

# 2022 SUSTAINABILITY REPORT

Build strong partnerships  
to drive sustainable mobility





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“A 110-year-old mesquite tree on the grounds of our production plant in San Luis Potosí.”

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**Ignacio Moreno**

CHIEF EXECUTIVE OFFICER

## MESSAGE FROM THE CEO

At Bocar Group, sustainability has always been part of the way we do business. I am very pleased to publish our first official sustainability report and would like to highlight the relevance of this effort. Due to our transparent actions, we are solidifying this commitment, and we will continue working diligently to protect our planet.

Our vision is to operate sustainable manufacturing centers that create value for society, where, working hand in hand with our partners, we create optimal solutions for protecting the environment. We are adding and driving efforts to create sustainable mobility.

Numerous challenges marked 2022, and they continue due to an unfavorable global economic environment that includes intermittent demand, higher cost of materials, and materials scarcity, among other issues. The result has been an increase in the mechanisms we have employed so that we can operate as efficiently as possible, and within the sustainability framework we found we had to use all our tools and creativity to be able to take care of our people and of the environment.

We will continue to exert significant efforts to develop more efficient manufacturing processes, prioritizing our research into the use of more environmentally friendly materials. Working with our suppliers, we invest in the latest equipment technology to decrease energy consumption, and we allocate a great part of our resources to developing and training our people, providing them with the tools necessary to excel both professionally and personally.

Through a far-reaching focus inside and outside of the organization that is grounded in concrete actions and indicators, we have elevated and captured our sustainability aspirations under a strategy we have named “CEERO.” Among the areas included in ‘CEERO’ are the reduction of CO2 emissions, waste reduction and the circular economy, water conservation, the evolution of a sustainable supply chain, development of our team, a diverse and inclusive working environment, support for our communities, and finally, active participation through our portfolio of products in creating sustainable mobility.

We have outlined clear objectives and defined goals that we must reach, and we constantly revise and challenge those goals to ensure that we take our contributions to the highest possible levels. We are committed to integrity, ethics and transparency as establish in our Code of Ethics.

We are focused on implementing responsible commercial practices that allow us to create long-term value for our shareholders, clients, employees, and the communities where we operate. We have joined the Science Based Targets initiative (SBTi), creating decisive and challenging decarbonization goals for our operations and our supply chain.

We are certain that our actions will have a significant impact on creating a more sustainable world. We are committed to maintaining transparency and being accountable in relation to our environmental and social performance, and we plan to continue paving the way to a more sustainable future for everyone.





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**Build strong partnerships  
to drive sustainable mobility**







# ABOUT BOCAR GROUP

*Bocar Group: a company with history*

About  
Bocar Group

Sustainability  
and ESG

People

Prosperity,  
our community

Our  
Company

Governance and  
Management

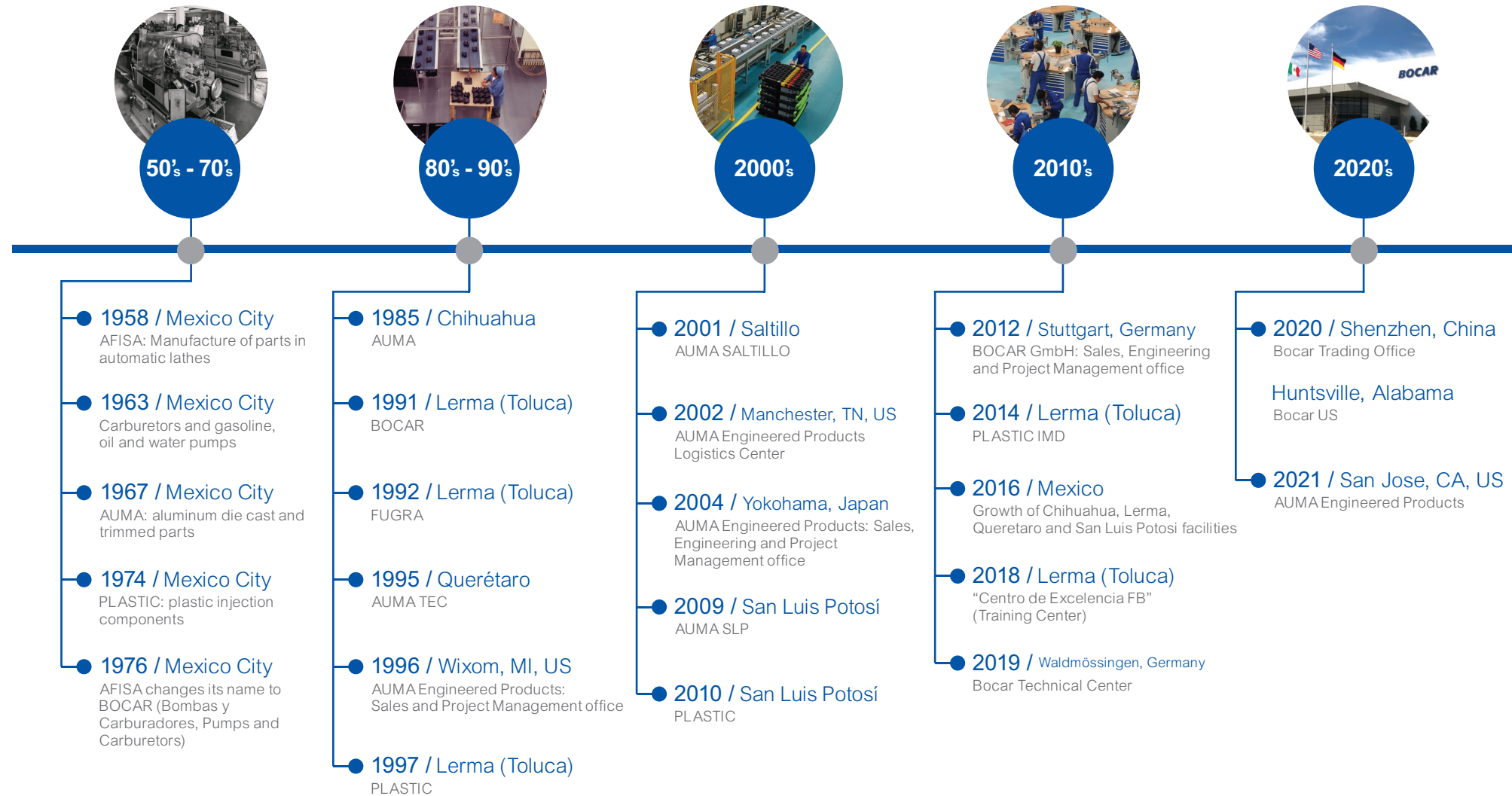
Planet

About the GRI  
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# A COMPANY WITH HISTORY

Bocar Group was created in Mexico in 1958, with the company Acabados Finos Industriales, S.A., which manufactured lathed parts. The ability and vision of the founder, Mr. Federico Baur, in addition to the economic and industrial growth in Mexico and the need for state-of-the-art technology, led to constant expansion of the factory. Today, Bocar Group is a leader in cutting-edge technology and efficiency in the automotive industry, with facilities in Mexico, the United States, Germany, China, and Japan.



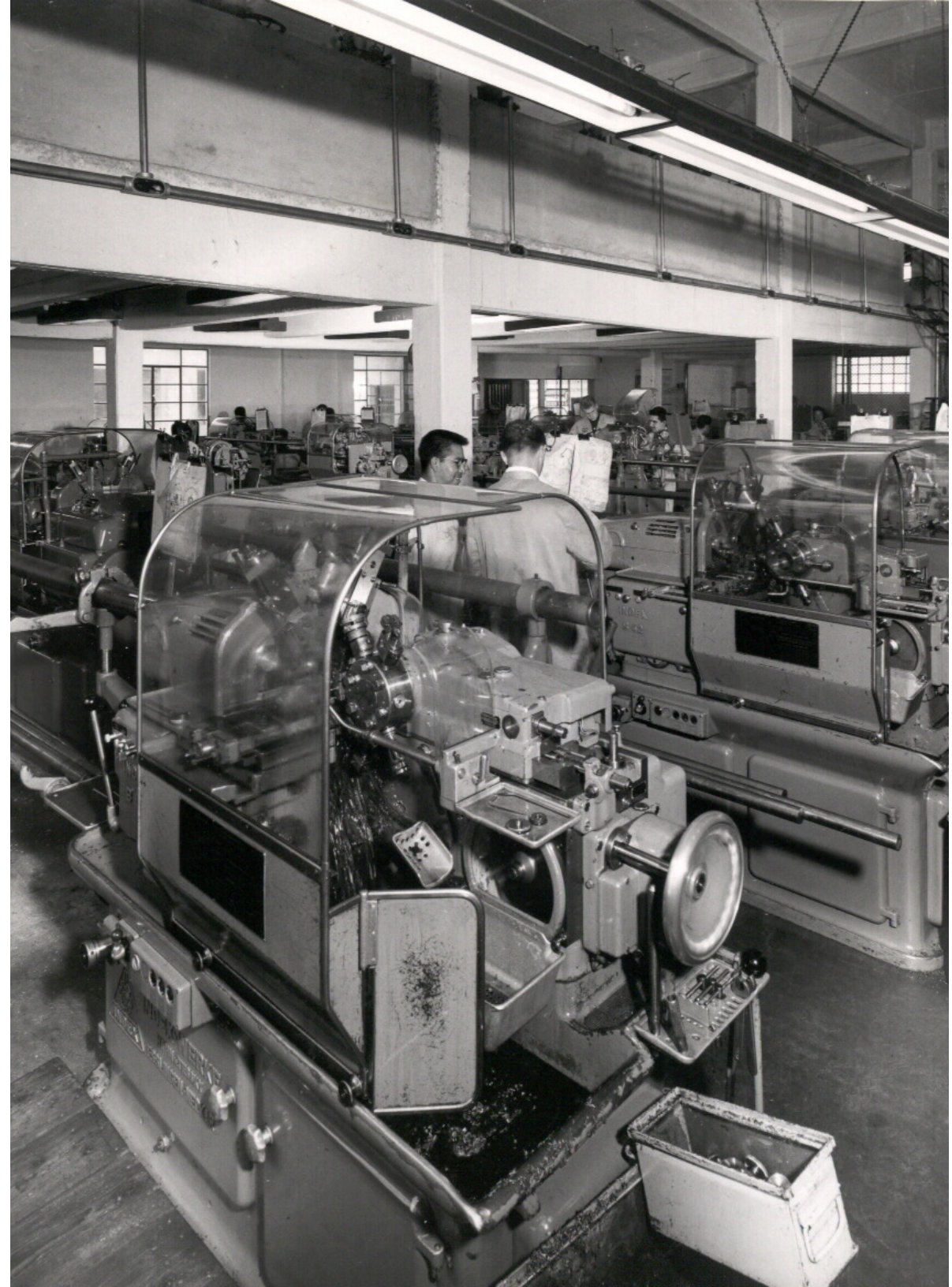


Since its formation more than 60 years ago, BOCAR has been a leading company in designing, developing, and manufacturing innovative, high-quality automotive products that challenge the limits of technology and industry experience. The company produces a sophisticated gamut of products in aluminum and plastic through three production process:

- High-Pressure Die Casting (HPDC)
- Semi-Permanent Aluminum Mold (SPM)
- Plastics Injection (PBU)

**Bocar Group's focus is on sustainable mobility, which has required not only dominating processes, but also investing in the best technology, developing adequate skills, and fostering human talent.**

Three priorities have been defined in line with the business strategy: the health and safety of workers, an advanced engineering department to leverage new business opportunities, and products and making Bocar a leading company in the industry.





# BOCAR CULTURE

## Purpose

Build strong partnerships to drive sustainable mobility.

## Mission

To be recognized as a reliable strategic partner that is focused on providing competitive technical solutions. Our success is based on applying the principles of Discipline, Order and Cleanliness (DOL), and the trust of every employee.

## Vision

To be the preferred automotive supplier in the transformation to sustainable mobility. To be a leading technological partner for our customers, set apart by our reliability, high skill level, and experience in providing profitable solutions.

## Principles

A decisive factor in Bocar Group's success has been the existence of DOL principles (Discipline, Order, Cleanliness), which have guided our behavior since the Group's creation, ensuring that processes meet their objectives.

## Values

Bocar Group lives its commitment with a feeling of belonging and responsible actions, through its corporate philosophy and the following values that comprise the essence of its culture:



Punctuality



Simple Things



Respect



Enthusiasm



Quality



Sustainability



Continuous Improvement



Innovation





**BOCAR**  
GROUP  
CENTRO DE EXCELENCIA FB



# OUR COMPANY

*Bocar Group: a sustainable partner*

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## KEY FIGURES

Bocar Group is a Mexican company with facilities in six states<sup>1</sup> in the Mexican Republic, and four in the United States. The corporate offices are located in Mexico City.

The infrastructure is focused on manufacturing aluminum and plastic parts for the automotive industry, and the company sets itself apart due to its quality, service, and its advanced technological capabilities. The Aluminum business unit manufactures parts using high-pressure die casting, semi-permanent mold casting,

and low-pressure die casting. Some uses of the products that are developed include: components for motors, transmissions, structural parts, and components for electric vehicle propulsion systems. The Plastics Injection business unit develops and produces injection-molded plastic parts for motors, trunks, and vehicle interiors and exteriors.

The Group has more than 8,685 employees in Mexico and the United States, 11 production plants, a tooling center, and a training center.

**8,685**  
Employees

**2**  
Countries covered by the report

**11**  
Plants

<sup>1</sup> This report contains information exclusively on the operations in Mexico and the United States of America.



# LOCATION OF BOCAR GROUP'S OPERATIONS

## Mexico

### Headquarters (Corporate)

- Mexico City

### High-pressure die casting (HPDC) production plants

- Chihuahua, Chih.
- Saltillo, Coahuila
- San Luis Potosí, SLP.
- Querétaro, Qro.
- Lerma, Estado de México

### Semi-permanent mold (SPM) production plants

- Lerma, Estado de México

### Plastics Injection production plants

- San Luis Potosí, SLP.
- Lerma, Estado de México

### Tooling Center

- Mexico City

We have offices in Germany, Japan and China.

## United States

### Sales offices and engineering services

- Michigan, Detroit
- San José, California

### High-pressure die casting (HPDC) production plant

- Huntsville, Alabama

### Logistics center

- Manchester, Tennessee



## BOCAR GROUP'S MARKETS

Mexico and the United States are the destination for more than 95% of Bocar's products.

Products are exported directly and indirectly outside of North America to countries such as Luxembourg, Spain, the Netherlands, England, and Canada.

## BOCAR GROUP'S CUSTOMERS





# MAINS PRODUCTS

## Business Units



### Aluminum High-Pressure Die Casting

Development and manufacture of high-quality and precision aluminum components.



### Aluminum Semi-Permanent Mold

Development and manufacture of aluminum automotive components through gravity casting technology.



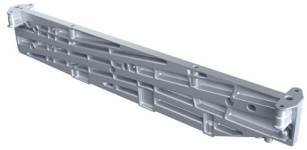
### Plastics

Complex plastic components developed and produced through high-precision plastic injection



# High-Pressure Die Casting, Aluminum Semi-Permanent Mold, and Low-Pressure Casting

- Components for electric vehicle batteries and propulsion systems



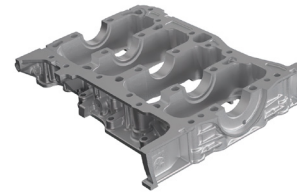
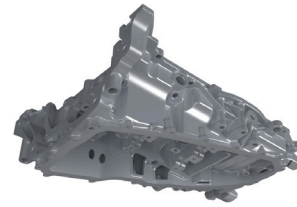
- Vehicle structural components



- Suspension components



- Motor components



- Transmission components



- Steering components and drivetrain components



- Motor components



- Interior and exterior components



## Plastics Injection



# CERTIFICATIONS AND RECOGNITION

In 2022, the company was recognized as a provider of excellence in the automotive industry, through several quality awards from customers such as Honda, Toyota, and GM.

