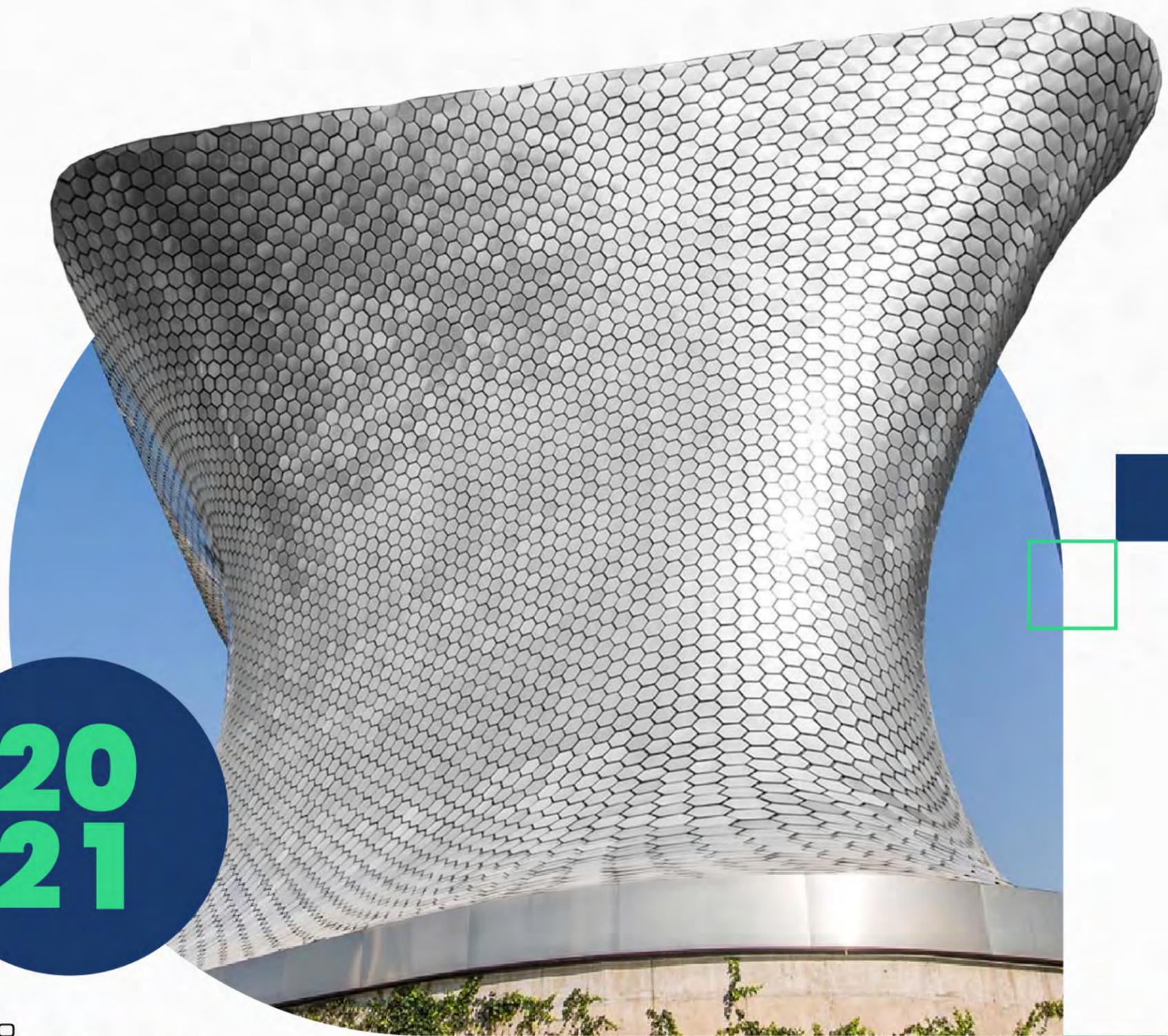


SUSTAINABILITY
REPORT
GRUPO CARSO

**20
21**



INDEX.



MESSAGE FROM THE CHIEF EXECUTIVE OFFICER 6

CHAPTER 1. CORPORATE PROFILE 10

- 1.1. Divisions and services 11
- 1.2. Products and markets 17
- 1.3. Geographic location of operations 18
- 1.4. The Group's philosophy 20
- 1.5. Events in the Group's Sustainability 22

CHAPTER 2. SOCIAL RESPONSIBILITY 24

- 2.1. Management of the Associated Groups 26
- 2.2. Awards and acknowledgments received in 2021 27
- 2.3. Certification processes for operational sustainability and excellence 28
- 2.4. Initiatives and organizations in which the Group participates 30
- 2.5. Social initiatives supported by the Group 31

CHAPTER 3. MATERIALITY STUDY 32

- 3.1. Description of the process 33
- 3.2. Materiality results and matrix 35



CHAPTER 4. CORPORATE GOVERNANCE 42

- 4.1. Standardization framework 43
- 4.2. Structure of the corporate governance 43
- 4.3. Code of Ethics 52
- 4.4. Management of human rights and anti-corruption actions 54
- 4.5. Fiscal management of the Company 55
- 4.6. Management of risks in business ventures 56

CHAPTER 5. ECONOMIC PERFORMANCE 58

- 5.1. Economic value created 59
- 5.2. Generation of value for the associated groups 63
- Case Study:** Innovation through the Carso Research and Development Center (CIDECA) 65
- 5.3. Commercial relations with strategic partners 67
- 5.4. Attention to the economic impacts experienced by subsidiary companies as a result of the Covid-19 pandemic 69

CHAPTER 6. ENVIRONMENTAL PERFORMANCE 76

- 6.1. Compliance with standards 77
- 6.2. Management of environmental impacts and initiatives 79
- Case Study:** Clean energy in Grupo Carso through Energía Infra, S.A. de C.V. 80
- 6.3. Relevant environmental aspects as per subsidiary company 82

CHAPTER 7. SOCIAL PERFORMANCE 90

- 7.1. Labor aspects 91
 - 7.1.1. Profile of the labor force of each of Grupo Carso's subsidiaries 91
 - 7.1.2. Management of human capital 92
 - 7.1.3. Relevant aspects of the Company's subsidiaries 96
- 7.2. Community development 107
 - 7.2.1. Management of relationships with surrounding communities 107
 - 7.2.2. Relevant Initiatives of community development per subsidiary company 108

ABOUT THIS REPORT 114

- Annex I.** "Efforts in the conservation of biodiversity and restoration of the soil" 116
- Annex II.** "Determination of the carbon footprint through a review of the energy consumption of the GCondumex companies" 121
- Annex III.** "Certification processes to establish the operational excellence and sustainability" 123

Index of the GRI 126





MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

We are no doubt living through one of the most complex periods in the contemporaneous history of man, in a global context of uncertainty, in the midst of a strong economic slowdown and challenges of many kinds, in a good part attributable to the Covid-19 pandemic.

For Grupo Carso, 2021 was a year of recovery. Thanks to our efforts and a series of wise decisions, the Group managed to reinforce its position as one of the most outstanding conglomerates in Latin America. Our exceptional portfolio of formats, products and services and the efforts of each of our collaborators allowed us to generate a growth in sales of more than 30% and a growth of more than 40% in operating profits compared to the previous year.

Our experience across more than 40 years and our presence in sectors as varied as retail, infrastructure, civil construction, industrial and energy construction allowed us to implement a series of strategically aligned actions that generated value in our supply and commercial chain, which in turn allowed us to maintain the financial solidity of the Group. Our priority that year, as in every year, and even more so in the context of change that was occurring, was the welfare of our more than 80,000 employees. In that respect we had as a priority the health and security of our employees during the health crisis, observing all the directives issued by the authorities of the places in which

we carried out our operations, and supporting key processes such as the vaccination and safe distance programs. During that critical year we managed to maintain the stability of our labor force and to meet all the commitments previously entered into with our clients and providers.

With the support and guidance of the Carlos Slim Foundation, we continued to fortify health care and prevention actions in order to minimize the effects of the Covid-19 pandemic through 5 principal approaches: awareness; prevention; containment; supervision; and continuous improvement. During 2021 a strict control was kept over the protocol of a return to the new normalcy, and the principal focus with our employees was the promotion of vaccination against Covid-19 through the MIDO COVID program, the application of COVID-PCR tests and antigens, with diagnoses, sanitary filters, and evaluations. With these and other actions we complied with the requirements established by various authorities and a safe workplace was created for our clients, providers, and employees.

Among the outstanding achievements of the year was the gradual reopening of all our industrial and commercial activities. We concentrated on the reassignment of investments and the leveraging of operations by means of a strict control of expenditures, and the optimization of inventories. We implemented a series of initiatives in all the supply channels to improve the experience of key providers and clients through the use of technology and strategies to reduce delivery time. Additionally, we reinforced our online businesses to a considerable extent, offering through digital channels products and services existing in physical stores, without affecting the quality of the services and products we offer.

The work centers maintained their reduction in the consumption of water, and the self-supply of renewable energy by means of solar panel systems and LED lights in various installations was increased, along with the reutilization and recycling of residues. Among the voluntary programs the plants of Condomex Vallejo and Latincasa maintained their designation of clean industries, and the plant of Guadalajara maintained its acknowledgment as Environmental Leader awarded by the Secretariat of the Environment and Territorial Development (SEMADET) of Jalisco. The Secretariat of the Environment of the State of Mexico granted acknowledgment to *Carso Infraestructura y Construcción, S.A. de C.V.* for its participation in the “*Plantando el Futuro*” reforestation campaign. Another accomplishment of Grupo Carso was the restoration of ecosystems and the relocation of flora and fauna in the highway projects of Las Varas-Vallarta and Mitla-Tehuantepec. In the commercial arena the bonding with and delivery of quality services to our clients was reinforced through virtual courses provided to the managers of the Sears stores and the increase of leadership competition through the Carso Train Yourself platform for sales managers and supervisors. The number of beneficiaries of these programs was increased with the ASUME and Social well-being programs. We continued to work through the Carlos Slim Foundation’s Train Yourself for a Job platform, both as a means of attracting talent as well as for the purpose of training operative maintenance and sales personnel for Sears.

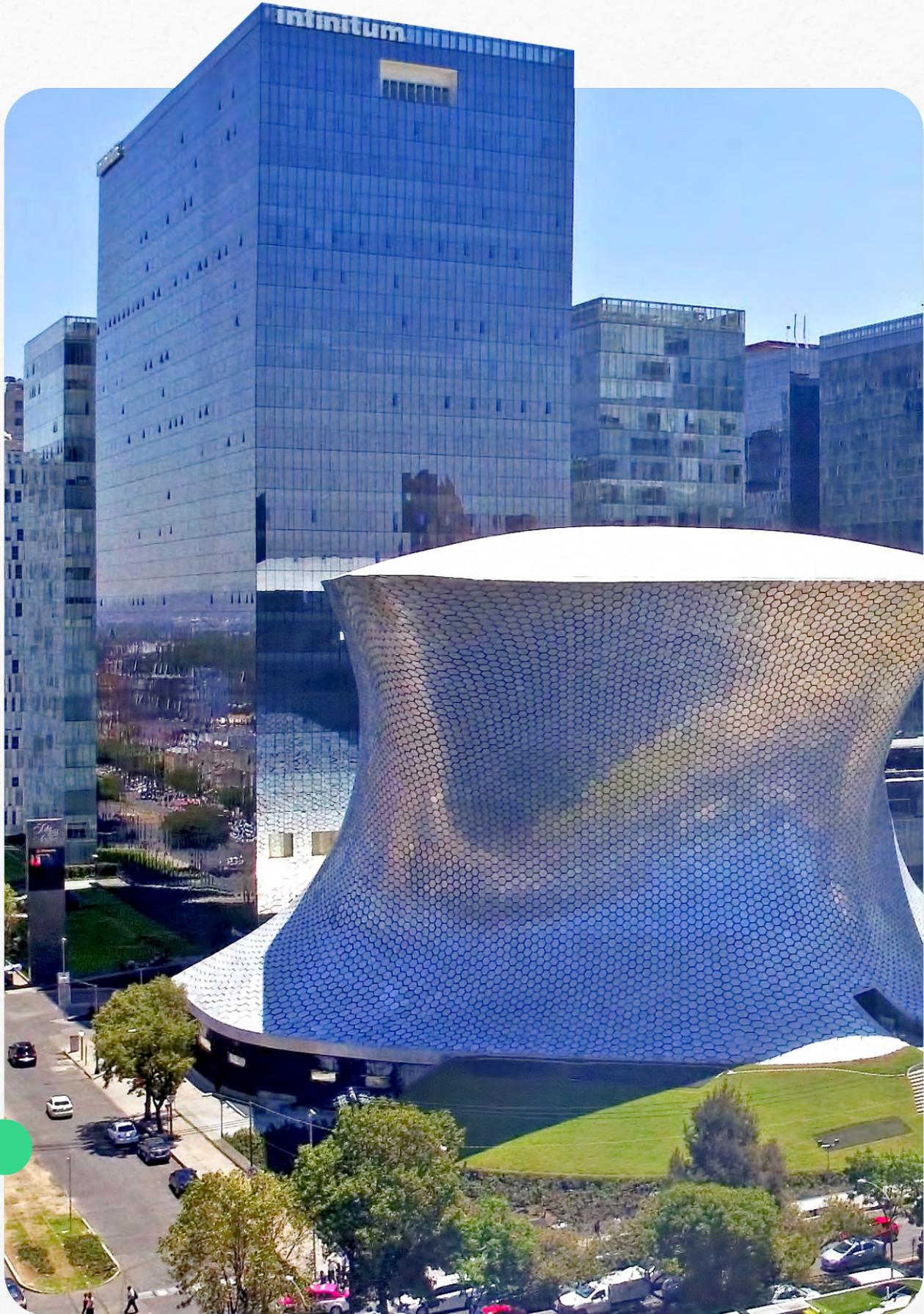
Although Social Responsibility has always been a tenet in our business strategy, the present context has driven us to go to greater depths in the exercise thereof. This is what has generated the motivation to realize a Materiality Study to thereby discover – by means of an open consultation process – the most important themes for our associated groups that are related to the sustainability of the Group and the sectors in which they are applicable.

This Sustainability Report deals with all these efforts corresponding to the year 2021 and constitutes the first publication of the information on the Grupo Carso subsidiaries regarding social, environmental and governance matters. The environmental information has previously been published in *Carso Medio Ambiente* and *Carso Sostenible*; however, it was part of a report on other affiliated companies such as Telmex and the information was presented in an aggregated way.

We are confident that in the next few years we will solidify our sustainability strategy and contribute relevant and material information to facilitate the adoption of decisions and to reinforce our position as the leading Group in matters of sustainability. We are well aware that any business that does not assume its responsibilities in regard to sustainability will not be viable in the future.

I thank all our associated groups for the confidence they have placed in us this year. Without a doubt, we are confident of the future and know that we are prepared to face any challenge that may arise.

Sincerely,
Mr. Antonio Gómez García
Chief Executive Officer of Grupo Carso, S.A.B. de C.V.





CORPORATE PROFILE



Grupo Carso, S.A.B. de C.V. (GCarso or the Group) is one of the largest, most experienced and most diversified conglomerates in Latin America, listed in the Mexican Stock Market for more than 30 years. The Group, consisting of 91 subsidiary companies, has an important presence in the Mexican economy and maintains a position of leadership in the market, thanks to an exceptional portfolio of formats, products and services, all of the highest quality.

Since its foundation in 1980, Grupo Carso has been known for its dynamism, its innovation in processes and technologies and the sustainable management of its resources. Over the years, the sectors composing the Group have achieved operational synergies, profitability and constant cash flow, signifying a long-term history of growth in value.

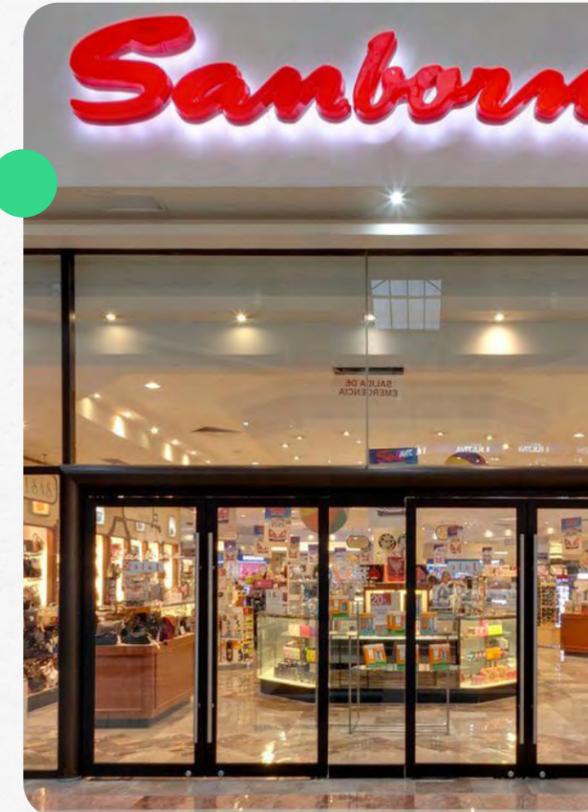
1.1 Divisions and Services

The Group is composed of four strategic sectors: (i) commercial and consumption; (ii) industrial; (iii) construction, and (iv) the energy sector.

The Commercial and Consumption Division:

The Group's Commercial Division is represented by Grupo Sanborns (GSanborns). This subsidiary Company operates some of the most successful commercial formats in Mexico, with widely recognized brands.

Formats:



It serves the medium, medium-high and high economic segments of the population through 433 units and 1,191,000 square meters of commercial floor space. The Company is composed of 97 Sears department stores; 147 establishments with restaurants and stores under the Sanborns concept; one Sanborns Home & Fashion store; 21 Sanborns Cafés; 45 Mixup music stores; 96 iShop stores; one "Palacio de los Perfumes" boutique, 24 Dax stores, and one Saks Fifth Avenue store, as well as two commercial centers.



GSanborns represents 20.9% of the operating profit of the group **and contributes 42.5% of the total sales.**

Industrial Division:

Grupo Condumex (GCondumex) is the industrial subsidiary concentrating the manufacturing and marketing of cables and automotive parts and services. These products, in turn, compose a productive network that forms a part of the chain of value of various sectors, such as construction and infrastructure; energy; the automotive industry; telecommunications and mining. Grupo Condumex is composed of three divisions: 1) Telecommunications, which represents 19.2% of sales and that produces fiber optic cables; copper cables for the telephonic industry; coaxial cables for cable television systems and DTH, and cables for use in electronic systems, as well as cables for radio stations and for telecommunications; 2) Construction and Energy, which represents 52.8% of sales, and that produces construction cables and magneto wire, as well as power cables; mining cables; electrical transformers; shunt reactors; mobile substations; photo-voltaic systems; LED lighting and logistical services; 3) Automotive, which represents 28.0% of sales and that produces automotive electric harnesses; automotive aluminum, copper and special alloy cables, along with the development of automotive software.

GCondumex has 25 plants and 41 offices around the world and two research and development centers (known as CIDEC), as well as two sales offices and nine distribution centers (known as CEDIS).

GCondumex represents **46.4%** of the Group's operating profit and contributes **35.5%** of the total sales.

Infrastructure and Construction Division:

Carso Infraestructura and Construction is the subsidiary composed of the companies that participate in various areas of the infrastructure and construction sector: 1) installation of pipelines; 2) manufacturing and services for the chemical and petroleum industries; 3) infrastructure projects, and 4) civil construction. The sector engaging in fabrication and services for the chemical and petroleum industry has two factories and two fabrication yards, while the other businesses, due to their nature, work on projects throughout the length and breadth of Mexico, as well as in other countries.

Carso Infraestructura y Construcción represents **9.1%** of the Group's operating profit and contributes **20.4%** of total sales.

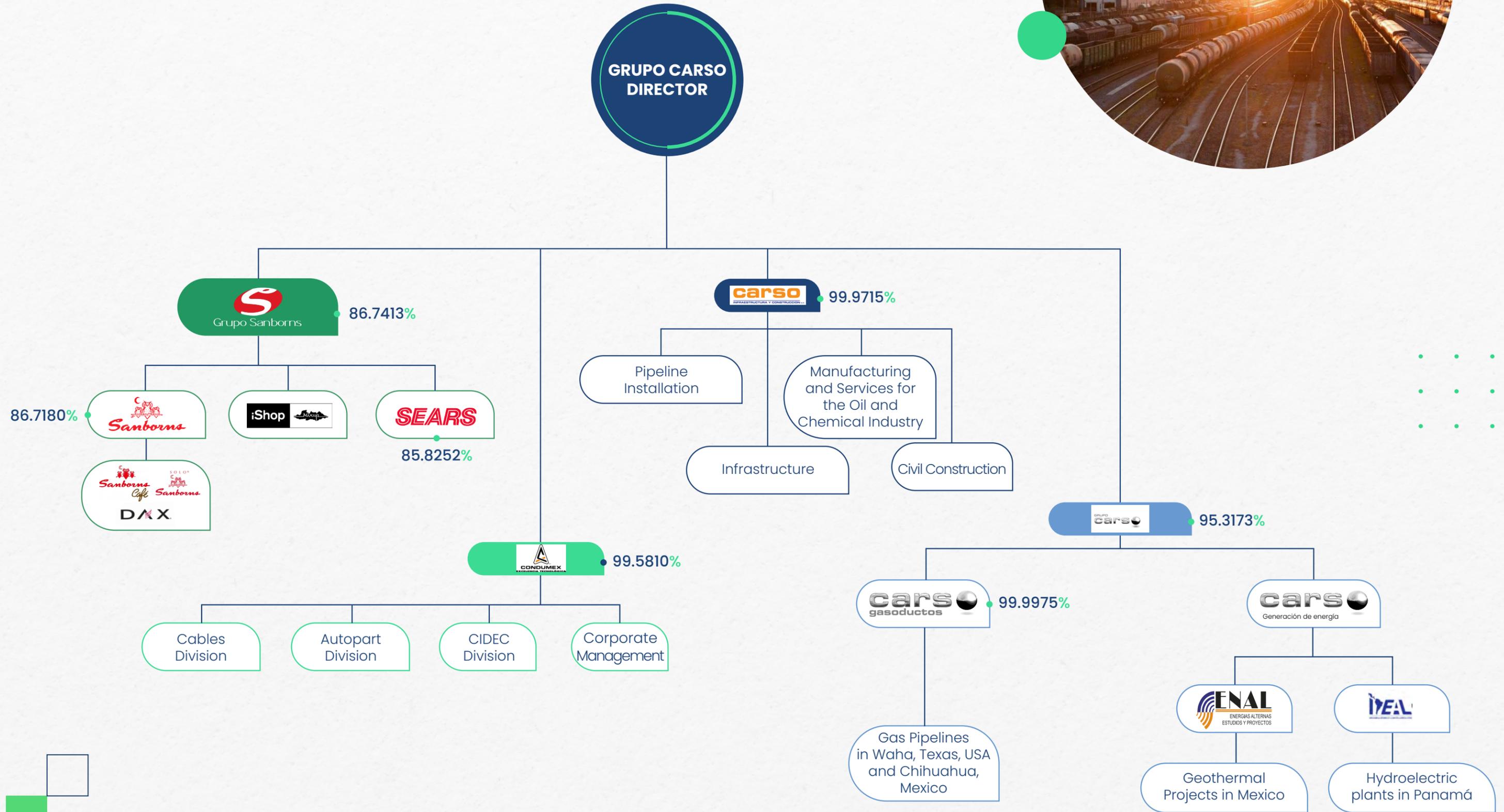
Energy Division:

Carso Energy (CEnergy) is the subsidiary that participates in the activities pertaining to the energy industry. It participates in the performance of natural gas transmission services, in exploration and production of geothermal energy and in the operation of hydroelectric plants. At the present time it is mostly engaged in the performance of gas transmission services for the Federal Electricity Commission.

CEnergy represents **14.8%** of the Group's operating profits and contributes **2.4%** of the total sales.



Organizational Chart





92

The list of companies includes Grupo Carso

1.2 Products and markets

Grupo Sanborns focuses on operating formats targeting specific retail outlets. Through its network of stores located in all 32 states of the Republic of Mexico, more than 414,000 different SKUs (Stock-Keeping Units) are actively sold, including electronic items, household items, furniture, clothing, pharmaceutical products, health and beauty products, books, videos, music, Apple products, toys, sporting goods, cell phones and various consumer technology products, targeting every segment of the population, with an emphasis on the middle, middle-high and high-income segments. Additionally, through our network of restaurants located in 26 states of the Republic of Mexico, traditional Mexican food is served at affordable prices. On December 31 of 2021 Grupo Sanborns was operating 432 stores and restaurants in Mexico with a total sales floor area of 1,191,305 square meters.

Grupo Condumex offers cables utilized in energy, telecommunications, electronics, coaxial systems, fiber optics, mines, and the automotive industry, as well as other related products. It also produces electrical harnesses utilized in the automotive industry, precision steel pipes and power transformers. Among its principal brands are: Condumex®, Latincasa®, Vinanel®, Condulac®, IEM®, Precitubo®, Sitcom®, Microm®, Sinergia®, Equiter® and Logtec®. The cable markets served by Condumex are the telecommunications industries in Mexico, Central and South America; the industrial construction market; the commercial and services market, as well as the government housing and infrastructure market. It also has an important exportation market, mainly in the U.S. and in Central and South America. It also has a manufacturing plant in Europe (Zaragoza, Spain). In energy, Condumex supplies the electricity companies in Mexico (CFE, contractors and providers) as well as construction and mining companies in a direct manner. In the automotive industry it provides Tier 1 clients and original equipment.

Carso Infraestructura y Construcción builds major infrastructure works such as highways, tunnels, water treatment plants, offshore oil platforms, and equipment for the petroleum and chemical industries. Additionally, it provides services in the drilling and exploitation of oil and geothermal wells. It also builds other general infrastructure works, such as commercial strips, industrial plants, office buildings and housing, and facilities for the installation of telecommunications, gas pipelines and aqueducts. The principal markets it serves are the chemical and petroleum industries, the telecommunications industry in Mexico and Central and South America, the industrial, commercial and services industries, and the government housing and infrastructure industry.

Carso Energy engages in services involving the transmission of gas through gas pipelines and the generation of energy in two hydroelectric plants. The markets it serves are the petroleum industry and it also engages in the exploration, production, transportation, and purchase/sale of hydrocarbons of all kinds, the transmission of natural gas, and in the exploration and production of geothermal energy as well as the production and marketing of energy through run-of-the-river hydroelectric plants.

1.3 Geographic location of operations

Although the principal operations and works of GCarso are mainly in Mexico, the Company has a presence in other regions of the world. GSanborns, for example, operates in Mexico and El Salvador. CEnergy has facilities in Mexico, Panama and the United States. GConдумex has, through its commercial network, reached countries such as Chile, Brazil, Guatemala, Costa Rica, Colombia, and Spain. CEnergy has facilities in México, Panamá and the United States. GConдумex has, through its commercial network, reached Chile, Brazil, Guatemala, Costa Rica, Colombia, Spain, Germany and China. Carso Infraestructura y Construcción has projects in Mexico and Central and South America, under an agreement with Fomento de Construcciones y Contratas (FCC Construcción)¹ to participate in projects in Latin America.

The principal infrastructure and construction projects and initiatives during 2021 were carried out in Mexican territory. The construction of the Las Varas-Vallarta and Mitla-Tehuantepec highways are a case in point, along with the installation of facilities and the services performed for the telecommunications industry, the fabrication of equipment for the petrochemical industry and other equipment in Dos Bocas, Veracruz, in addition to the Escárcega-Calkini section II of the *Tren Maya* Project.

As for CEnergy, it was already participating in an important manner in the Group with two gas pipelines in Waha, Texas, USA. In April of 2021, it inaugurated the Samalayuca-Sásabe pipeline in northern Mexico, fully owned by the Group and it acquired two run-of-the-river hydroelectric plants in the province of Chiriqui in Panama.



¹ Fomento de Construcciones y Contratas, S. A., better known as FCC, is a Spanish business group based in Barcelona specializing in public services, founded in March, 1992 as the result of the merger of two companies: Construcciones y Contratas, founded in Madrid in 1944, and Fomento de Obras y Construcciones, created in Barcelona in 1900. Its shares began to trade in the stock market on December of 1900.



SALES PER GEOGRAPHIC DIVISION



1.4 Philosophy of the Group

From the operational and commercial point of view, Grupo Carso offers to its clients, products and services of the highest quality at a fair price, in an adequate environment, ensuring the client's complete satisfaction with flawless personalized service. It develops and builds projects with the best cost-benefit ratio, contributing to the Company's sustainable development in its operations and ensuring a return on their investment to its shareholders. The Group's culture is focused on results in terms of productivity, profitability and competitiveness, guided always by the highest world standards. It is a Company with the seal of an ethical organization that believes in orderliness and in trust, with an emphasis on compliance with the Law and the company's policies.

GCarso bases its cultural organization on the following principles and values for each of its subsidiary companies:

VALUES AND PRINCIPLES



Simple structures, organizations with a minimum of hierarchical levels; human development and internal formation of executive functions. Flexibility and rapid adoption of decisions, operating with the advantages of a small Company, from which large companies will evolve.



Maintaining austerity in good times fortifies and accelerates the company's development and also forestalls the need for bitter and drastic adjustments during bad times.



To be active always in the modernization, growth, training, quality, simplification and tireless improvement in the productive processes, increasing productivity, and competitiveness and reducing expenses and costs while observing the highest world standards.



The Company must never limit itself to the measure of the owner or administrator. We feel big in our small corral. Minimum investment in unproductive assets.



There is no challenge we cannot face if we work together, with a clear view of the objectives and with a good knowledge of the instruments.



The money that leaves the Company will evaporate. That is why we reinvest the profits.



Business creativity is not only applicable to business, but also to the solution of many of the problems of our nations, which can be accomplished through the Group's Foundations.



A firm and patient optimism will always produce results.



All times are good to those who know how to work and who have the necessary tools.

Our premise is – and has always been – that we will leave the world with nothing, that **we can only do things while we live** and that the entrepreneur is a creator of wealth of which he is only the temporary administrator.

1.5 Sustainability Events of the Group



1980

- In 1980 the Company was incorporated in Mexico under the name of Grupo Galas.
- In 1980 ASUME, "Superación por mi país," was created (Association for Self-Improvement Mexico, A.C.), which directs a program of human development through family, work, and the community, and which for many years has benefitted the Group's human resources.

