

# 2020

SUSTAINABILITY REPORT



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2020

# HIGHLIGHTS

In 2021, **Metalsa** will replace one of its committed credit facilities with a new financial instrument, an SLL (Sustainability-Linked Loan), that will be linked to achieve and maintain a silver rating with Ecovadis –a rating platform that assesses Environment, Labor & Human Rights, Ethics, and Sustainable Procurement performance-. In addition, Metalsa decided to refinance its 2023 current financial bond by issuing a new bond with maturity in 2031. This new bond, an SLB (Sustainability-Linked Bond), will be linked to our commitment to reduce greenhouse gas emissions intensity 20% in the next ten years.

**us\$2.0 BILLION**  
REVENUES

**ISO 14001:2015** certified in  
all our manufacturing sites

**8**  
COUNTRIES

**16**  
MANUFACTURING  
PLANTS

**+10**  
THOUSAND  
COLLABORATORS





# ABOUT

US

GRI 102-1, 102-2

**We have over 60 years of experience** in the production of metal structures for light and commercial vehicles,<sup>1</sup> such as chassis for pick-ups and hinges and side rails for trucks and buses.

At Metalsa S.A. de C.V., we manufacture and supply structures that help our customers move the world more efficiently while protecting the environment and ensuring the long-term economic and social value generation for our stakeholders.

<sup>1</sup> Light vehicles refer to pick-ups; commercial vehicles include trucks and buses.



# GRUPO PROEZA

**Metalsa is the automotive subsidiary of Grupo Proeza,** an industrial Mexican group owned, managed and operated by the Zambrano family.

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Metalsa is the automotive subsidiary of Grupo Proeza, an industrial Mexican group owned, managed and operated by the Zambrano family. It has the mission to build a better world through the development of businesses which generate economic and social value through two operating and two investment business units.



## OPERATING UNITS



### **Metalsa**

Provides the light and commercial vehicles industries with chassis and body structural components for pick-up trucks, SUV's, heavy trucks, and buses.



### **Citrofrut**

Mexican company dedicated to provide the freshness of citrus and tropical fruits in each of its products. Expert in the citrus processing industry and has achieved complete integration in its supply chain, including nurseries, groves, and processing plants.

## INVESTMENT UNITS



### **Proeza Ventures**

VC firm investing in early-stage start-ups exclusively in the mobility Space.



### **Astrum**

Its mission is to provide services and solutions of highly competitive worth, making use of informational technologies, mobile and fixed communications, action mechanisms to improve control, security and high-efficiency people management, and strategic actives.



### **Areya**

Real estate company focused on the development of land for mid-size house builders.\*

\* Until Sep 2020, Areya was part of Grupo Proeza. Starting October same year, it was transferred to Grupo ENNEA (enterprise of Zambrano family)



# IDENTITY

GRI 102-16

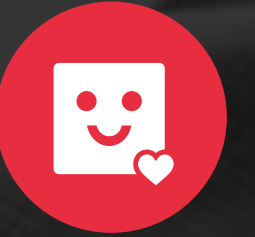
## MISSION

**Sustainable solutions for the global transportation industry.** Providing structures that help our customers move the world more efficiently, while protecting the environment and ensuring long-term economic and social value generation for our stakeholders.

## VISION

**Leading mobility manufacturer.** To become a leading mobility manufacturer of chassis & electrified solutions for the automotive, trucking, and off-highway industries.





## PERSON ORIENTED



WE WORK TO **BUILD OUR OWN  
HAPPINESS** AND CONTRIBUTE  
TO EVERYONE ELSE'S.



# CONVERSATION

WITH OUR CEO

GRI 102-14, 102-15

At Metalsa, we are passionate and devoted to generating sustainable solutions to the ever-growing challenges in the world and in our industry. COVID-19 has stretched us in many ways and in different spectrums. It has placed numerous difficulties in the way; we had to confront this crisis, while at the same time, it has granted us a lot of lessons for the betterment of our future. At the end, the experience we are living has helped us grow as a company, to be agile, to be high performing, but more importantly, it has help us grow as human beings, to remain people oriented, humble and transcendent. This crisis made us stronger and our determination has grown to cultivate a better world.

While our industry is still challenged by the pandemic effects, today at Metalsa, we are delighted to contribute to the acceleration of our industry transformation towards zero emission vehicles. The automobile for many years equated

to pollution; nonetheless, now a real shift has started, and we are all-in, supporting our customers and supply base to make it happen. We embrace the electrification change.

We are here for the long run and we completely committed to the ten principles in the areas of human rights, labor, environment, and anti-corruption stated by the United Nations Global Compact. We will continue driving towards accomplishing long-term sustainable development goals as a company.

Sustainability is at the core of Metalsa, and as such, we build upon our principles and strategies responsibly to ensure our actions have a positive impact, guaranteeing a long-term economic and social value for our stakeholders.

We invite you to learn more about our work, our results, and our aspirations through this report.

**Special thanks** to all of you that participated in the elaboration of this work and **to make it a reality.**

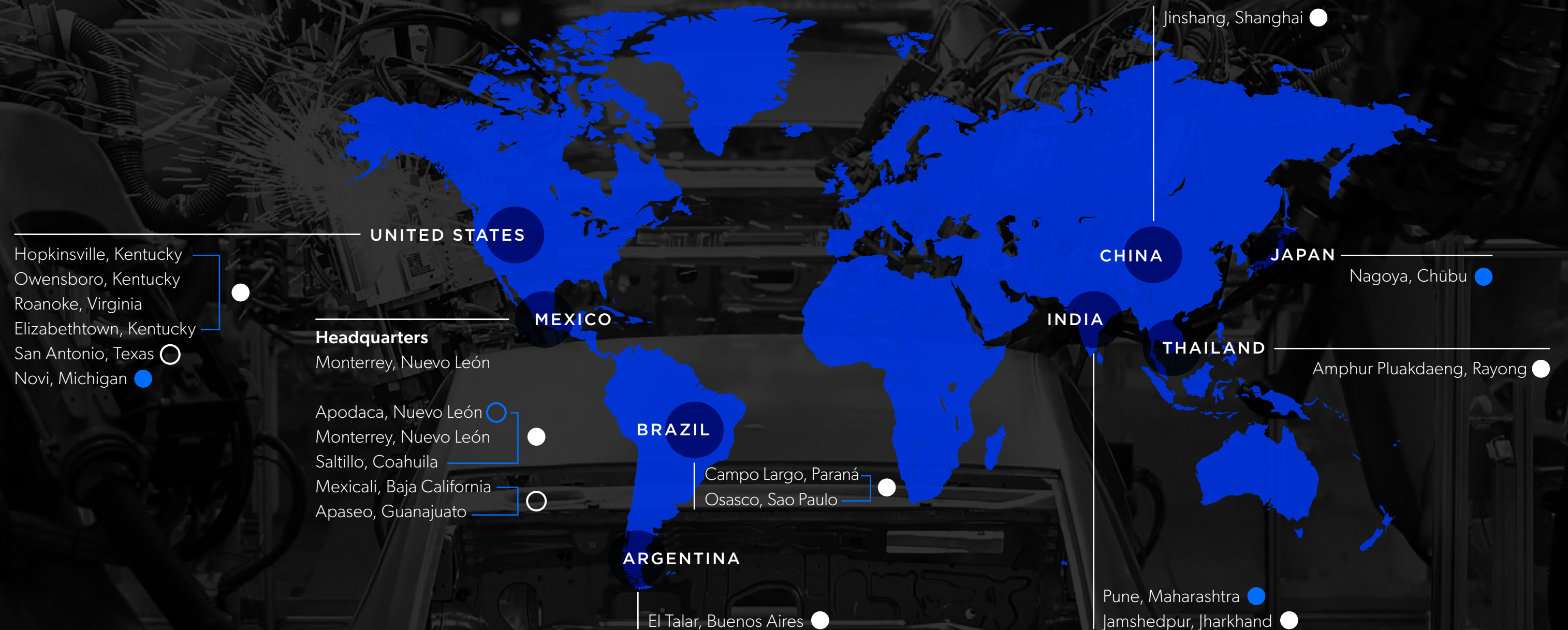


**JORGE GARZA**  
CHIEF EXECUTIVE OFFICER



# PRESENCE

- MANUFACTURING PLANT ●
- SEQUENCING CENTER ○
- COMMERCIAL OFFICE ●
- TECHNOLOGY CENTER ○



\* After six years of operating our Body & Chassis SBU for passenger vehicles, we decided to divest it. Including six plants in Germany, United States, Mexico, South Africa, and China.



OUR

GRI 201, 416, 417: 103-1, 103-2, 103-3  
GRI 102-7, 201-1, 416-1, 417-1

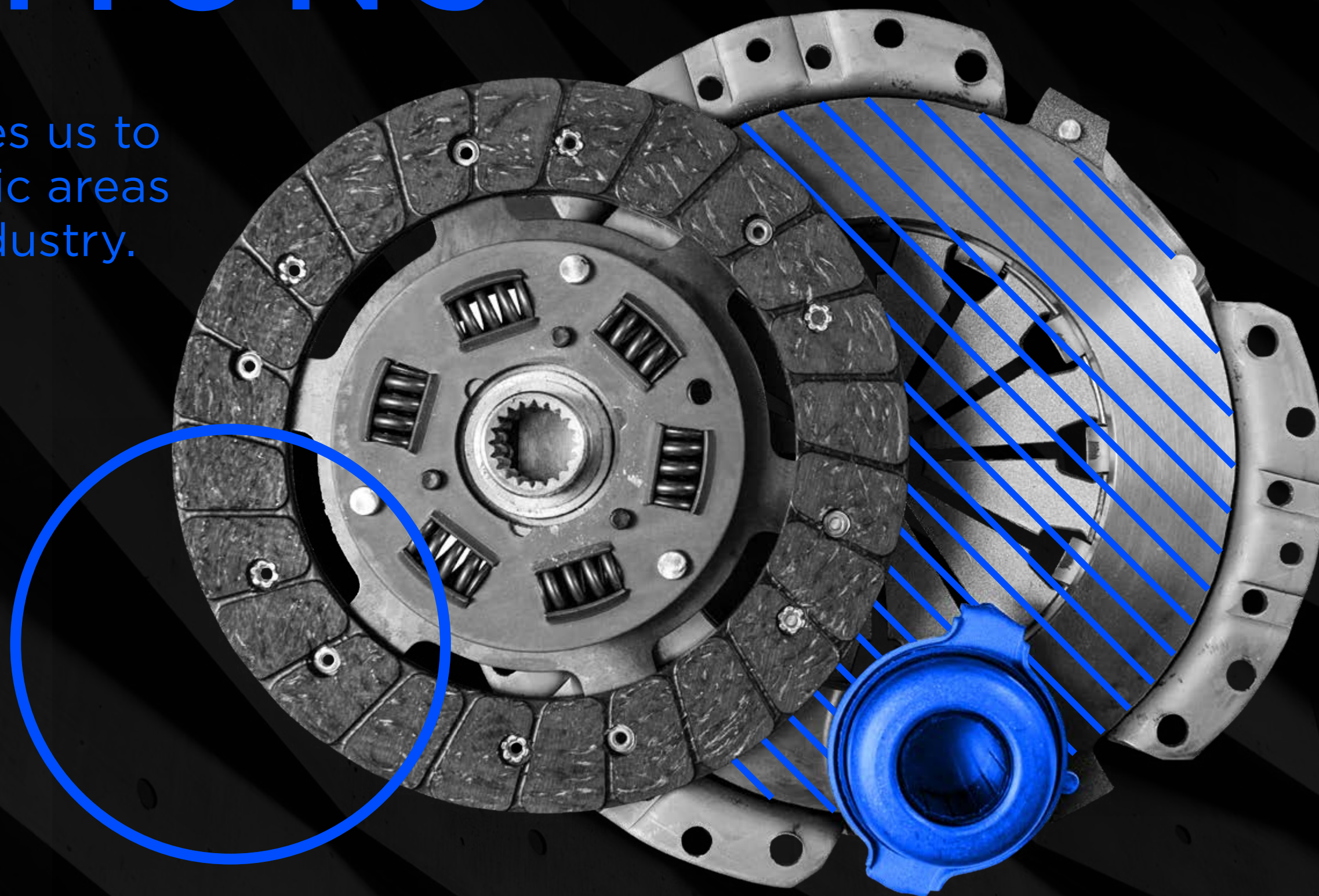
# SOLUTIONS

**Our flexibility** enables us to participate in strategic areas of the automotive industry.

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LIGHT VEHICLES

COMMERCIAL VEHICLES





# LIGHT VEHICLES

## PICK-UPS

**Develop structural and safety components** that surpass all engineering performance requirements leveraging on advanced material, lean and flexible processes, achieving successful program launches.





