

Proeza

# Annual Report 2021





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# Message from our Coordinator

Dear stakeholders,

In the challenging landscape we face, where volatility and uncertainty set the context for the long run, we became even more convinced of the necessary evolution we had to make. 2021 was the scenario in which we were able to show our strength and aspirational character, encouraging us to embrace the transformation with a new approach while continuing to drive the exploration of investment opportunities aligned with global trends of the present and future.

We have taken concrete steps towards the transformation we pursue as a Group, guided by our purpose: **“Create a more sustainable and prosperous world by building business ecosystems.”** This reflects our commitment to being agents of change, generating initiatives that lessen the environmental impact and provide value for our society.

With the adhesion of Proeza, Metalsa, and Citrofrut to the UN Global Compact, we are committing to align ourselves with the Ten Universal Principles on Human Rights, Labor Standards, Environment, and Anti-corruption. Thus, making a more significant contribution to the UN Sustainable Development Goals. We stand together, honoring our history, communities, and future generations.

In addition, some of our main highlights are achieving our first global Code of Conduct training and being recognized with the highest score in the Corporate Integrity ranking, published by *Expansión* magazine. Our Donations Committee was renewed, seeking to institutionalize the Group’s social responsibility process. We introduced Diversity, Equity & Inclusion initiatives, making our openness to different ideas and experiences visible from each one’s individuality. Also, in

alignment with the World Economic Forum Principles, we developed a common framework among our companies, ensuring sustainability remains at the core of our efforts. Furthermore, our sustainability vision, “Inspiring people for a better world,” will encompass the impact we strive to make.

Taking words into action, Proeza and its companies have committed to undergo Materiality Assessments in 2022, defining social, environmental, and governance targets for 2030, including our pledge to Net Zero by 2050. Additionally, we are expanding our Enterprise Risk Management processes to map ESG risks seeking ways to transform challenges into opportunities.

We are preparing to release our Corporate Sustainability Guideline, which will embed sustainable principles into our cultural and investment practices, enabling the fulfillment of Proeza Group’s purpose. Training will be provided to board members and organizational leaders, as well as awareness campaigns across the whole Group, empowering functional impact. At the same time, we will ensure that our governance bodies provide oversight and steer our sustainability efforts.

I want to thank all of you, our stakeholders, for the confidence you have granted us. I feel very optimistic about the course we have embarked on. We have a clear path that will lead us to contribute to building the better world we all envision.

Leopoldo Cedillo  
Proeza Co.







# About Communication of Progress – United Nations

This report contains our performance in the Ten Principles of the United Nations Global Compact and considers a reporting period from January 1 to December 31, 2021, and it aims to communicate our progress on four fundamental issues: Human Rights, Labor Rights, Environment, and Anticorruption.

We are glad to be part of this initiative, where we engage in an exercise of further transparency with our stakeholders, destined to show our efforts and make this information accessible to all of them. It is also in our interest that our reports are verified and audited by external agents as we gain maturity in this process.

At Proeza, we are optimistic about what lies ahead, reaffirming our contribution to the sustainable development goals, ensuring the well-being of present and future generations. In the following pages, you will find our initiatives, projects, and actions implemented during 2021.

## Responsible Director:

**Leopoldo Cedillo,**  
Proeza Co.

**Publication date:** September 2022

**Report coverage period:**  
January – December 2021

## Offices

405 Avenida Constitución, Col. Centro,  
Monterrey, Nuevo León, México.

## Diffusion

UN Global Compact Website & Proeza internal and external communication channels: Proeza Group website, email, intranet, and social media.

Further detail about the commitment made by our two platforms, Citrofrut and Metalsa, can be found in their sustainability reports, published on their respective UN Global Compact profile and websites:

[www.citrofrut.com/sustainability.php](http://www.citrofrut.com/sustainability.php)

[www.metalsa.com/sustainability](http://www.metalsa.com/sustainability)







# Global Compact Management Model followed by Proeza

Proeza presents its first Communication on Progress. We abide by the United Nations Global Compact Management Model and the Sustainable Development Goals as a reference framework to achieve this objective. These have guided us on how to implement and measure the Ten Principles in its four aspects: **Human Rights, Labor Standards, Environment, and Anticorruption.** At the same time, these tools have facilitated the understanding of our commitments, the identification of risks, and new business opportunities.