2002

- In 2002 CIDECA was awarded the National Technology Prize.

2010-2011

- In 2010 and 2011 Carso Infraestructura y Construcción and GConduMex received for the first time the designation of Socially Responsible Company (ESR), which they have received for 12 and 11 consecutive years, respectively.

2013

- In 2013 Grupo Carso participated in the conversion of an ancient aluminum factory in Veracruz, converting a historical building into a mixed-use real estate development, with a commercial center, a hospital, hotel, schools, university, and residential zone of social interest.
- In 2013 the Pipelines Sector of *Carso Infraestructura y Construcción*, received the "National Prize for Quality (PNC)" award in the Large Industrial Company category, for its innovation, competitiveness and sustainability, awarded by the Secretariat of the Economy.
- In September of 2013 Grupo Carso ceased to participate in the tobacco business in Mexico, selling to Philip Morris International (PMI) its remaining 20% of participation in Philip Morris México (PMM), a subsidiary engaging in the marketing and distribution of cigarettes.

2017

- In 2017 the "United Mexico" initiative was of particular relevance to the Carlos Slim Foundation in its support of the attention to the damages caused by the earthquake in September of that year. During the reconstruction phase a campaign was launched in which for every peso received the Foundation would contribute five pesos more.

- The Carso Association, A.C., was created for the purpose of furthering the integral development of Mexican society and in Latin America.
- In 1986 the technical departments were merged to form the ConduMex Research and Development Center, which in 1995 obtained the first Certification in ISO 9001 Management Systems for a Latin American research center. In the year 2000 its name was changed to Carso Research and Development Center (CIDECA).

- In 2008 Asociación Carso, A.C. changed its name to Carlos Slim Foundation.

2008

- In 2012, as part of a program for the preservation of historical sites, a Sanborns restaurant was opened in the House of the Counts of Xala, which is an 18th century building of great historical value in the center of Mexico City.

2012

- The Framework Convention of the United Nations on Climate Change (UNFCCC), the Regional Center of Collaboration of the United Nations Framework Convention on Climate Change and CAF, Development Bank of Latin America ("RCC Panamá"), in coordination with the Ministry of the Environment of Panama awarded in 2014 coal bond certificates to the hydroelectric plants of Baitún and Bajo de Mina in Panamá, presently owned by Carso Energy S.A. de C.V. These two run-of-the-river hydroelectric plants in the province of Chiriquí have been recognized as renewable energy plants as a part of the mechanisms of Clean Development.

- The National Institute of the Physical Education Infrastructure (INIFED) and the Secretariat of Public Education (SEP) granted in 2019 and 2020, respectively, recognition of the Carlos Slim, A. C. Foundation for its significant contribution to the reconstruction of the "Jardín de Niños Cuicacalli School, the "Francisco Javier Clavijero" Junior High School and the "Training Center for Industrial Work No. 1," which were all damaged by the earthquakes that struck in September of 2017 and in February of 2018. These reconstruction works were carried out by *Carso Infraestructura y Construcción*.

2014

2019-2020



SOCIAL RESPONSIBILITY



GCarso understands that a competitive Company is one that achieves its objectives by generating value in its associated groups while complying with all the applicable laws and observing respect to the environment and the social aspects. Thus, the goal of Social Responsibility and its policies constitute a guide for the actions that will be carried out in the strategy and operation of the subsidiary companies.



GOAL OF SOCIAL RESPONSIBILITY

The goal of Social Responsibility is to promote Company creativity and to apply that creativity in the business and in the solution of our country's problems from our viewpoint, based on human development, training of our personnel, optimism, teamwork, and the unflagging improvement of our processes, under a philosophy of austerity in expenses, reinvestment of the company's profits, modernization and growth, generating benefits for our clients, employees and for the various associated groups. <https://www.carso.com.mx/inversionistas/centro-de-reportes/informes-anuales/>

SOCIAL RESPONSIBILITY POLICIES

We understand Social Responsibility to be a commitment to the satisfaction of our clients and our shareholders, the interests of our employees and the community in general; compliance with the laws in all the places in which we operate, strict ethical standards and a long-term view of social responsibility, economic development, and the environment as a fundamental part of our competitiveness. <https://www.carso.com.mx/inversionistas/centro-de-reportes/informes-anuales/>



Beginning with our goal of Social Responsibility and its policies, and based on the Group's policies and procedures in relation to its social, economic and environmental impacts, each year the managers of the business sectors of the Group define their Strategic Social Responsibility Plans. Each year in the month of April a meeting is held with the Directors, Human Resource Managers and Social Responsibility managers, in which they are informed of the results of their performance in the process of obtaining the ESR award. They are informed of areas of opportunity for the next process, and based on this, each manager with its work group defines strategic plans for the attainment of objectives for the following year. The Human Resources Department and the Social Responsibility Department, aided by the Management Committees in the Work Centers, design, implement, and review the results of the plans and programs for their continuous improvement and a culture of prevention in themes as varied as health and safety in the workplace, professional development, a work and family balance and bonding with surrounding communities. In each operational division, in accordance with its operational requirements and its respective chain of value, management systems are integrated, in aspects ranging from quality, care of the environment, workplace safety and hygiene, to energy management and security of information. (See CHAPTER 3, Corporate Governance.)

2.1 Management of the associated groups

As for the relationship with associated groups, the Company has internal and external communication channels that generate the involvement and promote close and long-term relationships, as is illustrated below:

TYPE OF ASSOCIATED THIRD PARTIES (STAKEHOLDERS)	COMMUNICATION CHANNELS	SUBJECTS DISCUSSED
 INVESTORS	<ul style="list-style-type: none"> Website. Visits to stores Annual Financial Report, Shareholder Meetings Publication of relevant events. One-on-one Physical meetings Quarterly Financial Reports. 	<ul style="list-style-type: none"> Sales levels, operating profits EBITDA and margins Strategy per business division Shareholder Meeting Calls, Dividend Payments Debt levels Relevant and corporate events
 CLIENTS	<ul style="list-style-type: none"> Website, social networks, by telephone, physical POS and offices. Electronic System Exchange of information (SEH) portals for harnesses. Sales conventions. Informational bulletins, physical meetings, surveys; complaints and suggestions drop box. 	<ul style="list-style-type: none"> Service levels Billing Launching of products Bargains and Promotions Bidding on projects Service Conditions Payments on credit
 EMPLOYEES	<ul style="list-style-type: none"> Website of each sector, social networks, corporate communication channel, Yammer and the Carso "Train Yourself" platform. Informational bulletins, complaints and suggestions drop box. For unionized employees there is also an annual review of collective contracts and physical meetings. 	<ul style="list-style-type: none"> Physical and remote courses Hiring and departure of employees Payment of benefits Scholarships and support for students Cultural and sports activities
 PROVIDERS	<ul style="list-style-type: none"> Website, social networks. Physical meetings or video conferences. There are also physical meetings for contractors. 	<ul style="list-style-type: none"> Bidding on services Contractual stipulations Forms of payment and requirements for hiring Promotions and discounts
 COMMUNITY	<ul style="list-style-type: none"> Website; social networks. Interviews; Surveys; Physical meetings in projects. Fluid communications with entities of all kinds are procured, such as with financial, public and academic institutions. In the case of financial institutions, the Annual Financial report and the Quarterly Financial Reports are shared. 	<ul style="list-style-type: none"> Store openings Construction projects Social support events Granting of scholarships Financing needs Tax and regulatory matters Social works Donation and support matters

Periodicity:  Permanent  Annual  As often as required  Quarterly

2.2 Awards and acknowledgments received in 2021



- A Clean Industry Certificate to the Condumex Vallejo and Latincasa plants, from the office of the Federal Attorney General for Protection of the Environment.

- Acknowledgment of Carso Infraestructura y Construcción as a Socially Responsible Company by the Mexican Philanthropic Center (CEMEFI) for 12 consecutive years.



- In 2021 we received two Acknowledgments from General Motors (GM): (i) the "Supplier Quality Excellence Award 2020" for the automotive electrical harness operations in San Felipe, Silao, Ixtacuixtla, Jaral del Progreso, Jaral de Berrios and Apaseo, for their levels of commitment to quality and service, and (ii) the Acknowledgment as a "Silver Provider" in the replacement parts market.

- Acknowledgment of GCondumex as a Socially Responsible Company by the Mexican Philanthropic Center (CEMEFI), for 11 consecutive years.

- Acknowledgment of GCondumex from Daimler Autobuses, a client of the Group, with the "Daimler Masters of Quality" award.



- A Participation Award to Carso Infraestructura y Construcción from the Secretariat of the Environment of the State of Mexico, for its participation in the "Plantando el Futuro" campaign.

- The Acknowledgment of Environmental Leadership award to the Condumex plant in Guadalajara by the Secretariat of the Environment and Territorial Development of Jalisco (SEMADET).

- Certification of a Clean Industry by the Attorney General for Protection of the Environment (PROFEPA) for the Condumex Vallejo and Latincasa plants, for their commitment to environmental protection.



2.3 Processes for the operational excellence and sustainability certification

In order to ensure operational efficiency and quality, the various business sectors adopt the best practices in use both in Mexico and in the world and install management systems that have previously contributed to certifications of various kinds. Following below is a summary chart of the said certifications, and then, in Annex III, are the certifications received by each work center in relation to the ISO standards 9001, of the year 2015 and ISO 14001, 2015. Also indicated is the adoption of the IATF standard 16949 of 2016, on quality management systems in the automotive sector, the ISO/IEC17025 standard of 2017 (for laboratories), ISO 45011 of 2018 (health and safety in the workplace), ISO 50001 of 2018 (energy), TL 9000 of 2016 (telecommunications) and ISO/IEC 27001 of 2013 (security of information). See Annex III, "Certification processes for "operational excellence and sustainability" for greater detail.

NAME	DESCRIPTION	UNITS
ISO 9001: 2015	Quality control systems	10 Condumex plants, the 2 Research and Development centers; 3 Nacobre plants; <i>Carso Gasoducto Norte</i> gas pipeline; the 2 Carso Energy hydroelectric plants in Panama and 3 <i>Carso Infraestructura y Construcción</i> sectors (Installation of Pipelines, Infrastructure, Manufacturing and Services for the Oil and Chemical Industries under its Commercial Brand name of Swecomex)
ISO 14001: 2015	Environmental Management Systems	2 <i>Carso Infraestructura y Construcción</i> centers (Installation of Pipelines and Infrastructure) 9 Condumex plants; a logistics Company; 16 electrical harness manufacturing plants; 2 Research and Development centers; 3 Nacobre plants, and the Carso Gasoducto Norte pipeline
ISO 9001: 2015 + IATF 16949: 2016	Quality Control Systems specifically for the automotive sector, based on ISO 9001 and with other complementary requirements	3 Cable plants in Condumex; 16 Electrical Harness plants; one harness design center (CIDEC), which is a support center for the manufacturing plants
ISO/IEC 17025: 2017	Accreditation of laboratories by EMA (Mexican Accreditation Entity)	The Group has 6 accreditations for laboratories under the ISO IEC 17025 standard granted by the "EMA" for the CIDEC Research and Development Center, one Condumex Cable plant and one Nacobre plant
ISO 45001: 2018	Management of health and safety in the workplace	2 Condumex Cable plants and 2 <i>Carso Infraestructura y Construcción</i> sectors (Installation of pipelines and Infrastructure)
ISO 50001: 2018	Energy management system	2 Condumex cable plants and the CIDEC
TL-9000 R6.3: 2016	Telecommunications	1 Condumex cable plant
ISO/IEC 27001: 2013	The information security management system	The 2 Research and Development centers

*The two CIDEC centers (Jurica and CT units) have an integrated management system that observes the following international standards: ISO 9001, ISO 14001, ISO 50001, ISO 27001 and ISO 17025.

Please refer to Annex III, "Certification Processes for Operational Excellence and Sustainability," for further details.

2.4 Initiatives and organizations in which the Group participates

The following list includes organizations that are relevant to the sustainable development of Mexico and in which the Group or any officer or member of its Board of Directors participates.

- National Association of Self-Service Stores and Department Stores (ANTAD), a permanent affiliate of the Mexican Business Coordination Committee (CCE),
- Mexican Online Sales Association, A.C. (AMVO),
- Mexican Association of Standards for Electronic Commerce, A.C. (Bar Codes), GSI Mexico
- National Chamber of the Restaurant and Processed Foods Industry (CANIRAC),
- Association of Writers and Music Composers of Mexico, S. de G.C. de I.P. (SACM),
- National Chamber of Electrical Manufacturers (CANAME), a member of the Confederation of Industrial Chambers of the Republic of Mexico (CONCAMIN),
- National Auto parts Industry (INA),
- Standardization and Certification Association, A.C. (ANCE),
- Mexican Association of Directors of Applied Technological Research and Development (ADIAT),
- Mexican Chamber of Commerce of the Construction Industry (CMIC),
- Mexican Association of Directors of Human Resources, A.C., (AMEDIRH),
- National Panamanian Association of Electric Generators (ANPAG)

2.5 Social initiatives supported by the Group

Following below is a list of social organizations that received support of some kind from the Group during 2021, either by direct contribution or through social responsibility projects in the various work centers or subsidiaries:

- Carlos Slim Foundation
- ASUME México, A.C.
- United Fund, I.A.P.
- Best Buddies, México
- Bank of Tapitas, A.C.
- Integral Family Development (DIF)
- Multiple Care Centers (CAM)
- Mexican Red Cross, I.A.P.
- Mexican Confederation of Organizations Assisting Persons with a Disability (CONFE)
- Institute for the Rehabilitation of Abused Children (NEEDED)
- National Institute for Women (INMUJERES)
- National Institute for Senior Citizens (INAPAM)
- Pedagogic Institute for Persons with Language Problems, IAP (IPPLIAP)
- Mexican Association for Assistance to Children with Cancer I.A.P (AMANC)
- Angels in Liberty, A.C.
- Infantile Anticancer Alliance, I.A.P.
- Breast Cancer Foundation, A.C. (FUCAM)
- Young Men's Christian Association (YMCA México)
- A Kilogram of Help, A.C.
- Dr. Sonrisas Foundation, A.C.
- Chespirito Foundation, I.A.P.
- Pan Q´ Ayuda Enterprise





MATERIALITY STUDY

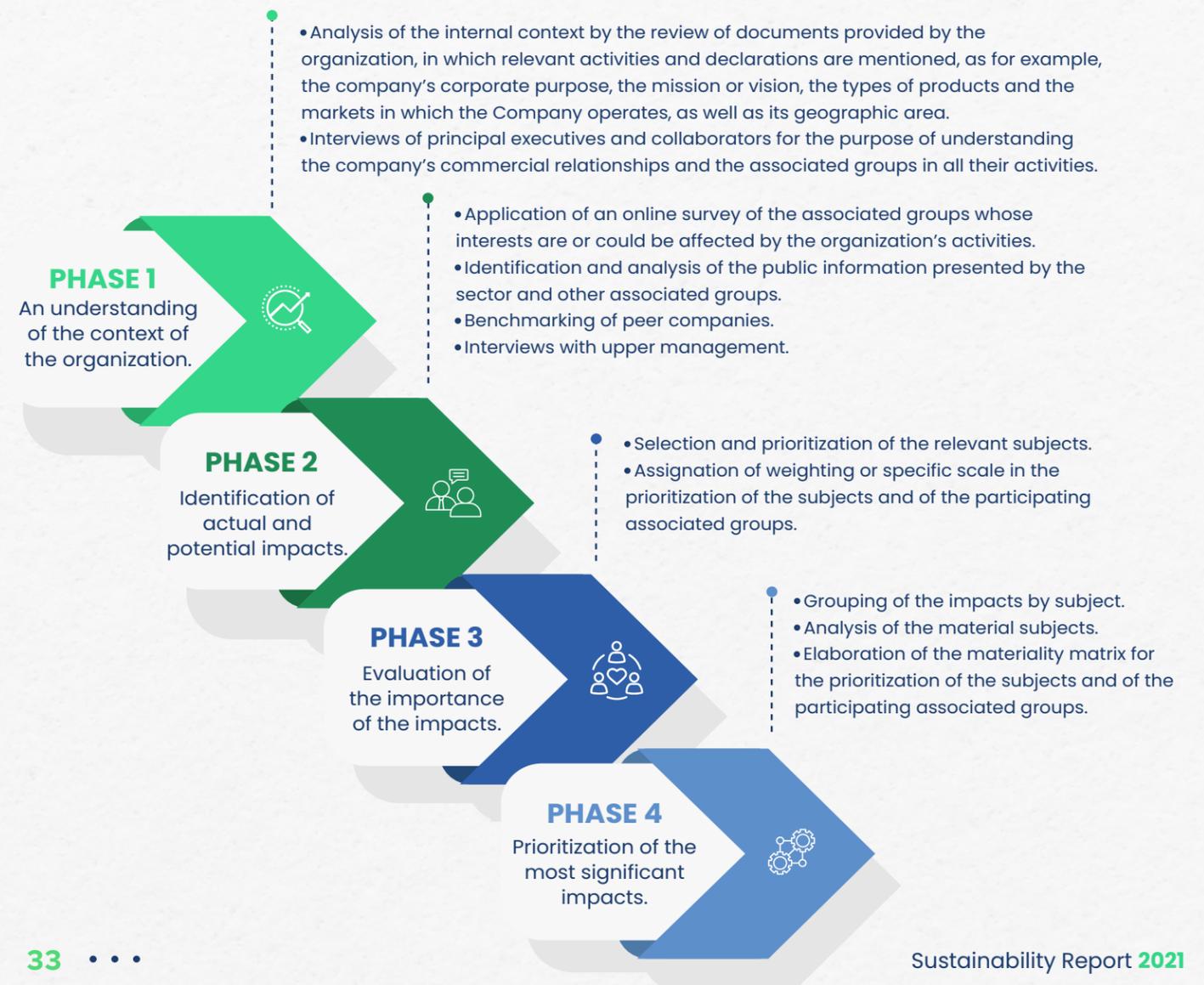
MATERIALITY STUDY

Along with the elaboration of this Sustainability Report corresponding to 2021, GCarso carried out its first Materiality Study, for the purpose of identifying the most important economic, social, and environmental matters in each of the sectors in which our subsidiaries operate. The study also incorporated a benchmarking analysis with some of the most representative organizations of each sector, in order to visualize a mapping of the principle impacts of the Group.

The priority was to create new channels of communication with the most important associated groups by means of a consultative process and to learn what their perception of these impacts is. With the results of this consultative process, a Sustainability Strategy will be implemented in the future that will reinforce the creation of shared long-term values and that will integrate the environmental, social, and corporate governance (ASG) aspects into the Group's corporate and operational procedures.

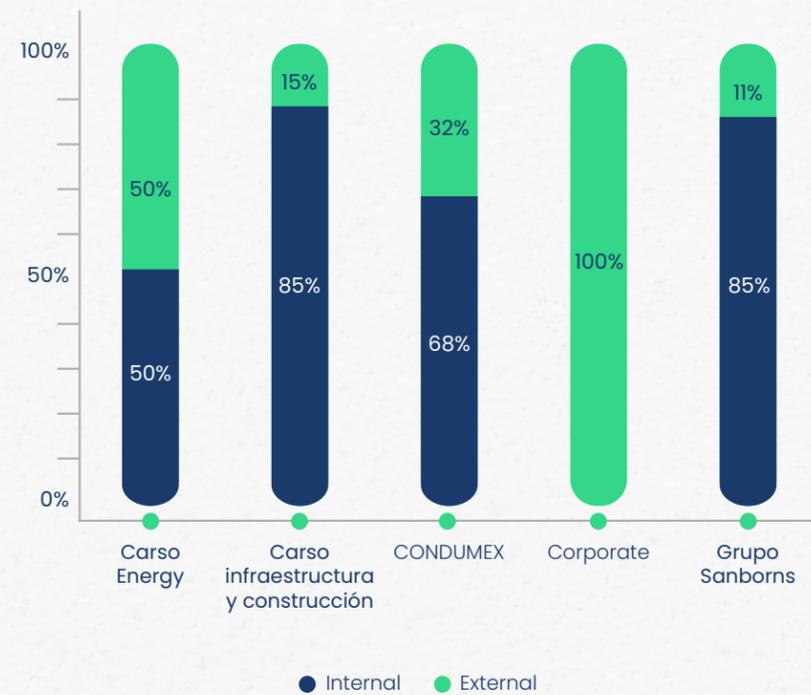
3.1 Description of the process

The Materiality Study was coordinated by the Faculty of Social Responsibility of the University of Anahuac, and it was carried out in four phases:



The survey was applied to 2,495 individuals of the key associated groups identified by GCarso, whose activities and commercial relationships are viewed in the context of their actual and potential impact on the economy, on the environment and on persons, including human rights. In regard to the profile of the participants, 80% of the associated groups were internal and 20% were external. The individuals from the internal associated groups ranged from upper management to employees from various levels of the organization. The external associated groups included clients, investors, providers, subcontractors, authorities, regulators and communities. In the following chart the number of individual participants from each company can be seen:

Participant Stakeholders



3.2 Materiality Matrix and Results

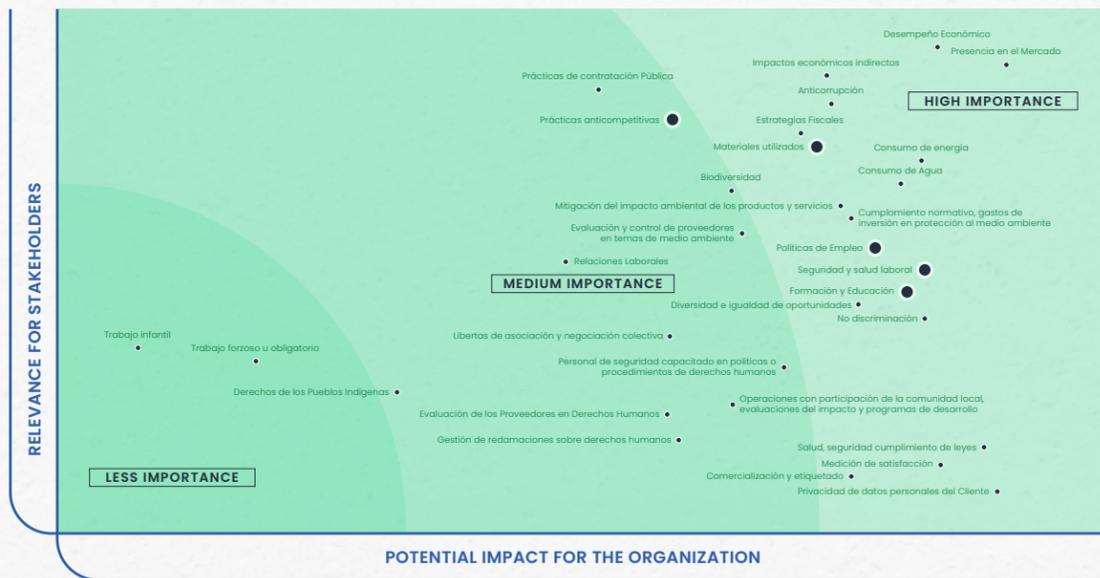
As a starting point for the Materiality Study, the thematic standards of the Global Reporting Initiative (GRI) were considered, by which 32 general sustainability themes were identified. These themes were in turn grouped into 3 categories according to their organizational context and based on the documentation provided, in which relevant activities and declarations are mentioned, as indicated below:



For the details and description of each of these subjects the definitions provided by the Global Reporting Initiative in the GRI thematic Standards can be downloaded in: <https://www.globalreporting.org/how-to-use-the-gri-standards/gri-standards-spanish-translations/>



The results of the consultative process for all the GCarso participants produced the following Materiality Matrix, with which these 32 general sustainability themes were classified as: of greatest importance (19); of Medium Importance (11), and of Least Importance (2). Additionally, the themes with the greatest number of mentions by the associated groups were noted. All this information will be used by GCarso to fine-tune its Sustainability strategy in the future:



In this manner, the subjects of greatest importance were defined for GCarso as the material themes that are enumerated below:

- Presence in the Market
- Privacy of the Client's personal data
- Health, safety, and compliance with the laws
- Economic Performance
- Measurement of Satisfaction
- Health and Safety of the Workplace
- Non-discrimination
- Consumption of Energy
- Training and Education
- Consumption of Water
- Hiring Policies
- Diversity and Equality of Opportunities
- Marketing and Labeling
- Mitigation of the Environmental Impact of the Products and Services
- Compliance with the standards for the expenses involved in protection of the environment
- Indirect economic impacts
- Anticorruption
- Materials utilized
- Tax Strategies

Because of the diversity of sectors comprising the scope of the GCarso subsidiaries, a matrix of materiality was also realized for each of the subsidiary companies, which are presented below. The results of these matrices will be of a complementary nature so that each subsidiary may fine-tune its Sustainability Strategy, in conjunction with GCarso.

Grupo Sanborns

The survey was applied to 950 individuals, 107 of them external and 843 internal. The associated group identified by the organization is composed of clients, employees and providers.

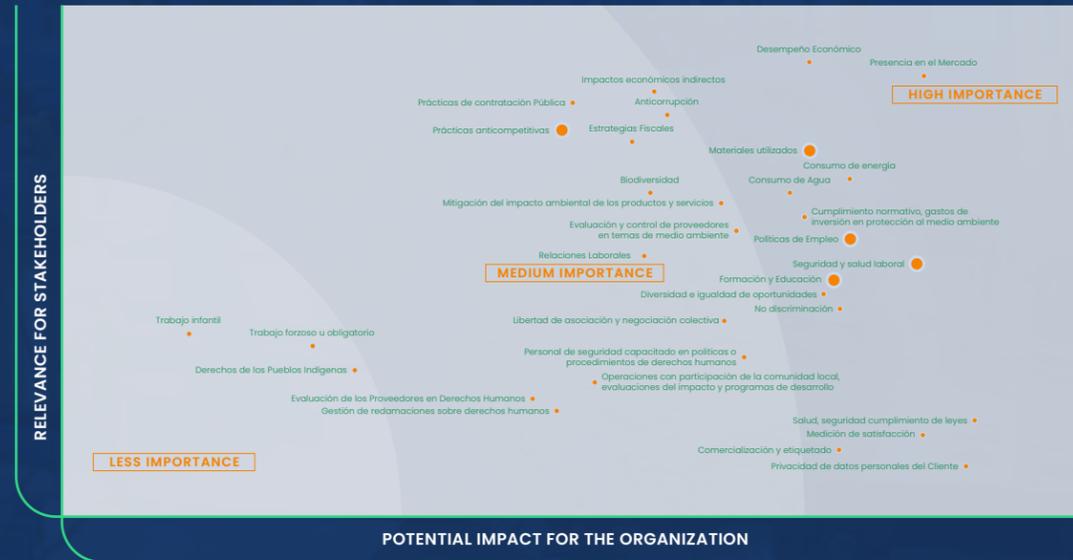


As a result of the analysis, the material themes that have been identified as the most relevant for Grupo Sanborns are:

- Presence in the Market
- Privacy of the Client's personal data
- Health, Safety and compliance with laws
- Economic Performance
- Marketing and Labeling
- Non-discrimination
- Energy Consumption
- Measurement of satisfaction
- Water Consumption
- Hiring Policies
- Health and Safety in the Workplace
- Training and Education
- Diversity and Equality of Opportunities
- Indirect economic impacts
- Materials utilized

Grupo Condumex

The survey was applied to 926 individuals, 297 of them external and 629 internal. The associated group identified by the organization is composed of clients, employees, investors, members of the Board of Directors, providers and subcontractors.

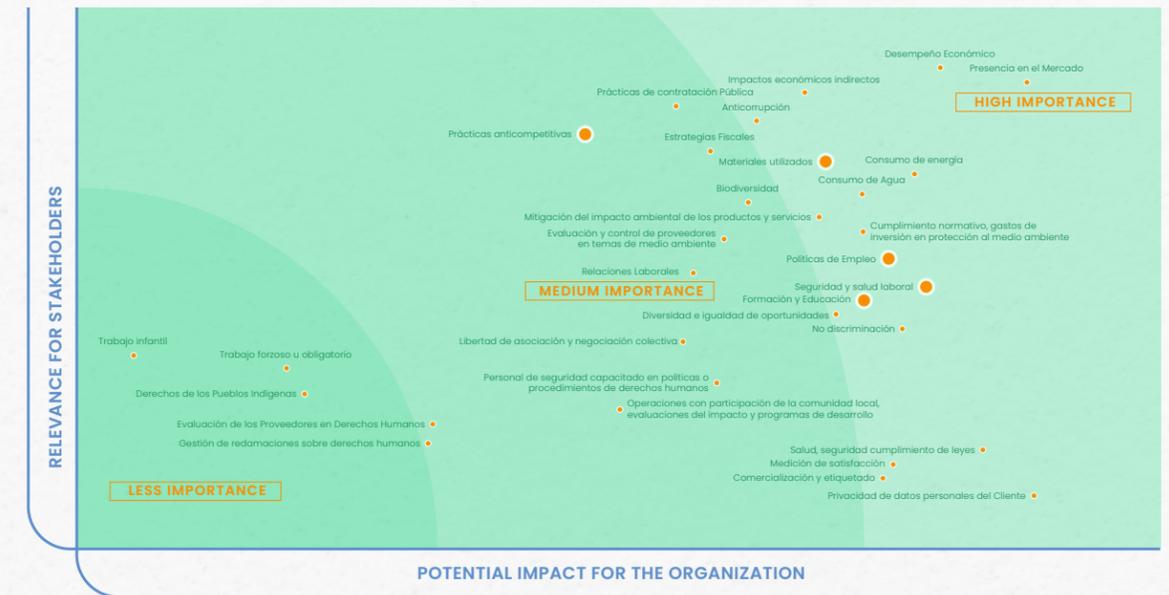


As a result of the analysis, the material themes that have been identified as the most relevant for Grupo Condumex are:

- Presence in the Market
- Privacy of the Client's personal data
- Health, safety, and compliance with the laws
- Measurement of satisfaction
- Health and Safety in the workplace
- Hiring Policies
- Non-discrimination
- Marketing and Labeling
- Consumption of Energy
- Diversity and Equality of Opportunities
- Training and Education
- Economic Performance
- Materials utilized
- Compliance with the Standards for expenditures for protection of the environment
- Water Consumption

Carso Infraestructura y Construcción

The survey was applied to 596 individuals, 89 of them external and 507 internal. The associated group identified by the organization is composed of employees, providers and subcontractors.