# COMMERCIAL VEHICLES

## TRUCKS

Offer global tailored frame solutions that **optimize weight and durability** through balanced and scalable manufacturing processes for the local needs.



# COMMERCIAL VEHICLES

## BUSES

Offer global tailored frame solutions that **optimize weight and durability** through balanced and scalable manufacturing processes for the local needs.



CHASSIS  
STRUCTURES



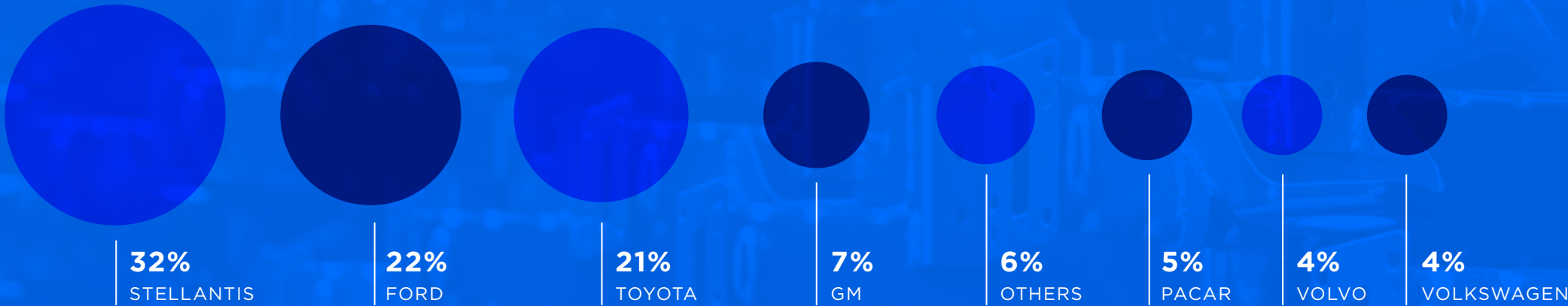


We are a full-service partner to major automotive Original Equipment Manufacturers (OEM) and provide **additional services:**

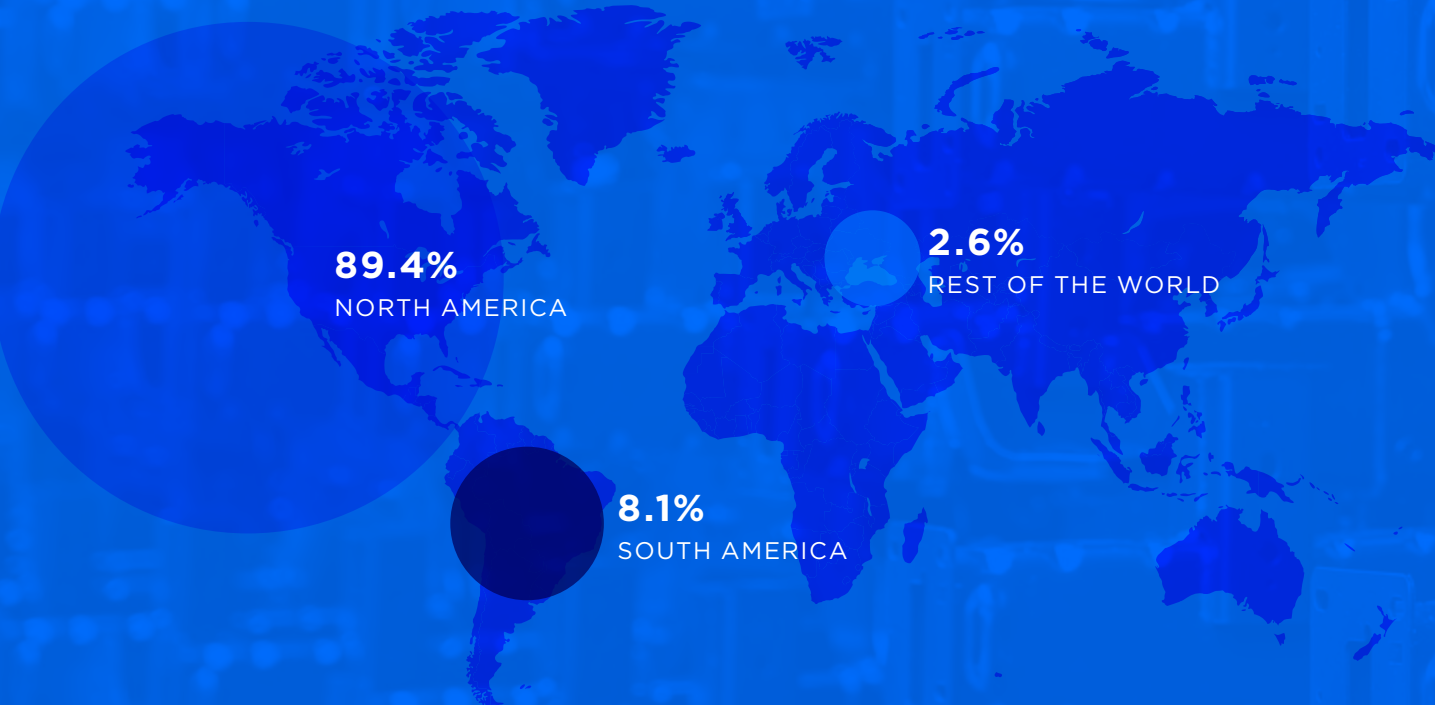
- Design and development
- Prototype and testing
- Value and engineering
- Production and launch

SALES

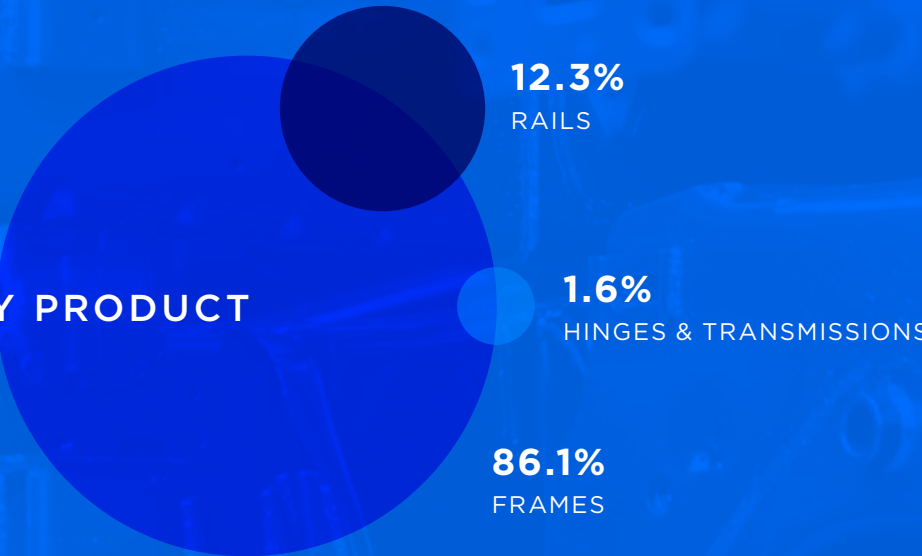
SALES BY CUSTOMER



SALES BY REGION



SALES BY PRODUCT



We provide products and solutions for multiple customers worldwide in several brands and markets, from basic utility vehicles through high luxury vehicles.





## HUMBLE



WE LEVERAGE **OUR**  
**STRENGTHS** AND OVERCOME  
OUR WEAKNESSES.

# COVID-19

## COUNTERMEASURES

### OPERATIVE CRISIS MANAGEMENT

- Created the Crisis Management Committee with weekly meetings to review the pandemic's impacts on Metalsa, such as: volume, customer and supplier updates; COVID-19 in facilities; operation issues and constraints.
- Worked closely with our customers to ensure rapid restart of operations and to manage visibility and certainty of future volume.
- Strengthened communication throughout our supply chain to protect suppliers and visualize any potential supply issues in advance.

### LIQUIDITY & PROFITABILITY

- Created the Liquidity Committee with weekly meetings to maintain focus on cashflow, cash availability and review credit lines.
- Implemented an organizational restructuring.
- Prioritized investments in critical platforms and delayed non-critical CAPEX investments for 2021.
- Optimized operative cost structure to lower breakeven point.
- Reduced inventories and all non-essential expenses.





## AWARDS 2020

Our commitment to quality, service and innovation has been recognized and rewarded by our customers and the communities where we operate. Some of the awards we received this year are:

**PACCAR**

Leader Level, Supplier  
Performance Metric (SPM)

STELLANTIS

Supplier of the Year, Long  
Term Mindset

**DAF**

Certificate of Honor  
for the excellent PPM  
achievement

 **CLAUT**

NUEVO LEON AUTOMOTIVE CLUSTER

Best Collaborative Initiative  
for 2020 for collaboration  
on COVID-19 ventilators  
program





We strive to deliver the best products with exceptional quality. Hence, through our customer scorecards, we receive feedback regarding our overall performance; customers evaluate the products' quality, delivery, cost, warranty, among others, so we can improve any glitches.

Our main safety assessments are related to our products' welding and geometry. We carry out special procedures and verification processes that are intended to ensure the integrity of the welding. These take into account Metalsa's best practices, lessons learned, and documented processes created by our Joining System Knowledge Center and AIAG Welding System Assessment (CQI-15) standard.

All our designs are submitted to virtual simulations of the forming process and vehicle durability to find any thinning or fracture of the material, as well as any fatigue that degrades the performance of the components Metalsa supplies. Some physical tests are performed for prototypes, including four posts, track durability, rolling and towing dynamometer, among others, so the results obtained from simulation are verified.

Chemical substances contents and material compositions in our products are verified through the Material Data Sheet and some other customer assessments, which are uploaded into the International Material Data System (IMDS) or any other platform indicated by our customers as part of our Production Part Approval Process (PPAP) and that of our own suppliers, so we verify that we comply with all regulations related to end-of-life vehicle directives and those unique for each one of our customers

**During 2020, we had no non-compliances or grievances** regarding negative health and safety impacts or related to our products' information.

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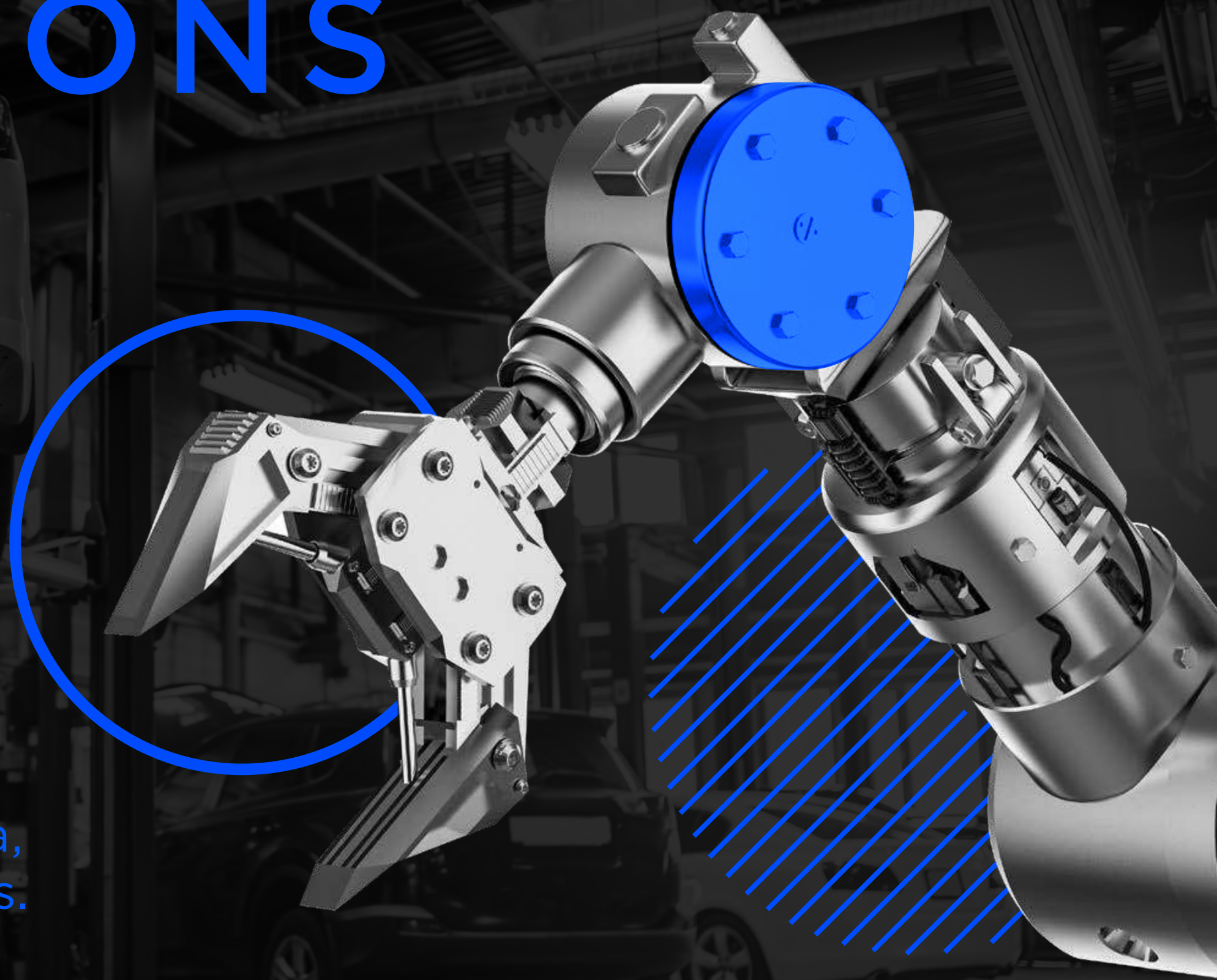


SUSTAINABLE

# OPERATIONS

**Sustainability is fundamental in all our operations** in order to ensure the prosperity of Metalsa, the planet and future generations.