The certifications obtained in quality management, environmental, and occupational health and safety systems show Bocar Group's commitment to take actions that safeguard everyone with whom it interacts. Furthermore, this provides the certainty of meeting the industry's required quality standards.

Bocar, S.A. de C.V. has been recognized by CEMEFI (Centro Mexicano para la Filantropía) with the Socially Responsible Company Award due to its implementation of best practices.

## Quality certifications

Quality-related certifications ensure that products comply with international standards. The following are some of the most relevant certifications: IATF Safety and ISO 9001 TÜV Rheinland.

## Other certifications

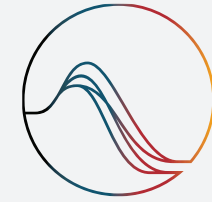
All manufacturing plants are certified under ISO Standard 14001:2015 to assure the prevention and control of environmental impacts caused by operations. The objective is for all plants to comply with ISO Standard 45001 in occupational health and safety.

Furthermore, in Mexico plants are encouraged to obtain "Clean Industry" certification issued by the Federal Division of Environmental Protection (Procuraduría Federal de Protección al Ambiente - PROFEPA), in order to identify and meet all legal requirements and PASST (Self-Management in Occupational Health and Safety) requirements.

## Sustainability certifications and initiatives

- Science Based Targets initiative (SBTi) [under way]
- Disclosure Insight Action (CDP)
- Ecovadis
- Manufacture 2030
- Responsible Business Alliance
- NQC Supplier Assurance (SAQ 5.0)
- Aluminium Stewardship Initiative [under way]

## Engaged to:



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Note: Commit in Validation

## Working with:



CDP  
Climate change  
SCORE B

CDP  
Water remains  
SCORE A-

CDP Supplier  
Engagement  
SCORE B



Reporting 4 Categories

Environment

Labor and  
human  
rights

Ethics

Sustainable  
procurement





## AWARDS AND RECOGNITIONS

In 2022, the company received the GM Supplier of the Year Award for the fourth consecutive year, having exceeded expectations and provided the highest-quality innovative technologies.

It was also second in the tenth edition of The Altair Enlighten Award in the Lightweighting category, for its Rear End Post part for the Toyota Tundra pickup truck, awarded by the Center for Automotive Research (CAR).

This is the only award dedicated to sustainability and vehicle lightweighting.



## AFFILIATIONS

Bocar Group is a member of the following chambers and associations:

- Mexican-German Chamber of Commerce and Industry (CAMEXA)
- Industria Nacional de Autopartes A.C. (INA)
- Mexican Employers' Association (COPARMEX)
- Mexican Corporate Board for Foreign Trade (COMCE)





# SUSTAINABILITY AND ESG

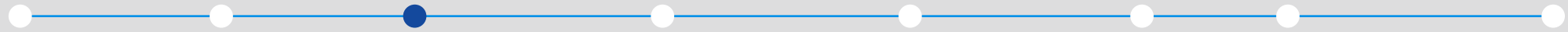
*Bocar Group: driving inclusive  
and sustainable mobility*

About  
Bocar Group

**Sustainability  
and ESG**

People

Prosperity,  
our community



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# BOCAR GROUP'S SUSTAINABILITY STRATEGY



One of the major challenges in the automotive industry is to keep up with the trends to provide sustainable mobility solutions. Technology and innovation have therefore become key pieces in diminishing the sector's impacts on the environment and people.

Bocar Group has focused its commitments regarding sustainable development through its CEERO strategy:

## SUSTAINABILITY GOALS

<b>C</b>	<b>E</b>	<b>E</b>	<b>R</b>	<b>O</b>
<b>CO<sub>2</sub> reduction</b>	<b>Engagement</b>	<b>Ethics &amp; governance</b>	<b>Resources stewardship</b>	<b>Optimized product portfolio</b>
Carbon emissions reduction: aligned our commitment to limit global warming below 1.5 °C	Upskill our people to face the challenges of the future, nurture a diverse and inclusive work environment and take care of our community to build a resilient business environment	Work under the highest ethical standards and transparency to perpetuate relationships of mutual trust	Eliminate waste and safely use natural resources	From design to material sourcing, be an integral part of a sustainable mobility

		Baseline 2021	Today 2022	Ambition 2030
<b>CO<sub>2</sub> reduction</b>	1. CO2 emissions reduction aligns to SBT pathway – Scope 1 & 2*	152,640 Ton CO <sub>2</sub> eq	159.906.67 Ton CO <sub>2</sub> eq	46.2%
	1. CO2 emissions reduction aligns to SBT pathway – Scope 3	482,434.56 Ton CO <sub>2</sub> eq	in progress	42.00%
<b>Engagement</b>	2. More than 20% of women are in leadership positions	10%	11.1 %	20%
	3. 100% of employees trained at least 16 hours in skills development		54 %	
	4. Progressively perform community impact assessments at all our operations and create support development programs accordingly	0	1	10
<b>Ethics &amp; governance</b>	5. Trained 100% of our people on Bocar's Compliance & Ethics program (Code of Ethics)	12.5%	69%	100%
	6. 80% of procurement spent screened under ESG criteria	0%	0%	80%
<b>Resources stewardship</b>	7. At least 20% of water reduction and sustainable sourcing vs 2022 baseline (regarding the growth of the company)	0%	2.33%	20%
	8. Waste land-to-fill reduction to less than 8%	50.3%	41.5%	8%
<b>Optimized product portfolio</b>	9. 40% of our sales (product portfolio) contribute to sustainable mobility	12%	12.60%	40%

\* Baseline 2019: 174,263.94 Ton CO<sub>2</sub>eq

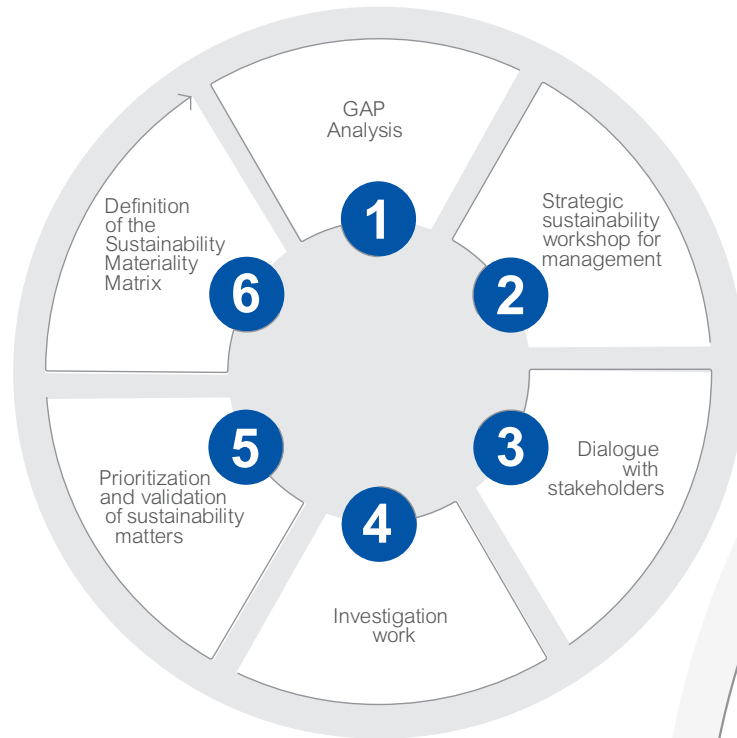


# OUR MATERIALITY ASSESSMENT

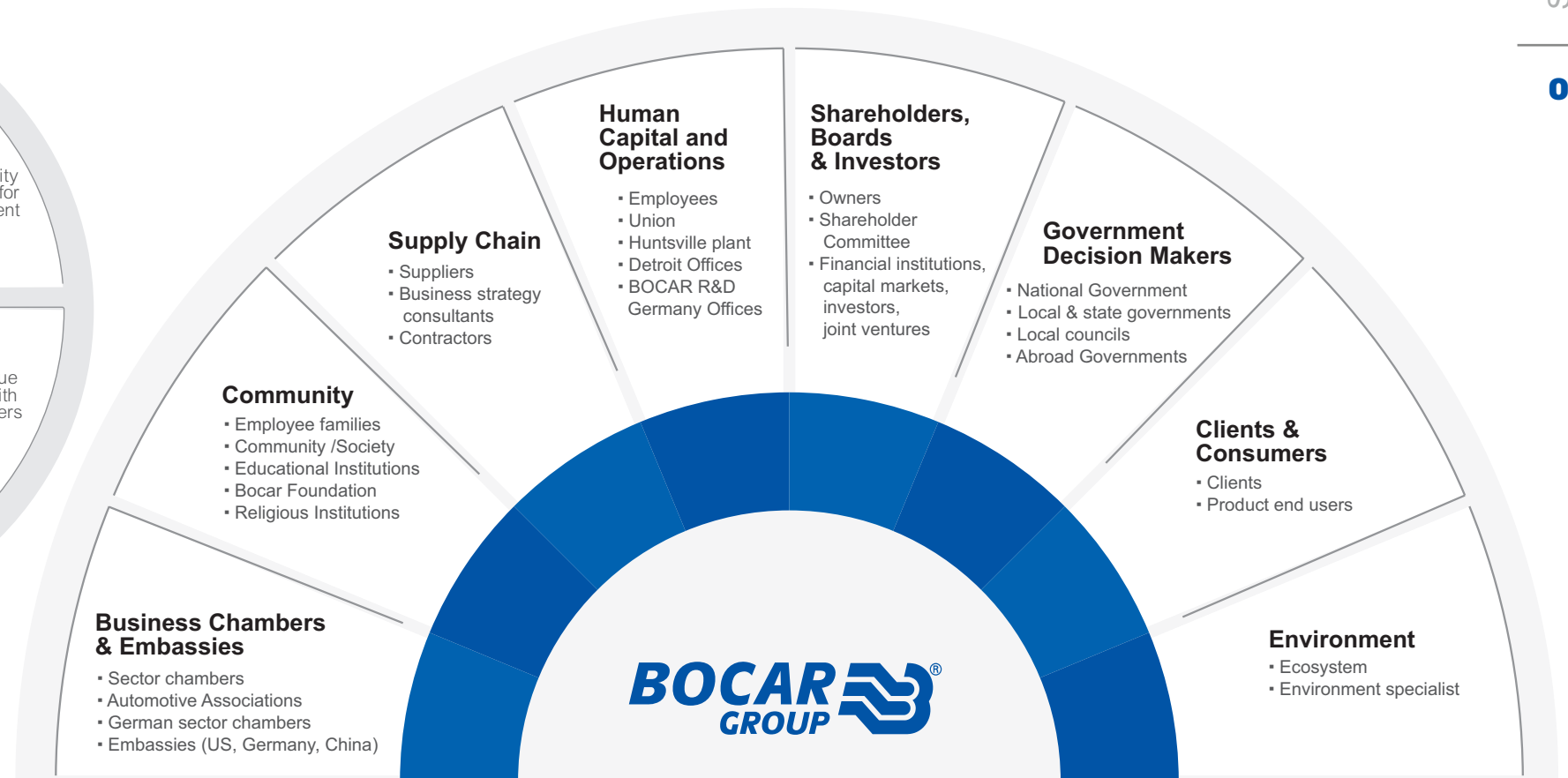
In 2022, the company's Materiality Study was updated so that global changes and their impacts could be analyzed, thus allowing definition of the new material areas and relevant sustainability strategies for sustainable management. Sustainability (ESG) matters were evaluated considering the business model and global mainstreaming in all operations, with

special attention to the expectations of the principal stakeholders. The process required an in-depth discussion with stakeholders, which included interviews and collaborative meetings, as well as an analysis of best practices in preparing the report, so that it would have direct, truthful, and timely information about impacts and opportunities.

## METHODOLOGY



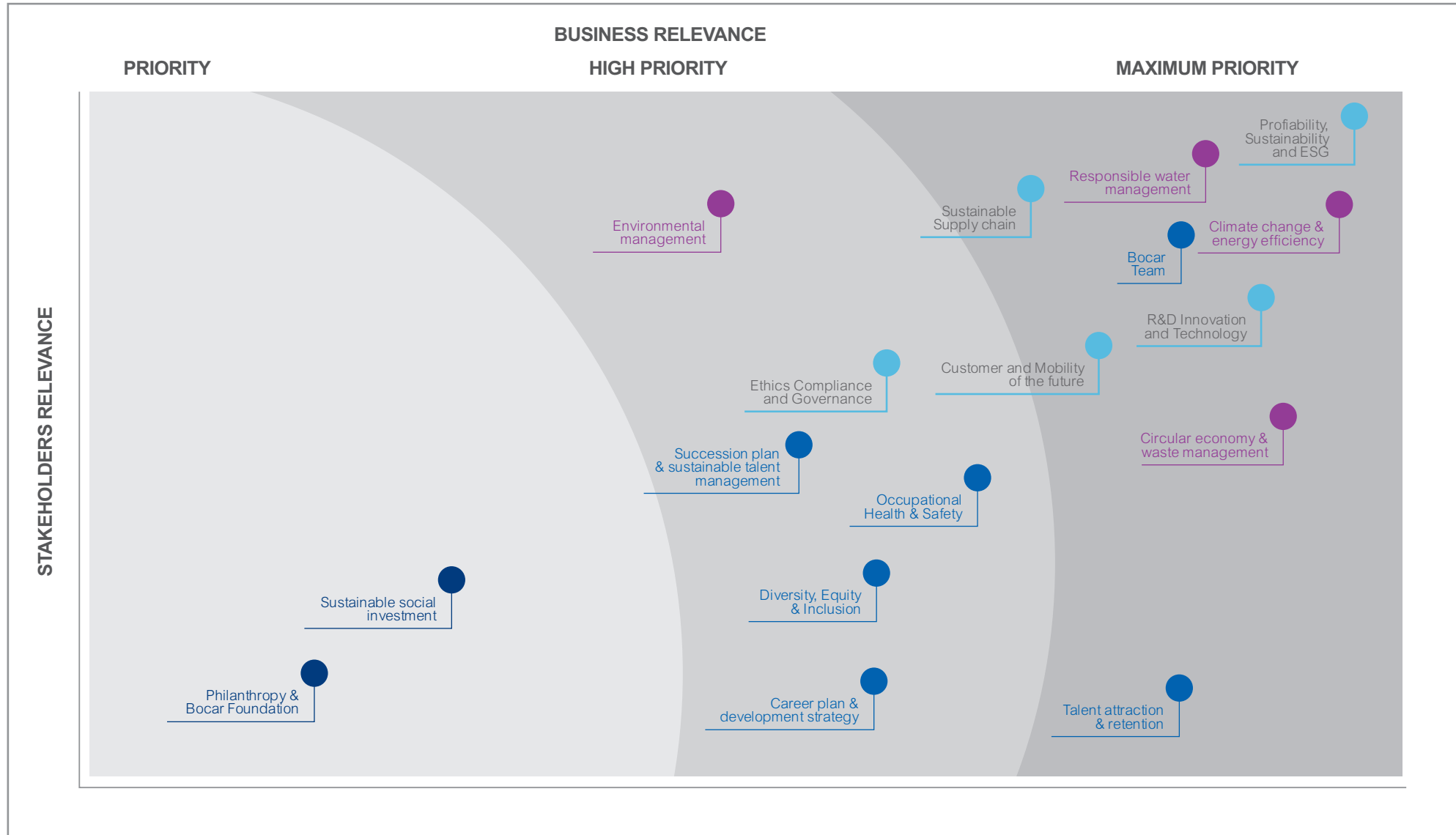
## STAKEHOLDERS





# OUR MATERIALITY MATRIX

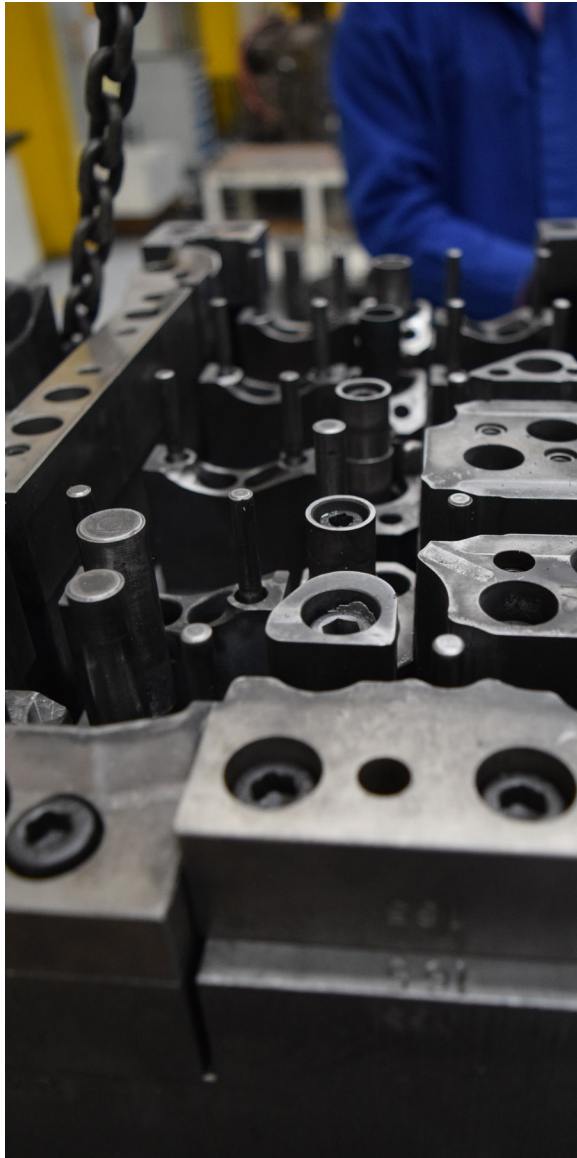
The results obtained during the process allowed the relevant issues to be validated and prioritized, which led to the creation of the strategic Sustainability Framework, which was integrated through four guiding principles: Governance and Management, People, Planet, and Prosperity, with 17 material issues weighted among three levels of importance: *Maximum Priority*, *High Priority*, and *Priority*.



