

Sigma

# 2021 SUSTAINABILITY REPORT



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# WE ARE SIGMA



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

## Sigma 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 THE CEO



Thanks to the effort and dedication of the Sigma team, we will remember 2021 as a year of important accomplishments despite the complex global environment. We successfully navigated through industry-wide challenges that impacted the industry as a whole, achieving our purpose of bringing communities everywhere favorite foods to love, and we did it while progressively integrating an essential element for growth and solid financial results: sustainability.

We advanced in the measurement of CO<sub>2</sub> equivalent emissions across our value chain by completing a Scope 3 assessment of our operations in Europe and we expect to extend this analysis to the rest of our regions during 2022. According to our estimate, close to 90% of emissions in our value chain come from the procurement and transportation of the raw materials we acquire from our suppliers. The results of this analysis are a fundamental piece to define and implement concrete actions to reduce the environmental impact in the supply chain.

Regarding the CO<sub>2</sub> equivalent emissions related to our plants and refrigerated fleet, in 2021 we achieved an 11.5% reduction of CO<sub>2</sub>eq emissions per ton of food produced when compared to our 2015 baseline, and we are on track to achieve our 2025 Goal of a 20% reduction.

In 2021 alone we avoided using more than 1,200 tons of virgin plastic through packaging solutions, amounting to a total of 6,500 tons avoided since 2019. Additionally, we offer consumers practical packaging options that not only keep our products fresh, but also contribute to a circular economy.

We established the basis for our Global Water Program, which considers an investment in new technologies and plant-specific initiatives to achieve an optimal utilization of this resource. The program leverages the expertise developed in Mexico, where we've equipped our plants with state-of-the-art technology to optimize water use.

Contributing to eradicate global hunger is part of who we are as a food company. Therefore, since 2015 we have donated more than 160 million food servings in the communities where we operate.

We implemented initiatives to achieve our responsible sourcing goal through the CDP Supply Chain Program, inviting strategic suppliers that represent around 15% of our spend in raw materials, to disclose environmental information. We are collaborating with the Inter-American Development Bank and ELEVATE on a pilot project to strengthen the sustainability practices of 25 small and medium-sized suppliers. In addition, we published the Global Responsible Sourcing Code, designed to strengthen the collaboration with suppliers in the development of a sustainable value chain.

One of the most emblematic moments of 2021 was our adherence to the United Nations Global Compact, the largest corporate sustainability initiative.

These efforts allowed us to improve our CDP scores for Climate Change and Water Security to B from C, and our Supplier Engagement score to B- from D.

In terms of our corporate governance, we integrated a world-class Advisory Board to build on our growth track record, and continue our path towards becoming a fully independent business. This group of diverse and talented individuals with impressive backgrounds and extensive experience will enhance Sigma's ability to create long-term value. Their broad areas of expertise will provide new perspectives as we strive to remain on the leading edge of evolving consumer preference, drive innovation, harness brand equity, and embrace health & wellness as a source of growth.

I would like to extend my sincere appreciation and recognize Sigma's Sustainability Community, as well as each one of our employees who contribute to achieving these important milestones with their daily work. We still have a long road ahead of us but I am certain that, together, we will build a more sustainable Sigma.

I invite you to read more about these and other achievements in our 2021 Sustainability Report, and participate in the different initiatives available.



*Rodrigo Fernández*  
Sigma CEO

# ABOUT SIGMA

Sigma, a subsidiary of ALFA since 1980, is a global company in the food industry with more than 100 recognized brands in several market categories and segments, including packaged meats, cheese, yogurt, and other refrigerated and frozen foods.

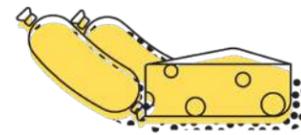
We have developed a deep understanding of consumer preferences, thus managing to position products as local favorites throughout 18 countries, where we operate 65 manufacturing plants, 184 distribution centers, and 2 research centers.

We are focused on innovation to meet growing and changing consumer demand. Our global presence allows us to share best practices to optimize productivity levels and distribution platforms.

## EMPLOYEES

44,000+ employees

 60+ nationalities



1.7 million tons of food sold



11 brands with net sales over US \$100 million

## US \$6,817 million in Revenue

41% Mexico



34% Europe



18% US



7% LATAM



US \$741 million EBITDA



9.1% Compound Annual Growth Rate in Revenues 2010-2021

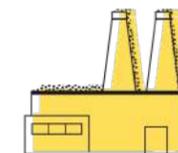
## OUR PRESENCE



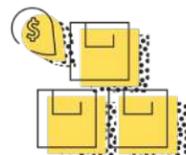
650,000+ points of sale



18 countries with Sigma operations



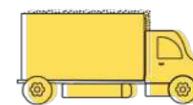
65 manufacturing facilities



184 distribution centers



2 research centers

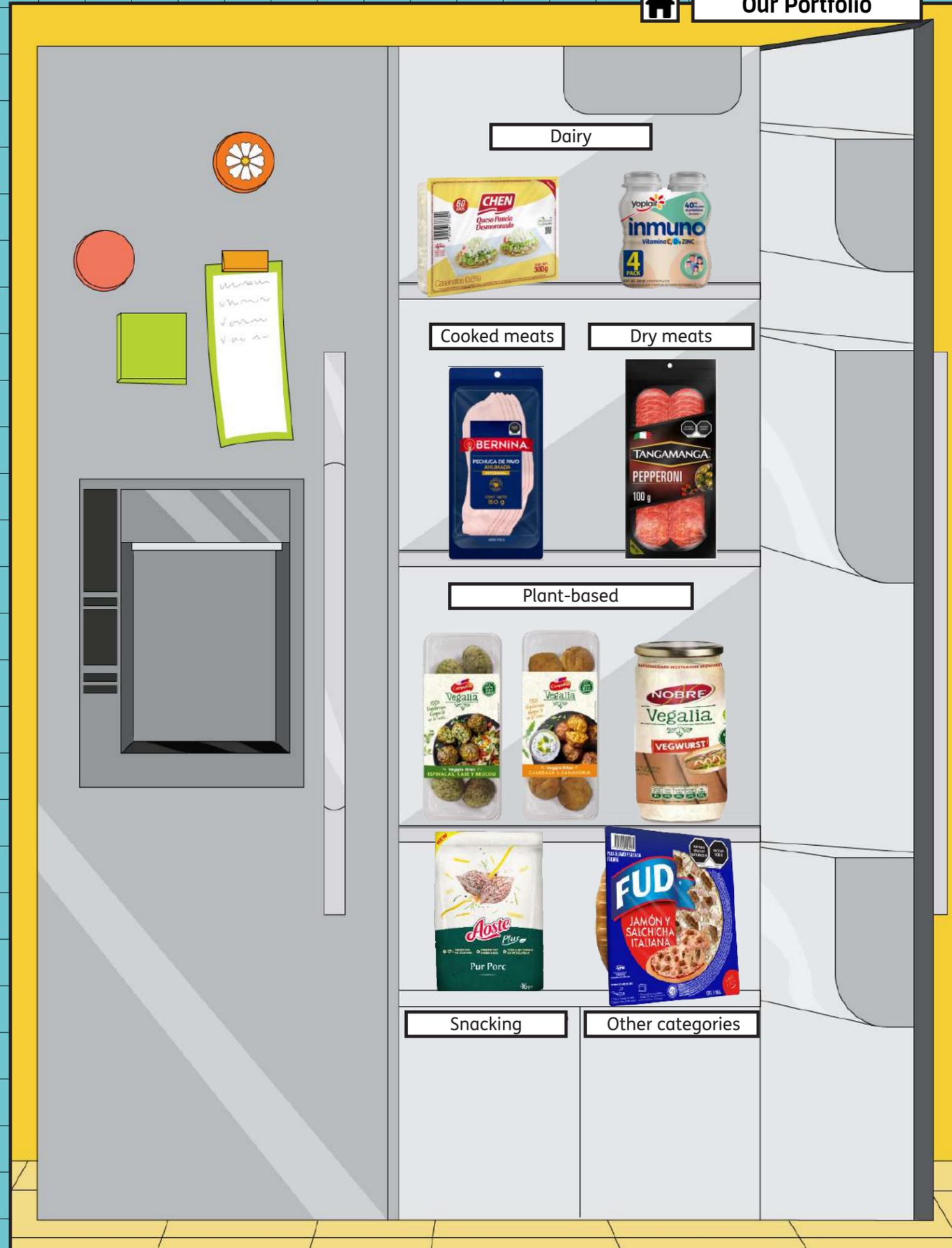


7,900+ vehicles

For the Year Ended December 31, 2021, except for manufacturing facilities and Distribution Centers, which reflect the 2022 counting criteria.



# OUR PORTFOLIO



Dairy



Cooked meats



Dry meats



Plant-based



Snacking



Other categories

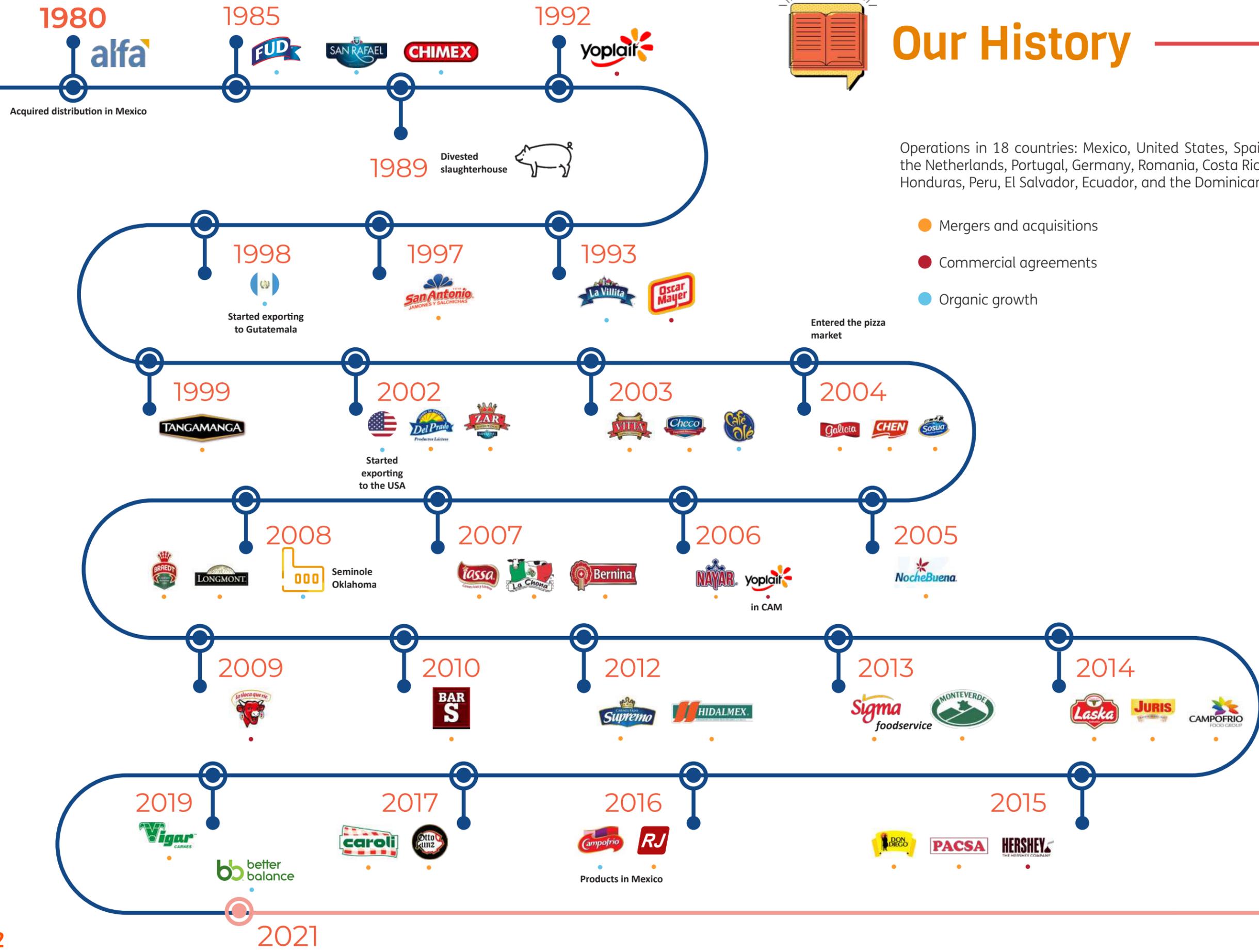




# Our History

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



# SUSTAINABLE

## FOCUS



# Sustainability Strategy

The Sustainability Strategy enables us to be part of the solution to the global challenges we face as a society and to inspire our employees to fulfill our purpose of bringing communities everywhere favorite foods to love, in a sustainable manner.

We involve our employees in the development of a company that, in addition to boosting business profitability, creates shared value for the communities where it participates, improves the quality of life of its employees, uses natural resources responsibly, and promotes healthy lifestyles among consumers.

Guided by the four pillars in the Strategy, we include sustainability criteria in the decision-making and management processes across our operations.

### We foster a work culture guided by sustainability

| Our Pillars                        | Health & Nutrition   | Shared Value   | Wellbeing  | Environment  |
|------------------------------------|--|--|--|--|
| Contribution to the UN 2030 Agenda |  |  |  |  |
| Commitments                        | <p>We promote healthy lifestyles through our innovative and high-quality products.</p> | <p>We create economic and social value through our strategic practices and share them to stimulate development and strengthen our value chain.</p> | <p>We establish conditions that motivate and make it easier for people to adopt habits that improve their quality of life.</p> | <p>We reduce our environmental impact by using natural resources more efficiently.</p> |



# Progress in our 2025 Sustainability Goals

## Health & Nutrition



## Shared Value



## Wellbeing



## Environment



| Focus                                   | Performance Indicator  | SDG | 2025 Goal   | 2021 Results                       | Progress |
|---|--|-----|-------------|------------------------------------|----------|
| <b>Sustainable Innovation</b>           | Double the sales of products launched under the Health and Wellness portfolio* (compared to 2019).   |     | 2x          | 2.4x                               | 100%     |
| <b>Food Safety</b>                      | Percentage of our plants with GFSI-endorsed certification (acquired up to 2018).   |     | 100%        | 94%                                | 94%      |
| <b>Nutritional Information</b>          | For markets without a local labeling regulation: Packaged products portfolio with nutritional facts on label.                                      |     | 95%         | 81%                                | 85%      |
| <b>Responsible Sourcing</b>             | Percentage of purchases from suppliers with enhanced sustainability practices.   |     | 80%         | Became members of CDP Supply Chain |          |
| <b>Food Donations</b>                   | Tons of food donated (since 2015).   |     | 25,000 tons | 19,574 tons                        | 78%      |
| <b>Occupational Health &amp; Safety</b> | Reduction in the accident rate at our operations (compared to 2018 baseline).  |     | 22%         | 26%                                | 100%     |
| <b>Continuous Learning</b>              | Increase in the number of training hours per employee (compared to 2018 baseline).   |     | 11%         | 44%                                | 100%     |
| <b>Volunteering</b>                     | Percentage of employees that participate in volunteering initiatives.  |     | 10%         | 7.8%                               | 78%      |
| <b>Water Management</b>                 | Reduction in water consumption per ton of food produced (compared to 2018 baseline).   |     | 20%         | -3.4%**                            | 0%       |
| <b>Climate Action</b>                   | Reduction in CO <sub>2</sub> e emissions related to our plants and our transportation fleet, per ton of food produced (compared to 2015 baseline). |     | 20%         | 11.5%                              | 57%      |
| <b>Cleaner Energy</b>                   | Percentage of electricity used in our plants from cleaner and renewable sources.   |     | 67%         | 61%                                | 91%      |

\*The Health and Wellness portfolio refers to products launched under the Health & Nutrition and Trust & Sustainability innovation platforms.

\*\* Amid challenges brought about by COVID-19, additional hygiene measures have increased water consumption per ton produced, resulting in atypical water consumption levels.



# Sustainability at Sigma

At Sigma, sustainability is a fundamental component of our business strategy. We continually strive to develop opportunities to promote a vision that favors sustainability across our operations, and to recognize the commitment of our employees to the company's sustainable growth.

## Global Forum

In 2021, Sigma's Global Sustainability Forum brought together more than 2,000 employees from all our geographies to learn about our main achievements in sustainability. Our guest speakers talked about the challenges we face as society and how we can join forces to achieve the company's 2025 Sustainability Goals.

We appreciate the participation of our guest speakers Eleonora Cogo and Tom Szaky in Sigma's 2021 Sustainability Forum.



*"Pledges are being made, but it is now time to turn them into climate action".*  
**Eleonora Cogo**  
 Climate Change Scientist and Sustainability Expert

## Annual Challenge

As part of the company's Global Sustainability Forum, we conducted the Sustainability Challenge during which employees proactively adopt actions in favor of the UN Sustainable Development Goals.

More than 500 employees and their families participated in the fourth edition of the challenge, contributing more than 920 actions in favor of the environment and the community, including food donations, initiatives to promote quality education, and reduce plastic consumption, among others.



## Monthly Newsletter

Through our Sustainability Newsletter, we share information concerning our main sustainability initiatives and the results we have achieved as a company, we recognize the work of employees who, acting as agents of change, make our sustainability achievements possible, and we invite all of our employees to continue advancing new initiatives.



## SDG Friends

We share relevant information with our employees to raise awareness about the global challenges we face as a society. Through the SDG Friends campaign, we encourage employees to contribute to the achievement of the UN Sustainable Development Goals in their daily lives.



# Sustainability Governance

The Sigma Sustainability Community (the Community) includes a multidisciplinary team of more than 260 employees who, in addition to their day-to-day responsibilities, implement initiatives and assess the company's progress in this topic. By employing internal management systems, the Community also contributes to monitoring risks and opportunities and to identifying success stories and best practices that can be replicated across Organizational Units.

The Chief Research, Innovation, and Sustainability Officer (CRISO) leads the Community's efforts and periodically reports on the progress achieved in the implementation of the Sustainability Strategy to the company's Executive Committee. The Central Sustainability Department

coordinates and oversees the implementation of the Strategy in collaboration with the Community. The Community's efforts are guided by the Global Sustainability Policy, which establishes the criteria for long-term sustainable growth.

Each 2025 Sustainability Goal is led by an experienced Global Leader who oversees the implementation of the Strategy. The Global Leaders work with local leaders in each Organizational Unit, who are in turn responsible for deploying sustainability initiatives with their teams.



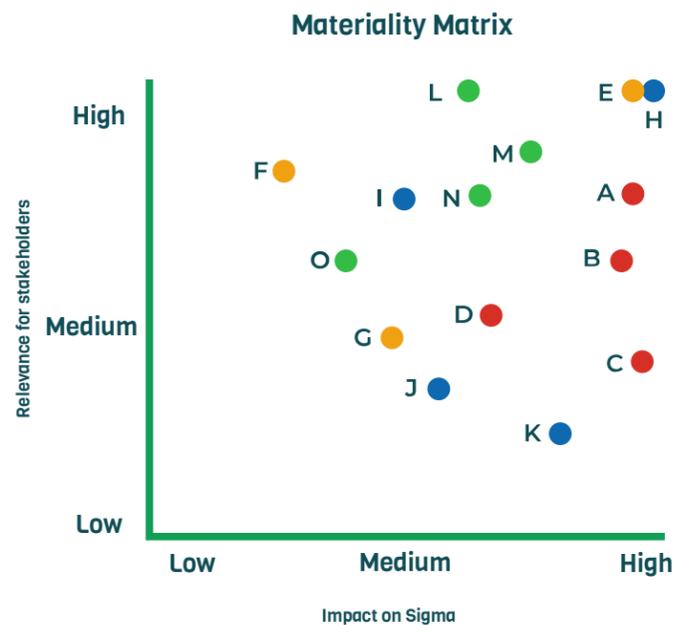


# Our Priority Issues

Risk management at Sigma includes an analysis of environmental, social, and governance (ESG) trends that are part of the UN 2030 Agenda and that are relevant for our industry and stakeholders.

The materiality matrix identifies the most important sustainability topics for Sigma, a fundamental step in our ability to implement our Sustainability Strategy in an effective manner.

| Material Topics               |   |
|-------------------------------|---|
| <b>Health &amp; Nutrition</b> | A. Food safety and quality<br>B. Healthy and nutritional food<br>C. Ending food waste<br>D. Innovation, research, development, and scientific collaboration                 |
| <b>Shared Value</b>           | E. Ethics and integrity<br>F. Sustainable procurement and value chain management<br>G. Economic performance<br>H. Employee health, safety, wellbeing, and work-life balance |
| <b>Wellbeing</b>              | I. Diversity, equal opportunity, and inclusion<br>J. Employee training and development<br>K. Organizational culture and work environment                                    |
| <b>Environment</b>            | L. Climate action<br>M. Water management<br>N. Circular economy and sustainable packaging<br>O. Clean and efficient energy  |



## Departments that participated in the assessment of environmental, social, and governance aspects for Sigma

- Innovation
- Packaging
- Quality and Food Safety
- Health and Nutrition
- Investor Relations
- Food Donations
- Health and Safety
- Wellbeing, Inclusion and Volunteering
- Talent Development
- Human Resources
- Company Culture
- Operations
- Energy
- Procurement
- Internal Control
- Product and Process Development
- Corporate Social Responsibility



# Stakeholders

We are firmly committed to our stakeholders and maintain constant communication with them through different channels tailored to their interests. In addition to communicating the results of our initiatives and

Sustainability Strategy, we strive to preserve a close relationship with them by being attentive to their concerns, understanding their needs, and listening to their feedback.

| Stakeholders                | Commitments  | Communication Channels  |
|-----------------------------|--|---|
| <b>Employees</b>            | Attract the best talent and promote their wellbeing, growth, and motivation.               | Intranet, transparency Helpline, organizational climate survey, Employee Service Program, website, newsletter.                              |
| <b>Consumers</b>            | Delight them with a portfolio of innovative and nutritional products.                      | Contact centers, focus groups, satisfaction survey, website, social media, and sales channels.  |
| <b>Customers</b>            | Exceed their expectations through value propositions and the sharing of best practices.    | Contact centers, Excellent Client Program, satisfaction survey, website, and sales force.   |
| <b>Community</b>            | Carry out safe and sustainable operations and actively participate in their development.   | Website, social media, transparency Helpline, contact centers, events.  |
| <b>Suppliers</b>            | Maintain a long-lasting, mutually beneficial, collaborative relationship.                  | Evaluation and training programs, contact centers, website, social media, and the Procurement team.   |
| <b>ALFA Shareholders</b>    | Create long-term value.  | ALFA Shareholders Meeting, financial reports, website, social media, transparency Helpline, and Investor Relations teams at Sigma and ALFA. |
| <b>Authorities</b>          | Comply with applicable regulations and establish partnerships for sustainable development. | Associations, chambers, and meetings.   |
| <b>Associations and NGO</b> | Participate and collaborate effectively to create scientific and industrial groups.        | Industry forums, meetings, participation in committees, social networks, and website  |

# HEALTH & NUTRITION



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

|   |           |
|---|-----------|
| <b>Innovation in our portfolio</b>                      | <b>26</b> |
| <b>Innovation culture</b>                               | <b>28</b> |
| <b>Research and Development</b>                         | <b>30</b> |
| <b>Better Balance</b>                                   | <b>32</b> |
| <b>Collaboration with the entrepreneurial ecosystem</b> | <b>34</b> |
| <b>Continuous improvement of nutritional profiles</b>   | <b>36</b> |
| <b>Transparent nutrition facts</b>                      | <b>38</b> |
| <b>Quality and food safety</b>                          | <b>40</b> |
| <b>Quality in procurement</b>                           | <b>42</b> |
| <b>Making the best out of food</b>                      | <b>44</b> |



# HEALTH & NUTRITION



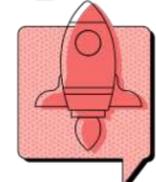
**US \$25.5 million invested**  
in Research and Development.



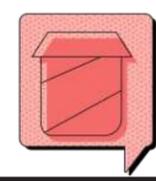
**2.4 times more sales**  
in the Health and Wellness portfolio compared to 2019.



