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**→ 1923 ←** 

The Chapa brothers, Ricardo, Andrés and José, founded the store called "El Gallo, Abarrotes en General" in the city of Monterrey, Nuevo Leon.

**- 1930 -**

Grocery and non-food wholesale

operations start for independent retailers.

Founding of "Embotelladora Canada Dry de Monterrey, S.A." to produce products such as: Spur Cola. Tropo. Mineral Water and Ginger Ale.

Start of operations of "AMO, S.A.," providing solutions in the field of household appliances, electronics, large appliances and home furnishings.

**→ 1995 ←** 

Opening of the first Petro Seven Service Station alongside with a 7-Eleven store as a combined value proposition.

→ 1988 ←

Start of operations of the 100th Super 7 store in Mexico and adoption of the international 7-Eleven brand for operations in the country in 1992.

**- 1976 -**

A joint venture was formed between "Valores Corporativos S.A." and The Southland Corporation to form the company "Valso S.A." and with it, the convenience store business model in Mexico under the trade name "Super 7."

**→ 1975 ←** 

Consolidation of all companies under the name "Valores Corporativos S.A."

> The second generation of founders joined the company.

**1964** 

First self-service stores in Northern Mexico begin under the name "Tiendas SUKSA."

1947 -

ServiDespensa is born, a company that markets products and social welfare services for employees of companies in northern Mexico by delivering groceries to their homes.

7-Eleven's value proposition was expanded by incorporating in-store food and beverages for immediate consumption, such as the iconic Café Select. 1999

The Ricardo, Andrés y José A. Chapa González, A.C. Foundation was established to support communities.

2002

The third generation of the family joined the company's corporate governance, transforming the company from a family business into a private corporation.

2003

The company's first Combined Distribution Center was opened in the city

The RED program was created in 7-Eleven stores, placing our infrastructure at the service of Monterrey, Nuevo Leon. of the community and civil society associations so that our customers could support personal causes through rounding up.

2010

Beginning of Branch Financial Services, pioneering their availability in convenience stores.

2022

The Iconn Support Center was established to foster pride in being One Iconn as part of the company's 100th anniversary celebrations.

CEMEFI awarded us our first Socially Responsible Company prize. 2016

Iconn expanded its innovation and development capabilities and inaugurated operations at MAS Bakeries.

The 200th Petro Seven Service Station in the country began operations. 2012 •

Grupo Chapa was transformed, giving rise to the Iconn brand "We Make Your Life Easier."

Opening of MercaDía convenience stores.

## Iconn Support Center

"It is a source of pride that, just as large foreign firms are arriving in Nuevo León every week, domestic companies, such as Iconn, are expanding in great strides and generating hundreds of jobs," said Iván Rivas, State Secretary of Economy who attended on behalf of Governor Samuel Garcia.

Iconn opened the doors at its Iconn Support Center on September 2, 2022, which is the headquarters of the nationwide operations of its four major brands: 7-Eleven, Petro Seven, MAS Bodega y Logística and MercaDía.

This inauguration is part of an expansion project in Nuevo León for the next 5 years, through which the group from Monterrey will invest \$3 billion pesos and create 2,500 new jobs.

"We are in the jubilee of our first 100 years of serving our community. We are a Mexican company made of people who serve people, serving more than 1.3 million customers a day," said Luis A. Chapa G., Chairman of the Board and Chief Executive Officer of Iconn.

**Surface** 

59,480 sq.ft.

47,360 sq.ft.

**Currently, it is a reference in Mexico.** 

Iconn will invest

\$3 billion pesos in Nuevo León in the next 5 years

This expansion will bring with it the creation of **2,500** jobs.







For their physical presence, attending to the changing needs of our customers and consumers, offering the best products and services to make their lives easier.





# 2022 Overview

72 new 7-Eleven stores

7-Eleven stores with Drive-Thru

Opening of the new headquarters for the nationwide operations of the 7-Eleven, Petro Seven, MAS Bodega y Logística and MercaDía brands.

WE SAVED **112 TONS** OF PAPER BY PREVENTING THE USE OF 12 OZ. PAPER CUPS. EQUIVALENT TO 9.3 MILLION REFILLS



technology to replace glass carafe equipment in

Installation of coffee machines with Soft Heat®

1,270 stores 

\*\*YVE AVOIDED WASHING\*\*
+923K cups of coffee



**1,450 solar panels** = 800 ton of reduced CO<sub>2</sub> emissions





Certified Vapor Recovery System at 149 Petro Seven service stations

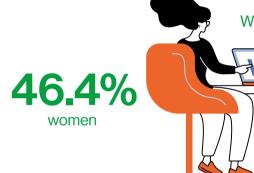


928.84 tons of hazardous waste recycled



778,160 tons of cardboard recycled

148,581 tons of stretch film recycled



1,328,048

125,306 hours of safety training

70% of employees in the i-flex scheme





## MESSAGE FROM THE CHAIRMAN OF THE **BOARD AND CEO**





#### GRI: 2-22

Dear Stakeholders.

2022 was a challenging year on various fronts, from the return of mobility and consumer demand, which required impeccable execution of our integrated demand chain, affected by the scarcity of raw materials and transportation, as well as high volatility of international energy prices, increase in interest rates and inflation.

Today, we overcome these challenges, consolidating ourselves as the consumer's favorites, offering the best convenience solutions, with the products and services they want and need, whenever and wherever they need them in 17 states of the Mexican Republic, through our +1,900 7-Eleven stores, +280 Petro Seven Service Stations, +55 MercaDía stores, 12 Distribution and Logistics Centers, and 3 Bakery plants.

Guided by our Sustainability Strategy with its three axes: Person, Product and Planet, we are committed to promoting the well-being of our employees and supporting the communities where we operate; with private label brand products that are friendly to the environment, while we manage the environmental impact of our operations.

In 2023, we celebrate 100 years of making life easier for people, inspired and guided by the values that have been consistently maintained over time. We are a company made of people who serve people.

In 2023, we celebrate 100 years of making life easier for people, inspired and guided by the values that have been consistently maintained over time. We are a company made of people who serve people.



Thanks to Mr. Ricardo, Mr. Andrés and Mr. José A. Chapa González, for founding the company that today is Iconn on the values of respect for the dignity of people and customer service.

My sincerest appreciation to all the people who have been part of this story, our more than 23,000 heroes of our operations and collaborators, who with great commitment and energy materialize our purpose of "Making people's lives easier." To the more than 2 million customers who show us their preference and loyalty daily. To our business partners and suppliers for their collaboration and trust. To the Iconn Executive Committee and Management Team for their leadership and commitment. To the Board of Directors for their guidance and advice. To the Partners of 7-Eleven Inc., for their trust and to our shareholders for their longterm vision. Thank you very much to all of them!

I thank God for giving us the opportunity to serve our community through this business activity and for having guided and inspired us throughout these 100 years.

I am hopeful and certain that the next 100 years will be even better!

Luis A. Chapa G

Chairman of the Board and CEO







# **ONE ICONN**





#### GRI: 2-6

We are a Mexican company made of people who serve people. For 100 years, we have satisfied Mexicans' various consumer needs through our four commercial brands: 7-Eleven, Petro Seven, MAS Bodega y Logística and MercaDía. We are present in 17 Mexican states, making consumers' lives easier with the best convenience solutions.











## 7-Eleven

We are a chain of 1,890+ convenience stores and are present in 13 Mexican states. We offer consumers the best shopping experience by anticipating and satisfying their needs through our products and services of the highest quality, quickly and conveniently, in preferred locations, in a pleasant and safe environment.

In 2021, we kicked off one of the most significant projects in our 7-Eleven stores, by opening of our first seven Drive-Thru stores. The idea of creating this type of store was born in 2020 because of the changes in consumer trends brought about by the COVID-19 pandemic.

The first store opened in April 2021 in a residential area in Playas de Rosarito. This store has a screen where consumers can choose their products and order them through an intercom, so that their order can be prepared and delivered in an average of about two minutes. This system also allows users to carry out all types of financial services (except for bank account deposits for security reasons).



At 7-Eleven, we have defined a strategy with six consumer solutions in direct response to six major consumer trends:



Foodvenience: food and beverage



Network planning: evolution of current and new stores



Convenience: the best variety at the best prices



**Iconn experience:** culture for our people





Impeccable execution: to win consumer preference.



Drive Thru now accounts for 13% of total sales of the stores in which it has more than one month of operation.

72 new stores +1.2 M customers daily 16,670 employees 13 states 7 new Drive-Thru stores

We served 250 daily customers in the first year since opening the Playas de Rosarito store,

28% of sales of this store





This strategy, in turn, is aligned with the four differentiating capabilities and strategic priorities of our 2023 Transformation Model.

## **7-Eleven strategic** priorities



To be the consumer's favorite, providing them with convenience



Understanding consumer needs through feedback



Innovation designed to simplify consumers' lives





Evolving our store New food platforms



Strengthen our omnichannel offering, including e-commerce, 7-A-tu-Auto and 7-containers



Operations performance management

## Our **Services**



#### **Electronic Services**

- Bank deposits and payments
- Utility payments and receipts
- Sending and collecting money
- Cash withdrawal
- Collection of U.S. remittances
- Prepaid cell phone recharges
- Gift cards
- Contactless payments



#### 7 pay

 Online payment method that allows customers to finalize purchases by paying cash at 7-Eleven stores





#### **Electronic Invoicing**

With purchase receipt



#### **Home Delivery Service**

Through our partnership with Rappi

## 2022 Highlights

## **Petro Seven**

Through our Petro Seven Service Stations, we meet the needs of people looking for fuel or lubricants, as well as other products and services, in a timely and efficient manner.

We have 273 conveniently located Petro Seven Service Stations, where we offer 24-hour service, a variety of payment methods, private label products and quality service, always delivering accurate liters of fuel.

Our stations are well lit, clean and have all the security measures in place. In addition, our Service Octane staff have been trained to provide our customers with the best service, anticipating and satisfying their needs and offering the best shopping experience.