It is important to emphasize that our company is in an evolutionary process in terms of its sustainability management, and it is executing a Materiality Assessment guided by the Leadership Team, strongly considering its stakeholders. The result will be the basis for defining our material aspects, allowing us to focus on priorities regarding our economic, governance, social and environmental performance.

In the future, Proeza will present its Materiality Matrix, and its Sustainability Report will adhere to the Global Reporting Initiative (GRI) methodology in alignment with the UN Global Compact and the SDGs.





## Our company

We are an international Group headquartered in Monterrey, Nuevo León, Mexico, formed by its businesses: Metalsa, Citrofrut, Astrum, and Proeza Ventures. A family-owned, professionally managed, and long-term oriented group, built on a solid humanistic culture, recognized for its continuous improvement, and its commitment to developing talent.

### Two platforms comprise our Group.



With more than 60 years of experience, Metalsa provides the light and commercial vehicles industries with chassis and body structural components for Pick Up Trucks, SUVs, Heavy Trucks, and Buses.



With over 60 years in the market, Citrofrut is a Mexican company dedicated to providing the freshness of citrus and tropical fruits in each of its products. This company is an expert in the citrus processing industry and has achieved complete integration in its supply chain, including nurseries, groves, and processing plants.

### Two Strategic Investment units



Since 1976 Astrum has been the leader in technology and high communication in the Mexican market. Its mission is to contribute to the Digital Transformation of their customers, through technology, managed services and mission-critical innovation.



Venture capital company that invests in early-stage startups exclusively in the mobility space, focusing on industrial tech, intelligent components, new vehicles, MaaS, and digital data services.



# Our company

Proeza Group has a global presence in eight countries across two continents, employing over

**13,000**  
people



**Proeza**

## UNITED STATES

- Novi, Michigan
- Elizabethtown, Kentucky
- Hopkinsville, Kentucky
- Owensboro, Kentucky
- Roanoke, Virginia
- San Antonio, Texas
- McAllen, Texas

## MEXICO

- Apodaca, Nuevo León
- Monterrey, Nuevo León
- Mexicali, Baja California
- Saltillo, Coahuila
- San Luis Potosí, San Luis Potosí
- Apaseo, Guanajuato
- Rosario, Sinaloa
- Paso Largo, Veracruz
- Ciudad de México

## ARGENTINA

- El Talar, Buenos Aires

## BRASIL

- Campo Largo, Paraná
- Osasco, Sao Paulo

## CHINA

- Jinshang, Shanghai

## INDIA

- Jamshedpur, Jharkhand
- Pune, Maharashtra

## JAPAN

- Nagoya, Chūbu

## THAILAND

- Amphur Pluakdaeng, Rayong





## Our workforce

It is people who make Proeza so we strive to attract the best talent, who work every day to achieve our goals.

**Our Corporate workforce is comprised of**



**64%**

Men



**36%**

Women

## Our culture

### Proeza's Purpose:

Create a more sustainable and prosperous world by building business ecosystems.

### Vision:

Be an international leader in sustainable and long-term value creation.

### Values:

#### We Care | We care about you

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

#### We Dare | We create bolder and better solutions

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

#### We Thrive | We are passionate about success

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





## Sustainability perspective

As a sustainable company, we are committed to respecting people, our ethical values, the communities we are part of, and the environment, recognizing stakeholders' expectations for creating shared value.

As part of our process, the Donations Committee was renewed. Its objective is to institutionalize the Group's social value processes and review criteria to maximize the social impact of our actions, classified by our program as the following:



### Extraordinary COVID Fund:

Aid our collaborators and their families, vulnerable small suppliers in our value chains, and nearby communities affected by the pandemic.



### Monterrey Heritage Fund:

Recurrent support to local universities for their sustainable and technological development and long-term commitments with NGOs.



### Family Donation Fund:

Through the Family Foundation, we award higher education scholarships to well-rounded young people with high academic performance, encouraging leaders to strengthen Mexico.



### Flagship Program Fund:

Companies' initiative of excellence that is aligned to their business strategy and promotes value creation.



### Community Development Fund:

Companies' initiatives focused on Health, Environment, Education & Social Development.