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# METALSA

## OPERATING SYSTEM

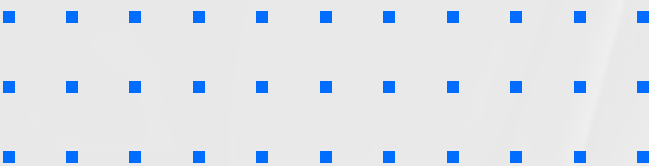
GRI 102-11, 102-12, 102-16, 102-20,  
102-26, 102-29, 102-31

The Metalsa Operating System (MOS) defines all procedures to be followed in our operations. It is represented in the Board by the Light Vehicles SBU Coordinator.

The purpose of MOS is to achieve an integrated and consolidated approach to:

- **People Satisfaction (Safety & Development):** Provide a safe environment that is conducive to collaborators' physical and mental wellbeing. Develop each person's talents based on mutual respect, trust, and cooperation.
- **Customer Satisfaction:** Ensure that quality, delivery, and cost competitiveness meet or exceed customer expectations.
- **Profitability (waste reduction):** Reduce cost through the elimination of waste in the entire value chain to maximize profitability.

**MOS** ensures that the best practices and lessons learned are standardized and process efficiency **is constantly increasing**.



### OBJECTIVE

- 1 PEOPLE SAFETY & DEVELOPMENT
- 2 CUSTOMER SATISFACTION
- 3 PROFITABILITY

### MOS CORE

- 1 VISUALIZE THE PROBLEM
- 2 PROBLEM SOLVING
- 3 STANDARDIZATION

### SUB SYSTEMS

- 1 LEADERSHIP
- 2 HEALTH, SAFETY & ENVIRONMENT
  - | Sustainability
- 3 QUALITY
- 4 COMPETITIVENESS & STANDARDIZATION
  - | Production
  - | Process Engineering
  - | Maintenance
  - | Supply Chain
- 5 GLOBAL PROJECT & PROGRAM MANAGEMENT
- 6 MANUFACTURING STRATEGIES
- 7 BUSINESS PRACTICES





## TRANSCENDENT



WE ENSURE OUR ACTIONS  
HAVE A **POSITIVE IMPACT.**

# SUSTAINABILITY

## STRATEGY

As a Company that has taken on Sustainability as part of its business strategy, we have the responsibility of generating value for our Stakeholders. We reinforced our commitment to the future of new generations by creating the ideal context for the automotive industry to continue being a driving force and a source of employment for many years to come.

During 2020, we redefined our sustainability strategy aiming to increase our sustainability initiatives and their impact on the communities and environment, as well as to direct the business efforts towards sustained growth in the future.

This document is aligned to the **10 Principles of the Global Compact** and defines our initiatives' contributions to the **UN Sustainable Development Goals (SDG)** to achieve the 2030 Agenda for Sustainable Development.



## PURPOSE

“To generate value in the three sustainability dimensions –People, Planet & Profit– within a corporate governing framework by fostering quality of life in our collaborators and their families, while developing a solid value chain; always aiming to become a corporate citizen that provides a responsible return to shareholders’ investment while protecting the environment and developing the communities where we operate.”

## STRATEGY FOCUS

- 1 Strive to achieve a safe and healthy balance between the short and long-term in environmental, social and economic outcomes for our stakeholders.
- 2 Acknowledge that positive economic performance is only possible thanks to the coordinated efforts of all areas towards this common goal.
- 3 Accept, love and promote the Metalsa Values.
- 4 Always aim to do things right since the first time.



SUSTAINABILITY MODEL



“Our sustainability efforts are focused on evaluating actively our processes and their impacts, continuing to adhere to international reporting standards and complying with sustainability standards and certifications.”

JORGE GARZA, METALSA COORDINATOR

# MATERIALITY

## ASSESSMENT

GRI 102-43, 102-44,  
102-46, 102-47

During 2019, we carried out our materiality assessment to identify all relevant topics, trends, risks and opportunities, aiming to develop strategies and align our sustainability efforts to our business model and the industry’s progress. The methodology used complies with the Global Reporting Initiative’s (GRI) guidance to identify, prioritize and validate material topics.

Therefore, we carried out a qualitative and quantitative analysis of the industry’s maturity, sector risks and social risks through a benchmark comparing the sector’s most significant companies, laws and industry chambers, as well as voluntary associations. Besides material aspects, this assessment revealed areas of opportunity for our company –urgent topics–, which are reported as material, since they are of great relevance for the industry.

Furthermore, during 2020 we presented these topics to a significant sample of our critical stakeholders –Customers, Suppliers and Collaborators– to obtain their feedback and fulfill their needs, as well as to validate material aspects. The main results from this stakeholder engagement were:



### CUSTOMERS

- Prioritize generating strong and long-term commercial relationships with automotive companies.
- Important focus on human rights to avoid any infringement.
- Ensure lawful employment relations throughout the value chain.
- Competitive prices and quality products with responsible manufacturing processes.
- Metalsa should provide clear and complete information regarding each product sold, as well as its components.

### COLLABORATORS

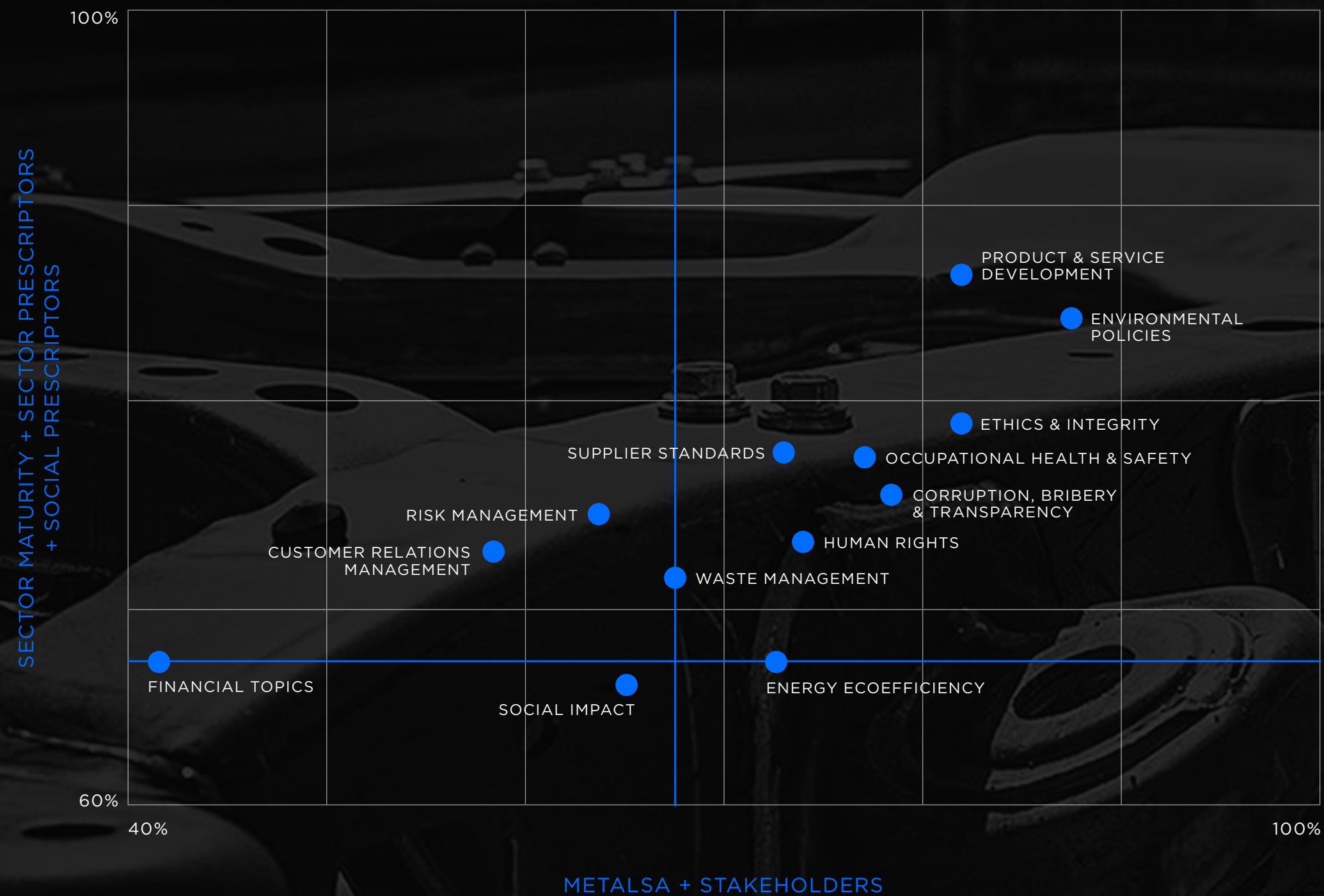
- Prioritize ethical and trustworthy operations as the foundation of the Company, complying with the Code of Conduct.
- Ensure a healthy and safe work environment to minimize risks and make operating processes more efficient, with strict adherence to a health and safety management system.
- Provide equal opportunities and employ a diverse workforce to increase creativity and innovation.
- Involvement from the highest management level to guarantee compliance and sustainability.
- They state that one of the industry’s main risks are the environmental impacts; thus, Metalsa should have strict policies to reduce its environmental footprint.

### SUPPLIERS

- Most contracts with suppliers have an ethics and anticorruption clause, ensuring lawful transactions.
- All suppliers believe audits from Metalsa improve their processes and reputation; the most important topics for the assessments are regulatory compliance and ethical operations.
- They believe in the relevance of sustainability throughout the supply chain; the key topics for them are waste management and reduction, as well as increasing customer satisfaction and ensuring health and safety in the workplace.
- A fundamental issue is to increase transparency in all requirements and selection processes for suppliers.



This way, we identified the material aspects we report on this document. All results are portrayed in the following matrix.



Material and urgent aspects were then translated to Topic Specific GRI Standards:

MATERIAL ASPECT	TOPIC SPECIFIC GRI STANDARD
Operations	GRI 102: General Disclosures. Organizational profile
Product / service development	GRI 416: Customer health and safety GRI 417: Marketing and labeling
Ethics and integrity	GRI 102: General Disclosures. Ethics and integrity
Corruption / bribery / transparency	GRI 102: General Disclosures. Ethics and integrity GRI 205: Anticorruption GRI 206: Anti-competitive behavior GRI 415: Public policy
Brand management	GRI 419: Socio Economic Compliance
Supplier standards	GRI 204: Procurement Practices GRI 308: Supplier Environmental Assessment GRI 414: Supplier Social Assessment
Occupational health and safety	GRI 403: Occupational health and safety
Human rights	GRI 406: Non-discrimination GRI 407: Freedom of Association and Collective Bargaining GRI 408: Child Labor GRI 409: Forced or Compulsory Labor GRI 412: Human Rights Assessment
Environmental policies	GRI 307: Environmental compliance
Energy eco-efficiency	GRI 302: Energy
Waste management	GRI 306: Waste

URGENT ASPECT	TOPIC SPECIFIC GRI STANDARD
Client relations management	GRI 102: General Disclosures. Stakeholder engagement GRI 416: Customer health and safety GRI 417: Marketing and labeling
Risk management	GRI 102: General Disclosures. Strategy GRI 102: General Disclosures. Organizational profile GRI 102: General Disclosures. Governance GRI 201: Economic performance
Social impact	GRI 201: Economic performance GRI 203: Indirect economic impacts GRI 413: Local communities







AGILE



**WE LEARN FAST, ADAPT  
AND MOVE FORWARD TO  
ADD VALUE.**

# STAKEHOLDERS

GRI 102-21, 102-40, 102-42, 102-43, 102-44

Though we have a vast number of stakeholders, the sustainability strategy is focused on the ones with the highest influence on Metalsa, as well as those aligned to Proeza’s guidelines regarding stakeholders.