**1,700+ employees**  
participated in the Innovation Forum.



**20 startups testing projects**  
through Tastech by Sigma.



**240+ products**  
with less sodium or sugar during 2021.



**94% of plants**  
with GFSI-endorsed certification.

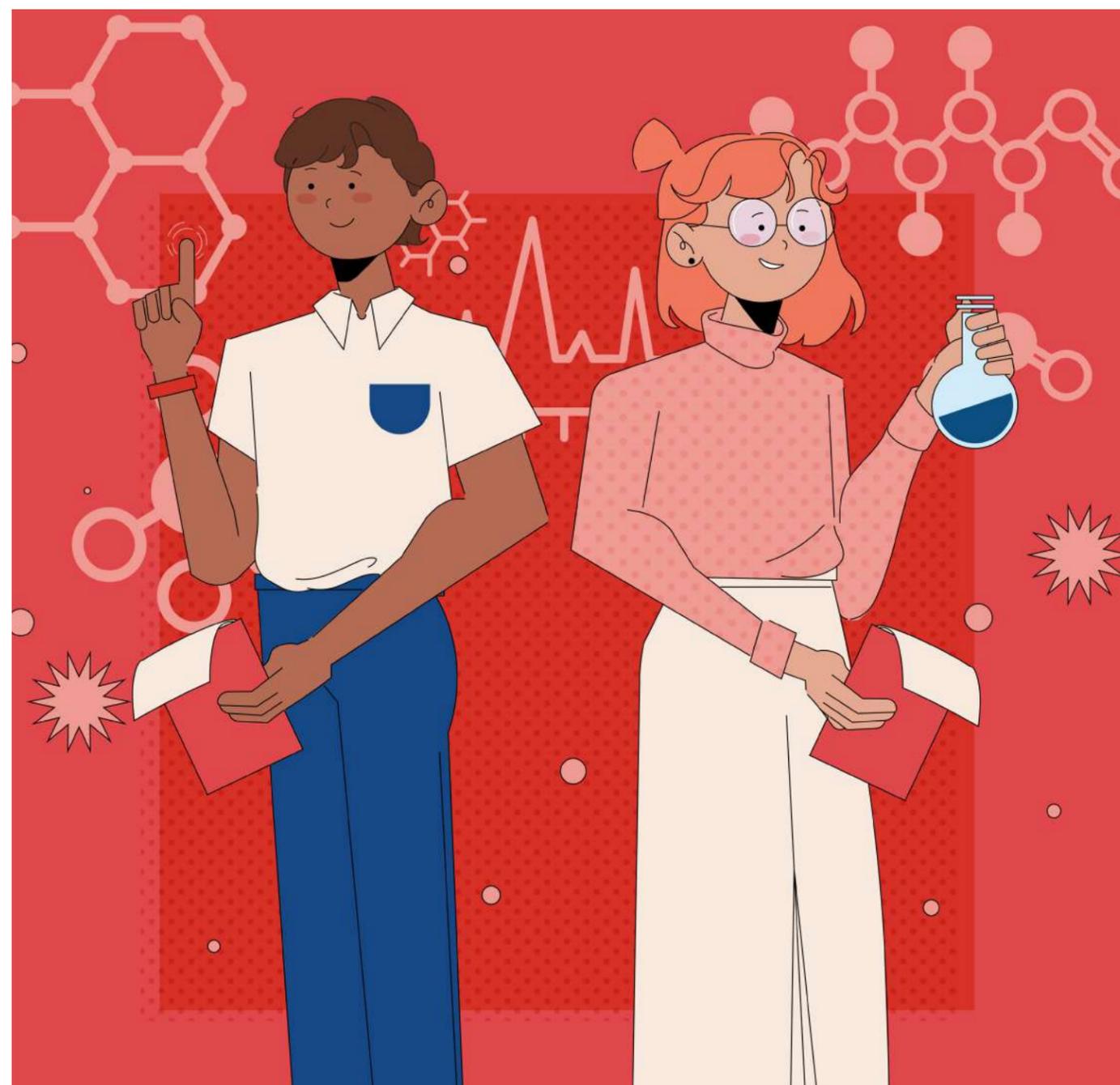




# Innovation in our portfolio

## Focus on health and wellness

Every day more consumers seek food options that contribute to their wellbeing and quality of life, as well as food that positively impacts communities and the environment.



Through our Health and Wellness portfolio<sup>1</sup>, we continually launch food alternatives with improved nutritional profiles, convenient presentations to control serving sizes, functional solutions that address specific nutrition requirements, plant-based ingredients, among other characteristics.

As part of our 2025 Sustainability Goals, we aimed to double the sales of products launched through the Health and Wellness portfolio, when compared to 2019. As of the end of 2021, sales from the platform grew 2.4x versus the baseline year, exceeding our 2025 goal.

## 2021 Health and Wellness portfolio product launch examples



**Nobre Vegalia vegetarian Escalope**



**Yoplait SKYR Greek Yogurt**



**Monteverde Fresh Cheese with probiotics**

## Sustainable Innovation

**2025 SUSTAINABILITY COMMITMENTS**

**2025 Goal**  
**2x**  
 We are committed to doubling sales for products launched under the Health and Wellness portfolio when compared to 2019.

**Progress**  
**2.4x**  
 We achieved a 2.4x sales growth in the Health and Wellness portfolio.



<sup>1</sup> The Health and Wellness portfolio refers to products launched under the Health & Nutrition and Trust & Sustainability innovation platforms.



# Innovation culture

We evolve constantly to fulfilling our purpose of bringing communities everywhere favorite foods to love. Sigma's Innovation Model gathers knowledge and expertise acquired over the years across the different countries

where we operate, and enables the exchange of ideas and best practices to foster creativity to generate value for consumers, clients, and our company.

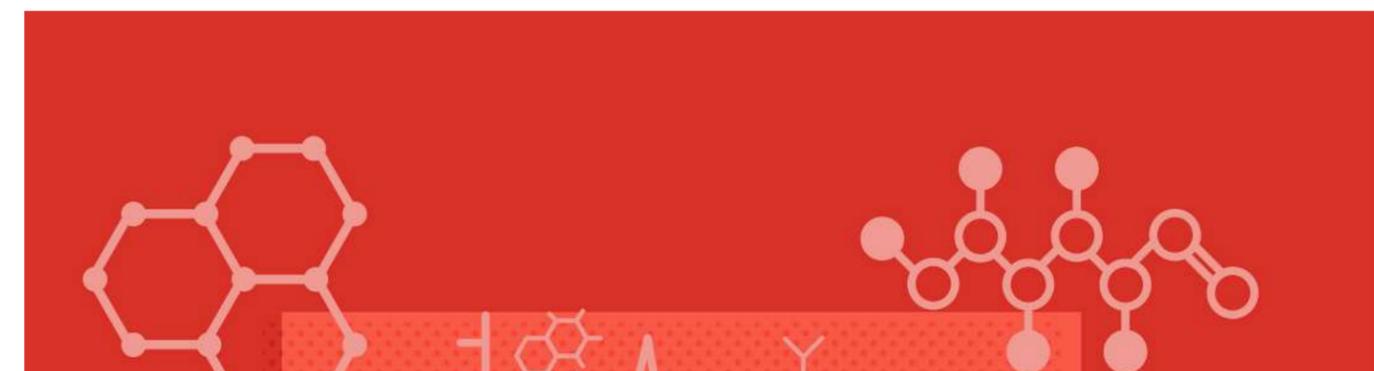


Innovating together is one of our company principles. Our brand's portfolio and innovation plan combines research and development capabilities with market assessment and consumer insight tools to position the company at the leading edge of global trends. We continually expand and

improve our product offering by addressing the changing preferences of consumers.

Actions taken to promote innovation and strengthen our capabilities in 2021 include:

- **Global Innovation Forum:** More than 1,700 employees participated in Sigma's third Global Innovation Forum, fostering a culture of innovation.
- **Innovation Meetings:** Three Innovation Meetings were held to foster the exchange of knowledge and experiences around new product categories, consumer trends, and innovation platforms.
- **Digital Innovation Platform:** The company's information on new product launches is gathered in a digital platform to foster cross-fertilization, and the orderly exchange of innovation projects across our operations.
- **Innovation Guidelines:** Documentation of best practices and considerations for efficient processes of new product developments.
- **Design Thinking:** During 2021, more than 500 company employees received training in Design Thinking methodologies.
- **Innovation Community:** A multidisciplinary team of employees from different Organizational Units with developed advanced capabilities and demonstrated leadership in the construction of an innovation culture.





# Research and Development



## Building the future of food

We have developed research and development capabilities focused on exploring the next generation of food products. This means that, at the same time that we address the immediate demands of consumers in our different geographies, we maintain a long-term vision in our innovation efforts.

We have a robust infrastructure that includes more than 200 specialized scientists, technology centers in Mexico and Spain, six pilot plants, and 12 regional research centers. As of 2021, we have more than 40 patents and registered designs that protect the intellectual property.

Our Research and Development, Nutrition, Innovation, Sustainability, and Tastech teams work hand in hand to deliver new product launches, as well as packaging solutions. Furthermore, we collaborate with academic institutions around the world to enhance our research efforts, including the Monterrey Institute of Technology and Higher Education (Tecnológico de Monterrey), Ghent University, and the University of Burgos, as well as with technological centers such as the CARTIF Technology Center, the Center for Engineering and Industrial Development (CIDESI, for its acronym in Spanish), and the Research Center in Food & Development (CIAD, for its acronym in Spanish), among others.

## Product Development Policy

Our Product Development Policy defines the guidelines and responsibilities related to product development, regulatory compliance, and the exchange of best practices across the organization. This policy was updated during 2021.



**Sigma Product Development Policy:**  
[Available here](#)

## Our technological capabilities



200+ specialists



2 technology centers



6 pilot plants



12 regional research centers



40+ patents and registered designs



## Delicious and nutritional plant-based options

Better Balance, our new global brand, offers consumers delicious plant-based alternative products. Also, we leverage our expertise, distribution network, and deep understanding of the market to provide consumers with new food options that are nutritious, protect the environment, and balance the consumption of animal products.



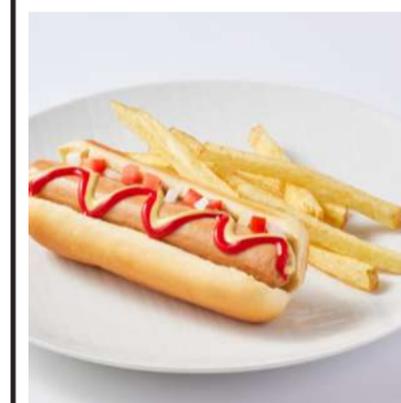
## We want to take the Better Balance experience to every consumer

Better Balance is available in over 300 points of sale across Mexico, Spain, and the United States, which include, restaurants, hotel chains, entertainment venues, among others. Our ultimate goal is for consumers to find us anywhere in the world.

## Better Balance offers new food options that are nutritious, sustainable, and great tasting



Vegan Shredded Beef



Vegan Sausage



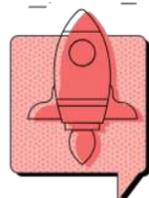
Vegan Hamburger



Better Balance options are perfect to include in traditional recipes to enjoy a great culinary experience.

Learn more about the Better Balance products:

<https://www.betterbalancefoods.com/>



# Collaboration with the entrepreneurial ecosystem



## Creating new partnerships

In addition to our work focused on developing new products and the continuous improvement of our portfolio, we engage with the entrepreneurial ecosystem to develop disruptive solutions for the food industry. Tastech by Sigma,

our business accelerator program, aimed at startups and scaleups around the world, seeks to revolutionize the food industry.

## Global participation

More than 490 startups from 32 countries applied to the first two editions of Tastech and the 20 projects with the highest potential for collaboration with Sigma were selected to carry out pilot tests in six countries. This resulted in Sigma making a minority investment to develop plant-based and clean label products, establishing a distribution agreement to export fruit snacks to Mexico, and is in the process of

reaching five additional collaboration agreements in three regions.

In early 2022, Tastech by Sigma announced the launch of its third edition. The worldwide callout to participate remained open between February 2nd and May 13th, 2022.

## Tastech by Sigma



Two editions



32 countries



490+ applications



20 startups in pilot testing

## 2022 Challenges - Tastech by Sigma

Tastech invites entrepreneurs to test their projects on four challenge to transform the ways in which the food that nurtures us is produce, distribute, and marketed.

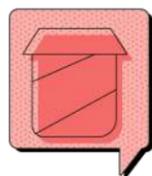
| New Business Models  | Future Foods   | Green Tech   | Power Connections   |
|--|--|--|---|
| Disruptive concepts that improve the consumer's experience through new food concepts, purchasing formats, and efficient distribution channels. | Foods and ingredients with high protein content, as well as solutions that increase the nutritional value and allow the reduction of sodium, sugar, and fat. | Sustainable processes that allow the use of subproducts from food industry's value chain, reduce the carbon footprint, and improve efficiency in transportation, particularly refrigerated vehicles. | Tools and apps to analyze consumer trends, and the development of new purchasing experiences, as well as the optimization of points of sale, logistics or routing, and supply chains. |



By *Sigma*

To learn more about the startups that developed pilot tests with Tastech by Sigma in 2021, please visit

<https://www.tastechbysigmaen.com/our-startups>



# Continuous improvement of nutritional profiles



## We satisfy the taste and nutritional needs of our consumers

We offer a diverse product portfolio designed to satisfy the taste and nutritional needs of our consumers. Therefore, we collaborate closely with our consumers so we can listen to, understand, and incorporate their preferences in our product portfolio.

Across our diverse categories and iconic brands, we offer product lines with lower sodium, fat, and sugar contents. Additionally, 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 provide better nutritional profiles and promote the wellbeing of consumers.

## New Global Nutrition and Health Unit

In 2021, Sigma launched a Global Nutrition and Health Unit focused on translating the science of nutrition to promote a new generation of nutrition standards and goals for Sigma products, strengthen the offering of consumer products that contribute to having a healthy diet, reinforce our internal information platform and the exchange of best practices across the company, identify and bring to

fruition opportunities to do scientific research with other leading institutions, and boost education campaigns in favor of healthy lifestyles among our stakeholders. This high performing team contributes to keep the company up to date in terms of new global trends in nutrition and to anticipate the expectations of our consumers and clients.

## We work as a team

Sigma's Nutrition Policy published in 2021, guides the company's global guidelines and commitments, compliance with regulations and internal standards, implementation of initiatives and best practices, as well as the establishment

of a reformulation plan to reduce sodium, sugar, and saturated fat contents in the current portfolio and to develop new products guided by internal standards while complying with the regulations of each country.



Sigma Nutrition Policy:  
[Available here](#)



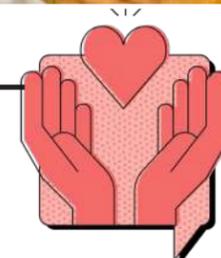
Campofrío Wood Oven Turkey Breast



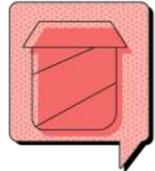
Campofrío Sliced Turkey Breast



Campofrío Frankfurt Sausages



**240+ products**  
with less sodium or sugar during 2021.



# Transparent nutrition facts

## We empower consumers

We leverage responsible and transparent marketing practices to promote balanced diets and empower consumers to make informed decisions regarding the way in which they select, buy, and consume food. Furthermore, we rely on the company's Nutrition Policy to provide clear information about our products and their nutritional value.



## Compliance with labeling best practices

In addition to complying with local regulations, nutrition facts concerning our products adhere to international best practices, including Codex Alimentarius, the European Food Safety Authority (EFSA), and the US Food and Drug Administration (FDA).

Our 2025 goal is that at least 95% of the products that we market in countries with no local regulations, include nutrition facts, in alignment with best practices.

Find new recipes on our website <https://nutrition.sigma-alimentos.com/>



Monteverde Monte Rico Light Fresh Cheese



La Segoviana Chicken Hot Dog

## Nutritional Information

# 2025 SUSTAINABILITY COMMITMENTS

**2025 Goal**  
**95%**  
 Ensure that 95% of our packaged products portfolio contain nutritional facts on label, for markets without local labeling regulations.

**Progress**  
**81%**  
 of our portfolio in markets without local labeling regulations, already includes nutrition facts following best practices.



# Quality and food safety

## The highest operational standards

The goal of Sigma's Quality and Food Safety Policy, which was updated in 2021, is to build a culture and operational standards that enable us to exceed the quality and food safety expectations of our consumers and clients.

### The Policy includes six fundamental pillars:

- **Quality and food safety management system:** We comply with the standards recognized by the Global Food Safety Initiative (GFSI), pre-requisites programs, quality guidelines, and safety procedures.
- **Standards for supplying materials and services:** We establish and monitor standardized requirements for suppliers so as to help mitigate defects in our value chain.
- **Measurement management system:** We develop and implement reliable metrics methodologies to assure compliance with our standards related to products, processes, and infrastructure.
- **Sanitation and hygiene design in facilities and equipment:** We implement sanitary design principles in the acquisition and renovation of facilities and equipment to prevent potential causes for malfunctions or defects.
- **Quality and food safety in the value chain:** We integrate the fundamentals of quality and food safety in the design, development, production, handling, and distribution of our products.
- **Product traceability and crisis management:** We seek to enhance our traceability system by employing technology to improve our resolution processes and to support crisis management.

## Leader in our industry

Globally, Sigma collaborates with specialized organizations to develop food safety processes, criteria, and technologies, boosting competitiveness in our industry for the benefit of consumers.

In Mexico, we participate in the local GFSI work group, which is in charge of promoting food safety measures in the country in collaboration with the National Agri-food, Sanitation, Safety, and Quality Service (SENASICA, for its acronym in Spanish). In addition, Sigma contributed to the integration of GFSI criteria in Mexican regulations under

a collaboration model that was later replicated in other countries.

In Europe, 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 the EHEDG to draft a new global benchmark standard focused on strengthening food safety practices during meat processing.

## We certify our operations

Our plants have robust management systems in place that allow us to operate under the highest quality and food safety standards. Currently, 94% of our plants<sup>2</sup> have certifications endorsed by GFSI, the most recognized food safety initiative globally, which keeps us on track to certify 100% of our plants by 2025, and to continue to bring communities everywhere favorite foods to love, elaborated

under the highest standards.

Additionally, our plants in Mexico that export to the United States have also been certified by the US Food and Drug Administration (FDA) and the US Department of Agriculture (USDA), as well as 14 plants in Europe which have the ISO 9001 certification for our quality management systems.



**Sigma Quality and Food Safety Policy:**  
[Available here](#)

## About the GFSI

Dating back 20 years, GFSI has become the leading and most recognized global movement promoting a culture of food safety. 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, including input suppliers as well as international organizations, governments, academia, and firms that provide services to the food industry.



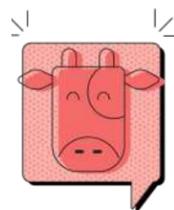
## Food Safety

**2025**  
**SUSTAINABILITY**  
**COMMITMENTS**

**2025 Goal**  
**100%**  
 of plants acquired by 2018, with a certification endorsed by GFSI.

**Progress**  
**94%**  
 of plants with a certification endorsed by GFSI.

<sup>2</sup> Plants acquired before 2018.



# Quality in procurement



## Best quality and food safety practices starting with procurement

At Sigma, our commitment to quality and food safety begins with our supply chain. This is why we work with suppliers who are committed to delivering reliable products and implement practices that drive continuous improvement in our supply chain.

Sigma's Responsible Sourcing Code, launched in 2021, establishes the quality and food safety practices we expect from our suppliers, including:

- Comply with legal and regulatory requirements.
- Deliver products that meet the quality and food safety standards established either by Sigma or by the GFSI.
- Implement controls to prevent defects in production.
- Implement a methodology to assess risks.
- Have a food safety plan based on a Hazards Analysis and Critical Control Points (HACCP) system that follows the Codex Alimentarius guidelines.
- Be willing to validate their quality and food safety management systems through audits aligned with international criteria and Sigma's policies.

## Certified supply chain

We support and promote a culture of quality and food safety across our value chain. We require our suppliers to have a GFSI-endorsed international certification. For more than 10 years, we have been working in partnership with suppliers to offer them access to affordable training and audits to help them get certified.

Additionally, we constantly implement new measures and practices designed to comply with our zero-tolerance protocol, which is based on scientific methodologies and leverages modern technologies to ensure the highest quality and food safety standards in the raw materials we acquire.



**Sigma Responsible Sourcing Code:**  
[Available here](#)

## Animal welfare

In addition to strictly adhering to quality and food safety regulations and best practices, we promote the use of animal welfare procedures across our supply chain.

In 2021, Sigma advanced the implementation of its Animal Welfare Protocol in Europe, designed to help suppliers strengthen their sustainable practices in animal care. The effort, which began in 2019 with suppliers committing to comply with the Protocol, was continued in 2021 in collaboration with Bureau Veritas by carrying out audits on pork meat suppliers in eight countries in Europe to verify

that the Protocol was being implemented. Aligned with our commitment, we will assess the possibility of ending our business relationship with suppliers who, during the audit, present considerable deviations with respect to the criteria established in the Protocol.

Based on the progress made in our operations in Europe, we will design the Sigma Global Animal Welfare Policy, including aspects related to animal welfare practices in our relationship with suppliers, and the requirement for animals to be:

- **Free of thirst, hunger, or malnutrition.**
- **Free of physical or thermal discomfort.**
- **Free of pain, injuries, or diseases.**
- **Free to express their own behavioral patterns.**
- **Free of fear and anguish.**



# Making the best out of food



## Committed to reducing food waste

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 achieved a reduction in food waste of 9% compared to 2018. This includes products that reach a close-to expiration date at the point-of-sale and waste generated during the production process at our plants. We have set a goal for 2025 to reduce food waste by a third and prevent it from ending up in landfills.

We employ information technologies to adjust production levels to demand projections. Furthermore, we implement practical packaging solutions that keep food fresh.

We work closely with clients and employees in Mexico to understand and better adapt to the purchasing patterns of consumers. This allows us to stock shelves with the right amount of food.

- **In the Traditional Channel**, the Excellent Order program brought about an important change in the management of inventories. We worked closely with our sales force to adapt quickly to demand in each point-of-sale. In 2021, the Excellent Order program enabled us to reduce food waste by more than 50% compared to the previous year in this channel.
- **In the Modern Channel**, we collaborated closely with supermarket and convenience store clients to leverage new technologies and information available on our commercial interaction platform. As a result, we were able to reduce food waste on shelves by adequately replacing inventories while at the same time ensuring that our products are available for consumers.

## Operational excellence

We operate our plants under the highest quality and efficiency standards to minimize food waste in the production process. Our Process Footprint Policy contributes to monitoring and comparing our performance in our plants and to assessing the results of our improvement projects.

In 2021, we developed projects to reduce waste during the food preparation process, including offering training to employees, replacing equipment, developing procedures, and employing new technologies. One of the most successful initiatives of the year was to identify new food presentations that enable us to use the entirety of our meat products.

## Donations

We contribute to society while also avoiding food waste by collaborating with associations and food banks. From 2015-2021, we have donated more than 19,500 tons of

food, equivalent to more than 160 million servings, which keeps us on track to reach our 2025 goal of donating at least 25,000 tons of food over the course of a decade.



With initiatives to avoid producing food that will not be consumed and to use the food we do produce to the fullest in order to minimize waste, we contribute to the UN's Sustainable Development Goal 12.

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



# SHARED VALUE



We create economic and social value strategic practices that foster development and strengthen our value chain.

|   |    |
|---|----|
| Food donations in our communities                 | 50 |
| Building long-term relationships with our clients | 52 |
| Promoting a sustainable supply chain              | 54 |
| Promoting the development of our industry         | 57 |

# SHARED VALUE



**160 million food servings**  
donated since 2015.



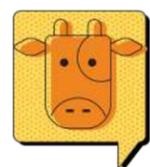
**Joined the UN Global Compact**  
and reaffirmed our support to its 10 Principles.



**99% satisfaction level for clients**  
that contacted the Sigma Service Center in Mexico.



**37 strategic suppliers**  
answered the CDP Supply Chain questionnaire.



**140+ producers**  
are part of the Dairy Development Program.



**120+ associations**  
at local, national and international level, in which we actively participate.







# Building long-term relationships with our clients

## Working as a team to serve consumers

We are committed to offering our clients the best, personalized service. That is why we maintain an open dialogue that allows us to better understand their needs and concerns.

We have built long-term relationships that have helped us position our products in more than 650,000 points of sale, jointly ensuring to bring communities everywhere favorite foods to love.



## Our clients

|                            |  |
|----------------------------|--|
| <b>Modern Channel</b>      | Supermarkets, hypermarkets and convenience stores.                                 |
| <b>Traditional Channel</b> | Mom-and-pop stores, and specialized markets.                                       |
| <b>Foodservice Channel</b> | Hotels, restaurants, movie theaters, industrial cafeterias, hospitals, and others. |

## Excellent Client Program

Since 2014, our Excellent Client Program in Mexico has promoted the development of our clients in the traditional channel with a value-added offering that, in addition to

a high level of service, includes support for furnishing the point-of-sale with more efficient refrigerators, as well as providing know-how.

- **54,800+ new and energy-efficient refrigerators** installed at our clients' stores to modernize the point-of-sale, maintain the cold chain, and save energy compared to traditional refrigerators.
- **20,700+ promotions** offered in products delivered in 2021 to our clients in the Traditional Channel.

## Sigma Service Center

In Mexico, our Service Center closely monitors the needs and concerns of our clients and consumers through an

omni-channel platform. More than 85% of inquiries are resolved during the first contact.

- **257,000+ contacts** made with consumers and clients in 2021.
- **99% satisfaction level for clients** who contacted the Sigma Service Center.
- **Service Center** helps clients and consumers through an omni-channel platform.





# Promoting a sustainable supply chain



## CDP Supply Chain

We promote sustainable practices in our supply chain in collaboration with our suppliers, which is a key aspect of our sustainable business strategy.

We have been members of CDP Supply Chain since 2020. CDP is a not-for-profit organization that runs one of the

largest environmental-focused global disclosure systems. This program enables us to interact with our strategic suppliers through questionnaires and set the foundations to work together to launch and deliver sustainable practices in our supply chain.

## Strategic suppliers

In 2021 we carried out a pilot project with 37 strategic suppliers that collectively represent around 15% of our raw materials spend. These suppliers answered the CDP Supply Chain questionnaire that includes topics related to governance, risk management and assessment, taking advantage of opportunities, measuring key indicators, among others.

