



04



▶ WE SHARE SOCIAL VALUE

[102-7, 201-1]

IN 2020, WE STRENGTHENED OUR COMMITMENT TO GENERATING SOCIAL VALUE AND CONTRIBUTING TO PEOPLE'S QUALITY OF LIFE. TO THIS END, WE IMPLEMENTED STRATEGIES TO ADDRESS THE MOST URGENT ISSUES FOR OUR EMPLOYEES, SUPPLIERS, CUSTOMERS, AND COMMUNITIES, PRIORITIZING HEALTH AT ALL TIMES.

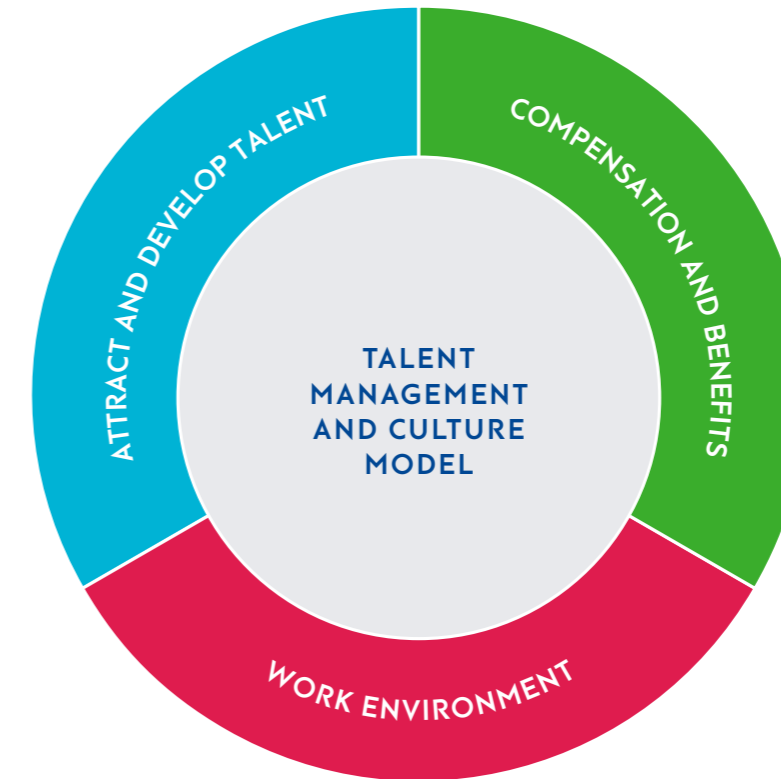


▶ OUR TALENT

THE GOAL OF OUR TALENT MANAGEMENT AND CULTURE MODEL IS TO ATTRACT, DEVELOP, AND RETAIN THE BEST TALENT.



▶ TALENT MANAGEMENT AND CULTURE MODEL



ATTRACT AND DEVELOP TALENT

- ▶ Use innovative tools to attract the best talent.
- ▶ Offer specialized training options to develop personal competencies.
- ▶ Create development programs to promote growth opportunities within the company.

COMPENSATION AND BENEFITS

- ▶ Offer competitive compensation surpassing the market average.
- ▶ Offer benefits that ensure the health and well-being of our employees and their families.

WORK ENVIRONMENT

- ▶ Design activities that promote integration, communication, trust, and camaraderie among employees.

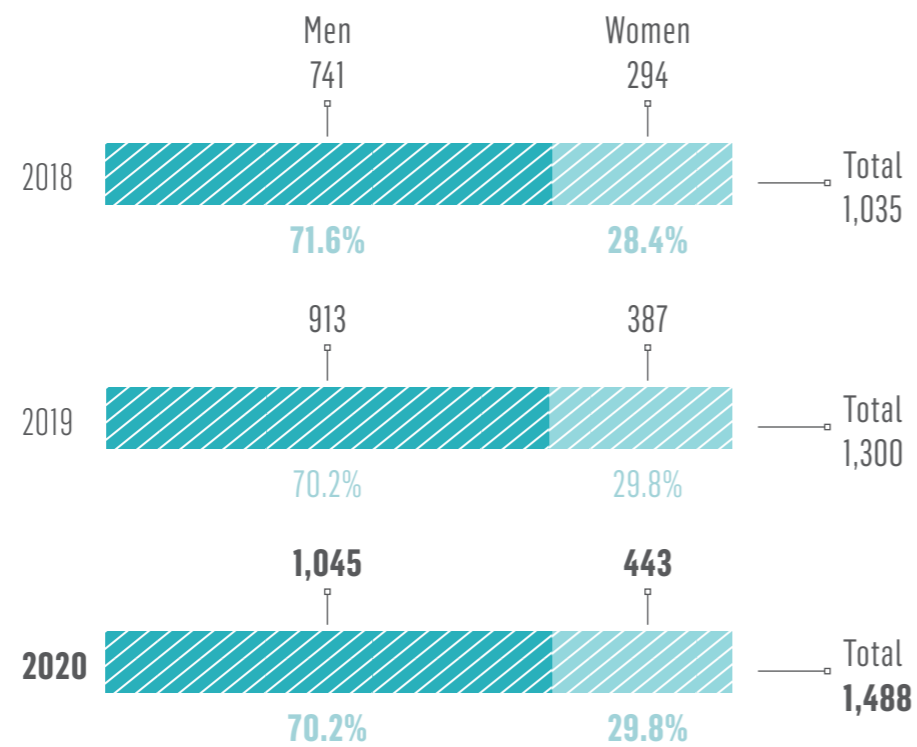


OUR TALENT

[102-7, 102-8, 103-1, 103-2]

Our employees are the basis of our success as a company. We reward their commitment and effort by providing them with the best tools for their comprehensive development and by ensuring safe and optimal workspaces.

OUR EMPLOYEES



Los Ramones | Pipeline



▶ ATTRACT, DEVELOP, AND RETAIN TALENT

[103-2, 401-1, 404-1, 404-2]

To attract top talent, we combine the most modern technologies with traditional recruiting mechanisms, enabling us to increase the probability of finding and assessing the best candidates and to reduce our response times in the hiring process.

Since 2019, we have been employing a new online recruitment and hiring tool, through which we conduct pre-taped remote interviews as a first filter in the process. During 2020, in response to the need to work remotely as a result of the health contingency, all divisions in the company used this tool for the entire hiring process. Starting in April, all vacancies were filled using this system, with no delays or impacts on the hiring of new talent.

Our commitment to offering equal opportunities is based on a culture that promotes gender equality, starting with the hiring process. We value diversity, which is why we ensure a transparent and equal recruitment process that is free from discrimination.



Termoeléctrica de Mexicali

OUR COMMITMENT TO OFFERING EQUAL OPPORTUNITIES IS BASED ON A CULTURE THAT PROMOTES GENDER EQUALITY, STARTING WITH THE HIRING PROCESS.



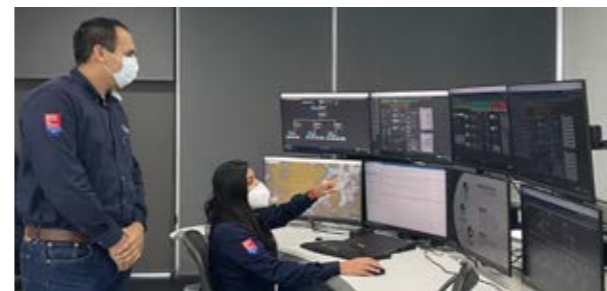


To promote professional and personal growth among our employees, we offer a variety of training and development programs focused on improving technical and interpersonal skills.

In 2018, we began to migrate our courses and trainings to a virtual format. This laid a solid foundation that enabled us to adapt to remote work quickly and efficiently during the pandemic. We met our training goals, including a record in terms of employee participation.

TRAINING HOURS

| | Men | Women |
|------|-------|-------|
| 2018 | 763 | 298 |
| 2019 | 927 | 388 |
| 2020 | 1,077 | 451 |

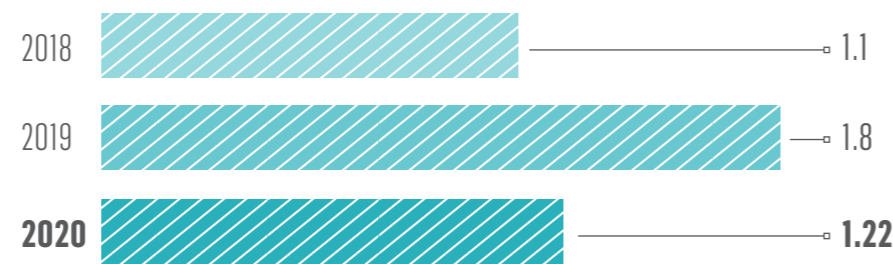


As part of our talent development strategy, we carry out an annual assessment to identify training needs by means of surveys conducted at all our business units. This analysis helps us identify strategic training requirements for each company division and design individual plans and training programs for our employees.

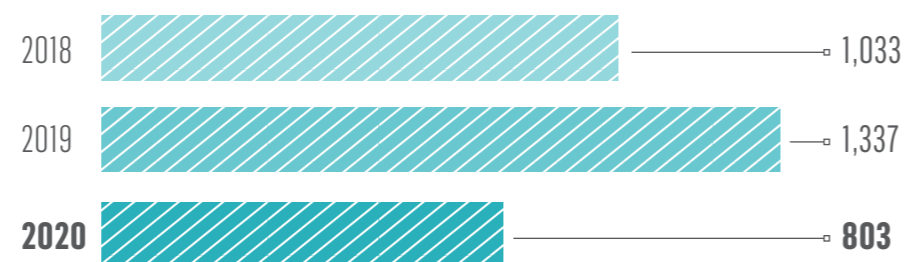
To assess the effectiveness of our training, we conduct an evaluation to measure the results of our programs, monitor them, and implement the required improvements.

In addition to general and individual training, we provide annual financial support to all our employees to cover educational expenses for professional development allowing them to enhance and enrich their abilities and skills. This assistance can be used to cover expenses for courses, diplomas, high school or university studies, master's degrees, or post-graduate studies. The maximum amount we grant covers up to 75% of the cost of a course, or an annual amount of up to USD\$1,800 for courses and diplomas, USD\$2,500 for university courses, and USD\$5,000 for Masters and other postgraduate studies.

