



Extraordinary teams driving exceptional brands



Integrated
Annual
Report
2023



When Grupo Herdez's brands reach the tables of millions of consumers in Mexico or anywhere in the globe, it isn't just food, drink, and quality products: those products reflect the hearts of people who have sparked innovation for 110 years, driving transformation, dedicating time, effort, and talent to build the exceptional group that we are today.

At Grupo Herdez®, we believe that more than just quality products, excellent financial results, and digital transformation...

**We are an
extraordinary
team driving
exceptional brands**



Our brands

Mexico



United States



Distribution agreements



Index

Message from the Chairman of the Board and Chief Executive Officer

5

Performance Highlights 2023	9
Annexes	80
GRI Content Index	97
SASB Sustainability Accounting Standards	106
About this report	114

Economic impact

Management's Discussion & Analysis	11
Financial Highlights 2023	13
Bussiness Performance	15

Environmental impact

Water	27
Responsible value chain	31
Waste, recycling and packaging materials	38
Energy	41
Emissions	43

Social impact

Our team	46
Community	56
Consumers	64

Corporate governance

Board of directors	66
Sustainability Strategy (ESG)	71
ESG Ratings	75
Commitments and Culture of Legality	76



Message from the Chairman of the Board and Chief Executive Officer

To all Grupo Herdez® stakeholders:

The year 2023 was a challenging one worldwide. Despite this fact, two of the main domestic economic variables—inflation and the exchange rate— trended downward, and this, combined with an increase in the minimum wage, gave a boost to internal consumption in Mexico.

Our financial results at Grupo Herdez® were excellent, as we increased the relevance of our brands while contributing to a better planet through sustainability initiatives. Due to the exceptional work and trust of the people who are part of this Company, we stand firm in our goal of bringing the best foods of the world to Mexican tables and taking the best of Mexican food to the world.

Financial results

Sales increased to 36.2 billion pesos, 4.6 billion pesos higher than in 2022, and equivalent to 14.4% growth. We recovered 3.5 percentage points in gross margin, which translated into increases of 31.1% and 25.7%, respectively, in EBIT and EBITDA.

Majority Net Income increased 70.0% to 1.3 billion pesos, due to strong operating performance and the Company's stake in its partner MegaMex®.

We broke our consolidated free **cash flow record with 3.2 billion pesos**, which represents 8.8% of sales and 18.8% of average shareholders' equity. This generation of funds allowed us to reduce our debt by 1.0 billion pesos, distribute 400 million pesos in ordinary dividends, and repurchase 223 million pesos in shares.



**Héctor
Hernández-Pons
Torres**
Chairman of the Board
and Chief Executive
Officer of Grupo Herdez®



Preserves

Sales in the Preserves segment increased 13.7% to 28.8 billion pesos. The Company gained market share in the portfolio’s main categories.

In 2023 we were able to predict demand with 86.3% accuracy, which translated into a **fill rate of 98%**, a record service level in the segment.



Impulse

Net sales in the Impulse segment were 4.7 billion pesos, 19.4% higher than in the previous year. Store traffic is responding to commercial initiatives among the different brands, while the increase in frozen sales is due to a more profitable portfolio, a different mix of channels, and firm operating discipline.



MegaMex

Net sales increased 3.4% in dollars over 2022. Gross margin rose by 6.2 percentage points, while **net income was 1.5 billion pesos, 73.1% higher than results in 2022**, with a margin of 10.1%.



Exports

Export sales increased 13.5% in pesos, and 28.7% in dollars, due to new initiatives in price clubs, mainly in the United States.

We introduced Herdez® brand into Chile, Paraguay, Uruguay, and South Korea. On the other side of the Atlantic, we expanded our product portfolio in the United Kingdom where they can now enjoy meal kits with Mexican food, salsas, and seasonings. These new offerings are in addition to the distribution agreements in Spain, where Herdez® salsas and chiles can now be enjoyed.



Recognitions

McCormick®, synonymous with tradition, innovation, and unique flavors, has positioned itself among the ten most-consumed brands in Mexico, according to the eleventh edition of Brand Footprint, published by the global data firm Kantar (2023).

Del Fuerte®, the high-quality tomato puree brand created in 1933, celebrated its 90th anniversary, a milestone that shows Mexican households’ preference for this brand.

For the second consecutive year, **Grupo Herdez®** was recognized by MERCO (a leader in monitoring corporate reputation) as among the ten most environmentally responsible companies in Mexico, and it ranked sixth in the category of companies with the greatest ESG responsibility in the country.





Sustainability Commitment

In a world in which the effects of climate change are increasingly evident and impacting the availability of natural resources more heavily, working from a viewpoint of sustainability has indisputable value.

We contribute to protecting the planet with **Del Fuerte®** through the initiative Un Legado Más Fuerte (A Stronger Legacy). In Ejido Topia in Durango, we have contributed to the community—whose water basins supply a percentage of the fields where the tomatoes we use in our products are grown—in such a way that it meets extremely high environmental protection standards. Today it is one of the regions recognized internationally for issuing carbon credits in the stock market.

At the end of 2023, we met our annual goal of reducing water consumption, with an intensity of 2.15 m³/Tn produced, in line with the commitments under the sustainability-linked bond issued in 2022.

We also improved sustainable practices through **strategic collaboration with providers and partners** that encourage the production of sustainable agricultural raw materials, and the circularity of our packaging, through shared value programs that transcend and impact the habits of our consumers.

For the first time, every one of our fresh and non-perishable raw materials providers complied with the Best Agricultural Practices evaluation. This assessment is part of the Sustainable and Regenerative Agricultural Program, for which we have implemented quality requirements for export. Today, 15 years after its creation in 2008, this is one of our key lines for creating a responsible supply chain that guarantees fresh, quality food.

Just as we work hard to maintain soil balance and encourage conscientious consumption of water, we also earmark funds to fight hunger and increase food health.

Saber Nutrir®, the Company's social responsibility program—focused since its start-up on fighting food insecurity—has shored up its activities and initiatives in recent years to address latent water scarcity in rural communities. This led to the installation of 13 cisterns to capture rainwater in the state of Yucatán, in the municipalities of Muna, Santa Elena, and Oxkutzcab, benefiting 110 families in four communities.

After the devastating **Hurricane Otis**, we joined forces with Fundación Herdez® and key industry players to support vulnerable families with the Unidos por Acapulco (Together for Acapulco) initiative. Together with other companies, we donated 35,000 care packages containing 20 kilos of food, hygiene and cleaning products, medications, and water, which benefited 104,000 people. This support was also manifested inward: all of our employees in Guerrero received care packages, medications, and cash from other members of the Company to rebuild their dwellings.



