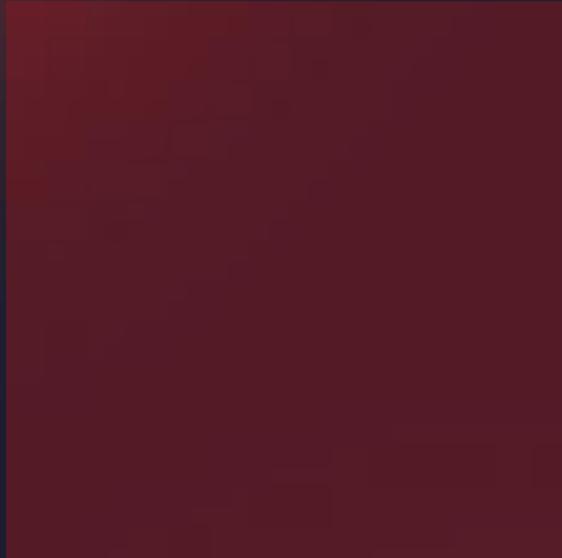


2022 focus



Integrated
Report
2022

annexes



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Annex 1 About this Report

This report, corresponding to the period from January 1 to December 31, 2022, was prepared in accordance with the Global Reporting Initiative - GRI Standards, using the new Universal Standards 2021 and the parameters of the Sustainability Accounting Standards Board (SASB) for the following sectors: (i) Chemicals, (ii) Meat, Poultry and Dairy and (iii) Automotive Parts. The report also reports the actions taken based on the Sustainable Development Goals (SDGs) and the 10 principles of the United Nations Global Compact.

The ESG report includes the Pork Meat, Synthetic Rubber, Polymers, Transmissions and Aftermarket business units. The financial information considers all entities, including Herdez del Fuerte and Megamex. For more information, please refer to Annex IV.

The previous edition corresponded to the year 2021 and was published in 2022. This document is published annually. The document was prepared by an external consultant together with KUO's sustainability area, and was validated by the Board of Directors, and will not be subject to external verification by an independent third party. No information was updated during this period.

STAKEHOLDER ENGAGEMENT

We maintain open and transparent communication with stakeholders. In particular, we carry out the following actions:

| Group of Interest | Action |
|------------------------------|--|
| SHAREHOLDERS AND PARTNERS | We share quarterly and annual information about the Group's financial, operational, social, and environmental performance. |
| EMPLOYEES AND FAMILY MEMBERS | Through various communication channels to listen and address issues of interest. In addition, we have established a Feedback and Transparency mailbox, as well as a whistleblower hotline, to comply with our Code of Conduct. |
| CLIENTS AND CONSUMERS | We maintain long-term relationships with our customers and consumers by providing them with quality products and services and by maintaining fluid and transparent communication. Details of communication methods for each business unit can be found in the Customer Satisfaction chapter. |

| Group of Interest | Action |
|-------------------|--|
| SUPPLIERS | We maintain fair and honest long-term relationships, requiring them to comply with our Code of Conduct and best environmental, anti-corruption and social practices. |
| SOCIETY | Our employees are part of social participation and volunteer programs where they interact with various groups in society. |
| AUTHORITIES | We maintain a respectful dialogue with the governments of the regions where we operate. |
| NGOs | We maintain continuous communication and establish alliances with Non-Governmental Organizations and other civil. |

MATERIALITY STUDY

In 2020, we conducted the materiality analysis in order to identify the topics with the greatest environmental, economic, and social impact within KUO towards stakeholders. We reviewed the list of material topics, considering the GRI guidelines. We considered sectoral documents, internal documents, press clippings, previous stakeholder surveys, as well as direct and indirect consultations.

During 2021, we carried out the merger of financial materiality with impact materiality, which considers the perception of stakeholders on the effects of the Company, as well as the A-risks of the business evaluated by the capital market.

To perform it we used the parameters of the Sustainability Accounting Standards Board (SASB), for the industrial sectors of: Auto Parts, Chemicals, Meat/Poultry/Dairy and Processed Foods.

For more details on the materiality process, please click on the following link:
https://kuo.com.mx/site/uploads/es/documents/general_documents/Kuo_Materialidad_2020.pdf
https://kuo.com.mx/site/uploads/es/documents/annual_reports/kuo-ia-21.pdf