As a result of the analysis, the material themes that have been identified as the most relevant for Carso Infraestructura y Construcción are:

- Privacy of the Client's personal data
- Presence in the Market
- Health, safety, and compliance with the laws
- Economic Performance
- Health and Safety in the Workplace
- Energy Consumption
- Non-discrimination
- Measurement of satisfaction
- Hiring Policies
- Water Consumption
- Training and Education
- Marketing and Labeling
- Materials utilized
- Compliance with the standards on expenditures for the protection of the environment
- Mitigation of the environmental impact of products and services
- Diversity and equality of opportunities
- Indirect economic Impacts
- Anticorruption



Carso Energy

The survey was applied to 14 individuals, 7 of them external and 7 internal. The associated group identified by the organization is composed of clients, employees, providers and subcontractors.



As a result of the analysis, the material themes for Carso Energy are:

- Economic Performance
- Training and Education
- Non-discrimination
- Anticorruption
- Consumption of Energy
- Consumption of Water
- Operations with the participation of the local community; evaluation of the impact and of the development programs
- Health, safety, and compliance with the law
- Measurement of satisfaction
- Privacy of the Client's personal data
- Indirect economic Impacts
- Mitigation of the environmental impact of products and services





CORPORATE GOVERNANCE

4.1 Standards Framework

As a Company listed in the Mexican Stock Exchange (Bolsa Mexicana de Valores, S.A.B. de C.V.), Grupo Carso, S.A.B. de C.V. (GCarso or the Group) observes the Corporate Governance requirements, widely regulated in Mexico through the rights and obligations stipulated in the Stock Market Law, especially in Article 42 of the said Law and in the Company's own bylaws. The Company also follows the Code of Principles and Best Corporate Governance Practices for Mexican Companies, published by the Business Coordination Council, in which a series of recommendations by which the corporate governance of a company can be improved are mentioned, and in which aspects such as conflicts of interest are regulated, along with transparency of information, due diligence and other matters.

The administration and supervision of the Group is carried out by a Board of Directors and the Director General. As for the subsidiaries, each of them has a management team, composed of professionals with wide experience in their particular area. Each subsidiary also has a competent legal department, in order to ensure the compliance with the standards that are current both in Mexico and in the country in which the subsidiary has a direct or indirect presence, in addition to external widely recognized consultants with ample knowledge of national and international matters as diverse as social-labor laws, environmental laws, commerce, and economy.

4.2 Structure of the Corporate Governance

Board of Directors

The supreme governing entity of GCarso is the Shareholders' Assembly, which has the faculty of designating the members of the Board of Directors, who have the authority to dictate the main decisions of the Group. Article 24 of the GCarso bylaws lists the functions of the said Board of Directors as follows:

"The Board of Directors shall have the rights and obligations assigned to them in accordance with the applicable laws and these Bylaws, and they shall have the most ample faculties to adopt all the accords and to carry out all the acts, of whatever nature they may be, that are necessary in order to attain the Company's objectives, with the exception of those acts expressly reserved for the Shareholders' Assemblies by the Law or by these Bylaws. Without prejudice to the above, the Board of Directors shall have the functions established in Article 28 (twenty-eight) of the Stock Market Law..."

<https://www.eng.carso.com.mx/investors/corporate-governance/>

The Board of Directors has the following functions, among others:

A.

It ensures that all the shareholders: i.) have equal treatment; ii.) that their rights are respected; iii.) that their interests are protected, and; iv.) that they have access to the Company's information.

B.

It ensures the creation of economic and social value for the shareholders, as well as the existence of the Company across time.

C.

It promotes consideration by the Company towards third-party associates (*stakeholders*) when it (the Company) adopts decisions. According to its framework of standards, the Company considers the following to be stakeholders: i.) Employees; ii.) Clients; iii.) Providers, and iv) Creditors.

D.

It ensures the honest and responsible behavior of the Company.

E.

Defines the Company's strategic direction.



F.

Monitors the Company's operations.

G.

Approves its management.

H.

Includes innovation as a part of the Company's culture and its way of thinking.

I.

Appoints the Company's director general and its upper-level officers.

J.

Evaluates and approves the performance of the director general and of the upper-level officers.



K.

Promotes: i.) The responsible dissemination of information; ii.) The responsible revelation of the information; iii.) The transparent management of the Company.

L.

Promotes the establishment of internal control mechanisms.

M.

Promotes the establishment of mechanisms to ensure the quality of the information.

N.

Establishes the policies for operations with related parties.

O.

Approves the operations with related parties.



P.

Promotes the establishment of a formal plan for the succession of: i) the director general; ii) the upper-level officers.

Q.

Ensures the establishment of mechanisms for the: i) Identification of the strategic risks; ii) Analysis of the strategic risks; iii) Administration of the strategic risks; iv) Control of the strategic risks; v.) Adequate revelation of the strategic risks.

R.

Ensures the establishment of plans for the continuity of the business.

S.

Monitors the existence of plans for the recovery of information in the event of a disaster.

T.

Fosters the Company's socially responsible image.

U.

Promotes the Company's issuance and dissemination of its Code of Ethics and its revelation of unethical conduct.



The Board of Directors is composed of 11 titular directors, one of them a woman, and 5 substitute directors. The Board holds four meetings -more than the minimum number of meetings required by the Stock Market Law-. In 2021 the Board came together in six meetings.



* Independent Directors

In practice, the Board of Directors depends on five key directors:



General Director

The position of Director General entails the management, conduction, and execution of the Company's business and of the juridical persons it controls, while observing in this activity the strategies, policies and guidelines approved by the Board of Directors. As has been mentioned, the Chief Executive Officer of GCarso is Mr. Antonio Gómez García, who supervises and provides feedback on the activities of the directors and upper management of the subsidiary companies, mainly Grupo Condumex, S.A. de C.V. and Carso Infraestructura y Construcción, S.A. de C.V. The Director General of Grupo Sanborns S.A.B. de C.V. is the Mr. Patrick Slim Domit; the Director General of Carso Energy, S.A. de C.V. is Mr. Gerardo Kuri Kaufmann.

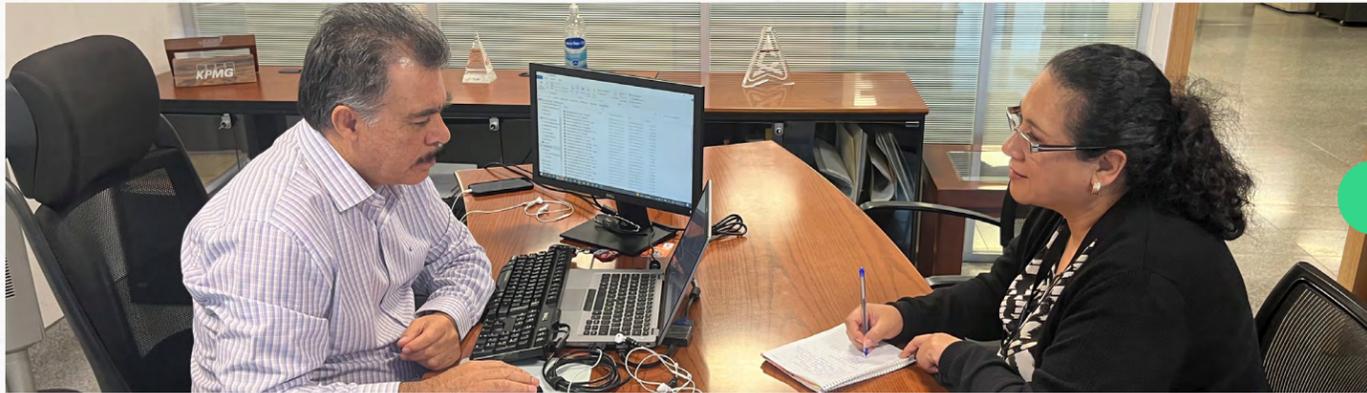
PRINCIPAL DIRECTORS

ENGR. ANTONIO GÓMEZ GARCÍA



Mr. Antonio Gómez García is an industrial engineer from the university *Universidad Iberoamericana*. He was born on February 21, 1961, and was appointed as the CEO of Grupo Carso, S.A.B. de C.V. on April 7, 2014. He has therefore been in that position for 8 years. Prior to that time, he was the CEO of Carso Infraestructura y Construcción, S.A. de C.V., and had held various positions in Condumex, S.A. de C.V. He is a director of Elementia, S.A.B. de C.V. (which is presently in the process of delisting, with the surviving companies being the companies Elementia, S.A.P.I. de C.V. and Cementos Fortaleza, S.A.P.I. de C.V.), Carso Infraestructura y Construcción, S.A. de C.V. and some of its subsidiaries. He is also a Board member of Grupo Condumex, S.A. de C.V., and some of its subsidiaries and of Minera Frisco, S.A.B. de C.V. He has a total of 18 years as a director.





The said Committee is composed of the following independent directors:



Mr. Rafael Moisés Kalach Mizrahi



Mr. Antonio Cosío Ariño



Mr. David Ibarra Muñoz



LIC. PATRICK SLIM DOMIT

Mr. Patrick Slim Domit, age 53, has a Degree in Business Administration from the University of Anahuac. He is a Board member in the following companies: Grupo Sanborns, S.A.B. de C.V., Inmuebles Carso, S.A. de C.V., Teléfonos de México, S.A.B. de C.V., América Móvil, S.A.B. de C.V., Sears Operadora México, S.A. de C.V. and of Impulsora del Desarrollo y el Empleo en América Latina, S.A.B. de C.V.



C.P. RAFAEL MOISÉS KALACH MIZRAHI

Mr. Rafael Moisés Kalach Mizrahi is a Certified Public Accountant from the National Autonomous University of Mexico, born in 1946. He is a director of Teléfonos de México, S.A.B. de C.V. and of América Móvil, S.A.B. de C.V. His principal function is as the chairman of the Board of Directors and CEO of Grupo Kaltex. He has professional experience as an accountant and business administrator and has held various positions in Grupo Kaltex.



ENGR. GERARDO KURI KAUFMANN

Mr. Gerardo Kuri Kaufmann is an Industrial Engineer from the Universidad of Anáhuac, born on December 17, 1983. He is the CEO of Carso Energy, S.A. de C.V., of Minera Frisco, S.A.B. de C.V., and of Telesites, S.A.B. de C.V., as well as a member of the Board of Directors of Inmuebles Carso, S.A. de C.V. and of some of the Company's subsidiaries.



ENGR. ANTONIO COSÍO ARIÑO

Mr. Antonio Cosío Ariño was born in Mexico City on December 11, 1935. He graduated as a Civil Engineer in 1959, and his principal occupation has been as CEO of Grupo Hotelero Las Brisas and of Grupo Pando. He is a Board member of Teléfonos de México, S.A.B. de C.V. and of Kimberly-Clark de México, S.A.B. de C.V.

Auditing and Company Practices Committee

As a Company that is listed in the Mexican Stock Market (Bolsa Mexicana de Valores, S.A.B. de C.V.), its Board of Directors can count on the assistance of the Auditing and Company Practices Committee, especially regarding the obligations of Company loyalty, diligence and confidentiality. Among other functions this committee provides support in the vigilance over the management and execution of the Company's business affairs and the business affairs of the juridical persons controlled by the Company.



LIC. DAVID IBARRA MUÑOZ

David Ibarra Muñoz has a bachelor degree in Economics from the Faculty of Economy of the National Autonomous University of Mexico. He was born in 1930. He is a director in the following companies: Grupo Financiero Inbursa, S.A.B. de C.V., Impulsora del Desarrollo y el Empleo en América Latina, S.A.B. de C.V., América Móvil, S.A.B. de C.V. and Dopsa, S.A. de C. V. His professional experience has been as an economist, as director general of Nacional Financiera and as the Minister of the Treasury and Public Credit. He is presently retired.

The principal functions of the Auditing and Company Practices Committee are as follows:



In a general manner, the Committee carried out the following activities in 2021: (i) the approval of operations with related parties; (ii) submitted for the consideration of the Board of Directors the ratification of the external auditing firm, as well as the amount of its remuneration; (iii) carried out a follow-up on the auditing work realized by the external auditing firm; (iv) ascertained that the accords adopted in the shareholders' meetings and by the Board of Directors were complied with, among other actions.

In Finances and Planning, the Committee has the following functions:

- 1 Evaluating the Company's investment policies, and, if applicable, studying the investment policies proposed by General Management, for their subsequent submission to the Board of Directors for approval.
- 2 Evaluating the Company's financing policies, and, if applicable, studying the financing policies proposed by General Management, for their subsequent submission to the Board of Directors for approval.
- 3 Taking part in the presentation to the Board of Directors of an evaluation of the viability of the Company's principal investments and financing transactions, in accordance with the established policies.
- 4 Evaluating and, if applicable, suggesting to the Board of Directors the general guidelines for the determination of the Company's planning strategy, and assisting the Board in its vigilance to ensure that the financial projections are in keeping with the Company's said strategic vision.
- 5 Discussing the premises of the annual budget and submitting their opinions to the Board of Directors for their approval.
- 6 Following up on the application of the Budget and strategic plan.
- 7 Identifying the risk factors to which the Company is exposed and evaluating the plans for facing those eventualities; and,
- 8 Performing any other functions entrusted to the Committee by the Company's Board of Directors.

As for GCarso's focus on risk and impact management, here again the Auditing and Company Practices Committee has the function of supervising the mechanisms found in the Group, which in turn are subject to a complex network of supervision and follow-up in the structures of each of the subsidiaries. In the event it should become necessary to communicate a critical matter regarding the organization, the president, vice-president, secretary or pro-tem secretary of the Board will initiate a collective discussion in the Company's highest governing body, and, once a decision is reached regarding the management of the situation, it will be communicated to all the members of the organization by the director general or by the top officers of the subsidiaries.





4.3 Code of ethics

GCarso has the daily commitment of maintaining the highest ethical standards in the performance of its activities.

The principal mechanism that guides GCarso in its expectations about the ethical behavior of its people, and that is applicable to all the associated groups in the organization, is the Code of Ethics, which functions as the basic document, both in the framework of standards of the Group as well as in the Internal Work Regulations of each business unit. The said Code of Ethics is also available to the public in the following link: [CODE OF ETHICS](#)

Grupo Sanborns, S.A.B. de C.V., one of GCarso's subsidiaries, has its own code of ethics for its subsidiaries, but it is compatible with the principles, values, and standards of GCarso. That code of ethics is also available to the public in the following link: [CODE OF ETHICS](#)

The Code of Ethics is disseminated to the employees in the "Capacitate Carso" train yourself course, an innovative tool for training on a digital level, a portal that is accessible to all employees. A knowledge of the Code is an essential part of the induction program for all new employees. Year after year, the employees sign a Letter of Adhesion if the training is by physical means, and if it is remote, an evaluation of the online course is realized. In 2021, 10,546 persons received training in this manner. Also, a campaign called "Corporate Governance" was carried out, consisting of various flyers, urging all employees to act ethically and honestly, observing transparency and professionalism.

Monitoring the deviations from the Code of Ethics

In regard to the mechanism for reporting and acting upon denunciations of conduct contrary to the Code of Ethics, there is a Policy for Denunciation and its Attachments. The Group observes an "open door" policy, which implies that anyone can report any act that transgresses the current laws or internal policies at any hierarchical level can do so without experiencing reprisals. The means is found in the Transparency Dropbox, available to all the associated groups in the following webpage: <https://www.carso.com.mx/contacto/buzon-de-transparencia/>. Additionally, the following mechanisms can be found in the subsidiary companies, which function as denunciation channels at everyone's reach:

- Telephone 800 003 3686
- denuncia@condumex.com.mx
- denuncia@cablana.com.br
- auditoria_interna@condumex.com.mx

- denunciasductos@ccicsa.com.mx
- denuncias@carso-energy.com
- direccion-auditoria@sanborns.com.mx
- enterate@sanborns.com.mx

In the subsidiaries, if a denunciation should occur, the business unit in each subsidiary must notify the corresponding Internal Auditing department for its review, control and attention. In the case of Grupo Sanborns, this Company additionally has posters in its buildings for the providers and merchants who visit the corporation.

In 2021, 36 denunciations were made through the various mechanisms, which were discussed by the Auditing Department of Grupo Carso.² Eleven of these denunciations resulted in an action either of dismissal from employment or a sanction.

In 2022 the creation of an Ethical Committee will be established, consisting of three members: the auditing director, the Director or Manager of Human Resources and the Juridical Director, with their respective substitutes, with their functions to be as follows:



The said Committee will periodically discuss and resolve the denunciations related to violations of the Code of Ethics in matters such as monopolistic conduct, undue use of the information on the associated groups, environmental violations, conflicts of interest, bribery or other forms of corruption, labor violations, discrimination, labor harassment, sexual harassment, and other violations.

²This number does not include Grupo Sanborns, S.A.B. de C.V.



4.4 Management of human rights and the fight against corruption

GCarso acknowledges that it is operating in territories in which violations of human rights and/or against the legal framework frequently occur. For this reason, the observance of human rights and the fight against corruption are fundamental guidelines for the Group. The Group's Code of Ethics establishes that "all persons deserve decent treatment, regardless of their sex, age, economic level or any other personal feature or situation..." (page 7). The Code prohibits any conduct related to labor harassment, sexual harassment, child labor, forced labor, discrimination, and other such violations.

The said Code places emphasis on the matter of "preventing any possible incident arising from the management of our business that could affect the environment and damage our assets or the community in which we operate..." (page 6), and it guarantees the right of all persons "to participate in political, religious or charitable causes," as long as they are personal matters and do not involve the Company. (page 18)

Corporate policies and procedures that rule our conduct are in place in matters such as conflicts of interest, the fight against corruption, privacy of the clients' or providers' information, intellectual property, fair competition, participation in political or community projects, investigation and solution of denunciations, etc., that should be adopted by all of the Company's personnel (including strategic partners in areas such as purchase/sales) by signing letters of commitment.

In the case of services contracts with providers, the said providers must sign a Privacy Notice and they must learn and observe the stipulations in the Group's Code of Ethics. For construction contractors, anti-corruption and anti-money laundering clauses are included in their contracts, in addition to the commitment of a rigorous adherence to the stipulations in the applicable legislation and standards, a commitment to environmental protection, and the observance of the rights of their workers.³

For the Group's projects – especially infrastructure and construction – the service contracts with providers include requirements such as signing a Privacy Notice, in addition to anti-corruption and anti-money laundering clauses. These clauses bind the service provider to compliance with the Group's provisions in its Code of Ethics in regard to conflicts of interest, confidentiality, anti-corruption policies, anti-harassment policies, public relations, safety, intellectual property or other types of property, and policies on email communications.

The clause on legal guidelines and conduct, in turn, binds the contractor to the obligation of ensuring that the companies that it contracts will carry out their works and projects while observing all the legal provisions that are in force, including without limitation all the laws involving tax, administrative, criminal, and anti-corruption and money laundering matters. Additionally, the provider shall declare that (i) prior to the date of subscription of the contract in question the Company delivered to the provider a copy of its Code of Ethics containing the Company's anti-bribery/anti-corruption policies,

and (ii) that it has reviewed and is aware of the content and scope of the said policies, the terms of which the provider undertakes to observe. The parties will expressly declare that during the negotiations for the subscription of the contract they always proceeded with adherence to the applicable anti-bribery and anti-corruption Laws in force.

The Purchasing and Supplies departments also have formal procedures to ensure the equality of opportunities for their providers and clients, such as the Corporate Purchasing Policy applicable to GConдумex and Carso Infraestructura y Construcción, to thereby discourage objectionable practices.



4.5 The Company's Tax Management Policy

Besides the increasing tax obligations of the companies composing Grupo Carso and the continuous audits to which they are subjected, taxation risks are arising that must be considered from a viewpoint of procedure, management and control of the tax obligations and formalities. Therefore, the adoption of organizational and management models that imply a continuous monitoring and control over the compliance with the tax laws has been maintained as a principal objective, adapting those models to the circumstances and features of each of the sectors and specialties of the Group's companies. The charting of the tax implications for the subsidiaries has allowed us to design and implement the measures that provide a specific response to each of them without omitting a continuous and periodic communication with the corresponding Departments. Finally, in regard to the interpretation of the tax laws, in the case of core themes, these have been submitted to third-party experts in these matters.

³ These clauses bind the service providers to the compliance with the Group's Code of Ethics and to oversee aspects such as conflicts of interest, confidentiality, anti-corruption and anti-harassment policies, public relations, safety, intellectual property, and email communications. Additionally, there is a clause on Legal Guidelines and Conduct that binds the provider to the obligation of ensuring that the companies that it contracts will carry out their works and projects while observing all the legal provisions that are in force, including without limitation, all the laws involving tax, administrative, criminal, anti-corruption and money laundering matters.



4.6 Management of business risks

The Group is constantly exposed to economic and financial adjustments that can occur in both the domestic market and in the international markets, in addition to the risks inherent to the daily operation of its business. Here again, the Auditing and Company Practices Committee is the principal entity responsible for the identification and management of the risk factors. The said Committee is composed of a group of financial experts who advise the Board of Directors about the actions to be implemented in order to mitigate the risks perceived in the economic changes occurring in the countries in which the Group operates. The board of directors in turn defines the strategy to be followed in each of the sectors of the Group that are under its control. Therefore, as a precautionary measure the Board realizes an evaluation of the most important risks to which the Company is exposed in its business activities, which in 2021 were the following:

- **RISKS IN RELATION TO THE GLOBAL CONTEXT, SUCH AS:**
Currency exchange risks, fluctuations in interest rates, deceleration in consumption, volatility in the price of strategic items, cyclical or seasonal behavior in the sectors in which the Company operates, or lump-sum contracts.
- **IN RELATION TO THE PARTICULAR CONTEXT OF MEXICO:**
Such as inflation, unemployment levels, political uncertainty, and changes in the tax laws.
- **IN RELATION TO REGULATORY ASPECTS:**
Such as the commissioning of offshore platforms, changes in government regulations and the resolution of regulatory audits.
- **IN RELATION TO PARTICIPATION IN LONG-TERM CONTRACTS:**
Especially in the branch of infrastructure, such as the need to participate in bidding processes, both public and private, and the possibility of complaints, controversies, contractual responsibilities and the expiration of supply contracts.
- **RISKS DERIVING FROM COMPETITION:**
Such as the possibility of the loss of market share or overstocking problems, especially in the sales sector.
- **RISKS SPECIFIC TO THE GROUP:**
Such as risks deriving from its status as the issuer or holder of shares, dependency on patents or brand names and their expiration, and the risks inherent in financial instruments and the contracting of credit.
- **IN RELATION TO ENVIRONMENTAL CONTINGENCIES:**
Mainly in the infrastructure and construction projects, such as in penalties for noncompliance with legal provisions of an environmental nature or the remediation of environmental damage caused by the operation.
- **IN RELATION TO ITS CHAIN OF VALUE:**
Such as the risk of a scarcity of raw materials and interruptions in their supply and in the performance of services; bankruptcy or breach of a contract, or the early expiration of a supply contract by the providers, with or without a justifiable cause; or possible claims, controversies and liabilities for the breach of contracts.
- **IN RELATION TO THE DEPARTURE OF EXECUTIVE PERSONNEL AND KEY EMPLOYEES:**
Such as the loss of personnel due to the competition for qualified personnel.
- **IN RELATION TO THE PROMULGATION OF NEW LAWS:**
Laws that, upon their approval, affect the way the Group carries out its business.
- **IN RELATION TO LABOR UNIONS:**
Such as the possibility that the Company will be unable to negotiate favorable labor contracts, thereby leading to labor problems such as strikes or work stoppages.
- **OTHER RISKS DERIVED FROM SUDDEN OR UNFORESEEN EVENTS:**
Such as natural disasters, social conflicts or workplace accidents.



ECONOMIC PERFORMANCE

The Covid-19 pandemic had a powerful impact on local economies around the world, causing a steep economic slowdown on a global level, especially in 2020. In many countries, including Mexico, small, medium and large companies were forced to partially or totally halt their operations and close their sales points for long and/or intermittent periods of time, with measures such as social distancing, the closure of non-essential services and operations, travel restrictions and quarantines. GCarso was no exception, and it was forced to adopt the above measures in each of its subsidiaries.

These productive and commercial difficulties were also experienced in 2021, although that year saw the beginning of a gradual recovery. Although many of the restrictions indicated above continued during that year, there was also a gradual reopening of various productive and commercial operations. The focus of GCarso during this recovery was to strategically guide the Group towards the generation of shared value among its associated groups, with objectives such as the renewal of commercial relationships with its business partners, to seek new business ventures – especially by taking advantage of new technologies – and to implement actions designed to improve efficiency and reduce operating costs.



5.1 Economic value generated

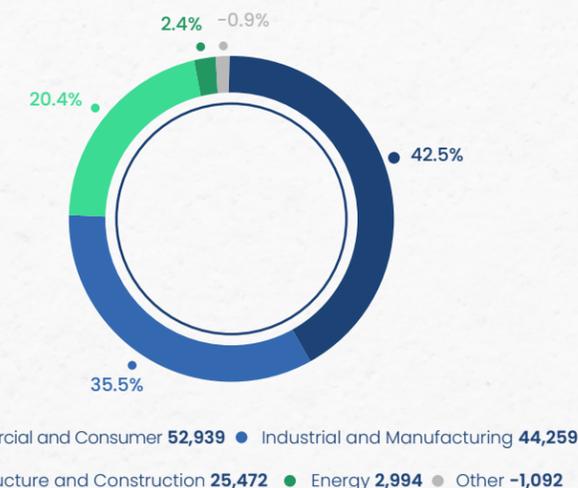
For the Group, the year of 2021 meant a year of reactivation of commercial activities. The consolidated sales of the Group grew by 31.6% compared to 2020, reaching the amount of \$124,573 million pesos, with the following geographic distribution: 75.71% in México; 12.4% in the United States and Canada; 8.8% in South America, Central America and the Caribbean; 2.8% in Europe, and the remaining 0.4% in other regions of the world.

The principal financial variables in 2021 are shown in the following chart:

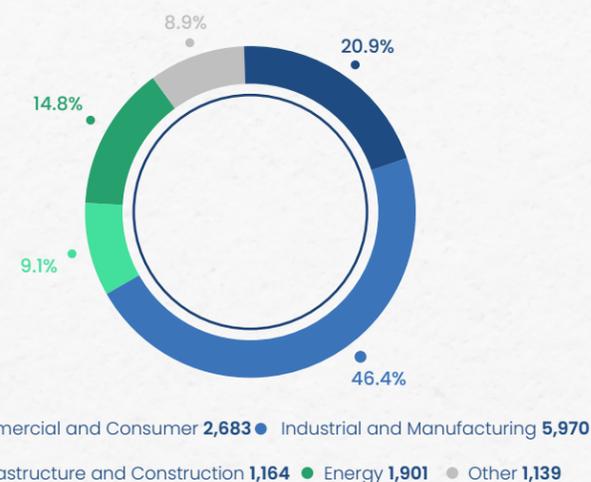
(Amounts in thousands pesos, except earnings per share, which is shown in pesos, and outstanding share)	2019	2020	2021	Var % 2021-2020
Sales	102,477,596	94,684,370	124,572,789	31.6%
Gross Profit	29,139,883	23,728,955	30,624,023	29.1%
Operating Income	11,453,226	8,916,259	12,856,985	44.2%
EBITDA	14,481,063	11,206,330	15,723,702	40.3%
Controlling Participation in Net Income	7,547,361	5,706,408	11,282,039	97.7%
Earning per share (EPS)*	3.31	2.51	5.00	99.5%
Margins				
Gross	28.4%	25.1%	24.6%	-0.5 pp
Operating	11.2%	9.4%	10.3%	0.9 pp
EBITDA	14.1%	11.8%	12.6%	0.8 pp
Net	7.4%	6.0%	9.1%	3.0 pp
Revenues				
Retail	53,288,479	39,612,874	52,939,372	33.6%
Industrial	31,746,579	32,936,523	44,259,032	34.4%
Infraestructure and Construction	19,537,994	24,541,851	25,472,323	3.8%
Energy	51,570	911,757	2,994,411	228.4%
EBITDA **				
Retail	6,789,470	2,040,573	4,724,106	131.5%
Industrial	4,240,699	4,653,908	6,026,669	29.5%
Infraestructure and Construction	2,706,603	3,644,920	1,828,355	-49.8%
Energy	-9,324	560,633	2,280,280	306.7%
EBITDA Margins				
Retail	12.7%	5.2%	8.9%	3.8 pp
Industrial	13.4%	14.1%	13.6%	-0.5 pp
Infraestructure and Construction	13.9%	14.9%	7.2%	-7.7 pp
Energy	-18.1%	61.5%	76.2%	14.7 pp
Total Assets	150,453,925	169,826,599	185,773,253	9.4%
Total Liabilities	55,809,365	69,111,756	71,698,606	3.7%
Stockholders' Equity	94,644,560	100,714,843	114,074,647	13.3%
Compounded Average Outstanding Shares ('000)	2,280,862	2,276,143	2,255,249	-0.9%

* ESP: Calculated as Controlling Participation in Net Income divided by the compounded average shares outstanding Figures in pesos.
 ** EBITDA: Income before income taxes plus depreciation and amortization, interest expense, impairment of machinery and exploration expenses, and effect on valuation of derivative financial instruments, less interest income, not foreign exchange gain, surplus from appraisals of shopping centers and equity in earnings of associated companies and joint ventures. Conciliatin in Note 32 of the Financial Statements.
 pp: Variation in percentage points.

SHARE OF SALES PER SUBSIDIARY (IN MILLIONS OF PESOS)



SHARE OF OPERATING PROFITS PER SUBSIDIARY (MILLIONS OF PESOS)



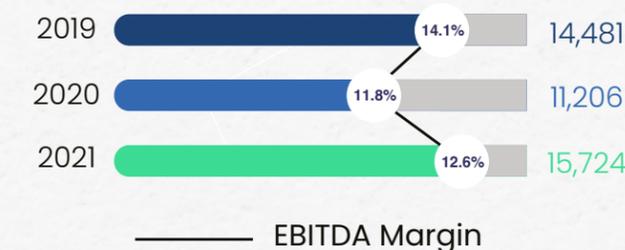
SALES (million pesos)



OPERATING PROFIT (million pesos)



EBITDA* (million pesos)



* Note: The calculation of EBITDA for 2018 included the net effect of fixed asset impairment, explartion and goodwill and the revaluation of investment properties, for the calculation of EBITDA for the 2019 fiscal year, teh net effect of the revaluation of investment properties, reversal of impairment of fixed assets and remediation of environmental were not included and for the calculation of EBITDA for the fiscal year 2020, the net effect of the revaluation of investment properties, valuation of labor obligations, impairment of exploration expenditures, impairment of fixed assets and environmental remediation were not included.