- Governance & Management
- People
- Planet
- Prosperity



# STAKEHOLDER COMMUNICATION MATRIX

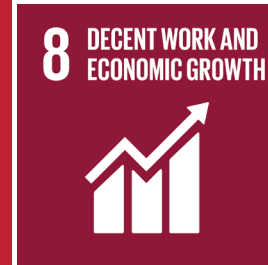


Stakeholder	ESG Topics		Media		Frequency
Stakeholders & Board	Ethical and compliance issues Governance Business risks	Investor and ESG issues Reputation Market trends Investment in technology and innovation	Board meetings Financial reports	Sustainability Report Investor requirements report	As needed Quarterly Annually
Shareholders	Business performance Business risks ESG performance Reputation	Business performance Business risks ESG performance Reputation	Financial reports Sustainability Report	ESG questionnaires	As needed Monthly Quarterly Annually
Steering Committee	Business results Ethical and compliance issues Governance Business risks management Investor and ESG issues Reputation	Attract and retain high-quality outside talent Investment technology and innovation Market trends Occupational health and safety Environmental performance Customer satisfaction	Board meetings Financial reports Sustainability Report	Committee Meetings Email Worldwide Town Halls	As needed Monthly Quarterly Annually
Employees	Salaries and benefits Development, training and growth Diversity, equity and inclusion Occupational health and safety Opportunities	Salaries and benefits Development, training and growth Diversity, equity and inclusion Occupational health and safety Opportunities	Payment receipt Sustainability Report Central Mailing Local Mailing Intranet Website	ATTITUDE Magazine Digital ATTITUDE Magazine Worldwide Town Halls Informative sessions Communication Boards Bocar TV	As needed Daily Monthly Quarterly Annually
Labor Unions	Salaries and benefits in collective bargaining agreements	Responsible and sustainable supply chain NetZero Cost of suppliers	Sustainability Report bocar.com Mailing Announcements	Facebook Instagram YouTube	As needed Annually
Suppliers and contractors	Comply with agreements Payment conditions Being strategic partners	Compliance with requirements Legal compliance and ESG	Sustainability Report bocar.com Mailing Announcements	Facebook Instagram YouTube Intranet	As needed
Huntsville Plant	Operation results Ethical and compliance issues Governance Talent	Investment in technology and innovation Market trends Occupational health and safety Environmental performance	Sustainability Report Central Mailing Intranet Website	ATTITUDE Magazine Digital ATTITUDE Magazine Worldwide Town Halls Informative sessions	As needed Monthly Quarterly Annually
Detroit Offices	Business Results Ethical and compliance issues Investor and ESG issues	Reputation Investment in technology and innovation Market trends	Sustainability Report Central Mailing Website ATTITUDE Magazine	Digital ATTITUDE Magazine Worldwide Town Halls Informative sessions	As needed Monthly Quarterly Annually
German Bocar R&D Office	Business Results Ethical and compliance issues Investor and ESG issues	Reputation Investment in technology and innovation Market trends	Sustainability Report Central Mailing Local Mailing Intranet	Website Worldwide Town Halls Informative sessions	As needed Monthly Quarterly Annually
Bocar Foundation	Support for social groups	Sustainable development of communities	Sustainability Report Central Mailing Local Mailing Website	ATTITUDE Magazine Digital ATTITUDE Magazine Worldwide Town Halls Informative sessions	As needed Monthly Quarterly Annually
Communities	Communication Support for community initiatives Pollution	Impact of operations Dialogue and cooperation	Sustainability Report Dialogue with the community Announcements	Facebook Instagram YouTube	As needed Annually
Employee families	Job security Income	Benefits to families	Sustainability Report Announcements	Facebook Instagram YouTube	As needed Annually
Other Stakeholders	ESG performance		Sustainability Report Announcements	Facebook Instagram YouTube	As needed Annually



# SUSTAINABLE DEVELOPMENT GOALS (SDG) UNITED NATIONS

The world has recognized the importance of having a more sustainable planet, therefore the Sustainable Development Goals have taken a leading role in the management of companies. Bocar Group has aligned its sustainability strategy with this global initiative so that it can become an agent of change by taking actions that contribute to complying with Agenda 2030. The sustainability strategy is in line with seven priority SDGs:





# GOVERNANCE AND MANAGEMENT

*Bocar Group: an ethical and reliable company*

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## GOVERNANCE

For Bocar Group, complying with the highest ethical standards and values is an imperative, thus they are a fundamental element for the company's success.

The defined guidelines and frameworks support solid corporate management with a focus on analyzing both business and sustainability risks, which creates trust in doing business, thus maintaining valuable relationships with customers and other stakeholders.

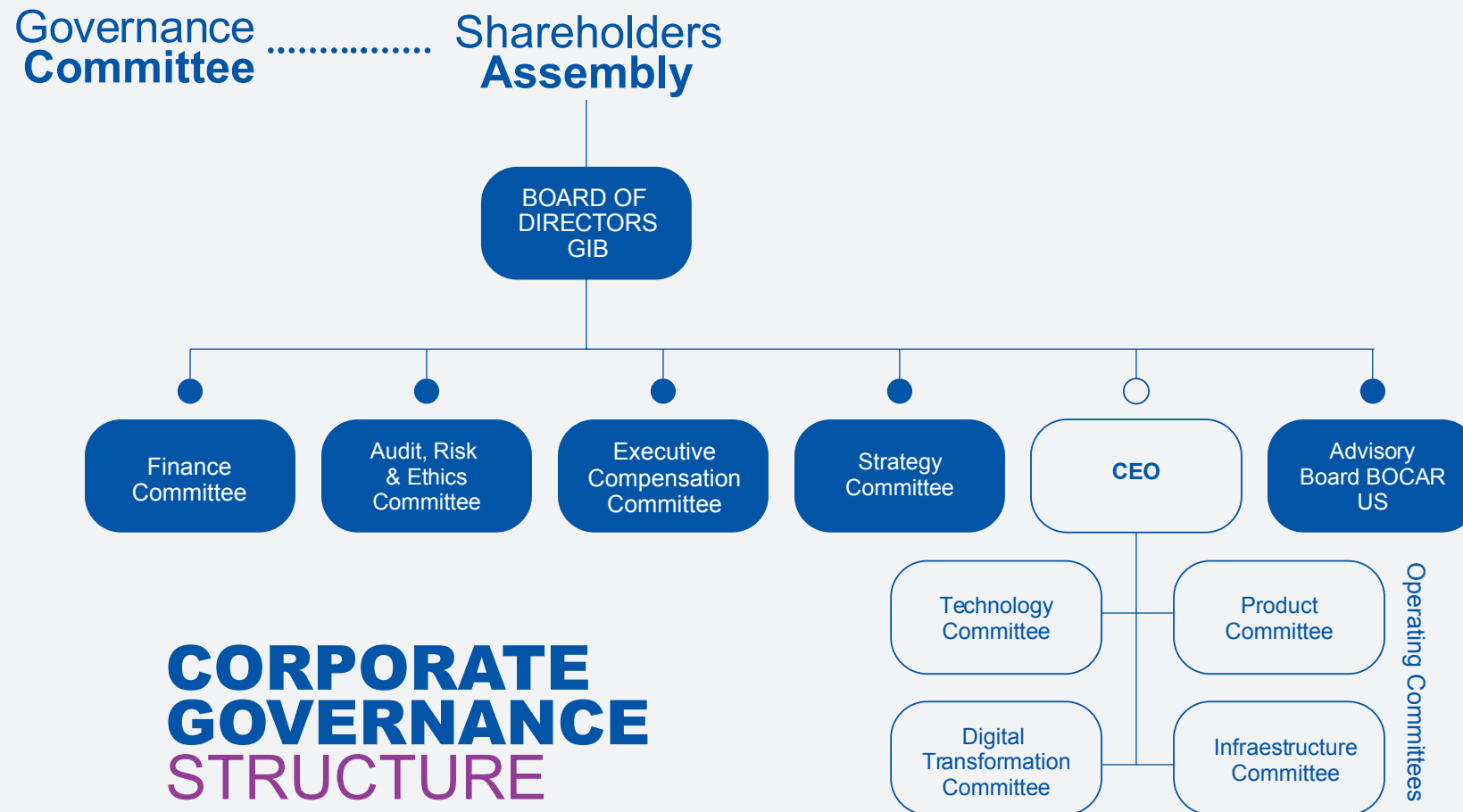
The company is committed to values-based ethical and responsible conduct, as established in the

business guidelines, Code of Ethics as well as an orientation towards sustainable development.

Within the governance structure, the Board of Directors of Bocar Group is the body that has the authority to establish general strategies for conducting business and financial plans, approving strategic plans, and in general, overseeing the management and administration of the company and its performance in the automotive business.







## CORPORATE GOVERNANCE STRUCTURE

The company is administered and managed by a Board of Directors that is comprised of 11 members, of whom eight are men and three are women; in addition, there are five Advisory Committees and four Operating Committees.

The Advisory Committees are responsible for presenting any situation that might impact the organization to the Board of Directors at the Board Meeting, which meets at least five times per year. This mechanism allows guidance and authorization to

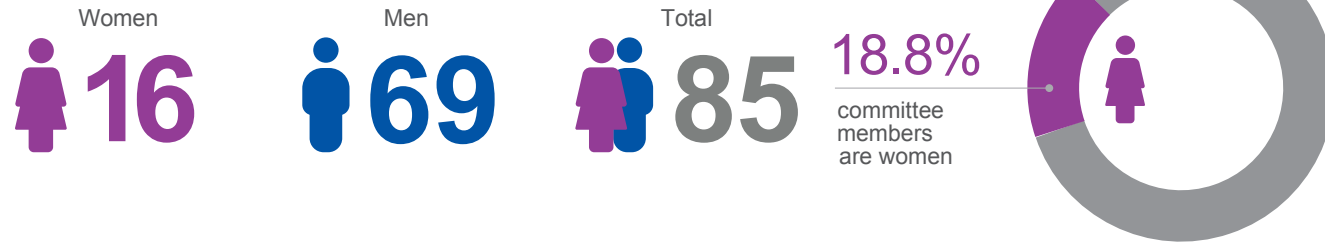
be provided regarding strategic matters, which are recorded in the corresponding meeting minutes. During 2022, eight matters with these characteristics were taken to the Board.

The Board Members have been provided with a digital business tool called Diligent Boards, which acts like a global information bank in which information, trends, and best business practices can be reviewed.



# GOVERNANCE STRUCTURE

## Internal Committees by gender



	Governance Committee	Boards of Directors
Men	5	9
Women	1	3

## Committees

	Finance Committee	Audit, Ethics and Risk Committee	Evaluation and Compensation Committee	Consulting Committee BOCAR US	Strategic Committee	Product Committee	Technology Committee	Digital Transformation Committee	Infrastructure Committee
Men	6	4	3	6	6	12	8	7	3
Women	1	2	2	1	1	0	2	1	2





## COMPENSATION OF THE BOARD OF DIRECTORS

To define the remuneration of the Board of Directors, the Governance Committee makes a proposal based on its experience of best practices in Mexico and on market trends. This proposal is presented at the Shareholders Meeting for its approval. The compensation consists of a fixed and a variable portion. The latter is directly related to the annual evaluation of the Board's performance, the amount of the Board Member's contributions, and the annual results of the company.

A Compensation Evaluation Committee analyzes the remuneration of senior management, based on a compensation policy in which the principles and guidelines are established regarding payment of remuneration at all companies in Bocar Group. The

policy details the fixed and variable remuneration that applies for the entire Group, as well as employment bonds and bonds for leadership positions.

There is also a Compensation Management policy, which is updated annually, and which is based on the Willis Tower Watson methodology. It is authorized by the Director of Human Resources, the Director of Audits, Risks, and Ethical Guidelines, and the Head of the Legal Division.

In the basic salary remuneration ratio between women and men by age range in the company, the equality criteria used focuses on capacity and responsibility; there was only a minimum deviation of -0.31% for women in the 30–50-year age range.



## EVALUATION OF THE BOARD OF DIRECTORS

Having a solid and competent Board of Directors is a priority for the operation's success. Board Members' performance is evaluated every two years, in collaboration with a team of external advisors. Similarly, every year the Chairman of the Board evaluates contributions and commitments and establishes the objectives for the new cycle.

- Evaluation every two years by an external specialist in the matter, who determines how efficient the Board is compared to other similar boards, and global trends in relation to their composition, experience, and practices.
- Annual evaluation of the Board as a whole and the Board Members individually: Both assessments are done by the Chairman of the Board based on the objectives defined for the year, and the contributions and the commitment that each Board Member showed during the period. The Board Members receive individual feedback and establish objectives for the new cycle.

## FISCAL GOVERNANCE

Bocar establishes mechanisms focused on complying with its tax, labor, and social security obligations. It therefore integrates the social responsibility principles established in ISO Standard 26000:2012, which emphasize respect for legality, ethics, accountability, and transparency, preventing poor practices and ensuring a trustworthy operation.

Due to the foregoing, tax compliance is highly relevant, and falls to the Director of Finance and Administration and to the Finance Committee. However, it is the Manager of Accounting and Taxes, with support from external tax advisors, who determine the criteria, guidelines, and strategies for legal compliance and for correctly adhering to the strategy. This group supervises and authorizes the work done by the tax division.

To ensure the goals are met, there is a risk management policy and manual describing the participation of the Board of Directors, Managing Committee, Senior Management, Risk Management Department, and operating and administrative areas, which jointly evaluate, identify, and manage financial risks.



# CORPORATE ETHICS AND COMPLIANCE

For Bocar Group, complying with the highest ethical standards and values promoted by the Group’s founder, Mr. Federico Baur, is paramount within the organizational culture. As a global company, its activities are set apart by compliance with best practices in integrity, and respect for labor and human rights, including all stakeholders.

The Code of Ethics establishes the values and behavioral guidelines expected by team members, and by everyone with whom the Group does business.

