



Fundación
IEnova

Energía que transforma

2018 Report

REPORT

Fundación IEnova 2018



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and Executive Chairman of IEnova

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Message

from the Chairman of the Board of Directors and Executive Chairman of IEnova Chairman of the Advisory Committee of Fundación IEnova

As a result of our strong commitment to contributing to the social and human wellbeing of the communities to which we belong, in April 2015 we created Fundación IEnova.

The goal of our Foundation is to improve the quality of life in the communities where we operate with actions centered on four areas: **Education, Environment, Vulnerable Groups, and Community Services.**

This report describes Fundación IEnova's results during 2018, period in which we sponsored 24 projects and made two in-kind donations, directly benefiting ten Mexican states.

Hand in hand with our Foundation, IEnova has a strong commitment to young students of excellence who need economic assistance to continue their studies, contributes to infrastructure improvements, with a special focus on electrification with solar panels improving the quality of life for the most vulnerable population and supports integral care for children with cancer. Our incentive is to achieve more success stories.

The humanity and solidarity of the IEnova team is evidenced by the active role our employees play in our efforts, making them the driving force behind this project. I wish to thank the members of our Board of Directors and our Advisory Committee for entrusting Fundación IEnova with managing the social investment we make in the communities to which we belong. Fundación IEnova is built with contributions from all of us.



CARLOS RUIZ SACRISTÁN

Chairman of the Board of Directors
and Executive Chairman of IEnova
Chairman of Fundación IEnova's Advisory Committee



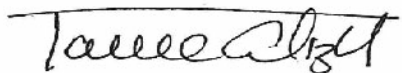
From the Chief Executive Officer of IEnova

IEnova's business strategy is executed based on our firm conviction that energy infrastructure drives our country's growth and social development. Fundación IEnova showcases the strong social commitment behind the development of our projects.

During 2018, Fundación IEnova granted \$13.55 million pesos in donations aimed at transforming lives, including scholarships for talented university students, infrastructure improvements focused at generating electricity with clean sources, infrastructure improvements in foster homes and centers that provide assistance to vulnerable groups, and integral care for children with cancer.

I am particularly grateful to those employees who during 2018 participated in 14 corporate volunteer events in seven cities in Mexico.

Thank you for your energy that transforms!



TANIA ORTIZ MENA

Chief Executive Officer for IEnova



We are
Fundación IEnova





Driven by our strong commitment to improve the wellbeing of the communities to which we belong, in April 2015 we created **Fundación IEnova, A.C. (Fundación IEnova)**, a second-tier foundation duly authorized to make donations and economic contributions in compliance with the requirements set forth by the Mexican tax authority (*Servicio de Administración Tributaria, SAT*).

Through Fundación IEnova's work, we strive to strengthen and maximize the positive impact of our activities in the communities where we operate.



Our Mission

At Fundación IEnova we are committed to transforming lives by supporting organizations and programs that contribute to the development of the communities to which we belong.

Areas of Giving

We focus on sponsoring works that offer mid- and long-term benefits to the community in four areas:



During 2018 Fundación IEnova prioritized projects related to the following programs:



Scholarships for talented university-level students who need economic assistance to continue their studies.

Infrastructure improvements focused on supplying electricity generated from clean sources to foster homes and centers that offer support to vulnerable groups.



Infrastructure improvements in foster homes and centers that provide assistance to vulnerable groups.



Integral care for children with cancer.



Methodology for Granting Donations

Fundación IEnova supports non-profit organizations approved by the Mexican tax authority (SAT) whose activities are aligned with one of the priority programs and/or with the corporate purpose described in the Foundation's bylaws.

Fundación IEnova employs a robust assessment methodology in order to structure the way in which it determines which projects and organizations to sponsor.

This provides the donation process with transparency and maximizes the impact of the allocated resources.



Applying the Methodology



Each application is thoroughly reviewed in terms of both the entity and the project. By employing this methodology, we can assess the soundness of an organization by reviewing factors such as corporate governance, transparency, experience, recognitions, and sustainability. We also analyze the project, location, performance indicators, potential results and impacts, as well as sustainability-related plans, among other aspects.

The organizations that receive the best evaluations are considered preselected to receive a donation.