STAKEHOLDER	COMMUNICATION CHANNELS	EXPECTATIONS AND CONCERNS	RESPONSE
Collaborators	<ul style="list-style-type: none"><li>▪ Social media</li><li>▪ Email</li><li>▪ LinkedIn</li><li>▪ Communication meetings</li><li>▪ Transparency Line</li><li>▪ Face to face meetings</li><li>▪ Office screens</li><li>▪ Metalsa Listens and Responds website</li></ul>	<ul style="list-style-type: none"><li>▪ Interest to be part of Metalsa</li><li>▪ Work climate survey</li><li>▪ Anonymous grievance resolution</li><li>▪ Organizational culture and operations</li><li>▪ Company’s strategies and goals</li><li>▪ Operating results</li><li>▪ Working conditions</li></ul>	<ul style="list-style-type: none"><li>▪ New hires</li><li>▪ Collaborators’ satisfaction programs</li><li>▪ Action plans</li><li>▪ Opinion on organizational culture</li><li>▪ Suggestions and grievances resolutions</li><li>▪ Working with a single goal</li><li>▪ Consolidation of business best practices</li></ul>
Families	<ul style="list-style-type: none"><li>▪ Face to face meetings</li><li>▪ Website</li><li>▪ Social media</li><li>▪ Internal promotion</li></ul>	<ul style="list-style-type: none"><li>▪ Women’s empowerment</li><li>▪ Collaborators’ children care</li><li>▪ Family integration and wellbeing</li></ul>	<ul style="list-style-type: none"><li>▪ Equal opportunities for men and women</li><li>▪ Daycare service</li><li>▪ Social and sport events</li></ul>
Proeza shareholders	<ul style="list-style-type: none"><li>▪ Email</li><li>▪ Annual Meeting</li><li>▪ Website</li><li>▪ Zanet system</li><li>▪ Conference calls with CEO and CFO</li><li>▪ Facet to face meetings</li></ul>	<ul style="list-style-type: none"><li>▪ More frequent communications</li></ul>	<ul style="list-style-type: none"><li>▪ Zanet system’ development</li><li>▪ New KPI’s for website</li><li>▪ Implementation of conference call</li></ul>



STAKEHOLDER	COMMUNICATION CHANNELS	EXPECTATIONS AND CONCERNS	RESPONSE
Suppliers	<ul style="list-style-type: none"> <li>▪ Emails</li> <li>▪ Face to face meetings</li> <li>▪ B2B meetings</li> <li>▪ Expositions</li> <li>▪ Transparency Line</li> </ul>	<ul style="list-style-type: none"> <li>▪ Define working agreements</li> <li>▪ Suppliers' development</li> <li>▪ Commission to strengthen and develop value chains</li> </ul>	<ul style="list-style-type: none"> <li>▪ Contracts' updating</li> <li>▪ Logistics' plans</li> <li>▪ Renewing suppliers</li> <li>▪ Increase local investment</li> <li>▪ Programs for suppliers' development</li> <li>▪ Connection with local businesses</li> </ul>
Customers	<ul style="list-style-type: none"> <li>▪ Emails</li> <li>▪ Face to face meetings</li> <li>▪ B2B meetings</li> <li>▪ Expositions</li> <li>▪ Transparency Line</li> </ul>	<ul style="list-style-type: none"> <li>▪ Define working agreements</li> <li>▪ Customers' development</li> <li>▪ Commission to strengthen and develop communities</li> </ul>	<ul style="list-style-type: none"> <li>▪ Contracts' updating</li> <li>▪ Logistics' plans</li> <li>▪ Increase local investment</li> <li>▪ Connection with local businesses</li> </ul>
Environment and Community	<ul style="list-style-type: none"> <li>▪ Emails</li> <li>▪ Face to face meetings</li> <li>▪ Inspections and visits to sites</li> <li>▪ Training</li> </ul>	<ul style="list-style-type: none"> <li>▪ Regulations, certifications and audits</li> <li>▪ Diversity topics</li> <li>▪ Work inclusion</li> <li>▪ Community development programs</li> <li>▪ Youth education programs</li> <li>▪ Work opportunities for young people</li> <li>▪ Community health and wellbeing</li> <li>▪ Environmental compliance</li> <li>▪ Civil protection compliance</li> </ul>	<ul style="list-style-type: none"> <li>▪ Attention to regulators</li> <li>▪ Participation in industry chambers</li> <li>▪ Talent attraction</li> <li>▪ Equal opportunities</li> <li>▪ Community programs to improve quality of life</li> <li>▪ Social Responsibility training</li> <li>▪ Open education</li> <li>▪ Environmental programs to reduce footprint</li> <li>▪ Working plans</li> <li>▪ Training of safety brigades</li> <li>▪ Contracts' updating</li> </ul>



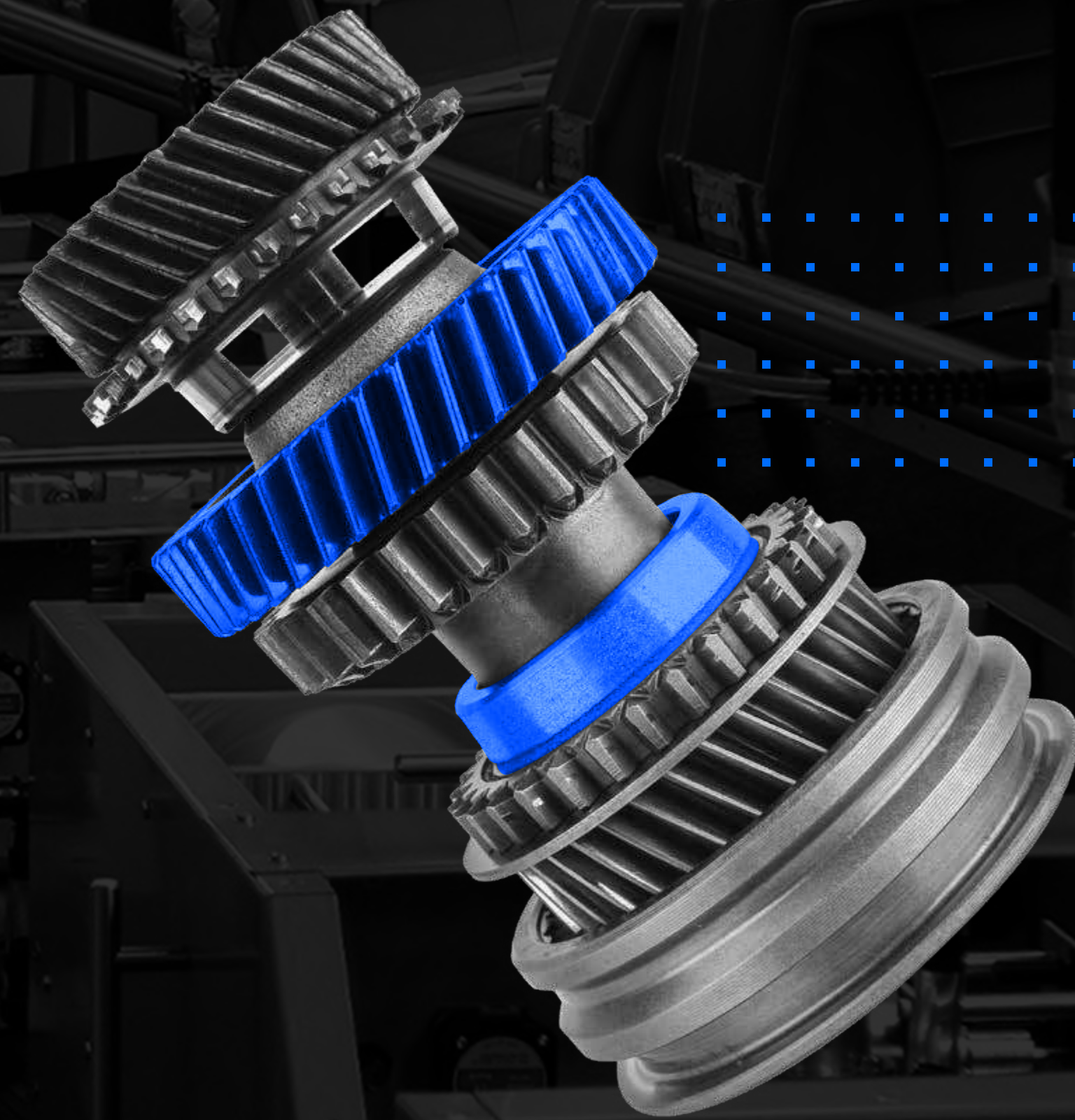


# COMMUNITY

GRI 203, 413: 103-1, 103-2, 103-3  
GRI 203-2, 413-1

In line with our Sustainability Strategy, **we aligned community activities with the SDG** to maximize efforts in local communities and contribute to the 2030 UN Agenda.

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us \$1.3

INVESTED TO MANUFACTURE  
VENTILATORS FOR COVID-19  
PATIENTS

For Metalsa, **our relationships with the communities where we operate are a fundamental pillar of our Sustainability Strategy.**

Through these relations, we are able to generate value for society and contribute to the wellbeing of people.

## MEXICO

During the COVID-19 pandemic, in order to ensure business continuity and take care of our staff's health, we implemented security measures and generated the necessary actions to guarantee the same level of service for our clients. To support the community during this critical time, we teamed up with other organizations to work on the design and construction of ventilators, which have saved lives during this crisis.

We also implemented the Waze Carpool project to reduce CO<sub>2</sub> emissions, although it was postponed due to COVID-19.

## ARGENTINA

Children and teenagers' orchestras, where we provide musician education and instruments to low-income children, in order to promote healthy habits and activities in this community, avoiding juvenile delinquency and drug use. These orchestras play at Metalsa's special events.

## THAILAND

We encourage our collaborators to participate in community development projects, which have a positive environmental impact. Some of these initiatives include reforestation, donations of food and learning supplies to the local schools and blood donations.

During 2020, we carried our COVID-19 specific activities, such as awareness programs, isolation practice drills, delivery of protection equipment (face masks, hand sanitizer, paper towels and tissues), and COVID-19 testing. Furthermore, we established a Pandemic Response Team and developed a Self-Quarantine and Return no Work Protocol to safeguard all our collaborators.

## BRAZIL

We carried out several activities to increase the communities' wellbeing, including donating school supplies to orphanages and donating 137 candy boxes to the Campo Largo's nearby communities to commemorate Easter. Moreover, we seek to increase families' incomes; thus, we developed two education projects for women, the first, where our volunteers taught them to produce hand-made products for selling and the latter, where we offered cosmetician training.

