at each stage.

so as to catalyze the recovery of their ecological value. In 2015, our Mining Division carried out these projects on 77 km².

In the Tacna region, at our operations in Peru, we've recovered 16 km² of wetlands, after having remediated the tailings zone, under a program that will be completed in the coming years. To date, the zone has more than 120 species of migratory and local water birds and represents the largest wetlands along Peru's coast, becoming a tourist attraction, contributing to economic development.

Regarding our operations in the United States, of note is the creation of a wetland and mesquite forest, a tree that is characteristic of arid and semi-arid climates. At Grupo México, we strive to integrate our former work sites into the ecosystem, making these a center for opportunity for the characteristic flora and fauna of each region.

Certain species of flora and fauna have been identified at our operations and in the surrounding areas that we want to help protect, by respecting the environmental conditions and/or relocating the flora and fauna that would be affected with the expansion of our work areas. This is the case of our Mission mine (USA), where we relocated Pima Pineapple Cactus, just as we did at Silver Bell (USA) with turtles from the Sonora desert.

Grupo México has been working constantly to fulfill

all our environmental commitments.

Water is, and always will be, a priority in our sustainability strategy.

In our biodiversity conservation efforts, the Buenavista del Cobre (Mexico) Environmental Management Unit plays an important role in the recovery of threatened species in the country that are native to the region. We form part of the Binational Mexican Gray Wolf Recovery Program, caring for 11 individuals in 2015, 6 of which were released into the wild at the end of the year in the West Sierra Madre, contributing to the recovery of the species. We also have 220 Gould turkeys, emblematic bird of the area, 100 of which were released in 2015 at Nacozari and Cananea.

Another of Grupo México's current environmental programs is reforestation, for which the Company has its own nurseries and greenhouses, making us a major producer of trees in the mining sector in Mexico.

PROTECTED SPECIES UNDER IUCN CLASSIFICATION¹²

Categories	Nº species
EN In danger of extinction	1
NT Nearly threatened	1
LC Low concern	31

¹² Includes species at our mining operations and surroundings in Mexico and the United States; no species are significantly affected by our operations in Peru. The IUCN (International Union for the Conservation of Nature) is global, while NOM-059-SEMARNAT CLASSIFICATION covers Mexico, therefore the grouping and number of species considered is different.

NOM-059-SEMARNAT CLASSIFICATION

Categories	Nº species
D In danger of extinction	4
Th Threatened	18
Pr Subject to special protection	17

MINE CLOSURES

(MM10)

At Grupo México, we have financial resources earmarked to guarantee the proper closing of our mining operations when the time comes, according to local legislation. As part of our understanding as corporate citizens, our closure projects are designed and executed so as to be environmentally and socially responsible, ensuring the use of these spaces by present and future generations.

This year, we closed a leaching pond at the Silver Bell mine, part of our operations in the United States, transferring the sediments to other ponds for additional metal recovery. We also made progress on the closure of the smelter plant in San Luis Potosi (Mexico). Each closure process requires the corresponding clean-up, which we carry out in strict adherence of safety requirements, and then continues with the restoration of the area. Regarding the operations in Monterrey, closed prior to 2015, we continued to monitor the confinement zone to prevent leaching, and also water infiltration.

Protecting the environment means respecting all its parts. At Grupo México, protecting biodiversity in our surroundings is fundamental to our operations.

TRANSPORTATION DIVISION

The train is a more environmentally friendly way to move freight.

Compared to trucks, the train moves four times more tons/km per liter of diesel,

and releases 75% less greenhouse gases.



TRANSPORTATION DIVISION 2015 PERFORMANCE & 2016 GOALS

Health & Safety	Business unit	2015 Goal		Performance
	Ferromex	Achieve an incident rate of 0.45 accidents per million tons/km freight transported.	✓	We exceeded the goal, achieving a rate of 0.31 accidents per million tons/km freight transported.
	Ferrosur	Achieve an incident rate of 0.45 accidents per million tons/km freight transported.	→	We did not reach the goal, reporting 0.77 accidents per million tons/km freight transported.
Our Communities	Business unit	2015 Goal		Performance
	Transportation Division	Zero human rights related incidents.	✓	Zero human rights related incidents.
	Transportation Division	Meet our commitments to our community development programs and report performance per the indicators established.	✓	We met our commitments to our community development programs projected for 2015.
Our Environmental Commitment	Business unit	2015 Goal		Performance
	Ferromex	Achieve a fuel performance rate of 4.31 liters per thousand tons/km freight transported.	→	We did not reach the goal, reporting a fuel performance rate of 4.35 liters per thousand tons/km freight transported.
	Ferrosur	Maintain the fuel performance rate below 6.28 liters per thousand tons/km freight transported.	✓	We exceeded the goal, reporting a fuel performance rate of 6.24 liters per thousand tons/km freight transported.

2016 Goal
Achieve an incident rate of 0.41 accidents per million tons/km freight transported.
Achieve an incident rate of 0.41 accidents per million tons/km freight transported.
2016 Goal
Zero human rights related incidents.
Meet our commitments to our community development programs and report performance per the indicators established.
2016 Goal
Achieve a fuel performance rate of 4.20 liters per thousand tons/km freight transported.
Achieve a fuel performance rate of 6.14 liters per thousand tons/km freight transported.

✓ GOAL REACHED

→ GOAL IN PROGRESS

GROW

PRINCIPAL PRODUCTS & SERVICES

(G4-4, G4-8, G4-9)

The Transportation Division primarily provides freight services through the railroad network we operate under concession, delivering the most appropriate solutions according to the needs of our customers. We also offer auxiliary management services for industrial terminals and intra-terminal movements, as well as various passenger services. Our 9,952 km network¹³ has the best rail coverage in Mexico. We also have access to 8 Mexican ports and we connect to the United States through 5 border points.

We serve the agricultural, automotive, steel, minerals, industrial products, energy, chemicals and fertilizers, cement, and intermodal industry segments.

INVESTMENTS & PROJECTS

(G4-13, G4-EC7, G4-EC8)

Since receiving the concession, our efforts have led to the transformation of the rail system in Mexico, making this a key solution for transporting freight and contributing to the economic development of the country. We are strongly committed to rail transportation and we've set as a goal increasing the EBITDA for the Transportation Division from US\$279 million in 2009 to US\$1.03 billion by 2019, reporting an EBITDA of US\$695 million for 2015.

Our 2015 investment plan was budgeted at US\$378 million, which after modernizing the infrastructure in previous years, was focused on the expansion and construction of sidings and yards, the purchase of 594 rail cars and track machinery, and the purchase of 34 locomotives,

for a total fleet of 795 locomotives¹⁴. It should be noted that our investments in infrastructure contribute to the safety of the neighboring communities.

Our 2015 performance reported 54.22 billion tons/km transported, a 5% increase over 2014. Of note is the 21% growth in the steel segment, influenced by the drop in steel prices and the associated increase in this trade; the 11% growth in the agricultural segment, due to a good harvest year, and the 10% growth in the automotive segment, reflecting the increased activity of the assembly plants in Mexico.

The investments made to develop the intermodal service have led to a 9% increase in tons/km and a 13% increase in the number of containers moved, reporting 375,338 units. In 2015, we also launched a new intermodal service on the Silao - Chicago - Memphis cross-border route, with the potential to move 60,000 containers per year, linked to the automotive industry with the importation of auto-parts and the exportation of finished products.

There was an exchange of 6% more cars at our connection points in the United States, over last year, and we hold 52% of the market share, due to growths in the exportation of vehicles, consumer products, and railroad equipment, together with higher importations of agricultural products.

Our commitment to the automotive sector and the consolidation of assembly plants in Mexico means we are still the leading transporter of vehicles in the country, moving 66% of this production at the plants we serve, with more than 1.8 million vehicles transported.

It should also be noted that the new Railroad Service Regulatory Law was passed in January and will bring important changes in 2016, particularly with the creation of the Railroad Transportation Regulatory Agency and the National Fund for Safety at Railroad Crossings. Under this context of new regulations being defined for the sector, the Transportation Division will continue investing to reinforce safety at railroad crossings.

CUSTOMER RELATIONS

(G4-PR5)

For Grupo México, the satisfaction of our customers drives our efforts, with ongoing improvements to deliver quality products and services, according to the different needs.

The Transportation Division is committed to delivering a world class service, with high standards of consistency in departure and arrival times, reliability, diligence, and efficiency to respond to the requirements of our customers.

Our "Programmed Railroad" quality system was conceived as an operating and service model to meet

¹³ Between both the Ferromex and Ferrosur networks.

¹⁴ Refers to the total between Ferromex and Ferrosur.

transportation logistics needs of our customers according to ISO 9001:2008 quality standards. This program helps us to strengthen coordination in planning, shipping, management, and controlling the flow of freight.

We conduct an annual survey on our customers, with companies representing 80% of our total sales participating in 2015. Since 2013, we've seen an overall upward trend in the satisfaction of our customers, their intention to continue using our services, and referrals.

In response to the areas for improvement and opportunity noted from the comments received from our customers, we'll continue to strengthen and improve communication, customer service, and damage prevention.

**PROMOTE
COMMITMENT & WORKPLACE CLIMATE**

At Grupo México, we're continually working to develop teams of excellence, where our employees are satisfied and safe, protecting their wellbeing and offering opportunities for development.

The Transportation Division had 9,715 employees in 2015, 97% of which are under permanent contract, reflecting our commitment to job stability; all employees work full time.

At the Transportation Division, we move more with less. During 2015, our fleet grew to 795 locomotives, consolidating our commitment to a faster, more efficient and environmentally friendly freight transportation system.

Our rail network coverage contributes to connecting regions while also creating jobs throughout the country. Our operations are divided into six divisions: Veracruz, Hermosillo, Chihuahua, Monterrey, Guadalajara and Central Mexico, to which we add our corporate offices in Mexico City.

Although the transportation sector has traditionally attracted few women, 4% of our team are women, which increases to 19% in the case of Specialists. We guarantee equal salaries between men and women. The richness of diversity is also seen in bringing different generations together, which contributes to the work environment and to performance. There were no reports of discrimination this year. 48% of our collaborators are 45 years of age or older, which reflects career employment within the Company and a feeling of belonging, sharing their experience with younger employees.

At Grupo México, we guarantee freedom of association and in the Transportation Division we have 7,479 union employees, representing 77% of the workforce. We strive to maintain ongoing dialog with union representatives, which is particularly the case during collective bargaining agreement negotiations, in order to build an environment of collaboration and progress.

COLLABORATORS

Transportation Division, 2013 - 2015



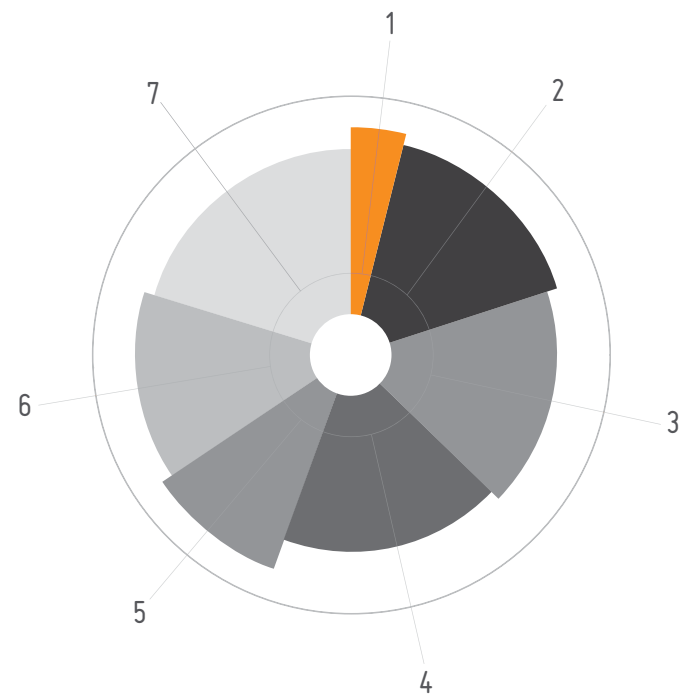
The turnover rate was 7.2%¹⁵ in 2015, similar to that reported for 2014, reflecting the commitment of our collaborators, which we strive

¹⁵ The Turnover Rate for the Transportation Division is calculated as the number of people leaving in relation to the total number of collaborators (x100).