By understanding the sustainability practices and plans of our strategic suppliers, we make progress toward our goal of promoting the development of a sustainable value chain.

## Local suppliers

Our commitment to sustainability goes beyond our operations. We collaborate with our suppliers to build partnerships that promote the development of our value chain. For example, in Mexico, we actively foster

best practices in our supply chain through our Supplier Development Program while in Spain we recognized 25 suppliers that stood out for their responsible practices .

## Sustainable SMEs

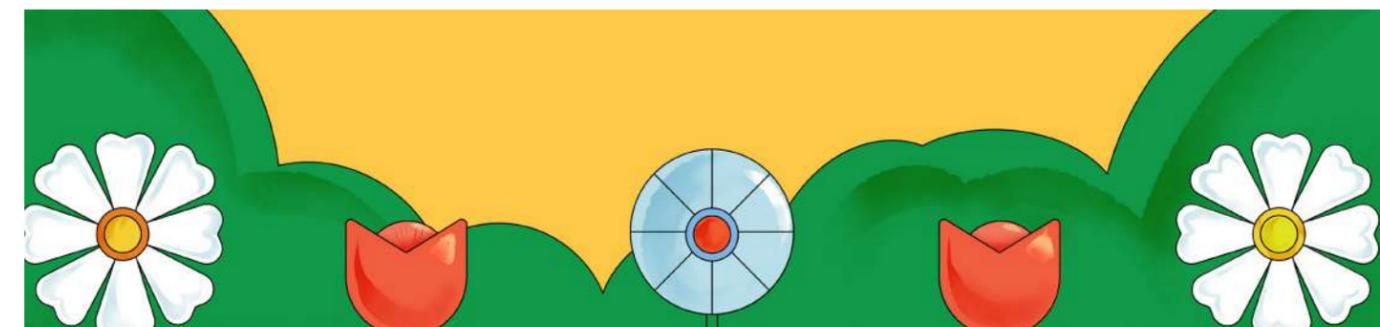
In 2021, in collaboration with 25 suppliers, the Inter-American Development Bank, and ELEVATE, we concluded a study on responsible sourcing, focused on small- and medium-sized (SME) suppliers of our Organizational Units in Mexico and LATAM.

During the first stage of the study, we focused on identifying sustainability challenges in the supply chain and collaborated with our SME suppliers in the development of

initiatives to strengthen their environmental, social, and business practices. This evaluation will allow us to promote the implementation of strategic sustainability measures by our SME suppliers in the medium-term and to develop an action plan for responsible sourcing.

Additionally, we continue supporting producers who are part of our value chain:

- **Mexico:** Through our Dairy Development Program and with the support of a multi-disciplinary and experienced team, we encourage the development of small producers by offering specialized technical assistance. This program supports more than 140 cow and goat milk producers who provide jobs to more than 540 families. The relationships based on trust that we have developed, enable us to nurture growth in our suppliers and strengthen the supply chain.
- **Costa Rica:** We work on environmental management projects with more than 20 producers. Primarily, we leveraged the Blue Ecological Flag award to promote sustainability in dairy farms. This program celebrates volunteering and focuses on the protection of ecosystems and climate change mitigation, including initiatives that promote the rational use of resources, the production of organic fertilizers, and energy efficiency. Furthermore, we also work with producers to promote the use of organic waste and rainwater harvesting systems.



## Responsible Sourcing

# 2025 SUSTAINABILITY COMMITMENTS

### 2025 Goal

**80% of our purchases** in the meats, ingredients, dairy, and packaging categories, sourced from suppliers that are working to strengthen sustainability practices in their own operations.

### Progress

**We are members of CDP Supply Chain** thus making progress in our commitment and by finalizing pilot sustainable procurement projects with key suppliers and SME suppliers.



## Responsible Sourcing Code

Our Responsible Sourcing Code, launched in 2021, reinforces the commercial relationship with suppliers, promotes the implementation of best practices, and develops a vision of shared sustainability aligned with the 2030 Agenda and our Environmental, Social, and Governance (ESG) Global Policy.

Sigma has invited all participants in our value chain to read, understand, and adopt the practices described in the document, which include requirements and standards, and to accept the challenge of adopting a culture of sustainability and promoting it among its business partners.

### Criteria included in the Responsible Sourcing Code

|                               |   |   |
|-------------------------------|---|---|
| <b>Health &amp; Nutrition</b> | <ul style="list-style-type: none"> <li>• Provide safe and reliable products with high quality standards</li> <li>• Audit and risk assessment</li> <li>• Promote the implementation of</li> </ul>  | <ul style="list-style-type: none"> <li>international standards</li> <li>• Emphasize value chain and traceability</li> <li>• Promote animal welfare</li> </ul>   |
| <b>Shared Value</b>           | <ul style="list-style-type: none"> <li>• Adhere to applicable laws</li> <li>• Avoid fraud</li> <li>• Prevent money laundering</li> <li>• Foster anti-corruption activities</li> <li>• Maintain confidentiality</li> <li>• Protect intellectual property</li> <li>• Protect personal data</li> </ul> | <ul style="list-style-type: none"> <li>• Avoid conflicts of interests</li> <li>• Compete with integrity</li> <li>• Guidelines for gifts and business hospitality</li> <li>• Prioritize transparency</li> <li>• Contribute to the communities</li> </ul> |
| <b>Wellbeing</b>              | <ul style="list-style-type: none"> <li>• Human rights</li> <li>• Safe environment</li> <li>• Healthy environment</li> <li>• Diversity and inclusion</li> <li>• Harassment prevention</li> </ul>   |   |
| <b>Environment</b>            | <ul style="list-style-type: none"> <li>• Environmental care</li> <li>• Waste management and disposal</li> <li>• Water management</li> <li>• Environmental impact mitigation</li> <li>• Resource conservation and forest management</li> </ul>   |   |



 **Responsible Sourcing Code:**  
[Available here](#)



## Promoting growth in our industry

Across our operations, we are committed to broadening the benefits of an industry that aims to operate under the highest international standards. By getting involved, both

globally and locally, in initiatives to strengthen practices across our industry, we gain the trust of our clients and the preference of consumers for our brands and products.

| Health & Nutrition   | Shared Value  | Wellbeing   | Environment   |
|--|---|---|---|
| We have agreements and research initiatives with universities that promote education and the development of key topics for the food industry. We participate in associations focused on developing standards that promote transparency through clear communication with consumers. | We actively participate in forums, congresses, and chambers that promote the application of best practices and the exchange of knowledge in our industry. | We participate in associations that promote inclusion and equal opportunity and the professional growth of employees. | We establish partnerships with strategic organizations to create synergies focused on environmental stewardship and the efficient use of natural resources. |

## We joined the UN Global Compact

In 2021, Sigma adhered to the United Nations Global Compact, the largest corporate volunteer initiative in the world in favor of sustainable development.

As an active participant in the Global Compact, we reaffirm our support to its 10 Principles that refer to Human Rights, Labor, Environment, and Anti-corruption. Likewise, we are committed to continue reporting our achievements and progress towards applying the Global Compact Principles in our operations through our annual Sustainability Report.



**120+ associations and partnerships**  
at local, national, and international level in which we actively participate.



## Associations and partnerships

Total associations: 129

### Food Industry 46

#### Europe

|    |  |
|----|--|
| BE | Agentschap Innoveren & Ondernemen (VLAIO)  |
|    | * Belgische federatie van de vleesverwerkende industrie (FENAVIAN)   |
|    | 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)  |
|    | Federatia patronatelor din industria alimentara (Romalimenta)  |
| 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                      |
|    | Agrocalidad 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   |
|    | Asociación de Industrias Lácteas de la República Dominicana (ADIL)                        |
|    | Consejo Nacional para la Reglamentación y Fomentación de la Industria Lechera (CONALECHE) |
|    | Mexico  |
| MX | Asociación Mexicana de Alimentos de Soya A.C. (AMAS)                                      |
|    | Asociación Nacional de Establecimientos TIF (ANETIF)                                      |
|    | Asociación Nacional de Industriales de Aceites y Mantecas Comestibles, A.C. (ANIAME)      |
|    | * Cámara Nacional de Industriales de la Leche (CANILEC)                                   |
|    | Clúster Agroalimentario de Nuevo León, A.C.   |
|    | ** Consejo Mexicano de la Carne (COMECARNE)   |

#### United States

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

#### Global

|  |  |
|--|--|
|  | * Global Food Safety Initiative (GFSI) - Mexico Local Group              |
|  | * 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 | * 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                            |
| 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)                 |
| GT | Cámara de Comercio de Guatemala                                    |
|    | Cámara de Comercio e Industria Guatemalteco Mexicana (CAMEX)       |
| HN | Cámara de Comercio Industrias de Tegucigalpa (CCIT)                |

|    |   |
|----|---|
| NI | Asociación de Distribuidores de Productos de Consumo de Nicaragua (ADIPRONIC) |
|    | Cámara Empresarial Mexicana Nicaragüense (CAMEXNIC)                           |
| PE | 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 Industriales y Comerciantes de Santiago (ACIS)                  |
|    | 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)                               |

#### Global

|  |                          |
|--|--------------------------|
|  | The Consumer Goods Forum |
|--|--------------------------|

### Research and Education 30

#### Europe

|    |  |
|----|--|
| BE | + Ghent University   |
|    | + Université de Liège  |
| 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  |

#### Mexico

|    |  |
|----|--|
| MX | + Centro de Investigación de Biotecnología Aplicada (CIBA)                                   |
|    | + Centro de Investigación en Alimentación y Desarrollo (CIAD)                                |
|    | + 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.  |
|    | + Instituto Nacional de Investigaciones Forestales, Agrícolas y Pecuarias (INIFAP)           |
|    | + Instituto Politécnico Nacional (IPN)   |
|    | + Instituto Tecnológico de Estudios Superiores de Monterrey (ITESM)                          |
|    | + IPADE  |
|    | + UNITEC   |
|    | + Universidad de Monterrey (UEM)   |
|    | + Universidad Iberoamericana   |
|    | + Universidad Insurgentes  |
|    | + Universidad Tec Milenio  |

#### United States

|    |  |
|----|--|
| US | + AFMA                                     |
|    | + MIT Industrial Liaison Program (MIT ILP) |
|    | + University of Arizona                    |

#### Global

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

### Responsible Marketing 8

#### 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 Empresas de Produtos de Marca |
| RO | Romanian Advertising Council (RAC)                                |
| SP | * Asociación Española de Anunciantes (AEA)                        |
|    | * Asociación PROMARCA   |

### Human Resources 4

#### Europe

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

#### Mexico

|    |  |
|----|--|
| MX | Asociación Técnica de Compensaciones (ATECO) |
|    | Movimiento Congruencia                       |

### Environmental and Social 6

#### Europe

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

#### Mexico

|    |       |
|----|-------|
| MX | ECOCE |
|----|-------|

#### Global

|  |                                      |
|--|--------------------------------------|
|  | CDP Supply Chain Program             |
|  | UN Global Compact - Red Local México |

#### Countries abbreviations:

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

#### Level of participation symbols:

|    |                                 |       |                           |
|----|---------------------------------|-------|---------------------------|
| ^  | Founding Member                 | *     | Member of the Board       |
| ** | Vice Chairman of the Board      | ***   | Chairman of the Board     |
| +  | Research or Education Agreement | None: | Member of the Association |



# WELLBEING



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

|  |           |
|--|-----------|
| <b>United under the Sigma Culture</b>              | <b>64</b> |
| <b>Measuring employee wellbeing and engagement</b> | <b>66</b> |
| <b>Health and safety</b>                           | <b>68</b> |
| <b>Professional growth</b>                         | <b>74</b> |
| <b>An inclusive company</b>                        | <b>76</b> |
| <b>Community engagement</b>                        | <b>80</b> |



# WELLBEING



**93% employee engagement level**  
in the most recent survey.



**950+ leaders**  
participated in the Conscious Leaders program.



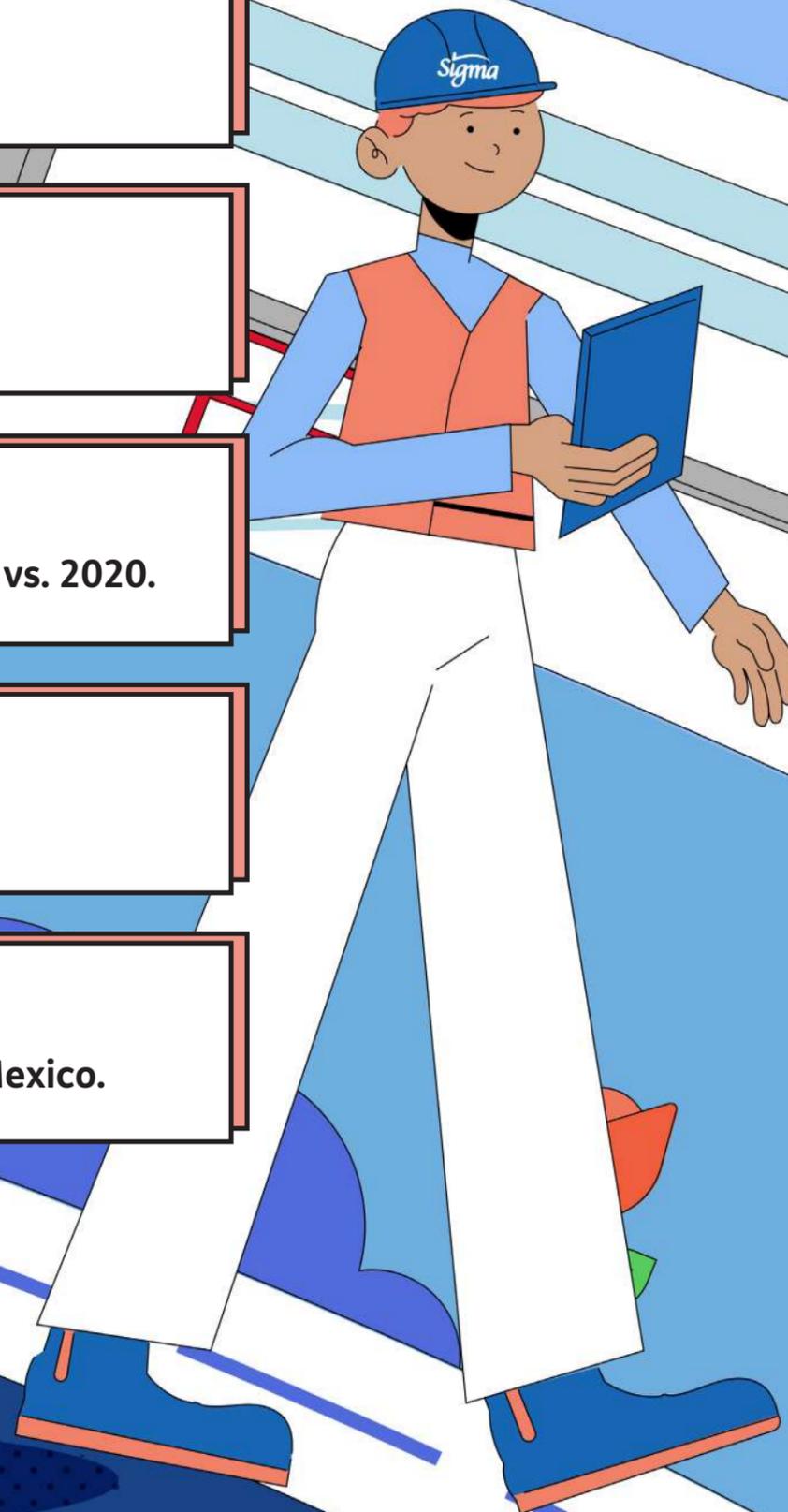
**7.8% of our employees**  
participated in volunteering efforts, a 50% increase vs. 2020.



**26% accident rate reduction**  
compared to the 2018 baseline.



**2<sup>nd</sup> consecutive year**  
with an increase in the Wellbeing Index at Sigma Mexico.





# United under the Sigma culture

## We are stronger together

At Sigma, we are a strong force of more than 44,000 employees in 18 countries who share a unique culture and the desire to generate value for our consumers, clients, communities, and other stakeholders.

Our responsibility as a company is to develop our employees through a professional career with constant growth, that is also results-oriented, and are guided by the company's Essential Behaviors and Principles.

## Strengthening leadership

More than 950 leaders in our organization participated in the second edition of the Conscious Leaders program, an initiative that seeks to align teams with Sigma's organizational culture. Likewise, we leveraged our online platforms to share new insights with the first generation

of the program. Moving forward and in alignment with the Sigma Culture, we are preparing to launch a business simulator to strengthen the decision-making process around issues that are relevant to the organization.

### Sigma Essential Behaviors we promote among our employees



#### Proactive Player

Take responsibility and focus on what is under your control.



#### Learner

Balance confidence and humility as you share your ideas and inquire about the ideas of others.



#### Productive Requests

Make clear and realistic requests, explaining the purpose, concern, task and expected results.



#### Honoring Commitments

Ensure fulfillment of agreements or renegotiate in a timely manner.



#### Collaborating Effectively

Provide honest and fair feedback, be open and empathic, and understand the needs of parties involved. Together we can achieve more!

## Embracing our culture every day

In 2021, we continued implementing our Cultural Dynamics, given by our team leaders to all collaborators in our organizational Units. These spaces, exercises, and conversations invite employees to reflect on how to apply the Sigma Essential Behaviors to issues such as innovation, commitment, psychological safety, conflict resolution, and change management, among others. Furthermore, the Cultural Dynamics use practical examples to explain how

we can apply and embrace the company's principles in the decision-making processes and generate empathy.

Additionally, we reinforce the lessons of our dynamics through webinars given by members of our management team, which contributes to staying aligned with our priorities as an organization.

## Measuring our progress

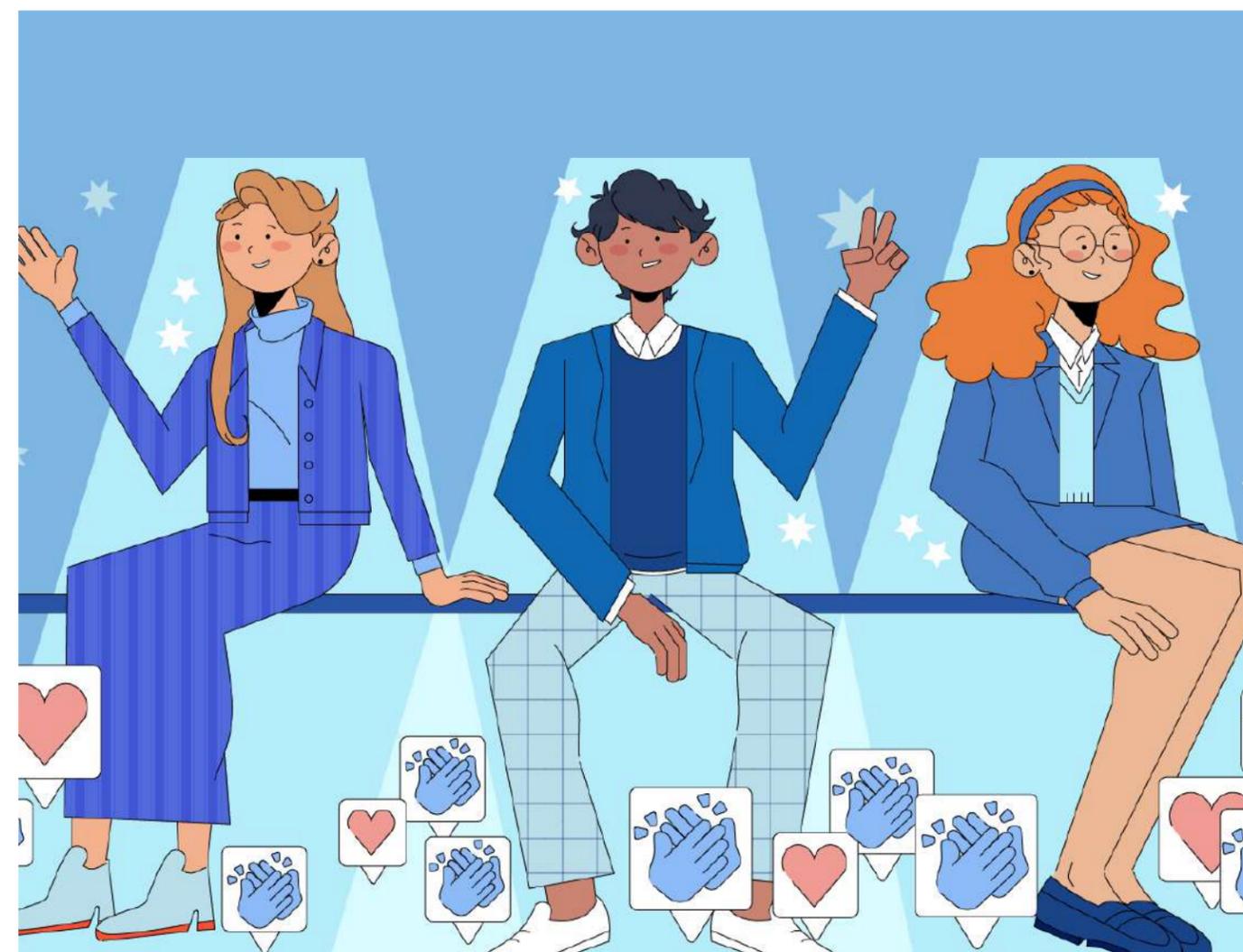
We know that continuity and discipline are needed in order for Sigma's Essential Behaviors and Principles to permeate to all employees. A key aspect of this process is to continually measure results and listen to all voices to improve.

For the second consecutive year, we conducted our internally developed Culture Survey. This 360° survey helped us further understand our progress through two key indicators, and helped identify areas for improvement, both needed for the successful deployment of our Sigma Culture.

## Recognizing Sigma Culture Champions

In 2021, we launched a new program designed to recognize those employees who stand out for embracing our Essential Behaviors and Principles.

Employees enthusiastically nominated colleagues who they consider most fully embrace our culture, and we held awards ceremonies to celebrate the winners. Such initiatives help us reinforce the importance of embracing the Sigma Culture in our everyday lives.





# Measuring employee wellbeing and engagement

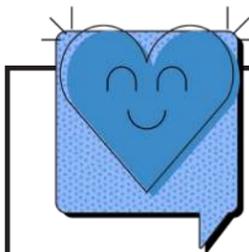


## Sigma Wellbeing Index

The wellbeing of our employees is key to our ability to continue fulfilling our purpose. As a result of the dedication, talent, creativity, and teamwork of our employees, we are able to work, evolve, and find new ways of meeting the needs of our consumers and clients.

Our Organizational Unit in Mexico developed the Sigma Wellbeing Index to assess the workforce experience. With this methodology we can monitor key issues for the comprehensive development of our employees, including:

- Community
- Social development
- Rest
- Diversity and inclusion
- Exercise
- Psycho-social factors
- Flexibility
- Emotional intelligence
- Retirement
- Nutrition and health
- Safety
- Volunteering



**In 2021**  
we increased the Wellbeing Index in Mexico for the second consecutive year.

## Employee engagement survey

Every two years we conduct an anonymous survey that allows us to obtain relevant information directly from our employees about their experiences within Sigma. Based on the survey's results, we are then able to prepare or strengthen policies and initiatives designed to attract, retain, and develop talent within the organization.

Approximately 80% of employees who received the survey in the 2020-2021 cycle provided responses. It included questions on their efforts to contribute to the company's success, on whether they would recommend Sigma as a good place to work, and about their sense of belonging. The results analyzed produced an outstanding 93% engagement level.

The survey's robust methodology developed by ALFA, was prepared in alignment with international standards and includes 50 questions divided into 16 engagement categories<sup>4</sup>.