The increase in sales and in profits from the operations is explained mainly by the performance of GSanborns, which represents 42.5% of the total revenue, since it generated a growth of 35.0% due to the recovery of sales after the opening of its branches, stores and commercial centers. The other divisions also saw an improvement in their economic indicators, as is shown below:



GCondumex improved its sales because of the favorable average peso/dollar exchange rate, combined with the recovery of sales in copper telephone wire and in fiber optic and coaxial cables. The sales of construction cable improved with the economic recovery, along with the sale of automotive parts once the halt in the production of automobiles, which had been caused because of the shortage of chips, was resolved.

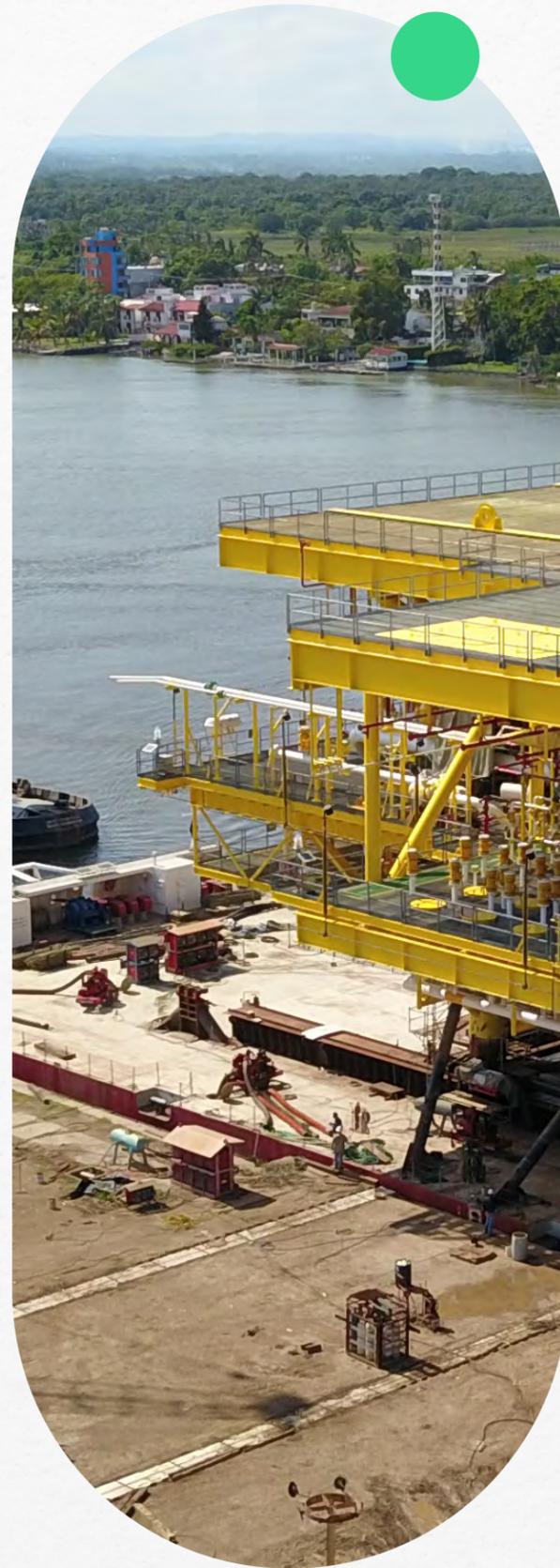
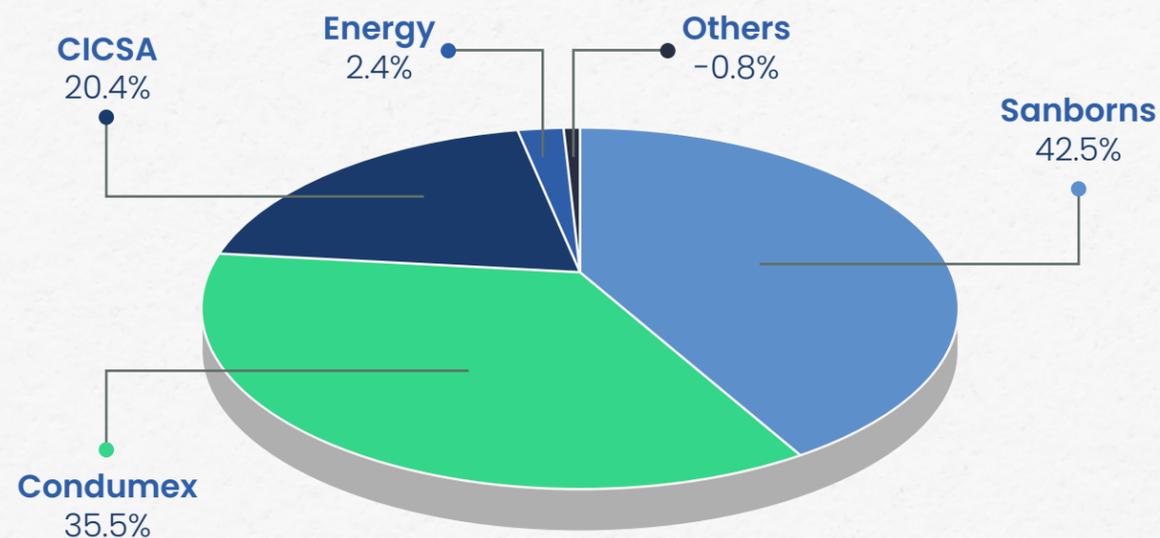


Carso Infraestructura y Construcción improved its revenue because of a greater number of exploration wells and deep wells drilled for Pemex, the inclusion of Section II of the Tren Maya project and the increase of production in Mitla-Tehuantepec.



CEnergy had an outstanding growth based on the initiation of the Samalayuca-Sásabe pipeline (fully owned by the Group), as well as from the acquisition of two hydroelectric electric power plants in Panama in 2020.

**PARTICIPATION IN SALES PER SUBSIDIARY IN 2021
(IN MILLIONS OF PESOS)**



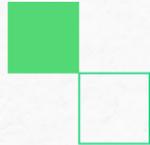
For the Group in general, the operating profit increased by 44.2%, from \$8,916 million pesos in 2020 to \$12,857 million pesos in 2021, thanks to the profitability and the efficiency achieved by the subsidiaries. A prime example is CEnergy, which obtained outstanding results, going from a loss of \$183 million pesos in 2020 to a profit of \$1,901 million pesos in 2021.

For greater detail in respect to the evolution of the Group's financial indicators for 2020 and 2021 see the GCarso 2021 annual financial report, available in <https://www.carso.com.mx/wp-content/uploads/2022/04/Informe-Anual-Carso-2021-VF5.pdf>

5.2 Generation of value for the associated groups

In the relationships existing between the various business sectors GCarso has focused its responsibility on the generation of value for the various subsidiaries and in the distribution of value among the groups of strategic interest: the investors, employees, providers, clients, and the communities in the vicinity of the operations.

Throughout its history, the Group has generated value by means of the reconversion of non-productive assets and of non-profitable retail sale formats, successfully converting and optimizing them. Examples of this strategy can be seen in the commercial centers of Plaza Carso, Nuevo Veracruz; the Transportation Hub of Ciudad Azteca; the Operational Center of the Federal Preventive Police; and recently, the urbanization and rearrangement of the Toreo Modal Transference Center (CETRAM). All these lots had been dedicated to industrial uses and they were transformed and developed into integrated projects with housing, commercial centers and a cultural zone, as well as into initiatives for the renovation of the zone, by which jobs and beneficial projects for the surrounding communities were created.



The Group also generates value by participating in bidding processes for construction, infrastructure and petroleum projects, inclusively seeking for new opportunities in other countries through its associated company FCC Construcción, S.A. Another value-generating activity has been the diversification of its cables portfolio, the improvement of operations, and the innovation by the Carso Research and Development Center (CIDEDEC).

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Innovation through the Carso Research and Development Center (CIDEDEC).

The Carso Research and Development Center (CIDEDEC) heads the research and development processes for the Group's subsidiaries. Its mission is the development of technology that will allow Grupo Carso and its clients to innovate, create and compete in a sustainable and profitable manner. For greater information go to its website: www.cidec.com.mx

The CIDEDEC has two centers that are physically located in the State of Querétaro. It operates through links with research centers, institutes and universities. One of CIDEDEC's centers is the Jurica Center, which is focused on research and development projects. It has laboratories and pilot plants in which it fabricates prototypes and carries out the implementation of technologies that will later be transferred to the subsidiary companies' operations. It is also engaged in the development of the engineering required in mobility solutions that include electrical and electronic systems requested by various automobile manufacturers, as well as in the development of software focused mainly on automotive applications.

The CIDEDEC's projects and services are based on the creation of the process, product and systems technology required by the GCarso companies, and it therefore has a multiple impact role in the generation of value. Of great importance in this respect are the support services it provides to the various business sectors in matters such as:

- The development of management systems such as in ISO 9000 (quality); ISO 14000 (the environment); ISO 45000 (workplace safety); ISO 50000 (energy); and ISO 27000 (security of information). In effect, it supports some sectors of the Group in the development of an integral management system.
- Internal auditing processes, known as First Party Certification.
- Processes in accordance with the context of each sector and the requirements of the business partners; for example: the SIMAC system (for the manufacture of cables); the TL9000 (for telecommunications); and the VDA (for the automotive industry).

Across the years, the CIDEDEC has managed to develop for the business sectors technological prototypes and patented processes in mobility; conductivity and superconductivity; optimization of energy; safety systems; training systems; and biomedical systems. For example, state-of-the-art products on a worldwide scale, such as the flat aluminum 48-volt battery cable with an automotive connection system (which has industrial design rights in Mexico); high voltage automotive cable for electric vehicles – with authorization for marketing in Europe –; and the “minled” cable, the most sophisticated in the mining industry because of its luminous properties, visible even in snow. Another example, recently developed, is the ZEROH®, of the halogen-free THW-LS/THHW-LS type, 90° and 600V, which complies with the strictest safety conditions in Europe, thanks to its anti-fire properties and its extremely low emissions of toxic and corrosive gases.

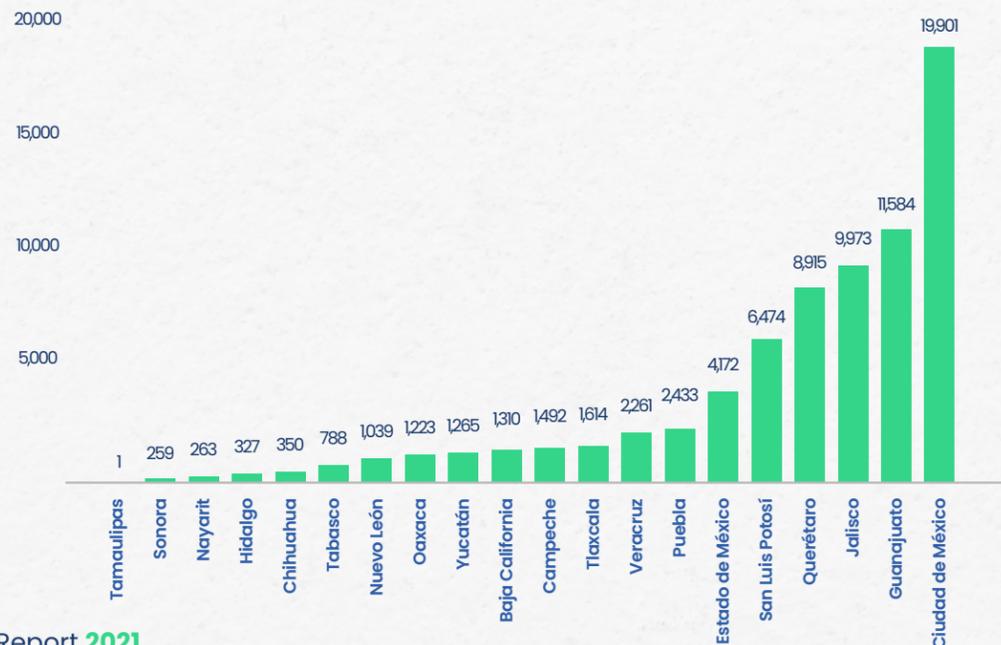
Following below is a table elaborated by the organization, with data on the redistribution of value to the associated groups during 2021:

ASSOCIATED GROUP	DESCRIPTION	AMOUNT (THOUSANDS OF PESOS)
INVESTMENTS IN FIXED ASSETS	FIXED ASSET	\$1,431,770
INVESTORS	DIVIDENDS PAID	\$2,371,302
EMPLOYEES	WAGES, SALARIES AND BENEFITS TO EMPLOYEES	\$17,749,171
PROVIDERS	PAYMENT FOR GOODS, SERVICES AND COMPENSATION	\$87,862,190
CLIENTS	FROM SALES	\$27,715,229
SOCIAL INVESTMENTS*	VARIOUS PROJECTS	\$76,645,550
RESEARCH AND DEVELOPMENT	INVESTMENT IN CIDEC	\$159,547
POLITICAL CONTRIBUTIONS	TAXES AND FINANCIAL SUPPORT TO GOVERNMENT PROJECTS	\$6,746,188
NATIONAL ECONOMIC SPILLOVER	FEDERATIVE ENTITIES IN THE REPUBLIC OF MEXICO	\$75,643,448

*The amount of social investment includes the construction of urban infrastructure such as the paving of streets, public lighting, and expenditures such as wells, remodeling of schools, community house, house of culture and photo-voltaic equipment, among other projects.

This economic spillover was distributed as indicated in the following graphs:

**ECONOMIC SPILLOVER PER FEDERATIVE ENTITY IN 2021
(THOUSANDS OF PESOS)**



5.3 Commercial relationships with strategic partners

Over the years, GCarso has established itself as a corporate structure of subsidiary companies and a transverse system of productive and commercial relationships. This process has had the primary objective of avoiding interruptions that would affect its operations and the consequent compliance with its contractual obligations, especially those interruptions caused by problems in the supply of its principal materials and in the delivery of the strategic services on which it depends.

The Group's practice has been to formalize medium and long-term contracts and to avoid non-compliance as much as possible, both in the acquisition of materials as in the sale of services. This is because, in the case of noncompliance, the Group could find itself embroiled in lawsuits filed by affected third parties, a situation that would unleash a string of negative operational and financial results. Inclusive, during the progress of an operation, especially in construction, collateral damage to third parties can occur, with the consequent judicial demands and procedures, which the Group manages by means of ample insurance coverage.

In addition to this coverage, the Group's sectors provide each other with backup by means of high-level strategic relationships with internationally recognized companies. Such as in the case of Aptiv, in the automotive sector, and of Sears Roebuck Inc. in the commercial sector. Other examples could be GCondumex, as the provider of cables to Minera Frisco, or Carso Infraestructura y Construcción, which carries out construction projects for the Company *Impulsora del Desarrollo y el Empleo en América Latina, S.A.B. de C.V. (IDEAL)*.

Providers

In 2021, the Group maintained commercial relationships with more than 8,500 providers of goods and services from 12 different countries. In 2021 82.0% of the providers were in Mexico and 18.0% were foreign. In the case of the foreign providers, 71.0% were paid in U.S. dollars, 8.0% in euros, and 21.0% in other currencies.

Clients

In the matter of sales, a focus on the client is the topmost priority in all the companies of the Group. In its determination to maintain a positive relationship with clients in the automotive and telecommunication cables sector, GCondumex has concentrated on the development of high-complexity procedures in order to comply with the TL9000 standard, which for certain plants implies the involvement of their supply chains. Trading partners such as GM, listed in the U.S, Securities and Exchange Commission (SEC) have requested that the Group ensure that the minerals used in the fabrication of cables have not come from countries in conflict (for example, ensure that the components of tin, tungsten or gold do not come from the Democratic Republic of Congo, a country with a high incidence of human rights violations). There are also specific requirements by clients such as Cablena España, which, in addition to the compliance with the contractual stipulations has requested that GCondumex meet certain specific sustainability requirements. These requirements by trading partners propitiate a drive for continuous improvement in the business sectors. In 2023, for example, it has been planned to systematically report information related to the supply chain in the Condumex Vallejo Plant and in the harnesses plants and to disseminate that information both internally and to the providers.



5.4 Addressing the economic impacts of the Covid-19 pandemic by each subsidiary company

The evolution of the economic indicators will be presented for purposes of this Sustainability Report, but in relation to their impact on the Company's key associated groups, especially in the context of the situation derived from the Covid-19 pandemic.

It must be emphasized that the principal objective of the Group during 2021 was to maintain a solid financial situation after the economic disruptions caused by the pandemic in 2020. In keeping with this point, it was initially decided to halt the investments in the commercial segment and not to schedule the payment of dividends to shareholders, but to maintain the commitments to clients and collaborators.

Additionally, the priority in the Group throughout the year was to preserve the wellbeing of all its associated groups and to abide with the directives of the health authorities in all the countries in which the Group has a presence. With the support of the Carlos Slim Foundation preventative healthcare actions were implemented in order to address and minimize the effects of the Covid-19 pandemic by means of 5 principal approaches: awareness, prevention, containment, supervision and continuous improvement. Training of the Group's personnel for a safe return to the workplace was obtained through the IMSS platform. During 2021, a strict control of the protocol for a return to the new normality was maintained, and the principal focus towards employees, clients and providers was on fostering their protection through a vaccination program, which reached 18,128 persons. Vaccinations against the flu were also applied to 9,217 employees; 4,814 personas were tested through the MIDO-COVID program, 6,589 diagnoses were performed with the COVID-PCR and antigens test, and more than 72 million persons were evaluated by means of sanitary filters.

In each business unit, multiple prevention and mitigation measures were implemented from the beginning of the health crisis, which obviously resulted in significant operational expenses, leading to the application of measures such as the following:

- 

The development of a logistical strategy in each of the business units for the purpose of observing a strict compliance with the protocols established by the health authorities.
- 

Implementation of a strict control of operating expenses in all the segments of the chain of value.
- 

Optimization of inventories by a reduction of purchases, without affecting the quality of the products and services offered.
- 

Attending to the commitments previously contracted with key associated persons, particularly employees, clients and providers.
- 

To find new business lines through technological innovation.

Each subsidiary company adopted this strategy, with actions that are described below:

Grupo Sanborns

In 2021 Grupo Sanborns, S.A.B. de C.V., reopened almost all its branches, which had been closed or had operated with a very limited capacity during the preceding year. The commercial centers in Mexico recovered their affluence and consumers returned to the department stores and restaurants. There were also some periods of temporary closures in some stores or commercial strips, imposed by local or national health authorities.

The Group decided upon an omni-channel strategy, with different commercial versions, emphasizing both physical sales as well as online sales, especially during holidays. The online commerce grew by 3.5 times in respect to the previous year, through an increase in providers in the ClaroShop sites as well as in the Sears and Sanborns sites. The service to customers was improved, more promotions were held, and the delivery times were reduced, in addition to the launching of an App for Sears and the promotion of the “click & collect” format.

The principal sales factor was in the category of electronics, technology and linens. Among the options that were offered to customers was the digital reception of credit card payments and other channels in bank branches and cash registers in some sales points not affected by the temporary shutdown. Additionally, the extension of controlled credit that was offered in the preceding year was continued, along with support to debtors, contracting special credit with which to face obligations. Thanks to these procedures, GSanborns achieved a growth of 35% in consolidated sales in 2021 compared to the preceding year, reaching the accumulated amount of \$52,939 million pesos in December of that year.

The focus on cost control and reduction of inventory was also maintained. Some savings were observed in the sales costs related to rentals, a lower consumption of electricity and lower banking fees. Savings were also obtained in administrative costs because of lower expansion expenses, payment of honorariums, and advertisement and promotion expenses. In 2021, the operation and administration expenses were reduced from 33.9% to 28.1% in respect to sales.

GSanborns did not have debt costs at the end of 2021, nor did it fail to meet its obligations towards creditors. In effect, it managed to keep and to pay its complete payroll, inclusively during the complete temporary shutdown of some of its stores, although it did not renew the temporary end-of-the year contracts.

⁴ During 2021 6 Sanborns stores, 1 Sanborns Café, 1 DAX store and 1 iShop store were permanently closed (differing from 2020, in which 11 sanborn stores in Mexico, 3 Sanborns stores in Central America (1 in Panama and 2 in El Salvador) and 1 Sears and 1 Saks stores were permanently closed). The DAX stores continued in operation since they are self-service stores. The commercial strips of Loreto and Plaza Inbursa closed temporarily, keeping only the restaurant services open under the option of prepared foods and beverages to go, although sales and services continued in their digital stores. In the iShop stores, operations were variable, depending on the restrictions in the commercial strips. In most of the stores the essential services in the pharmacy and telecommunications were continued.



Grupo Condumex

In 2020, in the cables and automotive parts divisions, nearly all the Group's plants and operations had been shut down due to demands by the health authorities. There had also been a significant decrease in sales by the sectors due to the decline in purchases by the Group's trading partners, both in the national market as well as in the exportation market. Therefore, a strict-control-of expenses strategy was implemented in all the Group, and investments and expenditures were reduced to the bare minimum necessary in order to operate. This policy was also continued in 2021. A fundamental objective was attained under this strategy: the retention of the labor force, under which zero layoffs would be carried out in such situations.

In 2021, GCondumex managed to increase its sales by 34.4%, due mainly to the recovery of sales in telecommunications cables in the national, as well as export, markets, as well as in the sale of harnesses and cables for the automotive industry, whose principal clients are manufacturers such as General Motors (GM) or Volkswagen (VW). In support for its adherence to previously acquired commitments, GCondumex received from GM two acknowledgments: the "Supplier Quality Excellence Award 2020" for its operations in San Felipe, Silao, Ixtacuixtla, Jaral del Progreso, Jaral de Berrios and Apaseo, for the level of its commitment to quality and service, and the "SILVER Provider Award" in the replacement parts market for GM.

During the year, hybrid energy, communications and signal cables were developed for radio telecommunications and cell phone towers, oriented to the new "5G" service. Also, connectorized optic cables were produced, as a solution to the speeding up of the display of telecommunications infrastructure for the FTTH (*Fiber to the Home*) service. Business opportunities with new clients were also opened with the increase in the capacity to produce cable with an optical connection and approvals for coaxial automotive cables for automotive communication protocols from various clients.

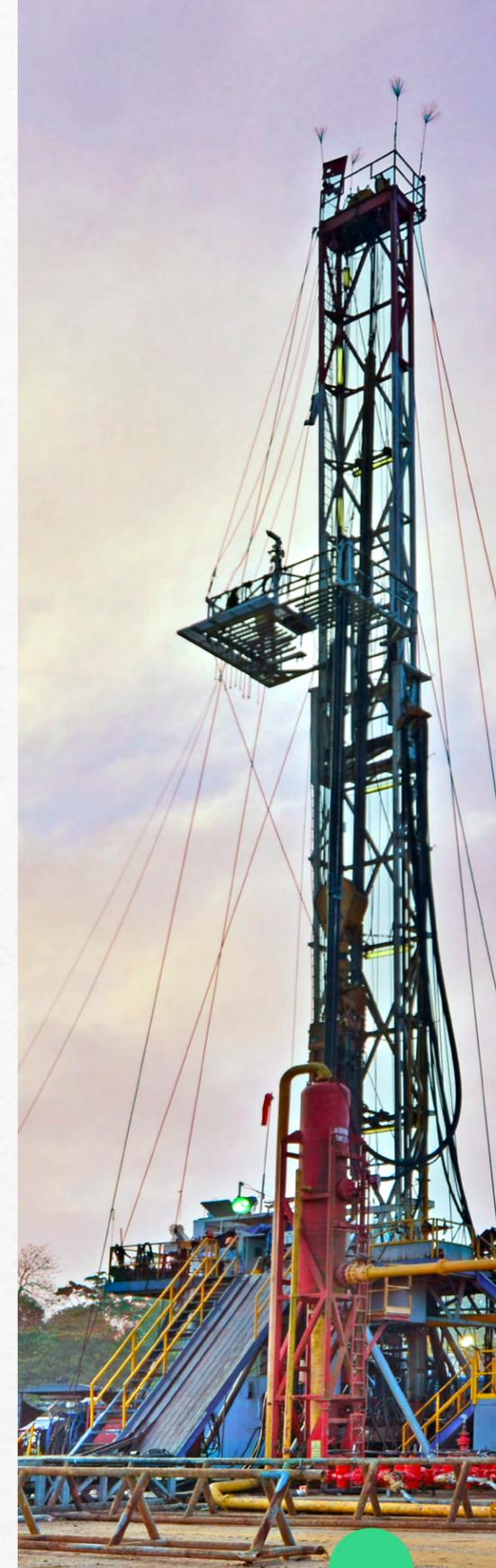
For all of the above, during 2021, in the Cables sector revenue was obtained that was 48.0% higher than the previous year, with the recovery of sales volumes in the majority of plants in both the domestic and the exportation markets, including the plants in Brazil and Spain, which, together with the strategies for the control of expenses redounded in better operational results, with a final accumulated increase of 59.8%. In the Auto parts sector, revenue increased by 15.2% compared to 2020, despite the fact that reduced operating margins were seen, due to the decrease in the volume of sale of harnesses, due, in turn, to unplanned technical stoppages by the assembly plants, which are the principal clients of the company.⁵

Carso Infraestructura y Construcción

Carso Infraestructura y Construcción, S.A. de C.V., the same as the other subsidiaries, carried out a strategy of a strict control over operating expenses in all the divisions. Inventories were optimized to maintain a balance between financial equilibrium and the services to clients.

Sales increased by 3.8% in 2021, thanks to a greater volume of workover and well-drilling services, as well as the startup of new contracts for the drilling of deep onshore wells for Pemex.

Carso Infraestructura y Construcción managed to improve its revenues in respect to 2020, increasing the fabrication of rigs for the petro-chemical industry, mainly in relation to the Dos Bocas project in Tabasco. It also obtained new drilling projects in addition to the construction of platforms and Section II of the Tren Maya railroad from Escárcega to Calkiní. The Company also obtained a greater volume of works in national territory, principally in the telecommunications sector. As for infrastructure projects, it continued with the layout of the Mitla-Tehuantepec and Las Varas-Vallarta highways.



Nevertheless, by the end of 2021 the Group's profits decreased by 60.8% due to Exchange fluctuations and to the recognition of the costs related to the commitment to rehabilitate Line 6 of the STC Metro.

Since the beginning of the health emergency, Carso Infraestructura y Construcción implemented various prevention and mitigation measures designed to protect the health of its clients, employees, providers, and the population in general. A strict control over operating costs was carried out, endeavoring not to affect the standard in the quality of the services. Inventories were optimized and a balance between financial equilibrium and the commitments towards clients was maintained. Despite the pandemic, Carso Infraestructura y Construcción improved its revenues compared to 2020, having obtained new projects and having consolidated its projects from the previous year.

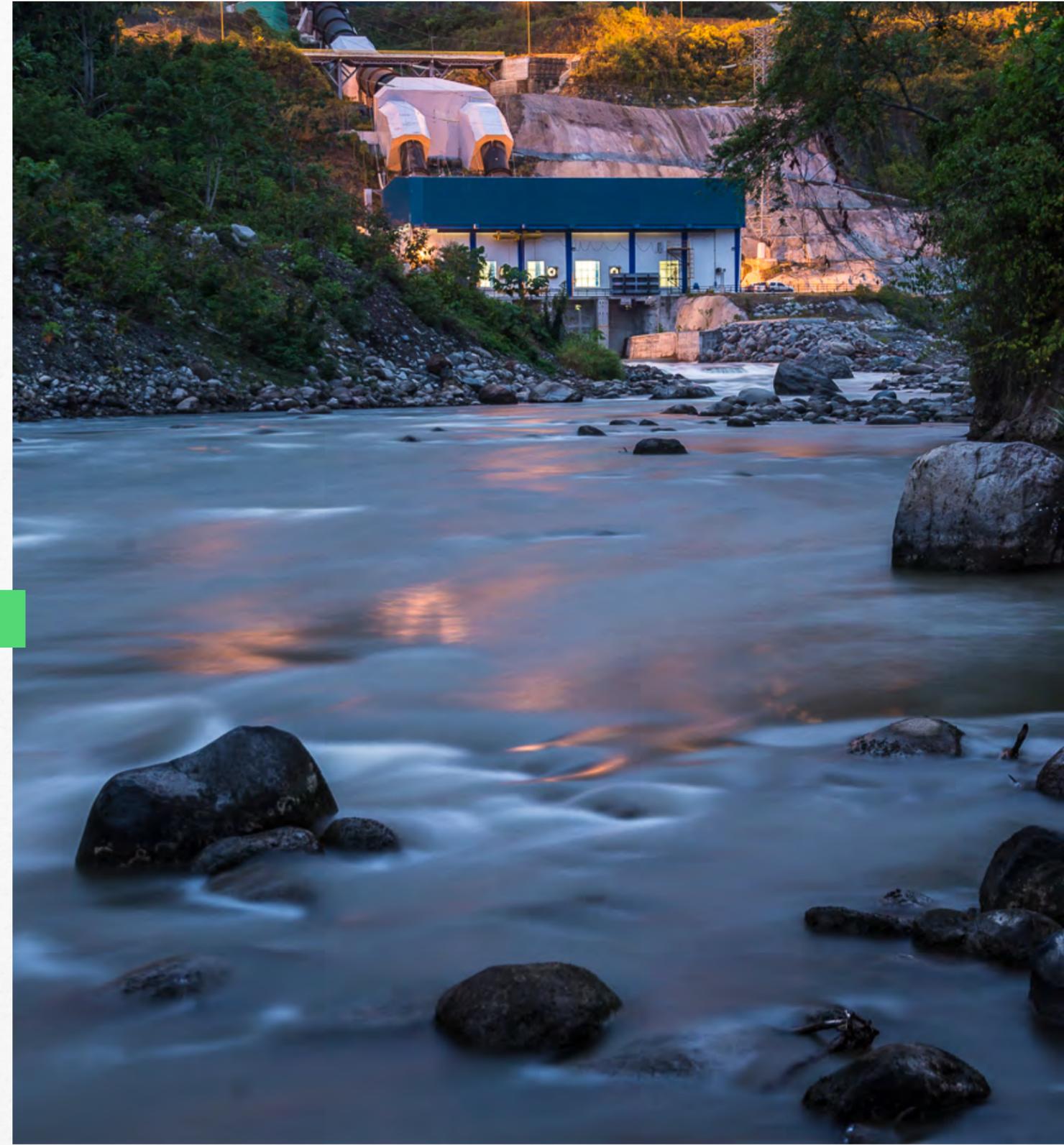
⁵ As is well known, in its chain of value the automotive sector has been one of the sectors that was the most seriously affected by the pandemic, mainly because of logistical problems related to the shortage of container space and because of the increase in prices for commodities, which led to a shortage of microcomponents, which in turn affected the purchase of other products.