In addition, thanks to the synergy we have achieved with our 7-Eleven stores, we ensure that our customers have the best convenience experience.





## MAS Bodega y Logística

Mas Bodega y Logística, provides our customers with the distribution of a wide variety of groceries and general merchandise, so that your business has a wide assortment and the best prices.

In addition, traditional retail and mid-wholesale customers can count on a variety of products in convenient packaging, targeted to their market.

273 service stations +178 K customers served daily 9 states 3,042 employees





#### MAS Bodega y Logística

Through our 12 distribution centers in 12 states of the Mexican Republic, we serve the supply needs of the different lconn business formats.

We are dedicated to the sale and distribution of more than 3,000 grocery and general merchandise products, including refrigerated and frozen. We serve retail customers, mid-wholesalers and wholesalers.



#### MAS Bakeries

Specializes in the production of artisan baked goods to supply our different brands nationwide.

distribution and logistics centers

3 baking plants





## MercaDía

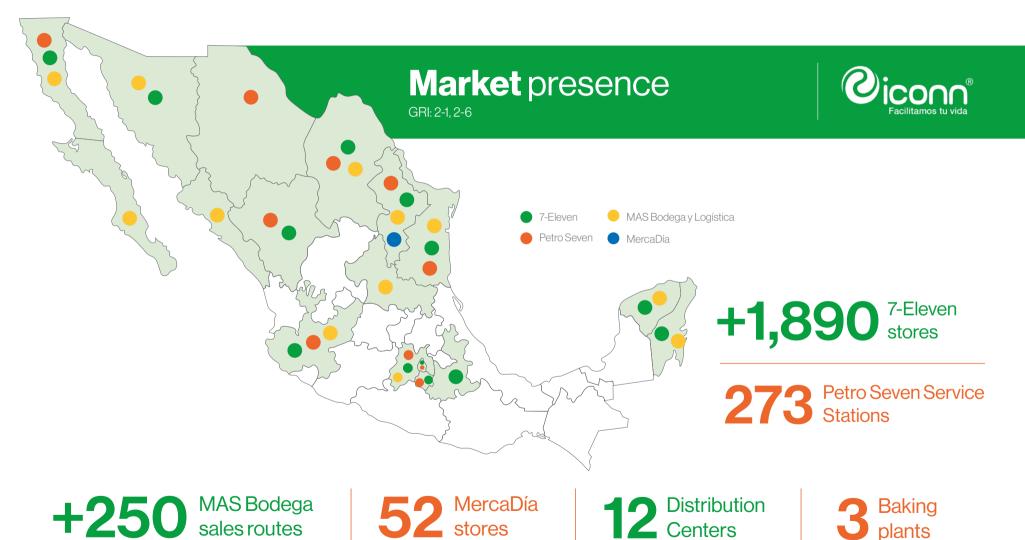
Convenience mini-mart format, with 52 locations in different points of the Monterrey Metropolitan area. We offer our customers a unique shopping experience, fresh, quality products at low prices, and first-class service close to their homes with convenient hours.

MercaDía offers products from the basic food basket, frequently purchased perishable foods, and a meat and tortilla department.

52 stores +27K customers served daily 353 team members



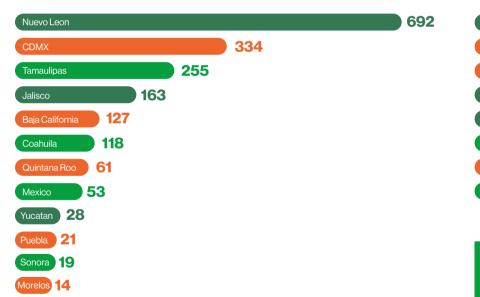
















states in Mexico



### **Suppliers**

## Value **Chain**



### Society

We understand that business continuity is strongly linked to societal expectations.



**Final consumers** 

#### **Planet**

We acknowledge that there are pressures derived from the competition for the fair use of natural resources.





**2023 VISION** 



## **Transformation** Model

Our Iconn 2023 Transformation Model allowed us to establish a strategic business vision, and design initiatives and projects that build differentiating capabilities and strategic priorities that will drive us to achieve the goals we have set for ourselves and win consumer preference.

Some of these projects help us to strengthen our Integrated Demand Chain, as well as to digitally enable us to connect and satisfy our customers' needs with an omnichannel service model.





In 2022, we continued building our transformation project to become one Iconn, in which technology becomes the support for all new processes. This harmonizes and standardizes our financial processes and enables various business strategies.

The year 2022 marked a major step in our commitment to position Iconn's businesses in the digital space, considering it to be one of our differentiating capabilities in accordance with our Transformation Model. To achieve this goal, we have started by building the foundations in combination with a culture and ideology that help develop habits. In turn, these consistent habits drive our ability to make digital transactions to satisfy our current consumers.



We have completed the first testing cycle and documentation of more than **150 procedures**, including Finance and Business Administration processes.





During 2022, we implemented two transformation initiatives resulting from our process-based work. The first was demand chain integration, in which, by focusing on customers and connecting processes, people and systems, we mobilized resources to improve the product availability when and where our customer requires them.





## **Operational**

**Design and Management** of Business Strategy

**Omnichannel Expansion** 

**Managing the Point-of-**Sale Network

## **Integrated Demand** Chain Management **Execution at the Point of Sale Customer Experience** Assurance

## **Support**



**Technological** Infrastructure Assurance

Management

**Business Administration and Results Management** 



#### GRI: 2-25

As part of our Transformation Model in 2022, we carried out several initiatives that allowed us to learn about our customers' perceptions, which included:

- Analysis of major trends and consumer habits, which are increasingly changing.
- In 7-Eleven, a study was carried out in all the plazas where we operate, allowing us to learn about our customers' needs and shopping preferences, evaluate consumer satisfaction and the likelihood of recommending our stores.
- We implemented the "Customer Voice" program, to receive feedback from our customers in real time for each of our stores in order to improve our products and services.
- Consumer feedback for each of the company's initiatives, through market research.
- As part of the 2023 Transformation Model, in 2022, we created the Consumer Insights Office.



## Institutional Process **Model**

We are convinced that working by processes is and will be driver that will provide clarity on what we do, how we do it, and enable us to transform in a more agile manner when our customers or the market demands adjustments to our business model. Having a well-identified, documented and understood value chain is a first step in solving any problem that may arise.

We have defined specific roles for employees, in the capacity of Macro and Process Owners. This definition keeps us clear about who is responsible for each of the departments associated with a process.

- Processes: Construction, maintenance and evolution
- People: Ensure that we have the right equipment, in the right position
- Platforms: Guarantee that the technology is appropriate, designed, evolved and modernized in a timely manner
- Data: Handling, maintenance and capitalization of benefits associated with our opportunity to source great information from our consumer transactions.

Due to our process work, one of the most important transformation initiatives of the year was to build a financial organization that allows us to integrate our business operations into a centralized service model at the Iconn level.

We also have an institutional repository that gives us access to documentation, an information source when auditing our internal and external process and systems. This positions us as an industry benchmark in terms of process mapping and documentation capacity.





## **2022** Milestones

#### Digital Savviness

#### Understanding, accessing and living with the digital ecosystem

In conjunction with IPADE and a global consulting firm in digital networking, we developed a digital environment immersion program for a group of company executives, that was designed to be the first connecting link between the possible future and the capabilities we seek to develop in the organization.

#### Omnichannel

In 2022, we designed, built and implemented a first version to test functionality in 7-Eleven stores, offering a series of products that can be brought directly to our customers' locations.

This first stage allows us to take firm steps towards omni-channeling, to extend and explore new penetration sites for our brands and to offer an integrated mobile app, which provides a space for customer engagement and lets us bring 7-Eleven and Petro Seven products and services closer to them.

#### Innovation as a Cultural Driver

We are currently in the process of improving and strengthening innovation processes.

By creating an innovation community, we have managed to permeate the principles of understanding our consumers through Design Thinking practices. In our intra-entrepreneurship Boot Camp, volunteers can learn about, develop their skills and practice with real case studies of opportunities in our businesses. They

can also present a sales pitch to a management panel in the "Shark Tank." Our second edition in 2022 concluded as an innovation incubator in each of our businesses. Clearly, the major winner of these exercises is the creation of an organizational culture around innovation.

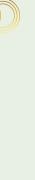
#### Backbone

#### Modernization of equipment and technological capabilities

We have transformed ourselves to be a customer service company with world-class digital capabilities; these will undoubtedly be the enabling arm that the organization requires. We are also in the process of modernizing the connections to and from each of our stores, service stations and warehouses, so that our customer and employee experience is the same, regardless of their location.









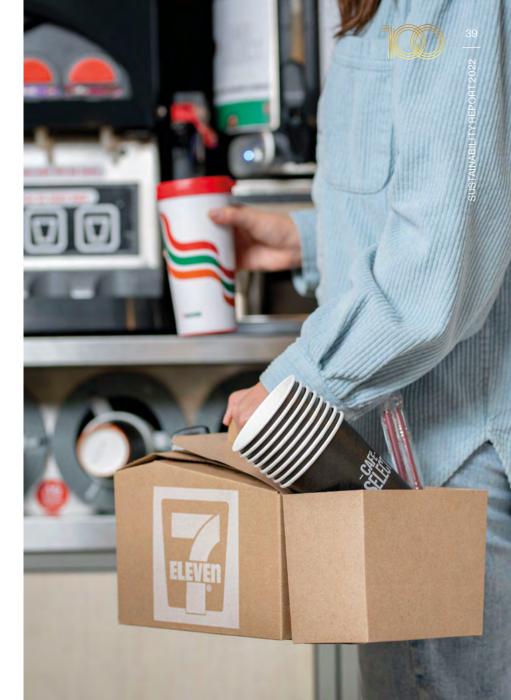
# HELPING MAKE A BETTER WORLD

GRI: 3-3, 2-22

# **Sustainability** strategy

At Iconn we define sustainability as the ability to operate today and endure in time, working in balance with our surroundings to generate the greatest social, environmental, and economic value in all our operations, while ensuring that we do not jeopardize the needs of future generations.