Among these guidelines and values, the following fundamental matters are emphasized:

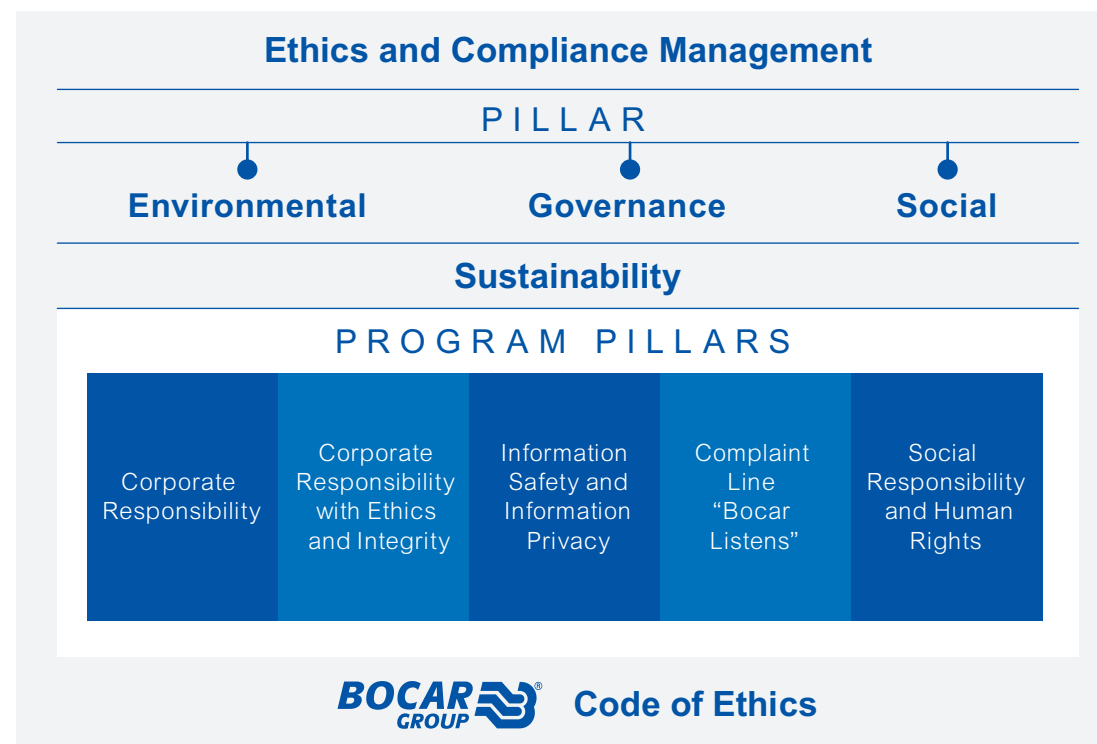
- Internal Guidelines: anticorruption, anti-money laundering, combating terrorism financing, economic competition, data protection, protection against bullying, harassment, preventing crimes, and anything else that applies
- Compliance System
- Policies: Integrity, Human Rights, Economic Competition, Conflict Minerals, and Delivering on and Communicating regarding Compliance

This helps prevent unethical and unlawful acts, and to mitigate compliance risks that might cause financial, legal, strategic, and reputational damage, thus encouraging a culture of ethics and integrity in order to achieve a state of compliance and to contribute to the sustainability of Bocar Group in four areas of Responsibility: Social, Environmental, Corporate, Ethics and Integrity.

## COMPLIANCE

Actions are in strict accordance with the laws and standards that govern the countries where the Group has a presence. Some examples are:

## ETHICS AND COMPLIANCE MANAGEMENT



# PILLARS OF THE ETHICS AND COMPLIANCE PROGRAM MANAGEMENT SYSTEM

## ENVIRONMENTAL, GOVERNANCE AND SOCIAL

### ENVIRONMENT

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- Complying with environmental regulations
- Promoting, respecting, and protecting the environment
- Air quality and emissions
- Responsibly managing natural resources (water, energy, minerals, flora and fauna)
- Reducing solid and liquid waste, and greenhouse gases

### HEALTH, SAFETY AND HYGIENE

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- Civil Protection and Disaster Recovery Plan (DRP)
- Occupational risks and illnesses
- Industrial hygiene
- Demanding physical work and ergonomics
- Physical safety of workers
- Employee health and accommodation (bungalows)

### CORPORATE RESPONSIBILITY

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- Antitrust and economic competition
- Relationships with suppliers and clients
- Complying with foreign trade and taxes
- Supply chain responsibility
- Preventing corporate crimes
- Patents, trademarks, and industrial property

### PERSONAL DATA PROTECTION AND INFORMATION SECURITY

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- Personal data protection
- Information classification
- Information security

### “BOCAR LISTENS” HOTLINE

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- Investigations
- Consequence systems
- Remediation plans

### SOCIAL RESPONSIBILITY AND HUMAN RIGHTS

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- Diversity, inclusion and equality
- Working conditions and preventing child labor
- Disallowing harassment, bullying, and retaliation
- Non-discrimination
- Dignified life and livelihood
- Culture and values
- Nutrition

### SOCIAL RESPONSIBILITY AND HUMAN RIGHTS

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- Culture of Compliance (“Speak-Up Compliance”)
- Ethics and integrity
- Anti-corruption
- Anti-money laundering
- Combating terrorism financing and conflict minerals
- Conflict of interest
- Political neutrality
- Transparency and compliance
- Relationships with government officials
- No tolerance for hate
- Donations
- Employees’ financial and economic activities
- Financial controls
- Receiving and giving gifts



## PROTECTING PERSONAL INFORMATION AND INFORMATION HANDLING

Information is an extremely important asset; therefore, the necessary measures are implemented to protect it. Handling information is a joint responsibility between Bocar Group, suppliers, subcontractors, and third parties.

The Data Protection and Information Privacy Policy establishes the guidelines for handling and correctly using sensitive information, as well as protecting the information privacy of customers, suppliers, employees, job candidates, web page visitors, corporate offices, and production plants, among others.

Furthermore, the Information Classification Policy establishes the criteria and privacy levels of that information based on its sensitivity and degree of impact on the business and on other parties, and it also defines the mechanisms and controls necessary for correctly handling information during classification, storage, access, use, reproduction, distribution, exchange, and destruction of the information that is prepared, obtained, and published at each Bocar Group company.

## THE CUSTOMER AND MOBILITY IN FUTURE SCENARIOS

The company's customers are treated ethically, fairly, and equitably. The company's employees are expected to behave respectfully, always attending to customers in a timely manner, and seeking to understand their needs while employing professional criteria.

The Quality Policy and the Code of Ethics prohibit false or misleading comparisons with equivalent products offered by the competition, therefore, in compliance with our culture of business integrity, non-competitive practices are never engaged in. To the contrary, the guidance is to inform customers in a truthful and timely manner of any situation that might impact them.

The customer satisfaction survey is a tool that helps the company measure and improve the quality of its products, and to continue positioning the Group within the market. The companies that are selected for the evaluation are international market leaders with healthy financial indexes, an environmental commitment, and demanding expectations for developing new products, or innovating in the automotive industry. The evaluation is sent to customers monthly, or issued on their portals, multiplying a relevance factor, and the average is taken for standardization, so that actions to improve can be taken.

The customer satisfaction percentage was

**95.1%**





## SUPPLY CHAIN

Suppliers are strategic business partners with which Bocar Group shares its focus on quality. Bocar uses solid selection criteria, assurance of legal compliance, and best practices.

The fundamental values and principles that underlie the organization are an essential part of business practices. These values are in the Code of Ethics for suppliers, which includes all important matters to be complied with by the supply chain.

This code considers principles based on human and labor rights that are acceptable in relationships with their employees, and other matters such as ethics and integrity, social responsibility, corporate governance, and protection of the environment, among other relevant principles.

In 2022, there were no reports of child labor, slave labor, or violation of the right to free association by any of the suppliers in Bocar Group's supply chain.

**In 2022, 54% of the suppliers were domestic, located in 25 states throughout Mexico, and 46% were foreign, mainly in the United States, Germany, Canada, and China**





## ANTI-TRUST AND FREE COMPETITION

Free competition allows markets to develop efficiently, benefiting everyone. The company's commercial activities comply with these norms; therefore, activities are only performed under legal, fair, and equitable premises in order to maintain a competitive advantage in the market.

Bocar Group does not promote monopolistic practices, cartels, or anything else that impacts free competition; therefore, it prohibits seeking illegal commercial and economic benefits, or obtaining information from competitors through spying, bribery, theft, or any unlawful activity.

## PREVENTING MONEY LAUNDERING AND COMBATING TERRORISM FINANCING

The company has committed to complying with applicable legislation in relation to preventing money laundering and combating terrorism financing, including the applicable laws in the countries where it has operations.

As a business partner, the Group meets client requirements, and has processes to ensure that its suppliers are reliable organizations, with legal funds and assets.

## ANTI-CORRUPTION

Bocar Group has a zero-tolerance policy regarding corruption and bribery, which includes total rejection of facilitation payments or bribes to obtain any type of competitive advantage. To that end, an external consultant was contracted in 2022 to perform an evaluation to detect corruption risks at Bocar. As a result of this work, three risk-related categories were identified: broker-manager third parties, interaction with cities, and interaction with unions, for which a due diligence process was planned.

The culture of integrity and ethics includes:

- Relationship with government employees
- Conflict of interest
- Receipt and delivery of gifts, travel, or entertainment events
- Political neutrality
- Donations & Sponsorships

The company has implemented the following policies to provide a strong foundation for an ethical culture:

- Integrity Policy
- Anti-corruption Policy
- Ethical Code for suppliers

**There were no reports of potential corruption in 2022.**

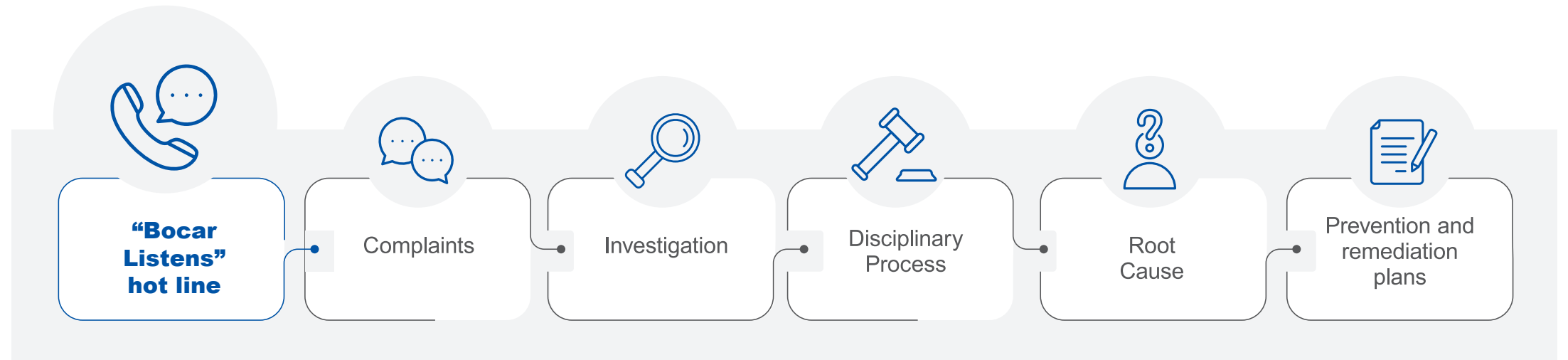
# COMPLAINT SYSTEM

Bocar Group actively practices its principles and values, and it complies with the rules and standards of the Compliance Program, which is an essential part of the culture, and the manner of doing business that characterizes the Group. All employees are responsible for acting with integrity, and with a clear commitment to abide by the Code of Ethics.

- Toll-free line, manned 24 hours a day, 7 days a week: 01 800 310 2100
- Web Page: [www.tipsanonimos.com/bocarteescucha](http://www.tipsanonimos.com/bocarteescucha)
- Email: [bocarteescucha@tipsanonimos.com](mailto:bocarteescucha@tipsanonimos.com)
- Post office box: Galaz Yamazaki, Ruiz Urquiza, SC - AP CON-080, México, CDMX, C.P. 06401
- Fax: 01 (55) 5255 1322

Therefore, any report of illegal practices, inappropriate conduct, or deviations detected in the organization are taken seriously, and to that end an anonymous complaint system has been made available to employees, which includes:

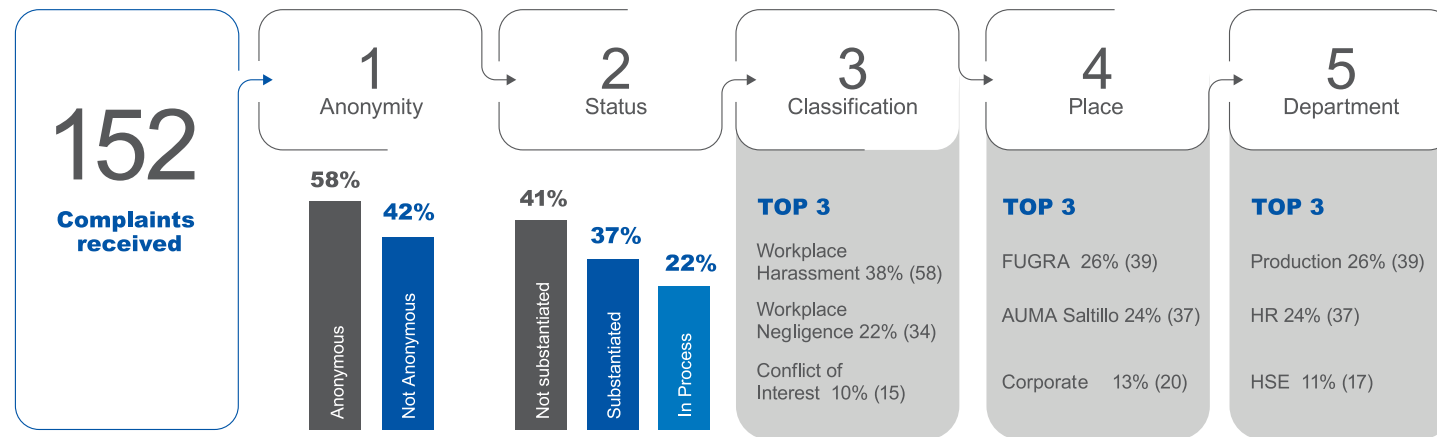
The complaint system is operated by an independent third party that ensures the confidentiality of reports, and protection of those making complaints, with a strong policy of confidentiality and no reprisals. Note that all reports are investigated by the Internal Audit area, or by whoever is appointed by the Ethics Committee. The complaints are handled in strict compliance with established guidelines.





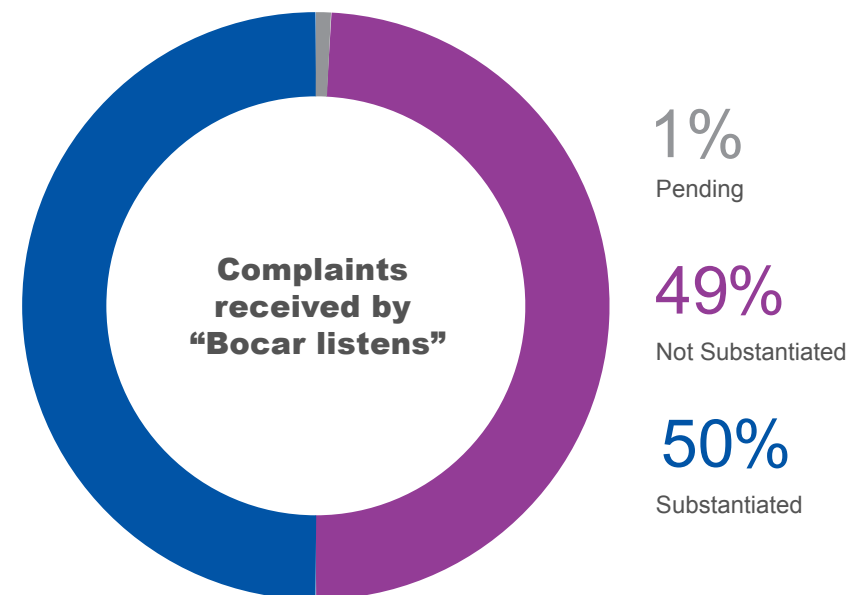


Number of complaints received by “Bocar Listens”. Complaints map via the “Bocar listens” channel



In 2022, 152 complaints were received on the “Bocar listens” line: 38% were related to harassment at work, 22% were about negligence in the workplace, and 10% to a conflict of interest. Of the total number of complaints, 99% have been concluded, and 1% is in process.