**In 2021, we supported 3 universities and 19 civil organizations, benefitting more than 30,000 people from our donations.**





We encouraged corporate volunteering through the “Apadrina una Escuela” initiative, an intersectoral effort that aimed to rehabilitate educational establishments in Nuevo León, dignifying the return to school of children and young people after a year and a half of confinement.







Next year we plan to reorganize our Social Value strategy with a bilateral approach. First, committed to creating value in the communities of Nuevo León, we are establishing our first annual closed call for proposal, seeking strategic alliances with civil society organizations that focus on education and reducing inequalities. Second, we will publish our renewed Global Community framework, aligning our companies' initiatives to their business purpose and strategy, identifying communities' interests & risks, focusing efforts to generate impact-oriented by sustainable principles, and seeking to increase our collaborator's involvement through volunteering.







# Human rights

## Principle 1:

**Businesses should support and respect the protection of internationally proclaimed human rights;**

## Principle 2:

**Ensure they are not complicit in human rights abuses.**

Proeza's ethical guidelines highlight our commitment to support, implement, and disclose in the defense of human rights. Our governance framework abides to comply to current legislation and guides us through ethical behavior, giving us direction to perform more efficiently. At all times, the essential instrument is our Code of Conduct, serving as a guide toward responsible action for each area and person in the company.



**Within our organization, we verify regulatory compliance and promote impeccable behavior with the upmost respect for human rights.**

At Proeza, we consider education and human rights training essential. The objective of these programs is consistent with our values and culture. Through engagement efforts, all collaborators are involved as individuals and as groups to commit in favor of fundamental rights.



**We must always be treated, and treat others, with respect.**

**The Code of Conduct is based on our beliefs and establishes the following:**

**1** All people are to be treated with respect and dignity regardless of position, social status, race, color, religion, creed, national origin or ancestry, ethnicity, sex, age, physical or mental disability, citizenship, past, current, or prospective service in the uniformed services, genetic information, or any other personal characteristic.

**2** Integrity is the foundation of enduring human relationships. We act by aligning our behavior to our values and being consistent in what we think, say, and do, notwithstanding difficulties.

**3** People can always excel. We learn from our attitude towards our successes and mistakes. The humility to acknowledge them, provide us with another opportunity that creates a virtuous circle of continuous improvement.

**4** Work is a means to achieve happiness and helps us grow as people. This process consists in being a better person and doing things better to serve better.

This Code applies to all terms and conditions of employment, including, but not limited to, hiring, training, promotion, disciplinary action, compensation, benefits, and the termination of employment.





# Labor rights

## Principle 3:

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

## Principle 4:

The elimination of all forms of forced and compulsory labor

## Principle 5:

The effective abolition of child labor

## Principle 6:

The elimination of discrimination in respect of employment and occupation.

At Proeza, we are committed to becoming a more sustainable company by developing plans and strategies to improve the working conditions of our staff, following ethical principles and policies, ensuring that labor standards are met and exceeded.

All our operations are regulated by our Code of Conduct, which establishes zero tolerance for discrimination, child labor, and forced labor, applicable to our personnel, clients, suppliers, and other stakeholders.

We claim and respect the right to free association and collective bargaining, for which we continuously work with union representation within our Business Units to improve the well-being of our unionized personnel.

We extend to our value chain the promotion of the Ten Principles of the United Nations Global Compact on human rights, labor standards, the environment, and the fight against corruption, to promote going beyond legal requirements and strive for continuous improvement in terms of sustainability and social responsibility.

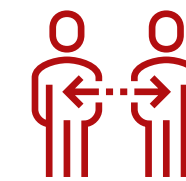
As part of our commitment, we have included the dissemination of our projects in favor of labor rights to all Proeza's Group business ecosystems. In addition, we promote within our value chain a continuous improvement in the following areas:



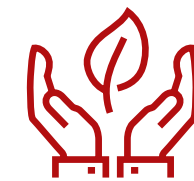
Human Rights



Labor



Ethics



Environment





# Internal Labor Regulations

This Proeza policy aims to maintain a cordial, structured, and orderly labor performance that facilitates relationships and teamwork, avoids misunderstandings, seeks productivity, achieves company objectives, and complies with the Code of Conduct and other corporate policies.