COLLABORATORS BY REGION

Transportation Division, 2015

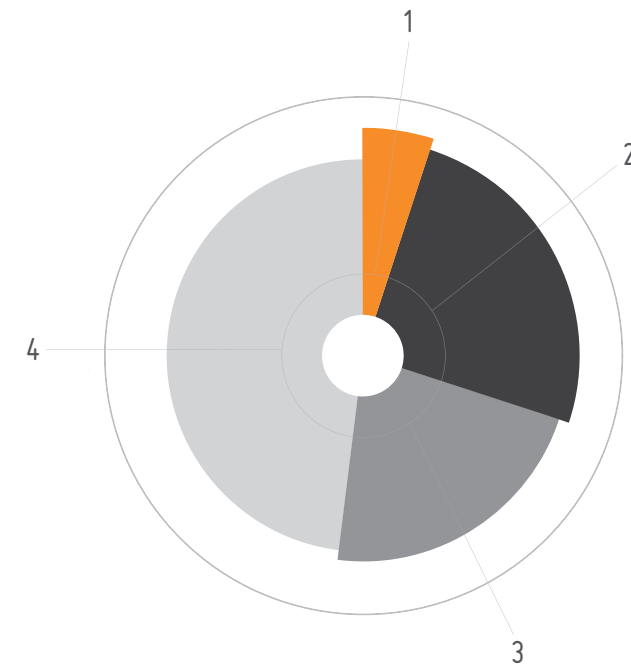
1	Corporate	4%	5	Chihuahua	10%
2	Central México	16%	6	Hermosillo	15%
3	Guadalajara	17%	7	Veracruz	20%
4	Monterrey	18%			



COLLABORATORS BY AGE GROUP

Transportation Division, 2015

1	18-24	5%
2	25-34	25%
3	35-44	22%
4	45 or older	48%



WOMEN BY COLLABORATOR CATEGORY

Transportation Division, 2015

Senior Management & Department Heads

Senior Technicians

Junior Technicians

Specialists

Assistants

	N° collaborators	% Women
Senior Management & Department Heads	223	10.8
Senior Technicians	42	4.8
Junior Technicians	575	12.0
Specialists	1,396	19.2
Assistants	7,479	0.3

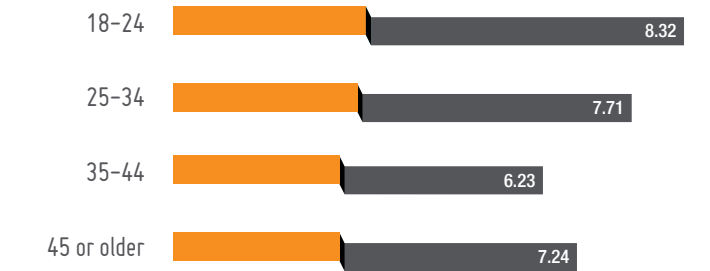
TURNOVER RATE (%)

Transportation Division, 2013 - 2015



TURNOVER RATE BY AGE GROUP (%)

Transportation Division, 2015



to strengthen by providing good working conditions, remuneration, and opportunities for professional growth. There were 531 new hires this year.

We want to contribute to the wellbeing of our collaborators and their families, offering a series of benefits, in addition to economic remuneration, that focuses on health and financial sustainability. The Transportation Division offers all employees life insurance, and also complementary medical insurance, and additional contributions to the savings fund, among other benefits, and based on the type of contract. Our union employees receive benefits according to the collective bargaining agreements, which are reviewed annually.

During 2015, the average Base Salary in the Transportation Division was equal to 6.62 times the local minimum daily wage¹⁶. The Base Salary includes the starting salary, productivity bonuses, cash benefits, and profit sharing, where applicable.

TRAINING & CAREER DEVELOPMENT

(G4-LA9, G4-LA10, G4-LA11)

At Grupo México, we strive to contribute to the development of our collaborators. In this regard, the Transportation Division offers training in both technical competencies and behavioral skills, including training

¹⁶ Considering the Base Salary (BS) and the Minimum Wage (MW), the calculation of the BS/MW average is determined weighting the BS and MW for each region in Mexico where we operate, based on the number of collaborators in the Transportation Division in each region.

programs for newly created positions. We also continue to place emphasis on training in health and safety, fostering the development of a culture that values physical integrity. In 2015, we provided 308,547 training hours, a 41% increase over 2014, with an average 23.76 hours per employee at our transportation operations.

During the year, we continued the competency certification process for our collaborators through CONOCER (Mexican competency certification agency), with personnel from different operational and administrative departments participating, whose skills were recognized

according to a specific national standard by the type of activity and also who also are certified as trainers.

We conduct an annual performance review on non-union employees to assess professional development within the Company, based on training, and the quality and efficiency of work. In 2015, all non-union employees participated. This review includes an assessment of goals met and the development of skills and competencies, from which training needs are identified. The performance review process is comprised of three phases, which include defining goals, follow-up during the period, and annual review.

STAGES OF PERFORMANCE ASSESSMENT

Transportation Division, 2015

Definition of goals

Carried out at the beginning of the year, based on criteria known to the employee and their supervisor.

Follow-up on goals

Follow-up is offered to each employee during the year through the Comprehensive Performance and Development System (CPDS).

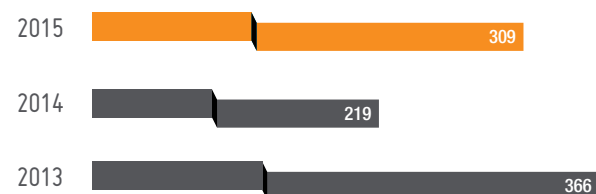
Annual performance review

The employee is rated on the CPDS. The system asks for written comments on weaknesses and areas for opportunity.

TOTAL TRAINING HOURS

Transportation Division, 2013 - 2015

Thousands of hours



OCCUPATIONAL HEALTH & SAFETY

Workplace Safety

(G4-LA5, G4-LA6)

The health and safety of our collaborators and their families is our priority. In addition to investing in safe environments and the implementation of monitoring and response programs, we place special emphasis on prevention.

We look at health and safety management comprehensively, including identifying risks, defining controls, and monitoring and evaluating results, involving the different levels of the Company. The Transportation Division has the following committees:

- Corporate operating safety, personnel and environmental protection committee
- Divisional operating safety, personnel and environmental protection committee
- Health and Safety Commission
- Medical absenteeism committee

All our collaborators are represented by health and safety committees at each work center and 4.9% of collaborators participate directly in the different committees and commissions, performing tasks related to promoting and implementing occupational health and safety processes.

In 2015, we continued our “Dueño de Casa” (My House) program, which aims to involve the different work centers in the health and safety performance, with the following goals:

- Hold supervisors responsible for the performance and activities of their areas.

- Prevent non-department personnel from being in the area, reducing exposure to workplace-related risks.
- Ensure that the persons authorized to conduct any activity in the area comply with the operating and safety requirements (established between the “my house” person and the person who conducts the activity).
- Ensure the operating and safety rules are followed by non-department personnel, setting the example.

is to improve conditions and work spaces to make these safer and more productive.

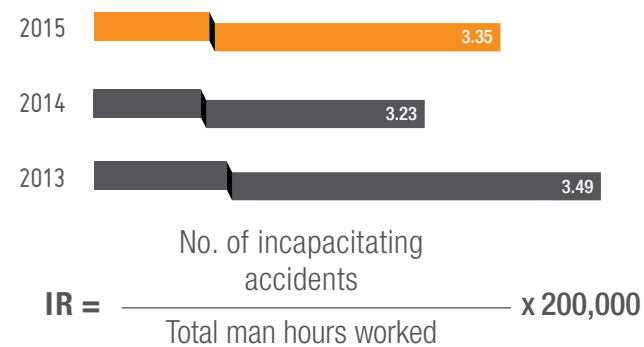
Our efforts in safety also extend to our contractor companies, for which we have created a Safety Standards Handbook, which we provide to personnel, assessing compliance with field visits.

In 2015, the incident rate was 3.35 and the severity rate 1.30, representing slight variances from the previous year.

In addition, we have implemented the 5’s program in various areas at our work centers, the purpose of which

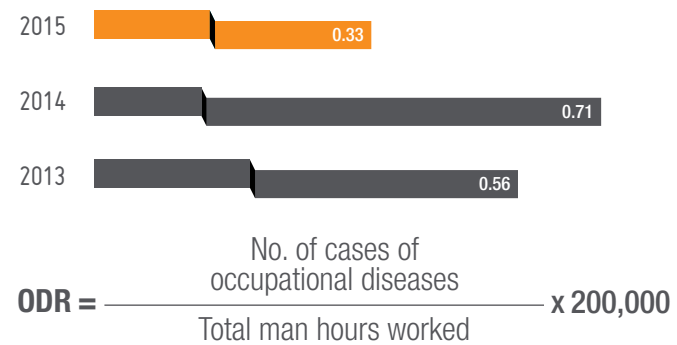
INCIDENT RATE

Transportation Division, 2013 – 2015



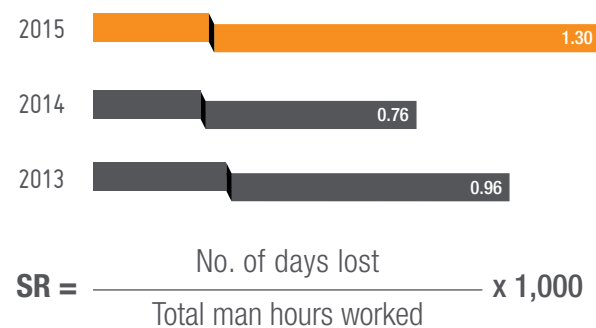
OCCUPATIONAL DISEASE RATE

Transportation Division, 2013 – 2015



SEVERITY RATE

Transportation Division, 2013 – 2015



Occupational Health

(G4-LA7, G4-LA8)

During 2015, we undertook various actions to foster the health of both our collaborators and their families. Some of our programs are carried out in conjunction with the Mexican Social Security Institute (IMSS).

The Transportation Division offers a preventive medicine program for personnel who perform operational tasks (train crews), with sessions at the start and end of the workday, and physicals. This year we also continued our “Everyone Safe” program, which seeks to modify unsafe behaviors based on observation.

The health and wellbeing of our collaborators is also the focus of various awareness campaigns, through seminars, informational pamphlets, among other channels.

Our efforts have resulted in a 54% reduction in the occupational disease rate, compared with 2014, reported this year at 0.33.

The Transportation Division invested US\$13 million in occupational health and safety in 2015.

OCCUPATIONAL HEALTH

Collaborators	• Comprehensive health monitoring. Periodical medical examinations.
	Monitoring and prevention programs for illnesses related to exposure to agents in the workplace (noise, vibration, welding smoke).
	• Health promotion and education programs (high blood pressure, diabetes, nutrition, obesity, etc.).
Family	• Vaccination campaigns (tetanus, hepatitis, influenza).
	• Aptitude monitoring (physicals, alcohol and drug testing, fatigue).
	• Detection programs for dental problems, high blood pressure, diabetes, glucose, cholesterol, nutrition, body mass, eye exams, and general examinations.
	• Education programs: injuries and trauma, diabetes, high blood pressure, nutritional information, dental hygiene.
	• Vaccination campaigns.

Grupo México owes its achievements to each and every collaborator, who train and work everyday to achieve the goals we’ve set.

COMMUNITY DEVELOPMENT

(G4-S01, G4-S02)

At Grupo México, we strive to contribute to the development of the areas where we operate, implementing social linkage programs to create opportunities for these communities. As corporate citizens, we understand progress as a shared result, which is based on dialog and mutual trust.

For us, the railroad offers the opportunity to drive social and economic development in the communities that neighbor our operations, and we develop programs and initiatives together with our neighbors to guarantee their wellbeing and improve their quality of life.

