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PRESS RELEASE

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### **Position Statement: INDEX Nacional on the Current Energy Crisis**

Like the rest of the world, our country is currently experiencing an energy crisis, resulting from seasonal heat waves that have intensified in recent years, in addition to a lack of an energy saving culture, and a national strategy to address the impacts. Consequently, in the short and medium term, demand will increase and exceed electrical supply.

Yesterday, for the second consecutive day, the National Electric Grid experienced disruptions, and 21 states in the country have reported power cuts that put the safety and health of citizens at risk, especially those living in extreme heat conditions. This also affects the operation and functionality of Mexican and foreign companies established in the country.

In recent days, demand on the National Electric System (SEN) reached 48,472 megawatts of energy per hour, and operating reserves decreased to less than 3%, endangering many areas of the country during productive hours, reducing the operational capacity of companies, and sending a message of vulnerability to incoming investments in light of the nearshoring phenomenon.

The National Council of the Maquiladora and Export Manufacturing Industry (INDEX), which contributes through its 6,440 IMMEX establishments with over 220 billion dollars in merchandise exports by the end of 2023 and generates 3.3 million formal jobs in the industry, has initiated dialogue with authorities to develop strategies to address the crisis, optimize energy use in companies, establish an early warning system, and thus avoid a negative impact on the current scenario of relocating production chains.

Given the current energy situation, Mexican companies are committed to taking proactive measures to improve their energy consumption. They should aim to implement energy optimization projects in the short and medium term, minimizing the impact on operations.

It is worth noting that this does not exempt federal authorities from fulfilling their commitment to energy supply and distribution and maintaining their objectives of using alternative energy sources.

In the export manufacturing industry, we recognize the severity of the energy shortages affecting the country and understand the negative impact it has on the economic activity of established companies and those considering relocating to Mexico, as well as on productivity and competitiveness.

We are strengthening, together with other business leaders, the collaboration between the private sector and authorities to face these incidents, overcome this situation, and build a more sustainable energy future for Mexico.