- 1** | Respect the applicable standards, laws and regulations, and policies from Proeza's policy center and the Code of Conduct.
- 2** | Observe the provisions contained in the regulations and official Mexican standards, such as the political Constitution of the United Mexican States, regarding human rights and other corporate guidelines like safety, health, and work environment.
- 3** | Perform the job satisfactorily, participating in individual and general development plans.
- 4** | Open communication with the corporate services area and have transparent information and immediate resolution regards earnings and deductions on the payroll receipt.
- 5** | Abstain from lack of integrity or honesty, immoral acts, any form of harassment, acts of violence, discrimination, threats, insults, or mistreatment against coordinators, colleagues, customers, suppliers, etc.
- 6** | Safeguard the company's intellectual property to which they have access, given the work they perform.
- 7** | Make good use of the tools and working materials that the company makes available to employees, for the proper development of their functions.








As part of our focused efforts for the well-being of our employees, we have developed different tools and programs that aim to provide our team with opportunities for personal and professional development, including:

## Training and development

To continue being a leading company in the sector, we must have the best talent and leaders prepared to ensure business success and continuity. We strive to prepare for the short, medium, and long term through quality training for all our staff.

 **We are eager to develop and grow our internal talent to ensure our business competitiveness.**

**In 2021, in Proeza Corporate, we provided 1,228 training hours** 

Course	Corporate trained staff
Code of conduct	90
Talent cycle*	85
Anticorruption	79
Self-protection	58
Fire brigade	30
First aid	30
Security and protection	15
Collaborative coaching	14
Executive protection for guards	12
Human relations and communication for guards	12
Reverse mentoring	8
Executive coaching	4

\*Consists in the empowerment of employees according to their performance and potential, determined by the leaders of their respective functional areas.





## Diversity, Equity and Inclusion

At Proeza, we offer employees a favorable work environment to develop their full potential and fair remuneration for their work. Furthermore, we promote inclusive behaviors, equal treatment, and opportunities for all.

We have Diversity, Equity, and Inclusion (DEI) committees to provide guidance and ensure the strategy's effectiveness at the organizational level, as well as to establish goals, drive training and raise awareness to both Proeza Corporate and Business Units.

Within the organization, we have permeated a gender perspective and non-discrimination in the recruitment and selection processes. In addition, we have implemented actions to prevent and address any type of workplace violence, relying on our Transparency line to report any issue or unethical act.

We have integrated best practices of demographic mapping in our talent processes to identify trends and salary gap analysis by gender to continue striving for equity.

As part of gathering information to close gaps, we conducted employee satisfaction surveys (ESS) to find out their perception of the following dimensions of well-being, satisfaction, and engagement:



**Physical**



**Social**



**Professional**



**Community**



**Economic**

The Culture and Communication area reports the survey results, making it transparent and accessible to all Proeza Group's locations. As a result, each Business Unit creates improvement plans for the issues identified as most relevant.

Last year we incorporated an Inclusion index for the first time.





We incorporated an Inclusion index that will help identify gaps and understand what needs to be addressed.

We have Diversity, Equity, and Inclusion (DEI) committees to provide guidance and ensure the strategy's effectiveness at the organizational level







## Women leadership

At Proeza, we foster women's leadership.

Women are a fundamental part of our society. Their experiences, points of view, and skills are key to the industry's sustainable development and creating a brighter future. Thus, we have implemented women's leadership initiatives to drive their growth. In 2021, we deployed an executive leadership and learning program for women and enrolled one of our women directors in an executive program at The University of Michigan.

**14%** of global director positions are held by women, 12% at the corporate level.

**We work continuously to create an inclusive and violence-free workplace where everyone at Proeza Group has equal opportunities for integral development.**

## Parental leave

In addition to what is established in the Federal Labor Law, we offer initiatives and flexible work schemes that support the gradual reincorporation of collaborators. We provide parental leave based on national regulations



**In 2021, employees were eligible for parental leave and we provided childcare subsidy for up to 70% of the cost.**







## Internship program

We are committed to the professional development of national and foreign talent. We pursue our endeavors to strengthen our core programs further, offering students and recent graduates the opportunity to work on meaningful projects and discover the topics they are passionate about. Thus, increasing our workplace attractiveness and talent retention.

