

PAVING A SUSTAINABLE FUTURE

NAVIGATING
TOWARDS A
BRIGHTER
TOMORROW



2022 SUSTAINABILITY REPORT

OUR PURPOSE

CREATE A MORE
SUSTAINABLE

AND PROSPEROUS

WORLD BY

BUILDING
BUSINESS
ECOSYSTEMS.



THROUGH INNOVATION,
WE STRIVE TO PAVE
THE WAY TOWARDS A
**MORE PROSPEROUS AND
SUSTAINABLE WORLD.**

2022 MILESTONES

GROUP



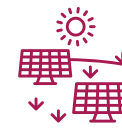
Definition of our new values



Metalsa Guanajuato facility began operations



Metalsa & Proeza established DEI committees*



Sustainability Mindset as competency within our Leadership model



Metalsa developed the first Electric Vehicle's frames programs



Proeza Ventures completed their portfolio with 21 companies dedicated to redesigning mobility worldwide, promoting a more sustainable transportation



+12,000

Group employees trained in our Code of Conduct



+45,000

organic plants donated to small farmers



Definition of ambitious Sustainability 2030 targets & Net Zero commitment to 2050



Citrofrut & Metalsa performed Climate Change Risk Assessments



Sustainability Task Forces in action in Proeza, Metalsa & Citrofrut



Citrofrut acquired the first avocado grove "La Concordia"



Global Sustainability Awareness Campaign (5 languages)



Acquisition of Premiere Healthcare Holdings Inc. and creation of the healthcare platform

*DEI. Diversity, Equity & Inclusion

CORPORATE



First Materiality Assessment
↓
17 material topics



Definition and development of the Group's sustainability strategy



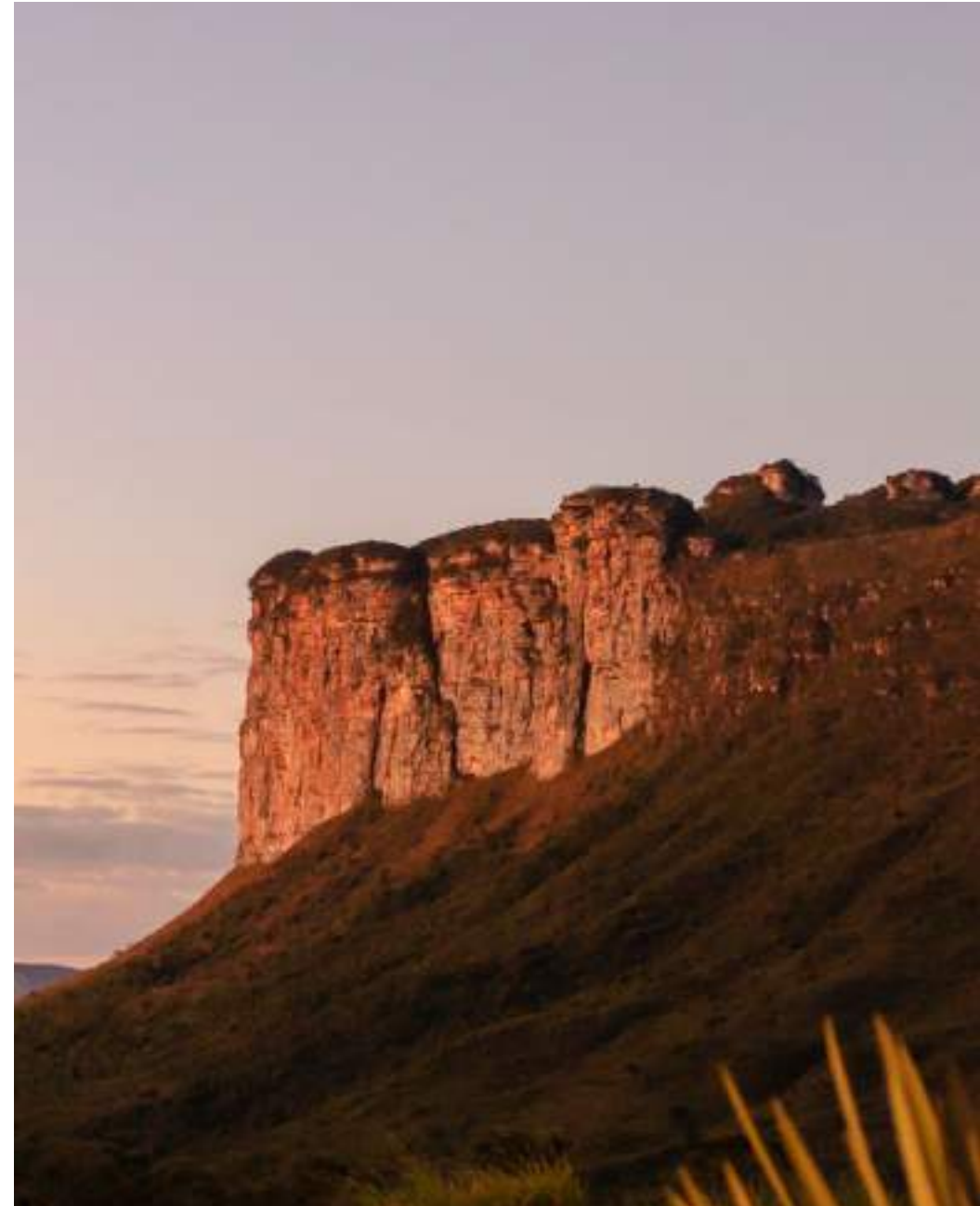
First Social Investment annual closed call for proposal (seeking strategic alliances with nonprofit organizations that focus on education and reducing inequalities)



Group's Social Value Framework definition



1st generation of DEI champions





AWARDS AND RECOGNITIONS



DISTINTIVO TRE
(Responsible Work Distinction)
awarded by Nuevo León state to Metalsa and Corporate.

PROEZA GROUP



Top 100 of Expansión magazine's ranking "Las 500 empresas más importantes de México".



Empresas + Éticas: Recognized by AMITAI as one of the 35 most ethical companies in Mexico.



Premio Ética y Valores en la Industria: Recognized by CONCAMIN¹ for our best practice "PROEZA BOOK", an internal communication campaign through which we promote a culture of integrity to the organization.



500 Empresas frente a la Corrupción: Recognized with the maximum score in the ranking by Expansión magazine as one of the 500 companies with quality anti-corruption policies in Mexico.

¹ Confederación de Cámaras de la Industria, for its Spanish acronym.

METALSA



Excellent Quality Performance Award by Toyota



10 PPM Quality Award by PACCAR



Leader Level – Supplier Performance Metric by PACCAR



Proeza Ventures

DRIVE U



DriveU.auto Wins Informa Tech Automotive Award 2022 Startup of the Year



AutoTech Breakthrough Awards name DriveU.auto Driverless Vehicle Solution of the Year



DriveU.auto among the winners of the 2021 Tech.AD EUROPE AWARD

LUNEWAVE

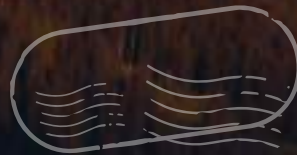


Lunewave Inc. is very excited and thankful for the recognition by EETimes as one of the top 100 startups worth watching! 2021



WE UPDATED OUR
LEADERSHIP MODEL
TO INCORPORATE A
“SUSTAINABILITY MINDSET”
COMPETENCY, ENCOURAGING
OUR LEADERS TO ADD
VALUE TO THE BUSINESS,
ENVIRONMENT, AND SOCIETY.

MESSAGE FROM OUR COORDINATOR





GRI 201: 3-3

GRI 2-22

Dear stakeholders,

I am pleased to present the 2022 Sustainability Report of Proeza Group, highlighting our achievements, challenges, and ongoing commitment to exceed our stakeholders' expectations. Despite the prevailing national and international trends that affected our circumstances: tightening of monetary policies, the Russo-Ukrainian conflict, and a prolonged pandemic impact, we demonstrated resilience and solid values that allowed us to overcome the complexities of last year.

We adapted to these challenging market and industry conditions while staying committed to our sustainability efforts. Increased sales volume, favorable negotiations on steel prices, and the agile response from our teams contributed to surpassing our projected level of profitability.

**WE CLOSED THE YEAR
WITH BETTER RESULTS
COMPARED TO THE PRIOR
YEAR, SHOWCASING OUR
ABILITY TO EXPAND PROEZA'S
PORTFOLIO.**

We have embarked on a remarkable journey of diversification, exemplified by the acquisition of Premier Healthcare Holdings Inc. (PHHI), a distinguished nursing staff company catering to U.S. hospitals. This strategic investment aligns with our dedication to minimize our ecological impact and empowers us to make a profound difference in society. It serves as a proof of our unwavering humanist culture, resonating with our core values and further solidifying our transformative vision. With every step we take, we fortify our position and enhance the durability within our portfolio of companies.

We conducted our materiality assessments, gaining valuable insight into strategy and focus. Through our sustainability common framework, we ambitiously set 2030 targets across our Planet, Prosperity, People & Principles of Governance pillars. Moreover, **our commitment to becoming Net-Zero by 2050 demonstrates our dedication to addressing climate change**, one of humanity's greatest challenges.

To enable the aforementioned result, integrating ESG into our business model and operations is a must. We updated our leadership model to incorporate a “sustainability mindset” competency, encouraging our leaders to add value to the business, environment, and society. Additionally, we added ESG performance tracking KPIs to our platforms’ mandates, ensuring the diligent monitoring of our 2030 goals.

Looking ahead to 2023, we acknowledge the persistent economic, social, and environmental adversities we face as a society. Defining Group-level action plans and tracking our progress toward our 2030 objectives will be our priority, along with implementing initiatives to manage our capital efficiently, protecting the human and financial well-being of our companies.

I WANT TO EXPRESS
MY GRATITUDE TO ALL
OUR STAKEHOLDERS
FOR THEIR CONTINUED
SUPPORT. WE VALUE
YOUR TRUST AND
ARE COMMITTED
TO MAINTAINING
**TRANSPARENT
COMMUNICATION
AND MEANINGFUL
ENGAGEMENT.**

My optimism rises as I witness the remarkable strides we have taken. The culmination of our endeavors at Proeza Group, marked by a resolute consolidation of our strengths, instills in me a strong belief in our ability to thrive on this transformative expedition. I hope that these achievements become the beacon that inspires every employee to embrace the journey and propel it forward, united in our common purpose.

Together, we shall navigate the challenges that lie ahead. It is through our collective efforts that we will leave an indelible mark on the world, united in our pursuit of a better, sustainable future for all.

Sincerely,

Leopoldo Cedillo
Proeza Group Coordinator



ABOUT PROEZA

WE AIM TO EMBED
RESPONSIBLE PRACTICES
INTO OUR CORE BUSINESS
MODEL AND OPERATIONS
TO PAVE THE WAY TOWARDS
ACHIEVING A MORE
SUSTAINABLE FUTURE.

GRI 2-1, 2-2, 2-6

Proeza Group is a portfolio management company with more than 65 years of experience, nurturing a portfolio of companies recognized for their reliability, innovation and contribution to the development of its employees toward a better society.

FOUNDED IN 1956
 BY DON GUILLERMO
 ZAMBRANO JR., WE
 ARE A FAMILY-OWNED
 COMPANY BUILT ON
 A **SOLID HUMANISTIC
 CULTURE.**

Proeza Corporate is comprised of centralized areas that establish guidelines and a long-term vision to guide Proeza Group's companies.



+100
employees



18
corporate guidelines



Providing the Group's
strategic vision



Ensuring the best
possible sources of
financing



3

CONTINENTS

9

COUNTRIES

+13,000
EMPLOYEES

PORTFOLIO

GRI 2-6

METALSA

Leading manufacturer of automotive components specialized in chassis structures for light and commercial vehicles.



7
countries



+11,000
employees



12
manufacturing
plants



20
facilities



2
business lines:
light vehicles &
commercial vehicles

Agro-industrial business focused on producing quality fruit juice. Technical assistance to citrus growers and plant genetics for production of high-quality trees.



3
countries



+2,500
employees



17,000
owned
productive
acres



2
distribution
centers



5
processing
plants



2
business lines:
processed fruit
& fresh offerings



Healthcare platform mainly composed by Premiere Healthcare Professionals, a market leading platform in nurse staffing with over 25 years of experience serving hospitals in the U.S.



10
U.S. states



+80
contracts with
hospitals and
managed service
providers



4
service lines: high-
touch, high-volume,
specialized &
international



+1,200
travel
nurses



Venture capital firm that invest in early-stage start-ups exclusively in the mobility sector, aiming to transform the global mobility industry to be more efficient, safety-focused and environmentally friendly.



21
portfolio companies



7
invested countries



5 investment verticals:
Industrial Tech, Smart Components, New Vehicles, MaaS & Digital Data Services



#1
mobility focused VC fund in LATAM investing worldwide



Digital transformation and communication solutions with a strong position in the power electric sector.



73
employees



1
Network Operation Center



control center



6
solutions: telemetry, tracking & location, satellite communication, integrated physical security



integrated solutions

MARKET PRESENCE

GRI 2-1

The Proeza Group has presence in nine countries: Mexico, the United States, China, Brazil, Argentina, India, Thailand and Japan and Kenya.

- METALSA
- CITROFRUT
- PHP
- PROEZA
- ASTRUM

UNITED STATES

- Roanoke, **Virginia**
- San Antonio, **Texas**
- McAllen, **Texas**
- Atlanta, **Georgia**
- Aurora, **Colorado**
- Novi, **Michigan**
- Elizabethtown, **Kentucky**
- Hopkinsville, **Kentucky**
- Owensboro, **Kentucky**
- Cumming, **Georgia**
- Woodbury, **New York**

MEXICO

- Apodaca, **Nuevo León**
- Monterrey, **Nuevo León**
- Mexicali, **Baja California**
- Saltillo, **Coahuila**
- Huehuetlán, **San Luis Potosí**
- Apaseo, **Guanajuato**
- Rosario, **Sinaloa**
- Paso Largo, **Veracruz**
- Álamo, **Veracruz**
- Mexico City

ARGENTINA

- El Talar, **Buenos Aires**

BRAZIL

- Campo Largo, **Paraná**
- Osasco, **Sao Paulo**
- Taquaritinga, **Brazil**

AFRICA

- Nairobi, **Kenya**

INDIA

- Jamshedpur, **Jharkhand**
- Pune, **Maharashtra**

CHINA

- Jinshang, **Shanghai**

JAPAN

- Nagoya, **Chūbu**

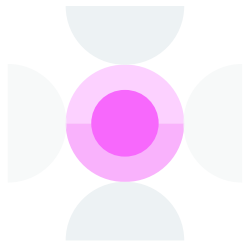
THAILAND

- Amphur Pluakdaeng, **Rayong**

CULTURE

VALUES

At Proeza Group, we uphold common values that foster our shared DNA. Furthermore, each company incorporates tailored values that complement their unique culture, addressing their specific needs.

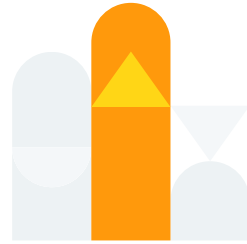


We Care

We care about you

Elements:

- Your uniqueness, authenticity and contributions.
- Your growth, purpose and happiness.
- Fostering a sustainable future for generations to come.

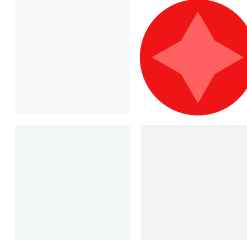


We Thrive

We are passionate about success

Elements:

- Enduring with optimism, courage and agility.
- Transforming challenges into opportunities.
- Performing with purpose and humility.



We Dare

We create bolder and better solutions

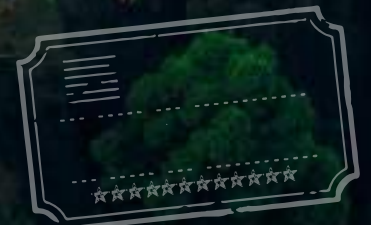
Elements:

- Building with diverse voices and perspectives.
- Daring to take risk.
- Learning and experimenting with new ideas every day.

DURING 2022 WE ROLLED OUT OUR UPDATED GROUP VALUES TO ACHIEVE A **SUCCESSFUL TRANSFORMATION AND EMBODY A SUSTAINABLE COMPANY.**

SUSTAINABILITY

WE FOCUSED ON
LAYING A ROBUST
FOUNDATION TO
**THRIVE AND BUILD A
BETTER WORLD.**



We understand sustainability as the ability to generate wealth while meeting the needs of the communities where we operate and protecting the environment.

WE DEFINED OUR 2030
SUSTAINABILITY VISION:
**INSPIRING PEOPLE FOR
A BETTER WORLD.**

MATERIALITY ASSESSMENT

GRI 3-1, 3-2, 3-3

For the first time, we carried out a Materiality Assessment with a third-party expert for our corporate. Through this analysis we aimed to understand and address the issues that matter most to our stakeholders, ultimately developing and implementing a comprehensive sustainability strategy that prioritizes our efforts, mitigates risks, and capitalizes on opportunities, contributing to long-term success in today's dynamic business environment.