Annex 2

GRI Index, SASB Index

| GRI Standard | Content | GRI Sectorial 13 | Location | Omission | | |
|---|--|------------------|---|---------------------|-----------------|---|
| | | | | Omitted Requirement | Reason | Explanation |
| General Contents | | | | | | |
| | 2-1 Organization details | | 20, 21, 22 | | | |
| | 2-2 Entities included in the organization's sustainability reports | | 114, 115 | | | |
| | 2-3 Reporting period, frequency, and point of contact | | 114, 115, 135 | | | |
| | 2-4 Reformulations of information | | 113, 115 | | | |
| | 2-5 External assurance | | 114, 115 | | | |
| | 2-6 Operations, value chain, and other business relationships | | 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 38, 39, 40, 41, | | | |
| | 2-7 Employees | | 66, 69 Annex ESG Indicators | | | |
| | 2-8 Non-employees | | 67 Annex ESG Indicators | | | |
| | 2-9 Governance structure and composition | | 52, 53, 54, 55 | | | |
| | 2-10 Appointment and selection of the highest governance body | | 52, 53, 54, 55 | | | |
| | 2-11 Chair of the highest governance body | | 52, 53, 54, 55 | | | |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | | 36, 52, 53, 54, 55 | | | |
| GRI 2: 2021 General Contents | 2-13 Delegation of responsibility for impact management | | 36, 52, 53, 54, 55 | | | |
| | 2-14 Role of the highest governance body in sustainability reporting | | 55 | | | |
| | 2-15 Conflicts of interest | | 56 | | | |
| | 2-16 Communication of critical concerns | | 52, 53, 54, 55 | | | |
| | 2-17 Highest governance body's collective knowledge of sustainable development | | 52, 53, 54, 55 | | | |
| | 2-18 Evaluation of the highest governance body's performance | | 52, 53, 54, 55 | | | |
| | 2-19 Compensation policies | | 56, 57 | | | |
| | 2-20 Process for determining compensation | | 56, 57 | | | |
| | 2-21 Annual Total Compensation Ratio | | | 2-21. | Confidentiality | This information is considered sensitive as it could jeopardize the safety of our employees |
| | 2-22 Sustainable development strategy statement | | 12, 13, 14, 15, 16, 17 | | | |
| | 2-23 Policy commitments related to responsible behavior, such as commitments to human rights, climate change impacts, among others | | 48, 49, 58, 59, 60 | | | |
| | 2-24 How policy commitments related to responsible behavior are incorporated | | 48, 49, 58, 59, 60 | | | |
| | 2-25 Processes for remediating negative impacts | | 60, 61 | | | |

| GRI Standard | Content | 13 Sectorial GRI | Location | Omission | | |
|---|--|------------------|--------------------------------------|---------------------|--------|-------------|
| | | | | Omitted Requirement | Reason | Explanation |
| | 2-26 Mechanisms for seeking advice on the creation of policies and procedures toward commitment to responsible behavior aligned with business concerns | | 60, 61 | | | |
| | 2-27 Compliance with laws and regulations | | 61 | | | |
| | 2-28 Membership associations | | 32, 33 | | | |
| | 2-29 Approach to Stakeholder engagement | | 114, 115 | | | |
| | 2-30 Collective Bargaining Agreements | | 70 | | | |
| GRI 3: 2021 Material Topics | 3-1 Process for determining material topics | | 114, 115 | | | |
| | 3-2 List of material topics | | 114, 115 | | | |
| Business Ethics and Transparency | | | | | | |
| GRI 3: 2021 Material Topics | 3-3 Management of material issues | 13.26.1 | 58, 59, 60, 61 | | | |
| GRI 205: 2016 Anti-corruption | 205-1 Operations assessed for corruption-related risks | 13.26.2 | 60, 61 | | | |
| | 205-2 Communication and training on anti-corruption policies and procedures | 13.26.3 | 38, 60, 61 | | | |
| | 205-3 Confirmed corruption cases and implemented measures | 13.26.4 | 61 | | | |
| GRI 13: Public Policies | Program, plans or actions to manage contribution to public policies | 13.24.1 | 60, 61 | | | |
| | 415-1 Political contribution | 13.24.2 | 60, 61 | | | |
| GRI 13: Anti-Competitive Behavior | Program, plans or actions to manage anti-competitive behavior | 13.25.1 | 60, 61 | | | |
| | 206-1 Legal actions related to unfair competition, monopolistic practices and against free competition | 13.25.2 | 61 | | | |
| Regulatory Compliance | | | | | | |
| GRI 3: 2021 Material Topics | 3-3 Management of material issues | | 60, 61 | | | |
| Product Control, Quality and Safety | | | | | | |
| GRI 3: 2021 Material Issues | 3-3 Management of material issues | 13.10.1 | 98, 99, 100, 101, 102, 103, 104, 105 | | | |
| GRI 416: 2016 Customer Health and Safety | 416-1 Assessment of health and safety impacts of categories of products or services | 13.10.2 | 98 | | | |
| | 416-2 Instances of non-compliance concerning health and safety impacts of categories of products and services | 13.10.3 | 98 | | | |
| GRI 13: Food Safety | Percentage of production from sites certified to safety standards | 13.10.4 | 98, 100, 101 | | | |
| | Number of recalls | 13.10.5 | 101 | | | |
| GRI 13: Animal Health & Welfare | Plan and policies for ensuring animal health and welfare | 13.11.1 | 100 | | | |
| | Report the percentage of production volume from the organization's sites certified to third party animal health and welfare standards | 13.11.2 | 100 | | | |
| | Report the percentage of aquatic farm animal survival and the main causes of mortality | 13.11.3 | | 13.11.3 | N/A | |