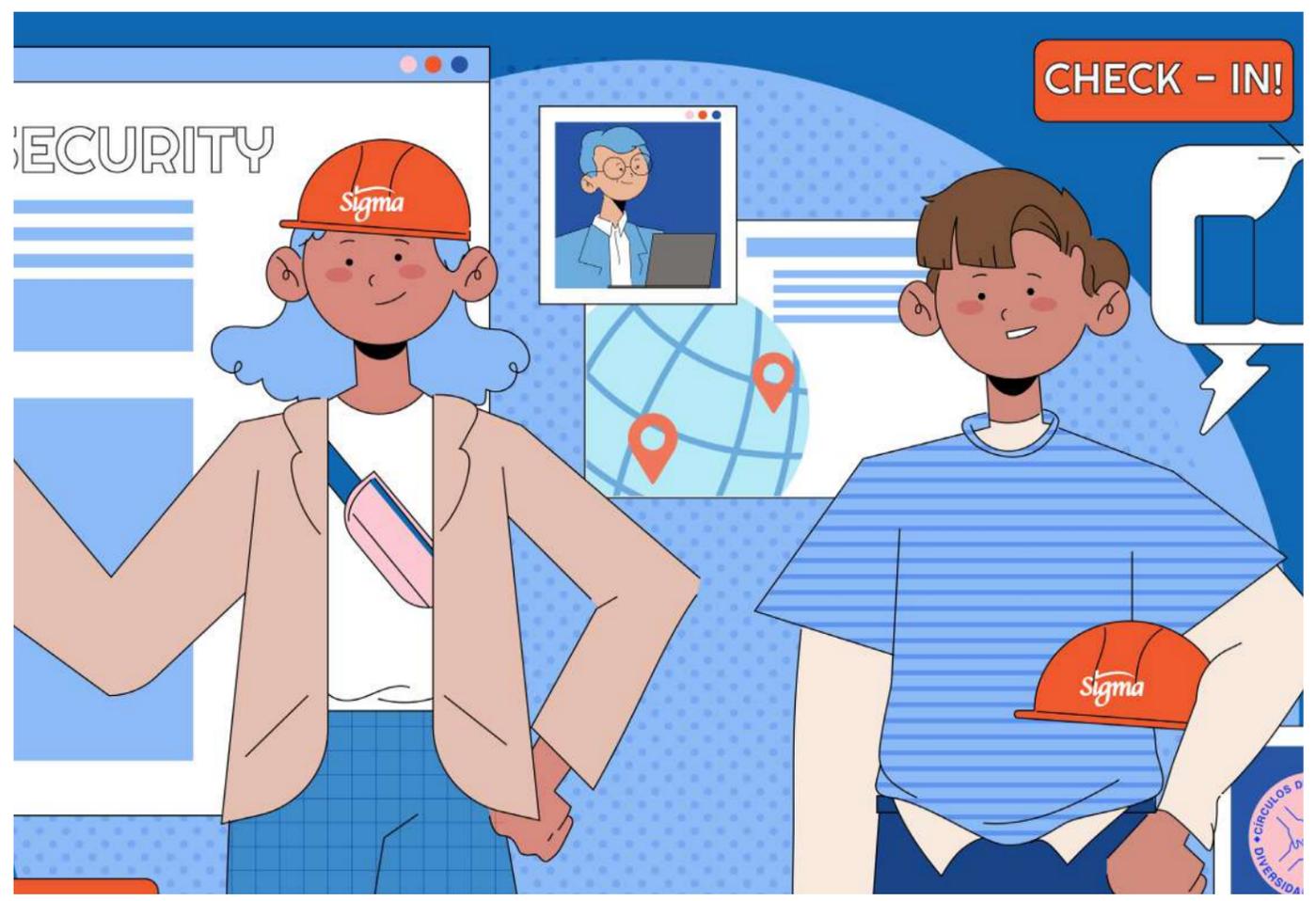
**93% employee engagement in the most recent survey.**



<sup>4</sup> Responses to the questions are in the Totally Agree, Agree, Don't Know, Disagree, Totally Disagree format. Engagement level is determined on the basis of the percentage of employees who offer a Totally Agree or Agree answer. Both administrative and frontline operational employees participate in the survey.



# Health and safety



## Health and Safety System

Sigma is committed to ensuring the health and safety of its employees and of third parties that participate in our operations.

With Sigma's Health and Safety System, our operations employ world-class management tools that reinforce a culture of prevention, including the 12 Best Practices in Health and Safety Program and the Total Productive Maintenance (TPM) Program, which is audited and certified by the Japan Institute of Plant Maintenance. We also employ specialized software such as the Cority platform, implemented in our plants in Mexico, which contributes to strengthening operation, prevention, and correction parameters through information technologies.

Over the course of the year, we continued to make progress in the application of the Health and Safety Management System across our operations, based on the 12 Best Practices in Health and Safety Program. We placed particular emphasis on renewing our management's commitment, offering training to employees on how to maintain safety behaviors at all times, leveraging our global presence to share best practices, staying in close communication with our employees, as well as assessing results, establishing ambitious goals, and addressing those areas where we can make improvements. We invested more than US \$8.7 million in occupational health and safety initiatives in 2021.

In 2021 we reduced by 26% our global accident rate from our 2018 baseline, thus exceeding for the second consecutive year the goal we had established for 2025.

## Continuous improvement in safety

In Mexico, our Noreste and Chihuahua plants have achieved a Third Level certification—the highest possible—in the Occupational Health and Safety Self-Management Program (PASST, for its acronym in Spanish) of the Ministry of Labor and Social Welfare (STPS, for its acronym in Spanish) of the Mexican Government. Our goal is to continue to add

operations to this initiative, which not only promotes going beyond compliance with regulations but also encourages continuous improvement through a self-evaluation framework that contributes to preventing work accidents and work-related illnesses.



## Occupational Health and Safety



**2025**  
SUSTAINABILITY  
COMMITMENTS

**2025 Goal**  
**22% reduction**  
in the accident rate at our operations versus the 2018 baseline.

**Process**  
**26% reduction**  
in the accident rate, exceeding our goal for the second consecutive year.

## Elements of the Health and Safety Management System

**1. Commitment:** We are all responsible for maintaining safe operations. Through training sessions we invite employees to commit to safe practices, as well as to care for their own physical integrity and for that of their colleagues.

**2. Safety Policy:** We commit to ensuring that employees know, are familiar with, and committed to complying with the principles established in the Safety Policies.

**3. Training and coaching:** We have a broad training program to provide employees with the tools they need to perform their jobs safely and to reinforce a culture of health and safety. In addition, we offer recommendations to promote health at home.

**4. Effective communication:** Through different tools that include dashboards, sessions, and workshops, we continuously recommend improvements that favor a culture of health and safety across our operations.

**5. Motivation:** We recognize employees that display adequate health and safety practices.

**6. Specific roles and functions:** : At our plants and in our Organizational Units, we have a structure in place that clearly describes the various roles everyone plays in the implementation of the company's Health and Safety System.

**7. Responsibilities of managers:** We offer the necessary training and tools to supervisors and managers at our plants, as they are primarily responsible for implementing the Health and Safety System across our operations.

**8. Responsibilities of leaders:** The company's leaders are part of a chain of responsibility in the implementation and monitoring of the health and safety initiatives. At all our operations, designated supervisors are in charge of ensuring that all tasks are performed safely.

**9. Risk assessment and performance standards:** We implement robust risk assessment tools and monitor all findings and recommendations closely. We adhere to laws related to the protection of employees in every location where we operate. Likewise, we have protocols in place designed to strengthen the safety culture based on best practices and our Health and Safety System.

**10. Incident investigation:** We employ the company's Procedure for Managing Incidents to identify and analyze the root cause of any concerning events, as well as the way in which we can strengthen our initiatives and training to eliminate potential risks. We use an online collaboration platform to share lessons learned across our operations.

**11. Program to review conditions and behaviors:** We routinely make internal inspections at our operation sites. These help us validate the effectiveness of our health and safety practices and to make recommendations when opportunities for improvement are identified. Finally, we verify that these recommendations are implemented.

**12. Key indicators, goals, and reporting:** We establish ambitious performance goals for our plants, which we measure and communicate using standardized key performance indicators for our industry.

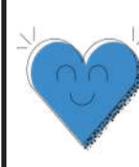
**We commit to ensuring that employees know, are familiar with, and committed to complying with the principles established in the Safety Policies.**

## Health and safety governance at Sigma

The Executive Management Team reviews occupational health and safety periodically. This, along with the leadership of our safety coordinators play a key role in the successful and consistent implementation of the Health and Safety System.

### Safety coordinators' responsibilities include:

- Monitor the activities of the 12 Best Practices Program.
- Provide updated information to managers and directors regarding risk management.
- Deploy the training programs, from onboarding sessions to daily safety talks.
- Keep a statistical control of all incidents.
- Participate in incident investigations and the analysis of their root causes.
- Conduct field visits and supervision tasks.
- Maintain open communications and affirm the commitment of our employees to health and safety.
- Handle internal inspections related to health, safety, and emergency prevention matters.
- Coordinate brigades, procedures, drills, and emergency equipment purchases.
- Develop, implement, and update occupational health and emergency procedures.
- Participate in meetings of the occupational health and safety committees.



**In 2021**

**we assigned specific health and safety responsibilities to all leadership positions at our plants.**

## Risk management

Sigma has several procedures in place to manage occupational health and safety risks focused on detecting, identifying, assessing, controlling, and preventing accidents across our value chain.

The Safety Committees meet on a monthly basis, in accordance with the 12 Best Practices Program, and include the participation of the teams in charge of creating and auditing the safety standards, implementing the accident investigation process to avert repeat incidents,

coordinating emergency response, applying norms and regulations, and implementing the annual occupational health program.

During the pandemic, the Risks Committee held regular meetings, which resulted in the design and proactive deployment of an action plan focused on protecting the health of our employees and their families, as well as the reinforcement of safety in our operations.

## Emergency prevention

In our operating facilities, health and safety supervisors, in collaboration with their work teams, are in charge of implementing measures to prevent emergencies. These measures include drills, brigade training, and the acquisition, installation, and maintenance of protective equipment. In addition, certain employees are prepared to respond to contingencies with procedures for crisis

management, first aid, evacuation, and emergency response. Our health and safety supervisors conduct internal routine inspections during which they make plant visits, validations, and recommendations regarding the measures we have in place to handle emergencies, as well as the general safety conditions of the operations.

## Pandemic response

In the face of the challenges brought about by COVID-19, we maintain a proactive approach to safeguard the wellbeing of our employees, while also preserving the food safety and quality of our products, and ensuring the continuity of our operations.

Since the onset of the pandemic, in addition to complying with the requirements of the authorities we have proactively deployed a plan of action that focuses on maintaining safety at our operations and the health of our employees and their families based on three lines of defense:

**Protocols:** We designed and deployed more than 100 health and hygiene protocols focused on addressing the COVID-19 challenges. Additionally, we opened spaces for online dialogues with our employees to mitigate uncertainty, address their concerns, and share timely information.

**Personal protection equipment:** In addition to providing essential equipment for our employees such as face masks, disinfectant alcohol, and sanitary mats.

**Infrastructure:** Sigma led the industry in the implementation of PCR surface testing, as well as photohydroionization technologies to improve air quality, and perform quick COVID-19 tests.

We continually monitor the results of the COVID-19 plan of action during the meetings of the Risk Committee. To measure assertiveness in the implementation of multiple sanitary measures, we launched an internal evaluation and certification supported by Health First, our Quality Culture program.

- 100+ health and hygiene protocols.
- PCR testing.
- Risk assessment tools.
- Special personal protection equipment against COVID-19.
- Photohydroionization equipment to sanitize the air.



## Collaboration with our suppliers

In 2021, we continued conducting remote inspections of key suppliers to verify the implementation of safe practices amid COVID-19. Working as a team with our suppliers, we were able to ensure there were no interruptions in our supply chain; we did this safely and maintaining the highest

quality standards. Additionally, we offered our support to SME suppliers by donating personal protection equipment and implementing protocols to reinforce hygiene and sanitary measures.

- Implemented COVID-19 protocols for our suppliers.
- Donated personal protection equipment to SME suppliers.
- Installed automated systems to reduce in-person interactions.
- Offered webinars to guide our suppliers in the application of new protection measures.
- Established new hygiene initiatives.



## Healthy lifestyles

We promote among our employees the importance of maintaining a healthy lifestyle. In 2021, we centered our efforts on sharing information on the measures that contribute to good health, such as a healthy diet, stress management, and physical activity.

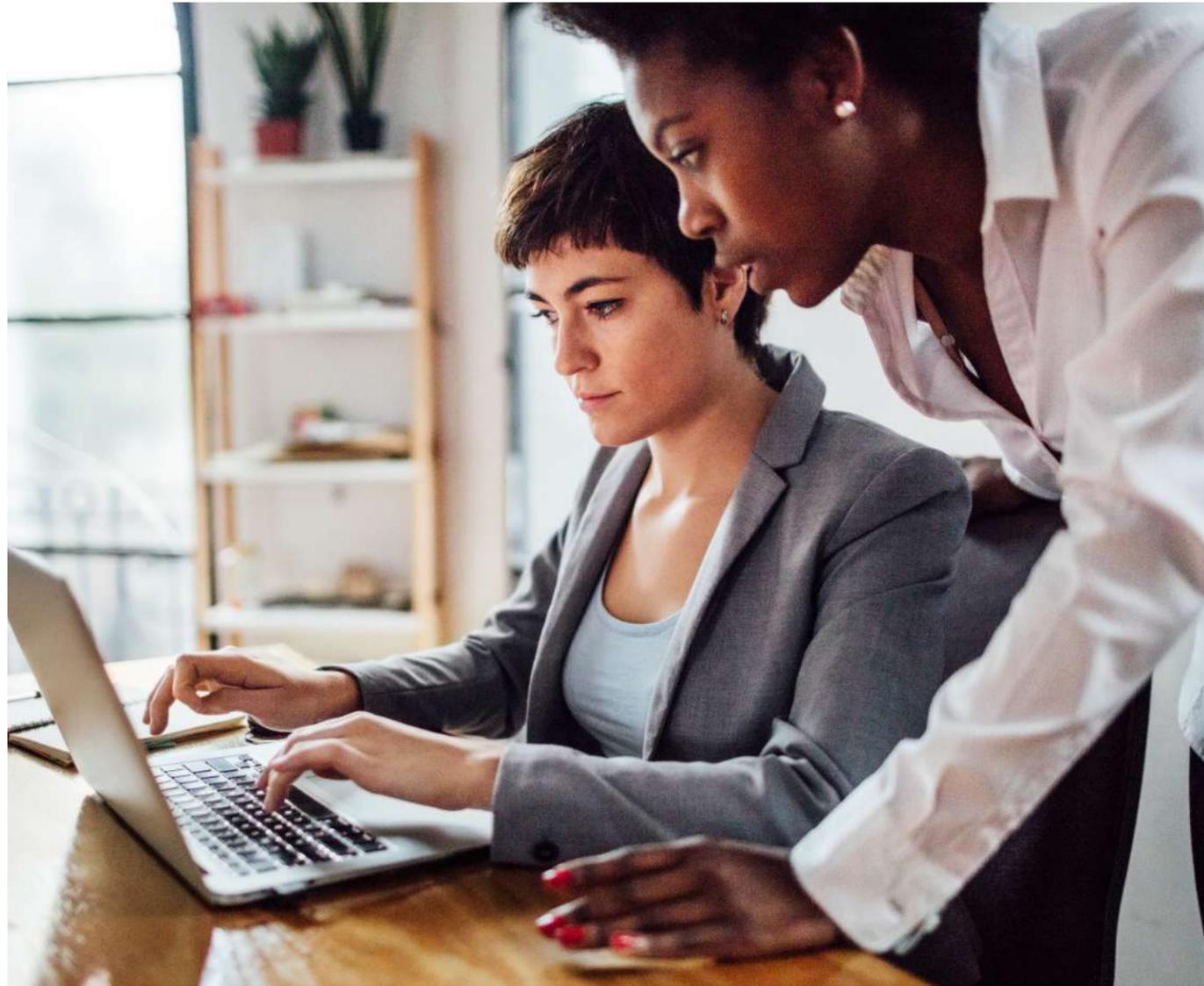
Likewise, in some locations we offered support to those who were most vulnerable to COVID-19 through nutrition programs, assistance to increase physical activity, and health monitoring programs to help them reduce or eliminate risks.

To implement these activities, we have medical staff who also offer basic medical care at our operating sites, including consultations, health promotion, epidemiological monitoring plans, and regulatory compliance.

Some of our locations also have programs and initiatives in place to support the wellbeing of our employees through flexibility on their working schedule and the option of working from home, whenever possible.



# Professional growth



## Continuous learning

We invest in continuous learning to foster the development of our employees and improve the company's ability to successfully implement its business strategy. Accordingly, we develop new tools that expand training options that, when combined with our proactive player behavior, contribute to our great achievements.

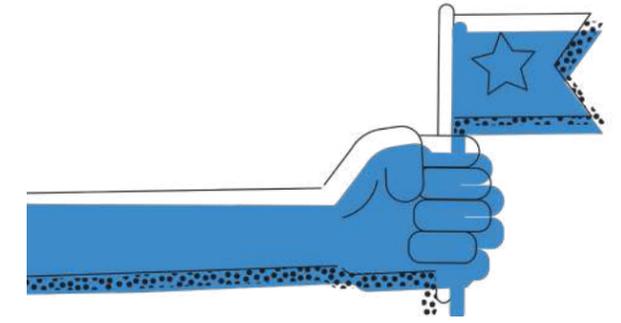
Our training programs include everything from courses that reinforce specific subjects to comprehensive training programs that contribute to employees being able to

perform their jobs optimally and prepare for future positions of higher responsibility.

Training programs are designed to address the priorities of local teams as well as the company's growth plans in every geography. This contributes to having the right talent in the right place while also supporting the personal and professional growth plans of our employees.

## We exceeded the 2025 Goal

In 2021 we invested more than US \$3 million in training initiatives, which enabled us to achieve an average of 26 hours of training per employee, exceeding our 2025 goal of 20 hours of training per employee.



## Young Talent

The Young Talent program is focused on recruiting college graduates with high potential and providing them with an outstanding professional experience. They begin their journey rotating in different divisions within the company, which enables them to gain a comprehensive view of

the company and an understanding of key subjects for our industry. At the end of this enriching process, they are ready to join a team and continue their professional journey within Sigma.

## Feedback 360°

We offer our employees feedback on their performance using formal mechanisms across our company. As part of our initiatives to promote growth, this exercise is carried

out periodically between employees and their leaders and peers, with the goal of obtaining two-way feedback.



## Professional Development

**2025**  
SUSTAINABILITY  
COMMITMENTS

**2025 Goal**  
**11% increase**  
in the number of average training hours per employee, versus the 2018 baseline.

**Progress**  
**44% increase**  
in the number of average training hours per employee, versus the 2018 baseline, exceeding our goal.





# An inclusive company



## We promote talent

At Sigma, we find strength in diversity. Accordingly, we promote equal opportunities and decisions are based on talent, performance, and the specific qualities of every individual. To this end, our processes promote diversity in our organization, as well as non-discrimination toward

employees and stakeholders. We treat everyone the same, regardless of gender, age, race, ethnicity, skin color, nationality, disability, religion, marital status, sexual orientation, or other characteristics.

## Diversity, equality, and inclusion

With employees from over 60 different nationalities and a great diversity of profiles, our goal is to provide a work environment where respect and empathy are promoted so everyone finds the best conditions to grow professionally. Therefore, we work constantly to raise awareness, eliminate barriers, and to enable employees to reach their full potential.

We continually implement initiatives to raise awareness on diversity, equity, and inclusion, including communications campaigns, learning circles, conversation sessions with employees, workshops, and the commemoration and activities related to different international celebration days. Among other actions, these initiatives help us focus on offering the same opportunities for growth to all our employees.

## Equality at the workplace

Training to recruit a diverse talent is an essential part of our effort to become a more inclusive company. For example, in 2021 in Mexico we carried out workshops to train the human resources teams on the appropriate way to conduct inclusive recruitment processes, and on the protocols that we need to follow to receive applicants with disabilities.

During 2021, in LATAM, we launched a survey entitled *Where are we in our diversity and inclusion strategy?* with the goal of understanding the state of workplace equality at a country level. In Central America in particular, this exercise led to the initiation of an internal communications

awareness campaign.

In our operations in Italy, in 2020 our Fiorucci brand signed the Valore D Manifest for Gender Equality at the Workplace. Through this initiative, along with others, Sigma 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.



## Inclusion

**2025**  
SUSTAINABILITY  
COMMITMENTS

**2025 Goal**  
Become a more  
inclusive company.

**Progress**  
21 initiatives  
implemented to promote  
inclusion during 2021.

## Empowering women

In order to boost the value that female talent brings to Sigma, in 2021 we applied the Women's Empowerment Principles (WEP) questionnaire at our corporate office.

This will enable us to develop a plan to strengthen the principles of equality and inclusion in our organization, therein contributing to a more just and fair society.

## International Women's Day

For the third consecutive year, we participated as a company in the commemorations of the International Women's Day. This year we asked employees to nominate colleagues who stand out for embracing and promoting the

Sigma Essential Behaviors, with a special focus on gender equality. More than 450 employees were nominated as agents of change favoring equality and inclusion.



## Affinity, diversity, and engagement groups

**Gender Equality Committee in Mexico**, created in 2021 to promote the principles of equality and inclusion and measure progress in the region.

**Learning Circles in Central Areas**, created in 2021 as safe spaces to foster an open dialogue on concepts related to diversity and inclusion.

**Women's Inclusion Network in the US**, created in 2018 to promote the development, empowerment, and inclusion of women.

## International Days celebrated in 2021 in favor of equality and inclusion

### International Cultural Diversity Day

- We launched the first volume of the Sigma Iconic Recipes, in which we share the gastronomical history of the countries where we operate.

### International People with Disabilities Day

- 20 volunteers in Spain participated in an inclusive paddle and tennis tournament, teaming with people with disabilities.
- 4 volunteers in Italy put together a calendar themed with messages advocating for greater inclusion of individuals with Down Syndrome.

## Prevention of Harassment and Discrimination Policy

We published our Prevention of Harassment and Discrimination Policy, which was designed to establish criteria for preventing and handling actions, attitudes, and behaviors that could be classified as harassment or discrimination.

During the year, we launched a company-wide campaign to share the policy. The policy is available on our website and intranet for anyone who wishes to consult it. Additionally, we communicate and promote the preventive measures locally through training courses, anonymous surveys, and communications tools.

In its definition of discrimination, the policy describes what it means to treat someone in an unfavorable or unfair manner because of who they are or for having certain characteristics, including those that are legally protected by local regulations in the places where we operate, which include race, skin color, religion, sex (including pregnancy, gender identity, and sexual orientation), nationality, disability, age, and way of thinking, among others.

The policy emphasizes the importance of using the Transparency Helpline—our reporting and case resolution mechanism—to report any action, attitude, or behavior that could be classified as harassment or discrimination. It also establishes that no retaliation can be taken against an employee for reporting harassment or discriminatory behaviors.

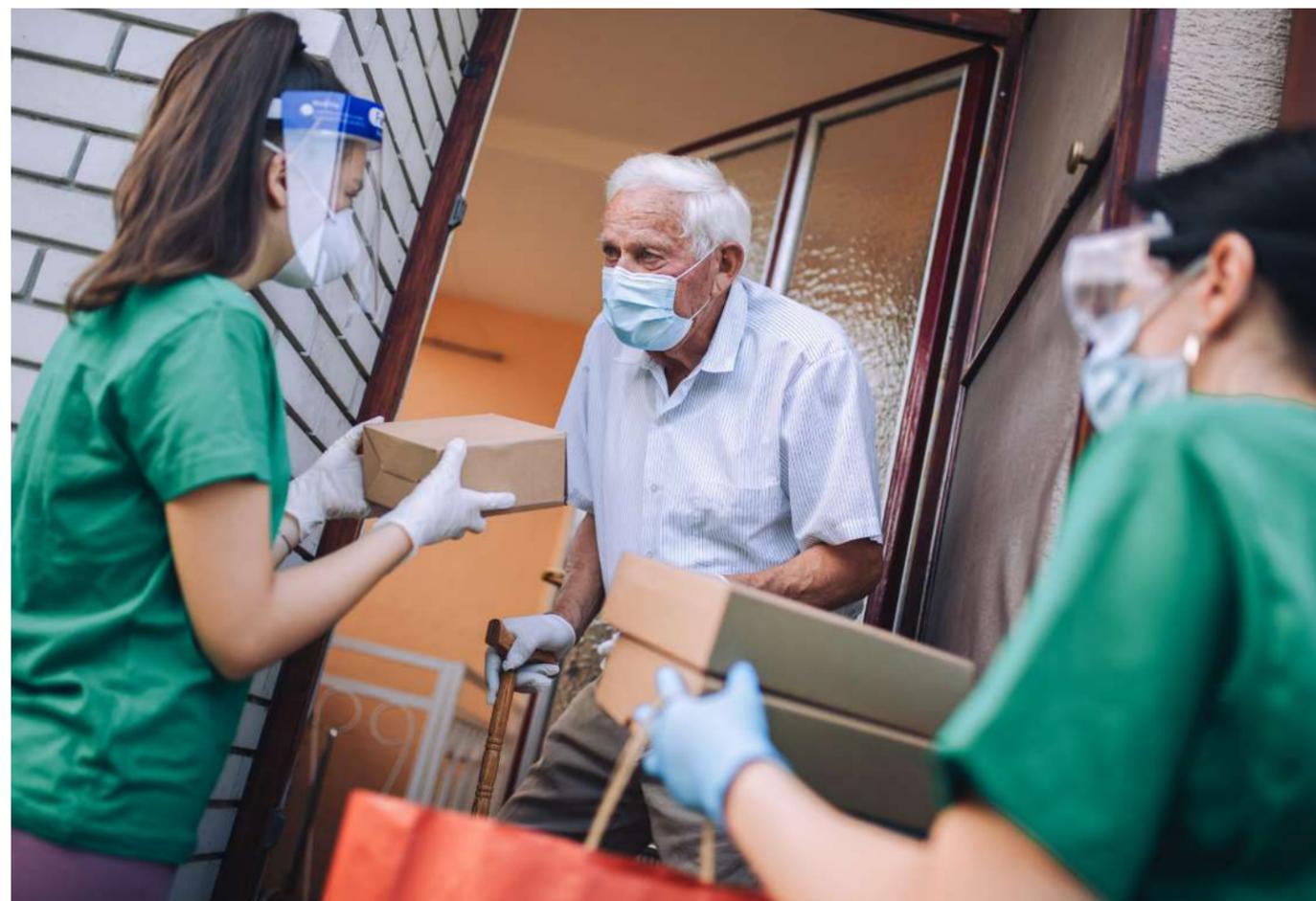


**Prevention of Harassment and Discrimination Policy**  
[Available here](#)





# Community engagement



## Actions with a purpose

Our goal is for all our employees to have opportunities to become leaders who proactively contribute to the wellbeing of neighboring communities through volunteer activities that also enrich their personal and professional experiences.