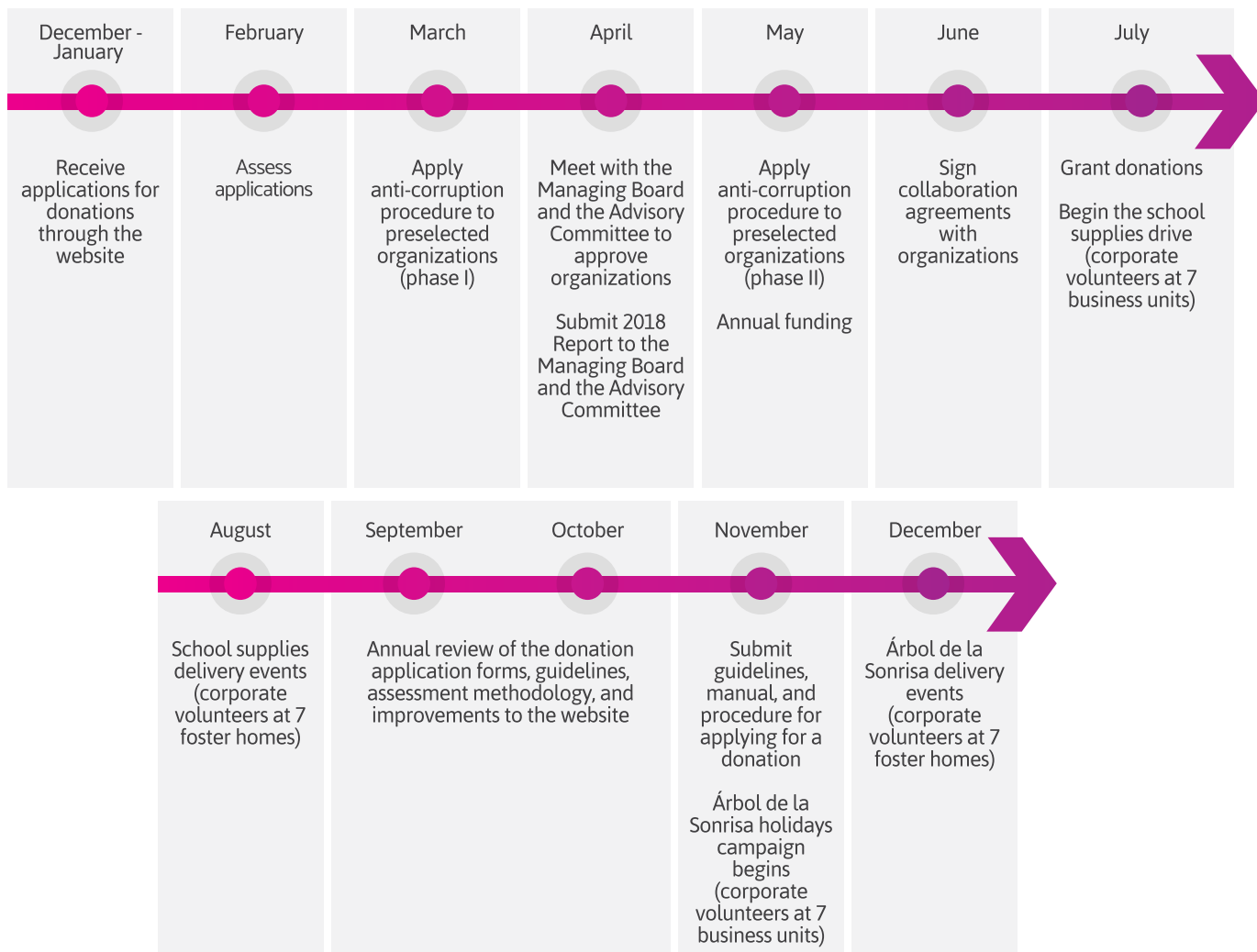
Fundación IEnova's management team presents the preselected projects to the Managing Board for approval. Subsequently, the projects approved by the Managing Board are presented to the Advisory Committee, which meets to evaluate them and, if applicable, approve them. The Advisory Committee also analyzes the results and management of Fundación IEnova.