The methodology we followed considered recommendations from the Global Reporting Initiative (GRI) as well as:



The sustainability team and the Board of Directors shared the strategic business vision.



Strategic sustainability workshop with directors to define motivators, SWOT, sustainability risks, and significant stakeholders.



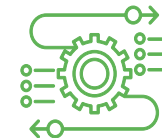
Evaluation of Proeza status in terms of sustainability.



Dialogues with relevant internal and external stakeholders: interviews and focus groups.



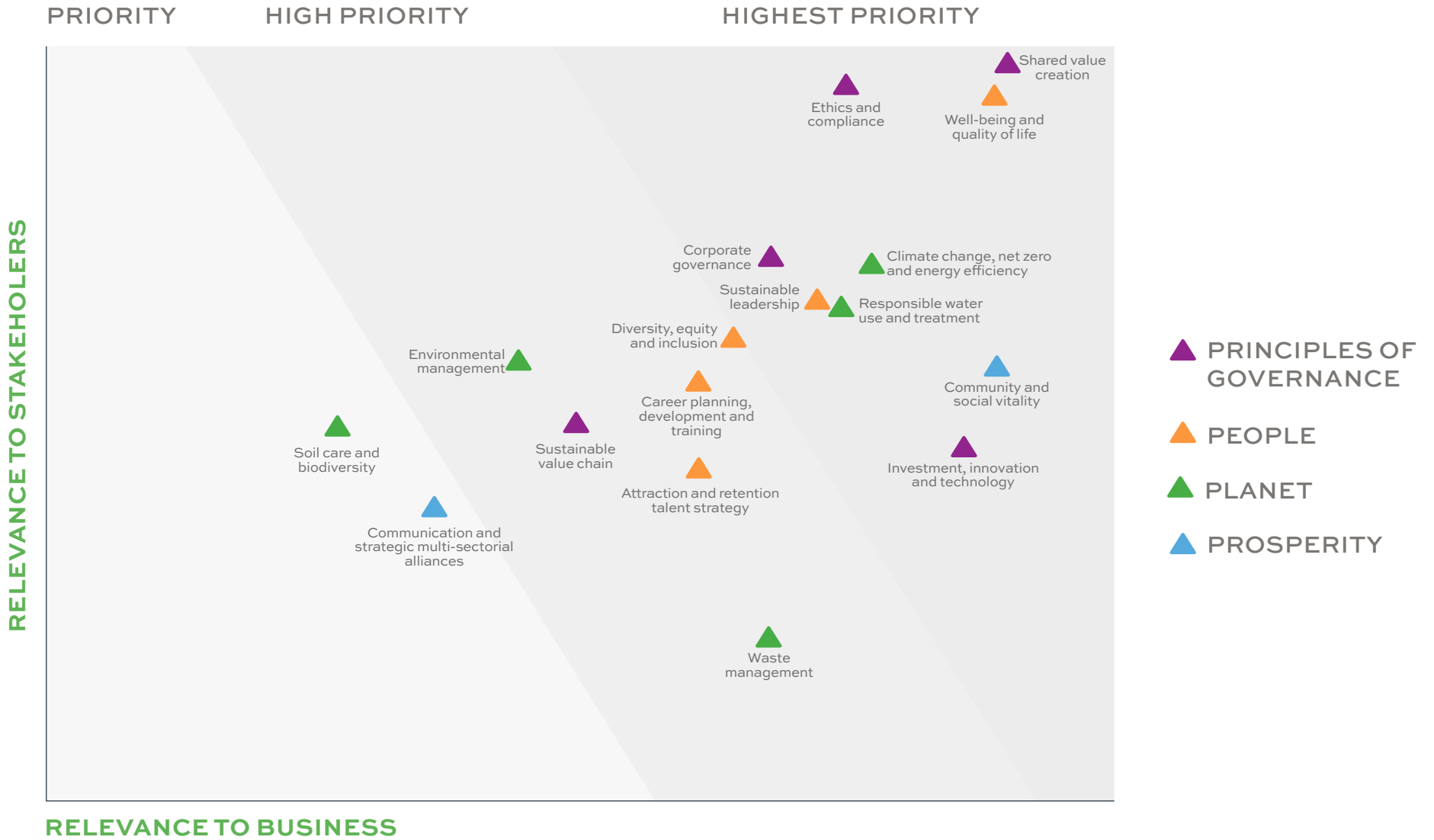
Research of sustainability and corporate standards, such as: SASB, GRI, Sustainalytics, Bloomberg, Fitch, SBTi.



Prioritization of information and material issues based on frequency and impact and assessment using qualitative methods.



Analysis of direct and indirect competition (benchmark).



STAKEHOLDER ENGAGEMENT

GRI 2-29

We strive to engage in a two-way, open communication with each of our stakeholders. This allows us to identify their main concerns and needs so that we can respond to them in a timely manner, as well as the possible impacts that as a whole could affect our relationship. Below are the main communication channels with our key stakeholders.

STAKEHOLDERS	INTERNAL COMMUNICATION	E-MAIL	INTERVIEWS	SURVEYS	TRANSPARENCY LINE	EVENTS	MEDIA	SOCIAL MEDIA	WEBSITE	VOLUNTEER PROGRAM	ANNUAL REPORTS	QUARTERLY REPORTS	ANNUAL MEETINGS	QUARTERLY MEETINGS	WORKSHOPS	PHONE	COMMUNITY VISITS
Shareholders			PERMANENT		PERMANENT						ANNUAL	PERMANENT	ANNUAL			PERIODIC	
Associations		PERMANENT	PERMANENT		PERMANENT	PERIODIC	PERIODIC	PERIODIC	PERIODIC	PERIODIC	ANNUAL					PERIODIC	PERIODIC
Authorities, government and public entities			PERMANENT		PERMANENT				PERIODIC								
Educational centers		PERMANENT	PERMANENT		PERMANENT	PERIODIC		PERIODIC	PERIODIC	PERIODIC						PERIODIC	PERIODIC
Customers and distributors		PERMANENT			PERMANENT	PERIODIC			PERIODIC		ANNUAL		ANNUAL			PERIODIC	
Employees	PERIODIC	PERMANENT	PERMANENT	PERIODIC	PERMANENT	PERIODIC			PERIODIC	PERIODIC	ANNUAL		ANNUAL	PERMANENT	PERMANENT	PERIODIC	
Community			PERMANENT		PERMANENT	PERIODIC	PERIODIC	PERIODIC	PERIODIC	PERIODIC	ANNUAL					PERIODIC	PERIODIC
Board of Directors	PERIODIC	PERMANENT	PERMANENT		PERMANENT				PERIODIC		ANNUAL						
Subsidiaries and affiliates	PERIODIC	PERMANENT	PERMANENT		PERMANENT						ANNUAL			PERMANENT	PERMANENT		
NGOs		PERMANENT	PERMANENT		PERMANENT	PERIODIC	PERIODIC	PERIODIC	PERIODIC	PERIODIC	ANNUAL					PERIODIC	PERIODIC
Financial Brokers		PERMANENT	PERMANENT		PERMANENT											PERIODIC	
Investors		PERIODIC	PERMANENT		PERMANENT						ANNUAL	PERMANENT				PERIODIC	
Industry peers		PERIODIC	PERMANENT		PERMANENT				PERIODIC							PERIODIC	
Suppliers		PERMANENT	PERMANENT		PERMANENT										PERMANENT	PERIODIC	
Business partners		PERMANENT			PERMANENT											PERIODIC	
Media					PERMANENT			PERIODIC	PERIODIC								

PERMANENT
 PERIODIC
 ANNUAL

SUSTAINABILITY STRATEGY

GRI 2-14

At Proeza Group we have assumed sustainability as part of our business strategy; we have the responsibility of generating value for our stakeholders and reinforcing our commitment to the future of new generations.

ESG LEADERSHIP

BEGINS AT THE TOP;

OUR STRONG SENSE

OF PURPOSE DRIVES

US TO FOSTER A

MORE SUSTAINABLE

AND PROSPEROUS

WORLD THROUGH THE

DEVELOPMENT OF

BUSINESS ECOSYSTEMS.

This is reflected under the creation of our **Sustainability Corporate Guideline**, which has the objective of embedding sustainable practices in our companies, enabling the fulfillment of our purpose and attainment of the long-term vision and strategy.

Additionally, during 2022, we established the business mandates. These documents define what our stakeholders expect from each company within our portfolio. Under these expectations meeting the 2030 Sustainability Targets is one of them.

Seeking to make an impact on Proeza Group that encourages a call to action and promotes habits for a sustainable way of life, we performed the Global Sustainability Awareness Campaign in all our locations.

We embraced sustainability challenges as opportunities by taking action and seizing those openings when presented, inspiring people for a better world. By using our framework as a guide, we have selected four topics where we can focus our efforts strategically to continue making a difference.

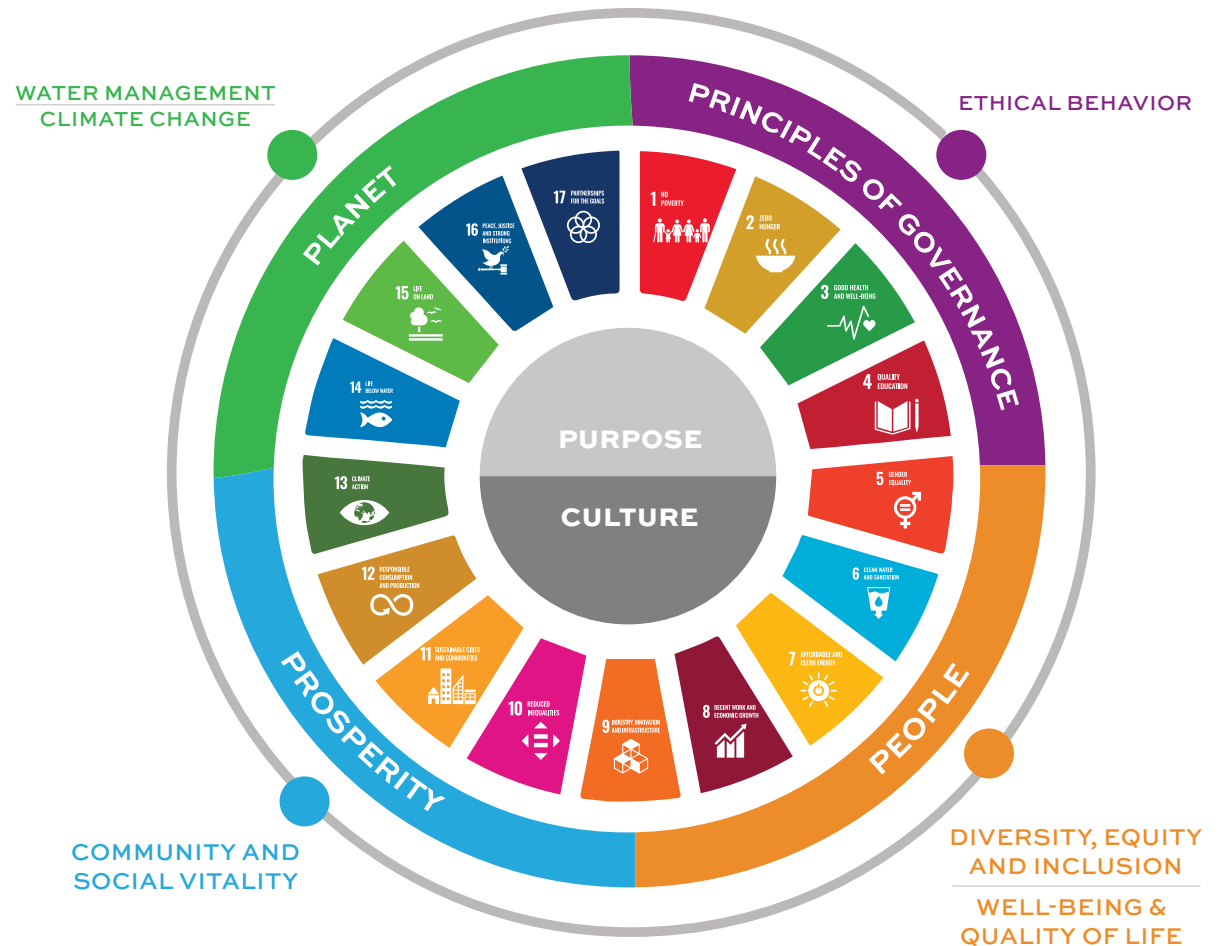


WE DEFINED OUR
SUSTAINABILITY
APPROACH THROUGH
THE FOUR 'P'S: **PLANET,
PEOPLE, PROSPERITY,
AND PRINCIPLES OF
GOVERNANCE.**

SUSTAINABILITY FRAMEWORK

Guided by our purpose and based on our materiality assessments, we developed a common framework for Proeza Group as a central approach to focus our sustainability aspirations and reach our goals. Afterwards, interdisciplinary teams, named Task Forces, were formed in Metalsa, Citrofrut and Corporate to guide ESG embedding at their business cores and define ambitious 2030 targets for at least the topics in this framework. These targets were approved by the respective company Advisory Boards and our Board of Directors.

ALONG WITH THE TARGETS DEFINED BY EACH COMPANY, WE HAVE COMMITTED TO ACHIEVE **NET ZERO EMISSIONS** BY 2050.



PROEZA GROUP COMMON FRAMEWORK 2030²

GRI 2-23, 2-24, 2-25

PRINCIPLES OF GOVERNANCE

We are convinced that compliance, good governance, and proper procedures are a business advantage and a business continuity shield.



Recognized as World's most ethical companies by Ethisphere



Score in compliance programs evaluation

Design	> 95%
Efficiency	> 90%
Functionality	> 90%

Top of class governance with agile decision-making



PEOPLE

We lay a sustainable foundation through our leaders, structures, processes and evaluations to create a truly inclusive work environment.



Gender pay gap

0% all levels

Women as top leaders

+25% L1-L2 +25% L1-L3 40% L1-L3

Women in Governance

30%

ESS (Employee Satisfaction Survey) score on DEI

+85% all levels

Employee well-being

Programs & targets under development

PROSPERITY

We strive to develop a culture of collaborative involvement within our communities, creating purpose-aligned initiatives that strengthen their quality of life by addressing their needs.



Volunteering engagement

50% 30% 50%

Supply chain's development for conscious business

- Programs & targets under development

Measurable long-lasting impact in community projects

For 90,000 people

PLANET

We are committed to ambitiously improve our environmental management and transcend by doing the right thing, actively encouraging climate action to ensure the endurance of our planet, society, and business.



Greenhouse gas emissions

Carbon neutral 46%* 25%** 40%*

Renewable energy

- 62% 90%

Water footprint

- TBD 70% reuse

² For more detailed information about the particular initiatives each company is currently developing to achieve these targets, please see Annex 1 of this Report.

Companies set additional targets beyond the Common Framework according to their materiality results & industry contexts. Targets highlighted in squares apply for the three companies.

*Scope 1 & 2.

**Scope 3.

A scenic landscape featuring a calm lake reflecting the sky and surrounding trees. In the foreground, there are several large, smooth rocks on a sandy shore. The sky is a clear, bright blue with a few wispy clouds. A faint, circular logo with a star inside is visible in the upper center of the image. A purple rectangular box is overlaid on the left side of the image, containing the text 'PRINCIPLES OF GOVERNANCE'.

PRINCIPLES OF GOVERNANCE

OUR BOARD OF DIRECTORS
IS RESPONSIBLE FOR
APPROVING THE PROEZA
GROUP **SUSTAINABILITY
STRATEGY**, ITS COMMON
CORPORATE FRAMEWORK,
AND COMMON TARGETS, THUS
ENSURING THAT **THE BEST
PRACTICES ARE OBSERVED
THROUGH OUR ENTIRE PATH.**

CORPORATE GOVERNANCE

GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-17, 2-18, 2-19, 2-20, 405-1

The Group’s sustainability strategy and guideline are the foundation upon which our companies build their individual sustainability strategy, framework and targets considering their stakeholders, business, and industry contexts. Furthermore, we amplified our governance perspective by integrating sustainability responsibilities in the charters of the Board’s committees.

THE RISK, AUDIT AND COMPLIANCE COMMITTEE OF OUR BOARD IS RESPONSIBLE FOR REVIEWING AND APPROVING OUR SUSTAINABILITY REPORT.

OUR BOARD OF DIRECTORS, COMMITTEES AND MANAGEMENT TEAM ARE COMMITTED TO COMPLY WITH THE HIGHEST GOVERNANCE STANDARDS OF ETHICS AND INTEGRITY.

BOARD AND COMMITTEES

At Proeza Group, the highest governance body is the Board of Directors (CAP). It is comprised of six proprietary directors and six independent directors; the President of the Board is Enrique Zambrano Benítez.





