

SUSTAINABILITY
REPORT 2020

We facilitate a better world



Content

1. Reader's Guide	3
2. Letter from our Chairman & Chief Executive Officer	5
3. One Single Iconn	7
3.1 Brands and Markets	
3.2 Values and Business Ethics	
3.3 Iconn 2023 Transformation Model	
3.4 Sustainability Strategy	
3.5 Sustainability Commitments	
3.6 Stakeholders	
3.7 Initiatives and Recognitions	
4. People Pillar	21
4.1 Employees	
4.1.1 Health, Safety and Labor Wellness	
4.1.2 Diversity and Inclusion	
4.1.3 Training and Development	
4.2 Communities	
4.2.1 Volunteering	
4.2.2 Donations	
4.2.3 Food Bank Program	
5. Product Pillar	38
5.1 Materials	
5.2 Value Chain	
6. Planet Pillar	43
6.1 Energy and Emissions	
6.2 Waste and Recycling	
6.3 Water	
7. About the Report	50
7.1 Global Reporting Initiative Chart	52



Reader's Guide





Dear reader,

This year, **being a company of human beings at the service of human beings** felt more important than ever.

2020 was a challenging year. It taught us that the world can change in a flash, but it also showed us there are things that stand the test of time and make us stronger. Throughout our history, we have distinguished ourselves as a united team that harmoniously coexists with our communities. We understand their necessities and work in unison to positively transform and impact our environment.

We present you with **our first Annual Sustainability Report**. Here, you can get to know the essence of Iconn, which makes us one of a kind, and the steps taken to continue operations while keeping our people safe and supporting those who needed our help more than ever.

We have also included a letter from our chairman, and our main goals and initiatives in accordance with the three pillars of the Iconn Sustainability Strategy: **People, Product, and Planet**.

We are aware there is still much work to be done and our employees' efforts will play a key role towards achieving our goals. Together, we facilitate your life while **WE FACILITATE A BETTER WORLD**.



Letter from our Chairman & Chief Executive Officer



Letter from our Chairman & Chief Executive Officer

(102-14)



Dear readers,

It is with great delight that I share with you our first Annual Sustainability Report, in which we present the progress and results achieved during 2020 in accordance to our Sustainability Strategy.

Iconn is recognized for harmoniously coexisting with its communities, understanding their needs, and working in unison to positively transform and impact their environment through the pillars of our Sustainability Strategy: People, Product and Planet.

With this goal in mind, we consciously built the initiatives that comprise Iconn's Sustainability Strategy for each of our brands, as well as the indicators and goals to be reached in all three pillars.

Sustainability demands constant effort and teamwork from everyone in Iconn, as we believe that each individual is an agent of change and each area of the company plays a crucial role towards sustainability.

It was thanks to the joint effort and collaboration of all our employees that we created and communicated our sustainability policy. Our policy sets the grounding guidelines that define our actions and drives us in our pursuit of the sustainable development of Iconn and its environment.

In addition, we were awarded the Socially Responsible Company recognition (ESR for its name in Spanish) as a result of the public and voluntary commitment to implement sustainable management based on an outlook of continuous improvement and transparency towards our interest groups.

Our sustainability programs were strengthened during 2020 and they achieved great results and impact in the communities within which we operate. You will learn more about each program in this Sustainability Report.

We are aware that there is still much work to be done and that, in order to achieve sustainability and stand the test of time, we must continue working on a daily basis within the guidelines of our sustainability strategy to generate the highest economical, social, and environmental value in our operations and our environment to facilitate our customers life while **we facilitate a better world.**

Luis A. Chapa G.
Chairman & Chief Executive Officer



One Single Iconn



3. A Single Iconn

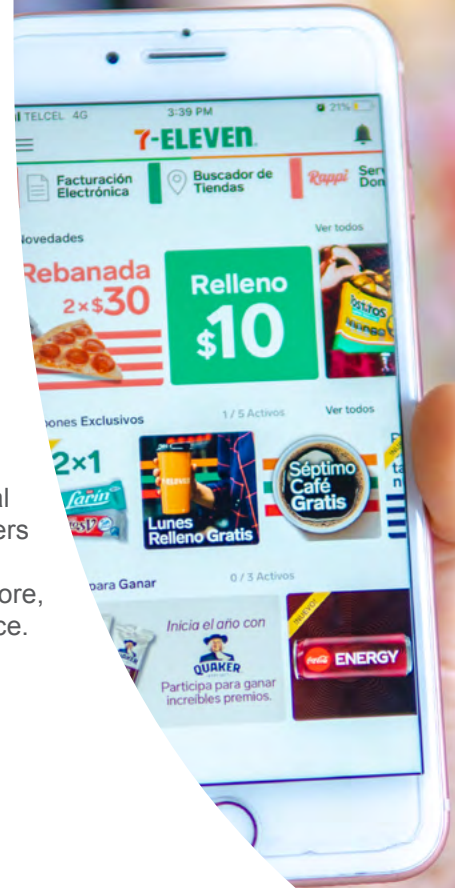
(102-01, 102-02, 102-03, 102-04)

Iconn (Innovación y Conveniencia, S.A. de C.V.) is a Mexican company that has focused since its establishment on fulfilling the need for diverse and high-quality products for Mexican families. Our story began in Monterrey, Mexico in 1923 when our first convenience store, El Gallo, opened its doors. We wanted to become our customers' store of choice; thus, we offered wholesale products with a variety in groceries and food, and a planning and logistics strategy was implemented. Under this business model, our product catalogue diversified and grew continuously.

Throughout the years, our convenience stores have been complemented by gasoline service stations as a result

of our adaptability, one of our team's most defining characteristics.

Iconn is characterized for constantly looking after our customers' needs according to the evolution of their lifestyle. We know it is crucial to not only keep our customers satisfied, but to anticipate consumer trends and, therefore, constantly offer quality service.



We are a company composed of human beings at the service of human beings and we work for the community while facilitating our customers' lives.



VISION

A single Iconn, passionate about being consumer favorites, making life easier with the best convenience solutions.

PURPOSE

Make life easy.

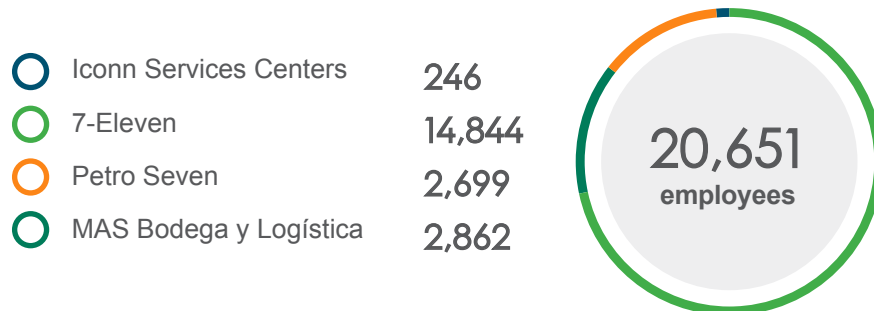
GAME PLAN

Earn consumer preference point by point.

3.1 Brands and Markets

(102-06, 102-07)

In 2020, our team was composed of 20,651 employees divided among our businesses in the following way:



We expanded our markets because we know it is possible to grow and to continue building establishments in which our employees, customers, and suppliers can find a nearby place with high quality standards.



7-Eleven: A cutting-edge convenience store chain in Mexico in constant expansion and improvement. We offer customers a shopping experience that exceeds their expectations by understanding, foreseeing, and fulfilling their needs, cravings, and services in a clean and safe environment. Our efforts work towards providing fast and friendly service with the best selection of high quality products and services at a fair price.



We facilitate an easier life to
+1 million
customers daily

Employees
+14,500
team members

Presence in
13 states
in Mexico



Petro Seven: Fuel distributor under expansion process in Mexico. We offer our customers convenient locations, 24 hour service, a variety of payment methods, quality service and we guarantee our customers receive the precise quantity of liters purchased, never less.



We facilitate an easier life to

+235,000
customers daily

Employees

+2,500
team members

Presence in

10 states
in Mexico



MAS Bodega y Logística: Groceries and general product wholesale distribution company in Mexico. It offers a wide range of products and focuses on traditional, retail customers and wholesale shoppers in the country. The characteristic which distinguishes us is our kind and friendly service.



