



TREVIÑO LEATHER

 2022

SUSTAINABILITY REPORT



Empresa Socialmente Responsable





TREVINO LEATHER®



LEATHER IS **NATURAL!**...

LEATHER IS **RENEWABLE!**...

LEATHER IS **ECO FRIENDLY!**...

LEATHER IS **GENUINE,**

NOT SYNTHETIC!

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INTRODUCTION

Trevino Leather Sustainability Report describes the company initiatives, strategies, achievements and challenges regarding its commitment to the environment and social responsibility.

The presented information comes from statistics and internal resources of the company, as well as from its performance metrics (KPI). This document is not intended to be exhaustive; it does not include all the information the reader would like to know about the Sustainability and Social Responsibility programs implemented by the company.

The forward-looking statements in this document are based on the prevailing business plans and perspectives of the company management, which may be subject to change.



EXECUTIVE MESSAGE

We want to share with you the results achieved this year 2022 on the behalf of the management and great staff of our organization Trevino Leather. We move forward, facing the current challenges and strengthening our business, social and sustainability strategies.

The disruptions of the past few years have affected the global economy, especially the automotive sector. This has brought a number of difficulties, such as delay in the delivery of auto parts and effect in the supply chain, of which we are part. Consequently, we felt the effects in our productive indicators. Notwithstanding the above, our industry keeps opening paths with a positive outlook. In Trevino Leather, we keep exploring new markets, being resilient to new challenges and developing new alternatives and products for our customers.

This 2022, we have ventured into the synthetic trend, developing our first vinyl product line: "Feeltek". This enabled us to open new markets and options for our customers, according to their needs.

Furthermore, we kept our eye on the new global trends, mainly focusing this year (2022) on three main axes of sustainability: labor welfare, labor inclusion and innovation and environmental sustainability and innovation of our processes and products.

We work to strengthen the sense of belonging, the humane treating and the multidisciplinary team work through integration events under the scheme of emotional salary. Additionally, our approach was also directed to ensure that all our collaborators feel that their contributions are appreciated through recognition for which

our KAIZEN program was a mechanism that allowed us to recognize the participation of collaborators through their contribution to safety, productivity, environment, product quality enhance, etc. Apart from the above, we trained our team leaders on internal policies, code of conduct and humane treatment.

Nowadays, it is very important the outward and inward communication in the company, so we work to strengthen our communication strategy through our "Image and Communication (Imagen y Comunicación)" Department. The foregoing allowed us to keep a transparent and timely communication through our different means of communication, especially social media.

This year, as part of our processes, we have strengthened our traceability system which allowed us to have greater control over our internal and external processes. Additionally, we have maintained our certifications as part of the commitment to excellence, and we have kept developing environmental projects which will help us to make progress towards the green energy.

We thank our collaborators for their effort to achieve these results, our suppliers for their continuous support and our customers that were with us throughout the year, believed in us, trusted our products and helped us to grow.

I have no doubt that the next year will be even better and full of growth, new challenges and achievements.



ADMINISTRATIVE DIRECTOR
TREVINO LEATHER



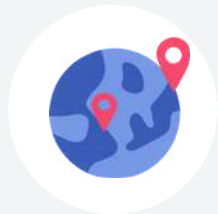
TREVINO LEATHER

01

COMPANY INFORMATION



IN NUMBERS...



+100

Customers



07

Certificates



+24

Millions of square feet of leather produced



+700

Benefited collaborators



+19

Millions of square feet of leather exported



94.35 MWh

Generated from clean energy

COMPANY PROFILE

We are the most important leather tanning company in Mexico, based in the state of Nuevo León and with branches in the states of Jalisco and Guanajuato.

We have around 1000 collaborators nationwide with whom we serve the requirement of more than 100 customers in the automotive, footwear, furniture, leather goods and aviation sectors, taking our products to the markets of Central America, United States, Canada, Asia and Europe.

Furthermore, we have more than 30 years of experience in the automotive market. That is why we serve 65% of the steering wheel market in North America, having a daily production capacity of 3 thousand leathers and an installed capacity of 2 thousand additional ones in order to increase production without the need for investment.

We develop more than 100 different products for the fashion industry every six months, which helps us meet the demands of our customers quickly and efficiently.

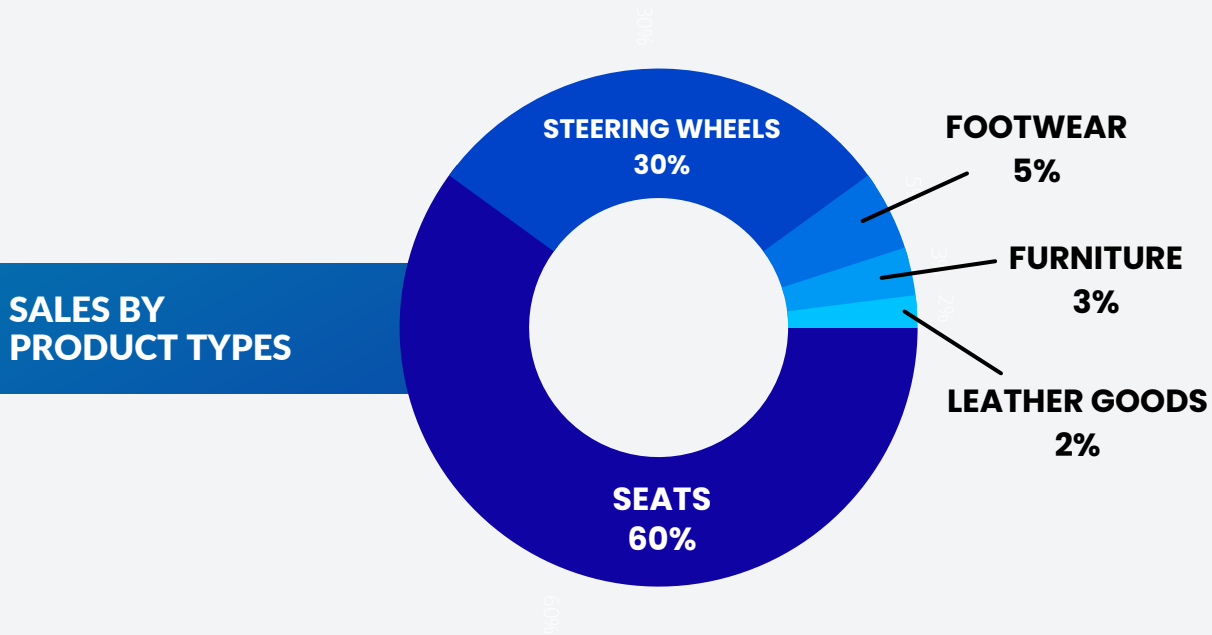
Our quality management systems are certified under the IATF16949, ISO 9001 and ISO 17025 standards, and as a sign of our commitment to the environment, health and safety, we have the ISO 1400, ISO 45001 and Leather Working Group (LWG) standards.

In 2020, we received the ESR Distinction for the first time, awarded by the Mexican Center for Philanthropy [Centro Mexicano de la Filantropía (CEMEFI, by its Spanish acronym)], for demonstrating our socially responsible performance and our commitment to the comprehensive development of our collaborators and the communities that surround us and for caring for the environment. This year 2022, we received the aforementioned distinction for the third year in a row. Additionally, we received a distinction for our inclusion practices for the second year in a row, which was awarded by the DIF of the State of Nuevo León since we promoted the access to employment for minority groups.



COMPANY PROFILE

Our leathers are exported to the United States, China, Italy, El Salvador, Portugal, India and Canada. Ninety percent (90%) of our sales are for the automotive market, while the remaining 10% goes to other industries.



Our sales offices are located in Detroit, Mi. and Munich, Germany. We have customer service facilities in Mexico, the United States and Germany; three production plants, two in Mexico and one in China; and four distribution centers in Mexico and one in the United States.

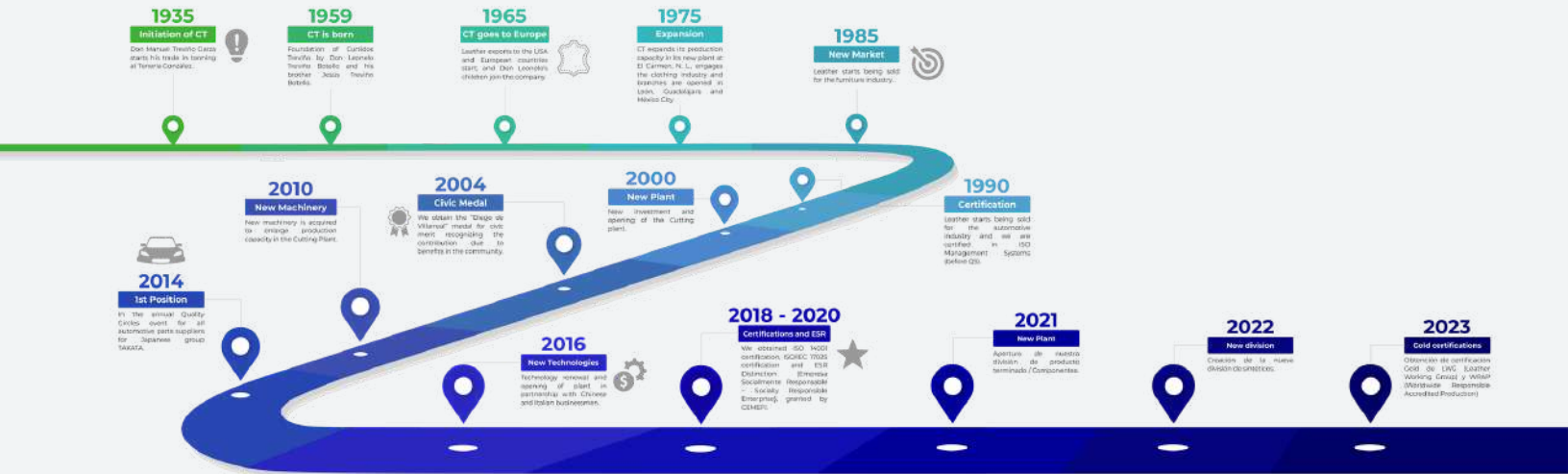


DISTRIBUTION CENTER

- Chihuahua, Chih.
- Guadalajara, Jal.
- León, Gto.
- San Nicolás de los Garza, N.L.
- Dallas/Forth Worth, Tx.

