



Saavi  
ENERGIA



**2021**

SUSTAINABILITY  
REPORT



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# 1. ABOUT THIS REPORT

[Reference to GRI Standards: 102-48, 102-49, 102-50, 102-51, 102-52]

This Annual Sustainability Report is issued by Saavi Energía to report performance results, initiatives, commitments, achievements and challenges for the period started on January 1st and ended on December 31st, 2021.

In this report we show the great efforts made for the benefit of society and the environment, under a structure of both regulatory compliance and transparency with our stakeholders, strengthening our Environment, Society and Corporate Governance (ESG) Strategy to move towards a model of sustainability that allows us to face the great challenges ahead of us, including Covid-19.

The foundations of our Strategy were laid last year after conducting a materiality study, which helped us determine the priority areas in which we had worked during the year 2021, with which we will contribute to achieving our goals in terms of operations and community engagement, on the road to excellence in the energy industry. Our strategic pillars are: under Environment (“E”), more sustainable processes and resources; under Social (“S”), more sustainable relationships with our employees and with the communities where we operate; and under Governance (“G”), sound governance practices.

In terms of E, we designed a reforestation program in which we collaborated with municipal authorities, civil society organizations and the communities in the regions where we operate; we also took the first steps to define actions to mitigate and adapt to climate change; and finally, we initiated efforts to assess our water vulnerability in our combined cycle plants.

In terms of S, we promoted diversity, equality, and the inclusion of female college students with the launch of the “Energy with Equality” pilot program. The main purpose of this scholarship program is to promote the participation of more women in the electricity sector of our country.

Female college students in the states where we operate are supported through financial grants and a mentoring program. Finally, we promoted the “VIVE Saavi” program to contribute to improving our organizational climate through professional, personal, family and social well-being of each member of the Saavi Energía family to strengthen our employees’ sense of belonging.

In terms of G, we reinforced our commitment to our principles of ethics, integrity, transparency and anti-corruption by strengthening the different guidelines that steer our actions towards our shareholders, customers, employees, neighboring communities, suppliers and all the stakeholders with whom we interact. We remain in compliance with regulations through policies, procedures and mechanisms, which are required at all levels of the company in order to prevent contingencies related to ethical and transparency issues that could affect our operations.

Some of the most relevant changes in the preparation of this report are the inclusion of our Covid-19 protection protocol and the sections explaining the transition from our ESG framework to a Sustainability Model.

Finally, this year’s report conveys our desire to join international efforts to achieve sustainable development, as it includes, for the first time, a section on our path to adopting the Global Reporting Initiative (GRI) methodology.

Furthermore, our new programs add to the alignment of our strategy to three new Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda: #4 “Quality Education”, #6 “Clean Water and Sanitation” and #15 “Life on Land.”

This document not only reflects our progress in contributing to sustainable development, but also endorses our commitment to address the economic, social and environmental challenges of our surroundings.

## 2. LETTER FROM THE CEO

As every year, 2021 brought us great challenges, but also great satisfaction in terms of sustainability, as we strengthened our environmental, social and governance management with concrete results, based on transparency and the strengthening of our compliance and accountability framework.

2021 was a year of continued great economic, social, and environmental challenges for Saavi Energía due to the prevalence of the Covid-19 health contingency and the global rise in the prices of commodities such as gas. To address these challenges, we continued with our health measures and protocols, which assured the well-being of our employees and communities; but we also focused our efforts on taking firm steps to move forward with the implementation of our environmental, social and governance agenda, which translates into the management of our ESG strategic framework, formalized last year.

We are confident that the actions we undertook in 2021 are conclusive with the adoption of a new sustainability model that responds to the needs of all our stakeholders, including the communities in which we operate, as well as our employees, investors, customers and suppliers.

This year's results also show our adherence to international initiatives such as the Equator Principles, its audit has shown improvement in the environmental management of our projects and the strengthening of our communication with the communities in which we operate. The initiatives communicated in this Report also endorse our alignment with the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda.

We proudly present this report for the second time, to show the results of the efforts of our team, to whom I thank for their adherence to our values of innovation, integrity, commitment, and passion, and who show their willingness to continue promoting a responsible management in each of our operations, daily.



# 3. CORPORATE PROFILE

## Organizational Context

We are a private company engaged in the generation and commercialization of electricity with more than **20 years of experience** in Mexico. Our assets are positioned in the main industrial expansion zones of the country. The Combined Cycle Plants and Gas Compression Stations provide a generation capacity of **more than 2,500 MW** to the National Electric Grid and 1,500 MMcfd of natural gas compression.

## History

Since the company was founded in 1995, Saavi Energía has had an outstanding history in the development, construction and operation of energy projects.

Our energy drives the competitiveness of companies in Mexico. As part of our purpose, we offer expertise in the sector, contribute to the **country's energy development**, and place the management of our social and environmental impacts at the center of our strategic decisions.

<b>1995</b>	Incorporation of International Generating Company "InterGen"
<b>1996</b>	The first own power plant is built
<b>2018</b>	Actis purchases InterGen's portfolio in Mexico and we become Saavi Energía
<b>2021</b>	Global Infrastructure Partners becomes majority shareholder of Saavi Energía

After adopting a continuous improvement approach, we have achieved the following progress in Environmental, Social and Corporate Governance Management.

2019	2020	2021
<p><b>Social Responsibility</b></p>	<p><b>Sustainability context</b></p> <p><b>Materiality analysis</b></p> <p><b>First sustainability strategy:</b></p> <p><b>Environment (E)</b></p> <ul style="list-style-type: none"> <li>· Emissions measurement</li> <li>· Environmental Management System</li> </ul> <p><b>Social (S)</b></p> <ul style="list-style-type: none"> <li>· Equality, Diversity and Inclusion</li> <li>· Employee well-being</li> <li>· Organizational Culture and Climate</li> </ul> <p><b>Corporate Governance (G)</b></p> <ul style="list-style-type: none"> <li>· Code of Ethics</li> <li>· Anti-corruption</li> </ul>	<p><b>ESG transformation begins</b></p> <p><b>New strategy and sustainability model:</b></p> <p><b>Environment (E): More sustainable processes and resources</b></p> <ul style="list-style-type: none"> <li>· Reforestation</li> <li>· Definition of a decarbonization strategy (phase I, emissions inventory)</li> <li>· Water Vulnerability Analysis</li> </ul> <p><b>Social (S): More sustainable relationships with our employees and with the communities where we operate</b></p> <ul style="list-style-type: none"> <li>· VIVE Saavi Program</li> <li>· Occupational safety</li> <li>· Community investment (Community support and Energy with Equality Program)</li> </ul> <p><b>Corporate Governance (G)</b></p> <ul style="list-style-type: none"> <li>· Legal Compliance</li> <li>· Anti-corruption KPIs and code of ethics</li> <li>· Case tracking mechanism</li> </ul>



## Size of the Organization

We employ more than 334 people through our business units and illuminate more than 12 million homes in Mexico.



## Products, Services and Solutions

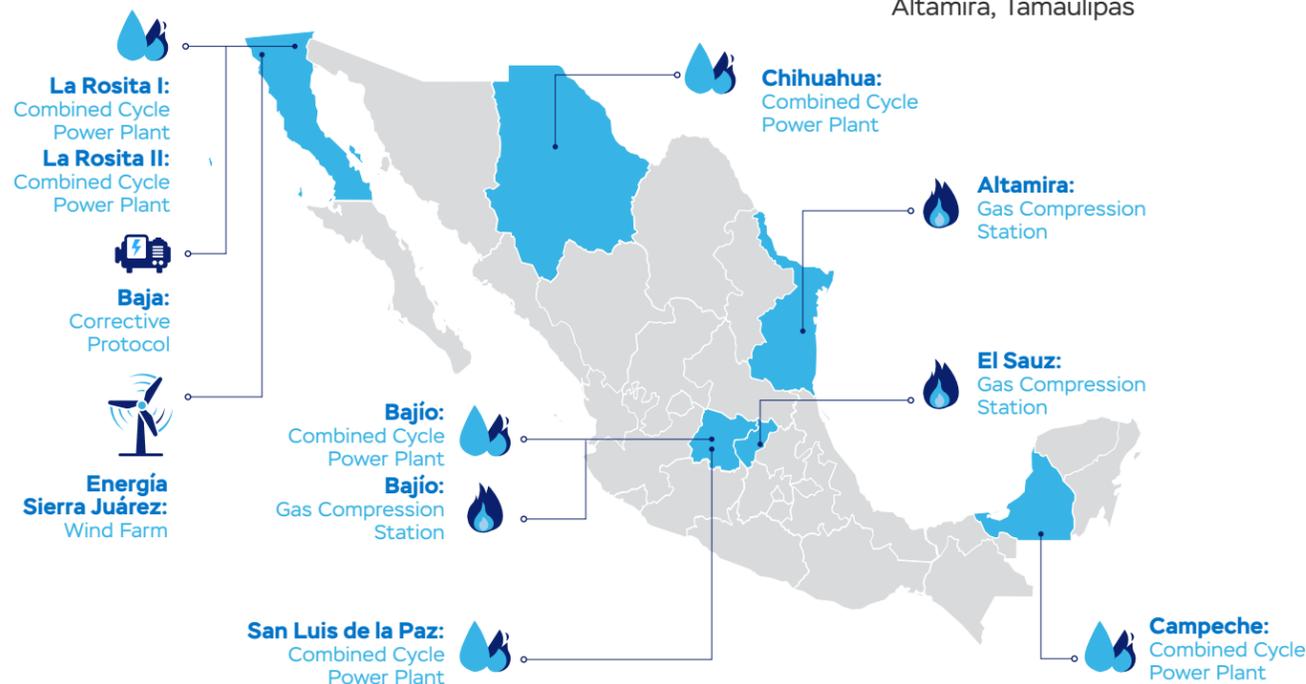
**Combined cycle power plants:** These are facilities that transform the thermal energy of a fuel into electricity by means of the joint work of a fuel turbine and a steam turbine. The process involves the start-up of two consecutive cycles and its main input is water; we have 6 power plants.

