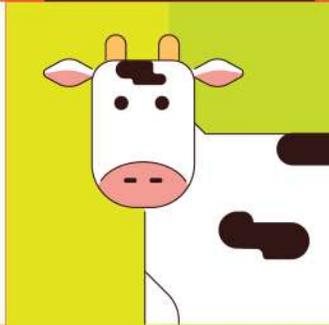
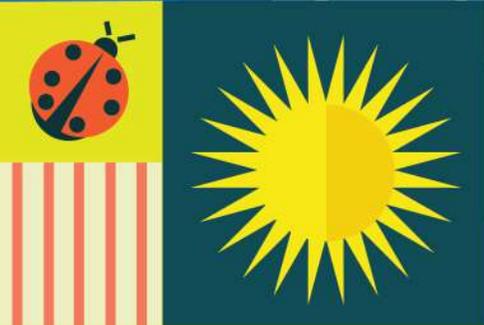
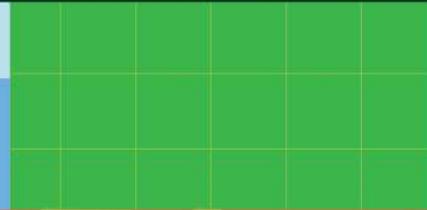
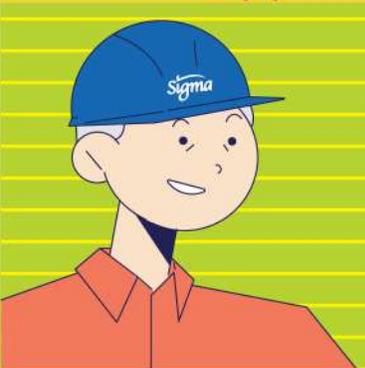


Sigma



SUSTAINABILITY

REPORT 2020



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About this Report



Sigma | We are Sigma

We work every day to fulfill our purpose: Bring communities everywhere favorite foods to love.

Sigma, a subsidiary of ALFA since 1980, delivers to consumers their favorite foods and brands. Working as one company and one team with a common culture, we are now more than 43,000 employees in 18 countries selling more than 1.8 million tons of food annually.

Sigma Culture

Sigma is a global leader in the food industry, with a diverse portfolio of value-added, prestigious brands that occupy leading positions in several market categories and segments.

We are focused on innovation and the agile development of new products to meet growing consumer demand in each of our markets. We continually invest in analyses to understand consumer preferences and strengthen our offering.

A global presence allows us to share best practices in our operations and optimize productivity levels and distribution platforms.

Today we are working on several initiatives that help us adapt our identity, purpose, principles, and essential behaviors, and bring us closer to our desired culture. For more information about our culture, visit our Ethics & Corporate Governance section.

Essential behaviors

Our essential behaviors is how we bring our Principles to life. Player by making choices to take control; Learner by staying curious and conscious; Making Productive Requests by taking the time to explain the task, the purpose, concern and expected result; Honoring Commitments by understanding that words are worthy; and Collaborating Effectively to achieve more. Throughout the year, we carry out different initiatives that help us adopt our corporate Identity, Purpose, Principles and Behaviors; which strengthen our desired culture every day.

Our Principles



Delight our consumers

Improve our consumers' daily lives by creating and serving them favorite foods they love.



Innovate together

Explore and learn to generate new opportunities for value creation.



Deliver with integrity

Deliver results with ethics and outstanding execution.



Lead to inspire

Lead by example, inspiring and motivating others to maximize their potential.



Foster wellbeing

Promote quality of life by taking care of our people and communities.

MESSAGE FROM CEO

Guided by our values and principles, during 2020 we demonstrated our capacity and determination to overcome adversities to continue bringing communities everywhere favorite foods to love. Our highest priority has been to protect the health of our employees, consumers, clients, suppliers, and all the people with whom we interact in our operations while we continuously work to offer quality products in a safe manner.

 The Wellbeing pillar focuses on employee health, training, and development. Since the beginning of the pandemic, we developed more than 100 health and hygiene protocols, established global, national, and local committees focused on mitigating risks, and implemented communications mechanisms to address the challenges of COVID-19 in an agile, efficient, and supportive manner to create a safe environment.

We remained attentive to the needs and concerns of our employees through surveys and open spaces for dialogue, with focus on both physical and emotional health. We implemented a virtual initiative “Share to Connect”, a space for personal and professional growth, for the benefit of our employees and their families. In total, during 2020 we provided an average of 19.4 learning hours per employee for the advancement of personal and professional growth.

We continued to strengthen a culture of occupational safety and progressed in the implementation of the 12 Best Sigma Safety Practices, achieving a 36% reduction in our global accident rate with respect to the 2018 baseline.

During the year, we launched the Sigma Global Code of Conduct, which establishes the standards, criteria, and expected behavior in terms of ethics and sustainability for our employees. The Code reinforces our commitment to the principle that the company’s success relies on a culture of integrity and transparency.

 To continue generating Shared Value across our value chain, over the course of the year we maintained our communication channels, strengthened our partnerships with clients and suppliers, and collaborated with associations and NGO.

We worked hand-in-hand with our customers to anticipate consumer needs, provide them with their favorite foods, and ensure the availability of our products at every point-of-sale. At the same time, we adapted to changes in demand for the products and presentations preferred by consumers during the pandemic. We also strengthened collaboration mechanisms with suppliers to ensure that the supply chain could safely continue to operate without interruptions. In addition, Sigma supported small-sized producers by providing them with personal protection equipment and protocols to reinforce hygiene measures.

We collaborated closely with food banks and other NGO to help address nutrition needs that arose during the COVID-19 pandemic. In 2020, we donated more than 21.6 million servings in the communities where we operate. In total, we have donated 152 million servings since 2015.

 In the Health & Nutrition pillar, food quality and safety, continuous innovation of products to offer better nutritional profiles, and the exchange of best practices are essential.

We rely on our Safety Policy, which aligns to standards recognized by GFSI, and a Hazards Analysis and Critical Control Points (HACCP) management system. At the end of 2020, we had 60 GFSI-certified plants, ensuring the quality of our products.

Through our platforms and Innovation Model—which is based on Design Thinking—we respond quickly and proactively to changing market trends and consumer preferences. In 2020, we launched more than 500 new products, of which 89 are part of our Health & Nutrition platform, reinforcing our commitment to continually improve the nutritional profile of our products. In 2020, we launched on our Intranet a site focused

on the exchange of best practices, and more than 300 employees received training in accelerated innovation methodologies.

Our Tastech by Sigma accelerator promotes sustainable innovation. During 2020, Tastech by Sigma successfully carried out eight pilot tests in collaboration with 7 startups that were part of the program’s first generation. One of these helped us explore solutions to the challenges being faced by communities because of COVID-19.

 To protect the Environment, we continually challenge ourselves to be increasingly efficient in the use of resources and proactive in contributing to strengthen a circular economy, by reducing the use of raw materials and increasing the number of sites that use cleaner sources of energy.

During 2020, the Sigma research teams collaborated in the first stages of the implementation of new packaging solutions. In Mexico and Europe, our new bio-friendly packaging uses recyclable, biodegradable, or reusable materials as well as efficient designs that maintain the high quality of our products. As a result of these efforts, we continue to expand options that allow us to avoid the use of virgin plastic in our packaging. Over the past two years, we have avoided the use of more than 5,300 tons of virgin plastic.

Reducing the carbon footprint of our operations is a fundamental component of our sustainable business strategy. Accordingly, we aim to improve our direct and indirect sources of energy. At the end of 2020, 60% of the electricity we consumed came from cleaner or renewable sources.

2020 was, without question, a challenging year in which COVID-19 had a significant and sudden impact on all of our lives. However, it was also



a year during which we demonstrated our resilience, capacity to adapt, and tenacity to reach our goals.

We are committed to create value for our stakeholders by fostering healthy lifestyles and using natural resources efficiently. We do this to become a more sustainable company and fulfill our purpose of offering communities their favorite foods.

I want to thank and acknowledge the contribution of every Sigma employee during the pandemic. Their dedication and resilience made it possible for us to continue bringing communities everywhere favorite foods to love.

At Sigma we will continue steadfast in our commitment to prioritize the wellbeing of our employees and of all the people with whom we interact. I am certain that we will be able to successfully overcome any challenges we face in 2021. Being better and stronger is Sigma’s new normal.

On behalf of all Sigma employees, I invite you to read our 2020 Sustainability Report and share with us your comments and suggestions as to how we can continue to build a better Sigma.

Cordially,

Rodrigo Fernández

Rodrigo Fernández Martínez

Sigma CEO



1980



Acquired distribution in Mexico

1985



1992



1989

Divested in slaughter-house



1998



Started expoting to Gutatemala

1997



1993



1999



2002



Started exporting to USA

2003



2004



Entered the pizza market

2008



Seminole Oklahoma

2007



2006



in CAM

2005



2009



2010



2012



2013



2014



2019



2017



2016

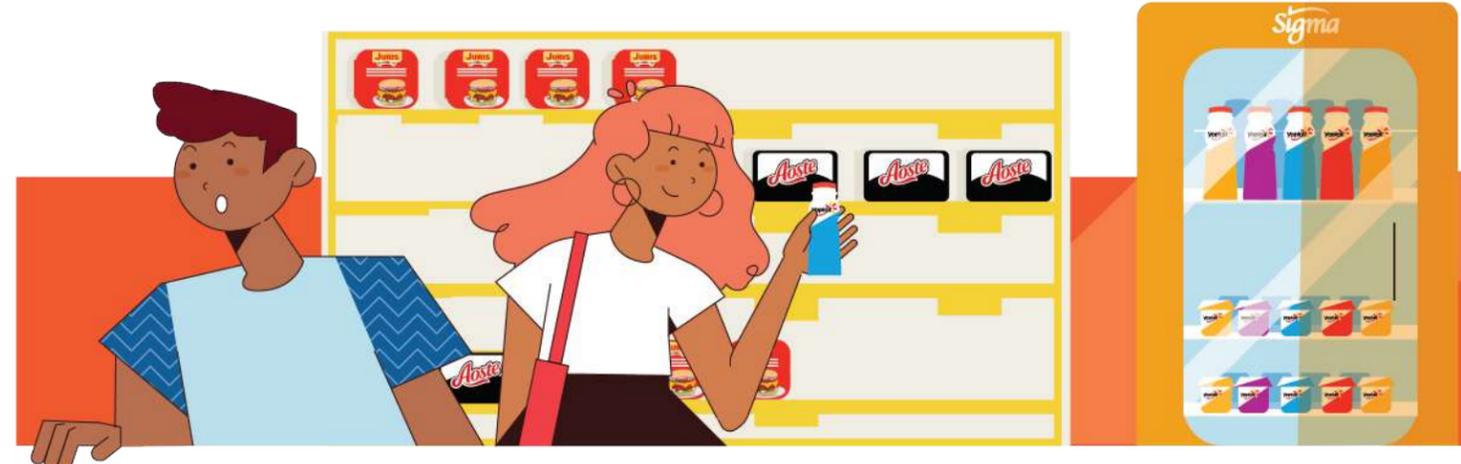


Products in Mexico

2015



2020



Our history

Operations in 18 countries: Mexico, United States, Spain, France, Italy, Belgium, the Netherlands, Portugal, Germany, Romania, Costa Rica, Guatemala, Nicaragua, Honduras, Peru, El Salvador, Ecuador, and the Dominican Republic.

- Mergers and acquisitions
- Commercial agreements
- Organic growth

COMPANY PROFILE



Highlights 2020



645,000+ points of sale

US\$6,347 million in net sales

1.8 million tons of food sold

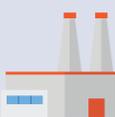
Our products reach close to 100 countries

11 brands with net sales > US\$100 million



43,000+ employees

60+ nationalities



2 research centers

70 manufacturing facilities

210 distribution centers



8,500+ vehicles

18 countries with Sigma operations

Products and clients

Product categories:

Cooked meats, dry meats, dairy products, and others.

Clients:

Modern Channel: Supermarkets and convenience stores.

Traditional Channel: Mom and Pops (small stores, corner shops, and mid-wholesalers) and specialty markets (wholesalers, retailers, and distributors).

Foodservice Channel: Hotels, restaurants, movie theaters, and industrial cafeterias, etc.

E-commerce: Innovative solutions such as Grillhouse by Sigma.

*CAGR: Compound Annual Growth Rate



SIGMA SUSTAINABILITY COMMUNITY

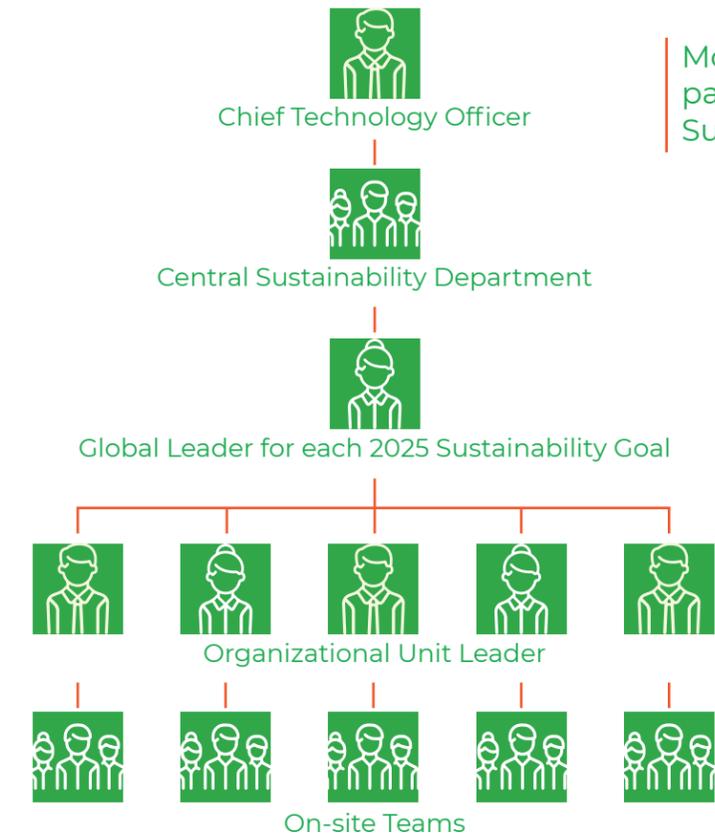
Created in 2018, the Sigma Sustainability Community includes a multidisciplinary team of more than 260 experts and employees worldwide.

Our Chief Technology Officer leads the Sustainability Community's efforts to promote sustainability across the company and, at the same time, support initiatives that help us achieve our goals.

The Central Sustainability Department is responsible for defining the Sustainability Strategy, as well as the guidelines for its implementation. It is also in charge of monitoring and communicating Sigma's environmental, social, and economic performance to our stakeholders.

The Sigma Sustainability Community manages the 2025 Sustainability Goals. Each Goal is led by a Global Leader, a highly experienced executive who oversees the implementation of the Sustainability Strategy. In order for everyone to contribute to achieving our Goals, each Global Leader works with the Leaders in each Organizational Unit who are responsible for deploying initiatives locally with their teams.

By employing internal management systems and holding regular meetings, the Sigma Sustainability Community monitors and assesses the company's progress to identify and replicate success stories and best practices across the Organizational Units. The Community's efforts are guided by the Global Sustainability Policy, which establishes the criteria for sustainable long-term growth across our operations.



More than **230 employees** participate in the Sustainability Community

Sustainability Culture

Every year we carry out the Global Sigma Sustainability Forum. Through this space, employees from all our geographies participate to learn about the initiatives we are implementing to achieve Sigma's sustainability goals and how they can contribute to them. Likewise, through the Sustainability Challenge, we work on strengthening the culture in addition to proactively adopting the United Nations (UN) Sustainable Development Goals within our company and contributing to greater awareness among our employees and their families.





Materiality analysis

Through a materiality analysis we identify the most relevant sustainability topics for Sigma, based on business priorities and different stakeholders. Identifying the key topics allows us to manage our Sustainability Strategy in an effective manner, establish goals related to issues in which we can have a greater impact, and build long-term relationships with stakeholders based on conversations about our achievements and challenges.

In 2020, we updated our materiality analysis and matrix. We performed a complete evaluation of our industry and researched the main global trends and challenges in terms of sustainability. We prioritized issues based on their potential impact on Sigma and their relevance for the stakeholders.

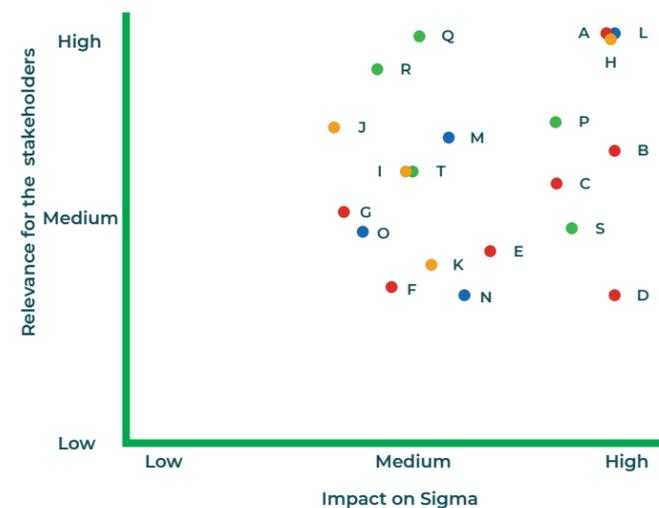
The results of this analysis are represented on the “Relevance for the stakeholders” axis of our materiality matrix.