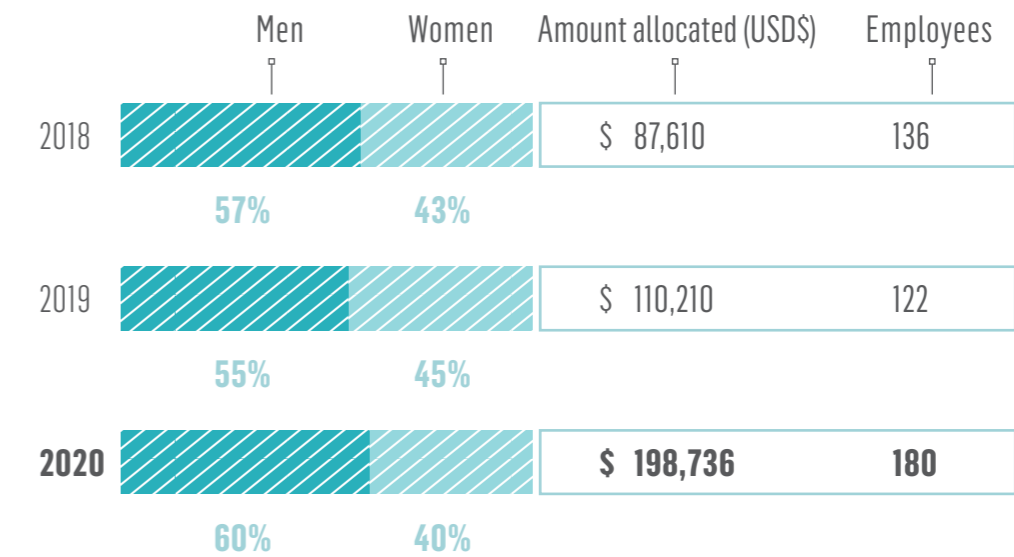
TOTAL INVESTMENT IN TRAINING (USDS MILLION)



AVERAGE INVESTMENT IN TRAINING PER EMPLOYEE (USDS)



PROFESSIONAL DEVELOPMENT PROGRAM





▶ IENOVA OPERATORS TRAINING PROGRAM

The goal of our IEnova Operators Training Program (*Programa de Formación de Operadores IEnova, PROFOI*) is to promote the development of talent and to integrate young people into the energy sector, which is becoming increasingly attractive, dynamic, and competitive. We invite women and men who have recently graduated from Chemical, Mechanical, Electric, Electro-mechanic, Industrial, Instrumentation and Control Engineering studies, or any related field, to participate in an intensive three-month technical training program. We offer financial compensation and pay for housing, food, transportation, and materials for the participants.

By introducing these candidates to our business model, we strive to foster a desire to belong to and collaborate with our area of expertise. We offer them a good professional opportunity, and, at the same time, we ensure our ability to attract the best and most compatible talent. This contributes to our goal of strengthening our community relations, as we also recruit candidates from the communities where we operate.

Due to the restrictions imposed by the COVID-19 pandemic, in 2020 we did not offer this program; we will re-initiate it once the health contingency is lifted and we are able to resume in-person training.

PROFOI RESULTS SINCE 2014

- ▶ **238** candidates
- ▶ **220** graduates
- ▶ **600** training hours per program
- ▶ **145** graduates hired by IEnova
- ▶ **USD\$3.5 M** million invested

THE GOAL OF THIS INITIATIVE IS TO PROMOTE THE DEVELOPMENT OF TALENT AND TO INTEGRATE YOUNG PEOPLE INTO THE ENERGY SECTOR, WHICH HAS BECOME INCREASINGLY MORE ATTRACTIVE, DYNAMIC, AND COMPETITIVE.

Energía Costa Azul, PROFOI
*Picture of the generation that graduated prior to the contingency



▶ LEADERSHIP IN CHALLENGING TIMES PROGRAM

In line with our commitment to foster growth opportunities within the company, in 2020 we developed the Leadership in Challenging Times Program. We offered virtual sessions for directors, managers, department heads, and supervisors to address the challenges of managing work teams remotely. During these workshops, we focused on providing leaders with the necessary tools and strategies to promote productivity in an empathetic and responsible manner, taking psychosocial impacts into consideration.



▶ BENEFITS

[201-3, 401-2, 401-3, 403-6, 404-3]

Having the ability to attract the best talent is as important as keeping it and recognizing it. The competitive benefits we offer play an important role in our effort to attract and retain talent, positioning us as a top-tier company in Mexico.

We offer a general compensation plan that surpasses legal and market requirements. While compensation varies according to the position, the full offering includes the following benefits:

- ▶ 30-day Christmas bonus
- ▶ Vacation pay
- ▶ Food coupons
- ▶ Savings fund
- ▶ Life insurance
- ▶ Funeral expenses for employees and their direct family members
- ▶ Major health insurance for employees and their direct family members
- ▶ Minor expenses plan
- ▶ SEFORE retirement plan for pension, death, and total and permanent disability
- ▶ Short-term bonus (performance bonus)
- ▶ Long-term bonus
- ▶ Company car for Vice-Presidents and Directors
- ▶ Medical check-ups for Vice-Presidents and Directors
- ▶ School and professional growth scholarships
- ▶ Competitive salary bonus
- ▶ High-potential recognition program
- ▶ Vacation days beyond those established by law
- ▶ Complementary disability compensation, additional to Social Security
- ▶ Paid leave for parents, additional to what is established by law



In addition to the period of maternity leave guaranteed by the Federal Labor Law, we offer a remote work option for a period of up to ten weeks, and another four weeks during which new mothers can work part-time at full salary. Employees whose functions do not allow for remote work can accumulate the 14 weeks of this

benefit within a part-time work schedule. For cases in which the newborn requires special care, the mother can ask for an additional unpaid leave ranging from one to three months. This benefit also applies for adoptions and same-sex couples, when our employee is the person who will give primary care to the infant.

Because we understand that individual needs differ widely, we make use of communication, evaluation, and feedback mechanisms that allow us to develop specific benefit plans that are tailored to the needs of each employee.

Since 2018, our *biEnestar* program has given every employee the option to select additional benefits based on his or her specific needs. This way, an individual benefit plan that offers a wide range of options can be structured, including the following:

- ▶ Additional life insurance (for up to 24 months of salary)
- ▶ Major medical health insurance with coverage according to the needs and life-stage of each employee (plus, gold, or platinum plans)
- ▶ Dental plan (with an option to select one of three different insurance providers)
- ▶ Life insurance for spouses
- ▶ Pet insurance
- ▶ Doctor's appointments insurance plan
- ▶ Education protection plan
- ▶ Funeral expenses
- ▶ Car and home insurance at preferential rates
- ▶ Compensation for diagnosis of serious illness
- ▶ Compensation for cancer diagnosis

IN ADDITION TO THE MATERNITY LEAVE GUARANTEED IN THE FEDERAL LABOR LAW, WE OFFER A REMOTE WORK OPTION FOR A PERIOD OF UP TO 14 WEEKS.





SUPPORTING OUR EMPLOYEES IN RESPONSE TO COVID-19

TO SUPPORT OUR EMPLOYEES WORKING REMOTELY AS A CONSEQUENCE OF THE COVID-19 PANDEMIC, AT IENOVA WE OFFERED SEVERAL PROGRAMS AND BENEFITS, IN ADDITION TO A FLEXIBLE VACATION PLAN.



We provided financial support to all our employees to cover home office equipment expenses, so that they could work more comfortably and efficiently. A total of 1,411 employees accessed this benefit, for an investment of more than USD\$350,000.

Also as a result of the health contingency and in order to offer financial support to parents, we modified the Minor Expenses insurance program, expanding annual coverage and incorporating school supply costs for children under the age of 25.

In addition to complying with the regulations concerning psychosocial risks in the workplace, we developed a psychological support program and established open communication channels for all our employees.

For those employees who had to continue to work on-site, we implemented the use of color-coded social distancing wristbands to allow each individual to indicate their

emotional and protection-level situation. The color of the wristband determines the degree of social distancing being observed by each employee. This method is part of our return-to-the-office plan, and will be available to all employees.

This year we developed and implemented several programs to support the emotional health of our employees during the pandemic.





SUPPORTING OUR EMPLOYEES IN RESPONSE TO COVID-19

Espíritu IEnova Program: designed to foster the well-being of our employees during the COVID-19 contingency. This program includes three main categories:

YOUR HEALTH

► Conferences focused on promoting the health and safety of our employees and their families. We offered 28 conferences, with an average attendance of 150 employees.

YOUR GROWTH

► Conferences focused on the emotional health and personal growth of our employees and their families. We offered 27 conferences, with an average attendance of 200 employees.

YOUR SOCIAL LIFE

► Events to carry out activities outside the workplace and continue engaging with employees and their families in the safety of their own homes. We organized 22 events.

THE CONFERENCES AND SESSIONS OF THE ESPIRITU IENOVA PROGRAM ADDRESSED ISSUES SUCH AS:

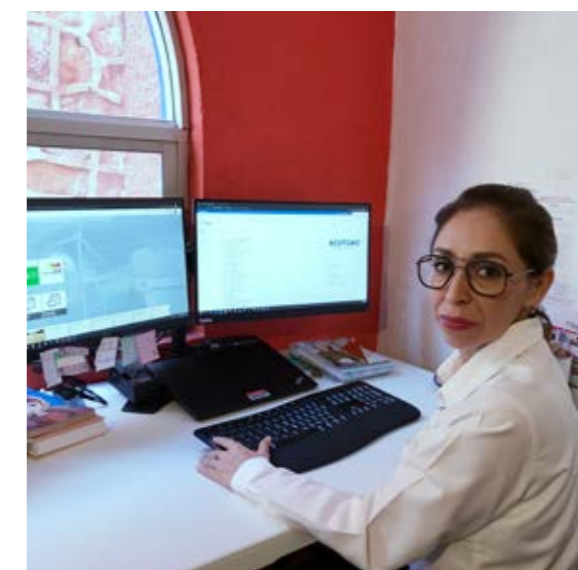
- Recommendations on how to address the COVID-19 contingency
- Emotional management during the crisis
- The importance of good nutrition in times of COVID-19
- Do you know how to use emotional intelligence?
- Returning to the office
- Stress, the silent enemy
- Ergonomics

Employee Support Program (*Programa de Atención a Empleados, PAE*): an emotional support helpline managed by experts in stress management that is open to all employees and their families.

IEnova JAM: internal social networking site that allows employees to interact and promotes more efficient communications. At least 85% of our employees have used this network during the pandemic.

Babilukos / Creahana Virtual Platforms: e-programs made available to our employees' families consisting of learning and recreation activities for children and teenagers during school holidays. An USD\$8,422 investment was made in these programs, which were accessed by 388 employees and their families.

OUR EMOTIONAL HEALTH SUPPORT PROGRAMS INCLUDED MORE THAN 100 COURSES, ACTIVITIES, AND CONFERENCES, AND REPRESENTED AN INVESTMENT OF USD\$610,000.





► SUCCESS STORY: SUPPORT FOR OUR EMPLOYEES

Meet: **Martha Serrano**

Our employee Martha Serrano exemplifies how individuals can transform adversity into opportunity.

At the onset of the pandemic, Martha, like so many women, faced multiple challenges as she worked to adapt her lifestyle and that of her daughter to the restrictions imposed to protect their health.

Throughout this process, Martha accessed the support offered to IEnova's employees. In the face of the potential economic instability, not only did we maintain jobs and salaries, but we also covered home office expenses by offering our employees the option to buy desks, chairs, and other accessories, as well as assigning laptops. We contributed school supplies and other materials so that Martha's daughter could continue her studies, and they both accessed many of our e-programs, such as

Babilukos and Creahana, which provided a wide variety of educational and entertainment activities and materials.

Martha also took advantage of the time at home to get a master's degree through our professional development program. Thanks to the medical support available through major health insurance, she was able to get the gallbladder surgery she needed.

The support programs we offer our employees were very useful for Martha and for many others who have adapted to these difficult times, with support from IEnova, and have transformed an unfavorable situation into one with opportunities for growth.