HISTORY

The beginning of our company date back to 1935, when our founder, Don Manuel Treviño Garza, began to work in the tannery trade. Then he honed his trade to pass it on to his children.



OUR COMMITMENT

At Trevino Leather, we recognize that in order to be a long-term successful company, it is essential to care about our environment, our economy and, above all, our community. The efforts made in these areas will develop a sustainable organization.

We take as a basis the fundamental principles of the Universal Declaration of Human Rights of the United Nations, and we always work hard to provide a work environment that demonstrates this. In addition, we provide a safe and healthy work environment and aim for the comprehensive human development of workers, minimizing, as far as possible, all potential causes of accidents and other types of occupational risks within our organization.

Furthermore, we persevere until meeting all legal requirements regarding Health and Safety at work. We also promote the comprehensive development of our people and communities through direct contact with them. We support and respect the protection of all human rights and never discriminate within our organization.

As part of our commitment, we promote training programs that intend to raise awareness of each member and supplier of our organization, regarding the importance of sustainability and relevance of our actions to our environment. Our company continuously improves the performance of key sustainability indicators and other areas of occupational health and safety within our organization.





PURPOSE

Create elegant, comfortable and durable materials that improve our planet in the long term.



MISSION

Create and process leather and synthetic materials/products that go beyond our customers' needs, through continuous improvement processes that help us to meet the expectations of the stakeholders in a welfare environment based on human values.



VISION

From Mexico to the World, we promote the industry through our customers and suppliers, improving the welfare of all those involved in our process, respecting the environment and supporting our community.

OUR VALUES

Our business philosophy aims at being an organization which cares for the environment and our community, focusing on teamwork and encouraging an attitude of respect to risks surrounding us, exploring new alternatives to do things, facing challenges and developing skills to create more efficient solutions.



GIVE EVERYONE EQUAL OPPORTUNITY

We work in a inclusive environment promoting respect and equal opportunities.

We strive to defend human rights, prevent and punish any type of discrimination and violence as well as rewarding skill development.



WE ARE SUSTAINABLE

We recognize that, in order to be a successful Enterprise in the long term, it's essential to care of our environment, our economy and above all, our society.

We wish to be a sustainable and socially responsible Enterprise. Our actions will always consider our sustainability commitments.



MAKING POSSIBLE, THE IMPOSSIBLE

We are a company established on great ideas and even greater achievements.

We face challenges and overcome obstacles to generate new experiences that few dream as something possible. It can't be done? We will make it happen!



FINDING THE BEST OPTION

We take what is already working and explore new ways of doing it better.

We have an open mind, interested in exploring. We learn from our mistakes and are motivated to creating innovation.



EVERYONE RETURNS HOME SAFE, EVERY DAY

We work individually and as a group to achieve a respectful attitude to all risks around us from everyone.

Working safely is up to everyone.

We want zero accidents in the company. We are aware that there are risks and, consequently, we are careful when carrying out our work, making sure we don't endanger any of our peers.



ACTING AGILE AND DECIDEDLY

We are empowered to taking intelligent risks that generate a true impact.

We seek perspectives outside our mastery area in order to create more efficient solutions.

We don't expect to be told what to do. By contrast, we make timely decisions, trusting our ability to advance with purpose.



THRILL OUR CLIENTS

Providing exceptional experiences to our clients is a high priority.

We strive to be one step forward, developing products they won't want to live without.

We listen then apply our technical knowledge and capacity to thrill them at all times, today and tomorrow.



WE ENCOURAGE EACH OTHER

We are a united and engaged team.

We collaborate freely, communicate openly and celebrate everyone's achievements and successes.

Always thinking beyond our roles and departments considering how our actions affect others, and aligning to what is best for all the company.



PROMOTING THE WELL-BEING

We promote and seek to have quality of life conditions that improve our personal well-being in order to contribute positively to the results of the company and our society.

PRODUCTS

MATERIAL PRODUCT RANGE

- Full Grain Semi Aniline Leathers
- Full Grain Nappa Leather
- Full Grain Engraved Leather
- Cut Pieces
- Feelteck

ENGRAVING DESIGN

- 650 engraving design plates
- 24 engraving roll designs

CRUSTING TECHNIQUES

- Chrome Tan
- Chrome Free Tan
- Vegetable Tan
- Vacuum Dry
- Stapling/drying tunnel
- Tumbling
- Mechanical loosening

FINISHING TECHNIQUES

- Semi-Aniline
- Pigmented
- Two-tone, stained effects
- Cloud and antiqued effects
- Metallic
- Pearlized
- Nappa

UNIQUE TREVIÑO PRODUCT OFFERINGS

- In Treviño, we also specialize in the fashion industry. We develop more than 100 different products every 6 months that are presented in our Spring-Summer, Autumn-Winter collections; we specialize in fast development of products and samples.
- Treviño was assessed and recognized by several OEMs in the automotive sector for having the **best Denim Dye Resistance top coat** compared to the ones of its competitors (five other competitors).

SECONDARY OPERATION CAPABILITY

- Laser cutting
- Cutting by computer
- Embroidery and Engraving
- Perforation and Lamination
- Cutting and sewing
- Upholstery of several components
- Complete manufacturing of finished products, several in leather
- Quilting

QUALITY

At Trevino Leather, we have been manufacturing leather for the automotive industry for 30 years.

QUALITY SYSTEM VALIDATIONS

- IATF16949
- ISO9001
- ISO / IEC 17025

CONTROL PLAN

- For each part number
- From incoming inspection to each audit
- SPC Techniques
- Trial and error

PFMEA METHODOLOGY

- For each part number
- From incoming inspection to each audit
- RPN Reduction Plans



LAYERED PROCESS, AUDIT PROCESS

SIX SIGMA AND KAIZEN METHODOLOGIES

R&R GAGE ANALYSIS

FAST RESPONSE BOARD

RELATIONS OF STAKEHOLDERS

Mechanisms for receiving concerns and communications from our stakeholders.

STAKEHOLDERS	TOPIC OF INTEREST	WAYS OF RELATIONSHIP
Collaborators	Diversity and inclusion Safety and health Professional growth Training and development	Satisfaction surveys Meetings with trade union leaders Safety and health campaigns Assistance campaigns
Customers	Quality product Value-added products On-time deliveries New product development agility Sustainability practices	Satisfaction surveys Customer service Visits Meetings
Government Agencies	Safety and health Environmental impact management Job creation	Working groups Site visits Performance reports
Shareholders	Economic performance of the organization Corporate governance Business continuity strategies	Monthly meetings Financial and performance reports
Suppliers	Fair conditions for business Health and Safety	Interactions for acquisitions Guidelines for sustainability, health and safety
Community	Jobs Transparent communication Environmental care	Community events Meetings with community groups
Organized groups	Active engagement and participation	Committee meetings Working groups Reports and bulletins

Contact channels:

- <https://www.facebook.com/trevinoleather>
- <https://instagram.com/trevinoleather>
- <https://www.linkedin.com/company/trevinoleather/>

ACHIEVING OUR PURPOSE WITH SUSTAINABLE VALUE

We have carried out an evaluation of the Sustainability Development Goals (SDGs) and defined our Primary SDGs that become relevant due to the relation with the main strategies of our business model.

PRIMARY SDGs FOR TREVINO LEATHER



The global context proves that the organizations that adapt to new trends, implementing comprehensive strategies, which allow them to maintain a business model aimed at the well-being of its stakeholders, are more likely to last and be successful.

We develop strategies that allow us to develop and manage our operations, in an efficient and sustainable manner. Furthermore, our main corporate social responsibility, environmental and community outreach strategies are represented and based on the 6 primary SDGs that we have defined as relevant for the organization since they let us to create value for our organization and for our stakeholders.

Each of the initiatives within the organization contributes to one of the seventeen (17) SDGs.



