

General	
Code: GE-09	Revision Number: 02
Creation Date: November 13, 2019	Modification Date: June 25, 2021

## Sustainability Policy



### 1. Objective and Scope

This policy establishes the commitment of Infraestructura Energética Nova, S.A.B. de C.V. and its subsidiaries in Mexico, herein referred to as “IEnova” or the “Company”, to performing its activities in a framework of ethics, respect, and commitment to the health and safety of its employees, the environment, and the communities where it operates.

The policy includes environmental and social guidelines aimed at fulfilling this commitment. The goals of this Policy are to:

- Identify and communicate the Company’s Sustainability requirements to all its stakeholders;
- Ensure compliance with national legislation and with the commitments the Company has subscribed (agreements of the International Labour Organisation, Universal Declaration of Human Rights, Global Compact, Sustainable Development Goals);
- Offer a frame of reference to ensure the appropriate environmental and social performance across the Company’s activities;
- Align the Company’s practices with internationally accepted Sustainability standards such as the Performance Standards on Environmental and Social Sustainability (IFC, 2012) and the Environmental, Health, and Safety Guidelines (IFC and the World Bank Group, 2007); and
- Promote the consideration of social and environmental risks and impacts in all of the Company’s activities in order for them to be well managed.

IEnova develops, builds, and operates energy infrastructure in Mexico. Its assets are distributed in three segments:

- Gas (natural gas and ethane distribution and pipelines);
- Storage (refined products, liquefied natural gas (LNG), and liquefied petroleum gas (LPG); and
- Power (renewable and combined cycle).

This policy applies to all personnel (whether they have a full-time or part-time contract and/or are subcontractors) working for IEnova. It also applies to IEnova’s contractors, subcontractors, suppliers, and asset operators. Communication on it will be done both internally (at all levels of the Company), and externally on our website, in meetings with stakeholders; and in contracts with employees and commercial partners.

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### 3. Policies

#### 3.1 Sustainability

IEnova understands sustainability as a 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. Sustainability is embedded in the corporate strategy. The whole Company actively participates in accomplishing the established goals and in fulfilling IEnova's Mission and Vision.

IEnova's mission is "to develop, build, and operate energy infrastructure, contributing to the growth of Mexico, within a framework of ethics, safety, respect, and commitment to our employees, the environment, the communities to which we belong, our customers and shareholders". Our vision is "to be the leading energy infrastructure company in Mexico that contributes to the country's sustainable development".

#### 3.2 Risk and Impact Assessment and Management

Sustainability will constitute a key component of IEnova's business strategy, requiring the Company to:

- Adhere to national legislation, international agreements, and commitments subscribed by IEnova, and to the Company's internal policies and procedures.
- Thoroughly identify, assess, and monitor environmental, social, and health and safety risks over the course of the different stages of our projects, to ensure that they are well managed.
- Enable two-way communication mechanisms between the Company and its stakeholders by providing information in a transparent manner on relevant social, environmental, and health and safety topics for the duration of the life cycle of our projects. These mechanisms will also allow us to receive, respond to, and manage questions, concerns, and external communications in an effective manner.
- Develop and implement an Integrated Environmental and Social Management System (IESMS), which will include continuous improvement goals and will ensure that we are able to monitor, prevent, mitigate, and manage the risks and impacts of our operations. This will enable us to identify, in a timely manner, any corrective actions needed to improve our environmental and social performance.

IEnova's activities will all be developed in compliance with the following principles:

##### 3.2.1 Ethics and Corporate Governance

IEnova will ensure that all employees adhere to ethical values and standards when performing their activities.

The Company's Code of Ethics will provide the guidelines for IEnova's ethical and legal compliance, based on the following main responsibilities:

- Adhere to all national and international legislation, and to the Company's internal policies and procedures;
- Behave ethically at all times;
- Be aware of situations that could result in illegal actions or violations to the Code of Ethics or the procedures that support it; and
- Report any suspicions or violations to the Code of Ethics.

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Ethical behavior will be reinforced at the institutional level and preserved through corporate governance, in order to strengthen the Company's transparency and ethics.

Additionally, IEnova has a Human Rights Policy (GE-23) which establishes its commitment to carrying out its activities based on the Guiding Principles for Business and Human Rights and the Ten Principles of the UN Global Compact, recognizing the rights established in the Universal Declaration of Human Rights.

### 3.2.2 Environment

The Company will protect and respect the environment, which includes preventing pollution, using resources sustainably, mitigating and adapting to climate change, protecting biodiversity and the ecosystems, and other specific commitments that depend on the context of the organization and of each project.

Environmental goals will be established depending on the nature of the Company's activities and the magnitude of the environmental impact of , products, and services, in addition to strict compliance with all applicable legal stipulations.

### 3.2.3 Occupational and Process-related Health and Safety

The Company will continually provide safe and healthy working conditions to prevent harm to or deterioration of employee's health.

IEnova will foster working conditions that ensure the safety and well-being of its own employees and of those of its contractors and subcontractors, as well as promote decent working conditions and disease prevention.