COMPENSATION

[102-35, 102-36, 102-38, 404-3]

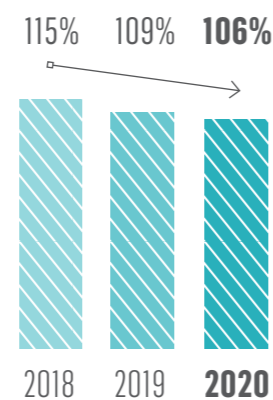
VARIABLE COMPENSATION, LINKED TO SUSTAINABILITY GOALS, IS DESIGNED TO ALIGN THE INCENTIVES OF ALL EMPLOYEES, FROM A COMPREHENSIVE PERSPECTIVE.

To ensure that the remuneration we offer our employees is fair and competitive, each year we conduct a comparative analysis of the domestic market and the energy sector, in collaboration with an external independent expert.

We carry out annual salary analyses to ensure gender parity in remuneration. Likewise, we validate internal equity for all new hires to avoid discrepancies.

WAGE RATIO BY GENDER¹

| | 2018 | 2019 | 2020 |
|----------------|------|------|------|
| Executive | 84% | 102% | 105% |
| Management | 107% | 108% | 103% |
| Non-management | 112% | 105% | 102% |
| Global | 115% | 109% | 106% |



We have internal procedures and guidelines in place to define job descriptions and a remuneration range applicable to each position. All our employees and senior management receive a competitive fixed annual compensation based on updated market research done for each level. In addition, they may receive a variable compensation based on the following:

FIXED COMPENSATION: Remuneration that depends exclusively on the level defined by the position.

VARIABLE COMPENSATION: Short-term performance bonus linked to:

- ▶ Employee performance based on annual evaluation
- ▶ Company performance based on the achievement of certain goals established in the Incentive Compensation Plan (ICP) that are linked to business and sustainability variables:
 - Health and safety goals
 - Project execution timetable goals
 - Financial goals as established by the Board of Directors
 - Operational goals
 - New business development goals
 - Maintain GPTW certification
 - Maintain listing on the S&P/BMV Total Mexico ESG Index

With the exception of our CEO and company Vice-Presidents, who are evaluated by the Board of Directors, all our employees receive performance evaluations based on individual objectives. Our performance evaluation method includes an assessment conducted by the direct supervisor and a competencies and values assessment. We perform annual performance evaluations for 100% of our employees, based on the guidelines established in our [Performance Management Policy](#).

COMPENSATION BY PROFESSIONAL CATEGORY

| | Salary Level | 2020 | |
|-------------------------|--------------|------------|---------------|
| | | Fixed Base | Variable Base |
| Chief Executive Officer | 19 | 34% | 66% |
| Executive VP | 18 | 46% | 54% |
| VP | 17 | 55% | 45% |
| Senior Director | 16 | 58% | 42% |
| Director | 15 | 62% | 38% |
| Deputy Director | 14 | 76% | 24% |
| Senior Manager | 13 | 84% | 16% |
| Manager | 11 to 12 | 86% | 14% |
| Supervisor | 9 to 10 | 89% | 11% |
| Individual Contributor | 4 to 8 | 92% | 8% |

¹ The wage ratio data presented in the table is calculated by dividing the average salary of men between the average salary of women for each level.



WORK ENVIRONMENT

[412-2]

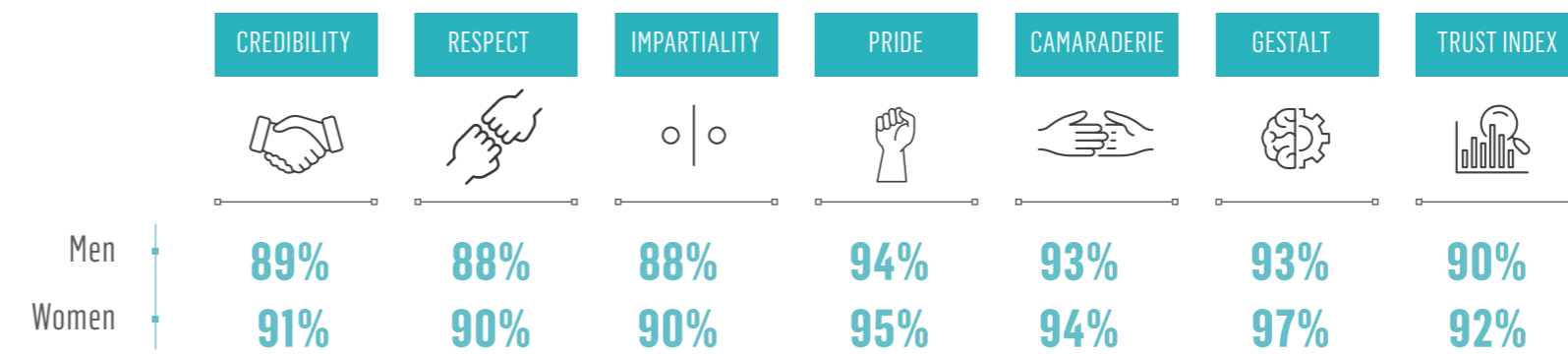
In an effort to offer our employees a reliable and friendly work environment, the Talent Management and Culture Division innovates and implements improvement strategies based on employee feedback. The surveys we conduct, including the GPTW survey, constitute our main source of information, in addition to recommendations we receive from external evaluators who are experts in these matters.

The annual GPTW questionnaire has served as an efficient tool to measure employee satisfaction levels. The indicators it provides have enabled us to modify and adapt our work-related strategies, whenever we have identified areas for improvement.

IEnova is proud to have obtained a 91% score on the GPTW's Trust Index¹, five percentage points above our score from the previous year, which is a remarkable achievement given the very complex 2020 environment.



2020 GPTW RESULTS



EVOLUTION OF IENOVA'S TRUST INDEX GPTW



Based on survey results, each year the Talent Management and Culture Division holds feedback sessions with other divisions in the company to establish personalized and tailored action plans that address areas for improvement and help us maintain our status as a great place to work.

¹ It is the result of trust levels metrics within the organization resulting from work environment and culture surveys and a study of the human capital policies, processes, and practices, as well as trust, commitment, leadership, and work culture indexes and benchmarks.



HUMAN RIGHTS CAMPAIGN FOUNDATION

DURING 2020, WE WERE GRANTED THE HUMAN RIGHTS CAMPAIGN (HRC) EQUALITY CERTIFICATE IN RECOGNITION OF A SERIES OF COMPANY PRACTICES, INCLUDING ESTABLISHING A DIVERSITY AND INCLUSION COMMITTEE, UPDATING OUR DIVERSITY POLICIES, OFFERING ONLINE WORKSHOPS ON DIVERSITY AND INCLUSION, AND FOSTERING A CULTURE OF RESPECT FOR AND AWARENESS OF GENDER, LGBT+, AND HARASSMENT ISSUES. WE OBTAINED THE MAXIMUM SCORE FOR THE 100 ITEMS EVALUATED.

▶ DIVERSITY AND INCLUSION

[405-1, 412-2]

Our commitment to offering equal opportunities is constantly reinforced. We understand the importance of diversity and inclusion in the development not only of our company but also of society in general. Under no circumstances do we discriminate on the basis of gender, sex, gender identity, religion, race, sexual orientation, physical appearance, political beliefs, or for any other reason.

ACTIONS IMPLEMENTED BY THE DIVERSITY AND INCLUSION COMMITTEE

GENDER

- ▶ We Are All Important conference
- ▶ Let's Talk About Gender conference
- ▶ Sexual Harassment and Mobbing conference
- ▶ We are all GPTW conference

GENERATIONS

- ▶ Empathy, a Tool for Bringing Generations Together conference

PEOPLE WITH DISABILITIES

- ▶ Awareness of the Needs of People with Disabilities in Mexico conference

LGBT+

- ▶ The Pillars of Diversity and Inclusion in Mexico / An Introduction to Sexual Diversity webinar
- ▶ The ABCs of LGBT+ webinar
- ▶ LGBT+ Inclusive Language webinar
- ▶ The ABCs of LGBT+ workshop
- ▶ LGBT+ Inclusive Language workshop



▶ HUMAN RIGHTS IN OUR WORKFORCE

At IEnova, recognition of and respect for human rights constitute a fundamental pillar for the development of our culture of corporate ethics.

Our Code of Ethics stipulates the respect and protection of the rights of all employees, without exception. Accordingly, we periodically hold sessions to emphasize the importance of labor rights. We use internal communications channels to inform of any changes in the law in relation to those rights.

To bolster our management of these issues, we carry out internal audits to identify risks and implement improvement measures. Furthermore, we continually receive verifications conducted by the Mexican labor authority, which ensures that we adhere to all applicable laws.

We fully comply with all relevant laws and we fight to defend, preserve, and ensure the human and labor rights of all our employees and partners.

We respect our employees' right to freedom of association and ensure that our collective bargaining agreements include the following clauses:

- ▶ **Remuneration:** we conduct annual negotiations in conjunction with unions and workers to establish salaries, benefits, and compensations.
- ▶ **Health and safety:** we have mixed work commissions to ensure, in collaboration with our unions, that all employees perform their jobs based on best practices.
- ▶ **Professional growth:** we provide our unionized workers with scholarships, funds for forming research libraries, and training commissions.
- ▶ **Work schedules:** we clearly and precisely define work schedules and days.
- ▶ **Equal opportunity:** we implement a variety of mechanisms to ensure we offer our employees equal opportunities for growth, including knowledge tests and hierarchy clauses.

IN 2020, WE OFFERED REMOTE TRAINING ON HUMAN RIGHTS TO 94% OF OUR EMPLOYEES.