| GRI Standard | Content | 13 Sectorial GRI | Location | Omission | | |
|---|---|------------------------|--------------------------------|---------------------|------------------------|--|
| | | | | Omitted Requirement | Reason | Explanation |
| Occupational Health and Safety | | | | | | |
| GRI 403: 2018 Occupational Safety and Health | 3-3 Management of material issues | 13.19.1 | 75 | | | |
| | 403-1 Occupational health and safety management system | 13.19.2 | 75, 76, 77 | | | |
| | 403-2 Hazard identification, risk assessment and incident investigation | 13.19.3 | 75, 76, 77 | | | |
| | 403-3 Occupational health services | 13.19.4 | 78, 79, 83, 84, 86, 87 | | | |
| | 403-4 Worker participation, consultation and communication on occupational health and safety | 13.19.5 | 80, 81, 83, 84, 86, 87 | | | |
| | 403-5 Occupational health and safety training for workers | 13.19.6 | 80, 81, 83, 84, 86, 87 | | | |
| | 403-6 Worker health promotion | 13.19.7 | 78, 83, 86 | | | |
| | 403-7 Prevention and mitigation of impacts on the health and safety of workers directly linked to business relationships | 13.19.8 | 75 | | | |
| | 403-8 Coverage of occupational health and safety management system | 13.19.9 | 76, 77, 81, 84 | | | |
| | 403-9 Occupational injuries | 13.19.10 | Annex ESG Indicators (website) | | | |
| | 403-10 Occupational illnesses and diseases | 13.19.11 | | 403-10a, 403-10.b | Confidentiality issues | We mention disease prevention actions but due to the confidentiality of our employees we do not disclose the types and number of occupational diseases |
| Customer Relationship | | | | | | |
| GRI 3: 2021 Material Issues | 3-3 Management of material issues | | 90, 91, 92, 93 | | | |
| | 417-1 Requirements for product and service information and labeling | | 90, 91, 92, 93 | | | |
| GRI 417: 2016 Marketing and Labeling | 417-2 Instances of non-compliance related to product and service information and labeling | | 90, 91, 92, 93 | | | |
| | 417-3 Cases of non-compliance related to marketing communications | | 90, 91, 92, 93 | | | |
| Operational Efficiency | | | | | | |
| GRI 3: 2021 Material Issues | 3-3 Management of material issues | 13.1.1, 13.3.1, 13.4.1 | 108 | | | |
| | 302-1 Energy consumption within the organization | | Annex ESG Indicators (website) | | | |
| GRI 302: 2016 Energy | 303-2 Energy consumption outside the organization | | - | | N/A | No records are currently kept regarding energy consumption outside the organization |
| | 302-3 Energy intensity | | Annex ESG Indicators (website) | | | |
| | 303-4 Reduction of energy consumption | | - | | N/A | No reduction in the energy requirements of products and services has been recorded in this edition |
| | 303-5 Reduction of energy requirements of products and services | | - | | N/A | No reduction in energy consumption has been recorded in this edition |
| GRI 304: 2016 Biodiversity | 304-1 Operations owned, leased, or managed that are located within or adjacent to protected areas or areas of high biodiversity value outside protected areas | 13.3.2 | 110 | | | |
| | 304-2 Significant impacts of activities, products, and services on biodiversity | 13.3.3 | 110 | | | |
| | 304-3 Protected or restored habitats | 13.3.4 | 110 | | | |
| | 304-4 Species on the IUCN Red List and national conservation lists whose habitats occur in areas affected by operations | 13.3.5 | 110 | | | |
| | Report additional content from the aquaculture sector | 13.3.6 | - | | | N/A |
| | Report additional content from the fisheries sector | 13.3.7 | - | | | N/A |