TREVINO LEATHER

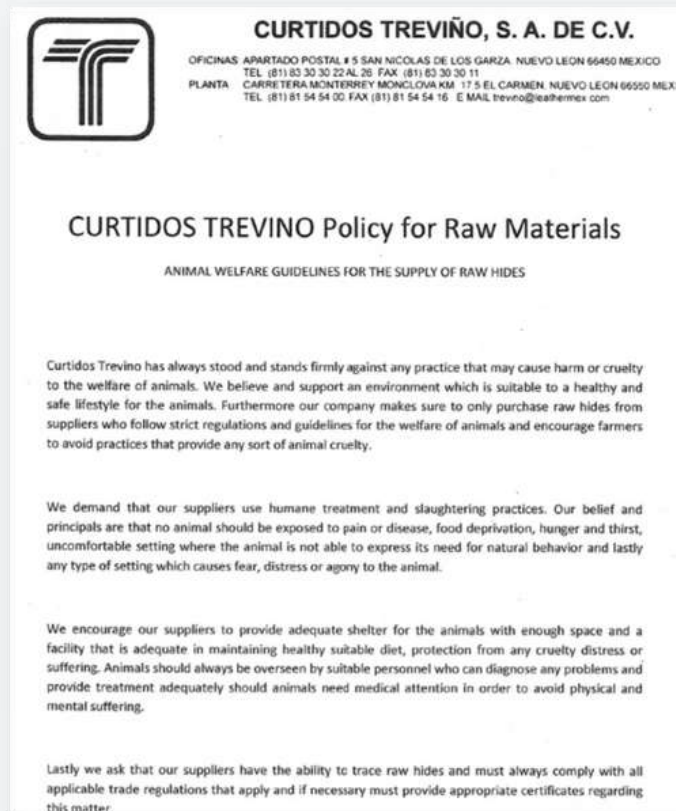
02

ENVIRONMENT



CORPORATE ANIMAL WELFARE POLICY

Only for certified suppliers that meet the international regulations for animal welfare.



5 FREEDOMS

- 01** Free from hunger and thirst.
- 02** Free from discomfort.
- 03** Free from pain, injuries or diseases.
- 04** Free to express their own normal behavior.
- 05** Free of fear and distress.

ENVIRONMENTAL POLICY

Trevino Leather, is a company devoted to process leather and automotive parts. We are committed to protecting the environment, based on the following fundamental principles:

- **Meet the legal requirements** that are applicable as well as other requirements subscribed by Curtidos Treviño S.A. de C.V.
- Consider the nature, magnitude and environmental impact of activities, products and services as well as **apply continuous improvement methods** with the purpose of minimizing, mitigating and/or preventing pollution and improving the environmental performance.
- Encourage our internal and/or subcontracted personnel and our suppliers to make **good use and exploitation of resources**, applying and respecting our environmental management systems.

THESE PRINCIPLES CONSTITUTE THE REFERENCE FRAMEWORK FOR THE ESTABLISHMENT OF ENVIRONMENTAL OBJECTIVES OF OUR ENVIRONMENTAL MANAGEMENT SYSTEM.



OBJECTIVES AND RESULTS 2022

RELEVANCE

Our business sustainability depends on the well-being of our planet and our society. Levels of carbon dioxide (CO₂) as well as of other greenhouse gases in the atmosphere rose to record levels in 2019. Therefore, our contribution to climate action is to determine the indicators that may contribute to achieving the sustainable development goals.

PRIMARY SDGS



SECONDARY SDGS



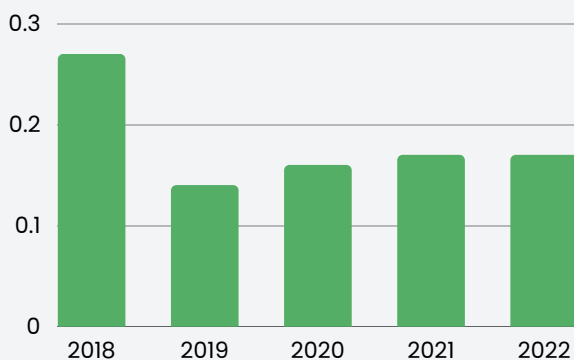
GLOBAL COMPACT



RESULTS

MEASURING

(KPI) INDICATOR	Carbon footprint
OBJECTIVE	Maintain carbon footprint intensity in 0.16 kg CO ₂ e/ft ²



From **2018**, when our **base line was established**, to the end of 2022, when our carbon footprint has **DECREASED 20%**.

Our reduction is equivalent to plant **85,813.95** trees.

-30% ton
of CO₂eq of
the scope 1

-14% ton
of CO₂eq of
the scope 2

OBJECTIVES AND RESULTS 2021

RELEVANCE

According to a Greenpeace report, in recent decades, the population of insects and pollinator species has been reduced. Talking about sustainability is talking about improving the environment in which we live for everyone, including bees, pollinators and the ecosystems that depend on them. One of our main projects to contribute to the conservation of biodiversity of pollinator species is to increase our pollinator gardens and reforest the property of the organization.

SECONDARY SDGS



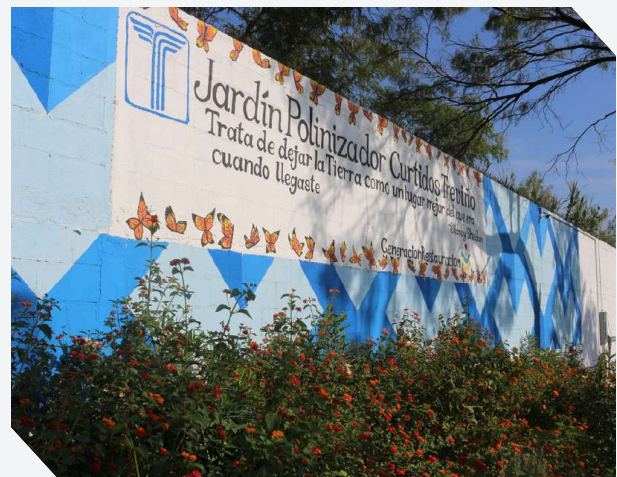
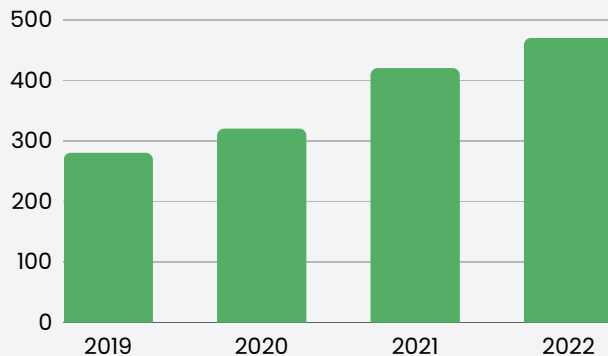
GLOBAL COMPACT



RESULTS

MEASUREMENT

(KPI) INDICATOR	Pollinator gardens
OBJECTIVE	Increase gardens by 10% each year (m2)



ENVIRONMENTAL CERTIFICATION



Current issue date: 28 November 2021
Expiry date: 27 November 2024
Certificate identity number: 10418313

Original approval(s):
ISO 14001 - 28 November 2018

Certificate of Approval

This is to certify that the Management System of:

Curtidos Treviño S.A de C.V.

Carret. Mty-Mondlova Km17.5, 86550 El Carmen, Mexico

has been approved by LRQA to the following standards:

ISO 14001:2015

Approval number(s): ISO 14001 – 00017827

The scope of this approval is applicable to:

Manufacture of leather and parts for indoor products as well as assembly and lining of leather or synthetic products.

Cliff Muckleroy

Area Operations Manager Americas

Issued by: Lloyd's Register Quality Assurance, Inc.

for and on behalf of: LRQA Limited



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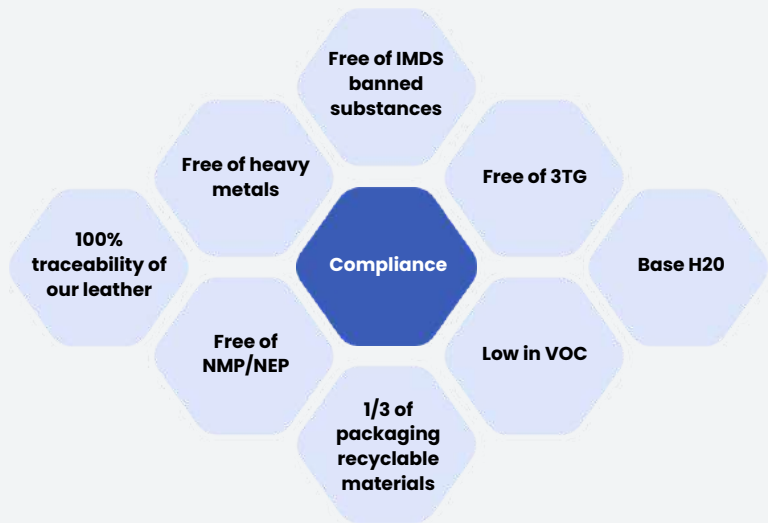
RAW MATERIAL COMPLIANCE POLICY

Trevino Leather has defined the sustainable principles of our raw materials through its "Raw Material Compliance Policy".

- Since leather is a by-product of the meat industry, we can affirm that it is highly sustainable. This process called "upcycling" allows our products to be sustainable, organic, recycled and traceable.
- The chemical products we purchase meet the highest international Standards such as MSRL of the ZDHC, REACH, GADSL, among others. In our organization, we promote transparency throughout our supply chain, enforcing the IMDS requirements. We use water-based products that are low in volatile organic compounds (VOCs).

- Our Internal standards state that our packaging items must contain at least one-third of recyclable material.

- We use recognized tools such as the Life Cycle Analysis (ACV) to continuously measure and analyze the impact of all our manufacturing processes and supply chain in order to further improve our competitiveness in the market, our quality standards and sustainability criteria.