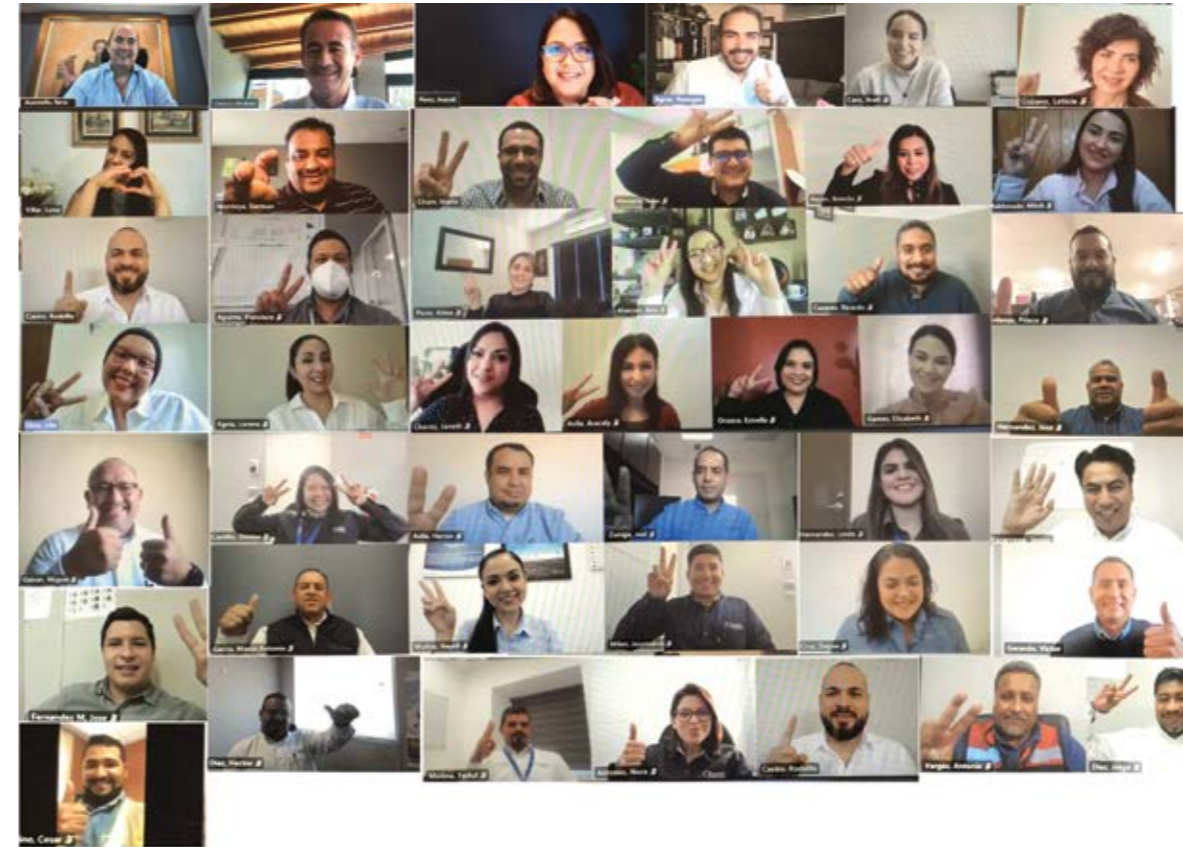
HEALTH AND SAFETY

[103-2, 403-1, 403-2, 403-4, 403-6, 403-7, 403-9]

We are fully committed to ensuring that all IEnova worksites are safe and healthy. We provide spaces that comply with regulatory requirements, international standards, and with our health and safety policies.

Accordingly, we have developed a Health and Safety Management System (HSMS) aimed at addressing the principles and elements necessary to ensure the physical integrity of our employees and contractors. In terms of the hazards inherent to our activities, the HSMS aims to:

- 1. PREVENT
- 2. DETECT
- 3. MINIMIZE



Based on our HSMS, we maintain a trend of improvement in our accident and incident indicators, and we have met the established objectives. We spare no effort in ensuring the health and safety of our employees.

| | Historic Safety Indicators ¹ | | | | | | DAFW x 200,000 / hours worked |
|-------------|---|-------------------|-------------------|-------------------------|-------------------|-------------------|-------------------------------|
| | Reported incidents | Hours worked | TRIR ² | Lost Time Accident Rate | LTAR ³ | DAFW ⁴ | |
| 2016 | 30 | 7,839,813 | 0.77 | 11 | 0.28 | 559 | 14.26 |
| 2017 | 20 | 6,914,334 | 0.58 | 6 | 0.17 | 158 | 4.57 |
| 2018 | 19 | 6,535,891 | 0.58 | 6 | 0.18 | 194 | 5.94 |
| 2019 | 17 | 12,779,549 | 0.27 | 9 | 0.14 | 332 | 5.20 |
| 2020 | 31 | 20,984,679 | 0.3 | 14 | 0.13 | 479 | 4.56 |

OUR 2020 TRIR GOAL WAS 1.88 AND FOR LTAR IT WAS 1.42.

¹ These figures include information on IEnova's employees and the company's strategic partners (contractors)
² Total Recordable Incidents Rate (total recordable accidents* 200,000 / total hours worked)
³ Lost Time Accident Rate (accidents with lost time * 200,000 / total hours worked)
⁴ Days Away From Work



To efficiently implement our HSMS, we have structured and consolidated our standards and principles on health and safety in the following documents:

- ▶ Occupational and Process Safety Policy
- ▶ Occupational Safety and Wellness Policy
- ▶ Health and Safety Principles Manual
- ▶ Elements of the Health and Safety Management System Manual

These documents¹ constitute our health and safety framework and all our employees

and contractors are obliged to adhere to them. They stipulate the foundations and actions required to ensure that our operations are reliable and safe. Work procedures and instructions applicable to every business line have been developed based on them. These documents are available in the Procedures section of our website.

If for any reason certain activities have to be performed by one of our strategic partners ("third parties"), whether they are

suppliers, contractors, or subcontractors, we require that they do so in accordance with the expectations stipulated in these documents. It is our responsibility to monitor and ensure that these requirements are implemented and that any person that establishes a work relationship with the company understands the scope of their responsibility and our values.

Our policies, manuals, procedures, and guidelines include a wide range of lines of work, such as:

- ▶ Proper use and maintenance of protection equipment
- ▶ Management of work permits
- ▶ Tools for identifying and analyzing accidents, incidents, unsafe conditions and actions, as well as their classification, notification, control, and pertinent recommendations
- ▶ Safety standards for operating vehicles and for their due intervention
- ▶ Emergency response and follow-up

¹ These documents are aligned with our Internal Labor Bylaws and with our Code of Ethics and with several policies and procedures developed specifically to achieve a zero-accidents operation. We operate in strict compliance with the Official Mexican Standards, the Federal Labor Law, the Social Security Law, as well as other applicable regulations. All our documents are available on our website <https://ienova.com.mx/politicas.php?v=2.0.0.0>.



▶ COMMITTEES AND WORK TEAMS

[403-3]

Ensuring safe work, health, and disease prevention consists of a team effort in which all employees play an essential role. Verifying that our colleagues are working under the required safety conditions is a shared responsibility. We operate optimally only when we are all safe. This is the premise that has compelled us to form the following taskforces:

SAFETY AND HYGIENE COMMISSION



▶ **238**
employees

Structure:
Coordinator, secretary,
members

Functions and responsibilities: Identify unsafe conditions and actions, participate in investigating events, suggest preventive actions, and monitor resulting actions.

HEALTH AND SAFETY CHAMPIONS



▶ **656**
employees

Structure:
Employees

Functions and responsibilities: Implement and monitor the Management System Elements.

EMERGENCY PREPAREDNESS AND RESPONSE BRIGADES



▶ **674**
employees

Structure:
Brigade chief and
members

Functions and responsibilities: Provide support in drills and emergencies.

ERGONOMICS TEAM



▶ **148**
employees

Structure:
Employees

Functions and responsibilities: Identify areas of improvement and strive for continuous improvement.

INTERNAL CIVIL PROTECTION UNIT



▶ **360**
employees

Structure:
Coordinator and
members

Functions and responsibilities: Draft, implement, and operate the Internal Civil Protection Program, identify and assess the risks to which the facilities are exposed, form and train brigades.

OTHER



▶ **147**
employees

Structure:
Employees

Functions and responsibilities: Change Management Committees, readiness prior to pre-startup, wellbeing.





ELEMENTS OF THE HSMS

[103-2, 403-1, 403-2, 403-4, 403-6, 403-7, 403-9]

To establish the expectations of our HSMS, we consolidate a series of elements that allow us to standardize and ensure that the strategy can be applied to all company activities, while promoting the health and safety of our employees and our company.

To implement this initiative, we established a work team called Health and Safety Champions; a group of employees in charge of implementing and monitoring the HSMS Elements in each business unit.

For more information on each of the Elements of our HSMS, please visit the [Health and Safety](#) section of our website.

To achieve this, each Champion is assigned one of the HSMS Elements:

| | | | | | | |
|---|---|---|---|--|---|--|
| <p>1</p> <p>Health and Safety Plan</p> | <p>2</p> <p>Culture, Leadership, and Participation</p> | <p>3</p> <p>Handling Chemical Products and Reporting Hazards</p> | <p>4</p> <p>Safety and Hygiene Commission</p> | <p>5</p> <p>Continuous Improvement (verifications, findings, monitoring and closing, documentation)</p> | <p>6</p> <p>Personal Protection Equipment</p> | <p>7</p> <p>Procedures</p> |
| <p>8</p> <p>Work Competencies</p> | <p>9</p> <p>Strategic Partners (Suppliers and Contractors)</p> | <p>10</p> <p>Integrity of Equipment, Tools, Machinery, and Processes</p> | <p>11</p> <p>Work Permits</p> | <p>12</p> <p>Motor Vehicle Safety</p> | <p>13</p> <p>Management Of Change (MOC)</p> | <p>14</p> <p>Pre-Startup Safety Review (PSSR)</p> |
| <p>15</p> <p>Process, Design, and Engineering Information</p> | <p>16</p> <p>Hazard Identification and Analysis</p> | <p>17</p> <p>Event Notification, Investigation, and Analysis</p> | <p>18</p> <p>Emergency Planning, Readiness, and Response</p> | <p>19</p> <p>Health and Safety at Home</p> | <p>20</p> <p>Certifications and Health and Safety Compliance</p> | <p>21</p> <p>Industrial Hygiene</p> |
| <p>22</p> <p>Ergonomics</p> | <p>23</p> <p>Human Factors</p> | <p>24</p> <p>Medical Services</p> | <p>25</p> <p>Wellbeing</p> | <p>26</p> <p>Communications</p> | <p>27</p> <p>Dangerous Fauna</p> | <p>28</p> <p>Facilities</p> |
| <p>29</p> <p>Safe Work Practices (high risk and non-routine operations)</p> <ul style="list-style-type: none"> • Working at Heights • Confined Spaces • Electrical Safety • Hazardous Energy Lockout (LTT/LOTO) • Working with High Temperatures • Trenches and Excavations • Traffic Control • Cranes, Block and Tackles, Forklifts | <p>30</p> <p>Trade Secrets</p> | <p>31</p> <p>Crisis Management</p> | <p>32</p> <p>Asset Safety</p> | <ul style="list-style-type: none"> • Manual Tools and Machinery Safety Guards • Explosives • Aircraft • Surface and Submarine (diving) Work • Rail Yard | | |

▶ CONTINGENCY PLANS IN CASE OF EMERGENCY

[EU-DMA]

Element #18 of our HSMS—Emergency Planning, Readiness, and Response—is designed to prepare all business units for emergency situations, protect the lives of people who work for the company, safeguard communities, provide accurate information about existing security measures, and ensure the operational continuity of company assets.

To achieve this, every business unit establishes an Emergency Planning, Readiness, and Response program that includes the following:

- ▶ Identifying potential risk conditions (earthquakes, leaks, spills, attacks, fires, explosions, medical emergencies, severe weather, and civil disturbances, among others.)
- ▶ Emergency Response Plan
- ▶ Evacuation procedures, firefighting, emergency communications, drills, search and rescue brigades.
- ▶ Brigade training
- ▶ Emergency Response Plan Training and other specific issues such as:
 - Fire prevention and firefighting
 - Handling chemical spills
 - First Aid, CPR
- ▶ Drill scheduling
- ▶ Conducting and evaluating drills
- ▶ Updating the Emergency Response Plan



All business units have Internal Civil Protection Programs, which design and activate prevention and response measures in emergency scenarios to ensure the integrity of both people and facilities. The corresponding authority periodically reviews and approves these plans, which are developed based on official formats and guidelines.