In line with the Sustainable Development Goals of Gender Equality and Decent Work and Economic Growth, we have created actions such as El Plato del Buen Vivir (The Good Living Plate), which gathers the tools of financial education, physical and mental health for our employees. We are raising awareness in matters of diversity and inclusion at all levels of the organization, and these initiatives position us at the forefront of the **Bloomberg Gender Equality Index in Latin America**.

Furthermore, 100% of our plants received a **badge from the Safe and Healthy Working Environments program (ELSSA)**, awarded by the Mexican Social Security Institute. These are examples of a conscious effort to build work centers that prioritize the well-being of the people who give life to the Group.



Working towards the future together

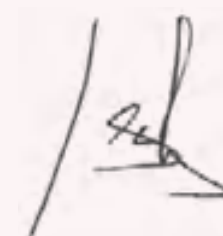
We broke several records throughout 2023, due to the implementation of new technologies that increased our efficiency and productivity. We developed and supported innovative initiatives to meet the needs of our value chain, thus ensuring the continuation of the Company and helping preserve natural resources.

Looking out to this horizon, **our capital investments during 2024 of 1.4 billion pesos** will be earmarked for maintenance projects, increased capacity on our pasta and salsa lines for export, and migration of the ERP.

Our vision is to position Herdez® as a global representative of Mexican food by developing unique products for the market, such as ready-to-serve foods, avocado dips, tabletop salsas, and hot salsas, making our food a daily choice. Through the development of commercial partnerships, we will further expand our brands, categories, and the areas where we are now present, including in the United States, Canada, Europe, and South America.

None of this would be possible without the tireless efforts of our people, the commitment of our business partners and clients, and especially the trust of our shareholders. We would like to thank this great team that has established brands synonymous with tradition, quality, and flavor in Mexican households.

Grupo Herdez® inspire trust.



Héctor Hernández-Pons Torres

Chairman of the Board and Chief Executive Officer of Grupo Herdez®

2023

Performance highlights

Financial



1.3 BILLION

pesos in net majority income
+70.0% vs. 2022

3.2 BILLION

pesos in free cash flow

+31.1%

in EBIT

25.7%

increase in EBITDA*

Commercial



98.0%

fill rate service

36.2 BILLION

pesos in net sales
+14.4% vs. 2022

28.8 BILLION

pesos in Preserves sales
+13.7% vs. 2022

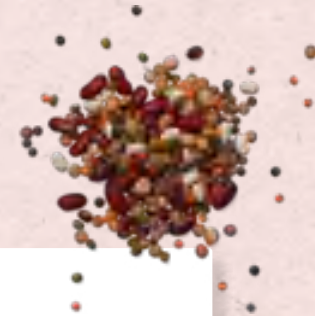
4.7 BILLION

pesos in Impulse sales
+19.4% vs. 2022

2.7 BILLION

pesos in Export sales
+13.5% vs. 2022

Environmental



2.5%

consolidated net income in
environmental projects

-17.0%

water consumption intensity per
ton produced vs. 2018

50.0%

of our fresh raw materials are
produced under the PASyR¹

3x

We tripled collection of post-
consumption waste vs. 2022

-12.7%

energy intensity at plants and
distribution centers

Social and Corporate Governance



2.4%

of net income earmarked for social
projects

100%

of our plants have the ELSSA²
distinction awarded by IMSS

1,923.72 Tn

tons of food donated by
Fundación Herdez®

110

families benefited by Saber
Nutrir® in Yucatán

100%

of staff trained in a Culture
of Legality

*EBITDA: earnings before interest, taxes, depreciation, and amortization.
1 PASyR: Sustainable and Regenerative Agriculture Program by its Spanish acronym
2 ELSSA: Safe and Healthy Working Environments program by its Spanish acronym

Economic impact

More important than achieving
high performance, is

working
together to
share families'
tables



+19.4%

in Impulse sales

66%

of categories increased their
market share

3

new categories in the international
markets portfolio
Hot sauces · Meal kits · Guacamole dips

Management's report and analysis of results

Analysis of the year ended December 31, 2023

Consolidated net sales in 2023 hit a record number of 36.2 billion pesos, 14.4% more than consolidated net sales in the previous year. The growth was due to the accumulated impact of higher prices and stable sales volumes. Excluding the acquisition of Mediterráneo,* sales rose 13.3% during the year.

In the Preserves segment, sales increased 13.7% to 28.8 billion pesos. In the portfolio's main categories, the Company outperformed the market in terms of market share.

Net sales in the Impulse segment were 4.7 billion pesos, which is 19.4% higher than in the prior year.

These results reflect solid sales performance at Helados Nestlé®, particularly in the traditional channel, and a recovery trend in visits to retail stores.

Export sales were 2.7 billion pesos, 13.5% higher than in 2022, benefiting from the vegetable, chile, and homemade salsa categories. Additionally, the new mayonnaise presentation for price clubs grew due to expansion in new regions. In dollar terms, sales increased 28.7%.



**Mediterráneo refers to Interdeli and Deli, Dips & Snacks, owners of the brands Libanius®, Flaveur®, and Liguria®, among others. These businesses were acquired by Herdez Del Fuerte in October 2022.



At year-end, Preserves represented 80%, Impulse 13%, and Export 7% of total net sales, a mix very similar to that reported in 2022.

Consolidated gross margin improved by 3.5%, increasing to 38.9%. This is explained due to the combination of lower prices for key raw materials, and appreciation of the peso against the dollar for Preserves and Impulse. Gross margin in the Export segment shrank 2.5% to 9.6%, mainly due to higher prices for some ingredients.

General consolidated expenses increased 1.4% to 25.1%, as a proportion of net sales allocated to different initiatives intended to drive demand during the year.

EBIT before Other Income and Expenses was 5.0 billion pesos, or 34.2% higher than in the previous year. The margin expanded 2.0% to 13.8%. The Company reported other revenues of 40 million pesos during the year.

Consolidated EBIT was 31.1% higher than in the prior year, reaching a record of 5.0 billion pesos. The margin improved by 1.8%, closing at 13.9%.

The all-in result of financing was 728 million pesos, 5.1% lower than in 2022, due to higher interest earned, and lower debt during the fourth quarter of the year.

The interest in associated companies was 772 million pesos, 65.6% above the figure reported in 2022, due to lower avocado prices and logistics expenses, in addition to better results at the Don Miguel® business.

Consolidated net income and majority net income increased 46.8% and 70.0%, rising to 3.3 billion and 1.3 billion pesos, respectively. Consolidated and majority net margins were 9.2% and 3.6%, increases of 2.0% and 1.2%, respectively, compared to the prior year.