| GRI Standard | Content | 13 Sectorial GRI | Location | Omission | | |
|--|---|------------------|--------------------------------|---------------------|--------|---|
| | | | | Omitted Requirement | Reason | Explanation |
| GRI 305: 2016 Emissions | 305-1 Direct GHG emissions (Scope 1) | 13.1.2 | Annex ESG Indicators (website) | | | |
| | 305-2 Indirect GHG emissions from energy generation (Scope 2) | 13.1.3 | Annex ESG Indicators (website) | | | |
| | 305-3 Other indirect GHG emissions (Scope 3) | 13.1.4 | - | | N/A | No records of Scope 3 emissions are currently kept |
| | 305-4 Intensity of GHG emissions | 13.1.5 | Annex ESG Indicators (website) | | | |
| | 305-5 Reduction of GHG emissions | 13.1.6 | - | | N/A | No reduction in GHG emissions generation has been recorded in this edition |
| | 305-6 Emissions of ozone-depleting substances (SDG) | 13.1.7 | - | | N/A | No records are currently kept of the generation of ozone-depleting substances |
| | 305-7 Nitrogen oxides (NOX), sulfur oxides (SOX) and other significant air emissions | 13.1.8 | - | | | No information available |
| GRI 13: Pesticide Use | Pesticide management plan | 13.6.1 | - | | N/A | No use of pesticides in the Pork Meat business operations |
| | Volume and intensity of pesticides used | 13.6.2 | - | | N/A | No use of pesticides in the Pork Meat business operations |
| GRI 13: Ecosystem Conversion | Percentage of land production volume determined to be free of deforestation or conversion | 13.4.2 | 110 | | | |
| | Products from deforestation-free production | 13.4.3 | 110 | | | |
| | Size, location, and type of converted ecosystems managed by the organization | 13.4.4 | 110 | | | |
| | Size, location, and type of ecosystems converted by suppliers | 13.4.5 | 110 | | | |
| GRI 13: Soil Health | Soil health plan | 13.5.1 | 110 | | | |
| Product and Service Innovation | | | | | | |
| GRI 3: 2021 Material Issues | 3-3 Management of material issues | | 96, 97 | | | |
| Smart Water Consumption | | | | | | |
| GRI 303: 2018 Water and Effluents | 3-3 Management of material issues | 13.7.1 | 111 | | | |
| | 303-1 Interaction with water as a shared resource | 13.7.2 | Annex ESG Indicators (website) | | | |
| | 303-2 Management of impacts related to water discharge | 13.7.3 | 111 | | | |
| | 303-3 Water withdrawal | 13.7.4 | Annex ESG Indicators (website) | | | |
| | 303-4 Water discharge | 13.7.5 | Annex ESG Indicators (website) | | | |
| | 303-5 Water consumption | 13.7.6 | Annex ESG Indicators (website) | | | |
| Risk Management and Monitoring | | | | | | |
| GRI 3: 2021 Material Issues | 3-3 Management of material issues | 13.2.1, 13.12.1 | 36, 37 | | | |
| GRI 203: 2016 Indirect Economic Impacts | 203-1 Infrastructure investments and services supported | 13.22.3 | 42, 43, 44 | | | |
| | 203-2 Significant indirect economic impacts | 13.22.4 | 42, 43 | | | |
| GRI 204: 2016 Procurement Practices | 204-1 Proportion of spending on local suppliers | | 38, 39, 40, 41 | | | |

| GRI Standard | Content | 13 Sectorial GRI | Location | Omission | | |
|--|---|------------------|--|---------------------|--------|-------------|
| | | | | Omitted Requirement | Reason | Explanation |
| GRI 308: Environmental Assessment of Suppliers | 308-1 New suppliers passing evaluation and selection filters in accordance with environmental criteria | | 38, 39, 40, 41 | | | |
| | 308-2 Negative environmental impacts in the supply chain and implemented actions | | 38, 39, 40, 41 | | | |
| GRI 414: 2016 Environmental Assessment of Suppliers | 414-1 New suppliers passing evaluation and selection filters in accordance with environmental criteria | | 38, 39, 40, 41 | | | |
| | 414-2 Negative environmental impacts in the supply chain and implemented actions | | 38, 39, 40, 41 | | | |
| GRI 13: Traceability in the Value Chain | Methodology for tracing the source, origin, or production conditions of purchased products | 13.23.1 | 39 | | | |
| | Describe the level of traceability | 13.23.2 | 39 | | | |
| | Percentage of products purchased that are certified | 13.23.3 | 39 | | | |
| | Traceability improvement projects for suppliers | 13.23.4 | 39 | | | |
| GRI 413: 2016 Local Communities | 413-1 Operations with local community involvement, impact assessments, and development programs | 13.12.2 | 42, 43, 44, 45 | | | |
| | 413-2 Operations with significant actual or potential negative impacts on local communities | 13.12.3 | 42, 43, 44, 45 | | | |
| GRI 13: Land Use and Resource Rights | Commitment to respect land and natural resource rights | 13.13.1 | 45 | | | |
| | Locations of operations where land and natural resource rights may be affected by the organization's operations | 13.13.2 | 45 | | | |
| | Size in hectares and location of operations where land and natural resource use rights are affected | 13.13.3 | 45 | | | |
| GRI 13: Indigenous Community Rights | Approach to engaging with indigenous communities | 13.14.1 | 45 | | | |
| | Incidents of non-compliance with the rights of indigenous communities | 13.14.2 | 45 | | | |
| | Operations where indigenous communities may be affected by the company's operations | 13.14.3 | 45 | | | |
| | The organization has been involved in a process involving indigenous communities | 13.14.4 | 45 | | | |
| waste management | | | | | | |
| GRI 3: 2021 Material Issues | 3-3 Management of material issues | 13.8.1 | 111 | | | |
| GRI 306: 2020 Waste | 306-1 Waste generation and significant waste-related impacts | 13.8.2 | Annex ESG Indicators (website) | | | |
| | 306-2 Management of significant impacts related to waste | 13.8.3 | Annex ESG Indicators (website) | | | |
| | 306-3 Waste generated | 13.8.4 | Annex ESG Indicators (website) | | | |
| | 306-4 Wastes not destined for disposal | 13.8.5 | Annex ESG Indicators (website) | | | |
| | 306-5 Wastes for disposal | 13.8.6 | Annex ESG Indicators (website) | | | |
| GRI 13: Food Safety | Food safety programs | | In 2022, safety certifications were maintained in Pork Meat processing facilities and, in addition to not recording any recall, in the same year the rate of product seizures due to quality failures was reduced by 43%, which increases the availability of product for the population | | | |
| | Total weight of food loss | | In 2022, the loss of products, associated with safety, sanitation, product expiration dates, among others, was 91 tons | | | |