Furthermore, we conducted an internal survey with employees in all our Organizational Units addressing the most strategic aspects of our Sustainability Strategy, including: Innovation, Packaging, Food Quality and Safety, Nutritional Information, Investor Relations, Food Donations, Health and Safety, Inclusion, Employee Development, Human Resources, Volunteering, Operations, Energy, and Procurement. The results of the analysis are represented on the “Impact on Sigma” axis of the materiality matrix.

Materiality Aspects

- Health & Nutrition**
 - A. Food safety
 - B. Healthy and nutritional food
 - C. Food quality
 - D. Ending food waste
 - E. Innovation, research, development, and scientific collaboration
 - F. Product labeling and information
 - G. Promoting healthy lifestyles
- Shared Value**
 - H. Ethics and integrity
 - I. Managing the value chain
 - J. Sustainable procurement
 - K. Economic performance
- Wellbeing**
 - L. Employee health, safety, wellbeing, and work-life balance
 - M. Diversity, equal opportunity, and inclusion
 - N. Employee training and development
 - O. Organizational culture and work environment
- Environment**
 - P. Water management
 - Q. Climate action
 - R. Circular economy
 - S. Sustainable packaging
 - T. Clean and efficient energy

Materiality Matrix



Stakeholders

We are in constant communication with our stakeholders through channels tailored to our shareholders, employees, consumers, clients, suppliers, communities, authorities, associations, and NGO.

Stakeholders	Commitments	Communication Channels
ALFA Shareholders	Create superior value for the long term.	ALFA Shareholders Meeting, quarterly reports, website, social media, integrity and transparency Helpline, Investor Relations teams at Sigma and ALFA.
Employees	Attract the best talent and promote its wellbeing, growth, and motivation.	Intranet, integrity transparency Helpline, organizational climate survey, Employee Service Program, website, boletín.
Consumers	Offer a delightful experience through an innovative and nutritional product portfolio.	Contact centers, focus groups, satisfaction survey, website, social media and sales channels.
Customers	Exceed their expectations through value proposals, and sharing best practices.	Contact centers, Excellent Client Program, satisfaction survey, website, and sales force.
Suppliers	Maintain a long-lasting, mutually beneficial collaborative relationship.	Evaluation and training programs, contact centers, website, social media, and the Procurement team.
Community	Carry out safe and sustainable operations and actively participate in their development.	Website, social media, transparency mailbox, contact centers, events.
Authorities	Comply with applicable regulations and establish partnerships for sustainable development.	Associations, chambers, and meetings.
Associations and NGO	Collaborate effectively to create scientific and industrial groups.	Industry forums, meetings, participating in committees, social media, and website.



Sigma Sustainability Strategy

Guided by the Sustainability Strategy, at Sigma we incorporate our culture of innovation and sustainability principles in the decision-making and management processes of our operations. Through our four pillars we are part of the solution to the global challenges we face as a society.

We work hard to inspire our employees to reach tangible results and participate proactively in issues to which we can make a substantial long-term contribution. Focusing on the most relevant opportunities for our company and stakeholders, we can improve operations, promote change, and fulfill our purpose.

Our Pillars



Health & Nutrition

We promote healthy lifestyles through our innovative and high-quality products.



Shared Value

We create economic and social value through our strategic practices and share it to stimulate development and strengthen our value chain.



Wellbeing

We commit to establishing conditions that motivate and make it easier for people to adopt habits that improve their quality of life.



Environment

We focus on reducing our environmental impact by using natural resources more efficiently.



2025 Sustainability Goals

In 2018 we established our 2025 Sustainability Goals that make our Sustainability Strategy a reality in our daily operations.

At Sigma, we work hard to involve all our employees in the company's development. Doing so not only boosts the profitability of the business, but it also creates shared value for the communities we serve, helps us be more productive in the use of natural resources, improves the quality of life of our employees, and promotes healthy lifestyles.

The 2025 Sustainability Goals are the roadmap to focus on the initiatives that add the greatest value to our organization and our stakeholders; they are an essential element for the Sustainability Strategy. We consider that by having well-defined goals we will be able to have a positive impact on the way we manage and plan our growth.



The 2025 Sustainability Goals inspire and enable us to make a meaningful contribution to the achievement of the UN Sustainable Development Goals and underscore our commitment to each stakeholders.



Our 2025 Sustainability Goals



Health & Nutrition

We promote healthy lifestyles through our innovative and high-quality products.

Shared Value

We create economic and social value through our strategic practices and share it to stimulate development and strengthen our value chain.

Wellbeing

We commit to establishing conditions that motivate and make it easier for people to adopt habits that improve their quality of life.

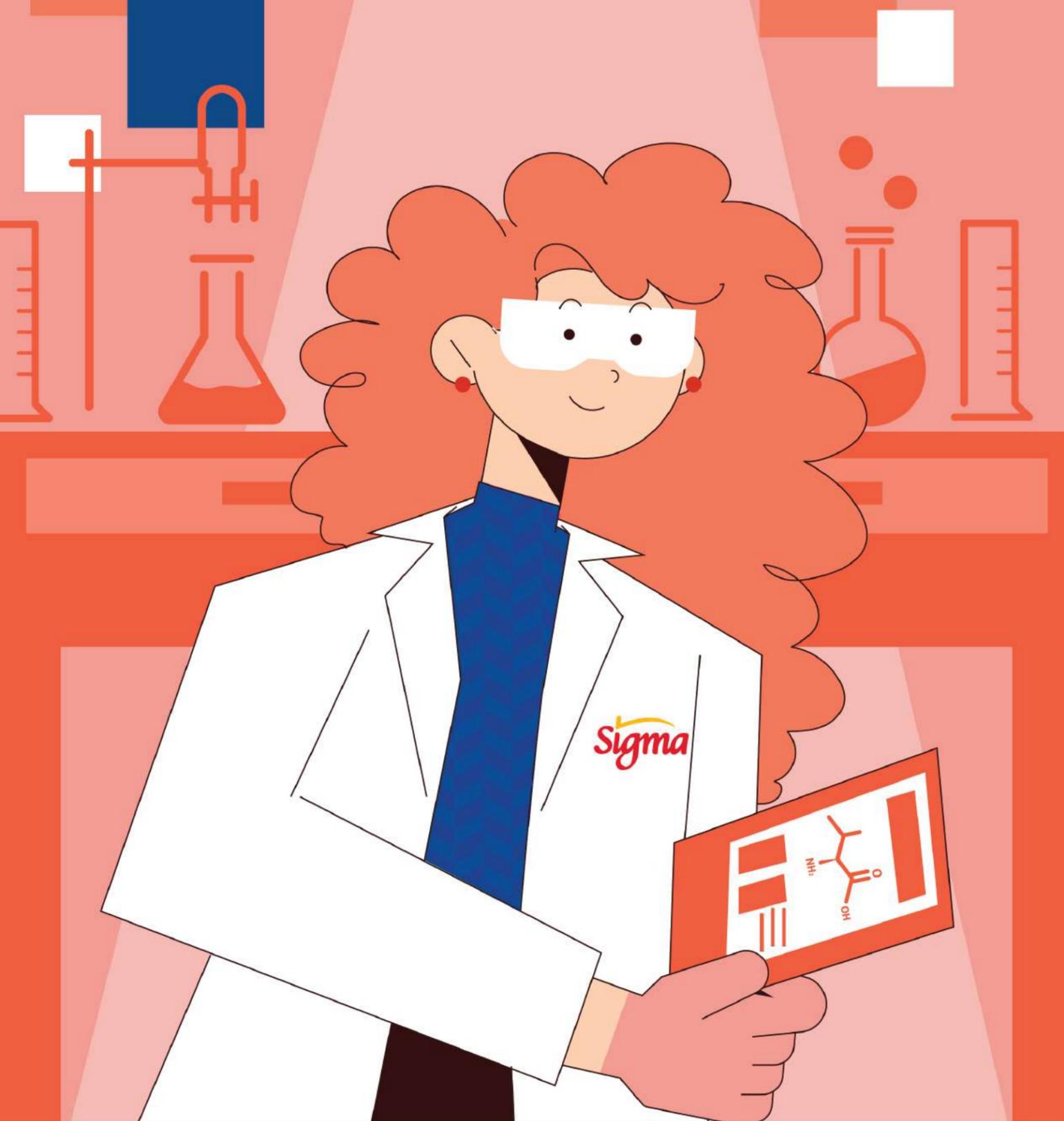
Environment

We focus on reducing our environmental impact by using natural resources more efficiently.

Focus	Performance Indicator	2025 Goal	2020 Results
 Sustainable innovation	Double the number of sales of products launched under the Health and Wellbeing Portfolio. (compared to 2019)	2x	1.2x
 Food Safety	Percentage of our plants with GFSI certification (acquired up to 2018).	100%	87%
 Nutritional Information	For markets without a local labeling standard: Packaged products portfolio with nutrition facts on labels.	95%	79%
 Responsible Sourcing	Percentage of purchases from suppliers with enhanced sustainability practices.	80%	CDP Supply Chain*
 Food Donations	Tons of food donated (since 2015).	25,000 tons	18,328 tons
 Occupational safety	Reduction in accident rate at our operations (compared to 2018 baseline).	22%	36% 
 Professional Development	Increase in the number of training hours per employee (compared to 2018 baseline).	11%	7%
 Volunteering	Percentage of employees who participated in volunteering efforts.	10%	5.3%
 Water management	Reduction in water consumption per ton of food produced (compared to 2018 baseline).	20%	-3.8%**
 Climate action	Reduction in CO ₂ emissions related to our plants and our transportation fleet, per ton of food produced (compared to 2015 baseline).	20%	11%
 Cleaner Energy	Source electricity in our plants from cleaner and renewable energy sources.	67%	60%

* In 2020, we joined the CDP Supply Chain, an initiative which will allow us to make progress more rapidly in the assessment of sustainable practices in our suppliers.

** In face of the challenges brought about by COVID-19, in 2020 we implemented additional hygiene measures resulting in an increase in water consumption per ton produced. This translated into atypical water consumption levels at our operations over the course of the year.



01 HEALTH & NUTRITION

We promote healthy lifestyles through our innovative and high-quality products.

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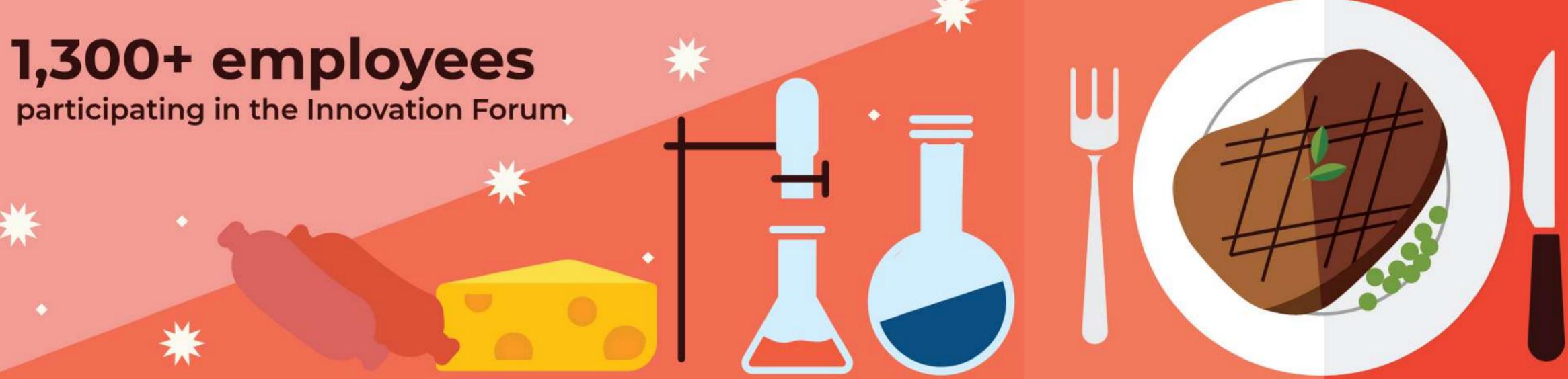
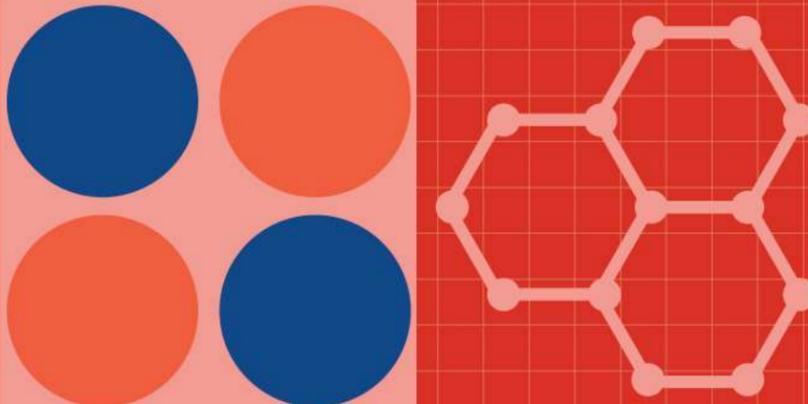
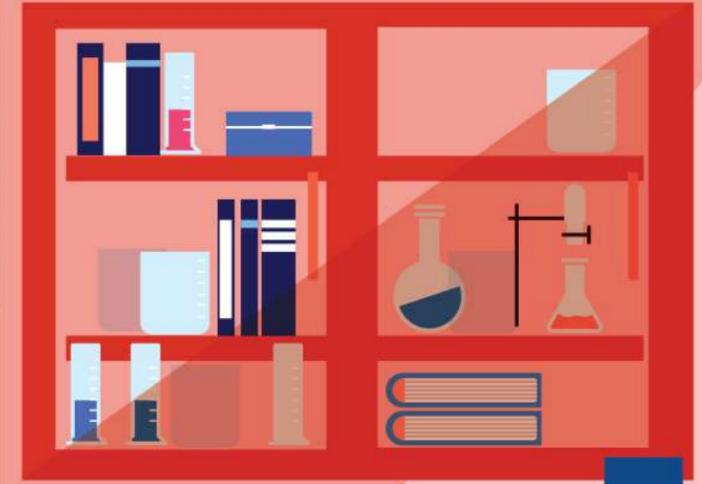
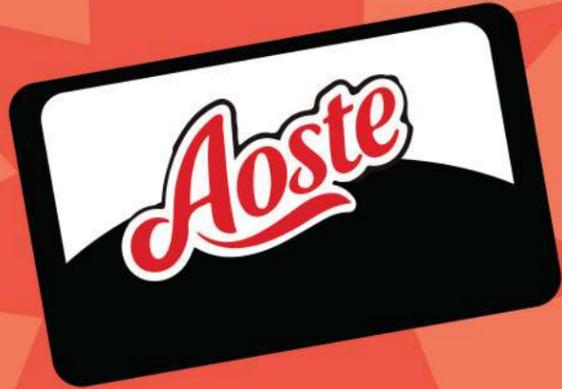
1,300+ employees
participating in the Innovation Forum.

80+ products
launched in the Health & Nutrition
and Trust & Sustainability
platforms

60 plants
with GFSI certification

8 pilot projects
through Tastech

US \$19.6 million
invested in research
and development





Innovation in our portfolio

Fulfilling our purpose of bringing communities everywhere favorite foods to love, is an objective that is in constant evolution.

A purpose in constant evolution

At Sigma we aim to anticipate changing in consumer's preferences and needs to provide them with high-quality and great tasting foods. We have a robust research and development infrastructure that includes more than 200 specialists, two research centers, and six pilot plants, which support the Organizational Units in the sustainable development of new products that consumers demand.

Sigma's Innovation Model unites the know-how and expertise that we have acquired over the years in the geographies we operate and creates spaces that foster the exchange of ideas, and nurture the ingenuity of our employees.

In 2020, we continued our efforts to promote a culture of innovation throughout the company. We held the second Sigma Global Innovation Meeting, with the participation of more than 1,300 employees; launched new platforms designed for the exchange of best practices; and provided training on accelerated innovation and design thinking methodologies, where more than 300 employees participated.

During the year, we created the Innovation micro-site in our intranet where we share product launches from every region, allowing us to increase cross-fertilization and the exchange of ideas.

Focus on Health and Wellness

Every day, more consumers look for food options that are nutritious and that also improve their quality of life. They also appreciate foods that positively impact communities and the environment.

The Sigma Innovation Model and the Health and Wellness platform allow us to promote the development and launch of new products with certain characteristics. Such as improved nutritional profiles, food with functional characteristics, plant-based ingredients, food that addresses specific needs, and practical options that help control serving sizes, among other features.

As part of our 2025 Sustainability Goals, we have set ourselves to double the number of sales of products launched under the Health and Wellbeing innovation portfolio over net sales, compared to 2019.

In 2020 we held innovation forums focused on leveraging our experience in the development of products that address the nutrition and convenience needs that arose because of the pandemic.



2025 SUSTAINABILITY COMMITMENTS

	2025 Goal	2020 Progress
2x	double the sales of products launched under the Health and Wellbeing Portfolio (compared to 2019).	20% progress to reach our goal.

Some of the launches in our Health and Wellness platform in 2020

Our innovation platform is focused on, among other aspects, Food of the Future.