We facilitate an easier life to

+20,000
customers daily

Employees

+2,800
team members

Presence in

+10 states
in Mexico



MercaDía: Neighborhood mini-mart chain that aims to provide an easier life to families by offering quality, fresh, and affordable products, high-purchase-frequency perishable foods, and a wide array of services in a neat, clean, and safe environment during convenient operating hours every day.



We facilitate an easier life to

+20,000
customers daily

Presence in

+7 cities
in the state of
Nuevo Leon, Mexico

In addition, we support our operations through our Store Support Centers located in Monterrey, Mexico.

Our geographic presence across Mexico differs from brand to brand according to each location's characteristics, context, and needs. You can see the distribution of our brands across the country below:

- ○ ○ Baja California
- Baja California Sur
- Chihuahua
- ○ Mexico City
- ○ Coahuila
- Durango
- ○ Estado de México
- Jalisco
- Morelos
- ○ ○ Nuevo León
- Puebla
- Quintana Roo
- San Luis Potosí
- Sinaloa
- Sonora
- ○ Tamaulipas
- Yucatán

- 7-Eleven
- Petro Seven
- MAS Bodega y Logística
- MercaDía



3.2 Corporate Values and Ethics

(102-16, 102-17, 205-02)



Iconn values identify us as a single team. These values the basis of our conduct and what sets us apart from other companies.



We innovate in everything

We promote an innovative mindset using technology, making it convenient and sustainable.



We develop a champion team

We build a single Iconn, based on collaboration, diversity and respect.



We are obsessed with consumer preference

We recognize the consumer as our only boss, and we strive to meet their changing needs.



We own the results

We capture growth opportunities by generating value, executing with excellence and a sense of urgency.



We seek to be better every day

We promote our results acting with integrity, based on facts and data.

We make sure that our daily actions and initiatives adhere to our values, policies, and current environmental and food safety regulations, among other topics pertinent to each region where our business operates.



Integrity is an essential part of our culture, based on collaboration, respect, and trust.

Our Code of Ethics and Conduct, in conjunction with Iconn's Values, are a guiding tool for all **our employees** towards consolidating, inspiring, and strengthening a positive work environment that drives us to achieve **our great 2023 Transformation goal by creating human value and executing with excellence.**

Check the full document here:

Code of Ethics and Conduct





2020 Achievements:



+4,400 hours of ethics and anti-corruption training

received by our employees.



By the end of 2020,

80% of employees certified

in our **Code of Ethics and Conduct** certification.



Ethics Line

Our main mechanism for guidance and resolution of ethics queries is available to all employees who need to report incidents that go against our values.

During 2020:

- **460 cases were handled throughout Iconn and its business units** related to abuse of authority, favoritism, harassment, and inappropriate conduct.
- **97% of these cases have been resolved** and action has been taken according to their severity while the remaining 3% is still under investigation.

3.3

Iconn 2023 Transformation Model

2023 marks a major milestone in the history of Iconn; the company celebrates its first century of operations. Hand in hand with talented employees who are passionate to make things happen, Iconn prepares to continue moving forward in its path to remain as our consumers' top choice and satisfy their needs store by store.

To achieve this goal, Iconn introduces its **2023 Transformation Plan** with the objective of focusing and aligning the efforts of every Business Unit and its employees.



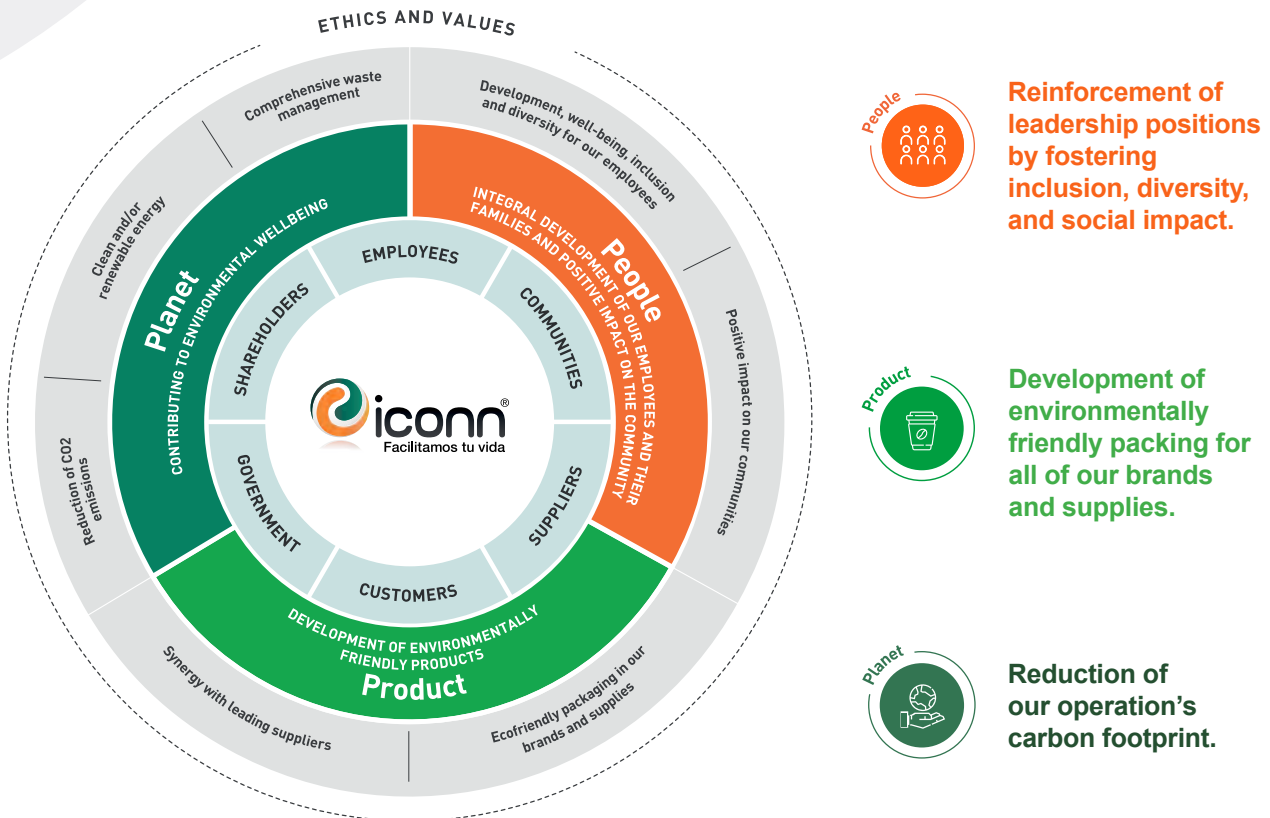
3.4 Sustainability Strategy

(103-01)

Our Transformation Plan proposes **Strategic Priorities** as part of our route map towards reaching our goal. One of these priorities is **Sustainability**.

Iconn is known for harmoniously coexisting with its communities, understanding their needs, and working in unison to positively transform and impact its environment, because in Iconn, we facilitate your life while facilitate a better world.

This main goal permeates Iconn in its totality through its Sustainability Strategy, which has been consolidated since 2019 under a single vision with goals and programs distributed in 3 pillars: **People, Product, and Planet**.



During the development process of our Sustainability Strategy, a materiality analysis from 2019 was taken into account. Out of the 51 social, environmental, and corporate management topics under analysis, 17 stood out as the most relevant according to our management team and Iconn's strategy. These topics were given priority status by our operation's risk and impact management and were grouped as follows:

Corporate Management

Creation of a sustainability department to align, raise awareness, and internally communicate Iconn's progress on sustainability to increase transparency and accountability.

Social

Constant improvement of our employees' quality of life and gender equality.

Environmental

Carry out environmentally conscious actions to minimize the impact of our products and services in the environment. Some of these actions are environmentally friendly product packing, recycling programs, reduction of electrical power

consumption, incorporation of clean energy sources, and reduction of construction impact.

During 2020, all of our employees and business units were informed of our Sustainability Policy, where we established the guidelines to boost the sustainable development of Iconn and its community regarding the environment, society, and economy.

Iconn Sustainability Strategy aligns with the sustainable development goals of the United Nations 2030 agenda and it focuses on 3 goals in particular, under the agreement signed with 7-Eleven Inc. in 2019: 7 – Affordable and clean energy; 11 – Sustainable cities and communities; and 17 – Partnerships for the goals.



Sustainability is everyone's job

Each and every area of our company plays a crucial role towards reaching our goals. In addition, key areas of the company are in charge of defining, implementing, and evaluating the initiatives and processes which impact Iconn's Sustainability Strategy.

