



**BUILDING A
SUSTAINABLE
FUTURE**

SUSTAINABILITY REPORT 2023





WE ARE

CUPRUM

HIGHER PURPOSE

Reach the unreachable to create happiness, safety, and well-being.

VISION

To be the industry leader in providing solutions in aluminum and other metals to the markets where we participate.

VALUES

I DO THE RIGHT THING



INTEGRITY

It is the personal choice and commitment to think, speak, and act based on the company's principles and values.

I VALUE AND CONSIDER OTHERS!



RESPECT

Recognizing one's own value and the value of others, considering dignity and compliance with rules.

GOODBYE EGO



HUMILITY

Acknowledging one's own strengths and weaknesses, leveraging them to act for the common good.

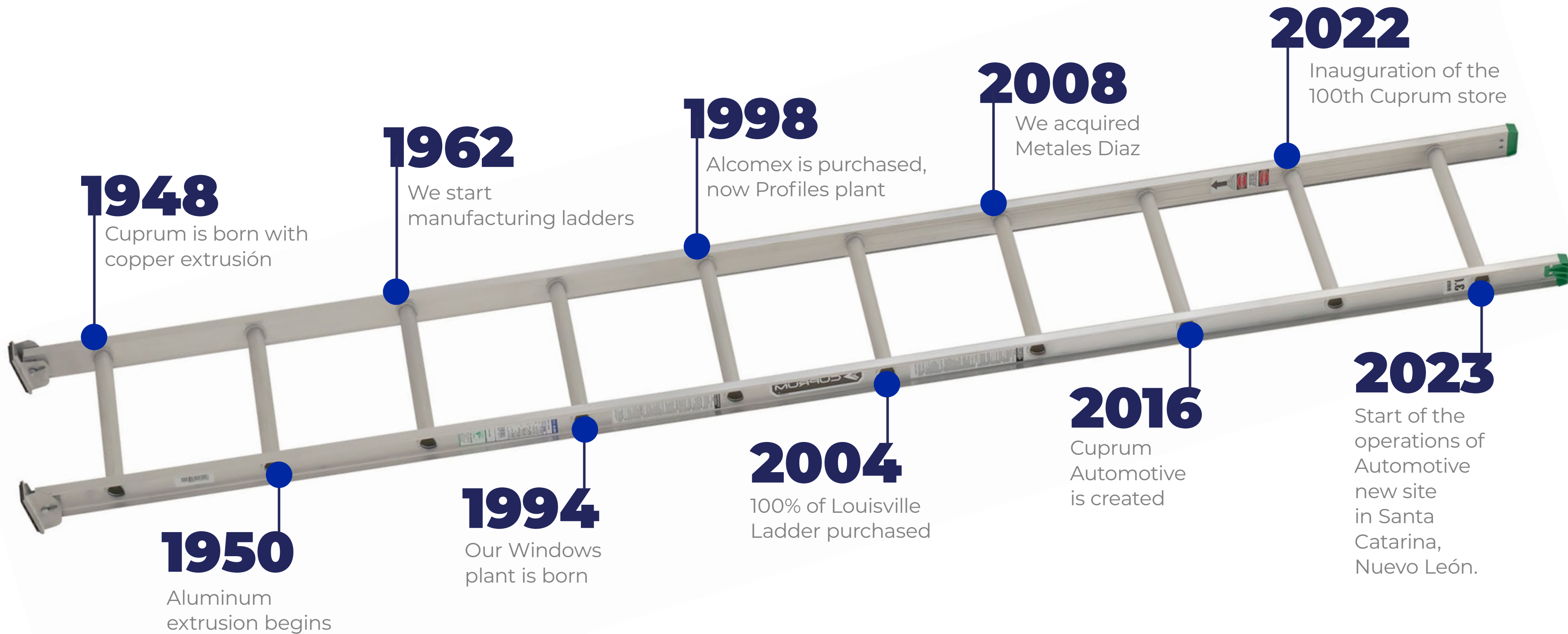
OWN IT!



UNCONDITIONAL RESPONSIBILITY

Commitment of an employee or organization to be accountable for their actions and take responsibility for the results in a transparent manner.

HISTORY





LETTER TO THE

STAKEHOLDERS

Dear readers,

At Cuprum, we create value for all our stakeholders, including our employees, clients, suppliers, shareholders, the community, and the environment. We have firmly embraced the idea of conscious capitalism and sustainability as fundamental pillars in our way of doing business. We are confident that business success and profitability are not solely tied to financial terms, but also to the value we bring to our communities and the planet.

Our strong focus on excellence and well-being has allowed us to continue being the leading aluminum extruder in Latin America, with the highest capacity and market share. We are one of the largest ladder manufacturers in North America, leaders in the window business serving home developers and home centers, and we reach all users of construction products through more than 100 stores throughout Mexico.

One of the most significant milestones this year was the launch of a new site dedicated to the automotive business, developed with the highest standards in technology and efficiency. This strategic investment strengthens our market position and allows us to continue offering innovative, high-quality products to our customers in this sector.

We strive to promote an organizational culture focused on both people and tasks, establishing the foundation where our employees can find satisfaction, self-realization, and hence, be much more competitive in the market. Through our Culture Model, we implement various initiatives that bring us closer to constructive culture, such as Value Conversations, the Recognition Program, the establishment of Collaborative Organizational Objectives, and leadership training, among others.

2023 marked the end of a three-year Culture cycle, where we assessed our progress towards becoming more constructive. Today, we are proud to share that our culture is primarily constructive, with improvements in all 12 behaviors evaluated in our official Climate and Culture survey, increasing constructive styles and reducing defensive styles. This speaks to the balance we are creating in our focus on both tasks and people.

We are committed to leading the way towards a sustainable future in the aluminum industry, integrating environmental care into our operations. This year, we took a significant step with the launch of our Decarbonization project, through which we are defining a long-term path that integrates initiatives, investment, and goals to reduce our carbon footprint and actively contribute to the protection of natural resources.





The safety of our employees is paramount. In 2023, we continued our efforts in this area, integrating technology to improve our management processes through a platform that allows us to identify accident trends and reduce operational risks,

We have increased training and commitment to employee safety at all levels. For the first time, we held the Annual Health, Safety, and Environment Leaders Session, where results, recognitions for best performances, and good practices were shared. Additionally, accountability for results with top management increased, fostering a safe working environment for all our employees.

In terms of Ethics, in 2023, we strengthened our practices by collaborating with third-party experts to identify areas of opportunity in our Ethics Program. Key initiatives implemented included an ethical risk matrix, training, and communication campaigns on anti-corruption practices, conflicts of interest, our whistleblower line, and developing a global Human Rights policy.

Thanks to all of this, and despite the challenging international economic context, our team has demonstrated its ability to face challenges and overcome obstacles. This year marks a year of strength for our organization, integrating sustainability at the core of our operations as an opportunity to innovate, grow, and contribute positively to our environment.

We see an encouraging future for Grupo Cuprum. We will continue striving to achieve the objectives of our long-term plan, seeking greater geographical expansion and accelerated profitable growth. We will also focus on digital transformation and innovation in our products and services and advance towards a constructive organizational culture, all in line with our higher purpose.

We thank our employees for their unwavering commitment, our customers' trust, and our stakeholders' support on our journey towards conscious capitalism. We recognize that we must face these challenges together, and we are committed to continuing our collaboration to build a sustainable, prosperous, and equitable future for all.

Sincerely,

Eugenio Clariond Rangel

Executive Chairman of the Board

Arnulfo Enrique Múzquiz Cantú

CEO



SHARED

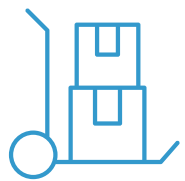
VALUE



GRI 2-1

MARKET PRESENCE

At Cuprum, we generate value by creating innovative products that stand out from the competition, encompassing multiple industrial sectors and prioritizing exceptional attention and full customer satisfaction.



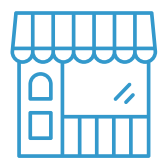
18
DISTRIBUTION
CENTERS

- > 3 Profiles **Mexico**
- > 2 Ladders **Mexico**
- > 8 Ladders **United States**
- > 3 Ladders **Canada**
- > 2 Retail **Mexico**



09
PLANTS

- > 3 Profiles **Mexico**
- > 1 Windows **Mexico**
- > 3 Automotive **Mexico**
- > 1 Ladders **Mexico**
- > 1 Ladders **Canada**



119
STORES

- > 101 Cuprum Stores
- > 18 Metales Diaz



3

W I N D O W

showrooms in **Mexico**.

1

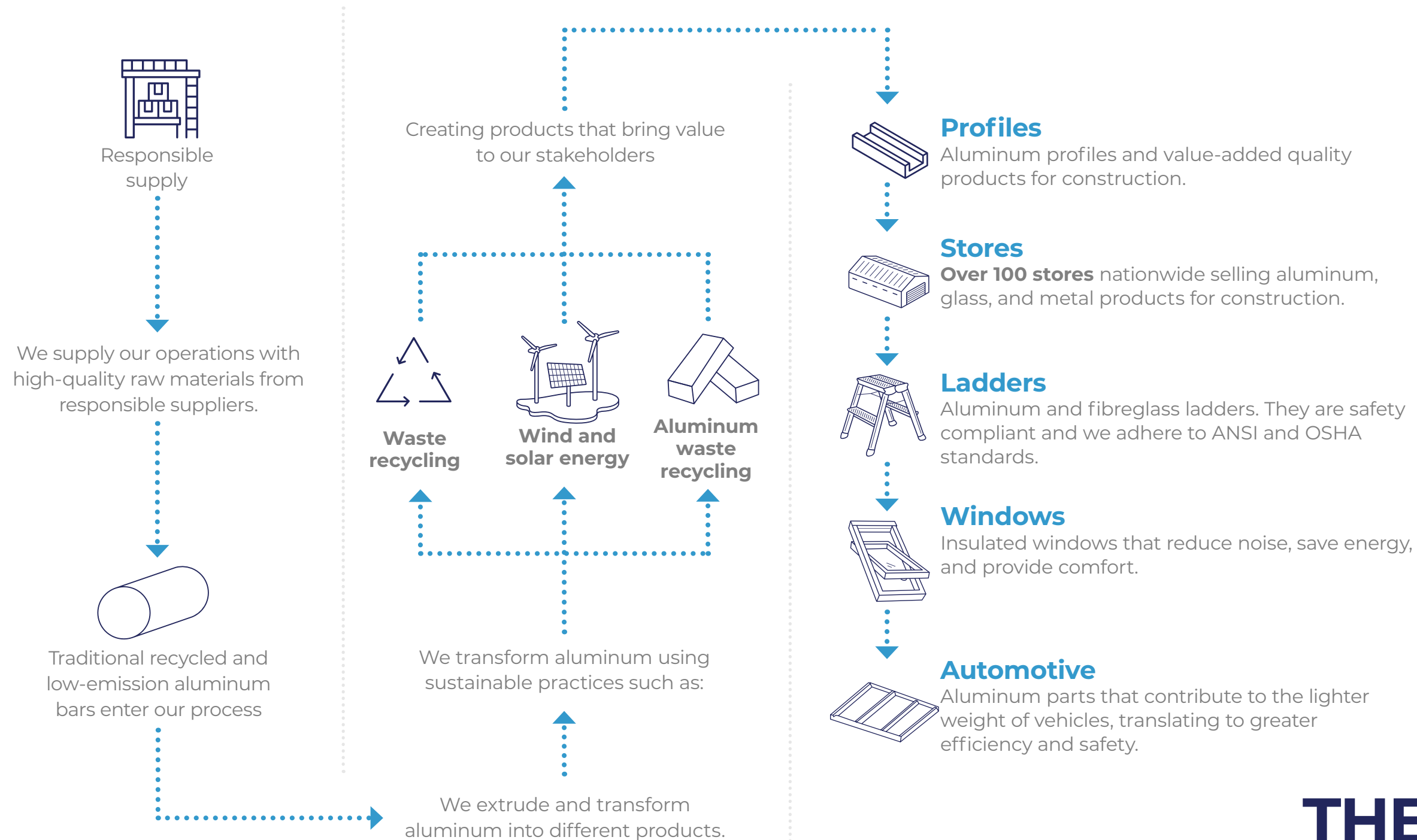
P U R C H A S I N G

office in **China**.

Upstream

Middlestream

Downstream



We always operate in alignment with

Our Code of Ethics

Environmental Footprint: *Minimizing our environmental impacts*

Social Footprint: *Transforming our communities positively, our people, and our communities*

THE ALUMINUM JOURNEY

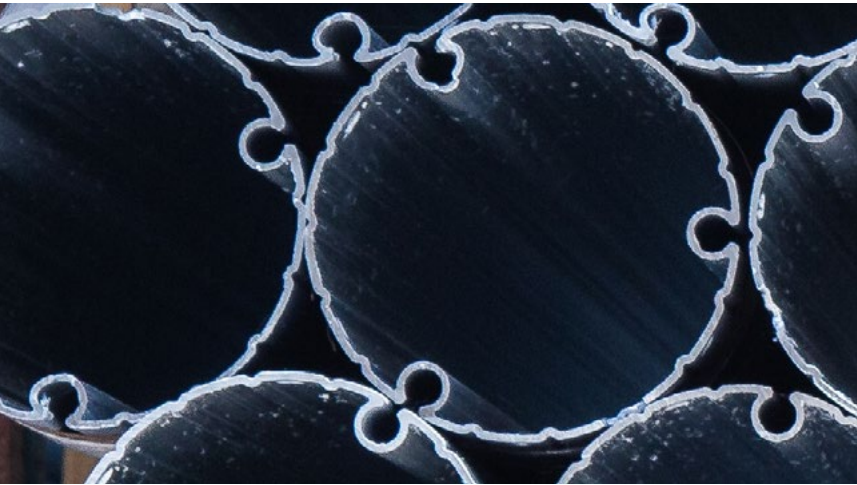


SUSTAINABILITY



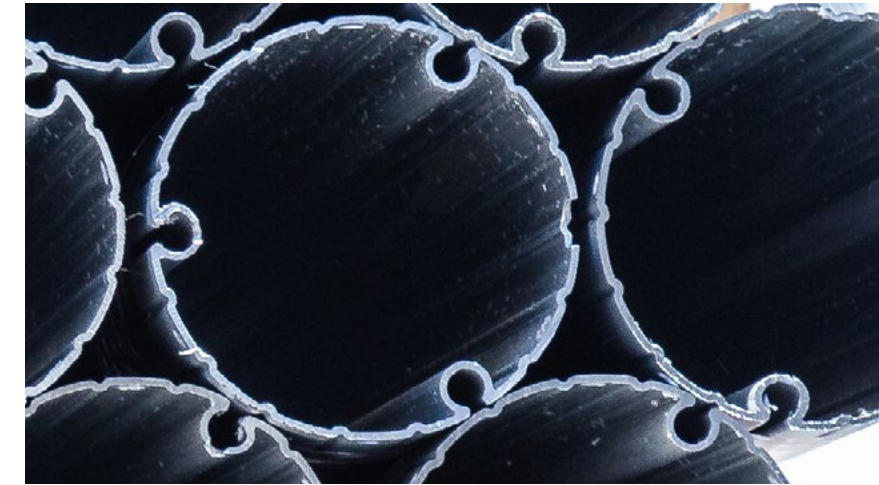
Our higher purpose of reaching the unreachable is employed in all our operations and is a fundamental part of our sustainability actions.