Social Management

Our railroad network connects hundreds of cities and communities, building shared value under a focus of mutual benefits, in a key effort as the railroad with the largest coverage in Mexico. We are working on the following priority lines of action:

- a) Infrastructure development
- b) Community transportation and free transportation of goods
- c) Strengthening tourism
- d) Support for communities and family involvement

a) Infrastructure development

At Grupo México, we decidedly contributed to the modernization of railroad transportation in Mexico, which has led to the transformation of the railroad operation into an efficient system for the present and the future.

Our rail transportation and the auxiliary terminal and freight services we offer, have contributed to strengthening the industrial development of the country, and domestic and international trade, with our role in the exportation and importation of goods. By association, we've contributed to the proliferation and consolidation of auxiliary companies and industrial zones, through an indirect economic impact that has raised the quality of life of our surrounding communities.

b) Community transportation and free transportation of goods

Continuing our goal of contributing to the socioeconomic development of the areas where we operate, the Transportation Division operates a rail line that joins Chihuahua and Sinaloa on which the train known as "El Chepe" runs, representing a strategic means of transportation for local residents.

To facilitate the service to the Tarahumara communities in the area, and also for low-income residents, we've implemented a reduced rate program through the Tarahumara State Coordination, the Chihuahua State Department of Social Development, and the municipalities along the Chihuahua and Sinaloa routes.

Socioeconomic studies conducted by the Tarahumara State Coordination and Municipalities in the States of Chihuahua and Sinaloa in 2014 determined the local population would benefit from the program. Holders of the reduced rate cards pay only 20% of the ticket price. In 2015, we gave out 33,958 cards and provided a total

of 63,701 trips at this reduced rate. We also gave cards to 60 priests and 104 nuns.

In this manner, we're supporting the local residents, and also people helping the most vulnerable. Through the train, we provide access to health and education services, and we connect with commercial areas for supplies and trade, contributing to improving the quality of life of the community and job opportunities.

Our free transportation of goods program facilitates delivering basic foodstuffs and supplies provided by government agencies and charity organizations to isolated communities. In 2015, we transported 358 tons of food and community support free of charge.

c) Strengthening tourism

The "El Chepe" train we operate on the rail line that joins Chihuahua and Sinaloa contributes to the development of tourism in the area. We carry visitors eager to discover the Tarahumara culture and natural surroundings of the Copper Canyons.

Visitors strengthen adventure tourism and the development of parks in the region, generating an associated local industry and creating an economic spillover for service providers, such as hotels, restaurants, stores, and handicraft sellers.

We also operate the "Tequila Express" service, in collaboration with the National Chamber of Commerce, Services and Tourism in the State of Jalisco, through which we have converted a traditional passenger train into a tourist attraction that travels through the agave fields and visit a

tequila factory, providing a complete experience of musical folklore and local foods on board the train.

d) Support for communities and family involvement

Through the Transportation Division, and with the strengthening of environmental awareness as a base, also with the support of Grupo México Foundation, we launched a new initiative, "Vagón Verde, el Tren de la Ecología" (Green Train, the Ecology Train), which promotes the value of the train as an alternative, environmentally friendly means of transportation, raising awareness on climate change by promoting recycling and reforestation.

In 2015, the "Ecology Train" traveled through the states of Tamaulipas, Aguascalientes, and Morelos. Recyclable materials were received in each community to raise awareness, giving away a tree for every kilogram of materials received, intended to be planted at sites previously selected together with the local authorities. In this manner, we establish a connection between the importance of reducing our waste and conserving vegetation, also contributing to storing CO₂ and fighting climate change.

At the end of the year, we delivered 200,600 trees to the communities that participated. It should be noted that the recyclable materials were given to charity organizations to fundraise through their sale.

Community safety

Safety at railroad crossings is a priority for the Transportation Division and we're undertaking different initiatives to address this, such as improving the signals along our network, installing speed bumps at the most

critical crossings, and the implementation of various projects in collaboration with state and municipal governments, such as the initiative to increase the number of traffic lights in the state of Jalisco.

Following the conclusion of the joint financing program promoted by the federal government, and with the expectation of the creation of a national fund under the reform of the Railroad Service Regulatory Law approved in 2015, at Grupo México we are working to guarantee the continuity of improvements related to safety at railroad crossings.

Also, in connection with the Grupo México Foundation Doctor Vagón (Health Train) initiative, we've implemented a road safety program, "Cuidado con el Tren" ("Watch out for the Train"), which offers talks in the communities where the Health Train visits. Additionally, we hold one-day events monthly in the communities near the most dangerous crossings, handing out informational materials and raising awareness.

We held a national campaign in 2015 aimed at reinforcing accident prevention at railroad crossings, reaching a broader audience to carry the message of road safety into homes.

Our fuel savings systems have improved operating efficiencies as we strive to reduce our carbon footprint.

PROTECT

ENVIRONMENTAL MANAGEMENT

(G4-EN29, G4-EN31, G4-SO2)

At Grupo México, we're committed to protecting the environment and we're working to reduce our material and energy needs, and also the waste we generate. By incorporating technology, executing engineering works and redesigning processes, we're progressively moving towards improved efficiency. To this effect, the Transportation Division invested US\$2 million in environmental projects and activities in 2015.

In 2015, six of our operating units maintained their Environmental Quality certifications given by the Mexican Environmental Protection Agency (PROFEPA):

- Shop and Fueling Zone in Tierra Blanca
- Shop and Fueling Zone in Veracruz
- Shop in Apizaco
- Railcar shop in Coatzacoalcos
- Shop and Fueling Zone in Orizaba
- Fueling Zone in Puebla

We endeavor to meet strict compliance and we continually inspect our facilities to verify adherence to environmental regulations and to detect potential risks in this area, implementing the corresponding preventive or corrective measures. In 2015, our Transportation Division received 5 fines, totaling US\$135,739, for impacts on the ecosystem and waste management violations.

ENERGY & EMISSIONS

Energy Efficiency

(G4-EN3, G4-EN6, G4-EN27)

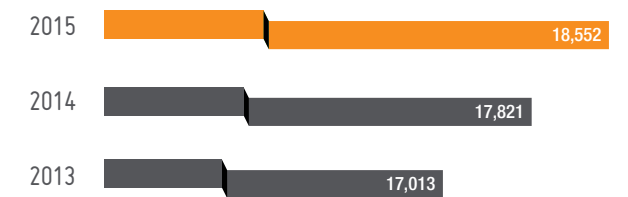
Our Transportation Division strives to move more with less, with initiatives that contribute to improved efficiency in energy consumption, goal that we also share with our personnel, to consolidate our commitment to the fight against climate change.

Our energy supply¹⁷ is primarily based on fuels, particularly diesel, which we use to operate the locomotives. Diesel represents 99% of the total energy consumption by our transportation operations.

FUEL CONSUMPTION

Transportation Division, 2013 - 2015

TERAJOULES



POWER CONSUMPTION

Transportation Division, 2013 - 2015

TERAJOULES

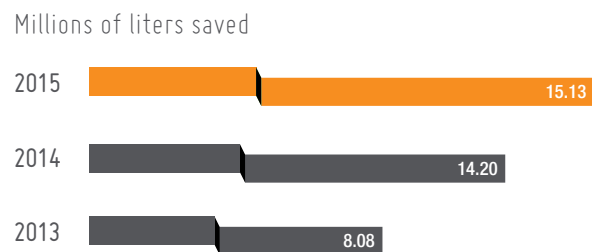


¹⁷ The energy consumption reported includes Intermodal México, as this figure is recorded internally together with the subsidiary Ferromex.

In our efforts to improve efficiency in fuel consumption, in 2015 we continued to implement Automatic Engine Start Stop (AESS) technology, an engine start/stop system that reduces diesel consumption when trains are stopped or idling. This technology, together with the adoption of best practices in fuel savings for locomotives that don't have the AESS system, represented a total savings of 15.13 million liters of diesel in 2015.

DIESEL SAVINGS

AESS System Transportation Division, 2013 - 2015



In addition, we continued our efforts to increase the efficiency of fuel consumption per kilometer of freight transported, improving our fuel performance by 2% at Ferromex and by 1% at Ferrosur.

We have developed energy efficiency awareness programs for our collaborators to encourage changes in behaviors, contributing to the shared effort of operational sustainability.

Emissions

(G4-EN15, G4-EN16, G4-EN19, G4-EN27)

The Transportation Division seeks to reduce greenhouse

gas emissions (GHG) by diversifying our sources of power towards renewable alternatives.

Of the 1.39 million tons of CO₂eq released during 2015, 99% were direct emissions from the use of fossil fuels, while the remaining 1% were indirect emissions associated with generating the power used by our transportation operations.

FUEL PERFORMANCE

Transportation Division, 2013 - 2015



Note: The Transportation Division's fuel performance is expressed in liters of diesel consumed per thousand tons per kilometer of freight (L/TTKG).

In 2015, we continued to receive power supplied by the "El Retiro" wind farm, also belonging to Grupo México, which helped to mitigate 6,531 tons of CO₂eq. In addition, we use solar panels to generate and supply power to the Hot Box Detectors (HBD), Dragging Object Detectors (DOD), Wheel Impact Detectors (WID), and Rolling Stock Card Readers (RSCR).

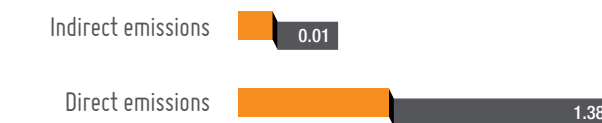
The railroad is an environmentally friendly alternative for moving freight, being four times more efficient in fuel consumption and releasing 75% less greenhouse gas emissions than trucks¹⁸. Also, we have incorporated technology that contributes to improved efficiency in fuel consumption, such as the AESS system installed on older locomotives so that these automatically shut off after a certain time without movement. Between the diesel savings results and the initiatives implemented on the rest of the locomotives, we were able to mitigate 39,973 tons of CO₂eq in 2015, equal to 8,145 cars on the road in one year.

Consideration was given to fuel usage for the purchase of the 34 new locomotives that joined our fleet this year. Additionally, maintenance and improvement works for the network contribute to more efficient traffic in terms of energy consumption.

GREENHOUSE GAS EMISSIONS

Transportation Division, 2015

(Millions of tons CO₂eq)



¹⁸ According to an independent study published by the Association of American Railroads (AAR) and determined by the Federal Railroad Administration.

Climate Change

(G4-EC2)

Climate change is a growing risk, particularly for the operations of our Transportation Division, for which we have prepared action plans. Our multi-year improvement program, which includes reinforcing unpaved roads, bridges, track and drainage, helps to minimize impacts on our facilities, from damages to the signal system to landslides or mudslides affecting the network. Climate change can also affect our customers, particularly in the agricultural sector, and indirectly the flows of freight we operate, representing a challenge that requires the efforts from all, working to benefit future generations.

At Grupo México, we identify the risks, and monitor and implement initiatives to be better prepared. We have specific action plans in place for the different scenarios, aimed at minimizing the impact:

- Multi-year program to reinforce bridges, unpaved and paved roads, and drainage and natural water channels.
- Adjustments to train scheduling.
- Right of way operating agreements with Kansas City Southern México (KCSM) and the Coahuila – Durango Railroad (LFCD).
- Dissemination of the measures to be taken in the event of any significant environmental phenomenon.

Our “Programmed Railroad” system, aimed at continuity and operating efficiency, helps manage the risks associated with climate change. This includes operating codes that may help combat the consequences of an extreme climatological event. Such is the case of the PAREQ (Chemical Emergency Response and Remediation Plan), and others associated with operating safety and response in the event of an accident.

WATER

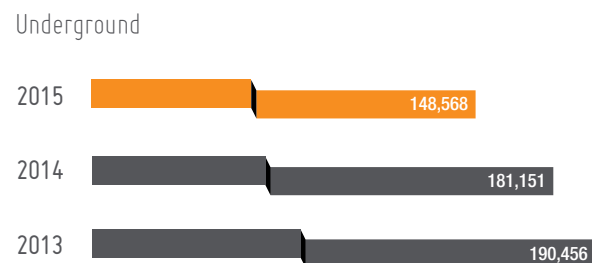
(G4-EN8, G4-EN9, G4-EN10, G4-EN27)

The water consumed by our railroad operations is minimal and is primarily used for washing locomotives and cars, and also for the cooling systems.