Drinkable Yoplait Double Zero
0% fat, 0% sugar, and no artificial coloring

Yoplait Natural Yogurt
No sugar added, natural flavor

Yoplait Greek Yogurt
No sugar added and coconut flavor

Yoplait Natural Yogurt
No sugar added, with probiotics, no preservatives, and 40% more calcium

Campofrío Vegalia
Vegetarian Pizza

NOBRE Vegalia
Tofu and soy sausages



Innovation with a purpose

We offer a diverse product portfolio to satisfy the taste and nutritional needs of our consumers.

Improved nutritional profiles

To understand and incorporate their taste and preferences in our product portfolio, we listen to our consumers and work in close contact with them. Throughout our different Business Units and iconic brands, we offer product lines with low sodium, fat, and sugar content.

We have research and development initiatives focused on the continuous improvement of the nutritional profile of our products. These efforts are aligned with our commitment to satisfy the nutritional requirements of our consumers. In this task, we are guided by our Innovation and Product Development policies to work as one Sigma across the regions we operate in.

In Sigma, we collaborate with academic institutions around the world to boost our research efforts. The institutions we work with include the Tecnológico de Monterrey, Oklahoma State University, Ghent University, Burgos University, Universidad Autónoma de Nuevo León (UANL), as well as technological centers such as Consejo Nacional de Ciencia y Tecnología (Conacyt), Danish Meat Research Institute, Technological Center CARTIF, Engineering and Industrial Development Center (CIDESI), among others.



In 2020 we launched new presentations for some of our most popular products to address consumer needs during the pandemic.

450+ products
Since 2018, we have launched more than 450 products with improved nutritional profiles.

Additionally 290+ productos
In Mexico, more than 290 products with improved nutritional profiles during 2020.

double zero
In Mexico we launched a sugarless and zero fat Yo-plait yogurt.



Opportunities to revolutionize our industry

Sigma increased its collaboration with the entrepreneurial ecosystem to develop disruptive solutions for our industry.

Creating new partnerships

In addition to new product development efforts and continuous improvements in our portfolio, Tastech by Sigma, our business acceleration program is aiming to revolutionizing the food industry in collaboration with startups and scaleups around the world.

123 startups and scaleups from 19 countries participated in the first edition of Tastech by Sigma. The seven finalists developed pilot tests over the course of four months in Mexico, Ecuador, Portugal, and Spain. To move forward with the development of their disruptive ideas, Sigma supported them with diverse resources and by granting them access to the company's infrastructure and the know-how of specialists

First edition of Tastech by Sigma 2020

19 countries **123 applications**

7 startups in pilot testing with solutions to:

- Develop new food products with plant-based ingredients.
- Develop packaging that preserves the quality and freshness of our products for a longer period.
- Use of artificial intelligence at the point-of-sale to improve product availability.
- Optimize the presence of our brands in e-commerce sites.
- Increase efficiency in delivering our products to consumers.

To learn more about the startups that developed pilot tests with Tastech by Sigma in 2020, visit www.tastechbysigmaen.com/our-startups



Tastech By Sigma

Tastech by Sigma 2021

The second edition of Tastech by Sigma is taking during 2021, focusing on three challenges.

To participate in future editions of Tastech by Sigma, please visit: www.tastechbysigmaen.com

Food of the Future

Foods and ingredients that include animal and/or plant proteins as well as solutions that increase the nutritional value of culinary experiences and reduce sodium, sugar, and fat content.

Clean Technology

Sustainable processes that include the principles of the circular economy to leverage byproducts in our industry's value chain, reduce the carbon footprint of packaging, and improve efficiency in transportation, particularly refrigerated transportation.

Power Connections

New approaches and business models aimed to the consumer through the analysis of market trends and the development of new shopping experiences.





Nutrition facts

Quality information is proactively presented to our consumers on the nutritional attributes of our products.

Committed to our consumers

Sigma provides clear information, so consumers are better informed about the food they purchase. Likewise, we continuously work to enhance nutrition facts on the labels of our products.

In line with the Nutrition Policy, Sigma effectively communicates the nutritional value of its food products. This contributes to building a closer relationship with consumers by means of innovative communication tools, nutritional education, and through spaces where we can interact with them. By marketing our products in a responsible and transparent way, we empower consumers to make informed choices to achieve a balanced diet and good eating habits.

Our consumers can also contact our Client Service Centers to receive information on our products. In Mexico alone, we responded to more than 246,000 consumer inquiries in 2020 by telephone, email, and social networks.

Learn more about new recipes and how to establish a nutrition plan on our website. <https://nutrition.sigma-alimentos.com/en/about-us/>

Compliance with best practices and applicable regulations

At Sigma, in addition to adhering to labeling regulations, we promote a continuous dialogue with consumers, clients, and authorities to communicate effectively the nutritional profile of our products.

We ensure every statement made concerning our products complies with international best practices, including Codex Alimentarius, the European Food Safety Authority (EFSA), and the US Food and Drug Administration (FDA). We also proactively participate in the conversation about the evolution of labeling systems around the world.

Sigma strictly complies with applicable regulations and rapidly adapts to any changes in countries with evolving regulations pertaining to nutrition facts on product labels.

We also have operations in countries that do not currently have local food labeling standards. One of our 2025 goals is for at least 95% of the packaged products portfolio that we market in countries without a local labeling standard to proactively include nutrition facts on the packaging, based on international codes, scientific analysis, and the know-how of our global network of experts

2025 SUSTAINABILITY COMMITMENTS

2025 Goal	2020 Progress
95% in countries with no local labeling standard, ensure that 95% of our portfolio of packaged products contain nutritional information on the packaging	79% progress toward our Sustainability Commitment.

1,500+ productos

We added nutritional information on the labels of 1,500 products guided by international codes.





Food quality and safety

To bring communities everywhere favorite foods to love under the highest quality and safety standards, is a top priority.

The highest standards

Our plants have obtained local and international certifications verifying their performance. Our 2025 goal is for 100% of our plants to adhere to the highest operational standards through certifications endorsed by the Global Food Safety Initiative (GFSI), the most recognized safety accreditation.

Our Food Safety Policy aligns to standards recognized by GFSI and includes a Hazards Analysis and Critical Control Points (HACCP) system. At year-end 2020, we have 60 GFSI-certified plants, an 87% progress towards achieving our goal.

Likewise, we employ our Global Quality Control Manual to ensure that the strictest quality criteria is applied in all our processes across the value chain. Through our Quality Policy, we include additional elements in our management such as client service procedures

60 operation facilities

with GFSI certification, including 3 plants that were certified in 2020.

Training and continuous improvement

Sigma collaborates with organizations that specialize in the development of the most advanced food safety processes and technologies. For example, we collaborate with the European Hygienic Engineering Design Group (EHEDG), participating in trainings, conferences, and forums designed to strengthen food technologies. We are currently collaborating with EHEDG to draft a new global benchmark standard focused on strengthening food safety practices during meat processing.



2025 SUSTAINABILITY COMMITMENTS

2025 goal	2020 Progress
100% of plants acquired by 2018, with a certification endorsed by GFSI.	87% of plants already comply with the goal of being GFSI-certified. In 2020 alone, 3 plants were included.

About GFSI

Dating back 20 years, GFSI has become the leading and most recognized global movement promoting food safety and the safe supply of food. GFSI is a multi-sectoral collaborative effort that gathers the world's top experts in food safety from

companies that market, produce, or are food service providers, as well as input suppliers, international organizations, governments, academia, and firms that provide services to the food industry.

Leader in our industry

We promote competitiveness in our industry to benefit consumers through organizations and certifications such as GFSI in Mexico, which is in charge of promoting food safety measures in the country in collaboration with the National Agri-food, Sanitation, Safety, and Quality Service (Servicio Nacional de Sanidad, Inocuidad y Calidad Agroalimentaria, SENASICA). In addition, Sigma contributed to the integration of GFSI criteria in Mexican regulations under a collaboration model that was later replicated in other countries.





Safety amid COVID-19

Sigma's robust culture of safety and quality served as the basis to address COVID-19 challenges.

Safe operations

At Sigma we maintain a proactive approach to safeguarding the wellbeing of our employees, preserving the safety and quality of our products, and ensuring the continuity of our operations.

In addition to adhering to local regulations, since the beginning of the pandemic we implemented an action plan with three lines of defense:

- **Infrastructure**
Sigma led the industry in the implementation of PCR surface testing, as well as photohydroionization technologies to improve air quality.
- **Personal protection equipment**
In addition to providing special personal protection equipment for our employees, such as face masks, disinfectant alcohol, and sanitary mats, Sigma was one of the first companies to perform quick COVID-19 tests on 100% of plant employees.
- **Protocols**
We designed and deployed more than 100 health and hygiene protocols focused on COVID-19 challenges, and we opened spaces for online dialogues to communicate relevant information on the virus and address the concerns of our employees.

To measure the degree of assertiveness in the implementation of multiple sanitary measures, we launched an internal assessment and certification initiative supported on Health First, our Culture of Quality program.

 100+ Health and hygiene protocols.

 Special personal protection equipment to protect against COVID-19.

 PCR testing.

 Photohydroionization equipment to sanitize the air.

 Risk assessment tools.

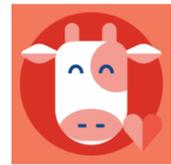


Collaboration with our suppliers

We worked with our suppliers during 2020 to ensure there were no interruptions in our supply chain, maintaining the highest quality standards. Over the course of the year, we conducted remote audits on suppliers of our main inputs to verify the implementation of safe practices amid

COVID-19. Additionally, we offered our support to small-sized producers by donating personal protection equipment and implementing protocols to reinforce hygiene measures.

- COVID-19 protocols for our suppliers.
- Donated personal protection equipment to suppliers that are small and medium-sized enterprises.
- Implemented automated systems to reduce personal interactions.
- Launched webinars to guide our suppliers in the application of new protection measures.
- Launched new hygiene initiatives.



Safety in procurement

Our responsibility with clients and consumers begins at the procurement of our raw materials.

Certified supply chain

We require our suppliers to have a GFSI-endorsed certification to ensure the quality and safety of the value chain. To this end, for over 10 years we have been working with our suppliers to offer them access to affordable training and audits to help them get certified.



Continuous improvement

We continually implement new measures and practices designed to comply with our zero-tolerance protocol to ensure the highest safety and quality in the inputs we acquire, based on scientific methods and leveraging modern technologies.

In 2020 our Operational Unit in Europe implemented the Guardian project, a new initiative to assess and continue to strengthen the quality and safety practices of more than 300 of our suppliers, including, among other aspects, animal welfare practices.

Commitment to animal welfare

Contributing to animal welfare in our supply chain is part of our commitment to sustainable development.

Our Organizational Unit in Europe has developed and implemented meat supplier selection procedures that contribute to traceability and animal welfare practices, while also strictly adhering to regulations and best practices in food quality and safety. Certain aspects of the Animal Welfare Protocol of our Organizational Unit in Europe are stricter than current regulations.

In the latter part of 2020, we began deploying the Animal Welfare Protocol in Europe and asked our suppliers to sign their commitment to comply with the protocol. Furthermore, we

are planning to include an audit program conducted by internal and external examiners. We have also hired Bureau Veritas as an independent auditor to verify the implementation of the protocol in order to improve suppliers' performance and strengthen stakeholders' most relevant matters.

As part of our commitment, we are considering ending the business relationship with suppliers who are not striving for continuous improvement and advancing adherence to the protocol.

We started applying the protocol with our pork meat suppliers, which constitute the majority of our suppliers. Our goal is to extend the protocol to poultry suppliers by 2022.



Optimize the use of food

Using resources responsibly is a fundamental part of our commitment to society and the planet.

The Food and Agriculture Organization of the United Nations estimates that a third of the food produced in the world is lost or wasted. At Sigma we are aware of how important it is to optimize resources and we use the food we produce in the best way possible.

In 2020, only a minimal percentage of our production was wasted. This includes both waste produced during the production process in our plants and products that reached its expiration date at the point-of-sale. By 2025, we have established a goal to reduce food waste in our value chain by one third.

We are working on three fronts to reduce food waste in our value chain

Operational excellence

By operating our plants under the highest quality standards, we can increase productivity and minimize food waste in the production process. We constantly develop new projects designed to reduce or eliminate food waste in our operations. Our Process Footprint Policy contributes to monitoring our performance in our plants and assessing the results of our improvement projects.

In 2020 we kept implementing initiatives that contribute to reduced food waste, including training, replacing equipment and production processes, and adapting to changes in demand.

Using our products in the best way possible

We draft robust operation plans and employ information technologies to adjust production levels to demand projections. Our packaging technologies contribute to protecting food properties, while environmentally friendly.

Over the course of the year, we worked on a pilot program with clients at 50 points of sale, using information technologies to better understand demand patterns and place the right amount of products on the shelves.

Donations

We have an extensive control process in place that enables us to work together with associations and food banks through product donations contributing our share while also avoiding waste.

In 2020, we donated more than 2,500 tons of food to the communities where we operate, equivalent to 21.6 million servings.

Our commitment exceeds expectations

95% of the food that does not comply with our quality standards is used by third parties in other productive processes, including as a source of energy.



Working as a team to use food in the best way possible

In September 2020, our Organizational Unit in Europe collaborated with other companies in the FOOD NO WASTE event of the European Food Banks Federation (FEBA), a virtual event organized to commemorate the first International Food Loss and Awareness Day established by the United Nations General Assembly in 2019.

In this event, we joined 600 participants to raise awareness about the importance of making the best use possible of food and of the global collective action needed to achieve Target 12.3 of the Sustainable Development Goals.



With initiatives to use food in the best way possible, we contribute to the United Nations' Sustainable Development Goal number 12.

Target 12.3: Halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses by 2030.



02

SHARED VALUE

We create economic and social value through our strategic practices and share it to stimulate development and strengthening of our value chain.

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INDUSTRY DEVELOPMENT	47





2,500+ tons

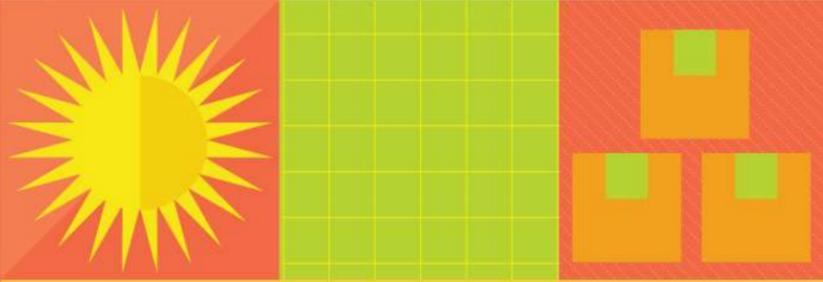
of food donated over the course of the year

25 recognitions



granted to suppliers in Europe

246,000+ contacts made with consumers and clients in 2020



320+ farmers

benefited with our Dairy Development Program



US \$46 million

invested in sustainability programs



3,000+ employees participating in sustainability initiatives.

Welcome to the 2020 Sustainability Forum!





Food Donations

At Sigma, we contribute to global efforts to put an end to hunger.

Donations

Globally, more than 820 million people go hungry. The situation worsened during 2020 because of the challenges brought by the COVID-19 pandemic. Through donations of food, we at Sigma contribute to fight this battle and take the opportunity to participate directly in global efforts to eradicate this problem.

Our goal is to donate more than 25,000 tons of food over the course of a decade. From 2015-2020, we donated more than 18,000 tons, equivalent to more than 150 million accumulated servings, which keeps us on track to reach our goal. Every year we establish new partnerships with food banks and associations in a joint effort to increase the impact and efficiency of the food products donations we make in the most vulnerable communities, ensuring that deliveries adhere to the high-quality standards we are known for.

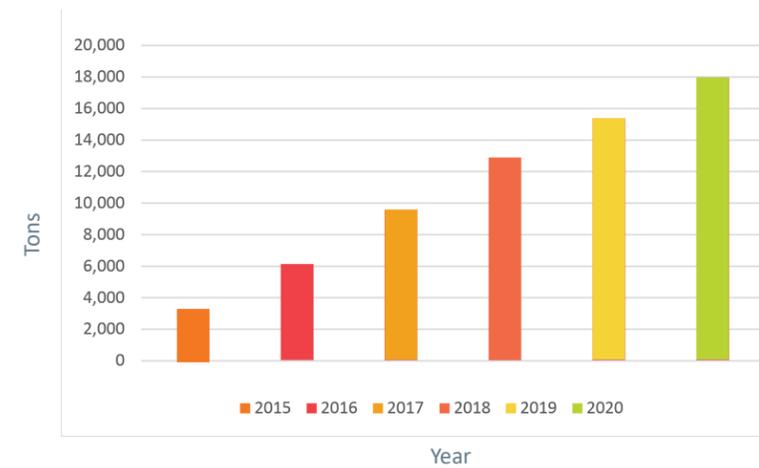
Committed to our communities globally

Mexico	We contribute to the nutrition of thousands of Mexican families living in the most vulnerable communities in the country by making donations to the Mexican Foodbank (Bancos de Alimentos de México), a network of food banks that work for efficient food rescue efforts in the fight against hunger and malnutrition across the country.
Spain	Sigma volunteers collaborated with the Foodbank Spanish Federation (Federación Española de Banco de Alimentos) during the 8th edition of the Great Food Collection (Gran Colecta de Alimentos), one of the most important food donation events in the country. This year's initiative was particularly important given the food emergency brought about by the COVID-19 pandemic.
Italy	To commemorate its 170th anniversary, and as part of its community engagement, our Fiorucci brand donated to the Onlus Foodbank Foundation (Fundación Banco de Alimentos Onlus) with which 170,000+ meals were acquired and distributed. Its close relationship with this foundation has enabled Fiorucci to contribute to the community with food donations for more than 20 years.
Beneleux	Our operations in Belgium, Netherlands, and Luxembourg (Benelux) support several food banks. Additionally, in December 2020 employees in the region collaborated in efforts to collect and make additional donations to local food banks.

