



# An ICONNIC Journey

We transform to  
facilitate a better world

Sustainability Report  
2021





# MAIN ACHIEVEMENTS IN SUSTAINABILITY 2021

Committees were consolidated in each of the pillars of our Sustainability Strategy: People, Product and Planet.

## People



Launch of **Red de Bancos de Alimentos Mexico** donation program with our Nuevo Leon distribution center (CEDIS).



**+\$9.6 million pesos donated to social programs** from 86 benefited institutions.



**40% increase in training investment in comparison** to last year, which transformed into +900 thousand hours of training sessions.



On-site **volunteering programs** resumed.

- 10 on-site or virtual programs nationwide.



**RED Round-up** Program

- **+7.2 million pesos raised thanks to our customers.**

## Product



Thanks to our Rainforest Alliance **certified Café Verde campaign, 40 thousand plants and 640 sacks of manure** were given to small producers for the benefit of 160 families.



Nationwide migration to **cardboard coffee cups** and switched from individual liquid coffee creamer pods to single in-site coffee creamer containers.



**Substitution of 7-Select disposables** as part of eco-friendly program.

## Planet



Thanks to the implemented initiatives, we managed to **reduce our energy consumption by 3% in comparison to 2020**, and a reduction of energy consumption of 14% since 2016.



Increase of **supplied clean energy by 26%** during the first semester of 2021.



MAS Bodega y Logística Recycling now includes all of our Distribution Centers:

- **Cardboard: +949.900 kg**
- **Stretch film: +164,400 k**

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# An Iconnic Journey: Transforming to facilitate a better world

## 1. Together in this journey

The last few years have reminded us that time is not to be wasted and the world is in constantly changing. This is why **now is the time to facilitate a better world.**

Nearly 100 years ago, we took our first step towards fulfilling the needs of Mexican families seeking diverse and quality products. Throughout our history and through today, we have put our trust in the opportunities brought forth by experiences; opportunities that have helped us grow continuously by adapting our way of thinking, operating, working, and leading.

During 2021, we faced situations that allowed us to evolve into a better version of ourselves, keeping our heads high and walking hand in hand with the best team. Excellence and our customers' preference have been the guiding principles that act as a compass in our journey.

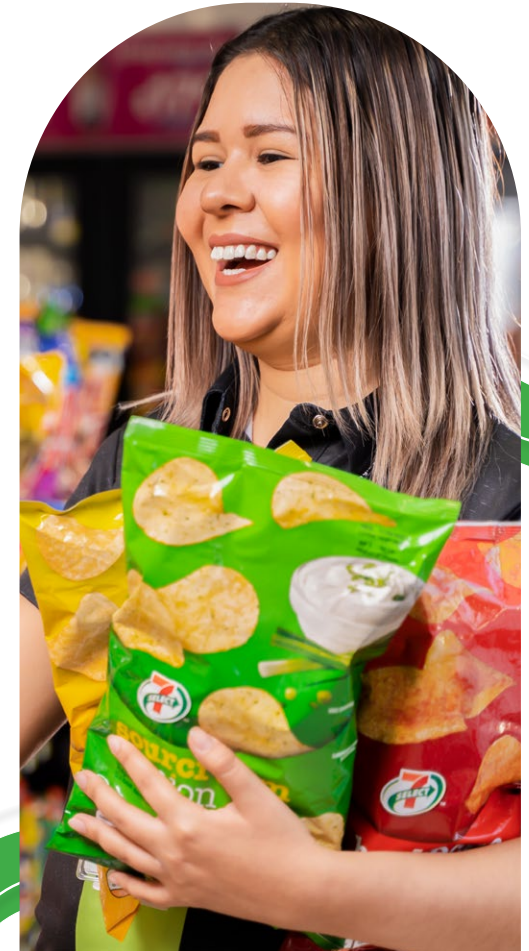
We want to continue progressing every day by providing affordable, quality options to Mexican families, reinforcing our talent with the support of our communities, and with transparency as our defining value because, first and

foremost, we care about keeping the trust we have worked so hard to build. This is why...

### **We present to you our second Annual Sustainability Report!**

In this report, we want to share with you and celebrate our accomplishments in 2021. You will also find all information regarding our progress toward the goals and initiatives in accordance with the three pillars of the Iconn Sustainability Strategy: People, Products, and Planet. Each of them represents a strategic priority in our business model. In addition, we want to invite you to join us and get to know how we are working to **continue Facilitating a Better World** in a conscious way that brings harmony to our people and setting.

We are definitely together in an **Iconnic Journey towards our operations' first century.**



## 2. Letter from the Chairman of the Board and CEO

Dear Readers,

I am delighted to share with you our **2021 Iconn Sustainability Report**. This report presents an opportunity to acknowledge and celebrate the effort brought forth throughout 2021. We also want to extend our gratitude for the results made possible by the hard work of each and every member of the Iconn family in total compliance with our Sustainability Strategy.

Our commitment to co-habiting in harmony with our communities is as alive as ever, and we do so by understanding their necessities and working together to transform and have a positive impact on their environment through the pillars of: **People, Products, and Planet**.

It is clear to us that Sustainability is one of our company's top priorities. This ideal can be clearly seen in the Iconn Transformation Model, part of our journey into our first 100 years of operations. As a result, we have developed different efforts to guarantee the safety of our collaborators and the communities where we have operations during the current, long-lasting health emergency, such as:

- Implementation of safety protocols and point of sale adaptations to protect the health and well-being of both our collaborators and customers,
- Development of operational continuity to fulfill our role as an essential business, and
- Guarantee the company's liquidity for its long-term sustainability at the service of the community.

This joint commitment is only possible thanks to our winning team, which is comprised of each and every member of this great family.

We are thankful for 2021, as well as for the fantastic progress and concrete results in each dimension; this stands as a challenge to continue improving. We are aware this is a road built on a daily basis. We are convinced we will continue becoming stronger thanks to the teamwork, resilience, adaptability, discipline, and leadership of our people to reach higher goals. We will continue Facilitating a Better World.

*Luis A. Chapa G.  
Chair of the Board  
And Chief Executive Officer*





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We are  
iconn



## 3.1 Brands and Markets

### Iconn's history through its brands

We invite you to learn more about us throughout this report!

1923

The first step in our journey was taken back in February 15, 1923 when we began operating as a small grocery store called "El Gallo, Abarrotes en General", founded by a young José A. Chapa González with the support of his brother, Ricardo, whom he borrowed \$2,500 pesos and a lot under his name on the corner of General Treviño and Colegio Civil. Shortly after, their brother Andrés joined the business with the contribution of a bicycle and the capital obtained from selling his marriage coins. In 1928, Ricardo joined the family business to constitute the company "Chapa Hermanos".

1976

7-Eleven's history began in 1976 when our first convenience store opened under the name "Súper 7". It was the first store to operate 24 hours a day, 7 days a week.

1992



In 1992, we adopted the name 7-Eleven for our operations in Mexico.

It is the convenience store in constant expansion and improvement that offers customers in Mexico a shopping experience that surpasses their expectations. We do so by anticipating and satisfying their needs with the best selection of products and services; we offer quality and freshness at a fair price.

1930



Two years later, we began wholesale operations under the name MAS Bodega y Logística: A groceries and general product commercialization and distribution company that is set apart by its kind and friendly service. It offers a wide range of products in convenient presentations and it is focused on traditional, retail customers and semi-bulk shoppers in the country.

#### MAS Bodega y Logística



We facilitate the life of  
**+20,000** customers daily  
**+2,900** team members

Presence in **12 states** across Mexico.



#### 7-Eleven



We facilitate the life of  
**+1 million** customers daily  
**+15,000** team members

Presence in **13 states** in Mexico.





## 3.1 Brands and Markets

### Iconn's history through its brands

1995



In 1995, taking the opportunity to keep adapting our business model to the ever-changing needs and lifestyle of our customers, we launched the first Petro Seven gas station next to a 7-Eleven store, marking the beginning of the format known as “duo”.

The fuel distributor company under expansion process in Mexico. We offer our customers convenient locations, 24/7 service, a variety of payment methods, quality service, and we guarantee our customers receive the liters of fuel they bought, never less.

2011



For the next step in our journey, our customers' needs became our priority. In line with this priority, 2011 became the year in which we opened our first MercaDía store:

The neighborhood mini-mart chain that aims at providing an easier life to families by offering quality, fresh, and affordable market basket products, high-purchase-frequency perishable foods, and a wide array of services in a neat, clean, and safe environment during convenient hours every day.

2012

As a result of the institutionalization process undertaken in 2002 to transform a family company into a private corporation, we adopted a new corporate identity that changed from “Grupo Chapa” to Iconn, facilitating your life.

Iconn (**Innovación y Conveniencia, S.A. de C.V.**) is a **company composed of human beings** at the service of human beings and we work for the community while facilitating an easier life to our customers. We are focused not only on meeting our customers' needs, but on anticipating consumer trends and, therefore, constantly offering quality service.

Our brands are available in 17 states in Mexico and each location was chosen based on the local context and our customers' needs. In addition, we support our operations through our Iconn Support Center located in Monterrey, Mexico with **+300 employees** supporting the operations of our brands nationwide.

#### Petro Seven



Facilitating the life of

**+235,000** customers daily

**+2,800** team members

Presence in **10 states** in Mexico

#### MercaDía



Facilitating the life of

**+24,000** customers daily

Presence in **11 cities** in the state of Nuevo Leon, Mexico

## Our company has presence in 17 states in Mexico



GRI Indicators (102-9, 102-16, 102-25, 102-17, 205-1, 205-2, 406-1, 408-1, 411-1, 412-2, 415-1, 418-1)

## 3.2 Iconn Values and Business Ethics

Our values are the pillars that guide our behavior. They make us unique, identify us as a single team, and remind us of what is important in each of the decisions we make.



### Iconn Values



**Total innovation:** We promote a mindset focused on innovation by way of technology, making convenient and sustainable.



**Consumer preference focus:** We recognize our consumers as our only boss and direct our efforts towards satisfying their ever-changing needs.



**Daily quest for improvement:** We boost our results by taking action with integrity and based on facts and data.



**Winning team development:** We build a single Iconn, based on collaboration, diversity, and respect.



**Results ownership:** We seize opportunities for growth by generating value, and executing with excellence and urgency.

Iconn stands out for its conscious decision-making and our aim at **doing things right**. This is why we have been thorough in developing different elements within our Corporate Ethics.

In addition to the creation of our Code of Ethics and Conduct, policies to stop corruption and wrongful advantages have been issued since 2019. We identify as an apolitical company with no lobbying or support towards political candidates or parties.

Another measure adopted as part of our Corporate Ethics is the implementation of our Personal Data Safeguard Program. This program enables the instatement and continuity of management, physical and technical security measures to protect personal data, such as the publishing of the respective privacy notices.

On a different note, we think it is important to highlight one of the reasons we have come so far in our almost 100-year-old iconic journey is the integration of Respect of Human Rights in our everyday actions.

By our actions and policies, we see that universal human rights are respected and promoted by supporting the United Nations' Guiding Principles in our relationships with our employees, customers, and suppliers. Our goal is collaborating towards an increase in such activities within the communities we operate in.

