



Social Responsibility and Sustainable Development Report

20/22



ENERGY THAT POWERS GROWTH

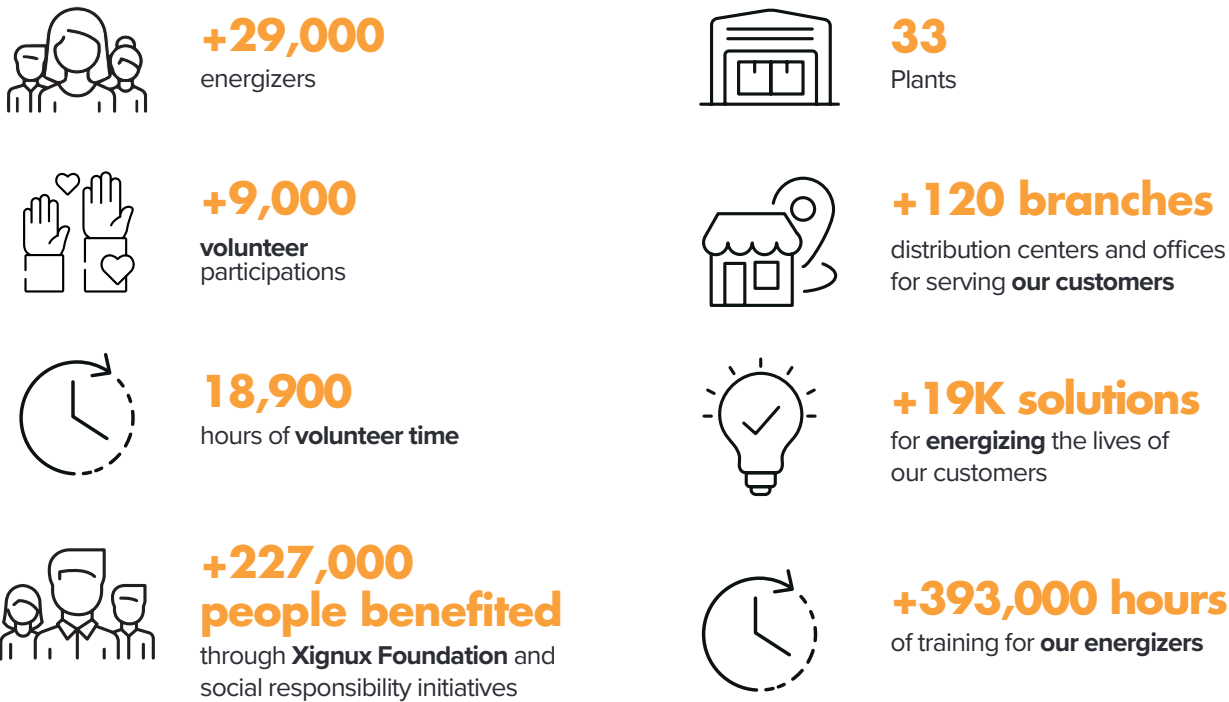
Social Responsibility
and Sustainable Development Report

20
/22

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Key facts and figures



Every day, Xignux companies sell



Our history

We began operations in 1956 as Conductores Monterrey. We are **engaged in energy and food products, electromobility and nanotechnology**, always ready to energize spaces through transportation (cables) and energy transformation (transformers), and by making food and snacks. We also offer electric vehicle recharging solutions and products that incorporate nanotechnology.



Message from our Chief Executive Officer

GRI 2-22

The performance shown by Xignux companies in each of our businesses throughout 2022 reflects a year of record-high results, and reinforces our conviction in being and making a socially responsible company, committed at all times to sustainable development and to environmental, social and governance (ESG) principles.

I'm especially proud to confirm that our work ethic and our values have positive effects in the short term while putting us on stronger footing to face future challenges, because the successes described in this report are also the result of a consistent execution that began years ago.

These strong results confirm that we are on the right track, but they also give us the chance to identify lessons and opportunities for improvement in every one of the actions we take on the pillars of our social responsibility model: Ethics and Values, Our People, Community, and Planet.

Within the sphere of ethics, 2022 reinforced in us the idea that a diverse workplace, where people of different countries and cultures come together, will always be a strength. This is evident at Prolec, which today has a great team of energizers in Mexico, Brazil and the United States. Its example invites us to reinforce our values so that our actions are always grounded in the pursuit of excellence and the trust of all of our stakeholders.

I'd also like to point out that, in the last five years, we have increased the number of women in leadership positions by 40%. Our challenge continues to be expanding opportunities and conditions so that more women energizers can occupy executive positions and we can continue building female talent in our organization.

We also took further action to strengthen our human capital. One of the most influential events in this area was the redesign of our Xignux Work Culture Model. Created 11 years ago, this model has become an essential part of our identity, because it guides our actions both inside and outside of our companies.

To ensure that our model stays current, we decided to update and reinforce quality and continuous improvement aspects and incorporate new features and lessons learned over the past decade. We also took note of the steady progress made by programs that directly affect the performance of our energizers, like the Mentoring Program, which has helped 59% of participants to earn a promotion through the lessons learned, or Feedback Time, which has been in place for the past nine years, strengthening a culture of dialogue and communication, to mention just a couple of examples.

As for our communities, we are proud of the continuous and valuable work of the Xignux Foundation, whose far-sighted vision and sensitivity in social issues helps us to identify causes where our capacities can have the most impact, and the Civil Society Organizations (CSO) and social institutions that are most appropriate for building alliances through which we can multiply our benefits.

One example of this work is the progress made by our Energy for All program, which makes the most of our internal talent by creating synergies between our Social Responsibility department and the Xignux Foundation. These work together to reduce energy poverty in the areas where we are present.

As regards our actions aimed at conserving our planet, we confirmed the importance of cross-industry alliances in meeting the goals of the sustainable development agenda. In the year covered by this report, we focused on three initiatives that highlight the importance of partnerships for our strategy.

The first is Xignux's participation in the Save the Monarchs program, a trinational effort between Canada, the United States and Mexico, where we work together with national and international allies to protect the passage of the monarch butterfly during its migration in Mexico, and ensure the conservation of the ecosystems that sustain it.

The second is our partnership with the Chipinque Ecological Park in San Pedro Garza García, Mexico, where we carry out the Seeds of Hope and Citizen Scientist programs. In these, our volunteers contribute to the strategic reforestation of degraded zones in this natural reserve, and promote a culture of conservation in one of the most environmentally challenged urban zones in the country.

Third, our Social Responsibility team acted as Xignux's representative before the UN Global Compact in activities concerning sustainable development in the United Nations General Assembly in New York, where we learned and shared good practices with other leading companies.

Finally, in the matter of energy and emissions control, thanks to an outstanding effort by our energizers at Qualtia, this division developed the first electric distribution vehicle to generate zero emissions and reduce waste generation.

In light of all of these initiatives and responsible strategies, this year Viakable and Qualtia were recognized with Mexico's Socially Responsible Enterprise (ESR) award.

The year 2022 will be remembered as one of historic achievements, which invite us to recognize the efforts of past energizers—those who laid the foundations for our growth--and the energizers of today, who are carrying on this legacy to ever-higher levels.

Looking back on the lessons we have learned together, and comparing them with the challenges that lie ahead, I believe without a question that seeking out, developing and maintaining the talent needed to face any circumstance is our greatest challenge.

We are a group of companies in constant transformation, keeping pace with the shifting social and environmental climate in which we do business. Undaunted by the complexity of the circumstances that may arise, we will continue to insist on seeking out, training and retaining the right talent for the right job, to meet the expectations of our stakeholders and positively impact the environment and the communities of which we are a part. I invite you to read further to learn more about our actions.

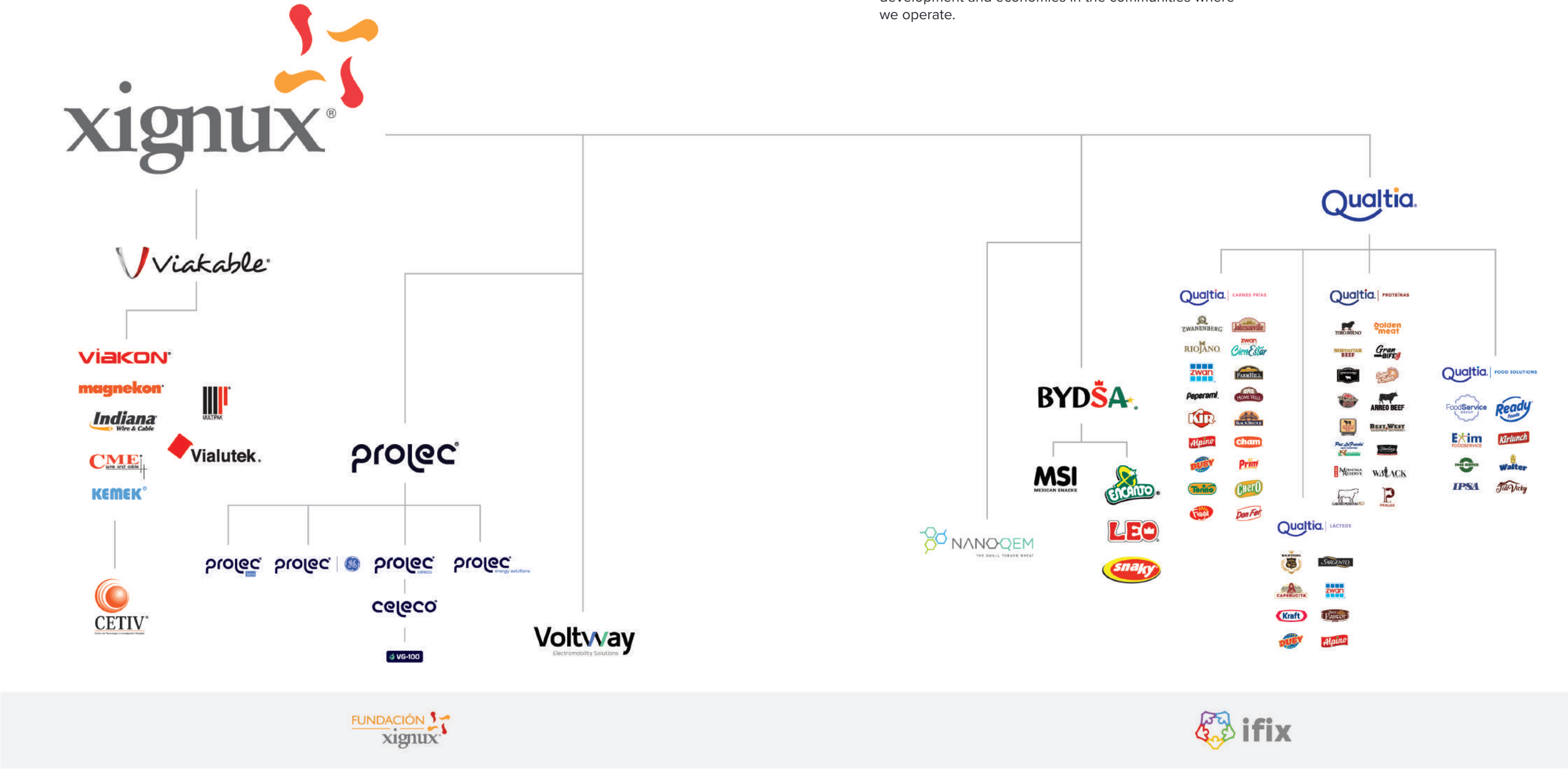
Juan Ignacio Garza Herrera
Xignux Chief Executive Officer



We continue working to fulfill our mission: to energize life and society to contribute to a better world.

Solid operations backed by **more than 65 years of hard work and growth** have made us an essential player in the development of industry in various countries. We participate in the local **electrical, export electrical, food, nanotechnology and electromobility** industries.

Innovation is part our **work culture**. We remain firmly committed to research and development, seeking out solutions that will enable us to serve our customers and meet their needs; and to continue contributing to sustainable development and economies in the communities where we operate.



Xignux in Mexico and the world

We have built up a global presence with **33 production plants in four countries**, and our products and services are sold in more than **35 countries**.

We offer our solutions through more than **120 distribution centers, offices and branches**. And we reinforce our commitment to innovation and research through three research & development centers: **CETIV, Prolec Labs and CIDEQ**.



MEXICO
26,379 energizers



UNITED STATES
1,663 energizers

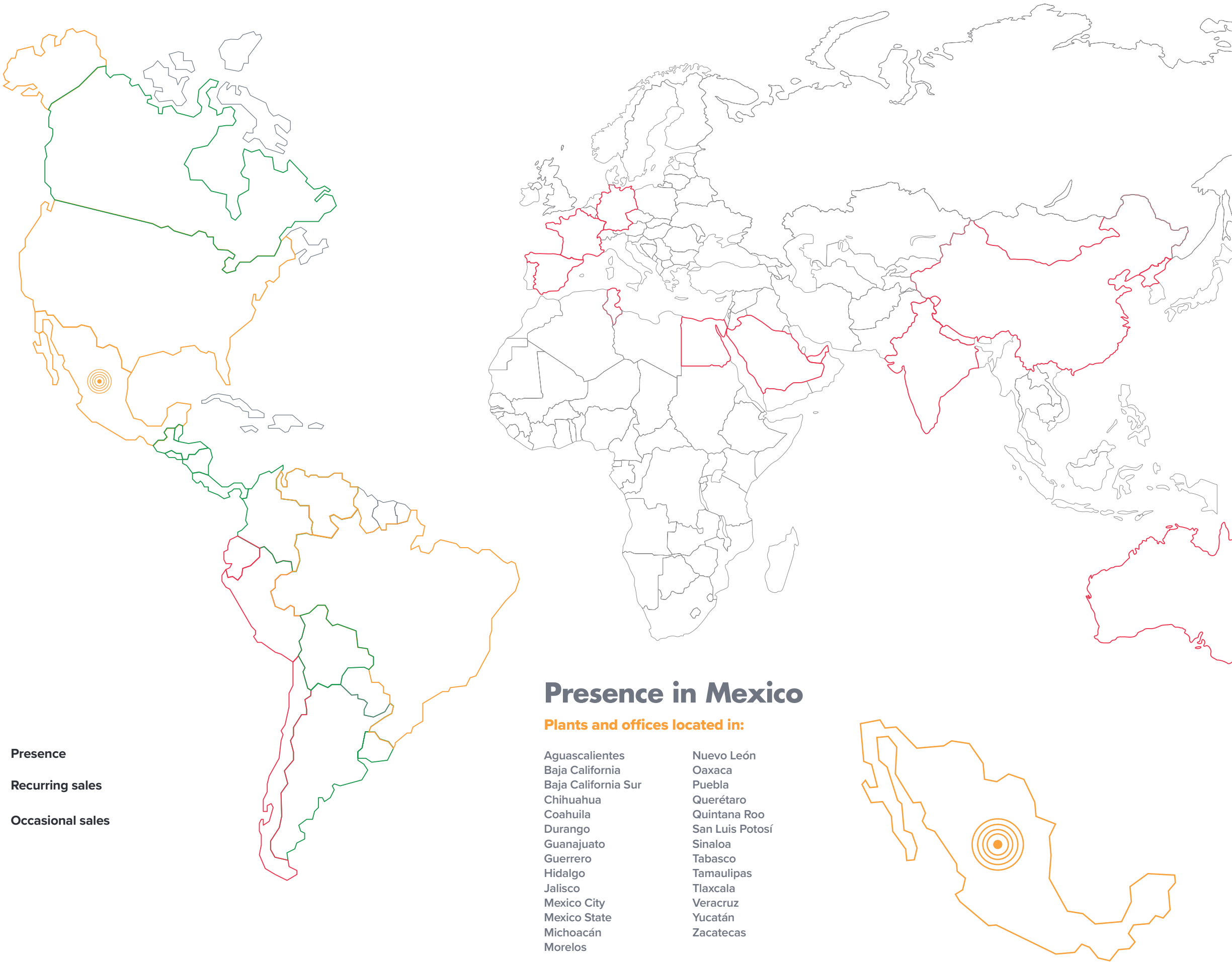


BRAZIL
633 energizers



VENEZUELA
351 energizers

- Presence
- Recurring sales
- Occasional sales



Presence in Mexico

Plants and offices located in:

- | | |
|---------------------|-----------------|
| Aguascalientes | Nuevo León |
| Baja California | Oaxaca |
| Baja California Sur | Puebla |
| Chihuahua | Querétaro |
| Coahuila | Quintana Roo |
| Durango | San Luis Potosí |
| Guanajuato | Sinaloa |
| Guerrero | Tabasco |
| Hidalgo | Tamaulipas |
| Jalisco | Tlaxcala |
| Mexico City | Veracruz |
| Mexico State | Yucatán |
| Michoacán | Zacatecas |
| Morelos | |



Solutions for the food and energy industries

Xignux in energy

Viakable | Electrical conductors

We are leading **producers and sellers of electrical conductors** that power the productive life of homes, businesses and communities. Our talent is focused on **innovating and manufacturing all types of cables** for the electrical transmission and distribution industries. Our products are sold throughout much of the Americas, where they are known for their **quality, safety and dependability**.

We were present at the birth of Xignux, which was founded in the city of Monterrey in 1956 as Conductores Monterrey.



We transmit energy that powers your life!