The program includes economic support and health insurance. All interns participate in the talent pool to fill future vacancies.

**At Proeza, we promote youth employability through our internship program.**

**In 2021, 15 students took part in the program; by the end of the six-month period, 7 took employment at Proeza Corporate.**

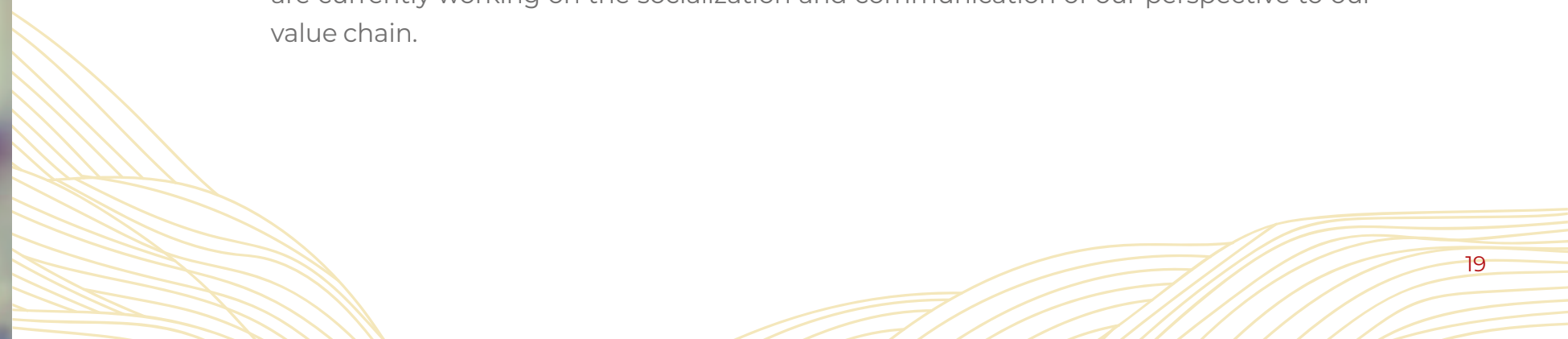


## Proeza flexible workspace

Due to the pandemic caused by Covid-19, we adopted the necessary measures to protect the health and safety of our employees. Realizing the capacity and resilience of our team, we decided to implement a flexible workspace that allows staff to choose a work scheme adapted to their personal needs. In 2021 as part of Proeza Corporate, 80 collaborators opted for this flexible model, in which we provide a mental health hotline, tools, and economic support for costs associated with home office.

Through our Flexible Workspace policy and the Internal Labor Regulations, we describe the guidelines and mechanics of operation, informing about the right to disconnect and compliance with the Code of Conduct, establishing the following:

- As of the pandemic caused by Covid-19, Proeza Group institutionalized home office to turn it into a good practice that protects the health and safety of people and contributes to reducing the environmental impact caused by transportation.
- As part of the protection of Human Rights and abiding with the Internal Labor Regulations, our company covers the costs for home office services, giving continuity to the provisions on safety and health at work, proceeding with adherence to our data protection mechanisms and policies, used in performing its activities, as well as the restrictions on its use and storage protecting the right to disconnect.
- This scheme remains part of the work culture and continues to provide our team with a better quality of life and flexibility.
- We promote and defend human rights within and outside our company, strongly rejecting bad practices involving discrimination or violating these principles. We encourage our collaborators to be aware and committed to these rights through various programs. We are currently working on the socialization and communication of our perspective to our value chain.







## Talent map

We identify the key talent in our organization and set development plans to enhance their experience and contribution to the company and society. The plans are based on regular assessments that provide feedback to decide on promotions and training needs. This mapping helps fulfill posts o vacancies as they emerge.

## Salary Administration policy

Establishes the criteria and guidelines for the salaries administration in the companies of Proeza Group, always seeking to maintain internal equity, competitiveness in the market, and an excellent organizational climate.

## Benefits

We want to provide the best conditions for our team, and an important part of this are the benefits granted above the legal and regulatory requirements.

We provide a  
saving fund  
to promote  
personal finance  
management. All  
our collaborators  
are taking part in  
this program.