The framework of our commitment includes the following topics:

- **Respect for human rights.**
- **Commitment to the community and other parties related to Iconn.**
- **Respect and Protection of Indigenous communities.**
- **Equal opportunities Diversity, and Inclusion.**
- **Freedom of association and assembly.**
- **Safe and healthy workplace.**
- **Child labor Prevention.**
- **Remuneration and benefits.**
- **Healthy lifestyles.**
- **Information and guidance for all employees.**





## 2021 Achievements

Our Code of Ethics and Conduct is among our good practices and over **80% of the selected employees** have achieved certification.

**+570 suppliers** have signed our Code of Ethics and Conduct via new contracts and our website.

**+2,900** hours of training in Human Rights.

**69%** of our total staff of employees has updated their declaration of interest.

**+24,000** hours of ethics and anti-corruption training received by our employees

The entire organization has begun an **anti-corruption certification**

In late 2021, a certification program in Corruption and Improper Advantages Prevention Policy was launched. This is a statement of Iconn's rejection of all kinds of corruption by having a zero-tolerance policy against any case of anti-corruption law or regulation infringement. It also acts as the guidelines to help us identify any acts of corruption and address them. Moreover, we also focused our efforts on certifying key positions in Petro-Seven and support departments to continue with the Fair Competition Policy certification program launched in 2020, with a total of 49 and a half hours of training sessions taking place this year.

**198 employees certified in Fair Competition Policy during 2021**



## Iconn Assurance System (SAI)

In order to strengthen and reinforce corporate governance and the efficient management of risks, Iconn implemented its own Iconn Assurance System (SAI for its name in Spanish *Sistema de Aseguramiento Iconn*) as one of the enablers of our business strategy in 2018. SAI works within the Committee of Sponsoring Organizations of the Treadway's (COSO) Integrated Framework and its Three Lines of Defense model.

The SAI Model aims, among other things, to strengthen commitment to our values and corporate ethics, internal policy compliance, control checks, promote a proactive and preventive approach towards risk management, and facilitate standardization, sustainability and compliance to the best practice processes.

### The SAI model consists of 3 pillars and their respective elements:

- **Corporate Ethics Pillar:** Defines the company's actions.
- **Risk-management Pillar:** Defines risk and business management strategies.
- **Regulatory norms:** Defines processes to comply with policy and regulatory norms.

Iconn counts with an internal policy structure that has been issued in the last 3 years, ensuring that most processes have established rules and guidelines for owners to follow.

## Ethics Line:

We have made a hotline available for guidance and resolution of any Ethics queries.

This service is provided by an independent party and is available to anonymously report any infringements 24 hours a day, 7 days a week.

You can contact our Ethics Line in case of a report or any queries via:



Web: **[www.letica.mx/iconn](http://www.letica.mx/iconn)**  
 Phone: **01-800 700-8000** (free of charge)  
 E-mail: **[iconn@letica.email](mailto:iconn@letica.email)**

## In 2021

### 323 cases were handled across Iconn and its business units.

The cases were related to possible abuses of authority, behavior, fraud, corruption, theft, and abuse.

**80% of cases** have been closed and actions taken according to their severity, while the remaining **20% are still under investigation.**

Out of the total number of reported cases of fraud and corruption, a number of **cases were closed** with termination of contract in compliance with our policy.

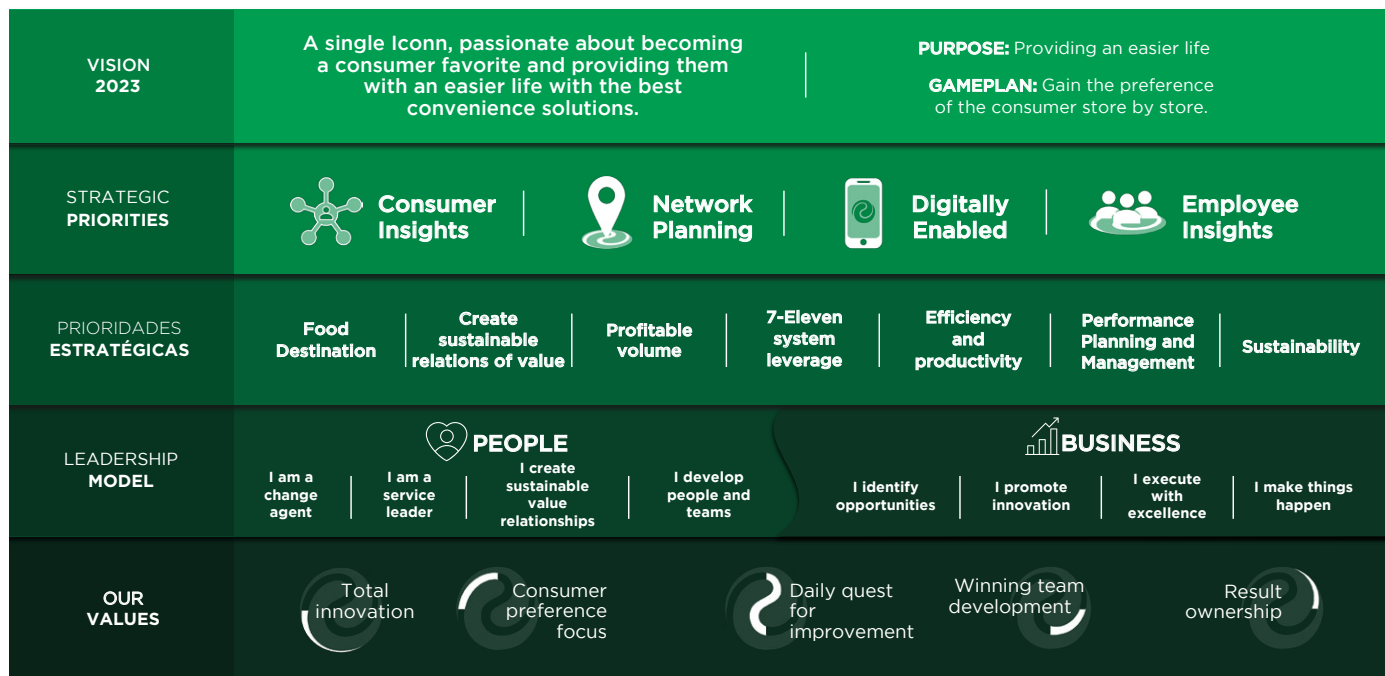
If you want to learn more about Iconn's Code of Ethics and Conduct, scan:



## 3.3 Our Transformation Model

Iconn stands out as a Mexican company composed of human beings at the service of human beings. Our aim is clear: to be of service to our community by offering the products and services that they want and need, anywhere and anytime, through our commercial brands: 7-Eleven, Petro Seven, MAS Bodega y Logística, and MercaDía.

**The route we have set in this transformational journey has been designed with a first horizon in mind: 2023.** Reaching a century represents, among many other things, an opportunity to celebrate our journey. Thanks to the Iconn 2023 Transformation Model, we manage to establish a strategic business vision as well as initiatives and projects that will propel us to reach our set goals.



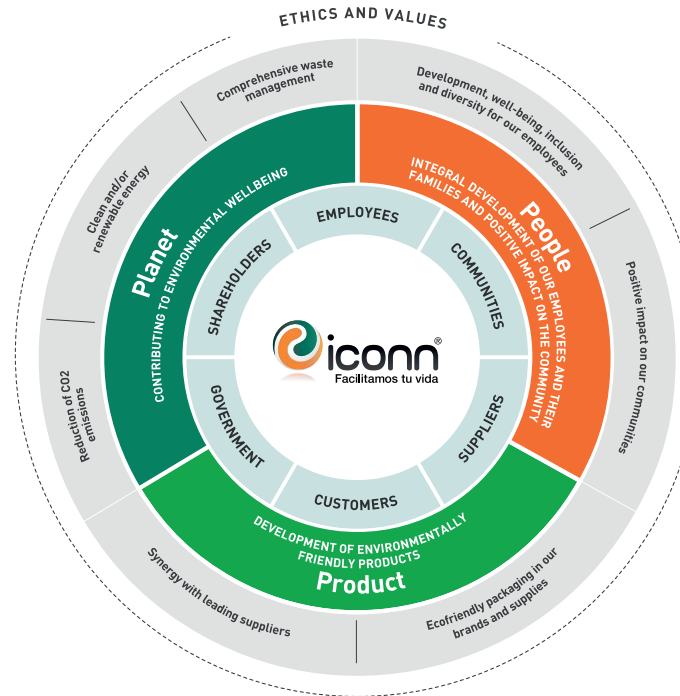
## 3.4 Sustainability Strategy: We Facilitate a Better World

**Iconn considers Sustainability is no longer just a dream or an ambition: it is a strategic priority for our operations.**

Since **Sustainability is everybody's work**, each of our company's departments play a crucial role in moving towards our short-, mid-, and long-term objectives. All key departments in our company support this strategy by defining, implementing, and measuring the initiatives and processes that impact Iconn's Sustainability Strategy.

In this regard, the Sustainability department is responsible of creating guidelines, supporting other key departments to achieve the strategy's objectives, compiling data and indicators for accountability, and generating a culture of co-responsibility within the company.

Our work as a team aims at sustainability and longevity while keeping our objective of Providing a better world in sight; this will be achieved by relying on our Sustainability Strategy. Since 2019, we consolidated our efforts under a shared vision with objectives and programs spread across the 3 pillars: People, Product, and Planet.



**Reinforcement of leadership positions by fostering inclusion, diversity, and social impact.**



**Development of environmentally friendly packaging for all of our brands and supplies.**



**Reduction of our operation's carbon footprint.**

Iconn's Sustainability Strategy aligns with the Sustainable Development Goals set in the UN's 2030 agenda and it focuses on 3 goals in particular: 7 – Affordable and clean energy; 11 – Sustainable cities and communities; and 17 – Partnerships for the goals, under the agreement signed with 7-Eleven Inc. in 2019.



## Materiality Analysis

To achieve the goals we have set, it is of utmost importance to measure progress and listen to the people who are a daily part of our operations as they are a crucial source of information that will help us gauge if we are on the right path.

For this purpose, we have been conducting a strategic Materiality analysis for the last few years. Our analysis provides the company with valuable information and allowed us to analyze the convergence of: the sector's issues, the organization's objectives, and the company's necessities towards its interest groups.

Our 2021 materiality analysis included 31 material issues to be analyzed: social, environmental, financial, and corporate governance issues that were considered priority in the risk and impact management in our operations. In addition, various stakeholders were involved to offer us a full outlook of our operations environment.

If you want to learn more about our materiality analysis, feel free to read the "Materiality Matrix" appendix found at the end of this report.

### How was it done?

1

First, we identified all sustainability issues related to the **retail store and wholesale store, and gas station sectors** according to the standards set by specialized institutions.

2

We compared the best practices of each sector.

3

Then, we consulted our priority groups of interest to assess the relevance of sustainability issues.

4

The next step was evaluation the Maturity of Iconn's sustainability management and communication.