The Sustainability area develops guidelines; offers support to other key areas to fulfill their goals; consolidates the key indicators for accountability; and creates a culture of joint responsibility within the company. We work as a team to become sustainable and stand the test of time.



Image: Iconn employees 2018

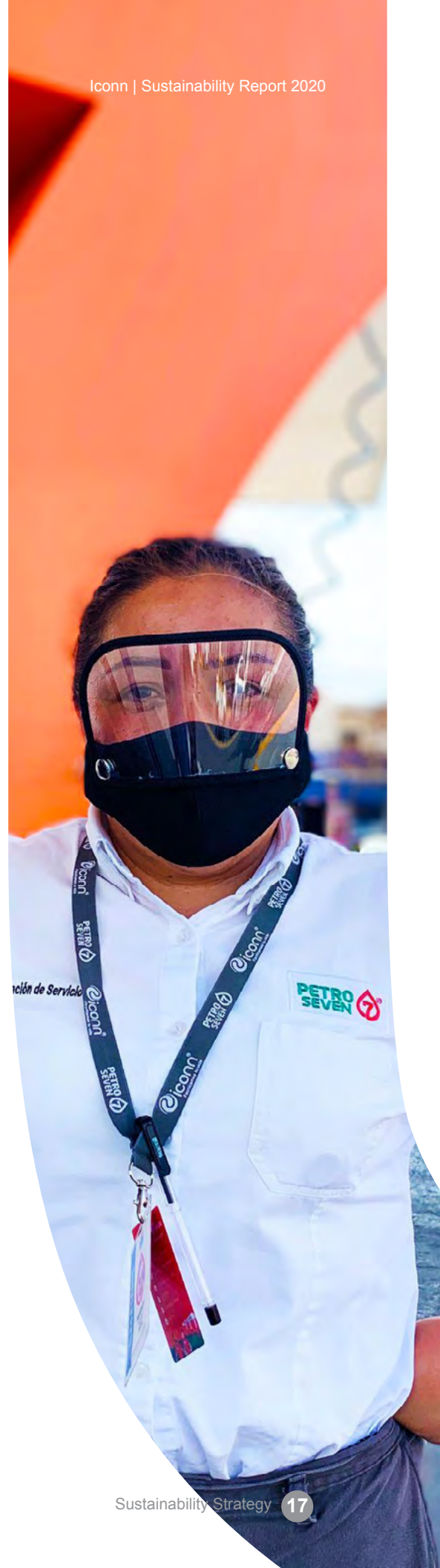
3.5 Sustainability Commitments

2020 will definitely be remembered as a historic year. During the contingency our priority became taking care of the health and wellness of both our employees and customers by adapting our business model to maintain the continuity of operations.

This does not mean that we stopped working on our other initiatives and programs. We managed to adapt to the social context in an efficient and timely manner and reactivated our plans and actions by adapting them without compromising our long-term goals and objectives.

Our priority goals and metrics for 2023 related to the programs executed within the 3 pillars of Iconn's Sustainability Strategy have been included in this report.

Moreover, we have made the commitment to periodically report our results to our stakeholders. This will be done on a yearly basis in the manner of this report.



3.6 Stakeholders

(102-40, 102-42, 102-43 y 102-44)

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



Shareholder

Our shareholders trust us based on our belief that solutions to major problems can be found through innovation and collaboration, and a constant quest to optimize resources, grow in a sustainable way, and achieving to extend our goal.



Customers and consumers

Our customers' wellness is our primary goal. Regular feedback allows us to outline the path towards continued improvement of our service by ensuring quality and efficiency.



Employees and their families

Day in and day out, our employees' leadership, capabilities and dedication have shown us that we can and must do the right thing by investing in talent and creating healthy work environments that offer more growth opportunities for Iconn and our people.



Communities

Our communities are essential in Iconn's growth process. We become aware of their realities and needs, and we know that we can accomplish more with their collaboration.



Suppliers

We encourage our suppliers to constantly communicate and collaborate in an everlasting attempt to do what is best for our customers. We both agree that teamwork and mutual reliance will allow us to offer the best service and to stand out in the market for our ability to look beyond the present and innovate in our every action.



Chambers and Government

Government and chambers recognize our social goodwill by fostering synergy between the agencies and actors of the ecosystems where we operate. They, like us, work towards making Mexico more sustainable; this helps us be at the cutting-edge and generate shared value.





Education sector

Iconn believes that education plays a primary role in the development and evolution of society. We are thrilled to work with education institutions that create development opportunities for Mexican citizens and future employees.



Media

Brand awareness and recognition is important to us. Partnerships with different media channels acting as social agents boost our social reputation and positioning.

Dialogue with our different interest groups through different channels is held constantly and periodically:



Constant



Periodical

Stakeholder/ Communication channel	Ethics Line	E-mail	Telephone	Website	Social Media	Internal communication channels (Traditional / Digital)	Meetings	Surveys
Shareholders / Board							Periodical	
Employees and their families	Constant	Constant	Constant	Constant	Constant	Constant	Constant	Periodical
Community / Civil Society Organizations	Constant	Constant	Constant	Constant	Constant			
Customers and consumers	Constant	Constant	Constant	Constant	Constant			Periodical
Suppliers	Constant	Constant	Constant	Constant	Constant			Periodical
Education Sector		Constant					Periodical	
Chambers and Government		Constant					Periodical	Periodical
Media		Periodical	Periodical				Periodical	

3.7 Initiatives and Recognitions

102-13

We believe that partnerships increase the positive impact of our actions. We collaborate with other companies and organizations to boost sustainable growth within our sector and Mexico.

We are currently part of renowned chambers and business organizations to protect rights and common needs:

- CANACO Monterrey (National Chamber of Commerce, Services and Tourism of the city of Monterrey, Mexico)
 - Council of Water and Drainage Network Management of the city of Monterrey, Mexico
 - Advisory Council of the Autonomous University of Nuevo Leon (UANL)
 - Advisory Council of the Mexican Social Security Institute of Nuevo Leon
- CCE (Business Coordinating Council)
- CONCANACO (Confederation of the National Chambers of Commerce of Mexico)
 - The CONCANACO Energy Commission
- ANTAD (National Association of Retailers and Department Stores)
- Council of Politic, Social and Financial Thought Center as Study Center of the Northeast
- CEPOS (Political and Social Studies Center)
- COPARMEX (Mexican Employers' Association)



Socially Responsible Company Award

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 recognition from the CEMEFI (Mexican Center for Philanthropy) for the first time, which we will endorse every 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 stakeholders.



Uncle Johnny Green Award

Thanks to the efforts of our employees and key areas in supporting vulnerable communities during the COVID-19 pandemic in Mexico and the efforts put forth by 7-Eleven Mexico as a socially responsible company, we received the Uncle Johnny Green Award by 7-Eleven Inc.



People Pillar



4. People Pillar

2020 transformed our lives. It forced us to be more aware of our environment, build deeper relationships with our workforce, and develop resilience and adaptability to face the different challenges we face as a team.



There is no doubt that, although some of our processes were affected, our most important tool to overcome the challenges we faced was the **value of our people**, which reflected upon Iconn.

During such a unique year, we reinforced our commitment to the integral development of our employees and their families. We invested over **\$85 million Mexican pesos** in prioritizing the health of our customers and our 20,000+ employees to ensure the continuity of their employment even when they could not work due to health issues. We wanted to provide them with safety, a sense of belonging, and personal development.

4.1 Employees

(401-01)

We recognize that each of our employees has unique skills, interests, and strengths which drive them to make a difference in their social spheres, turning them into change agents that positively impact their communities.

Therefore, we developed platforms like the Iconn Communities Program, which aim at promoting their integral development of our employees in alignment with the priority topics of the Sustainable Development Goals (SDG) found in the UN 2030 Agenda.