Our sustainability strategy is essential for long-term success and shared value creation in the contemporary business world. Through it, we reflect the company's commitment to properly managing natural resources and social responsibility. By integrating these approaches into our business strategy, we mitigate risks, create an inclusive and diverse work environment, attract talent, and positively contribute to our communities.



HIGHLIGHTS

GRI 2-7, 404-1, 413-1, 305-1



6,489

EMPLOYEES

Leading ladder manufacturer in Mexico and Canada, and second in sales in the U.S. market.

Largest chain of architectural aluminum stores in the world

We are the largest producer of prefabricated windows in Mexico.

Largest aluminum extruder in Latin America

+1.5

million dollars invested in projects for our people

333,702

training hours

6,835

community beneficiaries

+10

strategic community development activities

6.3

million dollars invested in safety, health, and environment

25%

of our vacancies filled with internal talent



We achieved the Bronze recognition due to our outstanding sustainability performance in the Ecovadis evaluation.

We reduced our turnover rate by

14%

in employees and

1.2%

in unionized workers

16%

of our energy consumption comes from renewable sources adding to our goal of

74%

clean energy consumption by 2028.

SUSTAINABILITY STRATEGY

Our sustainability strategy is founded on three pillars that balance economic growth, environmental protection, and social well-being, promoting shared value and aligning our operations with the UN Sustainable Development Goals (SDGs).

SOSTENIBILIDAD CUPRUM




SOCIAL VALUE

Commitment to employees and community

Action lines:

- > Social investment
- > Health, safety, and well-being
- > Culture, diversity, and development



ENVIRONMENTAL VALUE

Natural resource management

Action lines:

- > Energy and emissions
- > Waste management
- > Sustainable products
- > Responsible sourcing



ECONOMIC VALUE

Business integrity and continuity

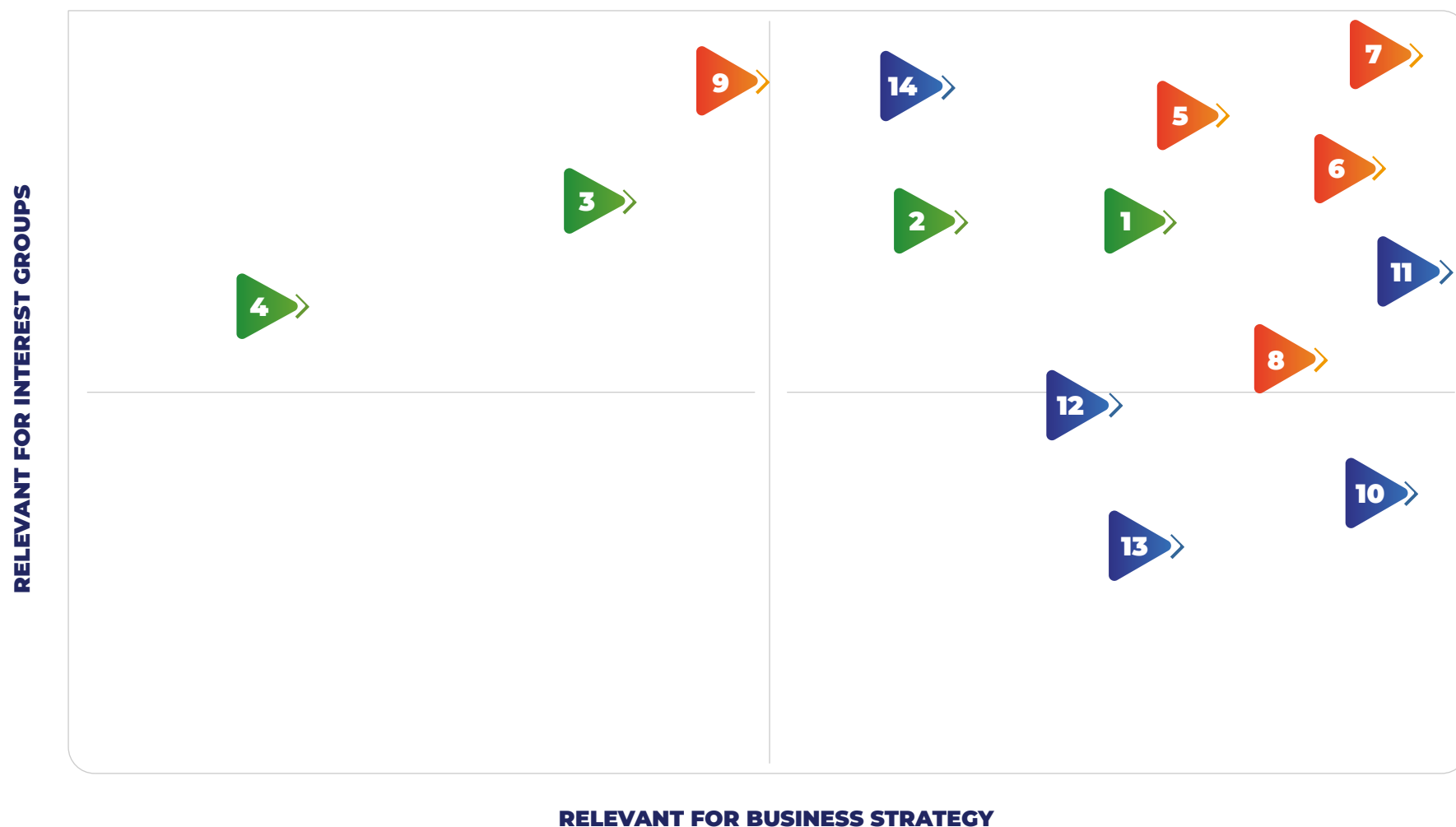
Action lines:

- > Ethics, compliance, and transparency
- > Corporate Governance
- > Risk management



OUR MATERIALITY

Through our materiality study, we identify the priority impacts in financial, social, and environmental matters. This allows us to manage each of these issues in the short and medium term, anticipate and correctly respond to risks for our organization, and generate value for our stakeholders.



ENVIRONMENTAL DIMENSION

- > 1. Energy efficiency and use of renewable energy
- > 2. Climate change mitigation and adaptation strategy
- > 3. Circular economy and waste management
- > 4. Products with sustainable attributes

SOCIAL DIMENSION

- > 5. Customer service
- > 6. Product quality and user safety
- > 7. Occupational health and safety
- > 8. Corporate culture and employee engagement
- > 9. Talent attraction, retention, and development

ECONOMIC DIMENSION

- > 10. Financial strength and flexibility
- > 11. Corporate ethics
- > 12. Transparency and integrity
- > 13. Technology and process digitalization
- > 14. Cybersecurity and information privacy



ECONOMIC

VALUE

SOSTENIBILIDAD
CUPRUM





CORPORATE GOVERNANCE

| GRI 2-9, 2-12, 2-13, 2-14



We recognize the importance of corporate governance in providing the structure and mechanisms necessary to ensure effective decision-making, minimizing risks, and protecting the interests of all stakeholders. Our corporate governance aims to prevent conflicts of interest, promote transparency, and foster a culture of integrity and ethics within the organization.

At **Cuprum**, we adhere to the highest standards of corporate governance, compliance, and transparency with governmental and industry regulations. The Board of Directors is responsible for making high-impact decisions for our stakeholders, as well as ensuring the execution of internal strategies, policies, and guidelines.

We have procedures in place to ensure the proper functioning of our Board, and all members are regularly evaluated. Including independent directors significantly strengthens us by providing a greater diversity of opinions, ensuring more balanced and transparent decision-making.

Our Board of Directors has three committees that function as support entities, helping the Board oversee strategic aspects of the company:

AUDIT COMMITTEE

Oversees and evaluates the company's processes related to risks and any other situation that may affect operations.

PLANNING AND FINANCE COMMITTEE

Responsible for determining the short, medium, and long-term strategic and financial plans.

TALENT AND ESG COMMITTEE

Ensures that the organization adopts best practices in talent management, culture, environmental care, society, and good governance.

We have
54% independent
directors

ETHICS, TRANSPARENCY AND REGULATORY COMPLIANCE

GRI 3-3, 2-15, 2-16, 2-26, 205-1, 406-1, 408-1, 409-1

ETHICS PROGRAM

The Code of Ethics is Cuprum's most important policy, defining the behaviors we expect from all employees. It guides us in creating a safe, inclusive, cordial, and productive work environment.

The **Corporate Ethics Program** establishes policies and provides tools to promote the implementation of the Code of Ethics. In 2023, we focused on three main areas:

COMMUNICATION

We disseminated our Code of Ethics through various channels, including email communications, meetings, forums, and operational boards, as well as continuous projections on our cafeteria screens.

TRAINING

We conducted inductions for new employees, continued e-learning for active employees, and held an annual meeting with strategic suppliers, requiring them to sign compliance with the Code of Ethics and Conflict of Interest.

CONTINUOUS IMPROVEMENT

In 2022, an external expert evaluated the maturity of our Ethics Program, generating an action plan to ensure the best practices. This year, we continued to follow this plan with the Audit Committee and will renew this analysis every three years to identify new areas for improvement.

Through these three areas, we aim to eliminate any form of corruption, discrimination, labor relations issues, fraud, and poor environmental and safety practices at all levels of Cuprum, from corporate decisions to daily conduct.

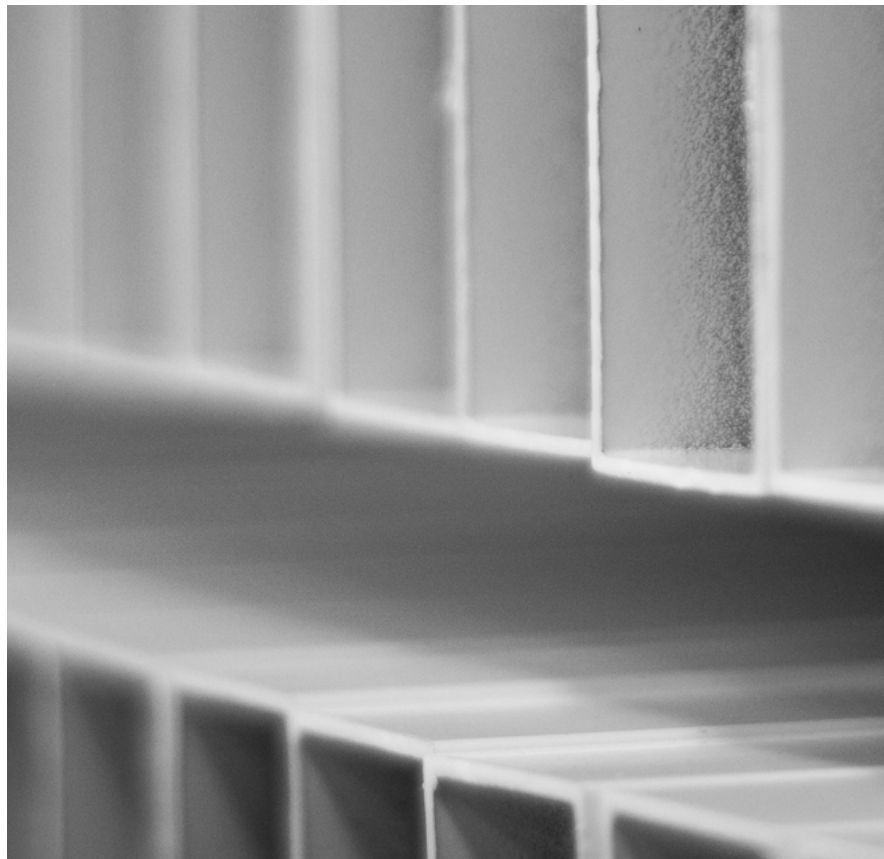
ETHICS COMMITTEE

Integrated into the Audit Committee, the ethics committee ensures transparency and monitors the internal regulations of the organization, as well as the corporate reporting processes.