To achieve this, we have based our sustainability strategy on three main pillars: People, Product, and Planet. These pillars guide the actions and initiatives we develop to transform and positively impact our environment and mitigate the negative impacts that our operations may have on our various stakeholders. We defined these initiatives through a materiality study, which revealed the priority issues on which the company should work in each pillar.





## Strengthening our people, fostering inclusion, diversity and our impact on society.

#### **2030 Goals**

GRI: 3-3

#### Employees with better tools and quality of life

- 80% of management job openings will be filled by internal candidates.
- Deploy our global Occupational Health and Safety Program to ensure that we reduce the related indexes as much as possible.
- Foster the integral development of our employees as the fundamental mission of Iconn+ University.

#### Equal opportunity for all

- Achieve balanced gender representation at all levels of the operation
- Have a significant representation of women in management positions by 2030.
- Use our organizational climate survey to ensure that we have a tool that identifies equal opportunities as one of the main factors for talent retention and engagement.

• Produce initiatives that generate opportunities for people with disabilities and senior citizens to work and develop professionally

### Support for local communities

Be a leader in a culture of social responsibility among employees, customers, suppliers and all its stakeholders.

Benefit thousands of people in vulnerable communities through health, human development, education, and environmental initiatives.

Support long-term programs to raise the standard of living in all communities where the company is present.



## Offer a broad portfolio of products with a focus on sustainability to benefit our consumers



#### **2030 Goals**

GRI: 3-3

#### Sustainable Packaging

We focus on the circular economy in our proprietary brand packaging, eliminating unnecessary and difficult to recycle plastics, in line with international best practices.

#### Supplier training and certification

Through our proprietary brands, we are committed to meeting and exceeding our customers' expectations by selecting the best supply chain, ensuring quality, and providing clear and transparent information about our products.

- Sourcing with sustainable supply practices or with international certifications.
- Sustainable products with relevant certifications or endorsements to be a benchmark in the market.

50%

of our proprietary brand products will have **100%** recyclable, reusable or compostable packaging.





## Facilitating a better tomorrow through our operations today

#### **2030 Goals**

GRI: 3-3

#### Efficient use of natural resources

We work to minimize our environmental footprint with a long-term vision by pursuing program continuity in all current and future business units to ensure the success of our sustainability strategy.

- Ensure that recoverable waste from our operations enters a recovery chain, promoting the circular economy.
- By 2030, ensure the use of renewable or clean energy in all our business units.
- Implement action plans for adequate consumption management and education on the efficient use of water resources.

#### Reduce waste generation

Through our proprietary brands, we are committed to meeting and exceeding our customers' expectations by selecting the best supply chain, ensuring quality, and providing clear and transparent information about our products.

Optimize our operations to reduce our environmental footprint

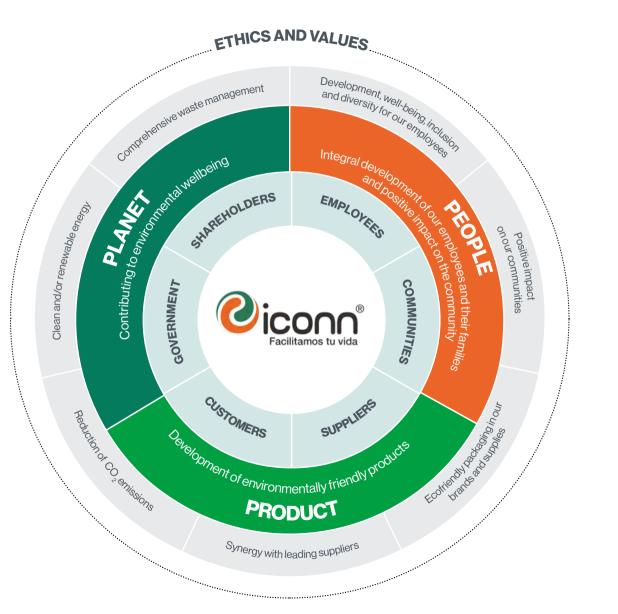
Reduce food waste generation by 50% by 2030

- By 2030, reduce Scope 2 emissions by 30% across all our operations vs. our 2019 baseline.
- Reduce our carbon footprint through operational optimization initiatives.
- By 2030, be service station leaders with differentiating technology in terms of sustainability.



#### GRI: 2-13, 2-14

To best manage sustainability tactics, initiatives, processes and results, each of our pillars has a committee responsible for ensuring that we share the same sustainability vision, seeking the best for our stakeholders; supporting decision making; defining initiatives and monitoring compliance; allocating resources; and analyzing any risks that may exist. These are led by business leaders whose roles and responsibilities are linked to each pillar, in addition to the Sustainability team.



## Materiality

In order to define those issues where Iconn's objectives, risks, opportunities and needs converge with those that are relevant to our stakeholders, we conducted a materiality analysis that focuses on those core topics where we can generate the greatest impact and leverage our capabilities, while integrating sector best practices and the perception of our stakeholders.

It also provides us with valuable information that lets us know if we are on the right track.

In 2021, we updated the materiality analysis based on the various changes that the company has had in recent years to align our sustainability efforts.



We implemented the following process when conducting the materiality analysis:



#### **Dialogue**

With suppliers, employees, customers and civil society organizations



#### Benchmark

Best practices in the retail and wholesale



#### Identification of issues

Identification of important issues for the retail. wholesale and service station sector



Cross-referencing the maturity and relevance scores to obtain Iconn's material topics



#### **Evaluation**

Maturity of Iconn sustainability management

The process described above yielded the following material topics:

#### **HIGH PRIORITY**

#### **People Pillar**

- Employee health and safety
- Gender equality and employee diversity
- Employee Code of Ethics and Conduct
- Employee development: training, promotions, salaries

#### **Planet Pillar**

- Energy use
- Handling of hazardous materials

#### **MEDIUM PRIORITY**

#### People Pillar

- Sustainability management, transparency and communication
- Customer data security
- Talent attraction and retention
- Community support

#### **Planet Pillar**

- Truck fuel consumption efficiency (transportation and logistics)
- Food waste and waste management
- Construction of stores and gas stations
- In-store recycling programs

#### **Product Pillar**

- Quality and safety of food products
- Product labeling and communication

#### **LOW PRIORITY**

#### **People Pillar**

Iconn Complaint System

#### Planet Pillar

- Compliance with environmental regulations
- Air quality and strategy to reduce environmental impact

#### **Product Pillar**

- Environmental/social risk management in the supply chain
- Price transparency and integrity
- Sale of local and certified products
- Product specifications and clean fuel mixture
- Product health and safety
- Product offerings for different lifestyles and preferences

## Stakeholders

Our stakeholders include all those organizations and groups of people with whom we have a business relationship, and therefore, our company decisions or actions may have a positive or negative impact on their activities.

We maintain a constant dialogue with them through various channels to learn about their concerns and needs, and we work together to try to address them.

#### **Shareholders**



Those who bet on us



Those who build and make this dream possible

#### **Employees and their families**



#### **Customers and Consumers**



Our raison d'être

#### **Communities**



Our extended family

#### **Suppliers**



Our main allies



Those who share our path with people

#### **Education Sector**



With whom we can build a better future

#### **Sector and governmental authorities**



With whom we work hand in hand for a more sustainable Mexico







# GOVERNANCE







44,084 hours of ethics and anti-corruption training

cases of corruption in 2022





Board Members received information on anti-corruption policies and procedures



GRI: 2-24

## Corporate Ethics and **Transparency**

#### Iconn Values



We innovate in everything: We promote an innovative mindset using technology, making it convenient and sustainable.



We obsess over consumer preference: We recognize the consumer as our only boss and strive to meet their changing needs.



We strive to be better every day: We drive our results by acting with integrity, based on facts and data



We developed a champion team: We build one Iconn, based on collaboration, diversity,



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



of employees have a Code of Conduct certification

37,461 hours of human rights training

1,209 suppliers signed the Supplier Code of Ethics

Through various initiatives and our Sustainability Strategy, we contribute to the Sustainable Development Goals: 7 (Affordable and Clean Energy), 11 (Sustainable Cities and Communities) and 17 (Partnerships for the Goals) of the UN 2030 Agenda.





## Code of **Ethics**

We have a Code of Ethics which must always be respected by all employees and suppliers. It is a framework of common values that guides the expected behavior of everyone in the company. Twice a month, we convey related topics to all our employees.

Respect for human rights is one of our core values. We have developed policies and initiatives aimed at helping us to respect and promote universal rights by supporting the United Nations Guiding Principles in our relationships with our employees and suppliers.

#### GRI: 3-3, 2-23, 405-1, 406-1, 407-1, 408-1, 409-1, 411-1

We are committed to the communities where we operate and to all our stakeholders in the following: to uphold Human Rights; to respect and protect Indigenous Peoples; to respect diversity and inclusion and equal opportunities, as well as non-discrimination; to freedom of association and collective bargaining; to ensure safe and healthy workplaces; to prohibit child and forced labor; to provide remuneration and benefits; to healthy lifestyles; and to provide transparent information to our employees.



### Iconn Integrity Policy

The integrity policy is based on the General Law of Administrative Responsibilities, which requires companies to comply with the following criteria: have a Code of Ethics and Conduct; have an Ethics Line; provide training on the Code; have controls; have an organization and procedures manual; human resources policies that avoid discrimination; and transparency.

#### GRI: 2-16

We receive reports of non-compliance with our Code through our Ethics Line. The platform for receiving complaints is contracted by a third party; however, the Forensic Audit Department is responsible for handling, channeling, following up, and resolving them.