5

And finally, we combined data obtained from maturity and relevance analysis to define the Iconn material issues that guide the Sustainability Strategy.

GRI indicators (102-21, 102-29, 102-44, 102-46)

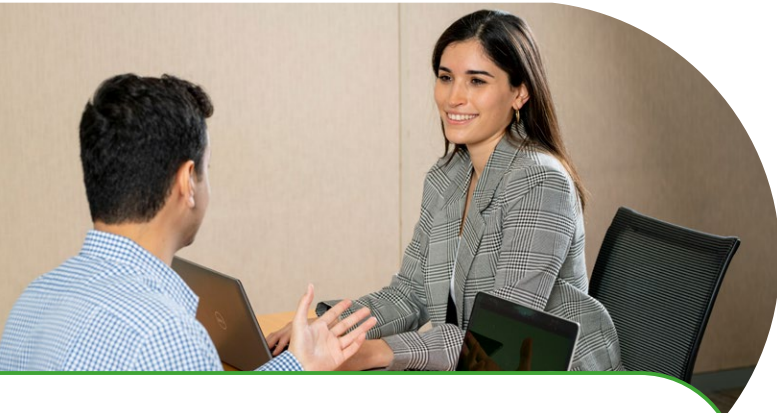




## Interest groups

Our interest groups include organizations and individuals with an authentic interest in Iconn and to whom we are committed to keep transparent communication and linkage.

The following are our people, *our companions in this journey*:



Dialogue with our different interest groups through different channels is permanent and always focuses on working hand in hand by frequent communication.



### Stockholders

People that bet on us.



### Suppliers

Our main allies.



### Employees and their families

People who build and make this dream come true.



### Sector-specific and government agencies

People that work hand in hand with us towards a more sustainable Mexico.



### Customers and consumers

Our purpose and existence.



### Education sector

People that help us build a better future.



### Communities

Our extended family.



### Media

People that share our journey with others.

## 3.5 Initiatives and Recognitions

In Iconn, we are aware that partnerships can take us further and help us positively impact more lives and, thus, boost sustainable growth in our sector and Mexico. We are currently part of renowned business chambers and organizations with the intent of joining forces to deal with common needs of our environment, such as:

- **CANACO Monterrey** (National Chamber of Commerce, Services, and Tourism of the city of Monterrey, Mexico)
- **CCE** (Business Coordinating Council)
- **ANTAD** (National Association of Self-service and Department Stores)
- **CESNE** (Center of Politic, Social and Financial Thought of the Northeast)
- **COPARMEX** (Mexican Employers' Association)
- *Energía Puesta en Marcha Association*
- Governing Board of **CONCANACO** (Confederation of the National Chamber of Commerce of Mexico)

GRI Indicators (102-13)



## Recognitions

### Socially Responsible Company Distinction

Since our foundation, we have stimulated the economic, social, and environmental development of the communities where we operate. Our commitment has awarded us the Socially Responsible Company distinctive from the CEMEFI (Mexican Center for Philanthropy) for the **second year straight** and we intend to corroborate it year after year. This recognition motivates us to continue our pathway of continued improvement towards sustainability and to continue escalating our positive impact on all of our interest groups.

“

*I see the impact my daily work has in society and it allows us to be a Socially Responsible Company with concrete actions, for example, there are customers who come to the station with the only intention of buying products with a cause, not for gas, and they tell you how a relative has cancer or autism, so they come to our stores and buy products to support the cause.*



**David Treviño Leal,**  
Petro Seven Field Manager,  
1 year and 7 months in the company

”

## 3.6 Corporate Governance

### Our leaders

Our leaders and management team's strength serve as a fundamental guidance in our journey. It is them who have bet on more ambitious goals generation after generation in the last 100 years, aiming to offer quality products and affordable prices to all Mexicans. To ensure assertive decision-making, and to pursue our growth ambitions while taking care of our social and ecological environment, our corporate governance relies on five main pillars to guide their work:

#### Transparency

To guarantee timely and precise disclosure of information regarding the company's financial situation, performance, property, and corporate governance.

#### Corporate Responsibility

To recognize everybody's rights by stimulating cooperation between the company and its stockholders to promote job creation and sustainability.

#### Equity

To protect the rights of all people that form part of Iconn.

#### Accountability

To disclose the results of our business operations based on the assigned duties and responsibilities.

#### Executive Board

The executive committee guides our operations through innovative thinking and is committed to the development of the Iconn 2023 Transformation Model.



GRI Indicators (102-18, 102-20, 102-26, 102-31, 102-32, 102-41, 402-1, 405-1, 407-1)

#### Labor Reform

All needed adaptations related to Labor Law reform were implemented in 2021, fulfilling 100% of all obligations.



## Sustainability Management

To guarantee that all departments share the same vision in terms of sustainability, support the decision-making, and ensure supervision towards our established goals, we created **Sustainability Committees focused on our three transversal pillars: People, Product, and Planet**. The main duties of these committees are:

- Establishing the long-term vision and strategic priorities to seek our interest groups' benefit.
- Establishing action plans for Sustainability initiatives, evaluating, and reporting on their progress.
- Allocating necessary resources to implement initiatives.
- Analyzing risk and making decisions on issues that might become hazardous.
- Proposing new ideas and better practices that can be implemented in compliance with the Sustainability Strategy.

### ICONN SUSTAINABILITY MANAGEMENT



\*Legal and Institutional Relations participate according to daily agenda

Each committee is led by a **Sponsor**, who will conduct all committee sessions, monitor and promote the fulfillment of initiatives and goals, as well as the agreements and actions defined during session. Committees are formed by **business leaders and the Sustainability team** for transversal support.



4

# People Pillar



People



## 4 People Pillar

### 2021 Main achievements in People Pillar



#### Launch of Food Bank Donation Program

Mexico in CEDIS, Nuevo Leon  
Donation seasons began in 2021



Volunteering programs resumed.

**10 on-site or virtual programs  
nation-wide**



#### RED Round-up Program

**Over 7.2 million Mexican pesos** were raised  
thanks to our customers, an increase when  
compared to the previous year.



#### Donations to the community

**Over 1.7 million Mexican pesos** were  
donated towards community actions such as the  
improvement of parks and volunteering support.

GRI Indicators (202-1, 405-2)

## 4.1 Our Collaborators

All of our achievements are the result of the effort and dedication of **+21,200 employees** who work with commitment to facilitate a better life to Mexican families.

### Our team consists of:



7-Eleven	<b>15,103</b>
Petro Seven	<b>2,888</b>
MAS Bodega y Logística	<b>2,948</b>
Iconn Service Center	<b>305</b>

Given that our employees are a key element in our journey, we have implemented many strategies to reward their effort and commitment. We maintain our salaries and practices in line with government requirements and market tendencies.

In this regard, salaries are defined based on performance in the duties pertinent to their position.



*I had a family situation and requested the day off. Their response was that I was the priority, that my family was first, and wished me a quick recovery. They handled my duties until I was ready to be back. This kind of actions make me feel safe, motivate me at work and make me loyal to the company.*

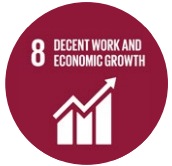
**David Treviño Leal,**  
Petro Seven Field Manager,  
1.7 years in company.



## 4.1.1 Training and Development

One of the lessons learned during our journey is that money is best invested in **upscaling the skills and knowledge of our employees**. We invest in the development of our people to create service leaders and change agents of change for the benefit of both our company and our society.

GRI Indicators (206-1, 403-5, 404-1, 404-2, 404-3, 412-2)



### In 2021

Investment towards training **increased by 40%** in comparison to last year, which translates into **+900,000 training hours**.



Iconn offers a range of courses in **+50 formative curricula in the fields of Safety, Health, Human Rights, Ethics and Corruption, Sustainability, and Technical Skills**. Our employees participate in a yearly average of **24 training programs** according to their position's requirements.





### Total training hours in Iconn by field

SECURITY AND HEALTH	HUMAN RIGHTS	ETHICS AND CORRUPTION	SUSTAINABILITY	TECHNICAL SKILLS	TOTAL
50,100 h	2,998 h	24,414 h	17,885 h	874,155 h	969,552 h

As a strategy for our development both as individuals and as a collective, we have invested more into training and performance evaluation of our employees to help them focus their efforts and reach their goals. All staff is eligible to goal-based evaluation, top to bottom across the organization chart, and both men and women are evaluated under the same conditions.

## Training and development programs

### 4.1.1.1 Universidad Iconn (UI)

The implementation of our new Learning Experience Platform, Universidad Iconn, began in March, 2021. The program was executed in four stages:

1. Training and Platform layout
2. Prototype creation
3. Beta Testing
4. Content migration





Universidad Iconn's key goals are:

- Comprehensive development of integral skills that support Iconn's 2023 Transformation.
- Adoption of new education methodologies that facilitate knowledge and growth to our employees by creating a culture of self-development.
- Boost innovation by incorporating apprenticeships for continuous on-the-job improvement.
- Dynamic and flexible structure of learning processes.

Universidad Iconn's vision is: ***"Promote the comprehensive development of our employees so that they become our allies in becoming our customers' choice".***

UI's Education Model aims to create learning experiences based on a holistic methodology and offers a wide array of trainings, learning techniques and resources that are flexible and innovative. A comprehensive evaluation system allows the identification of investment return and impact on the company's indicators.

## Our Learning Model



**Community**



**Training  
Plans**



**Training  
Modalities**



**Learning  
Model**



**Teaching**  
(didactic and  
pedagogical)



**Effectiveness  
System**



**Professionalization  
Level**

Universidad Iconn launched in June, 2021 and, by the end of its first month, over **59,000 training hours** were completed in different types of learning experiences, such as:

- Microlearning sessions
- Training curricula
- Soft Skill courses
- Online training

**Additionally, a Sustainability course launched this year and its reach was of 85% of employees successfully trained.**



### Training programs for university students and new graduates

Our involvement in the training of university students and new graduates continues to strengthen through high impact learning experiences that aim at developing their skills and knowledge in order to prepare them for their early stages in the business.

#### 4.1.1.2 Trainer Partner Program

In 2021, we continued collaborating with Instituto Tecnológico y de Estudios Superiores de Monterrey (ITESM) to impact on 1,200 students at different points in their university lives. This took place in the form of participants proposing innovative solutions to issues of relevance to Iconn.

#### 4.1.1.3 Iconn Interns Program

Iconn values young talent and this is why students who have completed their third year of college education are given the opportunity to practice and apply their knowledge into company projects with a great advantage: a manager will be next to them to offer guidance and feedback along the way.

In 2021, a total of 127 students took over the responsibility of different projects. Out of these, 14 interns were selected for a position in Iconn.

#### 4.1.1.4 Iconn Trainees Program

We bet on the growth and development of high-potential, young new graduates with the goal of preparing them by way of critical experiences to become the future leaders of Iconn.

After 18 months under counselling in our different brands, 11 trainees graduated from the program in August, 2021 and were selected for different positions in the company with great efficiency in potential growth and retention.



## 4.2 Safety and labor wellness

The health and safety of our customers and employees are priorities that work as a compass when it comes to making business decisions. The heroes of our operations are the central players both in the actions taken by us every day as part of the People pillar in our Sustainability model.