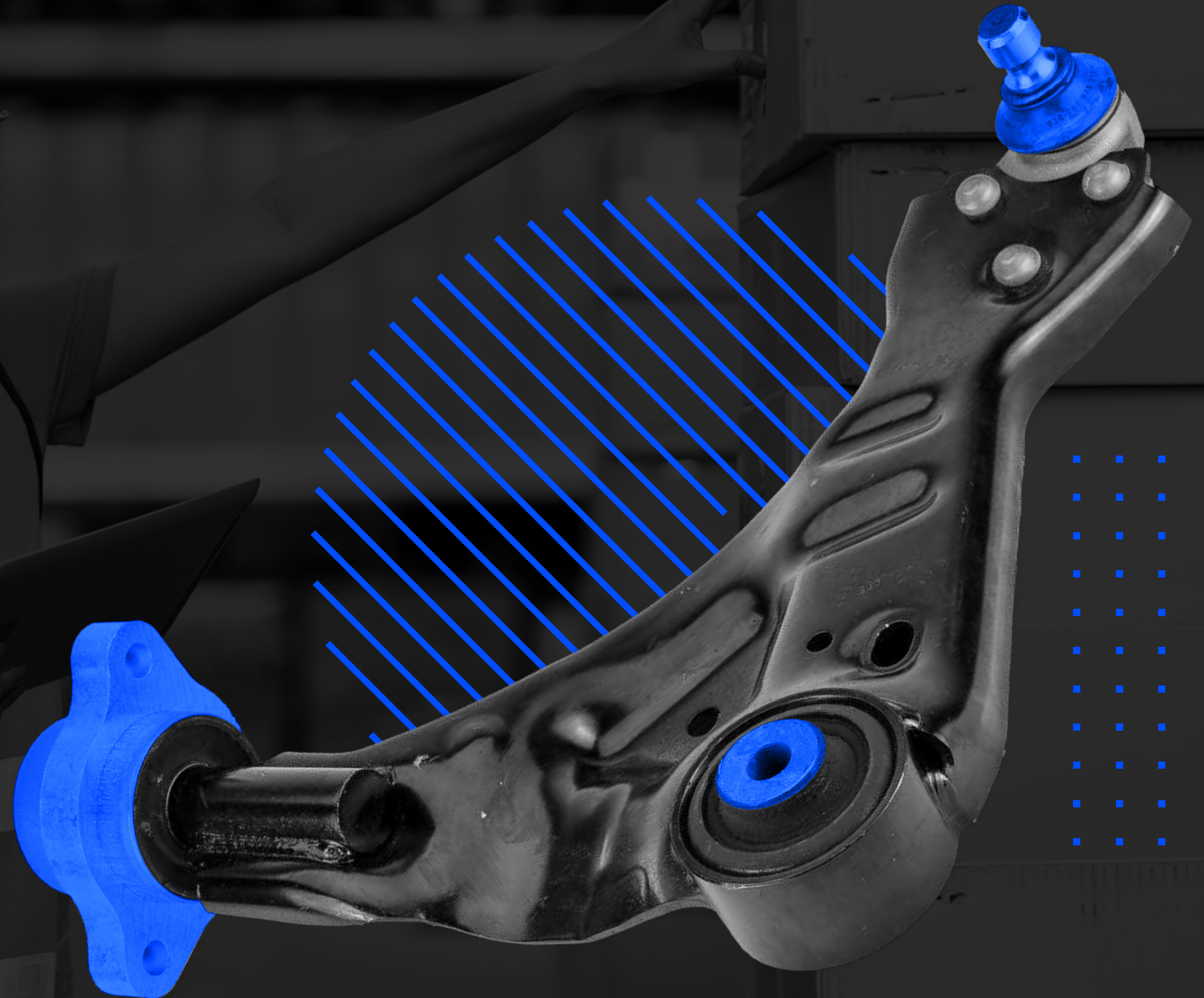
# SUPPLY

## CHAIN

GRI 204, 308, 407, 408, 409, 412, 414: 103-1, 103-2, 103-3  
GRI 102-9, 204-1, 308-2, 412-3, 414-2

We encourage our supply chain partners to accomplish, **live and believe our vision and philosophy** through our supply manual.

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Our supply chain is managed through an approach that prioritizes the strength of the business and the reliability we seek to convey to our suppliers. We are committed to raising the levels of safety and continuing to generate value, achieving safe and sustainable growth that promotes an operational infrastructure aligned with our objectives.

In the procurement area of Metalsa **we believe in the benefits of a common approach** throughout the supply chain aiming to ensure a sustainable development for our industry and society.

Our Procurement area is responsible of all relations with suppliers; it defines applicable terms and conditions of commercial relations. The Logistics area maintains operations running smoothly by communicating all requirements to suppliers so they comply with the production plan.

The main products we purchase are steel, extruded aluminum, fasteners, welding wire, wire forms, metallic stamping parts and chemicals for coating. In addition, we procure the services and spare parts necessary for the business to continue operating.

We aim to engage in long-term relations with suppliers that work with the same ethics and values as Metalsa. Our supply chain partners must comply with our Supplier Manual, which includes:

#### METALSA CODE OF CONDUCT

The commercial relationship shall be conducted with integrity, fairness and respect in all countries where we have operations.

#### RESTRICTED SUBSTANCES

Suppliers must assure compliance with all governmental and safety requirements on restricted, toxic and hazardous substances used in the manufacture of products.

#### HUMAN RIGHTS

Businesses should support and respect the protection of internationally proclaimed Human Rights and make sure that they are not complicit in any type of abuse or infringement.

#### LABOR PRACTICES

Our partners must uphold freedom of association and the effective recognition of the right to collective bargaining. Furthermore, they must ensure the elimination of all forms of forced and compulsory labor and the effective eradication of child labor, as well as the elimination of any kind of discrimination.

#### ENVIRONMENT

Organizations are required to support a precautionary approach to environmental challenges and encourage the development and diffusion of environmentally friendly technologies.

#### ANTI-CORRUPTION

Businesses should work against corruption in all its forms, including extortion and bribery.



Through the **Metalsa Supplier Business Assessment**, we execute a comprehensive assessment of our supply chain. We use it to select new suppliers and follow-up on the existing's performance. We rate each supplier's quality, environmental and social practices. If we detect and opportunity for improvement or non-compliance with our guidelines, we request corrective measures so that the relation continues; subsequently, they must be reexamined to ensure they improved.

The questionnaire includes topics regarding quality, employment conditions, human rights, ethics, corporate governance, legal compliance, sustainability, as well as criteria aligned to institutions and standards like International Automotive Task Force (IATF), Automotive Industry Action Group (AIAG), ISO 14001, among others.

During 2020, due to the COVID-19 pandemic, our supply chain suffered stoppages in production and reduced sales. Nonetheless, we managed to maintain timely supplies to ensure our business continuity.

**82%**

OF OUR DIRECT SUPPLIERS  
WERE ASSESSED WITH OUR  
MSBA SYSTEM

**102**

SUPPLIERS OF  
DIRECT MATERIAL

**32**

LOCAL  
SUPPLIERS



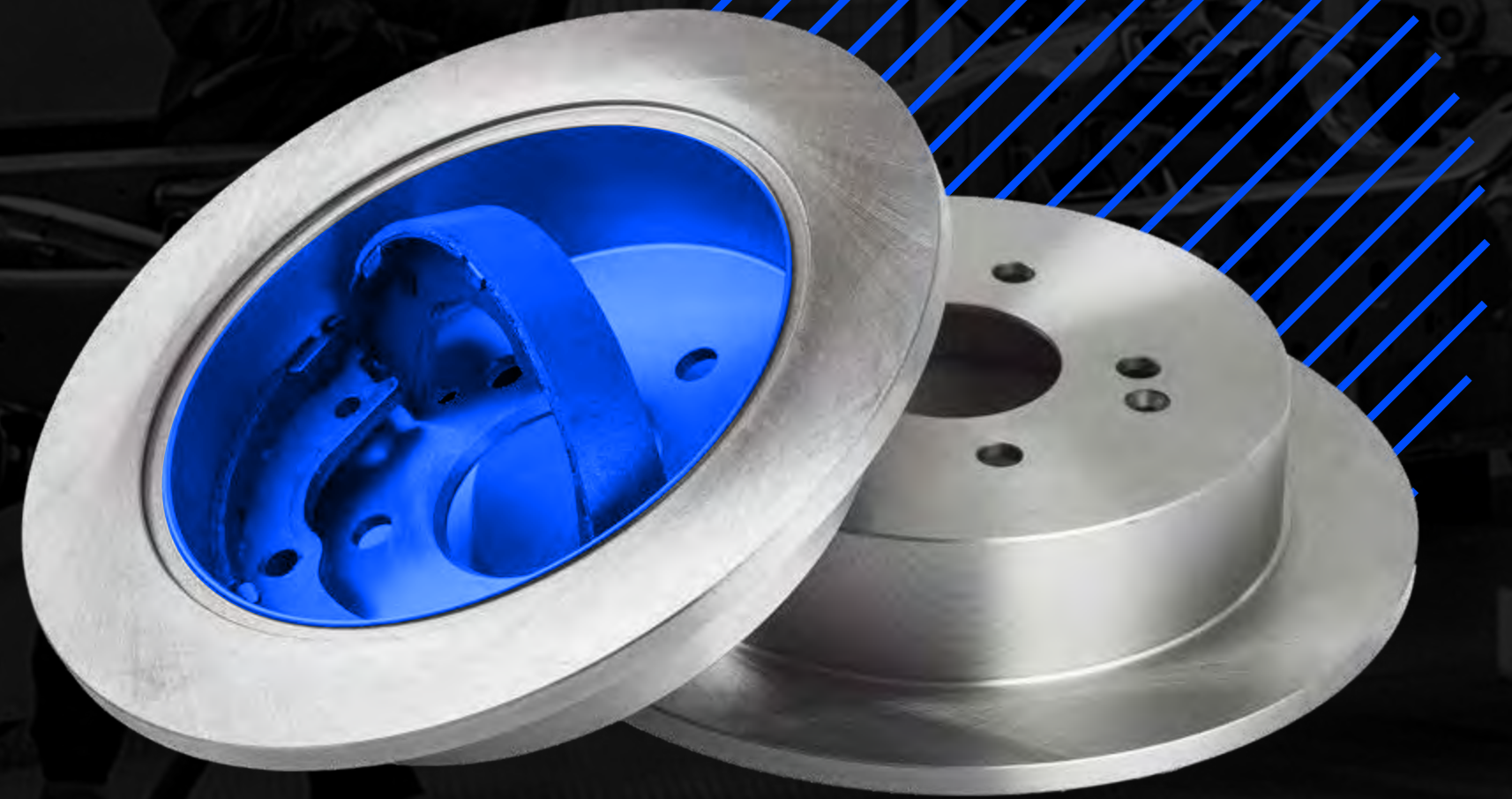
COMMITTED

GRI 102-7, 102-8

# TEAM

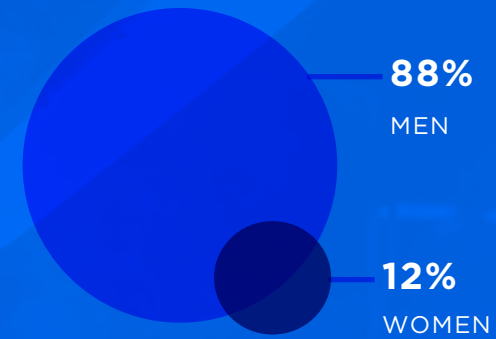
**Metalsa is made up of a team of professionals** who have the skills to provide the best service and products for our customers.

---



## COLLABORATORS

# 10,855<sup>2</sup>



## WORKFORCE BY REGION AND GENDER



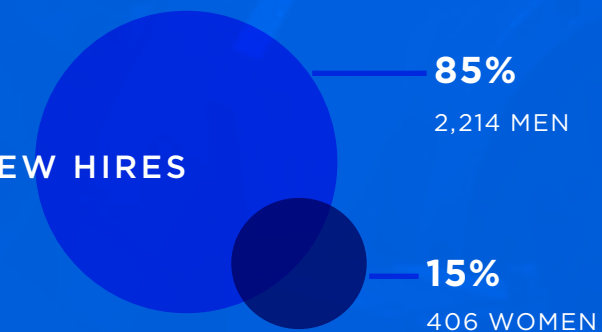
<sup>2</sup> Total headcount as of December 31, 2020. This total does not consider China operations, since we sold this business unit in April 2020.

\* 15 collaborators in China did not disclose their gender.

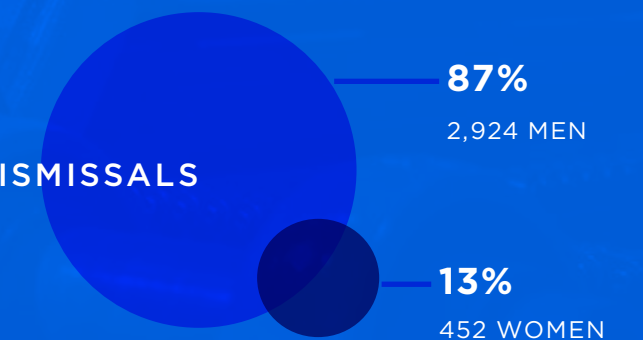
## WORKFORCE BY REGION AND CONTRACT



## NEW HIRES



## DISMISSALS



# 2.6%

TURNOVER RATE





**The well-being**, as well as the personal and professional development of our collaborators is **paramount**.



**We are a company with a diverse workforce** that ensures that both men and women achieve their full potential, and exercise their rights equally by having a well-paid, discrimination-free formal employment.

Metalsa implements initiatives that promote the development of a healthy and productive society. Therefore, within its organization, it fosters an inclusive and safe organizational culture; that is, it promotes actions aimed at honoring Human Rights and non-discrimination; talent attraction, retention and promotion mechanisms; wages and benefits that surpass the minimum established by law. In addition, it provides operational health and safety plans that ensure the wellbeing of all collaborators.

We strive to generate a highly productive community that promotes equal opportunities and non-discrimination for all people. We are committed to preventing, addressing and sanctioning any type of practice that goes against our culture.

## ORGANIZATIONAL CULTURE

**People as drivers of competitive advantages.**

Quality products and services can only be produced by quality people.

**People as agents of change for a better world.**

Everything we do as a company should contribute to sustainable solutions for the transportation industry and the world.

Thus, we protect our collaborators’ Human Rights, promote work environments conducive to the comprehensive development of our people, both personally and professionally, fight discrimination, and promote violence-free work conditions. With this, we generate scenarios that are beneficial for the free development and well-being of our collaborators.