Xignux economic impact

	2019	2020	2021	2022
Sales	61,452	66,187	84,789	106,551
Cost of goods sold	48,325	50,786	64,967	79,661
Operating expense	10,595	11,738	12,997	10,701
Taxes	778	736	2,112	2,486
Payments to providers of funds	1,159	1,751	1,408	2,004
Others	780	672	125	5,085
Economic value retained	1,374	504	3,180	6,614

*Amounts expressed in millions of Mexican pesos

Consolidated sales

	2021	2022
Viakable	52%	47%
Prolec	26%	33%
Qualtia	20%	19%
BYDSA	4%	3%
Infrastructure company	1%	0%
Others and intercompany eliminations	-3%	-2%

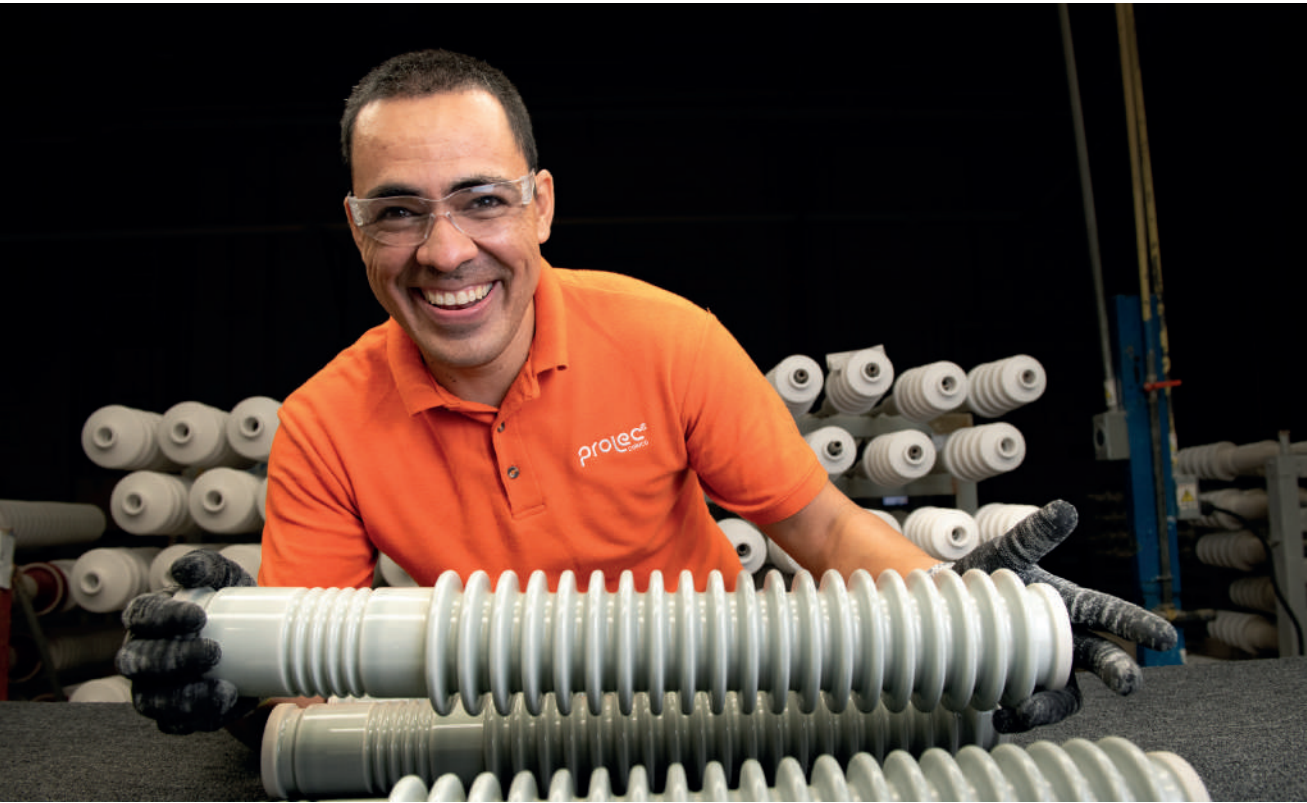
Prolec | Transformers and components

We contribute to the **progress and well-being of society** through innovative, sustainable solutions for the transformation and delivery of electrical energy. We aim to become the most reliable strategic partner in the Americas. Together with our allies, we create **comprehensive solutions to make products that help build a better world.**

Toward our goal of transforming our customers' world through energy, we are **leaders in the Mexican market** and one of the most competitive players in the Americas. With more than **40 years' experience in our industry and products in more than 35 countries**, we work alongside our customers to transform the world through energy.



VG-100



Xignux in food

Qualtia

We make and sell the **highest-quality food and ingredients**, which offer flavor, nutrition, health and innovation to our customers and consumers, through our brands **Zwan, Caperucita, Kir, Carnes Premium XO and Ready Foods, among others.** In every market we serve, we are strategic suppliers of meats, cold cuts, dairy products, ready-to-eat foods, beverages and dry goods. We have achieved this through our four business units: **Qualtia Luncheon Meats, Qualtia Dairy, Qualtia Meats and Qualtia Food Solutions.**

At Qualtia, our mission is to **provide the highest-quality products and services**, distinguishing ourselves at all times our comprehensive proposal, embodied in our commitment to communities and the environment.



BYDSA

We energize and delight with excellent, affordable snacks. We **make salted snacks** and are a market leader in northern Mexico, founded in 2003 with the acquisition of the **regional brands Leo and Encanto**, which have a history going back 60 years.

Our products are favorites for many consumers of all ages, because of their great flavor, selection and quality. **We bring our snacks to more than 200,000 points of sale**, through 41 distribution centers and more than 2,200 sale and distribution units. We are highly efficient in our processes and in our service to customers.

We want to be the fastest-growing snack company in Mexico. With this in mind, we sell our salted snacks in the north, northeast, west-central and central regions of the country, as well as in most of the southern United States. We apply the strictest quality standards and comply with Global Food Safety Initiative (GFSI) standards and Food Safety Standard Certification (FSSC) 22000, which regulate and guarantee the safety of all of our products and processes. We serve the traditional and supermarket channels and wholesale clients.



Xignux in Technology

Innovation and the **search for new business opportunities** are an integral part of our culture. We not only generate economic value but create social value in the communities where we are present, and to continue **energizing life and society**.



Nanoqem

We are the Mexican leader in **nanotechnology**, founded in 2009 and with more than 10 patents registered in our area. We currently have a portfolio of **64 products** that is constantly growing. Nanoqem is known for its solid R&D muscle, with a specialized team of scientists working to create **innovative nanotechnology-based products and solutions**.

We generate value for our customers through applied nanotechnology products and materials. **We serve the domestic, industrial and commercial** or institutional market with various products that meet their needs.



Voltway

We develop comprehensive **electromobility** solutions, with more than 10 years of experience in the European Union and a deep understanding of **energy in Mexico**. We offer a portfolio of solutions for **charging electric vehicles in all types of settings, both public and private**. We are distinguished by a comprehensive service with high-technology management, from the initial consultation through post-sale service for each customer.



Solid, transparent corporate governance that energizes our growth

GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-16, 2-17, 2-18, 2-19 and 2-20

We are committed to making business decisions with a **high degree of integrity and transparency** toward our stakeholders. We are meticulous about complying with all laws and regulations and adopting **high ethical standards and best corporate governance practices**.

Our Board of Directors is responsible for overseeing company operations.

Corporate Governance at the close of 2022:

Board of Directors	
CHAIRMAN	Eugenio Garza Herrera
SECRETARY	Óscar de J. Martínez Treviño
BOARD MEMBERS	Alejandro J. Garza Herrera
	Gabriel J. Garza Herrera
	Juan Ignacio Garza Herrera
	Andrés E. Garza Herrera
	Ana Cristina Garza Herrera
OUTSIDE BOARD MEMBERS	Humberto J. Garza Domínguez
	Francisco J. Garza Zambrano
	Federico Toussaint Elosúa
	Mario M. Laborín Gómez
	Jaime Zabłudovsky Kuper
STATUTORY AUDITOR	Eugenio Clariond Rangel
	Jorge Quintanilla Gómez

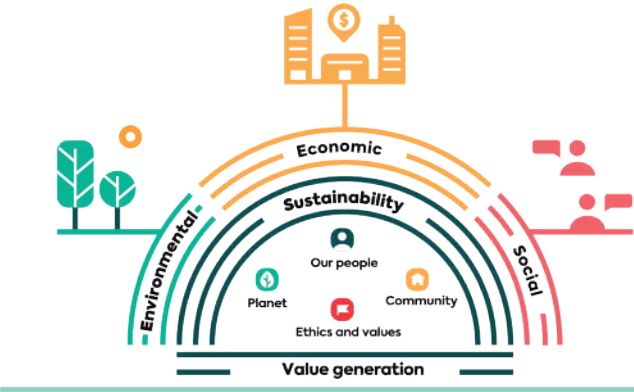
Our management team is charged with the correct management of Xignux companies.



Xignux model of social responsibility and sustainable development

GRI 2-23, 2-24, 2-25, 2-29, 3-1, 3-2 and 3-3

With our model of social responsibility and sustainable development, we pursue initiatives in four spheres of action: **Ethics and Values, Our People, Community and Planet**. Through these, we generate economic, social and environmental value for all of our stakeholders.



Our model has targets and indicators defined for each of our spheres of action.

Sphere of action	Targets	Priority SDGs
Ethics and Values	• Detect, address and prevent risk in all of our operations. • Zero human rights impact from our operations. • Zero tolerance for Code of Ethics violations. • Promote value-based management approach.	
Our People	• Provide our employees with opportunities for advancement on a national level. • Guarantee a positive and safe organizational climate for employees. • Ensure equal working conditions for all employees. • Offer schemes that make it easier for employees to balance their personal and professional lives.	
Planet	• Create projects for innovation, recovery and final disposal of packaging. • Improve efficient use of energy sources for creating our products and services. • Guarantee compliance with waste disposal and confinement regulations. • Guarantee compliance with clean energy use regulations.	
Community	• Ensure compliance with social and environmental responsibility criteria in our supply chain.	

We always define **our social responsibility strategy targets and processes** incorporating the vision and expectations that our stakeholders have of us. Every year, we map and analyze the issues received through our communication channels, **to improve and better focus our strategies**.

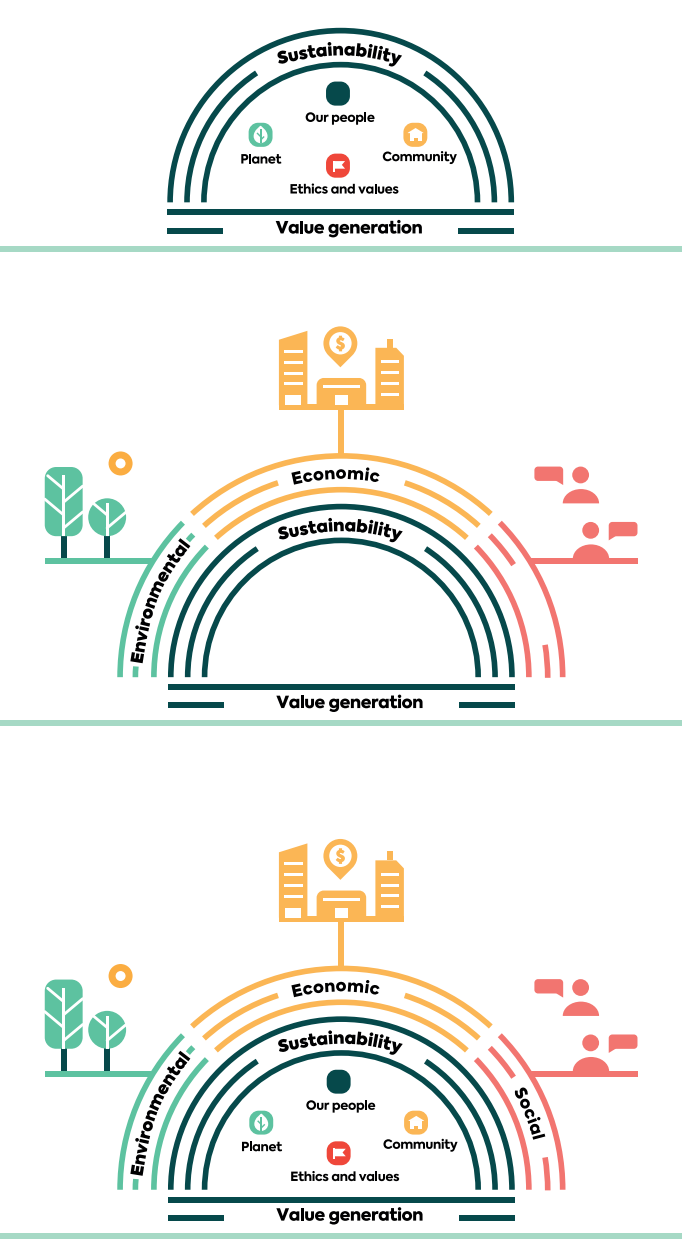
Regular Communication				
	Shareholders	Financial institutions and investors	Community	Authorities
Channel	Annual and quarterly reports Dedicated area	Annual and quarterly reports Dedicated area	Whistleblower system, Xignux Foundation and discussion groups	Partnerships with public organizations

Constant communication			
	Employees	Suppliers	Customers
Channel	Informational meetings, annual performance evaluations, Whistleblower system, Code of Ethics, e-mail, newsletters , bulletins, meetings with supervisors, screens in dining rooms, webpage and social media	Code of Ethics, whistleblower system, surveys and e-mail	Whistleblower system, surveys and call centers

Materiality that defines our strategy

Every Xignux company has a **its own materiality process and matrix**, so that it can address the expectations of its specific stakeholders.

Xignux materiality matrix



- Internal**
- Employee education and training
 - Safety
 - Health and wellness
 - Dignified work
 - Diversity and equal opportunity
 - Work-life balance
- External**
- Circular economy
 - Packaging innovation
 - Energy efficiency
 - Special handling waste
 - Use of renewable energy sources
 - Labeling
 - Food quality and safety
 - Healthy, nutritious foods
- Internal and external**
- Social and environmental responsibility criteria in sourcing
 - Dignified work and prohibition of child labor

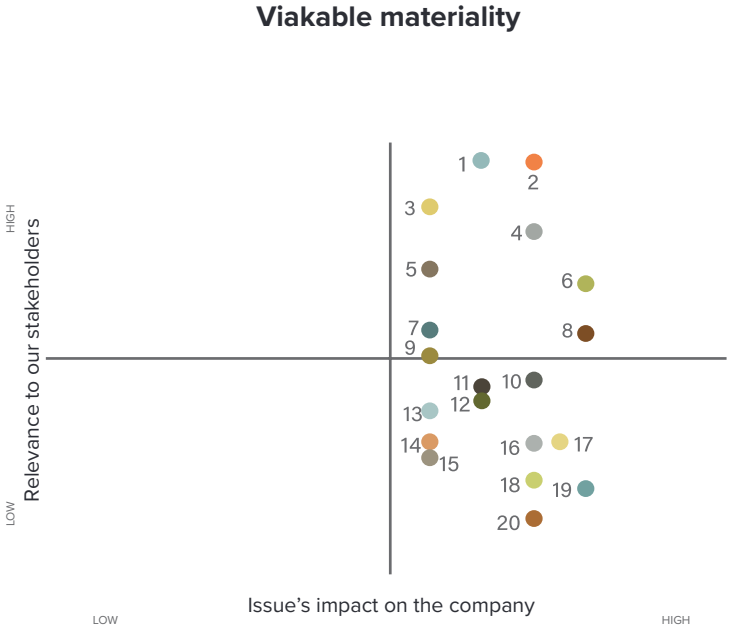
Material issues by business

Food

Label	Issue
1	Water and wastewater management
2	Ensure that raw materials are sourced from socially and environmentally responsible suppliers
3	Energy efficiency
4	Reduced emissions
5	Product quality
6	Employee health and safety
7	Special handling waste (oil and other raw materials)
8	Nutritional product content
9	Inclusion of social and environmental criteria in supplier evaluations
10	Ethics, anticorruption and values
11	Consumer well-being
12	Change in food consumption trends
13	Community engagement
14	Proper fleet management (fuel consumption)
15	Sustainable farming (raw materials for snacks)
16	Respect for and promotion of human rights
17	Product labeling
18	Climate change
19	Diversity
20	Biodegradable packaging

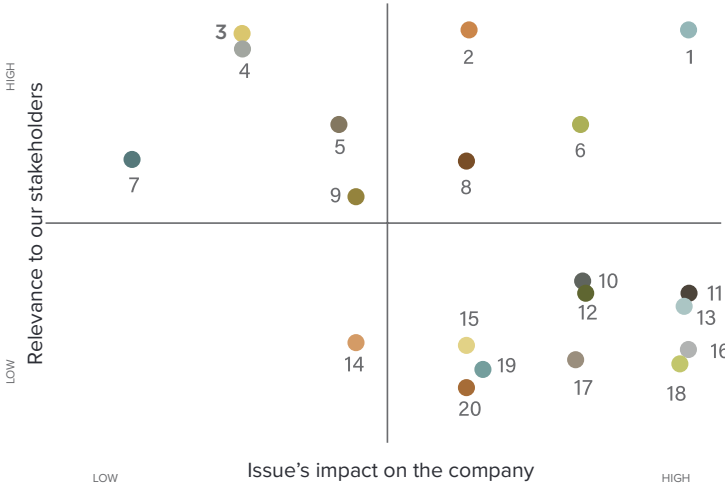
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Energy

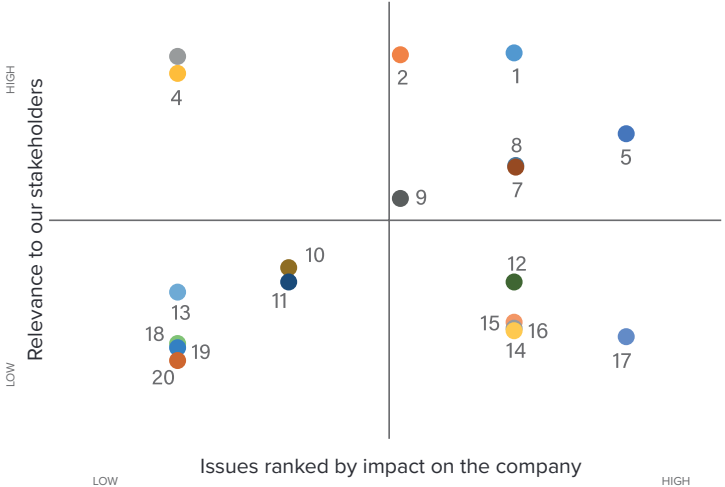


Label	Issue
1	Employee health and safety
2	Ethics, anticorruption and values
3	Energy efficiency
4	Climate change
5	Reduced emissions
6	Product quality
7	Respect for and promotion of human rights
8	Water and wastewater management
9	Special handling waste
10	Community engagement
11	Use of renewable energy sources
12	Recovery of product at end of its useful life
13	Diversity
14	Ensure that raw materials are sourced from socially and environmentally responsible suppliers
15	Recycling of materials in production
16	Management of environmental and social risks
17	Inclusion of social and environmental criteria in supplier evaluations
18	Employee education and training
19	Build environmental awareness among employees and consumers
20	Design products with eco-efficient components

Qualtia materiality



BYDSA materiality



Prolec materiality



Label	Issue
1	Employee health and safety
2	Management of environmental and social risks
3	Reduced emissions
4	Special handling waste
5	Ensure that raw materials are sourced from socially and environmentally responsible suppliers
6	Respect for and promotion of human rights
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13	Climate change
14	Community engagement
15	Product quality
16	Build environmental awareness among employees and consumers
17	Use of renewable energy sources
18	Design products with eco-efficient components
19	Diversity
20	Recovery of product at end of its useful life

Sustainable development is a team effort

GRI 2-27

We create networks of collaboration between **companies, civil society and communities** to maximize our industry’s positive impacts and together address **social and environmental issues** to improve them.