If the complaint is based, the Audit, Ethics and Risks Committee is responsible for discussing a disciplinary measure. The Director of Internal Audit, Risks, and the Ethics Line, together with the Head of Forensic Investigations, send an email to the direct supervisor of the party against whom the complaint is filed, HRBP, Legal Manager/Head of Legal and Compliance Officer/Attorney and Plant Compliance Officer, to inform them of the cause and punishment established by the Committee, allowing a period for application, depending on the seriousness of the complaint.





# PEOPLE

*Bocar Group: inspired by an extraordinary team*

About  
Bocar Group

Sustainability  
and ESG

People

Prosperity,  
our community

Our  
Company

Governance and  
Management

Planet

About the GRI  
Sustainability  
Report



### Social

**8,685**  
employees at all units



**2,954** female employees in Mexico



**5,603** male employees in Mexico

**118** female employees in the USA

**297** male employees in the USA



### Union



**6,647**  
unionized

### Occupational Health and Safety



**ZERO**

fatal accidents and or loss of limb

**114,843**

training hours

### Engineers in Training Program



**2** youth in the Talent Development Program

**23** engineers enrolled in the Engineers in Training Program

## BOCAR TEAM

The employee team is Bocar's key to success. Every person and their contributions strengthen the company, which is what attracts, develops, and motivates personnel, with a perspective of shared values that ensures that each person is in the correct job, and that they have opportunities for development and growth.

The company's sustainable management underlies management based on respect, and the promotion of human and labor rights, highlighting the relevance of diversity and inclusion, safe working environments that are free of discrimination and harassment, which promotes the well-being of people and their level of satisfaction at work.

### Number of employees by gender

	Women full time	Men full time	Total
	<b>2,954</b>	<b>5,306</b>	<b>8,260</b>
	<b>118</b>	<b>297</b>	<b>+ 10</b> gender not specified <b>425</b>

During this reporting period, Bocar Group hired 3,586 new employees to join its team, of whom 54.71% are younger than 30 years old, 42.39% are between 30 and 50 years old, and 2.90% are older than 50. Of this total, 378 (10.54%) are not unionized, and 3,208 (89.46%) are unionized. The turnover rate of personnel was 21.26%.

### Employees by age

	Younger than 30 years old		Between the age of 30 - 50 years old		Older than 50 years old	
Country						
Number of people at management or higher levels	<b>0</b>	<b>0</b>	<b>123</b>	<b>8</b>	<b>57</b>	<b>3</b>
Total	<b>2520</b>	<b>118</b>	<b>4878</b>	<b>224</b>	<b>862</b>	<b>83</b>

**Percentage of men: 64.5%**

**Percentage of women: 35.3%**

### Number of hires in 2022 by age range

Younger than 30 years old	<b>1,962</b>	<b>54.71%</b>
Between 30 - 50 years old	<b>1,520</b>	<b>42.39%</b>
Older than 50 years old	<b>104</b>	<b>2.90%</b>
<b>Total</b>	<b>3,586</b>	<b>100%</b>

### Hires by gender

**Men: 60.23 % - 2,160**

**Women: 39.77 % - 1426**

## UNIONIZED WORKERS

Bocar Group recognizes that the freedom to join a union is a fundamental right that is part of the central global values established by the International Labor Organization (ILO), the Universal Declaration on Human Rights, and the United Nations Global Compact. The premise of sustainable management is focused on respecting the rights of workers. Of the 8,685 employees working for the company, 6,647 are unionized, which represents 76% of the staff. Their rights are protected through collective bargaining agreements at each plant, which are renewed annually, ratifying 92% of the content of the existing collective bargaining agreements.

**Of the 8,685 Bocar Group workers, 76% are unionized.**

Practices that are in line with the principles of diversity, equity, and inclusion are employed during the processes of recruitment, selection, retention, compensation, administration, and management of personnel. These foundations are part of managing the recruitment process and training personnel through various steps:

- Onboarding
- Open Job Posting
- Attracting young talent

## RESPECT FOR HUMAN RIGHTS

Respect for human rights is a fundamental pillar in managing relationships with people, and in the way the Group does business. The principles of these fundamental values are applied in all interactions with employees, business partners, the communities where the company operates, and with any other stakeholder with which Bocar has a corporate relationship.

Bocar Group has aligned with the commitment of the International Labor Organization (ILO) and the Universal Declaration on Human Rights, to prohibit child labor and slave labor, and thus it condemns any type of exploitation and slavery.

**In 2022, there were no reports of human rights violations**

## NON-DISCRIMINATION

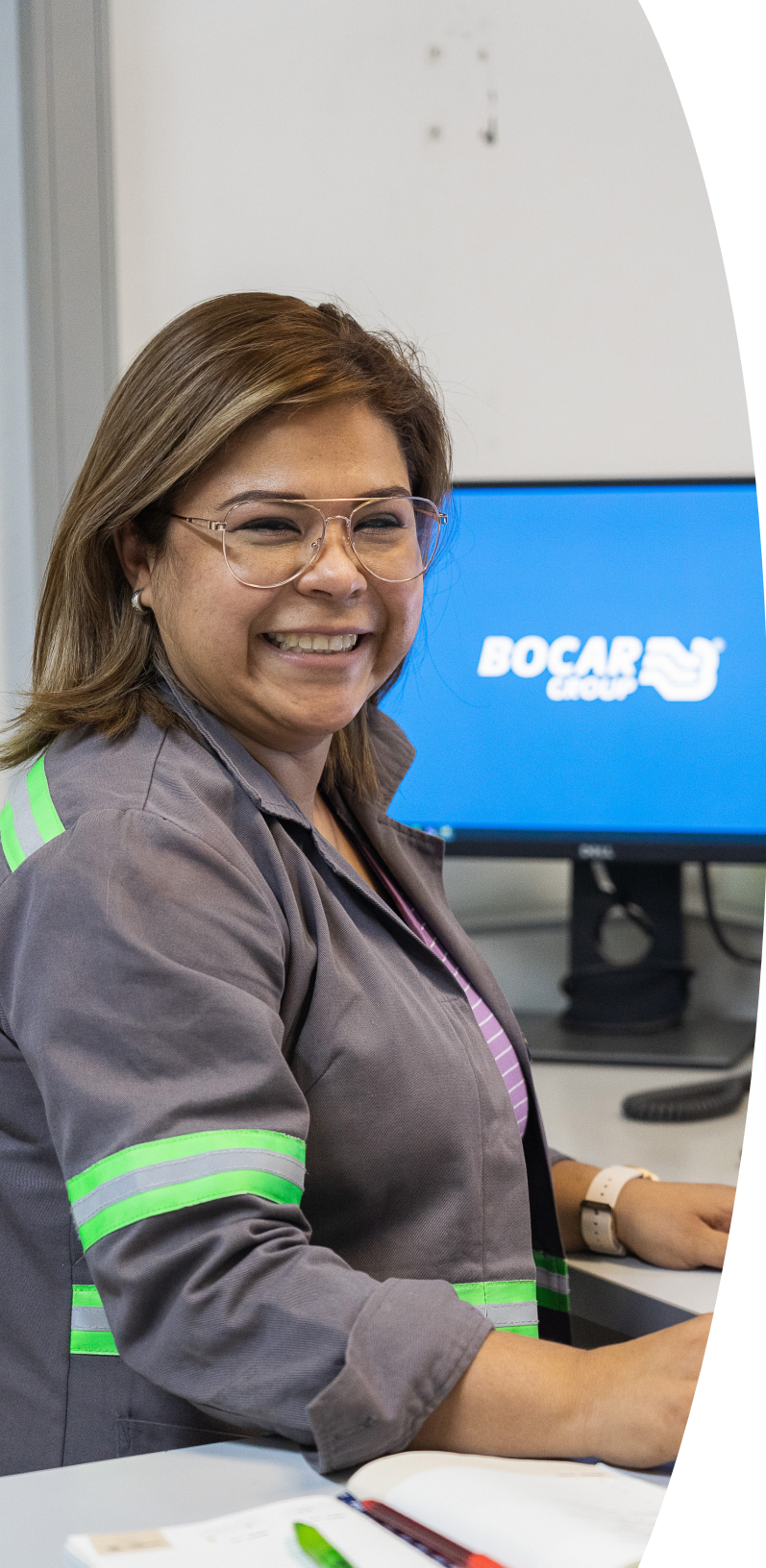
The company has committed to providing a work environment free of any type of discrimination by focusing on matters such as race, sex, nationality, socioeconomic status, ethnic origin, religion, age, disability, sexual orientation, identity, gender expression, political opinion or affiliation, union affiliation, civil status, and appearance, among others. In 2022, there were five investigations in matters of discrimination; two were substantiated and the process is concluded, two were unsubstantiated, and one is pending.

## SEXUAL AND LABOR HARASSMENT

The company's focus is zero tolerance for bullying or sexual harassment of any type, including anything expressed verbally, through language, or inappropriate physical proximity, or anything not authorized by the other party.

Likewise, no activity is tolerated that threatens the integrity of people at work, and that might materialize through verbal, physical, or psychological violence, or intimidation of employees or other stakeholders.





## PERFORMANCE EVALUATIONS

Every employee that has worked for the company for more than one year has a performance evaluation. This ongoing process allows each team member’s professional conduct, skills, yield, and productivity to be measured objectively and completely.

## TRAINING AND DEVELOPMENT

For Bocar Group, it is important to provide the tools and knowledge necessary for its personnel to perform their functions under the best conditions. A training program has therefore been created that detects the development and training needs of each employee.

During this reporting period, an average of 42.8 hours of training were provided to men, and 20.7 hours of training were provided to women.

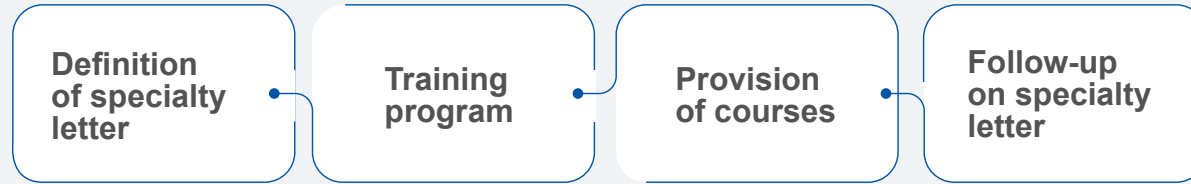
Average training hours by gender & labor category – 2022

	HeadCount	Layer Hr	Hr/Men	HeadCount	Layer Hr	Hr/Men
Directors and Managers	146	3,802.8	26.0	20	377.4	18.9
Non-unionized Employees	1,094	62,968.4	57.6	343	11,421.4	33.3
Unionized Employees	4,053	159,660.3	39.4	2602	49,671.4	19.1



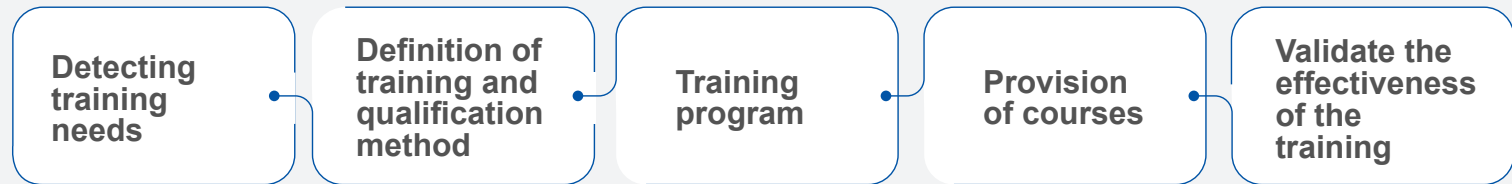
# JOB SPECIALIZATION

To support employee growth, Bocar has a training program that focuses on job specialization:



The company offers the following training programs:

- Technical programs
- Certification programs
- Funds for language classes
- Study programs



There are also several programs that provide training for specific jobs, as well as the training and development required for each position in the company:

- Employee onboarding programs
- Institutional programs
- Technical specialization programs
- Certification programs
- Soft skills programs
- Overseas training programs
- Language study grants
- Professional studies programs







There are also specialized programs for improving technical skills, by means of:

- Specialized assessments to detect specific areas of weakness, and to improve technical skills.
- Simulators to train operating personnel.
- Quality certification programs that ensure that processes are followed, and re-certifications done

The company relies on the Bocar Institute (LMS) to train its employees. This is an e-learning system designed to provide instructors, administrators, and employees with a system in which they can create personalized learning environments.

## ENGINEERS IN TRAINING PROGRAM (IEE)

The objective of this program is to prepare talent for the future, considering worldwide technological, economic, and social demands. Leaders are also encouraged to develop their skills, abilities, and confidence so they can meet the needs and goals of the company. In partnership with public and private universities, the talent attraction area identifies recent engineering graduates who are solid candidates to join Bocar's team.

To be able to identify this young talent, Bocar enthusiastically participates in job fairs and job boards.

**The IEE program model is set up as follows:**



When Engineers in Training graduate with satisfactory marks, they are placed in a specialty area within the organization, and their development plan is monitored for at least the next two years.

The results of this program in 2022 were:

Plant / Location	Admitted
<b>Engineers in Training</b>	
Bocar Lerma	<b>7</b>
Auma Chihuahua	<b>5</b>
Auma San Luis Potosí	<b>4</b>
Auma Querétaro	<b>3</b>
Fugra	<b>3</b>
<b>Total</b>	<b>22</b>

Developing Talent	Number
HPDC Sales	<b>1</b>
Auma San Luis Potosi Logistics	<b>1</b>
<b>Total</b>	<b>2</b>

Plant / Location	Graduates
<b>Engineers in Training</b>	
Auma Saltillo	<b>7</b>
Bocar Lerma	<b>7</b>
Fugra	<b>4</b>
Plastic Tec Lerma	<b>3</b>
Auma Chihuahua	<b>1</b>
Auma San Luis Potosí	<b>1</b>
<b>Total</b>	<b>23</b>



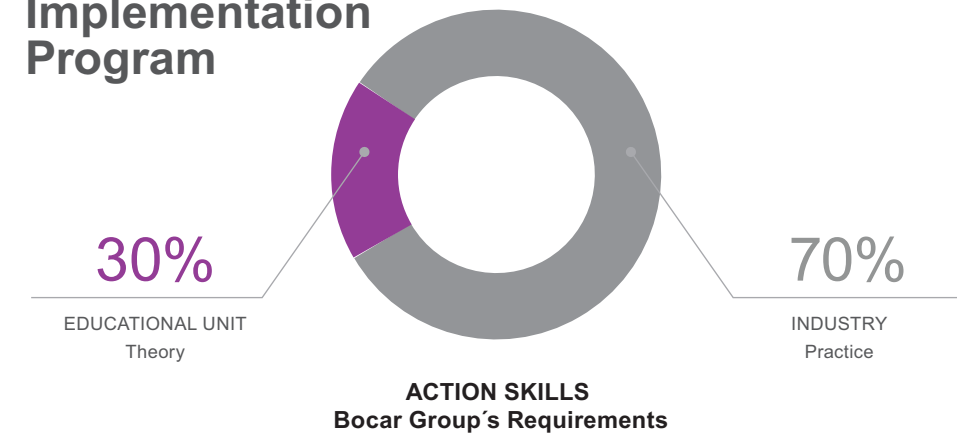
# APPRENTICESHIP PROGRAM

There is a training program to prepare professionals at the highest levels through the Dual Training Model (theoretical and practical), which includes certification at the technical level in Germany, thus helping meet the demand for highly qualified and competent personnel according to the Group's needs and requirements. The phases of this training are as follows:

- Professional and practical training: 70% advanced training and specialization in which skills and resources are consolidated, acquiring knowledge to deal with internal clients.
- School training: 30% Development of professional skills and resources
- Personal development

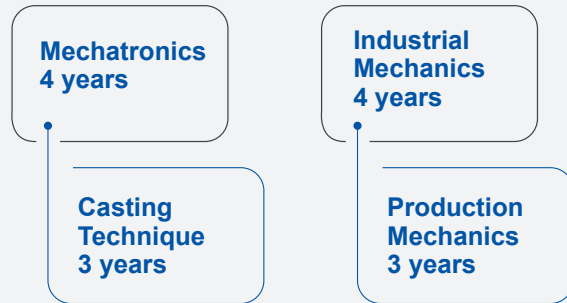
PROFESSIONAL TRAINING (Hard and soft skills) 36 & 42 months	
Phase 1 TAP1 Certification of Skills	Phase 2 TAP 2 Certification of Skills
Practical Training 70% Hard Skills	
Niveling	
Basic Training	Advanced Training & Specialization
Complementary Training	
School 30% Education Unit	
PROFESSIONAL SKILLS Development of skills and professional resources	
GENERAL EDUCATION Soft Skills	

## Dual System Implementation Program



Professional Competence (Hard Skills)		Personal Competence (Soft Skills)	
Knowledge	Abilities	Social Skills	Independent
Depth and scope	Instrumental and systematic skills, evaluation capacity	Team / Leadership, participation and communication	Independence / responsibility, reflexiveness and ability to learn

This program combines training in three careers: mechatronics, industrial mechanics, and production mechanics, with their various specialties. These three careers meet the requirements in the company's three business units.