Prior to delivering the resources, we carry out an anti-corruption process in accordance to the Foreign Corrupt Practices Act (FCPA), the Corporate Ethics Policy, and the IEnova Anti-corruption Procedure for the Approval of Donations, Sponsorships, Improvements, and Memberships, implemented by the Corporate Ethics division.

Once authorized, we sign a collaboration agreement with the selected organizations establishing the conditions that need to be met in order for a donation to be granted.

During the year of operation of the grant, or until the economic resources are spent, the organization must submit quarterly reports as well as the supporting documentation needed to verify compliance with the timetable and conditions established by Fundación IEnova.

Activity Schedule



Quarterly monitoring of organizations, compliance with accounting, fiscal, and anti-money laundering law requirements, and transparency



Corporate Governance



Managing Structure

Fundación IEnova is supervised by an Advisory Committee and a Managing Board. The Advisory Committee includes the company's CEO and Executive Vice-Presidents and is chaired by the Chairman of the Board of Directors and Executive Chairman of IEnova. Several employees are members of the Managing Board chaired by the Chief Corporate Affairs Officer.



Advisory Committee

Chair:

Chairman of the Board of Directors
and Executive Chairman of IEnova
Carlos Ruiz Sacristán



Managing Board

Chair:

Chief Corporate Affairs Officer
Abraham Zamora Torres



Management

Fundación IEnova Manager

Advisory Committee

Carlos Ruiz Sacristán, **President**

Tania Ortiz Mena López Negrete, **Member**

René Buentello Carbonell, **Member**

Abraham Zamora Torres, **Member**

Juan Rodríguez Castañeda, **Member**

Carlos Francisco Barajas Sandoval, **Member**

Jesús Córdoba Domínguez, **Member**

Managing Board

Abraham Zamora Torres, **President**

Rodrigo Cortina Cortina, **Secretary**

Pedro Antonio Martínez Lascurain, **Treasurer**

Juan Rodríguez Castañeda, **Member**

Daniel Joaquín Santander, **Member**

María Cristina Kessel Enríquez, **Member**

Alejandro Enrique Ríos Rippa, **Member**

Carlos Francisco Barajas Sandoval, **Member**

Sergio Romero Orozco, **Member**

Administration

Lucila García Velandia, **Manager**

Additionally, the Foundation's performance is subject to an annual internal audit. The auditor's report is presented to the Associates Meeting ^[1] and to the Advisory Committee.



^[1] The legal representatives of the current Fundación IEnova partners—Infraestructura Energética Nova, S.A.B. de C.V. and IEnova Holdco, S. de R.L.—participate in the Associates Meeting.

ABC



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Operating Results



In 2018 Fundación IEnova granted \$13.55 million pesos in donations, with which we sponsored 12 organizations and 24 projects, and made two in-kind donations, in 12 cities of ten states in Mexico.

2018 donations by areas of giving and percentage of investment



56%

- Asociación Mexicana pro Colegios del Mundo Unido, A.C. (UWC)
- Trust number F/744942 (FIMUNET)
- Fundación UABC, A.C.
- Instituto Educativo del Noroeste, A.C. (CETYS)
- Promesa Educativa para México, A.C.

Education



4%

- A Favor del Niño, I.A.P.

Environment



23%

- Casa Hogar del Anciano de Ensenada, A.C.
- Fundación del Empresariado Chihuahuense, A.C. (FECHAC)
- Fundación del Empresariado Sonorense, A.C. (FESAC)
- Fundación para la Protección de la Niñez, I.A.P.

Vulnerable Groups



17%

- Casa de la Amistad para Niños con Cáncer, I.A.P.
- Cruz Roja Mexicana, I.A.P.
- Fundación para la Protección de la Niñez, I.A.P.