Our membership in forums and associations



Agriculture

- Agrocluster
- Asociación Nacional de Establecimientos TIF
- Consejo Estatal Agropecuario de Nuevo León
- Consejo Mexicano de la Carne
- Consejo Nacional Agropecuario
- Agro-food Cluster



Food

- Institute of Food Technologists, United States
- Snack Food Association, United States
- Tortilla Industry Association, United States



Biotechnology

- Biocluster



Retailing and Trade

- Asociación Venezolana de Exportadores, Venezuela
- American Chamber of Commerce (AmCham)
- Consejo Empresarial Mexicano de Comercio Exterior, Inversión y Tecnología
- Consejo Mexicano de Comercio Exterior



Construction

- Cámara Mexicana de la Industria de la Construcción
- Housing Cluster



Consumer Products

- Consejo Mexicano de Productos de Consumo



Accounting

- Instituto de Contadores Públicos de Nuevo León



Electrical

- Asociación Bolivariana de Productores de Cables Eléctricos, Venezuela
- Asociación Nacional de Normalización y Certificación del Sector Eléctrico
- Cámara Nacional de Manufacturas Eléctricas
- Consejo Internacional de Grandes Sistemas Eléctricos
- International Cablemakers Federation, Austria
- National Electric Energy Testing, Research & Applications Center, United States
- Wire Association International, United States



Finance

- Instituto Mexicano de Ejecutivos de Finanzas



Dairy

- Cámara Nacional de la Industria de la Leche
- Organismo Regulador / Normalización de Productos Lácteos



Labor

- Comisión Nacional de los Salarios Mínimos
- Comisión Nacional Laboral COPARMEX



Safety

- Consejo Mexicano de Seguridad San Pedro



Technology

- Nuevo León Nanotechnology Cluster



Social Security

- Consejo Consultivo Delegacional IMSS N.L.



IT

- Asociación Mexicana de Profesionales en Informática



Social

- Asociación de Líderes en Desarrollo Humano
- Centro de Estudios Sociales del Noreste
- Consejo Cívico de Instituciones de Nuevo León
- Red SumaRSE Nuevo León
- Unión Social de Dirigentes de Empresa
- Hagámoslo Bien



Legal

- Asociación Nacional de Abogados de Empresa
- La Barra Mexicana, Colegio de Abogados



Marketing

- Consejo de Autorregulación y Ética Publicitaria



Oil

- Cámara Petrolera de Venezuela, Venezuela



Human Resources

- Asociación Técnica de Compensaciones
- Ejecutivos de Relaciones Industriales
- Grupo Esco
- ADERIAC
- Movimiento Congruencia



Industrial

- Tortilla Industry Association, United States
- Cámara de Industriales del Estado Carabobo, Venezuela
- Cámara de la Industria y Transformación de Nuevo León
- Cámara Nacional de Manufacturas Eléctricas
- Cámara Nacional de la Industria de la Transformación
- Centro de Productividad de Nuevo León
- Club Industrial
- Confederación de Cámaras Industriales de los Estados Unidos Mexicanos
- Confederación Patronal de la República Mexicana, nacional y de Nuevo León
- Consejo Coordinador Empresarial
- Consejo Mexicano de la Industria de Productos de Consumo
- Consejo Mexicano de Comercio Exterior
- Industriales Potosinos
- INDEX N.L.
- Consejo Mexicano de Negocios



Ethics and Values

Principles that guide our actions





100%
of ethical reports addressed



97%
of cases received,
addressed and resolved in
less than 30 days

At Xignux, **we strive** to ethically managing our operations, following the highest ethical standards and **guided by our respect for human rights**.

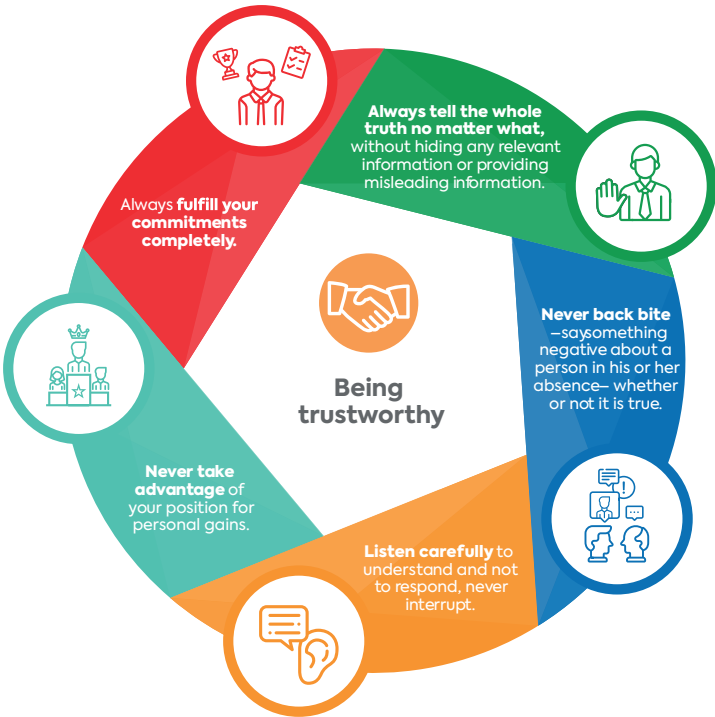
Our **Xignux Code of Ethics** sets forth the conduct we expect of our energizers in all their daily relations with the various stakeholders with whom we interact. It describes guidelines for behavior, procedures and channels for filing reports and complaints.



Xignux Values



Being trustworthy



Strive for excellence in everything we do



Our Code is available to the public and all stakeholders at the following link:
<https://www.xignux.com/en/code-of-ethics/>

An integrated system that encourages people to speak out

Our Code is integrated into an ethical management system based on processes and tools, with the purpose of creating spaces our energizers and stakeholders can trust.

As part of these tools to encourage transparency, we have an **independently managed whistleblower’s hotline**, which guarantees the confidentiality of the report and protection of the whistleblower. We also foster a **culture of speaking out**, through constant training and communication campaigns.

Every one of the ethics committees in place at Xignux companies is in charge of **receiving, addressing, investigating and managing the reports received** through the available channels, and addressing issues relating to ethics in general. The members of each of these committees are all Xignux leaders with an impeccable track record of integrity.



In 2022, our ethics committees **received and addressed** a total of 478 reports.

Channel	2019	2020	2021	2022
Transparency suggestion box	273	319	286	199
Transparency hotline	69	110	113	147
Others*	46	78	113	132
Total	388	507	512	478

*Includes website, intranet, ethics committee, e-mail or immediate supervisor.

Our system of consequences and any dismissals for ethical failures guarantee **fair treatment and thorough investigation** in every case. We always act lawfully with respect for human rights. In 2022, there were 79 dismissals in connection with the **Code of Ethics**, and five as a result of internal audit processes.

Xignux whistleblower channels



Transparency boxes in every workplace



Xignux website: <https://concern.ethicsglobal.com/>



Intranet for energizers



Ethics committee in every company and at Xignux Corporativo



Transparency hotline: +52 800-04-38422 and 55-6266-7171

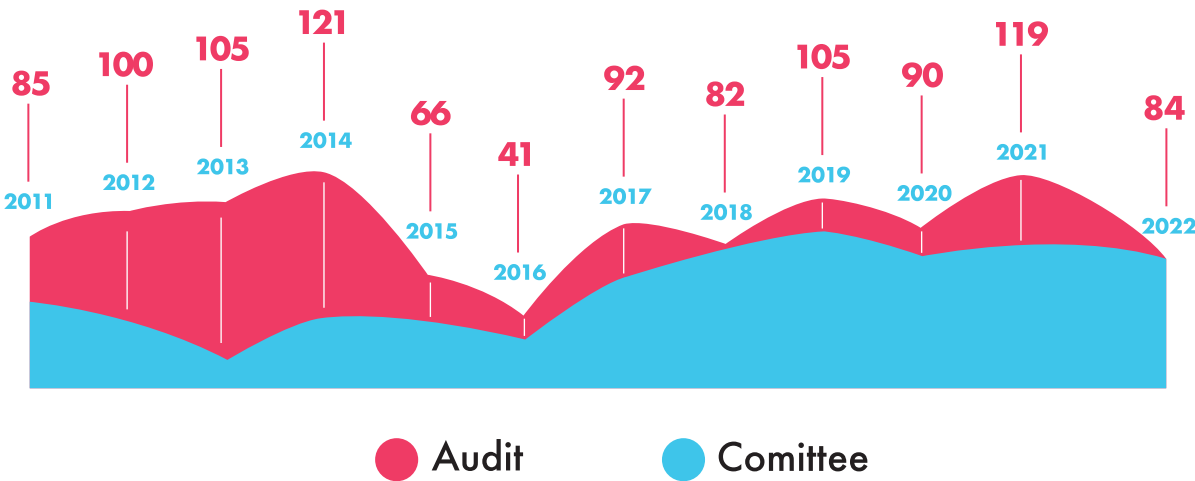


E-mail: reporte@ethicsglobal.com

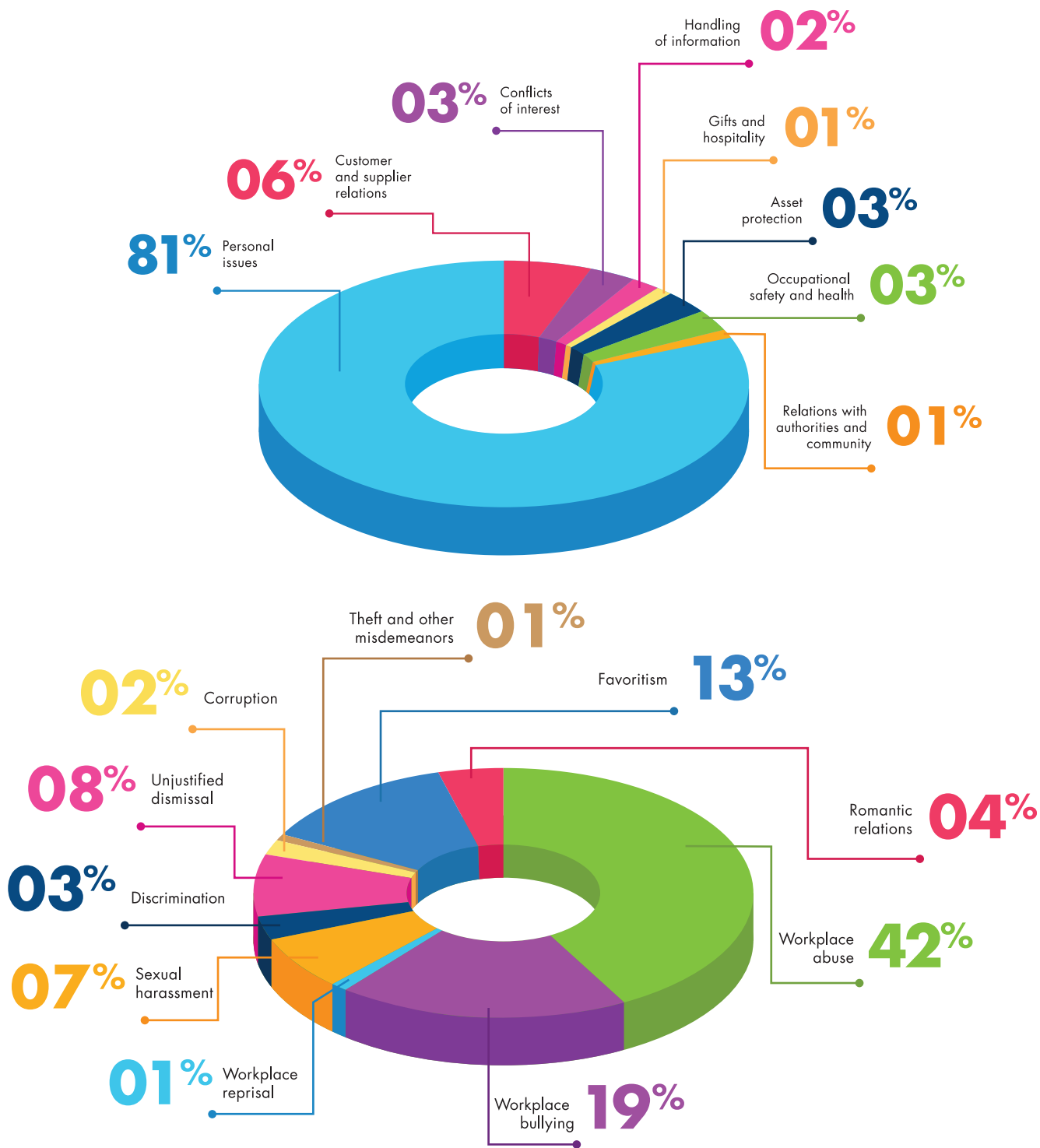


Immediate supervisor, head of Internal Audit or Human Resources of each company

EMPLOYEES DISMISSED FOR ETHICAL FAILURES



Reporting categories according to the Code of Ethics



There were no documented incidents of human rights violations, child labor, violation of the rights of indigenous communities or forced labor in any of our operations.

Our commitment to respect for human rights and the culture of legality

In 2021, we signed the **United Nations Global Compact Mexico Chapter**. As signing members and active participants, we have publicly given our support to its 10 Principles:

Principle 1: We support and respect the protection of internationally proclaimed human rights within our sphere of influence.

Principle 2: We make sure that we are not complicit in human rights abuses.

Principle 3: We uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4: We support the elimination of all forms of forced and compulsory labor.

Principle 5: We support the effective abolition of child labor.

Principle 6: We support the elimination of discrimination in respect of employment and occupation.

Principle 7: We maintain a precautionary approach to environmental challenges.

Principle 8: We undertake initiatives to promote greater environmental responsibility.

Principle 9: We encourage the development and diffusion of environmentally friendly technologies.

Principle 10: We work against corruption in all its forms, including extortion and bribery.

For more information, visit : <https://unglobalcompact.org/what-is-gc/mission/principles>

- We also contribute actively to the **2030 Agenda for Sustainable Development** and its 17 goals.
- We recognize that human rights are universal values that must be protected, and we are careful to identify any potential risk associated with our operations, to avoid possible violations.
- We prohibit child labor and slavery, as well as all forms of discrimination and other labor rights violations.





Our People

The source of our energy



The source of our energy

GRI 2-7, 2-8, 2-30, 202-1, 201-3, 401-1, 401-2, 404-1, 404-2, 404-3 and 405-1

Xignux is well aware that the solidity of the entire organization is directly linked to the development, capacity and commitment of the people who comprise it.

In our case, our employees are **the source of the energy that enables us to rise** to any challenge, to capture opportunities and build our future. That is why guaranteeing a **safe and healthy workplace** and creating conditions to support the development of our **energizers and their families** is a conviction, a permanent commitment, and above all, a winning bet for the future.

 **+29,000**
energizers around the world

 **+1,160,000**
hours of training



Who we are

Out of different countries and cultures, we have formed a **community that unites its talent and abilities** to exceed expectations for the products and services we supply to various industries and operations. Our commitment to our organizational values and our attitude of teamwork are traits that distinguish us and enable us to **energize the growth of our companies** and successfully face any adversity.

Every day, the attitude, dedication and commitment of our more than 29,000 energizers drive our companies.

Our permanent goal is to ensure that our team of employees has the **training and skills needed** to do their jobs with excellence. To do so, we have a culture of **equal opportunities** within the broad diversity that characterizes our workforce, as well as respect for freedom of association.

Total employees by company

Company	Mexico	International	Total
Viakable	3,601	529	4,130
Prolec	5,910	2,073	7,983
Qualtia	12,561	0	12,561
BYDSA	3,852	45	3,897
Nanoqem	39	0	39
Voltway	2	0	2
Corporativo	174	0	174
Services	240	0	240
Total	26,379	2,647	29,026

Employees by gender 2022

Company	Viakable	Prolec	Qualtia	BYDSA	Nanoqem	Voltway	Corporativo	Services
Percentage of total	13.7%	22.4%	47.6%	14.6%	0.1%	0.01%	0.7%	0.9%
Men	3,109	4,467	5,229	3,246	25	2	93	176
Percentage	86.3%	75.6%	41.6%	84.3%	64.1%	100%	53.4%	73.3%
Women	492	1,443	7,332	606	14	0	81	64
Percentage	13.7%	24.4%	58.4%	15.7%	35.9%	0%	46.6%	26.7%

Employees by age group in 2022

	Viakable	Prolec	Qualtia	BYDSA	Nanoqem	Voltway	Corporativo	Services	Total
Age range	38.3	37.2	39.1	38.2	34.8	45.3	42.6	40.1	38.5
Less than 20	2.6%	2.2%	2.9%	1.0%	0.0%	0.0%	0.0%	0.0%	2.4%
20-25 years	11.9%	13.9%	9.8%	9.9%	12.8%	0.0%	2.3%	5.8%	10.9%
26-30 years	13.9%	16.4%	12.1%	14.3%	17.9%	0.0%	10.9%	14.2%	13.6%
31-40 years	26.2%	25.8%	26.9%	32.2%	46.2%	0.0%	26.4%	33.3%	27.4%
41-55 years	38.5%	35.9%	40.4%	36.6%	20.5%	100.0%	47.7%	35.0%	38.6%
Over 55 years	6.9%	5.7%	8.0%	5.9%	2.6%	0.0%	12.6%	11.7%	7.1%

*Data on employees in Mexico

Employees by contract type and gender in 2022

	Women		Men	
	Permanent contract	Temporary contract	Permanent contract	Temporary contract
Viakable	444	48	2,866	243
Prolec	1,413	30	4,397	70
Qualtia	7,604	268	4,801	428
BYDSA	599	7	3,142	104
Nanoqem	14	0	25	0
Voltway	0	0	2	0
Corporativo	81	0	93	0
Services	64	0	176	0

*Data on employees in Mexico

Employees by generation in 2022

	Viakable	Prolec	Qualtia	BYDSA	Nanoqem	Voltway	Corporativo	Services	Total
Baby Boomers (1946 -1964)	2.8%	1.8%	2.9%	2.2%	0.0%	0.0%	8.0%	7.5%	2.6%
Gen X (1965-1980)	37.7%	34.5%	39.5%	34.6%	17.9%	50.0%	43.1%	31.3%	36.8%
Millennials (1981-2000)	52.6%	57.4%	51.3%	59.1%	76.9%	50.0%	48.9%	60.0%	53.0%
Gen Z (2001 -)	6.9%	6.3%	6.2%	4.1%	5.1%	0.0%	0.0%	1.3%	5.9%