2025 SUSTAINABILITY COMMITMENTS

2025 Goal	2020 Progress
Donate 25,000 tons of food through hunger relief organizations, dating from 2015.	73% progress in our commitment. Donated 21.6 million food servings in collaboration with associations and food banks, equivalent to 18,000 tons of food since 2015.

Tons of food donated - Cumulative figures



18,000+ tons

Committed to helping the most vulnerable, we collaborate with food banks and other NGO. Since 2015, Sigma has donated 18,000+ tons of food, equal to 150+ million servings; we plan to reach 25,000+ tons in the next few years.

Solidarity amid COVID-19

In addressing the nutrition challenges brought about by COVID-19, we increased our donations to help bring food to the most vulnerable communities. This included donating during World Food Day with the participation of our volunteers who collected and delivered food products.





We earn the trust of our customers

At Sigma we are committed to offering our clients the best, personalized service.

Long-term relationships

In collaboration with our clients, we reach more than 645,000 points of sale in nearly 100 countries to bring communities everywhere favorite foods to love every day.

We establish long-term relationships with our clients and together we deliver high-quality and great tasting food to millions of consumers around the world. Surpassing our clients' expectations is essential to achieving excellent commercial results. Employing different communication channels, we maintain an open dialogue with clients and consumers that allows us to better understand their needs, concerns, and suggestions, while giving us an opportunity to inform them about our products, services, and programs.

Excellent Client Program

The Excellent Client Program, implemented in Mexico since 2014, fosters the development of our clients in the Traditional Channel by means of a value-added offering that includes equipment, services, and recognitions.



54,800+ refrigerators
State-of-the-art refrigerators installed from 2014 to date in our clients' stores which, in addition to modernizing the point-of-sale and ensuring that our value products are readily available to consumers, use less energy compared to traditional refrigerators.

139,000+ bonifications
in product delivered in 2020 to our clients in the Traditional Channel.

"Be Yourself" Program

Campofrío Smart Solutions, the hospitality division of Campofrío, launched the "Vuelve a ser tú" (Be Yourself Again) project, a plan to reactivate the hospitality industry in Spain in an effort to help bars and restaurants return to the new normality and optimize their sales activity. Some of the efforts carried out included the start of a Program for Training Hostel Professionals, which provided more than 1,000 hours of free online training; a donation of almost 2 million product servings; a global incentives plan to promote on-premise consumption; and a Guide with practical post-COVID advice posted on the brand's [website](#) that includes weekly value-added content for the hospitality industry.

Our clients



246,000+ contacts
Our Service Center in Mexico responded to more than 246,000 contacts made by consumers and clients in 2020 to address their concerns and answer their questions.

99% satisfaction
More than 2,500 surveys conducted, showing 99% satisfaction with the service received.



Sustainable supply chain

Promoting responsible practices in our supply chain is essential to our sustainable business strategy.

Sustainable practices in our supply chain

We collaborate with suppliers to build partnerships that promote sustainable development, as we acknowledge our responsibility to the environment and the communities where we operate.

In 2020, our Organizational Unit in Europe launched the first sustainable practices survey for its non-meat supply chain. This exercise enabled us to better understand the social, environmental, health and safety, labor, and integrity practices of 300 suppliers.

After this assessment, we recognized the 25 suppliers who excelled in their responsible practices. The recognition occurred in an online event during which we also presented Sigma Europe’s corporate social responsibility plan and promoted collaborative efforts in sustainable development initiatives.

Sustainable SMEs

In 2020, in collaboration with the Inter-American Development Bank, we launched a study on responsible sourcing focused on small and medium sized enterprise (SME) suppliers of our Organizational Units in Mexico and LATAM. During the first stage, identified the sustainability challenges in the supply chain and collaborated with suppliers in the development of initiatives to strengthen their environmental, social, and business practices.

A group of 25 SME suppliers will participate in a pilot test during 2021, which includes establishing the companies’ mid-term sustainability expectations, as well as a Responsible Sourcing Action Plan across the region.

CDP Supply Chain

We became members of the CDP Supply Chain program. This initiative enables us to develop new interactions with our strategic suppliers to continue to bolster sustainable practices in our supply chain. In 2021, we will begin implementing the CDP survey for at least 50 meat, dairy, ingredients, and packaging suppliers.



2025 SUSTAINABILITY COMMITMENTS

2025 Goal	2020 Progress
<p>80% Of our purchases in the meats, packaging, and dairy categories sourced from suppliers that are working to strengthening sustainability practices in their own operations.</p>	<p>We made progress in our goal by becoming members of CDP in the Supply Chain Program and starting a project in conjunction with the Inter-American Development Bank.</p>

Blue Ecological Flag Program

In Costa Rica, we leveraged the Bandera Azul Ecológica (Blue Ecological Flag) award to promote sustainability in 40 dairy farms. The program celebrates voluntary work focused on the protection of ecosystems and climate change mitigation, including initiatives that promote the rational use of resources, the production of organic fertilizers, and a reduction in energy expenses.

Dairy Development Program

In Mexico, through our Dairy Development Program, which has been operating for more than 25 years, we encourage the development of small producers by offering specialized technical assistance. This program supports more than 320 cow and goat milk producers who, in turn, provide jobs to more than 540 families. The relationships developed are based on trust and enable us to nurture growth while strengthening our supply chain.





We promote growth in our industry

We are committed to broadening the benefits to the industry by operating under the highest international quality and safety standards.

We participate in conferences, congresses, and chambers to promote the application of best practices and the knowledge exchange in our industry. By getting involved in the implementation of the most robust quality and food safety systems, we gain our clients' trust and the preference of our consumers for brands and products.

In Mexico, we have played an active role for more than 10 years in promoting best practices in our supply chain through our Supplier Development Program. It is important for our suppliers to be adequately certified and to validate the quality of their products to strengthen our supply process, and for them to adopt more sustainable practices

130+ associations and alliances

We actively participate in more than 130 local and international associations.

Contributing together

We contribute to the information requirements of our value chain, including the CDP.



Global Associations

Global Level: 132 Associations

Food Industry 43

Europe

- BE **Agentschap Innoveren & Ondernemen (VLAIO)**
- * Belgian Association of Meat Science and Technology (BAMST)
- * Belgische federatie van de vleesverwerkende industrie (FENAVIAN)
- Federatie van het Belgische Vlees (FEBEV)
- * Flanders' FOOD
- * Verbond van Belgische Ondernemingen (FEVIA)
- Vlaams Centrum voor Agro- en Visserijmarketing (VLAM)
- FR **Association Nationale des Industries Alimentaires (ANIA)**
- * Fédération Française des Industriels Charcutiers Traiteurs (FICT)
- Opérateur de Compétences pour la Coopération agricole, l'Agriculture, la Pêche, l'Industrie Agroalimentaire et les Territoires (OCAPIAT)
- GR **Bundesverband der Deutschen Fleischwarenindustrie e.V. (BVDF)**
- IT **Associazione Industriali delle Carni e dei Salumi (ASSICA)**
- * Consorzio Mortadella Bologna
- Consorzio Prosciutto di Parma
- Consorzio Prosciutto di S. Daniele
- * Unione Importatori Esportatori Industriali Commissionari Grossisti Ingrassatori Macellatori Spedizionieri Carni Bestiame e Prodotti Derivati
- NL **Federatie Nederlandse Levensmiddelen Industrie (FNLI)**
- * Vereniging voor de Nederlandse Vleeswarenindustrie (VNV)
- PO **Associação Portuguesa Dos Industriais De Carnes (APIC)**
- RO **Asociația Română a Cărnii (ARC)**
- SP **Asociación de la Industria Alimentaria de Castilla y León (Vitartis)**
- * Asociación Multisectorial de Empresas de Alimentación y Bebidas (AME)
- * Asociación Nacional de Industrias de la Carne de España (ANICE)
- Calidalia
- CLUB GRECO
- Fundación Española de Nutrición (FEN)

LATAM

- CR **Cámara Costarricense de Embutidores y Procesadores de Carne (CEPCA)**
- * Cámara Nacional de los Productores de Leche
- EC **Asociación de Fabricantes de Alimentos Balanceados de Ecuador**
- Asociación de Porcicultores del Ecuador
- Asociación Nacional de Fabricantes de Alimentos y Bebidas de Ecuador
- Comité Consultivo de la Carne de Ecuador
- PE **Asociación de Importadores de Alimentos Perecibles Refrigerados**
- DR **Asociación de Fabricantes de Embutidos de República Dominicana**
- Junta Agroempresarial de República Dominicana

Mexico

- MX **Asociación Nacional de Establecimientos TIF (ANETIF)**
- ** Cámara Nacional de Industriales de la Leche (CANILEC)
- Clúster Agroalimentario de Nuevo León, A.C.
- ** Consejo Mexicano de la Carne

United States

- US **North American Meat Institute (NAMI)**

Global

- * Global Food Safety Initiative (GFSI) - Mexico Local Group
- * Scientific Advisory Council of Merieux Nutrisciences
- * Technical Advisory Committee of The Safe Quality Food Institute (SQFI)

General Industry 35

Europe

- IT **Unione Parmense degli Industriali**
- PO **Associação Empresarial da Região de Santarém (Nersant)**
- SP **AECOC**
- * Confederación Española de Organizaciones Empresariales (CEOE)

LATAM

- CR **American Chamber of Commerce in Costa Rica (AMCHAM)**
- * Cámara de la Industria Alimentaria de Costa Rica (CACIA)
- Cámara de la Industria y Comercio de Costa Rica - México (CICOMEX)
- EC **Cámara Binacional de Comercio Ecuador - México**
- Cámara de Industriales y Empresarios de Cotopaxi
- Cámara de Industrias y Producción Quito
- Cámara de la Pequeña y Mediana Empresa de Pichincha
- SV **American Chamber of Commerce in El Salvador (AMCHAM)**
- Asociación Salvadoreña de Industriales (ASI)
- Cámara de Comercio e Industria de El Salvador
- Cámara de Comercio Salvadoreña Mexicana (CASALMEX)

HN

- Cámara de Comercio Industrias de Tegucigalpa (CCIT)

NI

- Asociación de Distribuidores de Productos de Consumo de Nicaragua (ADIPRONIC)
- Cámara Empresarial Mexicana Nicaragüense (CAMEXNIC)
- Asociación Peruana de Empresas de Consumo Masivo (APECOM)

- Cámara de Comercio de Lima (CCL)
- Instituto Nacional de Calidad (INACAL)
- Sociedad Nacional de Industrias de Perú (SNI)
- DR **Asociación de Industria de la República Dominicana**
- Asociación de Industrias Región Norte de República Dominicana
- Cámara Americana de Comercio en República Dominicana
- ** Cámara de Comercio Dominicano - Mexicana
- Cámara de Comercio y Producción de Santiago, República Dominicana

Mexico

- MX **Asociación Nacional de Transporte Pivado (ANTP)**
- * CAINTRA Nuevo León
- ** Cámara Nacional de la Industria de Transformación (CANACINTRA)
- ** Confederación de Cámaras Industriales (CONCAMIN)
- ** Consejo Mexicano de la Industria de Productos de Consumo (CONMEXICO)
- ** Consejo Nacional Agropecuario (CNA)

United States

- US **Oklahoma Business Roundtable**

Global

- The Consumer Goods Forum

Research and Education 37

Europe

- BE **+ Ghent University**
- + Université de Liège
- FR **+ ISARA Agro school for life**
- SP **+ AINIA Centro Tecnológico**
- + Centro Tecnológico CARTIF
- + Instituto de Ciencia y Tecnología de los Alimentos (ICTAL)
- + Instituto Tecnológico del Embalaje, Transporte y Logística (ITENE)
- + Universidad de Burgos
- + Universidad de Córdoba
- + Universidad de León
- EU **+ Danish Meat Research Institute (DMRI)**

Mexico

- MX **+ Centro de Estudios Aránzazu**
- + Centro de Ingeniería y Desarrollo Industrial (CIDESI)
- + Centro de Investigación en Materiales Avanzados, S.C. (CIMAV)
- + Centro de Investigación en Química Aplicada (CIQA)
- + Centro de Investigación y Asistencia en Tecnología y Diseño del Estado de Jalisco (CIATEJ)
- + Clúster Biotecnológico de Nuevo León, A.C.
- + Clúster de Nanotecnología de Nuevo León, A.C.
- + Consejo Nacional de Ciencia y Tecnología (CONACYT)
- + Instituto Politécnico Nacional (IPN)
- + Instituto Tecnológico de Estudios Superiores de Monterrey (ITESM)
- + IPADE
- + UNITEC
- + Universidad Autónoma de Nuevo León (UANL)
- + Universidad de Monterrey (UEM)
- + Universidad del Valle de Atemajac
- + Universidad del Valle de México (UVM)
- + Universidad Iberoamericana
- + Universidad Insurgentes
- + Universidad Interamericana para el Desarrollo
- + Universidad Internacional Mexicana
- + Universidad Regional del Norte
- + Universidad Tec Milenio
- + Universidad Tecnológica de México

United States

- US **+ Oklahoma State University**

Global

- + European Hygienic Engineering & Design Group (EHEDG)
- + International Association for Food Protection (IAFP)

Responsible Marketing 9

Europe

- GR **Markenverband**
- IT **CENTROMARCA Associazione Italiana dell'Industria di Marca**
- * Unione degli Industriali e delle Imprese (UNINDUSTRIA)
- PO **Associação Portuguesa de Anunciantes (APAN)**
- * CENTROMARCA Associação Portuguesa de Empresas de Produtos de Marca
- RO **Romanian Advertising Council (RAC)**
- SP *** Asociación Española de Anunciantes (AEA)**
- * Asociación PROMARCA

Mexico

- MX *** Consejo de Autorregulación y Ética Publicitaria (CONAR)**

Human Resources 5

- Europe
- SP **Asociación Española de Servicios de Prevención Laboral (AESPLA)**
- Fundación ONCE/INSERTA

Mexico

- MX **Asociación de Relaciones Industriales de Occidente, A.C. (ARIOAC)**
- Asociación Técnica de Compensaciones (ATECO)
- Movimiento Congruencia

Environmental and Social 3

Europe

- SP **Embalajes España (ECOEMBES)**
- FORÉTICA

Mexico

- MX **ECOCE**

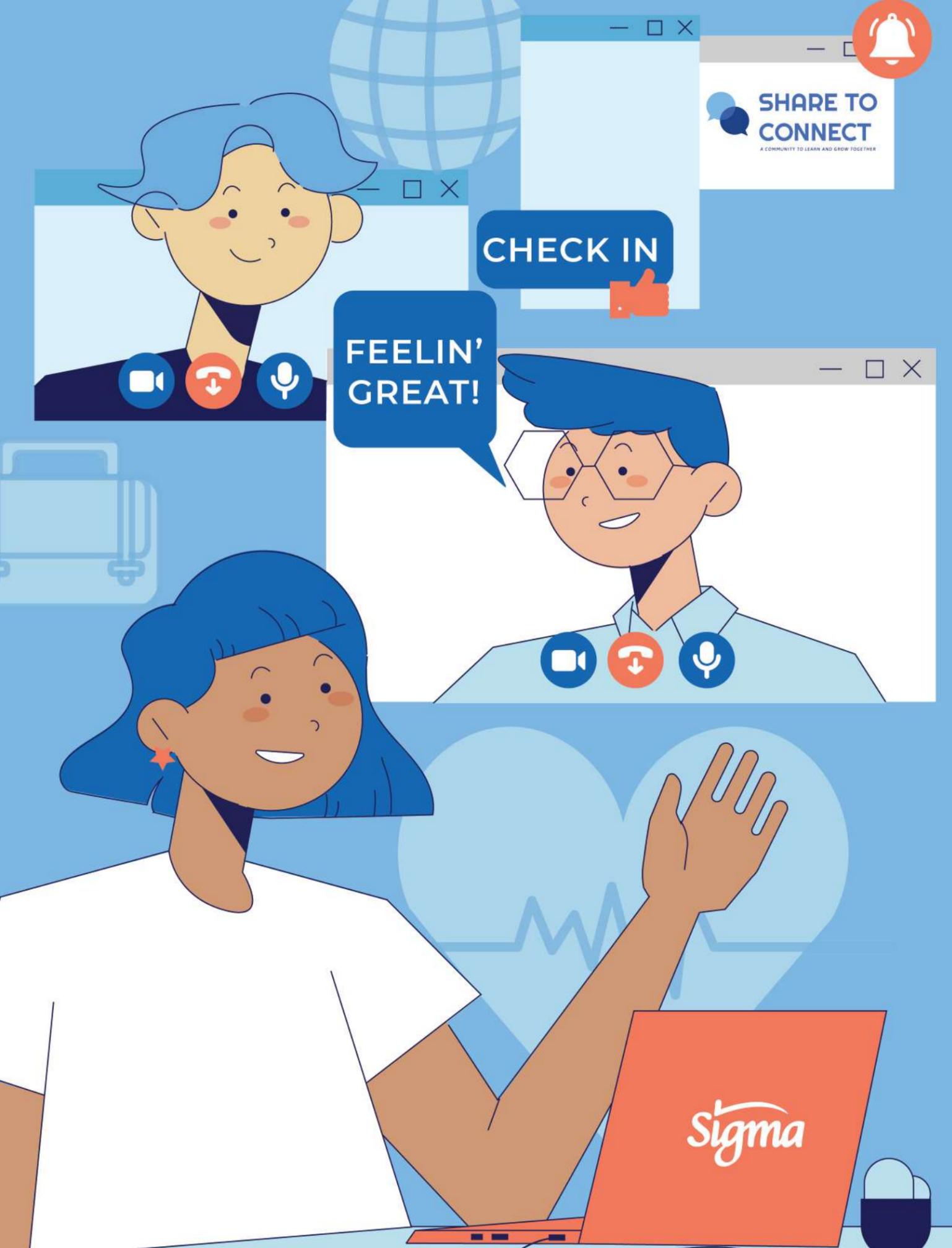
Countries abbreviations:

GR - Germany, BE - Belgium, CR - Costa Rica, EC - Ecuador, SV - El Salvador, US - United States, SP - Spain, FR - France, NL - Netherlands, HN - Honduras, IT - Italy, MX - Mexico, NI - Nicaragua, PE - Peru, PO - Portugal, DR - Dominican Republic, RO - Romania, EU - European Union.