Our 2025 goal is for at least 10% of our employees to participate in the Actions with a Purpose volunteering program. Participation in the program was up 50% compared to the previous year, reaching a record 7.8% rate of participation, which puts us on track to reach our goal.

In 2021, we promoted several actions to increase the participation of our volunteers, including:

- Commemorate the UN International Days, particularly the World Food Day.
- Maximize synergies between the company's divisions and regions.
- Offer volunteering opportunities to every operational site.
- Develop a new Sigma Volunteering Platform on the intranet.

## New volunteering platform

The new Sigma Volunteering Platform available in our intranet, will start operating in 2022. It was developed to facilitate participation for all employees and will contribute to achieving our volunteering goal for 2025.

The platform is designed to allow employees to suggest new initiatives and find other volunteers who wish to participate. Our goal is for employees to be the main protagonists of the Sigma volunteering activities.



## Volunteering

# 2025

SUSTAINABILITY  
COMMITMENTS

### 2025 Goal

**10%**  
of our employees  
participate in volunteering  
activities.

### Progress

**7.8%**  
of our employees  
participated in  
volunteering, 50% more  
than the previous year.

## Annual Sustainability Challenge

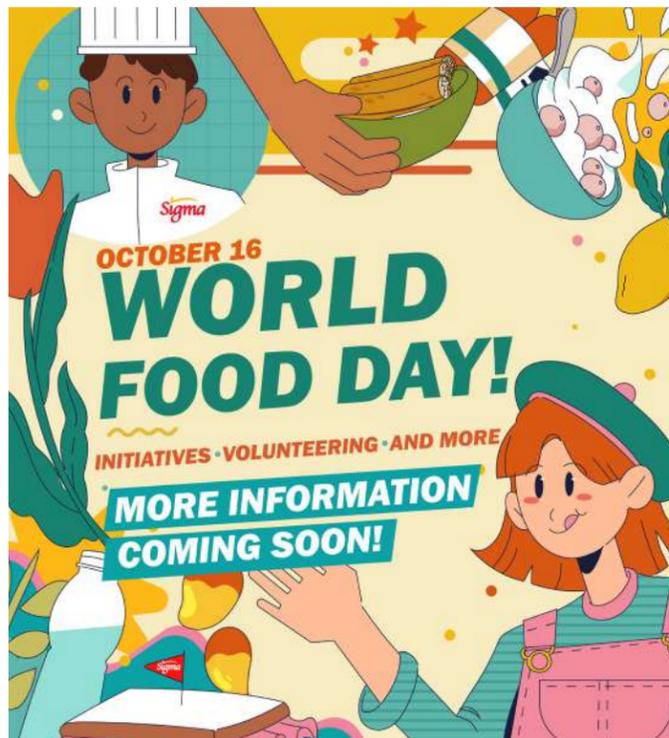
We conducted the Sigma Sustainability Challenge, during which employees proactively adopt actions in favor of the UN Sustainable Development Goals.

More than 500 employees and their families participated in the fourth edition of the challenge, carrying out more than 920 actions in favor of the environment and communities, including donations and initiatives to promote high-quality education and to reduce the consumption of plastic, among others.

## World Food Day

Every year we commemorate World Food Day. In 2021, more than 1,100 volunteers participated in initiatives to collect, transport, and deliver food to at-risk individuals and to raise awareness about food challenges, including the fight against malnutrition and hunger and emergency response.

To learn more about Sigma's food donations goals go to *Food donations in our communities* on page 50 of this report.

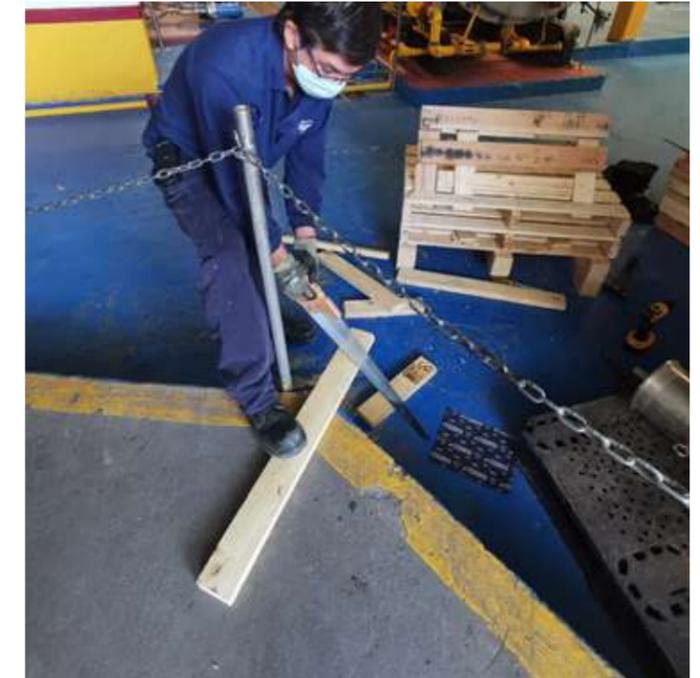


## Hand in Hand Fund

Through the Hand in Hand Fund, we have provided assistance to more than 420 employees who have suffered material losses due to a natural disaster.

## Eugenia Plant

We highlight the efforts of employees of the Eugenia Plant in Mexico who put together the first Sustainability Month, in which 170 employees participated.



## Our volunteers participated actively in 2021

|                                       |   |
|---------------------------------------|---|
| <p><b>International Earth Day</b></p> | <ul style="list-style-type: none"> <li>• 140 volunteers in Mexico commemorated International Earth Day with activities related to reforestation, recycling, and the clean-up of public areas.</li> <li>• In the US, Sigma and WeHero teamed up to plant 300 trees as part of a reforestation campaign in which 30 employees collaborated.</li> </ul>  |
| <p><b>World Blood Donor Day</b></p>   | <ul style="list-style-type: none"> <li>• 170 volunteers donated blood for patients who underwent surgery or medical treatments or who were ill or injured.</li> </ul>   |
| <p><b>Other initiatives</b></p>       | <ul style="list-style-type: none"> <li>• More than 30 volunteering activities implemented in Europe.</li> <li>• 290 volunteers in Mexico donated toys to children.</li> <li>• 50 volunteers in Romania prepared and donated clothing packages and gifts for families who live near our plant.</li> <li>• 30 volunteers in the US donated their time to prepare packages with hygiene products for at-risk children.</li> <li>• 600 volunteers in Mexico collected and donated 700+ kg of bottle caps to the Banco de Tapitas A.C. foundation which, in addition to recycling them, allocates the funds from the collection to fighting cancer in children.</li> </ul> |

# ENVIRONMENT



We continually reduce the environmental impact of our operations and value chain, promote a circular economy, and use natural resources efficiently.

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| Responsible environmental management                  | 88  |
| Eco-efficiency initiatives                            | 90  |
| Actions to mitigate climate change                    | 92  |
| Reforestation campaigns                               | 94  |
| Maximize the use of cleaner and renewable electricity | 95  |
| Electricity efficiency in our operations              | 96  |
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# ENVIRONMENT



**US \$11.9 million invested**  
in initiatives related to environmental stewardship.



**79,000+ tons of CO<sub>2</sub> eq avoided**  
over the course of the year with our Climate Action Program.



**61% of the electricity**  
we use is sourced from cleaner or renewable sources.



**6,500+ tons of virgin plastic avoided**  
in our packaging since 2019.

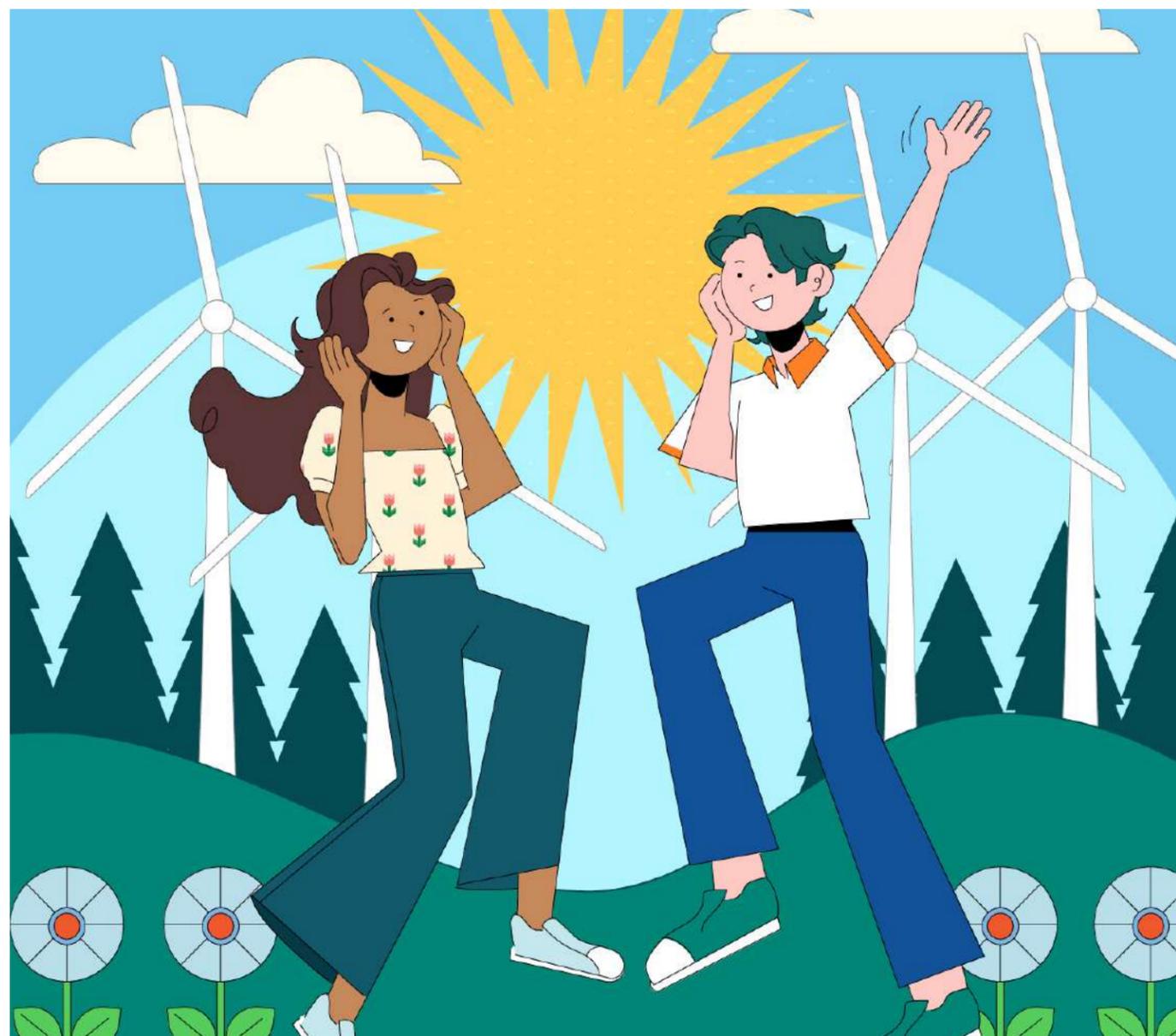


**Global Water Management Program**  
launched in 2021.





# Responsible environmental management



## Committed to environmental stewardship

We promote the application of environmental management systems aligned with international best practices that contribute to our ability to identify, assess, control, and reduce potential environmental risks, and to implement measurement and monitoring systems that enable us to establish goals focused on continuous improvement.

Furthermore, we comply with or exceed all applicable environmental regulations and manage resources efficiently across our operations in 18 countries, which include 65 production plants, 184 distribution or storage centers, and close to 7,900 vehicles.

## Sigma Environmental Community

More than 100 employees participate in the Sigma Environmental Community, which encourages sharing best practices, promotes caring for the environment, and offers training to leaders aimed at optimizing the use of natural resources. During the first 2021 Sustainability Meeting,

employees presented eco-efficiency projects that were assessed by a technical committee that recognized five teams for their actions to optimize resources and generate savings.

### Environmental certifications

| Autorización Ambiental Integrada (AAI)   | ISO 14001   | ISO 50001  | ECOSENSE Certification  |
|--|---|--|---|
| <ul style="list-style-type: none"> <li>European Directive 2010/75/EC on emissions and contamination controls.</li> </ul> | <ul style="list-style-type: none"> <li>Global environmental management standard.</li> </ul>                       | <ul style="list-style-type: none"> <li>Global energy management standard.</li> </ul>                     | <ul style="list-style-type: none"> <li>Certification of recycled PET food trays by the Plastic Sense Foundation.</li> </ul> |
| <ul style="list-style-type: none"> <li>7 plants in Europe.</li> </ul>  | <ul style="list-style-type: none"> <li>Environmental Management Plan at the plant in Bureba, in Spain.</li> </ul> | <ul style="list-style-type: none"> <li>Aoste, Maclas, and Saint Symphorien plants, in France.</li> </ul> | <ul style="list-style-type: none"> <li>Ólvega Plant, in Spain.</li> </ul>   |



**Sigma joined CDP Supply Chain**  
to measure the environmental impact in the value chain.



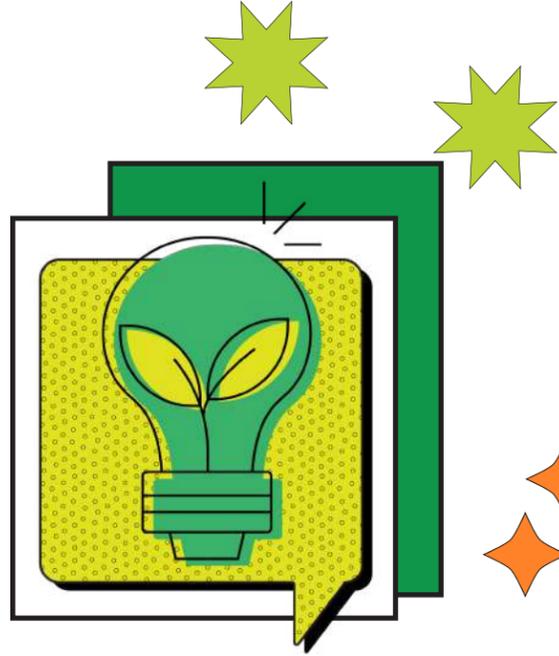


# Eco-efficiency initiatives

## Supply Chain



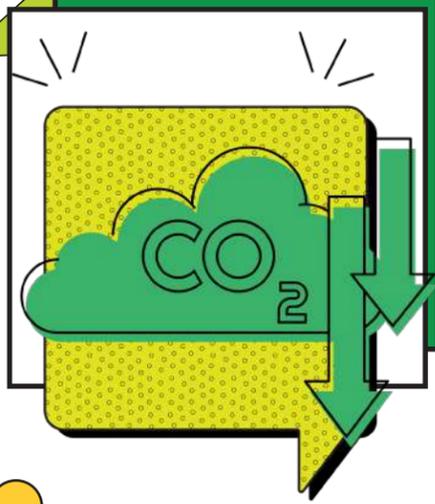
Responsible sourcing practices among SMEs and strategic suppliers.



## Production



- Climate Action Program
- Global Water Program
- Zero Waste to Landfills Program.



## Packaging



Sustainable Packaging Program



## Point-of-sale

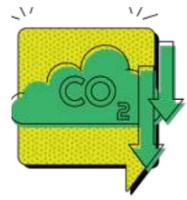


- Efficient refrigerators at the point-of-sale
- Inventory optimization

## Logistics and distribution



- Disruptive technologies in our distribution fleet
- Route optimization
- Refrigerants Conversion Program



# Actions to mitigate climate change



## Climate Action Strategy

In 2021, we reduced our CO<sub>2</sub> equivalent emissions per ton of food produced in our plants<sup>5</sup> and refrigerated transportation fleet (Scope 1 and 2 emissions) by 11.5%, compared to 2015.

Thanks to the implementation of cleaner energy initiatives in our plants, distribution centers and transportation fleet, we have avoided more than 530,000 tons of CO<sub>2</sub>eq since 2015, equivalent to the amount of CO<sub>2</sub> sequestered by 24.5 million trees in a year.

## Calculating emissions in our value chain

During the year, we measured Scope 3 greenhouse gas emissions in our operations in Europe. Based on the results, we estimate that close to 90% of Sigma's total carbon footprint comes from the procurement and transportation

of the raw materials we purchase from our suppliers. Measuring emissions for all three Scopes enables us to establish clear initiatives to reduce the carbon footprint of our operations and supply chain.



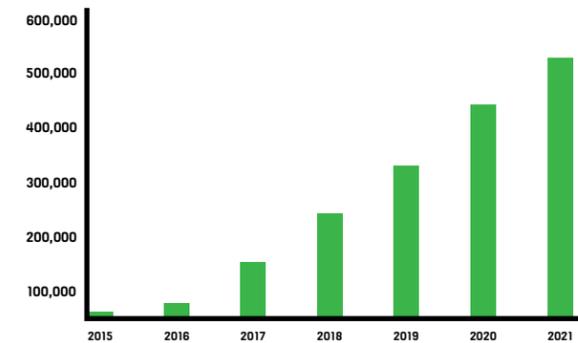
**Our CDP Climate Change score increased to B from C in 2021, two notches above the previous year.**

<sup>5</sup> Information from Pitesti plant in Romania is not included.

## Actions of the Climate Action Program

1. Maximize the use of electricity from cleaner and renewable sources.
2. Make energy consumption at our operations more efficient.
3. Expand the use of cleaner fuels at our operations.
4. Employ new technologies in our distribution fleet.

## Tons of CO<sub>2</sub> eq emissions avoided since 2015 Cumulative figures



**530,000+ tons of CO<sub>2</sub>eq emissions avoided since 2015 through our Green Energy Portfolio.**

## Climate risk management

Aware of the emerging risks brought about by climate change, we assess the risks we are exposed to as a company, including physical and transition risks. Based on these results, we adopted mitigation measures, including

the launch of our Global Water Management Program to address physical risks, and the integration of an internal price for carbon in our assessment of energy projects subject to transition risks.

## Climate Action

**2025 SUSTAINABILITY COMMITMENTS**

**2025 Goal**  
**20% reduction**  
 in CO<sub>2</sub>eq emissions related to our operating plants and transportation fleet, per ton of food produced (versus the 2015 baseline).

**Progress**  
**11.5% reduction**  
 in CO<sub>2</sub>eq emissions per ton of food produced compared to the baseline.



# Reforestation campaigns

Our volunteers joined forces with NGOs to carry out reforestation campaigns that contribute to mitigate emissions, protection of flora and fauna, and strengthening of ecosystem services in the locations where we operate.

## France

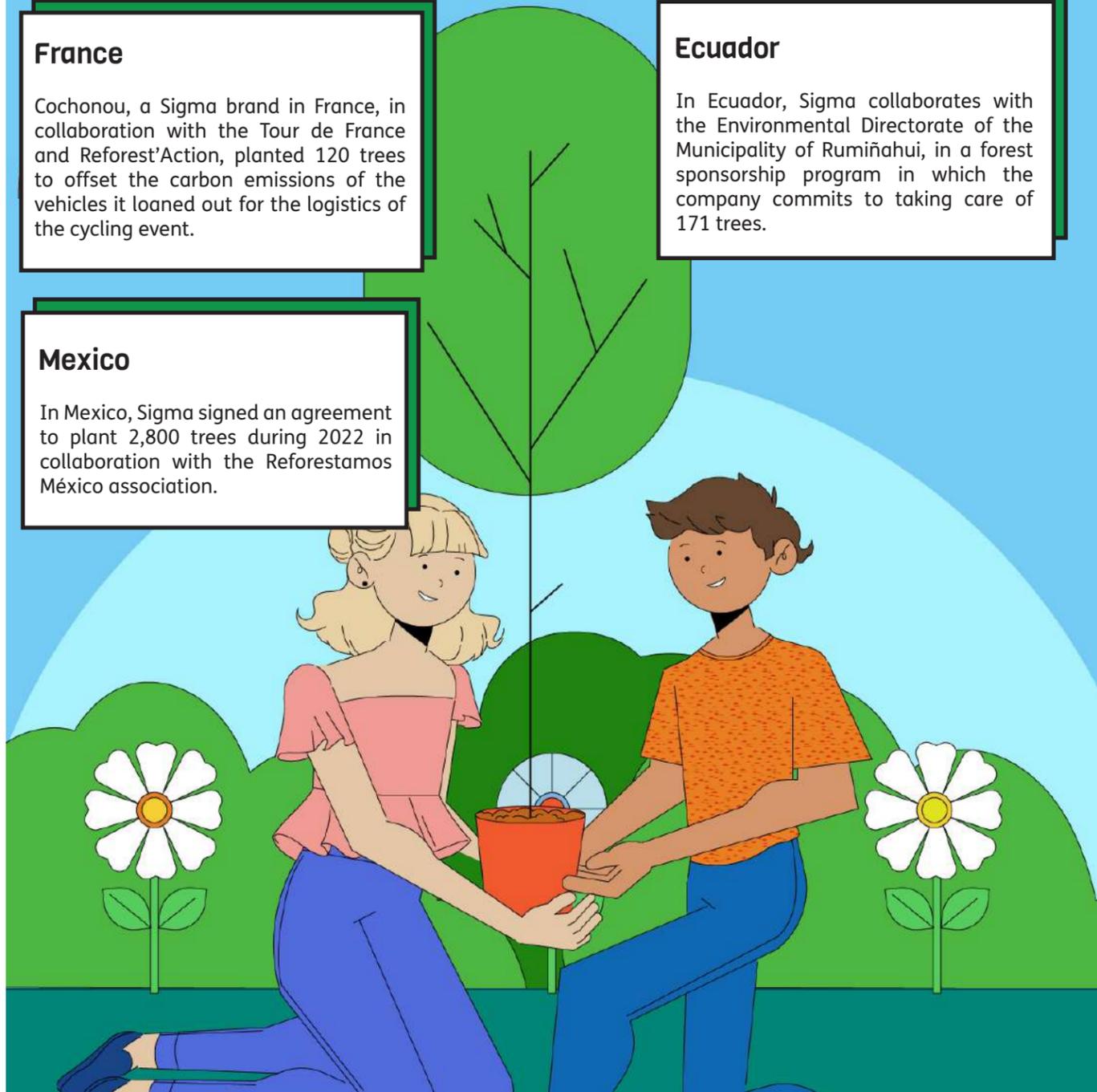
Cochonou, a Sigma brand in France, in collaboration with the Tour de France and Reforest'Action, planted 120 trees to offset the carbon emissions of the vehicles it loaned out for the logistics of the cycling event.

## Ecuador

In Ecuador, Sigma collaborates with the Environmental Directorate of the Municipality of Rumiñahui, in a forest sponsorship program in which the company commits to taking care of 171 trees.

## Mexico

In Mexico, Sigma signed an agreement to plant 2,800 trees during 2022 in collaboration with the Reforestamos México association.



# Maximize the use of cleaner and renewable electricity

## Making progress in the use of cleaner electricity

Resulting from investments made in 2021, our consumption of sustainable electricity<sup>6</sup> grew to 61%. This figure includes our agreements and investments, as well as the green portfolio of the electricity suppliers, which includes wind and solar power as well as efficient co-generation.

We are on track to meet our 2025 commitment of sourcing 67% of our consumption of electricity at our plants from cleaner or renewable sources. This plays a key role in our program to reduce our carbon footprint.

In 2021 we started the installation of solar panels at the Campofrío Frescos and Trujillo plants, in Spain, and at

the Santiago plant, in Dominican Republic, with a total installed capacity of 5.7 MW. In 2022, the total installed capacity of solar energy will increase to continue reducing our emissions. Additionally, we signed a Power Purchase Agreement (PPA) to supply solar energy to 14 distribution centers in Mexico.

A key milestone is the signing of two PPAs, in Spain and Peru, to supply 30% and 100%, respectively, of our consumption of electricity with renewable sources of energy. Likewise, starting in 2021, the Lagos de Moreno plant, in Mexico, receives an increased percentage of electricity generated from cleaner sources of co-generation.

## Green energy portfolio

### Wind power

• 74 sites in Mexico and Peru that consume 142 GWh annually.

### Efficient co-generation

• 31 sites in Mexico that consume 49 GWh annually.

## Clean energy

# 2025 SUSTAINABILITY COMMITMENTS

**2025 Goal**  
**67%**  
 of our electric energy consumption in our plants sourced from cleaner and renewable sources.

**Progress**  
**61%**  
 of our electric energy consumption in our plants generated with cleaner or renewable sources.

<sup>6</sup> Information from Pitesti plant in Romania is not included.



## Electricity efficiency in our operations



In addition to increasing the percentage of electricity that comes from cleaner or renewable sources, we continually increase efficiencies in electricity consumption at our operations. We do this by investing in new technologies and developing management systems. For example, our

second largest plant in Mexico, located in Atitalaquia, has automated systems that optimize the operation of our refrigeration equipment. We also started installing these systems in two additional plants: Occidente and Lagos de Moreno, in Mexico.