*Data on employees in Mexico

Hires in 2022

Age range	Women	Men	Total
Under 30 years	1,474	2,617	4,091
31-35 years	518	673	1,191
36-40 years	494	502	996
41-45 years	434	415	849
46-50 years	345	289	634
51-55 years	240	185	425
56-60 years	100	47	147
61-65 years	12	11	23
Over 65 years	2	3	5
Total	3,619	4,742	8,361

*Data on employees in Mexico

Turnover rate in 2022

Age range		Employee	Sales	Plant workers	Total
18 - 30	Men	36.1%	52.1%	35.3%	37.8%
	Women	28.3%	63.1%	36.5%	43.2%
31 - 50	Men	24.6%	30.2%	15.1%	21.5%
	Women	18.4%	36.4%	22.2%	28.8%
51 and over	Men	19.6%	18.1%	15.0%	17.1%
	Women	13.6%	22.1%	14.4%	19.8%

*Data on employees in Mexico

CTX model revamped: Evolving to stay current

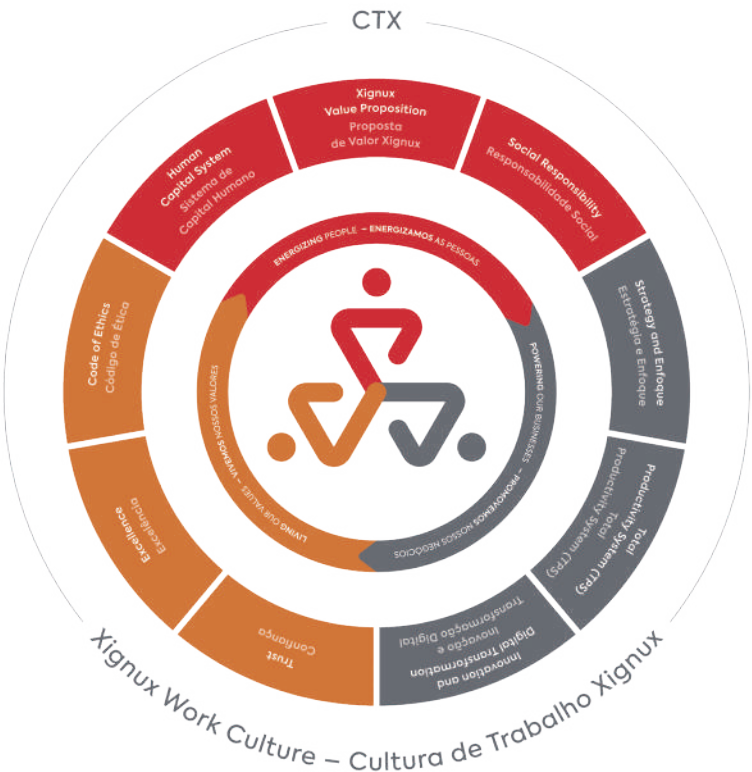
Xignux culture is closely tied to the concept of **quality in our daily activities**. This was formalized in 1993 with the Total Quality Control program, which evolved in 2012 with the creation of the **Xignux Work Culture** (CTX, by its initials in Spanish). This culture is an essential part of what makes our company unique, lending direction, meaning and stability to our daily activities, while encouraging innovation, evolution and adaptability.

This year we revamped the **CTX model**, both the way we visualize it graphically and its components, to incorporate new aspects and improvements that keep us **current and relevant** in a constantly changing environment.

As we all know, a company’s culture is made up of its attitudes, beliefs and daily practices, and in our case, with the revamped CTX model, we guarantee that our **work culture continually evolves and grows stronger**.

This model is the backbone of our way of doing business. Its three core components **guide the actions of all of us who work at Xignux**, regardless of the company or country where we find ourselves. These components are:

- 1. Living our values
- 2. Energizing people
- 3. Powering our businesses



TPS Total Productivity:
Commitment to quality and
continuous improvement

Xignux had an exceptional year in 2022, because we **met expectations and achieved goals**. Nineteen years after introducing the Toyota Production System (TPS), we can see its tangible benefits in the organization's operating areas.

Based on this solid experience and the goals we have achieved, we decided to extend the scope of **TPS** to all areas of the company and **connect with each of the energizers**. As part of this effort, we renamed the initiative **Total Productivity System**.

We have also made **problem-solving initiatives and Floor Management Development System** (FMDS) available to more employees, with the idea of forging a mindset grounded in organizational values.

Our goal is to extend and strengthen the attitude and way of thinking to all of the daily activities of those of us who work in **Xignux's companies**.

This goal requires a long-term effort that will **involve all of our energizers**.



Prolec: International Homage
to Loyalty

In 2022, we held events in various parts of the world to **present loyalty awards**. This year, for the first time we held **recognition ceremonies** in Dallas, Goldsboro, Waukesha and Shreveport, United States, as well as Canoas, Brazil.

We presented loyalty awards to 226 energizers celebrating five, ten, 15, 20, 25, 30 and 35 years with the company in 2022. This is the first event in which we have included the operations of Prolec GE Waukesha, Shreveport and Canoas.

Honorees, accompanied by their partners, enjoyed an evening of celebration. In Dallas, 12 energizers were recognized; in Goldsboro 50, in Waukesha 18, in Shreveport 22 and in Canoas, 24.



2022 Homage to Loyalty

Loyalty is a clear sign of a commitment that encourages reciprocity. Every year, we hold events to **recognize employees who have been with Xignux for five, ten, 15 and 20 years**. We also hold a special ceremony for those who have been with us for 25 years or more: a way of paying well-deserved **homage for the value they have so consistently delivered** over the years.

Employees recognized for years of service:

25 years	30 years	35 years	40 years
194	71	34	21



Transforming Lives

Every one of our energizers knows they are part of a great **community of solidarity**, so they can count on economic support in times of need if they face some medical issue that isn't covered by social security or medical insurance.

Thanks to the enthusiastic response of our volunteers and the donations received under our **Transforming Lives** program, in 2022 we raised enough funds to support the children of two Prolec energizers.

Also, energizers at Qualtia showed **great generosity** in supporting three employees who were dealing with health complications.



We encourage family togetherness and energize the families of our employees.

Our families are what keep us moving. We have faced tough times, but it is what inspires us to move unhesitatingly forward. That is why we prioritize events and activities that support family togetherness and harmony.

The following are just some of the many activities we held in 2022.



Family activities

Company	Activities
Viakable	• The Viakable race invited employees and their families to compete in one-, three- and five-kilometer runs, to celebrate the company's 66th anniversary. This healthy activity brought together 335 employees, family members, retirees, interns, and community members. • ViaClic, a virtual summer camp for kids in the community. Besides building better relations with our neighbors, we got to meet more people through their children. • "Kings and Queens at Home," an event to treat moms and dads to a special evening. • "I'm the Voice Kids," a musical talent competition for young singers 6 to 15 years old. • "The Great Viakable Game" rally, six activities that tested the skills of coworkers and their families.
Qualtia	• I love my planet: On Valentine's Day, we promoted solidarity by encouraging employees, accompanied by a family member, to do a good deed in their community. • Mother's day celebration and festivities throughout Mexico. • Speed Speech: To mark International Women's Day and also our 50th anniversary, we held a forum entitled "Women full of energy," in which we learned about stories that had a powerful impact on our women employees.
Prolec	• We gathered for the traditional "Cry of Independence" with our employees and their families. • Traditional festival for kids to celebrate International Children's day. • Celebration for energizing moms on Mother's Day. • A Photo exhibition and conference to celebrate international Women's Day. • "Passion for soccer" at the Prolec GE Canoas plant, where energizers wore their favorite team's t-shirt to work.
BYDSA	• Mexican Independence Day celebration with employees at the BYDSA Monterrey plant. • Two Mother's Day gatherings: shows, get-togethers, raffles and contests at the Monterrey and León plants. • Father's Day jamboree with the "Super Dad" event.
Xignux Corporativo	• Mother's Day celebrations for participants in our family programs, with a "Three generations giveaway." • Children's Day get-together with a movie.

Support for families

Company	Activities
Viakable	• 220 outstanding students were recognized: 170 from our operations in Nuevo León and 50 from other business units in Mexico. Besides enjoying the games, all the award recipients received a special kit with a diploma and a commemorative t-shirt. 38 students across Mexico received a gift card worth MXN1,500 for having maintained a straight-A average during the school year. • Intensive course to prepare our energizers' kids to pass the Nuevo León State University's Preparatory School entrance exam. • "My Environment" calendar contest for energizers' children aged 6-12, with prizes given to the top 25 entries.
Prolec	• Awards for energizers' children who showed exceptional academic performance in in the 2021-222 school year. The Outstanding Student event celebrated the excellence of 360 kids (elementary and high school) with an average grade of 95. • Academic Program for Childhood Development (PADL)
Qualtia	• At some plants, we offered school support for outstanding students who are children of our employees. • Children's Drawing Context: We marked a decade of promoting values through art, in our "How I feel about Qualtia" contest, little energizers expressed in drawings what Qualtia and its products mean in their lives.
BYDSA	• 2022 Academic Merit Awards: Recognition for 52 children and young people in elementary and high school who earned a high grade point average during the 2021-22 school year. • "Health Fair," an event focused on encouraging self-care and preventing illness.

We listen to do better

Employee Satisfaction Diagnostic

Our **ESD** is a tool that helps us stay aware of the workplace experiences of our energizers. It is a first step toward **building a productive dialogue between energizers and the company** they work for, to align areas of opportunity detected and take action to improve their working experience.

In 2022, we applied 9,689 surveys in which we gathered **valuable opinions and ideas from our people**, which will help us to continue improving quality of life in our organization.



Feedback Time

This is a process in which **employees and their supervisors meet one-on-one**, three times a year, to talk about strengths and areas of opportunity. They also discuss ways to improve performance and to develop it.

360° Evaluation

A process through which feedback is collected from the employees, peers, internal clients, and supervisors, as well as a self-evaluation by the employees themselves. It serves as a tool for measuring the degree in which the employee has mastered the institutional behaviors **(skills, knowledge and conduct) that define Xignux leaders** and can align with the business strategy.

Orienta EAP

Our **Employee Assistance Program (EAP)** consists of confidential, free counseling and advice on emotional, medical, nutritional, legal, budgeting and education issues for our energizers. During the year covered by this report, around **9,000 sessions were given through the Orienta EAP**.

Orienta EAP also offers an array of courses to employees about current topics of interest. For example:



Health and personal hygiene

- Anxiety and depression
- Fatty liver, care and nutrition
- Healthy eating
- Nutrition for the elderly



Personal relations

- Divorce
- Violence in romantic relationships
- Confronting sexual abuse



Work space

- First aid in the workplace
- High-yield work teams
- Safeguard your bonus
- Stress management





Animal care

- Animal abuse
- Pet care
- Strategies avoid neglecting pets during the holidays

Education and advancement for our people

GRI 401-2, 404-1 and 404-2

Training is one of the best ways to guarantee the **personal and professional growth of our energizers**, and thus give extra impetus to **Xignux**.

Every company has a commitment to enriching and advancing its employees, giving them access to all the sources of knowledge they need to move ahead.

Company	Hours of training		Average hours of training	
	Women	Men	Women	Men
Viakable	5,192	33,307	6	5
Prolec	271,442	572,844	155	108
Qualtia	128,169	138,097	24	20
BYDSA	5,343	2,907	40	30
Xignux Corporativo	3,202	4,432	55	33
Total	413,348	751,587	56	39



More programs for our people

Xignux Knowledge Center

At **Xignux's virtual university**, employees learn about leadership, cooperation and innovation, and the **Xignux Work Culture**. In 2022, more than 9,800 energizes took courses at the Center.

CUIDA

Xignux's information security program, designed to teach employees how to **prevent cyberattacks** through courses and activities that promote **cybersecurity throughout the company**.

Financial Well-Being

A **financial literacy** program aimed at developing **skills, knowledge, behaviors and tools** that favor a prudent management of income and encourage savings.

Xiflex Benefits

We launched this program to offer employees more flexibility in allocating their salaries to access **more and better financial solutions** according to their needs, interests and moments in their life.

By making part of their income flexible, they can optimize their compensation by acquiring insurance, dental and vision plans, care for personal accidents, minor medical expenses, and other services.

Xiflex Benefits can also be used to buy electronics like computers, audio and video equipment.

Xignux Educational Partnerships

Our company has **partnered with 42 educational institutions** that offer **discounts and preferred pricing** for employees to invest in opportunities for themselves and their families.

Retirement workshops

Employees who are approaching retirement can attend specialized workshops in which each of them can draft a **plan for a smooth transition to a full life** after retirement.

These workshops prepare employees for this new phase of their lives, **guiding them in creating a life plan for this personal, professional, marital and family transition**.

Energyn

In 2022, we created Energyn, a **chatbot that assists the Human Resources department** in helping energizers with information like work letters, vacation balances and applications, CRECE accounts, Fondo Flex, insurance and other benefits. Energyn can help them with this information quickly and easily any day, at any time.



Mentoring

Our employees' experience is an invaluable asset that we try to transmit to others to **strengthen and encourage our energizers' talent**. In 2022 we launched this program for our fifth generation of mentors, helping them to **continue developing their mentoring practice and providing them with new tools** to use.

CRECE Savings and Loan accounts

This is a benefit that gives employees **access to attractive savings and loan options** at competitive preferred rates.

Flex Wealth Fund

This long-term **savings plan** is designed to help energizers **prepare financially for retirement**.



Leaders of the future (PLX)

The **Xignux Leadership program** is designed to boost the skills and competencies of participants, focusing them on **leadership and management through strategic projects in various areas, companies and locations**. Participants work on four different projects in which they have a leader, a mentor, and a coach who accompany them during the semester of their project. In 2022, participants successfully completed more than **40 PLX projects in various Xignux companies**.

We had projects in Monterrey, Querétaro, Mexico City and Waukesha, with results that included:

- **Startup of the first export and co-packing hot dog line at Qualtia Carnes Frías. This brings our products to new consumers in the United States and Latin America.**
- **An increase in product traceability and control, and a reduction in corrective maintenance through the use of Digital Transformation technology and methodologies in Magnekon enameling equipment.**
- **Improved cycle time in the industrial and renewable energy transformers assembly line, with the support of TPS tools and new work process, which increased output by more than 18%.**



Recognitions

Recognition from Infonavit

The National Workers’ Housing Fund Institute distinguished Xignux Corporativo as a **company whose track record and commitment to the institute have benefited its employees**: a recognition of excellence in complying with our obligations as an employer.

This distinction is given to organizations who have **paid their contributions** and other obligations promptly and in full for the past 50 years.

The Nuevo León Department of Family Services recognized Xignux for its inclusion practices

The Government of Nuevo León and the Department of Family Services (DIF), through the Center for Rehabilitation and Special Education, recognized Viakable for **practices that facilitate employment access for people with disabilities**.

Xignux: Leader in risk management.

The consulting firm **KPMG** released its study on risks in Mexico and their management, and the degree of maturity achieved in this field. With **Modo Xignux**, our company is among the 57% of major corporations in Mexico that regularly **identify, monitor and manage risks**.

Well-Being Factor Distinction 2022

Viakable received this distinction, which recognizes **organizations that are leaders in the culture of well-being**.

The certification is given by the **Institute for Well-Being and Happiness Sciences** at Tecmilenio University, in collaboration with *Business Insider* magazine.

The companies recognized in 2022 promote **organizational well-being practices and have leaders and employees** who strive to build a positive organizational climate.



Best practices: knowledge to grow

Sharing **best practices**, both inside and outside of Xignux companies, can generate **substantial benefits**: for one, it stimulates creativity and strengthens our energizers’ talent; it also **boosts growth and sustains the business strategy**.

Xignux Forum on Work Culture

The 7th CTX Forum, named for **Xignux’s work culture**, was attended by close to 800 employees who linked in from Mexico, Colombia, the United States and Brazil to share **best practices on each axis of the CTX model**.

During the event, our CEO presented **last year’s results** and discussed future plans, and learned from teams that shared with us some innovative projects:

Viakable

- Growth in medium-tension underground lines in the United States

Prolec

- Alignment of Prolec GE Brazil with the medium-tension market
- OEE digitalization in TR winding

Qualtia

- Real-time performance management
- Connection of distribution to production

BYDSA

- Information for action: Applied data analytics in the commercial area

Xignux Corporativo

- Process for addressing VAT tax credit balances

Communication and transparency

For the second year in a row, we held **Xignux Day**, where we opened a space for **finance and business specialists** to learn more about the company.

In this meeting, which was held in hybrid mode, the office of the Corporate Chief Financial and Administrative Officer made a presentation on the **performance and future plans of Xignux companies**. This included results for 2022 and prospects for the years ahead.

Xignux Comprehensive Training Institute (IFIX)

This is a development center designed to bring our **energizers tools to help them grow**, along with their families, with educational experiences that positively impact their **personal, family, social and professional development**.

IFIX has been active for five years, and in 2022 it reached more than 12,000 people **with talks, workshops and a wide variety of activities**. Its aim is to promote human development through specialized programs created to **support the progress of Xignux energizers and their families**.

IFIX provides two types of training programs: **Employee Training and Family Training**. This year it offered talks on “Obedient parents, tyrannical children,” “Couples with vision,” “Energizing Woman” and “Knitting with the soul.”