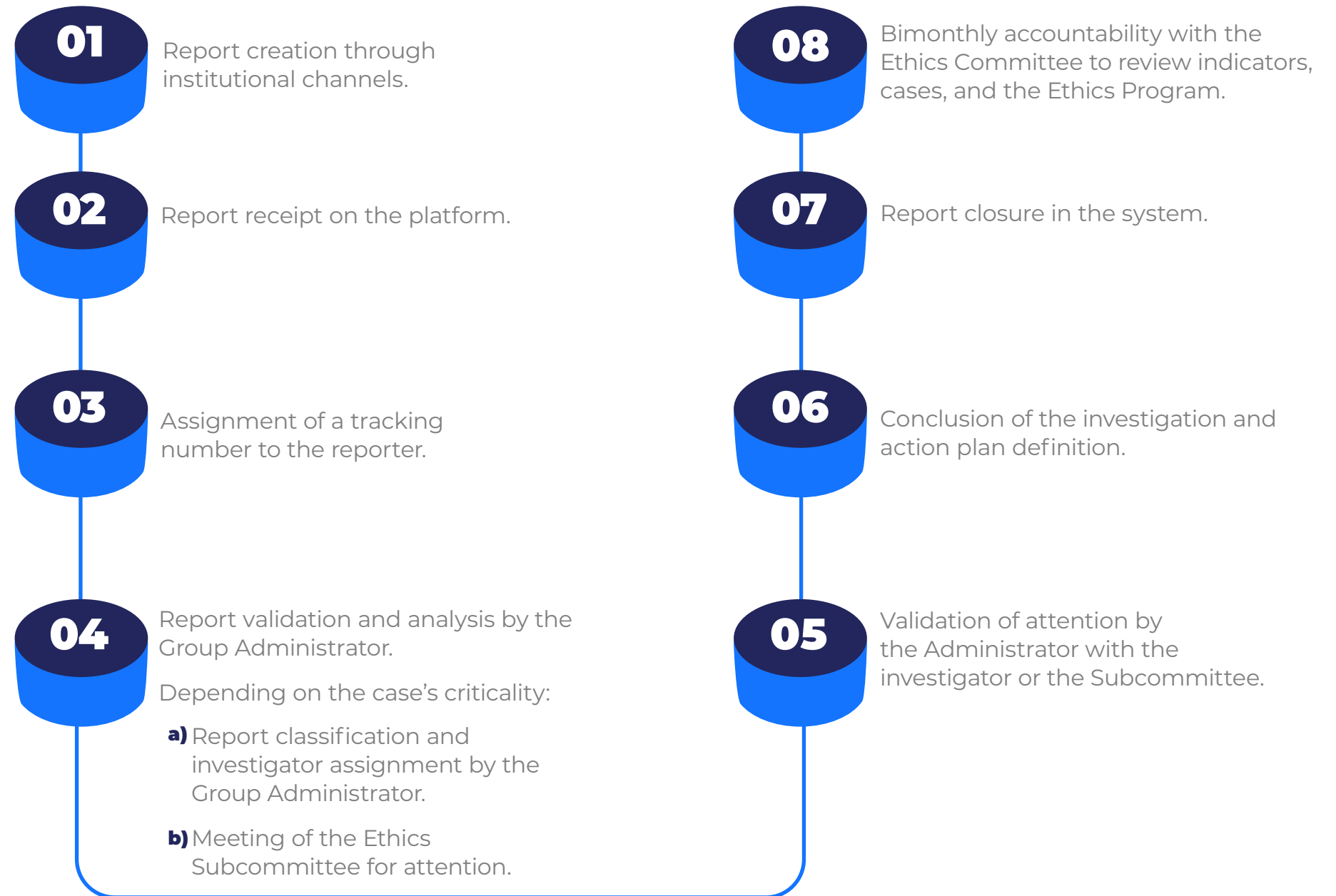


REPORTING SYSTEM

To ensure our practices and adherence to our Code, we have a reporting **system** available to our entire value chain and anyone who identifies breaches of the Code.



REPORTING PROCESS



REPORTING CHANNELS

APP

LETICA

Google Play App Store

followed by the company name:
grupocuprum

HELP LINE

800 00 CUPRUM
(800 00 287786)

WEBSITE

letica.mx/grupocuprum

INTEGRITY MAILBOX

www.cuprum.com/codigo-de-etica

REPORTS BY TYPE:



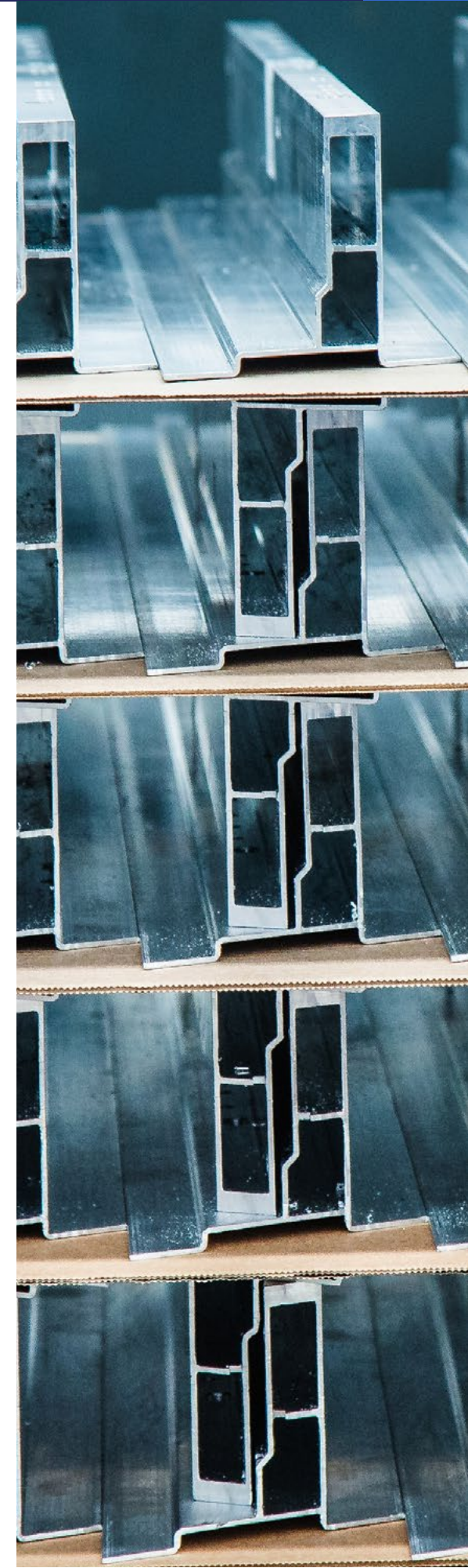
EMAIL

grupocuprum@letica.email

WHATSAPP

811 917 9005

- Labor relations
- EHS
- Conflict of interest
- Fraud
- Theft
- Misconducts



REGULATORY COMPLIANCE

| GRI 3-3, 2-23, 2-24, 2-27, 205-1, 205-2, 418-1

With our Compliance Program, we continuously identify, measure, and analyze Cuprum's ethical and compliance risks. We periodically monitor all our relevant policies, including:

ANTI-CORRUPTION GUIDELINES

Implementation of standards, processes, and training and communication programs to combat all acts of corruption within Cuprum and with third parties.

PERSONAL DATA PROTECTION

Develop policies and procedures to ensure the protection of the personal information of customers, suppliers, employees, applicants, visitors, and all groups whose data is handled by Cuprum.

MONEY LAUNDERING PREVENTION

Identification, evaluation, and establishment of necessary measures to mitigate risks associated with receiving cash and its origin.



We conducted a self-assessment to identify, measure, and analyze our strengths and opportunities in business integrity. Based on our results, we established strategies in two specific areas: Integrity and Compliance Program Elements and Risk Assessment, these strategies include:



Employee training and awareness



Comprehensive ethical risk evaluation



Encouraging corporate social responsibility



Strengthening supervision and monitoring of sensitive activities



Promoting transparency and information disclosure

This year, we incorporate culture towards regulatory compliance. Our main goal was to integrate all employees into the compliance culture, which we achieved by disseminating the importance of proper controls and how everyone participates from different areas of the company.



ENVIRONMENTAL



SOSTENIBILIDAD
CUPRUM



VALUE



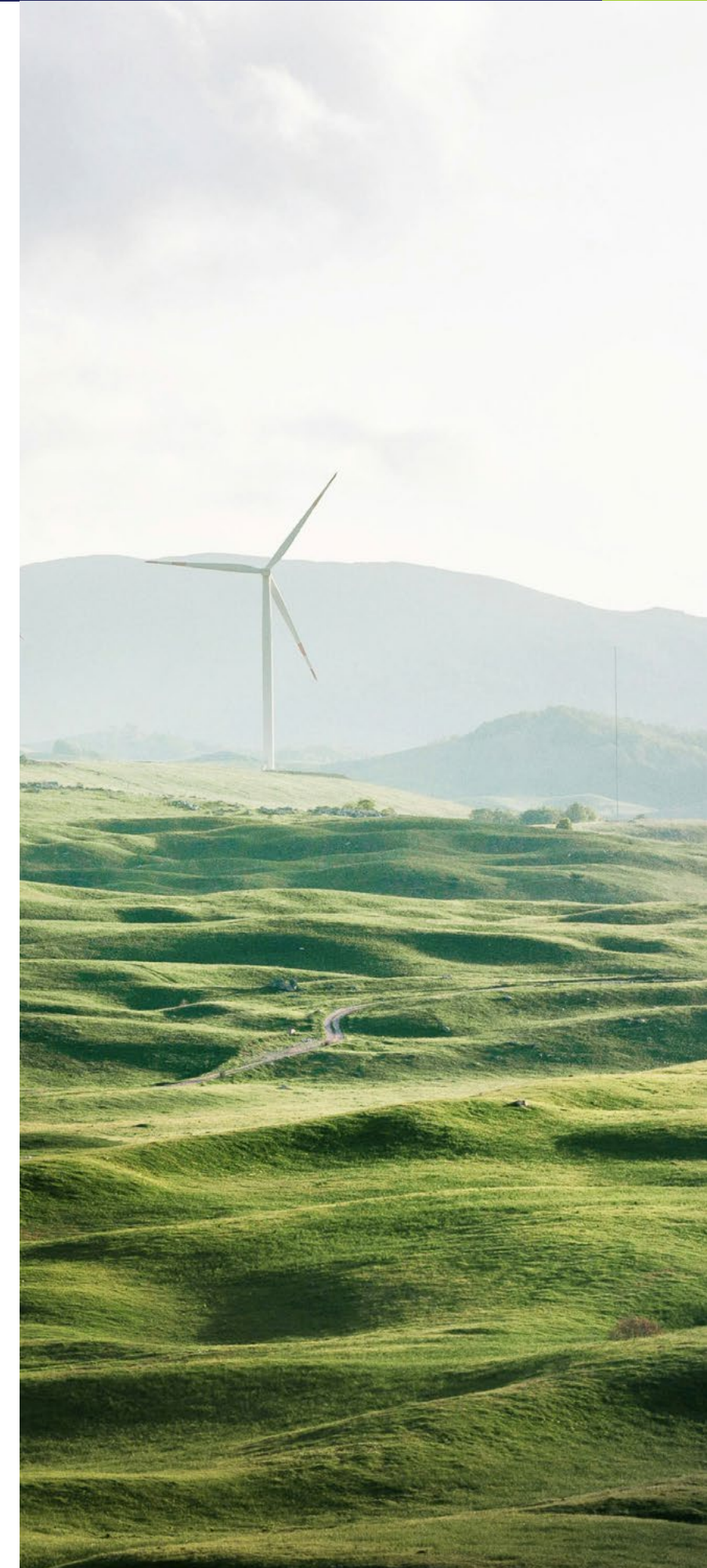
ENERGY AND EMISSIONS

| GRI 3-3, 201-2, 302-1, 305-1, 305-2

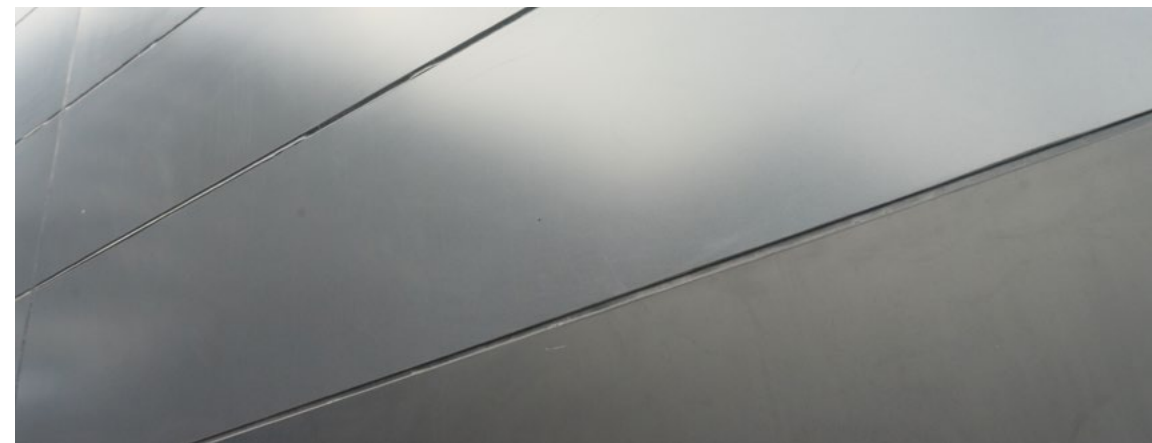
Reducing emissions and using alternative energy sources are fundamental to our sustainability strategy. Our actions aim to positively impact climate change and the environment, as well as within the organization.

We have taken various measures to ensure better energy management, which we constantly and carefully monitor. In our sector, energy consumption has a significant impact, making it imperative to adopt these measures to mitigate them.

By transparently reporting these indicators, we demonstrate our commitment to accountability to our stakeholders and identify opportunities for improvement and efficiency in our processes, contributing to reducing our environmental footprint and building a more sustainable future.



DESCARBONIZATION CUPRUM PROGRAM



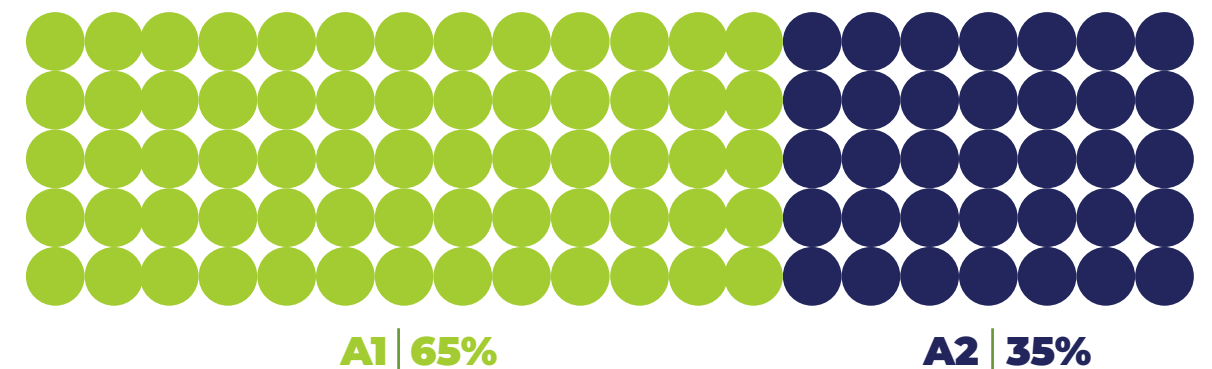
In 2023, we initiated our Decarbonization Program to mitigate the environmental impact of our operations and join global efforts to stay below the 1.5° increase in global temperature.