- |   |  |   |
|---|--|---|
| <p><b>1. Campeche</b><br/>Palizada, Campeche</p> <p><b>2. Chihuahua</b><br/>Samalayuca, Chihuahua</p> | <p><b>3. La Rosita I</b><br/>Mexicali, Baja California</p> <p><b>4. La Rosita II</b><br/>Mexicali, Baja California</p> | <p><b>5. Bajío</b><br/>San Luis de la Paz, Guanajuato</p> <p><b>6. San Luis de la Paz, SLP</b><br/>San Luis de la Paz, Guanajuato</p> |
|---|--|---|

**Corrective protocol:** gas turbines - Baja California summer reserve capacity

**Gas compression stations:** They assure that the natural gas remains under sufficient pressure as it travels through long-distance pipelines.

- 1. Bajío**  
San Luis de la Paz, Guanajuato
- 2. El Sauz**  
Pedro Escobedo, Querétaro
- 3. Altamira**  
Altamira, Tamaulipas



## Vision

To be the **leading energy company in Mexico**, because of its growth, quality, innovation and dynamism; committed to the development of its people, its customers and society.

## Our Values

At Saavi Energía we take our core values as a main bloc to conduct our business and relate to all our stakeholders in a proper way.

Our values are the foundation of our quality standards and policies that allow us to define the way we act with our shareholders, customers, employees, suppliers, community, among other stakeholders when interacting with them.



**1. Innovation:** We are open to new ideas; we learn and experiment to develop our pool of talent and perform with excellence. We are innovative and that differentiates us from others.

- We adapt new ideas and concepts to make our work more effective.
- We bring a different way of doing things and show openness to receive it.
- We are open to new trends in order to seek improvements in our own processes.
- We point out improvements in organizational processes to generate added value.
- We keep track of the industry's best practices to incorporate significant improvements.
- We keep up to date with technical aspects of the business and apply what is feasible.
- We develop plans and programs with important innovation components.
- We empower others to seek the solution of problems.
- We are in constant search for continued improvement of our processes and products.
- We are creative and positive when searching for solutions to face our challenges.



**2. Integrity:** We work with righteousness, transparency and respect for our colleagues and society every day. We do the right thing, even if no one is looking.

- We act consistently with what is said or considered important. We communicate intentions, ideas and feelings openly and directly.
- We are honest, even in difficult negotiations with people outside the organization.
- We conduct ourselves with transparency, pointing out both the benefits and risks in each situation or negotiation.
- We put Saavi's policies first; under any situation or business opportunity.
- We admit our mistakes; whether affecting other people or the organization, and act accordingly by taking responsibility and suggesting solutions.
- We express our point of view openly and respectfully; even if this can make someone else uncomfortable.
- We express our disagreement using an open dialogue rather than complaining or pointing fingers behind our backs.
- We are against complying with orders that involve actions that are considered unethical.
- We take action and challenge others to act in accordance with the organization's values.

- We are proud to abide by the values of the organization.
- We treat all people equally and condemn discriminatory acts.
- We promote diversity and encourage inclusion in our work teams.
- We are open and honest in work situations.
- We promote positive behavior and actions that add value to achieve gender equality, equal rights, and opportunities for all individuals.



**3. Teamwork:** We achieve our goals because we use our skills to the best of our ability, always collaborating with each other as one single entity. We are a team and that is what makes us stronger.

- We hold work meetings with employees from other departments in order to work jointly.
- We express our personal satisfaction for the success of our peers and those who report to us directly.
- We support the performance of other departments of the company, without expecting anything in return.
- We put the interests of the group/company before our own interests.
- We express our support in meetings to motivate others to keep up their work.
- We promote a friendly work environment, through a climate of empathy and cooperation.
- We foster trust with those with whom we interact and show sensitivity to the needs of others.
- We take each team member's point of view into consideration and are humble enough, to recognize when we do not have a say in the situation at hand.
- We listen to feedback from team members, including peers and direct reports, on decisions taken and the way things are done or on improvement proposals.
- We support and respect the decisions made as a team.
- We provide information to others about what is affecting our departments or responsibilities.



**4. Commitment:** We take responsibility for the well-being of our employees, customers, the environment and the communities where we operate. We fulfill our duty.

- We offer suggestions and ask for the necessary support at any level.
- We are proactive: we do not wait to be told what to do and prefer to act.
- We seek to have a good understanding and get involved with the organization's defined guidelines, purposes and goals.
- We are dedicated, hard-working and personally disciplined in each of the activities in which we participate.
- We deliver our assigned tasks in a timely manner.
- We keep constant monitoring of the defined goals.
- We comply with and require compliance with the defined guidelines.
- We use the organization's resources in a responsible manner.
- We review organizational plans vs the execution thereof.
- We support decisions that benefit the entire organization, our customers, and the environment.
- We fulfill our duties in a proactive manner.

**5. Passion:** We enjoy what we do and turn it into our life project, that is why we always push our limits. That is our passion.



- We show constant enthusiasm towards achieving individual, team and Saavi Energía's goals.
- We document our learned lessons and seek to amend our shortcomings.
- We acknowledge and accept feedback regarding our areas of growth and strengths.
- We define achievable goals and encourage collaborators to meet them.
- We show constant encouragement and pride, despite existing work pressures at Saavi Energía.
- Our work seeks to contribute to achieve contract permanence, improvements, and service growth.
- We show a positive attitude during the workday.
- We keep an encouraging and supportive stance towards other members of the team.
- We go the extra mile to achieve our role's and team's goals.
- Our attitude shows a sense of belonging to the company.
- We motivate our colleagues so that they feel part of the company.
- We take the team's goals as our own.
- We help to improve the work environment by maintaining a positive attitude that spreads enthusiasm and motivates the fulfillment of the team's goals.

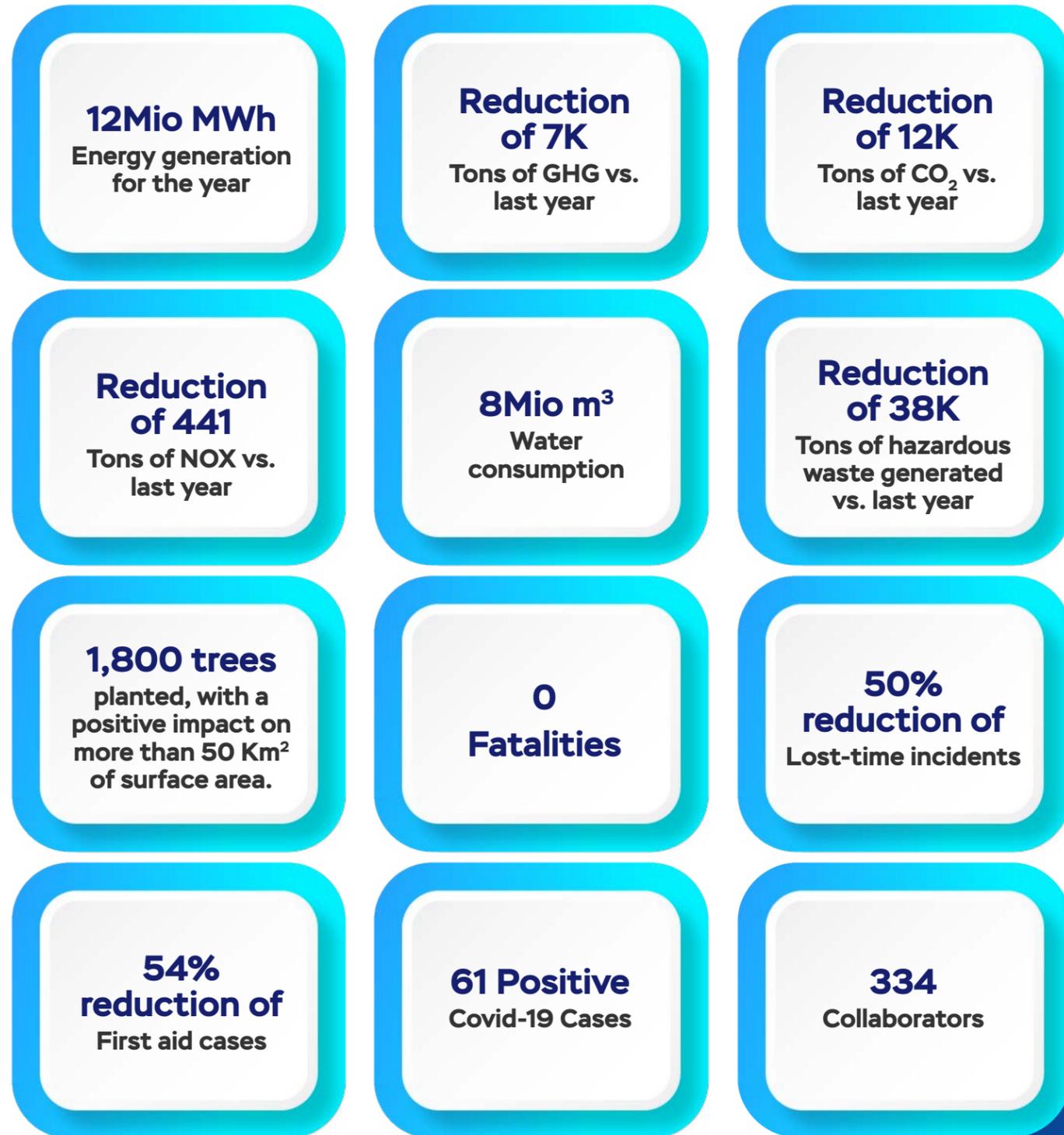
**6. Customer oriented:** We offer more than what the customer expects, delivering specialized solutions and services to make them feel unique. This is key to our long-term relationships.