The Board is responsible for approving Proeza Group’s purpose, it supervises the implementation of our corporate strategy and monitors the compliance of Culture and Philosophy, especially regarding Proeza Group’s principles and values. It is also responsible for approving corporate vision and mission statements related to corporate sustainability, both internal and external. In addition, the Board ratifies all strategic development and growth plans, the yearly operational budget and all investments, as well as supervises goals and action plans related to corporate sustainability and compliance of the Group. In 2022, all Board meetings had 100% of assistance.

The committees that support the Board with its responsibilities are:



Compensation and Development Committee (CDC)

Among its responsibilities, it manages Diversity, Equity and Inclusion objectives and incentives to reach all targets. Also, it votes on and approves compensation packages for executives based on an extensive analysis of the market’s information. These provide the Group with competitive advantages for the achievement of its purpose and vision.



Risk, Audit & Compliance Committee (RACC)

The Risk, Audit and Compliance Committee oversees the quality and integrity of financial accounting and reporting, monitors the sufficiency and effectiveness of the internal control and audit processes, oversees the external and internal auditor performance, qualifications and independence, supervises the compliance with legal and regulatory requirements, monitors the risk management function (including ESG and ethics issues), reviews controls related to technology, systems and cybersecurity compliance, researches special situations and enforce fraud prevention and fraud related matters, and ensures, monitors and promotes compliance with Proeza’s ethical framework by employees and stakeholders, including their adherence to the Company’s Code of Conduct.



Investment Committee (IC)

Investment Committee (IC) analyzes and provides recommendations to the Board of Directors (CAP) for their final approval regarding investment opportunities and associated risks, ensuring their alignment

with the Group’s portfolio strategy and ESG framework.

The IC ensures the portfolio’s strategic profile, according to the vision approved by the Board of Directors; periodically assesses the investment alternatives; analyzes potential acquisitions, divestitures and partnerships considered relevant for the portfolio; follows up with the performance of investments approved by CAP and reports their status as well as any material deviations from original goals.

The IC validates Proeza’s business policies regarding capital structure and investments, the Group’s companies valuation methodology, and the risk management process for those risks under the committee’s scope and informs the Board of Directors about relevant findings and recommendations discussed at their committee meetings.



Governance Committee (GC)

The Governance Committee ensures the existence of robust structures,

processes, and policies for an effective governance of the Proeza Group and its subsidiaries. It defines the criteria and process for the selection of members in the Board and supporting committees; shareholders must subsequently designate independent members for the Board and this body approves the candidates for the committees. It also oversees ESG governance structure and roles. This committee assesses the contributions and value added by each Board member and provides a periodic assessment of the Board and committees' performance, with a formal assessment process every two years that involves professional experts when necessary.

BOARD OF DIRECTORS

| Proprietary members

Enrique Zambrano Benítez

Chairman

5 family members:

- Gabriel Zambrano Benítez
- Pilar Zambrano Barrera
- Guillermo Zambrano Martínez
- Eugenio Morales Zambrano
- Ricardo Martínez Zambrano

| Independent members

Eduardo Padilla Silva

CEO of Fomento Económico Mexicano (FEMSA)

Eduardo Arizpe

Partner at Arizpe, Valdés & Marcos, S.C.

León Kraig

Venture Partner at Ignia Partners LLC

Nanxi Liu

Co-CEO of Blaze, CFO of Nanoly Bioscience and Board member of CarParts.com

Peter Hawthorne

Former VP of Corporate Strategy and Development of Cargill

Salvador Alva Gómez

President of Tecnológico de Monterrey

All members of our governance bodies are experienced leaders, with unquestionable integrity, character, perspective and good judgement skills. Furthermore, we ensure all are impartial people with complete independence (both emotional and financial) to avoid any type of conflict of interest or relevant dependency with Proeza Group or its shareholders.

Compensation

GRI 2-19, 2-20

In order to establish remuneration for members of the highest governance bodies we analyze market information and subsequently, our compensation packages are structured based on business strategy. This is voted on and approved by the Compensation and Development Committee that reports to the Board of Directors. Sometimes external consultants may be involved in the process.

In addition, variable compensation is aligned to the business' interests in the short and long term. Both include business performance components, as well as individual objectives that are made up of talent development, values, and strategic objectives for business initiatives, including operational, environmental, and social issues.

Board members receive a fixed compensation package that includes meeting fees and an annual retainer. C-suite level executives receive a package comprised of their base salary, short-term incentives and long-term incentives (phantom shares).



LEADERSHIP TEAM

PROEZA GROUP'S MANAGEMENT TEAM IS COMPOSED OF BUSINESS AND FUNCTIONAL LEADERS. EACH OF THEM IS RESPONSIBLE FOR DRIVING CHANGE AND CREATING BETTER MEANS TO ACHIEVE BUSINESS SUCCESS, SHAPE ORGANIZATIONAL CULTURE IN WHICH EMPLOYEES EMBRACE OUR VALUES, AND **BUILD VALUE BY CREATING SUSTAINABLE STAKEHOLDERS' RELATIONSHIPS.**



LEOPOLDO CEDILLO

- Proeza Group Co.

COMPANIES



METALSA

JORGE GARZA

- Metalsa Co.



LUIS LÁZARO

- Citrofrut Co.



FEDERICO ABENSARIAR SEPULVEDA GARZA

- Astrum Co.



ENRIQUE MARCELO ZAMBRANO

- Proeza Ventures Co.



CHRIS EALES

- Proeza Healthcare Co.

CORPORATE



EDUARDO BARREDA

- Planning and Finance Co.



SHASH SHARMA

- Portfolio Development Co.



MIGUEL ÁNGEL DUVERGÉ

- People & Culture Co.

OUR LEADERSHIP TEAM
INCLUDES **EXECUTIVES FROM
DIFFERENT GENERATIONS AND
NATIONALITIES.**

SUSTAINABLE LEADERSHIP

As part of our enduring commitment to better care for our planet, people, and communities, while maintaining the highest standards in our governance practices, we provided training on sustainability to our top management.

Bob Willard, a Canadian sustainability expert consultant delivered an insightful lecture to over 110 of our group-level directors, emphasizing the significance of their roles in addressing imminent sustainability risks in 2021.

Furthermore, in 2022, we aimed to further expand our Board's comprehension by establishing a common language surrounding sustainability concepts, raising awareness of the impending climate change impacts and familiarizing ourselves with the implications, best practices, and crucial topics for the Board to consider.

This workshop imparted by Bob equipped our Board of Directors with the necessary knowledge for well-informed decision-making and responsiveness to stakeholder expectations.

OPERATING WITH INTEGRITY

AT PROEZA, WE ARE DEDICATED TO CONDUCTING BUSINESS WITH **INTEGRITY**, ADHERING TO **LEGAL AND ETHICAL** STANDARDS, AND FOSTERING A CULTURE OF **TRANSPARENCY, FAIRNESS, AND ACCOUNTABILITY.**



ETHICS AND COMPLIANCE PROGRAM

GRI 205, 206, 408, 409, 411, 415, 417, 418: 3-3

GRI 205-1, 205-2

Through the implementation of our Ethics and Compliance Program we strive to operate with the highest standards of integrity and ethics. This program has four basic pillars:



Integrity and anticorruption

Establishes essential elements of the compliance function within the organization, defining measures to mitigate corruption in our day-to-day activities. It includes several policies and manuals to ensure ethical operations.

- **Anticorruption Policy.** Based on national and international legislation, it sets guidelines for our employees, suppliers, and commercial partners in anticorruption, bribery, conflicts of interest, theft, and other ethical behaviors and risks. Through it, we expose the mandatory rules for preventing corrupt activities throughout the entire organization.



Administrative and criminal risk prevention

Establishes the guidelines and procedures to be followed to properly control the possible crimes and administrative offenses to which the organization is exposed.

- **International Criminal Compliance Policy.** We maintain a zero-tolerance culture for criminal behavior and have international guidelines practices to prevent any possibility. Compliance Officers will analyze and study possible criminal contingencies to minimize Proeza Group’s possible exposure to criminal risks.



International Money Laundering Prevention Policy

Establishes rules that help reduce the risks of money laundering operations through verification and risk control measures.

- **Money Laundering Prevention International Policy.** Through adequate controls, the company can detect anomalies, identify applicable laws, and layout international mandatory mechanisms and procedures that must be followed by Proeza Group.



Privacy and personal data protection

Establishes policies and processes for correctly processing personal data held by the company.

- **International Data Protection Policy.** Guarantees that everyone related to Proeza Group globally has the right to data protection. We strive to implement appropriate safeguards to secure such data transfers in conformity with applicable laws.

EACH ONE OF THESE GUIDELINES SERVES AS A **GUIDE TO OUR EMPLOYEES** IN THEIR DAILY ACTIVITIES, COMPLYING WITH LAWS, BEST CORPORATE PRACTICES AND THE HIGHEST LEVELS OF INTEGRITY.





CODE OF CONDUCT

GRI 2-15, 2-23, 2-24, 2-25

We are committed to complying with the laws, rules and regulations that govern us, as well as adopting the highest ethical standards for conducting business. Therefore, we have a **Code of Conduct**, which has the goal of encouraging ethical behavior in us all, in order to create an environment of trust, inclusiveness, equity, fairness, commitment, transparency and legality, thereby ensuring the continuity of our companies.

The main topics addressed in the Code are the defense of human rights, including freedom of association, non-discrimination, promotion of equal opportunities, client service, free market competition, personal data privacy, environmental protection, regulatory compliance, anticorruption, and the expected relationship with suppliers.

DURING 2022, WE MADE MAJOR EFFORTS TO TRAIN MORE THAN **12,000 GROUP EMPLOYEES IN OUR CODE OF CONDUCT.**

In addition, administrative personnel were trained in anti-money laundering & privacy and personal data protection using Learning Pool (formerly True Office Learning), a learning and analytics company that connects its world class e-learning platform to the industry's most advanced behavioral data, adding significantly more value to our company.

We had specific training on personal data processing provided by a specialized firm to individuals who manage personal data, such as legal, procurement, people and culture, among others. These trainings helped employees to gain general notions of what they should and should not do in the performance of their duties, and thus prevent unlawful or unethical acts in the company.

IN 2022, WE BEGAN UPDATING OUR CODE OF CONDUCT; THE NEW VERSION WILL INCLUDE A SPECIFIC SECTION ON **THE PREVENTION OF CHILD AND FORCED LABOR.** THIS CODE WILL BE LAUNCHED IN 2023.

For more information on our Code of Ethics, please visit: <https://www.proeza.com.mx/integrity>



HANDLING CONFLICTS OF INTEREST

GRI 2-15

We have a **Conflicts of Interest Policy** that establishes general criteria to avoid possible conflicts of interest for all parties related to Proeza Group. This Policy was approved by the Ethics and Compliance Committee, which is the highest control body in ethics and compliance matters. All conflicts of interest are managed by the Compliance Officer of each company, reporting them to their corresponding Ethics and Compliance Committee for approval of the mitigation process.

In 2022, we conducted a process in which approximately 87% of the administrative personnel declared whether or not they had conflicts of interest, based on a series of questions related to the content of our Conflicts of Interest Policy. This exercise helped us to have visibility of conflicts of interest and to manage them properly.

WE ARE COMMITTED TO IDENTIFYING AND MANAGING CONFLICTS OF INTEREST TO ENSURE UNBIASED DECISION-MAKING AND MAINTAINING **THE HIGHEST STANDARDS OF INTEGRITY.**



ANTICORRUPTION POLICY

GRI 205-2

Through our **Anticorruption Policy**, we maintain a firm commitment to zero tolerance on corruption in all its forms, which reinforces our unwavering dedication to conducting business with integrity and transparency and helps us on our path to be the most ethical company. We strictly prohibit any act of bribery, fraud or other corrupt practices, and actively promote a culture of ethical conduct and compliance with anticorruption laws and regulations.

IN 2022, WE
CONDUCTED A
PROCESS IN WHICH
APPROXIMATELY **98%**
OF OUR **1st TO 3rd**
LEVEL COORDINATORS
CERTIFIED THEIR
COMPLIANCE WITH
THE **ETHICS AND**
COMPLIANCE POLICY.



TRANSPARENCY LINE

GRI 2-16, 2-25, 2-26

In order to maintain transparency across all our business operations, at Proeza we have established the **Transparency Line** managed by an independent third-party. Stakeholders may report any ethical breach or concern, non-compliance with the Code of Conduct, policies or Proeza's values; all reports are sent to the Proeza's Ethics and Compliance Committee to ensure the corresponding investigations and resolutions of all matters reported.

The Transparency Line can be accessed by any person who is affected by any of the Proeza's enterprises or who observes any issue in business operations; all complaints are completely anonymous and confidential. The available communication channels include a website, an IOS and Android App, email and phone number.



192
total reports



188
closed reports

70% REPORTS'
VERACITY

Process for reports:



Report is received through the “Letica” app, which is available for download on Android and IOS.



Google Play



App Store



Quarterly reports with the relevant cases and overall transparency indicators are presented to both Proeza’s ECC and the Risk, Audit & Compliance Committee.



The case is documented, and the necessary support is provided, subsequently closing the case.



The Ethics and Compliance Committee (ECC) is notified, and the report is assigned.



An investigation and follow-up are carried out by the report investigator and conclusions are presented to the ECC.

tone at the top

“THERE ARE THINGS
IN LIFE THAT ARE
NEGOTIABLE, AT
PROEZA GROUP, ETHICS
IS NOT ONE OF THEM.”

– LEOPOLDO CEDILLO,
PROEZA GROUP CO.

Our leaders recognize the important role they play in setting our organization’s ethical and compliance standards. They are dedicated to leading by example, promoting a culture of integrity, accountability, and transparency, and ensuring that all employees understand and comply with our ethical guidelines and legal obligations.

By demonstrating the above, we aim to foster an environment in which ethical behavior is not only expected, but celebrated, enabling us to build trust with our stakeholders and achieve sustainable success.



RESPONSIBLE SUPPLY CHAIN

GRI 204, 308, 414, 416: 3-3

GRI 2-6, 204-1, 308-1, 414-1

All our business activities are carried out honestly, respecting the values established in our Code and internal policies, which include our suppliers and clients, with whom we promote a culture of integrity.

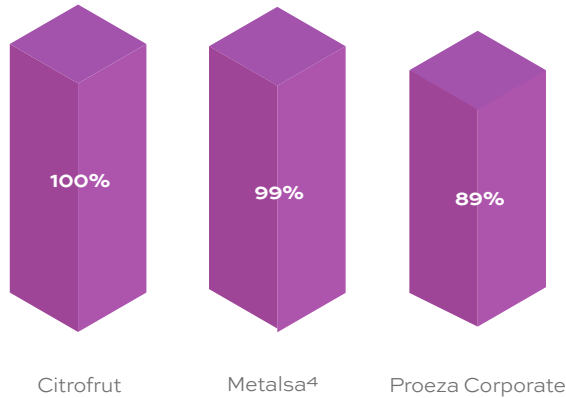
PROEZA GROUP ONLY
MAINTAINS BUSINESS
RELATIONSHIPS WITH
SUPPLIERS WHO
COMPLY WITH **OUR
CODE OF CONDUCT
AND THE THIRD-PARTY
CONTRACTING POLICY.**



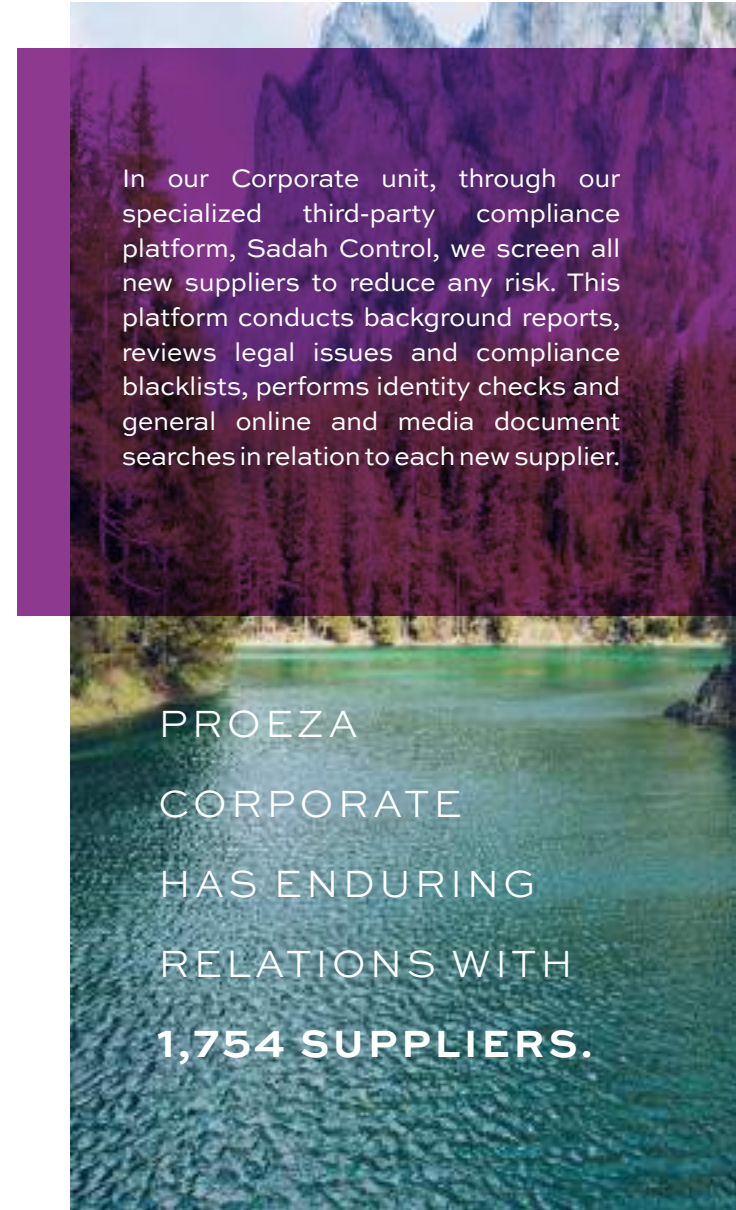
Third-Party Contracting Policy

We know that third parties' corruption acts can create consequences within the supply chain. To reduce this kind of risks, our guideline ensures that all our suppliers comply with all applicable anticorruption laws, money laundering prevention laws and economic sanctions, including laws of the National Anticorruption System in Mexico, the FCPA³, among others.