We defined our posture on diversity, equality and inclusion (DEI) in 2020. In addition, we developed a strategy with actions plans to ensure diversity and inclusion at Metalsa in future years. During 2021, we will begin implementing this new policy, striving to meet our targets in order to raise awareness about the importance of diversity and ensure and inclusive culture.

DEI STATEMENT

“At Metalsa we believe that anyone can reach their full potential by being themselves. We are committed to building a better society and creating an inclusive environment with equal opportunities where collaborators enrich the value added while combining the diversity of their unique perspectives and knowledge.”

We have a competitive wages and benefits plan in place that surpasses the minimum established by law. Through these efforts, we strive to attract and retain the best talent, as we contribute to improving their quality of life. Collaborators who work at Metalsa receive these benefits, and this leads to driving sustainable economic development in the communities where we operate.



BENEFITS

- Fixed and variable pay
- Equity-based pay
- Signing bonuses or recruitment incentive payments
- Termination compensations with clawback
- Paid vacations
- Life insurance
- Medical insurance (private or governmental)
- Retirement saving plans
- Maternity and paternity leave benefits

In order to assess Metalsa’s work environment, every two years our collaborators complete the Employee Satisfaction Survey (ESS). The ESS measures several significant categories for their quality of life, and thus, our business’ profitability. Due to the COVID-19 extenuating circumstances, we did not carry out the survey this year; nonetheless, we will conduct it in 2021.



HIGH PERFORMING



WE ALWAYS COLLABORATE  
AND **EXCEED EXPECTATIONS.**



# TRAINING & DEVELOPMENT

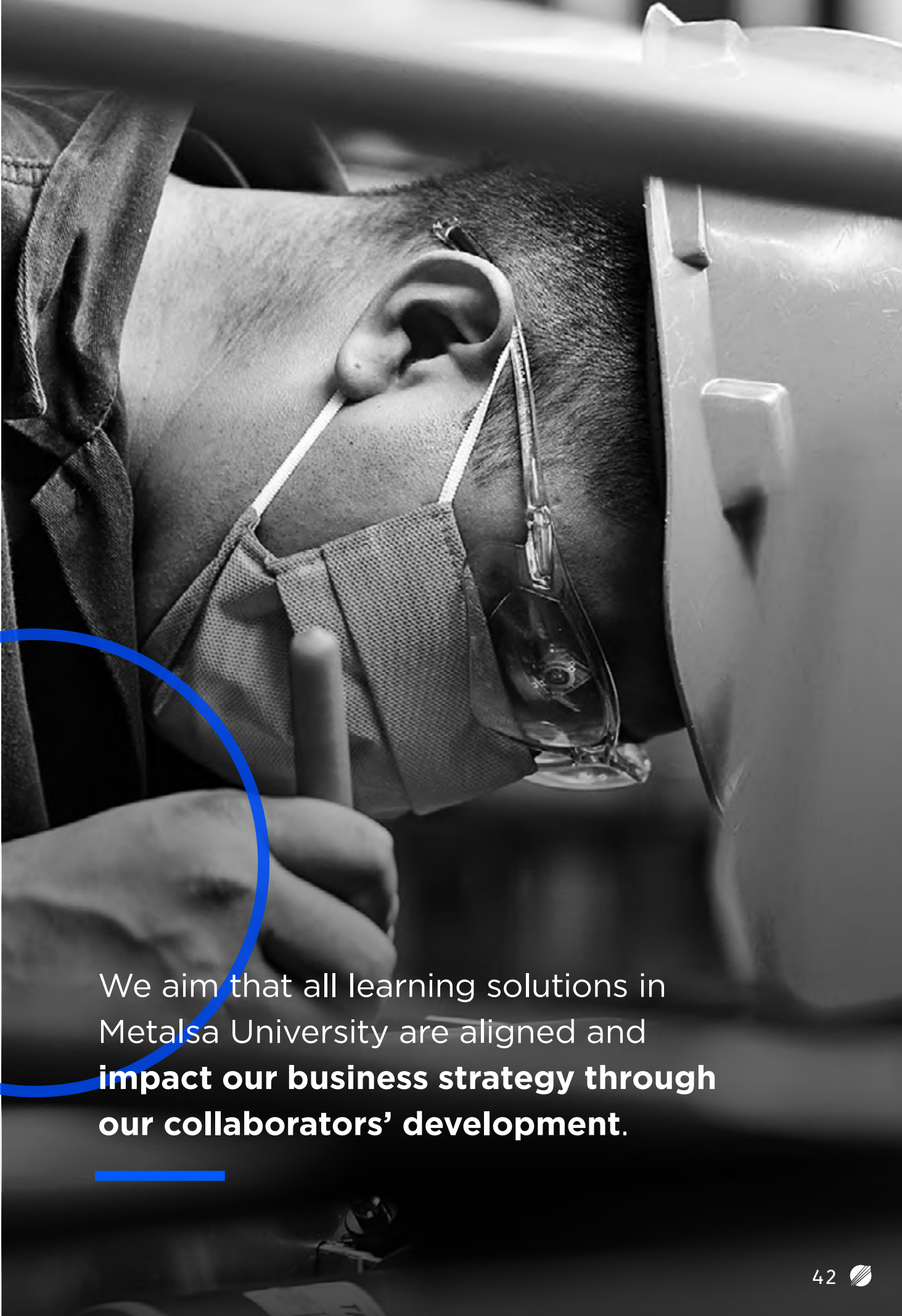
We are convinced that a person who receives training, is a person that will have the possibility of getting better opportunities in the future that will guarantee their wellbeing. That is why we offer our collaborators several face-to-face and online courses, the latter provided by means of an e-learning platform, through which they can acquire knowledge and strengthen skills for their professional development. All courses are designed according to the needs of the business and aligned for our collaborators' different profiles.

We provide comprehensive **training to improve our collaborators abilities** to develop strategic solutions for the company.

Additionally, we grant scholarships so our most committed collaborators are able to finish their college bachelor's degrees, or enroll for master's degrees, PhD's or a second language.

We manage all our training programs through a service model divided into an Expert Center and a Human Development Solution Center; the Human Development Business Partner translates developmental needs and shares them with the Human Development Share Center and Center of Expertise (CoE). Within the CoE, we provide training through Metalsa University, which has three schools: Leadership, Business and Operations so that all learning solutions are aligned with our business strategy.

- • •
- • •
- • •
- • •
- • •
- • •
- • •



We aim that all learning solutions in Metalsa University are aligned and **impact our business strategy through our collaborators' development.**

During 2020, we launched several courses, some of them were:

- Development Program for Sites Coordinators
- Learning experiences through Coursera
- Learning communities’ development, through Metalsa On, such as: Leadership and Virtual Equipment, Productive Time, Wellbeing and Personal Growth.
- Disruptive Learning, focused on innovative and agile learning trends.
- GL 100

Furthermore, we are aware of the dynamic and competitive environment where we live and therefore, we have designed our performance evaluation process in keeping with corporate strategy and needs, allowing us to have clear and challenging goals. All our collaborators receive annual performance evaluations.



2020 TRAINING HOURS<sup>3</sup>

OPERATIONS

117,468 TRAINING HOURS

4.6 TRAINING HOURS PER COLLABORATOR

ADMINISTRATIVE

8,953 TRAINING HOURS

2.4 TRAINING HOURS PER COLLABORATOR

<sup>3</sup> 2020 training hours data only include Mexico’s collaborators.



# HEALTH & SAFETY

GRI 403: 103-1, 103-2, 103-3  
GRI 403-1, 403-2, 403-3, 403-5, 403-7, 403-8, 403-9

The health and safety of all our collaborators are one of the top priorities at Metalsa. We understand that the excellence in our service depends largely on the conditions in which our collaborators work to provide impeccable quality in their daily activities. Therefore, we believe that it is of utmost importance to concentrate efforts on the good physical and emotional health through a series of initiatives that respond to their needs.

This year was exceptionally demanding for our people and our business, as we experienced the unprecedented challenges of the COVID-19 pandemic. We focused on maintaining healthy and safe work environments, with all preventive hygiene measures to ensure our collaborators' wellbeing.

Our plant in India obtained the first **ISO 45001 Health and Safety Management System Certification** in Metalsa.

4 TRIR. (# Lost Time Cases + Restricted Light Duty Cases + Medical Treatment Cases) X 200,000 / Worked Hours.  
5 LWIR. # of Lost Time cases X 200,000 / Worked Hours.  
6 LWSR. # Lost time days X 200,000 / Worked Hours.

During 2020, we achieved a **reduction in the recordable incident rate.**

**0.85**  
TOTAL RECORDABLE  
INCIDENT RATE  
(TRIR)<sup>4</sup> | -13% VS 2019

**0.29**  
LOST WORKDAY  
INCIDENT RATE  
(LWIR); SUSTAINED  
2019 PERFORMANCE

**14.77**  
LOST WORKDAY  
SEVERITY RATE  
(LWSR)<sup>6</sup> -8% VS 2019

We were recognized by several governmental institutions for our extraordinary compliance with **COVID-19 regulations.**

## COVID-19 COUNTERMEASURES

### PEOPLE'S SAFETY FIRST

- Created the Pandemic Response Team.
- Developed a Playbook with safety procedures to ensure collaborators wellbeing.
- Conducted audits to ensure processes are being executed.
- Implemented home office and kept constant communication with our collaborators.
- Implemented the mandatory use of face shield and protective equipment policy.
- Rolled out a COVID-19 Prevention Awareness Campaign with weekly notifications.

Furthermore, we developed the COVID-19 Update Template to send to all collaborators of confirmed positives, active cases and returned to work; a questionnaire to detect all possible COVID-19 cases; and created a COVID-19 Awareness Newsletter, which was mailed to all team members with the status of the national situation of COVID-19, safety measurements and recommendations to stay safe; a Safe Restart of Operations Checklist and a Coronavirus-Managing Stress Campaign.



# GOVERNANCE

The governance bodies of Metalsa are committed to **implementing and maintaining the highest standards of Corporate Governance in the Company.**

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# BOARD & COMMITTEES

GRI 102-18, 102-19, 102-20, 102-22, 102-23, 102-24, 102-28, 102-35, 102-36

## BOARD OF DIRECTORS

All our governance bodies are controlled by Grupo Proeza’s guidelines and integrated by several committees.

The Proeza Board of Directors is Metalsa’s **highest governance body**, followed by Metalsa Advisory Board.

This body is responsible for making high-impact decisions for Shareholders, such as investments, acquisitions, important changes in the debt policy, changes of ownership, monitoring risks, among others. This Board consists of twelve members, including the chairman, six proprietary directors and five independent directors.



ENRIQUE ZAMBRANO BENÍTEZ  
CHAIRMAN OF THE BOARD

SIX FAMILY MEMBERS  
PROPRIETARY DIRECTORS

ALBERTO MULÁS ALONSO  
INDEPENDENT DIRECTOR

FRANCISCO GARZA EGLOFF  
INDEPENDENT DIRECTOR

LEÓN KRAIG ESKENAZI  
INDEPENDENT DIRECTOR

PETER HAWTHORNE  
INDEPENDENT DIRECTOR

SALVADOR ALVA GÓMEZ  
INDEPENDENT DIRECTOR



# METALSA ADVISORY BOARD

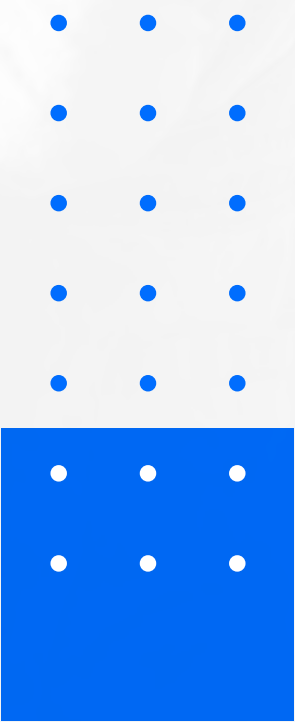
The Metalsa Advisory Board is responsible for the business management and represents the shareholders’ interests. Its current members are Pablo Guadalupe Zambrano Benítez, Leopoldo Cedillo Villarreal and Rodrigo de la Maza Serrato. The main responsibilities of the Board are:

- Authorize the strategic long-term plans for growth and development proposed by Metalsa’s Leadership Team (MLT) coordinated with Grupo Proeza.
- Question, validate and approve Metalsa’s operating plans, as well as annual operating budgets.
- Observe and supervise the development of Metalsa’s projects.
- Establish the company’s strategic direction according to the plan prepared by top management.

The Metalsa Advisory Board, designated and approved by the Proeza Board of Directors, is comprised by three independent directors, two executives and four proprietary directors from Grupo Proeza.