| GRI Standard | Content | 13 Sectorial GRI | Location | Omission | | |
|---|--|------------------|--------------------------------|---------------------|------------------------|--|
| | | | | Omitted Requirement | Reason | Explanation |
| Work Relations | | | | | | |
| GRI 3: 2021 Material Issues | 3-3 Management of material issues | 13.15.1, 13.20.1 | 64, 65 | | | |
| GRI 401: 2016 Employment | 401-1 New employee hires and employee turnover | | Annex ESG Indicators (website) | | | |
| | 401-2 Benefits for full-time employees that are not given to part-time or temporary employees | | 68 | | | |
| | 401-3 Parental permission | | 70 | | | |
| GRI 13: Living Wage | Commitment to providing a living wage | 13.21.1 | 57 | | | |
| | Percentage of workers whose work has terms related to wage levels and frequency of wage payment | 13.21.2 | 57 | | | |
| | Percentage of workers whose work is paid above a living wage | 13.21.3 | 57 | | | |
| GRI 402: 2016 Labor/ Management Relations | 402-1 Minimum notice periods for operational changes | | 70 | | | |
| GRI 404: 2016 Training and Education | 404-1 Average hours of training per year per employee | | 72 | | | |
| | 404-2 Programs to enhance employee skills and transition assistance programs | | 72, 73 | | | |
| | 404-3 Percentage of employees receiving regular performance evaluations and professional development | | 73 | | | |
| GRI 405: 2016 Diversity and Equal Opportunities | 405-1 Diversity in governance bodies and employees | 13.15.2 | 67 | | | |
| | 405-2 Ratio of basic salary and remuneration of women to men | 13.15.3 | | 405-2 | Confidentiality issues | This information is considered sensitive because it may jeopardize the safety of our employees |
| GRI 406: 2016 Non-discrimination | 406-1 Discrimination cases and corrective actions taken | 13.15.4 | | 406-1 | Confidentiality issues | Complaints received through the ethics hotline are confidential |
| GRI 13: Forced Labor | Policies and programs against forced labor | 13.16.1 | 38, 69 | | | |
| | 409-1 Own and suppliers' operations where there is a risk of forced labor | 13.16.2 | 38, 69 | | | |
| GRI 13: Child Labor | Policies and programs against child labor | 13.17.1 | 38, 69 | | | |
| | 408-1 Operations and suppliers where there is a risk of child labor | 13.17.2 | 38, 69 | | | |
| GRI 13: Freedom of Collective Association | Policies and programs to promote freedom of collective bargaining | 13.18.1 | 69, 70 | | | |
| | 407-1 Suppliers' and employees' operations where there is a risk of collective bargaining | 13.18.2 | 69,70 | | | |
| GRI 13: Non-discrimination and Equal Opportunities | Compensation differences based on nationality | 13.15.5 | 69 | | | |