Medical private  
insurance



Medical  
check-ups



Savings  
fund



Food  
allowance



Private  
retirement plan



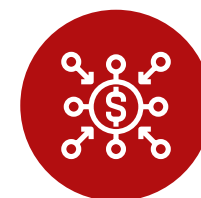
Telework  
allowance



Christmas  
bonus



Flexible work  
schemes



Short term  
bonus



Long  
term bonus







## Health and Safety Committees

Proeza Corporate and Proeza Group have set up Health & Safety committees that oversee the implementation of policies, initiatives, and activities related to ensuring a healthy and safe work environment in all our subsidiaries.

## Educational support

We offer to finance for master's degree studies for those who request it and meet the necessary characteristics to join the program. During this year, we supported one of our team members.

## Covid-19 prevention and support program

As part of our philosophy and culture focus on people, taking care of our collaborators in difficult times was essential. That is why, in the face of the health emergency caused by Covid-19, we joined efforts concentrating our actions into two segments: Home office workers and facility workers.

- **Home office workers:** With the benefits and legal compliance required, preserving their physical and mental well-being.
- **Workers in facilities:** Protective equipment and all the necessary measures to ensure safe workspaces were supplied.

Throughout this program, we implement prevention and case detection actions and follow-up Covid-19 positive cases. In addition, we provided medical and economic support to employees diagnosed with Covid-19.





## Wellness and nutrition program

Our company, as an engine of change and in search of creating a virtuous circle, promotes healthy habits through a wellness and nutrition program, which is focused on generating a culture where these well-being practices can be replicated in our personal lives.

**At Proeza, we believe that employees who eat in a more balanced way and have wellness support, show outstanding commitment and motivation, resulting in a better personal life.**

Within our holistic vision, we collaboratively strengthen our staff with ORIENTA PAE, offering a comprehensive wellness model which focuses on people's well-being. This program places at the disposal of our employees online orientation regarding topics with significant impact on people's comfort, such as:



Emotional Health



Medical Health



Nutritional Health



Legal Advisory



Personal Finance



Veterinary Assistance

Thanks to the study of the needs of our employees and the correct execution of the programs, in 2021, we had a 14% corporate turnover rate.







# Environment

## Principle 7:

Businesses should support a precautionary approach to environmental challenges

## Principle 8:

Undertake initiatives to promote greater environmental responsibility

## Principle 9:

Encourage the development and diffusion of environmentally friendly technologies

We have implemented battery containers for employees to deposit their old batteries, all faucets in sinks have aerators to reduce water consumption, and in our latest remodeling of one of our corporate building floors, we installed 100% LED lighting. We understand there is much to do, but we are confident in our steps, organically gaining knowledge and maturity in the sustainability learning curve and beginning to redirect changes and advances beyond the conformity of our practices.

As a company, we are responsible for aligning our subsidiaries with the principles of Proeza Group to generate sustainable development, strengthening the economic and social growth of the communities where we operate.

This sustainable development is based on the care and responsible use of natural resources, which is why we will be asking companies next year to set ambitious 2030 targets to reduce their greenhouse gas emissions and enhance water management. In parallel, we will seek changes in our culture through awareness campaigns that promote a greater environmental responsibility from our employees.

Proeza encourages each Business Unit to address and report their progress through the implementation of indicators, properly monitoring and reducing their impacts on the following environmental processes:

**GHG  
emissions**

**Water  
consumption  
& withdrawal**

**Environmental  
Compliance**







## Anticorruption

### Principle 10:

Businesses should work against corruption in all its forms, including extortion and bribery

As a member of the UN Global Compact, Proeza contributes to eradicating corruption in all its forms, including bribery and extortion, through its Ethics & Compliance program.

**In 2021, at Group level, 87% administrative personnel were trained in anticorruption topics.**

## Code of Conduct

Our company has a robust Code of Conduct applicable to all subsidiaries. This document aims to establish mechanisms to comply with international norms and best practices in ethics and compliance, to create an environment of trust, and live the institutional values within Proeza. It sets clear behavior guidelines for our interactions within the organization and externally with our suppliers, partners, clients, and the rest of our stakeholders.

All employees are trained and aware of the Code of Conduct, so it is mandatory, and non-compliance with it may lead to sanctions, including dismissal.







All administrative and operational personnel, over 13,000 employees, took our Code of Conduct course.

