

General	
Code: GE-09-P08	Revision Number: 0
Creation Date: September 17, 2020	Modification Date: June 25, 2021

Procedure for Sustainability Management



1. Objective and Scope

This procedure describes the functions, responsibilities, and operational processes in terms of Sustainability, for IEnova and its subsidiaries in Mexico, including:

1. Implementing and managing the Sustainability Strategy and all actions related to Sustainability.
2. Monitoring the progress for achieving the Sustainability objectives, and compliance.
3. Producing the Sustainability Report.

The main objectives of this procedure are to:

- Establish responsibilities in terms of Sustainability, as well as the people responsible for managing it.
- Determine the list of relevant IEnova stakeholders.
- Identify the action pillars related to Sustainability that need to be taken into consideration when planning the objectives of the IEnova Sustainability Committee and Commissions.
- Establish the mechanism for managing the Sustainability Strategy.

This document may be complemented with specific instructions and guidelines issued at the corporate level in coordination with other divisions, with the goal of providing the rules that everyone needs to follow in order to manage Sustainability at IEnova.

This procedure applies to all employees (regardless of whether they have a full-time, part-time, or outsourced contract) of Infraestructura Energética Nova, S.A.B. de C.V. and all its subsidiaries in Mexico, herein referred to as "IEnova" or the "Company".



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3. Procedure

3.1 Responsibilities

It shall be responsibility of all IEnova employees to adhere to this procedure.

It shall be responsibility of the Sustainability Committee to make sure that IEnova's Sustainability Strategy is executed.

It shall be responsibility of the Sustainability Commissions to execute the plans of action and objectives derived from IEnova's Sustainability Strategy.

It shall be responsibility of the Sustainability Manager to suggest the strategy and issues to be discussed by the Sustainability Committee and Commissions.

3.2 Sustainability

At IEnova we understand sustainability as a path to continuous improvement for the creation of value for our stakeholders on three main pillars: environmental, social, and economic, all founded on ethics and corporate governance.

It shall be responsibility of IEnova to:

- Manage the business in an ethical manner.
- Protect the environment and the safety of its people and communities.
- Promote mutually beneficial relationships with the company's stakeholders.

3.3 Stakeholders

IEnova's stakeholders include individuals, groups of people, and organizations with which we have a relationship resulting from our operations. The following are our main stakeholders:

- Human Talent
- Shareholders and Investors
- Strategic Partners
- Clients and Consumers
- Suppliers
- Government Authorities and Regulators
- Community
- Communications Media
- Organizations in Civil Society, Non-Governmental Organizations, and National and International Academic Institutions related to IEnova's activities.

3.4 Communications

IEnova will employ the communications tools established by the Chief Sustainability, Corporate and Public Affairs Officer to communicate in a timely manner information on Sustainability-related actions, the company's results, and resources allocated to approved projects.

Said reports must adhere to IEnova's communications practices and to international standards for drafting Sustainability reports, as determined by the Director for Sustainability and Corporate Communications.

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3.5 Sustainability Committee and Sustainability Commissions

A Sustainability Committee will be established, stemming from the Corporate Practices Committee of the Board of Directors. It will inform the Corporate Practices Committee on IEnova's Sustainability results at least twice a year. The Sustainability Committee will meet at least twice a year and will be chaired by the Chief Sustainability, Corporate and Public Affairs Officer. The objective of this Committee is to establish the guidelines for IEnova's Sustainability Strategy, and to approve it.

The following will be members of the Committee:

- a. Chief Sustainability, Corporate and Public Affairs Officer
- b. Chief Development Officer
- c. Chief Engineering & Construction Officer
- d. Chief Operating Officer, Electricity & Storage
- e. Chief Operating Officer, Natural Gas
- f. General Counsel and Chief Compliance Officer
- g. Chief Financial Officer
- h. Vice President Controller
- i. Senior Director for Talent and Culture Management
- j. Director for Sustainability and Corporate Communications
- k. Director for Community Service
- l. Manager for Auditing
- m. Senior Manager for Sustainability

Commissions will be established based on relevant topics. Each Commission will be chaired by a Vice President or Director and will include operational members who will be in charge of handling each topic. Such Commissions will report their results to the Sustainability Committee and to the Sustainability Manager every six months.