We will implement a strategy through phases, including setting goals aligned with international standards, such as Science-Based Targets and the Net Zero initiative. Initially, with the help of an expert, we analyzed our operations to create an emissions inventory. The thorough review of the process helped us identify reporting opportunities. We included awareness and training sessions for leaders responsible for managing indicators and those involved in the operational process, identifying requirements, risks, and opportunities associated with climate change.

The **Decarbonization Program** represents a significant step for Cuprum in reaffirming our commitment to ensuring a sustainable future.

As part of governance, a quarterly reporting schedule was defined, where progress on the program and necessary investments to achieve the goals will be reviewed quarterly with the Chairman of the Board of Directors and the CEO of Cuprum and with the ESG Committee of the Board. Next year, we will repeat this process, integrating the emissions of our value chain.

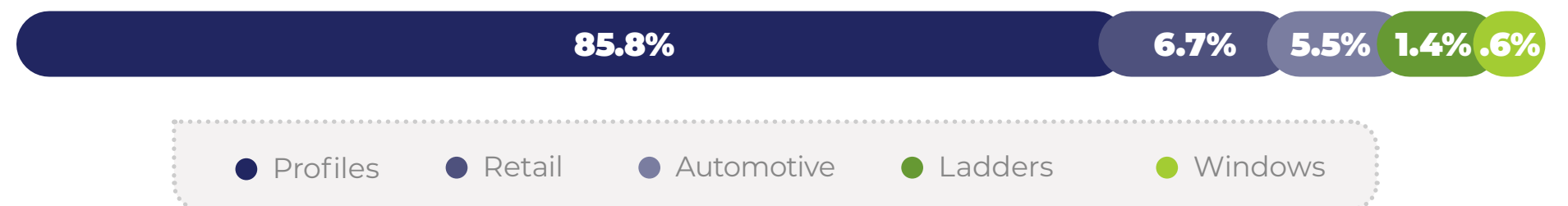
EMISSIONS BY SCOPE



Our emissions include:

- A1:** Consumption of natural gas, LP gas, gasoline, diesel and refrigerant gases.
- A2:** Electricity consumption.

EMISSIONS BY BUSINESS UNIT

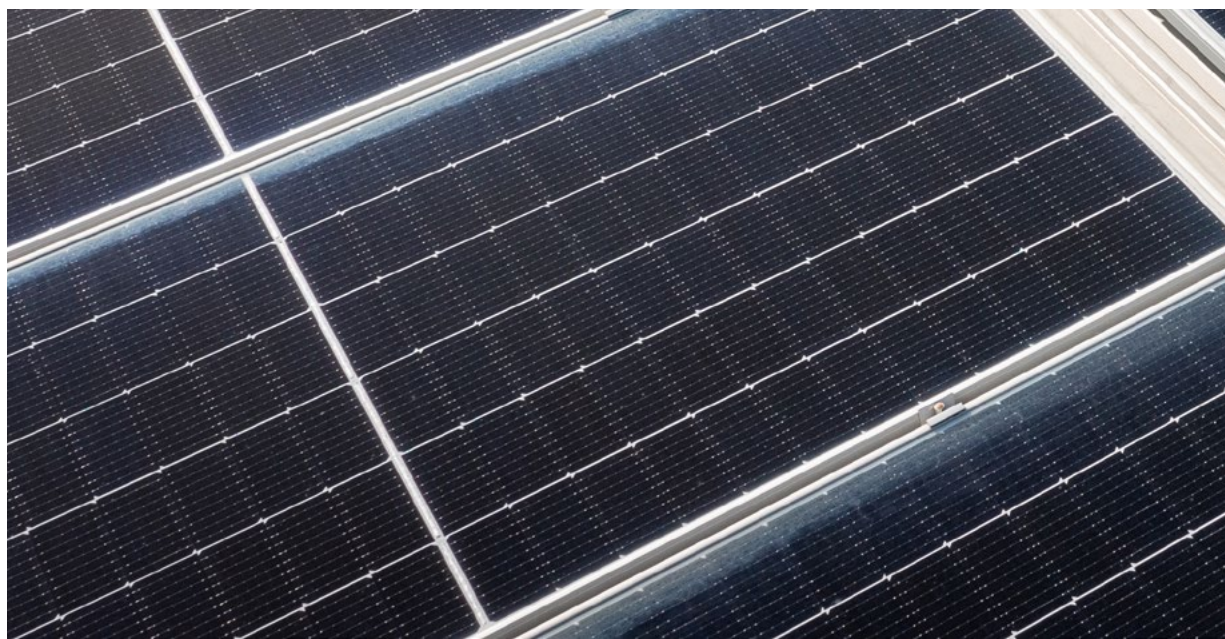




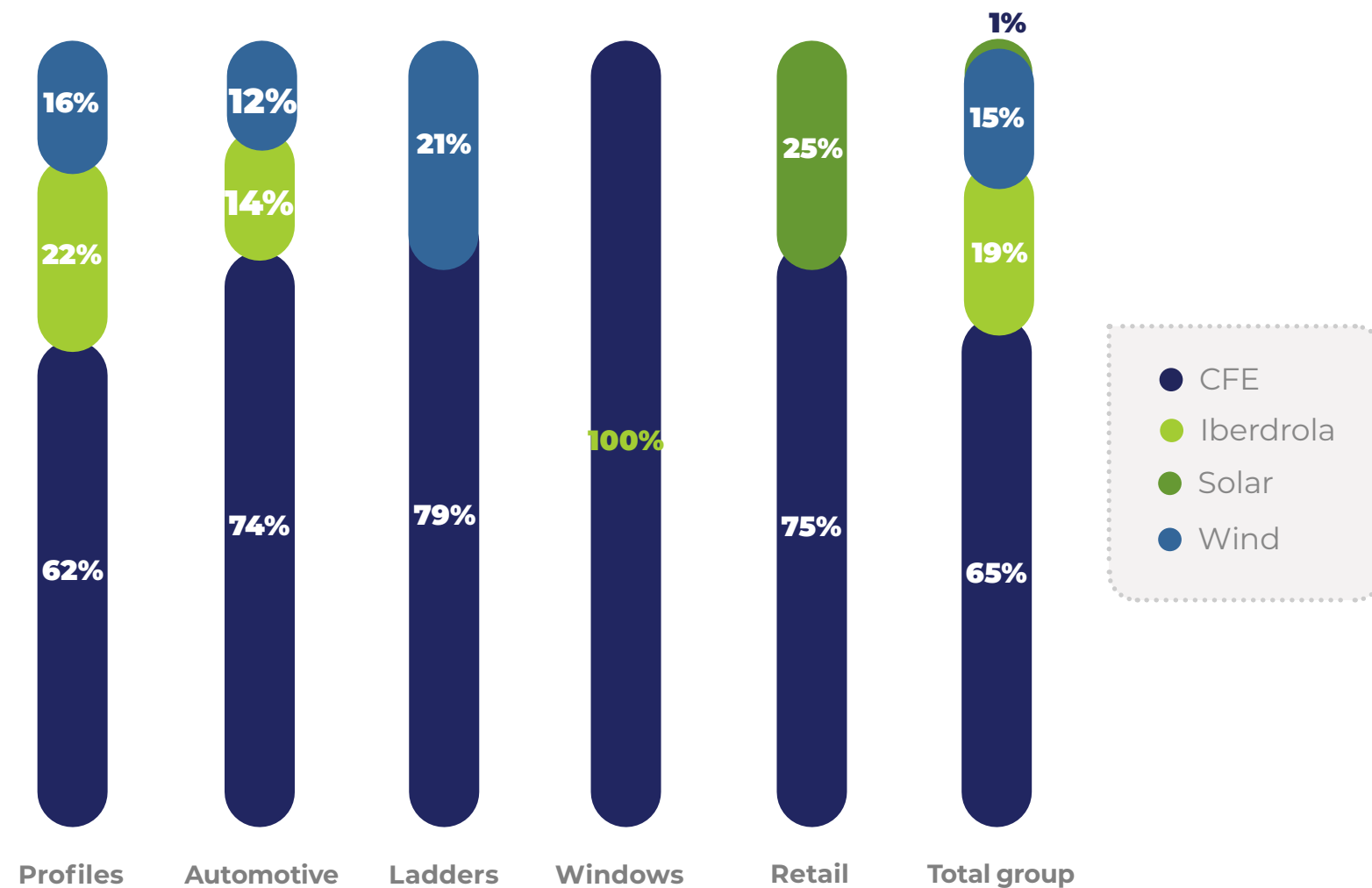
ENERGY

We are strongly committed to using clean energy, and this year, we modified our energy portfolio and key suppliers to reduce our dependence on fossil fuels.

We are currently in the process of an energy transition, which involves fluctuations in our portfolio. This change will be crucial for our operations in the coming years.



ELECTRICAL ENERGY CONSUMPTION BY SOURCE



We are currently in the process of energy transition to align it with our strategic goals linked to sustainability. By normative, during the supplier transition we switched to CFE, reducing our consumption of renewable sources. This new portfolio will enable us to consume 70% clean energy compared to the previous 55%.

Our efforts span all sectors of the organization. In addition to our electricity consumption, we evaluate how we can make operational improvements in each operation. For example, in the development of new operations, we seek equipment with higher capacity and energy consumption optimization, including efficient motors and magnetic ovens.

WASTE MANAGEMENT

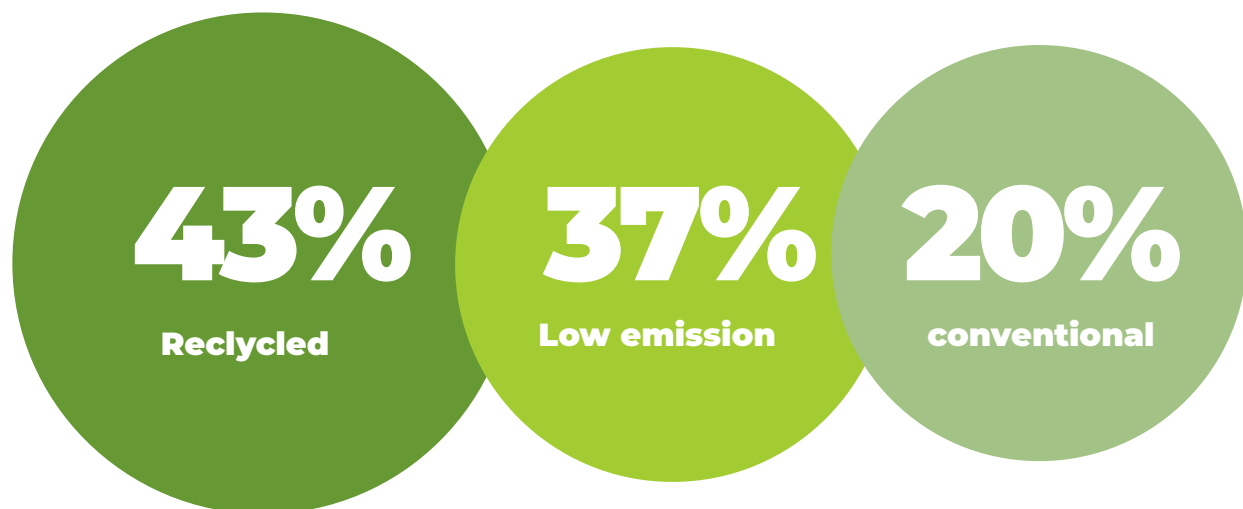
GRI 3-3, 301-2, 306-1, 306-2, 306-3, 306-4, 306-5

Our recycling efforts have brought environmental and economic benefits by reducing waste disposal costs, minimizing waste, and maximizing resource use.

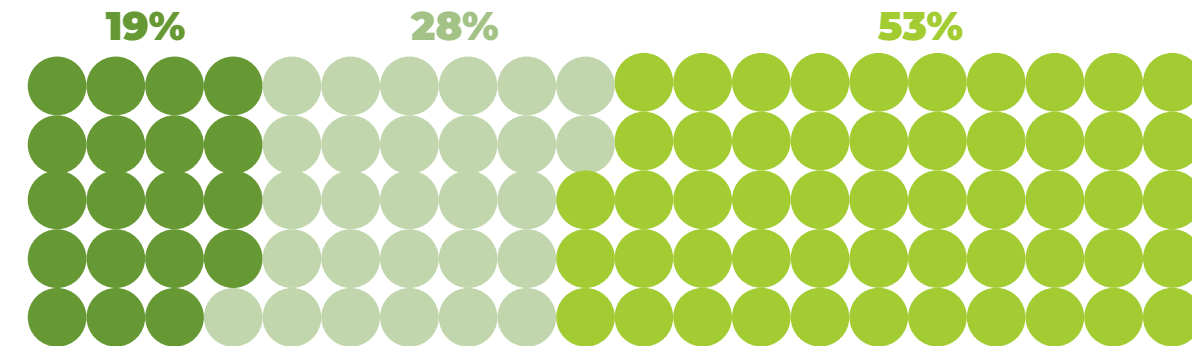
We recycle aluminum and other materials used in our operations, such as plastics, cardboard, and paper. We classify our waste and send it to specialized recycling facilities.

This year, we implemented a soda recovery system in one of our plants, allowing us to recover around 80% of the soda used in the die-cleaning process. This innovation reduces the costs associated with chemical disposal and contributes to environmental sustainability.