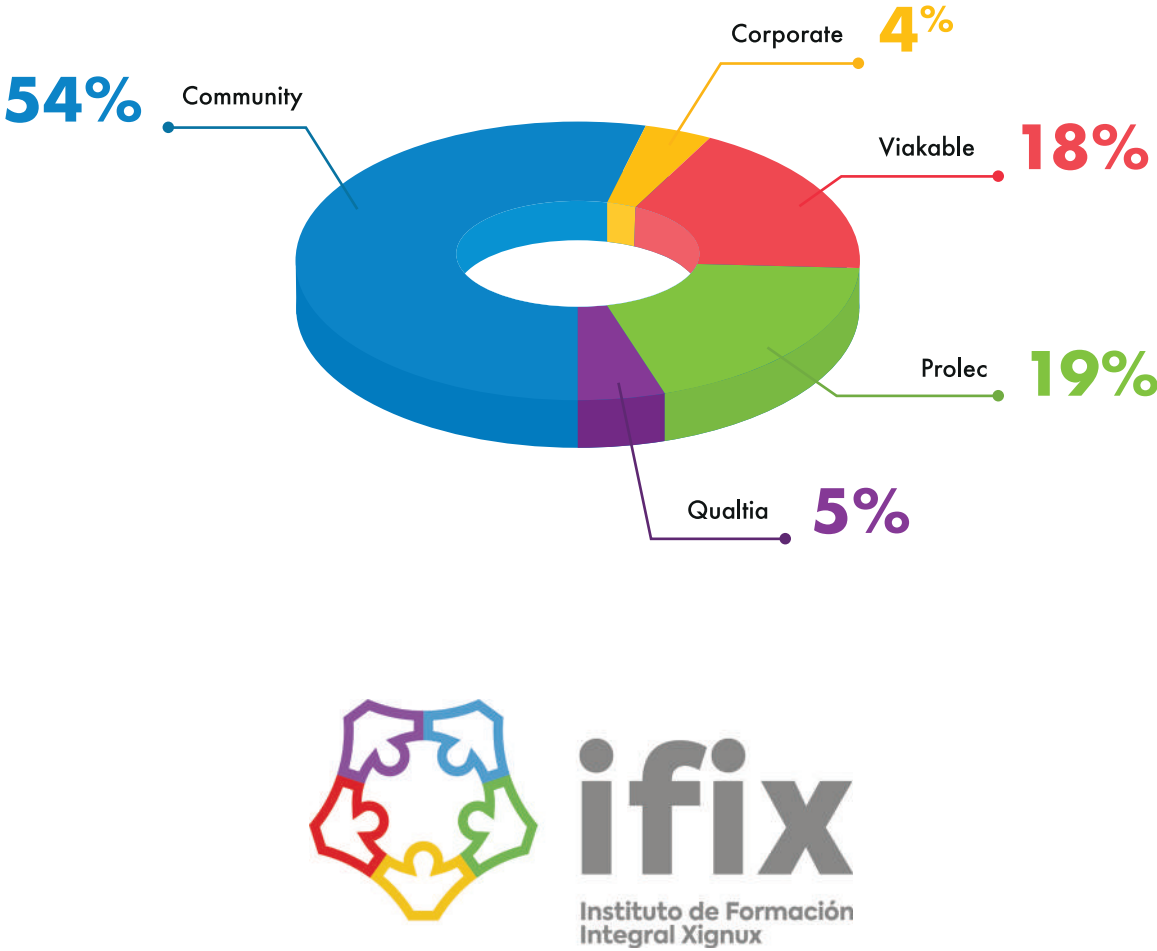
In 2022, we reached:

12,077 families through **7 talks, 3 workshops and 11 activities**, on topics relating to personal and family wellness.

9,446 participants in talks, programs and workshops with topics for the whole family, in person and online.

2,764 participants in the **ANSPAC** program’s courses on human and spiritual development.

IFIX participation by company and community



Some IFIX activities

- **Energizing youth.** We invited energetic youth from 12 to 17 years old to join the **human development program**, where they had a chance to make friends, learn and get ahead while having fun in a program that covered a range of topics like **self-awareness, goals, diversity, emotions and feelings**.
- Celebrating religious festivals, a program for women introducing them to the Xignux-ANSPAC project.
- Talk on **“Obedient parents, tyrannical children,”** where people could learn about different family models and analyze the impact of **emotional development on children’s brains**.
- To commemorate Father’s Day, a celebration for **energizing dads**, visits to Viakable, Prolec, Qualtia and Nanoqem to hear about their experiences.
- First communion ceremony with completion of the 2021-2022 **IFIX Catechism class year**.
- Contest to **celebrate grandparents** on their day, along with a breakfast.
- **Experience IFIX.** After two years of remote activities, we brought back the full IFIX experience to our energizers with the reopening of facilities and participation of energizers from the Human Resources, Social Responsibility and Communication departments.

Alliance with ANSPAC

At **Xignux ANSPAC**, we bring about positive changes in employees’ families through courses and workshops on **personal advancement for spouses and family members**.

Our alliance with ANSPAC remains a key path for **personal and family development through which energizers, their families and communities** have been able to join in various activities to improve their wellness.

In 2022 the program resumed in-person activities, reaching **2,800 families in various states**, giving them a chance to strengthen various aspects of their human development.

Xignux Explorers’ Academy

In 2022 we created this fun-filled **Explorers’ Academy** in an alliance with **Cerro Grande Natura**, an organization dedicated to earth sciences education. In Saturday sessions, more than 40 kids, **children of energizers from all of Xignux’s companies**, came to learn about the history of our planet, its processes and features. This information was incorporated into many fun activities and games, with the hope that these children can someday be part of the **solution to the great environmental problems of our world**.



Digital Transformation

The **Digital Transformation (DT)** initiative seeks to introduce new digital technologies for **creating and modifying business processes, culture and customer experiences**. This will keep us up to date with the needs of our customers and the market. It should also test **Xignux’s** capacity to create businesses and protect them in the future.

We held the first **Xignux Digital Transformation Forum** focused on extended-reality solutions, which we plan to incorporate into our operations. The event was held in hybrid form, with **45 online participants** joining us using Hololens 2 augmented reality headsets. Participants tested different **augmented and virtual reality equipment** for various business purposes: from production simulators to virtual reality training systems. **Xignux Digital Transformation** will continue to hold these forums to share knowledge throughout the organization and generate value, as part of our change management plan.



Performance evaluations

This tool has shown its outstanding capacity to **identify training needs**, strengths and possible areas of opportunity to stimulate and guide each employee in a process of **continuous improvement**.

2022 Performance evaluations by company and gender

Company	Number of employees	
	Women	Men
Viakable	408	2,447
Prolec	1,504	9,025
Qualtia	784	885
BYDSA	485	396
Xignux Corporativo	46	100
Total	3,227	12,853

Performance evaluations by job category and gender

Level	Number of employees	
	Women	Men
Senior management	4	48
Executives	212	653
Administrative	487	1,362
Union members	2,524	10,790
Total	3,227	12,853

Health and safety

GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9 and 403-10

Through our **Health and Safety Administration System (HSAS)**, we effectively and comprehensively manage working conditions and any health and safety risks that may be present.

To guarantee that all of our employees are protected by an **appropriate management of occupational safety and health**, all of our collective bargaining agreements stipulate the formation of **Health and Safety** committees.

The highlights of each of our companies’ health and safety activities during the year were as follows:

Viakable

- The Vialutek Plant marked two years accident-free thanks to the use of safe processes, focused on complying with guidelines.
- Flexibles, at the Viakon Monterrey Plant, also celebrated two years with zero accidents.
- We carried out an early detection day for prostate cancer at our plants in Mexico. We distributed questionnaires to **assess risk factors**, as well as tests for prostate antigen and other conditions, such as HIV and syphilis.
- Occupational health and safety day, held to promote the health and safety culture in our energizers by providing talks, workshops, activities and medical check-ups, where participants learned about the importance of preventing occupational and health risks.

Prolec

- We created a series of podcasts aimed at our energizers in conjunction with the Universidad Iberoamericana Monterrey. The **“Conversations about Well-Being”** series helped our energizers **improve their emotional health**, their personal and work relationships and encourage their leadership within the company.



- Emotional health program: to provide professional attention to the **psychological and mental health needs** of our collaborators, aimed at preventive care and treatment. This support takes the form of professional counseling that employees can consult at no charge and with full confidentiality when they face any problem or need related to their emotions and feelings.
- To contribute to the fight against breast cancer, we organized a brigade in our workspaces with a mobile unit from the IMSS. Mammograms and pap smears were provided to women energizers at Prolec.

Qualtia

- At the Monterrey, Tepotzotlán and Querétaro plants, the **2022 Health and Safety Week** was held with the aim of promoting strategies for continuous improvement in **occupational health and safety**.
- Teams of brigade members at the group's various production plants are regularly monitored.

BYDSA

- The BYDSA finished product warehouse at the Monterrey Plant met the goal of **one hundred days with no disabling accidents**, for which it received recognition for good **employee health and wellness** practices.
- Health Fair, to promote a culture of **self-care and disease prevention**. Among activities carried out were installation of an IMSS prevention module where tetanus vaccines were given and general check-ups were carried out, an IFIX workshop, eye exams, talks on health issues, and blood donations.

Nanoqem

- Breast cancer **awareness** event: We invited women employees to a talk by **Orienta EAP about breast cancer**. Three mammograms were raffled off among participants.

Xignux Corporativo

- We developed a new **Xignux Emergency Manual**, an institutional guide that will support efforts to deal with any type of emergency, and offer steps, recommendations and definitions for the role of each of the people who should step in to **mitigate and prevent possible crises**.
- This manual also establishes the formation of the **Intelligent Contingency Solutions Team (ESIC)**, which will be responsible for dealing with crises that, due to their nature and impact, are escalated to the **corporate level**.

Year	2019	2020	2021	2022
Work-related accidents	59	47	63	151
Days lost	1,212	1,405	923	1,664
General illness	1,685	2,545	1,090	1,534



Diversity and inclusion

GRI 202-1, 405-1 and 405-2

We guarantee a **diverse and inclusive** work environment in every one of our companies and workplaces. In this effort, our **Diversity and Inclusion Policy** is a day-to-day reality in every one of our activities. The following activities were the highlights of 2022:



Women transform Prolec

To commemorate **International Women’s Day**, we organized a photo exhibit and talk at our Apodaca plant, featuring **women energizers who perform physical labor** like welding and work at heights, or who work in leadership positions.

We welcomed energizers from Haiti, Nicaragua and El Salvador

In January, seven people of Haitian, Nicaraguan and Salvadoran nationality were hired to work in various areas of the Monterrey Plant. This is one way we express our **commitment to society and our culture of inclusion**.

Let’s Learn Mexican Sign Language

Employees at Qualtia’s Tepotzotlán Plant participated in a **course-workshop on Mexican Sign Language (MSL)** with the aim of acquiring the knowledge needed to continue offering **job opportunities to people with disabilities** and incorporate more employees with hearing disabilities.

Women’s Leadership Program

This initiative develops **women’s talent at Xignux** by strengthening soft skills to improve gender representation at various organizational levels of all **Xignux** companies.

In 2022, the second class of our **“Women’s Leadership: Executive Presence”** program graduated, consisting of 71 energizers.

INTEGRA Program

This is the institutional program that promotes **workplace inclusion** at Xignux by **providing employment and promotion opportunities** to people with disabilities. At the end of 2022, 54 employees with various types of disabilities were bringing **human value** to our companies.

The glasses I see with

To continue strengthening our culture of inclusion, we held a webinar for our energizers called **“The glasses I see with,”** discussing the concept of bias, what types exist, how to identify it, its impact on the workplace, and what we can do to **foster a more inclusive culture**.



Company	Type of disability				
	Auditory	Intellectual	Motor	Visual	Total
Viakable	22	0	1	0	23
Prolec	2	0	7	1	10
Qualtia	7	6	2	1	16
BYDSA	2	0	0	0	2
Xignux Corporativo	1	0	2	0	3
Total	34	6	12	2	54

Diversity and inclusion action highlights

- We are members of the **Executive Board of Movimiento Congruencia**, an organization of companies that seek to promote **workplace inclusion** of people with disabilities.
- We once again earned the **Éntrale Award** for our actions to facilitate **the inclusion of people with disabilities**.
- Prolec and Xignux attended **Movimiento Congruencia’s** job fair for people with disabilities.
- **Human Capital** areas received training in workplace inclusion of people with disabilities at a **Movimiento Congruencia** event titled **“Attracting Talent without Limits.”**
- We shared our practices with other companies interested in improving their inclusion culture.
- Together with UN Women, we assessed our operations according to the **Women’s Empowerment Principles (WEPs)** to formulate a work plan toward **gender equity**.
- The **Diversity and Inclusion Committee** defined action lines in gender equity consistent with the McKinsey’s WomenMatter diagnostic and UN Women WEPs.
- **Employee awareness-raising** across the nation through a webinar on inclusion of **people with disabilities** and testimonials by coworkers with disabilities.



Community

Collective energy for a better quality of life



Collective energy for a better quality of life

GRI 203-1, 203-2, 413-1 and 413-2

During these past 66 years of energizing our communities, we have become convinced that the best way to **improve living conditions for the people and families around us** is for each of us who make up Xignux's companies to consider ourselves part of a community.

That is why we pay close attention to the needs of our neighbors and communities, the families and social organizations around us, to work together toward **building a safe, healthy and stimulating environment**.

We are convinced that the community is where we begin forging alliances that translate into **concrete, lasting support** to improve the quality of life of those who need it most.

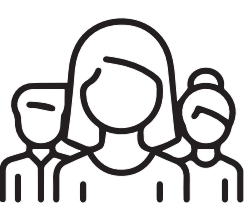


To continue energizing our communities, we organized our initiatives along two basic axes of action:

- Through Xignux Foundation, which articulates most of our social engagement, investment and support actions.
- Through various social and environmental initiatives and programs in each of Xignux's companies, by which we can benefit all of our stakeholders.

With this, in general, in 2022 we reported:

- 161,886 people benefited directly through Xignux Foundation and 66,031 people through the companies' social responsibility actions.
- 9,285 volunteer participations, translating into 18,900 hours of volunteer time.



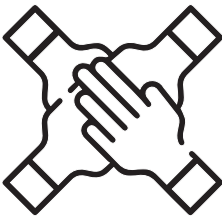
161,886

people benefited
directly through
Xignux Foundation



66,031

people benefited
directly from actions by our
companies.



9,285

volunteer participations,
translating into 18,900
hours of volunteer time

Energy for All

A commitment to fighting energy poverty

Our mission of **energizing life and society to help build a better world** implies a clear commitment: helping to reduce energy poverty in areas where we are present.

The **United Nations Organization** defines energy poverty as a person's lack of access to the electrical grid—whether because it is not available or because they lack the economic resources to connect—and dependence on burning solid biomass to **meet their energy needs**.

This is a multidimensional problem that directly affects the **quality of life of communities** suffering from it, and can have impacts that range from poor health to economic exclusion.

This undeniable reality motivates us to pitch in with our creativity and make an extra effort to **bring clean energy to family and communities** in this situation.



Building alliances that energize

We approached other organizations to **forge alliances that multiply positive impacts**, particularly when it comes to resolving complex situations, like energy poverty.

Energy for All is an initiative that **joins the efforts of Xignux Foundation, the Xignux Social Responsibility department and our allies, Ilum México and ConcentrARTE**, to bring solar energy to remote communities through a sustainable model.

The goal of this alliance is to **bring solar systems to communities suffering from energy poverty**, create a service for distributing and providing last-mile service to establish a supply with affordable rates and payment points, and install technology for monitoring and tracking.

The systems used in **Energy for All** are designed to meet three basic goals:

- **A long-term solution flexible enough to grow over time**
- **Sufficient capacity to connect various devices**
- **Compliance with existing laws and regulations**

Energy for All, with the support of Ilum México, incorporates a long-term service model under which local youth are trained and employed to **service and maintain the systems**. With this, it also generates income for other community members and promotes a sense of shared responsibility for the installed infrastructure.

Through this model, communities can also benefit from low energy rates, the proceeds of which go to **maintaining power generation systems**.

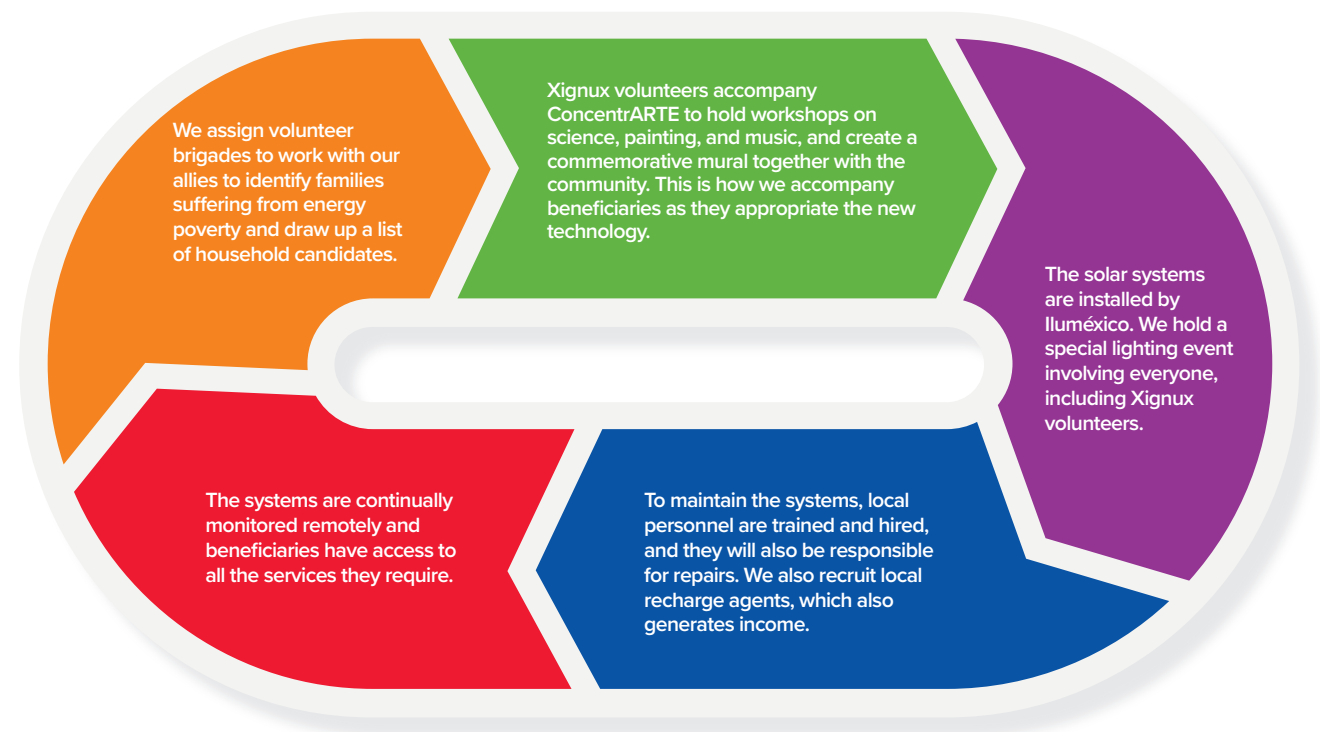
With **Energy for All**, we directly contribute to **UN Sustainable Development Goal 7**, which is to promote access to affordable clean energy. We also contribute indirectly to another ten of these goals.



Energy for All

Our process prioritizes community engagement

Energy for All operates according to a careful process that seeks the active involvement of participating families. Throughout all phases of the project, we stay in direct contact with the community and with program beneficiaries so that we can learn about their experiences and their feelings about the process.



Long-term vision

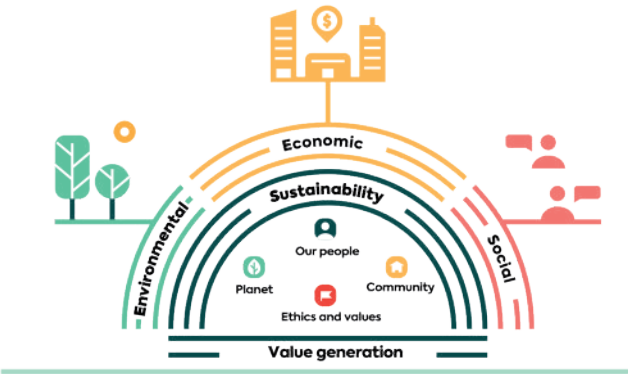
At Xignux, we are keenly aware that fighting energy poverty requires the **involvement of all sectors: public, private and social**. We also know that constant effort increases the likelihood of success.