The Company will adhere to all applicable legislation and best practices in health and safety, and will provide a system to identify, prevent, and mitigate Occupational and Process-related Health and Safety risks, where controlling risks and continuous improvement will be prioritized.

### 3.2.4 Labor and Working Conditions

Human rights will be respected at all times, and employees, suppliers, contractors, and subcontractors will be required to adhere to every regulation, labor law, international agreement, and other commitments subscribed by IEnova referring to equal opportunities, non-discrimination, anti-corruption, remuneration and benefits, freedom of association, health and safety, protection for whistleblowers, the environment, child labor, and forced and compulsory labor.

Likewise, security staff will receive training in human rights, including the UN's Basic Principles on the Use of Force and Firearms.

### 3.2.5 Community Health and Safety

The Company will foresee and prevent health and safety risks and impacts in the communities where it operates, beginning at the design stage of all projects, taking into consideration best practices in infrastructure development and the acquisition and operation of equipment. Likewise, it will make sure that waste is well managed, promote the conservation of ecosystems, and implement an emergency response system in order to avoid disruptions in neighboring communities.

It will continually ensure the voluntary participation of the communities located in its area of influence, adapting to their cultural context, being inclusive and fair, recognizing diversity in communities.

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### 3.2.6 Land Acquisition and Involuntary Relocation

In order to reduce social effects derived from the land acquisition process to a minimum, the Company will make a preliminary analysis to identify communities and human settlements near our projects, the land-ownership framework (private, *ejido* common land, or community), and the presence of sites of cultural and/or spiritual relevance. This analysis will allow us to decide where to locate our activities.

Land acquisition and leasing negotiations will be performed in a transparent and equitable manner, ensuring fair payments and the respect for human rights, and avoiding economic and physical displacement. The Company has a Properties and Real Estate Rights Policy (LG-04) and a Procedure for Managing Land (LG-04-P01), both of which include the guidelines for ensuring that negotiations and agreements adhere to civil and agrarian legislation, and specifically to the *Ley de Hidrocarburos* (Hydrocarbons Law) and the *Ley de la Industria Eléctrica* (Electric Industry Law).

### 3.2.7 Indigenous Communities

Based on its convictions, the Company recognizes the right of indigenous communities to a free, prior and informed consultation process. Respectful and mutually beneficial relationships will therefore be established at all times.

### 3.2.8 Cultural Heritage

Both tangible and intangible cultural heritage will be protected, promoting conservation.

## 3.3 Monitoring Activities

In order to manage the Company's risks and impacts (economic, environmental, and social), the Sustainability Strategy will be continuously implemented and monitored.

It is the Company's responsibility to integrate the Sustainability Strategy into its Strategic Planning and to manage IEnova's risks in a comprehensive manner by making use of the following tools:

### 3.3.1 Corporate Governance

The Sustainability Committee will establish the guidelines and will approve IEnova's Sustainability Strategy. Likewise, it will include several topic-based Sustainability Commissions.

Sustainability Commissions will consolidate the information on their progress in terms of Sustainability every six months. The chairman of each Commission will report its results to the Sustainability Committee.

Every concern presented by the Sustainability Commissions, other divisions in the Company, or by relevant external stakeholders indicating there is a need to add specific issues to IEnova's Sustainability Strategy will be analyzed by the Sustainability Committee.

### 3.3.2 Activities

Sustainability goals will be defined and prioritized annually, based on the pillars that specify the focus of the Company's actions and resources.

Suggestions will be made regarding corporate initiatives to be implemented both at the Corporate Headquarters and at the Subsidiaries.

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A program will be designed 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.

### 3.3.3 Communications

A Sustainability Report will be drafted on a yearly basis, and communications channels will be established in order to share information on the activities defined in the Sustainability Strategy, in coordination with the Company's head of Corporate Communications.

### 3.3.4 Monitoring Progress in Sustainability

At the beginning of the year, the Sustainability Committee will define the Sustainability KPIs for IEnova. Those indicators will be analyzed every six months to assess progress in complying with the established annual targets and the pertinent corrective measures will be defined if significant gaps are detected.

IEnova's Sustainability Committee will review the Sustainability Policy at least every three years or as needed, in response to specific conditions at IEnova, new acquisitions, or other changes in circumstances. The Committee will ratify the policy's validity and/or approve any modifications that are deemed necessary.

The Sustainability Committee will instruct the Sustainability and Corporate Communications division on the specifics of the annual Sustainability Report and define what material and human resources are required to produce it.

The Corporate Communications and Sustainability Division will present the content of the annual Sustainability Report to the Sustainability Committee for approval.

## 3.4 Responsible Investment

The Company is responsible for identifying, assessing, and taking into consideration Environmental, Social, and Governance (ESG) factors for managing the Company's projects and investments.