4.1.1 Health, Safety and Labor Wellness

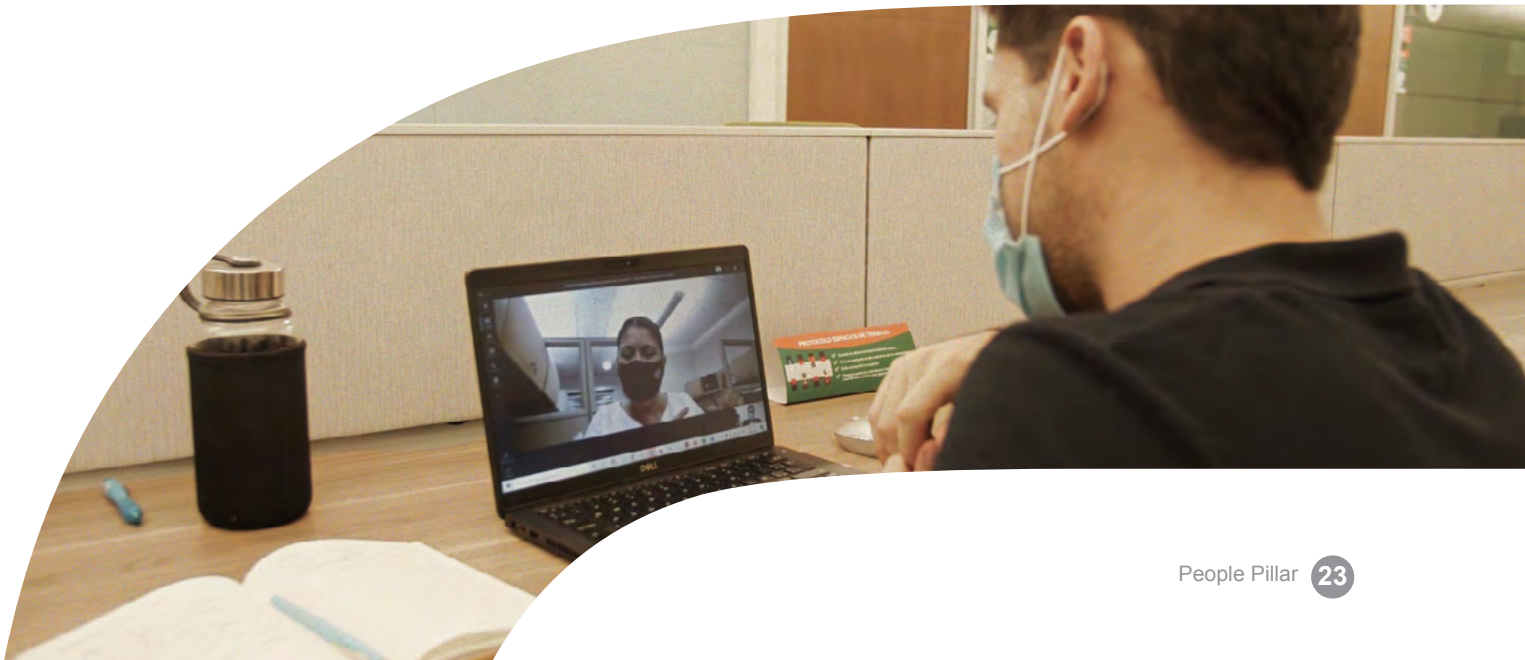
(401-02, 401-03)

Wellness Community



We generated work conditions that promote our employees' quality of life through guaranteed benefits and programs that consider their wellness and far exceed those established in the Mexican Federal Labor Law. Some of these are: maternity/paternity grant, marriage grant, death grant, major medical expenses insurance, flexible schedules, vacation days, leisure time, and retirement plan, among others.

We want our employees to become the main promoters of healthy lifestyles and physical wellness, not only in their work environment, but also among their families and communities. Over the last 4 years, **more than 10,000 employees have benefited from programs like Healthy Week and Iconn Race.**



Iconn Race

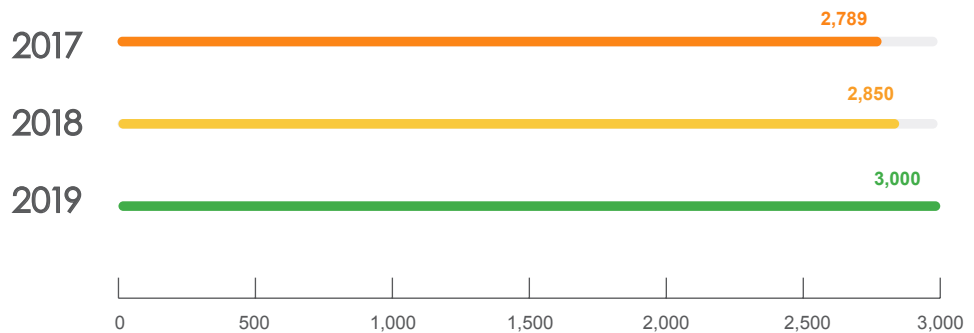
It is important to raise awareness among our employees about the importance of health and the impact it has on their quality of life. Therefore, we created spaces where they can enjoy the benefits of a healthier lifestyle.

Iconn Race aims at reinforcing our company values and promotes unity through sports. We created these experience as a chance to enjoy these kind of activities together while creating a sense of wellness and connection with other employees and their

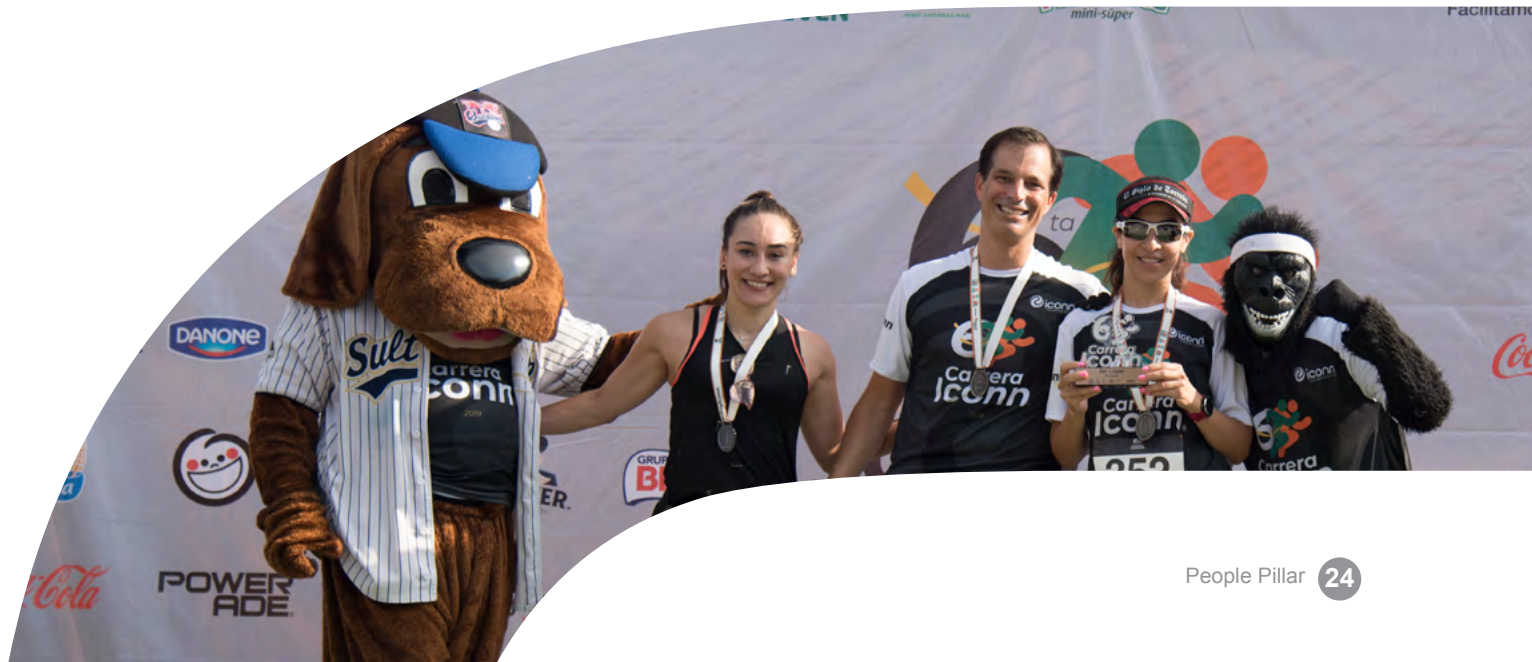
families while strengthening bonds for the benefit of our company and community.

Iconn Race began in 2014 and over 10,000 people have participated in it. With the wellness and health of each of our employees in mind, our traditional race was suspended in 2020 because of the COVID-19 pandemic, but it was replaced by virtual physical activity programs such as **Susana Acción (Physical Conditioning Program)**.

Carrera Iconn participants by year (2017-2019)



*2020 - suspended because of COVID-19 pandemic



Susana Acción Program

A physical conditioning program was developed for our employees. It took place 5 days a week for an hour each day. The first edition was attended by over 70 employees.