Carso Energy

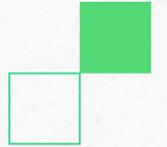
Since its operations are related to the generation of energy, which is considered to be an essential activity in Mexico and in the rest of the world, this segment continued its operations without any significant changes despite the pandemic. Therefore, its labor force was not affected, and it did not experience any temporary or definitive shutdowns in the execution of its contracts.

During 2021 Carso Energy maintained the operation of two gas pipelines that it holds in Waha (Texas, USA); also put the Samalayuca-Sásabe gas pipeline between the states of Chihuahua and Sonora into operation for the transmission of gas for the Federal Electricity Commission (CFE) and acquired two hydroelectric plants in Panama. Additionally, Carso Energy initiated the investment for a compression station to increase the capacity of the aforesaid gas pipeline. Thus, it went from a loss of \$183 million pesos in 2020 to a profit of \$1,901 million pesos in 2021.





ENVIRONMENTAL PERFORMANCE



GCarso is deeply committed to the prevention of contamination and the preservation of natural resources, and therefore its fundamental objective is to identify, evaluate and reduce the environmental impact of its operations without affecting the quality of its products and services. Throughout the length of its chain of value, it works to guarantee compliance with the applicable environmental legislation. Each business sector incorporates environmental management systems to manage, in a responsible manner, the environmental impacts that are inherent to operational and commercial procedures. Additionally, according to its context, each project or work center, promotes an environmental culture among its personnel by means of permanent programs on the conservation of energy and water, workplace hygiene, environmental awareness, reforestation, and recycling. These subjects are constantly stressed, not only to employees but also to providers, contractors, and clients.

6.1 Compliance with the standards

Across the years, the Group has shown its commitment to the compliance with the provisions of the environmental standards framework of Mexico and of the countries in which it has a presence, as well as following the best international practices in that regard. The principal emphasis in this matter is to rely on duly authorized entities to fully comply with the necessary requirements to obtain the environmental authorizations that every company must have. This applies to the control and registration of aspects such as residual water, emissions into the atmosphere, handling and final disposal of solid residues, dangerous materials, preservation of the biodiversity and restoration of soil.

Since 2018, GCarso has been ruled by a *Corporate Policy for the Protection of the Environment* which must be observed in all operational activities, with the exception of GSanborns, which has procedures specific to the commercial sector. The guidelines of the said policy, among others, are:



- All the companies of the Group have the obligation of observing, and of ensuring the compliance with, the environmental regulations, adjusting that compliance to the applicable requirements of the place in which they are carrying out their activities.
- Designing and implementing an environmental management and verification strategy, using the ISO standards as a reference, and facilitating at all times the corporate environmental auditing processes.
- Implementing preventive actions to avoid environmental contamination, in accordance with the requirements of the standard, as well as plans for corrective actions derived from the environmental audits.
- Reviewing the environmental compliance costs in the plans for the acquisition of machinery, equipment and real estate, choosing those options that generate the least contamination and social impact, without compromising the Company's production and interests.
- Identifying and addressing the environmental liabilities by Plant, Business Unit and owned or leased properties, in accordance with the Law.

In practice, each plant or project corresponds to a separate environmental management system, based on the 14001:2015 Standard, which applies specific policies and procedures to the business sector, in aspects such as the acquisition, transportation, management and storage of materials, in addition to the operation of the production, construction and performance of services processes. The Group ensures that the providers contracted in the various business sectors have the environmental permits issued by the Secretariat of the Environment and Natural Resources (SEMARNAT), in those cases in which the nature of the service so requires. In all the sectors, audits are carried out, both internally and externally, in order to verify the adherence to the best practices and to progress in the consolidation of environmental management systems and in energy, safety, workplace hygiene and security of information. (See the table of certifications in management systems in Section 2.3. of this report).⁶

⁶ The Carso Research and Development Center (CIDE) is the GCarso department that oversees the environmental management systems by means of internal audits. It recommends the application of external audits to the various work centers whenever the need arises. It also suggests improvement in the procedures. For example, about ten years ago it began, in conjunction with the responsible persons in each business sector, to establish the amount of carbon traces in the GConduMex plants, which is reported on a monthly basis. Finally, it promotes the development of integral management systems in various work centers in matters such as ISO 9001 (quality); ISO 14001 (the environment); ISO 50001 (energy); ISO 27001 (security of information), and ISO 45001 (health and safety), among other matters. Other management processes are applied for specific sectors, based on, for example, the VDA Standard (the automotive industry); TL 9000 (telecommunications), and SIMAC (fabrication of cables). (See "Innovation Through CIDE" in Section 5.2. of this report).

Additionally, some work centers have voluntarily adopted government programs of the *Procuraduría Federal for the Protection of the Environment (PROFEPA)* in order to obtain the Clean Industry Certificate, or are participating in State environmental protection programs through the Environmental Leadership program (see the list of Prizes and Awards received in 2021 in Section 2.2. of this report).



6.2 Management of environmental impacts and initiatives

The Group knows there is an inherent and relevant environmental impact in the operational processes of its various business sectors. In the supply of strategic materials for its operations, the Company is seeking for ways to generate efficiency through reprocessing options that will translate into savings for the Company and in a decrease in the number of residues. In the case of water consumption, the requirements by the plants are not significant, but some of them have water treatment plants and the recirculation of process water, not only with the objective of reducing costs, but also for the purpose of avoiding an impact on the bodies of water from which the water is taken. In the case of energy, the feasibility of self-generation has been observed in several centers, and the use of renewable energy – mainly solar energy – has been incorporated in various sectors, in addition to utilizing clean energy (in an indirect manner) through the company Energía Infra, S.A. de C.V.



Clean energy in Grupo Carso through Energía Infra, S.A. de C.V.

GCarso has taken on the task of finding more efficient and ecologically friendly solutions for supplying its energy requirements. Although some of its processes still consume conventional energy from the Federal Electricity Commission (CFE), GCarso has been integrating viable options into its chain of value that reduce its costs and the emission of greenhouse gases into the atmosphere.

In the context of energy reformation, the Director General of GCarso requested of the CCarso Research and Development Center (CIDECA) an evaluation of the alternatives to the acquisition of low cost and lower-environmental impact energy. Upon an evaluation of the various options in the Electricity Wholesale Market and in the Self Generation Companies, the decision was made in 2016 to acquire energy from the Company Energía Infra, S.A. de C.V. (Energía Infra), initiating the supply in 2017.

The convenience of choosing energy for the Group through “Energía Infra”- resides in the fact that the said Company produces electricity through the process of cogeneration in a 140 MW plant located in Coatzacoalcos, Veracruz, which, because of its high efficiency, qualifies as renewable energy. The CFE, on the other hand, produces energy utilizing various thermoelectric, hydroelectric, carbo-electric, and wind power sources, and one nuclear plant. Infra Energía’s greenhouse gas emission factor is 0.391 kgCO₂/kWh, compared to CFE’s factor of 0.423 kgCO₂/kWh.⁷

Energía Infra provides electricity to 16 GCondumex plants, in addition to GSanborns facilities. In 2021 the Group used 612,307 MWh of Energía Infra electricity, which represents 94% of the energy requirements of each group’s supply points. This means that the emission of 35,838 tons of CO₂ into the atmosphere was avoided.⁸

⁷ Sources: Energía Infra (abril 2022), “Advisory for the Report of the National Registry of Emissions corresponding to 2021,” State of Mexico and Secretariat of the Environment and Natural Resources, (February, 2022), “Emission Factor of the national electrical system by the Energy Regulatory System corresponding to 2021,” Government of Mexico.

⁸ This is in addition to the savings generated from the installation of photovoltaic systems in some plants, which will presently be mentioned.

Regarding the proper management of residues, these are classified in accordance with the standards for residues requiring special handling (for the volume of their generation, in which the recoverable and/or recyclable residues are included), dangerous residues, and, in facilities that have medical facilities, biological-infectious residues. Compliance with the applicable standards for the handling of the residues, in accordance with their type, is assured about their management, transportation, and disposal, all of which require coordinated action in departments such as maintenance, processing, storage, transportation, and sales/purchasing. For the control over each type of residue, generation-of-residues log books are kept and



companies authorized for the collection, transportation and disposal of residues are contracted. In the case of dangerous residues, all the residues collection companies have been authorized, in the case of Mexico, by SEMARNAT, and they provide waybills that declare the volume delivered and taken to confinement areas. In the case of residues requiring special handling, in some entities the authorities require the exhibition of these waybills, and in those entities in which this measure does not apply, the collection company delivers a document that states the volume delivered and sent for recycling and/or disposal.

About the preservation of biodiversity, it must be mentioned that the most serious impact is to be found in infrastructure projects. Upon the initiation of a project, the first activities that are carried out are the clearing and grading, causing significant adverse impacts. Therefore, efforts to mitigate those impacts are carried out – with the obligation, under the standards, of rescuing and relocating species of flora and fauna – such as with reforestation activities and the restoration of areas near the project. For the rescue of species, reports are elaborated specifying in each case the protection status of the species in question, in accordance with the NOM-059-SEMARNAT-2010 Standard. These rescue activities will be continued in a permanent manner during the execution of each project and in many cases involve the establishment of nurseries with species endemic to the impacted territory.⁹

The fundamental factor behind the GCarso environmental programs is its direct work with the personnel who work in the various companies, through communication, training, and a practice focusing on a sustainable corporate culture in activities that frequently also involve other related groups, such as providers and clients. In some work centers the observance of Environmental Weeks is a prominent feature, and especially the World Environment Day, or other relevant dates, in addition to permanent recycling, water, and energy preservation programs.

⁹ In Annexes I and II of this report, an itemization of these actions for the conservation of diversity in the two most representational projects of the Group during 2021 are presented: the Varas-Puerto Vallarta and Mitla-Tehuantepec Highways project.

6.3 Relevant environmental aspects of each subsidiary company

Following below is a summary of the environmental performance of each subsidiary Company in 2021:

Grupo Sanborns

Since it pertains to the commercial sector, GSanborns is not subject to the special controls and registries of the environmental authorities, and its environmental impact is considered to be low. The only operations that require those controls are the emissions from the electricity power plants, the registration of residual waters, emissions into the atmosphere and the management and final disposal of solid residues and dangerous materials (see Annex II, "Determination of carbon footprint, from the review of energy of the GCondumex companies").

Nevertheless, GSanborns assumes responsibility for the protection of the environment and it continuously seeks for ways to apply the most efficient technologies for the implementation of three programs:

- Conservation of Energy.
- Conservation of Water.
- Reduction of Use and Recycling of Paper.



Regarding energy, the total consumption of GSanborns was 238,551,918 kWh, of which 48.7% corresponded to Energía Infra, 41.3% to CFE energy, 9.6% to self-produced energy, and 0.4% to thermal energy. The cogeneration of energy based on natural gas systems or solar energy is used as much as is possible, in addition to promoting technological improvements designed for energy efficiency. The Group has six cogeneration plants, each of them with a capacity of 1MW. In 2021 different kinds of thermal recovery were tried, such as heating water to 90°C, using nearby exhaust gases at 400°C, to be used for air conditioning processes. Thanks to these endeavors, GSanborns avoided the emission of 3,718 tons of CO₂. The consumption of LP gas was 2,783,846 liters, natural gas: 2,138,819 liters, and diesel: 418,597 liters. During that year it also initiated a program for the replacement of exterior lighting with LED lighting, and it replaced air conditioning units.

GSanborns' consumption of water in 2021 was 1,397,987 m³. Among other strategies in efforts to reduce water consumption, the volume of water flow in the kitchen areas, shower heads and wash bowls in several branches was reduced, obtaining thereby a total reduction of approximately 4%. Additionally, urinals that do not use excessive amounts of water are gradually being introduced.

In the management of supplies, the corporate offices began to use recycled paper to thereby avoid the felling of trees and the conservation of forests.

The Group began the task of quantifying the environmental impacts that were avoided because of the shutdown of operations due to the pandemic in 2021. The information is shown in the following chart:

ITEM	QUANTITY AVOIDED BY THE SHUTDOWN OF OPERATIONS
Water reused or treated	6,410 m ³
Energy expense avoided	19,715.2 kW/h
LP gas expense avoided	329,106 m ³
Natural gas expense avoided	7,458 m ³
Batteries recycled	1.8 tons
Cooking oil saved	1.2 tons
Greenhouse gas emissions avoided	1,980 tons CO ₂



Grupo Condumex

GCondumex stands out as a Company of great national and international prestige, based on the management of its environmental impacts, its promotion of efficiency in the use of strategic supplies, its strictest compliance with the national and international environmental standards, and the application of environmental standards in its products through research and development and innovation initiatives. Among the voluntary programs adopted by GCondumex that the national and state environmental authorities have acknowledged are those adopted in the Condumex Vallejo and Latincasa plants, which maintained their Clean Industry ranking in 2021. In Guadalajara, the Condumex plant maintained its Environmental Leadership ranking bestowed by the Secretariat of the Environment and Territorial Development (SEMADET) of Jalisco, for its high standards in the protection of its natural surroundings.



As a derivation of its Corporate Policy for the Protection of the Environment, GCondumex has implemented the environmental management systems for its most relevant impacts in its 27 work centers. During 2021, 17 of those centers maintained their certification in the ISO 14001 Standard, 9 of them through a third-party certification and the other 8 through an internal certification issued by the CIDEDEC. The remaining 10 work centers in Auto parts and Cables are in the process of consolidating their respective systems.

In regard to the environmental responsibility of its products and processes, GCondumex has gained international prestige, and it has been a Pioneer in transcendental design, inclusively among international competitors. In the design and fabrication of cables, for example, GCondumex has been notable in criteria such as the RoHS ("Restriction of Hazardous Substances"), which refers to the 2011/65/UE Directive on the Restriction in the use of certain Dangerous Substances in Electrical and Electronic Devices, created in 2006, but not adopted in the European Union until 2011, and that implies a strict regulation in the use of six substances: Lead, Mercury, Cadmium, Chrome VI (Hexavalent Chromium), PBB and PBDE. As for the reprocessing of strategic supplies, the GCondumex plant of Salmat and Vallejo in Mexico City that uses aluminum and copper as a raw material, collects used cables and reprocesses those materials. Wooden and plastic reels are also collected, rebuilt and reused. During 2021 2,510 tons of copper and 831 tons of aluminum were reprocessed. Also, the plant in Guadalajara has adopted energy-saving measures of such a scope that its efforts have been recognized not only in Mexico but on an international level.





In 2021, the GConduMex work centers recorded a total consumption of energy of 148,884,702 kWh, approximately 66% of which was from Energía Infra and 33% from CFE. It must be mentioned that in 2019 photovoltaic solar systems interconnected to the CFE network were installed for the self-generation of energy in 11 operations, each of them with an average installed capacity of 100 kW. With this measure, approximately 1% of the total energy consumption came from solar energy, that is, 1,784,527 kWh, which translates into 754,527 kilograms of CO₂ not emitted into the atmosphere, considering that the CFE factor of emissions into the atmosphere from its generation of energy is 0.423 kgCO₂ /kWh. Also, 749,516 liters of LP gas, 237,293 liters of diesel, and 149,320 liters of gasoline were used.

The installation of two new photovoltaic systems has been planned for the 2023–2024 period, with a total capacity of approximately 160 kW. A growth to 499 kW of the systems in six plants has also been considered, with the installation of an additional 2,300 kWp FV, to thereby reach a total installed capacity of 3,714 kWp in the Group.

It should be mentioned that since approximately 10 years ago GConduMex has been working to establish accountability for its carbon footprint, and it has been progressing gradually in the various plants to achieve the goal of reducing it by 25% by 2030, using its consumption in 2012 as the point of reference.

About water consumption, in 2021 a total consumption of 386,871 m³ was recorded. As for residues requiring special handling, a total of 6,430 tons was generated in the Cables and Auto parts sector, in which the reutilization and recycling processes were maintained. The most important items recycled were paper and cardboard, with a total of 1,312 tons, which avoided, according to internal calculations, the cutting of 22,307 trees, the saving of 34,764,881 liters of water, and the avoidance of 3,280 m³ of landfill space. In the Cables and Auto parts sector, 691 tons of dangerous residues were generated, and 256 tons in Infrastructure and Pipelines, especially used oil from the maintenance of machinery and equipment.



In addition to the above, the CIDECA CT and Jurica sectors generated a total of 8,183 kg of special treatment residues, as well as a total of 763 kg of dangerous residues, which were sent for disposal. By the recycling of 6,775 kg of paper and cardboard, 18 trees and 28,194 liters of water were saved and the creation of 2.65 m³ of landfill space was avoided.

In other endeavors towards the conservation of biodiversity, in 2021 the Company Latincasa, of the Cables Sector, maintained a nursery in its facilities with a total of 823 specimens of 13 species of flora for its reforestation activities in the industrial zone of San Luis Potosí and in the company itself.

In the Auto parts and Cables Sector, reforestation activities were carried out in observance of “World Environment Day,” during which 88 trees of various species were planted, with the participation of approximately 47 persons. The “Recycling Against Cancer” campaign was maintained in a permanent manner in the Cables and Auto parts Sector, as well as in the CIDECA centers. During 2021, 523 kg of plastic caps were collected and donated to the Banco de Tapitas A.C. campaign and to the Mexican Association for Assistance to Children with Cancer Association (*Asociación Mexicana de Ayuda a Niños con Cáncer I.A.P*) (AMANC). Finally, with the objective of fostering an environmental awareness culture in the various work centers of the cables and auto parts sectors, 623 talks on environmental care were held with 30,618 employees.



Carso Infraestructura y Construcción

Carso Infraestructura y Construcción, S.A. de C.V. guaranteed the compliance with the current environmental legislation in its four productive sectors: Infrastructure, Pipelines, Construction, and Fabrication and Services. Because of the nature of its operations, its focus in 2021 was on the compliance with all the environmental mitigation measures established by the environmental authorities for development projects, in addition to operating with the greatest speed and efficiency possible, with leading edge technology, the highest standards of quality, and the constant presence of experienced environmental management personnel.

All its projects have personnel experienced in environmental management. Two of its sectors, Infrastructure and Pipelines, maintained the international ISO 14001:2015 environmental standard certification during that year.

In 2021, the four Carso Infraestructura y Construcción sectors recorded a total energy consumption of 385,596 kWh: 66% from Energía Infra and 33% from the CFE. In the consumption of fuel, 24,325,252 liters of diesel and 237,897,273 liters of gasoline were used.

The Infrastructure, Pipelines, Construction and Central sectors continued with the implementation of a *Management of Residues Plan* – for both the Special Handling residues as well as the Dangerous Residues – in addition to environmental awareness campaigns oriented towards the personnel in the various sectors. In the implementation of this plan, 1,061 tons of special-handling residues were recycled and the responsible disposal of 261 tons of dangerous residues was carried out.

As a part of the environmental compliance of the projects in progress in the infrastructure sector during 2021, programs for the rescue and relocation of flora and fauna were implemented. To date, the rescue and relocation of 11,387 specimens of flora and 338 specimens of fauna have been carried out, of which 1,827 specimens of flora and 95 of fauna are in the threatened category, according to Mexican environmental standards.

The las Varas-Vallarta highway project has a nursery with 265 individuals of six different species of flora, with which the restoration of 500 linear meters of soil next to the road was realized. In the Mitla-Tehuantepec highway project, the restoration of 1.483 hectares at Km 82+600 of the highway route, whose ecosystem is of the oak-pine type, was carried out with various herbaceous specimens. It should be mentioned that the restoration and/or reforestation activities in this type of project are carried out when the project is nearing completion and that the said soil and forest restoration activities are still ongoing. (See Annex 1 related to the conservation of the soil and biodiversity at the end of this report).

Finally, 741 talks on various environmental subjects were delivered in 2021 to a total of 11,231 persons, for the purpose of instilling environmental awareness in the Infrastructure, Pipelines, Construction and Central sectors. The promotion of the environmental “Recycle Against Cancer” campaign was continued among the personnel, and 147.6 Kg of plastic caps were collected and donated to the associations *Alianza Anticáncer, A.B.P;* *Banco de Tapitas;* and *Ángeles en Libertad A.C.* On its part, the Secretariat of the Environment of the Government of Mexico State awarded – through its General Coordination of Ecological Conservation – its recognition to Carso Infraestructura y Construcción for its participation in the “Plantando el Futuro” reforestation campaign.

The “Pilotón” campaign, which year after year took place in the months of April and October, could not be carried out in 2021 because of the pandemic. However, in view of the environmental commitment and awareness of the personnel, a container was permanently installed in the corporate offices to collect 34.5 kg. of used alkaline batteries, which were disposed of by the company *Centros de Reciclaje Recupera Tacubaya, S.A de C.V.*, duly authorized by the corresponding environmental authority.

Carso Energy

Carso Energy consumed 2,861 m³ of water, 196,820 kWh of electricity and 43,523 liters of Diesel; it generated 8,779 Kg of dangerous residues, and 1,957 Kg of special-handling residues. It carried out the reforestation of 377,566 trees on a surface area of 736 hectares and disbursed \$34,210,000 in programs for the conservation of the environment.





SOCIAL PERFORMANCE

7.1 Labor Aspects

GCarso promotes the best practices of social responsibility towards its employees and collaborators, unionized or not. The fundamental instrument of the Group for the management of its human resources is the Code of Ethics, which is based on the recommendations of the International Labor Organization and the Federal Labor Law. The said Code is valid for all the work centers, and it contains the values, principles and rules of behavior expected from every person in the Group, regardless of their hierarchy. It forms a part of all the training programs, particularly regarding the recruitment of personnel, and must be signed by all the persons employed in the work centers and endorsed every year. (See the information on the Code of Ethics in Section 4.3. of this report.)

There are also specific guidelines within the framework of standards directly related to the management of the Company's human resources, with technical and support criteria that contribute to the equality of opportunities.

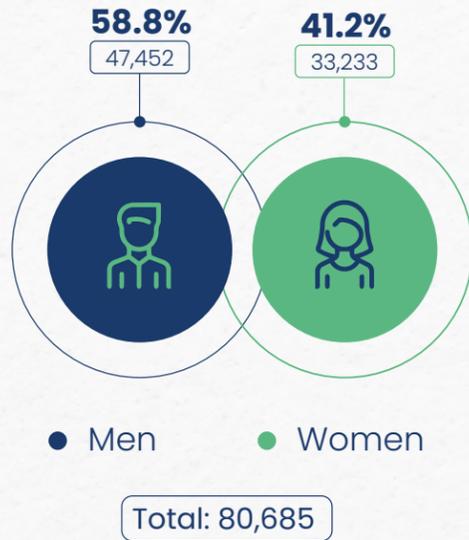


7.1.1 Profile of the labor force in the Grupo Carso subsidiaries

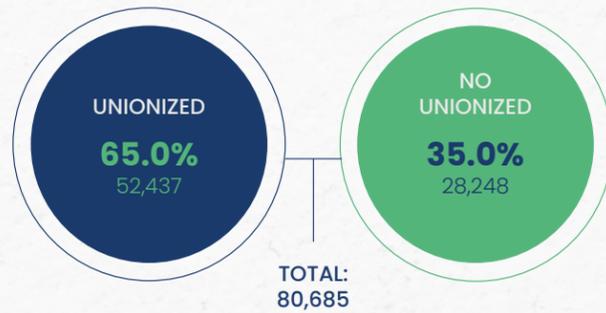
In 2021, the GCarso subsidiaries had a labor force of 80,685 workers, distributed as follows:

SUBSIDIARY	NUMBER OF WORKERS	PERCENTAGE
GSanbors	42,187	52,3%
GCondumex	14,443	17,9%
Carso Infraestructura y construcción	23,802	29,5%
Carso Energy	242	0,3%
Total	80,685	100%

In total, the Group's subsidiaries employed



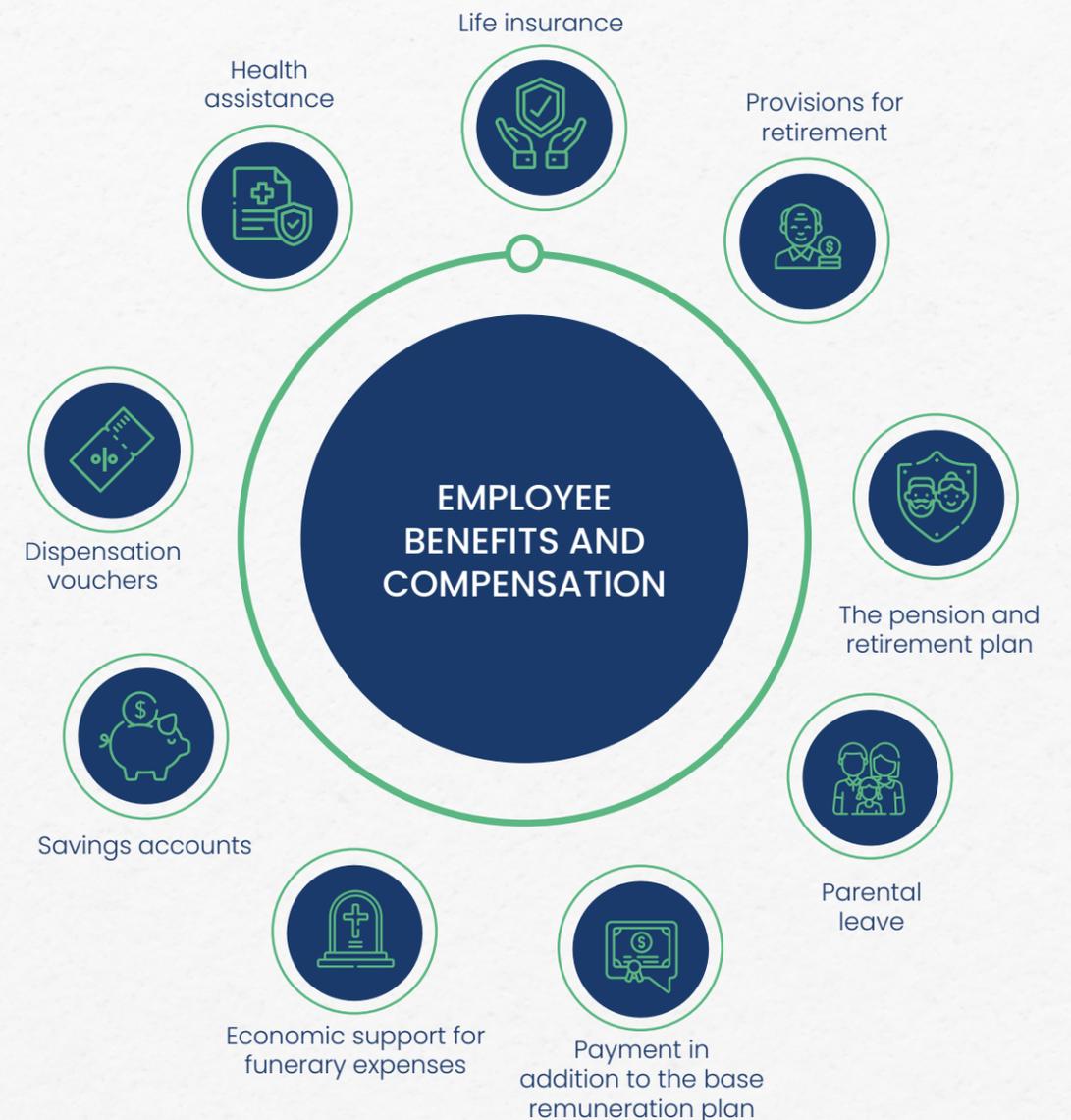
65.0% of the labor force was unionized



The growth of the labor force compared to 2020 was 5.8% with the creation of 4,434 additional jobs, going from 76,251 employees in 2020 to 80,685 in 2021.

of valuation of positions and career plans, in accordance with the levels of responsibility in the work areas to which the employee belongs and the impact that each position has on the company's results, in addition to the quality of the performance evinced during the year.

In the case of benefits, these will be based on the Federal Labor Law, in addition to whatever may be determined by the collective labor contract. The retirement pensions will be determined in accordance with the IMSS (Mexican Social Security) Law. Many employees and collaborators receive better benefits such as the following, depending on the context of each subsidiary company and of each position:



7.1.2 Management of human Capital

Recruiting, salaries and benefits

The Recruiting and Selection Policy is applicable to the entire Group. In the nature and scope of the GCarso labor relations, the dignity and the fundamental rights of each person are respected above all else. The remuneration for their work, in general, is established in accordance with the market and the laws of each country. Salaries are adjusted whenever an increase in the minimum salary is decreed by the National Commission of Minimum Salaries, and additional adjustments are made for contractual revisions. Each of the Group's subsidiaries is managed through an equitable system

There are also scholarship plans through the Telmex-Telcel Foundation for the children of workers with primary, elementary and high school studies and the Telmex scholarship for direct family members with Licentiate, Masters and Doctorate studies. The information can be found in the following link: <http://www.fundaciontelmextelcel.org/becas>.

With the desire to propitiate a better quality of life for its employees, the Group has implanted, in accordance with the context of each business sector, flexible hours for mothers and fathers, and staggered schedules for some employees who work in corporate offices, and, after the pandemic, the option of working from the home. This depends on the needs and nature of each administrative or operational position.