312 complaints received

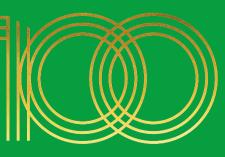
296 cases closed



To learn more about our Code of Ethics visit https://iconn.com.mx/etica-corporativa/ or use the QR Code









and are our raison d'être, thanks for your

allies in making your lives easier.

preference and the loyalty of choosing us as your





The Regulatory Compliance Department leads an annual campaign to update the "Declaration of Interests" It allows our employees to declare whether they are in a personal situation that could affect the interests of the organization.

After reviewing this information, the Human Resources Department is notified of situations that could lead to a conflict of interest, or when a conflict of interest has already materialized. In cases involving Directors and Board Members, the information is shared with the Executive Talent Director, who is kept informed of the situation in case any decision must be made.

The Conflicts of Interest Policy is visible in our internal portal. At the time of hiring, employees are informed of its contents and fill out a questionnaire with the relevant information.

#### Power of Attorney Policy and Liability Limits

This regulates the exercise of powers of attorney and legal representation for Iconn and its business units. It is divided by hierarchies and amounts, so it will depend on the amount of the business, the level within the company, and the person responsible for the signature.

One of its main attributes is that it provides the company with a proper separation of duties and that there are no conflicts of interest.



## Anti-corruption

GRI: 3-3, 205-1, 205-2, 205-3, 206-1

Iconn rejects any type of corruption in accordance with our Anti-Corruption and Undue Advantages Policy, and the zero-tolerance criterion for non-compliance with related laws and regulations, which is available to all employees.

We also have a fair competition policy that covers all issues related to this matter. We also provide certification for very specific audiences.

44,084 hours of anti-corruption training



Our Code of Ethics and Conduct addresses the issue of Money Laundering

### **Money Laundering Prevention Policy**

We have been following up on the prevention of money laundering since 2015, the year regulations on this issue began. Through our Regulatory Compliance Department, we conducted an initial diagnostic to understand our status and areas of vulnerability, drafted a Compliance Manual, and designated employees to take the lead on implementation. In accordance with the above, we developed our Money Laundering Prevention Policy and published it on the company's website.

In 2022, we updated the diagnostic through a third party based on the new subject criteria and bills introduced by the government. The report is about to be issued and will enable us to follow up with each of the departments involved and our compliance with legal and regulatory obligations.



## Corporate **Governance**

GRI: 2-9, 2-10, 2-11, 2-12, 2-13, 2-17, 2-18, 2-19, 2-20, 2-21

We have a robust corporate governance system. Its main objective is to strengthen the organization and align business interests with those of our stakeholders, and it is based on ethics and operational transparency.

The Board of Directors monitors the direction of business activities and fulfilled objectives, including how management handles the risks and impacts that could hinder the achievement of strategic and financial objectives. It meets five times a year, with an average attendance rate of 95% and a minimum attendance rate of 51%.

Iconn, 7-Eleven, Iconn, MAS Bakeries and other subsidiaries are managed by a Board of Directors, composed as follows: at Iconn 11 Board Members, of whom 6 are Proprietary and 5 are Independent; at 7-Eleven, 7 Proprietary Board Members; and the rest of the subsidiaries have 6 Board Members.

These Boards are supported by the Admissions, Compensation and Audit Committees to carry out their duties. The Board Members themselves participate in these meetings, as well as the Company's Statutory Auditor and Alternate Statutory Auditor. Its members are appointed by the Board of Directors.



All members of the Board are appointed by the annual General Shareholders' Meeting, and the Chair and Secretary of the Board are elected at a Board meeting from among the members of the Board of Directors. Their appointment criteria include capabilities, knowledge of the sector and sustainability, commitment to our business philosophy and ethics, and honor, among many others.

To strengthen our Corporate Governance and effective risk management, we developed the Iconn Assurance System (SAI), which is based on the Reference Framework of the *Committee of Sponsoring Organizations of the Treadway Commission (COSO)* and the model of the Three Lines of Defense issued by the same organization. Its main functions include:

- Strengthening our commitment to our values and corporate ethics
- Complying with internal policies
- Monitoring activities
- Promoting risk management with a proactive and preventive approach
- Facilitating standardization
- Sustainability
- Best practices in processes





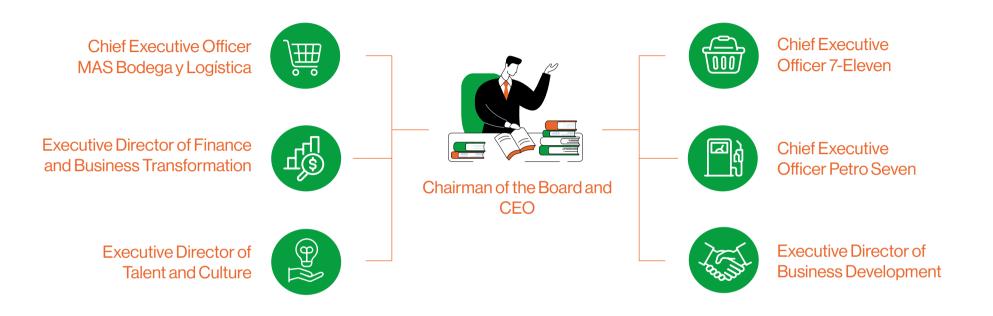
#### Risk management

The company's risk management activities are led by our Executive Committee, which is constituted as the Iconn Risk Committee, and is responsible for identifying and assessing the main risks to which we may be exposed.

In turn, the Internal Control Department is responsible for analyzing the risks for all departments and, together with the Executive Committee, determining which risks are strategic.

Likewise, each of our business units has a Risk Committee, which carries out the same functions described above. For its part, the company's senior management establishes specific management plans to manage each risk as deemed necessary.

Through the Audit Committee, which is made up of highly experienced people outside the business, the Board of Directors is responsible for supervising and approving the assurance strategy, through a system that includes the pillars of Corporate Ethics, Risk Management and Regulations.



## Compliance with laws and regulations

GRI: 2-2. 2-26

The Regulatory Compliance Department has a mapping of all legislation and regulations that the company must comply with, ensures compliance with these, and guides and advises the various departments on the appropriate compliance with the applicable regulations.



# PEOPLEPILLAR



100 students in our Trainee Program

eNPS 41.8% 70% of Staff employees in the i-flex scheme



#### GRI:3-3, 2-7

At Iconn, we are a company of people and for people. Our employees are a priority and the main driving force behind everything we do. This is why we have developed a talent and culture strategy whose main objective is to attract the best talent and offer them the best working conditions in all aspects. As a result, we've built a great place to work and deliver long-term sustainable results.

To carry out this strategy, we have defined five major dimensions: attracting the best talent, investing in leaders, driving performance, organizational agility and leadership culture. We use these dimensions to establish annual and multi-year priorities to achieve our objectives.

### Total Employees by Business



CSICONN 2%

Workforce breakdown by gender, age, region, type of employment























# Employees by **Type of Employment**



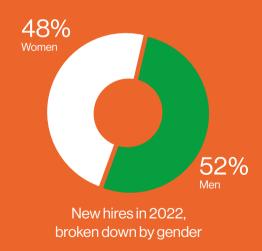
#### **New Hires**

GRI: 3-3, 401-1

We have a trainee program for recent graduates with high potential. In 2022, we hired the 3rd cohort, incorporating 9 employees: 5 women and 4 men

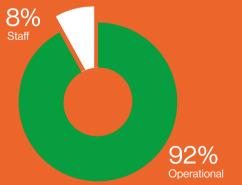
We have a Talent Attraction Policy, where we specifically promote equal opportunities, diversity, and gender equality, regardless of sexual orientation, religious beliefs, or race. What matters to us is merit. We are a company that encourages merit recognition as an intrinsic part of our DNA.







9,730 Operational **862** Staff



New hires, broken down by employment type



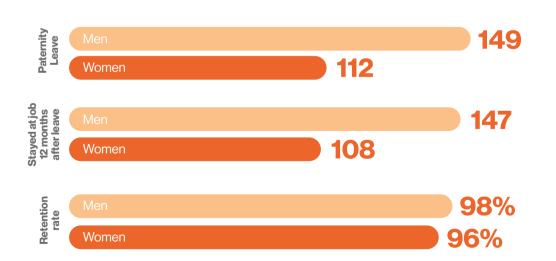
## Benefits and **Allowances**

GRI: 3-3, 201-3, 401-2, 401-3, 404-2, 404-3

We constantly strive to offer better benefits and allowances for our employees, granting more vacation days than those established by law for unionized and non-unionized personnel. We offer 12 days from the first day and 18 months, as well as additional holidays.

In terms of paternity and maternity leave, we offer five days by law plus five business days for fathers. Mothers receive the legal days plus 30 calendar days, as well as a reduced workday of six hours until the baby's first birthday.

Additional benefits include a vacation bonus of 25% for employees who have been with the company for 1 and 2 years, 40% after 3 years and 45% after the fourth year, and 17 days of Christmas bonus.





#### i-flex

The *i-flex* model was created to meet the need to allow employees greater flexibility in their work. It is designed to improve the employee experience, integrate their personal and work life, and meet and exceed personal and business goals that are aligned with lconn's strategic goals. It offers employees the option of working a minimum of two days and up to five days at home, with the focus on meeting the objectives and availability within the hours established in the policy.

New generations have changed their needs and dynamics, so offering them flexibility has helped our company attract better talent and, at the same time, offer a better quality of life and improve productivity. To this end, we worked on designing the job positions to fit this *i-flex* flexibility model.

#### *i-flex* benefit plan

Employees will be able to exchange some of the company-issued benefits for others that adapt to their needs and lifestyles from the moment they join the company.

This means that they will continue to receive the same compensation, but in programs of their choosing.

- $\bullet \quad \text{It will allow them to increase their purchasing power, have greater cash flow or choose the same programs.}\\$
- This change allows them to make decisions on the best way to receive their compensation to optimize it.