EBITDA for the year rose to 6.2 billion pesos, 25.7% higher than in 2022, representing 17.2% of net sales, 1.5% above the prior year.

CAPEX was 550 million pesos and was earmarked mainly for the digital transformation project, maintenance projects, increased capacity in salsas for export, short pasta, and tomato sauce.

As of December 31, 2023, the Company's cash position was 2.0 billion pesos, 420 million pesos lower than in 2022. This is mainly due to paying down one billion pesos in debt in the last quarter of the year. Consolidated debt thus decreased to 9.5 billion pesos.

Free cash flow increased to 3.2 billion pesos, 877 million pesos higher than the prior year. This was mainly due to favorable changes in working capital allocated to i) the payment of one billion pesos in debt; ii) the payment of 400 million pesos in dividends; and iii) the repurchase of shares for 223 million pesos.

At year end, debt was fully denominated in Mexican pesos, of which 63% was at a fixed rate. Furthermore, 42% of the consolidated debt is linked to sustainability. In 2023, water consumption per ton produced was 2.15 m3/ton, in line with the objective of 2.16 m3/ton established in the framework of the sustainability-linked bonds HERDEZ 22-2L and HERDEZ 22L.

Consolidated net debt to EBITDA was 1.4 times, while net debt to consolidated shareholders' equity was 0.5 times.

The annual return to shareholders considering dividends and share repurchase was 4.1%.

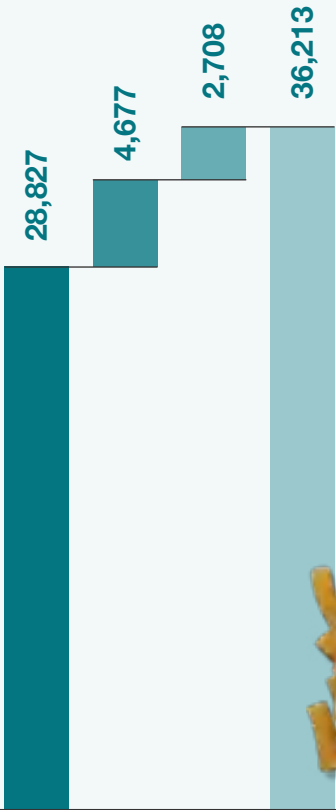
Financial results

Numbers stated in millions of pesos

See our consolidated financial statements

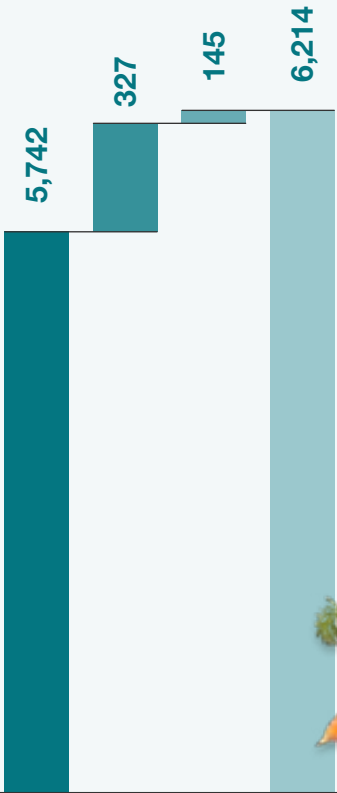
Net sales

- Preserves
- Impulse
- Exports
- Net sales



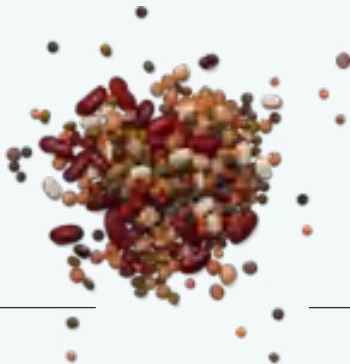
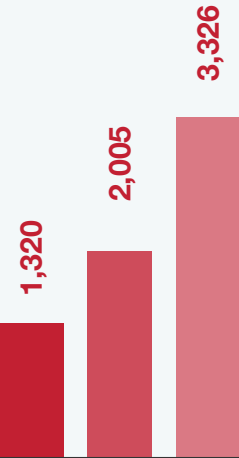
EBITDA

- Preserves
- Impulse
- Exports
- EBITDA



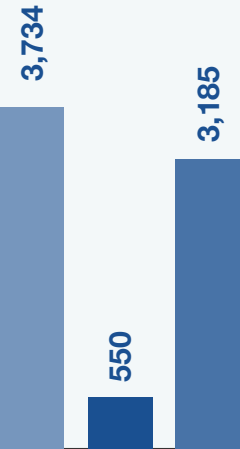
Net Income

- Majority
- Minority
- Consolidated



Free Cash Flow

- CAPEX*
- Free cash flow
- Operating cash flow



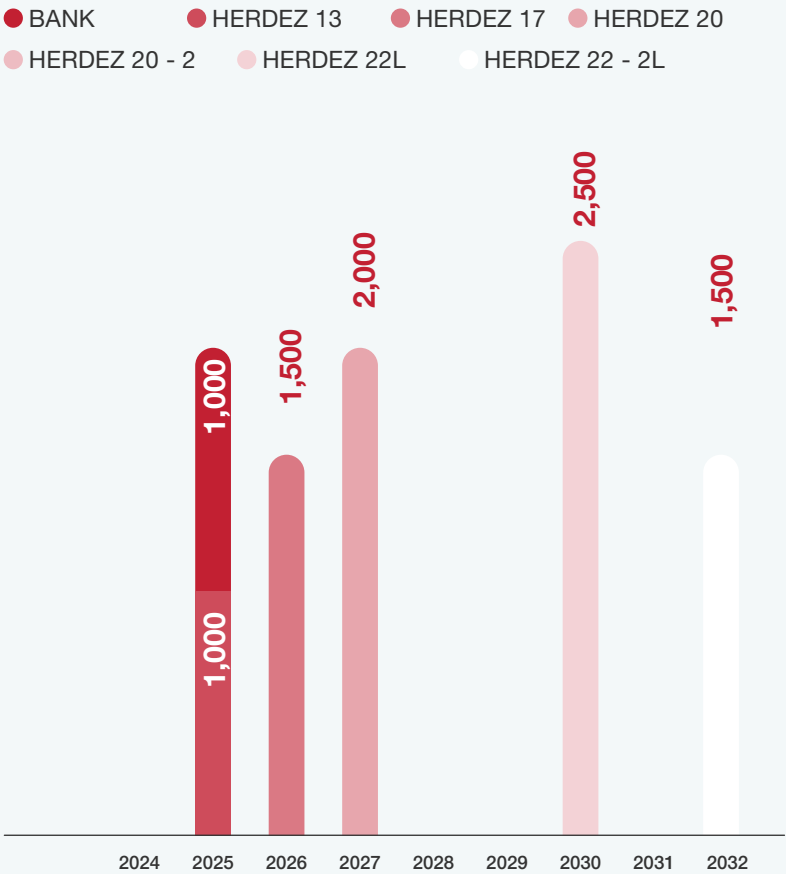
* CAPEX does not include acquisitions.