Relationships with labor unions

The Group maintains in its various subsidiaries relations with national unions, in addition to collective contracts subscribed with national labor centers or union organizations. In 2021 the relationships of the various subsidiaries with their respective unions remained on good terms and there were no incidents such as stoppages, strikes or penalties. The Group's internal Labor Regulations also include guidelines on Social Responsibility, particularly in those related to the Code of Ethics.

Inclusiveness and the labor climate

GCarso considers itself to be an inclusive Company that promotes the practice of fairness, labor equality and inclusiveness. In its Code of Ethics, it has established that "all persons deserve decent treatment, whatever their sex, age, hierarchical level, personal conviction or any other circumstance or feature may be." It also promotes the rights of all persons about their personal practices and beliefs, and it prohibits discrimination in matters such as race, sex, religion, ethnicity, nationality, age or any other condition.

The Group's code of ethics prohibits any form of mistreatment, violence, and segregation by any person in the Company against the personnel in the workplace, including providers, aspirants to employment and clients during their presence in the workplace in relation to aspects of their culture, disability, sex, age, religion, sexual orientation, or political affiliation. The Company has also established alliances with public and private organizations to promote the inclusion of persons with disabilities or other special condition.

GCarso has an Acknowledgment Policy with the objective of acknowledging each five-year period completed by employees. On its part, the Policy for the Prevention of Psycho-Social risks, following the stipulations in the NOM-035 standard of the Secretariat of Labor and Social Security of Mexico, has incorporated guidelines and mechanisms into the Group's companies for the prevention and management of risks involving discrimination, violence, or any type of labor and/or sexual harassment. This policy prohibits any form of



mistreatment, violence, and segregation by any company employee against the personnel in the various workplaces. These measures are extended inclusively to providers, clients and/or aspirants to employment who may be visiting the workplace. This policy is applicable to GCondumex, Carso Infraestructura y Construcción, Grupo Sanborns and Carso Energy, and in the said document it is stipulated that any denunciation in regard to the violation of any of the above precepts must be addressed in an expeditious manner, with the involvement of the ethical committee, which will receive and follow up on the denunciation. (See the information on the code of ethics in Section 4.3 of this report.)

The Group also endeavors to generate actions of leadership, communication, and the solution of problems for climate improvement and for the attainment of a sense of belonging in the organization.

And finally, the Group establishes alliances with public and private organizations to promote the inclusion of persons with disabilities or other special conditions.

Development and training

For GCarso its contribution to the integral training and development of all the collaborators who are working in both the administrative as well as operational departments is very important, about the acquisition of knowledge and abilities through training programs focusing on different areas: Inductive, formative, professional development and human development. The operative subsidiaries carry out training programs for their employees at all levels, including management personnel. All employees have the obligation of participating in certain basic or fundamental training programs, such as those that impart knowledge on the code of ethics and on corporate policies, in addition to the medium and advanced training programs focusing on different areas, depending on the employee's position. It should also be mentioned that some of the training programs are based on each employee's career plans and focused on the aspirations of the employee to hold a position of a higher level through internal promotion.

Finally, the Group places an emphasis on the human development of its personnel. Two training programs applied throughout the Group stand out in this regard: the ASUME program, centering on the development of values and a desire for improvement by the Group's employees and collaborators; and the Social Wellbeing Program, which includes three fundamental aspects: Training, Health and Culture and Recreation, in which the participation of collaborators as well as their families is encouraged.

In response to the situation deriving from the Covid-19 pandemic, the greatest part of the training strategy of 2021 was carried out through a digital platform called Train Yourself for a Job, which is an online platform of the Carlos Slim Foundation whose mission is to offer free training in various technical-operational occupations to the public in

general, to thereby contribute to the development of productive abilities.

Health and safety in the workplace

GCarso strives to promote a corporate culture of health and safety among its employees. The subsidiary companies have *Health and Hygiene Committees* and they have *Workplace Health Plans in place*. Additionally, the plants and offices have health assistance clinics with a doctor or paramedic, and preventive actions are promoted, such as "Health Days" or the encouragement of exercise. If a workplace accident should occur, an investigation into its root cause is launched and the personnel is informed of the measures that will be adopted to prevent such occurrences in the future. As a part of the Civil Protection Program, all the brigade personnel in the Group must constantly utilize the personal protection equipment and receive training on its utilization.

7.1.3 Relevant aspects per subsidiary company

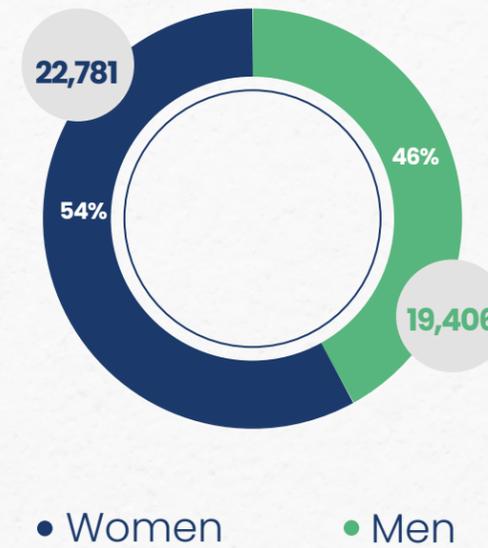
Following below is the pertinent information on each subsidiary Company in relation to the management of their human resources during 2021.

Grupo Sanborns

The companies comprising Grupo Sanborns – Sears, Dax, Claroshop, Sanborns, Sanborns Café, MixUp and iShop- had on December 31 of 2021, 42,187 employees, having increased by 1.0% over the previous year. The itemization of these employees is as follows:



The number of employees in GSanborns were:



The Company contracted 21,620 persons during the year and achieved the goal of Zero Dismissals (in spite of the pandemic), with a turnover index of 50.6%.¹⁰



Out of the **1,599** executive positions in the group



761 were held by women, who occupied leadership positions



More than **62.5%** of those positions were contracted locally

The states with the greatest presence in the group were, in the order of their importance, Mexico City, the State of Mexico, Baja California and Veracruz. Grupo Sanborns has 4,976 locally contracted providers for all its formats, which are Sears, Sanborns, Saks Fifth Avenue, Dax, and iShop/MixUp.

Generally speaking, GSanborns maintains cordial relations with two national labor unions, and several collective labor contracts with labor centers or national labor union organizations.

¹⁰It must be mentioned that, since GSanborns pertains to the commercial sector, its activity is of a highly cyclical nature and during certain seasons (during the Christmas season, for example) it must resort to temporary hiring. This fact has an impact on some of the indicators.

With the objective of offering equitable labor opportunities, GSanborns relies on agreements with various public and private institutions for the application of permanent inclusion programs, in addition to its constant collaboration with institutions such as Multiple Attention Centers (CAM), Mexican Confederation of Organizations for Assistance to Mentally Retarded Persons (CONFE), Integral Development of the Family (DIF), National Women's Institute (INMUJERES), and the National Institute of Senior Citizens (INAPAM). In 2021, therefore, it carried out activities such as the following:



It also has a Culture of Legality program, through which 4,250 hours of courses were held during the year for the purpose of preventing breaches of trust, theft, and corruption. Along with this program, control plans were established in 2021 for the prevention of practices that deviate from the code of ethics by the creation of processing systems, including drop boxes for the anonymous denunciation of violations.

In 2021 GSanborns offered a total of **5,863 training courses with 340,469 participants** from all the companies (including stores, distribution centers, technical services, and credit departments).

The training consisted mainly of programs on the attention and service to customers, along with courses on knowledge of the group's products, to improve the quality of the group's interaction with customers. Training about inventories, electronic commerce and sales points was constantly delivered for the purpose of improving control over the merchandise and to avoid shortfalls.



The training of middle management through the improvement of leadership abilities was carried out by means of the Carso Train Yourself platform for the training of Sales Managers and Supervisors. The development of managerial abilities of Store Managers was realized through virtual courses focused on the management of work teams.

ASUME PROGRAM

- REACHED
- 90 groups
- 2,890 graduates
- 163 facilitators and volunteers

SOCIAL WELLBEING PROGRAM

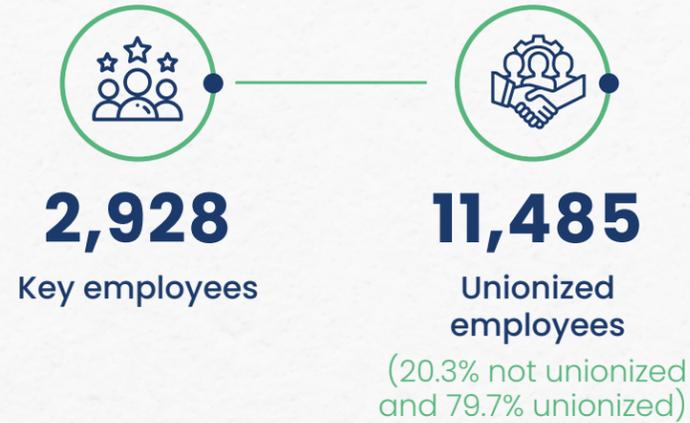
- REACHED
- 187,599 employees and family members
- 381 virtual conferences

The hiring of personnel through the Train Yourself for a Job platform of the Carlos Slim Foundation was also intensified, with the objective of ensuring the coverage and service to customers, as well as a means to attract and train operations, maintenance and sales personnel for Sears. With the said platform, a total of 2,775 persons who were already trained and certified were hired. Additionally, 31 technology courses and 4 books and music courses were delivered – in addition to 17 courses provided by Apple through its SEED platform for the iShop employees in Promotora Musical, S.A. de C.V.

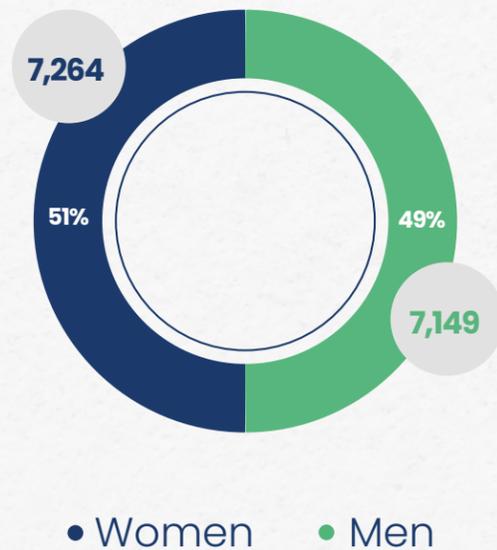
During the year, GSanborns attained its goal of Zero Fatal Accidents. As for accidents involving the loss of work time, the number was 1,517 for an Accident index of 5.31% and an absence from the workplace index of 2.73%. As a part of the Civil Protection Program, 2,936 members of the protection program's brigades from Sears, Sanborns and Promotora Musical, were trained in the functions they would perform in the event of an emergency.

Grupo Condumex

In 2021 the divisions of the Group – Cables, Harness, and others – had 14,413 employees, distributed as follows:



The number of employees in GCondumex were:



GCondumex maintains cordial relations with 11 national labor unions, and several collective labor contracts with labor centers or national labor union organizations.

During 2021 GCondumex provided **6,953 training courses** that reached **158,421 participants**.

The training was centered mainly on operational and technical matters, management systems, and health and safety matters. 13,108 hours of the courses were about human rights, and 11,841 hours were dedicated to the fight against corruption, in addition to 20,875 hours dedicated to the culture of environmental awareness. The greatest part of the courses was delivered through the Carso Train Yourself platform, by which 47 courses were provided during the year and 2,447 certifications were delivered. As for the training linked to career plans, 175 internal transfers were realized during the year.

The goal of Zero Fatal Accidents was accomplished that year, although 76 accidents involving loss of work time were recorded. The Workplace Accidents index was 0.006% and the Sick Leave index was 3.11%.

During that year, 1,277 employees received recognition under the group's Acknowledgment Policy and the ASUME Program reached 6 groups and 124 employees.

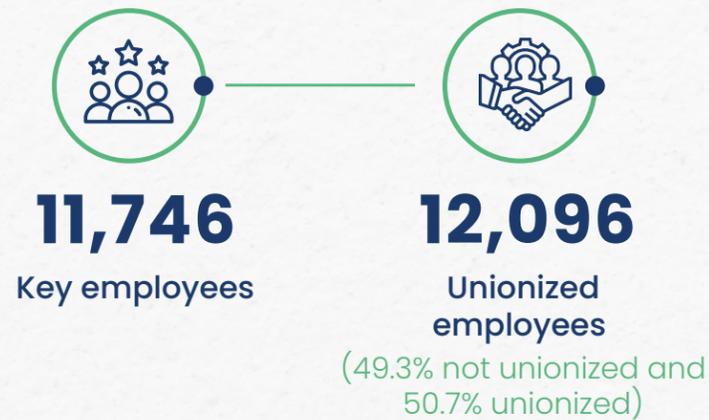
In regard to adherence to the NOM-035-STPS Standard, in 2021 GCondumex conducted 2,046 surveys for the purpose of detecting psycho-social risk factors. With this process, 36 cases related to conflicts of interest, misuse of resources, theft and workplace aberrations were discovered. With the results obtained plans were established for the correction of these defects in the workplace.

In other matters, in 2021 the Telmex-Telcel Foundation scholarship program for employees and their families reached 117 persons in Grupo Condumex, 38 of whom were employees and 79 of whom were family members.

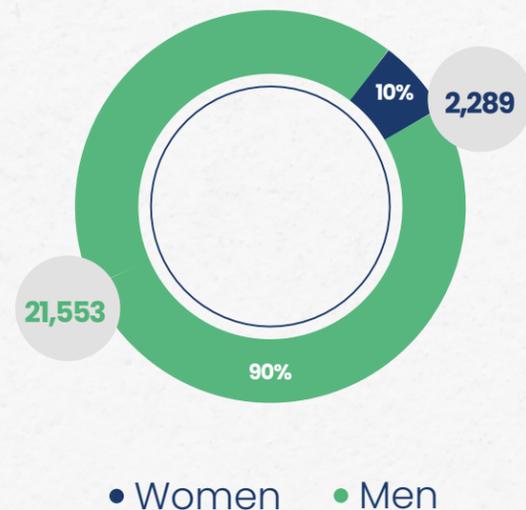
Among the results of actions taken through the Group's Alliance with Best Buddies to promote the inclusion of persons with disabilities or any other special condition, there is an employee who completed 6 years of seniority in GCondumex in 2021.

Carso Infraestructura y Construcción

The sectors of this division – Infrastructure, Civil Construction, Installation of Pipelines and Fabrication and Services for the Chemical and Petroleum Industries – had 23,842 employees in 2021. These employees were distributed as follows:



The number of employees in Carso Infraestructura y Construcción were:



Of the **282** executive positions in the Group



31 were women in leadership positions



Also, **95%** of the positions were contracted locally

The states with the greatest presence in the Group were, in the order of their importance.

Carso Infraestructura y Construcción maintains cordial relations with 8 national labor unions, and collective labor contracts with labor centers or national labor union organizations.

In 2021 Carso Infraestructura y Construcción offered a total of **2,991 training courses, which reached 279,218 participants.**

The training was centered mainly on operational and technical matters, management systems, and health and safety matters. 9,147 hours of the courses were in regard to human rights, and 11,982 hours were dedicated to the fight against corruption, in addition to 1,334 hours dedicated to the culture of environmental awareness. The greatest part of the courses was delivered through the Carso Train Yourself platform, by which 49 courses were provided during the year and 11,333 certifications were delivered. As for the training linked to career plans, 63 internal transfers were realized during the year.

During the year Carso Infraestructura y Construcción accomplished its goal of Zero Fatal Accidents, although 377 accidents involving loss of work time were recorded. The Workplace Accidents index was 0.788% and the Sick Leave index was 2.63%.

During that year, 568 Carso Infraestructura y Construcción employees received recognition under the group's Acknowledgment Policy and the ASUME Program reached 12 groups and 178 participants.

In regard to adherence to the NOM-035-STPS Standard, in 2021 in GCondumex 2,046 surveys were conducted for the purpose of detecting psycho-social risk factors. With this process, 36 cases related to conflicts of interest, misuse of resources, theft, and workplace aberrations were discovered. With the results obtained plans were established for the correction of these defects in the workplace.

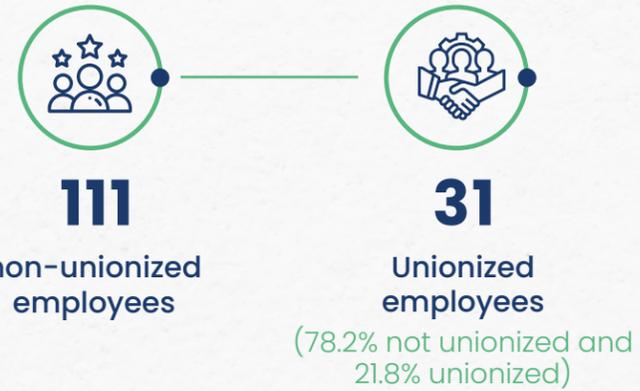
About adherence to the NOM-035-STPS Standard, in 2021 Carso Infraestructura y Construcción conducted 380 surveys for the purpose of detecting psycho-social risk factors. With this process, 36 cases related to conflicts of interest, misuse of resources, theft and workplace aberrations were discovered. With the results obtained plans were established for the correction of these defects in the workplace.

In 2021 the Telmex-Telcel Foundation scholarship program for employees and their families **reached 66 persons in Carso Infraestructura y Construcción**, 9 of whom were employees and 57 of whom were family members.

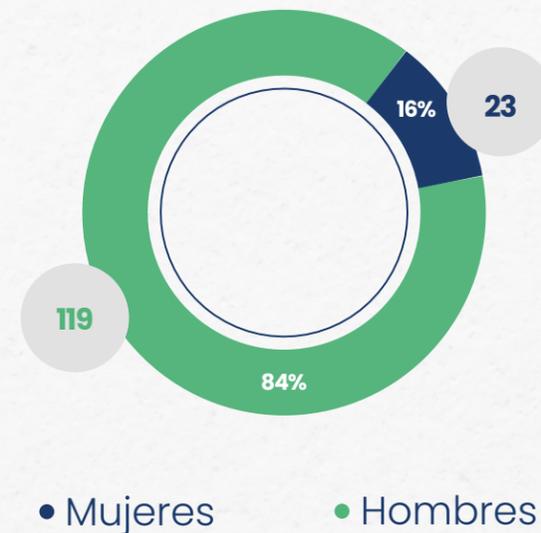
The Social Wellbeing Program has recorded its participants as Grupo Condumex/Carso Infraestructura y Construcción, and therefore the aggregate numbers for both companies are presented here, as follows: 16,539 employees and family members who participated in 6,702 virtual conferences on development, 7,726 conferences on health, and 2,111 conferences on culture and recreation. As a result of the Covid-19 pandemic, these activities were carried out virtually and enmasse, for the purpose of promoting human development and family conviviality, with a special emphasis on the promotion of health. Additionally, in the context of the health crisis, training of the companies' employees was obtained in the IMSS platform for a safe return to the workplace, to thereby be able to attend to customers during the pandemic.

Carso Energy

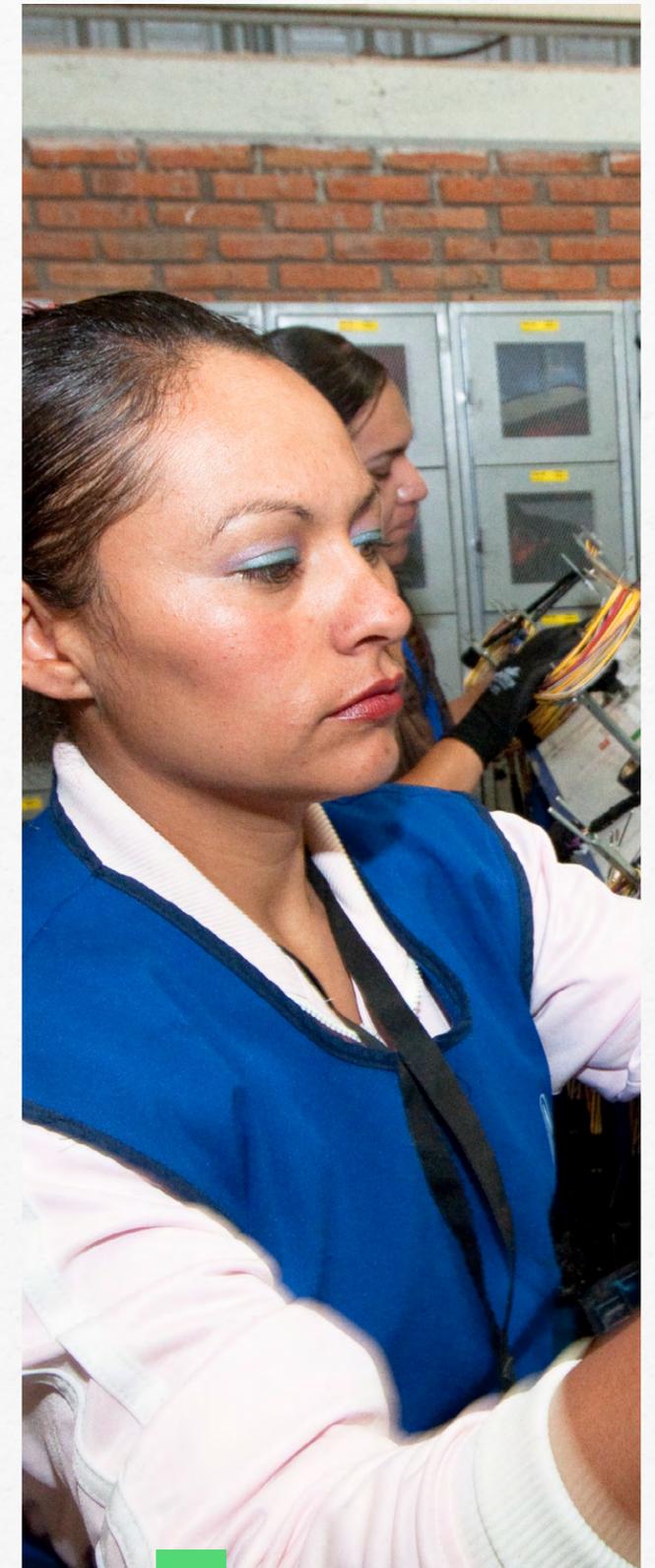
In 2021 Carso Energy had 142 employees.



The number of employees in Carso Energy were:



The company had a Turnover index of 6.24%.





3 women held positions of leadership in the Group.



More than **87.0%** of the positions were contracted locally.

The states with the highest presence in the Group were Chihuahua and Sonora.

In 2021 Carso Energy provided a total of **1,342 hours of training.**

This training was mainly on operational and technical matters, management systems and health and safety matters. 97 hours of training about the fight against corruption were also provided.

Carso Energy did not have either fatal or disabling accidents during the year. Its Accidents index was 0.082% and its Sick Leave index was 0.42%.

7.2 Community Development

GCarso is aware of the impact it generates on the communities surrounding its operations, and it therefore focuses on building a good relationship with those communities by caring for the personnel working on its projects and workplaces, in addition to fostering a positive link with its workers' family members and the community in general. Additionally, the Group relies on the Carlos Slim Foundation to contribute to the social development of Mexico by means of numerous initiatives.

7.2.1 Management of the relations with the surrounding communities

The Group's activities in relation to its social responsibility towards the surrounding communities have, as their principal axis, the Carlos Slim Foundation, which has developed more than 100 programs and projects in 13 different areas, such as education, employment, health, sports, the environment and culture. The Foundation has as its purpose to contribute to an improvement in the quality of life of citizens of all ages, to promote the formation of human capital and to create opportunities that will propitiate the integral development of persons and their communities. The Foundation has thus reached millions of beneficiaries in Mexico and other countries of Latin America. For greater information on the Foundation see the following link: <http://www.fundacioncarlosslim.org/>.

GCarso concentrates its social action on three lines of action: Education, Health, and Community Development. We must remember that the human development programs (the Social Wellbeing Program and the ASUME Program) also benefit the family members of the employees in a direct manner.



Following below is information on the principal programs and efforts implemented in 2021 by each subsidiary Company:

7.2.2 Relevant community development Initiatives by each subsidiary company

Grupo Sanborns

The community support programs by GSanborns are addressed towards vulnerable groups. Visits to care facilities for children and senior citizens were organized, in which entertainment and manual arts events were presented. Cap and “pet” collection campaigns were also carried out to benefit children with cancer and work with the Breast Cancer Foundation (FUCAM) was carried out.

In Mixup there is a program for the support of children with hearing problems through the “Oye! Tu que oyes” campaign, which helps in the education of deaf children. In that campaign customers are encouraged to make donations that are replicated by the Company. The money collected is delivered to the Instituto Pedagógico para Problemas de Lenguaje IAP (IPPLIAP), to be used to train teachers and family members of hearing-impaired children in elementary and middle grade schools to communicate with those children in sign language.

In addition to the above, GSanborns continued with the monthly donation of food boxes to various civil and religious institutions to complement the nutrition of children, impoverished women and senior citizens. Also, a percentage of the sales in the Gourmet Festival of its restaurants was donated to a civil association. Various assistance programs were maintained for organizations such as:



The Group maintained a Program for the Hiring of Persons with Disabilities, in alliance with the Mexican Confederation of Organizations for Assistance to Persons with Disabilities (CONFE), the Multiple Assistance Center (CAM), the YMCA and DIF.

In 2021 **182** persons with a visual, hearing or movement disability were hired.

Grupo Condumex

Grupo Condumex is committed to render assistance to communities in which it has a presence. In 2021 it joined efforts by associations such as Pan Q' Ayuda, a cooperative association that promotes employment opportunities for disabled persons. Additionally, it promoted the collection of bottle caps for organizations involved in medical treatment for children with cancer, and the donation of clothing, school items and blood were carried out. **In 2021, the collection of 432.98 kilograms of plastic bottle caps was carried out in the cables and auto parts sectors and 90 Kg. in CIDEC.**

In Grupo Condumex the training of new professionals is supported through a permanent academic linkage program for technological innovation projects, in which students of a technical and licentiate level can visit various work centers to thereby give them a practical view of manufacturing and administrative processes. During the Covid-19 pandemic public events were canceled and it is expected they will be resumed in coming years.

Various centers are involved in volunteer programs for attention to such matters as health, education, the improvement of infrastructure in undeveloped zones, the abuse of children, and natural disasters in Mexico in association with organizations such as United Fund, Institute for the Rehabilitation of Abused Children, the Mexican Red Cross, and Integral Development of the Family.



Also, Carso Training Centers for the Installation of Electrical Facilities are being managed in Mexico City, Guadalajara and Monterrey. In these centers, basic and advanced courses on low voltage residential and commercial electrical facilities are provided, free of charge, to the general public. Annual events of the Electrical Sector also take place, organized by public Chambers of Commerce and public organizations. For greater information see the following link: <https://www.condumex.com/centro-de-capacitacion-carso/>

In 2021 **98 technical** talks were held with 4,775 participants, **54 online courses** with 1,240 participants, and **15 webinars** with 1,073 participants.

Through the Carso Research and Development Center (CIDEC), GCondumex has mechanisms for linkage with specialized centers, institutions, and universities for the development of its projects and for promoting research and knowledge in the country. It is presently engaged in projects involving the integration of chains of high aggregate value for biotechnology, nanotechnology, optics, alternative energy, and advanced production materials and technology. For more information see the following: <https://www.cidec.com.mx/>.

Finally, in the Condumex operations of San Luis Potosí, a permanent blood donation program is in place through a permanent volunteer program in association with various institutions such as the Secretariat of Health and the State Health Hazards Commission. Fifteen persons have participated in the said blood donation campaign.

Carso Infraestructura y Construcción

During 2021, with the objective of generating an attitude of environmental awareness that would encourage their activity in the “Recycling Against Cancer” campaign, the participation of the personnel in the Pipelines, Construction, Infrastructure and Central sectors was maintained. The said campaign represents a commitment to the improvement of the environment, since in addition to its support in the collection and recycling of plastic bottle caps, the participation and involvement of the personnel’s family members and Friends was achieved, and 147.64 Kg of plastic bottle caps were collected and donated to the “Alianza Anticancer, A.B.P”, “Banco de Tapitas” and “Ángeles en Libertad A.C.” associations. All the said associations generate the economic resources used to provide aid and assistance in the medical, psychological, nutritional, and social treatment and support for persons with cancer.