All Board members lead their own teams and committees to listen about business performance and the needs of the different business units to achieve goals established by the company. Each Board member has specific targets in their own influence areas, and their compensation is based on the achievement of such goals.

In Addition, Proeza has an accountability indicator for performance and compliance with the different processes they lead; depending on the item affecting the company, the Culture and Process Control Committees determine each Board member’s accountability.



**DAN NINIVAGGI**  
INDEPENDENT DIRECTOR (CHAIRMAN)

**RALF CRAMER**  
INDEPENDENT DIRECTOR

**TONY POSAWATZ**  
INDEPENDENT DIRECTOR

**LEOPOLDO CEDILLO VILLARREAL**  
EXECUTIVE


**JORGE GARZA GARZA**  
EXECUTIVE

**PABLO ZAMBRANO BENÍTEZ**  
PROPRIETARY DIRECTOR

**JUAN CARLOS ZAMBRANO BENÍTEZ**  
PROPRIETARY DIRECTOR

**MAURICIO MORALES ZAMBRANO**  
PROPRIETARY DIRECTOR

**KARLA BAILLÉRES ZAMBRANO**  
PROPRIETARY DIRECTOR



**The Metalsa Advisory Board** and committees analyze specific matters and issue recommendations to the Board.



# LEADERSHIP TEAM

Metalsa’s Leadership Team is accountable for all business decisions and operations’ supervision. The company’s coordinator is the Chief Executive Officer, who is responsible for translating Proeza’s requirements and guidelines into goals and strategies for Metalsa. The MLT must observe and manage all operations, so the established targets are met with the highest quality standards.

Two committees support the Boards with their responsibilities:

## METALSA EXTENSION AUDIT COMMITTEE

Its objective is to exercise the authority conferred by the Proeza Board of Directors to supervise and ensure compliance with accounting, legal, financial and tax policies in Metalsa, as well as to identify and monitor the main business risks.

Main action lines:

- **Internal Control.** Ensure the correct implementation of policies and controls among the business processes to minimize risks.
- **Internal Audit.** Assure compliance to policies, procedures, controls and main business risks mitigation.
- **External Audit.** A third party that complements the activities performed by internal control to ensure compliance with policies and controls.

## FINANCE COMMITTEE

Appointed by the Metalsa Advisory Board with the approval of the Proeza Board of Directors, to assist them in carrying out its responsibilities relating to financial strategy, financial policies, investments, risk management, and the financial condition of the company.

**JORGE GARZA**  
CHIEF EXECUTIVE OFFICER

**EDUARDO BARREDA**  
CHIEF FINANCIAL OFFICER

**CIRO VALDÉS**  
LIGHT VEHICLES SBU COORDINATOR

**RUBÉN DE LEÓN**  
COMMERCIAL VEHICLES SBU COORDINATOR

**JOE EL-BEHAIRY**  
EMERGING BU COORDINATOR

**LILIANA DURÁN**  
HUMAN DEVELOPMENT COORDINATOR

**RICARDO ALEMÁN**  
RESEARCH & DEVELOPMENT COORDINATOR



# CODE OF CONDUCT

GRI 205, 206, 406, 407, 408, 409, 412, 415, 419: 103-1, 103-2, 103-3  
GRI 102-16, 102-17, 102-25, 205-1, 205-2, 205-3, 206-1, 406-1, 412-1, 412-2

We are committed to abiding by the laws, standards and regulations that govern us, as well as **adopting the highest ethical standards to conduct business.**

For Metalsa, a culture of integrity is crucial to achieving the sustainable growth of the company. The high levels of trust that Metalsa offers, and its solid business reputation, make it easier to operate successfully and open up new markets. Likewise, these factors enable us to attract and retain the best talent, customers and suppliers, as well as to contribute, within the framework of the law, to the well-being of the communities where we operate, through social projects.

For this reason, we have a Code of Conduct in place, aimed at regulating collaborators' behavior so it is always ethical. In addition, Metalsa's Code of Conduct is encompassed by Metalsa Culture guidelines, which govern the behaviors that all collaborators must adopt to carry out their duties within the Company. Some of the behaviors promoted by this document are equal opportunities and non-discrimination, free and fair competition in the market, Human Rights protection, anticorruption practices, compliance with standards, elements to offer the best customer service, among others.

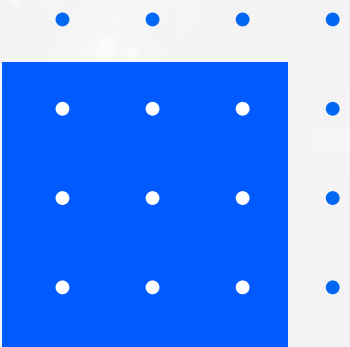
As members of the Metalsa institution, all collaborators have the obligation to know and comply with the provisions of the Code of Conduct. To achieve this goal, collaborators familiarize themselves with this document from the beginning of the work relationship with the company. Likewise, they must take an online course every year to reinforce their knowledge of the ethical conduct that must be followed in carrying out the tasks assigned to them.

[www.proeza.com.mx/en/codigo-de-conducta/](http://www.proeza.com.mx/en/codigo-de-conducta/)



All our operations are aligned with the **Foreign Corrupt Practices Act (FCPA)** requirements.

We have carried out assessments in 100% of our sites to **ensure the protection of Human Rights.**







**All our collaborators**  
are trained on Human  
Rights topics.

---

**+2.5 HOURS**

OF TRAINING ON OUR  
CODE OF ETHICS PER  
COLLABORATOR,  
DURING 2020



## CONFLICT MINERALS

Conflict Minerals refers to materials sourced in Democratic Republic of the Congo that finance armed conflicts in the region. Armed groups in that area earn hundreds of millions of dollars every year by trading conflict minerals and their derivatives. These are products of slavery, child labor, pillaging, extortion, violence, among other inhuman acts, that the armed groups exert all over this region.

Conflict Mineral initiatives require for the metal processing industry to make an extensive investigation of the smelters they source from and try to trace the metal ore up to the extraction point. Our Conflict Minerals Policy requires materials' suppliers to provide yearly the last released version of Conflict Minerals Reporting Template (CMRT), verifying that the contained information is accurate and up to date. Those suppliers which are directly involved in the metal processing industry must request directly to the smelters to join the Conflict Free Certification Process.

## TRANSPARENCY LINE

Our Transparency Line is an anonymous, confidential and independent tool to report any deviation from the Code of Conduct or our values to promote ethical behaviors among all our stakeholders. Reports may be sent 24/7, through local numbers for each country or through the website. Every report is sent to Proeza's Transparency Committee and Internal Audit for their investigation and resolution.

**In 2020, 90 reports were received, of which 88% were satisfactorily resolved**, most of the reports were on the categories of: abuse of power, unfair labor practices and conflict of interests.

[www.proeza.com.mx/transparency/](http://www.proeza.com.mx/transparency/)



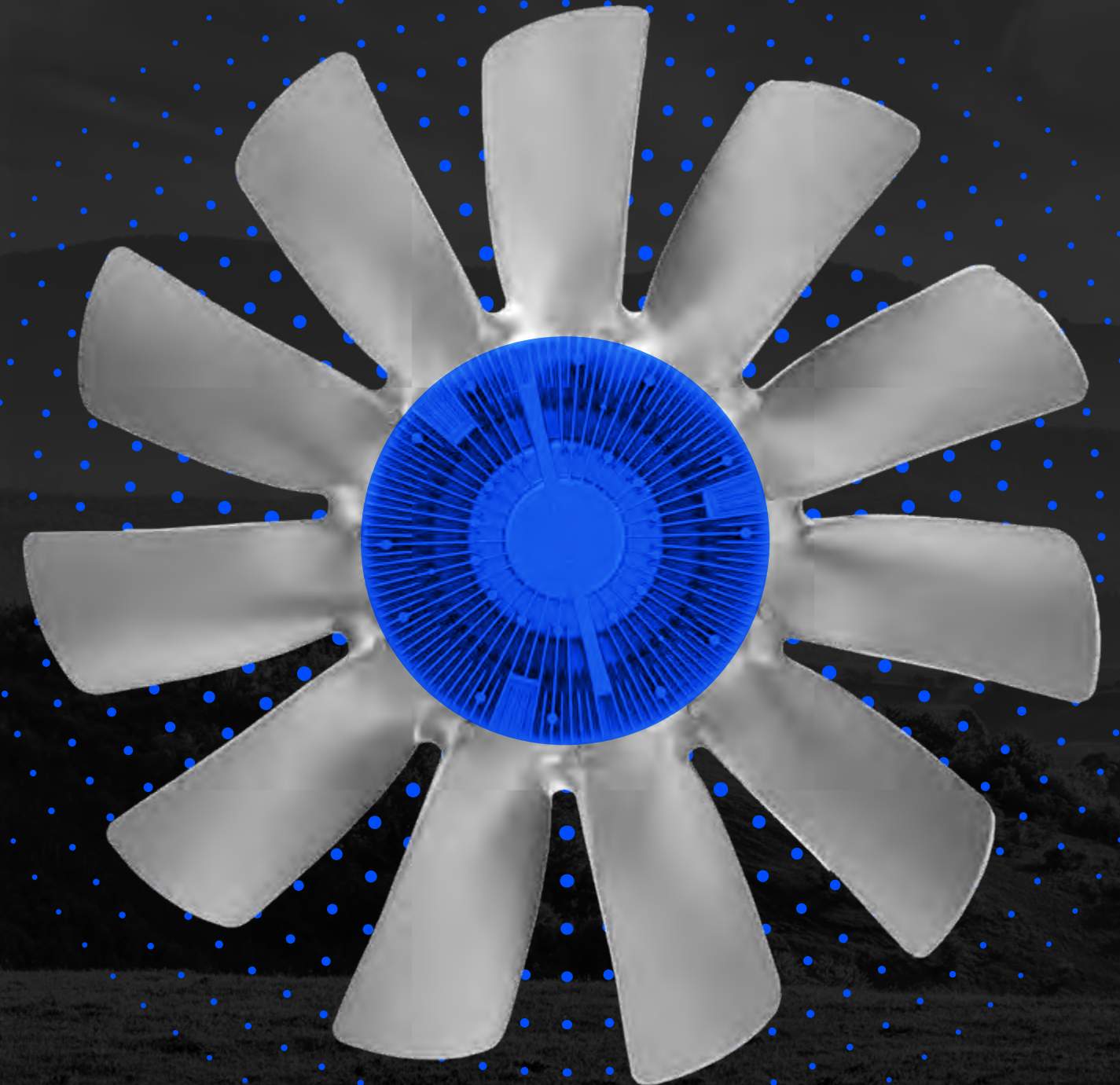


# ENVIRONMENT

GRI 302, 306, 307, 308: 103-1, 103-2, 103-3  
GRI 102-12

At Metalsa, **we are committed to perform our operations with a focus on the prevention of pollution to protect the environment** through the efficient use of resources and the continuous improvement of our overall environmental performance.

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We understand our great responsibility when conducting our operations. We ratify our commitment to protect the environment by creating awareness of our environmental impact and implementing actions to mitigate our footprint.

The Environmental, Health and Safety Department is in charge of monitoring environmental performance. Additionally, it establishes annual performance objectives, based on the performance of the previous year, sales conditions and the number of projects assigned to the sites.

Through our Environmental Management System, we map and minimize our operations' risks and impacts on the planet. We carry out specific actions to achieve the reduction of energy and water consumption, as well as waste control and diminution, which in turn lead to finding new opportunities to decrease its generation and materials' use.

We strive to comply with the best practices and environmental standards and regulations in every region where we operate. **All our manufacturing sites are certified under ISO 14001:2015 Environmental Management System.**

---

The Environmental, Health and Safety area designs and deploys tools and programs, both technical and to raise awareness, that support the reduction of energy consumption and the implementation of efficiency projects. Each plant is in charge of executing them individually and consequently, must comply with the local legislation and particular conditions of the region.



## GLOBAL SUSTAINABILITY AWARENESS PROGRAM

GRI 302: 103-1, 103-2, 103-3  
GRI 302-1, 302-3, 302-4, 306-1, 306-3, 306-4

We strive to promote a comprehensive approach to sustainability; thus, we encourage all sites to **develop innovative projects that help protect the environment and promote an efficient resource use.**

---

Every manufacturing site defines a KPI to focus their efforts on –GHG emissions, energy or water consumption or waste management– and implements their solutions to have a positive impact on the planet.

Furthermore, we maintain our emissions and waste within parameters defined by local regulations in all the communities where we have presence. We measure the emissions of gases and particles pursuant to regulatory requirements of our operating sites to ensure the health and safety of our collaborators and neighboring communities and to protect the environment.