Yield



Return to
shareholders
includes share
repurchases
and dividends.

Maturity Profile



Key financial figures
Figures in millions of pesos

	2022	Margin (%)	2023	Margin (%)	Var (%)
Net sales	31,646		36,213		14.4%
Gross income	11,206	35.4%	14,078	38.9%	25.6%
Operating income	3,831	12.1%	5,022	13.9%	31.1%
Consolidated net income	2,266	7.2%	3,326	9.2%	46.8%
EBITDA	4,943	15.6%	6,214	17.2%	25.7%
Total assets	37,554		37,727		0.5%
Total debt	11,275		10,453		(7.3%)
Total liabilities	20,407		21,030		3.1%
Total shareholders' equity	17,147		16,696		(2.6%)
Cash flows from operating activities	4,260		5,019		17.8%
Net debt / EBITDA	1.8		1.4		
Net debt / Shareholders' Equity	0.5		0.5		

Financial Debt*

Total	9,500
Average life	4.7 years
Average cost	10.1%
Sustainability linked	42%
Fixed	63%
Variable	37%

*Figures in millions of pesos

Commercial performance

+1,500

SKU

66%

of categories increased SOM in 2023

36 categories

Categories with best sales volume performance:

- Mayonnaise
- Tomato sauce
- Mole
- Spices
- Pasta

680

Cielito Querido Café®, Chilim Balam®, Moyo® and Nutrisa® stores

Present in 21

countries

Recognitions



McCormick® within the Top 10 most-consumed brands in Mexico, awarded by Kantar Brand Footprint (2023)

Barilla® Whole Wheat awarded Flavor of the Year 2023 by Global Quality Certifications Mexico



Herdez® Top 50 most valuable and strongest brands in Mexico, awarded by Brand Finance



12th in Merco's ranking of Companies with **the Best Corporate Reputation** in Mexico

"Strategic Partner" distinction from HEB



Recognition by Calimax as the **Highest Quality** Logistics Provider of the Year category

Yemina® within the Top 10 growing brands, awarded by Kantar Brand Footprint (2023)



Preserves

Our Preserves segment was quite resilient and performed well, despite a scenario in which consumers changed their priorities in expenditures and value perception after the pandemic, as well as a prolonged period of inflation.

Consumers' trust in our brands, which have a long cultural tradition for Mexicans, was a key factor for increasing our market penetration in the mayonnaise, canned vegetables, ice cream, mole, tea, homemade salsas, spices, and marmalade categories.

The sales team, in conjunction with the data science team, continued expanding the use of artificial intelligence tools to align our commitment to operating excellence and efficient client service.

In 2023, we predicted demand with a sell-in of 86.3%, which translated into a historic fill rate of 98.0% for this segment.



McCormick®

Recognition of McCormick® within the Top 10 most-consumed brands in Mexico by Kantar's Brand Footprint (2023), was the result of the efforts of the marketing and sales teams, which significantly increased penetration into 70% of homes in the northern part of the country. In the last month of the year, we achieved record market share, remaining a leader in the mayonnaise category.



McCormick® and Frank's Red Hot®, innovation in flavored mayonnaises

By combining the classic McCormick® mayonnaise with the distinctive Frank's Red Hot® salsa, we provided a brand-new delicious experience to young consumers.

Eight weeks after its introduction, we had already achieved 80% of estimated sales. This result will drive us to continue evolving so we can offer our consumers unique and trendy flavors.

We continued to lead the way in the flavored mayonnaise category, with a notable 5.2% improvement in volume, exceeding the overall growth of the category. This translated into a 2.7% increase in our market share.



Yemina®

This brand of pasta was within the Top 10 growing brands, awarded by Kantar Brand Footprint (2023). This recognition highlights the results of our expansion and penetration strategy, especially in the regions of the Bajío, in the central and southern part of Mexico. At the end of 2023, we had achieved record market share of 11.5%.

We have been the leader in pasta in northern Mexico since 1984. We continue working on our growth trajectory, offering the authentic flavor of our high-quality Mexican wheat pasta.

Del Fuerte®

90 years of delicious tomatoes

In 2023, the Del Fuerte® brand celebrated 90 years of a notable presence in the Mexican market: five out of every ten homes in Mexico consume a Del Fuerte® puree, and market share is above 70%. The strength and presence of the brand is reflected in its position among the five best-performing categories in our portfolio in terms of sales volume during the year.

In light of the growing interest of consumers on the environmental impact caused by the products they buy, in 2021, we began working with an initiative to protect natural ecosystems in Ejido Topia, in Durango. We also continued to support the recycling initiatives of Tetrapak®, and we entered into a partnership with the Forest Stewardship Council, which certifies the sustainable origin of our multilayer packaging.

Ejido Topia is a very important location for the production of raw materials for puree, as the water basins located in this area are used to irrigate many of the fields where tomatoes are grown for the Del Fuerte® brand.

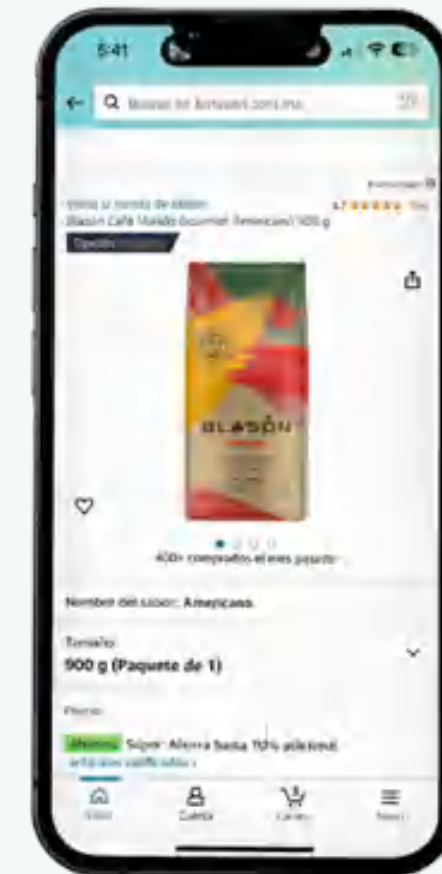


See the Environmental Impact chapter for more information on the program's actions and results.