| Meat, Poultry and Dairy | | | |
|--|--|--------------------------------|--|
| Subject | Parameter | Location | Omission |
| Greenhouse Gas Emissions | Global gross Scope 1 emissions | Annex ESG Indicators (website) | |
| | Analysis of the long- and short-term strategy or plan to manage Scope 1 emissions, emission reduction targets, and analysis of performance against those targets | 108 | |
| Energy Management | (1) Total energy consumed, (2) percentage of electricity from network, (3) percentage of renewable | Annex ESG Indicators (website) | |
| Water Management | (1) Total water withdrawn, (2) total water consumed, percentage of each in regions with high or extremely high initial water stress | Annex ESG Indicators (website) | |
| | Description of water management risks and analysis of strategies and practices to mitigate them | 111 | |
| | Number of incidents of non-compliance with water quality permits, standards, and regulations | 61, 111 | |
| Land Use & Ecological Impacts | Amount of manure and animal waste generated, percentage managed according to a nutrient management plan | Annex ESG Indicators (website) | |
| | Percentage of pasture and rangeland managed according to Natural Resources Conservation Service (NRCS) conservation plan criteria | 110 | |
| | Production of animal protein from concentrated animal feeding operations (CAFOs) | N/A | This parameter does not apply since CAFO only applies in the U.S. Pork Meat operations are carried out in Mexico |
| Food Safety | Global Food Safety Initiative (GFSI) audit: (1) rate of non-compliance and (2) rate of corrective actions for (a) major and (b) minor non-compliances | 100 | |
| | Percentage of supplier facilities certified under a Global Food Safety Initiative (GFSI) food safety certification program | 100, 101, 102 | |
| | (1) Number of recalls issued and (2) total weight of recalled products | 101 | |
| | Analysis of markets that prohibit the importation of the entity's products | 101 | |
| Antibiotic Use in Animal Production | Percentage of animal production that received (1) medically important antibiotics and (2) non-medically important antibiotics, by type of animal | 100 | |
| Workforce Health and Safety | (1) Total Recordable Incident Rate (TRIR) and (2) mortality rate | | No information available |
| | Description of activities to assess, monitor and mitigate acute and chronic respiratory conditions | 78 | |
| Animal Care and Welfare | Percentage of pork produced without farrowing crates | | No information available |
| | Percentage of sales of eggs from cage-free hens | | N/A |
| | Percentage of production certified to an external animal welfare standard | 39, 100 | |
| Environmental and Social Impacts of the Animal Supply Chain | Percentage of livestock from suppliers that apply Natural Resources Conservation Service (NRCS) conservation plan criteria or equivalent | 110 | |
| | Percentage of supplier and contracted production facilities verified to meet animal welfare standards | 39 | |
| Feed and Animal Procurement | Percentage of feed sourced from regions with high or extremely high initial water stress | 39 | |
| | Percentage of contracts with producers located in regions with high or extremely high initial water stress | 39 | |
| | Analysis of strategy for managing opportunities and risks to feed and livestock supply presented by climate change | 39 | |
| NA | Number of processing and manufacturing facilities | 26 | |
| NA | Animal protein production, by category; percentage outsourced | 26 | |

| Chemicals and Substances | | | |
|---|--|--------------------------------|--|
| Subject | Parameter | Location | Omission |
| Greenhouse Gas Emissions | Global gross Scope 1 emissions, percentage covered by emission limitation regulations | Annex ESG Indicators (website) | |
| | Analysis of the long- and short-term strategy or plan to manage Scope 1 emissions, emission reduction targets, and analysis of performance against these targets | 108 | |
| Air Quality | Air emissions of the following pollutants: (1) NOX (except N2O), (2) SOX, (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs) | - | No information available |
| Energy Management | (1) Total energy consumed, (2) percentage of network electricity, (3) percentage of renewables, (4) total self-generated energy | Annex ESG Indicators (website) | |
| Water Management | (1) Total water withdrawn, (2) total water consumed, percentage of each in regions with high or extremely high initial water stress | Annex ESG Indicators (website) | |
| | Number of incidents of non-compliance related to water quality permits, standards, and regulations | 61 | |
| | Description of water management risks and analysis of strategies and practices to mitigate them | 111 | |
| Hazardous Waste Management | Amount of hazardous waste generated, percentage recycled | Annex ESG Indicators (website) | |
| Community Relations | Analysis of engagement processes to manage risks and opportunities associated with community interests | 42, 43 | |
| Workforce Health and Safety | (1) Total recordable incident rate (TRIR) and (2) fatality rate for a) direct employees and b) contract employees | Annex ESG Indicators (website) | Accident rate reported, no fatalities were recorded in 2022 |
| | Description of initiatives undertaken to assess, monitor, and reduce exposure of employees and contracted employees to long-term (chronic) health risks | 83 | |
| Product Design for Use-Phase Efficiency | Revenues from products designed for resource efficiency in the use phase | 103 | We report on products designed to generate efficiencies, but we do not quantify the revenues |
| Chemicals Management to Protect Safety and the Environment | 1) Percentage of products containing chemicals hazardous to health and the environment that fall into categories 1 and 2 of the Globally Harmonized System of Classification and Labeling of Chemicals (GHS), 2) percentage of such products that have undergone a risk assessment | 102 | We report on the treatment of products that have a category 1 or 2 classification. We have not quantified the percentage of products that these products represent |
| | Analysis of strategy for 1) management of chemicals of concern and 2) development of alternatives that have a reduced impact on humans or the environment | 102, 103 | |
| Genetically Modified Organisms | Percentage of products, by revenue, containing genetically modified organisms (GMOs) | - | We do not have products containing intentionally added Genetically Modified Organisms (GMOs) in their composition |
| Managing the Legal and Regulatory Environment | Analysis of corporate positioning related to governmental regulations or policy proposals that address environmental and social factors affecting the industry | 60, 61 | |
| Operational Safety, Emergency Readiness and Response | Process safety incident count (PSIC), total process safety incident rate (PSTIR) and process safety incident severity rate (PSISR) | - | Values associated with this GRI content will not be reported in this edition of the report due to confidentiality restrictions |
| | Number of transportation incidents | - | No information available |
| NA | Production per reportable segment | - | No information available |