The following are the Sustainability Commissions that will be established:

- I. Talent and Culture Management, chaired by the Chief Sustainability, Corporate and Public Affairs Officer.
- II. Social Management, chaired by the Chief Sustainability, Corporate and Public Affairs Officer.
- III. Environment, Health and Safety, chaired by the General Counsel and Chief Compliance Officer.
- IV. Power and Storage Operations, chaired by the Chief Operating Officer, Power & Storage.
- V. Natural Gas Operations, chaired by the Chief Operating Officer, Natural Gas.
- VI. Engineering and Construction, chaired by the Chief Engineering & Construction Officer.
- VII. Ethics and Corporate Governance, chaired by the Chief Legal Counsel and Compliance Officer.
- VIII. Finance and Risk, chaired by the Chief Financial Officer

3.6 Definition of the Sustainability Strategy

Sustainability must be embedded in the Company's strategic planning. To this end, the Sustainability Manager will:

- Carry out an annual assessment of IEnova's areas for improvement in Environmental, Social, and Governance (ESG) terms, as observed by the top international Sustainability analysts and ratings agencies. Annual objectives by topic and by Sustainability Commission will be established based on the results of the ESG assessments. These will be prioritized depending on their relevance, as established by IEnova, in accordance with the recommendations of the top ratings agencies.
- Develop IEnova's Sustainability Strategy, based on the company's business strategy and the allocated budget, as well as the feedback received from the Sustainability Committee

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and its Commissions. IEnova's Sustainability Strategy needs to be taken into consideration in the Company's general strategy and its comprehensive risk management (economic, environmental, social, and governance).

- Perform an assessment, at least every five years, of IEnova's situation in terms of Sustainability. The results of the assessment will serve as a source of information that will be used to update the Sustainability Strategy.

3.7 Implementation of the Strategy and actions in Sustainability

The Sustainability Strategy will be implemented by means of specific actions focusing on key issues that have been identified as relevant for IEnova and its stakeholders.

The Sustainability Manager will:

- Inform every Commission on IEnova's Sustainability Strategy.
- Suggest corporate initiatives to be implemented both at the Corporate Headquarters and at the Subsidiaries.
- Share with the Commissions the guidelines and information that constitute the basis for IEnova's Sustainability Strategy.
- Consolidate the program for Sustainability-related activities to be carried out by the Commissions both at the Subsidiaries and at the Corporate Headquarters, to comply with the Sustainability Strategy.
- Oversee compliance with IEnova's Sustainability Strategy. The strategy must be complemented with a communications plan on the progress achieved by different activities.
- Make sure that available information is enough to report to the Sustainability Committee.
- Analyze concerns presented by the Sustainability Commissions, other divisions in the subsidiaries, or by relevant external stakeholders that indicate there is a need to add specific issues to IEnova's Sustainability Strategy.
- Analyze the key performance indicators in Sustainability. Progress in compliance with the established annual objectives and budget will be analyzed. When considerable gaps are detected for achieving the objectives, the Sustainability Committee and the chairman of the corresponding Sustainability Commission will be informed in order to develop and implement the necessary corrective measures.
- Establish, in collaboration with IEnova's head of corporate communications, the Sustainability communications plan to be implemented at both the subsidiaries and the Corporate Headquarters.

Sustainability Commissions

- In collaboration with their chairman, each Commission will determine which members of their team will participate in each Sustainability Commission.
- In collaboration with their chairman, each Commission will establish the Sustainability objectives and program of activities to be carried out over the course of the year. The program will follow the guidelines and initiatives established by IEnova's Sustainability Strategy and Sustainability Committee.
- In collaboration with the Sustainability Commissions, they will consolidate their progress in terms of Sustainability, every six months. The chairman of each Commission will report its results to the Sustainability Committee.

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IEnova has established the following pillars for focusing its actions and resources:

Pillars for Action

Environmental
Clean and efficient energy
Environmental culture
Comprehensive management of waste and emissions
Biodiversity
Social
Comprehensive development (professional and personal)
Diversity and inclusion
Economic and community development
Health and Safety
Social Management
Economic
Maximizing shareholder value
Using resources efficiently
Comprehensive risk management
Ensuring the integrity of our assets
Operational availability and reliability
Customer satisfaction
Culture of ethics and corporate governance

Any programs and economic contributions not described in this procedure will need to be discussed with the Chairman of IEnova's Sustainability Committee.