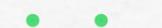
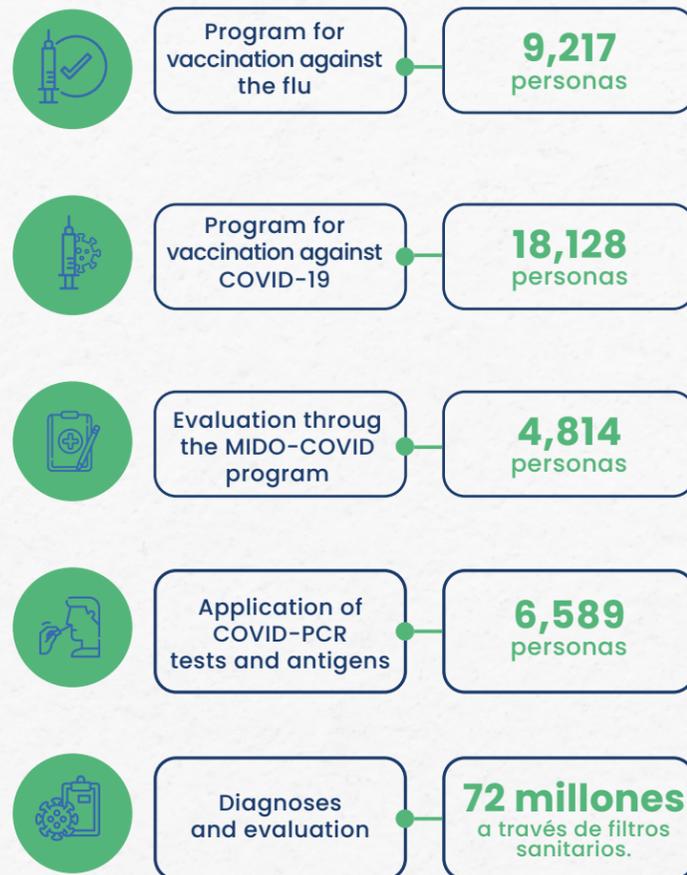
In GSM Bronco, S.A. de C.V. food supplies, collected with the participation of all the company’s personnel, was donated to help the victims of the floods that occurred towards the end of 2020 in the state of Tabasco. This food was channeled through the collection center in the Parrish of the Sanctuary of the Virgin of Guadalupe, from which the food was distributed to the neediest. **454 employees took part in this endeavor.**

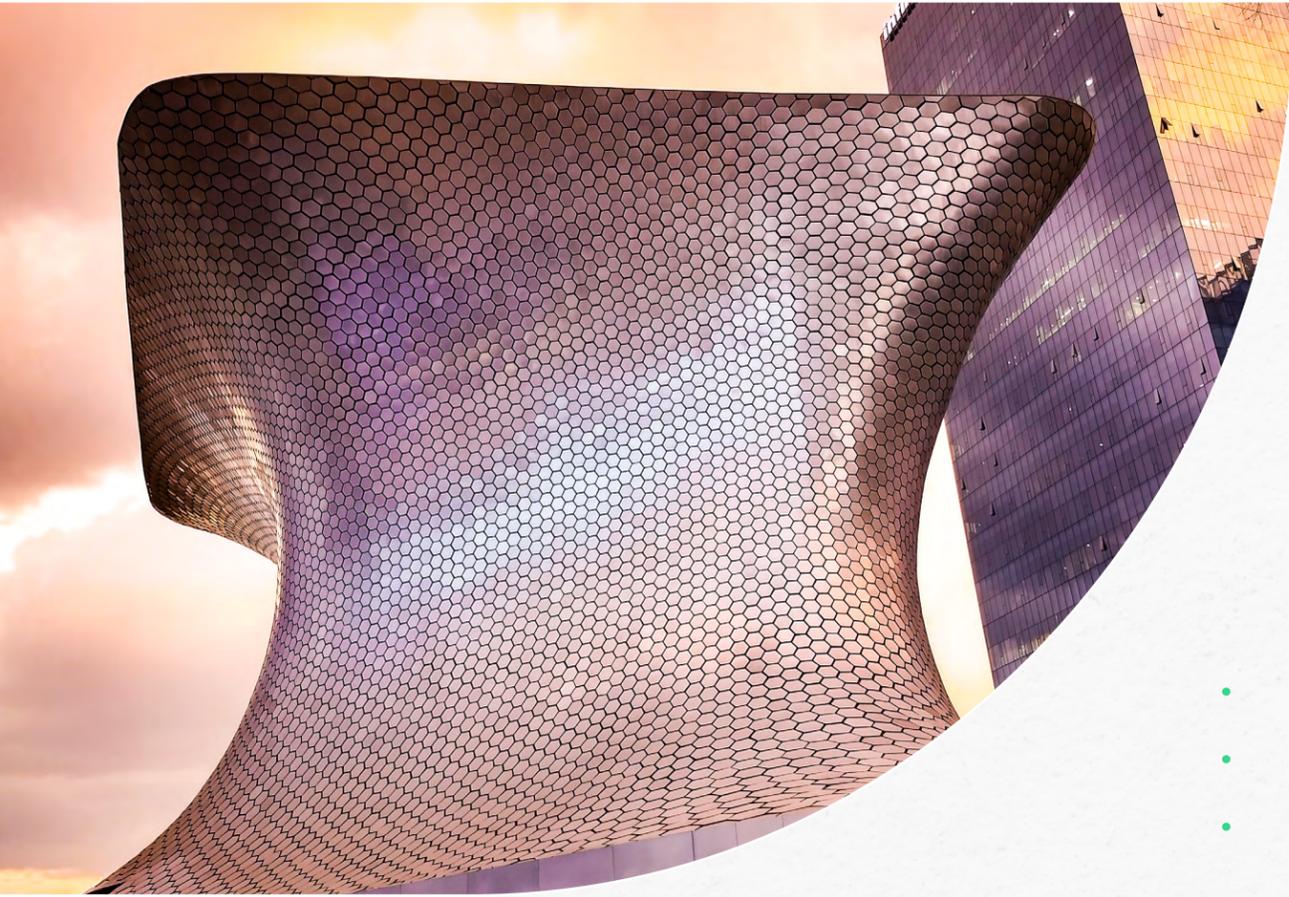
Other social development actions of the Group through the Carlos Slim Foundation were:

CONTRIBUTIONS OF THE GROUP TO SOCIETY	DESCRIPTION	WEBSITE
 <p>THE CARLOS SLIM HISTORY OF MEXICO CENTER (CEHM)</p>	<p>This Study Center was created for the purpose of recovering printed works and documents dealing with the history of Mexico from the vice-royalty epoch to the present time. It offers free access to students and researchers to more than 800,000 items ranging from books to manuscripts as well as to five chambers where select collections are kept. It also holds annual events of free access to the general public, such as conferences, book presentations and theatrical works. For more information go to.</p>	<p>http://www.cehm.org.mx</p>
 <p>PARTICIPATION IN ANNUAL CAMPAIGNS FOR THE PREVENTION AND CONTROL OF DISEASES, IN COLLABORATION WITH SALUD DIGITAL:</p>	<p>Salud Digital (Digital Health) is a catalyst in the transformation of health systems, designed to improve the access and effective coverage of efficient, effective, and quality health services to improve the quality of life. Salud Digital of the Carlos Slim Foundation deals with subjects such as “Solutions in Digital Health,” Chronic Diseases, Maternal and Infant Health, Vaccinations, Addictions, Health Programs, Continuous Professional Education, and CLIKISalud. For more information go to:</p>	<p>https://saluddigital.com/es/salud-digital/</p>
 <p>THE TRAIN YOURSELF FOR A JOB PLATFORM:</p>	<p>This is a platform of free Access to the public in which virtual courses in 20 categories are offered, ranging from Business Administration and Finance to sectors as varied as Construction; the Health Industry; Sustainability; Technology; Food; Customer Services; Fashion and Beauty; Tourism, etc. It includes training for occupations such as mason, front loader operator, waiter, cash register operation, carpentry, cook, senior citizen care, electrician, and other occupations. It also provides access to a digital job board, with the hiring procedures of companies such as Sears. For more information see the following URL link:</p>	<p>https://capacitateparaeempleo.org</p>
 <p>THE GSANBORNS PRESERVATION OF HISTORICAL SITES PROGRAM</p>	<p>This permanent program has rescued various historical sites in Mexico. For example, in 2012 a Sanborns restaurant was opened in the House of the Counts of Xala, which is an 18th century building of great historical value in the center of Mexico City. In 2013 it participated in the preservation of an ancient aluminum Factory in Veracruz, which included a building of historical value, converting the said historical building into a mixed-use real estate development, with a commercial center, a hospital, hotel, schools, university, and residential zone of social interest.</p>	<p>-</p>



In 2021 the emphasis of the Carlos Slim Foundation was on the promotion of actions for the prevention of disease and on the health care to address and minimize the effects of the Covid-19 pandemic through five principal approaches: awareness, prevention, containment, supervision and continuous improvement. A strict control was kept over the protocol of a return to the new normalcy, and the principal focus was on the promotion of vaccination against the virus that was causing the Covid-19 pandemic. This vaccination program reached 18,128 persons.





ABOUT THIS REPORT

This report contains the actions for Sustainability that were exercised by Grupo Carso and its subsidiaries in 2021 and deals with the various matters related to its economic, social, environmental and corporate governance issues.

The document corresponds to the first exercise of this type carried out by the Group and therefore it is not meant to be an exhaustive report, but rather to function as a basic line of reference from which reports will be presented in the future based on a logic of continuous improvement. It was elaborated with the support of the Faculty of Social Responsibility of the University of Anáhuac, México, which carried out two transverse and complementary processes: a Study of Materiality, in which the principal matters related to the sustainability of the Group and the compilation of related data were addressed, utilizing as a reference the Standards Of Global Reporting Initiative (GRI) in its 2021 version (Universal Standards) and the 2016 or later version (Thematic Standards). The above is for the purpose of following accepted international metrics and thereby improve the mechanisms of communication on social responsibility with the associated groups.

Scopes and Limitations

This report presents the data corresponding to the year of 2021 of the Carso Group and its subsidiary companies: Grupo Sanborns, Grupo Condomex, Carso Infraestructura y Construcción and Carso Energy. Since the Group operates in different businesses and sectors – commercial, industrial, infrastructure, construction and energy – this first report presents the consolidated information of the Group, to subsequently provide the data and initiatives of each particular subsidiary.

The objective in the future is to gradually align the data in regard to the management of environmental risks, social strategy and corporate governance for the combined Group.

The data in this report comes from various sources, including the Company's standards, the data bases for compliance with the standards, internal management platforms on subjects such as human resources, health and safety, and environmental matters, in addition to official sources, such as the Mexican Stock Market and the websites of the Company's subsidiaries. It must be mentioned that this report was not verified by any independent third party and that the quality and quantity of its information is based on the data provided by the participating companies.

The Materiality Study presented in this report shall function as a guide for the consolidation of future reports, since it is in the nature of a participative and informational document that will promote the generation and consolidation of indicators related to the most important aspects both for management of the Group as well as of its strategic association groups. Also, it shall serve as a tool for the gradual integration of indicators relative to the sectors in which each subsidiary Company carries out its activities, to thereby improve the transparency and thoroughness of the reports, while optimizing the processes and manners of presenting the information.

Contact Data:

This Sustainability Report is available in the Group's webpage: <https://www.carso.com.mx/sostenibilidad/>

The Company's Corporate Address is:

- Lago Zurich No. 245
- Edificio Frisco piso 2
- Col. Ampliación Granada, CDMX
- CP 11529

Any interested party can obtain more Information related to the contents of this Sustainability Report by addressing their request to the person in charge of the Investor Relationships Department, as follows:

- Lic. Norma Angélica Piña Garnica
- Email address: napinag@gcarso.com.mx

ANNEX I: “Efforts towards the preservation of biodiversity and the restoration of soil”.

Efforts in the restoration of soil in the infrastructure sector projects.

LAS VARAS-PUERTO VALLARTA PROJECT

TYPE OF ECOSYSTEM	LOCATION	NO. OF SPECIMENS	COMMON NAME	SCIENTIFIC NAME
Low Caducifoliolate jungle	Locality of Las Lomas, Ejido Sayulita, Municipality of Bahía de Banderas, Nayarit	27	Copper wood	Bursera simaruba
		25	Ceiba	Ceiba pentandra
		42	Huanacaxtle	Enterolobium cyclocarpum
		2	Fig	Ficus insipida
		2	Habilla	Hura polyandra
		25	Tabebuia	Tabebuia donnier smithii
		37	Rosadendreon	Tabebuia rosea
Total		160		

MITLA-TEHUANTEPEC PROJECT

TYPE OF ECOSYSTEM	LOCATION OF THE SITE	SURFACE AREA (HECTARES)	NO. OF SPECIMENS	COMMON NAME	SCIENTIFIC NAME
Pine forest	km 82 + 600	1.483	-	Herbaceae	Boutella spy

TABLE OF SPECIMENS IN 2021 INFRASTRUCTURE NURSERY

PROJECT	SCIENTIFIC NAME	COMMON NAME	NO. OF SPECIMENS IN NURSERY	
Las varas	Leucaena leucocephala	Guaje	Germinated and ready to transplant	
	Lysiloma divaricata	Tepemesquite		
	Pithecellobium dulce	Guamuchil		
	Brosimum alicastrum	Capomo		
	Bursera simaruba	Papelillo		
	Hura polyandra	Habilla		
	Bursera simaruba	Papelillo		40
	Enterolobium cyclocarpum	Huanacaxle		45
	Hura polyandra	Habilla		25
	Pithecellobium dulce	Guamuchil		10
	Sapium pedicellatum	Mataiza		50
Swietenia humilis	Caoba	95		
TOTAL			265	

Conservation of flora and fauna efforts in the infrastructure sector.

RESCUE OF FLORA TABLE OF THE INFRASTRUCTURE AND CONSTRUCTION DIVISION IN 2021

	SCIENTIFIC NAME	COMMON NAME	NO. OF SPECIMENS RESCUED	PROTECTION STATUS NOM-059-SEMARNAT-2010
1	Acanthocereus tetragonum	Barbed-wire cactus	16	
2	Acasia cornigera	Cocol palm	1	
3	Acrocomia aculeata	Hemp agave	52	
4	Agave fourcroydes	Mexican alvaradoa	27	
5	Alvaradoa amorphoides	Anona	3	
6	Anonna muricata	Guanábana	3	
7	Anonna squamosa	Squamous Anona	16	
8	Astronium graveolens	Jobillo	13	
9	Bahuinia divaricata	Bull hoof (Pata de venado)	113	
10	Bromelia karatas	Piñuelo	52	
11	Bromelia pinguii	Piñuela	11	
12	Brosimum alicastrum	Ramón	35	
13	Bucida buceras	Pucté	22	
14	Bursera simaruba	Copper wood	857	
15	Byrsonima crassifolia	Nance	25	
16	Caesalpinia cacalaco	Toxoc	3	
17	Caesalpinia gaumeri	Kitamché	25	
18	Caesalpinia mollis	Chacté	8	
19	Callisia nutans	Falsa bromelia	172	
20	Casearia laetioides	Casearia	2	
21	Catacetum maculatum	Catacetum orchid	5	
22	Catsetum integerrimum	Duck tail orchid	25	
23	Catsetun sp	Catsetum orchid	4	
24	Cedrela odorata	Cedar	1201	Pr
25	Ceiba pentandra	Ceiba	12	
26	Chamaedorea seifrizii	Xiat	12	
27	Citrus x aurantium	Sour orange	5	
28	Coccoloba barbadensis	Wild grape	16	
29	Coccoloba cozumelensis	Boob ch'ich'	20	
30	Cohniella ascendens	Lapizito orchid	1	
31	Cohniella yucatanensis	Rat tail orchid	16	
32	Cordia alliodora	Botoncillo	47	
33	Cordia dodecandra	Ciricote	183	
34	Coulteria mollis	Chacté	18	
35	Crescentia cujete	Gourd tree	2	
36	Croton arboreus	Cascarillo	232	
37	Cryosophila argentea	Guano Kum (palm tree)	581	A
38	Ehretia tinifolia	Oak	8	
39	Encyclia alata	Butterfly orchid	5	
40	Enterolobium cyclocarpum	Pich	20	
41	Erythrina fusca	Colorín	2	
42	Furcraea sp	False agave	51	
43	Gliricidia sepium	Cocoite	50	
44	Gmelina arborea	Melina	10	

	SCIENTIFIC NAME	COMMON NAME	NO. OF SPECIMENS RESCUED	PROTECTION STATUS NOM-059-SEMARNAT-2010
45	Guazuma ulmifolia	Pixoy	161	
46	Haematoxylum campechianum	Tinto	911	
47	Hampea trilobata	Majagua	372	
48	Havardia albicans	Chucum	72	
49	Heliocarpus donnell-smithii	Majagua	94	
50	Hibiscus elatus	Majagua	2	
51	Jatropha curcas	Nettlespurge	7	
52	Jatropha gaumeri	Pomolché	90	
53	Krugiodendron ferreum	Ironwood	3	
54	Leucaena leucocephala	Guaje	36	
55	Lonchocarpus castilloi	Machiche	53	
56	Lonchocarpus rugosus	Kanasin	50	
57	Luehea speciosa	Kaskaat	28	
58	Lysiloma latisiliquum	Tzalam	170	
59	Maclura tinctoria	Blackberry	7	
60	Mangifera indica	Mango	20	
61	Manilkara zapota	Wild zapote	70	
62	Melicoccus bijugatus	Cuban guaya	30	
63	Metopium brownei	Chechén	205	
64	Mimosa bahamensis	White catzín	3	
65	Mormodes maculata	Maculated orchid	9	
66	Nopalea gaumeri	Cactus	4	
67	Oeceoclades maculata	White African orchid	77	
68	Oncidium sp.	Oncidium orchid	5	
69	Opuntia dejecta	Cactus	21	
70	Peniocereus hirschtianus	Wire cactus	5	
71	Persea americana	Avocado	2	
72	Piscidia piscipula	Jabín	1974	
73	Platymiscium yucatanum	Granadilla	5	
74	Plumeria obtusa	Plumeria	47	
75	Plumeria rubra	May flower	1	
76	Pouteria campechiana	Kanisté	182	
77	Pouteria sapota	Zapote	18	
78	Psidium guajava	Guayaba	9	
79	Sabal mauritiformis	Guano	26	
80	Sabal mexicana	Guano Bon	454	
81	Sabal yapa	Guano yapa	262	
82	Selenicereus grandiflorus	Pitaya de monte	13	
83	Simarouba amara	Passak	211	
84	Simarouba glauca	Pa'sak	369	
85	Sin identificar	Orchid	2	
86	Spondias mombin	Jobo	252	
87	Swietenia macrophylla	Mahogany	10	
88	Tabebuia chrysantha	Guayacán	13	A
89	Tabebuia rosea	Maculís	357	
90	Tamarindus indica	Tamarind	19	

	SCIENTIFIC NAME	COMMON NAME	NO. OF SPECIMENS RESCUED	PROTECTION STATUS NOM-059-SEMARNAT-2010
91	Terminalia buceras	Pucté	5	
92	Terminalia catappa	Almond	20	
93	Tillandsia brachycaulos	Gallito	4	
94	Tillandsia balbisiana	Bromelia	11	
95	Trema micrantha	Capulín	3	
96	Vitex gaumeri	Yaxnik	76	
97	Yucca gigantea	Giant Yucca	5	
98	Zamia lodigessi	Cícada	32	A
99	Zamia prasina	Palmita	518	
TOTAL			11387	1827





RESCUE OF FAUNA TABLE OF THE INFRASTRUCTURE AND CONSTRUCTION DIVISION IN 2021

SCIENTIFIC NAME	PROJECT	COMMON NAME	NO. INDIVIDUALS RESCUED	PROTECTION STATUS NOM-059-SEMARNAT-2010
Agkistrodon bilineatus	TREN MAYA	Mexican pit viper	1	
Agkistrodon rosseolus	TREN MAYA	Yucatan pit viper	1	
Anolis lemuringus	TREN MAYA	Phantom Anole	24	
Anolis rodriguezii	TREN MAYA	Smooth southeast Anolis	8	
Anolis sagrei	TREN MAYA	Anolis	5	
Anolis sericeus	TREN MAYA	Silky fan	28	
Apodemus sylvaticus	TREN MAYA	Field mouse	1	
Basiliscus vittatus	TREN MAYA	Toloque	5	
Boa constrictor imperator	LAS VARAS	llamacoa boa constrictor	1	Threatened (A)
Boa imperator	TREN MAYA	Boa constrictor	6	
Claudius angustatus	TREN MAYA	Chopontil Musk Turtle	1	In danger of extinction (P)
Coendou mexicanus	TREN MAYA	Porcupine	2	Threatened (A)
Coniophanes imperialis	TREN MAYA	Black-striped snake	1	
Coniophanes schmidtii	TREN MAYA	Striped Yucatan snake	1	
Crocodylus moreletii	TREN MAYA	Marsh crocodile	1	Special protection (Pr)
Crotalus simus	TREN MAYA	Rattlesnake	1	
Crotalus tzabcan	TREN MAYA	Yucatan rattlesnake	18	
Ctenisaura pectinata	LAS VARAS	iguana	1	Threatened (A)
Ctenosaura alfredschmidtii	TREN MAYA	Spine-tailed iguana	1	
Ctenosaura defensor	TREN MAYA	Spine-tailed iguana	1	In danger of extinction (P)
Ctenosaura similis	TREN MAYA	Spine iguana	35	Threatened (A)
Dasybus novemcinctus	TREN MAYA	Nine-banded Armadillo	3	
Didelphis marsupialis	TREN MAYA	Common opossum	1	
Dipsas brevifacies	TREN MAYA	Snail-eating snake	5	Special protection (Pr)
Drymarchon corais	LAS VARAS	tilcuete	1	
Drymobius margaritiferus	TREN MAYA	Speckled racer snake	3	
Hemidactylus frenatus	TREN MAYA	Cuija	1	
Holcosus septemlineatus	LAS VARAS	Blue-tailed lizard	1	
Iguana iguana	TREN MAYA	Green iguana	1	Special protection (Pr)
Imantodes tenuissimus	TREN MAYA	Cord snake	1	Special protection (Pr)
Inciilius valliceps	TREN MAYA	Coastal toad	5	
Kinosternon acutum	TREN MAYA	Tabasco turtle	1	Special protection (Pr)
Kinosternon integrum	LAS VARAS	Box turtle	4	Special protection (Pr)
Kinosternon leucostomum	TREN MAYA	White-lipped turtle	1	Special protection (Pr)
Kinosternon scorpioides	TREN MAYA	Scorpion turtle	2	Special protection (Pr)
Laemanctus serratus	TREN MAYA	Crowned Iguana	26	Special protection (Pr)
Lampropeltis abnorma	TREN MAYA	False coral snake	1	
Leptodeira frenata	TREN MAYA	Cat-eyed snake	3	
leptodeira maculata	LAS VARAS	Cat-eyed snake	2	Special protection (Pr)

SCIENTIFIC NAME	PROJECT	COMMON NAME	NO. INDIVIDUALS RESCUED	PROTECTION STATUS NOM-059-SEMARNAT-2010
Leptodeira septentrionalis	TREN MAYA	Northern Cat-eyed snake	2	
Leptophis mexicanus	TREN MAYA	Mexican parrot snake	3	Threatened (A)
Manolepis putnami	LAS VARAS	Ridgehead snake	1	
Marmosa mexicana	TREN MAYA	Mexican mouse opossum	1	
Ollotis valliceps	TREN MAYA	Coastal toad	7	
Oxybelis aeneus	TREN MAYA	Brown Mexican vine snake	4	
Oxybelis fulgidus	TREN MAYA	Green Mexican vine snake	2	
Plestiodon skiltonianus	TREN MAYA	Western skinkl	1	
Porthidium yucatanicum	TREN MAYA	Yucatan fer de lance	1	Special protection (Pr)
Pseudelaphe flavirufa	TREN MAYA	Mouse snake	1	
Rhinella horribilis	TREN MAYA	Giant toad	1	
Rhinoclemmys areolata	TREN MAYA	Furrowed wood turtle	3	Threatened (A)
Sceloporus variabilis	TREN MAYA	Pink-bellied spiny lizard	1	
Sceloporus chrysostictus	TREN MAYA	Spiny lizard	3	
Sceloporus lundelli	TREN MAYA	Yucatan spiny lizard	10	
Sciurus yucatanensis	TREN MAYA	Yucatan squirrel	1	
Sphaerodactylus glaucus	TREN MAYA	Collared dwarf gecko	1	Special protection (Pr)
Spilotes pullatus	TREN MAYA	Chaycan	1	
Stenorrhina freminvillei	TREN MAYA	Scorpion-eating snake	1	
Sylvilagus floridanus	TREN MAYA	Mountain rabbit	1	
Symphimus mayae	TREN MAYA	White-lipped snake	2	Special protection (Pr)
Terrapene carolina ssp yucatanana	TREN MAYA	Yucatan box turtle	3	
Trachemys venusta	TREN MAYA	Guadalupe turtle	1	
Trachycephalus typhonius	TREN MAYA	Guadalupe turtle	64	
Trachycephalus venulosus	TREN MAYA	Guadalupe turtle	16	
TOTAL			338	95

ANNEX II: "Determination of the carbon footprint from the review of the energy consumption of the GCondumex companies."

Grupo Condumex and the CARSO Research and Development Centers have taken on the task of determining the extent of the carbon footprint of the GCondumex operations from an analysis of the fuel and electricity consumed in the operations. In 2012 they began to record the consumption of fuel and electricity to create the point of initiation for the analysis, with the goal of achieving a reduction of 25% in their emissions by the year of 2030.

The method utilized in their calculations is as follows:

1. Information is obtained from the fuel and energy companies in reference to each of the fuels utilized for the production of energy (electricity, LP gas, natural gas, gasoline, diesel) and the production therefrom.
2. Information is integrated in a capture-sheet format on the consumption of the different types of fuel and their production.
3. The information is charted in order to analyze the performance of each type of fuel.

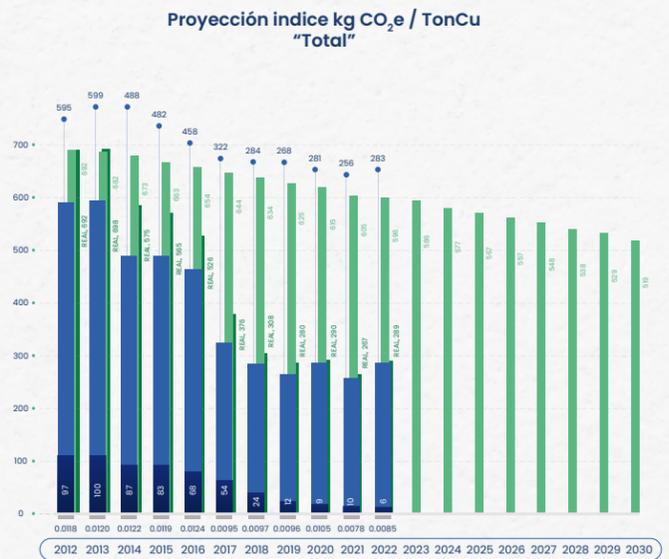
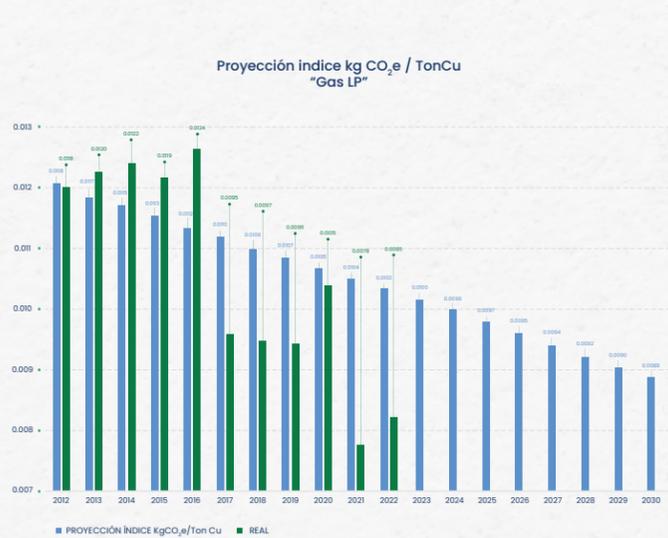
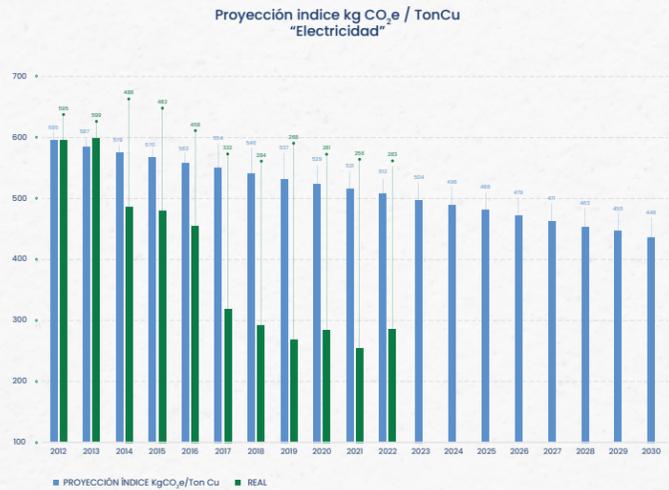
4. The calculation of the carbon footprint is realized by means of a conversion factor for the tons of CO₂ of each type of fuel. For electricity, the factor is determined by the SEMARNAT.

5. Once the carbon footprint has been calculated, the information is incorporated into a chart for its interpretation, revision and analysis.

6. With the compiled information on the various types of fuel and their production of energy (Ton Cu, km cable, MUSP etc.), the energy indices and the carbon footprint index are determined.

7. With the carbon footprint index that is generated a summary is realized, with the percentage of reduction, monitoring and status of compliance with the goal established.

Example of partial information of the carbon footprint and fuel indicators that is generated monthly and reviewed by a committee in each Company:

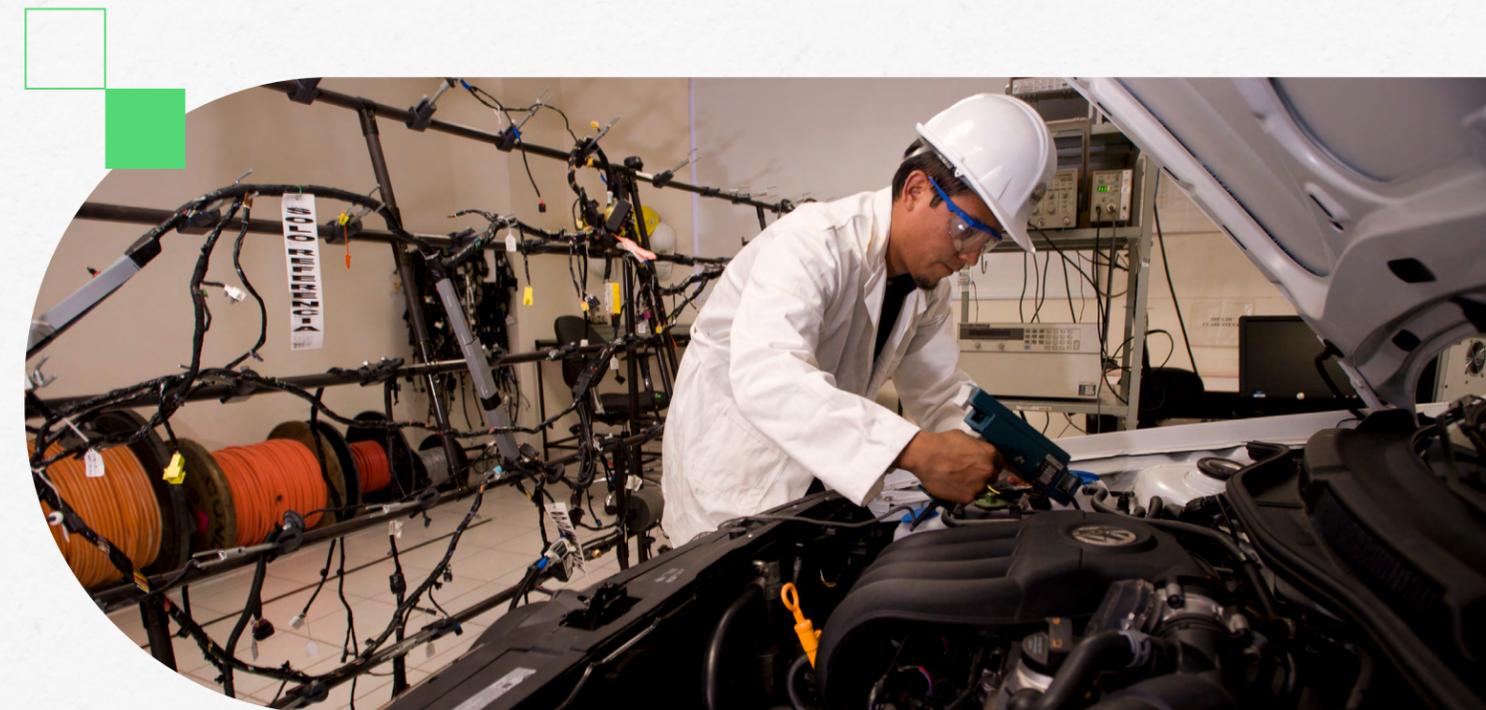


ANNEX III: Certification processes for the excellence and sustainability of operations.