Community Services

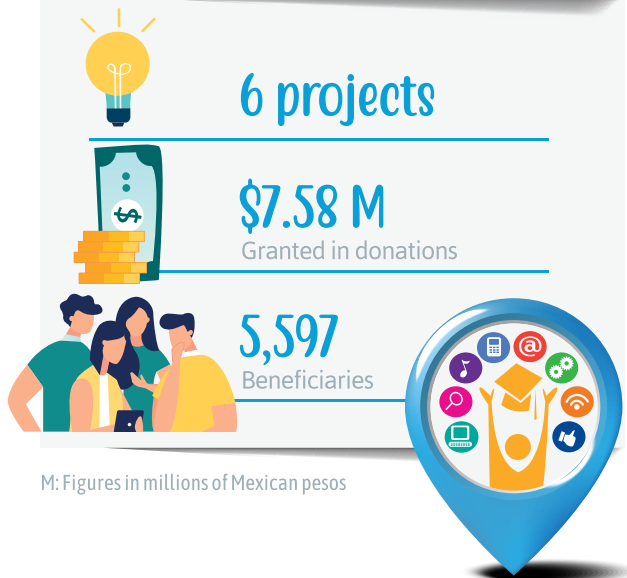
Allocation of Projects and Donations by State



"In 2018, in line with Fundación IEnova's education goals we made a donation for \$5.6 M pesos to an energy and technology museum, Museo Nacional de Energía y Tecnología, Trust number F/744942 (FIMUNET,) in Mexico City in order to promote awareness in science and technology focusing on energy. It is worth mentioning that this is a one-time donation to be made exclusively in 2018."

Results

Education



Projects in:



• Beneficiaries include 37 scholarships:

- 36 at the university level, of which 6 are for studying a semester abroad
- 1 at the High School level, to study abroad

• CETYS Mobile Renewable Energy Lab

We continued working on activities related to the mobile wind and solar energy lab, with the participation of CETYS students. The lab was installed at educational and technical expos and fairs, and in elementary, middle and high schools near Ensenada, Baja California. It was also installed at the annual meeting of the Jacume communal land, or ejido.

• We moved on to the third phase of the **Centro Cultural, Deportivo y de las Artes Riberas (CCDA)** efforts, supplying furnishings and equipment for cultural projects, and installing 85 solar panels.

• We made a contribution to the rehabilitation process for the national energy and technology museum, **Museo Nacional de Energía y Tecnología**, Trust number F/744942 (FIMUNET) to promote awareness of science and technology centered on energy. 1,000,000 visitors are expected.

Sponsored associations:

- Trust identified with number F/744942 (FIMUNET)



Environment



1 project



\$0.48 M

Granted in donations



534

Beneficiaries

M: Figures in millions of Mexican pesos



• A Favor del Niño:

We continued with the second phase of the project to supply electricity generated with clean sources of energy to this entity that offers housing, food, and schooling to children. During this phase, **40 solar panels** were installed, bringing the total up to 87 and supplying 70% of its energy consumption for 2018.

Projects in:



Sponsored associations:



Vulnerable Groups



10 projects



\$3.17 M

Granted in donations



1,223

Beneficiaries

M: Figures in millions of Mexican pesos

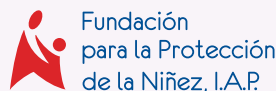


- We built 139 m² and painted 3,602 m² in order to enhance community temples and infrastructure in Yaqui and Mayo indigenous territories.
- We carried out construction or restoration works on 1,845 m² as part of the Triannual Adoption Program for Improvements in Infrastructure at 7 foster homes.
- We refurbished electrical systems at the Casa Hogar del Anciano de Ensenada nursing home (2016-2018). We implemented phase II focusing on renovating LED lighting.
- We built the infrastructure needed for supplying natural gas to the Asilo de Niños y Casa Hogar, I.B.P. foster home, generating savings for approximately 44% compared to prior LP gas costs.
- 14 corporate volunteer events

Projects in:



Sponsored associations:



Community Services



7 projects +
2 in-kind donations



\$2.32 M

Granted in donations



1,050

Beneficiaries

M: Figures in millions of Mexican pesos



Projects in:



• Red Cross Winter Plan:

900 packages with basic food supplies distributed at the Sierra Tarahumara.

• Medical Services:

\$0.8 M allocated to offering integral care for 150 children with cancer:

- Specialized studies including gammagrams, MRIs, tomography scans, PET scans, ultrasounds, and medications, among others.

• Disaster-relief:

- \$200,000 pesos in disaster-relief aid for victims of the Sinaloa floods
- \$569,200 pesos for purchasing furnishings for schools located in highly marginalized regions.