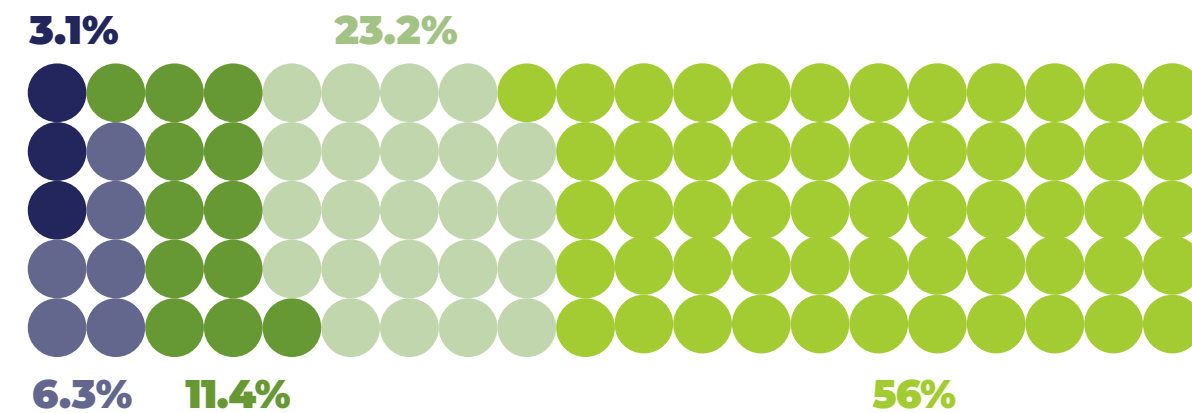
ALUMINUM CONSUMPTION



NON-DANGEROUS WASTE BY DESTINATION



DANGEROUS WASTE BY DESTINATION



- Incineration
- Landfill
- External confinement
- Reuse
- Recycling

80% of our aluminum consumption comes from low-impact sources.



SOCIAL

VALUE

SOSTENIBILIDAD
CUPRUM
— ♻️ 🌱 ♀️ —

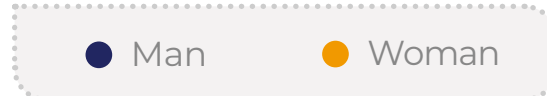
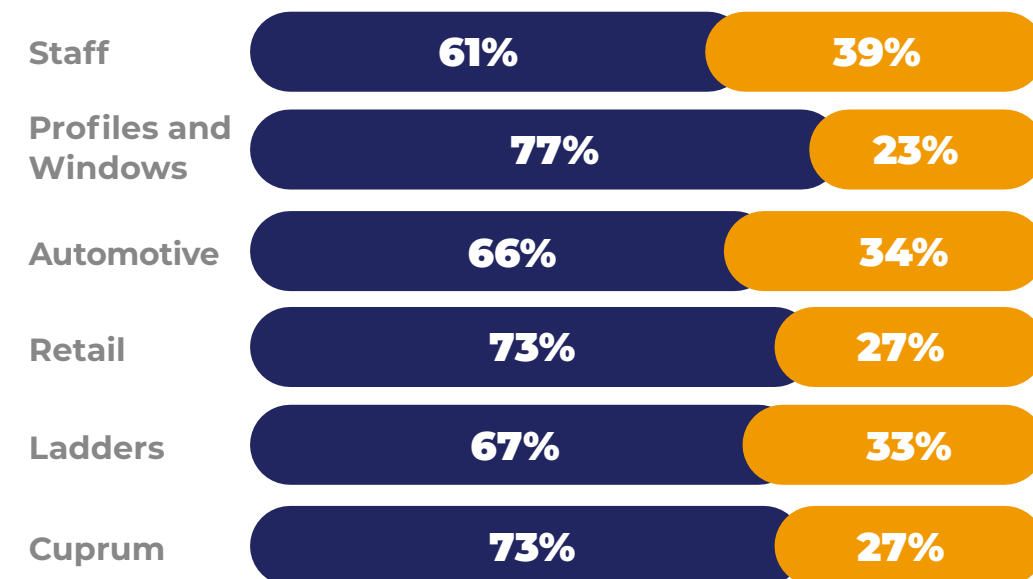


OUR TALENT

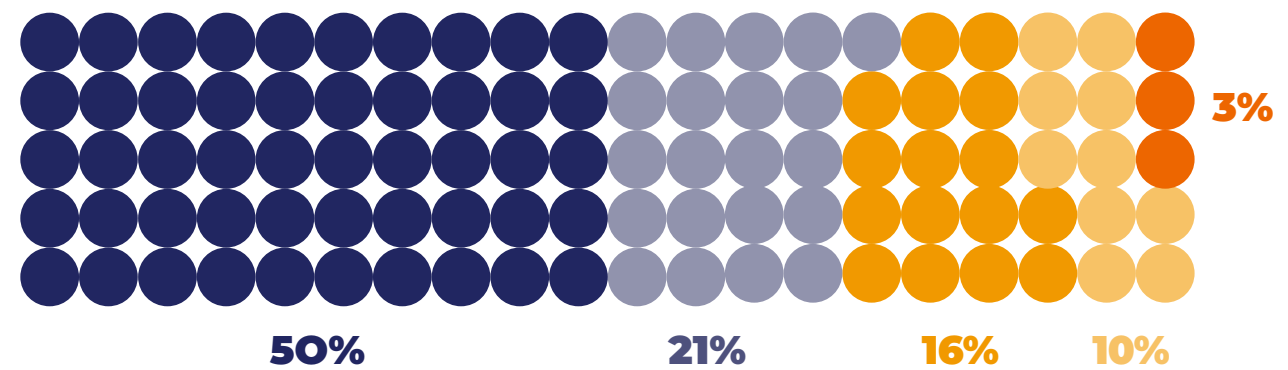
| GRI 2-19, 3-3, 2-7, 405-2

Employees are invaluable to Cuprum; they drive us toward success and sustained growth. Their dedication, skills, and commitment are fundamental to achieving our goals and overcoming challenges.

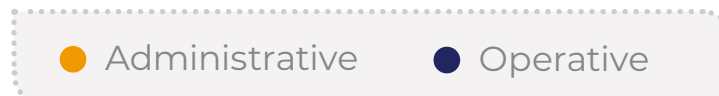
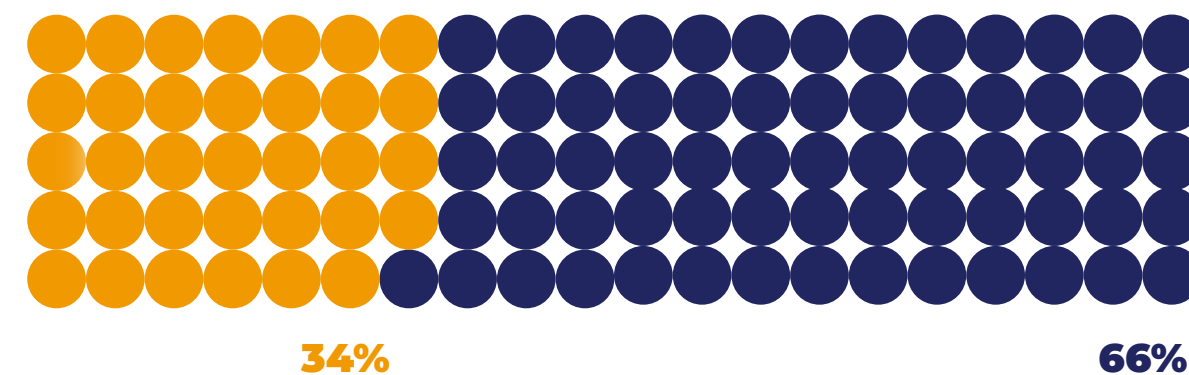
One of our main objectives is to provide dignified, safe, and well-being-oriented working conditions, that allow everyone to develop personally and professionally.



EMPLOYEES BY BUSINESS UNIT



EMPLOYEES BY EMPLOYMENT



BENEFITS FOR OUR EMPLOYEES

In the labour market context, we set the challenge of ensuring our competitiveness and leadership. We began a diagnostic and comparative analysis process to identify improvement opportunities in benefits and compensation that aligned with our organizational development and recognition objectives for our employees.

We implemented significant changes in our compensation and benefits strategy:



Redefined performance and results bonuses, integrating more eligible employees



Expanded major medical expense coverage



Established an agreement with an external provider to strengthen the benefits package offered to employees in key areas such as health insurance

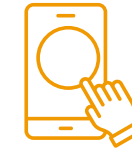


Adapted our economic recognition mechanisms to align them with individual performance



Adjusted the bonus systems to reward performance without penalising individual effort.

In 2024, we will work on:



Communicating and providing access to information about current benefits through systematization and digitalization, giving employees instant access through a mobile app. This rollout will continue throughout 2024.



Flexible benefits program to address the individual needs of each collaborator and personalize their compensation according to their needs and preferences.

INTERNAL TALENT: PROMOTING GROWTH

We promote internal mobility through our Cuprum Carriers platform, where we encourage and facilitate using internal talent to fill vacant positions. This platform allows employees to apply internally for new job opportunities, thus promoting a culture of professional development and growth within the organization. We value transparency throughout the process, providing constructive feedback to employees who are not selected and helping them align their career paths and professional goals.

We fill 25% of our vacancies with internal talent.

TALENT DEVELOPMENT

| GRI 3-3, 404-1, 404-2, 404-3

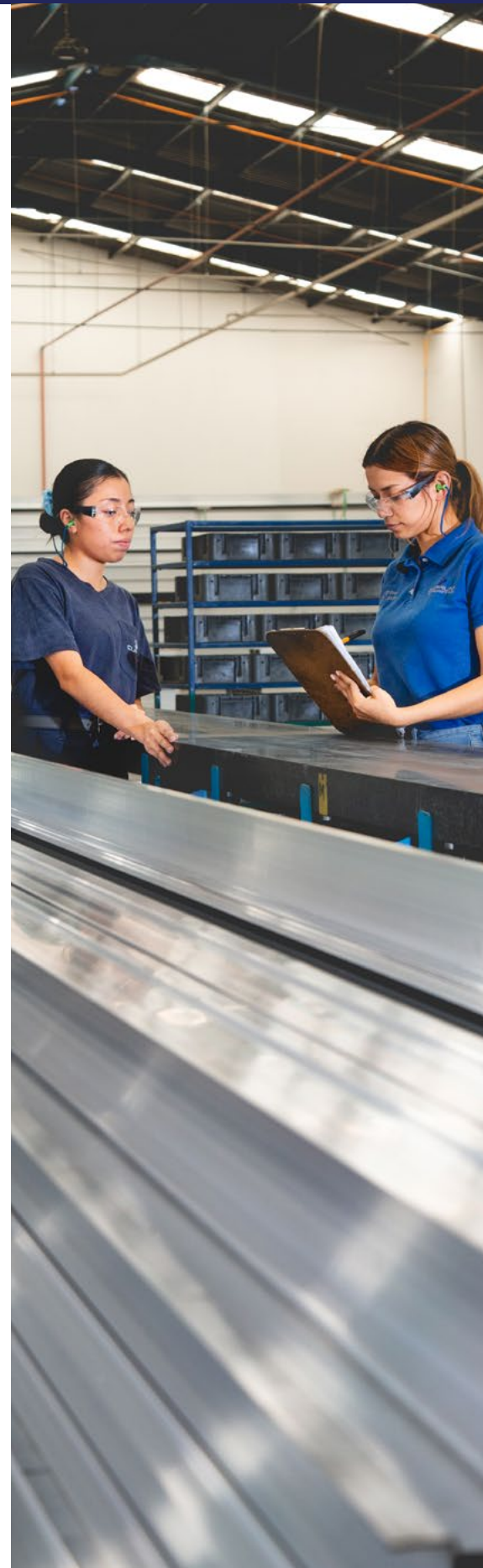
Developing our employees continues to be a fundamental pillar for Cuprum. We carry out a continuous process, adding new tools and mechanisms over the years to ensure the optimal use of our talent.

In 2023, we emphasized strengthening managerial competencies through platforms such as mentoring, coaching, e-learning, and LinkedIn Learning courses, reinforcing our commitment to the professional development of our employees by focusing on performance evaluation and individualized development plans. Thanks to access to digital learning resources, we have seen an increase in self-training, providing employees with the necessary tools for their personal and professional development autonomously.

LinkedIn recognized Cuprum nationally as one of the top users of its development tools.

LinkedIn recognized Cuprum nationally as one of the top users of its development tools.

This recognition represents a significant achievement for us, as it reflects that we are maximizing the potential of the available resources and effectively capitalizing on the opportunities offered by the platform.



PERFORMANCE EVALUATION

Through the Performance Management Process (PADE), we evaluate employees' individual performance twice yearly.. This strategy helps us identify training needs and areas for improvement.

This process consists of evaluating individual objectives, 360° values assessment, and competencies evaluation. It is approached from three different perspectives:



Self-assessment



Evaluation by peers, clients, or team



Leader evaluation

The results help us ensure the development of our employees and are processed in the **SELT** program and **Development Plans**.

SELT

The Strategic Leadership and Talent Sessions (SELT) were created with the objective of having the necessary talent portfolio to achieve our strategic objectives. Our development plans, performance improvements, and succession planning reflect the results.

With this methodology, we individually evaluate performance and potential variables using the 9-box methodology. We obtain individual performance directly from the evaluation, while the potential is defined by identifying qualities in the employee such as leadership, motivation, commitment, learning ability, self-awareness, among others.

DEVELOPMENT PLANS

Development plans are carried out alongside **Speaking with candor** and allow employees to improve or acquire new competencies in their current position, as well as analyze their development preferences to achieve a future role.

Employees work with their direct leader on the competencies to be developed. The plans are created using the **70.20.10 methodology**:



Progress is tracked semiannually through an online platform, where they have access to free courses focused on technical and soft skills.

CAREER PATHS

These paths suggest the development an employee can have within the organization. They detail the necessary attributes for each position to provide a guide for focusing development plans.