Symbols indicate level of participation:

^ = Founding Member, * = Member of the Board, ** = Vice Chairman of the Board, *** = Chairman of the Board, + = Research Agreement, No symbol = Member of the Association.





03

WELLBEING

We commit to establishing conditions that motivate and make it easier for people to adopt habits that improve their quality of life.

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19.4 training hours
on average per employee



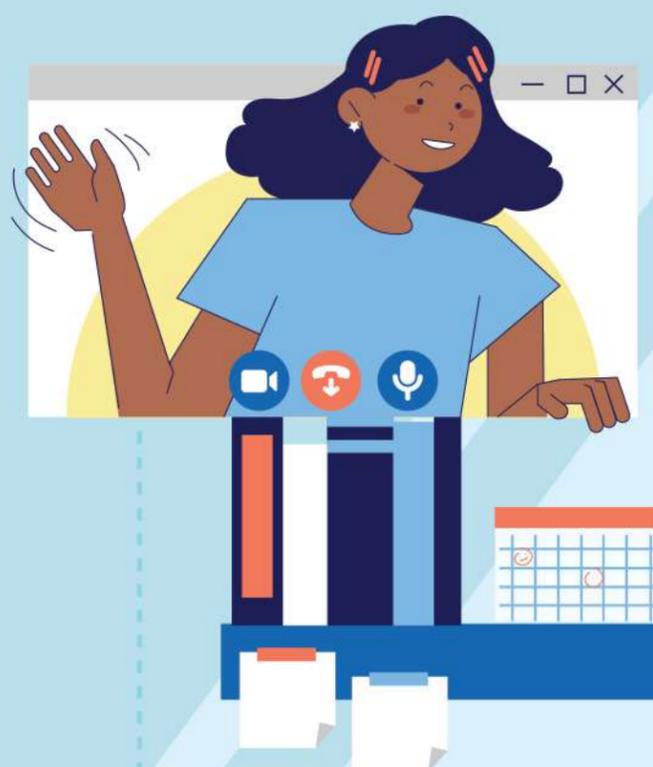
90 Share to Connect sessions
for employees and their families



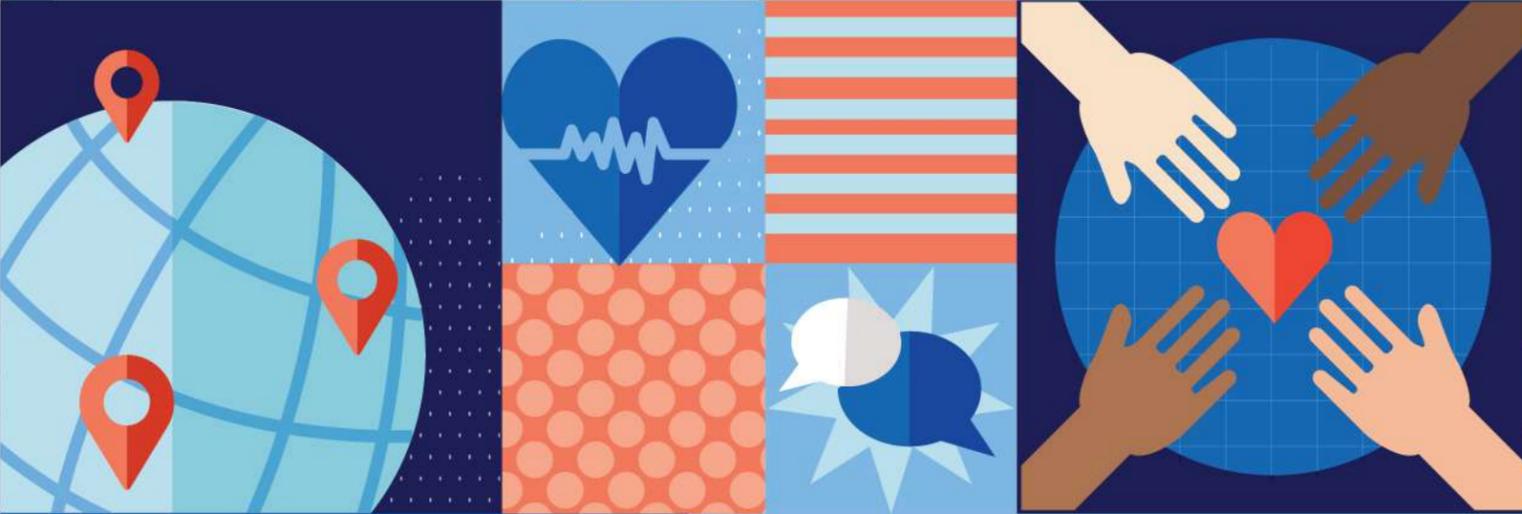
36% reduction
in our accident rate



US\$15.7 million
invested in wellbeing programs



US\$11.5 million
invested in employee health and safety



5.3% participation
in volunteering initiatives





Wellbeing culture

Our employees are protagonists of their development, the growth of our company, and the wellbeing of our communities.

We are a principled and results-oriented company in which the wellbeing of our employees is a priority. As a result of the dedication, talent, creativity, and teamwork of our employees that we are able to work, evolve, and find new ways of meeting the needs of our consumers and clients. Our passion allows us to strengthen the bonds we have established with the communities where we operate as well as other stakeholders.

Global Code of Conduct

In 2020, we launched the Sigma Global Code of Conduct, which aligns standards, criteria, and expectations in terms of ethics and sustainability. To learn more about how we operate as one Sigma under the new Global Code of Conduct, please visit the Ethics and Corporate Governance section of this Report.

Strengthening leadership

Over the course of the year, leaders in the organization participated in our Conscious Leaders program, that seeks to align work teams with business priorities and sustainability. In this first edition, we measured the perception of work teams at the management level about the way in which their supervisors embody the company's Principles in their day-to-day activities, with excellent results.

Our values, principles, and human - centeredness are the basis to achieve our business goals.

We embrace our Principles

During 2020 we continued deploying the Sigma Cultural Employee Exercises to reinforce behaviors related to topics such as innovation, commitment, challenge resolution through ingenuity, and change management, among others. We are convinced that these principles will enable us to achieve our goals.

Our organizational culture exercises aim to explain, in an empathetic way and with practical examples, how to apply and embrace the company's principles in our daily jobs and in the decision-making process across our operations. Employees at all our Organizational Units participate in these dynamics allow us to stay aligned as an organization. Likewise, in an effort to reinforce this initiative, several members of our management team served as hosts in a variety of webinars focused on relevant topics for our company, with the participation of close to 1,000 employees per event.



Sigma

We are One. We are Sigma.

Assessing wellbeing at Sigma

We measure the results of our culture of wellbeing by employing a methodology that we developed internally. In 2020, we doubled our score in the Wellbeing Index with respect to the previous year.

With this methodology we can monitor the fundamental issues to develop our employees.

- Nutrition
- Rest
- Exercise
- Occupational medicine
- Safety
- Emotional intelligence
- Diversity and inclusion
- Flexibility
- Retirement
- Volunteering
- Donations
- Community
- Social development

Assessing our response to COVID-19

During 2020, we listened to our employees and implemented initiatives to maintain constant communication. More than 85% of our surveyed employees said they felt the company listened to their concerns. These efforts included webinars with the management team, on-site sessions, and other communication efforts to provide relevant information.

We also implemented initiatives focused on how to handle stress and improve morale among our employees. In addition, we offered emotional and medical support. Finally, we encouraged an active lifestyle, organized meditation and mindfulness sessions, and promoted online or socially distanced volunteering activities.



Among the companies with the best reputation



Campofrío was recognized as one of the top 100 companies with the best social responsibility reputation, as measured by the Merco Companies and Leaders indexes. Our operation in Spain ranked fourth in the food sector, and 29th in the general listing, improving with respect to the previous year.



Health and safety

The wellbeing of our employees is a priority.

Agility in the face of uncertainty

Since the beginning of the pandemic, our priority was to safeguard the health and wellbeing of our employees while ensuring the continuity of our operations around the world.

To rapidly adapt to the changing environment, we leveraged our knowledge, global expertise, and energy.

During 2020, the risks committee met constantly to design and proactively deploy an action plan focusing on protecting the health and safety of our employees and their families, as well as reinforcing the safety in our operations.

In addition to implementing more than 100 health and hygiene protocols, we established an effective communication strategy, opened spaces where our employees could have conversations that would help them mitigate uncertainty, received timely information, and shared and addressed their concerns. To learn more about our initiatives, please visit the section entitled Safety amid COVID-19 in this Report.

Healthy lifestyles

We promote among our employees the importance of maintaining a healthy lifestyle through a balanced diet, stress management, mental health, and physical activity. Certain initiatives, which we hope to reinstate soon, include participating in sports, health fairs, and recreational events. To implement these activities, we have a team of specialists who also offer basic medical care at our operating sites.

In 2020, we focused our efforts on staying close to our employees so we could share important information about actions that contribute to maintaining a sound mental health during stressful times, including managing emotions, emotional balance, and healthy eating, among others.

Likewise, in some locations we offered support to those who were most vulnerable through food donation programs, assistance to increase physical activity, and health monitoring programs to help reduce or eliminate risks.

12 Safety Practices

We continued reinforcing the application of the 12 Sigma Safety Practices across our operations, with excellent results.

2025 SUSTAINABILITY COMMITMENTS

2025 Goal	2020 Progress
22% reduction in the accident rate at our operations with respect to 2018.	36% reduction in 2020 in the accident rate with respect to the 2018 baseline, thus exceeding our goal.



Safe operations

In 2020 we advanced in the implementation of the 12 Sigma Safety Practices, our institutional safety program. We reinforced the application of the program across our operations, including the promotion of safety behaviors, established ambitious goals, shared best practices, renewed our management's commitment to safety, investigate the root causes of incidents, maintain a close communication with our employees, and continually evaluate results to address areas for improvement.

We implement our Safety Policy and adhere to our Accident and Incidents Management Procedure to maintain the highest safety standards in our operations. In addition to implementing prevention protocols, we closely supervise the safety of our processes and emphasized on training for our employees to care for their physical integrity.

In 2020, we invested more than US\$11.5 million in occupational health and safety initiatives, in addition to the investment made to meet the needs resulting from the pandemic. We continue to strengthen our occupational safety culture achieving a 36% reduction in our global accident rate compared to our 2018 baseline, exceeding our 2025 goal. We are committed to even greater achievements.





Continuous learning

We offer innovative options for training and learning across our organization.

Employee development

We continued making investments in new tools that expand training options for our employees, allowing them to be protagonists in their own personal and professional growth. Over the course of the year, we invested more than US\$2.8 million in training initiatives, in which every employee received an average of 19.4 hours of training. This keeps us on the path to reach our 2025 goal to offer more than 20 hours of training on average per employee.

We are convinced that continuous learning is a way to promote the development in our employees and, at the same time, it allows us to be prepared as a company to successfully implement our business strategy.

Share to Connect

In 2020, we launched Share to Connect, an e-learning initiative that helped us keep the Sigma family together during the period when employees had to work from home. During 2020, more than 4,200 people participated in Share to Connect, with more than 15,500 connections across 90 sessions and spanning a wide range of topics, including resilience, cooking, yoga, physical and mental health, meditation, work-life balance, home vegetable gardens, composting, diversity and inclusion, volunteering, and professional growth.



2025 SUSTAINABILITY COMMITMENTS

2025 Goal	2020 Progress
11% increase in the number of average training hours per employee, with respect to 2018	7% increase in the number of training hours, with respect to 2018.

Content within Share to Connect

During 2020, we shared a series of training webinars and included different courses and activities in our third Sustainability Challenge.

Mental Health

- Resilience
- Emotional intelligence
- Mental health
- Mindfulness to address daily pressures
- Facing loss
- Managing stress
- Effective communication
- Let's talk about gender

Gardening

- Home vegetable garden
- Home composting
- Breakfast with biofertilizers
- Home-made pots

Abilities

- Cooking
- Mixology
- Haircutting
- Cooking with "El Cazo"
- Taekwondo
- Meditation
- Home-made soap
- Personal image
- Yoga



An inclusive company

We provide the same opportunities for growth to all our employees, fostering talent and potential.

We know that the most effective and productive teams include individuals with different perspectives, experiences, and backgrounds. At Sigma, we work to create awareness and sensitivity, to remove barriers in our effort to build an inclusive work environment where employees of more than 60 nationalities are offered the best conditions to reach their potential to the fullest in an environment of respect, empathy, and tolerance.

Some of our initiatives to raise awareness and promote inclusion are:



Created the Women Inclusion Network in the US.



Coaching sessions to executives.



Promoted Science, Technology, Engineering and Mathematics (STEM) initiatives for employees and communities.



Implemented active sessions to listen to employee perception.



Established an online community in LATAM focused on diversity and inclusion.



Online sessions and webinars to raise awareness about diversity and inclusion.



Communications campaigns to raise awareness about diversity and inclusion.



Designed specific communications on dates such as Women’s Day or the Day of People with Disabilities.

2025 SUSTAINABILITY COMMITMENTS

2025 Goal

Become a more inclusive company.

2020 Progress

10 initiatives implemented to favor inclusion during 2020.

Level the playing field

To better understand the daily challenges of wheelchair mobility, our operations in the city of Burgos, Spain, organized a basketball tournament during which more than 50 Sigma employees were able to better understand the challenges of living with a disability. At the end of the game the players in the Adapted Basketball Team in Burgos participated in a conference in which they talked about the importance of universal accessibility and how this has improved their lives.

Gender equality at the workplace

Our Fiorucci brand in Italy signed the Manifest for Gender Equality at the Workplace in 2020. Among other initiatives, Fiorucci is committed to maintain gender diversity in recruiting processes, promote work flexibility initiatives, foster the wellbeing of employees, encourage the development of women employees in top management positions, and monitor the salary gap between women and men.





Community engagement

Our culture encourages volunteers who contribute proactively to the wellbeing of the communities we operate in.

We want to be and do more

The 2025 goal is that at least 10% of our employees participate in volunteer activities. During 2020, we doubled participation from the previous year, attaining a new record with 5.3% of our workforce involved in volunteer activities.

To achieve our goal, we leverage the creativity of our employees who continually suggest new volunteering initiatives. In 2020, we started the first tests of a pilot platform that is hosted on our intranet and was developed so our employees continue to be protagonists, contribute new ideas, and easily join volunteering initiatives.

Hand in Hand Fund

Created 10 years ago in Mexico, the Mano con Mano (Hand in Hand) fund has the goal of combining employee and company donations to support other employees who have suffered material losses due to a natural disaster. Together we have provided assistance in more than 300 cases.

5.3% of our employees participated in volunteering efforts

Volunteering during COVID-19

In compliance with mobility and social distancing restrictions, we innovated in the way in which we carry out our volunteering initiatives. Over the course of the year, our employees participated in campaigns to donate food, personal hygiene products, and school supplies; donated blood; offered online courses; and sent supportive letters to people in vulnerable situations, among many other activities. The Human Capital teams continued to provide remote volunteering opportunities.



2025 SUSTAINABILITY COMMITMENTS

2025 Goal	2020 Progress
10% participation of our employees in volunteering activities.	5.3% of our employees participated in volunteering, double the number for the previous year.

2020 Volunteer activities

World Food Day	1,240 volunteers participated in efforts to donate food and raise awareness about nutrition challenges around the planet.
PPE assembling	80 volunteers assembled more than 35,000 face masks that were donated to several communities. In addition, we donated other personal protection equipment (PPE).
Inclusion begins with us	60 volunteers participated with the European Down Syndrome Association to create awareness about the importance of inclusion.
Sustainability challenge	440 volunteers participated in the third annual sustainability challenge by making actions in favor of the planet and the society, inspired by the UN SDGs.
With you from a distance	40 volunteers sent encouraging letters to children and seniors referring to the COVID-19 challenges.
Toy donations	560 volunteers donated toys for infant patients of the Hospital Materno Infantil in Monterrey.
Doctors of the World	Our operation in Spain collaborated with the Doctors of the World NGO to provide sanitary information in retirement homes.



ENVIRONMENT

We focus on reducing our environmental impact by using natural resources efficiently.