In 2015, water consumption by the Transportation Division was 254,231 m³, 58% of which was drawn from underground sources. Our water treatment plant in Guadalajara reused 268 m³, and we used this water for washing locomotives, cars, and watering gardens. We also have an awareness program to promote the efficient use of water among our collaborators.

WATER CONSUMPTION

Transportation Division, 2013 – 2015
(m³)



WATER CONSUMPTION

Transportation Division, 2013 – 2015
(m³)



USE OF MATERIALS

(G4-EN1, G4-EN2)

The 3 materials most used in our railroad operations are ballast, sleepers and track, which are used to maintain the lines in proper operating condition.

This year, we continued our efforts to reduce the quantities of materials our activities require. Of note is our smelter slag reuse project as a substitute for ballast.

MATERIALS USED

Transportation Division, 2015

	2013	2014	2015
Ballast (m ³)	362,244	499,352	451,414
Sleepers (pieces)	1,020,873	625,889	489,593
Track (tons)	53,959	16,773	26,947
Smelter slag used as ballast (m ³)	254,886	200,385	147,024

WASTE MANAGEMENT & SPILLS

(G4-EN23, G4-EN24, G4-EN27)

We manage waste according to regulations, including its handling, storage and sending for recycling and/or disposal.

We have mechanisms in place to prevent and take action in the event of spills resulting from railroad accidents, including incidents involving hazardous chemical substances. The Operating Safety Committee meets monthly to monitor risks, take preventive action, and on the occurrence of any railroad accident, to determine the corrective measures.

The 923 tons of hazardous waste we generated was handled according to strict controls. A large portion of this waste is reused by authorized third-parties, and the rest is sent for controlled confinement. Lubricant oil is sold to produce alternative fuels, and the lead batteries are sold to make new accumulators.

Our Chemical Emergency Repose and Remediation Plan (PAREQ) includes guidelines for accident prevention, operating response to chemical emergencies, restoration of environmental impacts, and return to normal operations.

Our approach is the same with waste requiring special handling, some of which is reused and/or recycled, such as scrap steel, obsolete vehicles or machinery, and wood sleepers.

HAZARDOUS WASTE

Transportation Division, 2015

Oil (tons)	454.13
Muds (tons)	216.90
Alkaline batteries (tons)	4.25
Lead acid batteries (tons)	23.71
Other solid hazardous waste (tons)	223.95

There were 3 spills reported in 2015, with a total spilled volume of 91.5 m³, primarily ethylene oxide (80 m³) and the rest being diesel and lubricating oil.

Immediately following these events, corrective and contingency actions were taken, where the spilled product and the contaminated soil were sent for disposal by authorized third-parties, and the site was thoroughly cleaned and these materials properly disposed of. None of these events caused a significant impact on the environment or the soil, therefore they are considered low severity.

BIODIVERSITY & THE ENVIRONMENT

(G4-EN11, G4-EN12, G4-EN13, G4-EN14, G4-EN27)

Most of our Transportation Division operations are located in areas that are not protected, with the exception of 25 km² of our rights of way that cross protected areas. The lines were built before these areas were declared protected.

All our new railroad infrastructure projects are executed according to legislation, meeting environmental impact requirements as may be set by the authorities for the project.

PROTOCOL FOR CHEMICAL SUBSTANCE LEAKS OR SPILLS

Prevention	<ul style="list-style-type: none"> The PAREQ prevention activities are defined and also the Infrastructure, Documentation, Dispatch and Equipment, and Operations subcommittees, among others.
	<ul style="list-style-type: none"> The PAREQ committee performs an assessment, noting the achievements of the prevention committee, generating a record with new agreements reached.
Response	<ul style="list-style-type: none"> On the occurrence of an incident, the train dispatch center issues an alert on the presence of chemical leaks or spills, accordingly. In this situation, the PAREQ is activated.
	<ul style="list-style-type: none"> On the occurrence of an incident involving hazardous materials, the corresponding response brigades are dispatched and the plan is activated. Once the emergency has been controlled, a report on the event is prepared for the relevant government agencies.
Remediation	<ul style="list-style-type: none"> With the emergency under control, the track is reported as clear and the damages to the track and surrounding areas are surveyed.
	<ul style="list-style-type: none"> The damages caused to equipment and infrastructure are assessed and quantified, as well as the environmental restoration at the scene of the accident (when applicable).

Additionally, during both the design and the execution and operation of the infrastructure, we identify potential impacts and implement preventive and corrective measures, accordingly. Such is the case for potential impacts from clearing vegetation and soil compacting and erosion. The Transportation Division has restoration programs, including re-vegetation, with maintenance for five years to ensure the survival of the relocated or newly incorporated species. We also rescue and relocate fauna that may be impacted by our works projects and operations. Two protected species of vegetation and fauna have been identified at our operations and the surrounding area, according to International Union on the Conservation of Nature (IUCN) classification¹⁹.

¹⁹No species covered by NOM-059-SEMARNAT, which determines the protected species in Mexico, have been identified around our operations. One species on the IUCN list classified as "in danger of extinction" and another classified as "low concern" have been identified.

INFRASTRUCTURE DIVISION

During 2015, we maintained all our OHSAS 18001 certifications for the drilling and construction sectors.

At Grupo México, we value all our collaborators and understand

that a safe employee means a safe family that is whole.



INFRASTRUCTURE DIVISION 2015 PERFORMANCE & 2016 GOALS

Health & Safety	Business unit	2015 Goal	Performance
	Infrastructure Division	Maintain the incident rate at below 1.19, in keeping with Grupo México's goal of ZERO accidents. 	We exceeded the goal, reporting an incident rate of 0.84.
	Infrastructure Division	Increase by 10% the training hours on topics of occupational health and safety. 	We exceeded the goal, providing 14,712 training hours on occupational health and safety, an increase of 89%.
	Construction & Drilling	Maintain OHSAS 18001 certifications for Construction & Drilling. 	We maintained our OHSAS 18001 certifications for Construction & Drilling.
Our Communities	Business unit	2015 Goal	Performance
	Infrastructure Division	Zero human rights related incidents. 	Zero human rights related incidents.
	Infrastructure Division	Meet our commitments to our community development programs and report performance per the indicators established. 	We met our commitments to our community development programs as projected for 2015.
Our Environmental Commitment	Business unit	2015 Goal	Performance
	Infrastructure Division	Zero environmental incidents involving spills of materials or substances at our operations. 	Zero environmental incidents involving spills of materials or substances at our operations.
	Construction & Drilling	Maintain ISO 14001 certifications for Construction & Drilling. 	We maintained our ISO 14001 certifications for Construction & Drilling.

2016 Goal
Maintain the incident rate at below 0.84, in keeping with Grupo México's goal of ZERO accidents.
Continue to provide over 14,000 training hours on occupational health and safety.
Maintain OHSAS 18001 certifications for Construction & Drilling.
2016 Goal
Zero human rights related incidents.
Meet our commitments to our community development programs and report performance per the indicators established.
2016 Goal
Zero environmental incidents involving spills of materials or substances at our operations.
Maintain ISO 14001 certifications for Construction & Drilling.

 GOAL REACHED

 GOAL IN PROGRESS

GROW

PRINCIPAL PRODUCTS & SERVICES

(G4-4, G4-8, G4-9)

Grupo México, through the Infrastructure Division, offers a wide range of products and services, responding to customer needs, focusing on relevance and efficiency in the development of its activities.

We have been working in the construction sector for 79 years, completing important transportation infrastructure and energy projects. Our solid team also provides engineering services to both other divisions of Grupo México and to independent customers. Additionally, we have strengthened our presence in the energy sector. After the development of ocean and land drilling services, particularly for the oil industry, we have also ventured into power generation. We started with projects directed at self-supply within Grupo México, committed to using cleaner energy sources. We have set the bases for our development as generators of power under the framework of the energy reform.

INVESTMENTS & PROJECTS

(G4-13, G4-EC7, G4-EC8, G4-EN27)

We maintain a strong commitment to investment, promoting the incorporation of cutting-edge technologies to improve efficiency. Our mission in the Infrastructure Division is to contribute to the development of Grupo México, our business partners, and the communities where we are present.

Since 2012, we have been adding cutting-edge drilling platforms, which have marked the way in the hydrocarbon extraction sector in the Gulf of Mexico in a context of the opening of the oil sector. In 2015, the Veracruz modular platform started operations. The Tamaulipas platform will start operations next year and its location is expected to be assigned by the lessee. Both platforms are modular, to be easily and efficiently transported and installed, and represent an investment of US\$174 million.

These two platforms are added to the 5 jack-ups that are already in operation, allowing us to offer a highly efficient drilling infrastructure which during 2015 maintained an average 98% service, an industry benchmark. In addition to leasing and maintaining the platform, we offer value added services such as cementation engineering, slanted drilling, and fracturing.

The reforms adopted in Mexico in recent years are generating new opportunities for business development. In this sense, the energy reform has opened the market to new participants, and we are looking to develop our drilling subsidiary as a hydrocarbon exploration and production company, based on our 50 year history in the oil sector and our capacity for innovation. In 2015, we participated in various tenders for oil field concessions in Mexico, and although our proposals have not yet been awarded as winners, we are optimistic and firmly believe we will be able to participate in this new market.

Construction of the second section of the Salamanca-Leon highway continued in the state of Guanajuato (Mexico), which opened in September 2015. The 80 km highway represents an investment of US\$364 million, generating jobs during the construction stage, and contributing to strengthening local industry by purchasing from local suppliers in the state.

The Salamanca-Leon highway is also our first experience as operators, which we have prepared for by incorporating the latest technological solutions. The highway is one of the first in the country that has an Intelligent

Transportation System (ITS) to monitor time the different sections in real time, contributing to delivering a better experience and increased safety for users. During 2015, the average traffic was 7,385 vehicles per day and this is expected to increase 30% in 2016.

The highway contributes to connecting people and businesses, shortening travel times, reducing the risk of accidents by offering safer conditions, and reducing noise and air pollution levels with more fluid traffic. All this translates into socioeconomic development, contributing to the commercial and tourism development of the area, and improving quality of life for local residents.

Our construction subsidiary has the capacity to participate in the oil, gas, energy, hydraulic, industrial, and transportation sectors, under the modality of project finance, long-term concessions, and public-private partnerships. There is more and more diversification of projects, adding to this the design and construction of the new Cananea airport, which is in the early stages of study.

The new energy regulations in Mexico also go hand in hand with our plans for expansion and diversification as generators of power, focusing on clean energies, seeking to contribute to promoting these energy sources as alternatives to traditional fossil fuels.

After the startup of our first combined cycle plant "La Caridad I" in 2014, this year the second plant "La Caridad II" started operations. With the addition of the second plant, with an installed capacity of 258 MW, the

complex has a production capacity of 516 MW, generating power to supply our mining and metallurgical operations in the state of Sonora (Mexico).

Our 74 MW “El Retiro” wind farm started operations in 2014. Located in the southwest of Oaxaca (Mexico), the power generated is used by our Mining Division and Transportation Division operations and also by Cinemex.

We initiated our commitment to the development of energy projects with the goal of self-supply at the level of Grupo México, and currently we are expanding our horizons. We continue to be committed to alternative energy sources, principally renewable sources, contributing to an improved and cleaner energy mix in Mexico and the commitments undertaken by the country to reduce emissions. We are studying opportunities to develop photovoltaic and solar panel projects in Sonora, and also co-generation in association with PEMEX.

QUALITY MANAGEMENT

At Grupo México, we ensure the quality of our products and services, a commitment that we maintain throughout the lifecycle of our projects, also adhering to applicable regulations.

At our construction subsidiary, we have a comprehensive management system for quality, the environment and safety, certified under ISO 9001/ ISO 14001/ OHSAS 18001, which also applies to different projects. Our drilling subsidiary also has a similar comprehensive system, the scope of which covers the Carmen

Sector administrative offices, the cement plant, and the Sonora platform.