We will continue our efforts to energize our organization and help our employees achieve healthier habits and improving their quality of life.

For more information:

Click here



Healthy Week

Healthy Week was created to raise awareness among our employees about common illnesses and the importance of carrying a healthier lifestyle. In 2020, its fourth edition was held online and it included physical activities and conferences by Health professionals as well as comprehensive health services.



Over 700
employees
participated in this edition



11 conferences
on Health, personal and family wellness.

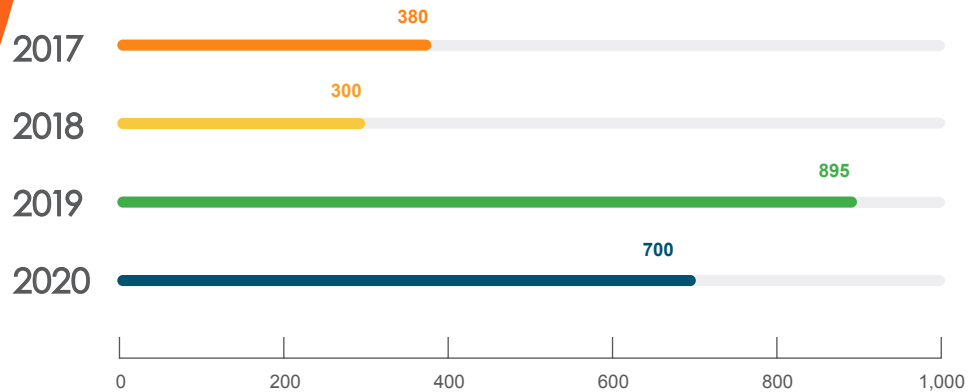


2 physical
conditioning activities and yoga lessons.



Over 50 free
medical
appointments
with different specialists and relaxation activities.

Over 2,300 employees have participated in Iconn's *Semana de la Salud* since 2017.



i-Flex

We want to promote a culture of leadership, responsibility, and productivity. This is why we firmly believe that providing work tools that allow flexibility will create the appropriate environment for the integration of personal and work life.

We are aware that each employee has different needs and, for this reason, we launched the i-Flex program in 2019 with the following points:



Flexible work schedules



My Days - Available leave days to attend personal matters



Remote work available for positions that do not require on site labor.



Additional days off

90% of employees who worked remotely felt just as productive or more productive than when working on site according to a 360 survey of Iconn employees.

Safety and Health Initiatives

(403-01, 403-02, 403-03, 403-05, 403-06, 403-08)

MAS Bodega y Logística accounts for 14% of the Iconn family and, because of its operation characteristics, it has its own system to manage and prevent workplace accidents, and promote safety and hygiene in work centers.

We comply with all Mexican legal requirements and regulations. Different measures have been implemented to look after our employees' health and safety, such as protocols, rules, and training on the use of personal safety equipment and work tools.

In addition, in the event of an accident, an investigation protocol exists to find out its cause and take corrective and preventive actions to reduce the chance of such accident in the future.

As a result of the pandemic, we have added new standards to look after our employees and comply with COVID-19 prevention protocols in all of our stores, service stations and places of work. Over \$85 million pesos were invested in training, personal safety equipment, signage, protective screens, among other measures.



All of these measures kept our staff infection rate at 5%, confirming the efficiency of our protocols and the responsibility with which our employees have carried themselves.



2023 Goal

To have a standardized Health and Wellness Program at company level that allows us to strengthen our actions regarding the health, safety, and, life quality of Iconn's employees.



4.1.2 Diversity and Inclusion

(102-08, 202-02, 405-02)

Diversity Community

Iconn is composed of over 20,000 employees who share with us their talent, values, and commitment daily and create diverse teams representative of our society.



44% female

Unionized	7,372
Non-unionized	1,753



56% male

Unionized	9,101
Non-unionized	2,425



We value diversity as a factor that makes us unique, under the premise that all people have the right to a job that allows them to grow and develop, thus, creating a sense of pride among our employees.

- In Iconn, **we employed 281 people that pertain to vulnerable groups** such as disabled people and senior citizens.
- We invest in local talent and value international talent as well. At a managerial level, 3 people from abroad provide their leadership and strengthen our team in the interest of the development of Iconn.

All talent is welcomed, regardless of age, gender, or sexual preference, to add to our culture and to continue building an innovative and close company that maintain us as our customers' choice of trust.



Our team is currently composed of **56% male and 44% female employees**.

We know that, in order to provide equal opportunities, actions must be taken towards eliminating the gender gap in Mexico and the world.

Gender does not play a role in our eyes when it comes to positions and responsibility at an operational or managerial level. This is reflected in our employees' wages, which only vary based on performance and experience.

We are aware that one of the greatest challenges in a woman's career path is motherhood and this is why Iconn encourages shared responsibility in men and women who decide to become parents.

To give our employees the chance to take part in the joys of parenthood, we have provided them with better benefits **through our i-Flex program, which has allowed 90% of our employees on maternity/ paternity leave to return to their jobs once finished.**

There is still much work to be done and we want Iconn to contribute in any way possible, which is why we have proposed the following goals:

2021 Goals

- Increase the amount of **women in leadership positions through Iconn.**
- Have a woman occupy a **top management position.**
- 50% of candidates in employee selection processes **must be women.**

Long Term Goals

- Have at least 3 women occupy **top management positions by 2023.**
- Have 6 women occupy **top management positions by 2030.**

4.1.3 Training and Development

(404-01, 404-02, 404-03, 412-02)



Iconn encourages all employees to become service leaders and change agents. We are aware that every member of our team possesses valuable capabilities to develop both individually and as a team. We simultaneously create and promote relationships of sustainable value.

We believe that investing in training our employees can promote sustainable long- and short-term growth.

During 2020, over \$6.5 million pesos were invested in training courses for our employees.



Iconn total training hours breakdown

SAFETY	HEALTH	HUMAN RIGHTS	ETHICS AND CORRUPTION PREVENTION	SUSTAINABILITY	TECHNICAL KNOWLEDGE	OTHER	TOTAL
68,781	16,867	1,766	4,431	37	1,126,193	60,488	1,278,562

Number of attendants per training topic

SAFETY	HEALTH	HUMAN RIGHTS	ETHICS AND CORRUPTION PREVENTION	SUSTAINABILITY	TECHNICAL KNOWLEDGE	OTHER	TOTAL
17,345	11,461	783	5,175	36	38,827	2,102	76,269

Our goal for 2023 is that 100% of our employees will have been educated on Iconn's Sustainability Strategy through various training and development courses.

During 2020, 89% of our employees received performance evaluations and feedback to focus their efforts towards our goals.



Universidad Iconn (UI)

Its goal is to offer our employees an outstanding training experience to unleash their potential in support of our company's growth and transformation.

The *Universidad Iconn* Model is based on innovative training and teaching methodologies and implements technology to make the formative process more efficient, productive, and flexible to promote our employees' self-development.

UI's model is composed of:

- Leadership School
- Business School
- Operations School

A new tool called **Learning Experience Platform** is under development and will be launched in 2021, allowing us to migrate all face-to-face training to a virtual mode.

Leadership School

Its goal is to provide management tools in alignment with the **Competency-based Model**. These tools will promote the development of our employees at a personal, professional, and team level to consolidate our growth goals.

Leadership programs:



Líderes al 100

Program focused on developing skills that will maximize our executives and their teams' potential, as well as intra- and interpersonal skills that enable achieving sustainable results through excellent execution of our business culture and strategy.

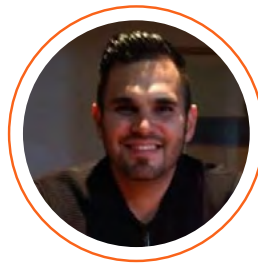


Trainee and Intern Program

We work to develop high-potential, young talent to strengthen our company at an entry level through critical and impactful experiences with the objective of preparing them to become our future leaders.

At 2020 closure:

- 18 interns
- 13 in-program trainees
- 14 graduated trainees



Professionally, it's been a constant transformation that's had a positive impact in my results, competencies, and motivation. I've developed leadership, empowerment, teamwork, and creativity capabilities.

Edelmiro Garza

7-Eleven Food and Beverages
Evolution Manager



The program is of a challenging nature and it helps you develop skills like adaptability to change, leadership, networking, teamwork, business analysis, innovative thinking, and proposal of new and better ways of action. I was lucky to be mentored by 7-Eleven's CEO; he challenged me to remove my limitations and believe that everything's possible.