This initiative capitalizes on the knowledge gained from our talent processes, such as Performance Evaluations, SELT, and Development Plans, guiding us toward future decisions in the development of our employees. Through this approach, employees can consider the organization's suggestions or explore other positions of interest, preparing for them by reviewing their education, technical competencies, and soft skills, and the critical experiences required for each position.

In 2023, we focused not only on divisional paths but also on cross-functional paths. This approach allows employees to have a growth line within their division and gives them the opportunity to explore and grow in related areas. This simplifies the professional development process and promotes an environment conducive to growth and job mobility within the organization.

Career paths

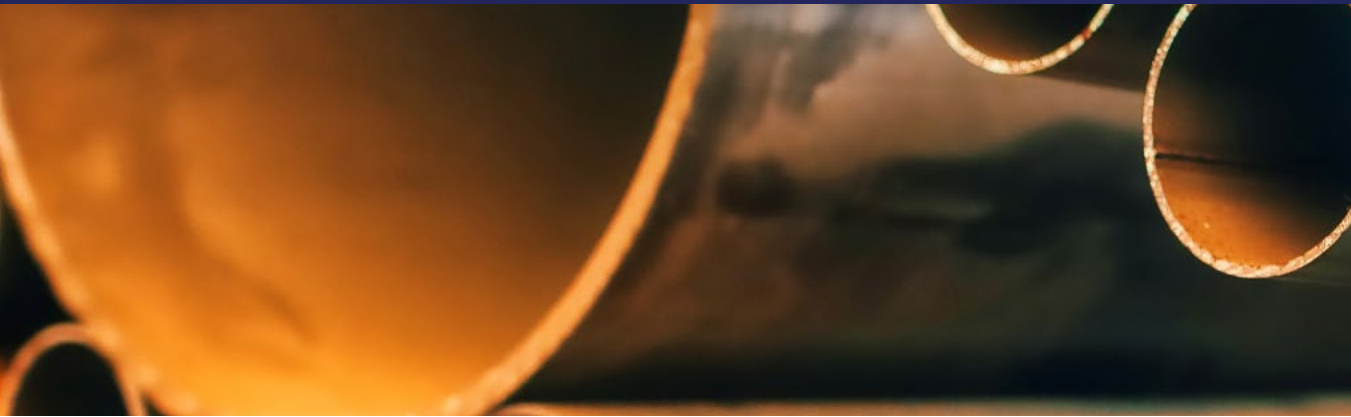
100% Complete

Transversal paths

97% Complete

3%

On-going



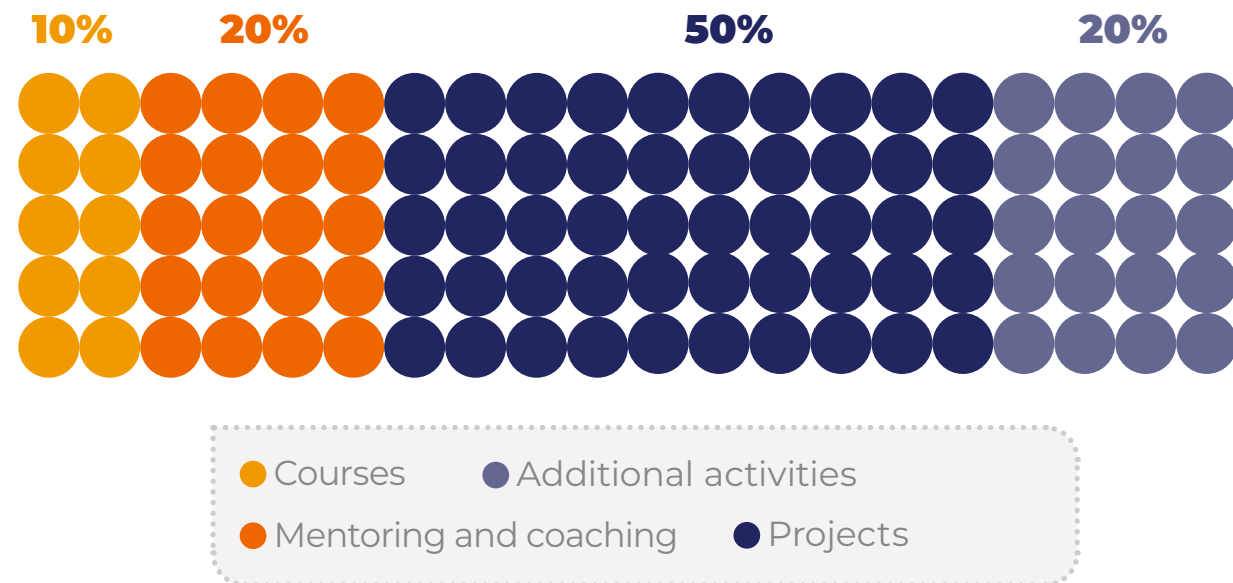
CONSCIOUS LEARNING

We place great value on carefully analyzing learning models and ensuring that content and practice are suitable for any competency. For this reason, we have compiled various learning models that allow us to guide any program or course.

LEADERS IN DEVELOPMENT

Through this program, we strengthen our partnerships with universities. Students who intern with us lead and manage projects that significantly impact Cuprum. In this way, they develop human and technical competencies useful in their professional careers.

Their development is divided into:



STEP 00

AWARENESS

Through a **process of introspection**, the collaborator determines which competency they will practice and with what means.

STEP 01

TRAINING

The **collaborator acquires knowledge** through in-person courses, online courses, readings, and targeted, specialized videos.

STEP 02

TURNING POINTS

The collaborator encounters a **novel situation** that changes their conventional way of thinking. Therefore, they expand their mental horizons and seek innovative and more effective approaches to tackle the challenge.

STEP 03

OPPOSING PERSPECTIVES

The collaborator meets with people who have different views, opinions, backgrounds, and training, **challenging their mental frameworks** and ensuring that they explore new ways of seeing the world.

STEP 04

ELEVATED SENSE

The collaborator is invited to a mentoring process in which they internalize and extract the meaning from these new perspectives and experiences. Thus, a broader and **more advanced version of the world emerges**, gradually settling in.

TECHNOLOGISTS PROGRAM

This year, we started developing the Technologists Program, which emerged from identifying **crucial positions within the organization**, especially those linked to critical processes for Cuprum, such as aluminum extrusion.

The main objective is to ensure operational continuity and facilitate effective knowledge transfer within the organization. By identifying these strategic roles, we are immersed in the process of designing the development and training strategies necessary for the involved employees.

INSTITUTIONAL PROGRAMS

In addition to our digital platforms aimed at self-learning, we have programs that help us develop and enrich our team members' technical and human competencies.

- **ICAMI**
- **IPADE**
- **LEADERSHIP PROGRAM**
- **HIGH-PERFORMANCE SALES**
- **ENGLISH**
- **EXECUTIVE PROGRAMS**
- **EXTRUSION PROGRAMS**

13,348 training hours from these programs.



HIGH-COVERAGE OFFERING

We meticulously track all employees' training needs identified in the development plan. We offer in-person training and training through the **THINK and LinkedIn Learning** platforms, which provide a wide range of courses, covering both human competencies such as leadership, teamwork, and assertive communication, and technical competencies such as Six Sigma, Excel, and PowerPoint.

To date, we have distributed 1,600 LinkedIn Learning licenses among administrative and operational staff.

To date, we have distributed 1,600 LinkedIn Learning licenses among administrative and operational staff.

333,702 total training hours

59 average training hours per collaborator

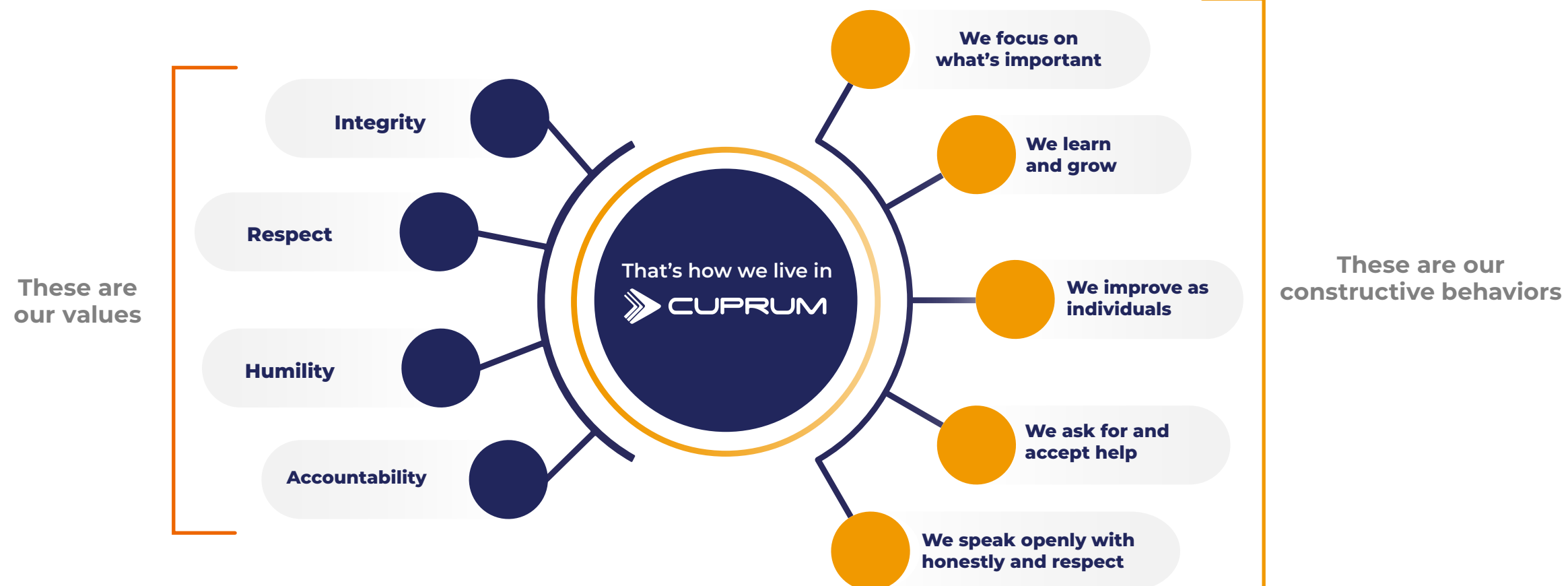
CULTURE AND EXPERIENCE

We strive to cultivate a constructive culture in our daily interactions, allowing employees to find satisfaction and self-fulfillment. To this end, we have created a Culture Model that defines the fundamental behaviors guiding the development of conscious leaders and promotes collaboration and closeness among all Cuprum employees and our various stakeholders.

A SIMPLE WAY TO UNDERSTAND OUR CULTURE

**REACH THE UNREACHABLE TO CREATE
HAPPINESS, SAFETY AND WELL-BEING**

Our higher purpose



These are our values

These are our constructive behaviors

2023 CLIMATE AND CULTURE SURVEY



This year, we used the official tool to measure our culture. Every three years, we conduct this assessment to identify the type of culture we promote within the organization. One of our greatest achievements this year is that our predominant culture is constructive. We have also improved in all 12 styles measured by this tool. Overall, we are more constructive and less defensive.

2023 marked a milestone within the organization as it of the three-year culture cycle. This allowed us to reflect on whether we achieved the established goals, and with great pride, we can say that we achieved our objectives thanks to the collaborative effort over these years.



SPEAKING WITH CANDOR

Throughout 2023, we continued our Speaking with Candor, provides the necessary elements to maintain relevant and valuable dialogues, enabling us to make quick decisions and improve our personal connections. This year, we focused on implementing this practice at the management level.

Tipos de conversaciones:



CHECK-IN

Conversations to catch up with the team, adjust or set priorities, and discuss recent activities.



RECOGNITION

Dialogues to sincerely appreciate individual support and contributions, and recognize outstanding skills and competencies in a project.



DEVELOPMENT

Conversations aimed at identifying strengths and areas for improvement and providing opportunities to acquire new skills for personal fulfilment.



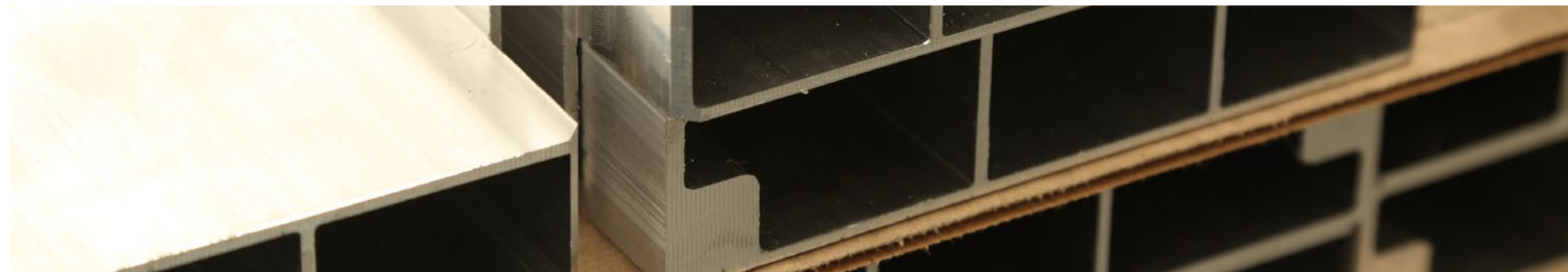
DIFFICULT

These conversations help improve collaboration and interpersonal relationships, and strengthen two-way communication. We address relevant performance topics where support is needed to receive guidance and recommendations.

WE SPEAK FROM THE FRONT WITH HONESTY AND RESPECT



The results obtained contribute to more effective management aligned with organizational objectives, strengthening management's impact on performance and Cuprum's culture.



1,799 hours of training in Speaking with Candor.



ENABLERS

Learning labs focused on practicing *Speaking with Candor* are targeted at directors, managers, and supervisors.