PROMOTE

COMMITMENT AND WORKPLACE CLIMATE

(G4-9, G4-10, G4-11, G4-EC5, G4-LA1, G4-LA2, G4-LA4, G4-LA12, G4-LA13, G4-HR3, G4-HR4)

For Grupo México, having committed and satisfied personnel is an essential pillar in our development, building shared effort to achieve the goals we’ve set as a team. We strive to offer our collaborators an environment for their personal and professional development, ensuring their safety and contributing to their overall wellbeing.

In 2015, the Infrastructure Division was comprised of 2,556 collaborators, 50% of which are under permanent contract. Employees under temporary contract form part of our construction subsidiary, representing 84% of this workforce. This is due to the nature of the subsidiary’s activities, where most of the hiring is based on the temporality of the works projects developed. All collaborators work full time.

The construction subsidiary needs a large team to develop its projects, such as the completion of the second section of the Salamanca-Leon highway, and employs 59% of the Infrastructure Division workforce.

The construction and engineering sectors, and also the drilling sector, have been characterized by their lack of female presence, situation that has changed over time. In the

Infrastructure Division as a whole, women represent 8% of the workforce. However, in our power generation subsidiaries, women represent 32%. Grupo México ensures equal salary between men and women. Also, mixing age groups is important to the Infrastructure Division, fostering the exchange of different points of view and collective learning, with 51% of collaborators being between 30 and 50 years of age. Our efforts to create an inclusive environment and solid internal communication are reflected in the absence of incidents of discrimination.

At Grupo México, we respect freedom of association and in the Infrastructure Division, we have 1,424 union employees, representing 56% of the total workforce. Through fluid dialog, our collaborators are promptly informed of any changes that may impact their relationship with the Company.

We create professional development opportunities for our collaborators and we work hard to ensure our personnel feel satisfied with their working conditions and their teams. This has resulted in a relatively stable average turnover rate, compared with 2014, of 16.2%²⁰. Considering the Division’s subsidiaries as a whole, there are 1,625 new collaborators this year.

We offer a package of benefits to contribute to the wellbeing of our collaborators and their families, which includes life insurance, complementary medical insurance, higher coverage for incapacity, and additional contributions to the retirement fund, based on the type of

COLLABORATORS

Infrastructure Division, 2013 – 2015



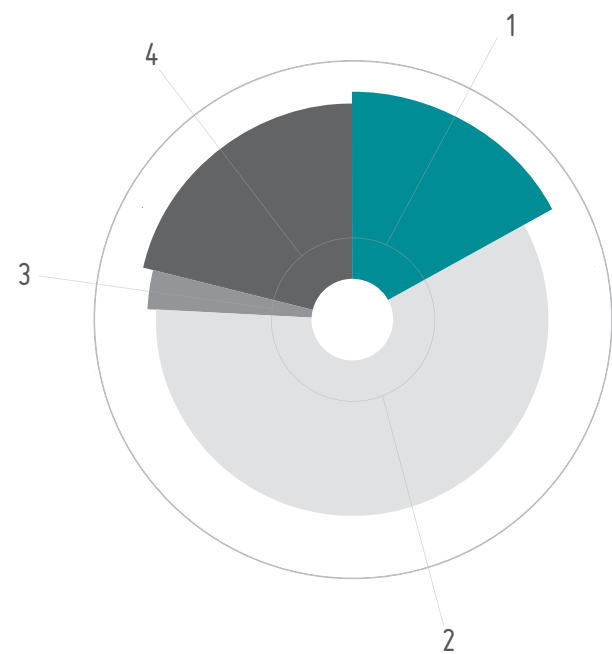
²⁰ The Turnover Rate for the Infrastructure Division is identified as the number of people leaving in relation to the total number of collaborators (x100).

contract. By offering these benefits, we recognize and value the daily efforts of our collaborators contributing to the collective success of Grupo México.

COLLABORATORS BY SUBSIDIARY

Infrastructure Division, 2015

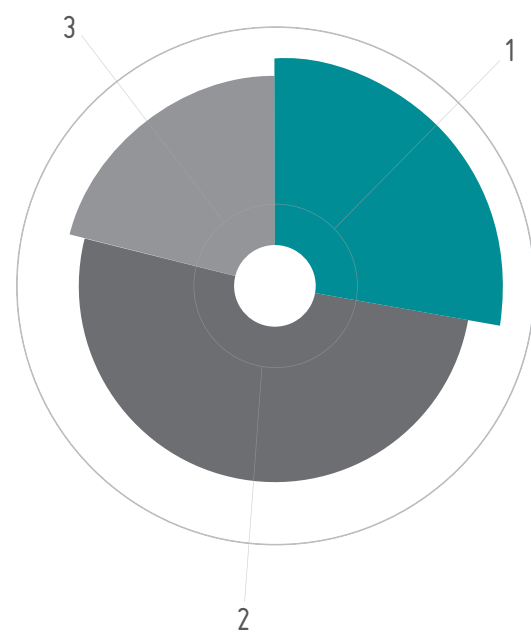
1	GMSI	17%
2	MCC	59%
3	MGE & Eólica el Retiro	3%
4	PEMSA	21%



COLLABORATORS BY AGE GROUP

Infrastructure Division, 2015

1	Under 30	28%
2	30-50	51%
3	Over 50	21%



WOMEN BY COLLABORATOR CATEGORY

Infrastructure Division, 2015

	N° Collaborators	% Women
Senior Management & Department Heads	127	10.1
Senior Technicians	385	8.4
Junior Technicians	485	12.4
Specialists	119	19.2
Assistants	1,440	5.1

During 2015, the average Base Salary in the Infrastructure Division was equal to 6.45 times the local minimum wage²¹. The Base Salary includes the starting salary, productivity bonuses, cash benefits, and profit sharing, where applicable.

TRAINING & CAREER DEVELOPMENT

(G4-LA9, G4-LA10, G4-LA11)

The Grupo México workforce is highly specialized for our activities and processes. Our Infrastructure Division op-

erates in highly differentiated sectors: engineering and construction, drilling and energy generation, and our collaborators are trained to deliver the best results in each of these areas. We also strive to offer our workforce training opportunities that are aligned with their professional development within the team. In 2015, we provided 187,233 training hours, representing an average 79 hours per collaborator, including skill strengthening and competency development programs.

Phase	Description
Strategic planning	• We plan the goals of the Company, identifying the cause-effect relationship between the components of the strategy.
Setting goals	• We use the SMART methodology to set goals, registering this in the system for the assigned supervisor to then review and authorize.
Evaluation period	• We conduct evaluations of goal achievement and self-evaluations, and offer feedback on performance. Training plans are then set for the next cycle.
Exploring potential	• We document the personal and professional information for our collaborators to record their progressive development within the Company.

We have implemented a performance review mechanism based on organizational goals, to align personnel performance with the Mission, Vision and Values of the Company. This mechanism is based on a system of factors and scales, comprised of four stages:

We also have a “Professionals in Development” program that aims to identify personnel with skills to move into strategic positions and to be promoted to middle and upper management positions. The program helps to ensure potential candidates for key leadership positions within the Company and to maintain a motivated workforce that is committed

²¹ Considering the Base Salary (BS) and the Minimum Wage (MW), the calculation of the BS/MW average is determined weighting the BS and MW for each region in Mexico where we operate, based on the number of collaborators in the Infrastructure Division in each territory.

The program includes the following areas, directed at training personnel in key business processes:

Areas	Projects
Operations Department	<ul style="list-style-type: none"> Design, planning and execution of the Comprehensive Health and Safety Management System at Compañía Perforadora México.
Technical Department	<ul style="list-style-type: none"> Design and implementation of company procedures to participate in Pemex Exploration and Production (PEP) tenders.
Administrative & Finance Department	<ul style="list-style-type: none"> Financial planning to assess new projects.
Maintenance Department Unit	<ul style="list-style-type: none"> Design and execution of the Comprehensive Functional Failure Prevention Program.
Operations Department Unit	<ul style="list-style-type: none"> Optimization of the Tertiary Gulf Oil project well drilling operations.
Technical Area	<ul style="list-style-type: none"> Diagnostic of the technical capacities of the Company to respond to new contract models with Pemex Exploration and Production (PEP).

OCCUPATIONAL HEALTH & SAFETY

(G4-LA5, G4-LA6, G4-LA7, G4-LA8, CRE6)

The health and safety of our collaborators is paramount to Grupo México. We have made investments to ensure the best working conditions and we have developed programs to identify and manage risks, as well as to monitor the areas of operation and training programs, under a framework of ongoing improvement.

Our subsidiaries have management systems to monitor and control health and safety. Our construction company has a comprehensive system that is occupational health and safety certified under OHSAS 18001: 2007.

Our drilling subsidiary also has an OHSAS 18001:2007 certified system, with a scope that includes the Carmen Sector administrative offices, the cement platform and the Sonora platform. In addition, we maintained International Ship and/or Port Facility Protection Certifications under the International Ship and Port Facility Protection Code (ISPS CODE), and Safety Management Certificates under the International Safety of Life at Sea Convention, accrediting our safety management in compliance with the Guidelines for the Implementation of International Safety Management (ISM). In addition, we adhere to the Workplace Health and Safety Self-Management Program (PASST 1st level).

In 2015, of note are the efforts made in training by our drilling subsidiary, with the development of the second phase of the Institutional Safety and Protection On Board Program. This program is aimed at fostering a culture of safety among the personnel on the oil platforms. During the year, 672 training hours were provided, with the participation of 323 collaborators from the Campeche, Tabasco, Zacatecas, Chihuahua, and Sonora platforms. The implementation of the program has contributed to decreasing the number of incidents at the subsidiary by 60%, compared with 2014.

The involvement of the committees and management teams is essential in safety management. Our collaborators are members of the Joint Safety and Hygiene Commissions, established at each operating unit, ensuring the representation of 100% of the workforce. Both union and non-unionized personnel form part of these commissions, according to the criteria established in the collective bargaining agreements.

INCIDENT RATE

Infrastructure Division, 2013 - 2015



$$IR = \frac{\text{No. of incapacitating accidents}}{\text{Total man hours worked}} \times 200,000$$

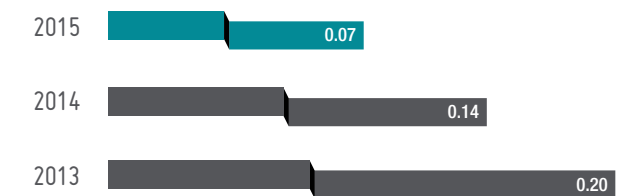
The turnover in the Infrastructure Division, particularly in our construction subsidiary, is a challenge for accident prevention due to the need to retrain in this area.

The performance and commitment of our collaborators in developing a culture of safety, and in identifying and preventing risks, has resulted in an incident rate of 0.84, a decrease of 60% over the last three years. The severity rate was 0.07, representing a reduction of 65% since 2013. Additionally, our construction subsidiary reported an incapacitating incident rate below the statistics of the Mexican Chamber of the Construction Industry.

At Grupo México, we're also working to extend our culture of health and safety prevention to the families of our collaborators and to the community, through education, consulting, prevention, and risk control programs, and also through medical treatment.

SEVERITY RATE

Infrastructure Division, 2013 - 2015



$$SR = \frac{\text{No. of days lost}}{\text{Total man hours worked}} \times 1,000$$

COMMUNITY DEVELOPMENT

(G4-S01, G4-S02, CRE7)

Our relationships with the communities where we operate is fundamental to Grupo México, with close dialog based on trust, which leads to the development of initiatives to strengthen skills and improve quality of life. With community assessments, which include the involvement of the local community, we identify the current needs and expectations, from which we build the priorities for our work. Our Casa Grande community development model helps to design, in collaboration with the community, the projects that will be implemented with the efforts of our team of experts and volunteers.

In 2015, the Infrastructure Division continued to call for projects through a program that was implemented for the first time last year at our “El Retiro” wind farm operation, based on the experience of the Mining Division. Through this program, communities are invited to present their projects, which are then reviewed by the community committees, joint bodies that involve members of both Grupo México and the community, strengthening dialog and citizen participation.

The “El Retiro” wind farm financed 10 projects in 2015, which included productive, educational, social and environmental projects, strengthening our relationship with the neighboring community. Additionally, 1,924 people participated in our social linkage programs, a 17% increase over 2014, to which we add those benefited from the projects approved by the community committees.