E-commerce

In 2023, our sell out sales in the e-commerce channel totaled 708 million pesos, for the preserves and ice cream categories. This is a major milestone for us, as we have doubled sales in just three years from the start-up of e-commerce.

In the Preserves segment, this growth has been driven largely by the launch of Barilla®, McCormick®, Blasón® and Hoy Toca® brand stores, leading to sales growth of 242% on Amazon.



Impulse

Four years after the COVID-19 pandemic, our Impulse segment continues to recover in foot traffic to stores and sales, with 19.4% growth over the previous year.

Helados Nestlé® played an important role in the results of this segment, due to the new strategy to migrate towards more profitable products, continued operating discipline, and a favorable mix of sales channels. Performance in the traditional channels was particularly strong in 2023.

In retail, we continued to recover in terms of foot traffic, reaching sales levels comparable to those in 2019. Similarly, in the delivery-to-retail channel, we reported growth of 68% over the prior year, due to incorporating brands such as Cielito Querido Café®, Moyo®, and Nutrisa® onto the Uber Eats platform.





Helados Nestlé®

The Helados Nestlé® portfolio increased its market share during the year, becoming the category leader, driven mainly by the individual presentations segment. The best-performing brands were Mega® and Carlos V®.

We gave the Mega® platform a makeover; in 2022, this brand made us a benchmark in best marketing practices for Helados Nestlé® globally. This change reflects our commitment to providing a wide variety of options to all consumers. The new Mega® flavors are Chocolate & Nuts, Chocolate & Coconut, and Chocolate & Cherry.



Cielito Querido Café®

In 2023, sales of drinks at Cielito Querido Café® grew by double digits, notably in cold drinks. There were seasonal new flavors, such as Coconut Passionfruit, Blackberry, and Strawberry Kiwi Fruit, or the Cold Brew varieties such as *Arroz con Leche*, *Carajillo*, *Flanpuchino*, and *Horchata*.

The sale of packaged foods also saw a double-digit increase, as we launched salads and empanadas, expanding the offer of products in our cafes.



Chilim Balam® and McCormick® marmalades at Nutrisa®

With the objective of expanding ways to enjoy the retail brand's favorites, and to create flavor experiences with other brands in the Grupo Herdez® portfolio, in 2023, Chilim Balam® was added to the Nutrisa® toppings bar, with a variety of sweet and savory gummies, as well as some marmalades from the McCormick® Balance line.

10%

of Impulse sales came from innovative products*

+819,000

downloads of the mobile apps for Cielito Querido Café® and Nutrisa®

*In&out and seasonal products

International markets

More than 12 million Mexicans currently live outside of Mexico (IME, 2021), with whom we would like to share the best flavors of our food. We are very proud of our solid presence in the top three countries with the most Mexicans: United States, Canada, and Spain, as well as taking the best of Mexican food to 21 countries all over the world.

We export 70% of production from our plant in San Luis Potosí

SOM: Share of Market

84%

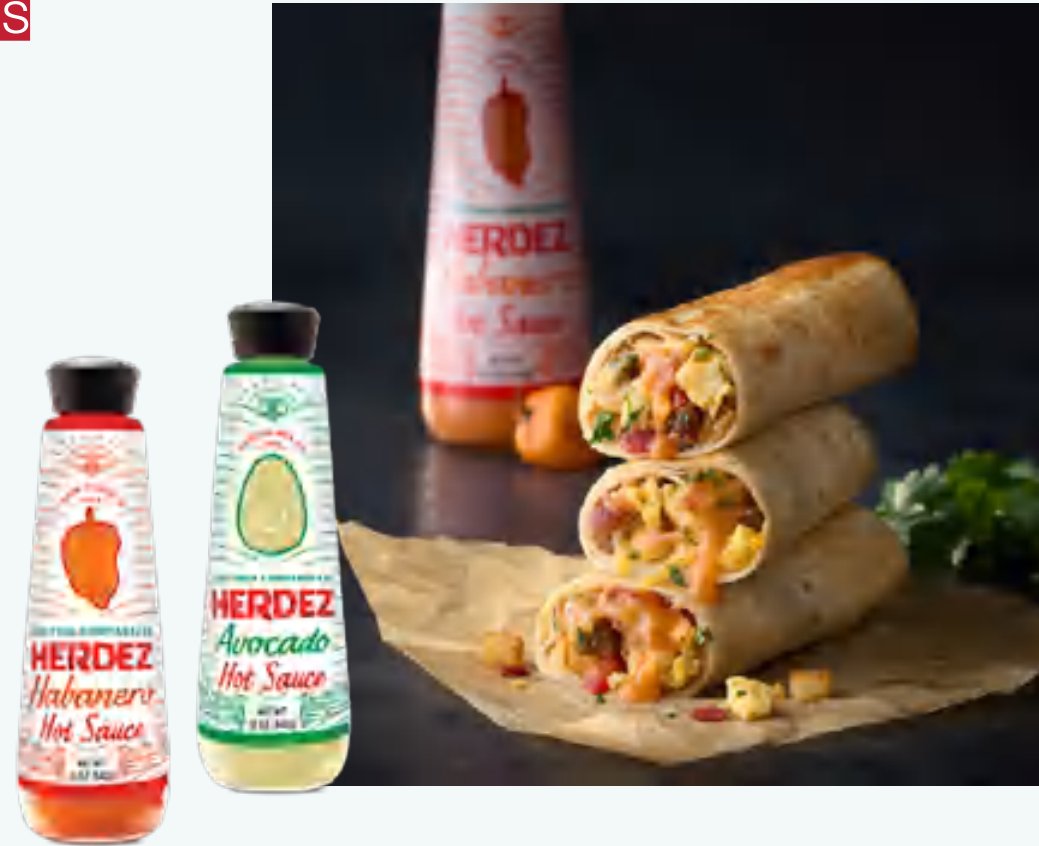
of SOM in mole in the United States, and the number one brand in the category

33%

SOM in guacamole in the United States, and the number one brand in the category



Innovation in salsas



Herdez® Habanero Hot Sauce

We expanded our hot salsa line in 2023, with Herdez® Habanero Hot Sauce, made with real habanero chiles. This hot sauce promises a distinctive, spicy flavor to enhance any dish, from tacos, burritos, hamburgers, and chicken wings, to eggs, salty snacks, ramen noodles, chili, and more.