Some of Bocar Group's strategic partners in offering this dual training program include: Swissmem, Buhler, Aktien Gesellschaft, Universidad Tecnológica del Valle de Toluca, Festo, Europa Lehmittel, and Cristiniani, among others.

The company has three generations of people – 51 individuals – currently training under this system. Part of the focus of this program is to empower women, and indeed 20% of the people training for the career of mechatronics are women.

The first generation (2019) of these programs will graduate in the first quarter of 2023, with 17 graduates: nine in industrial mechanics, and eight in mechatronics. Of the trainees, 17.64% are women.

## OCCUPATIONAL HEALTH AND SAFETY: OUR PRIORITY

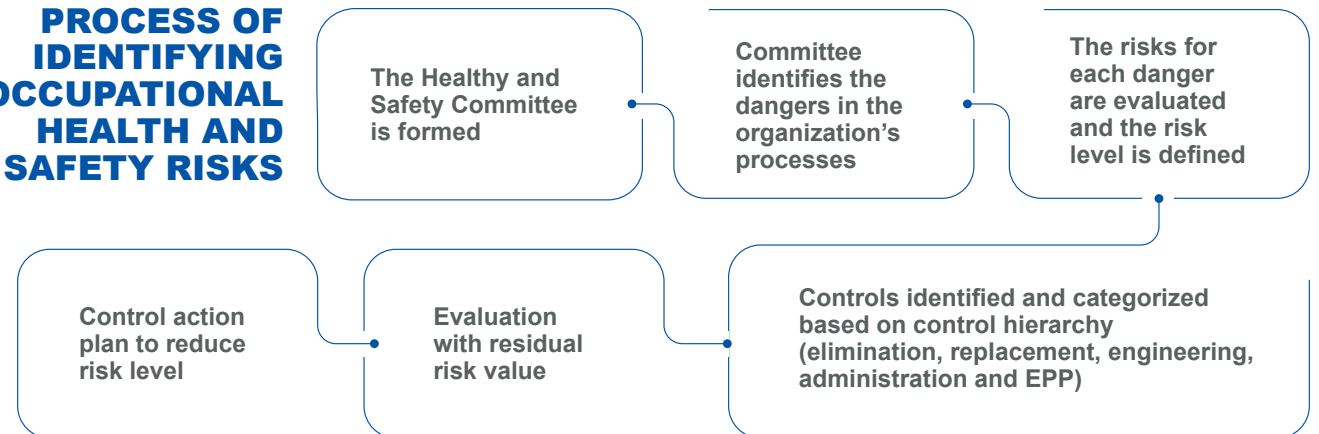
Bocar Group's highest priority is to provide a safe work environment for all its workers. To this end it has an Occupational Health and Safety System that is certified under ISO Standard 45001:2018.

The HPDC and SPM Business Units are certified, and the Plastics Business Unit has implemented the system. Certification has not yet been received.

As part of management's focus, the Health and Safety Committee is in compliance with standard NOM-019-STPSS-2001, with the participation of workers' representatives, who help identify risks, minimize impacts, and review work conditions to ensure they comply with current legislation. In addition, the Ergonomics Committee is tasked with identifying, evaluating, and following up on programs and rules regarding ergonomics.

The company has implemented the following procedure to identify hazards and evaluate occupational health and safety risks:

### PROCESS OF IDENTIFYING OCCUPATIONAL HEALTH AND SAFETY RISKS





Part of the zero incidents culture that Bocar Group has developed is a focus on safe behavior by personnel, through implementation of the following absolute safety principles:

1. Safety is always first, at home and at Bocar. I am the most valuable resource.
2. Safety is a conscious act.
3. Safety is never compromised and is everyone's responsibility.

To meet Bocar's objectives, a process called "Authority to Suspend Work" has been established, which gives every employee the authority and the responsibility to suspend any activity that poses a risk to workers, the environment, machinery, and infrastructure. This mechanism thus includes every person in the occupational health and safety system.

The company also has a Well-Being Committee that is tasked with assessing occupational health projects and strategies, with the objective of positively impacting the well-being of employees and their families. This group meets every three months, and is comprised of shareholders, the CEO, the Director of Human Resources, the Medical Advisor of Bocar Group, and several others in key positions.

**The Occupational Health and Safety System is certified by ISO Standard 45001.**

**The company has Health and Safety, Ergonomics, and Well-Being Committees to protect the health and safety of workers.**

Following are some of the occupational health and safety programs in which all employees and contractors participate:

- **SafeStart:** An awareness program regarding the safety and development of skills focusing on human factors to reduce critical errors that result in accidents.
- **IPER:** Process for Identifying Hazards and Risk Evaluation, in accordance with ISO 45001.
- **Humantech:** Software to evaluate ergonomic risk.
- **LOTO:** Process to identify hazardous energy in processes and methods, to ensure that machinery and/or equipment is properly turned off during maintenance work. This procedure requires dangerous energy sources to be isolated during repair work.
- **BETA Cells:** Multidisciplinary work teams with a safety role function, focusing on reporting and following up on unsafe conditions and/or behaviors.
- **Safety Observations:** Use of Benchmark software to record observations of unsafe behaviors.
- **Gemba Walks:** Walks through production areas with the objective of identifying unsafe conditions and/or behaviors and implementing the necessary controls to reduce or eliminate the risk of incidents.
- **Benchmark (Gensuite):** Software used to administer safety and environmental aspects such as: Safety Observation, Action Tracking System, Incidents and Measurements, and Sustainability Reporting.
- **ATS (Action Tracking System):** A Benchmark application that registers unsafe conditions and follows up on findings identified during Gemba Walks, internal and external audits, inspections, etc.
- **Industrial Vehicles:** The process of implementing safety controls to reduce or eliminate the risk of incidents related to operating industrial vehicles, such as: forklifts, milk runs, cranes, elevators, etc.

**The entire Bocar team is responsible for acting in ways that support health and promote safety, and for reporting any possible risks to personnel or third parties.**

The company is proud to announce that, thanks to the Integral Health and Safety Management System, no fatalities or serious injuries were registered in 2022.

## OCCUPATIONAL HEALTH AND SAFETY TRAINING PROGRAMS

As part of the implementation of the Occupational Health and Safety Management System in 2022, 114,843 hours of training in health matters were provided to 8,685 employees.

To determine training needs in health and safety matters, the company uses the following process:

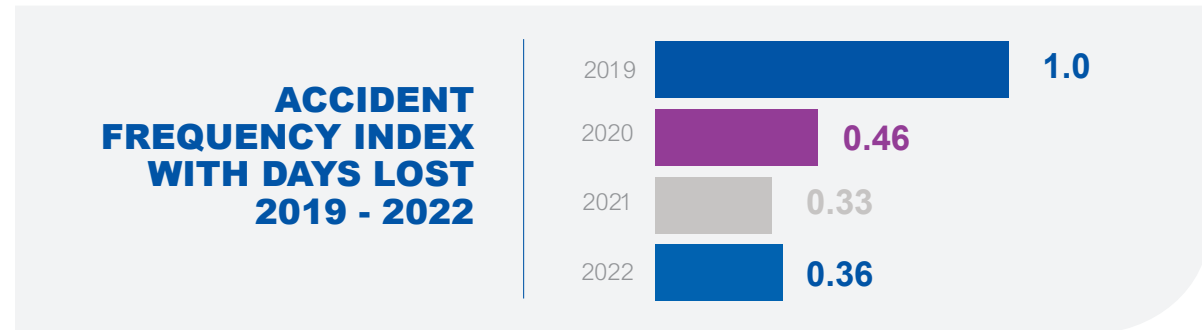


These guidelines identify training needs, and an ad hoc plan is developed through the following:

- Health and safety induction program.
- Programs for training and simulation in health and safety matters
- Annual refresher programs in health and safety for employees.
- Training in the SafeStart methodology, specific courses to create a safe work culture.
- Annual training program for emergency brigades.

The Bocar Institute (LMS) is an administrative electronic learning system in which e-learning courses are managed using the Moodle platform. This platform is designed to provide instructors, administrators, and employees with an integrated system that creates personalized learning environments.

Bocar Group works diligently to prevent accidents. Through implementation of Occupational Health and Safety Management Systems, it has reduced the accident frequency index with days lost from 1.0 to 0.36, in comparison with 2019.





# HEALTH AND WELL-BEING

Promoting positive changes in our people's health is extremely important to Bocar. With this focus, preventive health campaigns have been developed to detect, prevent, and control diseases that put the overall health of people at risk.

During the year a total of 11 nutritional campaigns, 9 mental health campaigns, and 11 occupational health campaigns were developed in 2022.

**Nutritional campaigns:  
4,772 participants**

**Mental health campaigns:  
22,383 participants**

**Occupational health campaigns:  
31,865 participants**

Furthermore, periodic medical exams are given to internal and external personnel who are occupationally exposed to any type of risk condition. All medical assessment results are uploaded into the Fortia incidents and illness administration system. Incidents are registered in Initial Injury Reports in Benchmark's "Incidents and Measurements" application.

Healthcare programs are also supported by institutions with which Bocar has created partnerships, such as the IMSS, the Secretary of Health, The Women's Institute, civil associations, and other groups.

## Healthcare Program

- Medical monitoring
- Complete medical services
- Periodic OEP (Occupationally Exposed Person) medical exam
- Medical assessments of internal and external personnel for high-risk work
- Occupational health week
- EVIS Program
- Orienta PAE

Educational campaigns are also part of the objective to improve workers' lifestyle and quality of life. In addition to the preventive health program, which is run by on-staff psychologists and nutritionists, there are personalized telephone consultations and monthly conference calls for employees and their families using the Orienta PAE platform (Employee Assistance Program), for mental, legal, health, nutritional, financial, and veterinary care.

These actions provide enormous support to one of Bocar's main objectives: taking care of its people.

## Preventive healthcare program

- Nutritips: Nutritional Information sent to educate and Support better nutrition
- Food of the month: Every month detailed information is distributed on the benefits of a nutritional food.
- Accident prevention: A course at Bocar Institute with information on changes, with campaigns at all plants for all personnel.
- Physical activity: In-person and/or virtual classes are provided.
- Stress management: Campaigns to be able to identify the signs and symptoms of stress.
- Suicide prevention: Campaign in the month of September.

**Medical consultations: 38,487**

**Nutritional consultations: 5,450**

**Mental health consultations: 3,891**

**Physical medicine and rehabilitation  
consultations: 1,967**

## EVIS PROGRAM

The EVIS (Healthy Lifestyle) program has been in place for more than ten years, helping employees improve their health by encouraging good habits such as healthy food, mental healthcare, and periodic medical exams to detect illnesses in a timely manner.

### EVIS Program

1. Active pauses
2. EVIS blood panel
3. Bocar Challenge
4. Nutritional information
5. Runners

## BENEFITS MEXICO

One of Bocar's objectives is to offer benefits that exceed those established by law, in order to positively impact employees' quality of life. Benefits for unionized personnel are established in their collective bargaining agreements.

All full-time employees receive the following benefits:

- Medical care
- Savings fund
- Cafeteria service (subsidized)
- Grocery store vouchers
- Legally required number of vacation days and higher
- Vacation bonus higher than the legal minimum
- Legally required paid holidays
- Bonuses higher than the legal minimum
- Life insurance

## UNITED STATES

Just as in Mexico, the bonuses offered to workers in the United States exceed the legal minimum. Benefits include spouses and children up to 26 years old.

Benefits for full-time and hourly employees are the following:

- Medical and dental care
- Vision insurance
- Medical expense insurance
- Flexible Savings Account for Medical
- Expenses Flexible Savings Account to care for dependents
- Short- and long-term disability insurance
- Life insurance for the worker, and optional for spouse and dependent children
- 401(k) savings program for retirement
- 40 to 160 hours of annual vacation
- 10 paid holidays per year
- Employee assistance program
- One week of parental leave per birth or adoption

## PARENTAL LEAVE

Parental leave is a right that should be protected and encouraged. Bocar Group helps its employees by providing them time to enjoy the arrival of a new member of the family.

In 2022, 82 women had the right to parental leave, of whom 72% returned to work once the leave period had ended. In addition, 205 men had the right to parental leave, of whom 89% returned to work, once the period had ended.

**Of the 82 women who had parental leave, 72% returned to work**

**Of the 205 men who had parental leave, 89% returned to work**





## PENSION PLAN

In Mexico, the objective of pension plans is to grant an additional and complementary benefit to that legally established by the Mexican Social Security Institute (IMSS). To this end, the company has an accounting reserve that is included in the accumulated benefits established in the plan, which is reflected in the financial statements.

Furthermore, there is a Retirement Plan that establishes the guidelines of the plan, and benefit payments to non-unionized workers.

The type of retirement plans available are:

- Regular retirement
- Not exercising the right to take retirement
- Early retirement

The pension plan in the United States is called the “Empower 401(k) Investment Program,” to which the employee may start making contributions after six months on the job.

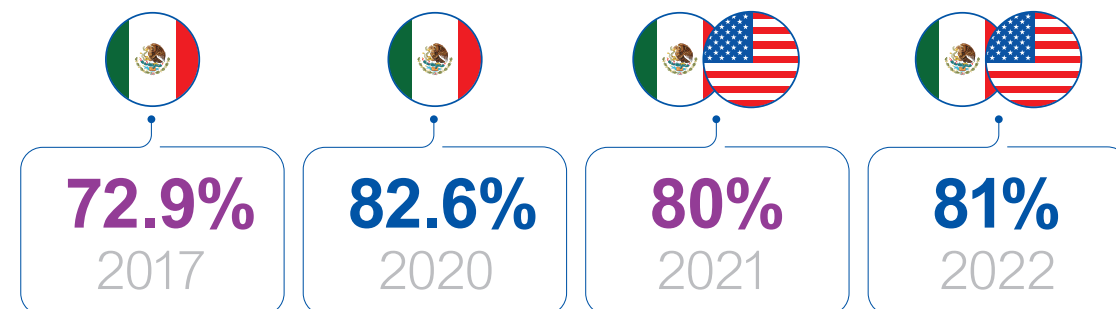
This program offers workers the opportunity to invest in their future through voluntary contributions in addition to contributions made by the company. For retirement plans, the company matches up to 5% of contributions made by employees.