## Oversight bodies

It should be noted that the proper functioning of our program is supported by a compliance structure that allows the execution of its operation, assigning this responsibility to the Ethics and Compliance Committee of Proeza Group ("CEC"): The CEC is the highest control body for Ethics and Compliance within the organization. This governing body reports directly to the Risk, Audit, Compliance Committee of Proeza Group. The CEC also designates an Extension CEC in each of our Business Units. These committees are responsible for monitoring and ensuring compliance within the program of Proeza Group and its companies. Also, we have the figure of Compliance Officers that implement the instructions and mandates of the CEC and/or the Extension CEC, ensuring that the program, policies, and procedures that compose it are duly implemented within their respective companies.





# Ethics and compliance program

Our program is based on zero tolerance principles, aiming to build an ethical culture in the organization, comprised of four pillars:

- 1 Integrity and anticorruption
- 2 Administrative and criminal risk prevention
- 3 Privacy and personal data protection
- 4 Money laundering prevention



## 1) INTEGRITY AND ANTICORRUPTION

At Proeza Group, we are committed to having a corruption-free organization. Through our guidelines, values, and best practices, we work every day to conduct business with integrity. Our first pillar focuses on establishing the essential elements of the compliance function within the organization, establishing measures to mitigate corruption in our day-to-day activities.

Continuous training and communication enable the company to maintain its focus on operating ethically and transparently. Within the organization, we have a solid policy structure that guarantees fair commercial practices within our operation. Among them, we can point out:

### a. Anticorruption policy

Supported in this guideline, we ensure that any activities in Proeza are based on ethical decisions and high levels of integrity under our Code of Conduct.

Since 2020, we have deployed an Anticorruption policy based on national and international legislation, setting guidelines for our employees, suppliers, and commercial partners in anticorruption, bribery, conflicts of interest, theft, and other ethical behaviors and risks.

Through it, we expose the mandatory rules for preventing corrupt activities throughout the entire organization and operations.







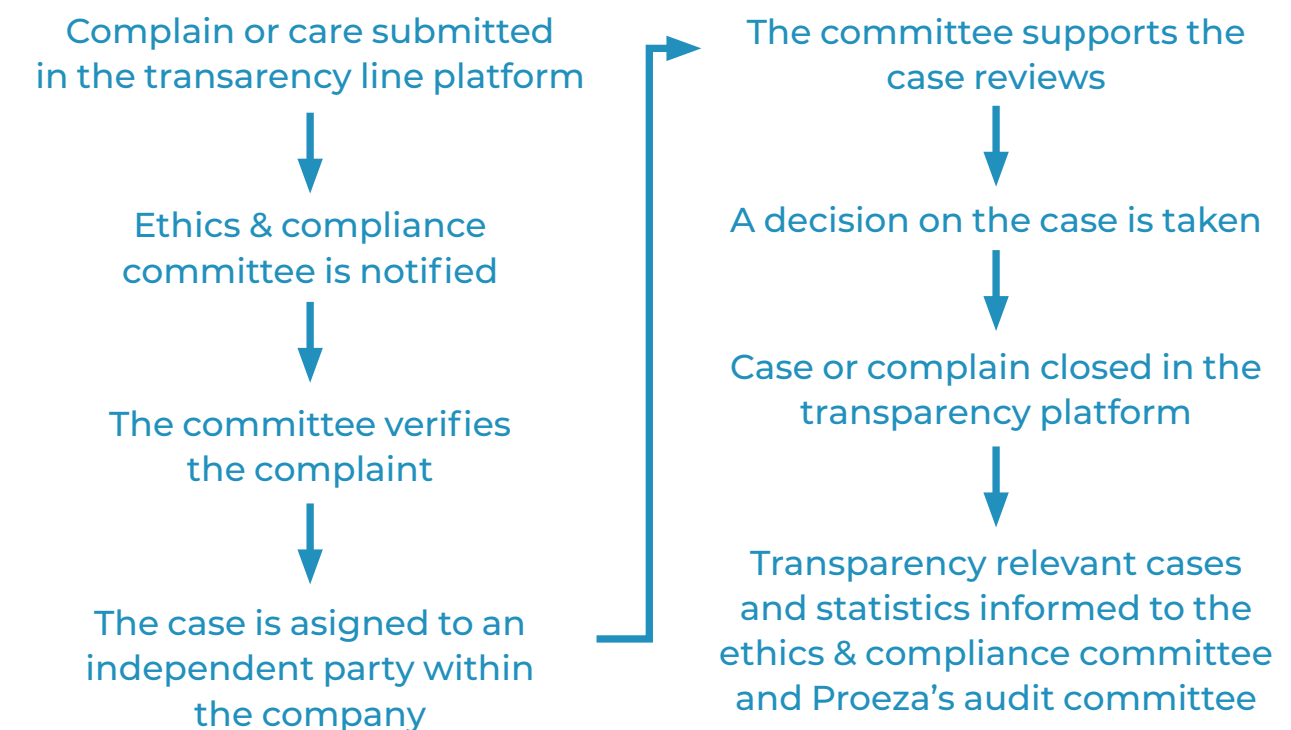
Employees must report suspected violations regarding Anticorruption Policy on the Transparency Line, and they may do so without fear of retaliation.