- We help customers by understanding and satisfying their needs.
- We ask and inquire about the needs of our customers and suppliers, to understand and solve the problems that have an impact on our company and its relationships.
- We seek long-term benefits in our negotiations and discussions.
- We seek to positively touch our customers in every interaction, exceeding their expectations in order to amaze them every time.
- We seek information on both latent and emerging customer needs.
- We take on the client's problems as our own to begin addressing them.
- We keep an approach of total availability with the customer, providing more than what is expected.
- We make sure that we have enough information about the customer before visiting them.
- We regularly contact the customer to discuss mutual expectations and to know their level of satisfaction (corresponding areas).
- We seek to maintain an excellent relationship and image with our clients, at all times.

## Saavi Energía in numbers for 2021

More than **2,500 MW** of power generation  
and **1,500 MMcfd** of natural gas compression in our portfolio



# 4. OUR PROGRESS IN SUSTAINABILITY

**5Mio Tons** GHG Emissions  
**5Mio Tons** CO2 Emissions  
**8K Tons** NOX Emissions  
**291K MWh** Energy Consumption  
**8.4Mio m<sup>3</sup>** Water Consumption  
**91 Tons** Hazardous Wastes

## Main results



Department	Indicators	Unit	2020 Result	2021 Result
Safety	Fatalities	Quantity	0	0
	Lost-Time Incident Frequency (LTIF)	Frequency	0.26	0.14
	Total Reported Case Frequency (TRCF)	Frequency	0.26	0.29
	Restricted Work Cases (RWC)	Quantity	0	1
	Medical Treatment Cases (MTC)	Quantity	0	0
	First aid cases	Quantity	11	5
	Near-accidents	Quantity	22	8
	Safety walks	Quantity	18	1,757
	Contractor Safety Day	Quantity	3	4
Road accidents	Quantity	0	0	
Health	Frequency of occupational diseases	Frequency	0.00	0.00
	Severity of occupational diseases	Frequency	0.00	0.00
	Percentage of medical examinations	Percentage	98%	100%
Environment <i>Net Equity Generation</i>	Total GHG emissions	Tons	5Mio	5Mio
	Total CO2 emissions	Tons	5Mio	5Mio
	Total NOX emissions	Tons	8K	8K
	Total energy consumed	MWh	298K	291K
	Total water consumed	m3	8.3Mio	8.4Mio
	Total hazardous waste	Tons	129	91
	Number of environmental fines	Quantity	0	0
	Amount of environmental fines	USD \$	\$0	\$0
Property security	Number of property security incidents	Quantity	0	1
	Number of crisis drills	Quantity	8	8
Social - Employees	Total female employees	Percentage	16%	19%
	Total male employees	Percentage	84%	81%
	Total number of women in the company	Percentage	37%	41%
	Women in management positions	Percentage	12%	18%
	Men in management positions	Percentage	88%	82%
	Women on the Board	Percentage	0%	29%
	Men on the Board	Percentage	100%	71%
	Total number of employees	Quantity	306	334
	Ratio of pay vs. minimum wage	Ratio	7.9	5.3
Social - Communities	Number of community complaints	Quantity	0	0
	Number of community protests	Quantity	0	0
	Number of negative community impacts	Quantity	0	0



## Materiality

The materiality analysis conducted in 2020 allowed us to identify environmental, social and governance metrics that helped to tailor and enhance the programs and actions that were implemented in each of these areas.

As a result of the process of surveying the needs of the main stakeholders with whom we interact and who are in our area of influence, we identified 10 priority issues that were taken into account and will be portrayed in Saavi Energía's ESG Strategy.

These priority issues are:

E	Climate risk management Greenhouse gas emissions
S	Organizational Culture Equality, diversity and inclusion Well-being of employees and their families Community actions Education and community development Occupational health and safety
G	Anti-corruption Code of Ethics

## Stakeholders

Saavi Energía seeks to grow as a company and become a market leader. We are aware that to achieve this we must identify which groups are directly or indirectly participating in different stages of our operation. To this end, a mapping process was carried out to identify our main stakeholders.

1. Collaborators
2. Customers
3. Shareholders
4. Government agencies and institutions
5. Suppliers
6. Community
7. Competitors

## Our path towards ESG transition

Saavi Energía is an electric sector company committed to sustainability, therefore, since last year, we have defined the foundations for a strategy that allows us to align our ESG projects and actions with the needs of our surroundings and the demands of our identified stakeholders.

2021 marked a turning point in the design and implementation of our strategy, as we have focused our efforts on systematizing our sustainability actions and thus having a greater impact on our society. We also seek to broaden the information available to better address the environmental and corporate governance challenges we face. Saavi Energía is committed to aligning our strategy with the Sustainable Development Goals (SDGs) promoted by the United Nations (UN) and we are working to adopt the best information disclosure tools that will allow us to communicate our progress in social, environmental and corporate governance matters.

## 2021 Sustainability Model

Saavi Energía has adopted a sustainability model to improve the performance of our operations and achieve a more transparent disclosure of our impacts in ESG matters. This defines our journey towards our sustainability.

This model provides for the following main work streams:

1. More sustainable processes and resources
2. More sustainable relationships with our employees and with the communities where we operate.
3. Stronger ESG governance practices.

In addition to our model, we have a strategic plan that visualizes the path we have decided to take to achieve our goals. This plan is based on three pillars that support the development of the three work streams mentioned before.

### Pillars and actions are:

#### Environment

1. Reforestation
2. GHG Emission Inventories
3. Water vulnerability studies

#### Social

4. Safety and well-being
5. Community relationships
6. Gender equality and diversity

#### Governance

7. Anti-corruption
8. Code of ethics

### Sustainability Model

#### STRATEGIC PLANNING

#### Basic Principles

- 1. Innovation
- 2. Integrity
- 3. Teamwork
- 4. Commitment
- 5. Passion
- 6. Customer Oriented

E

## Environment

Reforestation  
Emissions inventory  
Water Vulnerability Analysis

Increasingly sustainable processes and resources



S

## Social

Safety and Well-being  
Community relations  
Gender Equity and Diversity

Sustainable and valuable relationships with employees and the community



G

## Governance

Anti-corruption  
Code of ethics

Assuring good governance, efficiency and profitability practices



#### STRATEGIC MAP

#### Creating value and sharing it with stakeholders

- Investors
- Customers
- Employees
- Communities
- Competitors
- Government and regulatory agencies
- Suppliers
- Industrial Chambers

To contribute to Mexico's development with increasingly sustainable energy

### 2021 ESG Strategy

#### ESG Vision

#### ESG Leading Indicators status

#### ESG Objectives

#### ESG Actions

<b>Growth and Diversification</b> Sustainable processes and resources	<b>Zero critical Environmental events</b> <b>\$0 Environmental fines</b>	<b>Environmental sustainability</b>	<ol style="list-style-type: none"> <li>1. Climate risk mitigation</li> <li>2. Water scarcity actions</li> <li>3. Emissions reduction</li> <li>4. Biodiversity protection</li> </ol>
<b>Operational Excellence</b> Sustainable relationship with communities and employees.	<b>TRCF</b> <b>LTIF</b> <b>Zero compliants from communities</b> <b>Zero Human Rights incidents</b>	<b>Avoid accidents</b> <b>Community engagement</b> <b>Comprehensive employee development</b>	<ol style="list-style-type: none"> <li>1. Safety Improvement</li> <li>2. Community dialogue</li> <li>3. Organizational Culture, Wellness, Diversity and Inclusion</li> </ol>
<b>Compliance</b> Sound ESG governance practices	<b>Sustainability Report 2021</b>	<b>ESG governance framework</b>	<ul style="list-style-type: none"> <li>- Compliance Management Model</li> <li>- ESG Policies</li> <li>- Sustainability Model Review</li> </ul>

### ESG Strategy 2022, SDGs impact



# 5. ENVIRONMENTAL PERFORMANCE

The central pillar of Saavi Energía 's ESG Strategic framework is the Environment, which is comprised of 2 lines of action:

- Contribute to climate change mitigation and adaptation.
- Manage our life cycle impacts

In order to mitigate and adapt to climate change, we assessed our emission levels in order to establish a pathway towards emissions reduction.