SPEAKING WITH CANDOR FOR EXECUTIVES



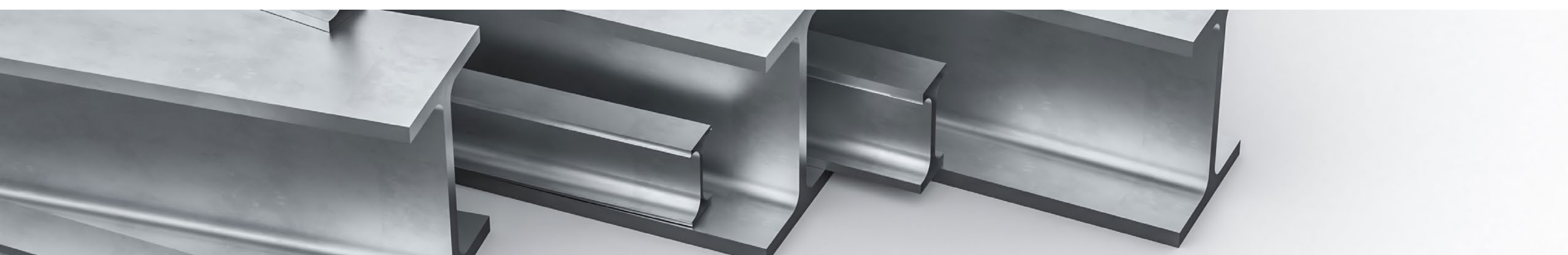
SPEAKING WITH CANDOR FOR MIDDLE MANAGEMENT



Training through e-learning for all new employees and reinforcement of *Speaking with Candor* with an appreciation focus for Middle Management.

Speaking with candor E-learning

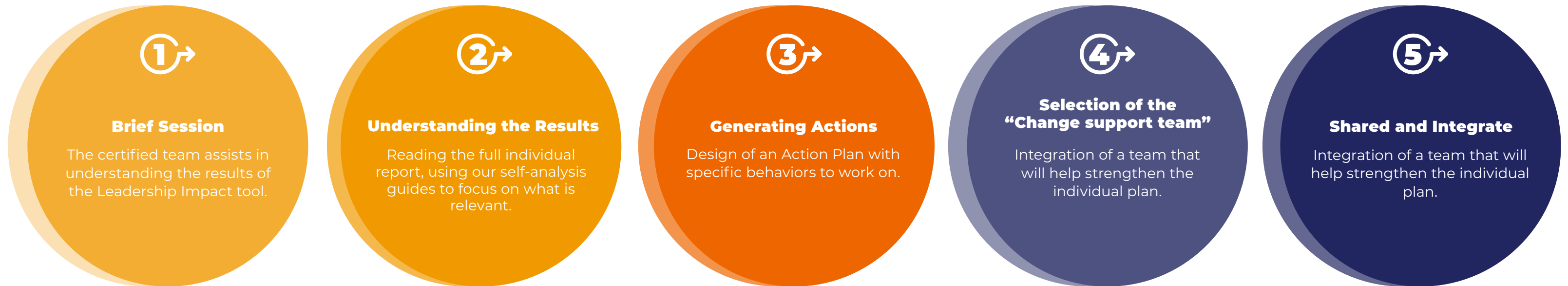
(Individual collaboration)



CONSCIOUS LEADERS

This year, we followed up on the connection sessions from 2022, during which 11 sessions were held with the company's executives participating to recall individual and group commitments and keep the leadership transformation alive.

In 2023, the leadership style evaluation was applied to Supervisors and Middle Management, with 80 employees evaluated in total.



This culminates in the Connection Session, where each leader shares their results and actions for change and improvement.

In 2023, 10 Connection Sessions were held for Supervisors and Middle Management, each representing a different department.

ALIGNMENT OF ORGANIZATIONAL OBJECTIVES

It is important to us that all employees and work teams are aligned with the same objectives. Therefore, in 2023, we continued training the Management Team to establish priority objectives and develop individual aspects. With this, we aim to apply the appropriate time and resources to each task, aligning our activities so that the results truly reflect a team effort directed towards organizational goals.



1,144 hours of
Alignment Sessions



Thanks to having **100% of objectives registered in the system**, we could evaluate performance more effectively.

100% of employees have objectives aligned with organizational goals.

LIFE IN HARMONY

The comprehensive well-being of our employees is one of our most important objectives. This year, we held the following sessions to accompany and guide everyone towards personal fulfillment:

“**Find your purpose**”

“**Appreciate life and what surrounds you**”

“**How to be more cooperative**”

We achieved **over 750 participants** in multiple sessions throughout the year.

LEADERSHIP MANAGEMENT

This allows us to strengthen the relationship between leaders and direct reports, primarily in operational teams.

> **40 minutes of Connection:** Skip-level sessions are applied to supervisors at each plant to identify the leaders' strengths and areas for improvement and establish actions. Achieving 94% participation from leaders.

TRANSVERSAL ENABLERS



LIGHTS, CHANGE, AND ACTION PODCAST

The Culture and Experience team, a Cuprum collaborator, and an external expert help us delve into the most relevant topics about culture and experience through the podcast. Thanks to its fresh, familiar, and dynamic tone, it has been very successful. In 2023, we achieved over 10,640 total plays, considering our 14 episodes available on the platform.



PULSE SURVEY

Every three months, 15% of the employees take this survey, which allows us to measure and identify whether the actions we implement to achieve a more constructive culture are working. The results are shared with the departments to apply the necessary strategies.



CONECT

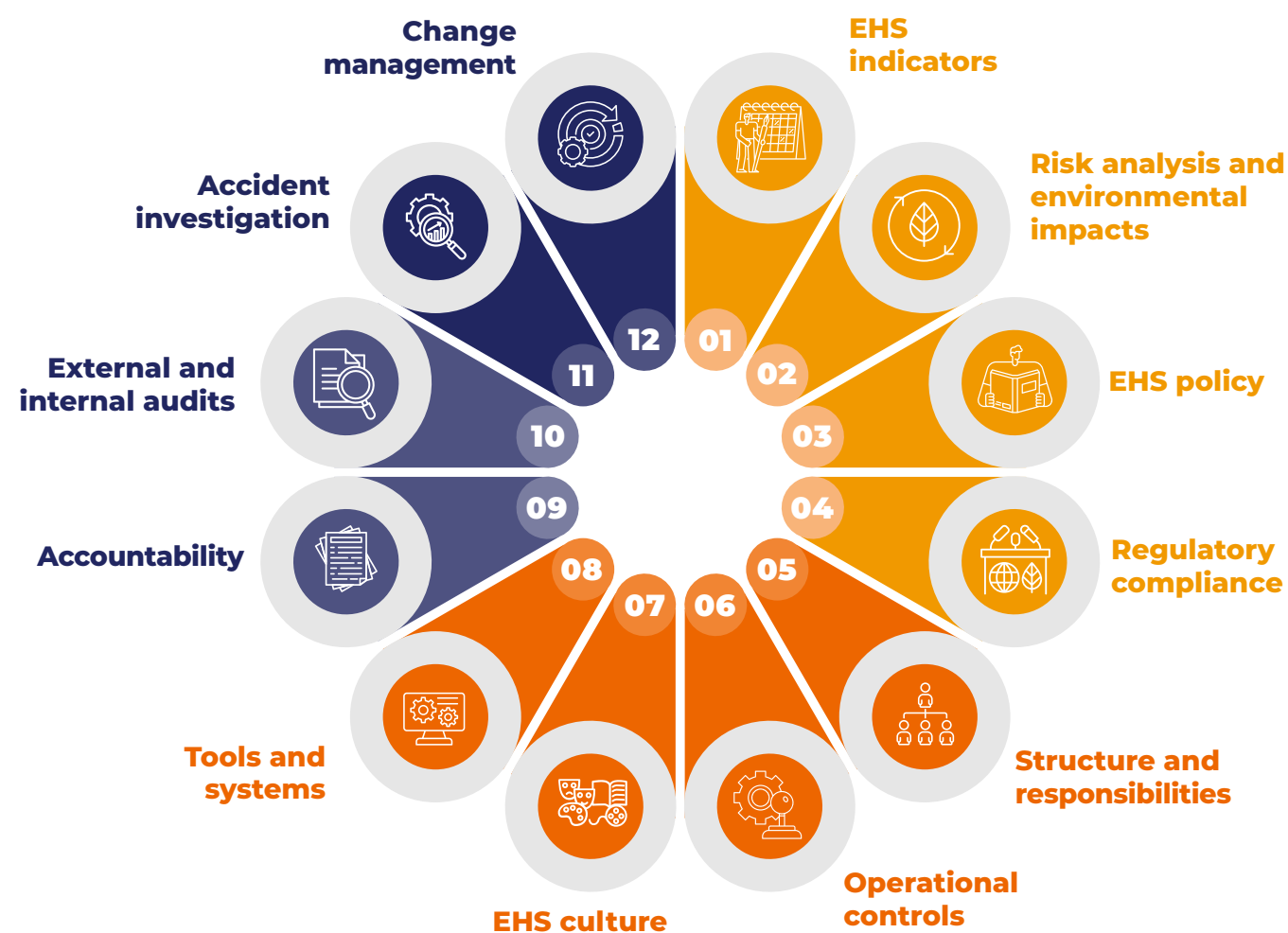
A mechanism that operates 24/7, through which employees can provide feedback on their experience working at Cuprum via a happiness meter. The information collected is analyzed and followed up by a team responsible for each department.



HEALTH AND SAFETY

GRI 3-3, 2-23, 2-24, 2-27, 205-1, 205-2, 418-1

We direct our efforts to create a safety culture among employees each year through various initiatives and programs. Last year, we updated the EHS Management System, which includes the technical and administrative requirements to reduce accidents, occupational illnesses, and environmental impacts in each of our operations.



ANNUAL SAFETY AUDIT

This process helps us validate the effectiveness of our EHS Management System and its implementation at each site. In 2023, we increased the number of audited sites by 60%, covering:

- > 7 manufacturing plants
- > 5 distribution centers
- > 4 Cuprum stores

DIGITAL EHS TRANSFORMATION

Aiming to increase our efficiency in information management, this year we began phase 1 of implementing a digital platform, deploying the following modules:

- > Action plan tracking
- > Safety walk management
- > Accident and incident management
- > Regulatory compliance

SAFE START

The Safe Start methodology is a key driver in changing Cuprum's safety culture, which we began implementing in 2022. Through this program, we aim to reduce operational errors by making human factors more understandable and providing safety training more dynamically, enjoyable, and engagingly.

It helps us identify the various states in which employees find themselves and the common errors they make. It allows us to categorize different types of risks to eliminate them. Additionally, **it reduces our frequency, severity, and seriousness rates.**

Our main activities for 2024 focused on: SafeStart Stories, Module Reviews, Awareness Events with Family Participation, Habit Improvement, and Accident Analysis using the SafeStart methodology.

KEY INITIATIVES

TRAINING

Each business unit has a Safety Program tailored to its operation, including: emergency brigades, use of personal protective equipment, safe work at heights, among others.

This year we provided
+100k hours of
training



SAFE HOUR

Directors, managers, and superintendents conduct periodic walkthroughs at each site to validate compliance with safety protocols and detect unsafe conditions and actions in the operation. In 2023, 200 walkthroughs were conducted across the various plants.

ANNUAL SAFETY SESSION

We held the first event where the vision and strategy of EHS were shared and how we collaborated to achieve the objectives. Sixty leaders participated, and seven awards were given for best practices.

RECOGNITIONS

We implemented recognitions for the Safe Employee and for the plants, the recognition for days without accidents.

Thanks to all these initiatives, we have increased the commitment and culture of safety at all levels of the organization, achieving positive results.

**40% reduction in lost time accidents and
70% reduction in days away from work.**

WELLBEING

GRI 3-3, 403-2, 403-3, 403-5, 403-6

At Cuprum, we are distinguished by our commitment to the comprehensive wellbeing of our employees, we aim to create a harmonious and satisfying work environment where our employees can feel happy.

PHYSICAL WELLBEING
EMOTIONAL WELLBEING



In 2023, we took a proactive role in raising awareness among our employees about the importance of physical and mental wellbeing, prioritizing mental wellbeing as a fundamental pillar of their overall health. We designed strategies based on surveys aligned with NOM-035, identifying the specific needs of our work centres and developing personalized action plans.

Given the increasing importance of comprehensive well-being and our commitment to excellence in our services, in 2024, we will continue to intensify our efforts to improve the quality and attention of our services.

Prevention is a fundamental element of our health and wellbeing strategy.

FACTOR WELLBEING DISTINCTION

We received the “Factor Wellbeing” distinction from the Institute of Wellbeing and Happiness Sciences at TecMilenio University, which recognizes organizations that invest in the wellbeing of their employees through implementing positive practices in their processes.

The outstanding rating we received validates our commitment to wellbeing and demonstrates our adherence to high standards and health strategies focused on comprehensive wellbeing.

As proof of this, we were recognized by Forbes Mexico as one of the ideal companies to work for.



Forbes MÉXICO



WELLBEING SERVICES

We reiterate our commitment to the comprehensive wellbeing of our employees and their families by maintaining our alliance with health experts to offer free remote medical care through a digital platform. This includes services in general medicine, psychology and emotional wellbeing, sexual and reproductive health, pediatrics, and veterinary care.

We have an alliance with health experts who provide free remote care to our employees and their families through licenses on a digital platform. This allows us to ensure that employees and their families have access to comprehensive health services.

Each employee has a license that includes free access for five additional people.

HEALTH CAMPAIGNS

To promote the health and wellbeing of our employees, we conduct annual health campaigns to prevent the spread of diseases such as breast cancer, diabetes, hypertension, and prostate cancer.

In 2023, we joined the efforts of the federal and state governments to promote public health through vaccination campaigns against COVID-19 and Influenza. Thanks to this initiative, more than a thousand doses were administered nationwide, contributing to the community's wellbeing. Additionally, we conducted our annual blood donation campaign, benefiting more than 400 people.

These initiatives demonstrate our commitment to community wellbeing and position us as key players in promoting public health.

SOCIAL INVESTMENT

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

This year, we continued with the Social Investment program, created based on our philosophy of conscious economy and generation of shared value. Through this strategy, we generate a positive social impact on our stakeholders, employees, and community.