Our construction subsidiary has implemented the community diagnostic for the Salamanca-Leon highway and we are defining the specifications we will incorporate into our Casa Grande community

development model, to address the particular aspects of the highway in terms of its impact on communities. It should be noted that our environmental and social assessment during the design and execution of the projects, has ensured respect for the environment and prevented forced displacements as a result of the mapping for the highway.

Our drilling subsidiary conducted a participatory assessment in 2015 so as to focus our social linkage efforts together with the community, consolidating our community relations team. We are working on building the integral involvement of the community that also involves youth through workshops and play, developing the listening skills of our collaborators. Our reforestation and mangrove cleaning initiative is ongoing work.

We continue to strengthen relationships with our communities, working to achieve collective goals, with a focus of participation and transcendence over time.

PROTECT

ENVIRONMENTAL MANAGEMENT

(G4-EN29, G4-S02)

We are constantly endeavoring to align our performance to be respectful of the environment, monitoring the footprint of our activities and being dedicated to implementing initiatives to reduce and/or mitigate impacts, as part of our firm commitment to present and

future generations. We are striving to achieve comprehensive environmental management in the lifecycle of our projects, including during the design, construction and operating stages.

Our construction subsidiary has a comprehensive management system, the environmental component of which is ISO 14001:2004 certified. This system identifies and monitors our impacts, establishing preventive or corrective actions.

Our drilling subsidiary holds specialized certifications for its sector and also has a comprehensive management system that is ISO 14001:2004 certified for the Carmen Sector offices, the cement plant, and the Sonora platform. The subsidiary also holds 7 Environmental Quality certificates, including five of its platforms, with the certification of the Tabasco platform this year.

Our power generation subsidiaries are making progress on environmental management systems, particularly in the consolidation of the combined cycle plants and the wind farm.

Our Infrastructure Division ensures compliance is met with regulations and the requirements set by our internal procedures. However, in 2015 our construction subsidiary received a US\$6,301 fine for an alleged non-compliance with storage conditions for materials, which is currently being challenged.

ENERGY AND EMISSIONS

Energy Efficiency

(G4-EN3, G4-EN6)

Our Infrastructure Division has operations in sectors with different fuel and power needs. In 2015, fuel consumption was 21,681 terajoules and power, 286 terajoules, representing year-over-year increases of 22% and 47%. This is due primarily to the startup of the second combined cycle plant, “La Caridad II”.

Regarding our fuel and power needs, noteworthy is our combined cycle power plant subsidiary, which uses this power as the principal input for its operations. The plants are more efficient in their fuel consumption and also use the heat generated from the processes.

In the Infrastructure Division, we’re improving our use of cleaner fuels and better energy efficiency in our processes. We’ve made significant efforts in substituting fossil fuels with alternative fuels that maintain the same performance for our machinery. We used a biofuel alternative to diesel with a high energy density for the Salamanca-Leon highway project, to produce the asphalt, reducing an estimated 869 GJ in 2015.

FUEL CONSUMPTION

Infrastructure Division, 2013 - 2015



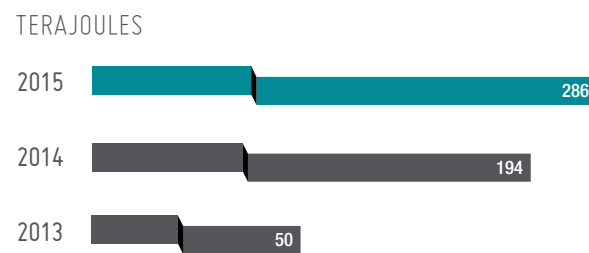
FUEL CONSUMPTION

Infrastructure Division, 2015



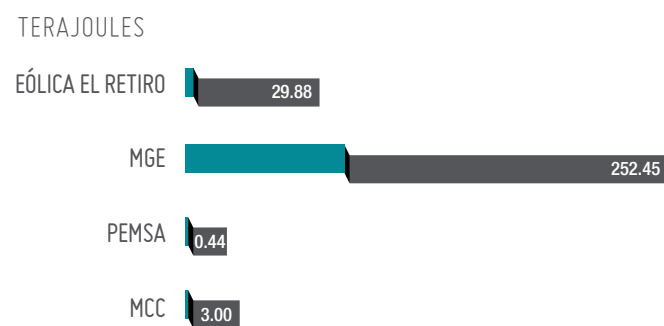
POWER CONSUMPTION

Infrastructure Division, 2013 - 2015



POWER CONSUMPTION

Infrastructure Division, 2015



GREENHOUSE GAS EMISSIONS

Infrastructure Division, 2015

(Millions of tons de CO₂eq)



EMISSIONS AND CLIMATE CHANGE

(G4-EC2, G4-EN15, G4-EN16, G4-EN19, G4-EN21, G4-EN27)

Climate change is a global challenge, accompanied by an intensification of climatological events such as hurricanes, droughts and flooding, which generate risks for our Infrastructure Division operations. The accumulation of greenhouse gases (GHG) is causing climate transformations and because of this, we are striving to reduce the emissions generated by our activity.

Of the 1.28 million tons of CO₂eq released by the Infrastructure Division in 2015, 97% are direct emissions from the use of fossil fuels, while the remaining 3% are indirect emissions associated with the production of electricity consumed by our operations.

The Infrastructure Division embodies the commitment of Grupo México to mitigate emissions by diversifying our energy mix towards cleaner energy sources. In 2015, our second combined cycle plant, “La Caridad II”, reached full capacity after completing its testing the previous year. With an installed capacity of 258 MW, similar to the first plant, we can double our capacity for natural gas based power generation. Jointly, the plants produced 2,833,567 MWh of power this year, used by our mining operations in Sonora (Mexico).

By using natural gas and contributing to Grupo México’s self-supply, “La Caridad I” and “La Caridad II” have prevented the emission of 137,392 tons of CO₂eq. This is equal to the greenhouse gas emissions that would be generated by 28,925 cars on the road in one year.

Our “El Retiro” wind farm started operations in 2014 and is located in the southwest of the state of Oaxaca, in Juchitán de Zaragoza (Mexico). This wind farm has 37 wind turbines and the power produced is used by the Mining Division and the Transportation Division, and also by Cinemex. In 2015, the wind farm produced 220,235 MWh,

preventing the emission of 99,987 tons of CO₂eq, equal to 232,528 barrels of oil per year.

As part of Grupo México's climate change strategy, the Infrastructure Division is studying other potential wind and solar power projects, in its commitment to the renewable sources that will forge our future as generators of power. The goal is not only to produce renewable energy for our operations, but to supply the market and contribute to the development of these projects across the country. Regarding other atmospheric emissions, it should be noted that the combined cycle plants monitor the NO_x emissions generated by the burning of fossil fuels used by our engine equipment. We have a continuous monitoring system (CEMS) that takes samples directly from the chimneys. In 2015, the NO_x emission was 753 tons.

The Infrastructure Division performs preventive maintenance on equipment to ensure efficiency, proper functioning, and to prevent excessive gas emissions.

NO_x EMISSIONS (TONS)

Combined Cycle Plants



WATER

(G4-EN8, G4-EN9, G4-EN22, G4-EN27)

In the Infrastructure Division, our drilling unit is the primary consumer of water, drawing mainly from underground sources and the network (including pipes), and also our power generating unit through the combined cycle plants, where almost all water is drawn from underground

sources. In total, the water consumption of the Division in 2015 was 4,020,675 m³, of which 3,224,706 m³ was underground water.

The water discharged by our operations represented a volume of 700,713 m³ in 2015 and met the physical-chemical regulatory requirements for discharge.

WATER CONSUMPTION

Infrastructure Division, 2015
(m³)



USE OF MATERIALS

(G4-EN1)

The principal material used by our construction operations is concrete, but also noting: steel, asphalt, tires and wood. These are all for permanent installation and

MATERIALS CONSTRUCTION OPERATIONS

Material	Unit	Quantity
Steel	ton	1,418
Tires	ton	128
Concrete	m ³	4,215
Wood	m ³	176
Asphalt	m ³	1,533

inputs to be able to execute the tasks directly related to the works contracted.

Meanwhile, the materials most used in our drilling operations are primarily chemical agents, such as emulsifiers, calcium chloride, organophilic clay, and carboxymethyl cellulose. The principal use of these materials is for maintenance on our equipment, and for specific construction activities and project development.

WASTE MANAGEMENT & SPILLS

(G4-EN23, G4-EN24, G4-EN27)

We have a comprehensive system in place for managing hazardous waste, which includes the proper separation of waste at the source, handling, and temporary disposal. Specialist third-party companies, certified by the authorities, are contracted for the transportation, usage, and/or final disposal by controlled confinement of this waste. The hazardous waste we generated in 2015 is estimated at 91 tons, in the case of solids, and 461 m³ for liquids, and 30 tons were transported by these authorized companies.

Non-hazardous waste is sent, accordingly, for recycling, reuse, composting, or landfill.

Only one spill was reported in 2015. Our combined cycle plant subsidiary reported a spill of 23 m³ of sludge at the water treatment plant, which we removed in order to subsequently clean the area. It should be noted that we have a response procedure in place in the event of chemical spills, which includes specialist companies for

the transportation and disposal by controlled confinement. Our facilities are also equipped to ensure any spill is contained.

WASTE

Material	Unit	Quantity
Hazardous waste	Solids (tons)	91
	Liquids (m ³)	461
Non-hazardous waste	Solids (tons)	3,260
	Solids (m ³)	1,032

BIODIVERSITY AND THE ENVIRONMENT

(G4-EN11, G4-EN12, G4-EN13, G4-EN14, G4-EN27)

The operations of the Infrastructure Division are situated in urban areas or areas that have little biodiversity value, previously authorized by the corresponding government agencies.

Only the administrative offices of our Carmen Sector drilling subsidiary are located in a protected area, without any significant effect due to the type of activity conducted there.

Our construction projects are developed according to environmental impact requirements and we ensure the conditions set by the authorities are fulfilled. During both the design phase and throughout the project, we identify potential impacts, implementing relevant controls and preventive measures. The requirements specify the species of flora and fauna that need to be rescued and relocated.

In 2015, we completed the works for the second section of the Salamanca-Leon highway. The construction project for the whole of the highway has planned the reconversion of 4.7 km², where we have implemented a flora and fauna rescue program before starting the stripping and clearing stages.

We have also started the compensation of approximately 20,000 trees in the state of Guanajuato, and reforested the rights of way with 60,000 native trees, which will be monitored over the 28 years of the highway concession. It should be noted that we have nurseries to help develop the reforestations.

In the case of our “El Retiro” wind farm, in 2015 we started a reforestation program, according to the environmental impact regulatory requirements. The goal is

to reforest 5 hectares with approximately 2,800 individuals of native species. At year close, we report 40% progress towards this goal.

The presence of species with some degree of vulnerability in terms of their conservation has been identified in the areas where the Infrastructure Division operates. Grupo México is committed to the survival of these species and this is a key focus of our efforts.

IUCN CLASSIFICATION²²

Categories	Nº species
EN In danger of extinction	1
VU Vulnerable	1
LC Low concern	2

NOM-059-SEMARNAT CLASSIFICATION²³

Categories	Nº species
D In danger of extinction	2
Th Threatened	7
Pr Subject to special protection	13

^{22,23} The IUCN (International Union for the Conservation of Nature) is global, while NOM-059-SEMARNAT applies to Mexico, with a different grouping and number of species considered.

ABOUT THIS REPORT

GENERAL PARAMETERS

(G4-22, G4-28, G4-29, G4-30, G4-31, G4-32, G4-33)

We offer our tenth Sustainable Development Report, continuing our annual commitment. This is our first report prepared according to the new Global Reporting Initiative (GRI) G4 methodology, under the “core” compliance option, and the “Mining and Metals” and “Construction and Real Estate” sector supplements. The report also applies the Principles of Inclusivity, Materiality and Responsiveness defined by AccountAbility AA1000APS (2008).

The report covers the 2015 social, environmental and economic performance of our Mining Division, Transportation Division, and Infrastructure Division, in the three countries where we operate: Mexico, Peru and the United States²⁴. For the seventh time, we report the progress made on implementing the 10 UN Global Impact Principles.