KEY EVENTS

Our company always looks forward to create value through the sustainability strategies that involve all our stakeholders. Therefore, we keep an open dialog with our stakeholders, trying to consider their concerns and needs as one of our priorities in order to strengthen our positive impact in the Sustainable Development Goals.



ENVIRONMENT

- **94.35 MWh of clean energy** has been created since solar cells were installed. This is equivalent to plant **18,199 trees**.
- We maintain the operation of our recycling plant, which recirculates **100% of the water** in the finishing process.
- A total of **162 trees** were delivered to our collaborators. This means that **1.9 tons of CO2** were removed from the environment. The above was possible due to our campaign: "Embracing life and environment".
- **12 species** of protected fauna **were relocated**.
- **70%** of our raw material meets the **ZDHC**.
- 4 years being certified by **ISO 14001**.
- 3 years **verifying** our carbon footprint.



SOCIAL

- **Better health and more safety.** COVID-19 protocols were applied according to the legislation, especially to our main stakeholders, such as employees, visitors and customers.
- **70% of the collaborators** participated in health campaigns.
- **+18,500 learning hours** for collaborators in 2022.
- **The philanthropic** programs continue without being reduced.
- **+2000 medical consultations** to our collaborators.
- Scholarship program with UNI 18.
- **Loyalty program**, which rewards the collaborators with an annual bonus.
- 47 transport routes that provide services to **91% of the staff**.
- 4 years holding the **ESR Distinction**.
- We have implemented team-strengthening strategies which include **team building** activities in the different levels of our organization.



GENDER EQUITY AND NEW OPPORTUNITIES

- Our **institutional talent development** program allowed that 7% of the collaborators achieved a category change.
- **Social inclusion** is promoted, offering more job positions for deaf people and other minority groups.

FOCUS AREAS

Our management systems allow us to constantly assess the risks and opportunities from an internal perspective that is affected by a rapidly changing external context. We are always looking for resilience in the business model.



ENVIRONMENT

We have identified specific priorities in terms of Environmental Sustainability.

- Raise awareness and respond to the external environment challenges such as the neutralization of the carbon footprint in our value chain.
- Integrate the scope 3 of our emissions in the verified reports.
- Increase our waste recycling.
- LCA



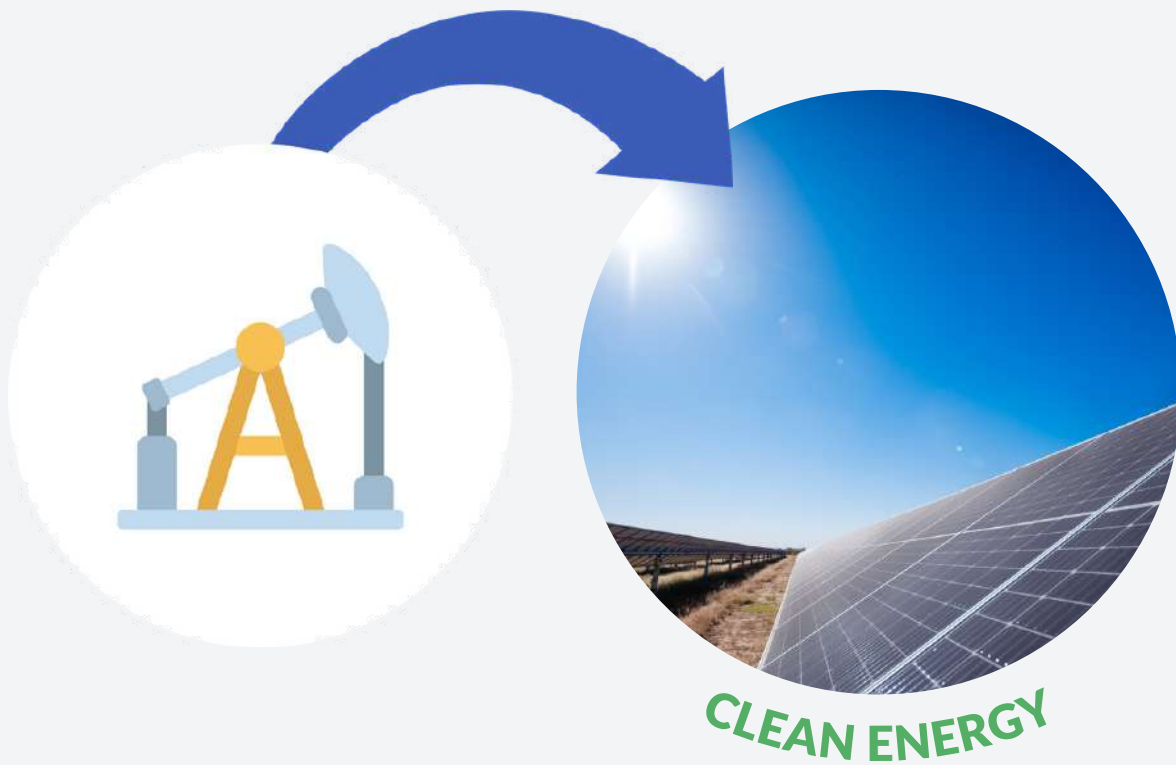
SOCIAL

We have identified specific priorities on social sustainability.

- Create practical solutions for collaborators.
- Support the collaborators through the provision of essential items/store services/day care center services.

OUR ACTIONS AGAINST CLIMATE CHANGE

During this 2022, we have managed the electricity supplier change so that our consumption comes from renewable energies by 2025.



By the year 2025, it is projected that our electric power consumption will come from renewable sources.

OUR ACTIONS AGAINST CLIMATE CHANGE

2050 TIMELINE CARBON FOOTPRINT



Solo Energia

Independent GHG Emissions Review Opinion

Verification Engagement Unbiased Opinion

To the organization: CURTIDOS TREVIÑO S.A. DE C.V.

Goal

The purpose of this document is to issue an Independent Review Opinion based on the verification of the Greenhouse Gas Emissions Inventory of the organization Curtidos Treviño S.A. de C.V., which includes the calculation of Scope 1 (Direct emissions) and 2 (Indirect emissions).

Opinion

We have verified on-site emissions, removals and storage of GHG as listed in the GHG statement of CURTIDOS TREVIÑO, S.A. DE C.V. for the period from January 1, 2021 to December 31, 2021, which includes the following:

- Direct emissions from fuel consumption in stationary and mobile sources
- Indirect emissions from electricity consumption
- Direct emissions from the use of refrigerants.

The organization is responsible for the preparation and fair presentation of the GHG statement in accordance with ISAE 3410 Assurance Engagements on Greenhouse Gas Statements and the corresponding federal, state and municipal regulations on climate change. The organization's responsibility includes designing, implementing and maintaining a data management system relevant to the preparation and fair presentation of a GHG statement free from material misstatements.

The verifier's responsibility is to express an opinion on the GHG inventory on site based on our verification. We performed our verification in accordance with the ISO specification with guidance for the verification and validation of greenhouse gas claims, i.e. ISO 14064-3:2019. This International Standard requires that we comply with ethical requirements and plan and perform verification to obtain reasonable assurance that emissions, removals and on-site GHG storage are exempt from material misstatement.

As our verification strategy we use a combined data and controls testing approach.

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Solo Energia

Evidence collection procedures included, but were not limited to:

- A site visit to:
 - Inspect inventory integrity
 - Interview site personnel to confirm operational conduct and standard operating procedures;
 - Repeating access controls to records on site;
- Sample fuel purchase invoices to confirm the accuracy of data in fuel records
- Sample fuel records to confirm accuracy of source data in calculations
- Sample chemical test reports to confirm accuracy of source data in calculations
- Recalculate emissions

The data examined during verification was historical in nature.

Based on the analysis of the process and the GHG emissions inventory of Curtidos Treviño, the total CO₂-equivalent emissions generated in the period between January 1, 2021 and December 31, 2021 was 4,061.14 tons of CO₂-equivalent.

In conclusion, we issue a **POSITIVE opinion** on the 2021 GHG Statement of CURTIDOS TREVIÑO S.A. DE C.V., with a reasonable level of assurance, in accordance with ISAE 3410 Assurance Engagements on Greenhouse Gas Statements.

Manajose
Lead Verifier
M.Sc. María José Ceja Ahumada

Yael Vanoye
Independent Reviewer
PhD. Ana Yael Vanoye Garcia

Date: December 12, 2022.

2
Calle Veracruz # 439 Col. Las Brisas Monterrey, NL . CP. 64780
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WATER RECYCLING

OUR SUSTAINABLE PROCESS

LEATHERMEX

6 CLEAN WATER AND SANITATION



ENVIRONMENT

2750 m³

of unexploited water per year

We recycle the water from

7 to 10

times before sending it to our water treatment plant

100%

of the water recycled by SprayPack is equivalent to cover the basic needs of

27,000

inhabitants.

DO YOU KNOW WHAT

Only **1% of the water** of the planet is available for human consumption.



70% of the earth's surface is water:

97.5% is salt water

2.5% is freshwater

At Trevino Leather, we work day by day to incorporate environment-friendly technology solutions in our processes in order to conserve our natural resources.

BENEFITS:



Environmental



Economic



Social

WATER RECYCLING



TREVINO LEATHER

We are **SUSTAINABLE**

We know that in order to keep growing up in the long term, we need to take care over our environment, economy and society. We integrate this mentality in our work as a primary commitment.