• In-kind donations:

- 83 wheelchairs that were put together by employees and delivered to NGOs that offer aid to people living in vulnerable conditions in 10 cities in Mexico.

- **Mass donation of backpacks and lunch boxes** for 231 children in seven foster homes.

Sponsored associations:



CRUZ ROJA
MEXICANA



Fundación
para la Protección
de la Niñez, I.A.P.



As part of our Collaboration Agreement with the Mexican Red Cross (*Cruz Roja Mexicana, I.A.P.*) for rapid response in case of natural disasters, we made a donation for \$200,000 pesos for victims in the communities affected by floods in the state of Sinaloa in September 2018.

Likewise, through our internal disaster-relief program for victims of the 2017 earthquakes in Mexico City, Puebla, Morelos, Oaxaca, and Chiapas, we donated \$569,200 pesos to Fundación para la Protección de la Niñez, I.A.P. In this effort, funds collected by IEnova employees were matched by Fundación IEnova and used to purchase furnishings for four schools, benefiting 725 students.

Additionally, in collaboration with the Human Capital area, we held team building events during which our employees built 83 wheel chairs that were later donated to Civil Society Organizations that help children and people living in vulnerable conditions in 10 cities in Mexico.

Corporate Volunteers

Our corporate volunteers are an integral part of Fundación IEnova's social commitment events.

In 2018, we held 14 volunteer events through which we benefited the following projects:



- 459 PACKAGES INCLUDING SCHOOL SUPPLIES, CLOTHES, SHOES, AND TOYS DONATED TO CHILDREN AND YOUNGSTERS THROUGH OUR CORPORATE VOLUNTEERS PROGRAM



- 203 VOLUNTEERS

· ESCUELA + SONRISAS:

231 SCHOOL SUPPLIES PACKAGES DELIVERED IN SEVEN CITIES: Chihuahua, Mexico City, Hermosillo, Mexicali, Monterrey, Tecate, and Torreón

· ÁRBOL DE LA SONRISA:

228 CLOTHES, SHOES, AND TOYS PACKAGES DELIVERED IN SEVEN CITIES: Chihuahua, Mexico City, Hermosillo, Mexicali, Monterrey, Tecate, and Torreón





IEnova employees donated 231 school supplies packages to children in seven foster homes. In addition, during 2018 Fundación IEnova donated a backpack and lunch box to each of the children.

Fundación IEnova's corporate volunteer events are held twice a year at seven institutions that are part of the Triannual Foster Home Adoption Program for Improvements in Infrastructure.



During 2018, our corporate volunteers program granted more than 450 packages with school supplies, clothes, shoes, and toys to boys and girls living in vulnerable conditions, with the collaboration of approximately 200 volunteers.



Transparency



Resources

Fundación IEnova receives funds from contributions made by IEnova companies through a donation contract subscribed by the corresponding company and Fundación IEnova.


Financial Results

Figures in Mexican pesos

CONCEPT	YEAR*			
	2015	2016	2017	2018
REVENUE				
Donations received	3,400,000	8,500,000	18,512,400	40,527,250
EXPENSES				
Donations granted	3,218,038	7,293,088	14,886,220	13,546,577
Operating expenses	0	480,501	279,786	203
Balance	181,962	726,411	3,346,394	27,246,070
VERIFICATION BALANCE				
Net variation in worth in books	46,242	862,131	3,346,394	27,246,070
Variation ⁽¹⁾	135,720	-135,720	0	0
⁽¹⁾ COMPOSITION OF THE VARIATION:				
Expenses pending payment in 2015	135,720			
Expenses paid in 2016		-135,720		

*Shows the Status of Activities (fiscal) 2018

Benefited Institutions 2018

- 
- 1 · A Favor del Niño, I.A.P.
 - 2 · Fundación del Empresariado Chihuahuense, A.C. (FECHAC)
 - 3 · Asociación Mexicana pro Colegios del Mundo Unido, A.C. (UWC)
 - 4 · Fundación del Empresariado Sonorense, A.C. (FESAC)
 - 5 · Casa de la Amistad para Niños con Cáncer, I.A.P.
 - 6 · Fundación para la Protección de la Niñez, I.A.P.
 - 7 · Casa Hogar del Anciano de Ensenada, A.C.
 - 8 · Fundación UABC, A.C.
 - 9 · Cruz Roja Mexicana, I.A.P.
 - 10 · Instituto Educativo del Noroeste, A.C. (CETYS)
 - 11 · Trust identified with number F744942 (FIMUNET)
 - 12 · Promesa Educativa para México, A.C.