Karen Iglesias

7-Eleven Category Manager
of Telephony Services





Business School

Its goal is to secure and develop the competencies required by our employees to enable the strengthening of our differentiating capabilities and achieve our priority goals. Iconn's strategic workshops will be found in this school.

Operations School

It will offer an educational catalogue of training solutions that allow the development of operative technical competencies from the integration of talent through robust onboarding to certification processes in each key position of our different companies.

There will be 3 academies:

- 7-Eleven Academy
- Petro Seven Academy
- MAS Bodega Academy

All efforts of training and development will be reflected when we reach **our 2023 goal of 80% of job openings being taken by internal candidates, progressively increasing our Internal Replacement Ratio starting from 2021.**

4.2 Communities

5.2.1 Volunteering



Volunteers Community

Our Corporate Volunteer Program is the mean by which we generate - hand in hand with our employees and their families, economic, social, and environmental value in the communities where we operate through high-impact, productive projects of permanence.

We are aware that the communities where we operate face different social, economic, and environmental challenges, so they have acted as the platform to focus our efforts in matters of **education, environment, and community support**, such as rehabilitation of public spaces, support in emergency situations, entrepreneurship, and empowerment.



We implemented **cleaning activities** in the Santa Catarina River (Monterrey, Mexico) and Chapultepec Park (Mexico City).

Our direct contribution during the COVID-19 contingency consisted of **donations of 7-Select product kits** for Public Health staffs and Non-Profit Organizations, and **hygiene kits** for people of vulnerable groups.

All of these actions would not have been possible without the synergy established with the following institutions: *Cíclica, Voluntarios por México, Prosociedad, Proyecto Fronterizo, Cáritas Quintana Roo, Fundación Gaia, and Fundación MIDAS.*

2020 Main Results



12 Volunteering activities



390 volunteers



+1,200 hours of volunteer work

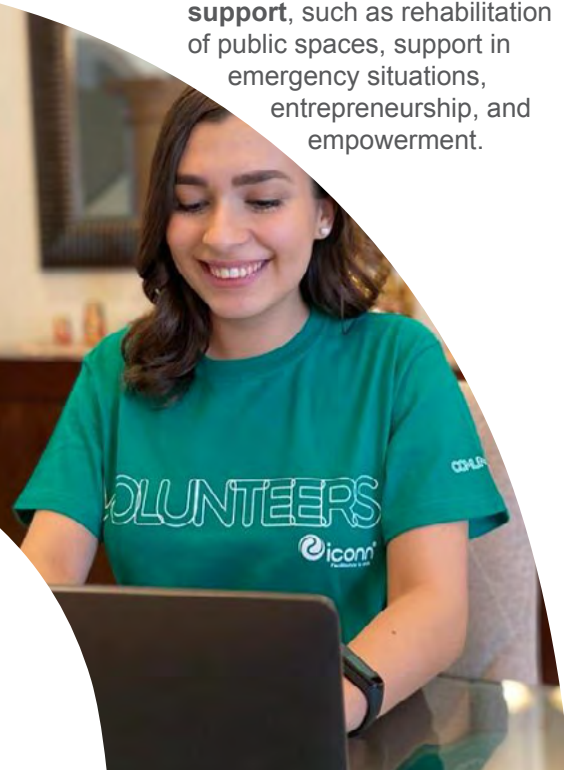


+40,000 beneficiaries

2023 Goals

100 years of Iconn:

- **100 community and volunteering activities**
- **Over 1,100 volunteers**
- **Over 100,000 beneficiaries**



4.2.2 Donations (413-01)



RED Round-up program

Through our RED round-up program, established in 2007 in 7-Eleven Mexico, we have built a support and liaison network between Non-Profit Organizations and our customers, who have the opportunity to round up the

amount of their purchase receipt to support different institutions and their projects regarding **health, education, social welfare and, since 2020, environmental care.**



Results (2007-2020)

Over \$130 million pesos were raised since 2007

	Social Welfare	39%
	Health	33%
	Education	26%
	Environment	1%



Thanks to our customers' generosity, over \$7 million pesos were raised to support 46 institutions.

Fundraising was affected during 2020 due to the pandemic and the consequential lower influx of customers in our stores.

2023 Goal

Increase by 30%, compared to 2020, the amount of money raised and the number of institutions supported by progressively replicating the program in our other Iconn businesses where feasible.



Product with Cause

Petro Seven has collaborated with various community support projects thanks to our customers' help. When customers purchase selected participating products, Petro Seven donates a percentage of the cost to selected Non-Profit Organizations.

Thanks to the Product with Cause program, we have raised nearly \$650,000 pesos since 2016 for various institutions dedicated to health, autism, education, and support for COVID-19-related health emergencies.

In 2020, over \$60,000 pesos were donated to **Fundación Arena**, and almost \$85,000 pesos to **Cruz Rosa**.

In addition, in support of the COVID-19 health emergency, the equivalent of \$50,000 pesos in fuel vouchers were donated to the **Mexican Red Cross**.



Money and in-kind donations

Due to the COVID-19 health emergency, we strengthened our commitment with vulnerable groups by donating products

from our brands to public and private institutions in need. Our donations amounted to nearly **\$1 million pesos** and **benefited over 12,500 people**.

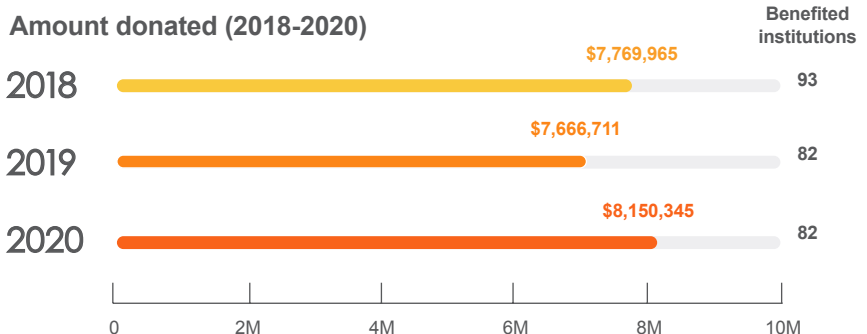


Fundación Ricardo, Andrés y José A. Chapa González

Iconn Business Family commitment contributing to the development of our community is part of our DNA since our very inception. Therefore, to honor our founding partners' memory, **Don Ricardo, Don Andrés, and Don José A. Chapa Gonzalez**, who always showed their disposition to participate in initiatives that contributed to the improvement of the life quality in our society, a civil organization was established in 1999 named after them. This civil organization financially supports different causes related to **education, health, and social welfare** through various Non-Profit Organizations.

Since its establishment, **Fundación Ricardo, Andrés y José A. Chapa González** has helped over **270 Non-Profit Organizations** with over **\$120 million pesos**.

82 institutions received donations for over \$8 million pesos in 2020.



To learn more about the organization, visit:

fundacionchapa.org.mx



4.2.3 Food Bank Program

With the intention of contributing to the 2nd Sustainable Development Goal (SDG) in the UN 2030 Agenda – Zero Hunger -, steps were taken in synergy with the Food Bank of Mexico during 2020 to retrieve products to be donated to people in nutritional need.



2021 Goal

Food Bank Program implementation in our Distribution Center located in Nuevo León.

2023 Goal

Expand food donation in our Distribution Centers located in Mexico City and Jalisco to incorporate food retrieving efforts from our 7-Eleven stores.



Product



Product Pillar



5. Product Pillar

While we facilitate our customers life through the best convenience solutions, we want to maintain a leadership role as change agents by offering a product catalogue of supplies, materials, and packing which incorporate sustainability criteria.



5.1 Materials

(301-02, 307-01)



Packing and Supplies

We work to satisfy our customers and consumers' ever-changing needs while caring for environmental impact with our products. This is demonstrated in the development of environmentally friendly supplies and packing implemented during the year under the premise reduce, reuse, and recycle.

As part of our supplies, we have incorporated **cardboard coffee cups, and coffee straws made from biodegradable materials and wood which are disposable, compostable, and biodegradable.** This is done under the firm conviction that we must respect our environment and comply with the environmental regulations of each of our operations' locations.



In 2020, we managed to migrate from plastic bags to FSC-certified **paper bags**, which are sold to our customers to invite them to join forces with us in taking care of the planet and, thus, keep **over 104 million plastic bags** out of landfills, **which amount to 6,000 tons of plastic**. Another option offered to our customers is reusable bags, which can be utilized over 60 times.