Among the most important initiatives in the field of Health and Labor Safety implemented in 2021, we want to highlight the implementation of a system for the prevention and management of workplace accidents, the promotion of workplace safety and hygiene, and training and public safety for employees in our MAS Bodega y Logística business units, which represent 14% of the Iconn Family.

All legal requirements and relevant regulations in Mexico have been fulfilled. Additionally, health and safety protocols that educate on Ergonomics for proper loading and unloading of merchandise.

Rules, procedures and training have been set on the correct use of personal protective equipment and work tools for all employees. If an accident happens, our investigation protocol allows us to understand what caused it and take corrective and preventive actions to reduce the probability of such accident happening again. In this sense, all

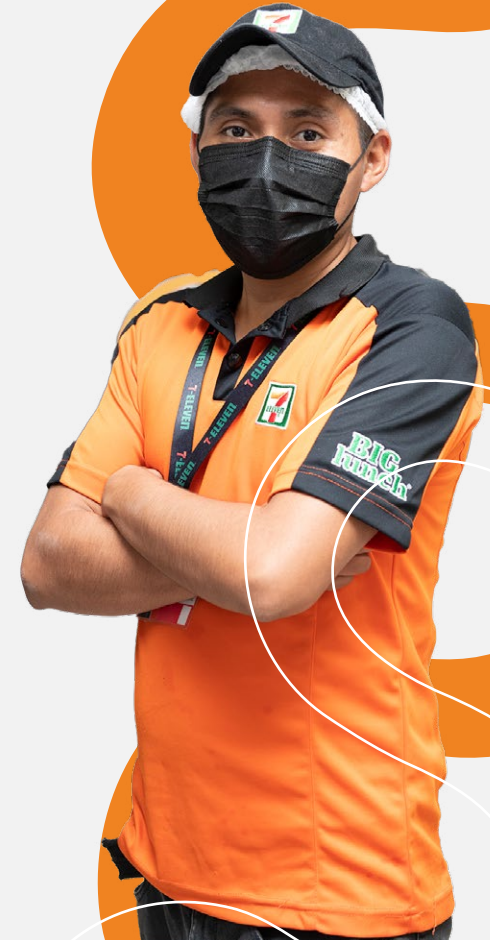
collective and individual contracts include a safety and hygiene clause in which Iconn guarantees that employees receive the necessary tools for the proper execution of their job activities.

Moreover, we keep our guard up when it comes to health during the current health emergency. Consequently, since early 2020, we included new, stricter rules to protect our collaborators and comply with COVID-19 prevention protocols in all of our workplaces. Over 90 million pesos were invested in training, personal protective equipment, signage, protective screens, among other safety measures.



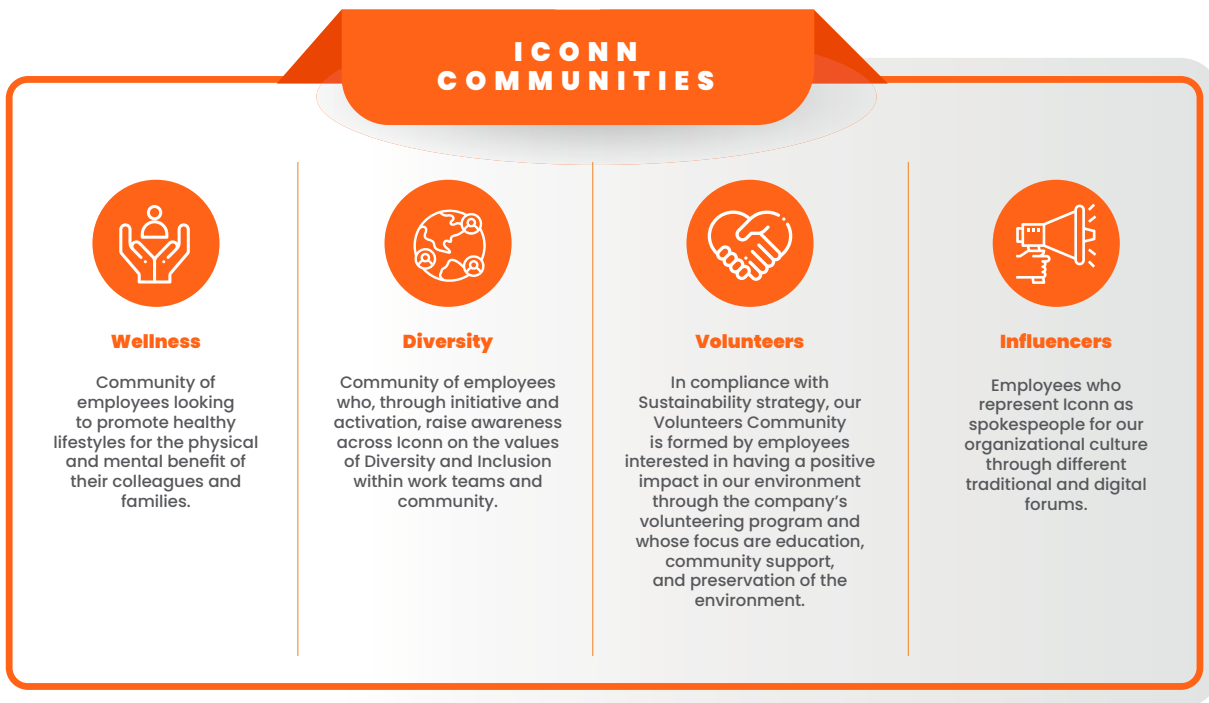
*I recently returned to operations and I want to thank Iconn for watching over me. I received a call every day asking how I was doing; I really felt like they were looking after me.*

**Pablo de la Rosa,**  
7-Eleven Field Manager,  
3 years in company



## 4.3 Iconn Communities

Through **Iconn Communities** we want to push the comprehensive development of our employees while solidifying our organizational culture, thus guaranteeing their professional and personal development in the company.



### 4.3.1 Wellness Community

In order to enable our employees to achieve their full potential, it is of great importance that we guarantee safe and healthy work and leisure spaces.

Since the beginning of the COVID-19 health emergency, we have proved through our actions that our employees' health and quality of life is our priority. This is why we have kept and increased the number of programs created for their wellness, some of these are: maternity/paternity grant, marriage grant, death grant, vacations, leisure time, and retirement plan, among others.

Over 10,000 employees have received support in the last 5 years from programs like Semana de la Salud and Carrera Iconn. In addition, all employees can request parenting leave with equal opportunity to return to their position.



**229 paternity leaves and 150 maternity leaves in 2021.**



Some highlight initiatives conducted by members of the Wellness Community are:

#### Wellness Challenge

In each of the 4 editions of our Wellness Challenge, participants of this community had to adopt a healthy lifestyle through healthy competition.

- **+130 participating employees changed their habits to achieve a healthier lifestyle.**
- **36 winners**
- **+600 interactions in social media**



*I was part of the wellness challenge and it was so fun! There was the commitment to make time in your work schedule to motivate yourself and work out, but you could also feel the team effort and a sense of fellowship. There was healthy competition and I got to meet colleagues from other areas I wouldn't have met otherwise. We enjoyed it and had such a great time that we stayed in touch once the challenge was over to keep encouraging each other to stay physically active.*

**Bethuel García, Iconn,**  
Iconn Service Table Supervisor,  
9 years in company

### Health Week

We celebrated the 5th edition of our Health Week and its second straight year taking place online. These activities look to raise greater awareness and sensibility among our employees on the prevention of several common diseases and the importance of keeping a healthy lifestyle.

During Health week, different activities take place each day, including physical activities and conferences by professionals in the fields of medicine and comprehensive health services. During this edition of *Semana de la Salud* we held:

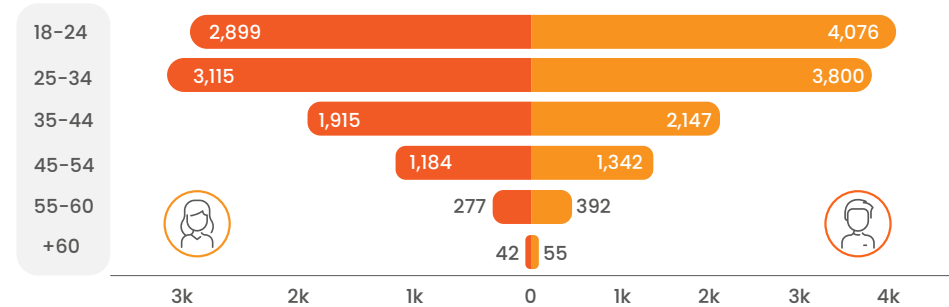
- **11 conferences on health, personal, and family wellness**
- **+2,200 total participants in 5 days of event.**

## 4.3.2 Diversity Community

GRI Indicators (102-8)



### Age - Gender participation



As part of the Diversity Community, we count with initiatives intended for three specific groups: Women, LGBT+ and People with disabilities.



### 4.3.2.1 Women

#### Long-term Goals:



Have at least **3 women occupy director level positions by 2023.**  
Have **6 women occupy director level positions by 2030.**

The objective of the Women Community is building and developing initiatives that attract, retain, and develop women in Iconn.

The strategy of our Women Community is to raise awareness among the company on the positive impact that promoting female talent has in the organization.

Some highlight initiatives conducted by members of this community are: International Women's Day, Female Leadership conferences, support circles and networks for women, women's empowerment workshops, among others.



**9 activities**  
during 2021



**+380**  
**participants**



**+3,800** social network  
impressions.



*Be yourself! Never give up on your dreams, nor feel limited because you are a woman. From my leadership position in Recruiting and Culture, I feel the responsibility and commitment to promote equal opportunities and treatment for men and women.*



**Beatriz Sotres,**  
*Director of Talent and Organizational Effectiveness Iconn,  
4 years in the company.*



*Believe in yourself! Dreams do come true and you can achieve anything you set your mind to. Don't let anyone stop you from following your dreams. Who we are today will be a stronger version, more capable, more confident, with a lot of learning and overcome challenges.*



**Brenda Contreras,**  
*Service Standards Coordinator and  
Operation Petro Seven,  
14 years in the company.*

### 4.3.2.2 LGBT+

Initiatives from this community have become a space for meeting and awareness on the importance of diversity and respect between all of us.

During 2021, our LGBT+ community was launched in social media, which increased the exposition, visibility, and participation of Iconn employees in initiatives such as Pride Connection Monterrey, and the International LGBT+ Pride Day. This last initiative reached over 1,000 social media interactions.