### Electricity efficiency at the point-of-sale

We promote the efficient use of electricity across our value chain, including at our clients' points of sale. Since 2014, we have delivered more than 54,800 refrigerators of greater efficiency to commercial establishments that market our products. These refrigerators reduce energy consumption at the point-of-sale and keep food at the ideal temperature and conditions to ensure freshness.



## Expanding the use of cleaner fuels at our operations

### Investments in cleaner technologies

We continually explore opportunities to use more low carbon fuels. This includes initiatives from thermal recovery systems to the full conversion of our production facilities to cleaner fuels.

In 2021, by installing a decompression center, we established the conditions to enable the Chancay plant in Peru to consume 100% natural gas beginning in 2022. With

this investment, 100% of our plants in Peru now operate with cleaner fuels.

This initiative is in addition to the investment made in the Lagos de Moreno plant in Mexico, which has been running mostly on natural gas since 2020, avoiding approximately 3,700 tons of CO<sub>2</sub> equivalent emissions annually.

### Replacing fossil fuels with biomass

We keep assessing strategic partnerships to produce energy by using biomass<sup>7</sup> and therefore, replace the use of fossil fuels in order to reduce CO<sub>2</sub>eq emissions. Cooperation with local supply chains makes this initiative possible. In addition to generating benefits for the economy, the initiative helps reduce the volume of organic waste disposed of in landfills, where, as it decomposes, produces and releases methane

gas, a greenhouse gas that is considerably more harmful for the environment than CO<sub>2</sub>.

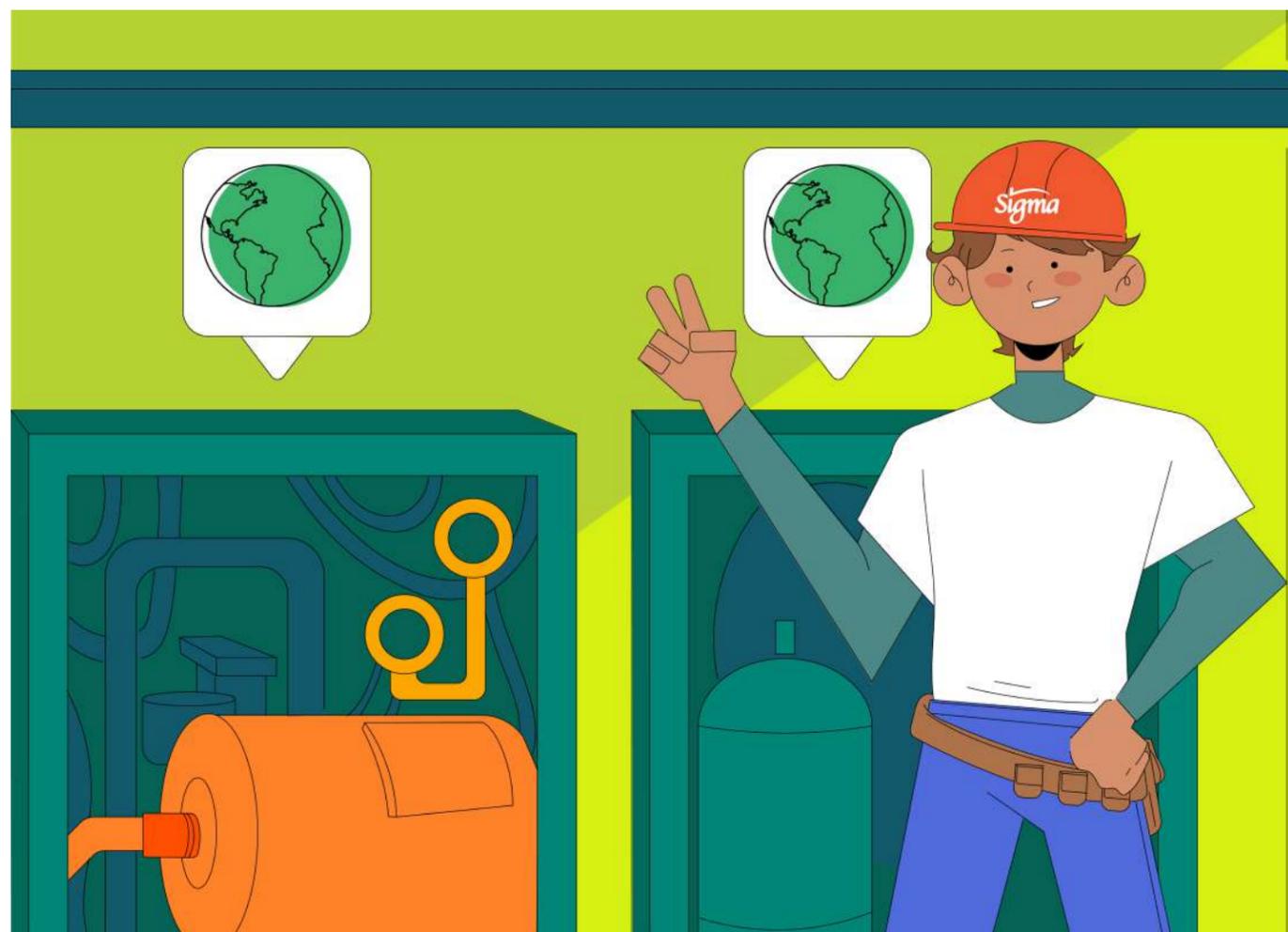
For instance, since 2020, at the Santiago and Sosúa plants in Dominican Republic, we have been employing coconut byproducts to fuel our boilers, which results in benefits for the operation, the environment, and the community.



<sup>7</sup> Biomass waste is classified as carbon neutral fuel because, during combustion, it liberates CO<sub>2</sub> equivalent emissions that had been previously absorbed from the atmosphere.



## More environmentally friendly refrigerants



### Refrigerants Conversion Program

At Sigma, we are continually searching for new, more efficient refrigeration technologies that are more environmentally friendly. In addition to installing sustainable refrigeration systems in the company's expansion and growth projects, we collaborate with suppliers to develop and install cooling systems that have a smaller environmental footprint.

In line with our commitment to the Montreal Protocol, in 2021 we made progress in the implementation of our Refrigerants Conversion Program.

In Europe, we have eliminated the refrigerants that damage the ozone layer, and we continue moving forward

to ensure the use of refrigerants with low global warming potential (GWP) by 2025.

In the US, 80% of our operations use highly efficient refrigerants.

In the rest of our Organizational Units, we are working in a plan to phase out the refrigerants that damage the ozone layer and that generate emissions to the atmosphere. In addition, we continue with our monitoring and controlling efforts to prevent refrigerants leaks.



## Sustainability in Motion Program

### Exploring new technologies

To reduce greenhouse gas emissions, we test hybrid, electric, and compressed-natural-gas-powered vehicles. We also implement route optimization programs, resulting in better fuel efficiency rates. Additionally, we work with

suppliers to convince them to use vehicles with more efficient technologies and lower emissions.

### Electric vehicles

In 2021, we tested a pilot program to explore environmentally friendly technologies in our delivery vehicles, including hybrid and electric vehicles, as well as converting to natural-gas-powered units to reduce greenhouse gas emissions. As a result of this pilot program, we have taken initial steps to approve the acquisition of nine electric last-mile delivery trucks and ten utility electric vehicles that will start operating in 2022.

Additionally, over the course of the year we successfully tested new refrigeration technologies that contribute to reducing fuel consumption in delivery trucks, including the use of eutectic plates, thermal batteries, electric refrigeration equipment, and thermoelectric systems. Going forward, we will continue developing partnerships and investing in research to explore the use of new refrigeration technologies on a larger scale.





# Promoting a circular economy



## Packaging solutions as part of the consumption experience

Our product packaging plays a priority role in protecting food, preserving its properties, ensuring shelf life, and offering the best experience to our consumers.

Packaging is part of the value offering we deliver to clients and consumers, who are looking for functional and practical features such as, packages that can be resealed and reused.

## Sustainable Packaging Program

Through our Sustainable Packaging Program, we incorporate circular economy principles from the first stages of packaging design, including the selection of materials. As a result, we offer our clients and consumers packaging options which, in addition to ensuring the food safety of our products, are environmentally friendly.

The Sustainable Packaging Program considers a portfolio of initiatives to reduce the amount of plastic in packaging, in addition to using recycled, recoverable, and biodegradable materials. As a result, in 2021 we avoided the use of more than 1,200 tons of virgin plastic, for a total of 6,500 tons avoided since 2019.

## The Sustainable Packaging Program the following actions:

1. Reduce the use of plastic.
2. Eliminate components or layers.
3. Increase the percentage of recycled plastic.
4. Use biodegradable materials.
5. Use materials that are reclaimable and recyclable.

## Focus on research and development for packaging

Through the Sustainable Packaging Program, we invest in research and development of new technologies that contribute to achieving our environmental commitments. Guided by a comprehensive vision of the future of packaging, we employ a platform focused on using biofriendly materials. Additionally, we expand our research to include the development of new materials and methods for secondary packaging and more sustainable packing.

The program includes the participation of a global team that collaborates with the Research and Development, Innovation, Quality, Technology, and Marketing divisions, as well as with suppliers, academia, and entrepreneurs.





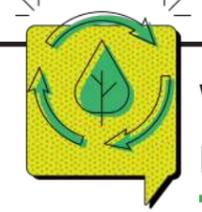
### 100% recyclable plastic packaging

In France, the Aoste and Justin Bridou brands launched 100% out of recyclable plastic packaging for its sliced cold cuts lines.



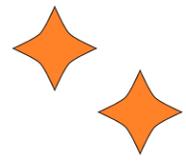
Packaging solutions that use less plastic as a result of reductions in thickness, layers, or components.

### Use less materials



### We reduce the thickness of rigid packaging

13% reduction in the thickness of rigid packaging in San Rafael products, as well as a 25% reduction in the use of plastic in Yoplait yogurt in Mexico.



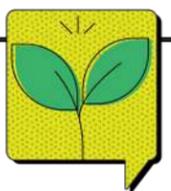
### Use recoverable and recyclable materials

Simpler packaging with the right materials make recycling easier.



### Use more recycled materials

Increase in the percentage of recycled plastic, avoiding the disposal of materials in landfills.



### More biodegradable packaging

We made progress in the use of biodegradable components in more than 88 new packages for products in Mexico and LATAM.



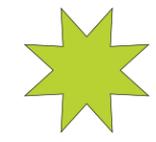
### Use biodegradable material

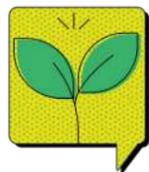
Packaging with biodegradable components in a period of less than five years.



### Innovative packaging solutions

Integrated 60% recycled materials in rigid packaging of the San Rafael brand in Mexico. In the US, we used more than 100 tons of recycled plastics in 2021. In Europe, we employed up to 100% recycled plastics in our pizza packaging.





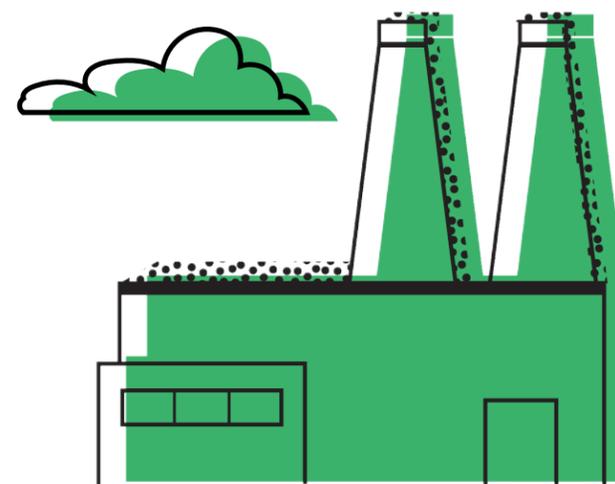
# Progress toward zero waste to landfills



## Comprehensive waste management

We continue to work to effectively manage waste in our operations. We separate waste so that authorized third parties can reuse or recycle it or dispose of it in adherence to local regulations. Likewise, we constantly search for new allies who can co-process a larger percentage of our waste.

In Europe, Sigma implemented the Zero Waste to Landfills Program, through which at least 90% of the solid waste is recycled or repurposed. Thus far, 10 plants have reached the Zero Waste to Landfills status.



In 2021, the Atitalaquia plant in Mexico implemented a process for producing pallets and trays out of plastic made from packaging waste.

## We work as a team

Transitioning to a circular economy is a responsibility that requires everyone's participation. In addition to the work we do within the company, we participate in different non-profit associations focused on promoting a culture of recycling and adequate waste management among consumers and society as a whole, including ECOCE in Mexico and ECOEMBES in Spain.





# Efficient and responsible water management



## Water custodians

We apply strict quality criteria in water management. As a result, our consumption per ton of food produced is below the industry average<sup>8</sup>, according to global assessment standards. We invest in water treatment systems and in the implementation of new technologies. Furthermore, we conduct a comprehensive preventive maintenance

program. These initiatives enable us to improve our efficiency to achieve our 2025 goal of reducing water consumption by 20% per ton of food produced, compared to water consumption levels in the plants that were operating at year-end 2018.

<sup>8</sup> Source: Sustainalytics, 2021 assessment of our environmental, social, and corporate governance performance.

## Global Water Management Program

In 2021 we took the first steps in the Global Water Management Program to establish governance parameters and generate efficiencies to continually improve our water usage.

The first step in preparing the Global Water Management Program was an assessment of physical, operational, and regulatory risks, both current and expected, in all our plants and for the operations of several of our strategic suppliers of meat and dairy inputs.

The risk assessment included the use of Aqueduct, an online tool of the World Resources Institute (WRI) that provides information to gauge and mitigate risks related to water globally. As a result, we were able to identify those operations currently located in areas of water stress.

Afterwards, we complemented the risk assessment with an internal benchmarking exercise to identify the best-performing plants and share best practices to optimize water consumption. The following steps will be taken during 2022.

### Global Water Management Program Process

| Steps   | Tool                                 |
|---|--------------------------------------|
| 1. Risk and plant-specific opportunities assessment   | Aqueduct (WRI)                       |
| 2. Short-term plan for priority operations            | Internal benchmarking                |
| 3. Long-term plan to grow with efficient use of water | New Sigma Global Water Policy        |
| 4. Monitoring   | Executive Committee monthly meetings |



## Efficiency and excellence in the use of water

Based on the conclusions of the risk assessment, we have established a roadmap for continuing to strengthen our performance in water consumption. The main goal is to identify in greater detail specific internal water consumption sources in our priority operations and deploy investments in technology and the application of the best practices we

have identified —particularly from our operations in Mexico where we have efficient water management systems.

The Global Water Management Program will allow us to take the next steps:

- Establish even more ambitious water consumption reduction goals for every plant.
- Invest and develop new transformational technologies.
- Establish in our growth plans an internal price for water and strict usage parameters.
- Understand the risks and opportunities pertaining to water presented by suppliers.
- Strengthen collaboration with our main stakeholders in caring for water.

The Executive Committee meets on a monthly basis to follow-up our short- and long-term roadmap for excellence in water usage, and to monitor how the risks identified

with the Global Water Management Program are being managed.



**Our CDP Water Security score increased to B from C in 2021, two notches above the previous year.**

## Proactive management of hydrological risks

The risk assessment we conducted in 2021 considers water stress regions in the 18 countries where we operate. The preservation of natural resources and the achievement of the 2030 Agenda for Sustainable Development are part of the key criteria to mitigate related risks.

As part of our Global Water Management Program, we have put together information on the water stress of our risk management processes and business growth plans.

It is noteworthy that our operations in Mexico, where most water risks are located, have the highest water use efficiency —achieving outstanding results on a comparative basis within the global food industry.

## Investments in water harvesting systems

We implement initiatives to make water consumption at our operations more efficient with investments to expand, improve, and update our infrastructure for treating and storing water.

These actions enable us to recycle and reuse water in our plants. For example, the plants in Mexico with highest

consumption have an additional water treatment system that increases recovery at the end of the production cycle for use in secondary processes, including condensers, irrigation, and for washing vehicles and restroom facilities.

## COVID-19 hygiene protocols

Due to the challenges of the pandemic, in addition to the robust hygiene protocols under which our plants always operate, we implemented additional sanitation measures for people, equipment, and workspaces in an 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, they resulted in atypical water consumption in our operations.



## Water Management

**2025**  
SUSTAINABILITY  
COMMITMENTS

**2025 Goal**  
**20% reduction**  
in water consumption per ton of food produced at our plants since 2018.

**Progress**  
**3.4% increase**  
increase in water usage from the baseline, resulting mainly from the challenges of the COVID-19 pandemic and additional hygiene and sanitation measures deployed during this period.

# INTEGRITY, COMPLIANCE, AND CORPORATE GOVERNANCE



At Sigma, we are guided by a clear purpose that includes achieving our results ethically and in line with our principles.

|   |            |
|---|------------|
| <b>Sigma Global Code of Conduct</b>                 | <b>112</b> |
| <b>Policies and procedures</b>                      | <b>114</b> |
| <b>Risk management</b>                              | <b>116</b> |
| <b>Among the companies with the best reputation</b> | <b>117</b> |
| <b>Transparency Helpline</b>                        | <b>118</b> |
| <b>Management Team</b>                              | <b>119</b> |
| <b>Advisory Board</b>                               | <b>120</b> |
| <b>Corporate Governance at ALFA</b>                 | <b>121</b> |
| <b>Structure of the ALFA Board of Directors</b>     | <b>122</b> |



# Sigma Global Code of Conduct

Over the course of the year, we continued our internal campaign inviting employees to get to know and comply with the Global Code of Conduct, which aligns our standards, criteria, and expected behaviors in terms of ethics and sustainability within the company and with our stakeholders.

Employees sign the Code as part of their commitment to following its principles. The Code of Conduct serves as a guide to make decisions and achieve results with

integrity and in line with our Culture, Purpose, Principles, and Expected Behaviors. Additionally, the Code guides employees throughout the process to use the Transparency Helpline to report any potential situation that does not comply with, or that appears to not comply with, the Code.

We ask our suppliers and business partners to act and behave within the framework established by the general principles included in the Code.

## Topics included in the Code of Conduct

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

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

## Training programs

Sigma offers training sessions on our policies and procedures based on the responsibilities assigned to each employee. Employees are required to take training courses on the Code of Conduct. Other training may include issues such as anti-trust, legal compliance, conflicts of interest, anti-corruption, data privacy, and intellectual property, among others.

The company also has programs in place for employees to become familiar with, understand, and commit to the principles included in the Code of Conduct. Accordingly, local teams are empowered to establish strategies to promote knowledge of and reinforce adherence to the Code.

In addition to training initiatives relating to the Code of Conduct, we implemented internal communications campaigns employing e-mail, the intranet, and posters to promote understanding of and compliance with the principles of the Code.

In 2021, we conducted several training initiatives, including in-person training sessions, interactive virtual courses, and meetings with the Executive Committee and the company's leaders. We employed mechanisms to obtain digital acknowledgment from employees stating they understand and will comply with the Code of Conduct. New hires receive a copy of the Code of Conduct as part of their onboarding process. We expect to be able to rollout the Code of Conduct to all of our 44,000 employees during 2023.





# Policies and procedures

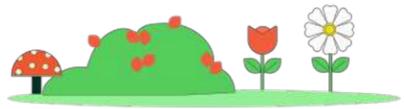
The policies and procedures governing the ethical conduct of our employees and business partners are led by the CEO, who is involved in developing and approving actions to strengthen a culture of respect for business values and

compliance with ethical guidelines. As an ALFA company, Sigma adheres to the group's corporate policies.

## ALFA Policies

Governance at ALFA is composed of more than 50 policies, which include support documentation to ensure an adequate understanding and their correct implementation

in the business processes. The main topics covered by these policies include the following:



- Human Capital
- Comptrollership and finance
- Technology
- Communication
- Internal Audits
- Safety
- Procurement
- Legal

Every Organizational Unit is obliged to adhere to the regulatory framework established in the ALFA Policies. The policies of the ALFA subsidiaries may include different conditions, but they may not exceed the corporate guidelines.

with all applicable anti-corruption legislation in every country where it operates. This includes compliance with the US Foreign Corrupt Practices Act (FCPA), which establishes the basic norms and frame of reference to prevent, detect, investigate, remedy, and sanction acts of corruption. The Conflicts of Interest Policy establishes the general guidelines to identify and promptly mitigate any situation that could involve a conflict of interest.

At ALFA, the Code of Ethics, Anti-corruption Policy, and the Conflicts of Interest Policy establish the standards of conduct the company expects from its subsidiaries and employees. These policies ratify the company's commitment to operate in an honest manner, in strict compliance with applicable law, avoiding conflicts of interest, and with zero tolerance for corruption.

ALFA fosters respect and promotes Human Rights through its Human Capital policies that are aligned to the programs of the International Labour Organization. These reject all acts of discrimination, child labor or exploitation, forced labor, abuse, and coercion, as well as threats and impediments to free union association or collective bargaining for employees.

The ALFA Code of Ethics reflects the company's philosophy and key principles that are vital to its successful operation. The ALFA Anti-corruption Policy focuses on compliance



**ALFA Code of Ethics:**  
[Available here](#)

**Anti-corruption Policy:**  
[Available here](#)

## Sigma ESG Policies

At Sigma we have a series of policies in place that establish the principles to include environmental, social, and corporate governance (ESG) elements in our operations and behaviors across the organization. These policies include:

- Global Code of Conduct
- Prevention of Harassment and Discrimination Policy
- Environmental, Social, and Governance Policy
- Anti-Corruption Policy
- Nutrition Policy
- Conflicts of Interest Policy
- Quality and Food Safety Policy
- Responsible Sourcing Code
- Product Development Policy



**Sigma Policies:**  
<https://sustainability.sigma-alimentos.com/our-reports/>





# Risk management

## Comprehensive focus

Every year, functional departments participate in the identification of risks to which the organization is exposed to, as well as the procedures to mitigate them. Risk management involves the procurement, operations, markets, sales, brands, reputation, strategy, human capital, information technologies, financial, regulation, and industry standards divisions. It also entails consideration of environmental, social, and corporate governance factors. Additionally, every

region contributes with their local understanding and vision to complement the company's risk assessment.

The action plan to mitigate risks takes into consideration the nature, probability and potential impact, as well as the timeline and teams responsible for each initiative. The plan's rollout considers four perspectives: metrics and goals, management, strategy, and governance.

### The following are among the emerging risks we have identified:

| Risks  | Category      | Potential impact | Probability | Mitigation actions   |
|--|---------------|------------------|-------------|--|
| Cyberattacks   | Technological | High             | High        | Continue strengthening abilities and capabilities of the current resources and adjust, as needed. Raise awareness among employees through simulations and trainings.                           |
| New environmental regulations                          | Legal         | Medium           | Medium      | Work together with suppliers to evaluate the environmental impact and identify collaboration opportunities. Continue environmental investments to comply or exceed the regulations that apply. |
| Impact of the COVID-19 pandemic on business continuity | Social        | Low              | Low         | Develop, monitor, and update personal protection protocols. Conduct awareness campaigns.   |

## Risk oversight at the ALFA Board of Directors level

At ALFA, every subsidiary is responsible for identifying and managing risks, including ESG risks. This enables the company to ensure that the initiatives and strategies suggested to mitigate risks are optimized depending on the sector in which they operate.

Afterwards, ALFA consolidates the information for each

Organizational Unit and communicates it to the Audit Committee of the ALFA Board of Directors for follow-up. Since 2021, the Audit Committee of ALFA's Board of Directors includes ESG risks assessment in their regular meetings. ALFA's Internal Audit division is responsible for employing a systemic focus to evaluate the control, corporate governance, and risk management processes.



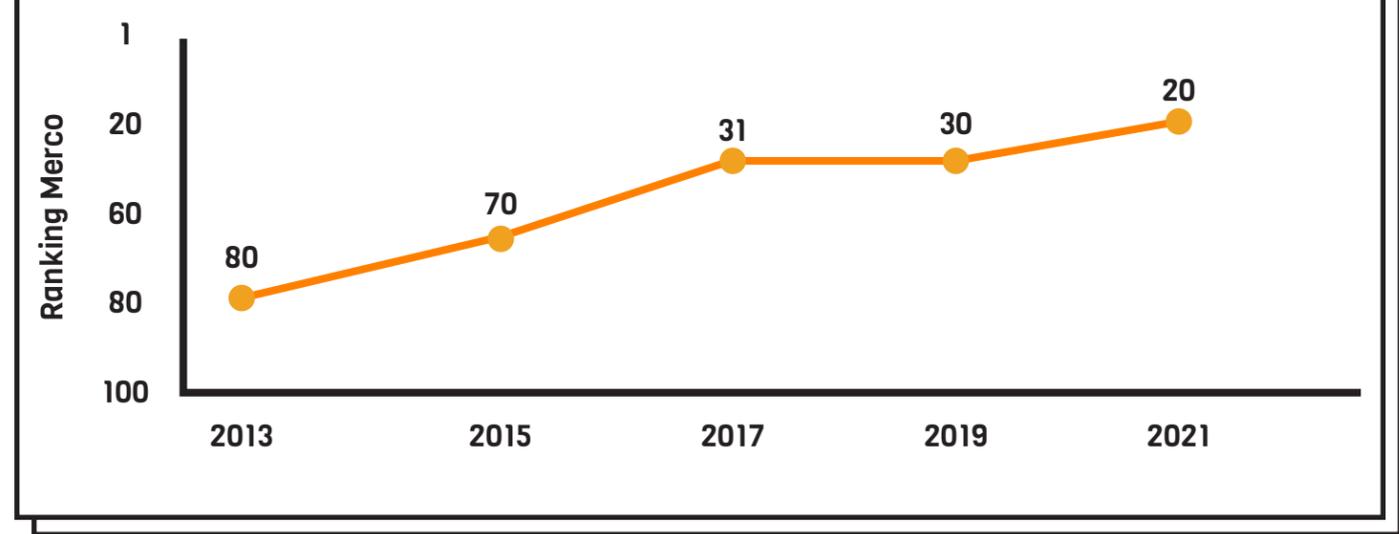
# Corporate reputation

## Among the companies with the best reputation

Sigma's operation in Spain was recognized as one of the top 100 companies with the best corporate reputation, according to the Merco Companies and Leaders index in Spain, placing 20th in the general ranking. In addition, it ranked third in the food sector and 23rd in the ESG specialized index.