Concerning items for sale through our **7-Eleven Disposables Program**, we have developed a catalogue of products, such as plates, cups, and disposable cutlery, made from **biodegradable and compostable materials** like sugar cane residuals, cornstarch, and PLA, as well as biodegradable polypropylene.

Our 7-Select water bottles are **100% recyclable** and made from as little PET as possible. In conjunction with our bottling plant, we have signed an alliance to correctly dispose of this recoverable waste through ECOCE collection centers.

Thanks to our **Café Select** program, 3 out of every 10 customers chose to utilize their coffee-refill mugs in 2020. By opting out of disposable cups, our customers have helped us eliminate the emission of 710 tons of CO₂, the equivalent of the yearly emissions of 154 cars.

Since 2019, another innovation which has been well-received in the market is our eco-ice coolers. They are made from **100% biodegradable cardboard and plastic**, and can be reused up to 3 times, reducing the environmental impact caused by Styrofoam usage.





Café Select Sustainable Cycle

One of 7-Eleven's products with the highest impact and consumption is coffee, hence we feel strongly committed to turning it into a more ecological and socially conscious product during its **production, consumption, and final disposal** stages.

Our **Café Verde Program** was launched in 2020 with the **Rainforest Alliance Certified** seal, which guarantees that all raw material production comes from sustainable harvests, supports farming communities, and its production processes reduce environmental impact.

Learn more:

Click here



We are convinced that our products can positively impact communities and the environment, and this program is a clear example.



5.2 Value Chain

(204-01)

Synergy with our suppliers

Over 70% of Iconn's facilities, indirect, equipment, and professional service suppliers are local.

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

We will continue developing our 7-Select product portfolio, and our food and beverage differentiation to:



Overall goals

- Increase the number of biodegradable and compostable supplies and packing.
- Continue working on the reduction, reuse, recycling, and circular economy of our stores' organic and inorganic waste.
- Collaborate with producers, suppliers, and allies to strengthen sustainability through our value chain.

As of 2021, we will identify good practices in our supply chain which help us boost sustainability in our operations and we will invite all suppliers to continue working and growing in a sustainable way through different initiatives.





Planet



Planet Pillar



6. Planet Pillar

2020 was a year of major reflection and action, as it made us realize the significance of caring for our planet and the relevance it has in our operation's efficiency and people's well-being.



Starting today, Iconn greatly commits to contributing to the care of the planet through specific actions which lead us to one of our 2023 goals: reducing our carbon footprint.

This commitment requires all employees to go the extra mile in all of Iconn's operations, as well as our suppliers and customers. Acting as a cohesive and responsible value chain, we facilitate a better world to everyone.

6.1 Energy and Emissions

(302-01, 302-03, 302-04, 305-01, 305-05, 306-02)

We invested in various actions that allow us to optimize energy consumption and incorporate clean and renewable energy sources to reduce our operation's emissions.



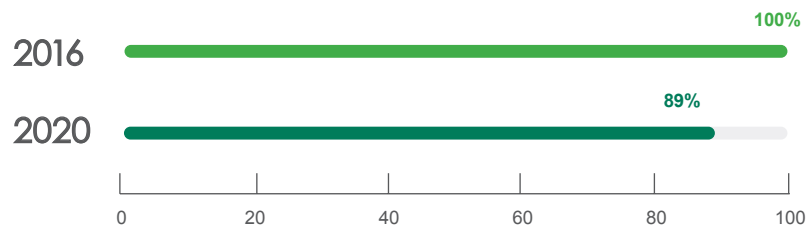
Energy

From 2016 to 2020, we managed to reduce 7-Eleven's energy consumption by 11% through different initiatives.

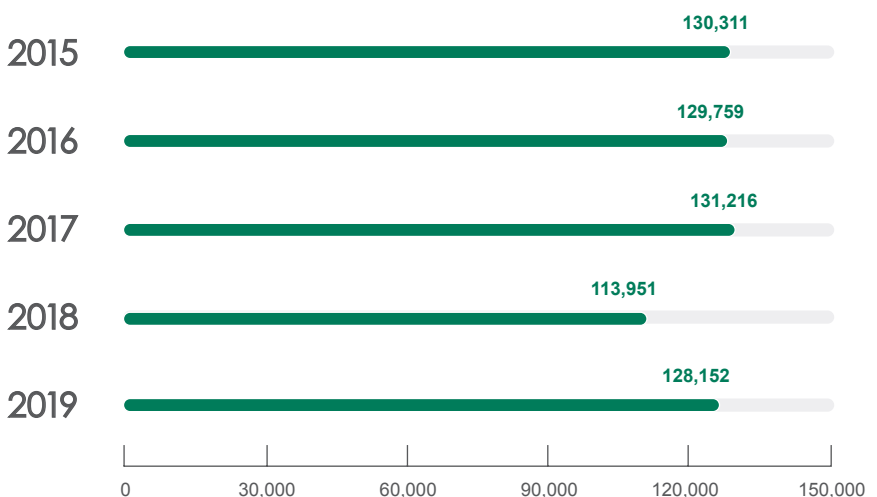
60% of Petro Seven's service stations utilize LED lighting and our efforts will continue during 2021 so that 73% of our stations incorporate them.

In 2020, 1,216 7-Eleven stores were supplied with clean energy (66% of our total consumption), reducing the emission of 25,000 tons of CO₂ into the atmosphere, the equivalent of the yearly emissions of 5,400 cars.

Energy consumption



Historical indirect emissions by 7-Eleven (tCO₂e)



**Note: Indirect emissions are those derived from the consumption of electrical energy from external suppliers.*

Iconn Goals

2021

- Reduce 7% of our CO₂ ton emissions by increasing our clean energy consumption to 67%*.

2022

- Reduce 9.2% of our accumulated emissions of CO₂ ton by increasing our clean energy consumption to 70%*.

2023

- The carbon footprint of our business units MAS Bodega y Logística, MAS Bakeries, and Petro Seven will be reduced to zero* as a result of the wind energy supply contract which enters into effect in 2023.
- Reduce 30% of our accumulated emissions of CO₂ ton* by increasing Iconn's clean energy consumption to 70% and renewable energy consumption to 30%.



*Compared to 2019



LEED certification

Our store building process follow one of the most widely renowned green building systems in the world, the LEED rating system, which endorses buildings whose design complies with specific environmental management efficiency indicators.

Four of our stores are currently certified:



Las Musas
Monterrey,
Nuevo León
2012



UDEM
Monterrey,
Nuevo León
2013



Tecnológico
Monterrey,
Nuevo León
2019



Tulum,
Quintana Roo
2020

The latest store to receive LEED certification is located in the archeological zone of Tulum and the LEED v4 Standard Guidelines were followed since we laid the first stone. The store's roofing has solar panels which generates 10% of its yearly energy consumption.

By complying with LEED certification, we want to demonstrate that it is possible to have constructions with efficient systems that save energy and reduce carbon footprint while promoting life quality; it is possible to lower water consumption and manage waste while offering comfortable spaces which promote harmonious social interaction and maintain a link with their environment.

Reduction of energy consumption and emissions of vehicle transit

We join efforts with our MAS *Bodega y Logística* operations team to reduce CO₂ emission by using fuel efficiently and making the best out of our vehicles' capacity thanks to our distribution routes.

Thanks to efficient-driving training, timely vehicle maintenance, unit renovation, and route planning that allows efficient product distribution, **our fuel efficiency rate has increased to 2.72 km/L, reducing fuel consumption by 241,722 liters**, the equivalent to 626 tons of CO₂ that did not reach our atmosphere.

2023 Goal

We want to increase our fuel efficiency rates to 2.80 km/L by optimizing our distribution routes.

Fuel vapor retrieval in Petro Seven fuel stations

We want our customers to stay in motion and position our fuel stations in their preference. With this intention, we offer a distinctive and safe service by reducing VOC (volatile organic compounds) emissions into the atmosphere.

In 2020, we invested **\$17.5 million pesos in Fuel Vapor Retrieval System** for 31% of our stations during the first stage, retrieving over **300 tons of VOC emissions**.

2023 Goal

Thanks to our Fuel Vapor Retrieval System, we aim to retrieve nearly 1,200 tons of VOC emissions per year. In addition, we have committed to install our Fuel Vapor Retrieval System in our new organic stations nationwide as of 2021.