Each time the emergency response program is activated, either in a real situation or during a drill, the effectiveness of the established protocols is assessed.

As part of the actions implemented to mitigate the risks of potential emergency situations, 100% of the employees and contractors that work at the company's assets receive theoretical and practical training based on their functions and responsibilities, consisting of applicable procedures, regulations, and emergency response plans. Every person (internal or external, temporary or full-time) that enters our facilities, has to

participate in an onboarding session to review among other topics included in our HSMS, the emergency response plans.

To ensure operational continuity, our assets have developed protocols for restoring energy, for example:

- ▶ TDM is self-supplied, and, in case of operational malfunctions or blackouts, it can interconnect to the CFE network.
- ▶ Our wind parks have emergency power generation plants that operate in case of a malfunction.

With visual aids such as diagrams, signage, and layouts, we strengthen and make public all relevant information pertaining to our contingency and emergency response plans.



▶ HEALTH AND SAFETY PRINCIPLES

The Health and Safety Principles Manual compiles the most basic measures under which all our employees need to act, whether they have an indefinite or temporary contract with us, or are contractors. Every task performed on behalf of IEnova is governed by these principles inside or outside the company's facilities.

In the event of an unsafe situation, we stop the activity until the condition is resolved, even if it means a delay in operations. We encourage our employees to stop or report any activity they believe exposes them or others to danger.

COMMUNICATION: PREVENTION MECHANISM

We maintain constant communication with our employees and contractors about health and safety initiatives, campaigns, and performance. The mechanisms we use include:

- ▶ Onboarding sessions
- ▶ Start of shift conversations
- ▶ Biweekly management meetings
- ▶ Communications meetings
- ▶ Training
- ▶ Information dashboards and blackboards at facilities
- ▶ Newsletters, posters, signage, tarps



IN THE EVENT OF ANY UNSAFE SITUATION, WE STOP THE ACTIVITY UNTIL THE CONDITION IS RESOLVED, EVEN IF IT MEANS A DELAY IN OPERATION.



Preventing incidents and accidents is a priority on everyone's agenda, which is why we hold mandatory meetings on health and safety. Additionally, at our projects under construction we conduct Safety Stand-Downs during which we review expectations and guidelines for different activities simultaneously with all employees. These meetings offer participants an opportunity to point out hazardous conditions and unsafe practices; review the health and safety regulations and safe work procedures; analyze incidents, accidents, and potential risks; as well as make suggestions and comments. This is a bilateral communications mechanism that we conduct at least every 3 months in each project.



▶ PERFORMANCE IN HEALTH AND SAFETY

[403-9]

We employ a health and safety performance measurement system made up of 40 proactive indicators that we use to assess all our assets. It includes the elements of the management system and determines the level of compliance with set expectations. It employs a numerical scale from 0 to 5. To monitor how this process is working, our team of Champions carries out quarterly self-evaluations and an annual cross-verification process that includes all our work centers.

Because of our joint efforts across the company, we achieved a 4.56 global score

out of a possible 5 for the elements of the Health and Safety Management System. GDN and Energía Costa Azul achieved the highest scores in performance in health and safety for 2020, with 4.97 and 4.94 points, respectively.

Given the nature of our operations, we analyze hazards and risks from two perspectives: Job Safety Analysis (JSA) and Process Hazard Analysis (PHA), depending on the type of operation or chemicals employed. Results are reassessed every 5 years.





MAIN HAZARDS BY BUSINESS SEGMENT

GAS

- ▶ Potential pressure leaks.
- ▶ Simple accidents resulting from maintenance activities such as bumps, falls, cuts, and contact with chemical substances.

STORAGE

- ▶ Potential leaks when handling hydrocarbons, the use of machinery or tools, working at heights, and ergonomics.

POWER

- ▶ Exposure to energized electric equipment.
- ▶ Working at heights and in confined spaces.
- ▶ Handling and storing chemical substances.

CONSTRUCTION

- ▶ Lifting loads or hoisting, handling materials, working at heights, jobs with manual tools.

As a result of this exercise, we identified that the components with the highest performance scores were: supervisor reports on safety issues, supervisor response to suggestions made by employees, procedure tests for emergency response, and how supervisors follow protocols for safe work.

We also identified areas for improvement in terms of work-related stress, safety in communications, and the frequency of meetings to deal with safety issues.

We carried out a similar exercise in 2017, ranking in the 96th percentile.

RISK MITIGATION IN OUR COMMERCIAL RELATIONSHIPS

[403-7]

Aware of the fact that there are implicit safety risks in our commercial relationships with customers, contractors, and suppliers that we need to prevent and mitigate even when these occur outside our facilities, we include clear communication about our expectations regarding health and safety in all our bidding processes and contracts. We maintain open lines of communication to listen to their perspectives and input.

HEALTH AND SAFETY CULTURE

During the summer of 2020, in collaboration with the US National Safety Council (NSC), we conducted a company-wide survey in order to assess our organizational health and safety culture.

We conducted the survey online and included several questions related to COVID-19. 1,509 surveys were completed, which means that 87% of our employees participated, placing us in the 99th percentile out of the possible 100 in comparison to other organizations included in the NSC's database.





▶ APPLIED PROGRAMS

[403-3, 403-4, 403-5, OG13]

FAMILY DAY

Our commitment to the health and safety of our employees and their families goes beyond the workplace. Accordingly, every year we hold a Family Day consisting of events focused on health and safety, including information on how to respond to an emergency, first aid, safety at home, and recommendations on wellness, among others. We invite experts from the Red Cross and local fire departments, as well as representatives from public safety authorities, among others.

This activity, which began as a local event in some cities in 2013, has evolved over the years and is currently a flagship event for our company. In 2020, we held six virtual Family Day events, which were received with the same enthusiasm by our employees.



SAFETY AND MY FAMILY DRAWING AND CALENDAR CONTEST

Every year we hold a contest aimed at promoting conversations among our employees and their families on health and safety issues in the workplace and at home. The goal of the contest is for our employees' family members to send in drawings expressing their ideas and opinions on these topics. We then select 12 winners, and their drawings are included in a calendar we distribute at the beginning of the year to all our employees. This year we received more than 400 drawings.



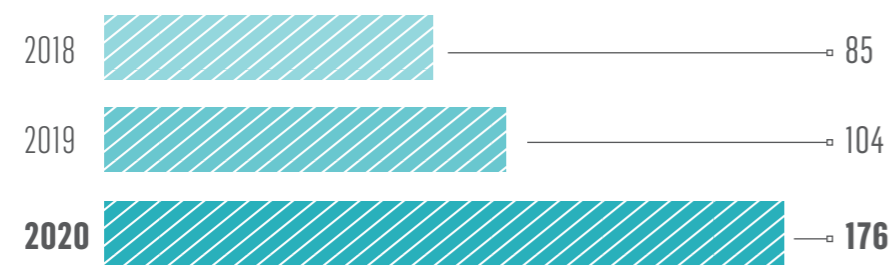


▶ DRILLS

As a best practice and in compliance with indications from both the Ministry of Labor and Social Welfare (*Secretaría del Trabajo y Previsión Social*, STPS) and Civil Protection, we continually conduct drills that allow us to identify what we need to do and how to respond in case of an emergency, whether it is caused by a natural phenomenon or derives from our own processes.

In 2020, we carried out 176 drills, 43 of which included the participation of units from Civil Protection, the fire departments, or the Red Cross. We also increased the number of internal verifications and audits in health and safety as compared to the previous year.

DRILLS



VERIFICATIONS

| | 2018 | 2019 | 2020 |
|----------|------|------|------|
| Internal | 145 | 335 | 423 |
| External | 43 | 42 | 68 |
| Total | 188 | 377 | 491 |



▶ TRAINING IN HEALTH AND SAFETY

[103-2, 403-5, 404-1, 404-2]

During 2020, we offered 19,611 hours of training courses and sessions on health and safety to 1,138 employees. The 1,167 courses we held included the following topics:

- ▶ First aid
- ▶ Firefighting
- ▶ Task safety analysis
- ▶ Confined spaces
- ▶ Welding
- ▶ Evacuation
- ▶ Dangerous fauna
- ▶ Industrial hygiene
- ▶ Ergonomics
- ▶ Safety in electricity
- ▶ Working at heights
- ▶ Safety and Hygiene Commission
- ▶ Defensive driving
- ▶ Driving a forklift
- ▶ Pressurized containers
- ▶ Psychosocial factors
- ▶ Event investigations (incidents and accidents)
- ▶ Process safety analysis
- ▶ Personal Protection Equipment




HEALTH AND SAFETY LEADERS TRAINING PROGRAM

In 2019, we created the Health and Safety Leaders Training Program with the objective to train employees who have been designated as leaders at each of our facilities on different health and safety topics. We select high-performing personnel to participate in specialized courses that last between one and four days. Courses are taught by experts from within and outside the company, and include topics such as process hazard analysis, methodologies for root cause analyses, safe driving, ergonomics, and safety when working with electricity, among others.

During 2020, we were only able to offer three of the 22 courses included in the program as the rest of the courses require the physical presence of employees. Fifty-seven employees participated and we offered 936 hours of training.

▶ CERTIFICATIONS IN HEALTH AND SAFETY

As part of our commitment to ensuring that we operate under the strictest health and safety standards, we voluntarily subscribe to certification programs that evaluate and validate our Health and Safety Management System using local, national, and international standards. These include the Self-Management Program in Health and Safety at Work (*Programa de Autogestión de Seguridad y Salud en el Trabajo, PASST*) of the STPS and ISO 45001, formerly known as OHSAS 18000.

To review our current certifications, please visit the [Certifications](#)  section of our website.





▶ HEALTH AND SAFETY IN THE FACE OF COVID-19

MEXICAN AUTHORITIES, PARTICULARLY THE UNDERSECRETARY OF PREVENTION AND HEALTH PROMOTION OF THE MINISTRY OF HEALTH, CLASSIFIED OUR COMPANY'S ACTIVITIES AS ESSENTIAL. ACCORDINGLY, FROM THE ONSET OF THE COVID-19 PANDEMIC WE IMMEDIATELY DEVELOPED A SERIES OF PROTOCOLS TO ENSURE THE HEALTH AND WELL-BEING OF OUR EMPLOYEES AND OF ALL THE PEOPLE WITH WHOM WE INTERACT.



We guaranteed safe working conditions for those employees who had to stay in the field in order to ensure the operation of our assets. In addition, we offered emotional support to every employee who requested it. We continue to apply all these protocols, with proven efficacy. The protocols, which have evolved along with the recommendations of the relevant authorities, include specific guidelines for establishing sanitary filters at

every facility, instituting protocols and restrictions for onsite work, as well as identifying vulnerable personnel who need to continue to work from home, regardless of their functions.

We formed a Crisis Committee led by our Talent Management and Culture and Health and Safety divisions. Additionally, we have Work Committees at the local

level. The company's senior management has been in constant communication with all employees in order to keep them well and timely informed about all internal processes and measures implemented to offer support and, above all, to maintain a sense of belonging despite the physical distance.