Proeza Group's domestic suppliers:



THROUGH THESE POLICIES, WE ALIGN OUR BELIEFS AND VALUES WITH THOSE OF OUR SUPPLIERS, WHERE **INTEGRITY IS THE FOUNDATION OF ENDURING HUMAN RELATIONSHIPS,** AS WELL AS A TRUSTWORTHY AND RELIABLE ENVIRONMENT.



In our Corporate unit, through our specialized third-party compliance platform, Sadah Control, we screen all new suppliers to reduce any risk. This platform conducts background reports, reviews legal issues and compliance blacklists, performs identity checks and general online and media document searches in relation to each new supplier.

PROEZA
CORPORATE
HAS ENDURING
RELATIONS WITH
1,754 SUPPLIERS.

³ Foreign Corrupt Practices Act.

⁴ Direct material suppliers.



In 2023, we will regularly screen all our critical suppliers in order to detect any risks during the business relationship and thus safeguard the integrity of our supply chain. Moreover,

our companies will start to develop their sustainable supply chain frameworks.



PEOPLE

WE ARE ON A JOURNEY TO
BETTER OUR WORLD.
OUR EMPLOYEES' MENTAL
AND PHYSICAL HEALTH, AS
WELL AS THEIR PERSONAL
AND PROFESSIONAL
DEVELOPMENT IS
PARAMOUNT TO ACHIEVE
OUR PURPOSE.

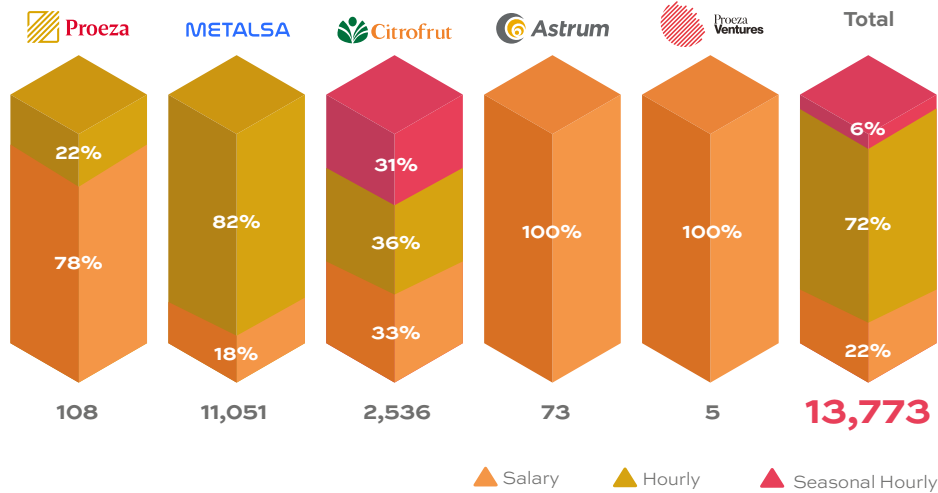


TALENT ATTRACTION & RETENTION

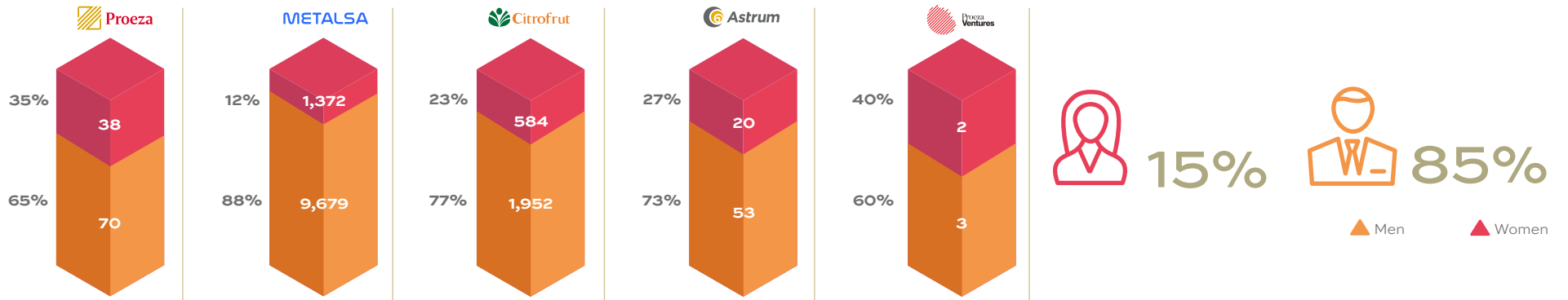
GRI 401: 3-3
GRI 2-7, 401-1, 405-1

We seek to attract and retain the most qualified and professional employees through the daily recognition of their abilities, promoting a sense of belonging and pride, which is translated into an exceptional work environment for their personal and professional development.

Headcount Distribution

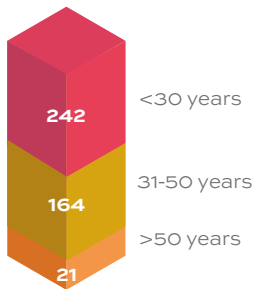


Headcount per Gender

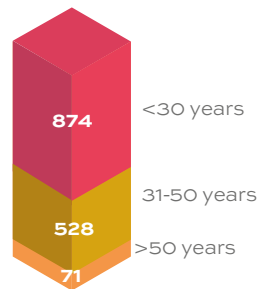


METALSA

Women - New hires

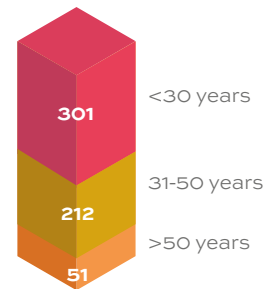


Men - New hires

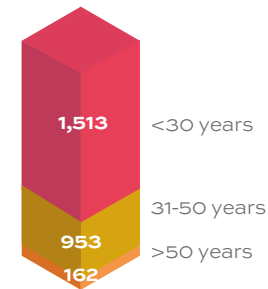


1,900
NEW HIRES

Women - Dismissals

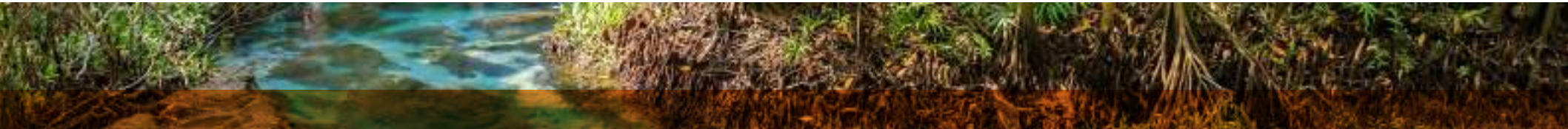


Men - Dismissals



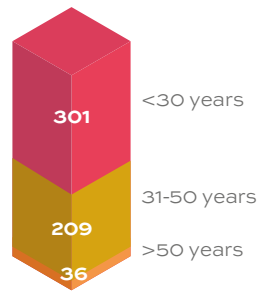
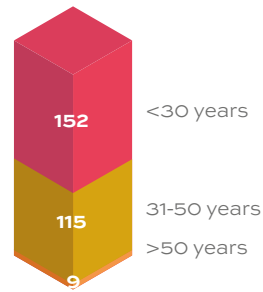
3,192
DISMISSALS





Women - New hires

Men - New hires

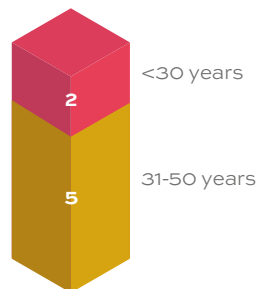
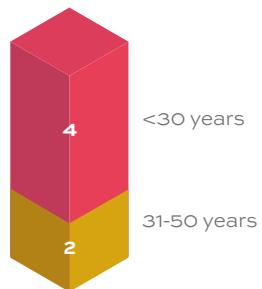


822
NEW HIRES

976
DISMISSALS

Women - New hires

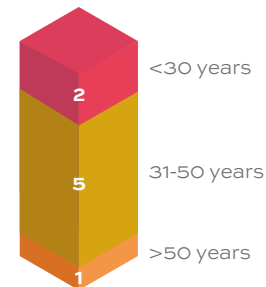
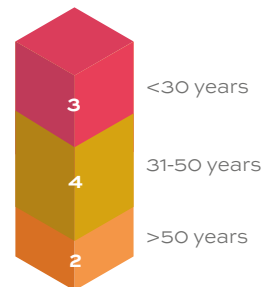
Men - New hires



13
NEW HIRES

Women - Dismissals

Men - Dismissals



17
DISMISSALS

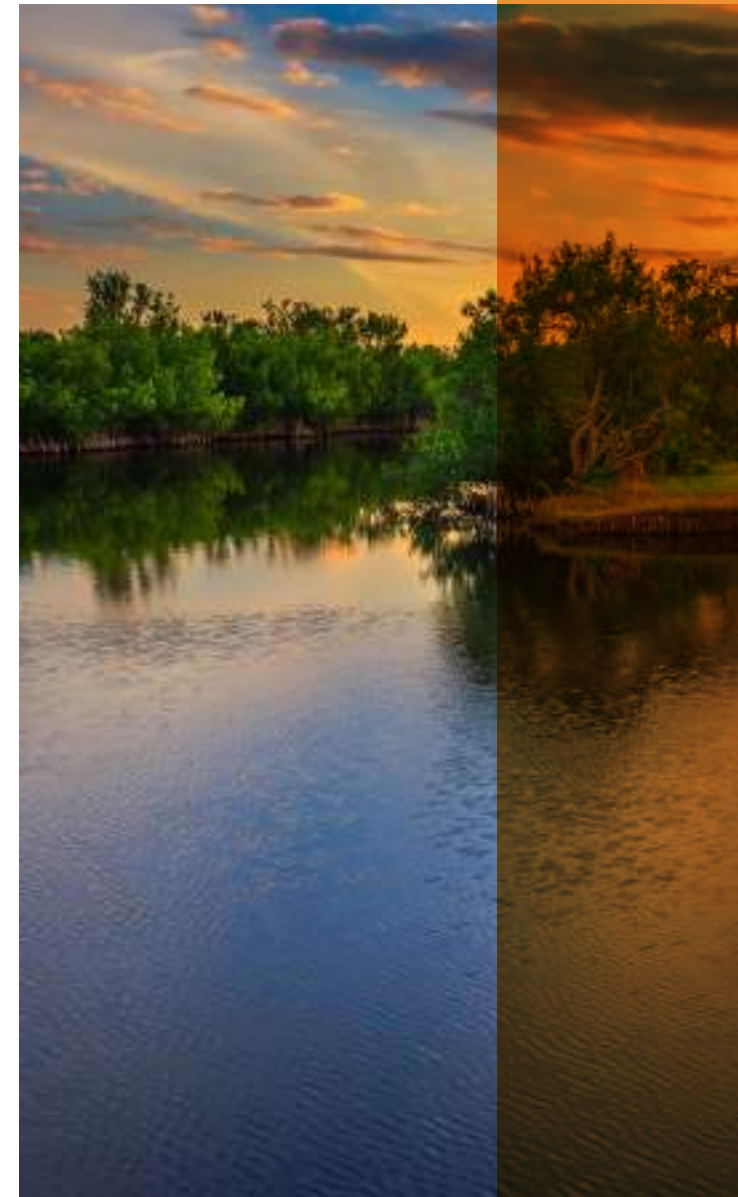
DIVERSITY, EQUITY & INCLUSION

GRI 405, 406: 3-3

WE SEEK TO CREATE A THRIVING COMMUNITY THAT **PROMOTES EQUAL OPPORTUNITIES AND NON-DISCRIMINATION FOR ALL PEOPLE.**

Through internal guidelines, we protect the human rights of our employees and promote positive work environments that enable individuals to grow and reach their full potential. We actively combat discrimination and strive to foster safe atmospheres, a sense of belonging, and purpose.

WE DEVELOPED THE **DIVERSITY, EQUITY AND INCLUSION CORPORATE GUIDELINE** TO BE PUBLISHED IN EARLY 2023. THIS POLICY IS APPLICABLE TO ALL THE GROUP'S COMPANIES AND **PROMOTES INCLUSIVE BEHAVIORS, EQUAL TREATMENT AND OPPORTUNITIES.**



During 2022, we increased efforts to become a more diverse and inclusive organization. Some of our highlights are:



Policy for the Prevention of Workplace Violence

Aiming to establish procedures to prevent and address cases of workplace violence, including discrimination and workplace harassment.



Inclusive and Neutral Language Guide

Promotion of correct, inclusive and neutral language as key in the manifestation and daily experience of inclusion and non-discrimination to preserve our values.



Code of Conduct adjustments and Transparency category update⁵

Code's review with a DEI perspective, adjusting:

- Inclusive and neutral language assessment
- Adjustment to statements making underrepresented groups visible
- DEI specific section
- DEI and work environment issues



Incorporation of multicultural talent

We have welcomed three new leaders of different cultural backgrounds at the top levels of the organization.



Parental leave update

- Addition of adoption cases and roles update as primary and secondary caregiver
- 10 additional days off to the secondary caregiver than those specified by Mexican Federal Labor Law



Inclusive practices for the recruitment and selection process and new talent incorporation

Analysis of this process, identifying and incorporating inclusion practices in different stages.

- 15 inclusion practices identified
- 30% implemented



Inclusive leadership competencies

Actions and programs that foster the development of inclusive leadership skills, such as:

- New leadership model aligned to the values and including inclusive competencies
- Inclusive Leadership Program
39 leaders | 18 training hours
- DEI coaching top leaders
6 leaders | 8 sessions

1st Generation of DEI Champions

These employees voluntarily commit to drive DEI in all their daily interactions, promote inclusive spaces and develop action plans to further DEI in Proeza Corporate.

We implemented the DEI Committee, composed of top management officials. This committee serves as a facilitating and transformational governance body to develop and ensure the DEI strategy's effectiveness, establish goals, drive initiatives and raise awareness to accomplish Proeza Group objectives.

2022 DEI ACTIVITIES

- Women Month awareness activities and campaign
- Pride Month awareness activities and campaign
- No room for violence campaign (International Day for the Eliminations of Violence against Women)
- People with disabilities communication (International Day of Persons with Disabilities)

⁵ The updated Code of Conduct will be launched in February 2023.

WELL-BEING & QUALITY OF LIFE

GRI 202, 401, 402, 407: 3-3
GRI 201-3, 202-1 401-2

We prioritize the well-being of our people by actively working towards enhancing the overall happiness and satisfaction of our people. Every two years we carry out Proeza Group's Employee Satisfaction Survey across all our companies to assess our organization's work environment. This survey measures several significant categories for our employees' well-being and quality of life, and thus, our business' profitability. If the results are low, we carry it out again the following year. The last global survey was in 2021 and we are working to improve our 2023 survey.

We strive to provide the best conditions and competitive benefits for all our employees. Our benefits go well beyond the law's requirements, aiming to retain the best talent and contribute to the improvement of their quality of life. Some of the benefits we grant are:



Christmas bonus



Vacation bonuses



Social security



Life insurance



Private retirement plan (401k, Cuenta Futuro)



Savings fund



Food allowance*



Transportation assistance*



Parental and adoption leave**



Savings and loans association



Support in case of family's death



Parking*



Major medical expenses insurance



Short-term bonuses



Vacation days



Paid time off*



Flexible work schemes



Scholarships*



Loans*



Health campaigns



Seniority recognition



Days off granted by law or granted by the company in commemoration of a historical event



Employee assistance program for general health, veterinary consultations, legal and financial consulting**



Well-being program “+Feliz” ***

*Not applicable for part-time employees; all benefits only applicable in Mexico. In the rest of the world, some of them apply according to local regulations.