We also avoid serious environmental incidents, over-production of waste and excessive consumption of natural resources.

Aware of the current presence of environmental challenges for our planet and surroundings, such as climate change, biodiversity loss and water stress, among others; Saavi Energía has set itself out to identify the risks associated to these new realities, aligning our operations with international standards and best practices in order to meet the demands and needs of our main stakeholders.

**In this context, we are working on:**

- a) the implementation of a Reforestation Program that adapts to the needs of municipalities where we operate;
- b) the design of a Decarbonization Strategy to meet the challenges of Climate Change and that fits our business vision.
- c) the development of a Water Vulnerability Analysis in each of the hydrological basin in which our sites are located.

As a result of these efforts, we expect to have operational efficiencies that will translate into financial strength and, in turn, make a positive contribution to our society.

## Reforestation

As part of the actions, we are undertaking to strengthen our contribution to protect our environment, in 2021 we implemented a Reforestation Program that involved local authorities, civil society and collaborators of our plants. This Program was implemented in the six States where we operate (Baja California, Campeche, Chihuahua, Guanajuato, Tamaulipas, and Querétaro). Our reforestation activities were carried out during the course of this year in the communities of Altamira (Laguna de

Champayan), San Luis de la Paz (El Maravillal), Pedro Escobedo (El Sauz), Palizada (Amatitán), Mexicali (Planta La Rosita), and Juárez (Samalayuca).

This Program strengthened our visibility and presence as responsible agents in our communities, endorsing our commitment to each one of them and implementing one of our fundamental values, which is teamwork.

## Impact in numbers

Goals	2021 Results	SDG
Contribute to climate change mitigation  Contribute to the protection, restoration, and promotion of sustainable use of terrestrial ecosystems.	1,830 trees planted with positive impact on more than 50 hectares in 6 States of Mexico	 

## The path towards a Decarbonization Strategy

We have identified three initial stages for the design of our Decarbonization Strategy, which will be adapted to Saavi Energía's business vision, including:

1. The definition of a Greenhouse Gas (GHG) Baseline
2. The analysis of climate risks (physical, transitional, and financial)
3. The development of mitigation and adaptation plans to address the identified climate risks.

## Emissions

As mentioned earlier, the climate crisis is real and puts the future of new generations at risk. At Saavi Energía we are aware of the challenge posed by addressing this crisis by assuring affordable, clean, and reliable energy for everyone.

Therefore, and considering the Integrated Management Systems we have in each plant, we've implemented measures to reduce our pollutant and greenhouse gas emissions into the atmosphere, both from direct and indirect sources.



In 2021, these systems also allowed us to achieve the first step in the development of a Decarbonization Strategy for Saavi Energía: the creation of our GHG Emissions Inventory. This Inventory gave us a first approach towards 2020 baseline, based on the following results:

- Direct and indirect emissions (Scope 1 & 2): ≈ 6 Mio (tCO2e)

- Other indirect emissions in the supply chain (Scope 3): ≈ 2 Mio (tCO2e).

This baseline will be reviewed and adjusted through the development of the 2021 GHG Emissions Inventory.

### Impact in numbers

Goals	2021 Results <i>Net Equity Generation</i>	SDG
Reduction of greenhouse gas emissions	We have reduced 1.7% of our GHG emissions since 2018  We have reduced our CO2 emissions by 2.5% since 2018	 

### Performance indicator monitoring

Department	Indicators	Unit	2020 Result <i>Net Equity Generation</i>	2021 Result <i>Net Equity Generation</i>
Emissions	Total GHG emissions produced	Tons (Tons/MWh)	5,020,569 (0.417)	5,013,296 (0.420)
	Total CO2 emissions produced	Tons (Tons/MWh)	4,978,874 (0.413)	4,966,625 (0.416)
	Total NOX emissions produced	Tons (Tons/MWh)	8,373 (0.001)	7,932 (0.001)

### Climate Risks

At the end of 2021, work began on analyzing the physical, transition and financial risks associated with different climate change scenarios. The most significant impacts of these risks on Saavi Energía's operations were also identified.

### Water vulnerability

A water vulnerability study and risk assessment were conducted for each of our combined cycle plants during 2021. This assessment considered the quantity of water in the hydrological basins in which we operate, its quality and availability; the

company's reputation in the area, as well as the regulatory risks associated to this issue for our operations. We also have a roadmap for moving forward towards a more sustainable water management.

### Environmental risk assessment and control system

All of our facilities operate under strict compliance with Mexican environmental laws and regulations. To achieve this, Saavi Energía has adopted a thorough approach for the environmental impact management caused by our operations.

We have Comprehensive Quality, Health, Safety and Environmental Systems in place, which were designed specifically for each plant. Thus, the environmental management of our operations is based on a comprehensive risk analysis and is sustained by a culture of prevention and the adoption of continuous improvement criteria for the reduction, mitigation, remediation, and repair of environmental impacts.

We pay special attention to the control of greenhouse gas emissions, water security in our operations, comprehensive waste management, and the protection of the ecosystems in which we operate.

Saavi Energía's environmental risk assessment and control system has the following features:

- Management of significant environmental aspects taking into consideration their life cycle.
- Prioritization, risk reduction, prevention and control of environmental impact.
- Regular and applicable environmental training.
- Generation of environmental incident reports for all our plants.
- Monitoring regulatory changes in order to be in compliance thereof.
- Continuous improvement through permanent monitoring and assessment.
- Implementation of awareness campaigns.

### Impact in numbers

Goals	2021 Results <i>Net Equity Generation</i>	SDG
Avoiding critical environmental incidents	0	
85% of "Clean Industry" certification at operating sites	85% Completed 15% ongoing and planned for 2022	
Reduction in water consumption by using treated municipal water at two of our plants	91% of the water used comes from wastewater treatment	

### Performance indicator monitoring

Department	Indicators	Unit	2020 Result	2021 Result
Environment	Environmental permit violations	Quantity	0	0
	Paid environmental fines	US\$	\$0	\$0
	Critical environmental events	Quantity	0	0
	Total energy consumption <i>Net Equity Generation</i>	MWh	298,000	291,202
	Total water consumption <i>Net Equity Generation</i>	m <sup>3</sup> (m <sup>3</sup> /MWh)	8,272,793 (0.686)	8,418,515 (0.704)
	Total hazardous waste <i>Net Equity Generation</i>	Tons (Kilo Tons/MWh)	129 (0.011)	91 (0.008)
	Total produced waste	Tons	17,551	14,863
	Quantity of recycled waste	%	0.3% (56)	0.8% (125)

### Occupational Safety and Health

One of the main pillars within Saavi Energía's ESG strategic framework is Safety and health; we are aware that the nature of our operation and the characteristics of the industry in which we operate implies labor conditions where risks are present every day. Therefore, we operate under the most demanding standards in the field.

Day-to-day operations and maintenance of energy facilities create environments where hazards are imminent. Therefore, to avoid accidents, we adopt highly rigorous health and safety practices, aligned with international industry best practices.

We are fully committed to assuring the well-being not only of our personnel, but also of our contractors and suppliers. Therefore, all Saavi Energía's operations are in line with the criteria provided for in the standard ISO 45000:2018.

Saavi Energía's occupational health and safety strategy has the following:

- Continued assessment and management of health and safety risks.
- Maintenance in line with the relevant regulations for our operations.
- Periodic and applicable training in health and safety.
- Constant communication to all personnel in the event of possible incidents and emergencies.
- Reporting of health and safety incidents with minimum requirements for all our plants.
- Continued improvement through monitoring and assessment systems.

In addition, Saavi Energía has procedures in place to assess suppliers, and its assessment parameters take into consideration Quality, Safety and Environment criteria based on the last approved versions

of ISO 9001, ISO 18001 and ISO 45001 standards. This supplier's assessment is carried out in each of Saavi Energía's sites.