BENEFITS:



OUR PROCESS

Physical-chemical treatment technology

Hydric efficiency

We integrate in the process some technologies that guarantee the environmental care

Installed capacity for treating 100 m³ of water per day



ENVIRONMENT

Environment

We reduce our impact

We protect and preserve the hydric resources

We maintain a constant assessment of our lifecycle perspective

We maximize the resource exploitation



SOCIAL

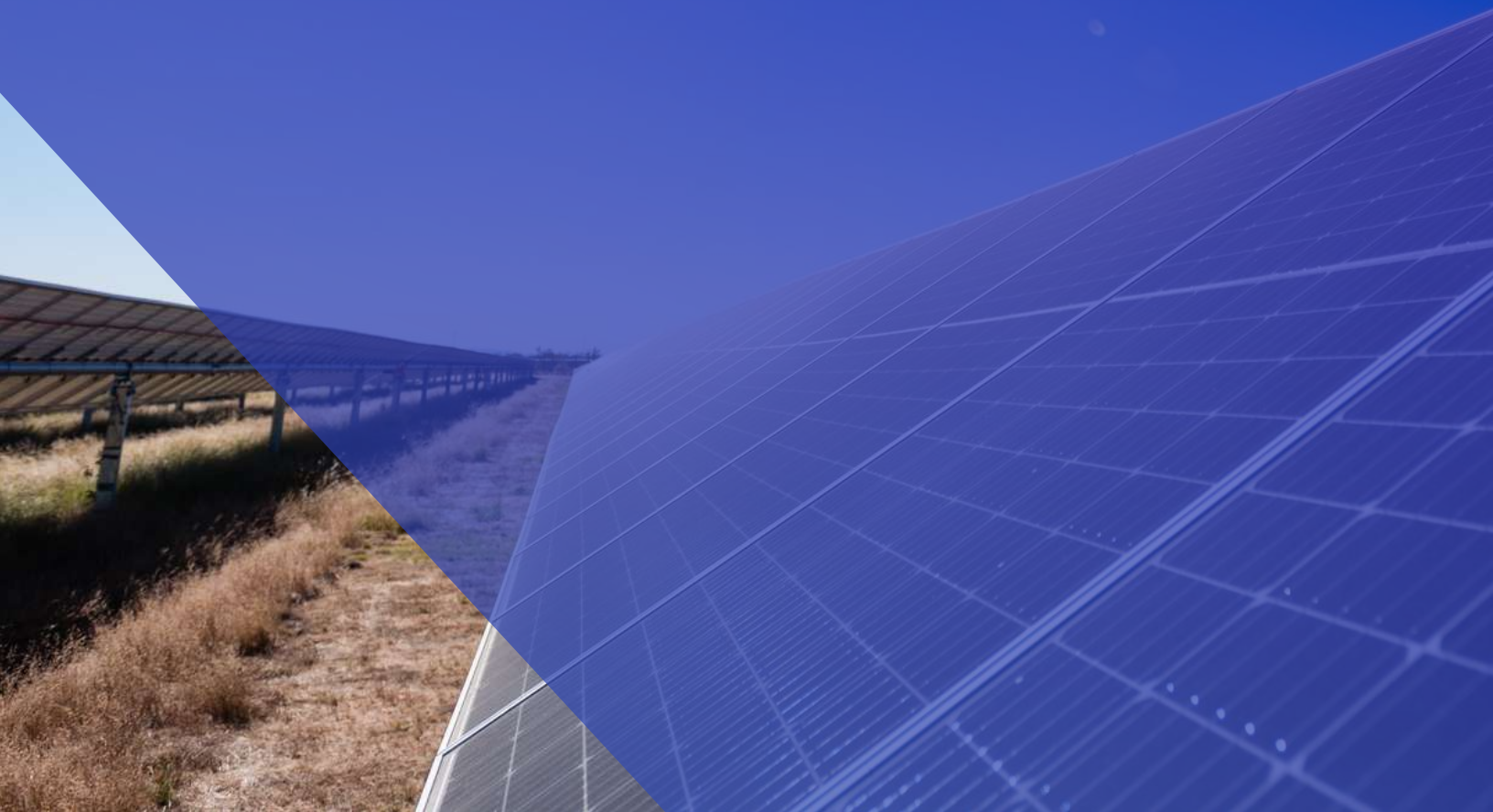
The availability and quality of water are a vital element for the sustainable development, so we incorporated environmental solutions, such as SprayPack, which contribute to prevent water scarcity for public use.



TREVINO LEATHER®

03

METRICS



OUR CARBON FOOTPRINT

SCOPE 1

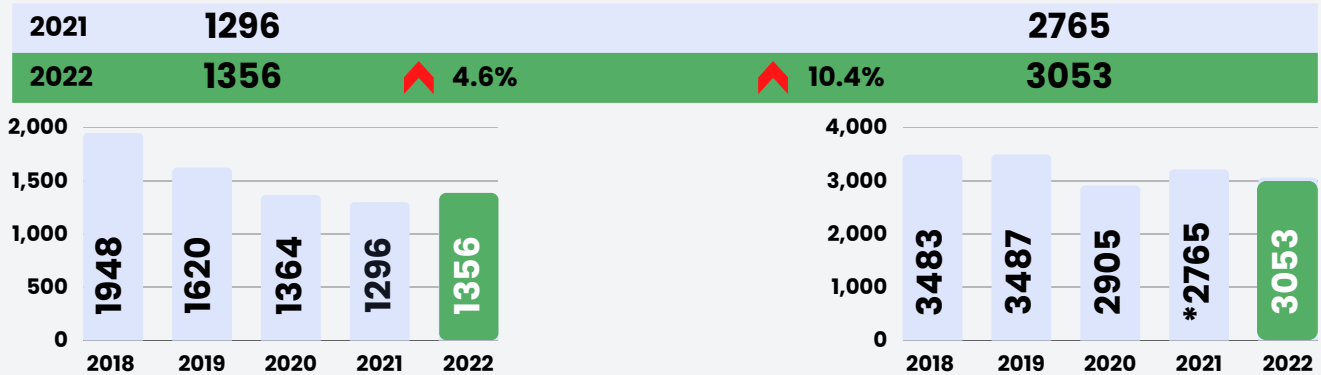
Direct emissions (tCO₂e)

(LP Gas, fuel oil, diesel, gasoline)

SCOPE 2

Indirect emissions (tCO₂e)

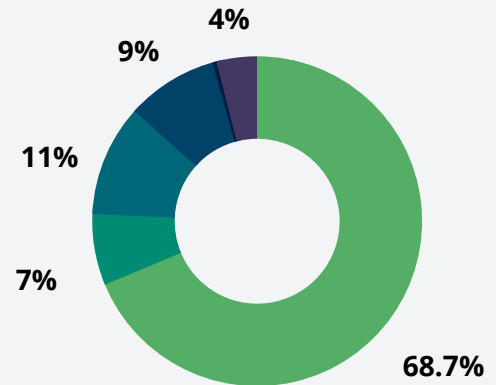
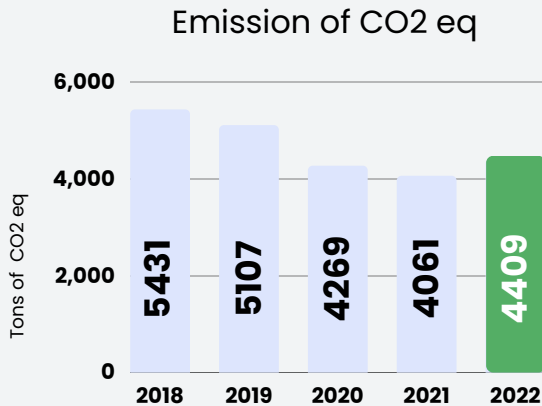
(Electric power)



TOTAL EMISSIONS

4,409 ton CO₂e

TOTAL EMISSIONS OF CO₂ EQUIVALENT TO 2022 (=) TONS



- Emission from electric power consumption
- Emission from LP Gas consumption
- Emission from fuel oil consumption
- Emission from Gasoline consumption
- Emission from Diesel consumption
- Emission from Wastewater Treatment Plant (PTAR)

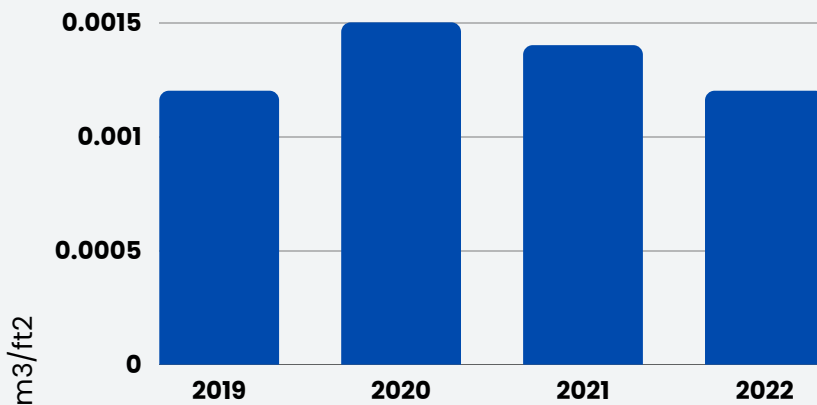
Note: This data suffers an adjustment of -13% after our annual external verification. The foregoing is due to the source of electric power consumption and the reporting dates of the emission factor.