** Applicable for Metalsa and Proeza Corporate.

***Applicable for Citrofrut, Proeza Ventures, Proeza Corporate.

In addition, our Group offers “Cuenta Futuro”, a voluntary and private plan available for all salaried employees in Mexico. Proeza matches the employee’s contribution, capped based on salary level and the type of government’s retirement law.

Along with the aforementioned benefits, our salaries are competitive and above local minimums, so employees can thrive.

Ratio of standard entry level daily wage vs. local minimum wage

Country	Ratio
Mexico	2.15
United States	2.47
Brazil	3.89
India	6.45
Argentina	3.01
Thailand	3.38

In 2023, we will focus on developing a more comprehensive approach to fostering the well-being of our people and their families, concentrating on their major life events that address not only the symptoms but also focus on prevention.



HEALTH & SAFETY

GRI 403: 3-3

GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8

Proeza Group is dedicated to fostering a culture of safety in all aspects of our operations. Our comprehensive health and safety programs include regular safety training, hazard assessments, and the use of personal protective equipment (PPE) where necessary. We promote open communication about safety concerns and actively involve employees in the continuous improvement of our safety practices.

OUR COMMITMENT EXTENDS TO SAFEGUARDING THE ENVIRONMENT THROUGH SUSTAINABLE PRACTICES AND REDUCING WORKPLACE INCIDENTS THROUGH PROACTIVE MEASURES.



FIVE FACILITIES HOLD THE ISO 45001:2018 HEALTH AND SAFETY MANAGEMENT SYSTEM CERTIFICATION AND THE REST WILL COMPLETE IT DURING 2023.

100% OF OUR EMPLOYEES WERE TRAINED ON HEALTH AND SAFETY TOPICS.

METALSA

At Metalsa, we implemented a Health and Safety Management System in compliance with the ISO 45001:2015 Standard in all manufacturing plants that covers all employees. This system includes supervision of working conditions, safety tours, training, feedback on unsafe acts, hazard and risk identification, leadership in accident investigation, and recognitions for the plants that reach milestones in days without accidents.

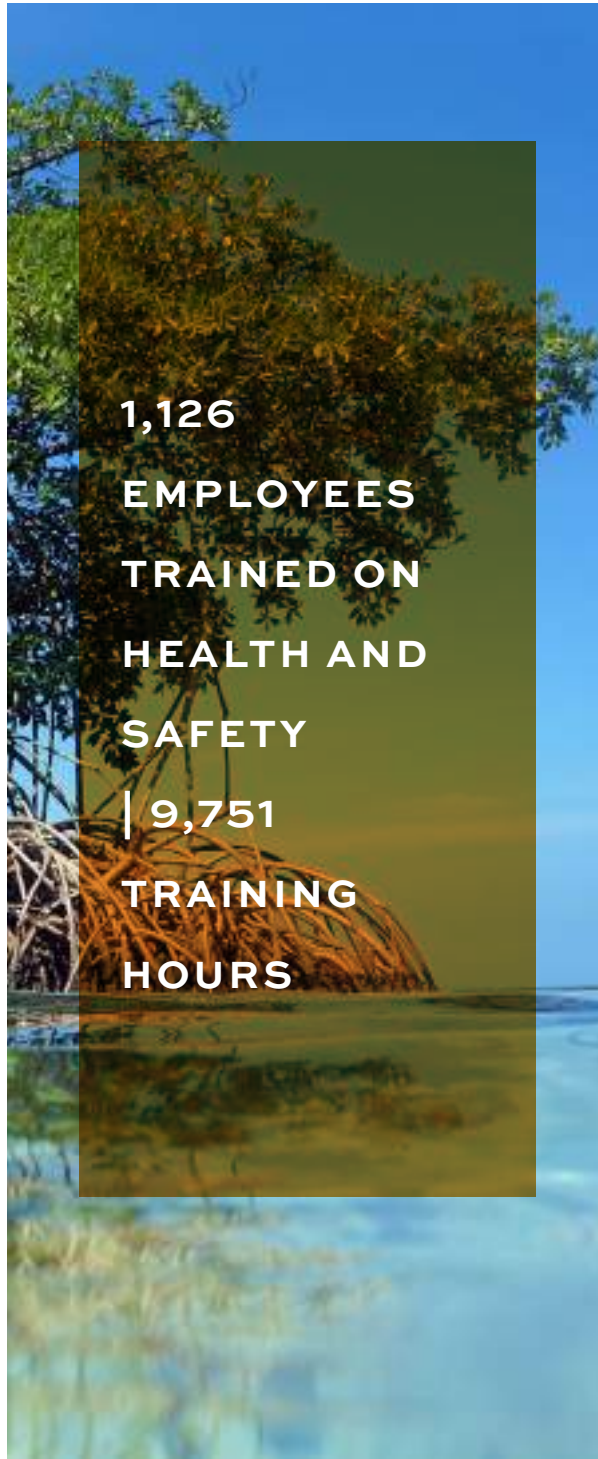
In addition, our main facilities have medical services that offer different care resources, including prevention and advice on several illnesses. We also carry out vaccination or wellness campaigns for our collaborators (beneficial nutrition, physical activity, etc.).



At Citrofrut, we rely on our Integrated Management System and its policy, based on the ISO 45001:2018 Standard and the applicable regulations from the Mexican Labor Department, to carry out our operations, take care of our people and communities and be able to meet the objectives.

This policy forces us to comply with all legal security requirements; provide safe and healthy working conditions to prevent injuries and reduce risks at our facilities; generate harmless products; consult workers and their representatives on safety and health issues; carry out training to generate the necessary skills in this matter; protect the environment and maintain internal and external communication, for the continuous improvement of management and performance systems.

In order to ensure our employees' health, we established two KPIs: Health Rate, which measures periodic medical assessments and General Health Rate, which includes the former rate plus sport activities, health campaigns, training and risk assessments.



1,126
EMPLOYEES
TRAINED ON
HEALTH AND
SAFETY
| 9,751
TRAINING
HOURS

TRAINING & DEVELOPMENT

GRI 404: 3-3
 GRI 404-1, 404-2, 404-3

At Proeza Group, we care for our employee's holistic development and personal growth. Therefore, we train our people in functional capabilities related to their career interests and aspirations as well as in our employees' performance and talent cycle processes. We encourage them to improve, and we give them the tools and opportunities they need to achieve this.

Our employees are annually trained on institutional priorities such as Code of Conduct, policies and cybersecurity matters. Also, Proeza people are constantly trained on their benefits and total rewards such as corporate arrangements with educational institutions or entertainment centers, insurance coverage & main characteristics, assistance programs, safety guidelines, among others.

METALSA



180,213
training hours



28 average hours/
women trained

Job category	Women	Men
Directors	1	7
Managers	53	243
Operators and administrators	1,594	10,226
Total	1,648	10,476



13 average hours/
men trained



12,124
employees trained





24,689
training hours



11 average hours/
employee



9,033
Administrative



15,656
Operators



8,019
trained employees



1,227
women



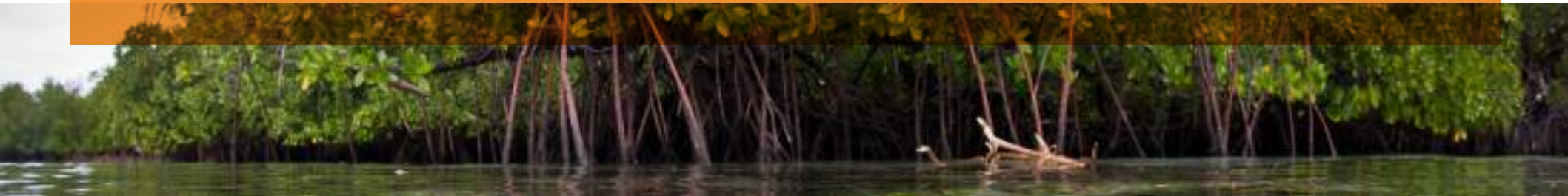
6,792
men



289
learning hours

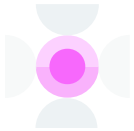




25%
of corporate employees participated
in a special development program



COMPETENCY MODEL

Aligned with the new corporate values, our leadership competency model was updated with 7 competencies that contemplate 26 behaviors which will support the capabilities of our leaders facing the future business challenges.

VALUE	ELEMENTS	COMPETENCE	BEHAVIORS
 We Care	<ul style="list-style-type: none"> Your uniqueness, authenticity and contributions. Your growth, purpose and happiness. Fostering a sustainable future for generations to come. 	Compassion	<ol style="list-style-type: none"> Is willing to help an employee with personal problems. Helps people learn from their mistakes. Is sensitive to work needs of others. Infuses the organization with a sense of purpose & inspire commitment. Is able to draw out the best in people.
		Embrace differences	<ol style="list-style-type: none"> Values working with a diverse group of people. Understands and respects cultural, religious, gender and racial differences. Treats people of all backgrounds fairly.
		Sustainability mindset	<ol style="list-style-type: none"> Preserves the environment in all business decisions. Addresses community needs in jointly initiatives with local stakeholders. Acts with ethics and integrity in any interpersonal or professional interaction.
 We Thrive	<ul style="list-style-type: none"> Enduring with optimism, courage and agility. Transforming challenges into opportunities. Performing with purpose and humility. 	Courage	<ol style="list-style-type: none"> Takes the lead on unpopular though necessary actions. Confronts conflicts promptly so they do not escalate. Acts decisively to tackle difficult problems. Perseveres in the face of problems and difficulties.
		Taking initiative	<ol style="list-style-type: none"> Takes charge when trouble comes. Is prepared to seize opportunities when they arise. Can effectively lead an operation from its inception through to completion. Remain adaptable, flexible, agile and unflappable in the face of uncertainty.
 We Dare	<ul style="list-style-type: none"> Building with diverse voices and perspectives. Daring to take risk. Learning and experimenting with new ideas every day. 	Take risks to innovate	<ol style="list-style-type: none"> Has vision; often brings up ideas about possibilities for the future. Introduces needed change even in the face of opposition. Is entrepreneurial; constantly explores new methods, models and ideas. Treats all situations as an opportunity to learn something and seeks for opportunities to learn.
		Leading change	<ol style="list-style-type: none"> Pushes the organization to adopt new initiatives. Fosters a climate of experimentation. Supports activities that position the business for the future.

IN ADDITION, A **360 EVALUATION WAS EXECUTED AS A DIAGNOSIS TO IDENTIFY LEADERS' STRENGTHS** AND MAIN DEVELOPMENT CHALLENGES ACCORDING TO THIS SET OF COMPETENCIES.



PROSPERITY

WE WALK HAND IN HAND
WITH OUR COMMUNITIES
ON A PATH TOWARDS
PROSPERITY. WE AIM
TO INCREASE PEOPLE'S
PROGRESS, HAPPINESS
AND OVERALL WELL-BEING.

COMMUNITY ENGAGEMENT

GRI 203, 413: 3-3

GRI 203-1, 413-1

In 2022, we began developing our Global Social Value Strategy, which is our long-term and high-level plan that defines how we will create, measure, and communicate our social value across our business platforms. This strategy outlines a strategic social aspiration (vision), a Global Social Value Framework (mission), objectives (focus areas and converging topics), key processes (operation models), and Key Performance indicators (KPIs).

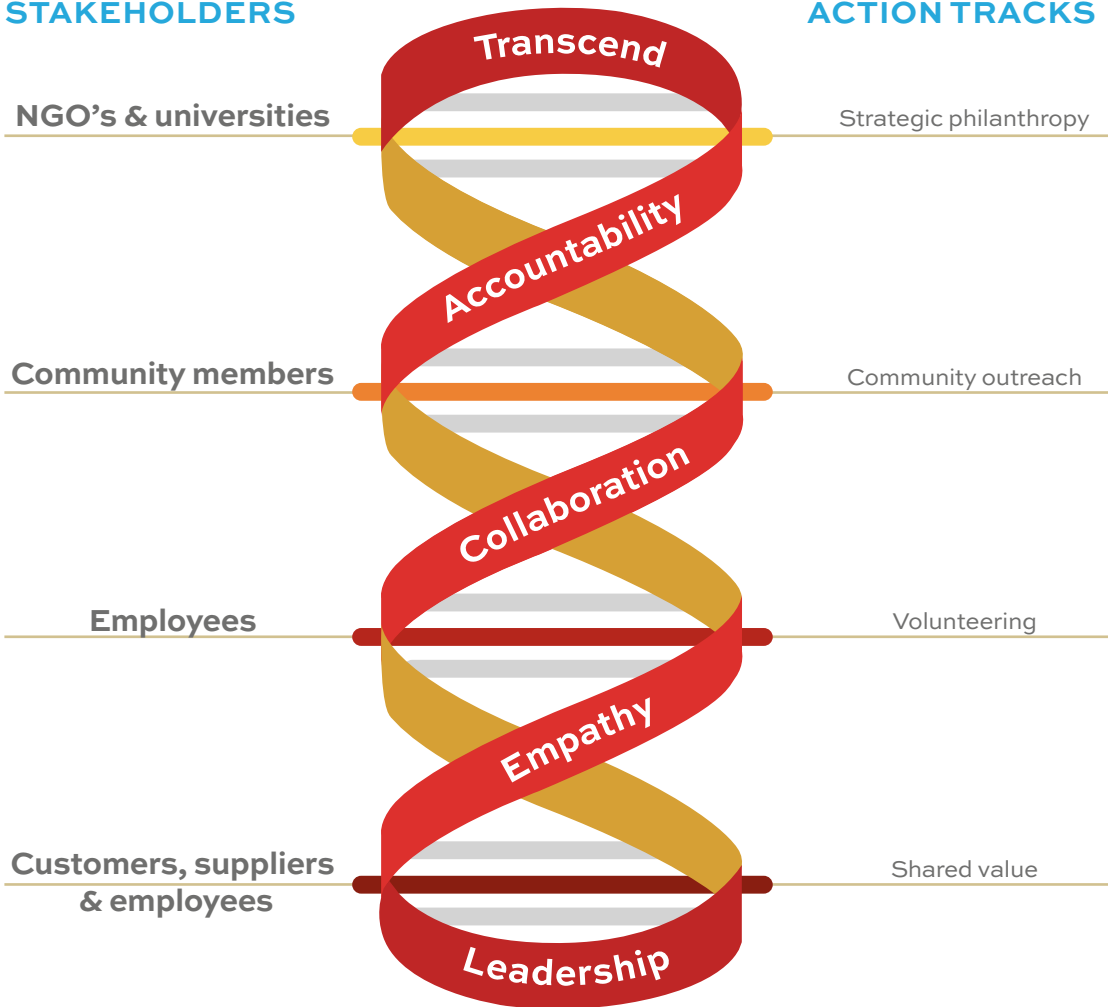
Proeza Group has committed to translating its Social Value Strategy into local practice through a Global Social Value Framework, which lies at the heart of this Strategy. This inherent obligation extends beyond mere compliance, embodying our pledge to contribute positively to society's progress.



SOCIAL VALUE FRAMEWORK

STAKEHOLDERS

ACTION TRACKS



| TRANSCEND

Our aspiration transcends business and commercial pursuits. We're driven by the ambition to leave a lasting, positive, societal imprint, integrating our business objectives with broader social goals.



| LEADERSHIP

Our leadership isn't merely foundational; it's the catalyst igniting our social value journey. Our leaders guide us into fostering a pervasive culture of social responsibility and stewarding us toward a sustainable and ethical future.



GUIDING PRINCIPLES

Our principles direct our path toward social value creation:

- **Empathy:** We recognize the value of deep engagement with stakeholders to comprehend their needs, ensuring our decisions consider and respect their diverse perspectives.
- **Collaboration:** We champion synergy over solitary efforts, believing in collective efficacy. Our collaborative endeavors with diverse stakeholders contribute to robust, innovative solutions.
- **Accountability:** We uphold the highest levels of responsibility for our societal impacts, ensuring we consistently meet our commitments to stakeholders and society.



ACTION-ORIENTED INITIATIVES

We uphold our pledge to bring about a positive societal transformation through our action-oriented initiatives and collaborative stakeholder engagement. Through our 4 action tracks, we bridge the gap with our core stakeholders:





STRATEGIC PHILANTHROPY

Our strategic philanthropy action track consists of four strategic funds.