### 4.3.2.3 People with disabilities

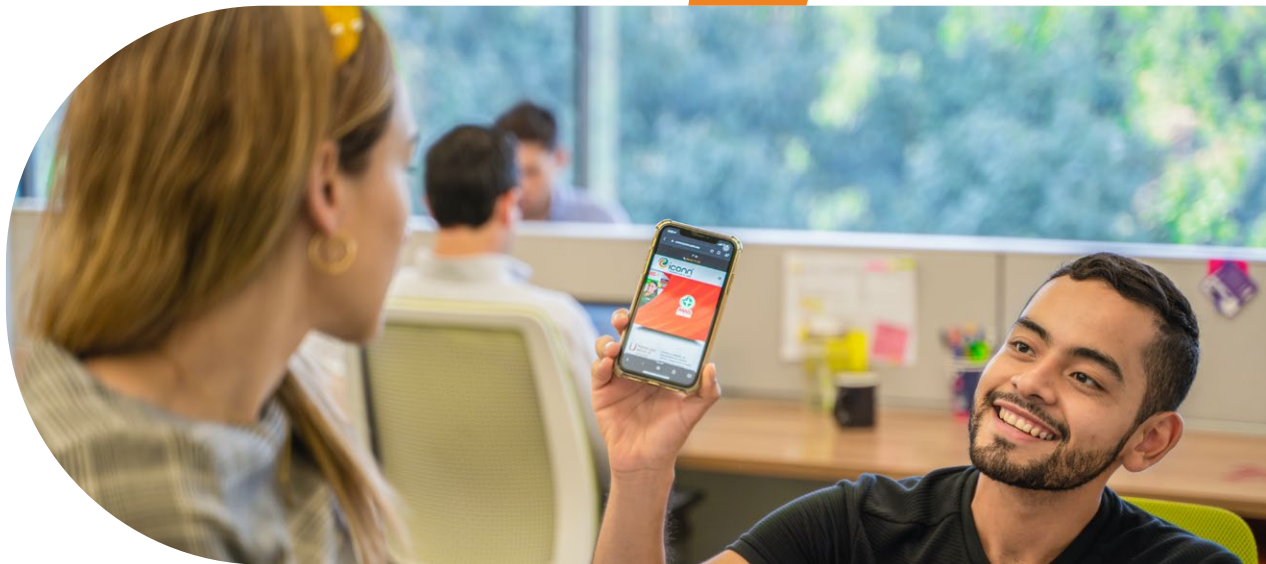
Iconn aims to offer the necessary conditions for all of our employees to feel included and have the necessary tools to perform their duties.

Four events, from celebrations to trainings, were held this year. Workshops on Mexican Sign Language and Diversity Awareness, as well as Inclusion of people with disabilities.

- **+200 participants**
- **4 activities in 2021**

### 4.3.3 Ambassadors Community

Iconn lives its own culture and looks to have a positive impact on people. With this intention in mind, our Ambassadors Community launched in 2021 to share with our community, with the help of our own employees, the amazing stories and experiences developed in Iconn to communicate that **It is better with Iconn.**



### 4.3.4 Volunteers Community



#### In 2021



#### 2023 Goal On Iconn's 100th Anniversary:

- 100 community and volunteering activities
- Over 1,100 volunteers
- Over 100,000 people benefited



In 2021, most of our volunteering activities continued virtually in the form of workshops and conferences for entrepreneurs and small business owners, interview simulators, storyteller sessions, informative capsules, among others. In addition, we held two blended activities in which green areas around our facilities were cleaned and reforested. These kind of action allow us to join efforts to create economic, environmental and social value in the communities where we are present. These activities were made possible thanks to the commitment of +300 volunteers in conjunction with several civil society organizations and institutions.

Furthermore, we had the opportunity to support vaccination centers close to our facilities and firefighter communities with products, as well as a donated upgrading of park areas, which add up to +1.7 million pesos donated to communities in the state of Nuevo Leon, Mexico.



“

I was involved in the reforestation event organized by Iconn. My family joined me and the experience was very gratifying, so now we want to invite our neighbors to do the same in our neighborhood. I believe it is very important to get involved in positively changing my community.

**Pablo de la Rosa,**  
Field Manager at 7-Eleven,  
3 years in the company.

”



## 4.4 Social Responsibility

### 4.4.1 Food Bank

This initiative's goals are to retrieve usable, harmless food that is fit for consumption from Iconn Distribution Centers (CEDIS for its name in Spanish, Centros de Distribución Iconn) as a way to stop food waste. Thanks to this partnership between Iconn and the Mexico Food Bank Network (Red BAMX for its name in Spanish, Red de Bancos de Alimentos de Mexico). All food donated is used to improve the food availability conditions in **Nuevo Leon, Jalisco and Mexico City.**

This ambitious project kick-started with the activation of CEDIS Nuevo Leon in 2021. Before the end of 2022, the activation of CEDIS Jalisco and Mexico City will take place.

Additionally, this alliance increases the coverage of the Red BAMX network at a national level and propels it into being part of initiatives that contribute towards Sustainable **Development Goal 2 – Zero Hunger of the United Nations' 2030 Agenda.**



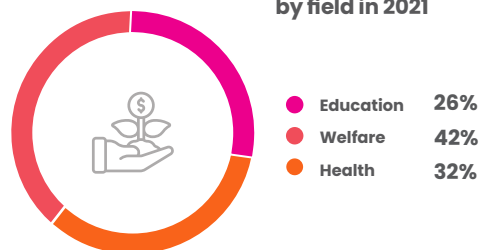


## 4.4.2 RED Round-up program

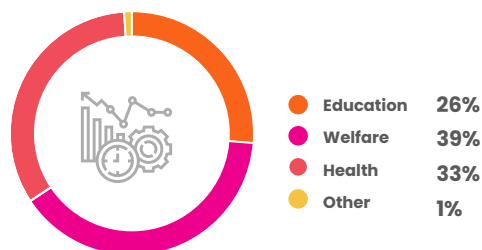
With the vision of being a company of human beings at the service of human beings, our RED Round-up program came to reality in 2007. It is an established support program with over 130 million pesos raised historically to aid institutions focused on health, social welfare, education, and environmental institutions.

**+\$7.2 million pesos  
collected in 2021**

**Funds distribution  
by field in 2021**



**+130 MDP MXP since 2007**



By way of our RED Round-up program, we commit to acting as a link between Civil Society institutions, and organizations and our customers, who are invited to donate the differential cents between the total amount of their purchase and the following full peso rounded up to support various priority causes in our country and help us reach out to the communities that need it most.

**We want to thank each and every  
person who has been a part of  
this great chain of good deeds**





### 4.4.3 Product with cause

Under our Petro Seven brand, we assume our responsibility as participants in the growth of our environment and in the collaboration with different community support projects. We want to innovate hand in hand with our customers and, thus, we designed a program in which a percentage of the sale of selected products, like air-freshener, is donated to a selected Civil Society organization.

Our Aroma con Causa program has allowed us to raise **nearly 600 thousand pesos since 2016** for various institutions.

**In 2021, 60,000 pesos donated to Arena Foundation and over 86,000 pesos donated to Cruz Rosa.**

### 4.4.4 Ricardo, Andrés y José A. Chapa González Foundation

#### 2021 Achievements



**86 institutions**  
benefited

Total donations of  
**+\$9.6 millions**



Don Ricardo, Don Andrés and Don José A. Chapa González had a clear vision of solidarity, and always showed a spirit of empathy towards the most unprotected sectors and the will to help them. In their memory, a Civil Association under their names was constituted in 1999 with the objective of helping causes related to education, health and social welfare by way of financial contributions.

Since its inception, Ricardo, Andrés y José A. Chapa González Foundation has worked with over 350 Civil Society Organizations and has donated approximately 130 million pesos.

To learn more about the Foundation, visit:  
[fundacionchapa.org.mx](http://fundacionchapa.org.mx)



In October, Petro Seven supports the fight against breast cancer with promotions and illuminating our pink gas stations

5

# Product Pillar

Product



## 5. Product

### Product Pillar 2021 Main Achievements



Thanks to the sales of our Rainforest Alliance certified Café Verde, **40 thousand plants and 640 sacks of manure given to small producers for the benefit of 160 families.**



**Nationwide migration to cardboard coffee cups** and switched from disposable coffee creamer pods to coffee creamer pump dispensers.



**Substitution of 7-Select** disposables (plates and small wares) as part of our eco-friendly program.

## 5.1 Café Select Sustainable Cycle

GRI Indicators (301-2)

Coffee is part of everyday life of Mexican consumers. Nothing is better than starting your day with a cup top quality fresh coffee and flavor, so it is logical that coffee is one of our customers' top products of choice. We feel strongly committed to offering a product that is more sustainable and socially responsible in its production, consumption, and final disposal stages.

Nearly 90% of coffee in Mexico comes from small producers who live in a low socioeconomic levels, hence support and improvement of their businesses is our priority as a way to guarantee the highest quality coffee and that we continue growing in unison with communities in a fair economy that allows us to offer a responsibly-grown product.

Under our Café Select Sustainable Cycle program, we focus our efforts in supporting farmers through strategic alliances so that they possess with the necessary supplies and tools to achieve the best crops. Since 2019, we have focused our efforts in alliance with our suppliers on identifying small producers who face the harshest production difficulties because of weather conditions or other unfavorable situations such as plague infections.





By identifying and minimizing opportunity areas in their operations, we designed a program that provides farmers with fertilizers and plague-tolerant coffee plants of the best varieties. This program supports +190 farmers who currently produce 1,500 tons of coffee beans per harvest (equivalent to 25 million coffee cups). When the plague-tolerant, high-production plants are finished being planted, farmers will be able to harvest +3,500 tons of coffee beans.

**Next, we offer a more detailed look at the program's operations:**

1. **In-kind donation of plague tolerant, high-production coffee that brings quality to each cup**

So farmers can switch their plantations into the improved breeds and recover previous production numbers lost because of coffee fungus infection.

2. **Fertilizer donation**

Based on the coffee cultivation area each small producer possesses, they receive an in-kind donation of 4 sacks of fertilizer per coffee hectare.

Not only are we allowed to bond with our communities and support the growth of a more fair sustainable economy thanks to this initiative, but it also allows us to guarantee our customers will have premium quality coffee for many years to come by taking ownership of our responsibility on both local and national supply chains.

Moreover, as part of our commitment to the wellness of the

natural environment near the farms of our business allies, like Finca Kassandra, where coffee is grown with the help of a water waste treatment plant to avoid the pollution of river tributaries and groundwater reserves. In addition, solar panels were installed in 2019 to reduce the consumption of electricity from non-renewable sources, our environmental footprint, and greenhouse gas emissions in our production processes.



## Did you know...?

It takes **4 years** for a seed sprout in the hatchery to turn into a crop-producing plant in the coffee plantation.

The coffee from the central high mountains of Veracruz that is prepared in our stores has genetic characteristics **like rich chocolate, caramel and nutty hazelnut/almond tones, and a citric acidity.**

All of these are features that high mountain coffee from central Veracruz possesses.