Our Stories



WE CONTRIBUTE TO IMPROVING THE LIVES OF CHILDREN LIVING IN FOSTER HOMES:

Triannual Foster Home Adoption Program for Infrastructure Improvements

Participating in the sustainable development of Mexico in a framework of respect and commitment to the communities to which we belong is fundamental to IEnova's business strategy.



We establish a positive relationship with and offer our support to different groups that are part of the communities to which we belong, all on the basis of our sustainability policy. Through the activities implemented in the **Social Pillar**, we support efforts aimed at improving the quality of life of those who are most in need.

In order to contribute to transforming the lives of children living in vulnerable conditions, at Fundación IEnova we established the **Triannual Foster Home Adoption Program for Infrastructure Improvements** in collaboration with **Fundación para la Protección de la Niñez**.

The goal of this program is to change the living conditions of children who live in foster care. We believe that growing up under healthier and more optimal conditions increases the prospects for these children to have better lives, therefore, the funds we donate are allocated to improving the infrastructure of the foster homes where they live.



As part of this effort, between 2015 and 2017 Fundación IEnova adopted six foster homes located near our operations:

- El Camino Hacia Adelante, A.C., in Chihuahua, Chihuahua
- Promoción y Acción Comunitaria, I.A.P. (Casa PACO), in Mexico City
- Casa Esperanza para Niños, I.A.P., in Hermosillo, Sonora
- Institución Paccelli, A.C., in Mexicali, Baja California
- Casa Hogar Cañón Buenavista, A.C., in Ensenada, Baja California
- Albergue del Padre Manuelito, A.C., in Torreón, Coahuila



The funds are allocated to infrastructure works that vary depending on the needs of each foster home, including:

- Upgrading workshops
- Repairing electric systems
- Repairing and remodeling roofs, bedrooms, play areas, and bathrooms
- Building or repairing computer rooms, multi-purpose rooms, office spaces
- Installing security systems and telephone exchanges



In 2015-2017—the first three-year period of this successful program—we invested **4.8 million pesos, benefiting 309 children.**



In 2018 we started the new 2018-2020 foster home adoption program.

During this second phase, we will make donations for improving facilities at seven foster homes:

- Casa Hogar Jeruel, A.C., in Chihuahua, Chihuahua
- Promoción y Acción Comunitaria, I.A.P. (Casa PACO), in Mexico City
- Casa Guadalupe Libre, I.A.P., in Hermosillo, Sonora
- Betesda Mexicali, A.C., in Mexicali, Baja California
- Casa Hogar Manantial de Amor, A.C., in Monterrey, Nuevo León
- Casa Hogar para Niños Rancho El Milagro, I.B.P., in Tecate, Baja California
- Albergue del Padre Manuelito, A.C., in Torreón, Coahuila

The following are among the improvements we plan to make:

- Repairing and remodeling bathrooms and bedrooms
- Building the first phase of an area that will be allocated to offering specialized help to children
- Purchasing furnishings
- Installing solar panels

Additionally, twice a year we hold corporate volunteer events that offer us the opportunity to get to know and spend time with the children we sponsor.



The first event, which takes place before the beginning of the school year, is known as **Escuela + Sonrisas** (School + Smiles). It consists of donating school supplies packages collected by our employees.



At the end of the year we carry out a second event, **Árbol de la Sonrisa** (Smiling Tree), during which we give the children toys, clothes and shoes, all of which are also donated by our employees, thus contributing to making the holidays a happier time for the kids.

This program has enabled our employees to view the project as something that is very close to their hearts given that they establish a strong relationship with the children.