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10 Plants

in Europe are part of the **Zero Waste** Program



104 sites

use **cleaner energy**, equivalent to **60% of the total electricity** we consume globally



US \$11 million

invested in **initiatives** related to **environmental stewardship**

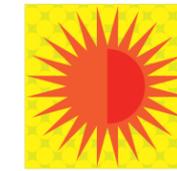
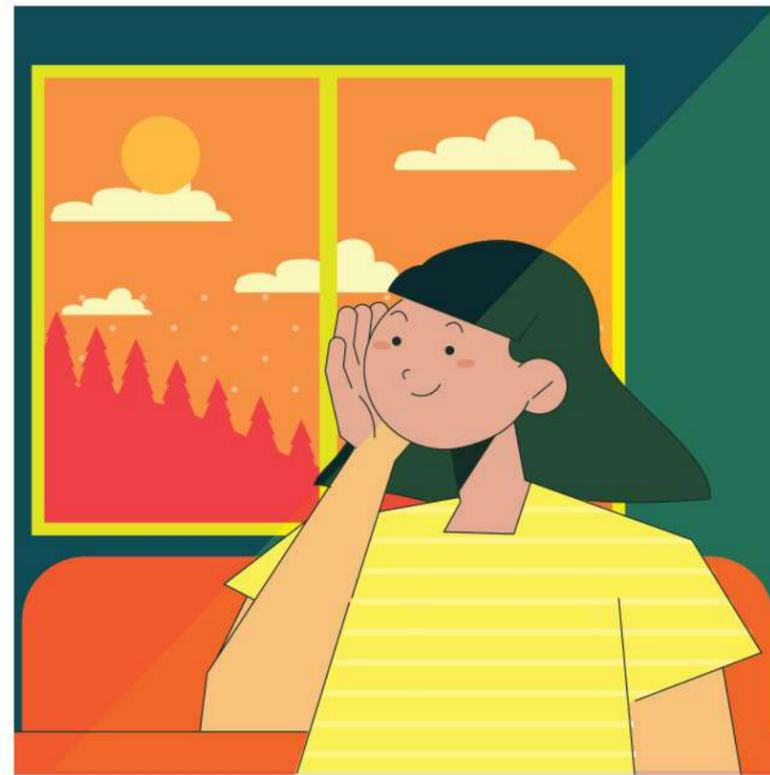


100,000+ tons CO₂ avoided in the year through our Climate Action Strategy



540+ tons of virgin plastic avoided in our packaging





Environmental management

We continually develop eco-efficiency projects focused on reducing our environmental footprint.

Building sustainable operations

At Sigma, we work as one company to implement environmental best practices. We are guided by our Environmental Policy and applicable regulations to optimize resource management throughout our extensive network of operations, which includes 70 plants and 210 distribution centers in 18 countries, as well as one of the largest refrigerated distribution fleets in Mexico and Romania.

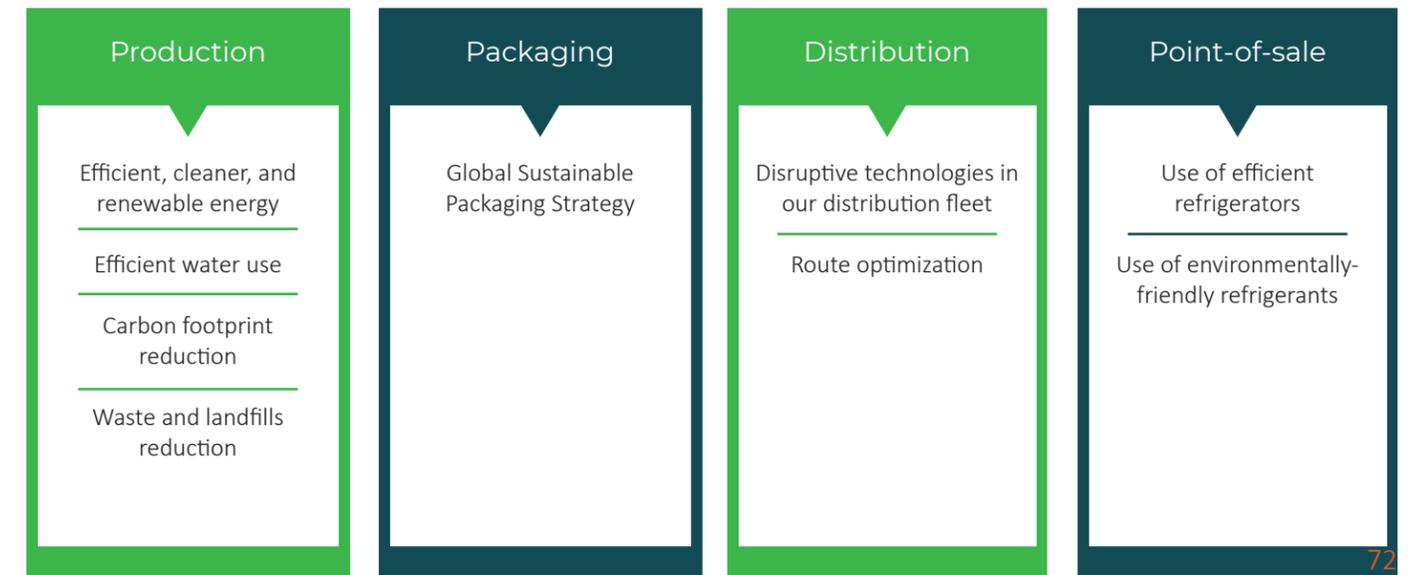
In 2020, our Operational Unit in Mexico added a new module of the Total Productive Maintenance (TPM) working tool. With this sustainable management initiative, we can assess the sustainable performance of our operation sites and build specific action plan for each plant.

Environmental community

We are constantly evolving to build a culture of environmental excellence. The Sigma Environmental Community functions as an advisory group that trains and guides our plant leaders and fosters the exchange of best practices to optimize the use of resources such as water, fuel, and electricity.

More than 100 employees participate in the Environmental Community. During 2020, we implemented eco-efficiency projects in Mexico, Costa Rica, El Salvador, and the Dominican Republic designed to contribute to our environmental goals. As part of our implementation of best practices, in 2021 the community will expand its scope to Ecuador and Peru.

Eco-efficiency across our production process





Biofriendly packaging

We incorporate principles of a circular economy in the production of our packaging.

Global Sustainable Packaging Strategy

In 2020 we took an important step towards reaching our goal to ensure the high quality of our products while at the same time using environmentally friendly packaging. With the launch of our Global Sustainable Packaging Strategy, we now have a comprehensive working platform to expand the use of biofriendly packaging across our operations.

Through the strategy's lines of action, we incorporate circular economy principles in the design stage and during the selection of materials used in the production of packaging solutions. In 2020 alone we avoided using more than 540 tons of virgin plastic, for a total of 5,300 tons avoided since 2019.

Collaborative development

Sigma's central research department, in collaboration with our Organizational Units around the world, worked as a team to reflect in the strategy a comprehensive vision of the future of our packaging. In this process, we leveraged the success stories of our Organizational Units as well as more than a decade of internal research and use of state-of-the-art technologies in meeting packaging needs in every country where we operate.



Lines of action of our Global Sustainable Packaging Strategy:

- 1 Reduce the use of plastic in packaging.
- 2 Increase the percentage of recycled plastic.
- 3 Eliminate components or layers in packaging.
- 4 Search for and employ materials that are friendlier to the environment.
- 5 Use biodegradable plastics.
- 6 Use materials that are reclaimable and recyclable.

Our biofriendly packaging

Preserve resources

When we recycle, raw materials are reused, eliminating the need to obtain new ones from nature.

Save energy

Producing packaging from scratch requires more processes than recycling existing packages, thus recycling saves energy.

Decrease waste

Producing packaging with recycled materials reduces waste that ends up in the landfills, thus preserving the ecosystems.

Reduce the footprint

Biodegradable packaging decomposes and goes back into the land in less than five years.



In Mexico and the US

we use up to 80% recycled plastics in our packaging for cheeses and hams.



In Europe

we employ 100% recycled plastics in our pizza packaging.



In our line of stirred yogurt

we reduced 25% the use of plastic by utilizing mineral oil compounds in the packaging of our 125-gr and 170-gr regular and light yogurts.



In our yogurt line

in fewer than five years we have been able to convert to biodegradable packaging.



Our commitment to packaging

We protect the quality of our products

Our product packaging plays an essential role in protecting food, preserving its properties, ensuring shelf life, and providing consumers the best quality and experience. At the same time, packaging is part of the offer we deliver to our clients and consumers, who seek to purchase products in packages that are functional and practical. Examples include our resealable and reusable packages and those that are easily compacted.

With your help, we care for the environment

At Sigma, we invest in research and the development of new technologies to create functional packaging that both ensures the quality of our products and has a low impact on the environment. At the same time, we are attentive to new regulations, and are aware of the responsibility we all have of caring for the environment.

We remain at the forefront

We strive to stay at the forefront in the development of new technological solutions for packaging. Our Research and Development, Innovation, Quality, Technology, and Marketing divisions and our Operational Units all participate in the collaborating process with our suppliers, prestigious universities, and startups. As a result, we have developed dozens of patents and innovative industrial designs that contribute to the reduction of the use of virgin plastic in our bottles and packaging.

5,300+ tons of virgin plastic avoided in our packaging with optimization projects and the use of state-of-the-art technologies.

We apply best practices throughout our operations

Inside the Sigma Sustainability Community, the packaging team includes a group of more than 25 employees who are experts in green technology, consumer experience, and new materials. This team focuses on the development of better packaging solutions for our products and leverages the technical know-how we have acquired globally.

We work as a team

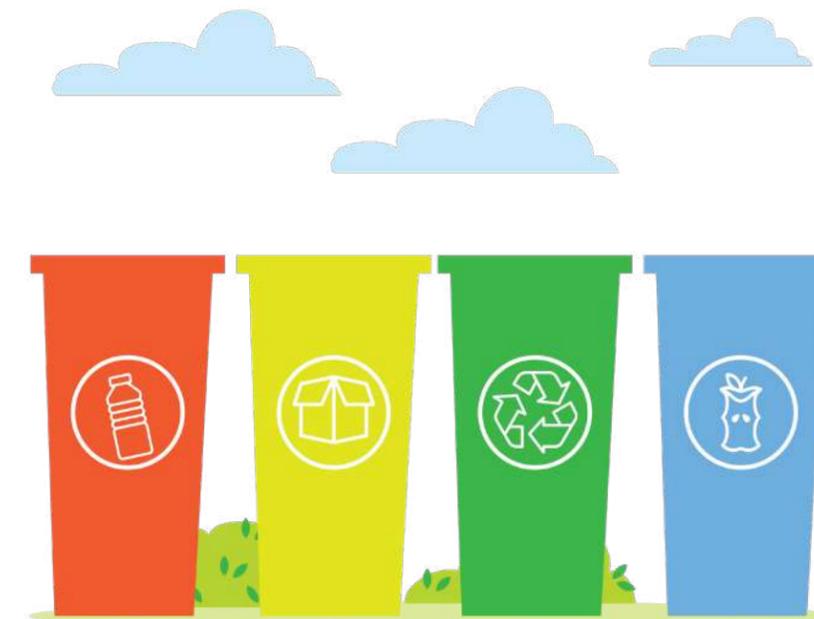
We collaborate with our clients to identify opportunities to make environmentally friendly packaging solutions. We also participate with several nonprofit associations focused on promoting the adequate handling of packaging waste as well as a culture of recycling among consumers, including ECOCE in Mexico and ECOEMBES in Spain.



Zero waste to landfills

We believe that an effective waste management strategy should focus on minimizing waste, separating it properly, and maximizing recycling. At our plants and distribution centers, waste is separated so that an authorized third parties can reuse it or dispose of it in accordance with the regulations of each country where we operate. As part of this commitment, we continually search for new allies who can co-process the waste generated.

In Europe, 10 plants have achieved a Zero Waste status, an initiative through which we recycle or repurpose 90% of our operations' solid waste.





Responsible water management

Water is an essential resource that we care for across our production process.

Our commitment

Water is an essential ingredient in our products and food preparation methods, which is why we adhere to the strictest supply quality criteria, always promoting compliance with our hygiene and safety standards. At our operation sites we use water in our production processes and for cleaning equipment.

We are committed to investing in new technologies, preventive maintenance processes, and treatment systems to reach our 2025 goal to reduce water consumption by 20% per ton of food produced (in relation to water consumption in the plants that were operating at year-end 2018).

Water harvesting systems

In 2020, we implemented initiatives to make water consumption increasingly efficient across our operations. We expanded water treatment and storage infrastructure, which enables us to reclaim more water at the end of the production cycle for use in secondary processes, including in condensers, irrigation of green areas, vehicle washing, and restroom facilities.

We have invested more than US\$3.5 million since 2018 in the improvement and construction of water treatment plants. When we are able to repurpose water, we employ our treatment systems to manage it adequately and discharge it in accordance with established regulations.

COVID-19 hygiene protocols

Due to the challenges of the pandemic, in addition to robust hygiene protocols under which our plants operate, we added measures for personal sanitation as well as for equipment and work areas in the effort to eliminate the risk of contagion from COVID-19 within our facilities. While the implementation of these measures allowed us to face the challenges of the pandemic, we had an atypical water consumption in our operations.

2025 SUSTAINABILITY COMMITMENTS

2025 Goal	2020 Progress
20% reduction in the consumption of water per ton of food produced at our plants with respect to 2018.	<ul style="list-style-type: none"> • Reduce water consumption per ton of food produced in two of our five Operational Units. • Modernized and expanded water treatment plants in Linares and Pénjamo, Mexico.

Water solutions in collaboration with the community

In our Sosua plant in the Dominican Republic, in 2020 we collaborated with our neighbors to address water needs, which grew as a result of both the COVID-19 pandemic.





Climate action

At Sigma we recognize the importance of participating in global efforts to mitigate climate change.

Climate Action Strategy

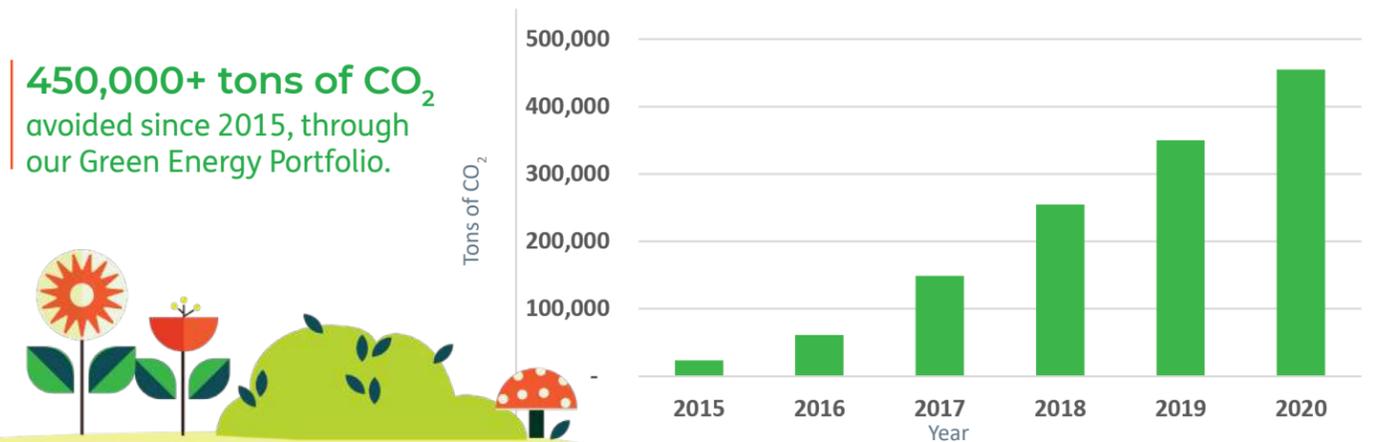
As a fundamental part of our sustainable business strategy, we will continue implementing initiatives designed to reduce the carbon footprint across our operations.

Our 2025 goal is to accomplish a 20% reduction in CO₂ emissions per ton of food produced related to our plants and our own refrigerated transportation fleet, from our 2015 baseline. As of 2020, we have attained an 11% reduction compared to the baseline year. This means that we have avoided more than 450,000 tons of carbon dioxide since 2015, equivalent to more than 20 million trees would absorb in a year.

Action lines in our Climate Action Strategy are:

- 1** Maximize the use of cleaner and renewable electric energy.
- 2** Expand the use of cleaner fuels.
- 3** Increase efficiency in our operations.
- 4** Employ disruptive technologies in our distribution fleet.

Tons of CO₂ avoided with respect to our 2015 baseline - Cumulative numbers



2025 SUSTAINABILITY COMMITMENTS

2025 Goal	2020 Progress
<p>20% reduction of CO₂ emissions related to our plants and transportation fleet, per ton of food produced from our 2015 baseline.</p>	<p>11% reduction with respect to the baseline year through:</p> <ul style="list-style-type: none"> • 104 sites consuming cleaner energy. • Converted the Lagos de Moreno plant to natural gas. • Increased the use of biomass to generate steam. • Tested the first 100% electric vehicle.

Climate Action Strategy





Electricity

We are continually looking for ways to reduce the carbon footprint of our electric energy consumption.

Cleaner and renewable sources

Incorporating the use of electric energy generated with cleaner and renewable sources is a fundamental part of our strategy to reduce the carbon footprint of our operations.

Currently, our green electric energy portfolio includes the use of wind power, efficient co-generation, and solar energy.