# 6. SOCIAL PERFORMANCE

The social pillar in the ESG strategic framework addresses 5 priority issues:

1. Safety and occupational health for our employees and contractors
2. Covid-19 protocol to deal with the pandemic
3. "VIVE Saavi" - well-being Program directed to our collaborators and their families
4. Equality, diversity and inclusion through respect for human rights
5. Community relations, providing tailored support and through our "Energy with Equality" scholarship Program

### Impact in numbers

Goals	2021 Results	SDG
Zero Lost-Time Injuries	1 by a contractor, 0 Saavi employees since 2018	
Safety walks at all sites	1,757	
Safety observations at all sites	1,757	
Total recordable cases frequency (TRCF)	0.29	

## Performance indicator monitoring

Department	Indicators	Unit	2020 Result	2021 Result
Safety	Work-related fatalities	Quantity	0	0
	Lost-Time Injuries (LTI)	Quantity	2	1
	Total Recordable Case Frequency (TRCF)	Frequency	0.26	0.29
	Restricted Work Case (RWC)	Quantity	0	1
	Medical Treatment Case (MTC)	Quantity	0	0
	First Aid Case (FAC)	Quantity	11	5
	Near-accidents	Quantity	22	8
	Safety walks	Quantity	18	1,757
	Number of road accidents	Quantity	0	0
Contractor Safety Days	Quantity	3	4	
Health	Occupational Diseases Frequency Rates	Frequency	0.00	0.00
	Work-related disease cases	Quantity	0	0
	Medical examinations	Percentage	98%	100%
Prevention	Number of crisis management drills	Quantity	8	8

### Covid-19 Protocol

The Covid-19 pandemic health emergency is a phenomenon that has revolutionized the way we relate to each other as human beings, as well as our production methods. Therefore, Saavi Energía has adopted a health protocol that has been adapted to governmental recommendations and, above all, has given priority to the safety of our collaborators, customers, and suppliers.

From the onset of the Covid-19 health contingency, the Mexican Federal Government declared essential activities for the operation of the country's

economy, and the power generation industry was one of them. In 2021, Saavi Energía continued operating in compliance with health protocols and sanitary measures pursuant to the recommendations of the World Health Organization (WHO) and the Mexican Social Security Institute (IMSS).

Keeping a safe environment and an open line of communication with collaborators, suppliers and visitors was of the essence for Saavi Energía. Thus, we implemented prevention protocols from the beginning of this pandemic.

We started by implementing a COVID committee formed by senior management for daily contingency monitoring and the integration of brigades called "Covid Watch" at all our sites. The purpose of these brigades is to supervise compliance with prevention measures at our facilities. We also implemented a flexible work modality whereby our collaborators, both in power plants and in our corporate offices, were able to adapt to working from home.

### The following prevention measures were kept in 2021:

**1. Access control:** We implemented health filters to access the facilities of Saavi Energía, equipped with temperature-taking modules, sanitizing gel stations for hand cleaning, healthy distance protocols and use of personal protective equipment.

We also administered health questionnaires to all of our collaborators on a daily basis and applied Covid-19 rapid-tests for collaborators, contractors and visitors, reducing the risk of infection.

**2. Infrastructure, Social Distancing and Health Brigade:** In compliance with the health recommendations of the Mexican authorities, we implemented actions to safeguard and maintain social distancing in the office spaces, cubicles, cafeteria, reception, and conference rooms, by reducing capacity to 40% occupancy, installing partitions and social distancing signs, redistributing, and optimizing spaces. These actions were taken to avoid or reduce the spread of infection among our collaborators, contractors, and visitors.

All our work centers have antibacterial gel dispensers at the entrance. Sanitizing mats or similar alternatives are also distributed within the facilities for their use at the entrances, as well as signs alluding to Covid-19 prevention measures. Physical barriers were also implemented for the delimitation of spaces, flexible work schedules and shifts, as well as cleaning and disinfection practices.

In addition to the infrastructure and actions to safeguard the healthy distance, a brigade was formed to monitor compliance with these measures.

**3. Shared transportation:** In the cases where Saavi Energía provides shared transportation services for its personnel at some of the power plants, safety and Covid-19 infection prevention measures were implemented, such as: a) the use of face mask at all times b) frequent cleaning and disinfection of units, c) occupancy limited to 50%, and d) temperature monitoring and use of gel when boarding the unit.

**4. Business trips:** Saavi Energía's collaborators who went on business trips observed the following protocol: 72 hours before and after each trip they underwent a Covid-19 test and informed the HSSE department of their trip; in exceptional cases that could not take the test, rapid tests were performed before entering any of the facilities. In cases of positive results, their access and that of their companions (if applicable) was denied and medical attention was provided; as well as the associated isolation instructions.

Collaborators who traveled were also required to follow the recommendations of the airports and airlines during their trip.

**5. Positive cases:** The HSSE department investigated and confirmed Covid-19-positive cases. It also instructed the patient to remain in isolation at their home until their recovery and medical discharge. It also reported each case to the human resources department for the absence registration and justification and monitored the case during the collaborator's isolation period. Once the collaborator

fully recovered and was medically discharged, HSSE ordered a test to confirm recovery and declare the end of the illness and a safe return to work.

**6. Promotion and information on the vaccination campaign:** Saavi Energía's safety and health policy prioritizes the well-being of our collaborators, specially of those who, regardless of their circumstances have not received Covid-19 vaccines on their scheduled dates. Vaccination information and awareness campaigns were carried out through the following actions:

- 1) Formal invitations to get vaccinated were extended through briefing sessions.
- 2) Testing of unvaccinated personnel was performed more frequently.
- 3) In addition to the face mask, the use of face protection or protective eyewear was requested at all times.
- 4) Access of personnel to common areas such as the cafeteria, conference rooms and showers was staggered.
- 5) Non-vaccinated collaborators were invited to keep social distancing of 1.5 meters (5 feet).
- 6) Non-vaccinated collaborators were classified as not eligible for business trips.

### Impact in numbers

Goals	2021 Results	SDG
Define Covid-19 protection protocols	61 COVID-positive cases of our entire staff, representing 18% of our workforce	
	98% of our collaborators received the Covid-19 vaccine.	
	Influenza vaccination campaign	

### VIVE Saavi Well-Being Program

In order to improve the work experience of our collaborators, Saavi Energía has created a program that places them at the heart of our business and contributes to their integral development, impacting four personal areas: work, personal, family, and social.

With this program, we address various needs identified in our work environment survey, in the assessment of psychosocial risks (NOM-035) and in the organizational culture, aimed at increasing the sense of belonging and commitment to our brand.

Taking into consideration our organizational culture, we have observed 2 relevant aspects upon which the principles of action of this program are built:

- **Our purpose:** “ We generate well-being and value. We illuminate lives “; we believe that change begins with each individual. That’s why we have named our program VIVE, which stands for “Vive Iluminando tu Vida y sé Extraordinario” (Live Illuminating Your Life and Be Extraordinary).
- **Commitment Value:** “We assume the responsibility to promote the well-being of our collaborators.”. The VIVE program seeks to create value in the life of our collaborators by helping them to find balance in their personal, professional and family life with Saavi Energía.

The VIVE program motivates comprehensive development of our collaborators by working on 4 well-being pillars:

- 1) **Balanced LIVING (VIVE con Equilibrio): We seek well-being at work by developing various aspects that allow us to generate a work-life balance for our collaborators, such as:**

#### Work flexibility

With the Flex-Working program where we offer a hybrid scheme, staggered schedules, short Fridays and flexible office locations.

**Planning and organization:** We offer tools for greater control, monitoring and digitization of proces-

ses to automate and maximize time and resources.

**Performance:** Through the design and implementation of a Saavi performance management model for non-unionized personnel (360°/180° assessment)- This model is applied throughout all levels of the organization, taking into consideration skills, potential and key performance indicators.

**Development:** Saavi believes that all humans can promote their own growth and development by being constantly challenged; therefore, we closely follow our collaborators in this process, providing feedback and growth opportunities.

**Acknowledgment:** Through the “Saavi Acknowledges” program we motivate collaborator’s to behave



in a desired way. We acknowledge and reward their good behavior through a points system, which can be redeemed through Amazon Cards. The behaviors that are acknowledged are:

- Living under Saavi Energía's values through the "Energize your life through VALUE" program, which provides 360° acknowledgement.
- PLUS contribution, when the employees perform additional duties such as participation in brigades, as instructors or internal auditors.
- Participation in the IDEA program that we designed to permanently promote innovation by capturing ideas or suggestions from employees.
- OPERATIONAL EXCELLENCE, which acknowledges workplaces or teams that are considered a role model due to their great results, or for having 0 accidents.
- CELEBRATIONS of unique and special moments, whether personal or family-related, such as the birth or adoption of a baby, marriage, birthdays, graduation and special events on commemorative dates.
- Employment anniversaries.

## Care of personnel

We take care of our personnel by getting closer to them after developing several programs like "Saavi listens to you", which consists of a permanently open questionnaire for collaborators to express their needs, ideas or suggestions. We also accompany new hires in their inclusion process with the program "Saavi with you", identifying how they feel about the company, their manager, their colleagues, their roles, and their overall work experience at Saavi Energía. These efforts are carried out to redirect efforts if necessary and avoid or reduce potential resignations.

### 2) Healthy LIVING (VIVE Saludable): We seek personal well-being by promoting healthier lifestyles, working on dimensions such as:

**Physical health:** We promote physical activation, nutrition and active breaks.

**Mental health:** We offer 24/7 online psychological support for our collaborators and their families.

**Social health:** We create interaction spaces and greater physical and on-line interaction through our platforms such as "Yammer: Live Saavi" and we are about to launch "Saavier's networks" to take advantage of our collaborator's energy in the design and execution of other company's initiatives.