WATER

We keep monitoring our indicators of water consumption and discharge during 2022. We are glad to let you know that we keep a proper management which allows us to optimize our water consumption indicator. Likewise, we keep recycling **100% of water from our finishing process**, as well as we use rainwater for preparing water treatment solutions and cleaning the same area.

The water footprint of our processes shows positive trends that reduce the environmental impact, this because of the improvements in technology and the optimization of our formulas that reduce the use of water.

GENERAL INDICATOR M3/FT2



FROM WATER

2020	85%
2021	85%
2022	86%



WATER

It is one of the fundamental resources for the operational processes. Therefore, Trevino Leather makes the maximum effort to optimize its use.



Consumption efficiency: this is an important point for selecting new technology and equipment, as well as for designing new projects.



One hundred percent (100%) of the wastewater generated is treated efficiently.



Water balance: We ensure consumption measurement of all processes that use water with the purpose of guaranteeing the highest possible consumption efficiency.

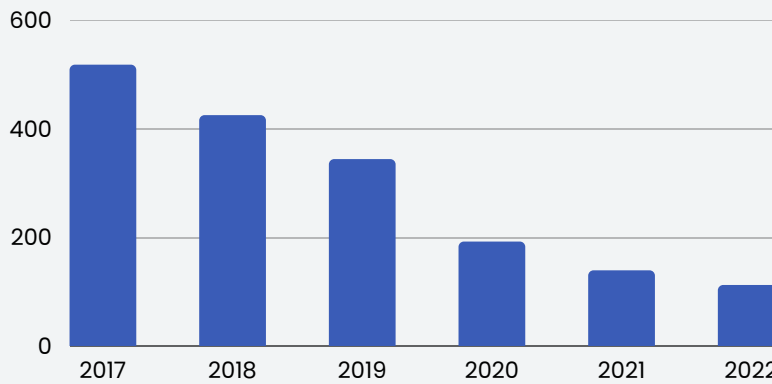


Raise of awareness and promotion of efficient use.

WASTE

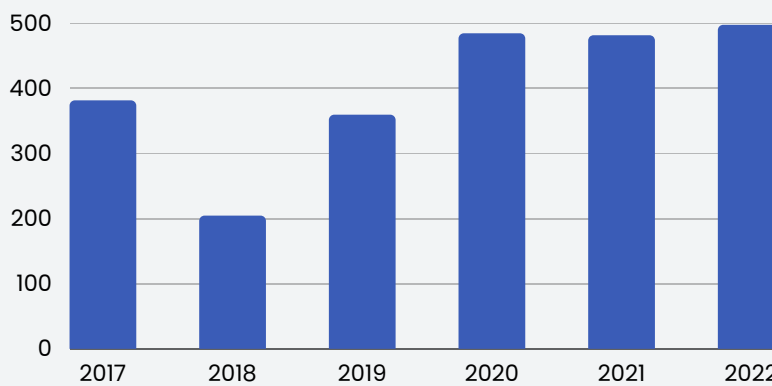
We manage our waste properly and keep looking forward to environment-friendly solutions in a sense of circular economy; the final non-dangerous waste treatment is **26.5%** recyclable and **65.7%** reusable. Moreover, **8.1%** of our dangerous waste is disposed in an environment-friendly way.

GENERAL WASTE



Waste	2017	2018	2019	2020	2021	2022
General waste	518.86	425.14	344.62	192.75	139.55	112.63

SCRAPPING WASTE



Waste	2017	2018	2019	2020	2021	2022
Scrapping waste	381	204.57	359.31	484.69	481.17	497.3

SOCIAL KPI's

DIVERSITY

AGE	REPRESENTATION 2022
<18	0%
18 - 25	38%
26 - 35	26%
36 - 45	21%
46 - 55	12%
56 and over	3%

	EMPLOYEES 2021	EMPLOYEES 2022
M	66%	69%
W	34%	31%
UNIONIZED		UNIONIZED
M	38%	39%
W	62%	61%

SATISFACTION (LABORAL ENVIRONMENT)

	2021	2022
Collaborators' satisfaction	80%	80%

INCLUSION

	2022	BENEFITS
Number of deaf people working	14	Equality of opportunity and benefits

ANTI-CORRUPTION

	2020	2021	2022
Fines	0	0	0
Claims due to corruption	0	0	0

COMPLIANCE

	2020	2021	2022
Compliance with regulations	100%	100%	100%

TRAINING

INDUCTION AND ENTRY TRAINING	2020	2021	2022
Environmental	100%	100%	100%
Safety and health at job	100%	100%	100%
Benefits and payroll interpretation	100%	100%	100%
Social responsibility	100%	100%	100%

INCLUSION

	2020	2021	2022
Fatal accidents due to work risk	0	0	0
Fatalities due to work-related illnesses	0	0	0



TREVINO LEATHER

04

SOCIAL RESPONSIBILITY



SOCIAL RESPONSIBILITY ACTIONS

SUSTAINABLE DEVELOPMENT GOALS

OUR ACTIONS



We allocate a Budget for donations and employment promotion.



We have health programs for disease prevention. Additionally, we promote a healthy lifestyle and carry out awareness campaigns and provide occupational safety training.



We seek to develop capabilities within our work team, and we also implement ideas for improvement and innovation. Additionally, we have a school scholarship program, and we support schools in the region.

SOCIAL RESPONSIBILITY ACTIONS

SUSTAINABLE DEVELOPMENT GOALS



OUR ACTIONS

We have defined a sustainable water development program, which aims at reducing the negative impact arising from the use of chemical products. Additionally, we have a Wastewater Treatment Plant.

We have social action and humanitarian aid projects. Additionally, we are developing a Labor Inclusion Program.

We respect local, state and federal environmental regulations. Furthermore, we have an environmental management system that has been certified under the ISO 14001 standard.

EMOTIONAL SALARY

Some of the activities included in the Emotional Salary Program that took place in 2022, with an investment of \$877,306.40 Mexican pesos, were: Children's Day celebration; Mother's Day and Father's Day Raffles; Summer Camp (for collaborators' children); Safety and Health Fair; Cinema at the job; Healthcare Brigade; Day of the Dead Contest, among others.

EVENT	DATE	RESOURCES ALLOCATED
Rosca de Reyes	06 / 01 / 22	\$8,550.00
Saint Valentine's Day	11 / 02 / 22 - 14 / 02 / 22	\$8,700.00
Environment campaign	07 / 03 / 22 - 30 / 05 / 22	\$19,800.00
Children's Day Celebration	23 / 04 / 22	\$114,604.00
Mother's Day Celebration	10 / 05 / 22	\$40,360.00
Father's Day Celebration	19 / 06 / 22	\$24,092.80
Summer camp	18 / 07 / 22	\$72,037.74
Promotion of our values	30 / 08 / 22	\$10,129.00
Safety and Health Fair	12 / 09 / 22 - 15 / 09 / 22	\$28,885.00
Cinema at the job / Halloween moonlight party	15 / 10 / 22 - 22 / 10 / 22	\$25,631.99
Day of the Dead Contest	05 / 11 / 22	\$60,328.00
Junior High School #2 "Gustavo Garza Guajardo" Rehabilitation	03 / 12 / 22	\$69,168.87
Healthcare Brigade	26 / 11 / 22	\$60,627.00
Pilgrimage activities	09 / 12 / 22	\$27,500.00
Christmas Party 2022	17 / 12 / 22	\$306,892.00
TOTAL		\$877,306.40



EMOTIONAL SALARY

During this year 2022, we implemented our **"Protect your heart" ("Protege Tu Corazón")** program in conjunction with Protege tu corazón organization. This program consisted of several workshops whose purpose was to support our collaborators through guidance in topics of interest as part of their family formation and planning.

The workshops given in the program are listed below:

- Do you know your child?
- Adolescence: challenges and risks
- Young people: learning to guess
- Obedience and self-control
- Self-esteem: engine of behavior
- Leadership: a personality issue
- Emotional training for your children
- Internet: too much of a good thing
- Stop inconvenient things
- Overprotected children, non-successful adults
- Pressure: Teenagers' Achilles heel
- Romantic love or casual sex
- The first steps in sex education
- Talking with teenagers about sex is an urgent task
- Life project
- Sex: reasons for waiting
- How, when and what to talk about sexuality
- Real love adventure
- Sexting: Playing with the intimacy
- Pornography: innocent fun
- Strong parents, resilient children
- Your children's night outs and permissions... how to handle this?
- Life Project 2

These workshops received a positive response, and our community of collaborators had an active involvement in them.



COMMUNITY OUTREACH

Most of our collaborators come from municipalities surrounding the company, so every year we reiterate our commitment to these communities. In addition to continuing with our donation program and education promotion, we take part in different activities, involving the stakeholders.

The synergies we have developed with public institutions and civil societies have given us an opportunity to improve our sustainable social development strategy. The collaborations that we seek to strengthen are mainly those whose goal is the common good.

Thanks to the trust of our customers, collaborators, educational institutions, suppliers and communities, we have been able to meet the requirements of several social groups, such as athletes, children and youths, people with disabilities, elderly people, among others.

This year we achieved to increase the budget for the donation and education support program, allocating a total of **\$1,102,898.14 pesos**.