Benefits available for add-on selection:

- Increasing the insured amount for major medical expenses
- Funeral expenses for themselves and dependents
- Personal accident insurance for themselves and their dependents
- Dental insurance for themselves and their dependents
- Monetizing surpluses and receiving them in cash
- Educational programs
- Checkup for employee and spouse
- Ambulance service
- Personalized statutory savings fund

Life expectancy has increased to 77 years, on average. That's why we offer our employees a Retirement Plan, which is a voluntary savings scheme. The objective is to use the working years to accumulate the necessary resources to maintain a decent standard of living during retirement.

## 70% of Staff employees in the *i-flex* scheme

The results of the i-flex strategy have been successful, as evidenced by the satisfaction survey we conducted in 2022.

Our challenge for the future will be how to reflect this flexibility in the operational teams. Although they must physically meet the needs of consumers, we are already

94.8% Participation rate

45% women 55% men

**27%** Staff **73%** Operations

We have also made improvements for our employees at our service stations, such as remodeling restrooms and installing dining areas, so they can all enjoy better working conditions.



In a climate survey,

of Petro Seven's operating personnel reported being satisfied with their working conditions.

87.2% Satisfaction

87.2% Engagement

73.5% Organizational Climate

eNPS 41.8% Above the LATAM retail benchmark (+15.8 pp)

Intention to stay 66.3%

testing different work models.

## Training and Development

GRI: 3-3, 404-1, 404-2, 404-3

At Iconn, we continue to positively impact our employees' development and learning through the Iconn University platform, and in 2022 through ICONN+ University. We also partner with a company to obtain preferential prices in different institutions around the country, to offer more and better content.

Iconn University kicked off in 2021, and is based on four approaches:

- Development of integral competencies that drive the achievement of our Iconn Transformation 2023
- Adoption of new educational methodologies that generate a culture of selfdevelopment among employees
- Drive innovation for continuous improvement in the workplace
- Structuring dynamic and flexible learning processes

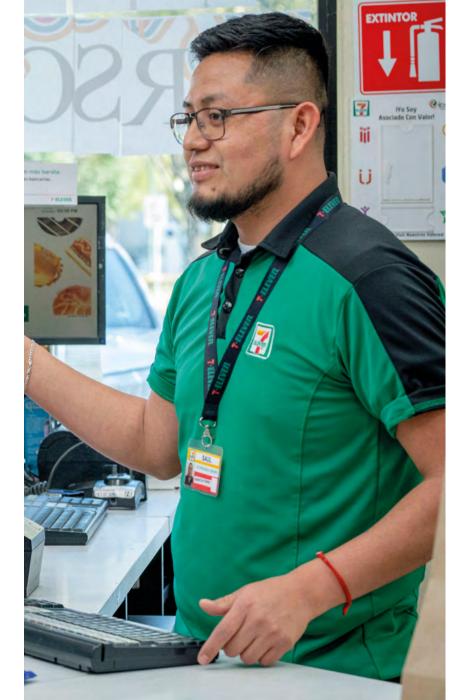
The Vision of Iconn University is: "To develop our employees to to turn them into allies that will allow us to win consumer preference."

We have also adapted our training platforms into virtual e-learning programs to provide our employees with the means for their preparation and development.

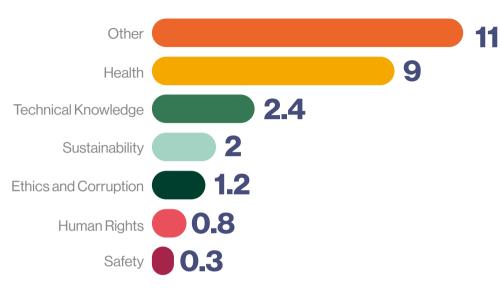
Our educational program offers more than 50 training courses in the areas of Safety, Health, Human Rights, Ethics and Corruption, Sustainability and Technical Knowledge Technicians.

We're proud of our Leaders at 100% Program, designed for directors, senior managers, self-starters and operational leaders. It began three years ago through the lens of our 2023 Transformation Model. It is designed to develop people to turn them into high-performance teams.

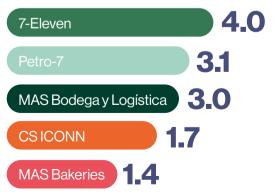
We also highlight our Trainee Program, which aims to provide real opportunities for university students with high potential by building an employer brand that is attractive to young people. In 2022, our program had 100 students doing internships in the company. Of these, 50 graduated and we hired 21; i.e., 42%. This was our highest percentage in the last three years.



### Average hours of training per subject (Iconn)



### Average hours of training





## Health and Safety **Management**

GRI: 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8

The health and safety of all employees is a priority for Iconn. We seek to have safe workplaces in which they can do their jobs. Throughout 2022, we continued to follow up on our various programs and initiatives in this area.

In 2023, we will begin implementing our I-SASST Health and Safety Management System. Its strategic objective is to recruit and develop healthy employees in flexible, safe and comfortable spaces.

We seek to have a culture of health and safety in our workspaces and for our employees. We believe that their emotional well-being will be reflected in our customers and will comply with governing regulations until we achieve world-class standards.



The I-SASST scope includes the following:



the health and safety management



Include all company sites and the outside its sites in the management



clearly defined, communicated and visibly demonstrated by all company



Starting in 2022, and to better understand the priorities within these issues, we hired a medical specialist in industrial safety and occupational health to carry out an assessment. We used the results to define a strategy and action plan for these issues to be applied in 2023 and beyond, in addition to complying correctly with all regulations.

Similarly, we have improved various processes with health entities so that employees can process their paperwork more quickly, and we have improved accident and loss rates compared to 2021.

The safety of the employees at our Petro Seven Service Stations is also of vital importance, since that line of business exposes them to certain dangers that we must anticipate. We have conducted training on the handling of flammable products, fuel handling, emergency shutdowns in dangerous situations, and fuel unloading training, among others. They also use required safety equipment, such as safety shoes.

It is essential to create a culture of safety among gas dispatchers, which is related to both personal risk and risk to others, and which is non-negotiable.



# THANKS TO OUR 7-ELEVEN, INC. BUSINESS PARTNERS...



7-ELEVEN.

Because for 47 years they have believed and trusted in Iconn to develop the 7-Eleven brand in Mexico.



## comunidadesiconn®



 $175 + 403 = 578_{\text{members}}$ 



578 active members in Iconn Communities











Young Talent members

members





Diversity People with



## wellness Community

Create mindfulness spaces where we can promote an agenda within three blocks of action centered on the person: Body, Mind and Spirit

Through our Well-Being initiative, we seek to raise awareness of the importance of staying healthy in Body, Mind and Spirit. In 2022, we carried out the following activities:

- Nutrition and Trendy Diets with the participation of TEC Milenio (150) participants)
- Stress and anxiety (180 participants)
- Diabetes: Importance of a healthy diet (74 participants)
- Finance for Millennials (130 participants)
- Healthy Christmas

- 2022 "No More Excuses" Wellness Challenge (62 Iconn employees received free medical consultations)
- Runners Club

#### Health Week

Every year we carry out events like Health Week to raise employee awareness of the importance of taking care of their health by providing them with vision tests, dental check-ups, and nutrition programs, among others. We also have a blood donation program.





## innovación Community

- Online workshop: Disruptive Thinking, presented by Emotion Group
- Conference: Workspace Innovation, presented by MilleKnoll
- Presentation of our new podcast: We Make Your Life Easier
- Innovation Lab





## diversity Community

A culture where everyone feels welcome, valued, respected and heard

We believe that all people have the right to equal opportunities, in an environment that fosters diversity and inclusion, by capitalizing on and complementing the strength of our differences.

#### Women

Through the Women Community, we build and develop initiatives to attract, retain and develop women within Iconn, with the aim of raising Iconn's level of awareness in the company about the positive impact of promoting female talent within the organization.

- International Women's Day: Love Your Healthy Self Conference (100 attendees and more than 60 visits to the recording on social networks)
- **Energizing female talent:** Pilot workshop for 7-Eleven's operating talent, designed to create awareness of gender equality and horizontal solidarity (3 sessions, 20 employees graduated)



- W.IN Certification: Online program to boost female value and leadership (68 graduates)
- International Day Against Violence Against Women: Gender violence awareness day (70 employees in activities)

#### People with Disability

We want all our employees to have the necessary conditions to feel included and to have the necessary tools to carry out their responsibilities.

- Talk on disability and inclusion: Delivered by the President of the Familia Incluyente A.C. foundation
- Disability and Leadership: Conference to highlight the types of disability and how to lead an inclusive team

#### LGBT+

The initiatives of this community have become a space for meeting and raising awareness about the importance of diversity and respect among all of us.

• Manitas Pintando Arcoiris (Little Hands Painting Rainbows): This initiative supports people with cancer. The association offers food, medicine, psychological support, etc.



## **Ambassadors** Community

A diverse supplier network, strong community partnerships and a positive reputation in local communities.

At Iconn, we want to positively influence the communities where we operate. Our Ambassadors Community began operating in 2021. Our employees share the great stories and experiences that we develop within Iconn with the community, always seeking to convey why It's Better with Iconn.







## **volunteers** Community

We want to be an agent of change in the communities where we operate to achieve a positive impact.



GRI: 3-3

Through our Volunteer Community, we strive to be part of our neighborhood, supporting the communities where we operate and taking care of the planet.

In August 2022, we invited our volunteers to help with the Santa Catarina River Mega Cleanup in partnership with various companies, with the objective of strengthening the green spaces and environmental services that the river offers us.

300 27,160

We also reforested 40 trees in Parque Revolución in San Pedro Garza García, with the participation of more than 55 volunteers.

55 volunteers 165 volunteer hours



## COMMUNITY DEVELOPMENT

GRI: 3-3, 203-1, 203-2, 413-1, 413-2

## Food **Bank**



Through this initiative, we rescue safe and usable food at our Distribution Centers (CEDIS) to donate it and prevent it from going to waste. This agreement between Iconn and the Mexican Food Bank Network (Red BAMX) has allowed us to improve food security conditions in states such as Nuevo Leon, Jalisco and the State of Mexico.