**Financial Health:** We promote savings and personal finance management.

**Preventive health:** We run several health campaigns and sessions to raise awareness.

### 3) Better LIVING (VIVE Mejor): We seek family well-being by promoting better life quality when working at Saavi Energía, that is why we carry out:

**"Benefit and services endomarketing** for all our collaborators to use and enjoy to the fullest.

**Discount arrangements** for all Saavi Energía collaborators.

**Additional days off vs. those provided** by the Mexican Labor Law, including paid leave adjusting to our collaborator's necessities.

**Flexible Benefit Implementation,** meeting the needs and desires of our collaborators as identified in our conducted Emotional Salary survey. We also rede-

signed our job offers towards full compensation."

**We offer a social development calendar** whereby we celebrate commemorative dates related to diversity, the environment, health, Mexican holidays, etc.

**4) "Sustainable LIVING (VIVE Sustentable): We seek social welfare by raising individual awareness of what it means to live in society, both in terms of environmental protection and diversity inclusion, through respect, education and volunteering me-**

**chanisms, with concrete actions such as:**

- a) Participation in reforestation efforts,
- b) our Trainee Development Program
- c) Talks or advice and
- d) Donations.

## Impact in numbers

Goals	2021 Results				SDG
Develop a comprehensive training program for our collaborators	Mean of training hours	Technical staff	Men	36	
			Women	38	
		Management, middle management	Men	59	
			Women	32	
Protecting collective bargaining rights	46.69% of our collaborators are protected under collective bargaining rights				

## Performance indicator monitoring

Department	Indicators	Unit	2020 Result	2021 Result
Active collaborators	Total Personnel	Quantity	306	334
	Female personnel	Quantity	49	63
Subcontracted collaborators for maintenance operations	Total Personnel	Quantity	24	0
	Female personnel	Quantity	9	0
Worked hours	Total worked hours	Number of hours	1,428,041	1,388,553

## Equality, diversity and inclusion through respect for human rights

We are committed to giving all our people the same opportunities to succeed. As a global company, respecting and valuing cultural differences is paramount to enhance teamwork. This contributes directly to the success and competitiveness of Saavi Energía.

Non-discrimination and equality principles are vital for our organization. Our commitment to these principles is founded in the observance of our codes, policies, and approved procedures so that traits such as race, religion, nationality, gender, sexual orientation, marital status, age, disability or any other, are not a reason for discrimination, preventing the fulfillment of our work. Besides, Saavi Energía has a zero-tolerance policy regarding any

type of violence at the workplace perpetrated by, or against our collaborators, contractors, customers, or suppliers.

We are committed to creating and maintaining an inclusive work environment in which the contributions of each individual are recognized, where all people are valued and respected and have the opportunity to develop their potential. Saavi Energía has inclusion guidelines that assure employment equality, fair treatment and no discrimination at the workplace.

In order to promote equality, we apply selection and professional development mechanisms and procedures that facilitate the presence of women with the necessary qualifications in all areas of the organization where they are underrepresented, including the implementation of training and professional follow-up programs for them.

environment and translates into improving the quality of life of the families that are part of our area of influence.

### In 2021 this relationship was focused on:

- **Short-term Community Aids** and based on the needs identified at each site, meeting the particular challenges of the communities in which we operate, such as COVID-19 infections, emergency response and water scarcity.
- **Energy with Equality Program**, a college scholarship program that supports low-income female students in Science, Technology, Engineering and Mathematics (STEM) programs in the communities where we operate, to promote greater participation of women in the electricity industry.

### 1) Community aids

In the context of the second year of the Covid-19 pandemic, support was provided to the community of the Municipality of Pedro Escobedo, in the State of Querétaro, through the delivery of face masks, hand sanitizer and disinfectant wipes to reduce the number of infections by this virus in the region.

In the states of Tabasco and Campeche, we met the needs of the communities of the municipalities of Balancán and Palizada by providing medical material and emergency response equipment, through their civil protection agencies.

We also provided support to the emergency services of the municipalities of Samalayuca and Ciudad Juárez, in the state of Chihuahua, by providing maintenance to the firefighting vehicle and uniforms to the Mutual Aid Committee (CLAM or Comité de Ayuda Mutua).

## Impact in numbers

Goals	2021 Results		SDG
Ratio of base salary and average compensation of women vs. men by job category	Senior management	72%	
	Middle management	87%	
	Technical or support staff	76%	
Discrimination cases in the organization	0		

## Community Relationships

Saavi Energía is aware of our social context and we know that our operations have a significant influence on the dynamics of the communities neighboring our plants. For this reason, it is a priority for us to remain close to these stakeholders and to position Saavi Energía as a member of the community in order to strengthen our social license.

With this vision, we promote sustainable relationships with our communities, that add value to our

## Impact in numbers

Goals	2021 Results		SDG
Consolidate Saavi Energía's Social License	Community support in the State of Queretaro	Anti-Covid-19 material: 70 liters of hand sanitizer, 500 shoe covers, 1,000 face masks, 25 liters of soap, 10 sanitizing mats, and 500 hair nets. Support to the veterinary unit: 1 year of food and deworming of refugee dogs.	
	Community support in the States of Campeche and Tabasco	Support to the Civil Protection unit: 10 helmets, 10 helmet lamps, 10 reflective vests, 2 chainsaws and 1 first aid kit case with medical equipment.	
	Community support in the State of Chihuahua	Support to CLAM: Maintenance of ambulance, fire truck and donation of uniforms	
We support 6 communities surrounding our plants with a population of more than 1,500,000 inhabitants			

### Performance indicator monitoring

Department	Indicators	2020 Result	2021 Result
Community Aids	Investment in communities	US\$ 82,356	US\$ 111,000
	Beneficiaries	4,544	1,512,450
	Female beneficiaries	2,149	755,473
Complaints	Formal community complaints	0	0
	Social incidents	0	0

#### 2) Energy with Equality Program

Mexico's energy sector workforce is composed of 80% men and 20% women. In addition, only 14% of STEM graduates are women. In addition, only 14% of STEM graduates are women. This imbalance generates unequal economic opportunities for women, and in turn it has a ripple effect on society at large. Therefore, we believe that promoting greater participation of young women in STEM careers is critical to address this imbalance.

Saavi Energía is aware of the disparity existing between men and women's participation in this industry and has therefore pledged to contribute to reducing this important gender gap.

Accordingly, in August 2021 "Energy with Equality" was launched as a scholarship program aimed at supporting young female students of the first semester of engineering, who have a high probability of not completing their studies due to financial reasons. Our scholarship, in addition to providing financial support of USD\$500 per month to recipients, includes professional development activities that materialize through a mentoring program aimed at boosting the skills and potential of each of our scholarship recipients. In addition, this program includes visits to the plants, and the promotion of the participation of these students in activities that bring them closer to the Saavi Energía family.

The selection criteria for this program are focused on the following aspects:

- a) Beneficiaries must be recent high school female graduates enrolled in the first semester of college.
- b) Candidates must show their academic excellence by maintaining a GPA of at least 9.0 throughout their undergraduate studies.

This program also includes visits to our plants, and fosters an active role of these students in activities that we hope will bring them closer to the Saavi Energía family.

Taking into account the preceding points, in 2021, we worked on the design and implementation of this program:

- 1. Formalization of 4 alliances** with universities in 3 states where we operate: Baja California (Universidad Autónoma de Baja California and Centro de Enseñanza Técnica y Superior); Chihuahua (Instituto Tecnológico de Ciudad Juárez) and Guanajuato (Universidad Autónoma de Guanajuato);

**2. Implementation** of the pilot project in the surroundings of "La Rosita" plant in Mexicali, which included:

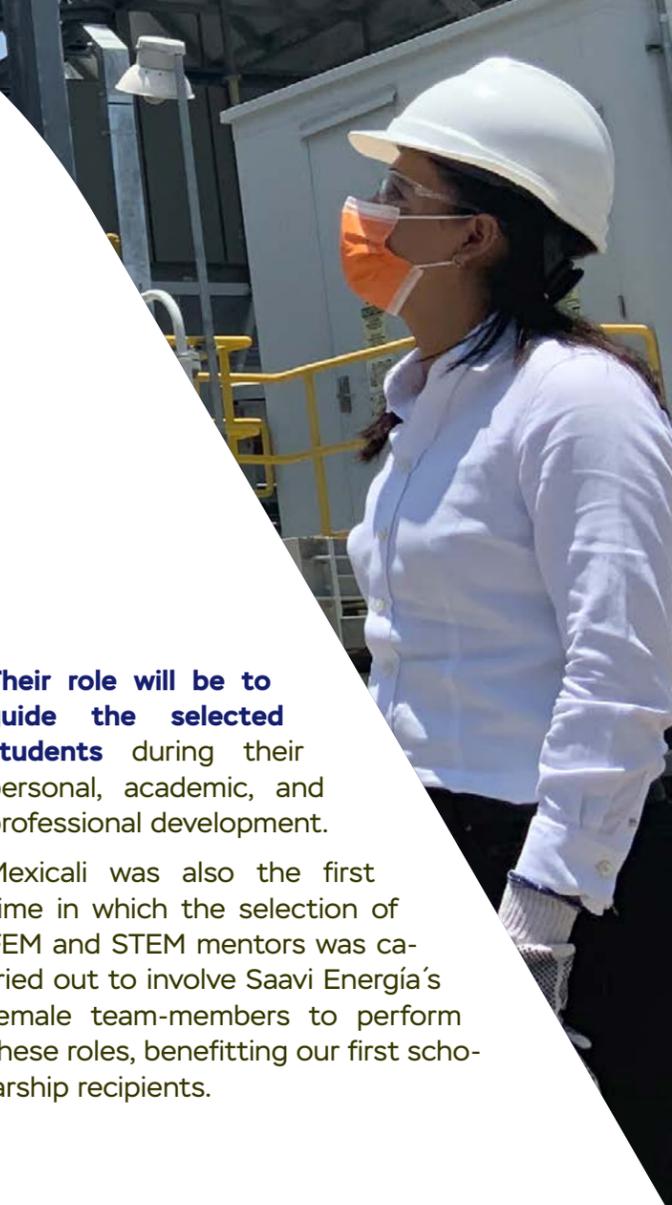
- launching of the call for applications at the two universities where our alliance was formalized;
- conducting interviews with the resulting candidates.
- selection of the 2 scholarship recipients;
- on-boarding process for the scholarship holders within the program; and
- information distribution about the program to raise visibility through media outlets and social media.