Sigma's operation in Mexico ranked 11th in the food sector.

Sigma Spain's position, corporate reputation



# Integrity and Transparency Helpline

The company offers a Transparency Helpline through which to submit complaints or report on non-compliance with the Sigma and ALFA policies, as well as with the Code of Conduct. The company relies on the Helpline to detect, investigate, and remedy reported violations. The helpline's functioning and contact methods are constantly communicated through the ALFA and Sigma websites, the company's intranet, internal e-mails, and posters. In addition, the helpline is referenced in company paperwork, such as orders, requests for estimates, and invoices.

The helpline operates 24/7 via the website, e-mail, SMS, or toll-free numbers.

During 2021, 867 reports were made to the Transparency Helpline related to Sigma; 12% are currently under investigation, and 88% were resolved over the course of the year. Of these, 36% were deemed invalid as the assessment showed they had no merit or were false, and remediation plans were implemented for the rest. In 111 cases, employees were dismissed from Sigma or a relationship with a business vendor was ended.

## Monitoring process for reports related to Sigma received through the Integrity and Transparency Helpline

|                              |   |  |
|------------------------------|---|--|
| <b>Complaint is received</b> | <b>Channels</b> <ul style="list-style-type: none"> <li>• Toll-free multi-language numbers in 18 countries</li> <li>• E-mail</li> <li>• Website</li> <li>• SMS</li> </ul>  |  |
| <b>Classification</b>        | <b>ALFA Internal Audit</b> <ul style="list-style-type: none"> <li>• Translates and/or transcribes message</li> <li>• Reviews and classifies message</li> <li>• Assigns responsible party within Internal Audit</li> </ul>   |  |
| <b>Allocation</b>            | <b>ALFA Internal Audit</b> <ul style="list-style-type: none"> <li>• Analyzes message content</li> <li>• Assigns responsible party to carry out investigation</li> </ul>   |  |
| <b>Investigation</b>         | <b>Sigma / ALFA Internal Audit</b> <ul style="list-style-type: none"> <li>• Plans and conducts investigation</li> <li>• Documents findings and conclusions</li> <li>• Establishes and executes action plans</li> <li>• Review and classify each message</li> <li>• Assigns an Internal Audit responsible</li> </ul> | <b>ALFA Internal Audit</b> <ul style="list-style-type: none"> <li>• Assesses and offers feedback on the results of the investigation</li> <li>• Endorses action plans</li> </ul> |
| <b>Conclusion</b>            | <b>ALFA Transparency Committee</b> <ul style="list-style-type: none"> <li>• Reviews results of the investigation and action plans</li> <li>• Authorizes closing of the investigation</li> </ul>   |  |



**Transparency Helpline**  
<http://www.alfa.com.mx/buzon.html>  
[buzon@alfa.com.mx](mailto:buzon@alfa.com.mx)

**For more information, review the 2021 ALFA Annual Report at**  
<https://www.alfa.com.mx/RI/reportes.htm>



# Management Team



**Rodrigo Fernández**

Sigma CEO  
 MBA Wharton

## Organizational Units



**Eugenio Caballero**

CEO Mexico  
 MBA Harvard



**Ricardo Doehner**

CEO Europe  
 MBA Michigan



**Jesús Lobo<sup>9</sup>**

CEO USA  
 MBA Cornell University



**Sergio Ramos**

CEO Latin America  
 MBA University of Texas Austin



**Gerardo Carcoba<sup>10</sup>**

CEO Foodservice  
 MBA DUXX

## Central Functions



**Roberto Olivares**

CFO - Finance  
 MBA Duke



**Gregorio de Haene**

CRISO - Research, Innovation, and Sustainability  
 MBA ITESM



**Daniel Alanis**

CGO - Growth  
 MBA & Msc. Mechanical Engineering  
 University of Michigan



**Ernesto Gómez**

CTCO - Talent & Culture  
 Executive Programs



**Alejandro Suárez**

CIO - Information Technology  
 Master in Operations Research  
 George Washington University

<sup>9</sup> Jesús Lobo assumed the role of CEO USA, previously held by Warren Panico. Changes took effect February 2022.

<sup>10</sup> Gerardo Carcoba assumed the role of CEO Foodservice, previously held by Armando de la Peña. Changes took effect May 2022.



# Advisory Board

The Sigma Advisory Board was formed during the first quarter of 2022 to bolster capacity to generate long-term value. The company undertook a search and selection process to retain an extraordinary group of 13 talented individuals with broad backgrounds and outstanding track records, as well as character and integrity; 62% are independent.

The areas of expertise include Strategic Planning, Finance, Operations, Consulting, Entrepreneurship, Private Capital, Sustainability & ESG, Healthcare & Nutrition, and Retail.

| Member               | Background   |
|----------------------|--|
| María Teresa Arnal*  | Latin America Business Director – Stripe                                     |
| Diego Calderón       | Proprietary Independent  |
| María Eugenia Casar* | Former Assistant Executive Director at the World Food Program, UN            |
| Juan Enriquez*       | Chairman and CEO - Biotechonomy, LLC   |
| Álvaro Fernández     | President - ALFA   |
| Armando Garza        | Chairman of the Board of Directors – ALFA                                    |
| Brenda Garza         | Proprietary Independent  |
| Ángel Losada*        | Executive President and Chairman - Grupo Gigante                             |
| Eduardo Padilla*     | Former CEO – FEMSA   |
| Anthony Pralle*      | Former Partner and Managing Director - BCG, Consumer and Operations in Spain |
| Alejandro Ruiz       | Proprietary Independent  |
| Ricardo Saldívar*    | Former CEO and President - Home Depot Mexico                                 |
| Silvia Sonneveld*    | SVP Corporate and Nutrition Strategy – DSM                                   |

\* Independent members.  
 Carlos Jiménez, Senior Vice President of Legal and Corporate Affairs at Alfa, serves as Secretary to the Advisory Board.



# Corporate Governance at ALFA

As part of ALFA, we follow the corporate governance guidelines established by its Board of Directors, whose goal is to ensure that decisions regarding the company’s strategy are consistent with the highest integrity, transparency, and value creation standards. ALFA adheres to the Code of Principles and Best Corporate Governance Practices (CMPC), which has been in force in Mexico since 2000.

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

Companies that trade on the Mexican Stock Exchange (BMV) must disclose the extent to which they adhere to the Code of Principles and Best Corporate Governance Practices. This is done annually by responding to a questionnaire, which is available to the public through the Mexican Stock Exchange’s web site. The following is a summary of ALFA’s corporate governance as stated in the May 2021 questionnaire, with any pertinent information updated:

A. The ALFA Board of Directors comprises twelve members who have no alternates. Of this number, eight are Independent, two are Related Patrimonial Board Members, one is an Independent Patrimonial Board Member and, lastly, one lacks a specific classification for being the CEO of a public limited company in whose board of directors our President participates. ALFA’s annual report provides information on all the Board’s members, identifying those who are independent and the Committees in which they participate.

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

C. The ALFA 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 its members. At least one of these meetings is dedicated to defining the company’s medium and long-term strategy.

D. Members must inform the Chairman of any conflicts of interest that may arise and must abstain from participating in the corresponding deliberations. Average attendance at Board meetings was 94.84% during 2021.

E. During much of tax year 2021, 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 the Board and committee members to interact effectively given the availability of audio and video features.

F. The Audit Committee studies and issues recommendations to the ALFA Board on matters such as the selection and determination of fees to the independent auditor, coordinating with the internal audit area of the company, and studying accounting policies, as well as the review of environmental, social, and governance matters, among other functions.

G. ALFA has internal control systems whose general guidelines are submitted to the opinion of the Audit Committee. In addition, the independent auditor validates the effectiveness of the internal control system and issues the corresponding reports.

H. The Planning and Finance Committee evaluates all matters relating to its particular area and issues recommendations to the Board on matters such as feasibility of investments, strategic positioning of the company, alignment of investment and financing policies, and review of investment projects.

I. The Corporate Practices Committee is responsible for issuing recommendations to the ALFA Board on such matters as employment conditions and severance payments for senior executives, compensation policy, succession plans, and substitution letters, among others.

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

**The ALFA Audit Committee is in charge of reviewing the company’s environmental, social, and corporate governance matters, as well as those of its subsidiaries.**



# ALFA Board of Directors

| Member                              | Background  |
|-------------------------------------|---|
| José Calderón Rojas                 | Chairman of the Board and CEO of Franca Industrias                    |
| Enrique Castillo Sánchez Mejorada   | Managing Partner of Ventura Capital Privado                           |
| Francisco Javier Fernández Carbajal | CEO of Servicios Administrativos Contry                               |
| Álvaro Fernández Garza              | President of ALFA   |
| Armando Garza Sada                  | Chairman of the Board of ALFA   |
| Claudio X. González Laporte         | Chairman of the Board of Kimberly-Clark México                        |
| David Martínez Guzmán               | Founder and Managing Director of Fintech Advisory Inc.                |
| José Antonio Meade Kuribreña        | Independent Advisor   |
| Alejandro Ramírez Magaña            | CEO of Cinépolis  |
| Adrián G. Sada Cueva                | CEO of Vitro  |
| Federico Toussaint Elosúa           | Chairman of the Board and CEO of Grupo Lamosa                         |
| Guillermo F. Vogel Hinojosa         | Chairman of the Board of Grupo Collado and Exportaciones IM Promoción |

Carlos Jimenez, Senior Vice President of Legal and Corporate Affairs at Alfa, serves as Secretary to the Board.

## Sigma About this Report

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

### Reporting cycles

This is our eleventh Annual Sustainability Report, which covers the results of the 2021 calendar year.

### Companies included in the report (GRI 102-45)

In the preparation of this 2021 Report, we included the information of all facilities over which we have operational control, for both environmental and social indicators. In calculations for the 2025 Goals related to CO<sub>2</sub>eq emissions, water intensity, consumption of cleaner and renewable sources of energy, and food safety certifications, we included only manufacturing plants acquired as of 2018.

### Key topics (GRI 102-46, GRI 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 "Our priority issues" on page 20 of this report.

### Changes in the company and restatements of information (GRI 102-48, GRI 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 compilation processes or criteria that would require a restatement of information. We revised the criteria used to tally the number of operations, resulting in a total of 65 plants across all our geographies.

### Preparation of the information

The information in this report was obtained through interviews with executives in our Headquarters and Organizational Units, internal databases, and sustainability-related questionnaires. In drafting this 2021 report, we launched a new digital system that strengthens the process to compile information and the corresponding documents.

### Monitoring metrics

To measure the results of our initiatives, key performance indicators, and progress toward our 2025 Goals, we employed internal criteria to monitor the company's performance in areas that are key to our Sustainability Strategy. The information provided has been validated internally. No external verification of the report is performed.

### GRI Reporting Standards (GRI 102-54)

This report has been prepared in accordance with the Core option of the GRI Standards, the most widely used methodology globally for preparing sustainability reports. For more information about GRI, visit their website.

# Performance in detail

## HEALTH AND NUTRITION

| GRI 417-1 | Requirements for product and service information and labeling   | 2020 | 2021 |
|-----------|---|------|------|
|           | Is the reporting organization required to report relevant information on product labels?                            | Yes  | Yes  |
|           | Types of information required by the organization's procedures for product and service information and labeling (%) | 100  | 100  |
|           | Ingredients   | Yes  | Yes  |

## SHARED VALUE

| GRI 204-1 | Proportion of spending on local suppliers                                       | 2020            | 2021 |
|-----------|---|-----------------|------|
|           | Percentage of the procurement budget spent on suppliers local to operations (%) | 68 <sup>1</sup> | 66   |

## WELLBEING

| GRI 102-8 | Employees   | 2019   | 2020   | 2021   |
|-----------|---|--------|--------|--------|
|           | Total employees (No.)                             | 45,864 | 43,925 | 44,305 |
|           | Employees by gender and employment contract (No.) |        |        |        |
|           | Women   | 18,271 | 17,422 | 17,701 |
|           | Men   | 27,593 | 26,503 | 26,604 |
|           | Employees with permanent contract                 | 45,313 | 42,598 | 42,700 |
|           | Women   | 18,031 | 16,846 | 16,894 |
|           | Men   | 27,282 | 25,752 | 25,806 |
|           | Employees with temporary contract                 | 551    | 1,327  | 1,605  |
|           | Women   | 240    | 577    | 807    |
|           | Men   | 311    | 750    | 798    |
|           | Employees by region and employment contract (No.) |        |        |        |
|           | Mexico  | 28,863 | 27,185 | 27,474 |
|           | LATAM   | 6,030  | 5,579  | 5,672  |
|           | Europe  | 8,077  | 8,107  | 7,838  |
|           | USA   | 2,894  | 3,954  | 3,321  |
|           | Employees with permanent contract                 | 45,313 | 42,598 | 42,700 |
|           | Mexico  | 28,386 | 26,534 | 26,903 |
|           | LATAM   | 5,956  | 5,483  | 5,110  |
|           | Europe  | 8,077  | 7,527  | 7,372  |
|           | USA   | 2,894  | 3,054  | 3,315  |
|           | Employees with temporary contract                 | 551    | 1,327  | 1,605  |
|           | Mexico  | 477    | 651    | 571    |
|           | LATAM   | 74     | 96     | 562    |
|           | Europe  | 0      | 580    | 466    |
|           | USA   | 0      | 0      | 6      |
|           | Employees by employment type                      |        |        |        |
|           | Employees with full-time contract                 | 45,122 | 42,742 | 43,090 |
|           | Women   | 17,557 | 16,437 | 16,684 |
|           | Men   | 27,565 | 26,305 | 26,406 |
|           | Employees with part-time contract                 | 742    | 1,183  | 1,215  |
|           | Women   | 714    | 985    | 1,017  |
|           | Men   | 28     | 198    | 198    |

<sup>1</sup> The percentage of local suppliers for 2020 was reviewed and updated considering raw material suppliers only, as defined by our Responsible Sourcing Commitment.

| GRI 405-1 | Diversity and equal opportunity | 2020   | 2021   |
|-----------|---------------------------------|--------|--------|
|           | Total employees (No.)           | 43,925 | 44,305 |
|           | Under 30 years old              | 9,179  | 8,729  |
|           | 30-50 years old                 | 27,186 | 27,502 |
|           | Over 50 years old               | 7,560  | 8,074  |
|           | Operations employees            | 34,392 | 33,848 |
|           | Under 30 years old              | 7,569  | 7,002  |
|           | 30-50 years old                 | 21,168 | 20,783 |
|           | Over 50 years old               | 5,655  | 6,063  |
|           | Administrative employees        | 8,860  | 9,798  |
|           | Under 30 years old              | 1,602  | 1,719  |
|           | 30-50 years old                 | 5,614  | 6,337  |
|           | Over 50 years old               | 1,644  | 1,742  |
|           | Executive employees             | 673    | 659    |
|           | Under 30 years old              | 8      | 8      |
|           | 30-50 years old                 | 403    | 382    |
|           | Over 50 years old               | 262    | 269    |

| GRI 401-1 | New employee hires and employee turnover | 2020               | 2021   |
|-----------|--|--------------------|--------|
|           | Employee hires (No.)                     | 8,416              | 11,836 |
|           | New employee hires by gender (No.)       |                    |        |
|           | Women                                    | 2,896              | 4,758  |
|           | Men                                      | 5,520              | 7,078  |
|           | New employee hires by age (No.)          |                    |        |
|           | Under 30 years old                       | 5,855 <sup>2</sup> | 5,808  |
|           | 30-50 years old                          | 2,243              | 5,503  |
|           | Over 50 years old                        | 318                | 525    |
|           | New employee hires by region (No.)       |                    |        |
|           | Mexico                                   | 5,196              | 7,084  |
|           | LATAM                                    | 1,185              | 1,311  |
|           | Europe                                   | 1,016              | 1,142  |
|           | USA                                      | 1,019              | 2,299  |
|           | Employee turnover <sup>3</sup> (No.)     |                    | 10,119 |
|           | Employee turnover by gender (No.)        |                    |        |
|           | Women                                    |                    | 3,951  |
|           | Men                                      |                    | 6,168  |
|           | Employee turnover by age (No.)           |                    |        |
|           | Under 30 years old                       |                    | 4,004  |
|           | 30-50 years old                          |                    | 5,022  |
|           | Over 50 years old                        |                    | 1,093  |
|           | Employee turnover by region (No.)        |                    |        |
|           | Mexico                                   |                    | 6,081  |
|           | LATAM                                    |                    | 1,313  |
|           | Europe                                   |                    | 906    |
|           | USA                                      |                    | 1,819  |

| GRI 401-3 | Parental leave   | Women | Men | Total |
|-----------|--|-------|-----|-------|
|           | Employees that took parental leave (No.)   | 527   | 526 | 1,053 |
|           | Employees that returned to work in the reporting period after parental leave ended (No.)   | 451   | 513 | 964   |
|           | Rate of employees that returned to work in reporting period after parental leave ended (%) | 86    | 98  | 92    |

| GRI 402-1 | Minimum notice periods regarding operational changes  | 2021 |
|-----------|---|------|
|           | 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    |

<sup>2</sup> 30 to 35-year-old employees are included due to different criteria used in 2020. Since 2021, the age range "Under 30 years old" is reported.

<sup>3</sup> The collection and reporting of information on employee turnover is carried out since 2021.

| <b>GRI 403-9 Work-related injuries</b>                    | <b>2020</b> | <b>2021</b> |
|---|-------------|-------------|
| Number of fatalities as a result of work-related injuries | 0           | 0           |
| Rate of fatalities as a result of work-related injuries   | 0           | 0           |
| Number of recordable work-related injuries                | 800         | 908         |
| Rate of recordable injuries (per million of worked hours) | 8.18        | 9.29        |
| Worked hours (million of worked hours)                    | 97.8        | 97.6        |

| <b>GRI 404-1 Average hours of training per year per employee</b>  | <b>2020</b> | <b>2021</b> |
|---|-------------|-------------|
| Average hours of training that the organization's employees have undertaken during the reporting period | 19.4        | 26.1        |

| <b>GRI 406-1 Incidents of discrimination and corrective actions taken</b>            | <b>2020</b>      | <b>2021</b> |
|--|------------------|-------------|
| Total number of incidents of discrimination during the reporting period              | 114 <sup>4</sup> | 103         |
| Incidents still under review by the organization (%)                                 | 8                | 12          |
| Incidents that have concluded review by the organization (%)                         | 92               | 88          |
| Incidents reviewed and no subject to action (%)                                      | 37               | 41          |
| Incidents reviewed and with remediation plans (%)                                    | 63               | 59          |
| Incidents resulting in dismissal of employees (%)                                    | 21               | 30          |
| Incidents where contracts with third-parties have been terminated or not renewed (%) | 0                | 0           |
| Other remediation plans (%)  | 79               | 70          |

## ENVIRONMENT

| <b>GRI 301 Materials</b>  | <b>2020</b> | <b>2021</b> |
|---|-------------|-------------|
| 301-2 Recycled input materials used   |             |             |
| Percentage of recycled input materials used to manufacture the organization's primary (%) | 11.8        | 11.4        |

| <b>GRI 302 Energy</b>  | <b>2020</b> | <b>2021</b> |
|--|-------------|-------------|
| 302-1 Energy consumption within the organization (million GJ)                    | 7.271       | 7.345       |
| Fuel consumption within the organization from non-renewable sources (million GJ) | 4.644       | 4.692       |
| Diesel   | 1.341       | 1.412       |
| Fuel oil   | 0.351       | 0.232       |
| Gasoline   | 0.104       | 0.111       |
| LP gas   | 0.107       | 0.104       |
| Natural gas  | 2.741       | 2.832       |
| Fuel consumption within the organization from renewable sources (million GJ)     | 0.093       | 0.104       |
| Biomass  | 0.093       | 0.104       |
| Electricity consumption (million GJ)   | 2.534       | 2.549       |
| From traditional sources   | 1.011       | 0.986       |
| From cleaner or renewable sources (low-carbon electricity)                       | 1.523       | 1.563       |
| 302-3 Energy intensity ratio for the organization (GJ / ton of food)             | 4.14        | 4.12        |

| <b>GRI 303 Water and effluents</b>   | <b>2019</b> | <b>2020</b> | <b>2021</b> |
|--|-------------|-------------|-------------|
| 303-3 Total water withdrawal from all areas (million m <sup>3</sup> )                  | 12.86       | 13.24       | 13.14       |
| Groundwater  | 8.14        | 8.43        | 8.17        |
| Third-party water  | 4.73        | 4.82        | 4.97        |
| Total water withdrawal from all areas with water stress (million m <sup>3</sup> )      | 6.88        | 7.02        | 6.97        |
| Groundwater  | 3.89        | 3.93        | 3.71        |
| Third-party water  | 2.99        | 3.09        | 3.26        |
| Water intensity ratio for the organization - production (m <sup>3</sup> / ton of food) | 6.98        | 7.36        | 7.36        |
| Water intensity ratio for the organization - revenue (m <sup>3</sup> / million USD)    | 1,978       | 2,086       | 1,928       |

| <b>GRI 305 Emissions<sup>5</sup></b> |   | <b>2019</b> | <b>2020</b> | <b>2021</b> |
|--------------------------------------|---|-------------|-------------|-------------|
| 305-1                                | Gross direct (Scope 1) GHG emissions (thousand ton CO <sub>2</sub> e) <sup>6</sup>                    | 378.7       | 373.3       | 366.6       |
| 305-2                                | Gross energy indirect (Scope 2) GHG emissions (thousand ton CO <sub>2</sub> e)                        | 198.9       | 193.3       | 181.4       |
| 305-3                                | Other gross indirect (Scope 3) GHG emissions (thousand ton CO <sub>2</sub> e) <sup>7</sup>            | 6,083.4     | -           | -           |
| 305-4                                | GHG emissions intensity ratio for the organization - production (ton CO <sub>2</sub> e / ton of food) | 0.328       | 0.328       | 0.319       |
| 305-4                                | GHG emissions intensity ratio for the organization - revenue (ton CO <sub>2</sub> e / million USD)    | 89          | 89          | 80          |

| <b>GRI 306 Waste</b> |                                 |                        |                      | <b>2021</b> |
|----------------------|---------------------------------|------------------------|----------------------|-------------|
|                      | Waste generated from operations | Diverted from disposal | Directed to disposal | Total       |
| 306-3                | Total waste generated (ton)     | 96,245                 | 21,665               | 117,911     |
|                      | Fats and sludge from WWTPs      | 21,896                 | 6,929                | 28,825      |
|                      | Municipal solid waste           | 682                    | 12,261               | 12,944      |
|                      | Paper and cardboard             | 7,317                  | 0                    | 7,317       |
|                      | Wood                            | 6,248                  | 167                  | 6,415       |
|                      | Plastics                        | 3,389                  | 766                  | 4,155       |
|                      | Metal                           | 816                    | 16                   | 832         |
|                      | Other                           | 55,898                 | 1,526                | 57,423      |

| 306-4 | Waste diverted from disposal (ton) | Recovery operation onsite | Recovery operation offsite | Total  |
|-------|------------------------------------|---------------------------|----------------------------|--------|
|       | Hazardous waste                    | 0                         | 451                        | 451    |
|       | Preparation for reuse              | 0                         | 19                         | 19     |
|       | Recycled                           | 0                         | 233                        | 233    |
|       | Other recovery operations          | 0                         | 198                        | 198    |
|       | Non-hazardous waste                | 0                         | 95,795                     | 95,795 |
|       | Preparation for reuse              | 0                         | 7,642                      | 7,642  |
|       | Recycled                           | 0                         | 22,232                     | 22,232 |
|       | Other recovery operations          | 0                         | 65,921                     | 65,921 |

| 306-2 | Waste directed to disposal (ton)       | Disposal operation onsite | Disposal operation offsite | Total  |
|-------|--|---------------------------|----------------------------|--------|
|       | Hazardous waste                        | 0                         | 2,235                      | 2,235  |
|       | Incineration (with energy recovery)    | 0                         | 32                         | 32     |
|       | Incineration (without energy recovery) | 0                         | 110                        | 110    |
|       | Landfilling                            | 0                         | 1,401                      | 1,401  |
|       | Other disposal operations              | 0                         | 692                        | 692    |
|       | Non-hazardous waste                    | 0                         | 19,430                     | 19,430 |
|       | Incineration (with energy recovery)    | 0                         | 1,964                      | 1,964  |
|       | Incineration (without energy recovery) | 0                         | 939                        | 939    |
|       | Landfilling                            | 0                         | 15,966                     | 15,966 |
|       | Other disposal operations              | 0                         | 560                        | 560    |

|       | Food waste                  | Diverted from disposal | Directed to disposal | Total  |
|-------|-----------------------------|------------------------|----------------------|--------|
| 306-3 | Total waste generated (ton) | 11,193                 | 4,027                | 15,220 |
|       | Operations                  | 9,701                  | 4,010                | 13,710 |
|       | Logistics                   | 1,492                  | 17                   | 1,510  |

| 306-4 | Waste diverted from disposal (ton)     | Recovery operation onsite | Recovery operation offsite | Total  |
|-------|--|---------------------------|----------------------------|--------|
|       | Non-hazardous waste                    | 0                         | 11,193                     | 11,193 |
|       | Other recovery operations <sup>8</sup> | 0                         | 11,193                     | 11,193 |

| 306-2 | Waste directed to disposal (ton) | Disposal operation onsite | Disposal operation offsite | Total |
|-------|----------------------------------|---------------------------|----------------------------|-------|
|       | Non-hazardous waste              | 0                         | 4,027                      | 4,027 |
|       | Landfilling                      | 0                         | 4,027                      | 4,027 |

**126** <sup>4</sup> The number of incidents reported in 2020 was reviewed and updated based on the definition of discrimination (employment and occupation) by ILO Convention no. 111. <sup>5</sup> Emissions from assets sold, such as the Vernoux and Monein plants, as well as the assets available for sale, which comprise the operations in Belgium and the Netherlands are excluded. These represent less than 5% of total emissions.