ORGANIZATION	IN KIND	DESTINATION	FREQUENCY DURING 2022
30 Educational Institutions in the following municipalities: El Carmen, Hidalgo, Abasolo and Mina	Yes	Rehabilitation, installation, cleaning and hygiene material support	Once
José Ponciano Arriaga Leija High School, El Carmen N.L.	Yes	Rolls of leather for making vests	Once
Mina Municipality	Yes	Personal Protective Equipment for COVID-19 and groceries	Once
El Carmen Municipality	Yes	Support for materials and water totes	Once
Hidalgo Municipality	Yes	Support for materials, water totes, groceries and sports equipment	Once
El Carmen Church	Yes	Music & soft drinks	Once
Luz Azucens Cafeteria	No	Daily food for vulnerable people of Abasolo municipality	Monthly
Guerreros de México	No	Travel allowance	Once
Deportista de Rodeo	No	Travel allowance	Once
Ciudad de los Niños	No	Education support	Once

LABOR INCLUSION

The Sustainable Development Goals aim at stimulating the sustainable economic growth of a community, adopting measures to reduce or end poverty, protect the planet and ensure peace and prosperity.

The foregoing connects the social responsibility and the work vision, since the working population is our most valuable equity. This fact and the lack of opportunities for people with hearing disabilities led us to study Mexican Sign Language (LSM, by its Spanish acronym) and develop a Work Inclusion Program.

Since we have implemented practices to consolidate our program, we received a distinction from the State Government and the National System for Integral Family Development of the State of Nuevo León through the Rehabilitation and Special Education Center. We received that distinction since we implemented actions that facilitated people with disabilities to exercise the fundamental right of access to work.



RECYCLING

While raising awareness about the importance of becoming a sustainable community, we promote the importance of circular economy, through our campaigns, whose main goal is to support the causes that promote health and contribute to recycling habits, obtaining results for the society's benefit.

All collected materials are donated to "Alianza Anticáncer Infantil" (The Children Anticancer Alliance). This institution exchanges these materials (donation in kind) into economic resources, which help to

pay the treatment of children suffering from cancer. During year 2022, **583.2 kg of materials** such as PET, aluminum, plastic caps and electronic material, were collected.

RECYCLING	
MATERIAL	KILOGRAM
ALUMINUM	52.5
PET	288.2
PLASTIC CAPS	155
ELECTRONIC MATERIAL	87.5

Alianza Anticáncer Infantil
Otorga el presente **RECONOCIMIENTO** a:
Curtidos Treviño (Agosto)

Por sumarse a la Campana de Reciclaje 2022
Reciclar es más que una acción, es el valor de la responsabilidad y el amor a otros.
Sumando Esfuerzos para dar Amor, Esperanza y Vida.

Lic. Patricia Ríos
Directora General

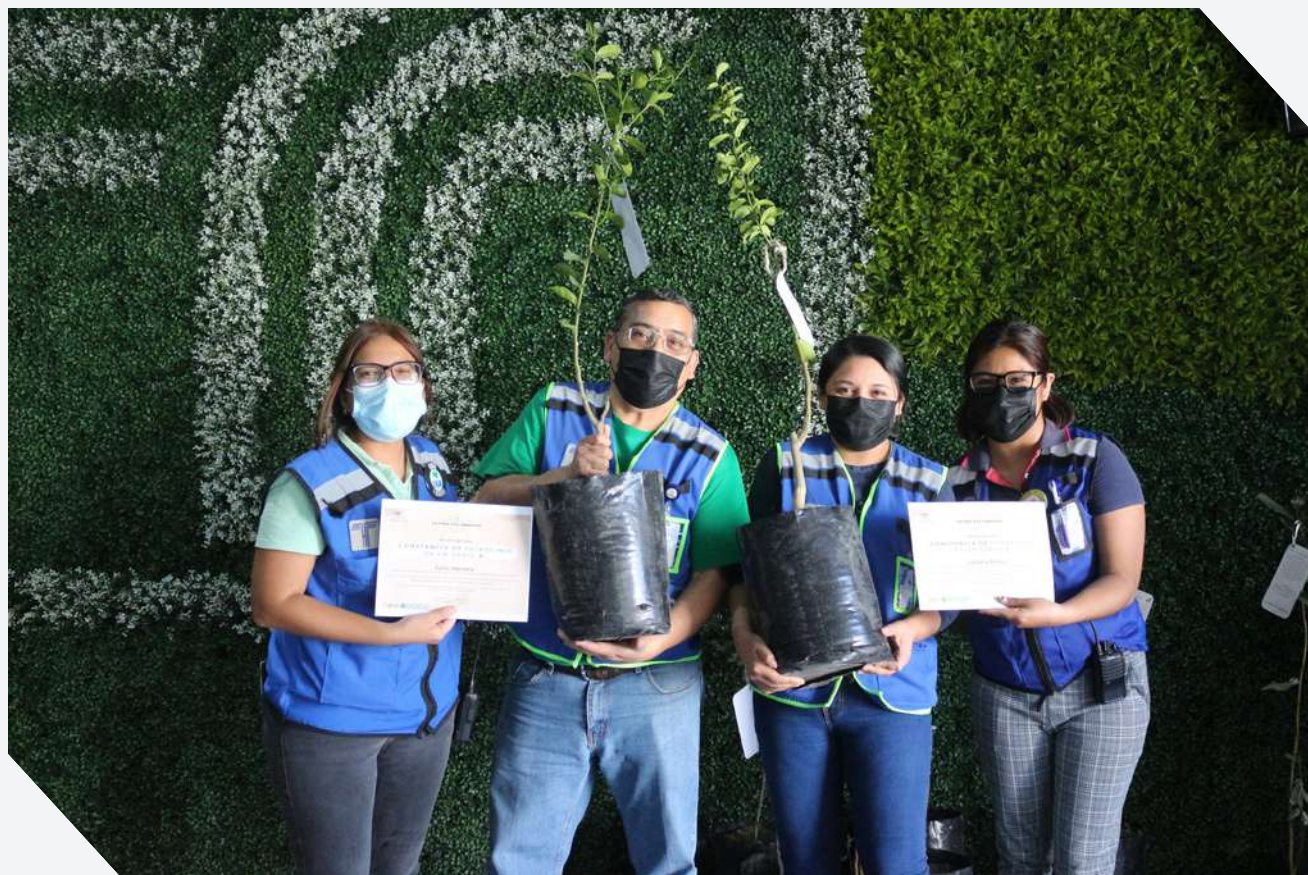
Alianza Anticáncer Infantil | Fabriles 1845 Colonia Fabriles | T. 81911070 al 73 | recepcion@acancer.org y reciclaje@acancer.org

RECYCLING

Our "Embracing life and environment" ("Aliándonos con la vida y el ambiente") campaign let us to make a donation to "Alianza Anticáncer Infantil" institution



recycling 583.2kg of waste. Additionally, as part of the distinction for the participation of our collaborators, 162 trees were delivered, and those who received them committed to take care of them.



GOVERNANCE AND CORPORATE ETHICS

We develop and enforce our code of conduct and policies regarding:

- Human Rights
- Diversity and Inclusion
- No discrimination
- Anti-corruption
- No retaliation
- Social Responsibility
- Human Resources
- Data Privacy
- Corporate Governance
- Unforced labor
- Child labor
- No mistreatment or abuse
- Business practices
- Vendors



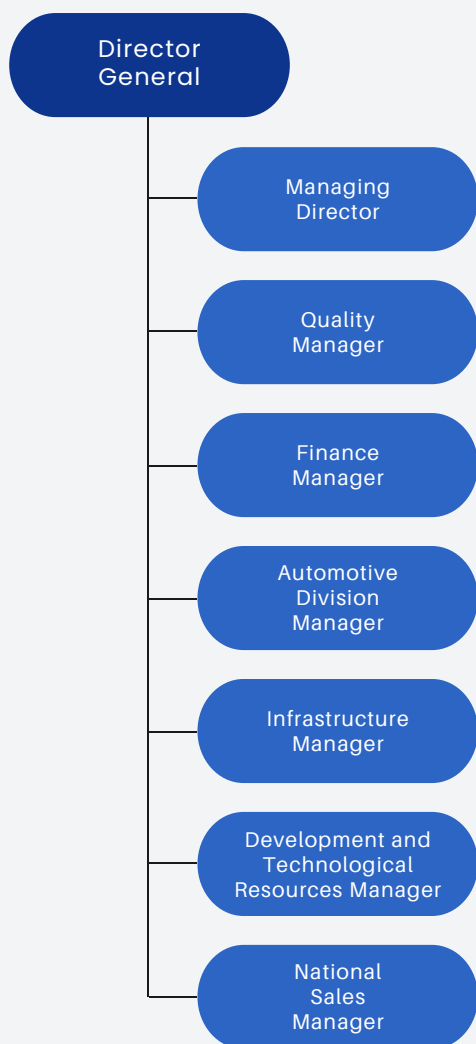
We have available tools and procedures that allow us to detect bad practices in these areas. Our anonymous reporting system is operated by a third party to comply with our confidentiality and non-retaliation policies:

<https://orienta-ld.com/CURTIDOSTREVINO/>



GOVERNANCE AND CORPORATE ETHICS

The management structure is responsible for supervising the general operation. The managers have monthly meetings to discuss about a wide range of pertinent issues and inform about them. These issues include the sustainability and financial strategy.