Energy for All is an initiative designed to advance progressively and steadily. This year, we increased the number of systems by 50 percent and doubled installed power, as well as the number of people benefiting from the effort. At the same time, we increased the amount of metric tons of carbon dioxide equivalent (tCO2e) displaced by 40 percent.

	2021	2022
Solar systems installed	20	30
Installed power	6.5 kw	12.3 kw
Communities benefited	7	8
tCO2e displaced per year	1.6	2.7
Population served	56	120

Stimulating reflection and responsible growth

As we do every year, in 2022 we reinforced our deep commitment to **social responsibility and sustainable development**, through a model that promotes entrepreneurship, reflection and research by students and professors in various disciplines.



Jorge L. Garza Lectureship

With the theme of “Entrepreneurship that drives and transforms,” the Jorge L. Garza UDEM Lectureship was held, attended by 3,918 participants. On October 5th and 6th, 2022, hundreds of students had the opportunity to attend workshops, mentoring sessions, networking and lectures given by Mexican industry leaders.

We received 177 student projects with a social responsibility focus from students at UDEM and other institutions.

The winning projects were:

CATEGORY: Enterprising

WINNERS: Kimmberly de la Garza, Andrea Castilla, María Canedo and Sandra Barrón

ACADEMIC PROGRAM: Graduates from the Undergraduate Degree in Industrial Design at UDEM

PROJECT: RED, a rescue and extraction project that improves the effectiveness of rescue actions for firefighters.

CATEGORY: Creating

GANADORES: Rocío Daniela Cantú Leos

ACADEMIC PROGRAM: UDEM Civil and Environmental engineering

PROJECT: Hocatimex, a sustainable construction material that can improve planning in terms of environmental costs and impacts.

CATEGORY: Idea

WINNERS: Lucio Ernesto González Robledo, Camila Guajardo González, Sebastián Kreidler Ibarra, Ricardo Alessandro González Román and Eugenio Adrián León Cantú

ACADEMIC PROGRAM: International Preparatory School Degree, UDEM San Pedro

PROJECT: HelpO, an app that can be used to make donations, schedule and assign volunteers volunteers and report situations on the street where people can join in to help.

Winners were awarded seed capital to strengthen their projects, and a scholarship to the UDEM Entrepreneurs Hub incubator, including mentoring sessions with an advisor.



Rómulo Garza Prize

Named for one of the great promoters of scientific and academic research in Mexico, this prize was created by Xignux and the Tecnológico de Monterrey as a way to achieve greater benefits for society. Last year marked its 47th edition.

Given in various categories to people who seek **solutions to the most pressing issues of humanity**, this year the prize received 144 entries and the presentation ceremony was held during the 52nd Research and Development Congress at the Tec de Monterrey.



Rómulo Garza Prize winners

Prize Category	Winner/project	
Insignia	Dr. Janeth Gutiérrez, for her career as researcher at the School of Engineering and Sciences, the second woman to win this award.	
Articles published in high-impact journals and with most citations	Dr. Jorge Rodríguez, director of the master's program in cybersecurity, for the article <i>A one-class classification approach for bot detection on Twitter</i> published in the journal Computers & Security in 2020.	
Books/eBooks published	Dr. Sergio Serna, from the Center for Protein Research and Development for the book <i>Corn: Chemistry and Technology</i> .	
Postgraduate level	Diego Díaz for his work on the research project “ <i>Development of circular bioeconomy strategies for the integrated management of tequila vinasses.</i> ”	
Professional level	Michaela Prado and Cristobal Rojas for their project “ <i>Dual-nanoparticle system for enhanced drug accumulation and prolonged retention in metastatic cancers.</i> ”	
Preparatory level	Rodrigo Ruz-Cuen for the project “ <i>Amplification factor in DC insulator-based electrokinetic devices: a theoretical, numerical, and experimental approach to operation voltage reduction for particle trapping.</i> ”	

Xignux Foundation

An unconditional and permanent commitment to communities

In the year covered by this report, we celebrated our 12th year of creating initiatives to bring about a **significant change in communities** where we are present, and working together with civil society organizations (CSOs) has been the basic tool for achieving it.

Our mission at Xignux Foundation:

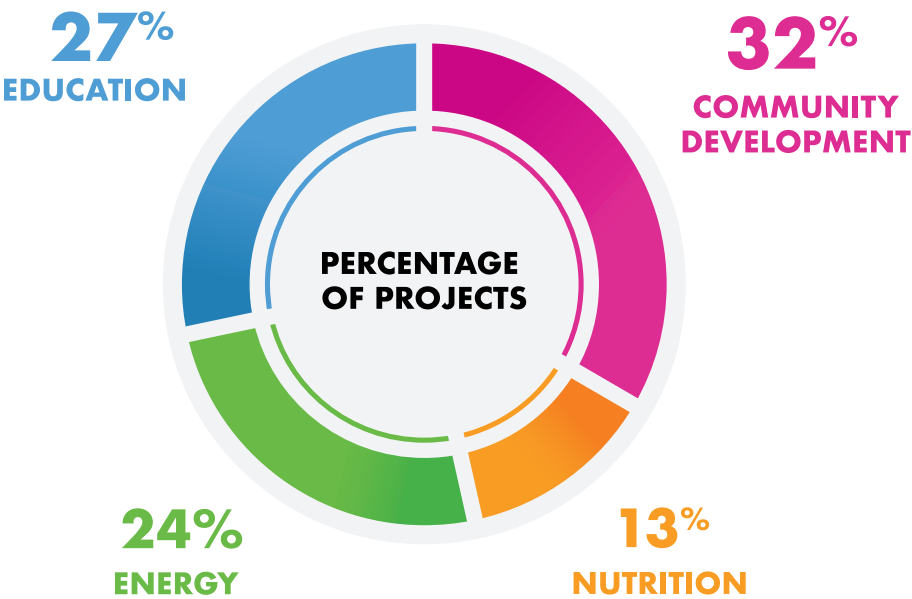
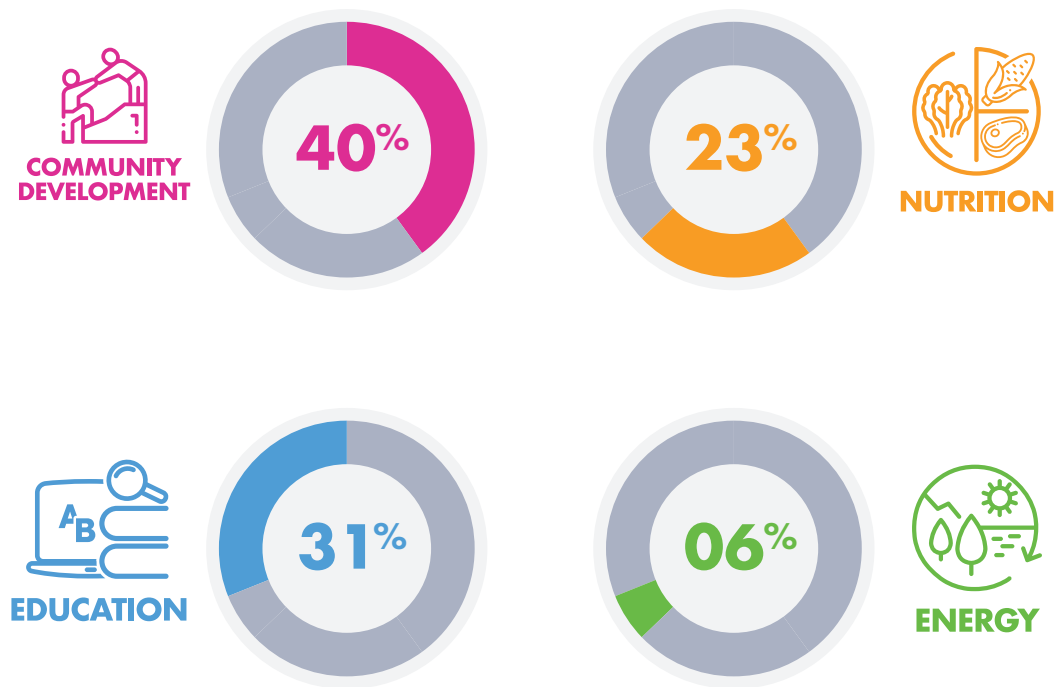
Contributing strategically and in a lasting way to **sustainable development** in our communities through alliances an investment in **high-impact social value** initiatives.



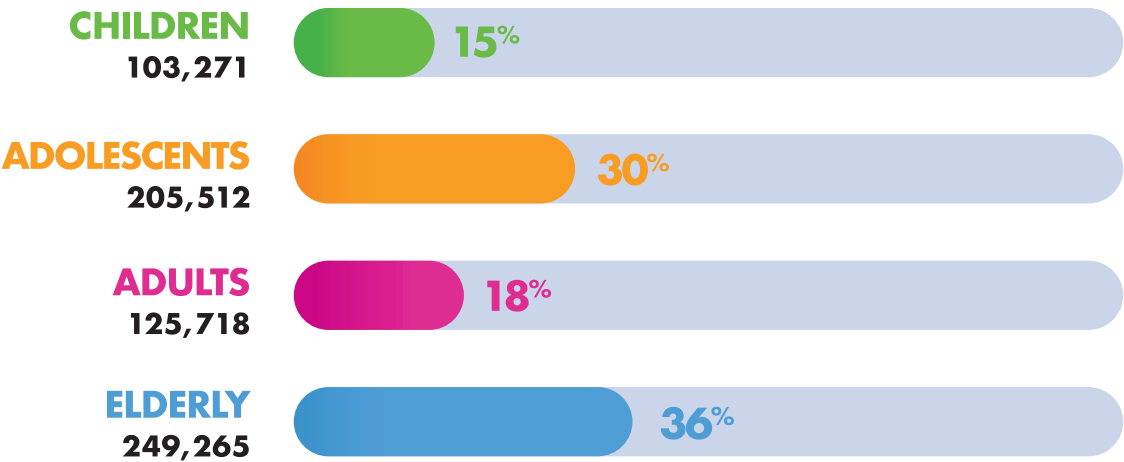
We divide our support areas into four priority areas for social investment (PASI)			
EDUCATION	• Educational quality • Research and development • Citizen training		
NUTRITION	• Childhood malnutrition • Childhood obesity		
ENERGY	• Sustainable energy solutions • Equitable access to renewable and clean energy sources		
COMMUNITY DEVELOPMENT	• Economic development at the base of the pyramid		

Xignux Foundation

IN 2022 OUR INVESTMENT WAS DISTRIBUTED AS FOLLOWS:



DIRECT BENEFICIARIES



PRIORITY AREAS FOR SOCIAL INVESTMENT (PASI)

PASI	PERCENTAGE	NUMBER OF PROJECTS
 ENERGY	27	26
 NUTRITION	17	19
 EDUCATION	24	05
 COMMUNITY DEVELOPMENT	32	34
TOTAL	100	84

Xignux Foundation alliances bear fruit

With the **Center for Social Impact Innovation and Andamos**, we helped build leaders for Civil Society Organizations in Nuevo León so that they can increase their capacity and professionalism and achieve a greater social impact.

Award year	Organization	Xignux Foundation Investment	Collective Investment	Collective Impact	Allied Investors
2020	Fondo de Contingencia para Organizaciones de la Sociedad Civil en N. L.	\$300,000 MXN	\$4,000,000 MXN	67 SCOs	• Fundación Jesús M. Montemayor • Treviño Elizondo • Fundación FEMSA • Fundación Frisa • Fomento Moral y Educativo
2021	Fondo de Fortalecimiento para las Organizaciones de la Sociedad Civil de Nuevo León 2021-2022	\$300,000 MXN	\$5,650,000 MXN	63 SCOs	• Treviño Elizondo • Fundación FEMSA • Fundación Frisa • Fomento Moral y Educativo • Consejo Cívico
2022	Fondo de Fortalecimiento para las Organizaciones de la Sociedad Civil de Nuevo León 2023	\$300,000 MXN	\$5,500,000 MXN	50 SCOs	• Fundación FEMSA • Fundación Frisa • Fomento Moral y Educativo • Consejo Cívico

With **MILC and Alerta Rosa**, we connected with communities to carry out an awareness-raising campaign about the health of Mexican families.



2019	Educational videos broadcast on Televisa and Xignux Foundation networks	• 12 educational videos • 153 saleswomen served • 100 women served through Alerta Rosa • 500 women benefited from the educational campaign • 18 doctors trained
2020	Educational campaign, assistance to women, diagnoses and full checkups	• Webinar with 2,359 views • 100 women served through Alerta Rosa • Three breast cancer diagnoses in phase zero • 30 women received full checkups
2021	Community webinar, a drawing for 30 full checkups for women's diagnosis and care	• Webinar with 1700 views • Fifty women assisted by Alerta Rosa • Three breast cancer diagnoses • 30 women received full checkup
2022	Community webinar, a drawing for 30 full checkups for women's diagnosis and care	• Video on “Conversations with Experts,” 177 views • 100 women served through onsite programs in the community of Oaxaca • 30 women received full checkup

With **Mujer en Plenitud**, we helped strengthen leadership for women in vulnerable conditions.



We benefited 27% more women in 2022 than in 2021. We improved their capacity to make decisions, detect the use of their own resources, raise self-esteem, mitigate gender-based violence and promote a better quality of life.

Year	Actions	Project Impact
2021	5 workshops given in 9 municipalities	• 190 women benefited • 760 indirect beneficiaries • 97% positive changes in behaviors • 74% beneficiaries generated resources at the end of the workshop
2022	5 workshops given in 9 municipalities	• 242 women beneficiaries • 968 indirect beneficiaries • 98% reported positive changes in conduct • 73% beneficiaries generated income at the end of the workshop • 28% beneficiaries started their own business • 69% of beneficiaries were selling their products on digital platforms

With **Amigos de la Sierra**, we helped to equip spaces for a community center to strengthen the social fabric in La Jacinta, Santiago, Nuevo León. The work included cleaning the site, preparing the ground, laying straw and building mud walls (using an artisanal technique of the region). More than 25 energizer volunteers and their families participated.



	Actions	Project Impact
2021	Construction of soil retention walls after forest fires	We participated in conservation works over 50 hectares of land in 2021 and 2022. Although restoration is a prolonged process, piling barriers made from vegetable material produced by the fire helped prevent the loss of initial soil and intercepted the loss of forest soil from erosion. With this, environmental succession was favored and revegetation was quicker in then in zones that were not intervened in this way, with less soil compacting and more infiltration.
2022	Construction of a Community Center	We began building the “El Maguey” Community Center in La Jacinta, Santiago, N.L. The first phase is programmed for completion in April 2023, but the building is already up and running. We currently have a program of managing and transforming waste, which addresses one of the main problems in this zone: trash. This program, which is supported by our allies (Fundación RISSA) has already generated the first job for a community member, and space is being set up with tools for transforming waste like glass, plastic and wood. The building has also served as a site for community meetings to deal with issues like preventing forest fires and reforesting the zone.

Path to Sustainability

During the 22nd and 23rd Path to Sustainability events, a total of 23 lectures were given to an overall audience of 2,707 students and professors in professional fields. The lectures dealt with topics like sustainable mobility, responsible communication, water security, comprehensive ecology, culture of peace, climate action, social impact projects and sustainable consumption. These lectures and workshops covered all 17 of the UN Sustainable Development Goals.

For 2024, a massive weeklong event is planned, which will take place once a year, where participants are invited to involve themselves more in sustainable issues in their communities.

Xignux-UDEM Prize: Alternative Energy and Sustainable Design Competition

This year marked the 8th edition of this contest, and entries were received from 24 students, accompanied by eight advisors. Students proposed comprehensive projects for energy efficiency improvement, water conservation and waste management at the Luis Elizondo retirement home and at RETOS, ABP. The winning team was made up of Alan Luna Guerra, an engineering student majoring in renewable energies at the Universidad Regiomontana (U-ERRE), and Karina Liliana Hernández Tamez and Ailine Madeline Barrera Lezama, who are studying sustainable development and energy engineering at UDEM. Their project worked with the organization RETOS, ABP, which serves 80 people a year, assisting young people and adults with disabilities from vulnerable environments and their families through therapy and services to improve their quality of life and help them live with dignity.

Students from the following universities applied for the award: Universidad de Monterrey (UDM), Tecnológico de Monterrey, Universidad Regiomontana (U-ERRE), Universidad Autónoma de Nuevo León (UANL), Universidad TecMilenio and Universidad del Valle de México (UVM).

Xignux-UDEM Prize: Guide to Sustainable Reactivation in Action

Entries for this prize were received from 9 students and 3 advisors. This year, the goal was for students to design an action plan for the organization of their choice, where they would apply the 2021 Sustainable Reactivation Guide with the support of a budget of MXN140,000. The winning team was the same as in the alternative energy and sustainable design competition, because they participated in both action lines with the same organization and turned in an outstanding project.



Xignux companies' Social Responsibility departments: Projects and impacts

Alliances for development

Committed to the UN Global Compact

As a member of the Global Compact, we participated in activities concerning sustainable development in the 77th United Nations General Assembly in New York.

We learned about **sustainability strategies** in place at other leading companies and had the opportunity to exchange ideas about best practices.

For Xignux, our membership in the **United Nations Global Compact** is also a sign of the genuine commitment we have to respecting and defending **human rights**, social inclusion and responsibility toward our environment.



Red SumaRSE Nuevo León: Companies united for gender equity

We are also an active member of Red SumaRSE Nuevo León, and alliance of companies based in the state of Nuevo León that has been working for more than ten years to join **resources for investment in high social impact projects**.

Since 2021, we have been working with the Universidad de Monterrey on its Kimakul program, which trains, prepares and encourages **enterprising women** who live in neighborhoods with varying degrees of vulnerability in the state, to develop and formally establish sustainable businesses.



We strengthened our alliances for environmental conservation

As part of our contribution to the sustainable development agenda, we work in areas that simultaneously benefit communities and the environment. **We invite you to read more about our environmental projects** with allies like the Chipinque Ecological Park and the Rotary Club in the "Planet" section of this report.



Gamers with a Cause video game tournament

We organized a **competition for a cause** between 200 gamers in collaboration with the Liga ACE Esports. With the support of Xignux Foundation, the proceeds of this competition went to provide **financial aid** to Civil Society Organizations that work in nutrition projects.