## 5.1.1 Awards and Certifications

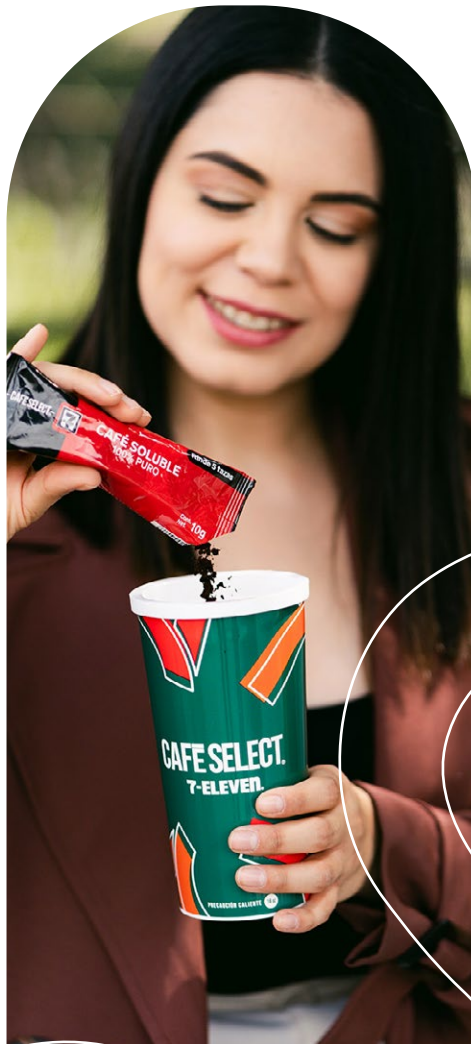
### Café Select

The quality of Mexican coffee is world-renowned and we take care of pouring the best Mexican coffee into your cup. During 2021 we kept the alliances born in 2020 with coffee farms Cruz Verde and Kassandra for the creation of **Campaña Verde**. Both of our partners take special care of the way they relate to the cloud forest ecosystem and its surroundings.

**Coffee that comes from these farms to our 7-Eleven stores through this campaign is Kosher and Rainforest Alliance certified. Both certifications guarantee that the coffee we offer is grown under the highest standards in terms of environmental care,** support of communities and employees, and process quality control.

Moreover, both of our coffee farms have received awards several times throughout the last decade:

1. **Cup of Excellence Mexico 2015 and 2017** 2nd Place (90.00 and 90.57 points respectively), 2018: 3rd Place (90.20 points).
2. **Presidential Awards** (3 editions).
3. **Champion Yara Mexico Cup 2017:** 2nd Place.
4. **Rainforest Alliance cupping for quality 2013 and 2011:** 10th (85.81 points) and 7th place (85.26 points) respectively.



We feel proud of the coffee served at our 7-Eleven stores and proud of it being grown in the zones of Veracruz that have received the most awards in the world, such as Ixhuatlán, Totutla, Tlaltetela, Poxtla, Cañada Fría, and Huatusco.

The coffee sold in every single one of our 7-Eleven stores as part of our Café Verde campaign is Rainforest Alliance certified.

The Rainforest Alliance (RFA) certification is a seal which guarantees that the product or ingredient was produced using methods that support the three pillars of sustainability: social, economic, and environmental.



This certification is validated by independent external auditors who use data-based programs to guarantee the integrity of all programs in the certification.

**The standards focus on the following issues:**

- **Protection of forests** and crop fields.
- **Responsible management** of the ecosystem to protect the **weather** with certification programs and farming training to help farmers develop crops that are more resilient to drought, floods, and erosion.
- **Establishment of solid strategies** to evaluate and promote different **human rights**, such as child labor, forced labor, work conditions, decent wages, gender inequality, and violation of indigenous land rights.
- **Economic stability** for the rural **communities** that work the land to improve their living environment.

## 5.1.2 Café Verde campaign by 7-Eleven

The initiative to support farmers is a top priority in our Sustainability Strategy in our goal to work with more certified-coffee suppliers. This is why, in 2021 we implemented a campaign in our 7-Eleven stores that allowed us to:

- Provide our customers with a product of certified quality and sustainability.
- Use our stores as the liaison channel to provide you with quality products “in your daily cup of coffee”.
- Emphasize our commitment as a company with doing things right: looking after our people and the environment where we live.
- Support of international initiatives that promote sustainable farming criteria through our operations.
- Impact production improvements in low-income areas by establishing links with small producers in Veracruz.

The positive results achieved by this campaign motivate us to reach more ambitious goals in benefit of 7-Eleven’s coffee. We remain focused on working with exotic flavors and certifications, and increasing the product presentations available in store and for take home consumption.



Just as the type of grain and all variables surrounding coffee production are relevant in achieving a more sustainable product, we have focused our efforts on the usage of sustainable and reusable materials in our containers.

We believe that waste reduction is a transcendental factor in our operations. Accordingly, we have made available reusable coffee mugs and a preferential price for refills, as well as offers that benefit sustainability, i.e. We looked for a fun proposal for our Café Verde campaign and its graphical concept was developed hand in hand with local artists to give it a sense of national identity, colorful and brimming with very Mexican concepts.



Since 2021 we have reduced our plastic usage by +940 tons thanks to the transition into cardboard coffee cups.

Since our refill program began in 2014, **the number of customers who choose reusable mugs has increased sevenfold just in 2021. Our CO<sub>2</sub> emissions were reduced by 461 tons**, the equivalent of the yearly emissions of 100 cars, thanks to reusable mugs.

In 2019, a new project began in which coffee machines were upgraded to a **technology that allowed to keep coffee at optimal conditions for longer without modifying its temperature, flavor, or scent**, while reducing water consumption in our operations for the benefit of our water footprint.



Marketing reusable mugs has been such a gratifying experience! On one hand, you help customers save some money while raising awareness on the importance of environmental care. And the mug designs look so cool!

**Diana Vazquez,**  
7-Eleven operations,  
13 years in company



**Reduce, Reuse, Refill**

## 5.2 Food quality and safety

In our constant quest to offer our customers food that is safe and of the highest quality, we created the Iconn Food Safety Policy, which integrates and aligns with our Code of Ethics. This policy allows us to ensure that the highest standards of quality and safety are met in our facilities, equipment, food and food contact surfaces.

We additionally confirm that all parts of the supply chain of our brands and our suppliers comply with internal regulations established by Iconn.

### Among the quality management systems created, the following can be found:

- Fresh food and commissary systems are evaluated under 7-Eleven Inc.'s quality and safety internal system
- Combined Distribution Centers (CDCs) integrated at national level allow us to ensure the reception and distribution of food for sale at our 7-Eleven and MercaDía locations.

- Bakery plants (MAS Bakeries) integrated at national scale allow us to deliver our proprietary fresh bakery products to our points of sale.
- Suppliers of our 7-Select brand are evaluated under the requirements of quality and safety management of our internal system in alignment with certification programs from the Global Food Safety Initiative. Suppliers must not use 7-Select branding, nor begin their first production if they have not been cleared by 7-Eleven.
- Some of our suppliers are already certified by international quality management systems, which speeds up their clearance and monitoring.

All of our suppliers, whether potential or current, must comply with our Iconn Supplier's Code of Conduct, which integrates and aligns with our Code of Ethics and Conduct.



## 5.3 Environmentally-aware products

Environmentally-friendly products:



We continued offering **FSC-certified paper bags**, allowing us to invite our customers to join forces with us in taking care of the planet by choosing bag type as a way of **preventing the use of +400,000 kilograms of plastic.**



Another option offered to our customers is **reusable bags**, which can be utilized over 60 times.



Thanks to its market success, we offer **eco-ice coolers** made of cardboard for the third consecutive year.



**7-Select Water bottles** are still the thinnest in the market, 100% recyclable and made from as little PET plastic.





We have a **reusable aluminum bottle** that can be washed and refilled thousands of times, avoiding waste generation



We joined forces with **Plastic Bank and Evian®** to reduce **plastic waste** in the oceans through an alliance signed in benefit of the environment.



Concerning **coffee disposables**, we completed the transition from plastic coffee cups to cardboard ones on a national scale, in addition to biodegradable wooden stirrers. Additionally, we innovated with our coffee to go box container, which allows customers to purchase several liters of coffee at once and reducing the amount of cups used.



Concerning **7-Select brand disposables (plates, cups, cutlery)**, we broadened our catalog of products made from biodegradable or compostable materials like sugar cane waste, cornstarch, and polylactic acid, as well as biodegradable polypropylene.



## 5.4 Value Chain

In order to multiply our efforts, we are in the process of identifying opportunity areas to continue growing and learning with our suppliers.

This year, we conducted a survey to determine additional sustainability opportunities to accelerate our progress in 2022 and reach new goal we have set:

- **Increase the number of biodegradable or compostable packaging and disposables.**
- **Continue working towards the reduction, reuse, recycling, and circular economy of our organic and inorganic store residues.**
- **Collaborate with producers, suppliers, and allies to strengthen sustainability efforts in our whole value chain.**



“The most rewarding thing of Sustainability programs has been feeling like I am part of a change and the chance to meet other coworkers from other departments in the process. I am filled with pride by knowing I'm part of the value chain, and it brings me great satisfaction when I go to a 7-Eleven store and see that we can offer, thanks to my work and my team's, reusable coffee mugs and have a positive impact in the environment.

**Maribel Hernández,**  
Inventory Manager at MAS Bodega y Logística  
2 ½ years in company

”



6

# Planet Pillar





## 6. Planet Pillar

As we move forward in this iconic journey, we become more aware of the footprint we leave in our environment.

2021 was undoubtedly a year filled with action. We moved forward towards our goals and further integrated strategic priorities on sustainability into our work culture, and we also raised awareness on the impact we have in the environment. Next, we present to you our main achievements in the Planet pillar in 2021, the result of our employees, suppliers, and customers' efforts in all of Iconn operations:



### 2021 Highlights



**Increase of supplied clean energy by 26%** during the first semester of 2021 when compared to 2020.



**100% of 2021 goal** progress achieved.



Compliance **monitoring of waste management plans** in 7-Eleven Mexico City, Quintana Roo, and CEDIS in conjunction with the Environmental Department.

### 2021 MAS Bodega y Logística Recycling totals:



**Cardboard: +949,900 kg**  
**stretch film: +164,400 kg**  
Recycling of these by-products allows us to eliminate the use of **+1,700 tons of CO<sub>2</sub>**.

All of our **Distribution Centers** were incorporated into the recycling system this year: Tijuana, Guadalajara, Mexico, Cancun, Monterrey, and Hermosillo.

Thanks to the care we put into our operations we can inform you that at the end of 2021 there have been no violations of environmental legislation.



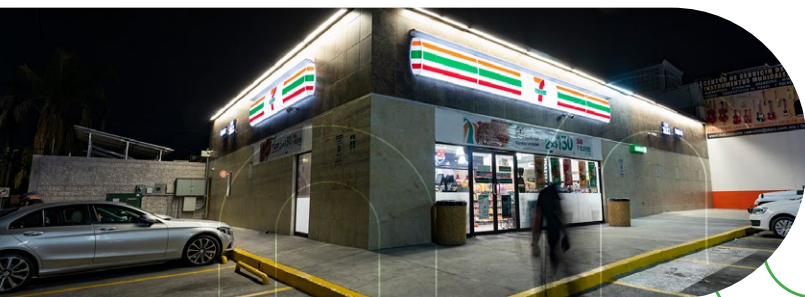
## 6.1 Energy

Iconn is committed to continuous innovation to optimize energy consumption and reduce emissions resulting from our operations by gradually including additional sources of clean and renewable energy.