As part of the decision-making process related to investments in projects, the Company will carry out environmental and social feasibility studies prior to their launch in order to identify potential risks. Results will be presented to the Board of Directors, which is the top decision-making body. Environmental and social topics presented to the Board will include the following:

- Communities identified in a project's area of influence;
- Presence of indigenous communities;
- Main concerns in the region where the project is located;
- Land ownership and use;
- Risk of physical and economic displacement;
- Proximity to archaeological sites;
- Location of the project with respect to Protected Natural Areas, Important Bird Areas, and critical habitat zones;
- Land use;
- Consideration of other sites for the location of the project and determining factors for making the decision; and
- Availability of water, among others.

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### 3.5 Comprehensive Management

Comprehensive Management is useful in achieving an efficient and effective operation, based on specific guidelines that ensure that the Company can understand, monitor, and have control over corporate activities and processes in order to promote continuous improvement and the achievement of the Company's objectives.

The goal behind Comprehensive Management is to mitigate risks and to help the organization understand, assume, manage, and mitigate them in a manner that is well-documented, systematic, structured, repeatable, efficient, and well adapted to changes in risks, the environment, and technology.

Developing a IESMS will constitute the basis to ensure the Comprehensive Management of the Company's activities, including social and environmental management plans and programs to ensure that risks are well-managed.



## 4. Definitions and Terminology

Term	Definition
<b>Sustainability Commissions</b>	Work Group on a specific issue which will include representatives of the issue that is to be analyzed. It is chaired by a Vice-president or Director who will report to the Sustainability Committee.
<b>Sustainability Committee</b>	Work Group which will include top management representatives from different divisions. The Chairman of the Sustainability Committee will report to the Corporate Practices Committee of the Board of Directors.
<b>Policy Owner</b>	Individual who is responsible for creating, reviewing, and ensuring that the content of a given policy is updated, relevant, and in compliance with all applicable laws and regulations.
<b>Entity</b>	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 one central control who makes decisions designed to comply with the specific purpose for which it was created.
<b>Sustainability Strategy</b>	Planned actions referring to economic, environmental, social, ethical, and corporate governance issues to be carried out in the short-, medium-, and long-term to achieve Sustainability goals.
<b>Stakeholders</b>	Players within and outside the organization who have a relationship with the organization and can create or destroy value for it.
<b>Information</b>	A set of organized data owned by an entity for which it has value, irrespective of the form in which it is saved or communicated (written, in images, oral, printed on paper, electronically stored, projected, sent by mail, fax or e-mail, shared in conversations, etc.), of its origin (the Company itself or external sources), or its creation date.
<b>Sustainability Report</b>	Public document that describes the Company's annual performance in economic, environmental, social, ethical, and corporate governance issues.
<b>Subsidiary</b>	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 the 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

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	equivalent of 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.
<b>Sustainability</b>	Continuous improvement path to create value in a comprehensive manner, based on three pillars: environmental, social, and economic, under the basis of strict corporate governance and ethical behaviors.

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



## 5. References and Formats

### 5.1 Internal References

- CO-01 Purchasing Policy
- Code of Ethics
- GE-01 Corporate Ethics Policy
- GE-03 Independence and Conflicts of Interest Policy
- GE-09-P08 Procedure for Sustainability Management
- GE-12 Confidential Information Policy
- GE-15 Record Retention Policy
- GE-17-P01 Procedure to draft, approve, and control documents
- GE-20 Occupational and Process Safety Policy
- GE-21 Occupational Health and Wellness Policy
- GE-22 Environmental Policy
- GE-23 Human Rights Policy
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- GT-01 Talent Attraction Policy

### 5.2 External References

- Performance Standards on Environmental and Social Sustainability of the International Finance Corporation (IFC)
- ISO 9001:2015 (Quality Management)
- ISO 14001:2015 (Environmental Management)
- ISO 27001 (Information Security Management)
- ISO 26000 (Social Responsibility Management)
- NOM-035-STPS-2018

### 5.3 Formats

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



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### 6. Responsible Parties

Responsibility	Division
Managing the content of the policy (Policy Owner)	Sustainability Manager
Comply with the policy	Employees, contractors, subcontractors, suppliers, and asset operators of IEnova or its Subsidiaries
Compliance Oversight	Sustainability Division
Apply Sanctions	Talent Management and Culture



### 7. Authorization

Name	Position
Rene Buentello Carbonell	General Counsel and Chief Compliance Officer
Abraham Zamora Torres	Chief Sustainability, Corporate and Public Affairs Officer
Roberto Rubio Macías	Vice President Controller
Ramiro Fernández	Senior Manager for Compliance



### 8. Contacts (Questions and/or comments)

Questions related to the implementation or compliance with this Policy should be discussed with the immediate supervisor; the contact person designated as the responsible party for this Policy is the Sustainability Division, 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
Ramiro Fernández	rfernandez@ienova.com.mx	(55) 9138 0100
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### 9. Tracked Changes

Review	Date	Description	Section Affected	Observations
01	01-08-2020	Policy review project	General	New format Changes in definitions Addition of guidelines in the "Policies" section.  Previous document SU-01
02	30-09-2020	Document update		Changes based on financing requirements from multilateral institutions
03	June 25, 2021	Form adequations	4, 5.1	