<sup>6</sup> Scope 1 emissions calculation was updated to include emissions from logistics sites, such as distribution centers, and emissions from refrigeration leakage. <sup>7</sup> Scope 3 emissions calculation was carried out in 2022 with information from 2019 in order to have a baseline prior to the COVID-19 pandemic. <sup>8</sup> Food waste recovered is sent to third-parties for pet food, animal feed, rendering plants or energy recovery.

# GRI Content Index

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  | Page           |
|--|---|----------------|
| <b>GRI 101: Foundation 2016</b>          |   |                |
| General Disclosures                      |   |                |
| <b>GRI 102: General Disclosures 2016</b> |   |                |
| Organizational profile                   |   |                |
| 102-1                                    | Name of the organization<br>Sigma Alimentos, S.A. de C.V.   |                |
| 102-2                                    | Activities, brands, products, and services<br>Sigma is a company engaged in the production, sale, and distribution of processed meat, dairy products, and other refrigerated and frozen foods.<br>p. 8-9, About Sigma<br>p. 10-11, Our portfolio<br>p. 12-13, Our history   | 08<br>10<br>12 |
| 102-3                                    | Location of headquarters<br>p. 136, Contact information   | 136            |
| 102-4                                    | Location of operations<br>p. 12-13, Our history<br>Financial Statements: <a href="https://www.sigma-alimentos.com/wp-content/uploads/2022/03/Audited-Financial-Statements-2021.pdf">https://www.sigma-alimentos.com/wp-content/uploads/2022/03/Audited-Financial-Statements-2021.pdf</a>  | 12             |
| 102-5                                    | Ownership and legal form<br>Sigma Alimentos, S.A. de C.V., is a subsidiary of Alfa, S. A. B. de C. V.   |                |
| 102-6                                    | Markets served<br>p. 8-9, About Sigma<br>p. 12-13, Our history<br>Financial Statements: <a href="https://www.sigma-alimentos.com/wp-content/uploads/2022/03/Audited-Financial-Statements-2021.pdf">https://www.sigma-alimentos.com/wp-content/uploads/2022/03/Audited-Financial-Statements-2021.pdf</a>   | 08<br>12       |
| 102-7                                    | Scale of the organization<br>p. 8-9, About Sigma<br>p. 12-13, Our history<br>Financial Statements: <a href="https://www.sigma-alimentos.com/wp-content/uploads/2022/03/Audited-Financial-Statements-2021.pdf">https://www.sigma-alimentos.com/wp-content/uploads/2022/03/Audited-Financial-Statements-2021.pdf</a>  | 08<br>12       |
| 102-8                                    | Information on employees and other workers<br>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.<br>p. 124, Performance in detail   | 124            |
| 102-9                                    | Supply chain<br>In order to produce, Sigma depends on raw materials from suppliers, including mainly beef, pork, poultry, dairy products, and ingredients. Additionally, the Company obtains supplies for its production process.<br>p. 42-43, Quality in procurement<br>p.54-56, Promoting a sustainable supply chain  | 42<br>54       |
| 102-10                                   | Significant changes to the organization and its supply chain<br>p. 123, About this Report   | 123            |
| 102-11                                   | Precautionary Principle or approach<br>We apply the precautionary principle, for example in the deployment of Sustainable Packaging Program (p. 100), with the installation of equipment that allows the treatment and reuse of water and the Global Water Management Program (p. 106-108), promoting a circular economy through initiatives of recycling and co-processing (p. 100-101), taking advantage of renewable sources of electricity (p. 95-96) and optimizing the distribution processes of our products to reduce our carbon footprint (p. 99).<br>p. 90-91, Eco-efficiency initiatives | 90             |

| Disclosure             | Page number, response and/or URL   | Page            |
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| 102-12                 | External initiatives<br>p. 58-59, Associations and partnerships  | 58              |
| 102-13                 | Membership of associations<br>p. 58-59, Associations and partnerships  | 58              |
| Strategy               |  |                 |
| 102-14                 | Statement from senior decision-maker<br>p. 7, Message from CEO   | 07              |
| 102-15                 | Key impacts, risks and opportunities<br>p. 116, Risk management  | 116             |
| Ethics and integrity   |  |                 |
| 102-16                 | Values, principles, standards, and norms of behavior<br>p. 5, Our Principles<br>p. 64-65, United under the Sigma Culture<br>p. 112-113, Sigma Global Code of Conduct   | 05<br>64<br>112 |
| 102-17                 | Mechanisms for advice and concerns about ethics<br>p. 121, Corporate Governance at ALFA  | 121             |
| Governance             |  |                 |
| 102-18                 | Governance structure<br>p. 121, Corporate Governance at ALFA   | 121             |
| Stakeholder engagement |  |                 |
| 102-40                 | List of stakeholder groups<br>p. 20, Our priority issues<br>p. 21, Stakeholders  | 20<br>21        |
| 102-41                 | Collective bargaining agreements<br>26% in Mexico, 8% in LATAM. Due to confidentiality limitations, percentages for the United States or Europe are not reported.  |                 |
| 102-42                 | Identifying and selecting stakeholders<br>p. 20, Our priority issues<br>p. 21, Stakeholders  | 20<br>21        |
| 102-43                 | Approach to stakeholder engagement<br>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.<br>p. 20, Our priority issues<br>p. 21, Stakeholders  | 20<br>21        |
| 102-44                 | Key topics and concerns raised<br>p. 20, Our priority issues<br>p. 21, Stakeholders  | 20<br>21        |
| Reporting practice     |  |                 |
| 102-45                 | Entities included in the consolidated financial statements<br>p. 123, About this Report<br>Financial Statements: <a href="https://www.sigma-alimentos.com/wp-content/uploads/2022/03/Audited-Financial-Statements-2021.pdf">https://www.sigma-alimentos.com/wp-content/uploads/2022/03/Audited-Financial-Statements-2021.pdf</a> | 123             |
| 102-46                 | Defining report content and topic Boundaries<br>p. 20, Our priority issues<br>p. 123, About this Report  | 20<br>123       |
| 102-47                 | List of material topics<br>p. 20, Our priority issues  | 20              |
| 102-48                 | Restatements of information<br>p. 123, About this Report   | 123             |
| 102-49                 | Changes in reporting<br>p. 123, About this Report  | 123             |
| 102-50                 | Reporting period<br>p. 123, About this Report  | 123             |
| 102-51                 | Date of most recent report<br>August, 2021   |                 |
| 102-52                 | Reporting cycle<br>p. 123, About this Report   | 123             |
| 102-53                 | Contact point for questions regarding the report<br>p. 136, Contact information  | 136             |
| 102-54                 | Claims of reporting in accordance with the GRI Standards<br>p. 123, About this Report  | 123             |
| 102-55                 | GRI content index<br>p. 128, GRI Content Index   | 128             |
| 102-56                 | External assurance<br>No external verification process is carried out.   |                 |

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| Material Topics  |  |          |
| 200 series (Economic topics)                             |  |          |
| GRI Standard: Procurement Practices                      |  |          |
| <b>GRI 103: Management Approach 2016</b>                 |  |          |
| 103-1 Explanation of the material topic and its Boundary | p. 20, Our priority issues   | 20       |
| 103-2 The management approach and its components         | p.54-56, Promoting a sustainable supply chain<br>p. 57, Promoting the development of our industry  | 54<br>57 |
| 103-3 Evaluation of the management approach              |  |          |
| <b>GRI 204: Procurement Practices 2016</b>               |  |          |
| 204-1 Proportion of spending on local suppliers          | We consider raw material suppliers: meat, dairy, ingredients, and packaging.<br>p. 124, Performance in detail  | 124      |
| 300 series (Environmental topics)                        |  |          |
| GRI Standard: Materials                                  |  |          |
| <b>GRI 103: Management Approach 2016</b>                 |  |          |
| 103-1 Explanation of the material topic and its Boundary | p. 20, Our priority issues   | 20       |
| 103-2 The management approach and its components         | p. 44-45, Making the best out of food<br>p. 88, Responsible environmental management   | 44<br>88 |
| 103-3 Evaluation of the management approach              | p. 100-103, Promoting a circular economy   | 100      |
| <b>GRI 301: Materials 2016</b>                           |  |          |
| 301-2 Recycled input materials used                      | The content of RPET in the packages is included vs. the total material of the plastic packages<br>p. 126, Performance in detail  | 126      |
| GRI Standard: Energy                                     |  |          |
| <b>GRI 103: Management Approach 2016</b>                 |  |          |
| 103-1 Explanation of the material topic and its Boundary | p. 20, Our priority issues   | 20       |
| 103-2 The management approach and its components         | p. 88, Responsible environmental management<br>p. 95-97, Maximize the use of cleaner and renewable electricity, Electricity efficiency in our operations, Expanding the use of cleaner fuels at our operations | 88<br>95 |
| 103-3 Evaluation of the management approach              |  |          |
| <b>GRI 302: Energy 2016</b>                              |  |          |
| 302-1 Energy consumption within the organization         | p. 126, Performance in detail  | 126      |
| 302-3 Energy intensity                                   | p. 126, Performance in detail  | 126      |

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| GRI Standard: Water and Effluents                        |   |           |
| <b>GRI 103: Management Approach 2016</b>                 |   |           |
| 103-1 Explanation of the material topic and its Boundary | p. 20, Our priority issues  | 20        |
| 103-2 The management approach and its components         | p. 88, Responsible environmental management<br>p. 106-109, Efficient and responsible water management   | 88<br>106 |
| 103-3 Evaluation of the management approach              |   |           |
| <b>GRI 303: Water and Effluents 2018</b>                 |   |           |
| 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.   | 106       |
| 303-2 Management of water discharge-related impacts      | p. 106-109, Efficient and responsible water management  | 126       |
| 303-3 Water withdrawal                                   | p. 126, Performance in detail   |           |
| GRI Standard: Emissions                                  |   |           |
| <b>GRI 103: Management Approach 2016</b>                 |   |           |
| 103-1 Explanation of the material topic and its Boundary | p. 20, Our priority issues  | 20        |
| 103-2 The management approach and its components         | p. 88, Responsible environmental management<br>p. 92-93, Actions to mitigate climate change   | 88<br>92  |
| 103-3 Evaluation of the management approach              |   |           |
| <b>GRI 305: Emissions 2016</b>                           |   |           |
| 305-1 Direct (Scope 1) GHG emissions                     | All GHG established by the GHG Protocol are included in the calculations. 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. Emissions from assets sold such as the Vernoux and Monein plants, as well as the assets available for sale, which comprise the operations in Belgium and the Netherlands are excluded. These represent less than 5% of total emissions.<br>p. 127, Performance in detail   | 127       |
| 305-2 Energy indirect (Scope 2) GHG emissions            | All GHG established by the GHG Protocol are included in the calculations. The value is calculated each year using electricity consumption in sites under Sigma's operational control, applying the Market-based methodology, and using the corresponding emission factor. Data was obtained directly from operational facilities. Source for emission factors: If applicable, a factor from supplier is used, in other cases, a factor published by a national government or by Carboon Footprint. Emissions from assets sold such as the Vernoux and Monein plants, as well as the assets available for sale, which comprise the operations in Belgium and the Netherlands are excluded. These represent less than 5% of total emissions.<br>p. 127, Performance in detail | 127       |
| 305-3 Other indirect (Scope 3) GHG emissions             | All GHG established by the GHG Protocol are included in the calculations. All 15 categories from the GHG Protocol are included, in a hybrid format, inventory for most significant categories and estimations for the rest. Emissions from assets sold such as the Vernoux and Monein plants, as well as the assets available for sale, which comprise the operations in Belgium and the Netherlands are excluded. These represent less than 5% of total emissions. Scope 3 emissions calculation was carried out in 2022 with information from 2019 in order to have a baseline prior to disruptions caused by the COVID-19 pandemic.<br>p. 127, Performance in detail   | 127       |
| 305-4 GHG emissions intensity                            | All GHG established by the GHG Protocol are included in the calculations. CO <sub>2</sub> e emissions emitted within the organization (both in production and own distribution fleet) from direct and indirect energy emissions (Scope 1 and 2) included. Energy intensity was calculated based on an annual production of 1.8 million tons of food.<br>p. 127, Performance in detail   | 127       |

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| <b>GRI Standard: Effluents and Waste</b>                                   |   |                  |
| <b>GRI 103: Management Approach 2016</b>                                   |   |                  |
| 103-1 Explanation of the material topic and its Boundary                   | p. 20, Our priority issues  | 20               |
| 103-2 The management approach and its components                           | p. 44-45, Making the best out of food<br>p. 88, Responsible environmental management  | 44<br>88         |
| 103-3 Evaluation of the management approach                                | p. 100-103, Promoting a circular economy  | 100              |
| <b>GRI 306: Waste 2020</b>   |   |                  |
| 306-1 Waste generation and significant waste-related impacts               | p. 44-45, Making the best out of food<br>p. 100-103, Promoting a circular economy<br>p. 104-105, Progress toward zero waste to landfills  | 44<br>100<br>104 |
| 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. 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. Waste is managed in collaboration with third parties. Waste is classified as hazardous and non-hazardous as provided by the local authority. For food waste: projects to improve efficiency and quality assurance, projects to better forecast demand, as well as efficiency, logistics optimization and revaluation of waste as food for pets and other animals, rendering plants and energy recovery. |                  |
| 306-3 Waste generated  | p. 127, Performance in detail   | 127              |
| 306-4 Waste diverted from disposal   | p. 127, Performance in detail   | 127              |
| 306-5 Waste directed to disposal   | p. 127, Performance in detail   | 127              |
| <b>GRI Standard: Environmental Compliance</b>                              |   |                  |
| <b>GRI 103: Management Approach 2016</b>                                   |   |                  |
| 103-1 Explanation of the material topic and its Boundary                   | p. 20, Our priority issues  | 20               |
| 103-2 The management approach and its components                           | p. 88, Responsible environmental management   | 88               |
| 103-3 Evaluation of the management approach                                |   |                  |
| <b>GRI 307: Environmental Compliance 2016</b>                              |   |                  |
| 307-1 Non-compliance with environmental laws and regulations               | No significant fines were imposed. Any procedure would be found in Note 29 of the 2021 Financial Statements: <a href="https://www.sigma-alimentos.com/wp-content/uploads/2022/03/Audited-Financial-Statements-2021.pdf">https://www.sigma-alimentos.com/wp-content/uploads/2022/03/Audited-Financial-Statements-2021.pdf</a>  |                  |
| <b>GRI Standard: Supplier Environmental Assessment</b>                     |   |                  |
| <b>GRI 103: Management Approach 2016</b>                                   |   |                  |
| 103-1 Explanation of the material topic and its Boundary                   | p. 20, Our priority issues  | 20               |
| 103-2 The management approach and its components                           | p. 88, Responsible environmental management   | 88               |
| 103-3 Evaluation of the management approach                                |   |                  |
| <b>GRI 308: Supplier Environmental Assessment 2016</b>                     |   |                  |
| 308-2 Negative environmental impacts in the supply chain and actions taken | p. 54, Promoting a sustainable supply chain   | 54               |

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| 400 series (Social topics)  |   |          |
| <b>GRI Standard: Employment</b>   |   |          |
| <b>GRI 103: Management Approach 2016</b>  |   |          |
| 103-1 Explanation of the material topic and its Boundary                                      | p. 20, Our priority issues  | 20       |
| 103-2 The management approach and its components  | p. 66-67, Measuring employee wellbeing and engagement   | 66       |
| 103-3 Evaluation of the management approach   |   |          |
| <b>GRI 401: Employment 2016</b>   |   |          |
| 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. 125, Performance in detail  | 125      |
| 401-3 Parental leave  | p. 125, Performance in detail   | 125      |
| <b>GRI Standard: Labor/Management Relations</b>   |   |          |
| <b>GRI 103: Management Approach 2016</b>  |   |          |
| 103-1 Explanation of the material topic and its Boundary                                      | p. 20, Our priority issues  | 20       |
| 103-2 The management approach and its components  | p. 66-67, Measuring employee wellbeing and engagement   | 66       |
| 103-3 Evaluation of the management approach   |   |          |
| <b>GRI 402: Labor/Management Relations 2016</b>   |   |          |
| 402-1 Minimum notice periods regarding operational changes                                    | p. 125, Performance in detail   | 125      |
| <b>GRI Standard: Occupational Health and Safety</b>   |   |          |
| <b>GRI 103: Management Approach 2016</b>  |   |          |
| 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. 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. 20, Our priority issues | 20       |
| 103-2 The management approach and its components  |   | 68       |
| 103-3 Evaluation of the management approach   |   |          |
| <b>GRI 403: Occupational Health and Safety 2018</b>   |   |          |
| 403-1 Occupational health and safety management system  | p. 68-73, Health and safety   | 68       |
| 403-2 Hazard identification, risk assessment, and incident investigation                      | p. 68-73, Health and safety   | 68       |
| 403-3 Occupational health services  | p. 66-67, Measuring employee wellbeing and engagement<br>p. 73, Healthy lifestyles  | 66<br>73 |
| 403-4 Worker participation, consultation, and communication on occupational health and safety | p. 68-73, Health and safety   | 68       |
| 403-5 Worker training on occupational health and safety                                       | p. 68-73, Health and safety   | 68       |
| 403-6 Promotion of worker health  | p. 66-67, Measuring employee wellbeing and engagement<br>p. 73, Healthy lifestyles  | 66<br>73 |
| 403-9 Work-related injuries   | p. 126, Performance in detail   | 126      |

| Disclosure  | Page number, response and/or URL  | Page  |
|---|---|-------|
| <b>GRI Standard: Training and Education</b>   |   |       |
| <b>GRI 103: Management Approach 2016</b>  |   |       |
| 103-1 Explanation of the material topic and its Boundary  | p. 20, Our priority issues  | ■ 20  |
| 103-2 The management approach and its components  | p. 74-75, Professional growth   | ■ 74  |
| 103-3 Evaluation of the management approach   |   |       |
| <b>GRI 404: Training and Education 2016</b>   |   |       |
| 404-1 Average hours of training per year per employee   | p. 126, Performance in detail   | ■ 126 |
| <b>GRI Standard: Diversity and Equal Opportunity</b>  |   |       |
| <b>GRI 103: Management Approach 2016</b>  |   |       |
| 103-1 Explanation of the material topic and its Boundary  | p. 20, Our priority issues  | ■ 20  |
| 103-2 The management approach and its components  | p. 76-77, An inclusive company  | ■ 76  |
| 103-3 Evaluation of the management approach   |   |       |
| <b>GRI 405: Diversity and Equal Opportunity 2016</b>  |   |       |
| 405-1 Diversity of governance bodies and employees  | p. 125, Performance in detail   | ■ 125 |
| <b>GRI Standard: Non-Discrimination</b>   |   |       |
| <b>GRI 103: Management Approach 2016</b>  |   |       |
| 103-1 Explanation of the material topic and its Boundary  | p. 20, Our priority issues  | ■ 20  |
| 103-2 The management approach and its components  | p. 76-77, An inclusive company  | ■ 76  |
| 103-3 Evaluation of the management approach   |   |       |
| <b>GRI 406: Non-Discrimination 2016</b>   |   |       |
| 406-1 Incidents of discrimination and corrective actions taken                                      | p. 126, Performance in detail   | ■ 126 |
| <b>GRI Standard: Customer Health and Safety</b>   |   |       |
| <b>GRI 103: Management Approach 2016</b>  |   |       |
| 103-1 Explanation of the material topic and its Boundary  | p. 20, Our priority issues  | ■ 20  |
| 103-2 The management approach and its components  | p. 26-27, Innovation in our portfolio   | ■ 26  |
|   | p. 36-37, Continuous improvement of nutritional profiles  | ■ 36  |
| 103-3 Evaluation of the management approach   | p. 40-41, Quality and food safety   | ■ 40  |
| <b>GRI 416: Customer Health and Safety 2016</b>   |   |       |
| 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | Any procedure would be found in Note 29 of the 2021 Financial Statements: <a href="https://www.sigma-alimentos.com/wp-content/uploads/2022/03/Audited-Financial-Statements-2021.pdf">https://www.sigma-alimentos.com/wp-content/uploads/2022/03/Audited-Financial-Statements-2021.pdf</a> |       |

| Disclosure   | Page number, response and/or URL  | Page  |
|--|---|-------|
| <b>GRI Standard: Marketing and Labeling</b>  |   |       |
| <b>GRI 103: Management Approach 2016</b>   |   |       |
| 103-1 Explanation of the material topic and its Boundary   | p. 20, Our priority issues  | ■ 20  |
| 103-2 The management approach and its components   | p. 27-28, Transparent nutrition facts   | ■ 27  |
| 103-3 Evaluation of the management approach  |   |       |
| <b>GRI 417: Marketing and Labeling 2016</b>  |   |       |
| 417-1 Requirements for product and service information and labeling                                | p. 124, Performance in detail   | ■ 124 |
| 417-2 Incidents of non-compliance concerning product and service information and labeling          | Any procedure would be found in Note 29 of the 2021 Financial Statements: <a href="https://www.sigma-alimentos.com/wp-content/uploads/2022/03/Audited-Financial-Statements-2021.pdf">https://www.sigma-alimentos.com/wp-content/uploads/2022/03/Audited-Financial-Statements-2021.pdf</a> |       |
| 417-2 Incidents of non-compliance concerning marketing communications                              | Any procedure would be found in Note 29 of the 2021 Financial Statements: <a href="https://www.sigma-alimentos.com/wp-content/uploads/2022/03/Audited-Financial-Statements-2021.pdf">https://www.sigma-alimentos.com/wp-content/uploads/2022/03/Audited-Financial-Statements-2021.pdf</a> |       |
| <b>GRI Standard: Customer Privacy</b>  |   |       |
| <b>GRI 103: Management Approach 2016</b>   |   |       |
| 103-1 Explanation of the material topic and its Boundary   | p. 20, Our priority issues  | ■ 20  |
| 103-2 The management approach and its components   | p. 112, Sigma Global Code of Conduct  | ■ 112 |
|  | p. 118, Transparency Helpline   | ■ 118 |
| 103-3 Evaluation of the management approach  |   |       |
| <b>GRI 418: Customer Privacy 2016</b>  |   |       |
| 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | Any procedure would be found in Note 29 of the 2021 Financial Statements: <a href="https://www.sigma-alimentos.com/wp-content/uploads/2022/03/Audited-Financial-Statements-2021.pdf">https://www.sigma-alimentos.com/wp-content/uploads/2022/03/Audited-Financial-Statements-2021.pdf</a> |       |
| <b>GRI Standard: Socioeconomic Compliance</b>  |   |       |
| <b>GRI 103: Management Approach 2016</b>   |   |       |
| 103-1 Explanation of the material topic and its Boundary   | p. 20, Our priority issues  | ■ 20  |
| 103-2 The management approach and its components   | p. 112, Sigma Global Code of Conduct  | ■ 112 |
|  | p. 118, Transparency Helpline   | ■ 118 |
| 103-3 Evaluation of the management approach  |   |       |
| <b>GRI 419: Socioeconomic Compliance 2016</b>  |   |       |
| 419-1 Non-compliance with laws and regulations in the social and economic area                     | Any procedure would be found in Note 29 of the 2021 Financial Statements: <a href="https://www.sigma-alimentos.com/wp-content/uploads/2022/03/Audited-Financial-Statements-2021.pdf">https://www.sigma-alimentos.com/wp-content/uploads/2022/03/Audited-Financial-Statements-2021.pdf</a> |       |



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