| Automotive Parts (Aftermarket) | | | |
|---------------------------------------|--|--------------------------------|--|
| Subject | Parameter | Location | Omission |
| Energy management | (1) Total energy consumed, (2) percentage of network electricity, (3) percentage of renewables | Annex ESG Indicators (website) | |
| Waste management | (1) Total amount of manufacturing waste, (2) percentage hazardous, (3) percentage recycled | Annex ESG Indicators (website) | |
| Product safety | Number of recalls issued, total number of units recalled | 104, 105 | |
| Design for fuel efficiency | Revenues from products designed to increase fuel efficiency or reduce emissions | 105 | We supply to automotive manufacturers, therefore, it is our customers who comply with regulations such as NHTSA and CAFE in the US |
| Materials supply | Description of management of risks associated with the use of critical materials | 104, 105 | |
| Material efficiency | Percentage of products sold that are recyclable | 105 | |
| | Percentage of input materials with recycled or remanufactured content | 105 | |
| Competitive performance | Total amount of monetary losses as a result of legal proceedings related to unfair competition standards | 61 | |
| NA | Number of parts produced | - | No information available |
| NA | Weight of parts produced | - | No information available |
| NA | Area of manufacturing facilities | 30, 31 | |

Annex 3

Human Rights Due Diligence

The following is based on the Organization for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Business Conduct:

| Process | Performance | Details |
|---|---|--|
| Incorporating responsible business conduct into management policies and systems | Code of Conduct Integrity Policy Social Responsibility Policy Environmental Policy Quality and Safety Policy Occupational Health and Safety Policy Remuneration Policy ESG Compliance Charter for Suppliers | Business Ethics and Transparency Anti-Corruption Management Social Management Responsible Supply Chain Corporate Governance Efficiency and Operational Continuity |
| Identifying and assessing the actual and potential negative impacts associated with the company's activities, products, or services | Risk management process based on the COSO methodology, which involves different members of the organization and is applied throughout the company, through three lines of defense, to identify possible events that could affect operations. | Risk Management and Monitoring |
| Halting, preventing, and mitigating negative impacts | Compliance with regulations and standards in each of the places where we operate. Requirement to our suppliers to commit to the protection of human rights through the signing of an ESG charter. Occupational Health and Safety System that allows us to ensure the safety of our employees, contractors, and visitors. Relationship with the communities near the areas where we operate, considering that dialogue and cooperation are fundamental for sustainable development. Implementation of eco-efficiency measures to reduce resource consumption and minimize environmental impact. Evaluation of all our products and processes to guarantee their quality and safety, which allows us to offer reliable and sustainable solutions to our customers. | Employee Development Customer Satisfaction Sustainable Processes and Products Efficiency and Operational Continuity |
| Monitoring implementation and results | Monitoring the implementation of sustainability and risk management initiatives through specific committees. | Sustainability Strategy Risk Management and Monitoring |
| Reporting on how impacts are addressed | Impact management approaches are developed throughout the report. | Corporate Governance Employee Development Customer Satisfaction Sustainable Processes and Products Efficiency and Operational Continuity |
| Managing risks and mitigating impacts, where appropriate | Risk prevention approach reflected in policies and codes. We have not incurred in significant cases of human rights violations. | Gobierno corporativo |