For the second consecutive year, we focused our impact on strategic social causes where we have the most influence. This way, we benefit the main groups close to us and generate a greater positive social impact.

SOCIAL CAUSES



Education



Dignified habitat



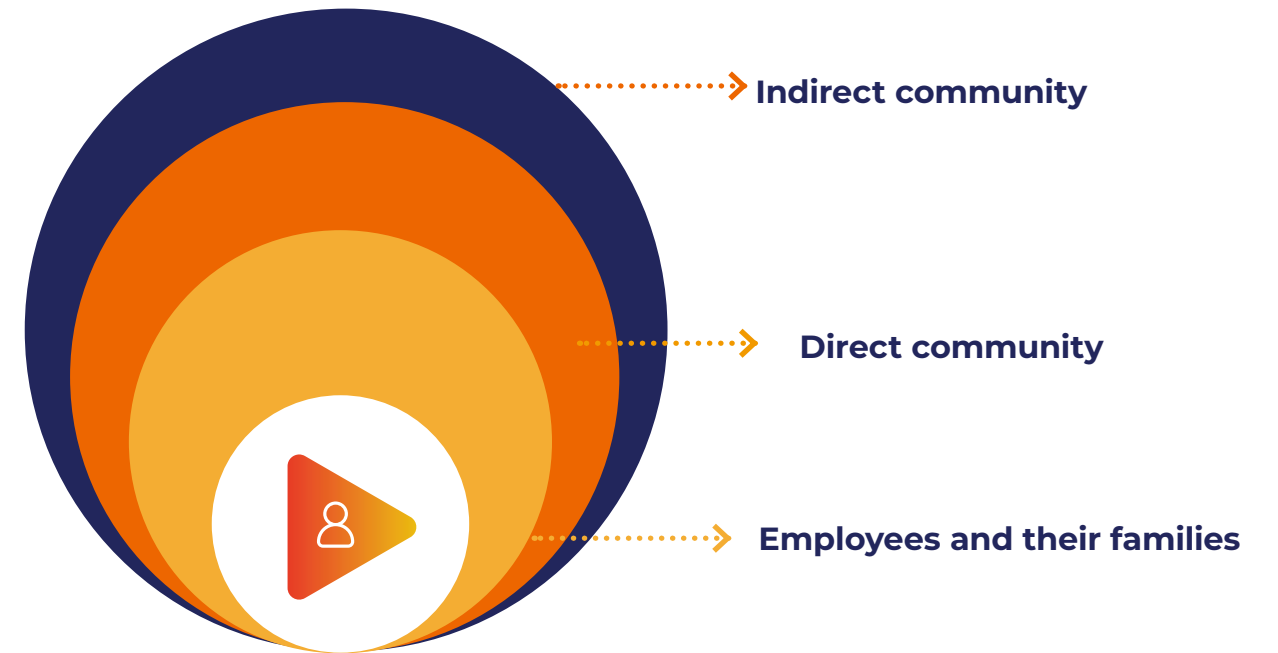
Environment



Local collaboration



IMPACT SPHERE



10 total activities

431 volunteers

2.3 million mexican pesos invested

6,850 beneficiaries



EDUCATION

Education is the engine for social mobility: a higher education translates into better opportunities.

160 scholarships for high school and university in partnership with the University of Nuevo León. **We cover 100%** of the rectorate fee and other related charges.



DIGNIFIED HABITAT

Promoting sustainable urban development through the integration of self-sufficient communities with healthy housing.

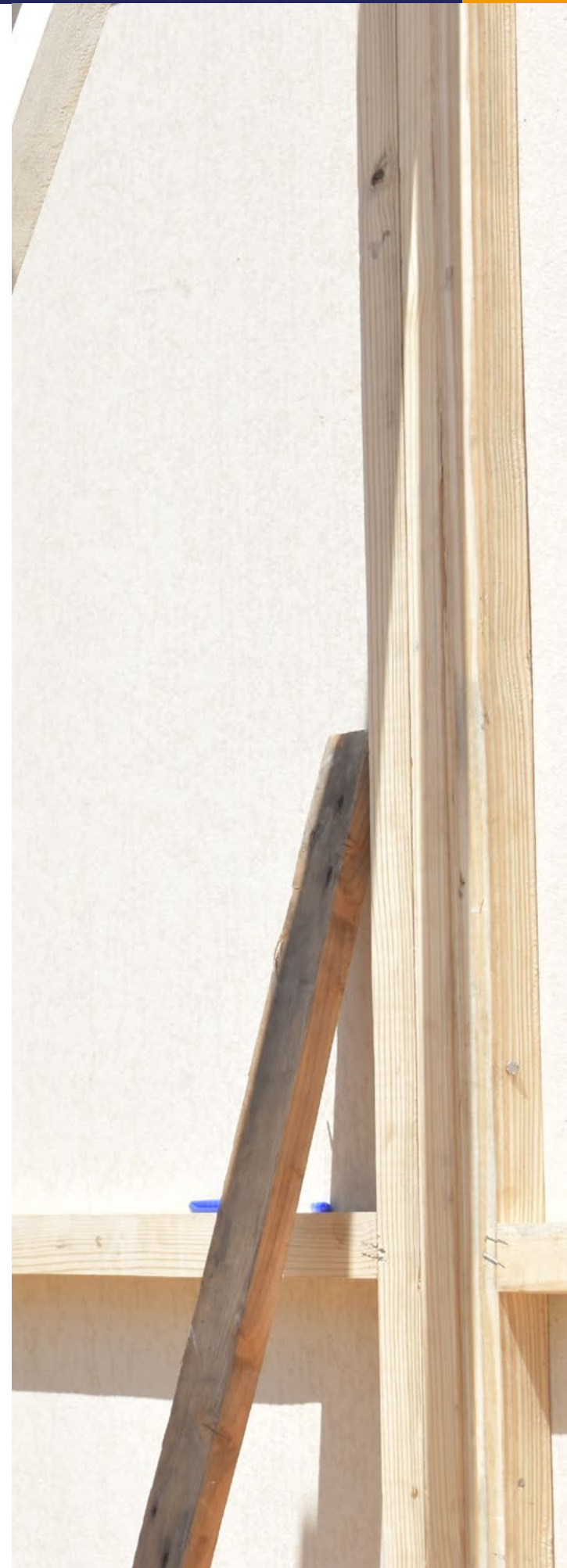
3 houses built for families in partnership with the TECHO Association in Nuevo León and Guadalajara.



ENVIRONMENT

Promoting environmental culture and the care of natural resources in each region.

Reforestation in collaboration with employees and members of local schools in Guadalajara.





LOCAL COLLABORATION

Creating and strengthening ties with key community members through local organizations addressing regional causes.

Health and vaccination campaigns for our neighboring community around our plants in San Nicolás, Nuevo León.

BENEFICIARIES BY IMPACT SPHERE

540

1,015

5,280

- Extended community
- Immediate community
- Employees and their families

INVESTMENT BY CAUSE

3%

4%

29%

64%

- Education
- Dignified habitat
- Local collaboration
- Environment

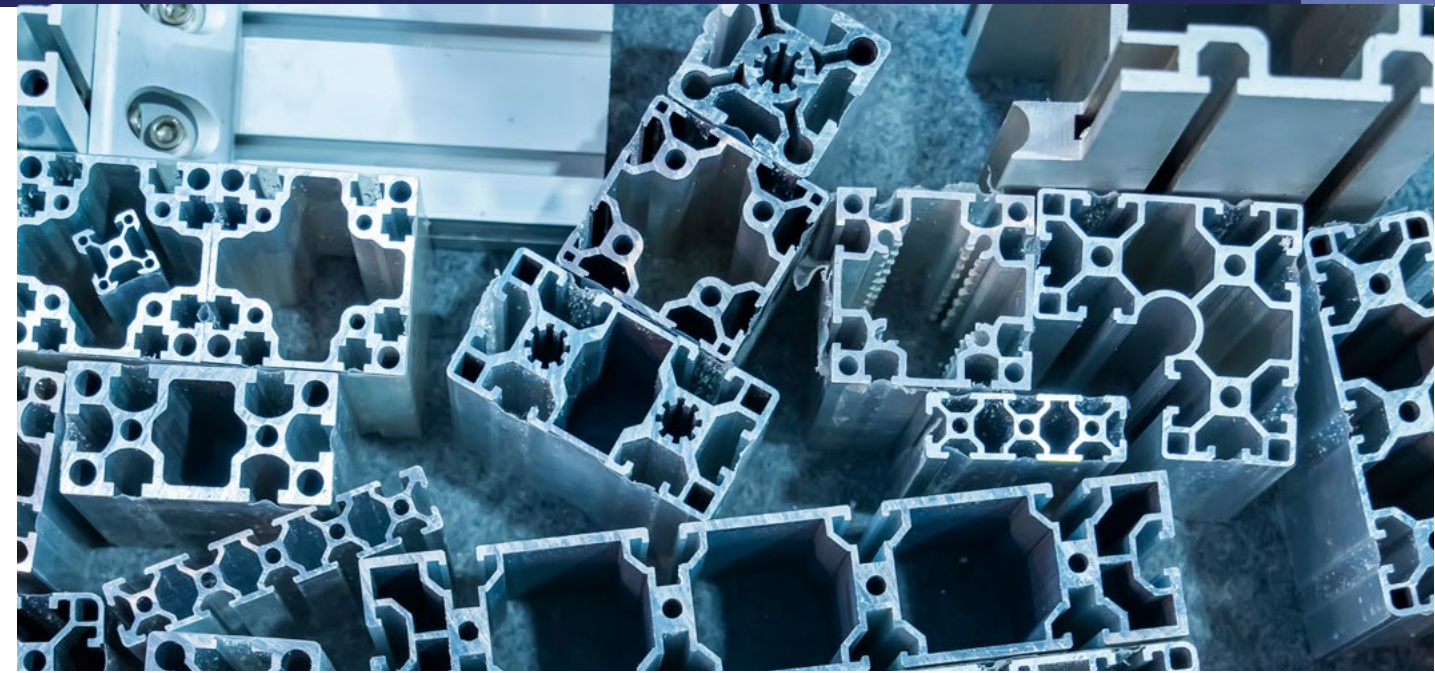
ABOUT THIS REPORT

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

This report covers the performance results in social, environmental and corporate governance areas of Grupo Cuprum and its subsidiaries during the period from January 1 to December 31, 2023, which has not been externally verified. No restatement of information has been made in this report.

This document follows the guidelines of the Global Reporting Initiative's Universal Standards 2021, complying with the 9 established "conformance" requirements, as well as the principles of accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability required by the GRI.

In addition, the contribution to the Sustainable Development Goals is detailed through the actions and initiatives implemented.

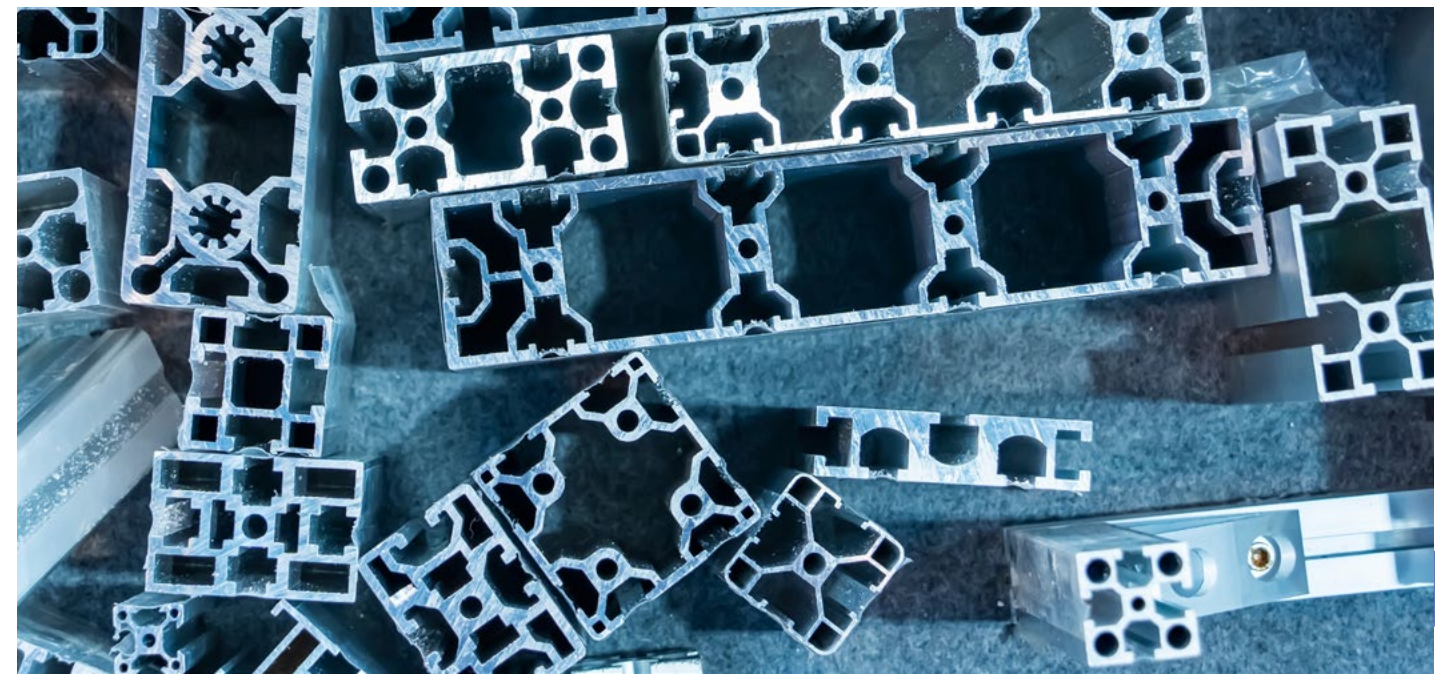


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GRI INDEX



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

DECLARATION OF USE:	Cuprum S.A. de C.V. has reported with reference to the GRI Standards for the period from January 1 to December 31, 2023.
GRI 1 USED:	GRI 1: Fundamentals 2021

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