ACTIONS RELATED TO THE HEALTH CONTINGENCY CAN BE CATALOGED INTO FOUR STAGES:

1

FROM JANUARY 30, 2020



- ▶ Employees were warned to take precautions before traveling.
- ▶ Hand sanitization stations were installed at all our assets.
- ▶ Employees who were feeling sick were asked to stay home (starting on February 10th).

2

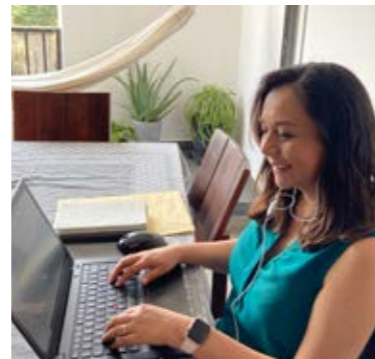
FROM MARCH 9, 2020



- ▶ Potential scenarios for continuing operations of essential and non-essential activities were discussed and prepared.
- ▶ The use of face masks was implemented for all employees, contractors, and visitors.
- ▶ Employee lists were reviewed in order to determine how to divide critical personnel into rotating groups.
- ▶ The decision was made to employ remote control systems to monitor operations and provide Customer Service through call centers.
- ▶ Restrictions were applied to domestic and international travel.
- ▶ An intranet was developed with relevant COVID-19 information.
- ▶ Filters and health monitoring stations were installed at all access points at all facilities.

3

FROM MARCH 13, 2020



- ▶ A home office policy was implemented for all non-essential activities and a tool kit on how to better manage working from home was delivered to employees. More than 1,000 employees adopted this work model.
- ▶ Daily reports were made to senior management on employees with flu symptoms, respiratory ailments, or other symptoms (starting on March 15th).
- ▶ Additional measures were implemented to select essential personnel, with energy-related activities being deemed critical.

4

DURING THE SECOND AND THIRD QUARTERS OF 2020



- ▶ Health and safety protocols were developed and implemented at all facilities, in compliance with the established regulations and the provisions of the Ministry of Health (*Secretaría de Salud*) in Mexico.
- ▶ A system of social distancing wristbands was implemented at all work sites.
- ▶ Safe-return kits were assembled.
- ▶ Workstations were adapted, including the installation of physical barriers.
- ▶ Reimbursements for home office spaces were offered.

CONTINUOUS



- ▶ Online sessions with information on COVID-19 and other issues related to health and well-being.
- ▶ Implementation of cleaning protocols for vehicles and office spaces.
- ▶ Periodical review of all COVID-19 information that has been developed, printed, or distributed, as well as related IEnova policies.
- ▶ Adoption of guidelines issued by the relevant authorities, including the World Health Organization (WHO), Center for Disease Control (CDC), Occupational Safety and Health Administration (OSHA), and the Ministry of Health in Mexico.
- ▶ Implementation of a comprehensive email communications strategy to keep employees informed and to share encouraging messages from senior management.

For IEnova, the health and safety of our employees is a fundamental value and a condition of employment.

We are responsible for ourselves and for those who collaborate with us and for us. We are guided by our policies, our principles, and our elements.

Regardless of our function, we verify that the planning and execution of our operations and projects ensure safe work practices and adequate preventive measures for people, facilities, and processes.

By doing so, we strive for a work environment in which we prevent injuries and work-related health problems.

HEALTH AND SAFETY, A LASTING VALUE, A TEAM PURSUIT.



► SUPPLY CHAIN

[102-9, 203-2, 204-1, 205-1, 205-2 408-1, 409-1, 414-1]

At IEnova, we are committed to the development of our suppliers and we strive for the fulfillment of sustainability and quality expectations throughout our value chain. To achieve this, we have developed and implemented a series of processes, policies, and guidelines to form solid strategic partnerships and commercial agreements that meet the highest technical, ethical, and sustainability standards.

All our suppliers, new and existing, must comply with applicable laws and regulations, including those related to environmental and social matters. 100% of the suppliers we contract are required to adhere to our Supplier Conduct Guideline and to our Code of Ethics, which are published in the [Policies and Procedures section](#) of our website.

These documents serve as an ethical guide for all our stakeholders and address priority issues such as:

- Environmental standards
- Child labor and/or forced labor
- Human rights
- Anti-corruption
- Working conditions
- Fair remuneration
- Occupational health and safety
- Corporate ethics

At IEnova we communicate and reinforce our Code of Ethics throughout our value chain, and we enforce our ethics standards. We operate based on a policy of zero tolerance for acts of corruption, forced labor, child labor, discrimination, or human rights violations.





▶ SUSTAINABILITY STRATEGY

As part of our procurement process for goods and services, each year we classify suppliers we deem critical. We assess them biannually for compliance with issues related to sustainability, such as child labor, fair remuneration, and occupational health and safety, among others. When we identify that a supplier needs to improve on any aspect or indicator, we develop corrective plans to address the issue.

To establish which suppliers are critical, we have developed an evaluation procedure that includes criteria to assess the volume of materials, components, critical services, and suppliers for whom there are no substitutes, among others.

In 2020, we made an exhaustive revision of our supplier evaluation and adapted it to stricter sustainability practices and social, environmental and economic indicators.

SOCIAL PILLAR



We assessed how they approach compliance through procedures and tools that demonstrate adherence to laws and regulations pertaining to privacy, transparency, anti-corruption, human rights, and labor practices.

ECONOMIC PILLAR



We assessed how they manage human capital, as well as the health and safety protocols for their employees.

ENVIRONMENTAL PILLAR



We assessed the policies and practices that evidence their interest in and efforts to reduce the impact of their operations on the environment, as well as measures taken to protect and care for the environment.



Topolobambo Storage Terminal



Energía Costa Azul

Results were analyzed taking into consideration the size of the company, enabling us to be fairer and more precise, and to establish specific strategies based on the characteristics of each company.

Additionally, during 2020 we expanded our range of action to identify and evaluate sustainability practices in Tier 2 critical suppliers; that is, those that provide services and products to our suppliers.

Our aim is to apply the sustainability evaluation every two years for Tier 1 and Tier 2 critical suppliers, in order to plan and implement efficient and well-focused strategies, and to develop a framework that will allow us to give recognition to companies that make up our supply chain for their sustainability performance.

This year we assessed 232 Tier 1 critical suppliers and 4 Tier 2 suppliers. With this information, we were able to classify our suppliers, according to their level of risk, in the following three groups:

CRITICAL SUPPLIERS

- 1 Advanced company in terms of how it manages and implements sustainability practices. Low sustainability risk.
- 2 Intermediate company in terms of how it manages and implements sustainability practices. It represents a sustainability risk as there is the potential for an event to occur that would interfere with the achievement of previously defined sustainability goals.
- 3 Beginner company in terms of how it manages and implements sustainability practices. It represents a high sustainability risk for IEnova's supply chain since it has no formal procedures and policies in place that would ensure good performance.

| Number of suppliers | |
|---------------------|-------|
| Tier1 | Tier2 |
| 15 | 0 |
| 143 | 3 |
| 74 | 1 |

The goal behind our evaluations is to offer support and assistance to our suppliers in taking their operations to a higher quality level. Based on the results obtained in 2021, we will work with all suppliers in Group 3 to design a plan to strengthen their sustainability practices.

74% OF OUR ASSESSED CRITICAL SUPPLIERS ARE SME'S AND REPRESENT LESS THAN 5% OF OUR TOTAL SUPPLY CHAIN SPEND.



2020 PRESENTED CHALLENGES FOR THE SUPPLY CHAIN DUE TO THE COVID-19 PANDEMIC. TO AVOID POSSIBLE DISRUPTIONS, WE COLLABORATED WITH SUPPLIERS THAT HAD PREVIOUSLY BEEN IDENTIFIED AS CRITICAL, ALLOWING US TO AVOID SIGNIFICANT IMPACTS ON OUR OPERATIONS.



Another relevant measure we implemented during 2020 was the adoption of the SAP Ariba system to manage the information, life cycle, and performance of all our suppliers in one place. By integrating this information, we will be able to improve our supplier development process. Additionally, SAP Ariba enables us to communicate in a more efficient, automated, and transparent manner with suppliers through a portal where they have an updated view of all their operations with IEnova.



Rosarito Pipeline



▶ OUR SUPPLY CHAIN IN NUMBERS

[102-7, 102-10, 203-2, 204-1]

THE MAIN ACTIVITIES OF OUR SUPPLY CHAIN ARE FOCUSED ON PROVIDING MAINTENANCE SERVICES TO OUR FACILITIES, BUILDING FACILITIES, AND SUPPLYING MAJOR EQUIPMENT.

NUMBER OF SUPPLIERS¹

▶ **1,275**
2018

▶ **1,248**
2019

▶ **1,277**
2020

INDIRECT JOBS²

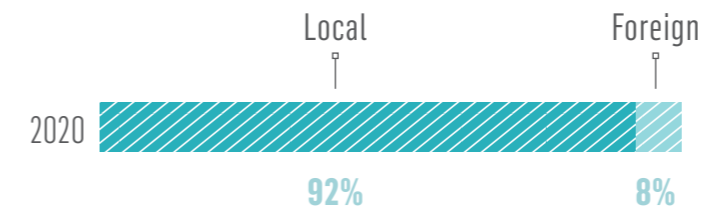
▶ **2,200**
2018

▶ **2,662**
2019

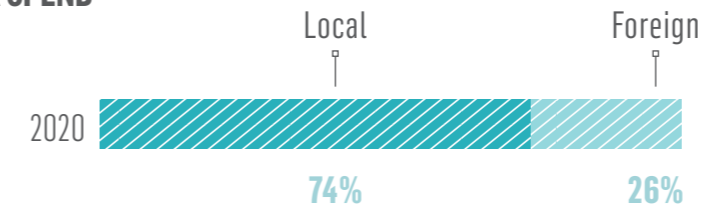
▶ **1,955**
2020



LOCAL AND FOREIGN SUPPLIERS



SUPPLIER SPEND



¹ Percentages in domestic and foreign numbers and spend were adjusted from prior reports given that the domestic supplier category was modified to include only companies that are legally constituted in Mexico.

² Are calculated based on a statistical value related to the number of direct jobs and the type of project, whether lineal (pipeline) or punctual (station).