ISO 14001:2015 CERTIFICATIONS

PLANT	MANAGEMENT SYSTEM	CERTIFIER	TYPE OF CERTIFIER	OBSERVATIONS
ARELA APASEO	ISO-14001 - 2015	Bureau Veritas (México)	External	The BVQI is from the APASEO site and it covers ARELA JERECUARO, JARAL DEL PROGRESO, CIDECE CT
ARELA JARAL DEL PROGRESO	ISO-14001 - 2015	Bureau Veritas (México)	External	
ARELA JERECUARO	ISO-14001 - 2015	Bureau Veritas (México)	External	
CIDECE CT	ISO-14001 - 2015	Bureau Veritas (México)	External	
CORDAFLEX	ISO-14001 - 2015	DQS; Inc	External	
ARCOMEX IXTACUIXTLA	ISO-14001 - 2015	Condumex Corporate Certificate	Internal	
ARCOMEX NANACAMILPA	ISO-14001 - 2015	Condumex Corporate Certificate	Internal	
ARCOMEX TLAXCALA	ISO-14001 - 2015	Condumex Corporate Certificate	Internal	
ARCOMEX ATLIZAYANCA	ISO-14001 - 2015	Condumex Corporate Certificate	Internal	
ARELA JARAL DE BERRIO	ISO-14001 - 2015	Condumex Corporate Certificate	Internal	
ARELA OCAMPO	ISO-14001 - 2015	Condumex Corporate Certificate	Internal	
ARELA SAN DIEGO DE LA UNIÓN	ISO-14001 - 2015	Condumex Corporate Certificate	Internal	
ARELA SAN FELIPE	ISO-14001 - 2015	Condumex Corporate Certificate	Internal	
ARELA SILAO	ISO-14001 - 2015	Condumex Corporate Certificate	Internal	

For the IATF 16949 the certifications of the auto parts sector are the following: the CIDECE CT is the design support site in all of them. Total, 16 plants with IATF 16949 2016 - ISO 9001:2015 certification for the auto parts sector.



ISO 9001:2015 Certificates

ISO 14001:2015 CERTIFICATES

PLANT	MANAGEMENT SYSTEM	CERTIFIER	TYPE OF CERTIFIER
ARCOMEX ATLTZAYANCA	ARCOMEX S.A. DE C.V.	ISO 9001:2015 / IATF 16949 - 2016	Bureau Veritas (México)
ARCOMEX IXTACUIXTLA	ARCOMEX S.A. DE C.V.	ISO 9001:2015 / IATF 16949 - 2016	Bureau Veritas (México)
ARCOMEX NANACAMILPA	ARCOMEX S.A. DE C.V.	ISO 9001:2015 / IATF 16949 - 2016	Bureau Veritas (México)
ARCOMEX TLAXCALA	ARCOMEX S.A. DE C.V.	ISO 9001:2015 / IATF 16949 - 2016	Bureau Veritas (México)
ARCOMEX ALMOLOYA	ARCOMEX S.A. DE C.V.	ISO 9001:2015 / IATF 16949 - 2016	Bureau Veritas (México)
ARELA APASEO	ARNESES ELECTRICOS AUTOMOTRICES S.A. DE C.V.	ISO 9001:2015 / IATF 16949 - 2016	Bureau Veritas (México)
ARELA IXTACUIXTLA	ARNESES ELECTRICOS AUTOMOTRICES S.A. DE C.V.	ISO 9001:2015 / IATF 16949 - 2016	Bureau Veritas (México)
ARELA JARAL DE BERRIO	ARNESES ELECTRICOS AUTOMOTRICES S.A. DE C.V.	ISO 9001:2015 / IATF 16949 - 2016	Bureau Veritas (México)
ARELA JARAL DEL PROGRESO	ARNESES ELECTRICOS AUTOMOTRICES S.A. DE C.V.	ISO 9001:2015 / IATF 16949 - 2016	Bureau Veritas (México)
ARELA JERECUARO	ARNESES ELECTRICOS AUTOMOTRICES S.A. DE C.V.	ISO 9001:2015 / IATF 16949 - 2016	Bureau Veritas (México)
ARELA OCAMPO	ARNESES ELECTRICOS AUTOMOTRICES S.A. DE C.V.	ISO 9001:2015 / IATF 16949 - 2016	Bureau Veritas (México)
ARELA SAN DIEGO DE LA UNIÓN	ARNESES ELECTRICOS AUTOMOTRICES S.A. DE C.V.	ISO 9001:2015 / IATF 16949 - 2016	Bureau Veritas (México)
ARELA SAN FELIPE	ARNESES ELECTRICOS AUTOMOTRICES S.A. DE C.V.	ISO 9001:2015 / IATF 16949 - 2016	Bureau Veritas (México)
ARELA SILAO	ARNESES ELECTRICOS AUTOMOTRICES S.A. DE C.V.	ISO 9001:2015 / IATF 16949 - 2016	Bureau Veritas (México)
ARELA TARANDACUAO	ARNESES ELECTRICOS AUTOMOTRICES S.A. DE C.V.	ISO 9001:2015 / IATF 16949 - 2016	Bureau Veritas (México)
CORDAFLEX	CORDAFLEX S.A. DE C.V.	ISO 9001:2015 / IATF 16949 - 2016	DQS; Inc



From the Conduflex Cable Sector

PLANT	MANAGEMENT SYSTEM	CERTIFIER	TYPE OF CERTIFIER
CABLENA BRASIL PLANTA TELECOM		ISO-9001 - 2015	ABS
CABLENA ESPAÑA	CABLENA, S.A. GRUPO CONDU-MEX	ISO-9001 - 2015	AENOR (España)
CONALUM	CONALUM S.A. DE C.V.	ISO-9001 - 2015	Bureau Veritas (México)
CONDUMEX INC	CONDUMEX INC	ISO-9001 - 2015	ISOQAR
CONDUTEL	CONDUMEX S.A. DE C.V.	ISO-9001 - 2015	Bureau Veritas (México)
CONTICON	CONDUMEX S.A. DE C.V.	ISO-9001 - 2015	SIGE
GUADALAJARA	CONDUMEX S.A. DE C.V.	ISO-9001 - 2015	IMNC (México)
LATINCASA	CONDUMEX S.A. DE C.V.	ISO-9001 - 2015	Bureau Veritas (México)
LOGTEC	LOGTEC S.A. DE C.V.	ISO-9001 - 2015	IMNC (México)
UNIDAD VALLEJO	CONDUMEX S.A. DE C.V.	ISO-9001 - 2015	Bureau Veritas (México)

The certifications of Pipelines and Drilling of the Infrastructure Sector in 2021 were the following:

STANDARD	DESCRIPTION	CERTIFYING ENTITY	BUSINESS LINE
ISO 9001:2015	Quality Control Systems	NYCE and IQNet network	<p>11 Countries: México, Brazil, Colombia, Peru, Ecuador, Guatemala, Costa Rica, Honduras, Nicaragua, El Salvador and Panamá,</p> <p>6 Business Lines: Telecom, Pipelines, Onshore Drilling, Offshore Drilling, Precitubo Plant and Equiter Plant.</p> <p>64 Work centers</p>
ISO 14001:2015	Environmental Management Systems	NYCE and IQNet network	Pipelines, Onshore Drilling, and Telecom Inspection Unit.
ISO 45001:2018	Health and Safety in the Workplace Management System	NYCE and IQNet network	Pipelines, Onshore Drilling, and Telecom Inspection Unit.
ISO 17020:2012	Requirements For The Operation Of The Various Types Of Units (Entities) That Carry Out The Verification (Inspection)	EMA	Telecom Inspection Unit.



Index of the GRI indicators utilized as a reference

GRI UNIVERSAL STANDARDS

GRI 1: FOUNDATIONS 2021	
DECLARATION OF USE	Grupo CARSO has presented the information cited in this index of GRI contents for the period comprised between January 01 and December 31, 2021, using the GRI Standards as a reference.
GRI 1 used	The index has been constructed in accordance with the table in Annex 2 of the GRI 1 Foundations 2021.

GRI STANDARD	CONTENT	LOCATION	OMISSION	
			REQUIREMENT	REASON
GRI 2: GENERAL CONTENTS 2021				
GRI 2: GENERAL CONTENTS 2021	2-1 Organizational details.	Corporate Profile 1.1.		
	2-2 Entities included in the Sustainability Report.	About this Report		
	2-3 Period object of the report, frequency and contact.	About this Report		
	2-4 Re-expressions of information.	About this Report		
	2-5 External information.	About this Report.	N/A	This Report was not verified by a third party.
	2-6 Activities, chain of value and other commercial relations.	Corporate Profile: 1.2, 1.3. Economic Performance: 5.2.		
	2-7 Employees.	Social Performance/Labor Aspects: 7.1.1.		
	2-8 Workers who are not employees.	Social Responsibility: 2.1; Corporate Governance: 4.4; Economic Performance: 5.2, 5.3.		
	2-9 Governance structure and composition.	Corporate Governance: 4.2.		
	2-10 Designation and selection of the maximum government entity	Corporate Governance: 4.2.		
	2-11 President of the highest governance entity.	Corporate Governance: 4.2.		
	2-12 Functions of the highest governance entity in the supervision over the management of impacts.	Corporate Governance 4.1, 4.2, 4.5, 4.6.		
	2-13 Delegation of responsibility in the management of impacts,	Corporate Governance 4.1, 4.2, 4.5, 4.6.		
	2-14 Function of the maximum governance entity in the presentation of sustain-ability reports		N/A	In this first report the Board of Directors did not participate in the Materiality Study
	2-15 Conflicts of interest.	Corporate Governance 4.1, 4.3, 4.4,		
	2-16 Communication of critical worries.	Social Responsibility: 2.1, Corporate Governance: 4.2.		
	2-17 Collective knowledge of the maximum governance entity.	Corporate Governance: 4.2.		
	2-18 Evaluation of the performance of the max. governance entity.	Corporate Governance: 4.2.		
	2-19 Remuneration Policies.	Corporate Governance: 4.2.		
	2-20 Process for determination of the remuneration.	Corporate Governance: 4.2.		
	2-21 Ratio of total annual compensation.		Not reported.	Confidential Information.

2-22 Declaration on the sustainable development strategy.	Message from the del Director General. Materiality Study.		
2-23 Commitments and policies.	Social Responsibility: 2.3. Corporate Governance: 4.1, 4.2, 4.3.		
2-24 Incorporation of the commitments and policies.	Social Responsibility: 2.3, Corporate Governance 4.1. Environmental Performance: 6.1. Social Performance: Labor Aspects: 7.1.2.		
2-25 Processes for the remediation of the negative impacts..	Materiality study Corporate Governance: 4.1, 4.5. Economic performance: 5.3. Environmental performance: 6.2.		
2-26 Mechanisms for requesting advice and raising concerns.	Social Responsibility: 2.1. Corporate Governance: 4.1, 4.5, 4.6.		
2-27 Compliance with laws and standards.	Corporate Governance: 4.1, Environmental performance: 6.1. Social performance: 7.1, 7.1.2.		
2-28 Affiliation with associations.	Social Responsibility: 2.4.		
2-29 Focus on the participation of associated groups.	Social Responsibility: 2.1. Materiality study: 3.2.		
2-30 Collective bargaining agreements.	Social performance, Labor aspects: 7.1.1, 7.1.2, 7.1.3.		

GRI STANDARD	CONTENT	LOCATION	OMISSION	
			REQUIREMENT	REASON
GRI 3: MATERIAL SUBJECTS 2021				
GRI 3: MATERIAL SUBJECTS 2021	3-1 Process for the determination of material subjects	Materiality Study		
	3-2 List of the material subjects	Materiality Study		



GRI THEMATIC STANDARDS

GRI STANDARD	CONTENTS	LOCATION	OMISSION	
			REQUIREMENTS	REASON
GRI 200: ECONOMIC ASPECTS				
GRI-201: ECONOMIC PERFORMANCE 2016				
201-1	Direct economic value generated and distributed.	Corporate: 1.2, Economic performance: 5.1, 5.2.		
201-2	Financial Implications and other risks and opportunities derived from climate change.		Not reported.	The organization has not carried out an integral analysis of the financial risks and opportunities derived from climate change.
201-3	Coverage of the organizations obligations deriving from its benefits and retirement plan.	Economic performance: 5.2, Social performance / Labor aspects: 7.1.2.		
201-4	Economic assistance granted by government entities.		N/A	The organization has not identified any economic contributions by government entities.
GRI-202 MARKET PRESENCE 2016				
202-1	Proportion of the base salary in respect to the minimum salary, by gender.		Not reported.	Confidential information.
202-2	Proportion of managerial staff hired locally.	Social performance: Labor matters: 7.1.3.		
GRI 203: INDIRECT ECONOMIC IMPACTS - 2016				
203-1	Investments in infrastructure and support services.	Economic performance: 5.1, 5.2.		
203-2	Significant indirect economic impacts	Economic performance: 5.2.		
GRI 204: ACQUISITION PRACTICES - 2016				
204-1	Proportion of expenses on local providers.	Economic performance: 5.2, 5.3.		
GRI 205: ANTICORRUPTION - 2016				
205-1	Operations evaluated for the risks related to corruption, and significant risks identified.		N/A	The organization has not realized this type of evaluations, although it does have mechanisms for the resolution of denunciations of this kind.
205-2	Communication and training on policies and procedures in the fight against corruption.	Corporate Governance: 4.4, Social performance / Labor aspects 7.1.3.		
205-3	Confirmed cases of corruption and the measures adopted.	Corporate Governance: 4.3, 4.4.		
GRI 206: UNFAIR COMPETITION - 2016				
206-1	Judicial actions related to unfair competition and monopolistic practices.		N/A	The organization has no knowledge of any legal actions of this kind.
GRI-207: TAXES - 2019				
207-1	Audits	4.5.		

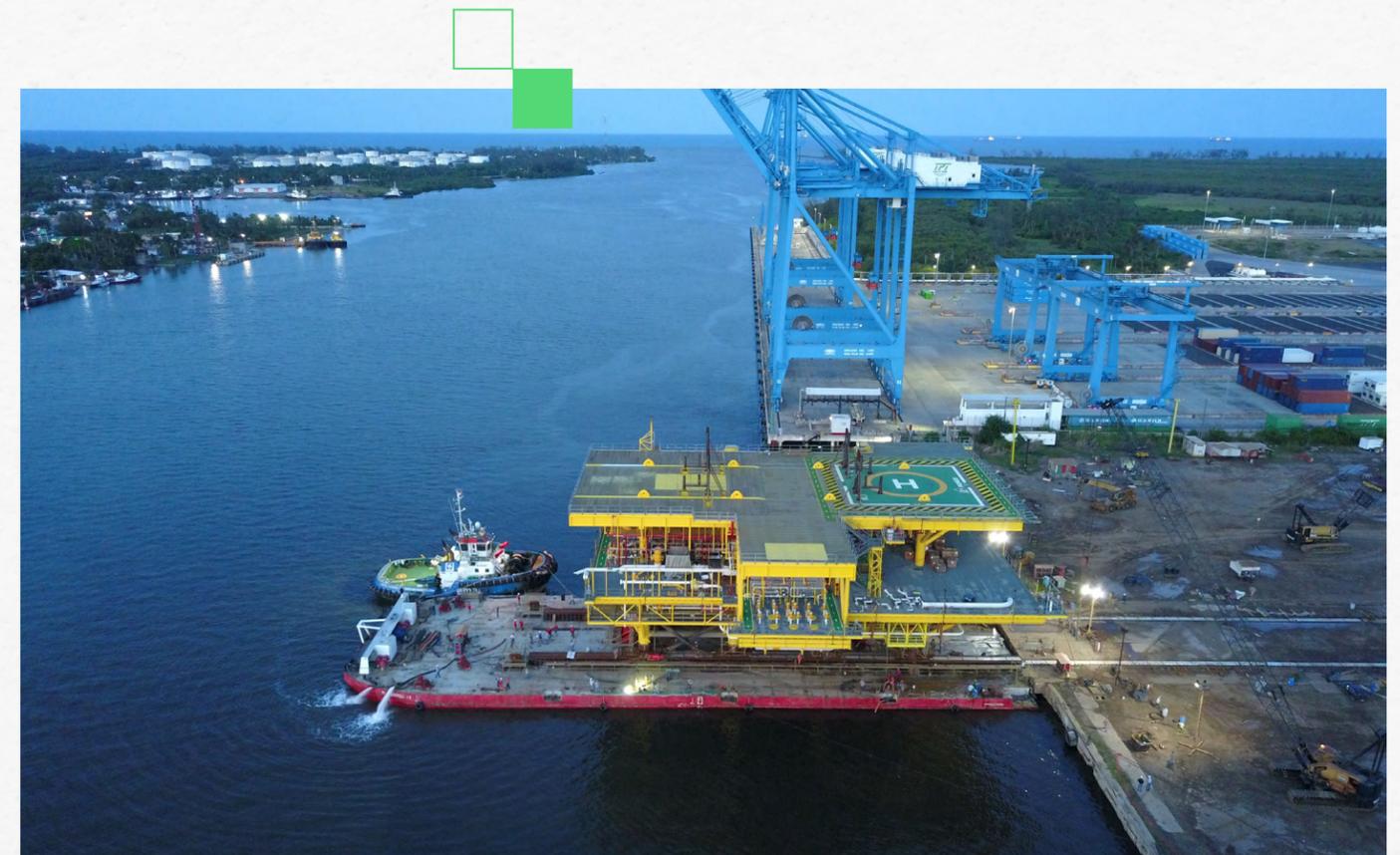
GRI STANDARD	CONTENTS	LOCATION	OMISSION	
			REQUIREMENTS	REASON
GRI 300: ENVIRONMENTAL ASPECTS				
GRI-301: MATERIALS 2016				
301-1	Materials used, by weight and volume.	Environmental performance: 6.3.		The weight and/or volume of some strategic materials in each subsidiary company are reported.
301-2	Recycling of materials and items.	Environmental performance: 6.3.		Some of the recycling activities in each subsidiary Company are reported.
GRI-302 ENERGY - 2016				
302-1	Consumption of energy by the organization.	Environmental performance: 6.2, 6.3.		
302-2	Consumption of energy outside the organization.		N/A	The organization has not identified any processes outside the organization that have involved the consumption of energy.
302-3	Energy Intensity.		Not reported.	The organization has not formalized an integral methodology to determine energy intensity.
302-4	Reduction of energy consumption.	Environmental performance: 6.2. (Case of Energia Infra), 6.3.		The projects for efficient use of energy and the use of renewable energy are reported in each subsidiary company.
302-5	Reduction in the energy requirements in Products and Services.		N/A	Although there are some products and services that are highly efficient in the consumption of energy, these requirements have not been formalized.
GRI 303: WATER AND EFFLUENTS- 2018				
303-1	Consumption of water per source.	Environmental performance: 6.3.		The total consumption of water for each Company is reported, but not per source.
303-1	Sources of water significantly affected by the consumption.		N/A	The organization has not identified any water sources significantly affected by its operations.
303-3	Water recycled and reused.	Environmental performance: 6.3.		Projects for the reuse of water are reported in some work centers.
GRI 304: BIODIVERSITY - 2016				
304-1	Operations facilities located in protected areas and in areas of great value for biodiversity.	Environmental performance: 6.2, 6.3.		This applies only to the infrastructure and construction project of Tren Maya.
304-2	Significant impacts on biodiversity from the products and services activities.	Environmental performance: 6.2, 6.3.		The greatest impact on bio-diversity from the operation is by the infrastructure and construction projects.
304-3	Habitats protected or restored.	Environmental performance: 6.3. Annex II.		The restoration of soil and protection of flora and fauna in the infrastructure and construction projects are reported.
304-4	Species included in the red list of the UICN and in national conservation lists of species affected by the operations.	Environmental performance: 6.3. Annex II.		The specimens relocated are reported

GRI 305: EMISSIONS 2016				
GRI STANDARD	CONTENTS	LOCATION	REQUIREMENTS	OMISSION
305-1	Direct emission of gases with a greenhouse effect (Scope 1).	Annex III.	The Group has quantified the carbon footprint of the GCondumex processes, but not of all the subsidiaries.	
305-2	Indirect emission of gases with a greenhouse effect when generating energy (Scope 2).	Environmental performance: 6.2 (Case of Energia Infra), 6.3.	The Group has formally quantified the GEI emissions it has avoided by consuming energy from infra, but not the totality.	
305-3	Other indirect emissions of gas with a greenhouse effect (Scope 3).		Not reported.	The Group does not carry out the formal quantification of GEI emissions in the chain of value.
305-4	Intensity of the emission of gases with a greenhouse effect.		Not reported.	The organization has not formalized an integral methodology for the intensity of GEI emissions.
305-5	Reduction of the gas emissions with a greenhouse effect.	Environmental performance: 6.2 (Case of Energia Infra), 6.3.		
305-6	Emission of substances that deplete the ozone layer.		N/A	The organization has not found that its operations generate emissions that significantly affect the ozone layer.
305-7	NOx, SOx and other significant emissions.		N/A	The organization has not found that its operations generate these types of significant emissions.
GRI 306: RESIDUES - 2020				
306-1	Discharges of water, according to their quality and destination.		N/A	The organization has not identified any significant discharge of water in its operations.
306-2	Residues by type and method of disposal.	Environmental performance: 6.1, 6.2, 6.3.		
306-3	Significant spills.		N/A	The organization has not identified any cases involving significant spills.
306-4	Transportation of de dangerous residues.	Environmental performance: 6.2, 6.3.		
306-5	Bodies of water and habitats affected by the organization's spills.		N/A	The organization has no knowledge of significant spills from its operations.
GRI 307: ENVIRONMENTAL COMPLIANCE 2016				
307-1	Noncompliance with environmental standards and regulations.		N/A	The organization has no knowledge of any cases of noncompliance with environmental regulations.
307-2	Environmental impacts from the transportation of products and other goods and materials utilized in the organization's activities.		Not reported.	The organization has not charted these impacts but it asks its operators and providers to accredit their compliance with environmental standards.
307-3	Itemization of environmental investments and expenses.		Not reported.	The organization has not quantified its environmental investments and initiatives in an explicit and integral manner.
GRI 308: ENVIRONMENTAL EVALUATION OF PROVIDERS - 2016				
308-1	Percentage of new providers who were examined under Environmental criteria.		Not reported.	The organization has not realized evaluations of this type, although it does request the Accreditation of compliance with the applicable standards in its purchasing department.
308-2	Negative environmental impacts in the supply chain, and measures taken in that respect.		Not reported.	The organization has not charted these impacts nor has it realized an evaluation of environmental impact in its supply chain, although it does request the Accreditation of compliance with the applicable standards by its providers.

GRI STANDARD	CONTENTS	LOCATION	REQUIREMENTS	OMISSION
GRI 400: SOCIAL ASPECTS				
GRI-401: EMPLEO 2016				
401-1	New hiring and turnover of personnel.	Social performance: Labor aspects:7.1.3.		
401-2	Benefits given to full-time employees that are not given to part-time employees.	Social performance: Labor aspects: 7.1.2.		
401-3	Family leave.	Social performance: Labor aspects: 7.1.2.		
GRI-402: LABOR RELATIONS - 2016				
402-1	Minimum advance notification time for the notification of operational changes.	Social performance: Labor aspects: 7.1.2.	Although there is not a specific criterion for the Group, in practice a period of 15 days is considered.	
GRI-403: WORKPLACE HEALTH AND SAFETY - 2018				
403-1	Workplace Health and Safety management System.	Social Responsibility: 2.3. Social performance: Labor aspects:7.1.2, 7.1.3.		
403-2	Type and rate of injuries, sickness, occupational illnesses, lost days, absenteeism and number of workplace fatalities related to the work.	Social performance: Labor aspects:7.1.3.		
403-3	Workers at high risk of illness in relation to their occupation.		N/A	The organization has not identified the existence of any workers with a high risk of occupational disease, thanks to all the workplace health and hygiene measures in place.
403-4	Health and safety matters covered under formal agreements with labor unions.	Social performance: Labor aspects: 7.1.2, 7.1.3.		
403-5	Training of workers in health and safety in the workplace.	Social performance: Labor aspects: 7.1.2, 7.1.3.		
403-6	Promotion of health among the workers.	Social performance: Labor aspects: 7.1.2, 7.1.3.		
GRI 404: DEVELOPMENT AND TRAINING - 2016				
404-1	Average number of hours of training per year.	Social performance: Labor aspects: 7.1.2, 7.1.3.		
404-2	Professional development and transitional assistance programs for employees.	Social performance: Labor aspects: 7.1.2, 7.1.3.		
404-3	Percentage of employees who receive regular evaluations of their work and professional performance.		Not reported.	In this first report, that percentage was not quantified.
GRI 405: DIVERSITY AND EQUALITY OF OPPORTUNITIES - 2016				
405-1	Diversity in government entities and employees.	Social performance: Labor aspects: 7.1.2, 7.1.3.		The Group is striving for a balance of genders in its management and it presently has one woman in its Board of Directors.
405-2	Base salary of men compared to that of women.		Not reported.	Confidential information.
GRI 406: NO DISCRIMINATION - 2016				
406-1	Incidents of discrimination and corrective actions taken.	Corporate Governance: 4.3. Social performance: Labor aspects: 7.1.2.		
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING - 2016				
407-1	Operations or providers whose freedom of association could be in danger.		N/A	The organization has not identified any operations or providers in dangers of this kind.
GRI 408: CHILD LABOR - 2016				
408-1	Operations and providers with a significant risk of incidents involving child labor.		N/A	The organization has not identified any operations or providers who are under risks of this kind.
G GRI 409: FORCED LABOR - 2016				
409-1	Operations and providers with a significant risk of incidents involving forced labor.		N/A	The organization has not identified any operations or providers who are under risks of this kind.

GRI 410: SAFETY PRACTICES – 2016				
410-1	Security personnel with training in human rights matters.	Social performance: Labor aspects: 7.1.2. and 7.1.3.	The security personnel also benefits from the Group's training programs.	
GRI 411: RIGHTS OF INDIGENOUS PEOPLES – 2016				
411-1	Incidents involving a violation of the rights of indigenous people.		N/A	The organization has not identified any incidents involving a violation of the rights of indigenous peoples.
GRI 412: EVALUATION OF HUMAN RIGHTS – 2016				
412-1	Operations that have been subject to evaluation in matters involving human rights.		Not reported.	The organization has not realized this type of evaluations, but it does verify the compliance with the standards in this matter.
412-2	Significant investment accords and contracts that include human rights clauses or evaluations.	Corporate Governance: 4.4.		
412-3	Training of employees on human rights policies and procedures.	Corporate Governance: 4.3, 4.4. Social performance: Labor aspects: 7.1.3.		
GRI 413: LOCAL COMMUNITIES – 2016				
413-1	Operations with the involvement of local communities, the evaluation of impacts and development programs.		Not reported.	Although the Group maintains positive interactions with the communities around its operations, it has not realized this type of evaluations.
413-2	Operations with actual and/or potential negative impacts on local communities.		N/A	The organization has not identified the existence of operations with this type of negative impact.
GRI 414: SOCIAL EVALUATION OF PROVIDERS – 2016				
414-1	New providers who were evaluated under social criteria.		Not reported.	The organization has not realized this type of evaluations, but it does verify the compliance with standards in this matter.
414-2	Negative social impacts in the supply chain.	Corporate Governance: 4.4.	N/A	The organization has not identified the existence of this type of negative impacts.
GRI 415: PUBLIC POLICY – 2016				
415-1	Value of the Group's political contributions.	Economic performance: 5.2.	N/A	The organization has no knowledge of any political contributions other than the payment of taxes to the government and municipalities, and the multiple support actions it contributed in 2021 in the fight against the COVID-19 pandemic.
GRI 416: HEALTH AND SAFETY OF CLIENTS AND CUSTOMERS – 2016				
416-1	Impacts of the products and services evaluated in respect to matters of health and safety.	Environmental performance: 6.1.	In those cases in which it is applicable, the organization evaluates the health and safety implications in the use of its products and services.	
416-2	Incidents of noncompliance with health and safety measures of the products and services.		N/A	The organization has no knowledge of incidents of this kind.

GRI 417: MARKETING AND LABELING – 2016				
417-1	Requirements for the information and labeling of the products and services.	Environmental performance: 6.1, 6.3.	In those cases in which it is applicable, the labels on the organization's products include a list of the components, and their origin, their application and their benefits, along with precautions and recommendations on their use.	
417-2	Incidents of noncompliance related to the labeling of the products and services and information on their use.		N/A	The organization has no knowledge of incidents of this type.
417-3	Incidents of noncompliance in marketing and communication.		N/A	The organization has no knowledge of incidents of this type.
GRI 418: PRIVACY OF THE CLIENT – 2016				
418-1	Substantial complaints related to the handling of the clients' personal data.		N/A	The organization has no knowledge of substantial complaints that have been reported in this regard.
GRI 419: SOCIAL-ECONOMIC COMPLIANCE – 2016				
419-1	Noncompliance with the laws and standards in social-economic matters.		N/A	The organization has no knowledge of any breaches in this regard.



This Sustainability Report is available on the
Group's website:

<https://www.carso.com.mx/sustentabilidad/>



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Upon request from any interested party, information
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