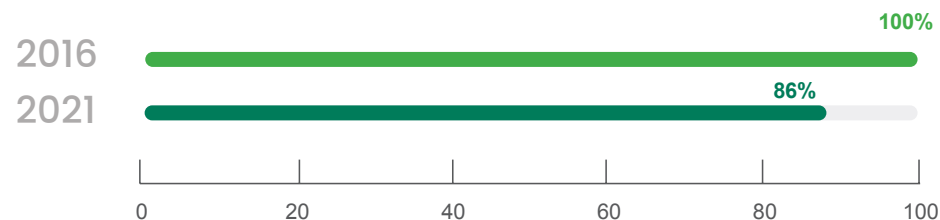
1,194 7-Eleven stores were supplied with clean energy (65% of our total energy consumption) in 2021, reducing the emission of 26,000 tons of CO<sub>2</sub> into the atmosphere, the equivalent of the yearly emissions of 5,600 cars.

Our Energy Policy was published for the company in 2021 to promote our employees joining in our efforts to use and consume energy resources efficiently.

**This translates into a 3% decrease in energy consumption compared to 2020 and a 14% decrease in energy consumption since 2016.**



### Energy consumption



### LEED certification

Four of our stores are currently certified:



*Las Musas  
Monterrey,  
Nuevo Leon  
2012*



*UDEM  
Monterrey,  
Nuevo Leon  
2013*



*Tecnológico  
Monterrey,  
Nuevo Leon  
2019*



*Tulum,  
Quintana Roo  
2020*

Since 2012, we follow one of the most widely renowned standards for new store construction: LEED Certification.

This seal ratifies that a building was constructed under specific characteristics of efficient environmental-management indicators. The latest store to receive LEED certification is located in the archeological zone of Tulum and the store's roofing has solar panels which generate 10% of its yearly operations energy consumption.

We continue our efforts towards integrating more efficient systems that let us increase our energy savings and reduce our carbon footprint, allowing us to establish constructive bonds with people and our surrounding environment.

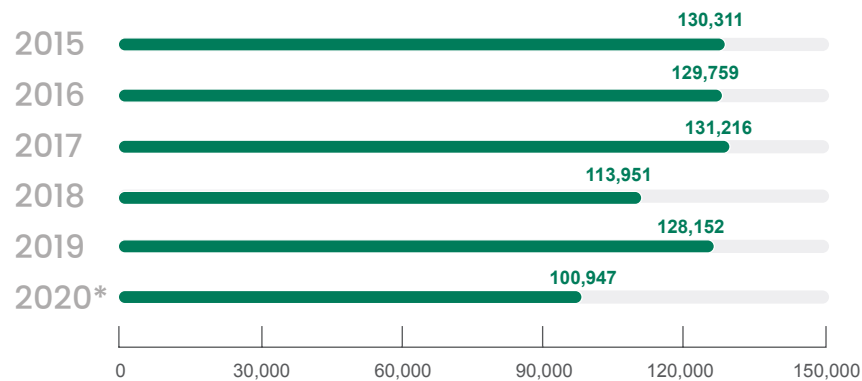


GRI Indicators (305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 306-3)

## 6.2 Emissions (Distribution and vapor recovery)

We have reduced our scope 2 emissions when compared to our 2015 baseline.

### 7-Eleven's indirect emissions (tCO<sub>2e</sub>) record



**We managed to reduce our emissions because Iconn has continued caring for our employees' health by inviting them to work remotely from home.**

*Footnote: Indirect emissions are those resulting from the consumption of electric power by a third-party supplying a service to the company.*

*\*The annual indirect emissions report is subject to the publishing of the conversion factor, which is why the data from 2020 was used for this report.*



Regarding the GEI emission intensity, we can say that since 2016, we reduced emissions by 13.94 tonCO<sub>2</sub>eq per store thanks to the energy efficiency measures implemented, which results in savings of 5.94 million pesos and a reduction of 1,305 tonCO<sub>2</sub>eq each year.

## 2021 results

In-store emission reduction results:

### Sales floor lighting

- **Total annual savings 348 MWh**
- **163 tonCO<sub>2</sub> reduced**

### Monitoring and control:

- **Total annual savings: 1,280 MWh**
- **754 tonCO<sub>2</sub> reduced**

### Port Meters:

- **Total annual savings 1,628 MWh**
- **388 ton CO<sub>2</sub> reduced**

**All of these emission reductions amount to the total yearly emissions of 281 cars**



## Our gas station operations bring fantastic news!

Because of our efforts in caring for the proper handling of our waste and the excellence represented by those in charge of operations in our facilities in our Petro Seven and Mobil operations, we can share that in 2021:

- **There were no chemical spills.**
- **There were no fuel spills.**
- **Hazardous waste was under efficient control in our service stations.**

Iconn's transformational vision and quest for sustainable growth have given relevance to environmental issues within our operations and they have also allowed us to identify that, because of the operation's requirements, the creation of a department with the sole purpose of focusing on such topics is needed. This department will be called Iconn Environmental Department.

We decided to keep our team growing in 2022 with the help of professionals in the development of more adequate strategies to achieve our commercial goals while causing as little environmental impact as possible by ensuring that all applicable legal requirements are met and implementing measures at the best cost-benefit ratio for the continuous improvement of our indicators.

One of the strategies that proved most relevant to us is the use of technology with a low environmental impact, so in 2020 we made a nation-wide census on the use of cooling gases and we identified that over 30% of our air conditioning and cooling equipment use cooling gases high on Global Warming Potential and Ozone Depleting Substances. In 2021, we ran a pilot test to identify cooling gas options for our operations, and we obtained a reduction of Global Warming Potential of 67% when compared to R-404A and of 25% when compared to R-22 and a value of 0 ODS. **We foresee that 3.5 million pesos will be directed to transitioning towards more environmentally-friendly cooling gases in 2022.**

### Fume Retrieval

Petro Seven offers safe and differentiated service, specifically by avoiding emissions of Volatile Organic Compounds (VOC) into the atmosphere. This is why we are committed to integrate this system in our organic stations nationwide.

Over 56 million pesos were invested in 2021 on vapor recovery systems for our services stations.

### Logistics efficiency

We reduced fuel consumption by 32,282 liters in our distribution routes for MAS Bodega y Logística by achieving a 2.747 km yield per liter compared to last year.



*I think it the information we receive during training sessions on actions we can take during our work day to make the most of the resources and materials we use. I learned about gas yield and procedures to avoid gas waste, such as turning off the unit (trucks) when unloading merchandise.*

**Sergio Luis Hernandez Cruz,**  
Driver's assistant at MAS Bodega y Logística,  
2 years in company



## 6.3 Water

We constantly review the lessons derived from implementing different programs, this is why we will continue implementing the same actions we have used since 2019 to care for water, such as the installation of waterless urinals in all our new stores and fuel stations, saving up to 3.8 liters of water per flush. Since 2019, 100% of new 7-Eleven stores and 22% of Petro Seven gas stations nationwide have this system.

Moreover, we are monitoring and implementing new programs for the care of water, biodiversity, residue usage, and energy consumption. Among the main activities to implement, we want to highlight a pilot program that aims at upgrading coffee machines in our 7-Eleven stores to model with newer technology that allow us to compare tests and measure water consumption saving to make more assertive investments for the reduction of waste and water consumption.



*Small actions make a difference. For example, when cleaning work areas, we substituted hosing down water with buckets of water to reduce water consumption.*

**José Manuel Leal,**  
Field Manager at Petro Seven,  
2 years in company.





## 6.4 Residue and Recycling

### 6.4.1 MAS Bodega y Logística Recycling Program

2021 is the 7th running year of the Recycling program in our Distribution Centers. But the program has expanded beyond our Nuevo Leon and Jalisco centers this year, as it reached 5 more distribution centers: Hermosillo, Tijuana, Mexico City, Monterrey, and Cancun.

Since the beginning of the program back in 2014, we have properly managed over 3.2 million kg of cardboard, and over 600,000 kg of stretch film by incorporating them into the circular economy cycle.

**In 2021, we retrieved +164,400 kg of stretch film to stop the emission of 1,789 tonCO<sub>2</sub>, the equivalent to the yearly emissions of 386 cars.**

Big changes are coming to our Quintana Roo, Mexico City, and Jalisco stores starting 2022. 7-Eleven is looking to become a benchmark of waste management, which drives us to bring new offers to our customers and to improve our environmental footprint. To achieve this goal, we are currently running a pilot program to measure and diagnose the current condition of the creation and final disposal of waste in our stores, service stations, CEDIS, and support centers with the intention of fully complying to waste disposal legislation and the management plans according to each operation and state in the country.

“The biggest challenge in this process has been breaking old habits in a more conscious way for a positive impact. We were used to print anything in my workplace, but for the past months we started prioritizing prints and most information has migrated to electronic or digital formats. We were strict when it comes to expenditure and consequently created a program to reduce unnecessary expenses. I feel proud to be optimizing our financial resources now, because we buy less stuff, so we have more space available as we only have what is necessary and, in doing so, we are helping the planet.

**José Manuel Leal,**  
Field Manager at Petro Seven,  
2 years in company

GRI Indicators (301-2, 301-3)



## 6.4.2 Our environmental evolution

Every day in Iconn, we work to come up with the best solutions for resource optimization and to increase the positive impact of our operations in our nearest surrounding. This is why we put the lessons learned during the piloting of our Ruta Verde, where we managed to recycle 32% of total cardboard, plastic, and glass waste from 10 7-Eleven stores in Nuevo Leon in 2020. One of its main achievements resulted from it is the **creation of a department specialized in environmental issues.**

This department duties are the timely monitoring of our operations' goals on regulation, efficiency, waste reduction, water management, among other topics.

It will serve as a space to review our improvement needs and long-term sustainability indicators. It will also support in the development of our waste management programs and offer valuable support in inviting Iconn employees and other strategic allies to formally show commitment to our goals and raise awareness on their impact on the environment.

Specifically, **Iconn Environmental Department's** duty will be to supervise the following strategies in 2022:

- Implementation of recycling zones in the design of new stores
- Proper main disposal labeling in current stores (glass, metal, plastic, cardboard, organic, and inorganic)

Moreover, one of the priorities the Environmental Department will supervise is that any new store is built in land that is not protected or where endangered species inhabit, just as we have done for the last 4 years of our operations.

GRI Indicators (102-11)





## 7. About this report

We want to thank you for joining us in this journey we keep walking day in and day out. The present words are a small sample of the journey that we are so proud to travel together: our **second sustainability report** includes the main achievements, initiatives and goals focused on the environmental, social, and economical impact of our operations.

The information here included shows results from January 1st to December 31st of 2021, as well as results included in the first sustainability report published in 2020 with the objective of explaining of explaining its development in a clearer way.

The objective of this document is to share with our interest groups on a yearly bases relevant information about our operations and the way in which our objective of facilitating our customers' lives are put into practice.

To prepare this report, we followed the Global Reporting Initiative (GRI) Sustainability Standards methodology. Our report includes 84 indicators this year, 28 more than last year or a **50% growth**. This has all been possible thanks to our teamwork, which lets us stay focused on improving the information and transparency in our way of doing business. This report was created in conjunction with our

Internal Control department to authenticate the information submitted.