There were two categories in the tournament: university students and **Xignux energizers**. For the first category, we had participants from the Universidad Autónoma de Nuevo León (UANL), the Tecnológico de Monterrey and the Universidad de Monterrey (UEM).

We reached **more than 24,000 people** through social media, and participants competed on behalf of 12 SCOs. At the end of the tournament, Xignux Foundation presented donations totaling MXN200,000 to Instituto Nuevo Amanecer and Zihuame Mochila, A.C., and MXN60,000 to the Mexican Red Cross and the Hospital Materno Infantil.



Qualtia: Food donations to charitable institutions

Every month, Qualtia donates food to various Civil Society Organizations and charitable institutions that support people in situations of vulnerability. Some of these organizations are: Instituto Cayam, Hospicio Ortigosa, Centro Integral de Apoyo para el Pobre más Pobre A.C., Casa Hogar San Vicente de Paul, Hogar de la Misericordia A.B.P., Casa Sacerdotal, Misioneras Catequistas, Casa de Jesús, Voluntarias Legionarias de Cristo, Desarrollo de Educadoras A.B.P., Ministerios de Amor A.C., Alternativas Pacíficas A.C., Apostolado de la Cruz, Remar México A.C. and Escuela Hogar Nuestros Pequeños Hermanos A.C. In 2022, we **donated food** worth almost one million Mexican pesos to these causes.



Energizer volunteers

Our **volunteer** actions are a source of energy for our employees, their families, and the people that benefit directly and indirectly from them. This commitment by all of our energizers is distinguished for its capacity to identify and support high impact projects that make us grow as a **socially responsible company**.

At Xignux, there are always opportunities for helping communities and the environment, and this is evident in the results we share below:

Volunteering indicators by company

Company	Direct beneficiaries	Volunteer participations	Hours of volunteer time
Viakable	17,136	3,459	6,591
Prolec	6,967	1,117	923
Qualtia	21,830	3,654	7,483
BYDSA	5,669	349	1,160
Nanoqem	303	106	274
Xignux Corporativo	14,126	353	1,617
Total	66,031	9,038	18,048



We organized all of these activities according to the **Sustainable Development Goal** they support, and measured their contribution in terms of volunteer time and beneficiaries:

Goal	Number of initiatives	Hours of volunteer time	Direct beneficiaries
 1 NO POVERTY	7	431	879
 2 ZERO HUNGER	20	1,369	6,984
 3 GOOD HEALTH AND WELL-BEING	46	6,469	10,915
 4 QUALITY EDUCATION	61	3,917	7,412
 5 GENDER EQUALITY	9	563	528
 6 CLEAN WATER AND SANITATION	4	402	953
 7 AFFORDABLE AND CLEAN ENERGY	0	0	0
 8 DECENT WORK AND ECONOMIC GROWTH	2	45	103
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	1	66	8
 11 SUSTAINABLE CITIES AND COMMUNITIES	0	0	0
 13 CLIMATE ACTION	5	1,240	1,518
 14 LIFE BELOW WATER	0	0	0
 15 LIFE ON LAND	62	2,232	34,639
 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	4	248	152
 17 PARTNERSHIPS FOR THE GOALS	0	0	0

Our volunteers in action

The following are some of the most important volunteer actions each of our companies carried out for their communities:

Viakable

Activity	Scope
Adopt a school	We helped improve facilities in community schools for the back-to-school season. We also donated cleaning and hygiene articles.
Associates for a day	Preparatory school and undergraduate students experienced a day of work in the company of energizers who acted as mentors.
Together against cancer	We supported children with cancer by collecting recycled materials, hair donations and Christmas gifts.
Sheltering hearts	We donated winter clothing to beneficiaries of organizations like DIF in Durango, Cáritas in San Luis Potosí and Casa Hogar Alabastro de Amor Thelma, A. C. in Nuevo León.
Sales with a cause	We carried out an internal sale of items to raise funds and benefit organizations like HOGA, Casa del Anciano of the Durango State Department of Family Services (DIF), and the family of one energizer in difficult circumstances.
Donate your kilos	We carried out a health and wellness activity with employees to support organizations like Comedor de los Pobres (Nuevo León); Cáritas (San Luis Potosí), Casa Hogar DIF y Ciudad del Anciano (Durango).
Donation of school supplies	We took up a collection of school supplies to help poor children in indigenous communities.
Outstanding student in the community	To recognize children in the community who earned outstanding grades, we presented them with a full kit of school supplies and a new backpack.



Prolec

Activity	Scope
Sales with a cause	We carried out various activities for selling products with a cause to employees to support charitable institutions like Asociación Mujer en Plenitud A.B.P., Amour21 (an inclusive coffee shop in Nuevo León that employs youth with disabilities) and Apendix, among others.
Support for the Apodaca DIF	We donated 114 toilet paper dispensers to various centers that assist people with disabilities.
Waukesha school supply drive	We took up a collection of school supplies to benefit one public school. Our volunteers bought school supplies to support poor children.
Waukesha ice fishing	We raised funds through an ice fishing event in Waukesha to support the United Way of Greater Milwaukee, which supports vulnerable communities, focusing on health care, education and financial stability for families.
Coats for Canoas 2022	At our plant in Brazil, we took up a collection of warm winter clothing through the institution Alimento Canoas, which supports homeless people and vulnerable families.
Fundraising at Shreveport	A collection was taken up among employees at Shreveport to donate to the organization Providence House, which helps homeless women and children who have survived situations of abuse.

Qualtia

Activity	Scope
Blood donation	At our Querétaro, Monterrey and Tepetzotlán plants, we carried out a blood drive, where we also raised employee awareness about the importance of giving blood, and the myths and realities surrounding this important activity.
Zwan Rosa	Every year, Zwan turns pink, to focus the brand on a great purpose: joining the Pink Cross in supporting women in their battle against breast cancer. This is an annual project that brings help, strength and hope to their lives, and also sends out a call for prevention to other women.
Runners with a Cause club: Team Well-Being	Qualtia's team of runners participated in various races for a cause throughout the year. In preparation for these races, team members trained on various mountains around the region, ensuring best times and peak physical condition.
Donation of school supplies	With the "We are useful" campaign, involving energizers from the staff and plant areas of our Monterrey operations, we donated school supplies to the Leona Vicario primary school in San Nicolás de los Garza, Nuevo León. We also presented packets of school supplies to students in various communities of Santiago, Nuevo León, and donated cleaning articles to the schools. We do all this to contribute to and benefit education for community children, energizing their lives and empowering their futures.
Together and United for our people	Throughout the year, we carried out various internal campaigns to support coworkers facing difficult times in either for medical reasons or due to natural disasters.

BYDSA

Activity	Scope
Support for the Nuevo León DIF	We donated snacks to support the Nuevo León DIF and participated in the NUEVOLANDIA event, offered to the community of Nuevo León.
Blood drive	We held a health fair for our energizers, where we sponsored a blood drive to benefit health services and the Nuevo León state blood transfusion center.
Fundraising for Casa Paterna La Gran Familia A. C.	We sold cookies to raise funds for this institution.
Patronato de bomberos de Guadalupe, N.L.	We donated two pieces of emergency equipment to this firefighters' organization.
Support for Asociación de Invidentes Unidos	We supported this organization for the blind through our health fair.

Awards and recognitions



Viakable and Qualtia: Socially Responsible Enterprise Award

The **Socially Responsible Enterprise (ESR)** award, given by the Mexican Center for Philanthropy (CEMEFI) recognizes companies that assume a public commitment to incorporating corporate social responsibility criteria into their business culture.

In the year covered by this report, Viakable and Qualtia were awarded this distinction, through a process that examines four spheres: **business ethics, employee quality of life, environmental care and community engagement.**

The award is a recognition of the **sum of the efforts of each and every one of the energizers** at Xignux's companies, and in turn it inspires us to continue strengthening our commitment to responsible development and growth.



Caty's World Nominated for an International Award

Premiering in March of last year, the children's series Caty's World was created by the Corporate Communications and Xignux Foundation teams. The project is a web series that brings children **valuable information and education** to help them improve their quality of life.

Caty's World was selected to compete for **best animated/puppetry web series in the NZ Web Fest** in New Zealand, where it won the top spot in that category. This event rewards and celebrates the work of creators of digital content around the world, in two categories: podcasts and web series.

Caty's world also received 4 nominations in the **Rio Web Fest and NYC Web Fest** festivals.

The series has helped build awareness about the following topics:

- Down syndrome
- Disability
- Environmental care
- Education
- Nutrition
- Mental health





Planet

Energy in action to protect
our planet



Energy in action to protect our planet

We have an integrated sustainability strategy, and we are firmly committed to maximizing our **positive impact on the environment** and reducing our negative impacts in every one of our operations. From actions to **reduce our consumption of natural resources** to addressing the effects of climate change and correct waste management and disposal, every year we advance further in **our contribution to the 2030 Agenda** through the priority **Sustainable Development Goals** for our company. All of Xignux's companies work as a team to improve environmental performance.



Water is energy

GRI 303-1, 303-2, 303-3 and 303-5

In 2022 we launched an internal campaign from corporate headquarters for all Xignux companies in order to raise our energizers’ awareness about the **responsible use of this vital natural resource**. We also held a contest for water conservation ideas as part of **Earth Week 2022**, in which our energizers created a poster and a song. The winning entry, submitted by three energizers from Viakable, was a song called **“Water is energy”**, which was shared with the entire organization through our internal media.

At the same time, Prolec and Qualtia organized an exhibit on water care with **Monterrey’s water and sewage authority**, in which energizers received important information about the current problem of extreme drought.

At Viakable, 185 energizers learned about the **critical drought situation** Mexico is experiencing, in a talk entitled “What’s going on with water?” given by Ana Yael Vanoye, professor at the Tecnológico de Monterrey and specialist in Environmental Systems.



2022 water consumption by company, in m³

Company	2018	2019	2020	2021	2022
Viakable	406,415	426,016	443,472	383,127	318,412
Prolec	126,608	144,506	148,663	137,723	107,337
Infrastructure (deconsolidated in 2022)	2,975	2,217	1,787	1,878	NA
Qualtia	1,039,650	1,118,508	1,087,792	1,027,634	1,050,413
BYDSA	28,626	30,678	28,280	27,261	31,410
Total	1,604,274	1,721,925	1,709,994	1,577,623	1,507,572

Water consumption by source, in m³

Source	2019	2020	2021	2022
Ground water	1,432,283	1,377,797	1,339,822	481,711
Surface water	0	0	0	852,133
Municipal supply	173,662	170,713	161,042	78,170
Wastewater	16,562	53,453	20,280	5,612
Rainwater	0	94	0	0
Others	125,406	107,919	56,480	89,946

Water by source	BYDSA	Prolec	Qualtia	Viakable	Total
Surface water	0	0	852,133	0	852,132
Other public or private services	5,270	0	84,676	0	84,676
Ground water	9,515	107,337	113,604	251,255	472,196
Municipal supply	16,625	0	0	61,545	149,141
Wastewater from other organizations	0	0	0	5,612	5,612
Total	31,410	107,337	1,050,413	318,412	1,507,572

Aware of the importance of **caring for water bodies** to ensure the continuing availability of this natural resource, Viakable energizers and their families volunteered for two events. The first was held in an **alliance with the Red Ambiental y Cíclica** and supported the cleanup of the Santa Catarina River in Nuevo León, where volunteers collected seven metric tons of trash and almost 100 tires. The second volunteer activity was at Lake Lainier in the state of Georgia, USA, where **energizers also collected trash**.

Total historic water consumption in m³

2016	1,648,299
2017	1,646,069
2018	1,604,274
2019	1,721,925
2020	1,709,994
2021	1,577,623
2022	1,507,572

Water reused in 2022 (m³)

Company	Amount reused
Viakable	1,386
Qualtia	133,146
Prolec	14,483
Total	149,015

* Reused water goes to building maintenance, watering, and other purposes.



Energy and emissions

GRI 303-1, 303-2, 303-4, 305-1, 305-2 and 305-5

Every year, we try to make our **processes more efficient** so that they consume less energy and **produce fewer emissions**.



Qualtia has the first **electric distribution vehicle**, which not only generates zero emissions but **reduces waste generation and maintenance costs**. The vehicle, located at the Monterrey Distribution Center, has two battery banks with a total charge of 66.3 kWh, giving it 100 kilometers of autonomy.

Total electrical consumption by company

Company	2018		2019		2020		2021		2022	
Unit	kWh	GJ	kWh	GJ	kWh	GJ	kWh	GJ	kWh	GJ
Viakable	244,654,885	880,758	237,884,931	856,385	258,892,895	932,014	256,866,957	924,721	191,253,890	688,514
Prolec	55,534,700	199,925	57,192,673	205,893	57,489,873	206,962	58,651,067	211,144	61,494,525	221,380
Infrastructure (deconsolidated in 2022)	416,256	1,499	504,118	1,814	278,781	1,007	365,126	1,314	NA	NA
Qualtia	58,881,089	211,972	68,388,211	246,197	72,349,618	260,517	74,580,681	268,490	64,257,155	231,326
BYDSA	6,097,883	21,952	5,174,056	18,626	5,504,160	19,815	7,512,475	27,045	7,222,555	26,001
Total	365,584,813	1,316,106	369,143,989	1,328,915	397,976,306	1,420,315	397,976,306	1,432,714	324,228,125	1,167,221

* At Viakable, the reduction was due to the deconsolidation of operations in Colombia (Centelsa) and Brazil (Sao Marco)
**GJ numbers for BYDSA in 2021 have been corrected.

Non-renewable fuel consumption by company (GJ) 2022

Company	Natural gas	LP Gas	Gasoline	Diesel	Total
Viakable	625,947	7,968	311	535	634,761
Prolec	376,139	22,876	0	258,521	657,536
Qualtia	585,069	5,737	35,518	401,713	1,028,037
BYDSA	82,939	0	648	28,110	111,697
Total	1,670,094	36,581	36,477	688,879	2,432,031

Total historic energy consumption (in GJ)

2016	1,288,814
2017	1,346,386
2018	1,316,106
2019	1,328,915
2020	1,420,315
2021	1,432,714
2022	1,167,221

GHG emissions by company (tCO2e)

Company	2019		2020		2021		2022	
	Emissions generated from fuel consumption (scope 1)	Emissions generated from electricity consumption (scope 2)	Emissions generated from fuel consumption (scope 1)	Emissions generated from electricity consumption (scope 2)	Emissions generated from fuel consumption (scope 1)	Emissions generated from electricity consumption (scope 2)	Emissions generated from fuel consumption (scope 1)	Emissions generated from electricity consumption (scope 2)
Viakable	37,681	78,313	34,666	75,680	32,535	93,955	37,635	96,586
Prolec	16,091	29,874	20,279	27,116	20,071	29,019	17,832	32,111
Infrastructure (deconsolidated in 2022)	859	229	657	147	690	192	NA	NA
Qualtia	62,872	44,066	62,567	39,747	61,673	44,351	67,328	42,005
BYDSA	13,988	2,173	13,939	2,171	11,359	3,430	7,155	2,920
Total	131,491	154,655	132,108	144,861	126,328	170,947	129,950	173,622

Total GHG emissions (tons CO2e)

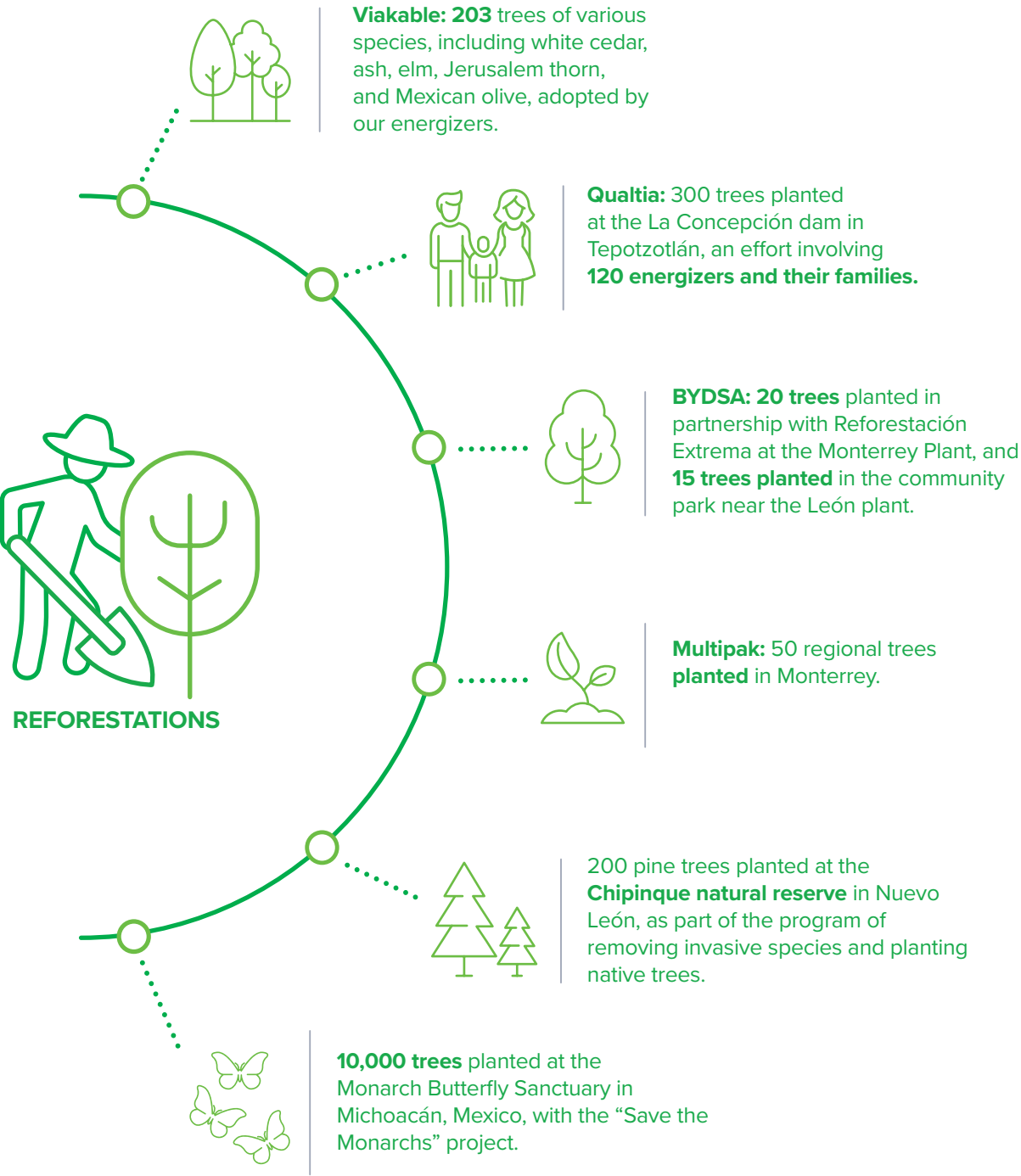
	2016	2017	2018	2019	2020	2021	2022
Scope 1	99,767	127,481	122,724	131,491	132,108	126,328	129,950
Scope 2	127,004	133,775	142,873	154,655	144,861	170,947	173,622

Scope 1: Emissions generated from fuel consumption.
Scope 2: Emissions generated from electricity consumption.