## SEPARATION OF THE COMPANY

The company has an employee separation policy, which establishes the guidelines regarding unionized and non-unionized personnel, in compliance with applicable legislation, and it also establishes compensation for contract termination.

## ORGANIZATIONAL CLIMATE SURVEY (OCS)

Bocar believes it is important to listen to the opinions of team members; therefore, in November and December 2022, an OCS was conducted, with 7,419 employees participating in Mexico, and 330 in the United States. The results showed an 81% level of employee satisfaction.





# PLANET

*Bocar Group: focused on a business that protects the planet*

About  
Bocar Group

Sustainability  
and ESG

People

Prosperity,  
our community

Our  
Company

Governance and  
Management

**Planet**

About the GRI  
Sustainability  
Report



Topic	Indicator	Unit of measurement	Value
Energy	Total energy consumption throughout the organization	KWh	273,788,448
Climate Change	CO2 emissions (Scope 1)	Tons CO2	60,231.32
	CO2 emissions (Scope 2)	Tons CO2	99,674.83
	Emission intensity	CO2e / Ton PT	1.34
Materials and waste	Waste generated	Tons	21,726.25
	Water consumption	ML	262.94
	Water extraction	ML	423.92
Water resources	Percentage of wastewater treated in own and municipal plants	%	82.70
	Water discharge	ML	322.98



# BOCAR'S COMMITMENT TO THE ENVIRONMENT

Bocar Group is committed to protecting the environment. The objective is to reduce impacts as much as possible through best practices, certifications, and innovative and efficient use of technology. The goal of the company's cautious approach is to prevent irreversible damage to the planet.

The company's sustainable management entails a commitment to comply with applicable legislation in every process in the countries where it has operations; to further its commitment, it complies with high international standards.

## Bocar's sustainable management

The company works continually on initiatives and projects related to the following principles:

- Reducing the carbon footprint in operations through energy-efficiency initiatives
- Efficient consumption of potable water
- Reducing generation of waste and sending it to landfills
- Strengthening the organizational culture to protect the environment and employee well-being



# ENERGY CONSUMPTION

There is a firm commitment to reduce energy consumption and to use it efficiently. To this end, the Electricity Efficiency Procedure and Standardization of Specific Objects have been implemented at the plants. Total energy consumption in 2022 was 273,788,448 kWh, with 15% for heating and 8% for cooling.

The Power Monitoring Expert (PME) platform, which facilitates reliable electricity networks, is used to calculate consumption. There was a 3% increase in energy consumption in 2022, as a consequence of higher production; however, there was a reduction in Scope 2 emissions of 5.14% from 2021 to 2022.

There are objectives to reduce energy consumption by plant, therefore a manual has been developed regarding efficient energy use.

Efforts to decrease energy consumption focus on:

- 

Reducing process temperatures to decrease electricity and gas use
- 

Acquiring equipment with energy-efficiency certifications
- 

Changing lighting to LEDs in warehouses and offices
- 

Raising employee awareness about the environment and climate change
- 

+90% electricity consumption comes from a cogeneration process with a low emission factor







## DIRECT GHG EMISSIONS

The company is responsible for implementing strategies that contribute to reducing and mitigating Greenhouse Gas Effect (GHG) emissions generated by the operation. The commitment is to reduce Scope 1 and 2 emissions in conformance with the goals established by the Science Based Targets initiative by 2030.

Bocar's Scope 1 and 2 GHG emissions were 159,906.67 tons of CO2 equivalent, with an emission intensity of 1.34, which was calculated by dividing the total tons of absolute CO2 equivalents by the total tons of finished product in the period, generated by the use of natural gas to operate the welding and thermal treatment furnaces.

In 2022, 60,231.32 metric tons of direct GHG (Scope 1) emissions were generated. These gases were calculated using the GHG Protocol, and it covers emissions of the seven Greenhouse Gas Effect gases established in the Kyoto Protocol.

### Bocar Commitment

**Grupo Bocar is committed to reducing absolute Scope 1 and Scope 2 GHG by 46.2% by 2030, starting from a baseline year of 2019. It is also committed to decreasing absolute Scope 3 GHG emissions from goods and services acquired by 42.0%, by 2030, with the year 2021 as its baseline.**

#### DIRECT GREENHOUSE GAS EFFECT EMISSIONS

Gases	Unit	2022
NO2	ppm	125
SOx	ppm	8.74
COP	kg	2.39
COV	kg	30.03
HAP	NG	NG
PM	mg/m3	11611.91

NG: HAP not generated



The following methodologies are used to measure these gases:

- Direct measurement
- Engineering calculations
- Air contaminant emission factors
- Materials balance
- Intergovernmental Panel on Climate Change (IPCC)

Regarding Scope 2 GHG emissions, energy purchases of 99,674.83 metric tons of CO2 equivalent were made.

### Greenhouse Gases Scope 1 and Scope 2 / Total Emissions

Indicator	Unit	2022
Scope 1 GHG emissions	Ton CO2eq	<b>60,231.32</b>
Scope 2 GHG emissions	Ton CO2eq	<b>99,674.83</b>
Emission intensity	CO2eq / Ton PT	<b>1,34</b>
Total GEI Scope 1 and 2 Emissions	Ton	<b>159,906.15</b>

Year	Ton CO2eq Scope 1	Ton CO2eq Scope 2	Ton CO2eq Scope 1 + Scope 2	Ton PT	Ton CO2eq /Ton PT	Absolute Reduction Ton CO2eq	Normalized Reduction Ton CO2eq
2019	55,188.28	119,075.65	174,263.94	116,182	1.50	0.00%	0.00%
2020	47,500.17	102,810.31	150,310.48	105,004	1.43	13.75%	4.56%
2021	56,810.76	91756.32	148,567.07	109,771	1.35	10.57%	9.77%
2022	60,231.32	99,674.83	159,906.15	118,425	1.34	9.92%	10.37%

The 10.37% reduction in tons of normalized CO2eq is with respect to our 2019 baseline and shows a significant decrease.





# RESPONSIBLE WATER MANAGEMENT

Bocar is deeply aware of how important it is to conserve water. Since its formation, Bocar has been committed to reducing its water footprint in all operations and business units.

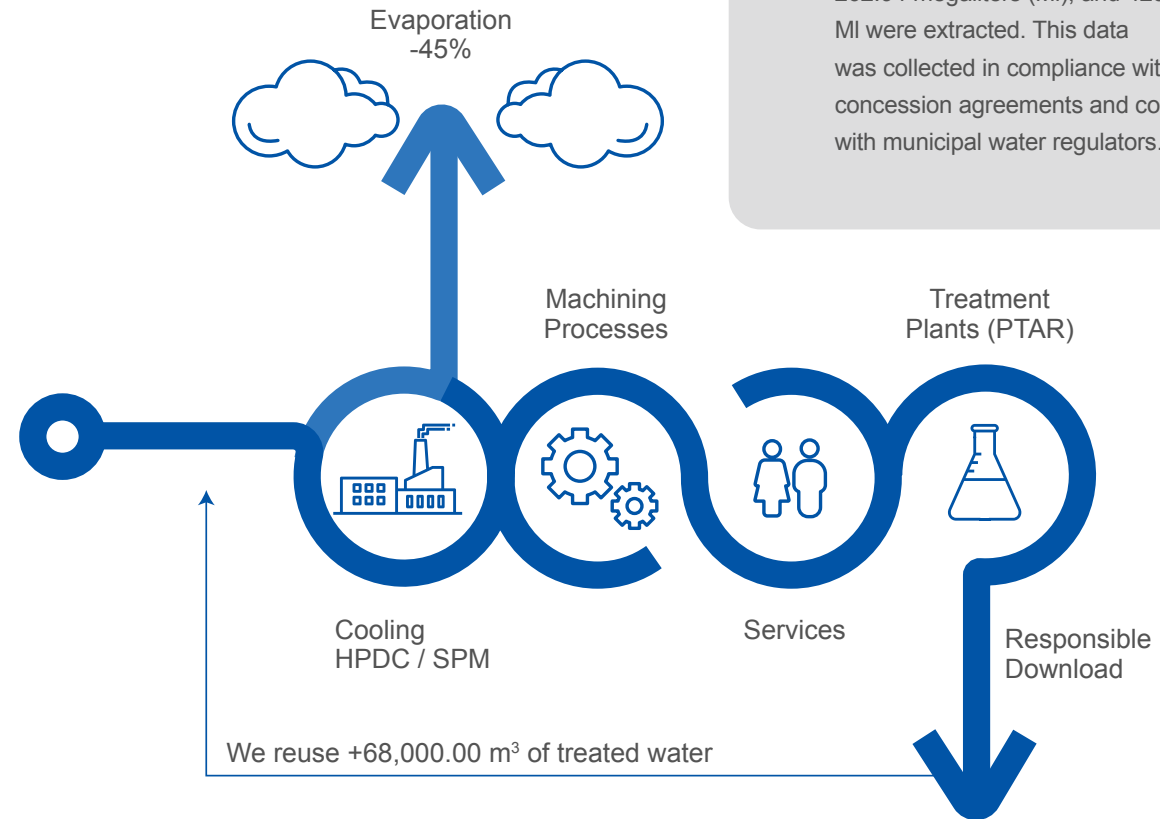
The mission of the water conservation strategy is to manage water consumption in order to support both sustainability and business growth by establishing and monitoring operating standards, specialized projects, identifying and mitigating risks, and sharing knowledge about water use at the company's plants.

As a result of the company's vision regarding water, 2022 saw a 20% decrease in comparison with the baseline year of 2015, as well as standardization of quality, and development of a ZLD (Zero Liquid Discharges) plan. Today the company is proposing new challenges, to continue decreasing its impact and water footprint.

## Vision 2030

- **At least 20% of the overall water supply comes from alternate sources (reuse/ rainwater)**
- **Connecting consumption-related information and water systems information with industry 4.0**
- **Formalizing mitigation of water risks and legal compliance**

## WATER CONSUMPTION ON BOCAR



## WATER CONSUMPTION

In 2022, water consumption was 262.94 megaliters (MI), and 423.92 MI were extracted. This data was collected in compliance with concession agreements and contracts with municipal water regulators.

## WATER CONSUMPTION BY PLANT

Production Plants	Auma Chihuahua	Auma Tec	Auma Saltillo	Auma San Luis Potosí	Bocar Lerma	Fugra Lerma	Plastic Tec Lerma	Plastic Tec SLP	Bocar US
Water Consumption in Megaliters (MI)	69.32	5.83	62.29	33.12	31.97	34.30	5.77	1.27	19.06

## WATER EXTRACTION

Water extraction has distinct impacts according to the different geographical areas. The reference atlas Aqueduct tool of the World Resources Institute is used to this end, mapping water stress and other water availability risks.

Water inputs into different processes and services are monitored continuously in order to have precise information on the water volume extracted. A running record is also kept of the quality and volume of both treated and discharged wastewater.

Bocar has established water-related corporate goals and objectives.

These issues are managed through the management infrastructure that includes the company’s operations in Mexico and the United States.

This area evaluates the performance aspects of each location, water stress according to physical ability risk indicators, (Aqueduct, WRI), projected investments in systems, standard requirements such as ISO 14001, projections associated with production processes, such as increased capacity

### BOCAR’S WATER WITHDRAWAL IN 2022

Water Source	Megaliters (MI)
Surface Water	0
Groundwater	316.21
Seawater	0
Produced Water	0
Third-Party water	107.71
Fresh Water (total dissolved solids < 1,000 mg/l)	423.92
Others (total dissolved solids > 1,000 mg/l)	0

or specific quality requirements, and other applicable legal guidelines.

In Mexico, Bocar interacts directly with Conagua and with local regulatory agencies to ensure responsible management, respecting volumes agreed to in concession agreements, and/or contractually established, as well as the quality of treated and discharged wastewater.

Between 2015 and 2022, the company decreased its water consumption by 20.2% with respect to business growth, and the goal for 2030 is to

attain at least another 20% through reuse initiatives, more efficient process technologies, and use of lower environmental impact alternative sources, such as rainwater.

To measure water stress and water-related risks, the World Resources Institute’s “Aqueduct” tool is used, as is ISO Standard 14001.

Between 2015 and 2022, water consumption was reduced by 20.2%, with respect to growth of the business.

**The 2030 commitment is to reduce water consumption by 20% through reuse initiatives, more efficient technology, and using lower environmental-impact sources such as rainwater.**

**Since 2020, the company has been rated at A- in the CDP’s Water Security Questionnaire, which places us in a leadership position, and above the industry average in the automotive sector.**







The company interacts continuously with its customers through platforms such as the Carbon Disclosure Project (CDP), sending out questionnaires such as the Water Security Questionnaire, which reports and evaluates impacts on the business, strategy, governance, goals and objectives, links with the supply chain, assessment of water risks and its response, accounting, and water-related opportunities, among other issues.

Consumption is reported annually through the Water Security Questionnaire, which is aligned with the CDP. In addition, the areas of water stress are determined using the same methodology approved by the CDP and Water Risk Atlas (Aqueduct) of the World Resources Institute, in which the categories of Physical Risk Quantity are defined.

The main risks associated with poor use are:

- Decrease of water in aquifers
- Seasonal and annual variation
- River flooding
- Extreme droughts Among the actions developed to monitor and reduce water-associated risks are the following:
  - *Studies every other year by plant to know the static and dynamic levels of deep wells.*
  - *Geophysical-electrical studies to learn about the status of geological strata and aquifers to have more certainty about the feasibility of new deep-well drilling and/or the status of current wells.*

## WATER DISCHARGE

To discharge water from production processes and treated water into federal waters, municipal drains, and/or for reuse, the company complies with current environmental and occupational health and safety laws.

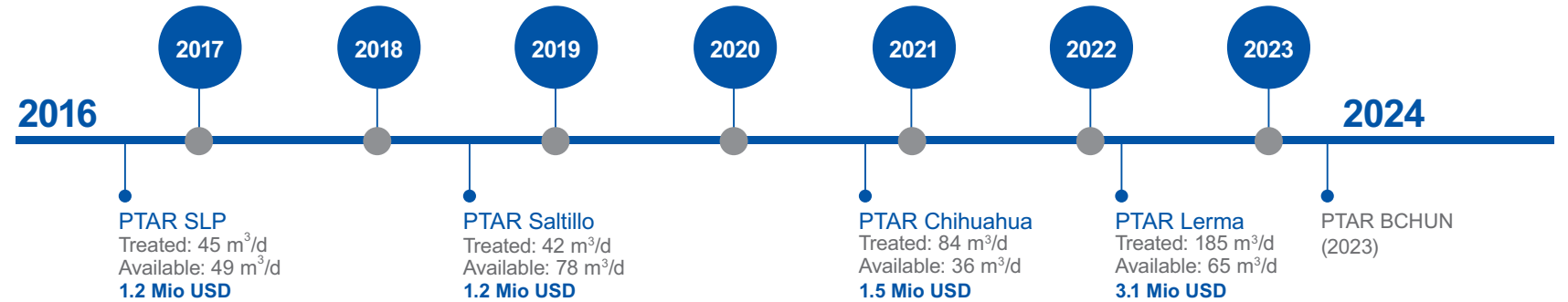
A RACI (Responsible, Accountable, Consulted and Informed) matrix is used in conjunction with the stakeholders, in which the roles and responsibilities are defined for each area that interacts directly with managing water systems. Tasks are grouped into three blocks in this matrix: standards and documentation, operation and maintenance, and monitoring and control.

Investments have been made in latest-generation water treatment plants that go beyond the legal requirements for the Auma Chihuahua, Auma Saltillo, Auma San Luis Potosí plants, and the Lerma complex, which allow a higher quality of treated water to be obtained, and which, furthermore, are aligned with the strategy and a road map of the company in water matters.