3.8 Sustainability Report

3.8.1 Production

The Sustainability Manager will be responsible for drafting the Sustainability Report, defining the material and human resources needed to produce it, and for determining the content of the report and how it will be presented in a timely manner to the Director for Sustainability and Corporate Communications.

3.8.2 Validating Information

The corresponding Vice Presidents will be responsible for reviewing and validating all quantitative and qualitative information related to their topics and subsidiaries. Additionally, they will be responsible for supplying the Sustainability Manager with the documentation that supports the reported information.

The Sustainability Committee will review and authorize the content of the Sustainability Report. Once the Report has been authorized by the Sustainability Committee, it will be sent to IEnova's Disclosures Committee, which in turn will authorize its publication.

The General Counsel and Chief Compliance Officer, the Chief Sustainability, Corporate and Public Affairs Officer, and the CEO will all be responsible for reviewing the Sustainability Report and approving its publication.

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3.8.3 Disclosure

The Communications division, in collaboration with the Sustainability Manager, will be responsible for defining the strategy to issue communications on the Sustainability Report for different IEnova stakeholders.



4. Definitions and Terminology

Term	Definition
Sustainability Commissions	Work Group on a specific issue which includes representatives of the issue that is to be analyzed. Chaired by a Vice President or Director who reports to the Sustainability Committee.
Sustainability Committee	Work Group which includes top management representatives from different divisions. The Chairman of the Sustainability Committee reports to the Corporate Practices Committee of the Board of Directors.
Entity	Identifiable unit that performs economic activities, constituted by a combination of human, material, and financial resources (composed of economic activities and resources), led and managed by a central control who makes decisions designed to comply with the specific purpose for which it was created.
Sustainability Strategy	Planned actions referring to economic, environmental, social, and ethics issues to be carried out in the short-, medium-, and long-term to achieve sustainability goals.
Stakeholders	Players within and outside the organization who have a relationship with the organization and can create or destroy value for it.
Sustainability Report	Public document that describes the Company's annual performance in economic, environmental, social, ethical, and corporate governance issues.
Related Parties	Entities who have a common owner and controller.
Subsidiary	Any entity in which IEnova is a shareholder and is said to have "control" over such entity. IEnova is said to have control over an Entity if it has the ability to execute any of the following acts: (i) directly or indirectly impose decisions at the General Shareholders Meetings or the meetings of partners or equivalent bodies, or to name or replace the majority of the Board Members, executives, or their equivalent in an Entity; (ii) maintain the right to, directly or indirectly, hold voting rights for more than fifty percent of the capital stock of an Entity; or (iii) lead, directly or indirectly, the management, strategy, and main policies of an Entity, be it by ownership of shares, by contract, or in any other way.
Sustainability	Path to continuous improvement for the creation of value for our stakeholders based on three main pillars: environmental, social, and economic, all founded on ethics and corporate governance.

All these terms can be used in singular or plural, as well as in masculine or feminine, depending on the context of this procedure.

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5. References and Formats

5.1 Internal References

- IEnova's Code of Ethics
- GE-09 Sustainability Policy
- GE-17-P01 Procedure to Draft, Approve, and Control Documents

5.2 External References

- Global Reporting Initiative
- AA1000
- ISO 26000
- ISO 14001
- OSHAS 18001
- SASB
- TCFD

5.3 Formats

Code and Name of the Document	Retention Code
N/A	N/A



6. Responsible Parties

Responsibility	Division
Manage content for the procedure (Document owner)	Sustainability Manager
Comply with the procedure	All employees
Oversee compliance	Compliance
Apply Sanctions	Talent and Culture Management



7. Authorization

Name	Position
Cristina Kessel	Director for Sustainability and Corporate Communications
Ramiro Fernández	Senior Manager for Compliance
Roberto Rubio	Vice President Controller

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8. Contacts (Questions and/or comments)

Questions related to the implementation or compliance with this procedure should be discussed with the immediate supervisor; the contact person designated as the responsible party for this Policy is the Sustainability Manager, and questions can be addressed to the Ethics reporting line at 800 062 2107. The Ethics reporting line is available 24/7. All calls made to the Ethics reporting line can be treated as confidential.

Contact	e-mail	Phone number
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9. Tracked Changes

Review	Date	Description	Section Affected	Observations
01	April 27, 2021		3.1, 3.3	Paragraphs are changed to the future tense, names are updated
02	June 25, 2021	Form adequations	4, 5.1	