After this pilot in the State of Baja California, the program will be extended to all 6 States in which we have presence.

**3. The formalization of the partnership** with the Centro de Bachillerato Tecnológico Industrial y de Servicios de Baja California (CBTIS No.140), a key institution to approach high school graduates of this State, aimed at promoting the Program and sharing experiences to encourage the interest of more women to join the electricity industry in our country.

**4. Their role will be to guide the selected students** during their personal, academic, and professional development.

Mexicali was also the first time in which the selection of FEM and STEM mentors was carried out to involve Saavi Energía's female team-members to perform these roles, benefitting our first scholarship recipients.



### Impact in numbers

Goals	2021 Results	SDG
To support low-income college women in STEM careers in the communities where we operate.	2 beneficiaries, 5 agreements with Universities and an investment of US\$ 5,000 in the first year	 

## Volunteering

This year Saavi Energía's collaborators performed volunteer activities to support our communities in vulnerable situations, promoting education and contributing to environmental protection efforts.

These volunteering efforts were carried out under 3 lines of action, with which we have achieved great results:

1. Support provided to communities
2. Reforestation activities
3. Activities as FEM Godmother and Mentor in the Energy with Equality Program

### Impact in numbers

Goals	2021 Results	SDG
Strengthen the role of our employees as agents of change in our communities.	73 Saavi Energía volunteers and more than 580 volunteer hours	

[Reference to GRI Standards:  
413-1, 103-2, 103-3]



# 7. GOVERNANCE PERFORMANCE

Saavi Energía's Corporate Governance pillar is based on our Governance Framework, which is founded on a strategic management that ensures that any decision made by our senior management is governed by our values and the highest ethical and corporate governance standards. Our business plans, the operation of our organization and our relationships with our stakeholders are guided by the principles of transparency and accountability.

Our governance framework is led by our Board of Directors and four Committees, supported by the entire management team.

## Saavi Energía's Governance Framework



## Corporate Governance and Compliance

Saavi Energía understands that building a reliable, transparent, and accountable environment, relies upon strengthening our corporate governance. Thus, we have focused on ensuring consistency with the Rule of Law and bolstering the effectiveness of our oversight and compliance processes.

Given the environment under which we operate, during 2021 we focused our efforts on transforming our compliance practices to adopt a Corporate Governance System that allows us, among other things, to:

- a) Assure that our management incorporates the interests of all our stakeholders, thus maintaining the trust and confidence of our investors.
- b) Minimize waste, mismanagement of resources and eliminate corruption.
- c) Bolster our reputation.

This is why Saavi Energía has designated a clear leadership role and mandate to our Compliance Champion as administrator of the Governance System. Our Compliance Champion is accountable to our leaders within our organization.

In this sense, Saavi Energía started a transition process from an isolated approach into a comprehensive compliance framework. This has meant passing from a reactive compliance model into a proactive one.

Saavi Energía is on a transition path towards the modernization and transformation of its governance system:



### 1. Achieving compliance excellence...

...this is at the heart of this transition process.



### 2. Be positioned as an outstanding organization in compliance matters...

... as an organization that has defined processes to identify, control and remediate compliance risks.



### 3. Adopting the Compliance Framework: "Saavi Way"

Saavi Energía has designed its own Compliance Framework.

## "Saavi Way" includes:



**1. Compliance Management Model:** consists of a series of elements (methodology, processes, documents) that define the steps to be followed to manage compliance risks and achieve compliance certainty.



**2. Policy of Policies:** it seeks standardizing the life cycle of Saavi Energía's internal regulatory documents (preparation, approval, implementation and maintenance).



**3. Regulatory obligations** documented and monitored (VCompliance)



**4. New Code of Conduct**



**5. Conflict of Interest Policy**



**6. Anti-Corruption Program:** improved and updated.

In order to define a new "Saavi Way" regarding compliance, we carried out a general assessment in 2021 to identify and compare past and current practices through:

- 12 detailed interviews
- Analysis of more than 300 policies, guidelines and internal procedures
- Thorough mapping of 11 compliance sub-processes
- Updated Code of Conduct

## Saavi Compliance Management Model

Saavi Energía's compliance model is the key enabler to reach the next level of maturity in governance.

This model defines the steps necessary to:

- a) Identify and assess compliance risks.
- b) Execute risk-mitigation controls.
- c) Audit and report results.

Likewise, this model assign roles to the following lines of defense:

- 01 Accountability: Roles are responsible for compliance (internal and external)
- 02 Custody role: Compliance Management as custodian of the model itself
- 03 Internal Audit Role: independent assurance role
- 04 Periodical reporting: Audit Department and Senior Management Team

This management model will provide certainty in our compliance, through the following results:

- Increased transparency on control
- Process for the entire organization
- Minimization of surprises, optimizing reporting time
- Internal policy cleansing
- Comprehensive visibility of all requirements
- Holistic process-based auditing
- Full accountability
- Proactive compliance risk management

Comprehensive implementation of the Compliance Management Model will be carried out in the following stages (2022-2024):

- I. Review, clean-up, creation and updating of all internal corporate governance documents (2022-2023)

II. Pilot test: in the coming months Saavi Energía will start implementing the model in 3 priority areas:

- a. Commercial
- b. Finances
- c. Procurement

III. Deployment: Full deployment of the validated model throughout the organization by 2023.

IV. Prevention culture: Consolidating a culture of preventive compliance throughout the organization by 2024.

Implementation, monitoring and maintenance of the Model will be led by the Compliance Executive Management

Saavi Energía will prepare a periodic report of progress for the Governance Board according to the defined milestones

### Impact in numbers

Goals	2021 Results	SDG
Developing a culture of integrity in the business	In 2021, Saavi Energía reported NO complaints of possible corrupt practices.	
Developing a culture of ethics and values	90% of staff received integrity training	

### Saavi Energía's Ethics hotline

All collaborators are responsible for reporting any behavior contrary to the Code of Conduct, the laws or external regulations and contrary to Saavi Energía's internal policies and procedures. Concerned about providing the necessary tools for timely reporting of non-compliance or infringement of our policies, Saavi Energía has made its Ethics hotline available to its collaborators, partners, suppliers, competitors, and customers. Any report and/or complaint received through this hotline will be investigated and handled in strict confidentiality by Saavi Energía's Compliance Department.

Reports or complaints may be submitted to Saavi Energía through the following means:

**Toll free call: 800 999 0784**

**Through the tool: <https://www.tipsanonimos.com/eticasaaviail>**

**Via e-mail: [eticasaavi@tipsanonimos.com](mailto:eticasaavi@tipsanonimos.com)**

### Internal audit

The internal audit department reports directly to the Audit Committee through the CEO and is composed of a manager and a senior auditor. Its main responsibilities are described below:

- 1. Planning:** An analysis of operating risks is carried out, on this basis the budget and annual audit program is prepared, and authorization for its application is obtained from the Audit Committee.
- 2. Implementation:** Audit tests are performed in accordance with the scope of the review authorized by the Audit Committee, documented in work formats and the audit report is issued as a result of the review.
- 3. Disclosure:** Management and the Audit Committee are informed of the results of the audits and the status of the execution of the annual program.
- 4. Follow-up:** The progress in the remediation of audit observations is validated and the relevant report is issued.

### Compliance with Equator Principles

We have pledged our commitment to the implementation of the Equator Principles and IFC performance standards.

This commitment is materialized through Saavi Energía's sustainability policy to make sure that projects are carried out in a sustainable and socially responsible manner, through the management of our potential risks and impacts. This provides better working conditions than those required under applicable legislation, ensures resource efficien-

cy, health, safety and security management and the procurement of land, community and cultural heritage integrity, in each of our plants and its surroundings.

### Implementation of Equator Principles and IFC Performance Standards

Saavi Energía has gradually implemented plans to improve environmental conditions, social and occupational safety of our collaborators and support to our communities. In order to evaluate our compliance with IFC Performance Standards, every year we engage international firms in order to undertake audits on each of our sites. These evaluations involve both a desk review and physical visits to all sites. The selected auditing firm certifies the status of compliance with IFC Performance Standards for all of our sites.