With the launches of Herdez® Habanero Hot Sauce and Herdez® Avocado Hot Sauce, we have entered the hot sauce category in the United States, which has high growth potential, and wide diversity for consumption, such as meals made at home, a dipping sauce for snacks, and restaurants.



Herdez® Traditional Refrigerated Salsa

New traditional refrigerated Herdez® salsas are made with simple ingredients, such as tomatoes, onions, garlic, chiles, and jalapeño peppers. This salsa can be included in recipes or enjoyed as a condiment.

The recipe that inspires this traditional salsa is based on the one made at Fundación Herdez®, which has carefully preserved Mexican culinary traditions and shared the rich heritage of our food for more than 30 years in Mexico City.

Guacamole for everyone



WHOLLY® experienced a banner year in 2023; this guacamole brand focuses on being part of celebrations at home, and was advertised during sporting events such as American football. Fans were reminded of why WHOLLY® GUACAMOLE is not only the number one guacamole brand in sales in the United States, but also the best-known brand in the market.

Our new ad during American football games, with a Guac Chair Quarterback, showed our fun guacamole characters, also known as the WHOLLY® crew. These characters are sports announcers analyzing a person having trouble preparing homemade guacamole, and who decides to choose WHOLLY® GUACAMOLE as the hero of Game Day Dips. After testing the impact of the ads on consumers, the product's score improved by 1.9 times. Guac Chair received a Creative Effect score of 240, which measures brand attention and behavior change.

In addition to American football, summer barbecues are events where families and friends gather. We partnered with “So Yummy!” to create delicious recipes that show various ways to use our ready-to-eat products. The recipes included hot dogs, also known as Guac Dogs, covered with WHOLLY® GUACAMOLE, and avocado ice cream with a cheese tart using our WHOLLY® AVOCADO products. We generated more than nine million visits on social media.



Products to consume outside the home

Herdez® Mexican Refrigerated Entrées

According to the study Future of Dinner Report of NPD (2023), after the pandemic, consumers in the United States have returned to their busy lifestyles, and want practicality in the kitchen, especially when preparing dinner.

Together with our partner Hormel Foods, we launched three dishes: carnitas, chicken with chipotle sauce, and barbacoa beef, ready-to-eat products that allow our consumers to enjoy Mexican food within a matter of minutes.

Through a large portfolio of Herdez® brand products, we want to be in even more homes in the United States, so that families can experience Mexican food easily, at any time of the day.





Innovation

IP-7

At Grupo Herdez® we support open innovation to provide better products and services for those who choose our brands. Contributing to external knowledge helps us complement our internal strategy to improve as a company. A product is considered to be “an innovation” for five years after it is launched.



Research and development expenditures

	2023	2022	2021
Total R&D expenditures	\$36,772,283.00	\$48,282,880.00	\$41,056,045.00
Number of modified products	81	90	83
R&D expenditures as a percentage of total sales	0.10%	0.15%	0.16%

Type of innovation

Type of innovation	% of revenues
New products or services sold last year	8.79%
Products with significant improvements sold last year	0.09%
Products or services without changes, or with minimal modifications	91.12%

Environmental Impact

More than just a responsible
supply chain, is

a team
with a long-
term vision



2.15 m³/Tn

produced from water
consumption intensity

1,830 ha

of agricultural crops impacted by
the PASyR

98.1%

of our packaging is
recyclable or reusable



Water

GRI 303-3, 303-4, 303-5, SASB FB-PF-140a.1, FB-PF-000.A

As part of our water sustainability actions, we comply with Sustainable Development Goal (SDG) 6 Clean Water and Sanitation, of the Agenda 2030 of the United Nations (UN).



In 2022, we placed three billion pesos in sustainability-linked bonds, positioning ourselves as the first issuer in the food sector to issue this type of instrument in Mexico.

With this issuance, we have committed to reducing our water consumption to 1.98 m³/Tn produced by 2030.