Area	Description	Results
Emergency Fund	<p>Global impacts caused by natural or social disasters to:</p> <ul style="list-style-type: none"> • Our employees and their families • Vulnerable small suppliers in our value chains • Nearby communities 	9,000 direct beneficiaries
Monterrey Heritage Fund	<ul style="list-style-type: none"> • Recurrent support to universities for their sustainable and technological development • Long-term commitment with NGO's 	3 universities & 3 NGO's 198 direct & 617,000 indirect beneficiaries
Foundation Fund	<ul style="list-style-type: none"> • Shareholder's Foundation 	13 NGO's 441,318 direct beneficiaries & 123 indirect beneficiaries
Proeza Group Social Fund	<p>Designated for our annual call for proposal in Nuevo León. This effort shall be focused on:</p> <ul style="list-style-type: none"> • Education and reduction of inequalities 	5 NGO's 250 direct & 5,460 indirect beneficiaries

450,766 DIRECT BENEFICIARIES

AND **622,583 INDIRECT**

BENEFICIARIES IN 2022.

Strategic Philanthropy: NGOs & Universities

Our partnerships with NGOs and academia catalyze innovative solutions for societal challenges.

In this action track, we voluntarily commit resources to social, cultural, or environmental causes. Philanthropic activities may include direct monetary donations, in-kind contributions, or endowments to non-profit entities and community initiatives.

We worked with the following universities, NGO's and programs during 2022:

UNIVERSITIES



NGO'S

- | | |
|--|---|
| <ul style="list-style-type: none"> • Fundación Zaber • Comunidar • Bomberos de N.L. • Gestare • Vía Educación • Cd. De los Niños • Enseña por México • Red SumARSE • Reinserta • Hermanas Clarisas de Cd. Victoria • Amigos de los Hermanos de San Juan | <ul style="list-style-type: none"> • Seminario de Monterrey • Nuestros Pequeños Hermanos I.A.P. • ANSPAC • Destellos de Luz A.B.P. • Maristas • Fundación Educativa San Jose A.B.P. • Nuevo Amanecer • Hermanos Franciscanos • Centro Cultural Roda- Proyecto HEADI • Banco de Alimentos México |
|--|---|



PROEZA COMMITTED RESOURCES EVERY YEAR FOR FOUR YEARS (2022-2025) FOR THE CONSTRUCTION OF A SCHOOL LOCATED IN TOPO CHICO, MONTERREY.

Proeza's donation sponsored the construction of the welding workshop in the men's building and the nursing classroom in the women's building. We directly benefitted more than 100 students annually with these classrooms.

An example of one of our social investments is the school, "Ciudad de los Niños", which imparts courses from kindergarten to high school. Its model promotes family inclusion and development, helping not only the students but the entire community. Thanks to the model of this school, 9 from every 10 students conclude their bachelor's degree.⁶

Additionally, every company allocates additional amounts for strategic philanthropy within the locations where they operate.



COMMUNITY OUTREACH

We foster engagement with community members to align our operations with local needs and ensure a beneficial relationship. This action track involves building active and reciprocal relationships with the communities where we operate. Understanding and responding to legitimate expectations requires a commitment to ongoing dialogue, collaboration, and partnership.⁷



The main initiatives during 2022 were: the design of the "Nutritious Fruit" program, identification of localities, alliances' strengthening with the IMSS and municipalities, as well as the preparation of support materials and volunteering of recognized value in the area.

⁶ Impact measurement; the school monitors the students in order to assess the model's effectivity.

⁷ Strategies to enhance and measure our impacts on our community development programs are considered for 2023. For more detailed information on our community programs, please visit Metalsa & Citrofrut's Sustainability Reports.



METALSA

- **Support United Way:** Activities such as volunteering, tackling hunger, fighting COVID, supporting small businesses, and developing virtual learnings.

+15,000 PEOPLE

BENEFITED IN

OUR **AMERICAN**

COMMUNITIES.

- **Congruence Movement:** Initiative with a mission to promote, raise awareness and facilitate the social and labor inclusion of people with disabilities with equal opportunities in the business sector.

+7,000 PEOPLE

BENEFITED IN

OUR **MEXICAN**

COMMUNITIES.



FURTHERMORE, EVERY
MANUFACTURING
PLANT HAS COMMUNITY
PROGRAMS TO
PROMOTE COMMUNITY
DEVELOPMENT AND
SELF-SUFFICIENCY TO
**IMPROVE QUALITY OF
LIFE.**



SHARED VALUE CREATION

We encourage and expect ethical, socially responsible practices from our suppliers and business partners. We expand our influence to every link in our value chain to create measurable business value by identifying and addressing social challenges that intersect with the company. Under this action track, we support practices that enhance Proeza Group's competitiveness while advancing the economic and social conditions in the communities where we operate.



VOLUNTEERING

Our employees are fundamental to our social impact journey. We provide the resources and platforms to contribute towards our social goals while nurturing their personal and professional growth. Under this action track, employees and other stakeholders donate their time, funds and/or skills to support social, environmental, or community projects. Our companies facilitate volunteering programs to allow employees to contribute during working hours or on their own time. In 2023, the companies will focus on facilitating these programs on a more articulated and strategic way.



In 2023, we will center our attention on developing our Strategic Aspiration and Guiding Star to lead our decisions on how to make strategic investments in initiatives that align with our focus areas, as well as our Social Value Operating Model and KPIs, the step-by-step general guidance we need to have in place to deliver every track of our social value strategy.



PLANET



WE ACTIVELY WORK TO
INCLUDE ENVIRONMENTAL
INITIATIVES AND
REDUCE OUR FOOTPRINT
THROUGHOUT ALL PROEZA
GROUP. WE ADVANCE ON
THE CORRECT ROUTE TO
ACHIEVE SUSTAINABLE
OPERATIONS AND
PROTECT THE PLANET,
CONTRIBUTING TO A
BETTER TOMORROW.

CLIMATE CHANGE AND ENERGY ECOEFFICIENCY

GRI 302, 305: 3-3
GRI 201-2

According to our Sustainability Corporate Guideline, Metalsa and Citrofrut shall perform Climate Change Impact Modeling assessments based on the UN International Panel on Climate Change (IPCC) scenarios and update them within one year of any change issued by this organism. Results and actions are overseen by our companies' Boards.

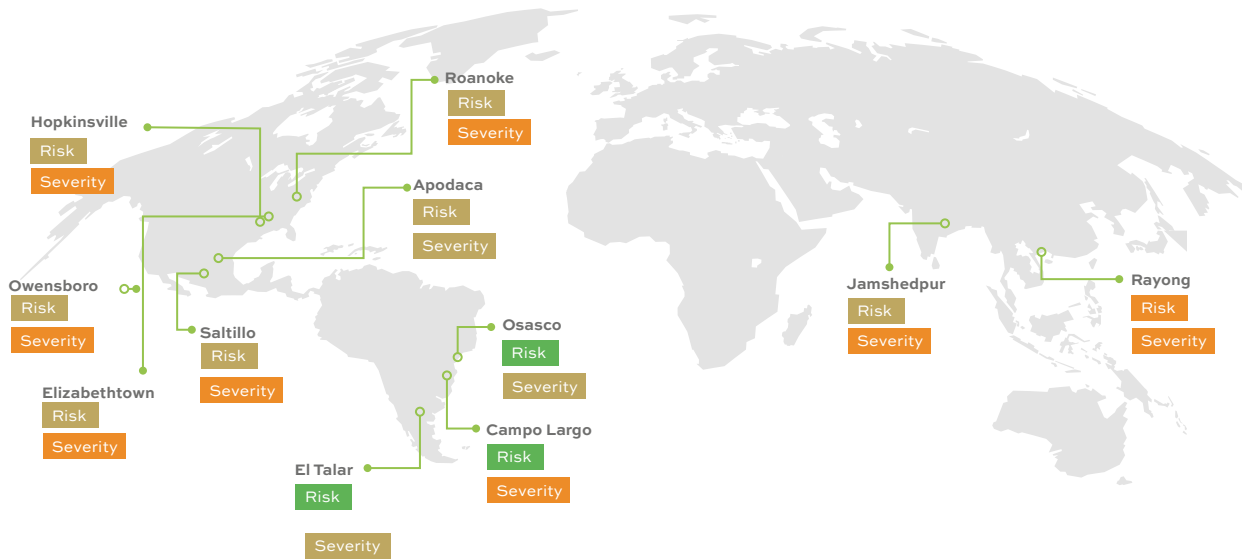


UNDER OUR SUSTAINABILITY CORPORATE GUIDELINE, WE ESTABLISHED THAT METALSA & CITROFRUT SHALL OVERSEE THAT **ALL FACILITIES ARE CERTIFIED UNDER ISO 14001:2015 ENVIRONMENTAL MANAGEMENT SYSTEM** STANDARD TO ENSURE OUR SYSTEMS ARE ROBUST ENOUGH TO BE COMPETITIVE IN THE INDUSTRY.

The background of the slide is a photograph of a beach at sunset. The sky is a mix of blue and orange, with the sun low on the horizon. The ocean waves are visible, and the foreground shows the texture of the sand. A semi-transparent green box is overlaid on the middle of the image, containing the main text.

In 2022, we **carried out climate change risk assessments** in Metalsa and Citrofrut to **acknowledge the possible meteorological impacts on our operations and prevent any risk on our companies.**

Metalsa’s assessment focused specifically on acute and/or chronic climate physical risks associated with extreme weather events globally and per each one of our manufacturing facilities. In 2023 Metalsa and Citrofrut will work on this global risk quantification and develop strategies to mitigate them.



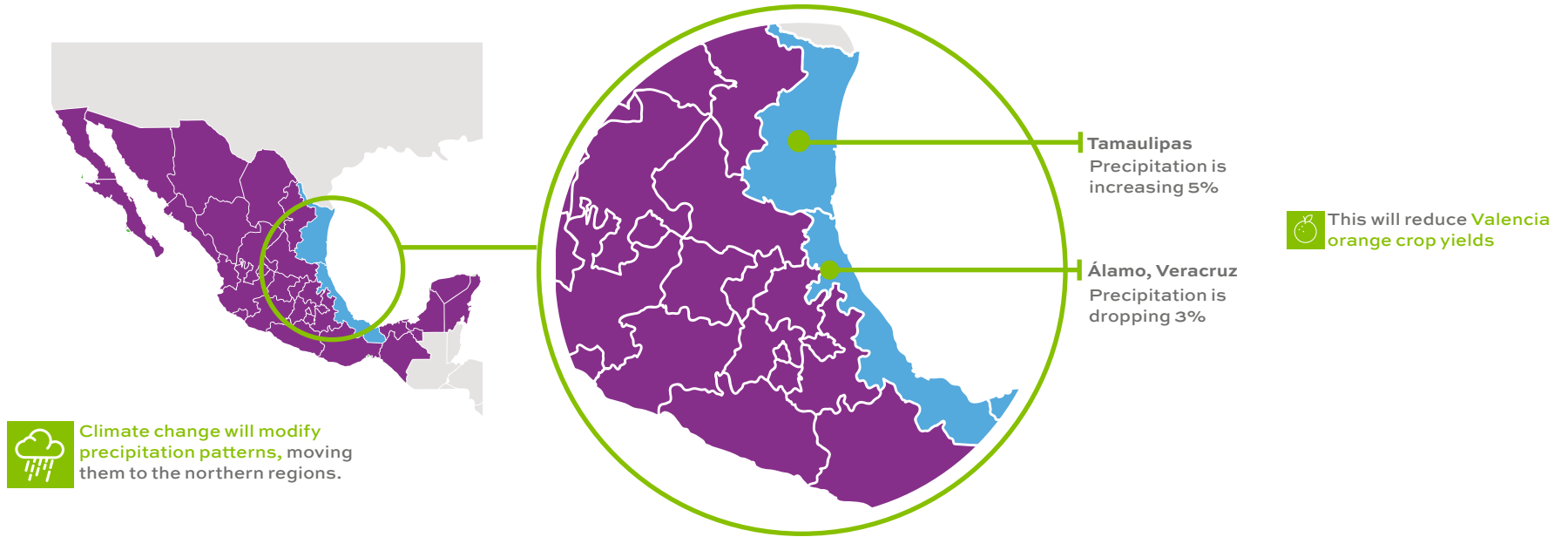
Base scenario
Interval: 1990-2020

Climate scenario
IPCC-ARS:
SSP2-4.5 2020-2040
SSP5-8.5 2020-2040



CLIMATE CHANGE IMPACT	OPERATIONAL RISK	PLANTS AT RISK
Heat waves	<ul style="list-style-type: none"> Rising energy costs Increased risk of blackouts/power outages Stress in the workforce 	Apodaca, Elizabethtown, Hopkinsville, Jamshedpur, Owensboro, Rayong, Roanoke
Floods	<ul style="list-style-type: none"> Property and building damage Compromised infrastructure Business interruptions Physical damage to products in stock 	Campo Largo, Elizabethtown, Hopkinsville, Jamshedpur, Owensboro, Rayong, Roanoke
Extreme winds	<ul style="list-style-type: none"> Physical damage to infrastructure Loss of production due to direct damage Physical damage to raw materials Physical damage to products in stock Increased risk of blackouts/power outages 	El Talar, Campo Largo, Elizabethtown, Hopkinsville, Jamshedpur, Owensboro, Osasco, Owensboro, Rayong
Electrical storms	<ul style="list-style-type: none"> Business interruptions 	Elizabethtown, Hopkinsville, Jamshedpur, Owensboro, Rayong
Droughts	<ul style="list-style-type: none"> Reduced water supply Increased waters costs 	Apodaca, Campo Largo, Roanoke
Tornadoes	<ul style="list-style-type: none"> Serious property damage 	Hopkinsville, Owensboro
Tropical storms	<ul style="list-style-type: none"> Serious material damage to infrastructures Permanent loss of property value Relocation costs Recovery and reconstruction costs 	Rayong

Citrofrut assessment focused on modelling impacts of climate risks on our orange crop yields, since climate change will most likely shift precipitation to northern regions by 2050.



During 2023, Metalsa and Citrofrut will work on:



Risk quantification and strategies development to mitigate them.



Integrate climate risk into our strategy and decision-making process.



Monitor climate risk as part of the market intelligence and/or risk management capabilities.



2022 RESULTS

GRI 302-1, 302-2, 302-3, 302-4, 305-1, 305-2, 305-3, 305-4, 305-5

METALSA

At Metalsa’s Saltillo Plant, we are undergoing a LP gas-to-electric forklift transition. In 2022, we replaced 80% of our forklifts, resulting in a 93% decrease in our Scope 1 CO₂ emissions related to the internal movement of materials and finished goods.

ENERGY

CONSUMPTION:

2,385,456.23 GJ⁸

ENERGY INTENSITY:

848.50 GJ/MILLION

US DOLLAR; **-5.12% VS**

2021 BASELINE



EMISSIONS⁹

Scope 1: 82,144.90 tons CO₂e¹⁰; -7.33% vs 2019 baseline

Scope 2: 116,559.79 tons CO₂e; -20.29% vs 2019 baseline

Total emissions: 198,705 tons CO₂e

-15% IN GHG

EMISSIONS VS 2019

EMISSIONS INTENSITY:

70.68 TONS CO₂e/

MILLION US DOLLAR;

-6.05% VS 2021

BASELINE

⁸ GJ: gigajoules

⁹ Scope 1 emissions include: diesel, gasoil, gasoline, natural gas, propane (LPG/liquid) and welding gases. Considers information from Mexico, United States, Brazil, Argentina, India and Thailand sites.

¹⁰ e: equivalent



ENERGY CONSUMPTION

188,244.73 GJ

EMISSIONS

Scope 1: 60,842.99 tons CO₂e

Scope 2: 22,118.76 tons CO₂e

Total emissions: 82,961.74 tons CO₂e

-3% IN GHG

EMISSIONS VS 2021

EMISSIONS INTENSITY:

10.931 TONS CO₂e/100

TFF; -3.17 VS 2021



ENERGY CONSUMPTION

24,338 L of gasoline used for employees' transportation

EMISSIONS

Scope 1: 9.79 tons CO₂e

Scope 2: 152.31 tons CO₂e

Scope 3: 61.05 tons CO₂e from employees' business flights

Total emissions: 223.15 tons CO₂e

-30% IN GHG

EMISSIONS VS 2019

BASELINE

EMISSIONS INTENSITY:

1.99 TONS CO₂e / FTE

Seeking to contribute to the source measurement of mobile emissions in the state of Nuevo León, as well as to establish measures to promote their reduction, we carried out the voluntary vehicle verification program in conjunction with CAINTRA, in which we had 118 vehicles of our employees and family members of Proeza Ventures, Citrofrut, Metalsa and Proeza verified. 82% passed the verification process, those who did not, were invited to act accordingly.

¹¹ Includes Proeza Ventures.

WATER MANAGEMENT

GRI 303: 3-3
GRI 303-1, 303-2, 303-3, 303-4, 303-5

IN 2023, **METALSA AND CITROFRUT** WILL IMPLEMENT **WATER STEWARDSHIP PROGRAMS** TO ESTABLISH 2050 CONTEXT-BASED OBJECTIVES.

METALSA

We identify the sources of water withdrawal (mainly municipal water, well water and/or purchased industrial water) for our operations and we account for those withdrawals on each of our manufacturing plants. All water used is directed to an internal treatment plant prior to discharge. In compliance with local legislation, we carry out periodic chemical analyzes at all facilities to measure the quality of discharge water.