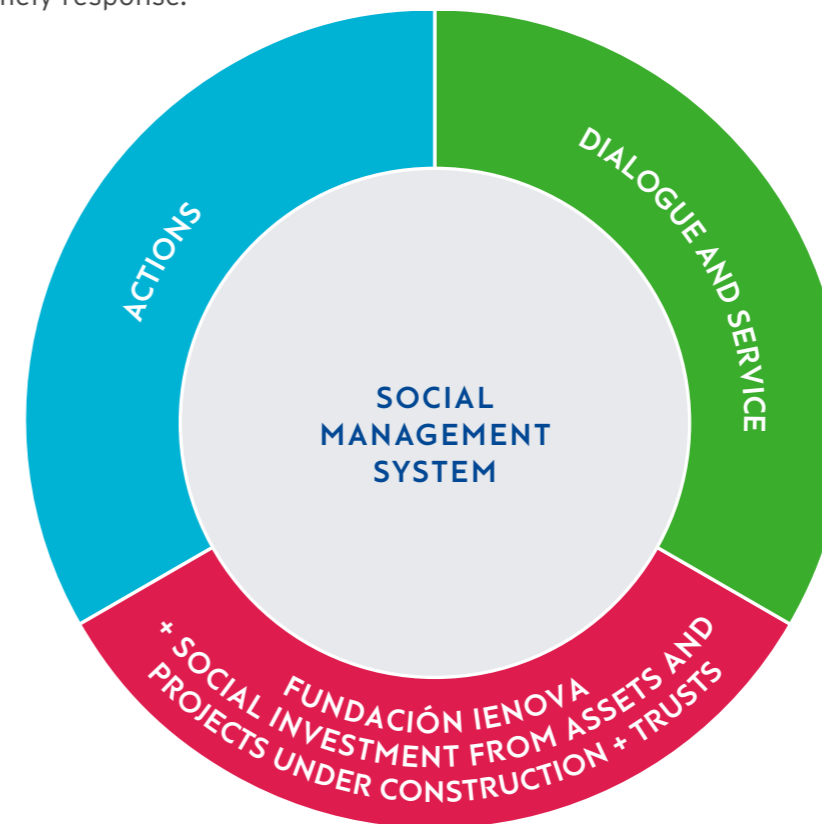
▶ COMMUNITIES

[203-1, 413-1]

At IEnova, we are committed to building and operating the necessary energy infrastructure to contribute to the economic, social, and environmental development of the communities to which we belong.

Since establishing and maintaining a relationship with our communities is paramount, we have a team dedicated exclusively to serving them.

To better understand our communities and diverse stakeholders, we have a Social Management System in place that fosters the establishment of optimal and respectful relationships that are based on constant dialogue and timely response.



OUR SOCIAL POLICIES AND PROCEDURES ADDRESS A VARIETY OF KEY ISSUES IN ADDITION TO THE GUIDELINES TO IDENTIFY AND PRIORITIZE OUR STAKEHOLDERS.

▶ DIALOGUE AND SERVICE

[413-1]

To understand the social and economic situation of the communities with which we interact, as well as their needs, we have developed and implemented a series of tools that, in addition to ensuring compliance with legal requirements, allow us to get to know and approach them and other stakeholders.

One such example is our Social Impact Evaluation (or EvIS in Spanish), a tool required by the Ministry of Energy that helps us compile pertinent information on the communities in the area of influence of a given project, and provides us with the information we need in order to develop and implement impact mitigation and social management plans to ensure the sustainability and social responsibility of our projects. We conduct this study for every project and we strive to develop projects that do not affect the social environment.

We also have a strong Community Grievance Mechanism (*Mecanismo de Atención a la Comunidad*, MAC). Its function is to receive, through different channels,

opinions, concerns, questions, and requests from the people in our communities. The objective of this mechanism is to listen firsthand to the concerns of key players so that we are able to direct our efforts efficiently, in order to serve those areas that need it most.

The MAC is available at all times and all interested parties can communicate and express their concerns, anonymously or not. In 2020, we strengthened this mechanism by including, among other measures, the possibility of receiving anonymous communications. We also offered training to employees working on the projects enabling them to understand, communicate, and implement the MAC.

Based on the materiality assessment we carried out in 2019 and the insights we receive from local authorities, we have identified that recurring priority issues in the communities where we operate include job creation and local hiring, as well as community economic development.





▶ HUMAN RIGHTS IN OUR COMMUNITIES

We are committed to respecting universal human rights, as stipulated in our [Human Rights Policy](#). Our operations always work with the required permits and consents, respecting the rights of every stakeholder, including the right of indigenous peoples to free, prior and informed consent.

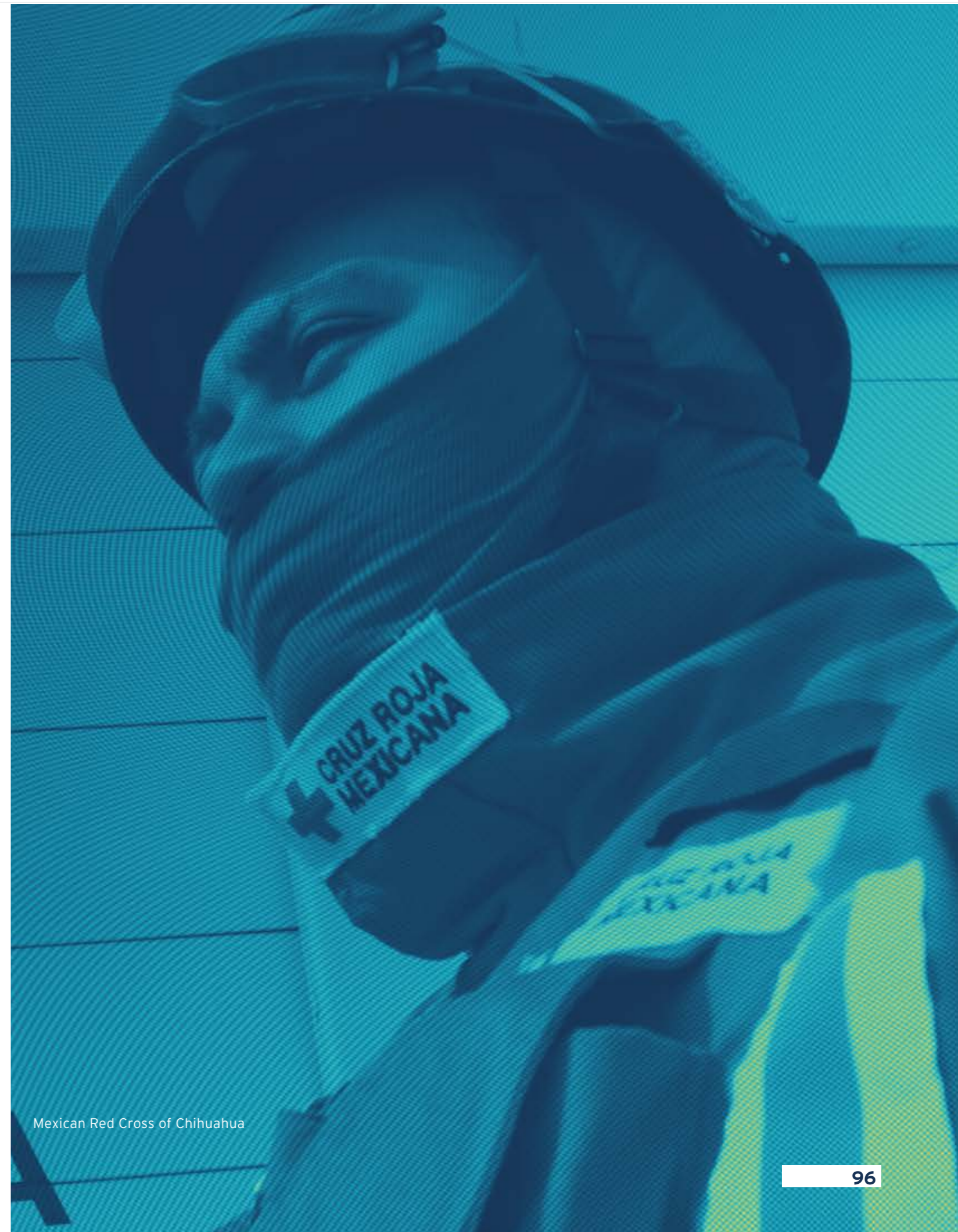
Based on our commitment to conduct our activities in alignment with the Guiding Principles on Business and Human Rights and the Ten Principles of the UN Global Compact, and recognizing the provisions of the Universal Declaration of Human Rights, we have established a series of principles that include the prohibition of

child labor and forced labor, respect and promotion of diversity and inclusion in the workplace, freedom of opinion and expression, safeguarding the health and safety of our employees, freedom of association and collective bargaining, protection of the rights of ethnic minorities and indigenous peoples, and guaranteeing the wellbeing of our employees and communities.

Our Human Rights Policy is applicable to the company's operations, to our relationships with suppliers and commercial partners, and to the members of the communities that are impacted by our operations.



Casa Hogar del Anciano Retirement Home



Mexican Red Cross of Chihuahua



▶ SOCIAL INVESTMENT

[103-2, 203-1, 203-2, 413-1]

We are strongly committed to contributing to the social and human wellbeing of the communities where we operate and to which we belong. As a result, for 23 years we have carried out a variety of activities aimed at improving the quality of life of millions of Mexican people.



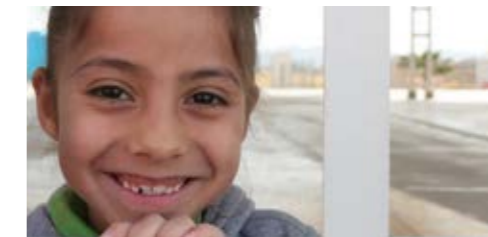


FUNDACIÓN IENOVA

During 2020, given the public health contingency that affected Mexico and the world, Fundación IEnova's governance bodies promptly and responsibly decided to allocate the majority of the foundation's budget to support people affected by the COVID-19 pandemic with two types of contributions: medical equipment and protection supplies and food security.



USD\$3.17 M
Granted by Fundación IEnova during 2020



► **USD\$2.21 M** allocated to support communities affected by the COVID-19 pandemic in 22 states in Mexico.

We partnered with 9 organizations in two areas of giving:

- **Medical equipment and protection supplies:** delivered approximately 170,081 units (including Tyvek protective suits, safety glasses, N-95 facemasks, gloves, and medical equipment including 264 Philips Respironics E30 ventilators, 52 ventilator circuits, and 7 vital signs monitors) in 19 states.
- **Food security:** delivered 36,537 packages (basic food supply packages and personal hygiene kits) in 13 states and partnering with 6 organizations.

► **USD\$0.554 M** to support:

- **Museo Nacional de Energía y Tecnología (MUNET).**
- **Resilient Schools Program of the Mexican Red Cross** (that will train students and teachers on how to act in case of emergency, including natural disasters).
- **Support in Case of Natural Disasters Program** (benefiting the victims of the Tabasco floods).

► **USD\$0.40 M** to support 20 multi-annual projects through 11 organizations in the following areas of giving:

- **Scholarships** for talented university-level students.
- **Infrastructure improvements** in foster homes.
- **Comprehensive care for children** with cancer.

For more information on Fundación IEnova, please view its [2020 Report](#).



OUR PROJECTS CONTRIBUTE MAINLY TO THE FOLLOWING SDGs:



EDUCATION

Thanks to these projects, at least 100 students will continue their studies during 2021.



ENVIRONMENT

In 2020, we did not participate in any environmental projects in order to allocate the majority of our resources to populations affected by the pandemic.



VULNERABLE GROUPS

In 2020, we focused on SDG 11. Thanks to these projects, children and youngsters who live in eight foster homes we support will enjoy better infrastructure. Additionally, we supported the Yaqui community with the restoration of a ceremonial site in Belém-Guaymas, in the state of Sonora.