In 2022, we received the Food Bank Award for our participation since 2021 by donating more than 30,000 kg of food from CEDIS in Tijuana, Monterrey, the State of Mexico, Hermosillo, and Cancun, and to MAS Bodegas for the delivery of 52,000 kg, equivalent to \$690,689.80 and \$84,036, respectively.

tons of food donated in 2022

## **RED Round-Up** Program

Our commitment through the RED Round-Up Up program is to be a link between institutions or civil society organizations and our customers. After purchase, customers are invited to donate the difference between the amount on their receipt by rounding up to the nearest peso. Their donations support various priority causes in our country and helps them extend the benefit to the communities that need it most.

## +\$142 million pesos

collected since its inception in 2007

\$5,112,588.61 collected through RED Round-up in 2022 for 47 NGOs



## Made in **Zapopan**

In August 2022, we held one of the most significant social responsibility programs we have carried out at Iconn, "Made in Zapopan."

The objective of this program was to assign a space in our 138 7-Eleven stores in the Guadalajara Metropolitan Area to 12 entrepreneurs from different communities to sell 25 products. We supported them by preparing special displays for the program, following up on product registration, and promoting their products and the event.

The program received the Ethics and Values in Industry Award, organized by CONCAMIN, in the Outstanding Practice section.

14,632 units sold from August to December 2022

**\$466,193.13** in sales





## **Orange** Dot

This initiative was created by Tijuana City Hall and the Municipal Institute for Women and arose as a strategy to prevent and address violence and harassment of women and girls in public spaces.

Companies, businesses, stores, organizations and institutions that feature an Orange Dot are a support space to protect the victim and then call the competent authorities. They serve as a link between the victim and the government authority.

Our 67 7-Eleven stores in Tijuana joined this initiative, making each one of them an establishment to carry out the management, training and installation of Orange Dots as safe zones. From now on, all new stores will be members of the program.





## If you drink, don't drive

During 2022, we supported the "If you drink, don't drive" campaign in the city of Tijuana, Baja California, at our 7-Eleven stores. We held events where participants wore goggles that simulate the sensation of being under the influence of alcohol: we visited bars and restaurants near the store to raise consumer awareness; we handed out 500 T-shirts and 5,000 pins referencing the program and gave out candy and snacks. Our employees wore the campaign T-shirt every weekend.



## Donation to brigades

In support of our volunteer brigades, who worked fighting the fires in the Sierra de Santiago, Nuevo León, we delivered more than 19,000 food and

### Safe **Route**

Given the circumstances affecting women in the municipality of Guadalupe, Nuevo Leon, and the violence to which they are exposed, on the International Day for the Elimination of Violence against Women, 7-Eleven announced a partnership with the municipality to install alert buttons in eight stores, and to provide safe shelter for women in situations of risk. We also conducted training on service protocols for store personnel.





### Product with a Cause

#### Scent with cause

At Petro Seven, not only have evolved in our social responsibility campaigns, but we have also amplified the campaigns with social awareness. We use various internal and external communication channels, including our own and those run by Iconn, which focus on two institutions: Red Cross Foundation and its Breast Cancer campaign and Arena Foundation, which focuses on autism, through various initiatives:

- Online activities to raise awareness about these diseases and sell articles with a cause.
- Raising awareness among our employees through conferences and breast exams for employees at the Iconn level.

At our service stations, employees have taken ownership of these social responsibility campaigns, consistently supporting these organizations over the years.



# **Xochimilco Lights**Donation

Donation of 100 LED lights to the municipality of Xochimilco to support improved road safety in the area, while strengthening our relations with local authorities

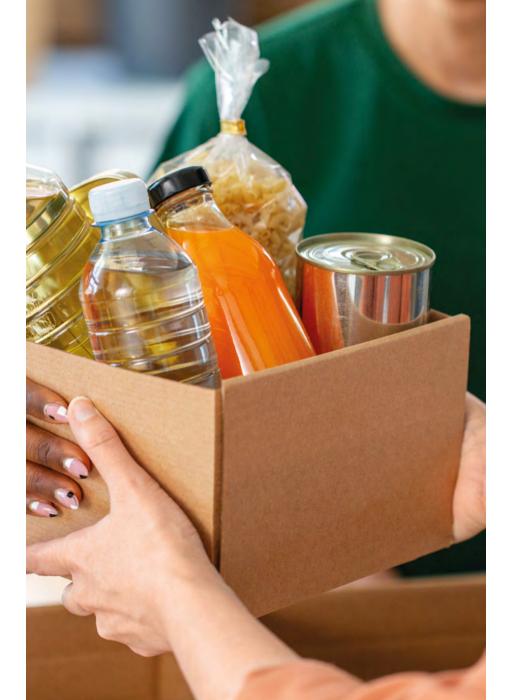
## Me **2022.**Il International Convention

During this space, we promoted female entrepreneurship through lectures, sharing experiences, success stories, etc. Iconn sponsored the event, and we also granted 20 passes for employees.

### Posada with Iconn Communities

Likewise, the Iconn communities joined forces to close the year with heart. Like our past event, we held a posada with a cause, where we supported the *Manitas Pintando Arcoíris* association. The call for assistance produced a great response from all business units.







## Ricardo, Andrés and José A. Chapa Foundation

Don Ricardo, Don Andrés and Don José A. Chapa González had a clear vision of solidarity, and always showed a spirit of understanding and help towards the most unprotected sectors. In their memory, a Civil Association was created in their name in 1999 to support various causes related to education, health and social assistance through financial contributions. Since its inception, the Ricardo, Andrés y José A. Chapa González A.C. Foundation has worked with more than 450 Civil Society Organizations and has donated more than \$140 million pesos.

To learn more about the Foundation, visit: fundacionchapa.org.mx

In 2022

104 institutions received support

+10.4 million pesos granted





# **PRODUCT PILLAR**



GRI: 301-2, 301-3

#### **DEVELOPMENT OF A CUP MADE OF AGAVE FIBERS**

AND PLACEMENT IN STORES IN NUEVO LEON, COAHUILA, TAMAULIPAS, GUADALAJARA, AND MEXICO.





Reduced oil consumption by almost

150 liters



100% recyclable

Continued our reusable bags program and developed an awareness program for their use





Lowest PET grammage on the market for 7-Eleven bottled water packaging

Expanded the portfolio of packaged biodegradable disposable products for sale



**1,270** stores 7-Eleven

We avoided wasting +923K cups of coffee

Developed and implemented a compostable bag as a liner for the ecological cardboard cooler, replacing the plastic one that was used SUSTAINABILITY REP

## Café **Select**

GRI: 3-3, 203-1, 203-2, 204-1, 413-1

One of the most popular products in our 7-Eleven stores is coffee. So, every day, we strive to offer our customers the best quality, without neglecting the sustainable attributes that identify us as a company, including its production, consumption and final disposal.

We continue to support small Mexican coffee producers, promoting responsible agriculture, and entering strategic partnerships to provide them with the supplies they need for coffee production, such as fertilizers and different varieties of coffee plants. The result is a fair economy with diverse communities.



## 7-Reserve Campaign

Our campaign supports various certified coffee suppliers to provide greater product variety for our customers. With this focus, we look for national or international producers that comply with some type of certification aligned to the sustainability agenda. In turn, they provide us with





coffee varieties as additional options to the 100% Mexican variety that we are known for and that our customers love, for a limited time.

In 2022, the 7-Reserve option that we marketed in our 7-Eleven stores came from premium coffee beans that were sourced in Honduras and certified by the Rainforest Alliance. This lets us know that they were produced through sustainable agriculture, so we can help manage the environmental and social impacts of coffee farming, through a process that encourages continuous improvement. We also marketed a quarter pound bag of roasted and ground coffee to enjoy at home.

#### Wellness: Tastes good, makes you feel better

Interested in providing our customers with the same flavor of coffee that they are used to and enjoy in our Café Select brand and seeking to expand our portfolio with beverages and solutions for each lifestyle that could also have valuable nutritional attributes for our customers, in 2022 we launched our first 2 products in our new Wellness line: Almond Cappuccino and Espresso Cappuccino added with Ganaden BC30® probiotics. Due to its ingredients Cappuccino Almond is our first flavor of coffee with 0% sugar, 0% hydrogenated fat and 0% dairy products; while Cappuccino Espresso is our first offering added with GanedenBC30® which is a natural probiotic ingredient that can provide beneficial bacteria to improve digestive health and immune system.

Additionally, with the same obsession with which we seek to provide the best responsible coffee to our customers, we also focus on the sustainability of the packaging in which it will be enjoyed. For this reason, since 2014, we have refillable coffee mugs in our stores that give our customers the benefit of obtaining a preferential refill price, thus promoting the end of using single-use cups. 1 out of every 5 cups of coffee we sell is served in a refillable jar.





were served in 2022



<sup>1.</sup> GanedenBC30® is a brand of Kerry group. Used under license.

This product contains one billion bacillus coagulans GRI-30.6086\* ready for you.

<sup>\*</sup>Standard method: bacillus coagulans bc30 count method, fcc 11/title: bacillus coagulans

#### GRI:305-5

## In 2022, we stopped emitting 1,062 tons of CO<sub>2</sub>, through the refill program.





500,000 refillable coffee mugs sold in 2022

In addition, we continued replacing glass carafes for the stores' coffee pots with Soft Heat® thermoses, which allow us to keep the coffee in the best conditions, avoiding waste. We also launched a wheat fiber mug and a bamboo mug, to complement our refillable mugs offering.

68% (+34% vs. previous year)

2023 Target:

## **Quality** Assurance

GRI: 3-3, 308-1, 308-2, 414-1, 416-1

The Quality Assurance Team oversees managing the quality and safety of all proprietary-brand foods. The supervisors responsible for carrying out the quality assurance are certified in the FSSC 22000 Standard, which is endorsed by the GFSI, in addition to other food safety certifications.