586,042.53_{Tn}

Total tons produced 2023

1,262,399.07_{m³}

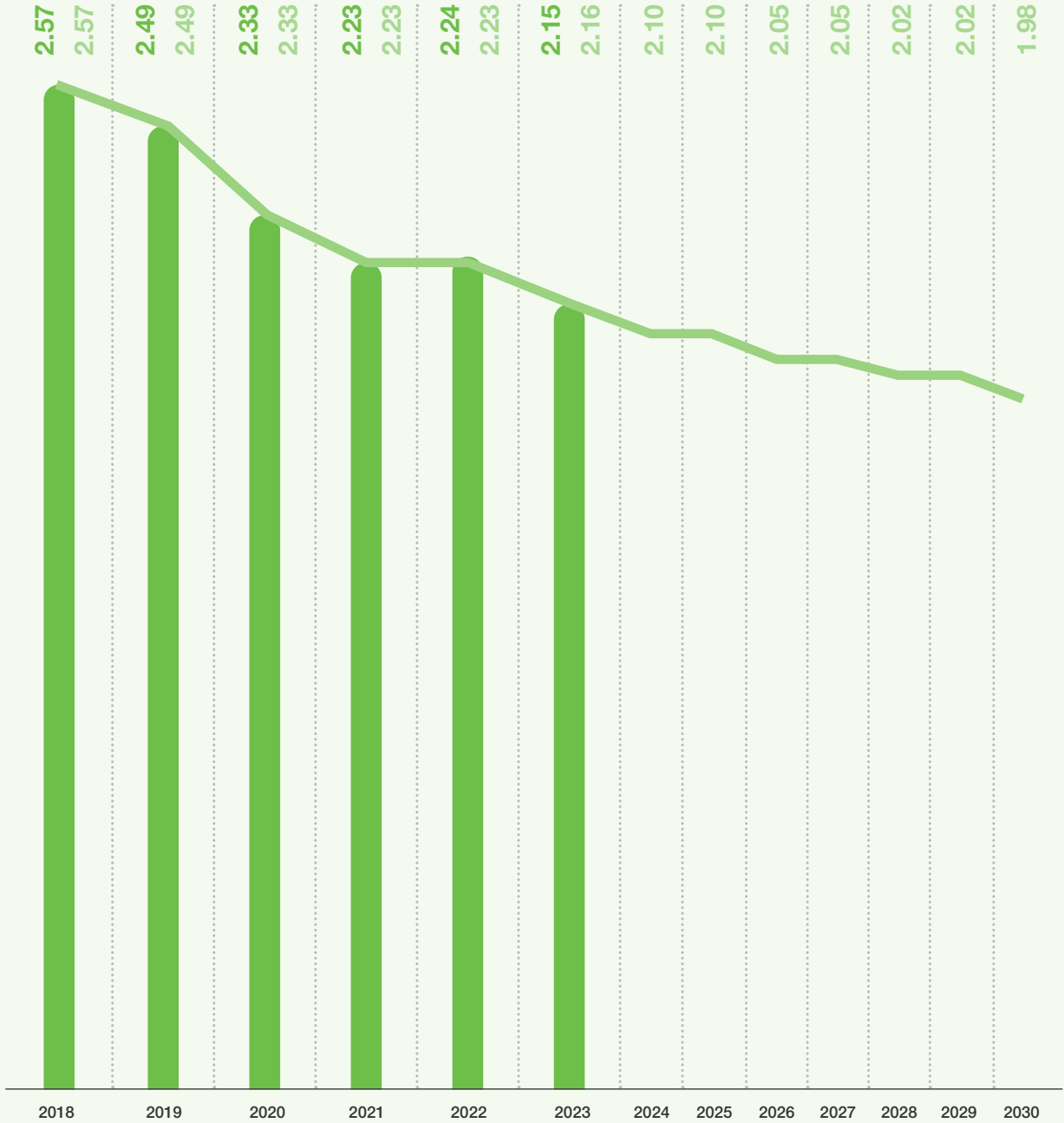
Total water withdrawn in 2023

Our 2023 goal for water consumption intensity was of 2.16 m³/Tn produced, which goal we achieved, with an intensity of 2.15 m³/Tn. This is a 5.3% reduction over the previous year, and an accumulated reduction of 17% compared to the 2018 baseline.

Water consumption intensity

Numbers stated in cubic meters per ton produced (m³/Tn produced)

● Consumption intensity ● Established goal

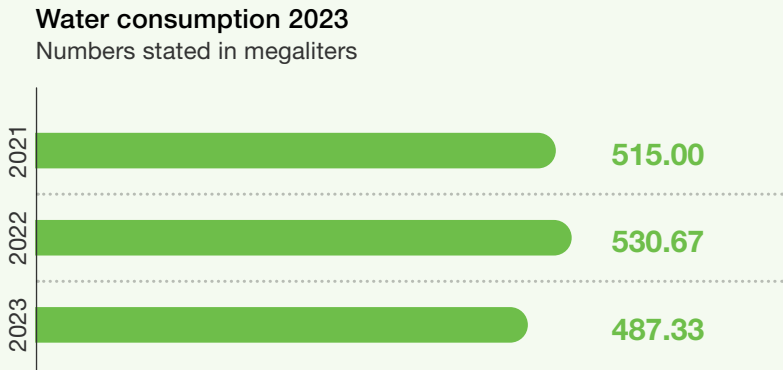




Water consumption

GRI 303-5

In 2023, we reduced our water consumption by 8.2%, compared to consumption in 2022. This number is calculated by taking the sum of water resources extracted and incorporated into a product that is consumed by humans, or water that is contaminated and cannot be returned to surface water, groundwater, ocean water, or third parties.



Water extraction

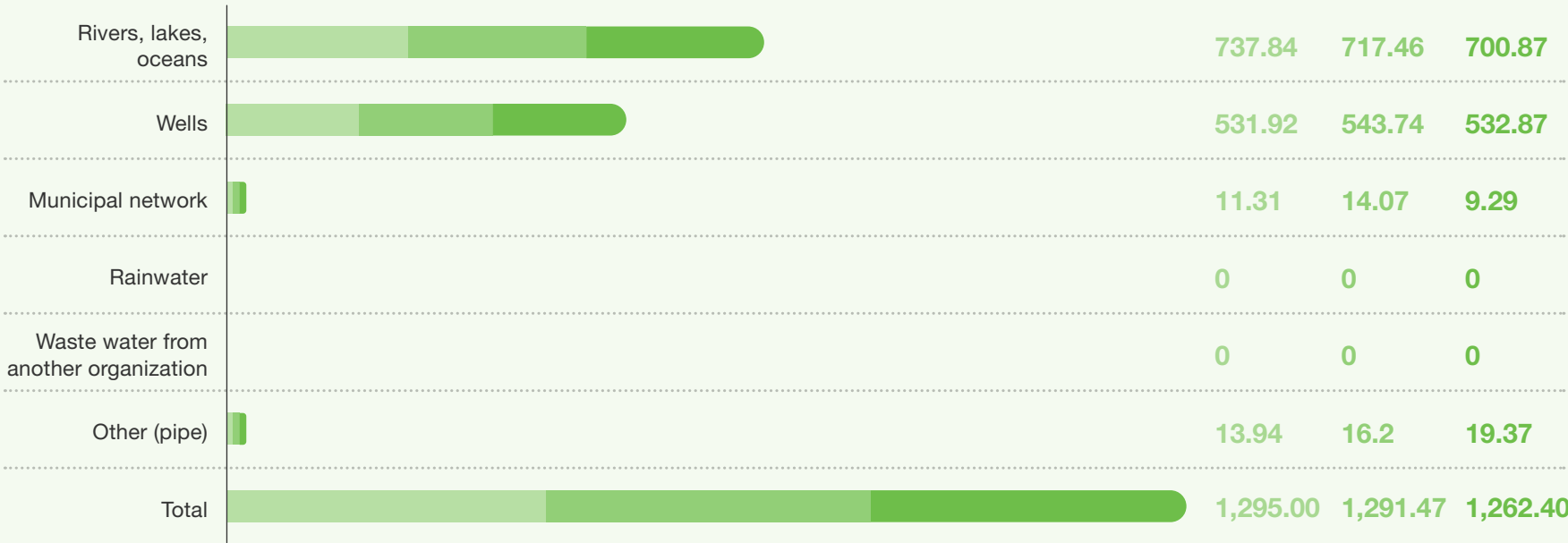
GRI 303-3, SASB FB-PF-140a.1

By the end of 2023, we had reduced the total extracted water volume at our 10 plants by 2.3%. This number is calculated by taking the sum of all water extracted from surface water, groundwater, ocean water, or water from third parties, for any type of use during the period.

Facilities that require wastewater treatment have treatment systems with the characteristics required to comply with the applicable regulations on wastewater discharge.

All of our water treatment systems conduct the following steps: pre-treatment, primary treatment, secondary treatment, biological treatment, and simple tertiary treatment (in facilities where it is required). A percentage of treated water is used to water gardens and for some auxiliary services; the rest is discharged.