Most of the greenhouse gases generated in our operations relate to our consumption of fossil fuels –such as gasoline, diesel, natural gas and propane– and electrical energy. Our commitment to reduce GHG emissions is focused on energy savings and efficiency goals in our process and involves all our sites and collaborators.

During 2020, we included several activities within our Global Sustainability Awareness Program to increase sustainable use of resources, as well as to brainstorming sessions to come up with new ideas among collaborators to improve daily processes.





## 2020 ENERGY DATA<sup>7</sup>

We are currently working on a strategy to increase the renewable energy we use at manufacturing plants, as well as updating all technology to improve potency factors and make our energy use more efficient.

# 1,721,179 GJ

TOTAL CONSUMPTION | -40% VS 2019

# 842.84 GJ / MILLION DOLLARS

INTENSITY | -11% VS 2019

## 2020 GHG EMISSIONS DATA

We have implemented several reductions projects in every manufacturing site, achieving a 2% decrease in carbon intensity vs 2019.

# 76 tCO<sub>2</sub>e /MILLION DOLLARS

INTENSITY

EMISSIONS  
tCO<sub>2</sub>e

## 105,504.40

INDIRECT EMISSIONS  
SCOPE 2

## 49,109.27

DIRECT EMISSIONS  
SCOPE 1

# 154,613.67 tCO<sub>2</sub>e

TOTAL EMISSIONS | -2.56% VS 2019



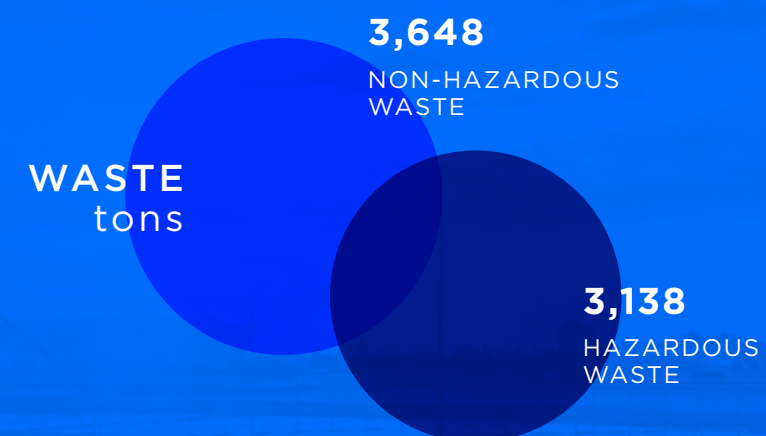
<sup>7</sup> Part of the 2020 energy reductions was due to the Body & Chassis Business Unit divestment and the periods of low productions derived from COVID-19 restrictions and manufacturing sites closing.





## 2020 WASTE DATA

Moreover, we aim to decrease waste in all our manufacturing sites to promote a circular economy, where the ultimate goal is to produce zero waste. We separate and dispose of generated waste mainly in two categories: hazardous and non-hazardous waste.



**6,785 TONS**

TOTAL WASTE | -21.8% VS 2019

**1,304 TONS**

OF NON-HAZARDOUS  
WASTE RECYCLED

## 2020 WATER DATA

Water is a valuable and fundamental resource in the operation of Metalsa. Therefore, in all our activities we strive to maximize and make its use more efficient by assessing risks on water-stressed regions, through the World Resources Institute (WRI) Aqueduct Tool.

**669,483 M<sup>3</sup>**

WATER WITHDRAWALS | -37.05% VS 2019

Within our organization we make an effort to correctly manage the remnants of our production, also including water management.

Regarding water discharges, we comply with the parameters of local regulations. We use chemical processes to ensure the quality of the water used goes through internal and external water treatment plants, and is subsequently discharged into municipal sewage systems.

**105,958.01 M<sup>3</sup>**

WATER DISCHARGES  
DURING 2020



# REPORT

## **Metalsa is committed to transparency,**

continuous improvement and forging long-term relations with our stakeholders. As part of our ongoing commitment, we publish our 2020 Sustainability Report, which is a key tool for strengthening ties and loyalty with our stakeholders and reporting non-financial information. This document outlines our performance on environmental, social and governance (ESG) topics during the period between January 1<sup>st</sup> and December 31, 2020, for all Metalsa's<sup>8</sup> operations, unless otherwise stated.

This report has been prepared in accordance with the GRI Standards: Core option. All contents used were defined from our 2019 Materiality Assessment and subsequent 2020 Stakeholder Engagement, with no external assurance. The document herein complies with the principles to determine the content and quality of the report, since it is a communication tool that is clear, balanced, comparative, precise, specific and reliable.

Some information has been restated compared to the previous report, which is specified in the sections in question.

<sup>8</sup> The scope of this report includes Metalsa and all its subsidiaries and sites.





GRI STANDARD	DISCLOSURE	PAGE / DIRECT RESPONSE
GRI 102: General disclosures 2016	1. Organizational profile	
	102-1	4
	102-2	4
	102-3	65
	102-4	9
	102-5	65
	102-6	9
	102-7	9, 10, 36
	102-8	36
	102-9	33
	102-10	9
	102-11	21
	102-12	21, 54

GRI STANDARD	DISCLOSURE	PAGE / DIRECT RESPONSE
GRI 102: General disclosures 2016	102-13	Metalsa is a member of:
		▪ Centro Patronal de Nuevo León
		▪ Consejo Mexicano de Comercio Exterior del Noreste, A.C.
		▪ Efecto Directo, S.A. de C.V.
		▪ Universidad Autónoma De Nuevo León
		▪ Universidad De Monterrey
		▪ Frbc Ns-Renta S. de R.L. de C.V.
		▪ Asociación de Maquiladoras y Manufactureras de Exportación de N.L., A.C.
		▪ Asociación de Profesionales en Seguridad Social, S.A. de C.V.
		▪ Centro de Productividad de Monterrey, A.C.
		▪ Cluster Automotriz de Nuevo Leon, A.C.
		▪ Industria Nacional de Autopartes, A.C.
		▪ Metalsa Structural Products, Inc.
		▪ Chamber Directory & Community Guide Proof
		▪ Hopkinsville Kiwanis Club Inc.
		▪ Society for Human Resource Management
		▪ Bluegrass Automotive Manufacturer Association
		▪ Marklines Co., Ltd
		▪ Original Equipment Suppliers Association



GRI STANDARD	DISCLOSURE	PAGE / DIRECT RESPONSE
GRI 102: General disclosures 2016	<b>2. Strategy</b>	
	102-14	8
	102-15	8
	<b>3. Ethics and integrity</b>	
	102-16	6, 21, 51
	102-17	51
	<b>4. Governance</b>	
	102-18	47
	102-19	47
	102-20	21, 47
	102-21	29
	102-22	47
	102-23	47
	102-24	47
	102-25	51
	102-26	21
	102-28	47
	102-29	21
	102-31	21
	102-35	47

GRI STANDARD	DISCLOSURE	PAGE / DIRECT RESPONSE
GRI 102: General disclosures 2016	102-36	47
	<b>5. Stakeholder engagement</b>	
	102-40	29
	102-41	In Mexico, 81% of our collaborators are unionized.
	102-42	29
	102-43	25, 29
	102-44	25, 29
	<b>6. Reporting practices</b>	
	102-45	Not applicable.
	102-46	25, 59
	102-47	25
	102-48	59
	102-49	There were no changes in reporting.
	102-50	59
	102-51	2019
	102-52	Annual
	102-53	65
	102-54	59
	102-55	60
	102-56	59



GRI STANDARD	DISCLOSURE	PAGE / DIRECT RESPONSE
GRI 200: ECONOMIC STANDARDS		
GRI 103: Management approach 2016	103-1	10
	103-2	10
	103-3	10
GRI 201: Economic Performance 2016	201-1	10
GRI 103: Management approach 2016	103-1	31
	103-2	31
	103-3	31
GRI 203: Indirect economic impacts 2016	203-2	31
GRI 103: Management approach 2016	103-1	33
	103-2	33
	103-3	33
GRI 204: Procurement Practices 2016	204-1	33
GRI 103: Management approach 2016	103-1	51
	103-2	51
	103-3	51
GRI 103: Management approach 2016	205-1	51
	205-2	51
	205-3	51 / During 2020, there were no incidents of corruption.

GRI STANDARD	DISCLOSURE	PAGE / DIRECT RESPONSE
GRI 103: Management approach 2016	103-1	51
	103-2	51
	103-3	51
GRI 206: Anti-competitive behavior 2016	206-1	51 / During 2020, there were no legal actions for anti-competitive behaviors.
GRI 300: ENVIRONMENTAL STANDARDS		
GRI 103: Management approach 2016	103-1	54, 56
	103-2	54, 56
	103-3	54, 56
GRI 302: Energy 2016	302-1	56
	302-3	56
	302-4	56
GRI 103: Management approach 2016	103-1	54
	103-2	54
	103-3	54
GRI 306: Waste 2020	306-1	56
	306-3	56
	306-4	56
GRI 103: Management approach 2016	103-1	54
	103-2	54
	103-3	54

GRI STANDARD	DISCLOSURE	PAGE / DIRECT RESPONSE
GRI 307: Environmental compliance 2016	307-1	We comply with local regulations where we operate. In 2020, we had no fine of sanction due to environmental non-compliances.
GRI 103: Management approach 2016	103-1	33, 54
	103-2	33, 54
	103-3	33, 54
GRI 308: Environmental supplier assessment 2016	308-2	33
<b>GRI 400: SOCIAL STANDARDS</b>		
GRI 103: Management approach 2016	103-1	44
	103-2	44
	103-3	44
GRI 403: Occupational health and safety 2018	403-1	44
	403-2	44
	403-3	44
	403-5	44
	403-7	44
	403-8	44
	403-9	44 / One fatality happened during 2020 in our Hopkinsville facility.
	409-10	No fatalities as a result of work-related ill health occurred in 2020. We carry out periodic health risk assessments and implement programs to ensure respiratory, visual and auditory health.

GRI STANDARD	DISCLOSURE	PAGE / DIRECT RESPONSE
GRI 103: Management approach 2016	103-1	51
	103-2	51
	103-3	51
GRI 406: Non-discrimination 2016	406-1	51
GRI 103: Management approach 2016	103-1	33, 51
	103-2	33, 51
	103-3	33, 51
GRI 407: Freedom of association and collective bargaining 2016	407-1	We have not identified any operations or supplier where employees' freedom of association might be at risk.
GRI 103: Management approach 2016	103-1	33, 51
	103-2	33, 51
	103-3	33, 51
GRI 408: Child labor 2016	408-1	We have not identified any operations or suppliers where child labor risks exist.
GRI 103: Management approach 2016	103-1	33, 51
	103-2	33, 51
	103-3	33, 51
GRI 409: Forced or compulsory labor 2016	409-1	We have not identified any operations or suppliers where there might be incidents of forced labor.



GRI STANDARD	DISCLOSURE	PAGE / DIRECT RESPONSE
GRI 103: Management approach 2016	103-1	33, 51
	103-2	33, 51
	103-3	33, 51
GRI 412: Human Rights assessment 2016	412-1	51 / All our sites, especially those in Asia, have been audited to ensure there is no child or forced labor, and that all Human Rights are respected.
	412-2	51
	412-3	33
GRI 103: Management approach 2016	103-1	31
	103-2	31
	103-3	31
GRI 413: Local communities 2016	413-1	31
GRI 103: Management approach 2016	103-1	33
	103-2	33
	103-3	33
GRI 414: Supplier Social Assessment 2016	414-2	33
GRI 103: Management approach 2016	103-1	51
	103-2	51
	103-3	51
GRI 415: Public policy 2016	415-1	Metalsa does not contribute to any political parties or representatives.

GRI STANDARD	DISCLOSURE	PAGE / DIRECT RESPONSE
GRI 103: Management approach 2016	103-1	10
	103-2	10
	103-3	10
GRI 416: Customer health and safety 2016	416-1	10
	416-2	There were no incidents of non-compliance with regulations related to the health and safety of our services in 2020.
GRI 103: Management approach 2016	103-1	10
	103-2	10
	103-3	10
GRI 417: Marketing and labeling 2016	417-1	10
	417-2	There were no cases of non-compliance related to the information of our products during 2020.
GRI 103: Management approach 2016	103-1	51
	103-2	51
	103-3	51
GRI 419: Socio economic compliance 2016	419-1	We comply with local regulations where we operate. In 2020, we had no fine of sanction due to socio economic non-compliances.

# CONTACT

GRI 102-3, 102-5, 102-53

## 2020 GHG EMISSIONS DATA

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## USA SUBSIDIARIES

- Metalsa Structural Products, Inc.
- Metalsa Roanoke, Inc.
- Metalsa Sterling Heights, Inc.

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