**GRI 101: FOUNDATION 2016**  
**GENERAL DISCLOSURES**  
**GRI 102: GENERAL DISCLOSURES 2016**

GRI Standard	Disclosure Title	Page/Direct Repsonse/URL	Omission
<b>1. Organizational profile</b>			
102-1	Name of the organization	p.9	
102-2	Activities, brands, products, and services	p.10	
102-3	Location of headquarters	Miguel de Cervantes Saavedra No. 301 Piso 11, Col. Granada, Alc. Miguel Hidalgo, C.P. 11520, Mexico City, Mexico.	
102-4	Location of operations	p.10	
102-5	Ownership and legal form	Electricidad Cometa de México S. A de C.V	
102-6	Markets served	p.10	
102-7	Scale of the organization	p.10, 14	
102-8	Information on employees and other workers	p.10, 14, 17, 33	
102-9	Supply chain	Saavi Energía reserves this information due to its strategic nature.	
102-10	Significant changes to the organization and its supply chain	Saavi Energía reserves this information due to its strategic nature.	
102-11	Precautionary Principle or approach	p. 22, 23, 24, 25	
102-12	External initiatives	p. 45	
102-13	Membership of associations	Teamwork is one of Saavi Energía's core values that is also conveyed through our membership to the following Chambers and Business Associations: Asociación Mexicana de Energía A.C. (AME), Asociación Mexicana de Gas Natural (AMGN), Asociación Mexicana de Energía Eólica, A.C. (AMDEE), Consejo Coordinador Empresarial, A.C. (CCE), Confederación Patronal de la República Mexicana (COPARMEX), American Chamber Of Commerce Of Mexico, A.C. (AMCHAM), Asociación de Comercializadores de Energía (ACE), Asociación Mexicana de Suministradores Calificados (AMSCA), Cámara Nacional de la Industria de Transformación (CANACINTRA), Asociación Mexicana de Energía Solar (ASOLMEX), Energía Puesta en Marcha (EPM), Asociación Mexicana de Hidrogeno GREENHTWO (AMH), Western Power Trading Forum (WPTF), Consejo Mexicano De Asuntos Internacionales (COMEXI), Confederación de Cámaras Nacionales de Comercio, Servicios y Turismo (CONCANACO), Barra Mexicana de Abogados (BMA), Cámara Nacional de la Industria de Transformación – Mexicali, Tijuana BC and León Gto. (CANACINTRA), Consejo de Desarrollo Económico de Mexicali (CDEM)	
<b>2. Strategy</b>			
102-14	Statement from senior decisionmaker	p. 6	
102-15	Key impacts, risks, and opportunities	p. 6	
<b>3. Ethics and integrity</b>			
102-16	Values, principles, standards, and norms of behavior	p.11, 12, 13	
102-17	Mechanisms for advice and concerns about ethics	p. 44	
<b>4. Governance</b>			
102-18	Governance structure	p.40	
<b>5. Stakeholder engagement</b>			
102-40	List of stakeholder groups	p.18	
102-41	Collective bargaining agreements	p. 33	
102-42	Identifying and selecting stakeholders	p.18	
102-43	Approach to stakeholder engagement	p.18	
102-44	Key topics and concerns raised	p.18	

GRI Standard	Disclosure Title	Page/Direct Repsonse/URL	Omission
<b>6. Reporting practice</b>			
102-45	Entities included in the consolidated financial statements	Electricidad Cometa de México S. A de C.V	
102-46	Defining report content and topic boundaries	p.18	
102-47	List of material topics	p.18	
102-48	Restatements of information	p.5	
102-49	Changes in reporting	p.5	
102-50	Reporting period	p.5	
102-51	Date of most recent report	p.5	
102-52	Reporting cycle	p.5	
102-53	Contact point for questions regarding the report	Erika Streu, Sustainability Manager, erika.streu@saavienergia.com	
102-54	Claims of reporting in accordance with the GRI Standards	This Sustainibility Report has been done in reference to GRI Standards.	
102-55	GRI content index	p. 46, 47, 48, 49	
102-56	External assurance	For the 2021 Sustainability Report there will be no external verification.	
<b>MATERIAL TOPICS</b>			
103-1	Explanation of the material topic and its boundary	p.19	
<b>CLIMATE RISK MANAGEMENT</b>			
<b>GRI 103: MANAGEMENT APPROACH 2016</b>			
103-2	The management approach and its components	p.22, 23, 24	
103-3	Evaluation of the management approach	p.22, 23, 24	
<b>GRI 303: WATER AND EFFLUENTS 2018</b>			
303-1	Interactions with water as a shared resource	p.24	
303-5	Water consumption	p.17, 25, 26	
<b>GRI 304: BIODIVERSITY 2016</b>			
<b>GRI 103: MANAGEMENT APPROACH 2016</b>			
103-2	The management approach and its components	p.23	
103-3	Evaluation of the management approach	p.23	
<b>GREENHOUSE GAS IMPACT</b>			
<b>GRI 103: MANAGEMENT APPROACH 2016</b>			
103-2	The management approach and its components	p.22, 23, 24	
103-3	Evaluation of the management approach	p.22, 23, 24	
<b>GRI 305: EMISSIONS 2016</b>			
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305-2	Indirect (Scope 2) GHG emissions	p.24	
305-4	GHG emissions intensity	p.24	
305-6	Emissions of ozone-depleting substances (ODS)	This Sustainibility Report has been done in reference to GRI Standards.	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	p.17, 24	

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<b>ORGANIZATIONAL CULTURE</b>			
<b>GRI 103: MANAGEMENT APPROACH 2016</b>			
103-2	The management approach and its components	p.30, 31, 32	
103-3	Evaluation of the management approach	p.30, 31, 32	
<b>EQUITY, DIVERSITY AND INCLUSION</b>			
<b>GRI 103: MANAGEMENT APPROACH 2016</b>			
103-2	The management approach and its components	p.17, 34	
103-3	Evaluation of the management approach	p.17, 34	
<b>GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016</b>			
405-2	Ratio of basic salary and remuneration of women to men	p.34	
<b>GRI 412: HUMAN RIGHTS ASSESSMENT 2016</b>			
412-1	Operations that have been subject to human rights reviews or impact assessments	p.34, 45	
412-2	Employee training on human rights policies or procedures	p.33	
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	p.45	
<b>WELL-BEING OF EMPLOYEES AND THEIR FAMILIES</b>			
<b>GRI 103: MANAGEMENT APPROACH 2016</b>			
103-2	The management approach and its components	p.26, 27, 30, 31, 32	
103-3	Evaluation of the management approach	p.26, 27, 30, 31, 32	
<b>GRI 401: EMPLOYMENT 2016</b>			
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	p.30, 31, 32, 33	
<b>COMMUNITY ACTIONS</b>			
<b>GRI 103: MANAGEMENT APPROACH 2016</b>			
103-2	The management approach and its components	p.35	
103-3	Evaluation of the management approach	p.35	
<b>GRI 413: LOCAL COMMUNITIES 2016</b>			
413-1	Operations with local community engagement, impact assessments, and development programs	p.35, 36, 37, 38, 39	
413-2	Operations with significant actual and potential negative impacts on local communities	p.17, 36	
<b>EDUCATION AND COMMUNITY DEVELOPMENT</b>			
<b>GRI 103: MANAGEMENT APPROACH 2016</b>			
103-2	The management approach and its components	p.35, 36, 37, 38	
103-3	Evaluation of the management approach	p.35, 36, 37, 38	
<b>OCCUPATIONAL HEALTH AND SAFETY</b>			
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103-2	The management approach and its components	p.26, 27, 28, 29, 30	
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GRI Standard	Disclosure Title	Page/Direct Repsonse/URL	Omission
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403-2	Hazard identification, risk assessment, and incident investigation	p.27	
403-3	Occupational health services	p.26, 27, 28, 29, 30, 31, 32	
403-4	Worker participation, consultation, and communication on occupational health and safety	p.27, 30	
403-5	Worker training on occupational health and safety	p.33	
403-6	Promotion of worker health	p.26, 27, 28, 29, 30, 31, 32	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p.26, 27, 28, 29, 30, 31	
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403-9	Work-related injuries	p.17, 28	
403-10	Work-related ill health	p.17, 28, 30	
<b>ANTI-CORRUPTION</b>			
<b>GRI 103: MANAGEMENT APPROACH 2016</b>			
103-2	The management approach and its components	p.42, 43, 44	
103-3	Evaluation of the management approach	p.42, 43, 44	
<b>GRI 205: ANTI-CORRUPTION 2016</b>			
205-1	Operations assessed for risks related to corruption	p.42, 43, 44	
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103-2	The management approach and its components	p.42, 43, 44	
103-3	Evaluation of the management approach	p.42, 43, 44	
<b>GRI 205: CODE OF ETHICS 2016</b>			
205-1	Operations assessed for risks related to corruption	p.43	
205-2	Communication and training about anti-corruption policies and procedures	p.44	
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