TOTAL WATER

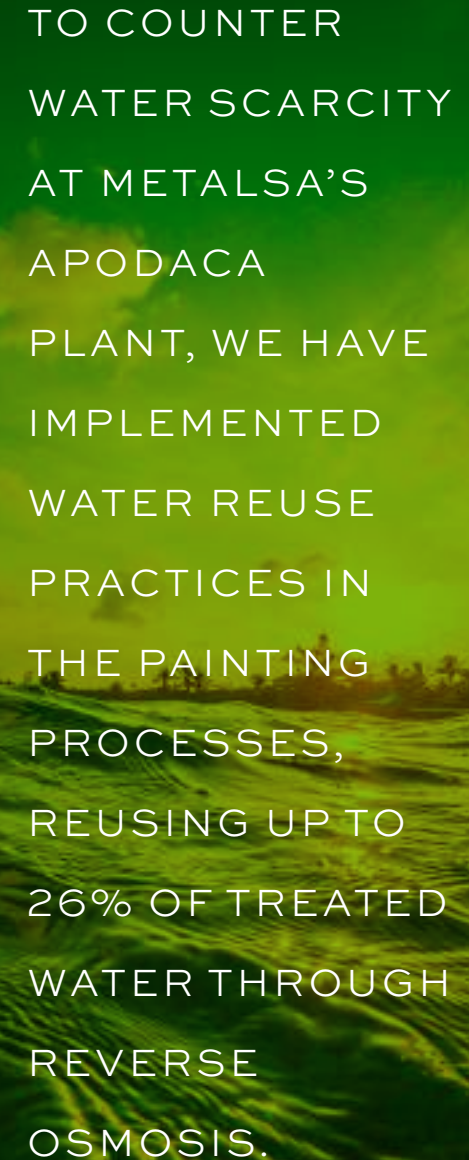
WITHDRAWAL: 1,117 ML;
19% REDUCTION VS
2021

TOTAL WATER

DISCHARGED: 189 ML;
19% REDUCTION VS
2021

TOTAL WATER

CONSUMPTION: 928 ML



TO COUNTER WATER SCARCITY AT METALSA'S APODACA PLANT, WE HAVE IMPLEMENTED WATER REUSE PRACTICES IN THE PAINTING PROCESSES, REUSING UP TO 26% OF TREATED WATER THROUGH REVERSE OSMOSIS.



The main consumption of water in Citrofrut’s operations applies to shell washing, heat exchange for pasteurization and distillation, and cooling. We seek to implement plans to improve the use of water in the process, as well as make optimization investments in wastewater treatment processes to seek its reuse and reduce the demand for well water extraction.

TOTAL WATER

WITHDRAWAL: 1,265 ML

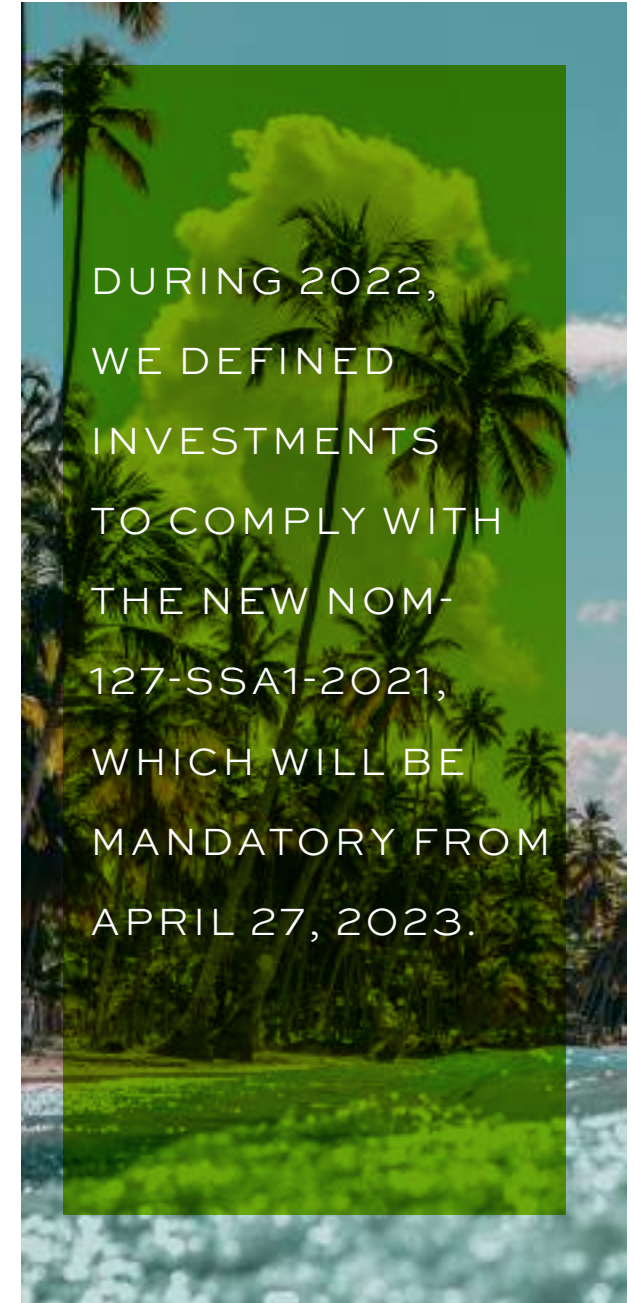
TOTAL WATER

CONSUMPTION:

1,473 ML; 16%

REDUCTION VS 2021

WE ARE ESTABLISHING PROJECTS TO ADAPT TO THE NEW STANDARD **NOM-001-SEMARNAT-2021**, WHICH, IN ADDITION TO COMPLYING WITH THE PROVISIONS OF THE REGULATORY FRAMEWORK, SEEK TO **INCREASE THE USE OF TREATED WATER WITHIN OUR FACILITIES AND MITIGATE WATER PROBLEMS.**



DURING 2022, WE DEFINED INVESTMENTS TO COMPLY WITH THE NEW NOM-127-SSA1-2021, WHICH WILL BE MANDATORY FROM APRIL 27, 2023.

WASTE MANAGEMENT

GRI 306: 3-3

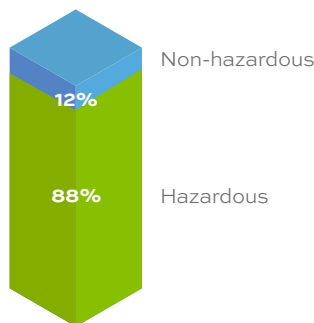
GRI 306-1, 306-2, 306-3, 306-4, 306-5

METALSA

Each manufacturing site has its own process regarding waste management according to local legislation. Overall, we monitor the total waste production, including production processes and support processes (offices, cafeterias, warehouses). We classify waste as hazardous and non-hazardous; the latter are divided into confined and co-processed; and former into recyclables and landfill. Therefore, they are separated more consistently and arranged according to the local legislation of each country/city.

59,960.28 TONS OF WASTE GENERATED IN 2022.

Waste recycled



AT METALSA'S ROANOKE PLANT, WE HAVE ACHIEVED A REMARKABLE **100% ZERO-WASTE-TO-LANDFILL POLICY**. THROUGH RECYCLING, REUSING, AND INNOVATIVE WASTE-TO-ENERGY SOLUTIONS, WE MINIMIZE OUR ENVIRONMENTAL IMPACT WHILE CONSERVING NATURAL RESOURCES.



We strive to manage and dispose of waste properly. At each plant we have temporary waste storage areas, both for hazardous waste, special handling waste and urban solid waste. We carry out control records in each warehouse such as the logs where the inputs and outputs of the generated waste are recorded. Furthermore, we have previously authorized suppliers for its management that ensure the correct disposal. For each generated service, the provider delivers the corresponding manifests to the interested parties.

NON-HAZARDOUS

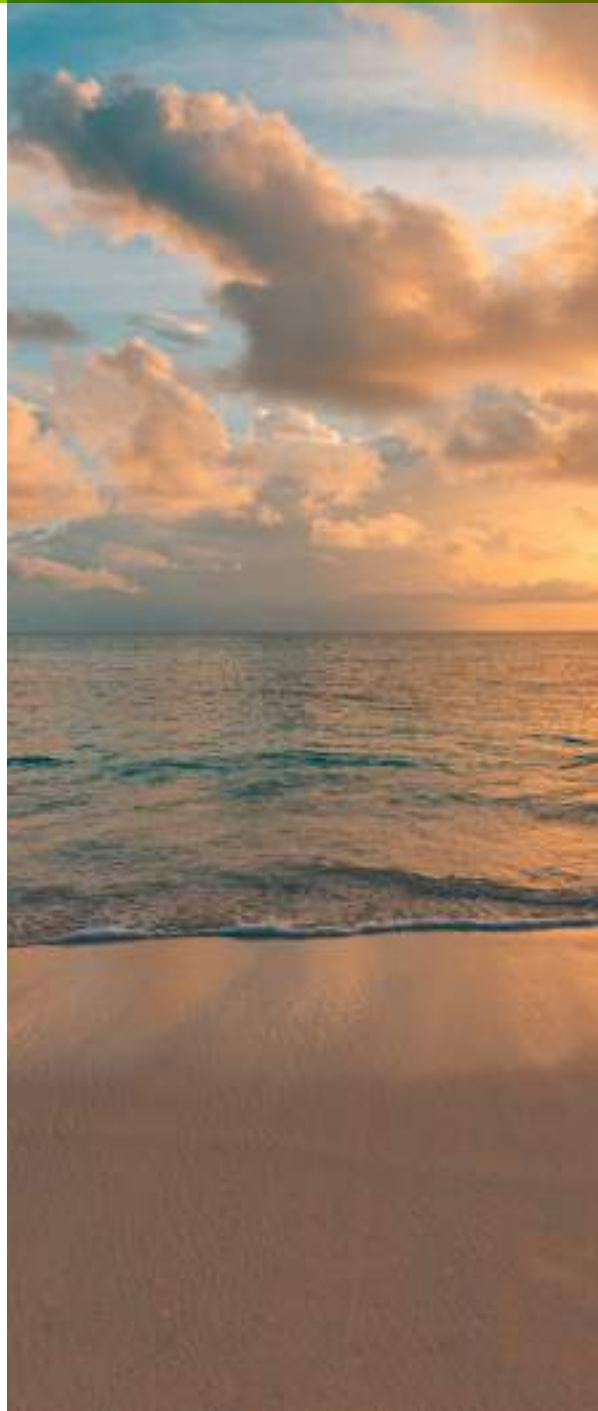
WASTE: **103,322.7 TONS**

HAZARDOUS WASTE:

48.38 TONS

RECYCLED WASTE¹²:

42,840.20 TONS



WE CONTINUE TO SEEK EFFICIENCIES TO **REDUCE THE WASTE GENERATED BY OUR OPERATIONS,** AS WELL AS FOR ITS RECYCLING.

WE HAVE ALSO CARRIED OUT AWARENESS CAMPAIGNS FOR ALL OUR STAFF FOR THE **CORRECT COLLECTION AND DISPOSAL OF WASTE.**

¹² Recycled waste only includes special handling non-hazardous waste.

An aerial photograph of a mountain range. The peaks are covered in snow and partially obscured by mist. The slopes are densely forested with evergreen trees, interspersed with rocky terrain. A dark blue, textured rectangular overlay is positioned on the left side of the image, containing the word 'APPENDIX' in white, bold, sans-serif capital letters.

APPENDIX

GRI 3-2, 3-3

According to our materiality assessment, we have 17 material topics. In order to correctly manage all of them, we are focusing first on certain targets. In 2023, we will work on defining management approaches and targets for Shared value creation, Sustainable value chain and Well-being and Quality of Life. Our goal is to address and have a robust strategy for all in the short to medium term. Furthermore, we are working on Identifying the actual and potential, negative and positive impacts of each these topics on the economy, environment, and communities, including their impacts on human rights.

PILLAR	MATERIAL TOPIC	METALSA, PROEZA, PROEZA CORPORATE AND CITROFRUT'S COMMITMENTS. 2030 & 2050 TARGETS	2022 MOST RELEVANT ACTIONS IN PROEZA GROUP
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PRINCIPLES OF GOVERNANCE	Ethical behavior	Recognized as world's most ethical companies by Ethisphere	We contracted a platform called Sphere by Ethisphere, which will allow us to assess the current state of our Ethics and Compliance Program, identifying future needs and accessing the tools and templates necessary to achieve them more quickly. Specifically, we will be able to compare our program with other companies relevant to our organization by sector, by size or even with the World's Most Ethical Corporations®, as well as identify gaps and risks in our program in order to prioritize initiatives and investments.
		Score in compliance program evaluations	In 2022, a consultant was hired to create a compliance management system, based on US Department of Justice's criteria, best practices and the organization's needs. This will help us to analyze the percentage of compliance with the three essential elements of a compliance program: design, efficiency and functionality, in order to identify areas of opportunity and develop an action plan to mitigate risks in the following years.
	Governance	Top of class governance with agile decision-making	Running diagnosis and strategic plan with a specialized consulting firm.





PEOPLE	Diversity, Equity and Inclusion	Gender pay gap	<p>We conducted the annual salary review to close salary gaps compared to the market, especially between men and women.</p>
		Women as top leaders	<p>Creation of ‘Women as Leaders’, an initiative focused on gender inclusion, including mentorship programs and specialized leadership programs for women. These programs aim to:</p> <ul style="list-style-type: none"> • Contribute to women’s professional and personal development by enhancing competencies (knowledge and skills). • Promote women’s participation and visibility at the highest levels of leadership and help to reduce the gap in the percentage of women in high-level positions. <p>Roles dedicated to DEI were created and enhanced.</p>
		Women in governance	<p>In 2022, a new female member was integrated into the company’s Board.</p> <p>Proeza Group has worked on defining 2023-2030 initiatives to broaden the opportunities for women to participate in the Board’s selection process.</p>
		ESS score on DEI	<p>ESS is performed every two years. In 2023, the survey will be applied to measure our new values and an enhanced Diversity, Equity and Inclusion Index.</p>
	Employee well-being	Target under construction	<p>Our main facilities have medical services that offer a wide range of resources and care, including prevention and advice for various illnesses. We also conduct several vaccination and wellness campaigns where professionals address different aspects of physical health, such as nutrition, physical activity, visual health, breast cancer, general examinations, and more.</p> <p>All administrative personnel have a major medical expense insurance, and they have the option to expand their coverage or include dental and eyesight services, as well as minor medical expenses.</p> <p>We constantly train employees on their benefits, such as life insurance, hospital discounts, check-ups, nutritional consultations, psychological attention, and financial and legal advisory services.</p> <p>Proeza Corporate also offers daycare programs, a flexible benefits program for leadership positions, a savings and loan program, and flexible work models that enable people to have a better work-life balance.</p> <p>We are currently developing a more robust well-being program that addresses not only symptoms but also focuses on prevention.</p>

PROSPERITY	Community & Social vitality	Volunteering engagement	<p>Companies are defining and updating their volunteering strategy, as well as the operating model to track results.</p> <p>Proeza Corporate: Definition of the Group’s Global Social Value Framework, which includes volunteering engagement guidelines. Metalsa: Cero Hunger N.L. & collection for plastic bottle caps for cancer treatments. 200 volunteers. Citrofrut: 51 Sentika Tekitl volunteers.</p>	
		Measurable long-lasting impact in community projects	<p>Companies are defining and updating their community strategy, as well as the operating model to track results.</p> <p>Proeza Corporate: Definition of the Group’s Global Social Value Framework, which includes community development. Metalsa: Spark Your Talents and Scholarship Program. Citrofrut: Sentika Tekitl.</p>	
		Supply chain’s development for conscious companies	<p>Companies are developing or updating their supply chain frameworks.</p> <p>Metalsa: Metalsa Suppliers’ Business Assessment (MSBA) allows to understand the capabilities of the supply chain. Citrofrut:</p> <ul style="list-style-type: none"> • Organic Program: 94,000 tons of certified organic fruit purchased, 203 benefited suppliers, 30% women. • Supplier Development Program: Workshops on bio-inputs and regenerative agriculture, as well as avoiding the use of herbicides, 41 producers from the Municipality of Álamo, Veracruz, 175 hectares. Training: 929 beneficiaries. 	
	PLANET	Climate change	2030: GHG emissions reduction 2050: Net Zero emissions	<p>Companies are developing their 2050 Net Zero Roadmaps.</p> <p>Proeza Corporate & Proeza Ventures: Exploring moving to a new building. Metalsa: Energy management systems certification, eco-friendly building adaptations to improve energy efficiency, including installation of automatized and smart systems. Citrofrut: Exploring alternative energy options, solar panel project at Paso Largo facility under evaluation.</p>
			2030: Renewable energy	<p>Metalsa: Exploring renewable energy options. Citrofrut: Solar panel project and heat recovery at boilers project under evaluation.</p>
		Water management	2030: Water reuse	<p>Companies are working on water stewardship programs to establish 2050 context-based targets.</p> <p>Citrofrut:</p> <ul style="list-style-type: none"> • “Squeeze” initiative to save water during peel wash under approval. • Water improvement plans in process. • Optimization investments in wastewater treatment processes to seek reuse and reduce the demand for well water extraction. <p>Metalsa:</p> <ul style="list-style-type: none"> • Target under construction.