6.2 Waste and Recycling

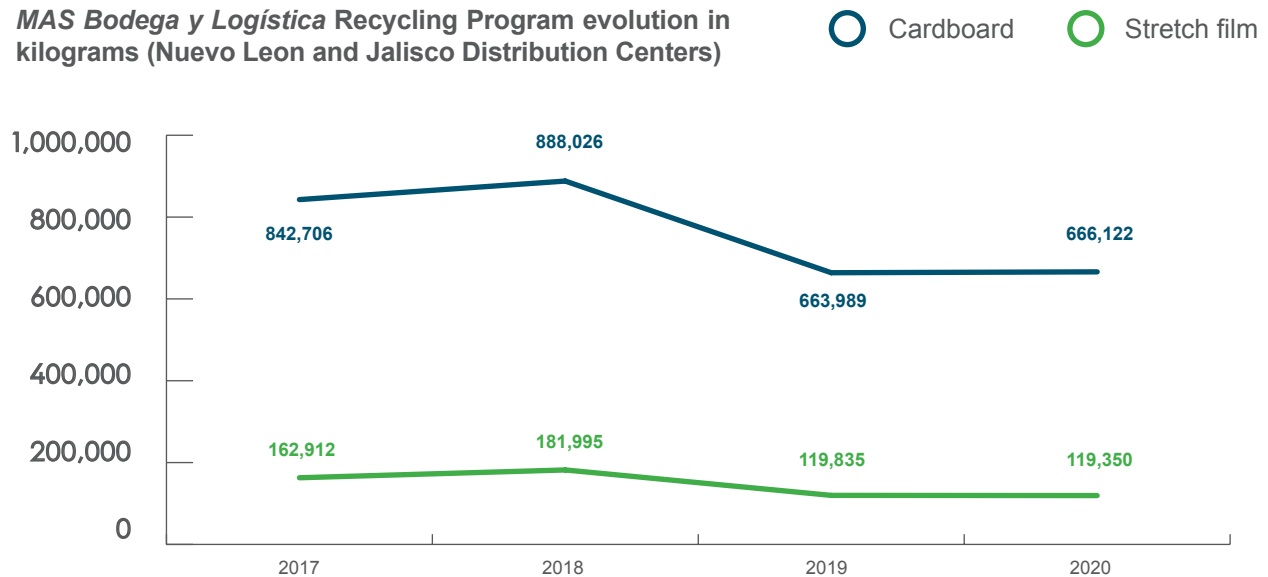
(301-02, 301-03)

Recycling Program

Thanks to the Recycling Program implemented in our Distribution Centers in Nuevo Leon and Jalisco, we have managed to correctly dispose of over 3 million kilograms of cardboard and over 550 thousand kilograms of stretch film since 2017.

During 2020, we retrieved **119,350 kilograms of stretch film**; **666,122 kilograms of cardboard**; and **over 4,500 wood planks**, reducing the emission of 1,339 tons of CO₂, the equivalent to the yearly emission of 300 cars. This program has additionally allowed us to incorporate this waste into a circular economy cycle.

MAS Bodega y Logística Recycling Program evolution in kilograms (Nuevo Leon and Jalisco Distribution Centers)



We will continue our efforts to replicate these best practices in other Distribution Centers nationwide and to improve our processes to retrieve as much recoverable waste as possible.

Green Route

A pilot program was launched in 2019 in ten 7-Eleven stores in Nuevo Leon, Mexico. The program consisted of installing recycling waste bins inside and outside of each store to enable the correct management of waste from its disposal and recollection to its final recycling.

During the six-month pilot program, 32% of cardboard, plastic, and glass waste were recycled. In addition, we also learned valuable lessons towards its replication in other stores during the coming years.

6.3 Water

(303-01)

Since 2019, we have taken steps towards water conservation 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.

100% of 7-Eleven stores opened since 2019 and 22% of Petro Seven fuel stations nationwide have such urinals.

As part of our Tulum store's LEED v4 certification process, we took the following water conservation actions:

- Two internal water consumption meters gauge water usage in its restrooms and facilities.
- Due to the lack of water pressure in the area, our store operates with water pumps that directly provide water from its own tank.
- It has its own biodigester and absorption well for the treatment of sewage water.
- It also has its own sewage water collection tank, which is used during dry season.



In addition, the store is located in the urban area of Tulum; the pre-existing infrastructure was used, not renovated within the protective area of Tulum.



About the Report





7. About the Report

(102-48, 102-49, 102-50, 102-51, 102-52, 102-53, 102-54, 102-56, 103-02)

This is Iconn's first Annual Sustainability Report and it includes all of the main actions, programs, and goals regarding our operations' social and environmental impact.

It shows results from January to December 2020 and, in some cases, the historical results of previous years to allow a better understanding of our evolution.

The objective of this document is to share with our stakeholders, on a yearly basis, the practical implementation of our goal of facilitating a better world while we grow and transform our business day by day.

To prepare this report, we followed the Global Reporting Initiative (GRI) Sustainability Standards methodology, keeping to the indicators on which we currently have data.

We commit to expanding its reach in the coming years. Additionally, we will consider data verification for the report for better transparency.

The Sustainability area is in charge of collecting, consolidating, and validating the reported data from initiatives, goals, and results from each area that participates in our Sustainability Strategy. The Communication, Executive and Management areas are also part of the review and validation process of this report.

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

sostenibilidad@iconn.com.mx

comunicacion@iconn.com.mx

7.1

Global Reporting Initiative Chart

INDICATOR	RESPONSE OR SECTION	REACH				
		Iconn Services Centers	7-Eleven	Petro Seven	MAS Bodega y Logística	Mercadía
102-01	Company name	3. One Single Iconn	✓			
102-02	Activities, brands, products, and services	3. One Single Iconn	✓	✓	✓	✓
102-03	Location of headquarters	Monterrey, Nuevo León	✓			
102-04	Location of operations	3. One Single Iconn	✓			
102-05	Ownership and legal form	Sociedad Anónima de Capital Variable	✓			
102-06	Markets served	3.1 Brands and Markets	✓	✓	✓	✓
102-07	Scale of the organization	3.1 Brands and Markets	✓			
102-08	Information on employees and other workers	4.1.2 Diversity and Inclusion	✓			
102-13	Membership of associations	3.7 Initiatives and Recognitions	✓			
102-14	Statement from senior decision-maker	2. Letter from our Chairman & Chief Executive Officer	✓			
102-16	Values, principles, standards, and norms of behavior	3.2 Values and Business Ethics	✓			
102-17	Mechanisms for advice and concerns about ethics	3.2 Values and Business Ethics	✓	✓	✓	✓
102-40	List of Stakeholder groups	3.6 Stakeholders	✓			
102-48	Reestatemnts 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	7.1 GRI chart	✓			
102-56	External assurance	7. About this Report	✓			
204-01	Proportion of spending on local suppliers	5.2 Value Chain	✓			
205-02	Communication and training about anti-corruption policies and procedures	3.2 Values and Business Ethics	✓			
301-03	Reclaimed products and packaging materials	6.2 Waste and Recycling		✓		
301-02	Recycled input materials used	5.1 Materials 6.2 Waste and Recycling	✓			
302-04	Reduction of energy consumption	6.1 Energy and Emissions	✓	✓		
302-01	Energy consumption within the organization	6.1 Energy and Emissions		✓		

INDICATOR	RESPONSE OR SECTION	REACH				
		Iconn Services Centers	7+Eleven	Petro Seven	MAS Bodega y Logística	MercaDía
302-03	Energy intensity				✓	
303-01	Interactions with water as a shared resource		✓	✓		
305-01	Direct (Scope 1) GHG emissions		✓			
305-05	Reduction of GHG emissions		✓	✓	✓	
401-02	Benefits provided to full-time employees that are not provided to temporary or part-time employees	✓				
401-03	Parental leave	✓				
403-01	Occupational health and safety management system				✓	
403-02	Hazard identification, risk assessment, and incident investigation				✓	
403-03	Occupational health services				✓	
403-05	Worker training on occupational health and safety				✓	
403-06	Promotion of worker health	✓				
403-08	Workers covered by an occupational health and safety management system				✓	
404-01	Average hours of training per employee skills and transition assistance programs	✓				
404-02	Programs for upgrading employee skills and transition assistance programs	✓				
404-03	Percentage of employees receiving regular performance and career development reviews	✓				
405-01	Diversity of governance bodies and employees	✓				
412-02	Employee training on human rights policies or procedures	✓				
413-01	Operations with local community engagement, impact assessment, and development programs	✓				

We facilitate a better world

S U S T A I N A B I L I T Y R E P O R T 2 0 2 0