During 2020, 60% of the electricity consumed in our operations was generated from cleaner or renewable sources. This includes our energy suppliers' green portfolios as well as our own agreements and investments. In our 2025 goals, we have committed to expanding the use of sustainable electric energy to 67% of our consumption.

Efficient operations

At Sigma we challenge ourselves to identify new technologies to be more efficient in the use of electricity.

For example, the second largest plant in our Operational Unit in Mexico, located in Atitalaquia, has automated systems that enable us to optimize the refrigeration equipment. The system employs controls to remotely monitor the refrigeration systems, which has enabled us to reduce our energy consumption and operation costs. Also, by taking online temperature readings, we generate new strategies to increase efficiency.



Energy savings at the point-of-sale

We are convinced that limiting greenhouse gas emissions is a shared responsibility. That's why we participate in initiatives to reduce our electricity consumption at our clients' points of sale.

Since 2014 we have delivered more than 54,800 high-tech refrigerators to commercial establishments that sell our products in Mexico. These high-tech refrigerators help reduce energy consumption during the process to conserve our products at the point-of-sale, and to keep the food in better conditions.

2025 SUSTAINABILITY COMMITMENTS

2025 Goal

67%

of our electricity consumption in our plants sourced from cleaner and renewable energy sources

2020 Progress

60%

of our electricity consumption in our operations sourced from cleaner and renewable sources.

Green energy portfolio



Wind power

71 sites in Mexico consume 137 GWh annually, avoiding more than 68,000 tons of CO₂ in 2020.



Efficient co-generation

31 sites in Mexico consume 47 GWh annually, avoiding more than 7,500 tons of CO₂ in 2020.





Cleaner fuels

We continue to invest in employing cleaner technologies and fuels.

We continually explore opportunities to use more sustainable fuels, with lower emissions. This includes everything from migrating to natural gas in steam generators to the full conversion of our production facilities to cleaner fuels.

Transforming our operations

During 2020, Mexico concluded a project to convert the Lagos de Moreno plant to natural gas, which will allow us to be more efficient and use more environmentally friendly fuel, avoiding almost 3,700 tons of CO₂ annually.



We expanded the use of biomass

In 2020, we installed a biomass heater that uses coconut byproducts in our Checo brand plant in the Dominican Republic, resulting in benefits for the operation and the community. This is a similar effort to that in our Sosua plant, and enabled us to reduce the use of fossil fuels to generate steam and fostered certified collecting and marketing supply chains, which also generates a local economic benefit and mitigates fuel disposal in landfills.

Environmentally friendly refrigerants

We work with our suppliers to develop, build, and install new, more efficient refrigeration systems that have a smaller environmental footprint. At Sigma, we are continually searching for new technologies that enable us to employ environmentally friendly natural refrigerants.

In 2020, we started a pioneering pilot test in Mexico to employ propane-based refrigeration equipment. This technology has proven to be more efficient than other refrigerants, and its application on a larger scale is being evaluated.

In line with the commitments of the Montreal Protocol, we progressed in the conversion to refrigerants that are friendlier to the environment.

In the US, 80% of the operations use highly efficient refrigerants. In Europe, during 2020 we made progress in our plan to fully convert operations by 2025, avoiding close to 2,600 tons of CO₂. We also worked on the short-term substitution of refrigerants in the rest of our Operational Units.



Distribution fleet

We use disruptive technologies to reduce fuel consumption in the distribution of our products.

We continually test new technologies, including the use of hybrid and electric vehicles, as well as converting to natural-gas-powered units to reduce greenhouse gas emissions. Route optimization programs are also implemented, resulting in better fuel efficiency rates. We also work with our suppliers so that they use vehicles with more efficient technologies and lower emissions in the geographies where we operate.

First 100%-electric vehicle

In 2020, we developed a pilot program to explore ecological technologies in our delivery vehicles in Mexico, including more efficient refrigeration equipment, anti-glare paint, and solar panels. We are currently in the process of analyzing the results of the program in order to explore if it is feasible to employ these technologies in our distribution network.

We certify our progress

In 2020 we received, for the seventh consecutive year, the Excellence in Environmental Performance award granted by the Mexican government as part of its Clean Transportation program. This initiative promotes environmentally friendly transportation through actions that reduce fuel consumption and greenhouse gas emissions, including the strategic allocation of routes, eco-friendly driving techniques, preventive maintenance, and aerodynamic technologies.





05
ETHICS AND
CORPORATE
GOVERNANCE
—



Sigma Global Code of Conduct

In 2020, we launched the Sigma Global Code of Conduct, which establishes the same high standards, criteria, and expectations in ethics and sustainability for every Operational Unit.

The commitment adopted by our employees when they receive and sign the Code is to use it as a guide to make ethical decisions and to report through the Integrity and Transparency Helpline any case of non-compliance.

Additionally, we request our suppliers and business partners to act and behave in line with the general principles included in the Code.

The Code of Conduct serves as a guide for making ethical decisions, enabling us to achieve results with integrity and in line with our Culture, Purpose, Principles, and expected Behaviors.

Sigma Global Code of Conduct
<https://www.sigma-alimentos.com/en/code-of-conduct/>

Topics included in the Code of Conduct

Live a culture of integrity	<ul style="list-style-type: none"> Adhere to applicable regulations Abide by honest business practices 	<ul style="list-style-type: none"> Avoid conflicts of interests Safeguard company resources
Foster a safe and dignified environment	<ul style="list-style-type: none"> Value and respect each other Prevent harassment 	<ul style="list-style-type: none"> Promote a safe workplace Guarantee human rights
Committed to our stakeholders	<ul style="list-style-type: none"> Promote quality and food safety Collaborate with our suppliers ethically and legally 	<ul style="list-style-type: none"> Compete with integrity Ensure transparency in communications
Manage information with responsibility	<ul style="list-style-type: none"> Follow security procedures Ensure confidentiality 	<ul style="list-style-type: none"> Respect intellectual property rights Avoid insider trading Report clear and objective information



Ethics

The policies and procedures on the ethical conduct of our employees and business partners are led by the CEO, who is involved in developing and approving actions to strengthen a culture of respect for business values and compliance with ethical guidelines. As an ALFA company, Sigma adheres to the group's corporate policies.

Policies

At ALFA, the Code of Ethics, Anti-corruption Policy, and Policy on Conflicts of Interest establish the standards of conduct ALFA expects from its subsidiaries and employees.

The Anti-corruption Policy reaffirms the company's commitment to honesty in its labor relations, compliance with the law in every place where it is present, and with zero tolerance for corruption. Furthermore, the Policy on Conflicts of Interest sets forth general guidelines to identify and promptly mitigate any situations that might involve a conflict of interest.

Other relevant topics for ALFA are the respect and promotion of universal human rights. It rejects all types of discrimination, child labor, forced labor, abuse, coercion, limits on the freedom of association or the right to collective bargaining, and/or threats.

ALFA Code of Ethics
<https://www.alfa.com.mx/down/CODEOETHICS.pdf>

Anti-Corruption Policy
<https://www.alfa.com.mx/down/AnticorruptionPolicy.pdf>

Integrity and Transparency Helpline

The company also provides anonymous means of contact to detect, investigate, and address non-compliance with these guidelines. These include the Integrity Transparency Helpline which operates 24/7 via the website, email or a toll-free number in every country where ALFA operates.

Integrity and Transparency Helpline

<http://www.alfa.com.mx/buzon.html>
buzon@alfa.com.mx

For more information, review the 2020 ALFA Annual Report at
<https://alfa.com.mx/down/informes/AnnualReport20.pdf>



Sigma Management Team



Rodrigo Fernández

President & CEO
Joined ALFA en 1998.
MBA Wharton.

Business units



Eugenio Caballero

CEO Mexico
MBA Harvard



Ricardo Doehner

CEO Europe
MBA Michigan



Warren Panico

CEO USA
MBA Columbia
Pacific University



Sergio Ramos

CEO LATAM
MBA University of Texas at
Austin



Armando de la Peña

CEO Foodservice
Executive Programs

Global functions



Roberto Olivares

CFO
MBA Duke



Gregorio de Haene

CTO (Innovation, Sustain-
ability and R&D)
MBA ITESM



Daniel Alanis*

CGO
MBA & Msc. Mechanical
Engineering University
of Michigan



Ernesto Gómez

CHRO
Executive Programs



Alejandro Suárez

CIO
Master in Operations
George Washington



Corporate Governance

As part of ALFA, we follow the Board's Corporate Governance rules, who aim to ensure that the decisions made in pursuit of the company's strategy are consistent with the highest integrity, transparency, and value creation standards. To this end, it adheres to the Code of Principles and Best Corporate Governance Practices in place in Mexico since 2000.

The Code was developed at the request of the Mexican securities market authorities, and its purpose is to establish corporate governance principles to enhance investor confidence in Mexican companies.

Companies who trade on the Mexican Stock Exchange (BMV) must disclose once a year the extent to which they adhere to the Code of Principles and Best Corporate Governance Practices by annually responding to a questionnaire, which is available to the public on the Mexican Stock Exchange's website. The following is a summary of ALFA's corporate governance principles as stated in the May 2020 questionnaire, with any pertinent information updated:

A. The Board of Directors includes twelve proprietary directors, with no alternates, of which ten are Independent Directors, two are Related Patrimonial Directors and one is an Independent Patrimonial Director. ALFA's annual report provides information on all Board Members, identifying Independent Directors and the Committees in which they participate.

B. Three Committees assist the Board of Directors in carrying out its duties: the Audit Committee, the Corporate Practices Committee, and the Planning and Finance Committee. Board members participate in at least one committee. All three committees are chaired by an independent director. The Audit Committee and the Corporate Practices Committees are formed exclusively by independent directors.

C. The Board of Directors meets six times a year. Meetings of the Board can be called by the Chairman of the Board, the President of the Audit Committee, the President of the Corporate Practices Committee, the Secretary of the Board, or by a group of at least 25% of directors. The purpose of at least one of these meetings is to define the company's mid- and long-term strategy.

D. Directors are obliged to inform the Chairman of any conflicts of interest that arise and abstain from participating in the corresponding deliberations. Average attendance to meetings of the ALFA Board was 98% during 2020.

E. During most of 2020, meetings of the ALFA Board of Directors, the Audit Committee, the Corporate Practices Committee, and the Planning and Finance Committee were held via videoconference due to the COVID-19 pandemic. Videoconferences allowed directors to interact effectively thanks to their audio and video features.

F. The Audit Committee studies and issues recommendations to the ALFA Board on matters such as the selection of the independent auditor and the determination of the corresponding fees; it coordinates with the company's internal audit division; and it analyses the accounting policies, among other functions.

G. The company has internal control systems in place whose general guidelines are submitted to the opinion of the Audit Committee. In addition, the external auditor validates the effectiveness of the internal control system and issues the corresponding report.

H. The Planning and Finance Committee evaluates all matters pertaining to its specialty and issues recommendations to the ALFA Board on topics such as the feasibility of investments, the company's strategic positioning, appropriateness of the investment and financing policies, and it also reviews investment projects.

I. The Corporate Practices Committee issues recommendations to the ALFA Board on matters such as employment offers for top executives and the corresponding severance payments and compensation policies, among other functions.

J. ALFA has a specific department responsible for maintaining an open line of communication between the company and its shareholders and investors. Its purpose is to ensure that they have the financial information, or any other information they need to assess the development of the company's activities.

Sigma | About this Report

The purpose of our Sustainability Report is to offer our stakeholders relevant information regarding our sustainability priorities as well as the results of the social and environmental initiatives implemented over the year.

Reporting cycles

This is our tenth annual sustainability report, which covers the results of the 2020 calendar year. Sigma publishes an annual report.

Companies included in the report (GRI 102-45)

In drafting this 2020 Report, we included the information of sites over which we have operational control.

Key topics (GRI 102-46, 102-47)

To identify the priority issues to include in our report, we considered the conclusions of our Materiality Analysis, the Sigma Sustainability Strategy, our 2025 Goals, and the company's internal planning processes. The results of Sigma's most recent Materiality Analysis, as well as a list of our material topics, can be viewed on page 11 of this report.

Changes in the company and restatements of information (GRI 102-48, 102-49)

There were no significant changes in our operations that would require that we modify the scope of our report with respect to previous years. Nor were there any changes in the information processes or criteria that would require a restatement of information.

Preparation of the information

The information in this report was obtained through interviews with executives in our Headquarters and Organizational Units, sustainability-related questionnaires answered by the operations in our Organizational Units, and internal databases.

Monitoring metrics

To measure the results of our initiatives, key performance indicators, and progress on our 2025 Goals, we employed criteria established by Sigma to monitor the company's performance. Responsible departments provided key information, validated through our internal systems. The report did not receive external verification.

GRI Reporting Standards

This report has been prepared in accordance with the GRI Standards: Core option. The GRI offers the most widely used methodology globally to prepare sustainability reports. For more information about GRI, visit their website.

GRI website

<https://www.globalreporting.org/>



Performance in Detail

HEALTH AND NUTRITION

GRI 416-1	Assessment of the health and safety impacts of product and service categories	2020
	Percentage of significant product categories for which consumer health and safety impacts are assessed (%)	100
	Percentage of significant product categories for which impacts are assessed vs. total product portfolio (%)	100
GRI 417-1	Requirements for product and service information and labeling	2020
	Does the reporting organization shall report the following information?	Yes
	Types of information required by the organization's procedures for product and service information and labeling (%)	100
	ingredients	Yes

SHARED VALUE

GRI 204-1	Proportion of spending on local suppliers	2020
	Percentage of the procurement budget spent on suppliers local to operations (%)	59
GRI 413-1	Operations with local community engagement	2020
	Percentage of operations with implemented local community engagement programs (%)	56

WELLBEING

GRI 102-8	Employees	2018	2019	2020
	Total employees (Num.)	45,150	45,864	43,925
	Employees by gender and employment contract (Num.)			
	Women	17,782	18,271	17,422
	Men	27,368	27,593	26,503
	Employees with permanent contract	44,811	45,313	42,598
	Women	17,695	18,031	16,846
	Men	27,116	27,282	25,752
	Employees with temporary contract	339	551	1,327
	Women	87	240	577
	Men	252	311	750
	Employees with full-time contract	44,406	45,122	42,742
	Women	17,058	17,557	16,437
	Men	27,348	27,565	26,305
	Employees with part-time contract	744	742	1,183
	Women	723	714	985
	Men	21	28	198
	Employees by region and employment contract (Num.)			
	Mexico	28,016	28,863	27,185
	LATAM	6,023	6,030	5,579
	Europe	8,168	8,077	8,107
	USA	2,943	2,894	3,054
	Employees with permanent contract	44,811	45,313	42,598
	Mexico	27,751	28,386	26,534
	LATAM	5,949	5,956	5,483
	Europe	8,168	8,077	7,527
	USA	2,943	2,894	3,054
	Employees with temporary contract	339	551	1,327
	Mexico	265	477	651
	LATAM	74	74	96
	Europe	-	-	580
	USA	-	-	-

GRI 405-1	Diversity and Equal Opportunity	2020
	Total employees (Num.)	43,925
	Under 30 years	9,179
	Between 30 and 50 years	27,186
	Over 50 years	7,560
	Operations employees	34,392
	Admin employees	8,860
	Executive employees	673
	Operations employees	34,392
	Under 30 years	7,569
	Between 30 and 50 years	21,168
	Over 50 years	5,655
	Admin employees	8,860
	Under 30 years	1,602
	Between 30 and 50 years	5,614
	Over 50 years	1,644
	Executive employees	673
	Under 30 years	8
	Between 30 and 50 years	403
	Over 50 years	262

GRI 405-1	New employee hires and employee turnover	2020
	New employee hires by gender (Num.)	
	Women	2,896
	Men	5,520
	New employee hires by age (Num.)	
	Under 21 years	696
	21-35 years	5,159
	35-49 years	2,243
	Over 50 years	318
	New employee hires by employment contract (Num.)	
	Mexico	5,196
	LATAM	1,185
	Europe	1,016
	USA	1,019

GRI 401-3	Parental leave	2020		
		Women	Men	Total
	Employees that took parental leave (Num.)	584	559	1,143
	Employees that returned to work in the reporting period after parental leave ended (Num.)	487	505	992
	Rate of employees that returned to work in reporting period after parental leave ended (%)	83	90	87

GRI 402-1	Minimum notice periods regarding operational changes	2020
	Minimum number of weeks' notice typically provided to employees and their representatives prior to the implementation of significant operational changes that could substantially affect them	2

GRI 403-9	Work-related injuries	2020
	Number of recordable work-related injuries	800
	Rate of recordable injuries (per million of worked hours)	8.18
	Worked hours (million of worked hours)	98

GRI 404-1	Average hours of training per year per employee	2020
	Average hours of training that the organization's employees have undertaken during the reporting period	19.4

GRI 403-9	Incidents of discrimination and corrective actions taken	2020
	Total number of incidents of discrimination during the reporting period (Num.)	4
	Incidents still under review by the organization (%)	0
	Incidents that have concluded review by the organization (%)	100
	with remediation plans (%)	75
	no subject to action (%)	25

ENVIRONMENT

GRI 301	Materials	2020
301-2	Percentage of reclaimed inputs used for packaging (%)	12