ABOUT THIS REPORT

GRI 2-2, 2-3, 2-4, 2-5

In accordance with our commitment to transparency, we disclose our 2022 Sustainability Report, which outlines our performance on economic, environmental, social and governance topics during the period between January 1st and December 31, 2022, for all Proeza's operations, both Group and Corporate. We are not a public company, therefore; all information herein provided is voluntary. Since this is our first report under GRI guidelines, there are no restatements of information, and the document is not externally assured.

Along with the sustainability peers in our subsidiaries, and in alliance with our group-level GRI consultant, we obtained the Proeza Group Sustainability information, which includes our companies: Proeza, S.A. de C.V., Metalsa, S.A.P.I. de C.V. and Citrofrut, S.A.P.I. de C.V.

This report has been prepared under the guidelines of the 2021 Standards of the Global Reporting Initiative, applying all reporting principles required.



GRI CONTENT INDEX

STATEMENT OF USE	Proeza S.A. de C.V. has reported in accordance with the GRI Standards for the period from January 1st to December 31, 2022.
GRI 1 USED	GRI 1: Foundation 2021
APPLICABLE GRI SECTOR STANDARD(S)	None applicable

GRI STANDARD	DISCLOSURE	LOCATION / DIRECT ANSWER			OMISSION		
					REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GENERAL DISCLOSURES							
GRI 2: General Disclosures 2021	2-1 Organizational details	12, 15, 93					
	2-2 Entities included in the organization's sustainability reporting	12, 77					
	2-3 Reporting period, frequency and contact point	77, 93					
	2-4 Restatements of information	77					
	2-5 External assurance	77					
	2-6 Activities, value chain and other business relationships	12, 37					
	2-7 Employees	41					
	2-8 Workers who are not employees	At Proeza Corporate: Cleaning personnel: 12 Interns / trainees: 15 HCM Consultants: 1	Metalsa: Interns: 350 Subcontractors: 116	Citrofrut: We have temporal employees but all have contracts with the company			
	2-9 Governance structure and composition	25					
	2-10 Nomination and selection of the highest governance body	25					
	2-11 Chair of the highest governance body	25					

■ Omissions are not allowed on these contents per GRI Standard's requirements.

GRI STANDARD	DISCLOSURE	LOCATION / DIRECT ANSWER	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 2: General Disclosures 2021	2-12 Role of the highest governance body in overseeing the management of impacts	25			
	2-13 Delegation of responsibility for managing impacts	25			
	2-14 Role of the highest governance body in sustainability reporting	21, 25			
	2-15 Conflicts of interest	32, 33			
	2-16 Communication of critical concerns	34			
	2-17 Collective knowledge of the highest governance body	25			
	2-18 Evaluation of the performance of the highest governance body	25			
	2-19 Remuneration policies	25, 27			
	2-20 Process to determine remuneration	25, 27			
	2-21 Annual total compensation ratio		2-21	Confidentiality constraints	Due to confidentiality reasons, we don't report our annual total compensation ratio
	2-22 Statement on sustainable development strategy	9			
	2-23 Policy commitments	23, 32			
	2-24 Embedding policy commitments	23, 32			
	2-25 Processes to remediate negative impacts	23, 32, 34			

GRI STANDARD	DISCLOSURE	LOCATION / DIRECT ANSWER	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 2: General Disclosures 2021	2-26 Mechanisms for seeking advice and raising concerns	34			
	2-27 Compliance with laws and regulations	During 2022 there were no non-compliances with laws and regulations or any fines, except for Citrofrut, which had one fine.			
	2-28 Membership associations	We are members of the following associations: Consejo Mexicano de Negocios Consejo Coordinador Empresarial Cámara de la Industria de Transformación de Nuevo León Movimiento Congruencia Asociación Técnica de Compensaciones ERAC			
	2-29 Approach to stakeholder engagement	20			
	2-30 Collective bargaining agreements	Proeza Corporate, Astrum and Proeza Ventures don't have a union because they have a protection contract, which functions as protection for any situation that may arise with the leakage of any union and protects the personnel. Metalsa. 9,254 employees unionized. Citrofrut. Men: 80.28% Women: 19.72%			
MATERIAL TOPICS					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	18			
	3-2 List of material topics	18, 74			
ECONOMIC PERFORMANCE					
GRI 201: Economic Performance 2016	3-3 Management of material topics	9			
	201-1 Direct economic value generated and distributed		201-1	Confidentiality constraints	As a private company, we do not disclose financial data.
	201-2 Financial implications and other risks and opportunities due to climate change	63			
	201-3 Defined benefit plan obligations and other retirement plans	46			

Omissions are not allowed on these contents per GRI Standard's requirements.

GRI STANDARD	DISCLOSURE	LOCATION / DIRECT ANSWER	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
	201-4 Financial assistance received from government	Proeza Group does not receive assistance from the government.			
MARKET PRESENCE					
GRI 3: Material Topics 2021	3-3 Management of material topics	46			
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	46			
	202-2 Proportion of senior management hired from the local community	89% of senior management in Proeza Group is from the local communities.			
INDIRECT ECONOMIC IMPACTS					
GRI 3: Material Topics 2021	3-3 Management of material topics	54			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	54			
PROCUREMENT PRACTICES					
GRI 3: Material Topics 2021	3-3 Management of material topics	37			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	37			
ANTI-CORRUPTION					
GRI 3: Material Topics 2021	3-3 Management of material topics	30			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	30			

GRI STANDARD	DISCLOSURE	LOCATION / DIRECT ANSWER	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	30, 34			
	205-3 Confirmed incidents of corruption and actions taken	During 2022, there were no corruption incidents.			
ANTI-COMPETITIVE BEHAVIOR					
GRI 3: Material Topics 2021	3-3 Management of material topics	30			
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	During 2022, there were no legal actions for anti-competitive behavior, anti-trust and monopoly practices.			
TAX					
GRI 207: Tax 2019	207-1 Approach to tax		207-1	Confidentiality constraints	As a private company, we do not disclose financial data.
	207-2 Tax governance, control, and risk management		207-2	Confidentiality constraints	As a private company, we do not disclose financial data.
	207-3 Stakeholder engagement and management of concerns related to tax		207-3	Confidentiality constraints	As a private company, we do not disclose financial data.
	207-4 Country-by-country reporting		207-4	Confidentiality constraints	As a private company, we do not disclose financial data.
MATERIALS					
GRI 301: Materials 2016	301-1 Materials used by weight or volume		301-1	Information unavailable/incomplete	We are in the process of consolidating data on the amount of materials we use on each company.

GRI STANDARD	DISCLOSURE	LOCATION / DIRECT ANSWER	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 301: Materials 2016	301-2 Recycled input materials used		301-2	Information unavailable/incomplete	We are in the process of consolidating data on the amount of materials we use on each company.
	301-3 Reclaimed products and their packaging materials		301-3	Information unavailable/incomplete	We are in the process of consolidating data on the amount of materials we use on each company.
ENERGY					
GRI 3: Material Topics 2021	3-3 Management of material topics	63			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	67			
	302-2 Energy consumption outside of the organization	67			
	302-3 Energy intensity	67			
	302-4 Reduction of energy consumption	67	302-4 for Citrofrut	Information unavailable/incomplete	We are currently working to compile this data for the pending companies.
	302-5 Reductions in energy requirements of products and services		302-5	Information unavailable/incomplete	We are currently working to compile this data in each company.
WATER AND EFFUENTS					
GRI 3: Material Topics 2021	3-3 Management of material topics	69			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	69			

GRI STANDARD	DISCLOSURE	LOCATION / DIRECT ANSWER	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 303: Water and Effluents 2018	303-2 Management of water discharge-related impacts	69			
	303-3 Water withdrawal	69			
	303-4 Water discharge	69			
	303-5 Water consumption	69			
BIODIVERSITY					
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		304-1	Information unavailable/incomplete	We are working to enhance our environmental management system to protect and preserve biodiversity.
	304-2 Significant impacts of activities, products and services on biodiversity		304-2	Information unavailable/incomplete	We are working to enhance our environmental management system to protect and preserve biodiversity.
	304-3 Habitats protected or restored		304-3	Information unavailable/incomplete	We are working to enhance our environmental management system to protect and preserve biodiversity.
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations		304-4	Information unavailable/incomplete	We are working to enhance our environmental management system to protect and preserve biodiversity.
EMISSIONS					
GRI 3: Material Topics 2021	3-3 Management of material topics	63			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	67			

GRI STANDARD	DISCLOSURE	LOCATION / DIRECT ANSWER	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	67			
	305-3 Other indirect (Scope 3) GHG emissions	67			
	305-4 GHG emissions intensity	67			
	305-5 Reduction of GHG emissions	67			
	305-6 Emissions of ozone-depleting substances (ODS)		305-6	Not applicable	At Proeza Group, we don't have this type of emissions.
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		305-7	Not applicable	At Proeza Group, we don't have this type of emissions.
WASTE					
GRI 3: Material Topics 2021	3-3 Management of material topics	71			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	71			
	306-2 Management of significant waste-related impacts	71			
	306-3 Waste generated	71			
	306-4 Waste diverted from disposal	71			
	306-5 Waste directed to disposal	71			
SUPPLIER ENVIRONMENTAL ASSESSMENT					
GRI 3: Material Topics 2021	3-3 Management of material topics	37			
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT	308-1 New suppliers that were screened using environmental criteria	37			

GRI STANDARD	DISCLOSURE	LOCATION / DIRECT ANSWER							OMISSION		
									REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT	308-2 Negative environmental impacts in the supply chain and actions taken								308-2	Information unavailable/incomplete	In 2023, we will screen all our critical suppliers in order to detect any risks during the business relationship. Moreover, our units will be developing their sustainable supply chain frameworks.
EMPLOYMENT											
GRI 3: Material Topics 2021	3-3 Management of material topics	41, 46									
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	41							b. Employee turnover	Confidentiality constraints	Due to confidentiality reasons, we don't report our turnover rate.
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	46									
	401-3 Parental leave		Employees who took parental leave		Employees that returned to work after parental leave ended		Employees that returned to work after parental leave ended that were still employed 12 months after their return to work		Retention rates	b. - e. for Metalsa	Information unavailable/incomplete
		corporate	citrofrut	corporate	citrofrut	corporate	citrofrut	corporate			
	women	4	7	4	6	3	2	75%			
	men	4	7	4	7	4	7	100%			
LABOR / MANAGEMENT RELATIONS											
GRI 3: Material Topics 2021	3-3 Management of material topics	46									
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Metalsa: At least one week with unions.									

GRI STANDARD	DISCLOSURE	LOCATION / DIRECT ANSWER	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
OCCUPATIONAL HEALTH AND SAFETY					
GRI 3: Material Topics 2021	3-3 Management of material topics	48			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	48			
	403-2 Hazard identification, risk assessment, and incident investigation	48			
	403-3 Occupational health services	48			
	403-4 Worker participation, consultation, and communication on occupational health and safety	48			
	403-5 Worker training on occupational health and safety	48			
	403-6 Promotion of worker health	48			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	48			
	403-8 Workers covered by an occupational health and safety management system	48			
	403-9 Work-related injuries	<p>Metalsa: 72 injuries; 0.57% rate of work-related injuries 2 fatalities; 0.15% rate Lost day rate: 8.48</p> <p>Citrofrut: 8 work-related incidents; 0.43% rate of work-related incidents 0 fatalities Lost day rate: 0.042</p>			

GRI STANDARD	DISCLOSURE	LOCATION / DIRECT ANSWER	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 403: Occupational Health and Safety 2018	403-10 Work-related ill health	Metalsa: 4 work-related illnesses. Hearing problems, carpal tunnel and De Quervain's syndromes.	403-10 for Citrofrut	Information unavailable / incomplete	We don't have quantitative information. We are currently working to compile this data for the pending companies.
TRAINING AND EDUCATION					
GRI 3: Material Topics 2021	3-3 Management of material topics	49			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	49			
	404-2 Programs for upgrading employee skills and transition assistance programs	49			
	404-3 Percentage of employees receiving regular performance and career development reviews	Proeza Corporate: 40% of employees received a performance review. Metalsa: 100% of collaborators received a performance review. Citrofrut: 100% of union employees and 91% of administrative employees received a performance review.	49		
DIVERSITY AND EQUAL OPPORTUNITY					
GRI 3: Material Topics 2021	3-3 Management of material topics	44			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	25, 41			

GRI STANDARD	DISCLOSURE	LOCATION / DIRECT ANSWER				OMISSION			
						REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 405: Diversity and Equal Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men		Mexico	United States	Argentina	Brazil			
		Job category	(MXN)	(USD)	(ARS)	(BRL)			
		Hourly	AVERAGE BASIC						
			95%	92%	110%	73%			
			BASE SALARY + OTHER INCENTIVES						
			95%	92%	118%	70%			
		Analyst, Clerk and Technicians	AVERAGE BASIC SALARY						
			102%	92%	99%	102%			
			BASE SALARY + OTHER INCENTIVES						
			102%	91%	99%	102%			
		Specialists and Consultants	AVERAGE BASIC SALARY						
			96%	94%	87%	90%			
			BASE SALARY + OTHER INCENTIVES						
			95%	94%	87%	90%			
Coordinators	AVERAGE BASIC SALARY								
	80%	90%	94%	-					
	BASE SALARY + OTHER INCENTIVES								
	81%	89%	94%	-					
		*It does not include LO-L1 positions. For the base salary + other incentives it was included: - Annual base salary - Guaranteed compensation (Christmas bonus, vacation premium, etc.) - Short-term incentive							
NON-DISCRIMINATION									
GRI 3: Material Topics 2021	3-3 Management of material topics	46							
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Proeza Corporate: zero Metalsa: 4 (these were reviewed and no evidence was found to support the report, but we identified a control weakness and thus, made process improvements) Citrofrut: 1 (after review it was deemed not true and no further action was taken) Astrum: zero							

GRI STANDARD	DISCLOSURE	LOCATION / DIRECT ANSWER	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING					
GRI 3: Material Topics 2021	3-3 Management of material topics	46			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	During 2022 there were no operations or suppliers where the right to freedom of association was at risk.			
CHILD LABOR					
GRI 3: Material Topics 2021	3-3 Management of material topics	30			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	During 2022 there were no operations or suppliers with risks for child labor incidents.			
FORCED OR COMPULSORY LABOR					
GRI 3: Material Topics 2021	3-3 Management of material topics	30			
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	During 2022 there were no operations or suppliers with risks for forced or compulsory labor incidents.			
RIGHTS OF INDIGENOUS PEOPLE					
GRI 3: Material Topics 2021	3-3 Management of material topics	30			
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	During 2022 there were no operations or suppliers with risks violation of indigenous people rights.			
LOCAL COMMUNITIES					
GRI 3: Material Topics 2021	3-3 Management of material topics	54			

GRI STANDARD	DISCLOSURE	LOCATION / DIRECT ANSWER	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	54			
	413-2 Operations with significant actual and potential negative impacts on local communities		413-2	Information unavailable/incomplete	We have not identified this data. However, we disclose our activities to positively impact our communities.
SUPPLIER SOCIAL ASSESSMENT					
GRI 3: Material Topics 2021	3-3 Management of material topics	37			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	37			
GRI 414: Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken		414-2	Information unavailable/incomplete	In 2023, we will screen all our critical suppliers in order to detect any risks during the business relationship. Moreover, our units will be developing their sustainable supply chain frameworks.
PUBLIC POLICY					
GRI 3: Material Topics 2021	3-3 Management of material topics	30			
GRI 415: Public Policy 2016	415-1 Political contributions	Proeza Group does not make contributions to political parties or representatives.			
CUSTOMER HEALTH AND SAFETY					
GRI 3: Material Topics 2021	3-3 Management of material topics	37			

GRI STANDARD	DISCLOSURE	LOCATION / DIRECT ANSWER	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	We have no programs of this type.			
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	During 2022, there were no incidents related to the health and safety of our products.			
MARKETING AND LABELING					
GRI 3: Material Topics 2021	3-3 Management of material topics	30			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Both Metalsa and Citrofrut have several and different requirements for the information of their products. For detailed information on these topics, visit each company's sustainability reports.			
	417-2 Incidents of non-compliance concerning product and service information and labeling	During 2022, we did not detect any noncompliance with regulations or voluntary codes regarding service information.			
	417-3 Incidents of non-compliance concerning marketing communications	During 2022, we did not detect any noncompliance with regulations or voluntary codes regarding marketing.			
CUSTOMER PRIVACY					
GRI 3: Material Topics 2021	3-3 Management of material topics	30			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	During 2022, there were no complaints or breaches regarding privacy or losses of customer data.			





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