We ensure continuous improvement in best practices by adhering to various standards such as:

- Internal world-class system of 7-Eleven Inc. of Hazard Analysis and Critical Control Points (HACCP), which aims to ensure the safety of food from production to consumption, quality systems, safety and quality of our food for plants, for our grocery stores and bakeries as well as for our combined distribution centers.
- Evaluation and approval of Private Label suppliers, in quality and safety systems aligned to the Global Food Safety Initiative for their food manufacturing facilities.
- Monitoring continuous improvement in our 7-Eleven stores, weighted according to the safety risk matrix (severity against probability of occurrence) and the focus on critical points.
- We assess the quality of the products from the food manufacturing facilities to the points of sale, in accordance with the Official Mexican Standard NOM-251-SSA1-2009, Hygiene practices for the process of food, beverages or food supplements.

We've asked our product suppliers to migrate to 100% sustainable packaging with the least impact on the environment.





• To achieve quality assurance along the entire value chain, stores are also evaluated in two ways: announced visits, so that personnel are aware of expectations and provide coaching, and unannounced visits. We base these audits on our own HACCP standard.

Within our strategic framework, Iconn evaluates all our suppliers each year to ensure that they have the necessary quality management and food safety certifications and comply with social and environmental regulations. If not, we support them to obtain the necessary certifications and give them a period to make improvements. If they do not, we terminate the business relationship.

We have an Iconn Food Safety Policy, published in 2022, which is aligned with our Code of Ethics and includes food manufacturing facilities, distribution centers and points of sale.

## Marketing and Labeling

GRI: 3-3, 417-1

Our regular products are labeled according to law. The Federal Agency of Consumer Affairs (PROFECO) oversees compliance and can remove products from the market.

In terms of private labels, the Quality Assurance Department monitors all foods that are manufactured by our suppliers and their labeling. All approved labels are sent by the supplier to a certifying agency to have the warning labels and nutritional information added to the product.



100% of suppliers are aware of our Supplier Code of Conduct





## We Safeguard Our **Customers' Information**

GRI: 3-3, 416-1, 418-1

The company's Information Security Department is responsible for managing issues related to customer data security and providing the necessary technological support. This is supported by our Information Security Policy and the Confidential and Privileged Information Policy.

To manage information security, Iconn implements risk mapping in all company businesses to identify how customer information is collected and to establish technological security controls. In addition to the Information Security Policy, each business has other policies specific to the business sector.

Committed to protecting our clients' personal data, we have implemented the necessary protection measures to comply with the Federal Law on the Protection of Personal Data Held by Private Individuals. We do this through our Policy on Administration and Protection of Personal Data, and a committee comprised of employees from relevant departments that meets whenever a pertinent issue arises. The committee received its latest external certification in 2021, and Iconn personnel are required to obtain an internal certification. Our information privacy notice is also available on all the company's business sites.



Petro Seven is the only fuel company in the country certified by Apple to receive contactless payments through Apple Pay.

## Information Security Week

Information security must start in the company's professional environment, so we implement actions to strengthen the culture of security among employees through information capsules, conferences, and various dynamics.

In November 2022, we held our Information Security Week. Our employees received training on good practices, such as: using official applications, e-mail vigilance, classifying information, avoiding the use of public networks and using VPNs instead, and protecting their mobile devices.

5 content capsules





# PLANET PILLAR

## 2022 Achievements

GRI: 301-1, 301-2, 302-1, 302-4, 305-5

### Recycling









**Iconn Total** 255 Gwh of energy used -1.86% vs. 2021



170.8



**149** Petro Seven stations

Installation of **1,450 photovoltaic panels** at 20 Petro Seven Service Stations

**Reduction of 800 tons** of CO<sub>2</sub> emissions

508 COV's mitigated annually in service stations that have VRS

With the change of perimeter lighting technology in service stations, it was possible to avoid emissions of

-32.15\*tCO<sub>2</sub>e in one year.





#### GRI: 3-3

Within our sustainability strategy, the Planet Pillar aims to foster a circular economy throughout our value chain while managing the impacts that, as players in the retail industry, our activity has on the environment. In line with the findings of our materiality analysis, this approach has 3 prongs: water conservation; a circular economy of post-operation and post-consumption waste; and energy efficiency, clean energy and a reduced carbon footprint.

To manage these impacts, we have set ourselves the task of identifying the priority focus for each of our business units, which allows us to establish goals and initiatives that will allow us to reduce the impact we have on the environment.

#### 7-Eleven and MercaDía convenience stores:

Energy and waste

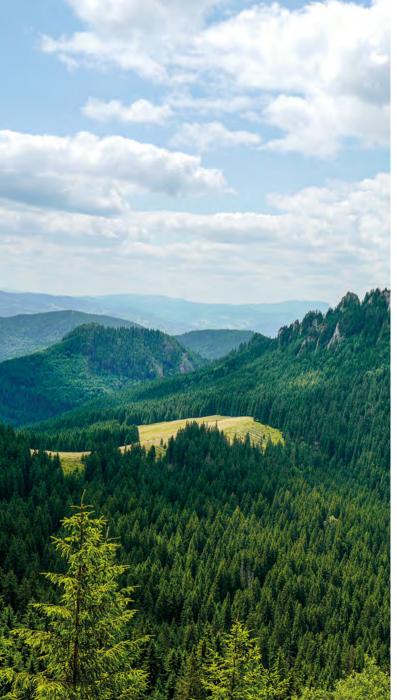
#### Petro Seven Service Stations:

Generation of emissions, hazardous waste and water

MAS Bodega y Logística:



Efficient fuel use and emissions generation caused by distribution and waste in the Distribution Centers



#### GRI: 2-27

In addition, our Environmental Surveillance program serves as a guide or manual for the construction, maintenance or closure of business units with the following objectives:

Ensure the implementation of prevention, mitigation, corrective and compensation measures

Identify environmental impacts not forecasted in the environmental impact assessment

Measure the effectiveness of the measures implemented

Collect the necessary evidence in the event of an inspection by an environmental authority

This program involves the following elements:



**Atmosphere** 







Soil



Vegetation







**Environmental risk** 

Likewise, we are 100% aligned with federal, local and state regulatory and legislative requirements in environmental issues and plan to standardize our operations nationwide.

**Energy** 

## Energy

GRI: 3-3.302-1.302-5

Since 2012, 7-Eleven has focused in innovate in Sustainability, with the following stores LEED certified:







Nuevo León 2013



Nuevo León 2019



Our plan to implement renewable energies for our operations is still on track, and we are awaiting a favorable decision from the authorities to promote the amount of renewable energy in the country. That said, we are looking for alternative ways to reduce energy consumption by optimizing its use.

In 2022, 1203 7-Eleven stores were supplied with clean energy. This represents **66%** of 7-Eleven's electricity consumption and 60% of Iconn's total consumption, thereby avoiding emissions of 11,560.03\* tCO<sub>2</sub>e.

Thanks to the initiatives in 2022 to reduce energy consumption, we achieved an emissions reduction of

**523.25**\* tCO<sub>2</sub>e in 67 stores -11.46% reduction compared to the baseline.

This result motivated us to implement the same initiative in 300 additional stores, and we are targeting 300 more in 2023.

245.1 GWh 7-Eleven Energy consumption

Emissions Scope 2 Electricity 2021

#### 7-Eleven



103,687 tons CO<sub>2</sub>\*

1,203 stores with clean energy = 66% of 7-Eleven's electricity consumption and 60% of Iconn's total consumption = -11,506.03\*tCO<sub>2</sub>e

### Emissions

GRI: 3-3, 305-1, 305-2, 305-5

#### 7-Eleven

To measure the emissions generated by our stores, in 2021 we developed a Corporate GHG Emissions Inventory Manual that we use to obtain the calculations and measurements we need to understand the impact of our operations.

We use electricity from the CFE grid for stores and offices, and in some units, we are also supplied by two additional cogeneration energy sources (CELSA and CGA). The energy is mainly used for lighting, microwaves, refrigeration equipment, freezing and/or refrigeration chambers, and office air conditioning.

Our fixed emissions come from diesel combustion in power plants in case of emergency and backup pumps for the firefighting system. Mobile emissions come from the burning gasoline in utility vehicles, and indirect emissions come from electricity consumption by third-party suppliers (CFE, CELSA and CGA).

#### Petro Seven

GRI: 3-3, 305-1, 305-2, 305-5

At Petro Seven, we have shown our leadership by being the first fuel sales company in the country to implement energy generation solutions on a mass scale using photovoltaic panels.

In 2022, we began the first phase of the project by installing 1,450 photovoltaic panels at 20 service stations, generating 90% of the energy needed to operate all the stations.

#### GRI: 3-3

Perhaps our most important project, and the one that sets us apart in the industry, was our investment in the installation of a certified vapor recovery system in 149 Petro Seven Service Stations. Based on NOM-004-ASEA-2017, it is equivalent to 57% of the network, and produced important results in terms of reducing emissions of particulate pollutants into the atmosphere. To date, 149 stations have been certified through an authorized third party, which represents 98% of the Nuevo Leon Plaza.

1,450 = Reduction of tons of CO<sub>2</sub>e emissions



## Vapor Recovery System

51 stations 2020

50 stations 2021

stations 2022

Stations with recovery systems in operation

109 Nuevo Leon

9 Mexico City

Jalisco

Baja Californi

#### GRI: 3-3

#### MAS Bodega y Logística

During 2022, we worked to improve fuel efficiency by monitoring and improving the GPS technology installed in our transportation units, training operators and renewing the vehicle fleet.

Indirect emissions (Scope 2) 2021

128,162.87 tCo<sub>2</sub>e
VS
129,832.09 tCo<sub>2</sub>e
of 2020

Note: Indirect emissions are those derived from electricity consumption by an external service provider

\*The report on annual indirect emissions is subject to the publication of the annual electricity emission factor published by the Ministry of the Environment and Natural Resources (SEMARNAT) and our clean electricity suppliers, which is why the information from 2021 has been used for this report.