The Sustainability department is in charge of collecting, consolidating, and validating the reported data from initiatives, goals, and results for each indicator with the support of our Communication department, Management Team and Head Office, who are also part of the review and validation process of this report.



FSC (Forest Stewardship Council) certified paper was used for printing this Sustainability Report

If you require more information or have any comments, you can contact us at the following e-mail addresses:

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GRI Indicators

(102-48, 102-49, 102-50, 102-51,  
102-52, 102-53, 102-54, 102-56)

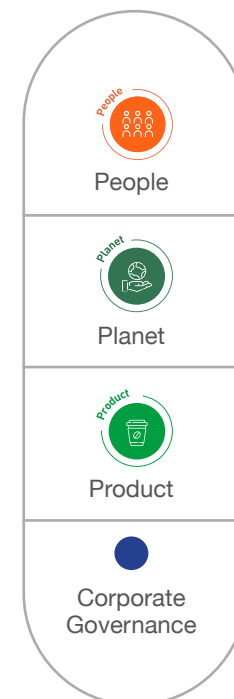


## 8. Appendixes

### 8.1 GRI Chart



	INDICATOR	RESPONSE OR SECTION
102-1	Company name	3.1. Brands and Markets
102-2	Company name	3.1. Brands and Markets
102-3	Location of headquarters	Monterrey, Nuevo Leon
102-4	Location of operations	3.1. Brands and Markets
102-5	Ownership and legal form	Sociedad Anónima de Capital Variable
102-6	Markets served	3.1 Brands and Markets
102-7	Scale of the organization	3.1 Brands and Markets
102-8	Information on employees and other workers	4.3.2 Diversity Community
102-9	Supply chain	3.2 Iconn Values and Business Ethics
102-11	Precautionary principle or approach	6.4.2 Our Environmental Evolution
102-12	External initiatives	4.4 Social Responsibility
102-13	Membership of associations	3.5 Initiatives and Recognitions
102-14	Statement from senior decision-maker	2. Letter from the Chairman of the Board and Chief Executive Officer
102-16	Values, principles, standards, and norms of behavior	3.2 Iconn Values and Business Ethics
102-17	Mechanisms for advice and concerns about ethics	3.2 Iconn Values and Business Ethics



INDICATOR		RESPONSE OR SECTION
102-18	Governance structure	3.6 Corporate Governance
102-20	Executive-level responsibility for economic, environmental, and social topics	3.6 Corporate Governance
102-21	Consulting stakeholders on economic, environmental, and social topics	3.4 Sustainability Strategy
102-25	Conflicts of interest	3.2 Iconn Values and Business Ethics
102-26	Roles of highest governance body in setting purpose, values, and strategy	3.6 Corporate Governance
102-29	Identifying and managing economic, environmental, and social impacts	3.4 Sustainability Strategy
102-31	Review of economic, environmental, and social impacts	3.6 Corporate Governance
102-32	Highest governance body's role in sustainability reporting	3.6 Corporate Governance
102-40	List of Stakeholder groups	3.4 Sustainability Strategy
102-41	Collective bargaining agreements	3.6 Corporate Governance
102-42	Identifying and selecting stakeholders	3.4 Sustainability Strategy
102-43	Approach to stakeholder selection	3.4 Sustainability Strategy
102-44	Key topics and concerns raised	3.4 Sustainability Strategy 8.2 Materiality Matrix
102-46	Defining report content and topic boundaries	3.4 Sustainability Strategy

INDICATOR		RESPONSE OR SECTION
102-47	List of material topics	8.2 Materiality Matrix
102-48	Restatements of information	7. About this Report
102-49	Changes in reporting	7. About this Report
102-50	Reporting Period	7. About this Report
102-51	Date of most recent report	7. About this Report
102-52	Reporting Cycle	7. About this Report
102-53	Contact point for questions regarding the report	7. About this Report
102-54	Claims of reporting in accordance with the GRI standards	7. About this Report
102-55	GRI Content index	8.1 GRI Chart
102-56	External assurance	7. About this Report
103-1	Explanation of the material topic and its Boundary	3.4 Sustainability Strategy
201-3	Defined benefit plan obligations and other retirement plans	4.3.1 Wellness Community
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	4.1 Our Collaborators
205-1	Proportion of spending on local suppliers	3.2 Iconn Values and Business Ethics

INDICATOR		RESPONSE OR SECTION
205-2	Communication and training about anti-corruption policies and procedures	3.2 Iconn Values and Business Ethics
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	4.1.1 Training and Development
301-2	Recycled input materials used	6.4.1 MAS Bodega y Logística Recycling Program 5.1 Café Select Sustainable Cycle
301-3	5.1 Café Select Sustainable Cycle	6.4.1 MAS Bodega y Logística Recycling Program
302-1	Energy consumption within the organization	6.1 Energy
302-3	Energy intensity	6.1 Energy
302-4	Reduction of energy consumption	6.1 Energy
305-1	Direct (Scope 1) GHG emissions	6.2 Emissions
305-2	Energy indirect (Scope 2) GHG emissions	6.2 Emissions
305-3	Other indirect (Scope 3) GHG emissions	6.2 Emissions
305-4	GHG emission intensity	6.2 Emissions
305-5	Reduction of GHG emissions	6.2 Emissions
305-6	Emissions of ozone-depleting substances (ODS)	6.2 Emissions
306-3	Waste generated	6.2 Emissions
307-1	Non-compliance with environmental laws and regulations	6.1 Energy

INDICATOR		RESPONSE OR SECTION
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.3.1 Wellness Community
401-3	Parental leave	4.3.1 Wellness Community
402-1	Minimum notice periods regarding operational changes	3.6 Corporate Governance
403-1	Occupational health and safety management system	4.2 Safety and Labor Wellness
403-2	Hazard identification, risk assessment, and incident investigation	4.2 Safety and Labor Wellness
403-3	Occupational health services	4.2 Safety and Labor Wellness
403-4	Worker participation, consultation, and communication on occupational health and safety	4.2 Safety and Labor Wellness
403-5	Worker training on occupational health and safety	4.1.1 Training and Development
403-6	Promotion of worker health	4.3.1 Wellness Community Initiatives
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.2 Safety and Labor Wellness
403-8	Workers covered by an occupational health and safety management system	4.3.1 Wellness Community Initiatives
404-1	Average hours of training per year per employee	4.1.1 Training and Development



INDICATOR		RESPONSE OR SECTION
404-2	Programs for upgrading employee skills and transition assistance programs	4.1.1 Training and Development
404-3	Percentage of employees receiving regular performance and career development reviews	4.1.1 Training and Development
405-1	Diversity of governance bodies and employees	3.6 Our Leaders
405-2	Ratio of basic salary and remuneration of women to men	4.1 Our Collaborators
406-1	Incidents of discrimination and corrective actions taken	3.2 Iconn Values and Business Ethics
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	3.6 Our Leaders
408-1	Operations and suppliers at significant risk for incidents of child labor	3.2 Iconn Values and Business Ethics
411-1	Incidents of violations involving rights of indigenous people	3.2 Iconn Values and Business Ethics
412-2	Employee training on human rights policies or procedures	3.2 Values and Business Ethics 4.1.1 Training and Development
413-1	Operations with local community engagement, impact assessment, and development programs	4.4 Social Responsibility
415-1	Political contributions	3.2 Iconn Values and Business Ethics

INDICATOR		RESPONSE OR SECTION
416-1	Assessment of the health and safety impacts of product and service categories	5.1.1 Awards and Certifications
417-1	Requirements for product and service information and labeling	6.1 Energy
418-1	Substantiated complaints concerning branches of customer privacy and losses of customer data	3.2 Iconn Values and Business Ethics

## 8.2 Materiality Matrix

Indicadores GRI (102-44, 102-47)

**High**

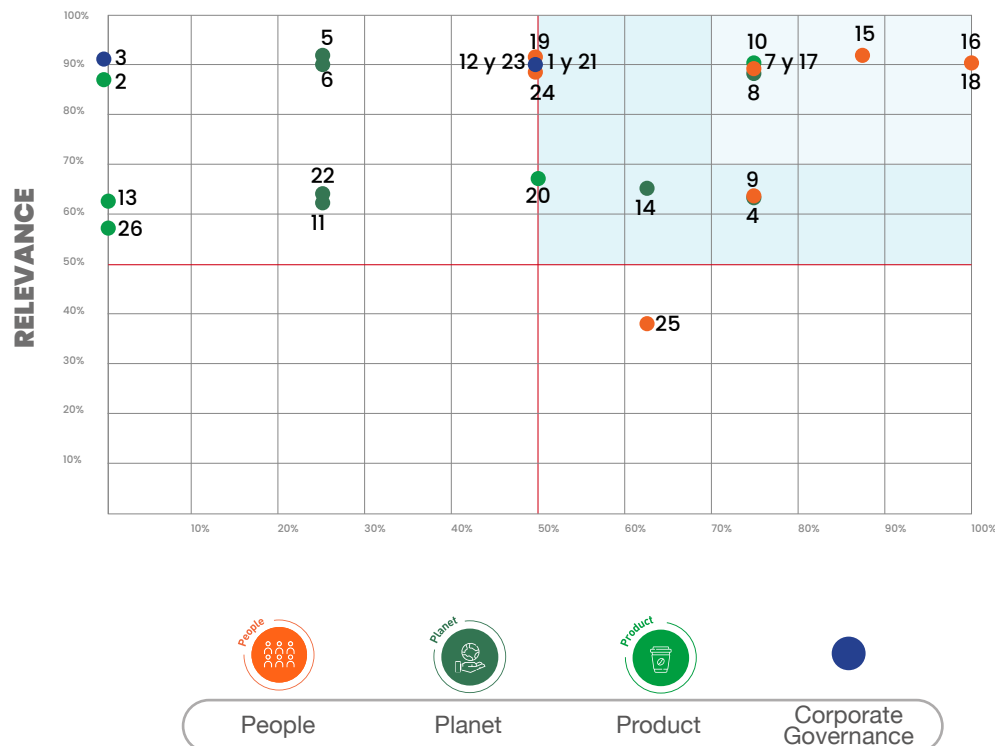
- 16. Employee Gender Equity and Diversity
- 18. Employee Development: Training, Promotions, and Salaries
- 15. Employee Health and Safety
- 17. Employee Code of Conduct

**Mid**

- 9. Food Waste Management
- 19. Customer Data Safety
- 23. Talent Attraction and Retention
- 24. Community Support (Donations and Volunteering)

**Low**

- 25. Iconn Complaint System



## 8.3 Acknowledgements

To each and every single person who made it possible to  
**Facilitate a Better World:**

# THANK YOU SO MUCH!!

Thank you for the quality and commitment you bring  
everyday to your work department!

For placing our customers at the center of our decisions,  
for bringing your unique talent to our culture and for  
becoming more aware and active towards environmental  
care every day.

We want to thank the people that collaborated  
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and our progress towards 2023.



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# An **ICONNIC** Journey

**We transform to  
facilitate a better world**

Sustainability Report

**2021**