At Fundación IEnova we are proud to support this project and contribute to improving the lives of children and youngsters in our communities. We are certain that with programs such as these, we contribute to changing the lives of groups of people who need it the most.



fundacion Enova

in Summary



2018



24
PROJECTS^a
+
2 IN-KIND
DONATIONS^b



12
ASSOCIATIONS
SUPPORTED



\$13.55 M
GRANTED IN
DONATIONS



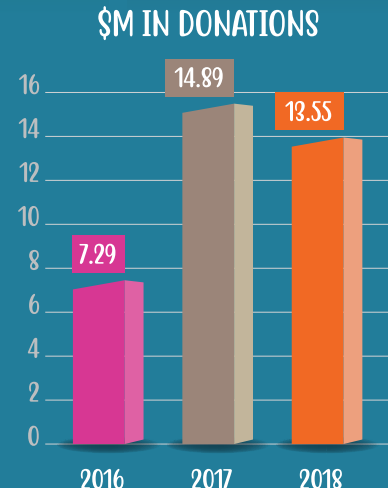
8,404
BENEFICIARIES^c

In 2015–2018 our Corporate Volunteers Program with the collaboration of our employees, granted more than 1,600 packages including school supplies, clothes, shoes, and toys, in addition to wheel chairs, to children and youngsters living in vulnerable situations.

a) Includes the donation of school furnishings and the disaster relief funds (for the victims of floods in Sinaloa).

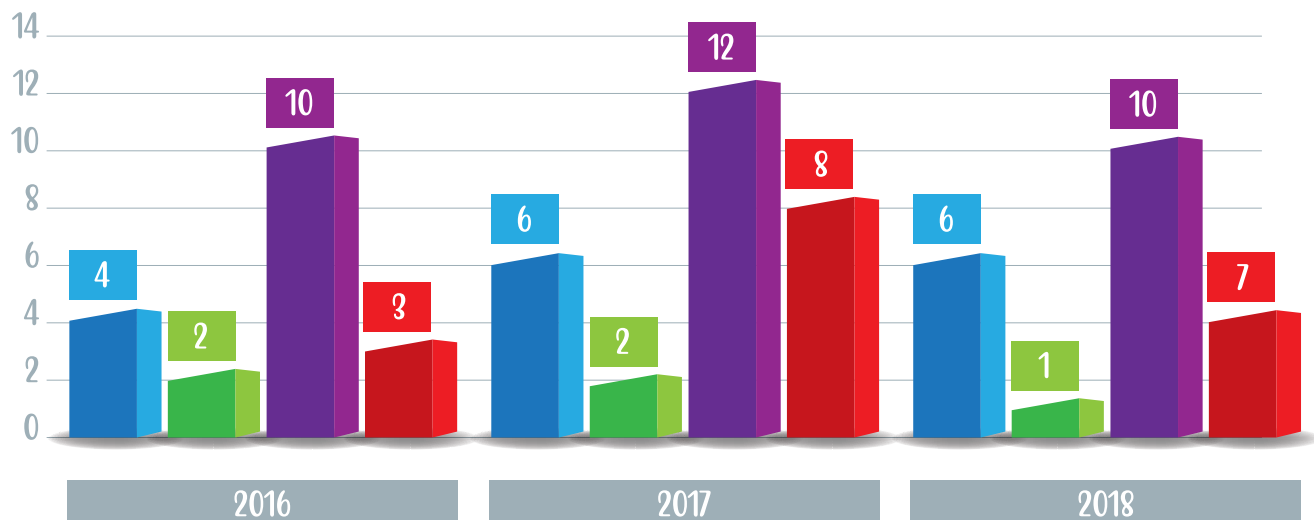
b) Includes a mass donation of backpacks and lunch boxes for children in foster homes and the donation of wheel chairs to organizations that offer aid to vulnerable groups.

c) Direct beneficiaries from August to December 2018.



M: Figures in millions of Mexican pesos.

Projects Supported by Areas of Giving



Education



Environment



Vulnerable
Groups



Community
Services

Through the work of Fundación IEnova we have proven our commitment to transforming the lives of people living in the communities to which we belong.



Fundación IEnova, a great project that is being built with contributions from all of us.





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2018 Report

This Report is a translation from the original version in Spanish.
In case of discrepancy, the Spanish version prevails.