COMMUNITY SERVICES

Additionally, in 2020 we contributed to SDGs 10, 11 and 12, regarding reduced inequalities, sustainable cities and communities, and responsible production and consumption.

| | 2018 | 2019 | 2020 | 2018 | 2019 | 2020 | 2018 | 2019 | 2020 | 2018 | 2019 | 2020 |
|--------------------|------|------|------|-----------|-----------|-------------|------|------|------|-----------|-----------|-----------|
| | | | | | | | | | | | | |
| EDUCATION | 9 | 8 | 7 | \$385,141 | \$244,743 | \$617,971 | 1 | 8 | 0 | \$24,578 | \$364,999 | 0 |
| ENVIRONMENT | 1 | 8 | 0 | \$24,578 | \$364,999 | 0 | 10 | 11 | 9 | \$160,890 | \$258,046 | \$143,654 |
| VULNERABLE GROUPS | 7 | 8 | 19 | \$117,632 | \$390,412 | \$2,412,863 | | | | | | |
| COMMUNITY SERVICES | | | | | | | | | | | | |

| TOTAL | 2018 | 2019 | 2020 | |
|-------|---|------------|--------------|--------------|
| | NUMBER OF ORGANIZATIONS | 12 | 24 | 20 |
| | NUMBER OF PROJECTS | 24 | 35 | 35 |
| | TOTAL AMOUNT GRANTED (USD\$) ¹ | \$ 668,241 | \$ 1,258,200 | \$ 3,174,488 |

¹ This amount includes in-kind donations. In 2020, Fundación IEnova made no such donations.



CORPORATE VOLUNTEERS

Corporate volunteering is essential to the social commitment actions led by Fundación IEnova. Corporate volunteering events are held twice a year in the eight institutions that belong to the Triannual Foster Home Adoption Program for Infrastructure Improvements.

During 2020, we carried out virtual campaigns among our employees to directly support the foster homes and we continued the programs with the following results:



ESCUELA + SONRISAS

▶ **203**
SCHOOL SUPPLIES
PACKAGES

▶ **8**
CITIES:
Chihuahua, Mexico City, Ensenada,
Hermosillo, Mexicali, Monterrey,
Torreón, and Veracruz



ÁRBOL DE LA SONRISA

▶ **183**
PACKAGES INCLUDING
CLOTHES, SHOES, AND TOYS

▶ **7**
CITIES:
Chihuahua, Mexico City,
Hermosillo, Mexicali, Monterrey,
Torreón, and Veracruz

386
TOTAL PACKAGES
including school supplies, clothes,
shoes, and toys donated to children
and young people through our
corporate volunteers program.

In response to Fundación IEnova's invitation, volunteers¹ directly supported these organizations with the resources needed to buy school supplies and technological tools as well as packages that included clothes, toys, and shoes.

IN 2015-2020,
FUNDACIÓN IENOVA
HAS GRANTED
USD\$6.41 MILLION TO
THE COMMUNITY.

¹ In 2020, we did not estimate the monetary value of the time donated by employees who participated in corporate volunteer events during work hours because no in-person events were held during the pandemic.



▶ TRUSTS

The work we do through the Ensenada Trust promotes accountability and aims to facilitate synergies between IEnova and the stakeholders with whom we interact, including authorities. The management model for the trusts includes different elements, such as technical committees and advisory councils.

In 2020, we continued operating the Ensenada Trust, which has a Technical Committee and an Advisory Council that includes citizens, academic staff, representatives from the private sector and the health sector, experts in economic development and conservation, as well as the mayor of Ensenada and IEnova representatives. The record investment of this trust in terms of expenses directed at supporting communities most affected by COVID-19 is noteworthy.

ENSENADA TRUST

▶ **USD\$7**
million total 2020 budget

▶ **3**
social projects sponsored





▶ **USD\$734,414**
in-kind donations

▶ **773,313**
beneficiaries





SOCIAL WORKS OF ASSETS IN OPERATION AND UNDER CONSTRUCTION

| | PIPELINES | STORAGE | POWER | TERMOELÉCTRICA DE MEXICALI | SOLAR PARKS |
|-----------------------------------|---|--|---|--|---|
| | <p>LOS RAMONES NORTE PIPELINE</p> <p>A Social Investment Plan was established based on the social needs in the area.</p> <p>During 2020, we invested in the development of two social projects. The first consisted of donating uniforms, equipment, and a firetruck to the Civil Protection group of the municipality of Matehuala.</p> <p>The second project consisted of furnishings for the computer room of the José Guadalupe Zuno Hernández technical middle school, including 33 desktop computers, white boards, projectors, and furniture.</p> | <p>TERMINALS</p> <p>Support was allocated to the installation of public lighting on the Gustavo Baz Boulevard in the town of Temascalapa, State of Mexico, and to building two soccer fields for the soccer school in Tepojaco, in the municipality of Tizayuca, Hidalgo.</p>  <p>ECA</p> <p>Support was allocated to the installation of portable sinks and to sponsor a breast cancer prevention campaign.</p> | <p>ENERGÍA SIERRA JUÁREZ</p> <p>During the Holiday season, support was allocated to provide toys to children that were economically impacted by the COVID-19 pandemic in at-risk neighborhoods, in the municipality of Tecate.</p> | <p>TERMOELÉCTRICA DE MEXICALI</p> <p>During the Holiday season, support was allocated to provide toys to children who were economically impacted by the COVID-19 pandemic, as well as e-tablets so that they could continue with their studies online.</p>   | <p>SOLAR PARKS</p> <p>With the social investment funds of the solar parks already in operation, we sponsored school improvement projects such as the CECYTE Plutarco Elías Calles and donated a school bus for the town of Benjamín Hill, both in the state of Sonora. Additionally, support was given for communal lands, or <i>ejidos</i>, neighboring our projects.</p>  |
| Number of social projects | 2 | 2 | 1 | 7 | 7 |
| Amount granted in 2020 (USDS) | 154,327 ¹ | 9,644 ¹ | 6,048 ¹ | 8,542 ¹ | 121,949 |
| Estimated number of beneficiaries | 91,712 | 35,000 | 250 | 200 | 19,668 |

¹ Amount granted through in-kind donations

² Includes donations granted by Fundación IEnova, the Energía Sierra Juárez and Los Ramones Norte Pipeline social projects, as well as donations granted by the Ensenada Trust and by projects under construction and assets in operation that allocated funds to social works in 2020.

USD\$4.77 MILLION² ALLOCATED TO SOCIAL INVESTMENT IN 2020



▶ PROGRESS AND OBJECTIVES

[103-1, 103-2]



2020 Progress

EMPLOYEES

Maintain the GPTW certification.

Foster healthy habits in employees, maintain current programs, monitor their effectiveness, and update them if needed.

Define quantitative indicators (monetary or non-monetary) for training and development programs that will allow us to measure the impact on the business.

Develop training on Diversity and Inclusion to strengthen awareness of these issues among our employees.

Analyze the necessary operational conditions and infrastructure costs to allow for an optimal and safe access for people with disabilities to different areas in ECOGAS Chihuahua.

Status



2021 Objectives

Maintain the GTPW certification.

To help our employees transition to the new normal, implement a work-life balance program across the company.

Include sustainability-specific indicators in the ICP bonus. For example:

- ▶ Achieving GHG emission targets, CDP score, and increase in the renewable energy portfolio.
- ▶ Achieving the goals related to material topics.

Report measures taken in terms of:

- ▶ Preventing child labor.
- ▶ Programs to avoid excessive work schedules.
- ▶ Preventing forced labor.
- ▶ Promoting decent salaries.

2020 Progress

HEALTH AND SAFETY

Obtain or maintain the Safe Company (self-management) certificate granted by STPS and/or ISO 45001 at all of IEnova's operating units during the first 12 months of operation or operational control.

Reach the established performance goals in terms of accident rates:

- ▶ TRIR: 1.88
- ▶ LTAR: 1.42
- ▶ Ensure that research and analysis reports are made for every event and implement lessons learned for each of them.

Consolidate the 2020 Leadership Training Program with 11 specialized topics, 2 rounds, and 400 participants. Implement a program of activities geared towards improving the wellbeing of employees (including topics such as: sleeping well, workplace stress and psycho-social factors, nutrition, sports, etc.).

Status





SOCIAL PILLAR



2021 Objectives

HEALTH AND SAFETY

- Get 50% of the companies ISO 45001 certified.
- Develop and implement predictive maintenance - Asset integrity for every business unit.
- Conduct at least one critical emergency drill a year.
- Get 25% of employees involved in Health and Safety committees.
- Get 75% of vulnerable employees to receive a periodic medical evaluation.
- Reach the established performance goals in terms of accident rates:
 - ▶ TRIR: 1.88
 - ▶ LTAR: 1.42

2020 Progress

SUPPLY CHAIN

- Send the sustainability requirements included in our Procurement Policy to all our critical suppliers on an annual basis.
- Develop a procedure to identify Tier 2 critical suppliers (those who supply products and services to IEnova suppliers).
- Develop a framework to grant recognition to suppliers with good performance in terms of sustainability.
- Include specific sustainability requirements in the selection of suppliers.
- Conduct a bi-annual sustainability survey with our critical suppliers (Tier 1 and Tier 2).

Status



2021 Objectives

- Train our procurement staff on key sustainability issues.
- Train suppliers on anti-corruption issues.
- Grant recognition to suppliers with good performance in terms of sustainability.
- Include a sustainability evaluation as a requirement for hiring new suppliers or making purchases.
- Identify local suppliers to support them in developing and improving their performance in compliance with IEnova's guidelines.

2020 Progress

COMMUNITY RELATIONS

- Publish on IEnova's website the public version of follow-up reports for Social Impact Evaluations (Evis) and distribute hard copies to stakeholders.
- Publish on IEnova's website the procedures for our Community Grievance Mechanism (MAC), Social Investment Plan, and Community Relations and Stakeholder Engagement.
- Keep operating Fundación IEnova in compliance with all applicable administrative, accounting, tax, and anti-money-laundering practices and regulations, expanding the number of states in which Fundación IEnova is present in comparison to 2019. Fine-tune the methodology to estimate economic indicators for Corporate Volunteering in order to quantify and monitor them annually.
- Finalize and implement the Strategic Social Management Plan, establishing the social project guidelines to be implemented IEnova's Investment Projects. These guidelines will need to consider IEnova's social policies, capabilities developed; the requirements resulting from the Social Impact Evaluations and corresponding resolutions issued by the authority, as well as budgetary provisions to be considered in Investment Projects.

Status





COMMUNITY RELATIONS

2021 Objectives

Conduct opinion surveys in 20% of the communities where business units operate in order to establish areas for improvement and identify risks related to social matters. Social Impact Evaluations carried out.

Disclose the following information:

- ▶ Social Impact Studies carried out.
- ▶ Process to identify and mitigate risks.
- ▶ Topics identified.
- ▶ Mitigation plan for each of them.

Develop a volunteer program under our own brand that can be implemented at IEnova, with the support of the Talent Management and Culture division.

Execute a Fundación IEnova budget by developing a COVID-19 action plan and an operational plan for multi-annual projects and new projects.

Propose guidelines for IEnova's social investment activities that take into consideration the business model and include measurable indicators.