### Wastewater discharge in megaliters

- **Groundwater: 62.20**
- **Water from third-party sources: 99.79**
- **Fresh water: 71.95**
- **Other sources of water: 89.04**

### WASTEWATER TREATMENT PLANT TIMELINE



### WASTEWATER TREATMENT PROCESSES

	Physico-chemical by flotation (process water treatment)	BMR (biomembrane reactor), quality of treated water: ultrafiltration	Tertiary system with inverse osmosis
Auma Chihuahua	★	★	★
Auma Saltillo	★	★	★
Auma San Luis Potosí	★	★	
Auma Tec	★		
Lerma Complex	★	★	★
Bocar US			

**In 2019, Bocar Group received recognition from Aquatech Latam Awards as one of the best technical projects in Latin America in the transition of the circular economy for water.**





## WASTE AND WATER MANAGEMENT

The wastewater that is created from the various processes is managed responsibly and according to applicable standards. Bocar Group has the latest-generation water treatment plants that allow water to be treated internally, assuring the effectiveness of the process, and allowing some to be reused. In 2022, 82.7% of the wastewater received some degree of internal treatment, and the rest was treated in municipal plants, with which there was continuous interaction. For 2030, at least 97% of wastewater will be treated internally.

**82.7% of wastewater was treated in Bocar's own plants.**

**The commitment for 2030 is that 97% of the wastewater will be treated internally.**

The principal water-related environmental impacts can be divided into two main areas: that associated with extraction, and that associated with discharge.



# CIRCULAR ECONOMY AND WASTE MANAGEMENT

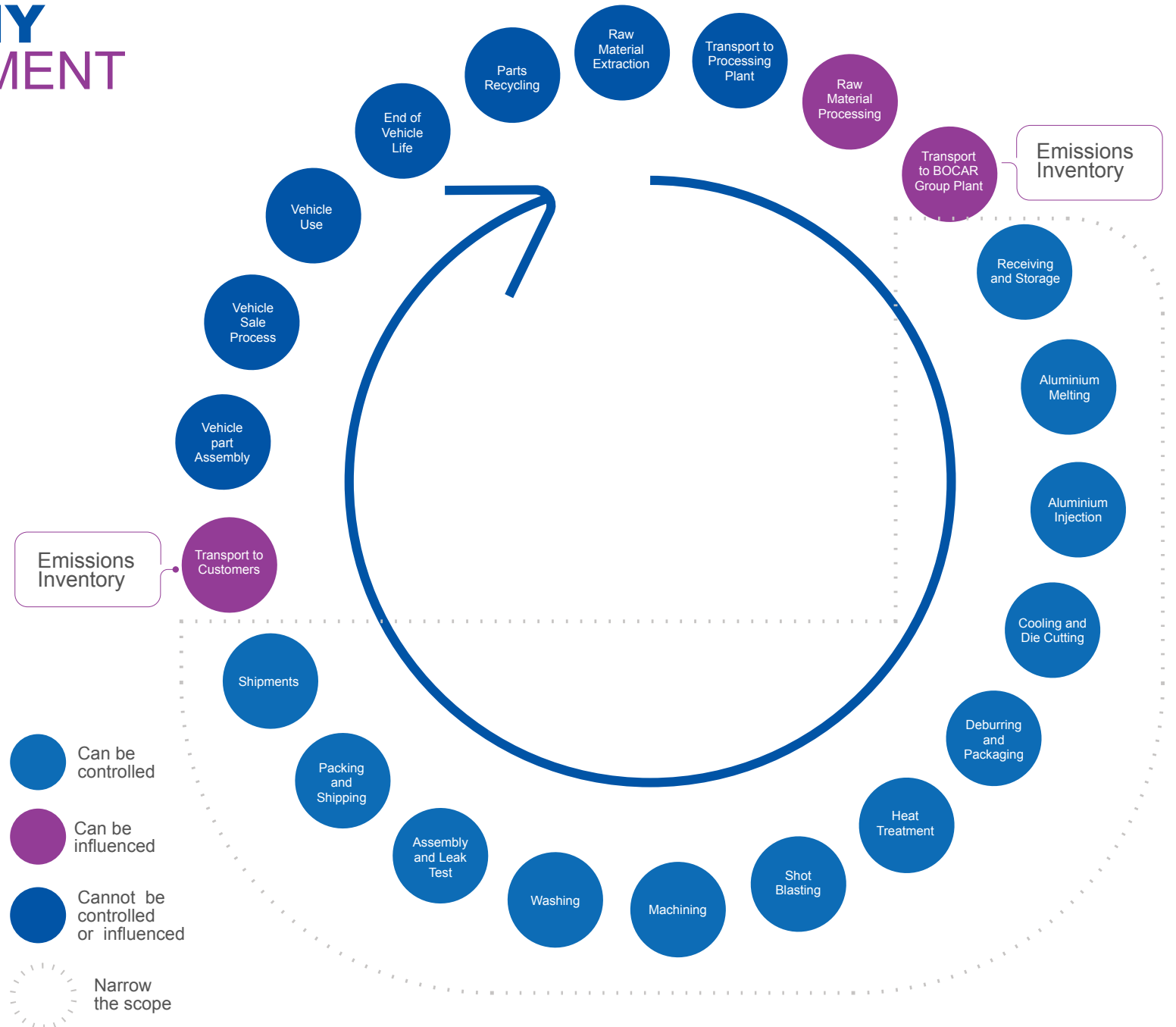
Bocar disposes of waste properly to reduce the impact of its activities on the environment, and to use natural resources more efficiently.

The implementation of a circular economy model facilitates waste recycling, principally aluminum, which, due to its properties can be recycled again and again, without losing its characteristics. That is, items made of this material can be redesigned, remanufactured, reused and recycled; this allows these processes to be aligned with best environmental practices.

In 2022, a total of 21,726,246 kg of waste was generated, of which 616,800.30 kg are hazardous waste and 21,109,445.21 kg are waste requiring special handling (non-hazardous), which was disposed of according to applicable laws.

The three major principles of the circular economy consist of: eliminating waste and contamination starting in the design phase, keeping products and materials in use, and restoring natural systems. To achieve these ends, Bocar Group evaluates six strategic elements

1. Redesign
2. Reduction, recycling, and reuse
3. Using organic waste
4. Preventing and handling hazardous waste
5. Purchasing and suppliers
6. Internal training





## WASTE CONTAINMENT BY PLANT

Plant	2021			2022		
	Total waste (kg)	Total waste containment (kg)	% Waste containment	Total waste (kg)	Total waste containment (kg)	% Waste containment
Bocar Lerma	888,610	51,865	5.84%	1,145,056	63,550	5.55%
Auma Chihuahua	3,387,974	150,898	4.45%	3,495,569	166,226	4.76%
Auma Saltillo	1,827,987	145,217	7.94%	2,306,258	188,243	8.16%
Auma San Luis Potosí	978,071	120,010	12.27%	1,200,913	131,050	10.91%
Auma Tec	574,421	46,486	8.09%	793,627	39,662	5.00%
Fugra	14,751,519	10,535,204	71.42%	11,832,816	8,286,870	70.03%
Plastic Tec Lerma	641,005	129,070	20.14%	590,293	74,160	12.56%
Plastic Tec San Luis Potosí	480,869	53,954	11.22%	361,713	38,870	10.75%

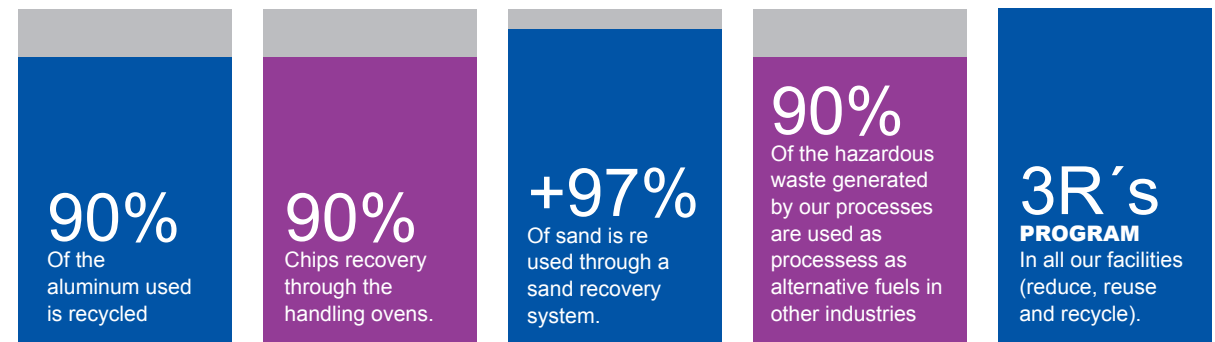
During this reporting period, 41% of waste generated at Bocar was sent for containment, which is a 12% reduction from 2019 to 2022. The company's commitment is to reach a 17% reduction in waste placed in containment by 2029, using 2022 as the baseline.

There is also a waste management system where the final disposal is decided upon, either incineration, landfill, or recycling. During the reporting period, 12,701,148 metric tons of waste were generated and not contained (being recycled, composted, and incinerated), of which 614,178 metric tons were hazardous waste, and 12,086,970 were non-hazardous.

Of the waste sent for elimination, 9,025,097.03 tons were generated, of which 9,022,475.20 were non-hazardous and 2,621.83 tons were hazardous waste and were sent to be incinerated with energy recovery.



## BOCAR GROUP MATERIAL USAGE





# PROSPERITY, OUR COMMUNITY

*The communities where  
Bocar Group operates*

About  
Bocar Group

Sustainability  
and ESG

People

Prosperity,  
our community

Our  
Company

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Planet

About the GRI  
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Report



# OUR CONTRIBUTION TO COMMUNITY DEVELOPMENT

Bocar is committed to reducing inequalities and to contributing to the sustainable development of communities where it is present. Its numerous activities seek to meet the needs and expectations of communities, and to help the various groups that live in vulnerable conditions.

To help in the transformation of communities, strategies have been developed that meet the needs of employees, the communities, and the planet within the scope of the company's operations.

## COMMUNITY RESULTS 2022

Area	Topic	Indicator	Unit of measurement	Value
	Community Diagnostic	Donation for rehabilitation of a playground	MXN	600,000
Community Bocar	Corporate volunteering	Total hours volunteered	Hours	988
		Total number of volunteers	People	261
		Total number of people benefited	People	1,327
	Orphanages	Total number of orphanages benefited	Number	4

### Community Initiatives

- **Community diagnostic in partnership with Funsalud**
- **Corporate volunteering**
- **Bocar Family Foundation**
- **Apprenticeship Program**
- **Engineers in Training Program**

# COMMUNITY DIAGNOSTIC IN PARTNERSHIP WITH FUNSALUD

In 2022, in partnership with Funsalud, we performed a far-reaching community healthcare diagnostic, which included the employees at the plastics and aluminum plants in the city of Villa de Hidalgo, San Luis Potosí, Mexico.

The objective of the evaluation was to obtain strategic information that can help guide how public and private entities participate and are involved in reducing inequalities in healthcare, and to raise the community's quality of life. The results obtained from this assessment found that the community does not have open-air spaces to enjoy.

Therefore, in partnership with the municipal authorities of Villa de Hidalgo, in 2023 the Placemaking Foundation and the community will refurbish a playground located inside the municipal sports complex, which will allow the community to enjoy recreational and family activities, improving the quality of life of people in the community.

## CORPORATE VOLUNTEERING

Corporate volunteering at Bocar Group has been implemented in partnership with the Bocar Family Foundation, which seeks to encourage greater sensitivity and community commitment in support of the social causes of education, orphanages, and handling emergencies.

This program seeks to motivate employees to perform volunteer work to the benefit of the community, and therefore several social action projects have been developed that support vulnerable groups.

Mainly two types of activities are provided: assistance and/or philanthropic (donations in kind) and volunteer workdays. The objective is to restore spaces within organizations or schools (painting, cleaning, arranging) and to implement activities that drive the personal and professional development of children and youth.

Philanthropic and/or assistance activities are performed in favor of partnering civil organizations. In 2022, for example, games were collected for low-income children at the Centro Educativo Siembra y Cosecha in the state of Chihuahua, Mexico.

Also, during this reporting period, 988 hours of corporate volunteering were invested over five days at the company's headquarters in Mexico City, Lerma and in Chihuahua, with 261 volunteers, benefiting 1,327 people who belong to four civil organizations:

- Mexico City: APAC, I.A.P.
- Lerma: Casa Hogar Alegría, A.C.
- Chihuahua: Colegio Riberas and Centro Educativo Siembra y Cosecha







# “BOCAR FAMILY” FOUNDATION

The Foundation promotes a culture of corporate social responsibility that contributes to the well-being of society, identifying social needs in the surrounding areas, and collaborating to find solutions, to drive development, and to improve people’s quality of life.

In 2020, the Foundation was formally created to establish a link between Bocar Group and the communities where it operates. The legacy of Mr. Federico Baur and his wife was to contribute to societal development through actions that are in line with the mission, vision, and values of the Baur family, with a focus on three main areas: education, orphanages, and emergencies.

**“We build opportunities to transform our communities.”**

### Mission:

**“We support orphanages, education, and emergencies to drive development and opportunities in our communities.”**

### Values

- **Commitment**
- **Empathy**
- **Service**

## ORPHANAGES

Bocar seeks to protect the rights of orphaned children and youth, so they can enjoy a dignified life with equal opportunities.

### ORPHANAGES BENEFITING IN 2022

Institution	Number of beneficiaries	Type of support
Casa Hogar Alegría	32 girls	Maintenance for the girls and improving homes’ private security systems
Juconi	20 institutions	Payment of enrollment in the annual congress for institutions (training)

## EDUCATION

Schooling for low-income Mexican children and youth displaying academic excellence is supported.

### INSTITUTIONS BENEFITING IN 2022

Institution	Number of beneficiaries	Type of support
Fundación MVS	11 deaf students	% of a year of University
SER	60 beneficiaries	Develop an education model for high school

## EMERGENCY FUND

By maintaining a reserve of available funds, the company seeks to support the most vulnerable population in the event of some type of emergency that might occur in Mexico. As part of its commitment to society, the Bocar Family Foundation forms part of two partnerships that support civil society projects to benefit several different vulnerable groups:

- **Conexiones de BYDA:** in partnership with Compartamos, Gigante, Dibujando un Mañana, and Save the Children, support is given to five institutions with 370 beneficiaries.
- **Sumar para Transformar:** in partnership with Nacional Monte de Piedad and Dibujando un Mañana, which provided support to 37 institutions with 2,412 beneficiaries.



### CIVIL INSTITUTIONS BENEFITING IN 2022

Civil Institution Benefiting	Cause	Number of Direct Beneficiaries	Number of Indirect Beneficiaries
CEMEFI	Emergency	1,064	4,256
Trasplante y Vida, I.A.P.	Emergency	31	124
APAC	Emergency	1,701	6,804
Orquesta Cámara Ciudad de México	Emergency	30	120
Cadena, A.C.	Emergency	1,383	5,532
Fundación ABC	Emergency	1	4
SER	Education	60	240
Fundación MVS	Education	11	44
Casa Hogar Alegría, A. C.	Orphanages	32	0
BYDA	Orphanages	370	1,480
JUCONI	Orphanages	20	80
Dibujando un Mañana	Orphanages	387	NA
Nacional Monte de Piedad	Orphanages	Pending the closing of the announcement	



## GRI 2: GENERAL DISCLOSURES 2021

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Bocar's 2022 Sustainability Report has been prepared in accordance with GRI Universal Standards 2021 for the period comprising January 1 to December 31, 2022.

Included in this report is information on the business units located in Mexico and the United States: Bocar, S.A. de C.V., Plastic Tec, S.A. de C.V., Fugra, S.A. de C.V., Auma Tec, S.A. de C.V., Auma Saltillo, S.A. de C.V., Auma SLP, S.A. de C.V., Auma, S.A. de C.V., Auma Engineering Products, Inc. The company's corporate offices are located in Mexico City.

This report has been reviewed and approved by the CEO and by the legal area.

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