#### b. Transparency Line assistance protocol

The Transparency Line is an effective ethics reporting tool for detecting corruption risks and any conduct contrary to the principles and values of Proeza, its Code of Conduct, or any of its policies or guidelines.

This tool is complemented by an assistance protocol where transparent processes were established to allow complaints, investigation, and sanctions management. It guides the actions that must be conducted to attend complaints, and at the same time, it defines the roles and responsibilities of the team in charge of the process.

In 2021, we received 183 complaints, all were processed, analyzed and 90 % were closed by the Ethics & Compliance Committee.



**Complaints are made through the web page [www.proeza.com.mx/transparency](http://www.proeza.com.mx/transparency) and other media platforms (phone, email, WhatsApp, app), which are available 24/7.**





### c. Contracting Policy of Third Parties and Veto of Suppliers

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

In the case of suppliers incurring in acts of bribery, threat, money laundering, breach of contract, and lack of liquidity, a veto process could be executed.

**Through the Contracting Policy, our goal is to align our beliefs and values with those of our suppliers, where integrity is believed to be the foundation of enduring human relationships, and to establish an environment of trust and reliability.**



## 2) ADMINISTRATIVE AND CRIMINAL RISKS PREVENTION

Our second pillar establishes the guidelines and procedures to be followed to properly control the possible commission of crimes and administrative offenses to which the organization is exposed.

### a. International Criminal Compliance Policy

Proeza maintains a zero-tolerance culture for criminal behavior. For this purpose, we have established international guidelines practices to prevent the commission of crimes (CC Model) within Proeza.

**To minimize Proeza's exposure to criminal risks, Proeza Compliance Officers will analyze and study possible criminal contingencies to which Proeza may be exposed, discarding those actions that may represent any form of exposure to criminal risks.**







### 3) PERSONAL DATA PRIVACY AND PROTECTION

Our third pillar establishes policies and processes for correctly processing personal data held by the company.

#### a. International Data Protection Policy

Guarantees the right to data protection of everyone related to Proeza Group, including all regions and sites. Proeza Corporate endeavors to ensure that appropriate safeguards are implemented to secure such data transfers in conformity with applicable laws.

#### b. Cybersecurity program

We performed training and communication campaigns promoting cybersecurity initiatives to mitigate security risks and protect the personal data of our stakeholders. In 2021, 90% of our personnel participated in the training.



### 4) MONEY LAUNDERING PREVENTION

Our fourth and last pillar establishes rules that help reduce the risks of money laundering operations through verification and risk control measures.

#### a. Money Laundering prevention international policy

Money laundering may occur with fraud, robbery, terrorism, and racketeering. A transaction that seeks to conceal the nature, source, or ownership of funds may indicate an act of money laundering.

Through adequate controls, the company can detect anomalies, identify applicable laws, and layout international mandatory mechanisms and procedures that must be followed by Proeza Corporate and its Business Units in every country in which we operate.

**Proeza is committed to collecting and processing personal data responsibly and following the storage limitation principle. Employees should not keep personal data any longer than is necessary for the purpose for which Proeza originally collected it.**

**All our employees, counselors, directors, officers, advisors, and representatives must avoid and be alert to information or activities that may be evidence of money laundering.**