Throughout the report, we have indicated the mechanisms to measure performance, calculation indicators, and also information restated from the previous report²⁵. Giving continuity to the practice from previous years, and following the mandate given by the Board of Directors, the report has been verified independently, according to the scope set in the Independent Assurance Report. The report also satisfies the Global Reporting Initiative (GRI) Materiality Disclosures Service.

For more information on this report, please contact: desarrollo.sustentable@mm.gmexico.com

IDENTIFICATION OF THE MATERIAL ASPECTS

(G4-18, G4-19, G4-20, G4-21, G4-23)

In preparing the content for the 2015 Sustainable Development Report and as a baseline for future years, we conducted a materiality analysis detailed by each of the principal sectors of activity where Grupo México operates: mining, transportation, engineering and construction, energy, and drilling.

The identification of the material aspects for each sector was based on the attention the industry gives to the aspect (maturity), through a comparative or benchmark analysis of different companies, and the relevance for the stakeholders (risk). This was based on the public requirements set by sector associations, charity organizations, and the authorities and regulators. We also included topics considered by the Dow Jones Sustainability Index (DJSI), representing investors, and those linked to the mentions of Grupo México in the media during 2015.

Additionally, we spoke with Grupo México executives and its subsidiaries, to ascertain the principal impacts, risks and opportunities from their perspective, and the key annual performance issues, enriching the information we have provided on material aspects.

The change to GRI G4 has led us to place greater emphasis on the material aspects, communicating how we manage these and the outcomes, to be able to better respond to concerns from our stakeholders. This marks a new scope in the performance reported compared with previous reports, identifying where each material aspect is significant for which subsidiaries and/or entities in the value chain.

Material Aspect	Internal Limits						External Limits
	Mining Sector	Transportation Sector	Construction Sector	Energy Sector	Drilling Sector	Engineering Sector	
Water							• Local communities
Biodiversity and the environment							
Training and career development							
Commitment and workplace climate							
Human rights							• Local communities
Economic performance							• Local communities
Effluents and waste							
Emissions							
Ethics and integrity							• Authorities
Management of the supply chain							• Suppliers and contractors • Local communities
Risk management and legal compliance							• Authorities • Local communities
Corporate governance							
Innovation, continuity and operational efficiency							• Customers
Community relations							• Local communities
Customer relations							• Customers
Occupational health and safety							• Contractor employees

²⁴ Grupo Ferrocarril Mexicano (GFM) and Infraestructura y Transportes Ferroviarios (ITF) are not included in the scope of this report as the holding companies Ferromex and Ferrosur are reported; Texas, LP is also excluded as Grupo México does not hold operational or holding control.

²⁵ The 2014 fuel and power consumption in the Mining Division has been restated.

Informe de Revisión Independiente del Informe de Desarrollo Sustentable 2015 de Grupo México, S.A.B. de C.V. (Grupo México) para la Administración.

Responsabilidades de Grupo México y del Revisor Independiente

La preparación del Informe de Desarrollo Sustentable del ejercicio 2015 (IDS), así como el contenido del mismo es responsabilidad de Grupo México, quien también es responsable de definir, adaptar y mantener los sistemas de gestión y control interno de los que se obtiene la información.

Nuestra responsabilidad es emitir un informe independiente basado en los procedimientos aplicados en nuestra revisión.

Este informe ha sido preparado exclusivamente en interés de Grupo México de acuerdo con los términos de nuestra carta arreglo. No asumimos responsabilidad alguna frente a terceros distintos de la Dirección de Grupo México y no tiene la intención de ser ni debe ser utilizado por alguien distinto a ésta.

Hemos realizado nuestro trabajo de acuerdo con las normas de independencia requeridas por el Código de Ética de la Federación Internacional de Contadores ("IFAC" por sus siglas en inglés).

Alcance de nuestro trabajo

El alcance de nuestra verificación fue limitada, es sustancialmente inferior al de un trabajo de seguridad razonable, por lo tanto la seguridad proporcionada es también menor. El presente informe en ningún caso puede entenderse como un informe de auditoría.

Hemos realizado la revisión del IDS conforme a los siguientes aspectos y/o criterios:

- La adaptación de los contenidos del IDS a la guía para la elaboración de Memorias de Sustentabilidad de la Iniciativa Global de Reporte ("GRI" por sus siglas en inglés) versión 4 (G4) y de acuerdo al estudio de materialidad proporcionado por Grupo México.
- La revisión de los indicadores de desempeño en sustentabilidad reportados de acuerdo a la opción de Conformidad Esencial y señalados en el Índice GRI del mismo reporte.
- La consistencia entre la información contenida en el IDS con la evidencia de respaldo proporcionada por la administración.

Estándares y procesos de verificación

Hemos llevado a cabo nuestro trabajo de acuerdo con la norma internacional de auditoría ISAE 3000 *Assurance Engagements other than Audits or Reviews of Historical Financial Information* emitida por el International Auditing and Assurance Standard Board (IAASB) del IFAC. Asimismo, hemos aplicado el Estándar de Aseguramiento de la Norma AA1000 (AA1000AS), emitida por AccountAbility, para proporcionar una seguridad moderada sobre la aplicación de los principios establecidos en la norma AA1000APS y los indicadores de desempeño de sustentabilidad.

Nuestro trabajo de revisión ha consistido en la formulación de preguntas a la Dirección, así como a las diversas áreas de Grupo México que han participado en la elaboración del IDS y en la aplicación de ciertos procedimientos analíticos y pruebas de revisión por muestreo que se describen a continuación:

- Reuniones con el personal de Grupo México para conocer los principios, sistemas y enfoques de gestión aplicados.
- Análisis de los procesos para recopilar, validar y consolidar los datos presentados en el IDS.
- Análisis de la cobertura, relevancia e integridad de la información incluida en el IDS en función del entendimiento de Grupo México y de los requerimientos de los grupos de interés sobre los aspectos materiales identificados.
- Revisión con base en muestras seleccionadas de la evidencia que respalda la información incluida en el IDS

La siguiente tabla detalla los indicadores revisados:

Indicadores

G4 - 2	G4 - EC2	G4 - EN11	G4 - EN23	G4 - LA5	G4 - HR2	G4 - SO5	G4 - MM6
G4 - 11	G4 - EC7	G4 - EN13	G4 - EN24	G4 - LA6	G4 - SO1	G4 - PR5	G4 - MM10
G4 - 56	G4 - EN3	G4 - EN15	G4 - LA2	G4 - LA8	G4 - SO3	G4 - MM3	
G4 - 58	G4 - EN8	G4 - EN16	G4 - LA4	G4 - LA9	G4 - SO4	G4 - MM4	

Conclusiones

Con base en el trabajo efectuado, descrito en este informe, no se ha puesto de manifiesto algún aspecto que nos haga creer que el IDS contiene errores significativos o que no ha sido preparado de acuerdo a las directrices para un nivel de Conformidad Esencial, establecida en la guía para la elaboración de Memorias de Sustentabilidad del GRI versión G4, y de acuerdo a los principios de inclusión, relevancia y capacidad de respuesta de la norma AA1000APS.

Recomendaciones

A continuación se resumen las recomendaciones más significativas, las cuales no modifican las conclusiones expresadas en el presente informe:

- Implementar un sistema de gestión interna de la información de todas las divisiones que constituyen Grupo México para su recopilación, análisis y evaluación que contribuya a la administración y reporte de los indicadores materiales.
- Fortalecer la comunicación con los poseedores de la información y desarrollar de manera conjunta herramientas internas que permitan establecer los procedimientos y metodologías de operación y aprobación de la información de los indicadores clave.
- Empoderar a los poseedores de información de los resultados obtenidos en el proceso de verificación para la mejora continua y hacer presente la importancia de su participación para la generación del IDS para Grupo México.

Como resultado del proceso de verificación del IDS, se hizo entrega de un análisis más robusto incluyendo recomendaciones específicas para el proceso de gestión y análisis de la información.

Inclusión y relevancia

Durante 2015 Grupo México trabajó en la actualización de los temas materiales y por cada uno de los sectores considerando a todos sus grupos de interés. Se recomienda que, a través de los ejercicios continuos de comunicación directa con los grupos de interés, se vaya profundizando en temas de mayor relevancia para los mismos, identificando riesgos y oportunidades que permitan fortalecer la estrategia de sustentabilidad de Grupo México y generar un proceso de mejora continua.

Capacidad de respuesta

El Informe de Desarrollo Sustentable 2015 de Grupo México permite comunicar a los grupos de interés el desempeño de la organización en cuanto a los aspectos económicos y no financieros y también comunica las herramientas que conforman el sistema de política interna de la organización. Se sugiere continuar trabajando en robustecer dichas herramientas; así como el rol del poseedor de información en cuanto a las responsabilidades que involucran el reporte y gestión de la información.

Adicionalmente, hemos presentado a las áreas de Sustentabilidad de Grupo México nuestras recomendaciones relativas a las áreas de mejora en la gestión de la sustentabilidad, concretamente en los indicadores verificados.



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Miembro de Deloitte Touche Tohmatsu Limited

Rocío Canal Garrido
Socia de Sustentabilidad
27 de mayo de 2016

GRI CONTENT INDEX

(G4-32)



General Standard Disclosures	Description	Global Compact Principles	Page/s
Strategy & Analysis			
G4-1	Letter from the President	Non-Specific	2
G4-2	Description of the key impacts, risks and opportunities	Non-Specific	2, 24
Organizational Profile			
G4-3	Name of the Organization	Non-Specific	Back Cover
G4-4	Primary brands, products and/or services	Non-Specific	14, 54, 100, 124
G4-5	Location of the Organization's headquarters	Non-Specific	Back Cover
G4-6	Number of countries where the Organization operates	Non-Specific	8, 10
G4-7	Nature of the ownership / legal status	Non-Specific	9
G4-8	Markets served	Non-Specific	9, 54, 100, 124
G4-9	Size/Scale of the Organization	Non-Specific	9, 12, 14, 35, 54, 58, 100, 103, 124, 126
G4-10	Details of the workforce	Principle 6	58, 103, 126
G4-11	Employees covered by collective bargaining agreements	Principle 3	58, 103, 126
G4-12	Description of the supply chain	Non-Specific	37
G4-13	Significant changes in the Organization	Non-Specific	9, 14, 55, 100, 124
G4-14	Application of the precautionary principle	Non-Specific	24
G4-15	External economic, environmental and social initiatives the Organization subscribes or has adopted	Non-Specific	33
G4-16	Memberships of associations	Non-Specific	33
Material Aspects & Boundaries			
G4-17	Entities included in the Organization's consolidated financial statements	Non-Specific	14
G4-18	Procedure for defining the material aspects and boundaries in each case	Non-Specific	140
G4-19	List of the material aspects	Non-Specific	140
G4-20	Limits on each material aspect within the Organization	Non-Specific	140
G4-21	Limits on each material aspect outside the Organization	Non-Specific	140
G2-22	Consequences of the restatement of information from previous reports and the reasons	Non-Specific	81, 140
G4-23	Significant changes in the scope and coverage of each material aspect in terms of previous reports	Non-Specific	140
Participation of Stakeholders			
G4-24	List of the Organization's stakeholders	Non-Specific	30
G4-25	Procedure for identifying stakeholders	Non-Specific	30
G4-26	Organization's focus in terms of stakeholders	Non-Specific	30
G4-27	Key questions and concerns that have been raised through the participation of stakeholders	Non-Specific	30
Report Profile			
G4-28	Reporting period	Non-Specific	140
G4-29	Date of the last report	Non-Specific	140