COMMITTEES

Within our structure, we have committees in the following scopes:

- Social Responsibility Committee
- Sustainability Committee
- Safety and Health Committee
- Ethics Committee

Our committees have roles and responsibilities that let us monitor new projects, design strategies and provide support to the management structure. Some of the responsibilities of these committees are listed below:

- Develop and update pertinent internal policies.
- Constantly monitor amendments and updates to regulations.
- Monitor the implementation of risk mitigation measures.
- Investigate complaints related to ethical issues (as the case may be)

Our policies are always available for our stakeholders in:

<https://trevinoleather.com/nosotros/>

100% of our employees are trained on our code of conduct and policies.

SAFETY AND HEALTH

We are committed to our collaborators' health, safety and well-being. Therefore, we work day by day to provide a secure work environment that allows our collaborators to have an optimal performance. During this year 2022, we implemented campaigns focused on topics such as: "The safety of my operation" as well as on health and healthy lifestyle issues.

We hold an ISO 45001 certification, which allows us to have a better risk management in the work environment in order to implement actions of migration and removal of conditions that may pose an important safety and health risk to our collaborators. We focus on providing our collaborators with a safe place to work.

We remain committed to the program called "Autogestión en Seguridad y Salud" ["Workplace Health and Safety Self-Management Program" (PASST)]. The latter helps us to recognize and comply with the regulatory requirements nationwide, with the purpose of promoting legal compliance and encouraging the continuous improvement to prevent work accidents and illnesses. Our strategy is based on the physical and mental well-being of our employees. Therefore, we go beyond legal compliance, by managing our vulnerable collaborators through a constant monitoring. Additionally, we provide them personalized medical supervision for controlling their health parameters, thus encouraging them to have healthy habits.

We recognize that the human capital is our most valuable resource, focusing our prevention programs on the well-being of all our collaborators. Therefore, we have tests available for the early detection of cervical cancer and breast cancer. Additionally, we have flu vaccines and tetanus vaccines available. Furthermore, we provide support for the application of vaccines against COVID-19.

Our safety and health programs also integrate actions for ensuring the physical integrity and health of our visitors, contractors and suppliers while they are within the facilities. The most remarkable actions are the initial induction training, the communication of protocols and the risk management.



SAFETY AND HEALTH



HEALTH CAMPAIGNS

At Trevino Leather, we promote good health and disease prevention, thus, some disease prevention and cancer detection campaigns are implemented and made available to our employees throughout the year.

Among our permanent campaigns we offer: parasite elimination, oral hygiene and family planning where collaborators and their families can request the resources for each one in the Medical Department.

CAMPAIGN	MONTH	BENEFITED COLLABORATORS
Vaccination campaigns	November	608 people
Visual Health Campaign	June	84 people
Timely detection of chronic degenerative diseases	August	199 people
Cervical cancer detection	September	18 people
Breast cancer campaign and detection	October	37 people





TREVINO LEATHER

04

SUSTAINABILITY GOALS

SUSTAINABILITY GOALS

Obtain Worldwide Responsible Accredited Production (WRAP) certification.

Have our own Day Care Center by 2024.

Get the TISAX cyber security certification by 2024.

Update our PTAR by 2025.

Develop the E-Learning module for our 2023 training.

Neutralize our carbon footprint by 2030.

Improve our wellness program, incorporating a psychologist and a social worker in our team.

Determine and work in the communication of our LCAs by 2023.

Automation / Seeking for an ergonomic improvement of our processes by 2024.

Increase the number of collaborators with scholarship by 2023.

GRI INDEX

Table of contents. GRI standard
GRI 1: Used
GRI 2: General Contents 2021

Declaration of use: Curtidos Treviño S.A. de C.V. has created this report, taking the GRI standards as reference for the period from January 1st to December 31st of 2022.

1. THE ORGANIZATION AND ITS PRACTICES TO SUBMIT REPORTS

2-1 Organizational details	p.09 and 50 Company profile Curtidos Treviño S.A. de C.V. Location of Headquarters and operation place Carretera Monterrey Monclova km 17.5, C.P. (ZIP CODE) 66550, El Carmen, NL.
2-2 Entities included in the submission of sustainability reports	p.09 Company profile
2-3 Reporting period, frequency and point of contact	Report frequency: Annual. The content of this report corresponds to the period from January 1st to January 31st of 2022. Point of contact:through our social media. Website for reports or complaints and organization website. https://www.facebook.com/trevinoleather https://instagram.com/trevinoleather https://www.linkedin.com/company/trevinoleather/ https://trevinoleather.com/contacto/
2-4 Information update	p.5, 6 and 9
2-5 External verification	p.29 Independent revision of the carbon footprint data only

2. ACTIVITIES AND WORKERS

2-6 Activities, supply chain and other trade relations	p.08, 15 and 16 "In numbers, products and quality"
2-7 Employees	p.37 Social KPIs
2-8 Workers that are not employees	p.49 Safety and health

3. GOVERNANCE

2-9 Governance structure and composition	p.47 and 48 "Governance and corporate ethics"
2-10 Designation and selection of the highest governing body	p.47 and 48 "Governance and corporate ethics"
2-11 President of the highest governing body	p.47 and 48 "Governance and corporate ethics"

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2-12 Function of the highest governing body in the impact management supervision	p.47 and 48 "Governance and corporate ethics"
2-13 Delegation of the responsibility for managing the impacts	p.47 and 48 "Governance and corporate ethics"
22-14 Function of the highest governing body in the submission of sustainability reports	p.47 and 48 "Governance and corporate ethics"
2-15 Conflicts of interest	p.47 and 48 "Governance and corporate ethics"
2-16 Communication of critical concerns	p.47 and 48 "Governance and corporate ethics"
2-17 Collective knowledge of the highest governing body	p.47 and 48 "Governance and corporate ethics"
2-18 Evaluation of the performance of the highest governing body	p.47 and 48 "Governance and corporate ethics"
2-19 Remuneration policies	p.47 and 48 "Governance and corporate ethics"
2-20 Remuneration determination process	p.47 and 48 "Governance and corporate ethics"
4. STRATEGY, POLICIES AND PRACTICES	
2-22 Declaration on sustainable development strategy	p.12, 18, 39 and 40 "Our commitment" and "Achieving our purpose with sustainable value"
2-23 Commitments and policies	p.12, 20, 21, 25 and 47 "Our commitment", "Corporate policy on animal welfare", "Environmental policy", "Compliance policy on raw materials", "Governance and corporate ethics" https://trevinoleather.com/wp-content/uploads/2022/12/POLITICAS_CORPORATIVAS.pdf
2-24 Incorporation of commitments and policies	p.47 and 48 "Governance and corporate ethics"
2-26 Mechanisms for requesting advice and reporting concerns	p.47 and 48 "Governance and corporate ethics"
2-27 Compliance with legislation and regulations	p.12 and 47
2-28 Membership in associations	p.16

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5. PARTICIPATION OF STAKEHOLDERS

2-29 Approach for the participation of stakeholders

p.17 "Reception arrangements for concerns and communication with our stakeholders"

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ENERGY

3-3 Management of material aspects

p.22 Goals and results 2022

302-1 Energy consumption within the organization

p.33 Our carbon footprint

302-3 Energy intensity

p.22 Goals and results 2022

302-4 Reduction of energy consumption

p.33 Our carbon footprint

GRI 303: WATER AND EFFLUENTS 2018

3-3 Management of material aspects

p.34 and 35 Water

303-1 Interaction with water as a shared resource

p.34 and 35 Water

303-2 Impact management related to water discharge

p.34 and 35 Water

303-3 Water extraction

p.34 and 35 Water

303-4 Water discharge

p.34 and 35 Water

303-5 Water consumption

p.34 and 35 Water

GRI 305: EMISSIONS 2016

3-3 Management of material aspects

p.22 Goals and results 2022

305-1 GEI direct emissions (scope 1)

p.33 Our carbon footprint

305-2 GEI indirect emissions related to energy (scope 2)

p.33 Our carbon footprint

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p.22 Goals and results 2022

305-5 GEI emission reduction

p.22 Goals and results 2022

GRI INDEX

GRI 306: WASTE 2020

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306-1 Waste generation and meaningful impacts related to the waste p.35 Waste

306-2 Management of meaningful impacts related to the waste p.35 Waste

306-3 Generated waste p.35 Waste

306-4 Waste not intended for disposal p.45 "Recycling"

GRI 403: HEALTH AND SAFETY AT JOB 2018

3-3 Management of material aspects p.49 "Safety and health"

403-1 Management system of health and safety at job p.49 "Safety and health"

403-2 Hazard identification, risk assessment and incident investigations p.49 "Safety and health"

403-3 Occupational health services p.26 and 50 "Key events" and "Safety and health"

403-4 Employee participation, consultation and communication about health and safety at job p.26 and 37 "Key events" and "Social KPIs"

403-5 Training of workers on health and safety at job p.37 Social KPIs

403-6 Promotion of workers' health p.49 "Safety and health"

403-8 Coverage of the health and safety management system at work p.49 "Safety and health"



TREVINO LEATHER®

Carr. Monterrey-Monclova km 17.5
El Carmen, N. L. México C.P. 66550
Ph: +52 (81) 81 54 54 00

trevinoleather.com
trevino@leathermex.com