For a greener planet

GRI 304-3

We participated in a number of reforestation activities, helping to **improve air quality** for the communities where we are present and to be part of the **solution to climate change**.



Materials, waste and recycling

GRI 301-1, 301-2, 301-3, 306-1, 306-2, 306-3, 306-4 and 306-5

We are constantly working to **improve and be more efficient in our use of materials and resources**, and to correctly handle our waste.

One example of these practices is focused on the circular economy concept: our “don’t toss paper, recycle it” program at Qualtia, to recycle office paper. With this, we have saved the equivalent of 315 trees. After use, the paper is sent to a company that makes more recycled paper, which means **double use**.

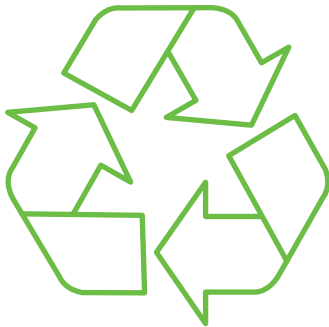


Renewable and non-renewable materials used in 2022 by company (metric tons)

	RENEWABLE	TOTAL WEIGHT	NON-RENEWABLE	TOTAL WEIGHT
Viakable	Wood in board feet*	32, 027,411	Copper	140,553
			Aluminum	94,586
			High- and low-density polyethylene	13,186
			PVC and XLPE	35,933
			Enamels	3,512
Prolec	Wood	388,648	Organic solvents	14,136
	Cardboard	1,983	Copper	6,021
			Aluminum	10,669
			Oil	354,057
			Plastics	16
Qualtia			Steel	83,496
	Wood	81	High- and low-density polyethylene	3,759
	Others	90	Plastic wrapping	140
			Lubricants	24
			Oil	1,406
			Cardboard	1,705
			Pallets	2,111
			Flours and condiments	8,212
			Plastics	2,514
			Pastas	138,338
			Bones	269
			Meat products	3,143
			High- and low-density polyethylene	3,759
			Plastic wrapping	140
BYDSA	Cardboard	6,366	Flours and condiments	13,232
	Wood	3,131	Oils	6,298
			Cardboard	3,846
			High- and low-density polyethylene	53
			Pallets	140

*In units

For three weeks, during the “**Recycle to help**” program, 290 Viakable energizers and their families **collected PET, bottlecaps, cardboard, aluminum and paper**, which were donated to charitable institutions that use them to raise funds.



Other example of a **good waste reduction practice**, not just in operations but in our offices, was the initiative at Prolec Shreveport, where disposable thermal cups were replaced with paper cups, and all employees received a reusable water bottle.

Waste by disposal method (metric tons)

Hazardous					Non-hazardous			
Method	2019	2020	2021	2022	2019	2020	2021	2022
Reuse	241	412	54	231	108,416	17,331	1,954	8
Composting	0	0	0	6	1,134	1,197	0	9
Recovery	25,126	194,952	119,736	2,531	3,109,940	10,626	12,092	0
Incineration	660	1,595	187	75	0	0	0	0
Injection in deep wells or confinement	0	41,279	12,512	12,304	0	0	0	0
Sanitary landfill	624	571	361	0	11,865	442,910	65,407	61,486
Total	26,651	238,809	132,896	15,147	3,231,355	472,064	79,453	61,503

Hazardous					
Method	Viakable	Prolec	Qualtia	BYDSA	TOTAL
Reuse	0	231	0	0	231
Composting	0	0	0	6	6
Recovery	2,271	258	0	2	2,531
Incineration	34	0	41	1	75
Injection in deep wells or confinement	12,061	237	0	6	12,304
Total	14,366	726	41	15	15,147

Non-Hazardous					
Method	Viakable	Prolec	Qualtia	BYDSA	TOTAL
Reuse	0	0	8	0	8
Composting	0	9	0	0	9
Sanitary landfill	51,867	2,558	6,667	394	61,486
Total	51,867	2,567	6,675	394	61,503

Viakable held a workshop on resource-saving ideas, with 41 energizers participating. The focus was on finding **ways to save** within the company, and to improve the competitiveness of our raw material and input costs for cable production. This was done based on knowledge of trends in the cable industry and cooperative work to propose ideas that had the potential to **reduce our consumption of materials**.





Energizing care for biodiversity in Mexico

GRI 304-3

In partnership with the **Chipinque Ecological Park**, we launched the Citizen Scientist program, involving the participation of energizer volunteers who worked under the guidance of the conservation team of this natural reserve to help **collect data for scientific research**.

This activity benefited the volunteers, helping them to develop the skill of **environmental observation and learning more about biodiversity**, while at the same time, helping the park's conservation team to collect more data in order to develop more robust research.

Also, as part of our alliance with the Chipinque park, we participated in the **reforestation of the area with native species**, through the Seeds of Hope campaign.

Among the benefits of this program are:

- **Climate regulation**
- **Improved air quality**
- **Attraction of water for watersheds**
- **Formation of fertile soil**

CHIPINQUE 



In our work together with Chipinque, we contributed to:

1. Strategic reforestation of degraded zones in the natural reserve
2. Promoting a culture of conservation, involving our employees so that they could learn the importance of controlling exotic invasive species and strategically reforesting with native species.
3. Helping the natural reserve to continue providing ecosystem services.
4. Meeting the Sustainable Development Goals.

Xignux and its energizers help to conserve the monarch butterfly

In 2022, we **joined this ambitious tri-national project** between Canada, the United States and Mexico, under the leadership of Kansas City Southern, Kansas City Southern de México, and the Monterrey Metropolitan Rotary Club, and in partnership with other companies, like Canadian Pacific, GATX, INIXAR and other allies. Together, we worked to **care for the environment and protect the migratory path of the monarch butterfly** from Canada to Mexico.

According to specialists in conservation like our allies in Michoacán, Profauna and Focen (**Fondo Monarca**), monarch butterflies that arrive in our country on their migratory journey are imperiled by illegal logging, climate change and the indiscriminate use of fertilizers along their route.

As part of the conservation actions, we contributed to the **reforestation of the El Rosario Monarch Sanctuary** in Michoacan, with 60,000 pine and oyamel trees planted, funded entirely by contributions from sponsors.

Xignux contributed to this program, while energizers pitched in as with their own donations. The funds raised were donated completely to **reforestation efforts**.

Prizes, recognitions and certifications 2022

Prolec was awarded the Green Seal **environmental quality certificate** from the city council of Tres Corazones in Brazil thanks to its **environmental care** initiatives, compliance with environmental laws, and support for educational projects in areas relating to **sustainability**.

Cables	ISO 14001	Clean Industry	ISO 45001
CMSA Monterrey	●		●
CMSA San Luís Potosí	●		●
CMSA El Carmen	●		●
Magnekon Planta 1	●	●	●
Magnekon Planta 2	●		●
Magnekon Planta 3	●		●
KEMEX	●		●
Multipak San Luis Potosí		●	●
Miltipak Monterrey			●
Multipak Durango		●	●
Centelsa	●		●
Cobres de Colombia	●		●
Alcatek	●		●
Cabel (ICV)	●		●

● Certified



Food	ISO 14001	Clean Industry
Qualtia Querétaro		●

Transformers	ISO 14001	Clean Industry	ISO 45001	ISO 9001:2015
Prolec GE	●	●		
Celeco	●	●		
Canoas Brasil	●		●	
Prolec GE USA				●

● Certified



Xignux has reported the information listed in this GRI content index for the reporting period from January 1 to December 31, 2022, with reference to the GRI Standards.

GRI 1: Foundation 2021

GRI Standard	Content	Location	Sustainable Development Goal (SDG)	Global Compact	SASB Food	SASB Energy
GRI 2: General Disclosures 2021	2-1 Organizational details	8			FB-PF-000.B	
	2-2 Entities included in the organization's sustainability reporting	8				
	2-3 Reporting period, frequency and contact point	Our report is published annually. This report covers the period from January 1 to December 31, 2022.				
	2-4 Restatements of information	There have been no restatements of previous year's information necessary.				
	2-5 External assurance	This year's report has not been subject to external assurance				
	2-6 Activities, value chain and other business relationships	8				IF-EU-110a.4
	2-7 Employees	36	SDG 8. Decent Work and Economic Growth			
	2-8 Workers who are not employees	36	SDG 8. Decent Work and Economic Growth			
	2-9 Governance structure and composition	18				
	2-10 Nomination and selection of the highest governance body	18				
	2-11 Chair of the highest governance body	18				
	2-12 Role of the highest governance body in overseeing the management of impacts	18				
	2-13 Delegation of responsibility for managing impacts	18				
	2-14 Role of the highest governance body in sustainability reporting	18				

GRI

CONTENT INDEX

(Global Reporting Initiative)

GRI Standard	Content	Location	Sustainable Development Goal (SDG)	Global Compact	SASB Food	SASB Energy
GRI 2: General Disclosures 2021	2-15 Conflicts of interest	28			FB-PF-000.B	
	2-16 Communication of critical concerns	28				
	2-17 Collective knowledge of the highest governance body	18				
	2-18 Evaluation of the performance of the highest governance body	18				
	2-19 Remuneration policies	18				
	2-20 Process to determine remuneration	18				IF-EU-110a.4
	2-21 Annual total compensation ratio	Information not available for this reporting period				
	2-22 Statement on sustainable development strategy	6				
	2-23 Policy commitments	19				
	2-24 Embedding policy commitments	19				IF-EU-110a.3
	2-25 Processes to remediate negative impacts	19				
	2-26 Mechanisms for seeking advice and raising concerns	28				
	2-27 Compliance with laws and regulations	28				
	2-28 Membership associations	24				
	2-29 Approach to stakeholder engagement	19				
	2-30 Collective bargaining agreements	36				

GRI Standard	Content	Location	Sustainable Development Goal (SDG)	Global Compact	SASB Food	SASB Energy
GRI 3 Material topics 2021	3-1 Process to determine material topics	19				
	3-2 List of material topics	19				
	3-3 Management of material topics	19				
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	8	SDG 2. Zero Hunger SDG 7. Affordable and Clean Energy SDG 8. Decent Work and Economic Growth SDG 9. Industry, Innovation and Infrastructure		FB-PF-260a.1. FB-PF-270a.2	
	201-3 Defined benefit plan obligations and other retirement plans	36				
	201-4 Financial assistance received from government	We received no assistance from any government agency in 2022.				
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	36 y 57				
GRI 203: Indirect economic impacts 2016	203-1 Infrastructure investments and services supported	62	SDG 2. Zero Hunger SDG 5. Gender Equality SDG 7. Affordable and Clean Energy SDG 9. Industry, Innovation and Infrastructure SDG 11. Sustainable Cities and Communities			
	203-2 Significant indirect economic impacts	62				

GRI Standard	Content	Location	Sustainable Development Goal (SDG)	Global Compact	SASB Food	SASB Energy
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	28	SDG 16. Peace and Justice Strong Institutions	Principle 10		
	205-2 Communication and training about anti-corruption policies and procedures	28		Principle 10		
	205-3 Confirmed incidents of corruption and actions taken	28		Principle 10		
GRI 301: Materials 2016	301-1 Materials used by weight or volume	93	SDG 12. Responsible Consumption and Production	Principles 7, 8 and 9		
	301-2 Recycled input materials used	93		Principles 7, 8 and 9		
	301-3 Reclaimed products and their packaging materials	93		Principles 7, 8 and 9		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	90	SDG 7: Affordable and Clean Energy	Principles 7, 8 and 9	FB-PF-130a.1	
	302-2 Energy consumption outside of the organization	90	SDG 8: Decent Work and Economic Growth SDG 12: Responsible Consumption and Production	Principles 7, 8 and 9		
	302-4 Reduction of energy consumption	90	SDG 13: Climate Action	Principles 7, 8 and 9		
GRI 303: Water and effluents 2018	303-1 Interactions with water as a shared resource	88	SDG 6. Clean Water and Sanitation	Principles 7, 8 and 9		
	303-2 Management of water discharge-related impacts	88		Principles 7, 8 and 9	FB-PF-140a.3	IF-EU-140a.3
	303-3 Water withdrawal	88		Principles 7, 8 and 9	FB-PF-140a.1	IF-EU-140a.1
	303-5 Water consumption	88		Principles 7, 8 and 9		

GRI Standard	Content	Location	Sustainable Development Goal (SDG)	Global Compact	SASB Food	SASB Energy
GRI 304: Biodiversity 2016	304-3 Habitats protected or restored	92 and 96	SDG 6. Clean Water and Sanitation	Principles 7, 8 and 9		
GRI 305: Emissions 2016	305-1 Direct (scope 1) GHG emissions	90	SDG 12: Responsible Consumption and Production SDG 13. Climate Action	Principles 7, 8 and 9		IF-EU-110a.1. IF-EU-110a.2
	305-2 Energy indirect (scope 2) GHG emissions	90		Principles 7, 8 and 9		
	305-5 Reduction of GHG emissions	90	SDG 15. Life on Land	Principles 7, 8 and 9		
	GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	93	SDG 12. Responsible Consumption and Production	Principles 7, 8 and 9	
306-2 Management of significant waste-related impacts		93	Principles 7, 8 and 9		FB-PF-410a.1. FB-PF-410a.2	
306-3 Waste generated		93	Principles 7, 8 and 9			
306-4 Waste diverted from disposal		93	Principles 7, 8 and 9			
306-5 Waste directed to disposal		93	Principles 7, 8 and 9			
GRI 401: Employment 2016		401-1 New employee hires and employee turnover	36		SDG 5. Gender Equality	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 45. There are no differences between the benefits provided to full-time and part-time employees	SDG 8. Decent Work and Economic Growth			
GRI 402: Labor/ Management relations 2016	402-1 Minimum notice periods regarding operational changes	At Prolec, three weeks. At Qualtia and Viakable, two weeks.	SDG 8: Decent Work and Economic Growth			

GRI Standard	Content	Location	Sustainable Development Goal (SDG)	Global Compact	SASB Food	SASB Energy
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	55				
	403-2 Hazard identification, risk assessment and incident investigation	55				
	403-3 Occupational health services	55				
	403-4 Worker participation, consultation and communication on occupational health and safety	55				
	403-5 Training of workers in occupational health and safety	55	SDG 3: Good Health and Well-being			
	403-6 Promotion of the health of the worker	55	SDG 8: Decent Work and Economic Growth			
	403-7 Prevention and mitigation of occupational health and safety impacts linked to commercial relations	55				
	403-8 Workers covered by an occupational health and safety management system	55				
	403-9 Work-related injuries	55				IF-EU-320a.1
	403-10 Work-related ill health	55				

GRI Standard	Content	Location	Sustainable Development Goal (SDG)	Global Compact	SASB Food	SASB Energy
GRI 404: Formación y educación 2016	404-1 Average hours of training per year per employee	36 and 45				
	404-2 Programs for upgrading employee skills and transition assistance programs	36 and 45	SDG 4. Quality Education SDG 5. Gender Equality			
	404-3 Percentage of employees receiving regular performance and career development reviews		SDG 8: Decent Work and Economic Growth			
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	36 and 57	SDG 5. Gender Equality	Principle 1		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	28	SDG 10. Reduced Inequality ODS 16: Paz, justicia e instituciones solidas	Principles 1 and 6		
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	We have not detected any risks of this type.	SDG 8: Decent Work and Economic Growth	Principles 1 and 3		
GRI 408: Child labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	We have not detected any risks of this type.	SDG 8: Decent Work and Economic Growth	Principles 1 and 5		
GRI 409: Forced or compulsory labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	We have not detected any risks of this type.	SDG 8: Decent Work and Economic Growth	Principles 1 and 2		
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	In 2022 there were no instances of violation of the human rights of indigenous groups.	SDG 10. Reduced Inequality SDG 16: Peace and Justice Strong Institutions	Principle 1		

GRI Standard	Content	Location	Sustainable Development Goal (SDG)	Global Compact	SASB Food	SASB Energy
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	62	SDG 17. Partnerships to Achieve the Goals			
	413-2 Operations with significant actual and potential negative impacts on local communities	62			FB-PF-260a.2	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	8				
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	8				
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	8				
	417-2 Incidents of non-compliance concerning product and service information and labeling	No reported incidents of non-compliance with the applicable labeling laws			FB-PF-270a.1	
	417-3 Incidents of non-compliance concerning marketing communications	No reported incidents of non-compliance with the applicable marketing laws			FB-PF-270a.3. FB-PF-270a.4	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	No reported incidents of non-compliance with the applicable data protection laws				

About this report

In keeping with the principles of accountability and transparency in all of our actions, this is our **Social Responsibility and Sustainable Development Report** for the past year. In it, we inform our stakeholders and the general public of the **actions Xignux has taken in the areas of economic, social and environmental performance.**

The scope of this report encompasses **all of the operations of the companies** Viakable, Prolec, Qualtia, BYDSA, Nanoqem, Voltway and Xignux Corporativo (the parent company). It also discusses our **achievements and the challenges** we faced as a company, from January 1 to December 31, 2022.

Our reporting cycle is annual, and in the last five years we have followed the standards of the Global Reporting Initiative (GRI), core option. Our measurement methods are also based on GRI recommendations. We have included our contributions to the **UN 2030 Agenda** and Sustainable Development Goals as well.

For the purposes of clarity, the Social Responsibility Report is divided into the following sections:

- About the company
- Responsible corporate governance
- Pillars
- Ethics and Values
- Our People
- Community
- Planet
- GRI Content

In determining materiality and developing this report, this year **we engaged an independent expert in the field**; we did not obtain external assurance on the report.



Acknowledgements

This document is the result of the **combined efforts of the employees and senior management** of each of Xignux’s companies. Without their experience and their hard work year in and year out, we would not be able to share this **Xignux Social Responsibility and Sustainable Development Report.**

In addition, as every year, we reaffirm **our commitment to transparency** and we will continue publishing this report in order to share it with **our stakeholders and inform them of our actions** and our impact on society, economy and the environment.

We are grateful for your preference and your trust in our products, which we will continue to offer with the highest quality.



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