## Water

#### GRI: 303-1, 303-5

We know how important it is to conserve water. The droughts recorded in 2022 are proof of how indispensable the vital liquid is to carry out all human activity and made us very sensitive our shared responsibility in taking care of our water resources. At Iconn, we do our part to reduce consumption across our various business units.

#### GRI: 3-3

We seek to mitigate the impacts we have on water consumption by identifying the businesses and plazas with the highest water consumption as a baseline, generating consumption trends, averages and reductions. Then, we implemented conservation actions, such as placing dry urinals in all our new Petro Seven Service Stations and 7-Eleven stores. We also switched to Soft Heat® thermoses for our coffee machines, which keep the coffee in better condition and avoid wasting coffee and water.

#### Average monthly water consumption (m<sup>3</sup>)

MercaDía and MAS Bodega y Logística

7-Eleven

33.9

Petro Seven 30.1

7,103.5 million ML of water used in 2022





## Waste and Recycling

GRI: 3-3.301-2.301-3.306-1.306-2.306-3.306-4.414-1.414-2

#### Waste

In terms of waste, post-operational waste is mainly produced at our Distribution Centers, while our convenience stores generate post-consumer waste, part of what is technically known as Urban Solid Waste (USW). Across all Iconn brands, we are working to achieve the correct recovery, disposal and integration of the waste we have identified into circular economy production chains.

In 2022, we implemented best practices for responsible separation of waste and its traceability from our stores to its final destination, to understand what percentage of this waste is being reincorporated into a circular economy. We continue to seek a greater number of suppliers who can certify where they will deliver our waste, to ensure responsible waste management.

Waste Generated in 2022 961.5 tons



#### Recycling

To deal with waste from our distribution centers, for the past eight years we have used a recycling program for stretch film, boxes and pallets in their entirety, preventing emissions of CO<sub>2</sub> into the atmosphere, and incorporating these materials into a circular economy cycle. In addition, we are working to develop more environmentally friendly packaging by applying the principles of Reduce, Recycle and Reuse, known as the 3Rs.

## Training in recycling management has been given at 27 7-Eleven stores.

Weight of plastics (kg) valued, by Distribution Center		
CIO	86, 494	
CEDIS Mexico	23,394	
CEDIS Guadalajara	11,172	
CEDIS Cancun	5,558	
Tijuana	11,521	
CDC Monterrey	2,622	
Hermosillo	7,790	
Total	148,581	

Weight of carton (kg) valued, by Distribution Center		
IO	459,106	
EDIS Mexico	93,792	
EDIS Guadalajara	36,157	
EDIS Cancun	27,390	
ijuana	28,940	
DC Monterrey	123,800	
ermosillo	8,975	
otal	778,160	



#### GRI: 3-3

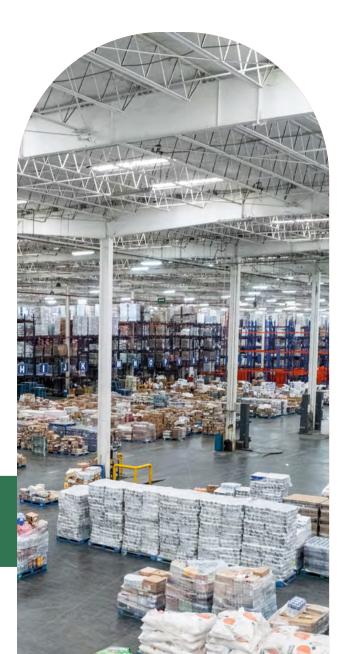
In 2022, we joined the Global Environmental Management Initiative (GEMI), an initiative born in the United States in 1990. Its purpose is to bring together different companies to promote actions in favor of the environment and the circular economy and encompasses the concept of Total Quality Environmental Management (TQEM) to achieve this goal. In Mexico, it has been implemented with several objectives, including company initiatives in environmental conservation, leadership, being at the forefront of sustainability and competitive advantage in processes.

This partnership has allowed us to implement a knowledge exchange with top companies on sustainability topics in environmental performance, information sharing, trends and strategies; involvement in reforms, updates or legal provisions concerning the environment; connections with environmental authorities, suppliers and NGOs in environmental and sustainability matters and achieving synergies of value, such as reusable waste for other companies.

#### GRI: 3-3

We also strictly monitor the hazardous materials we generate, especially at our Petro Seven Service Stations. To do so, we hire a supplier authorized by SEMARNAT to manage waste collection and provide us with the manifests for information disposal, enabling us to establish indicators of how much we are generating.





### Hazardous waste transported

GRI: 306-4, 306-5

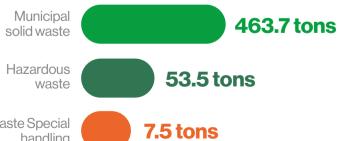
Contaminated solids

40.4 tons 5.6 tons

Aqueous sludge

453.5 m<sup>3</sup> Hydrocarbon-contaminated water

#### Waste Generation by Category in Petro Seven





## Partnerships and **Awards**

Participation in Chambers		
	ICONN's participation	
Cámara de la Industria de Transformación de Nuevo León (CAINTRA)	<ul> <li>Legislative Liaison Commission</li> <li>Energy Commission</li> <li>Social Responsibility Commission</li> <li>Environmental Protection Institute (IPA)</li> </ul>	
Cámara de Comercio de la Ciudad de México (CANACO)	<ul> <li>Board Members (N.L.)</li> <li>Legislative Liaison Commission</li> <li>Anti-Corruption Commission</li> <li>Support with municipal authorities</li> </ul>	
Confederación de Cámaras Industriales de los Estados Unidos Mexicanos (CONCAMIN)	Legislative Liaison Commission     Energy Commission	
Asociación Nacional De Tiendas De Autoservicio Y Departamentales (ANTAD)	Council     Information sessions	
Energy Cluster	Energy 4.0 Committee	
Consejo Coordinador Empresarial (CCE)		

#### Awards

#### **Safe Establishment Award**

for 7-Eleven stores in the State of Tamaulipas, granted by the Federal Commission for the Protection against Sanitary Risks (COEPRIS).

### **Ethics and Values in the Industry Award**

granted by CONCAMIN to Iconn in the Outstanding Practice category based on its entrepreneur support program "Made in Zapopan," promoting partnerships between local governments and the community.

#### **INFONAVIT** award given to Iconn

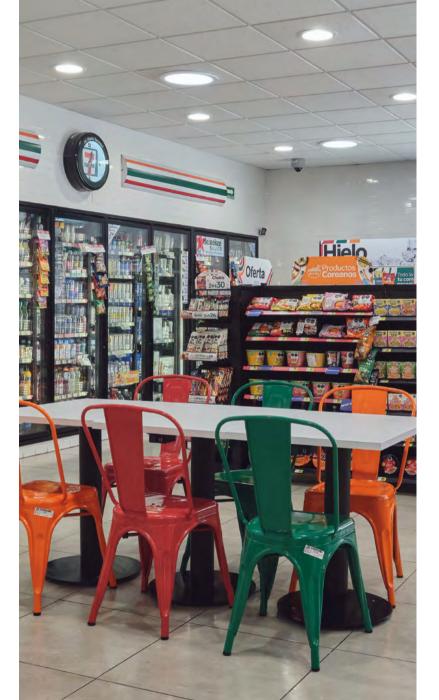
for its performance as a socially responsible company with its workers.

### **Socially Responsible Company Prize for the** 3rd consecutive year

Since our foundation we have promoted the economic, social and environmental development of the communities where we operate. This commitment led us to obtain the Socially Responsible Company Prize for the third consecutive year, granted by the Mexican Center for Philanthropy (CEMEFI) and which we are endorsing year after year. This recognition motivates us to continue towards sustainability and increasing our positive impact on all our stakeholders.









## About this report

GRI: 2-1, 2-2, 2-3, 2-4, 2-5

This is our third Iconn Sustainability Report, in which, as a sign of transparency and best practices, we present our environmental, social and corporate governance results for the period from January 1 to December 31, 2022, for all our business units. It is published annually.

The preparation of this report was based on the identified material topics derived from our materiality analysis carried out in 2021 and was guided by the GRI Standards methodology issued by the Global Reporting Initiative.

The process of validation, traceability and reliability of the information presented here is ensured by Iconn's Sustainability team in conjunction with Internal Control and the other internal departments responsible for collecting, consolidating and validating the information on the initiatives, goals and results reported for each indicator, with the support of the Communication Department, Steering Committee and General Management, who participate in the process of reviewing and validating the report contents.

Paper from well-managed forest sources (FSC: Forest Stewardship Council) was used in the printing of this Sustainability Report.

To send us any comments, we are available at the following channels:



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## THANK YOU!

Our most sincere thanks to all those who with their commitment make it possible for us to Help Make a Better World every day.

Thank you for always putting the customer at the center of all your activities and for contributing to our culture with your knowledge and talent.

Thanks to all the people who supported the development of this report, which is but a sample of the economic, social, and environmental achievements that we have accomplished together at Iconn in 2022.

Abraham Ibarra Alejandra Arteaga Alejandra García Alejandra Juárez Alfredo Bué Ana Cantú Ana Elsa González Ana Olvera Andrea Castillo Ángela Cantú Arturo Villarreal Augusto Olivares Bertha Dominguez Bethuel García Blanca Alanis Bruno Mejía Carlos Olveras Carlos Valle César de la Garza César López Daniel Mendoza David Chapa

David Martínez David Murillo Eduardo Truiillo Elena Cerón Emelia Estrada Emelin González Emma Cruz Erick Estrada Esperanza Romero Evaristo Pérez Fernando Martínez Francisco Esquer Gabriel Chapa Gabriel Leal Gabriela Raygoza Gerardo Trejo Graciela López Héctor Astorga Héctor González Héctor Hinoiosa Hernando Zambrano llse Garza

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