GRI 302	Energy	2020
302-1	Energy consumption within the organization (GJ)	7,270,672
	Fuel consumption within the organization from non-renewable sources (GJ)	4,644,201
	Diesel	1,341,426
	Fuel oil	350,663
	Gasoline	103,591
	LP Gas	107,499
	Natural Gas	2,741,022
	Fuel consumption within the organization from renewable sources (GJ)	92,825
	Biomass	92,825
	Electricity consumption (GJ)	2,533,646
	From traditional sources	1,010,925
	From cleaner or renewable sources (low-carbon electricity)	1,522,721
302-3	Energy intensity ratio for the organization (GJ / ton of food)	4.14
302-4	Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives (GJ)	19,202

GRI 305	Emissions	2020
305-1	Gross direct (Scope 1) GHG emissions (thousand ton CO ₂ e)	297
305-2	Gross energy indirect (Scope 2) GHG emissions (thousand ton CO ₂ e)	159
305-4	GHG emissions intensity ratio for the organization (ton CO ₂ e / ton of food)	0.2595
305-5	GHG emissions reduced as a direct result of reduction initiatives (thousand ton CO ₂ e)	49

GRI 303	Water	2020
303-3	Water withdrawal from all geographies (million m ³)	13.24
	Surface water	-
	Groundwater	8.43
	Seawater	-
	Produced water	-
	Third-party water	4.82
	Total water withdrawal from all areas with water stress (million m ³)	7.02
	Surface water	-
	Groundwater	3.93
	Seawater	-
	Produced water	-
	Third-party water	3.09

GRI 306	Waste in general			2020
		Waste diverted from disposal	Waste directed to disposal	Total
306-3	Total weight of waste generated (ton)	45,081	57,256	102,337
	Waste in general	2,413	10,720	13,133
	Paper and cardboard	10,471	36	10,507
	Wood	5,775	20	5,796
	Metal	2,428	-	2,428
	Plastic	2,183	136	2,318
	Glass	58	-	58
	Other	21,752	46,344	68,096
306-4	Waste diverted from disposal (ton)	Recovery operation onsite	Recovery operation offsite	Total
	Hazardous waste	0.02	193	193
	Preparation for reuse	-	89	89
	Recycling	0.02	30	30
	Other recovery operations	-	73	73
	Non-hazardous waste	356	44,537	44,889
	Preparation for reuse	24	7,285	7,308
	Recycling	306	27,788	28,094
	Other recovery operations	27	9,460	9,487
306-2	Waste directed to disposal (ton)			
	Hazardous waste	9	8,601	8,610
	Incineration (with energy recovery)	-	19	19
	Incineration (without energy recovery)	3	7,572	7,575
	Landfilling	-	945	945
	Other disposal operations	6	65	71
	Non-hazardous waste	54	48,592	48,646
	Incineration (with energy recovery)	-	6,713	6,713
	Incineration (without energy recovery)	-	299	299
	Landfilling	54	37,775	37,829
	Other disposal operations	-	3,806	3,806

	Food waste	Waste diverted from disposal	Waste directed to disposal	Total
306-3	Total weight of food waste generated (ton)	4,308	6,778	11,086
	Operations	2,442	6,770	9,212
	Logistics	1,866	8	1,874
306-4	Waste diverted from disposal (ton)	Recovery operation onsite	Recovery operation offsite	Total
	Non-hazardous waste	-	4,308	4,308
	Other recovery operations	-	4,308	4,308
306-2	Waste directed to disposal (ton)			
	Non-hazardous waste	-	6,778	6,778
	Landfilling	-	1,211	1,211
	Other disposal operations	-	5,567	5,567

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.

Disclosure	Page number, response and/or URL	Link 
GRI 101: Foundation 2016		
General Disclosures		
GRI 102: General Disclosures 2016		
Organizational profile		
102-1	Name of the organization	Sigma Alimentos, S.A. de C.V.
102-2	Activities, brands, products, and services	Sigma is a company engaged in the production, sale, and distribution of processed meat, dairy products, and other refrigerated and frozen foods. p. 2, We are Sigma p. 5-6, Our history p. 7-8, Company profile
		 02  05  07
102-3	Location of headquarters	p. 105, Contact information
		 105
102-4	Location of operations	p. 5-6, Our history Financial Statements: https://www.sigma-alimentos.com/wp-content/uploads/2021/04/2020-Consolidated-Financial-Statement.pdf
		 05
102-5	Ownership and legal form	Sigma Alimentos, S.A. de C.V., is a subsidiary of Alfa, S. A. B. de C. V.
102-6	Markets served	p. 5-6, Our history p. 7-8, Company profile Financial Statements: https://www.sigma-alimentos.com/wp-content/uploads/2021/04/2020-Consolidated-Financial-Statement.pdf
		 05  07
102-7	Scale of the organization	p. 5-6, Our history p. 7-8, Company profile Financial Statements: https://www.sigma-alimentos.com/wp-content/uploads/2021/04/2020-Consolidated-Financial-Statement.pdf
		 05  07
102-8	Information on employees and other workers	Most of the organization's activities are carried out by Sigma employees. At Sigma there are no significant variations in the number of employees by type of contract, by gender or by region. The information is obtained through the Sigma Personnel System. p. 93, Performance in detail
		 93
102-9	Supply chain	Most of the organization's activities are carried out by Sigma employees. At Sigma there are no significant variations in the number of employees by type of contract, by gender or by region. The information is obtained through the Sigma Personnel System. p. 33, Safety in procurement p. 45-47, Sustainable supply chain
		 33  45
102-10	Significant changes to the organization and its supply chain	p. 91, About this Report
		 91
102-11	Precautionary Principle or approach	We apply the precautionary principle, for example in the deployment of a bio-friendly packaging strategy (p. 73), with the installation of equipment that allows the treatment and reuse of water (p. 77), promoting a circular economy through initiatives of recycling and co-processing (p. 76), taking advantage of renewable sources of electricity (p. 81) and optimizing the distribution processes of our products to reduce our carbon footprint (p. 83). p. 72, Environmental management p. 72, Eco-efficiency across our production process
		 72

Disclosure	Page number, response and/or URL	Link 
102-12	External initiatives	p. 49-50, Global Associations
		 49
102-13	Membership of associations	p. 49-50, Global Associations
		 49
Strategy		
102-14	Statement from senior decision-maker	p. 3-4, Message from CEO
		 03
Ethics and integrity		
102-16	Values, principles, standards, and norms of behavior	p. 2, Sigma Culture, Our Principles p. 87, Sigma Global Code of Conduct
		 02  87
Governance		
102-18	Governance structure	p. 90, Corporate Governance
		 90
Stakeholder engagement		
102-40	List of stakeholder groups	p. 11, Materiality analysis p. 12, Stakeholders
		 11  12
102-41	Collective bargaining agreements	20% in México, 4% in LATAM. Due to confidentiality limitations, percentages for the United States or Europe are not reported.
102-42	Identifying and selecting stakeholders	p. 11, Materiality analysis p. 12, Stakeholders
		 11  12
102-43	Approach to stakeholder engagement	We have communication channels that have the dual purpose of keeping our stakeholders informed and at the same time listening to their opinions on economic, social, and environmental issues. p. 11, Materiality analysis p. 12, Stakeholders
		 11  12
102-44	Key topics and concerns raised	p. 11, Materiality analysis p. 12, Stakeholders
		 11  12
Reporting practice		
102-45	Entities included in the consolidated financial statements	p. 91, About this Report Financial Statements: https://www.sigma-alimentos.com/wp-content/uploads/2021/04/2020-Consolidated-Financial-Statement.pdf
		 91
102-46	Defining report content and topic Boundaries	p. 11, Materiality analysis p. 91, About this Report
		 11  91
102-47	List of material topics	p. 11, Materiality analysis
		 11
102-48	Restatements of information	p. 91, About this Report
		 91
102-49	Changes in reporting	p. 91, About this Report
		 91
102-50	Reporting period	p. 91, About this Report
		 91
102-51	Date of most recent report	August, 2020
102-52	Reporting cycle	p. 91, About this Report
		 91
102-53	Contact point for questions regarding the report	p. 105, Contact information
		 105
102-54	Claims of reporting in accordance with the GRI Standards	p. 91, About this Report
		 91
102-55	GRI content index	p. 97, GRI Content Index
		 97
102-56	External assurance	No external verification process is carried out.

Disclosure	Page number, response and/or URL	Link 
Material Topics		
200 series (Economic topics)		
GRI Standard: Procurement Practices		
GRI 103: Management Approach 2016		
103-1 Explanation of the material topic and its Boundary	p. 11, Materiality analysis	 11
103-2 The management approach and its components	p. 32, Collaboration with our suppliers p. 45-46, Sustainable supply chain	 32
103-3 Evaluation of the management approach	p. 47, We promote growth in our industry	 45  47
GRI 204: Procurement Practices 2016		
204-1 Proportion of spending on local suppliers	p. 93, Performance in detail	 93
300 series (Environmental topics)		
GRI Standard: Materials		
GRI 103: Management Approach 2016		
103-1 Explanation of the material topic and its Boundary	p. 11, Materiality analysis	 11
103-2 The management approach and its components	p. 72, Environmental management p. 73-76, Biofriendly packaging	 72  73
103-3 Evaluation of the management approach	p. 34, Optimize the use of food	 34
GRI 301: Materials 2016		
301-3 Reclaimed products and their packaging materials	The content of RPET in the packages is included vs. the total material of the plastic packages p. 93, Performance in detail	 93
GRI Standard: Energy		
GRI 103: Management Approach 2016		
103-1 Explanation of the material topic and its Boundary	p. 11, Materiality analysis	 11
103-2 The management approach and its components	p. 72, Environmental management p. 81-84, Electricity, Cleaner fuels	 72  81
103-3 Evaluation of the management approach		
GRI 302: Energy 2016		
302-1 Energy consumption within the organization	p. 95, Performance in detail	 95
302-3 Energy intensity	p. 95, Performance in detail	 95
302-4 Reduction of energy consumption	p. 95, Performance in detail	 95

Disclosure	Page number, response and/or URL	Link 
GRI Standard: Water and Effluents		
GRI 103: Management Approach 2016		
103-1 Explanation of the material topic and its Boundary	p. 11, Materiality analysis	 11
103-2 The management approach and its components	p. 72, Environmental management p. 77-78, Responsible water management	 72  77
103-3 Evaluation of the management approach		
GRI 303: Water and Effluents 2018		
303-1 Interactions with water as a shared resource	Water is used for the production process, for cleaning the facilities, cooling systems and hygiene services. Discharges are managed within the plants and in some cases with a third party based on local regulations. For operations in water stress areas, a follow-up plan is carried out with the Aqueduct Tool of the WRI in which physical risks associated with the extraction and consumption of water are analyzed allowing for the development of strategies to mitigate risks. The information was obtained from monthly reports from production plants.	 77
303-2 Management of water discharge-related impacts	p. 77-78, Responsible water management	 95
303-3 Water withdrawal	p. 95, Performance in detail	
GRI Standard: Emissions		
GRI 103: Management Approach 2016		
103-1 Explanation of the material topic and its Boundary	p. 11, Materiality analysis	 11
103-2 The management approach and its components	p. 72, Environmental management p. 79-80, Climate action	 72  79
103-3 Evaluation of the management approach		
GRI 305: Emissions 2016		
305-1 Direct (Scope 1) GHG emissions	GHG included in the calculation: CO ₂ , CH ₄ , N ₂ O. The value is calculated each year using fuel consumption in plants and distribution fleet under Sigma's operational control and using the corresponding emission factor. Data was obtained directly from operational and transportation facilities. Source for emission factors: IPCC. p. 95, Performance in detail	 95
305-2 Energy indirect (Scope 2) GHG emissions	GHG included in the calculation: CO ₂ , CH ₄ , N ₂ O. The value is calculated each year using fuel consumption in plants and distribution fleet under Sigma's operational control and using the corresponding emission factor. Data was obtained directly from operational and transportation facilities. Source for emission factors: Per country factors from Carbon Footprint. p. 95, Performance in detail	 95
305-4 GHG emissions intensity	GHG included in the calculation: CO ₂ , CH ₄ , N ₂ O. Included: CO ₂ e emissions emitted within the organization (both in production and own distribution fleet) from direct and indirect energy emissions (scope 1 and 2). Energy intensity was calculated based on an annual production of 1.8 million tons of food. p. 95, Performance in detail.	 95
305-5 Reduction of GHG emissions	p. 95, Performance in detail	 95

Disclosure	Page number, response and/or URL	Link
GRI Standard: Effluents and Waste		
GRI 103: Management Approach 2016		
103-1 Explanation of the material topic and its Boundary	p. 11, Análisis de Materialidad	 11
103-2 The management approach and its components	p. 72, Gestión ambiental p. 34, Aprovechar al máximo los alimentos	 72  34
103-3 Evaluation of the management approach	p. 73-76, Empaques bioamigables p. 76, Cero residuos a rellenos	 73  76
GRI 306: Waste 2020		
306-1 Waste generation and significant waste-related impacts	p. 34, Optimize the use of food p. 73-76, Biofriendly packaging p. 76, Zero waste to landfills	 34  73  76
306-2 Management of significant waste-related impacts	Data is gathered quarterly by leaders in each Business Unit following a standardized procedure with information recorded at the operating sites by a person in charge of management and monitoring. We seek to value waste with a circular economy approach, for example we value waste as energy (biogas) for self-consumption or value it as raw material for other industries. Our efforts are focused on our own activities, as well as downstream in the value chain, trying to reduce waste and value waste that cannot be reduced. For example: projects to improve efficiency and quality assurance, projects to better forecast demand, as well as efficiency, logistics optimization and revaluation of waste for pet food or pigs. Waste is managed in collaboration with third parties. Waste is classified as hazardous and non-hazardous as provided by the local authority.	
306-3 Waste generated	p. 96, Performance in detail	 96
306-4 Waste diverted from disposal	p. 96, Performance in detail	 96
306-5 Waste directed to disposal	p. 96, Performance in detail	 96
GRI Standard: Environmental Compliance		
GRI 103: Management Approach 2016		
103-1 Explanation of the material topic and its Boundary	p. 11, Materiality analysis	 11
103-2 The management approach and its components	p. 72, Environmental management	 72
103-3 Evaluation of the management approach		
GRI 307: Environmental Compliance 2016		
307-1 Non-compliance with environmental laws and regulations	Any procedure would be found in Note 29 of the 2020 financial statements: https://www.sigma-alimentos.com/wp-content/uploads/2021/04/2020-Consolidated-Financial-Statement.pdf	
400 series (Social topics)		
GRI Standard: Employment		
GRI 103: Management Approach 2016		
103-1 Explanation of the material topic and its Boundary	p. 11, Materiality analysis	 11
103-2 The management approach and its components	p. 55-58, Wellbeing culture	 55
103-3 Evaluation of the management approach		
GRI 401: Employment 2016		
401-1 New employee hires and employee turnover	Most of the organization's activities are carried out by Sigma employees. At Sigma there are no significant variations in the number of employees by type of contract, by gender or by region. The information is obtained through the Sigma Personnel System. p. 94, Performance in detail	 94
401-3 Parental leave	The number of employees that are still working after 12 months of parental leave is not reported because this is the first year we disclose the information. p. 94, Performance in detail	 94

Disclosure	Page number, response and/or URL	Link
GRI Standard: Labor/Management Relations		
GRI 103: Management Approach 2016		
103-1 Explanation of the material topic and its Boundary	p. 11, Materiality analysis	 11
103-2 The management approach and its components	p. 55-58, Wellbeing culture	 55
103-3 Evaluation of the management approach		
GRI 402: Labor/Management Relations 2016		
402-1 Minimum notice periods regarding operational changes	p. 94, Performance in detail	 94
GRI Standard: Occupational Health and Safety		
GRI 103: Management Approach 2016		
103-1 Explanation of the material topic and its Boundary	Data is gathered at the plant level and reported to the leaders in each Business Unit in a standardized document. Our 12 best practices program is deployed in 5 stages: evaluate, establish, implement, acculturate, and continuous improvement.	 11
103-2 The management approach and its components	We have five basic management committees: operational discipline, accident investigation, emergency response, safety and hygiene committee, and occupational health; and three elective committees that depend on specific requirements at each location: process safety, environmental protection and safety outside of work. Safety indicators are monitored every year. Processes for identifying hazards and assessing risks are tailored according to each job. p. 11, Materiality analysis	 59
103-3 Evaluation of the management approach	p. 59-60, Health and safety	
GRI 403: Occupational Health and Safety 2018		
403-1 Occupational health and safety management system	p. 60, Safe operations	 60
403-2 Hazard identification, risk assessment, and incident investigation	p. 60, Safe operations p. 31, Safety amid COVID-19	 60  31
403-3 Occupational health services	p. 59, Healthy lifestyles p. 57, Assessing wellbeing at Sigma	 59  57
403-4 Worker participation, consultation, and communication on occupational health and safety	p. 60, Safe operations p. 31, Safety amid COVID-19	 60  31
403-5 Worker training on occupational health and safety	p. 60, Safe operations	 60
403-6 Promotion of worker health	p. 59, Healthy lifestyles p. 57, Assessing wellbeing at Sigma	 59
403-9 Work-related injuries	p. 94, Performance in detail	 94
GRI Standard: Training and Education		
GRI 103: Management Approach 2016		
103-1 Explanation of the material topic and its Boundary	p. 11, Materiality analysis	 11
103-2 The management approach and its components	p. 61-62, Continuous learning	 61
103-3 Evaluation of the management approach		
GRI 404: Training and Education 2016		
404-1 Average hours of training per year per employee	p. 94, Performance in detail	 94

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Sigma

Are you an employee interested in
becoming an agent of change?
Email us and participate in our initiatives!

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