Annex 4

Contribution to SDGs

| SDG | Contribution | Outstanding Indicators |
|-------------------------------|---|---|
| 3 Health and Wellness | All employees have the same benefits, including health insurance, parental leave, disability coverage and life insurance, as well as additional benefits. The Occupational Health and Safety Management System applies to all our operations and includes hazard identification, risk assessment, and the establishment of prevention, correction, control, and/or transfer measures. We promote the participation of employees as main players in their health by encouraging healthy behaviors, habits, and lifestyles, as well as a culture focused on prevention. | Consumer Sector: 7.5% decrease in the number of disabling injury accidents. Aftermarket Business: reduction in frequency rate from 1.21 to 0.70 |
| 4 Quality Education | We provide training during the induction process, offer technical and specialized programs and soft skills training, focused on the development of leadership, communication, and performance competencies. | The average number of training hours was 19.13 per employee. A total of 295,795 training hours were provided. Donations to Public Education Institutions |
| 5 Gender Equity | We support and encourage the development of employees regardless of gender, marital status, age, religion, race, physical ability, preferences, or social class | 83% of female employees were evaluated based on their performance. The compensation ratio between women and men is similar. |
| 6 Clean Water and Sanitation | We incorporate water-saving measures and best practices in our production processes to reduce water consumption. We implement technological tests and projects to recycle and reuse water. | Consumer Sector: 1,751 thousand cubic meters of reused water Chemical Sector: 298 thousand cubic meters of water reused. Automotive Sector: 44 thousand cubic meters of water recycled or reused for irrigation of green areas. |
| 7 Affordable and Clean Energy | We implement various technologies to reduce energy consumption, such as photovoltaic panels, biodigesters, use of less polluting alternative fuels, installation of LED lighting, among others. | 24% of electricity comes from clean energy sources. 1,629 MWh of clean energy generated on farms. |

| SDG | Contribution | Outstanding Indicators |
|--|---|--|
| 8 Decent Work and Economic Growth | We contribute to the well-being of our employees through job stability, legal and additional benefits, professional and technical development programs. We measure the work environment and implement improvement actions. We have several policies and procedures to ensure the proper management of Human Capital and the protection of the workforce. We provide an environment of equality, free of any type of discrimination. | 81% of employees received performance evaluation. |
| 9 Industry, Innovation, and Infrastructure | Generation of clean energy through motor-generators. Use of recyclable or compostable inputs in some production processes. Start-up of a recycling facility. Development of transmission design concepts for hybrid and electric vehicles. | 1,629 MWh of clean energy generated in 2022. Collection of 28T of post-consumer polystyrene that were integrated as raw material. |
| 10 Reduced inequalities | We support and encourage the development of employees regardless of gender, marital status, age, religion, race, physical ability, preferences, or social class. | There were no cases of discrimination |
| 12 Responsible Production and Consumption | We incorporate the circular economy for waste management. We carry out efficient packaging to reduce the use of inputs and waste. We have awareness programs for the correct separation and management of waste. We generate biosolids on farms for the production of fertilizers for the agricultural sector. | Consumer Sector: 81% of waste is revalued. Release of 2.8mil cubic meters in landfills, thanks to the collection of 28T of post-consumer polystyrene. |
| 13 Climate Action | Initiatives to reduce energy consumption and greenhouse gas (GHG) emissions. Responsible management of water consumption, reuse, and discharge. Incorporation of circular economy for waste management. | 24% of electricity comes from clean energy. Consumer Sector: 1,751 thousand cubic meters of reused water Chemical Sector: 298 thousand cubic meters of water reused Automotive Sector: 44 thousand cubic meters of water recycled or reused for irrigation of green areas |
| 16 Peace, Justice, and Strong Institutions | The Board of Directors is the highest management body, its members are nominated and elected for their prestige and high experience in the sector. Our Code of Conduct guides our activities and allows us to follow best practices. We comply with 100% of the legal provisions regarding health, labor rights, tax regulation, safety, sustainability, etc. We conduct internal and external audits to verify compliance with our guidelines and regulations. | We have no fines or non-monetary sanctions for non-compliance with environmental, social, economic, communications and marketing rules and regulations in the jurisdictions in which we operate, or for unfair competition. |
| 17 Partnerships for the goals | We have several certifications to ensure the quality and safety of our products. We are affiliated to several organizations with which we have common objectives. | Certification: FSSC22000, TIF Certification, Clean Industry, ISO 9001, HACCP, among others. |



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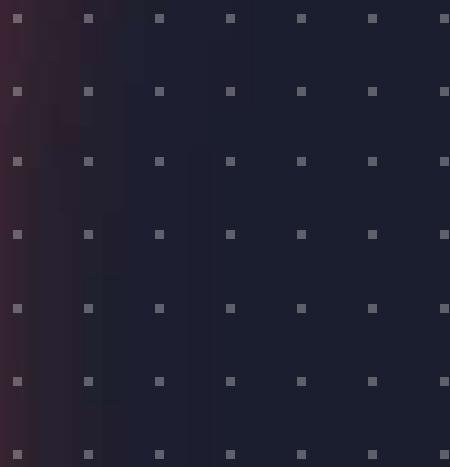
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INFORMATION ABOUT SHARES
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