General Standard Disclosures	Description	Global Compact Principles	Page/s
Report Profile			
G4-30	Reporting cycle	Non-Specific	140
G4-31	Contact point	Non-Specific	140
G4-32	In accordance option, GRI index and reference to external assurance	Non-Specific	140, 146
G4-33	Policy and practices with regard to external assurance	Non-Specific	140
Corporate Governance			
G4-34	The governance structure of the Organization	Non-Specific	20
G4-35	Process by which the highest governance body delegates its authority to senior management and certain employees for economic, environmental and social issues	Non-Specific	20
G4-36	Executive-level positions for economic, environmental and social matters, and whether position holders report directly to the highest governance body	Non-Specific	20
G4-37	Consulting processes between stakeholders and the highest governance body on economic, environmental and social matters	Non-Specific	20
G4-38	Composition of the highest governance body and its committee	Non-Specific	20
G4-39	Reference whether the person that presides over the highest governance body is also an executive officer	Non-Specific	20
G4-40	Processes and criteria for nominating and selecting the highest governance body and its committees	Non-Specific	20
G4-41	Processes by which the highest governance body avoids and manages conflicts of interest; reference to whether conflicts of interest are disclosed to stakeholders	Non-Specific	22
G4-42	Roles of the highest governance body and senior executives in the development, approval and updating of the Organization's mission statements, strategies, policies and goals	Non-Specific	17
G4-43	Measures to develop and improve the collective knowledge of the highest governance body on economic, environmental and social matters	Non-Specific	20
G4-44	Performance assessment process for the highest governance body with regard to the governance of economic, environmental and social issues, and measures adopted based on results	Non-Specific	20
G4-45	Role of the highest governance body in the identification and management of economic, environmental and social risks and opportunities; reference whether stakeholders are consulted	Non-Specific	24
G4-46	Role of the highest governance body in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social matters	Non-Specific	24
G4-47	Frequency of the highest governance body's review of the economic, environmental and social impacts, risks and opportunities	Non-Specific	24
G4-49	Process for communicating critical concerns to the highest governance body	Non-Specific	20
G4-50	Nature and number of critical concerns that were communicated to the highest governance body, and mechanisms used to address and resolve them	Non-Specific	20
G4-51	Remuneration policies for the highest governance body and senior management	Non-Specific	20
G4-52	Processes for determining remuneration	Non-Specific	20
G4-53	Reference to the consideration of the opinion of stakeholders regarding remuneration	Non-Specific	20
Ethics & Integrity			
G4-56	The values, principles, standards and norms of the Organization	Principle 10	17, 22
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity	Principle 10	22
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior and matters related to organizational integrity	Principle 10	22

SPECIFIC STANDARD DISCLOSURES

Material Aspect	DMA/ Indicators	Description	Omission	Global Compact Principles	Page/s
Water	DMA	Management approach	Non-Specific	Non-Specific	84, 116, 137
	G4-EN8	Total water withdrawal by source	Non-Specific	Principle 7 y 8	85, 116, 136
	G4-EN9	Water sources significantly affected by withdrawal of water	Non-Specific	Principle 8	85, 116, 136
	G4-EN10	Percentage and total volume of water recycled and reused	Non-Specific	Principle 8	85, 116
Biodiversity & the environment	DMA	Management approach	Non-Specific	Principle8	91, 118, 138
	G4-EN11	Operational sites owned, leased, managed adjacent to, covering or located in protected areas and areas of high biodiversity	Non-Specific	Principle 8	91, 118, 138
	G4-EN12	Description of the most significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	Non-Specific	Principle 8	118, 138
	G4-EN13	Habitats protected or restored	Non-Specific	Principle 8	91, 118, 138
	G4-EN14	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	Non-Specific	Principle 8	91, 118, 138
	MM1	Size of land affected or restored	Non-Specific	Non-Specific	91
Training & career development	DMA	Management approach	Non-Specific	Non-Specific	61, 105, 129
	G4-LA9	Average hours of training per year per employee by gender and employee category	Non-Specific	Principle 6	61, 105, 129
	G4-LA10	Programs for skills management and continual learning that support the employability of employees and assist them in managing career endings	Non-Specific	Non-Specific	61, 105, 129
	G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and employee category	Non-Specific	Principle 6	61, 105, 129
Commitment & workplace climate	DMA	Management approach	Non-Specific	Non-Specific	58, 103, 126
	G4-EC5	Ratio between the starting salary, by gender, and the local minimum wage where there are significant operations	Non-Specific	Principle 6	61, 103, 126
	G4-LA1	Total number of new hires and employee turnover by age group, gender and region	Non-Specific	Principle 6	58, 103, 126
	G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	Non-Specific	Principle 3	61, 103, 126
	G4-LA4	Minimum notice periods for operational changes and possible inclusion of these in collective bargaining agreements	Non-Specific	Principle 6	58, 103, 126
	G4-LA12	Composition of governance bodies and breakdown of employees by employee category according to gender, age group, minority group membership, and other indicators of diversity	Non-Specific	Principle 6	20, 103, 126
	G4-LA13	Ratio of basic salary of women to men, by significant locations of operation	Non-Specific	Principle 6	58, 103, 126
	G4-HR3	Number of incidents of discrimination and corrective actions taken	Non-Specific	Principle 3	58, 103, 126
	G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated, and measures taken to support these rights	Non-Specific	Non-Specific	24, 58, 103, 126
	MM4	Number of strikes and closures lasting over one week, by country	Non-Specific	Non-Specific	58

Material Aspect	DMA/ Indicators	Description	Omission	Global Compact Principles	Page/s
Human rights	DMA	Management approach	Non-Specific	Non-Specific	24
	G4-HR1	Number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Non-Specific	Principle 2	24
	G4-HR2	Employee training hours on policies and procedures on aspects of human rights that are relevant to operations, including the percentage of employees trained	Non-Specific	Principle 1	24
	G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	Non-Specific	Principle 5	24
	G4-HR6	Significant operations and suppliers at significant risk of incidents of forced or compulsory labor, and measures taken to contribute to the elimination of all forms of forced or compulsory labor	Non-Specific	Principle 4	24
	G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	Non-Specific	Principle 1	24
	G4-HR8	Number of incidents of violations involving rights of indigenous peoples and actions taken	Non-Specific	Principle 1	24
	G4-HR9	Number of incidents of violations involving rights of indigenous peoples and actions taken (sic)	Non-Specific	Principle 1	24
	MM5	Total operations located at or near indigenous communities	Non-Specific	Non-Specific	24
Economic performance	DMA	Management approach	Non-Specific	Non-Specific	35
	G4-EC1	Direct economic value generated and distributed	Non-Specific	Non-Specific	35
	G4-EN31	Details of environmental expenditures and investments	Non-Specific	Principle 7 Principle 8 Principle 9	35, 80, 113
Effluents & waste	DMA	Management approach	Non-Specific	Non-Specific	89, 117, 137
	G4-EN22	Total water discharge by quality and destination	Non-Specific	Principle 8	81, 85, 136
	G4-EN23	Total weight of waste by type and disposal method	Non-Specific	Principle 8	88, 117, 137
	G4-EN24	Total number and volume of significant spills	Non-Specific	Principle 8	88, 117, 137
	G4-EN25	Weight of transported, imported, exported or treated waste considered hazardous under the Basel Convention Annexes I, II, III and VIII, and percentage of transported waste shipped internationally	Non-Specific	Principle 8	88
	G4-EN26	Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff	Non-Specific	Principle 8	85
	MM3	Total overburden, rocks, tailings and muds that present a potential risk	Non-Specific	Non-Specific	88
Emissions	DMA	Management approach	Non-Specific	Non-Specific	82, 114, 135
	G4-EN15	Direct greenhouse gas emissions (Scope 1)	Non-Specific	Principle 7 Principle 8	82, 114, 135
	G4-EN16	Energy indirect greenhouse gas emissions (Scope 2)	Non-Specific	Principle 7 Principle 8	82, 114, 135
	G4-EN19	Reduction of greenhouse gas emissions	Non-Specific	Principle 7 Principle 8	114, 135
	G4-EN21	NO _x , SO _x , and other significant air emissions	Non-Specific	Principle 7 Principle 8	82, 135

Material Aspect	DMA/ Indicators	Description	Omission	Global Compact Principles	Page/s
Ethics & integrity	DMA	Management approach	Non-Specific	Non-Specific	22
	G4-S03	Number and percentage of operations assessed for risks related to corruption and the significant risks identified	Non-Specific	Principle 10	22
	G4-S04	Communication and training on anti-corruption policies and procedures	Non-Specific	Principle 10	22
	G4-S05	Confirmed incidents of corruption and actions taken	Non-Specific	Principle 10	22
Management of the supply chain	DMA	Management approach	Non-Specific	Non-Specific	37
	G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	Non-Specific	Principle 8	37
Risk management and legal compliance	DMA	Management approach	Non-Specific	Non-Specific	24
	G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Non-Specific	Principle 7	84, 115, 135
	G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Non-Specific	Principle 8	24, 78, 113, 133
	G4-S07	Number of legal actions for monopolistic practices and anti-competitive behavior, and their outcomes	Non-Specific	Non-Specific	24
	G4-PR4	Number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcome	Non-Specific	Non-Specific	24, 58
	G4-PR9	Monetary value of significant fines for non-compliance with regulations concerning the provision and use of products and services	Non-Specific	Non-Specific	24, 58
Corporate Governance	DMA	Management approach	Non-Specific	Non-Specific	18
	G4-LA12	Composition of governing bodies and breakdown of employees by employee category according to gender, age group, minority group, and other indicators of diversity	Non-Specific	Principle 6	20, 103, 126
Innovation, continuity and operational efficiency	DMA	Management approach	Non-Specific	Non-Specific	57, 81, 88, 100, 113, 117, 124, 134, 137
	G4-EN1	Materials used by weight or volume	Non-Specific	Principle 7 Principle 8	88, 117, 137
	G4-EN2	Percentage of materials used that are recycled input materials	Non-Specific	Principle 8	88, 117
	G4-EN3	Internal energy consumption	Non-Specific	Principle 7 Principle 8	81, 113, 134
	G4-EN6	Reduction of energy consumption	Non-Specific	Principle 7 Principle 8	113, 134
	G4-EN27	Mitigation of the environmental impact of products and services	Non-Specific	Principle 7 Principle 8	55, 82, 85, 88, 91, 113, 114, 116, 117, 118, 124, 135, 136, 137, 138
Community relations	DMA	Management approach	Non-Specific	Non-Specific	70, 103, 126
	G4-EC7	Development and impact of infrastructure investments and services supported	Non-Specific	Principle 7	70, 73, 74, 100, 124
	G4-EC8	Significant indirect economic impacts, and their scope	Non-Specific	Non-Specific	54, 70, 73, 74, 100, 124
	G4-S01	Percentage of operations with implemented development programs, impact assessments, and local community engagement	Non-Specific	Principle 1	70, 73, 74, 110, 132
	G4-S02	Operations with significant actual and potential negative impacts on local communities	Non-Specific	Principle 1	70, 78, 110, 113, 132, 133

Material Aspect	DMA/ Indicators	Description	Omission	Global Pact Principles	Page/s
Community relations	MM6	Number and description of significant disputes over the use of lands, and local community and indigenous community rights	Non-Specific	Non-Specific	24
	MM7	Use of grievance mechanisms to resolve disputes	Non-Specific	Non-Specific	24
	MM8	Number (and percentage) of sites where the Organization operates artisanal and small-scale mining	Non-Specific	Non-Specific	24
	MM10	Number and percentage of operations with mine closure plans	Non-Specific	Non-Specific	95
	CRE7	Number of people voluntarily and involuntarily displaced and/or related due to the development and end result of works, by project.	Non-Specific	Non-Specific	132
Customer relations	DMA	Management approach	Non-Specific	Non-Specific	58, 101, 126
	G4-PR5	Results of surveys measuring customer satisfaction	Non-Specific	Non-Specific	58, 101
Occupational health and safety	DMA	Management approach	Non-Specific	Non-Specific	63, 107, 130
	G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees, established to help monitor and advise on occupational health and safety programs	Non-Specific	Non-Specific	63, 107, 130
	G4-LA6	Type and rates of injury, occupational diseases, days lost and absenteeism, and total number of work-related fatalities, by region and gender	Non-Specific	Principle 3	63, 107, 130
	G4-LA7	Workers with high incidence or risk of occupational diseases	Non-Specific	Non-Specific	67, 109, 130
	G4-LA8	Health and safety topics covered in formal agreements with unions	Non-Specific	Non-Specific	63, 109, 130
	CRE6	Percentage of companies that operate under certified health and safety management systems, developed according to internationally recognized standards	Non-Specific	Non-Specific	130

(64-3, 64-5, 64-31)

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