Water extraction 2023
Numbers stated in megaliters
● 2021 ● 2022 ● 2023





Water discharge

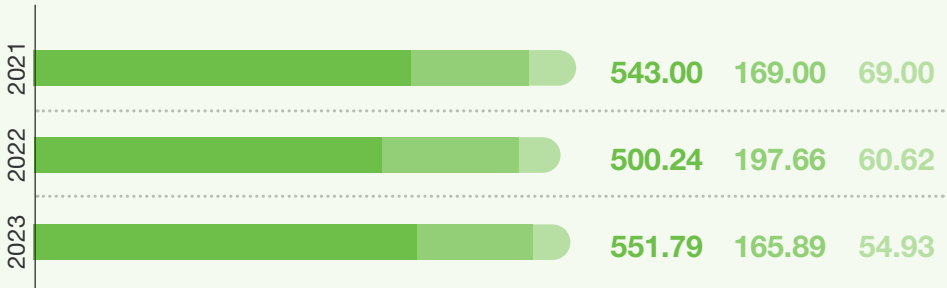
GRI 303-4

Due to an overall increase in the Group’s production, the total volume of discharged water increased by 1.9% in absolute milliliters (ML) with respect to 2022, totaling 772.6 megaliters.

Water discharge 2023

Numbers stated in megaliters

● Rivers and lakes ● Municipal network ● Groundwater



Rainwater capture

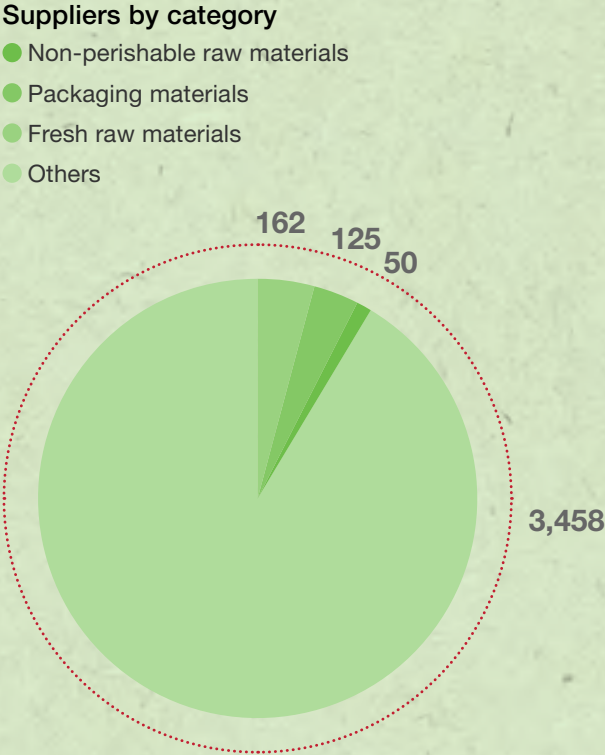
The volume of rainwater captured annually by the Group is 76 megaliters, corresponding to the maximum capacity installed in the Duque de Herdez® Complex, Mexico Plant and CEDIS Mexico. This process works as a rainwater regulating system that is subsequently channeled to the subsoil for irrigation of green areas, so it is not considered a storage system.

“Best Practice”
recognition in the
category Exceptional
Companies’ Contribution
to the SDGs - 2023, for
issuing a Sustainability-
Linked Bond

Responsible value chain

GRI 2-6, 308-1, 204-1, IP-6 Agricultural Sustainability, SASB FB-PF-430a.1, SASB FB-PF-440a.1

We have an extraordinary, reliable, and responsible team comprised of suppliers, clients, and commercial partners who make sure our products are always on our consumers' tables. Together we share the commitment to deliver high-quality, fresh food, with 95% of the ingredients originating in Mexico.



3,795

suppliers

33,139

clients



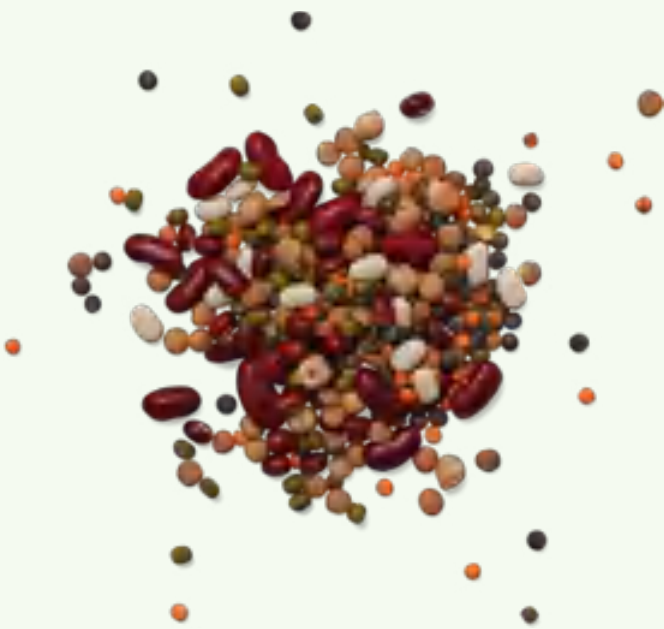


We increased the percentage of domestic raw materials suppliers by 1.5%, reaching 95.0% compared to 93.5% in 2022. Local or domestic purchases are defined as suppliers whose manufacturing locations are within Mexico.

All of our agricultural producers have operations in Mexico, and are distributed throughout the country: Aguascalientes, Baja California, Baja California Sur, Campeche, Chihuahua, Mexico City, Durango, Guanajuato, Hidalgo, Yucatán, Morelos, Nayarit, Nuevo León, Puebla, Quintana Roo, San Luis Potosí, Sinaloa, Sonora, Veracruz and Zacatecas.

While soybeans come mainly from the United States, the refining process to create soybean oil is done in Mexico.

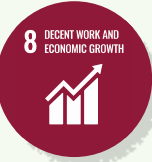
We paid our suppliers more than 26.6 billion pesos; the largest payment amounts were made to suppliers of non-perishable raw materials and packaging materials.



Payments to providers in millions of pesos

● Domestic ● Foreign ● Total

Category	National	Extranjera	Total
Non-perishable raw materials	7,044.17	620.01	7,664.31
Packaging materials	6,794.36	98.57	6,892.93
Agricultural raw materials	1,178.96		1,178.96
Total	7,973.32	98.57	8,071.89



Program to evaluate suppliers' sustainability progress

In 2021, we initiated our Program to Evaluate Suppliers' Sustainability Progress. We sent our providers a questionnaire so we could learn about the commitments and initiatives in our value chain, and to ensure that they comply with our sustainability strategy and goals.

With this mapping, we would like to link suppliers with greater progress to a series of benefits intended for companies with their characteristics, such as factoring schemes with preferred rates, and supplier development programs, among others.

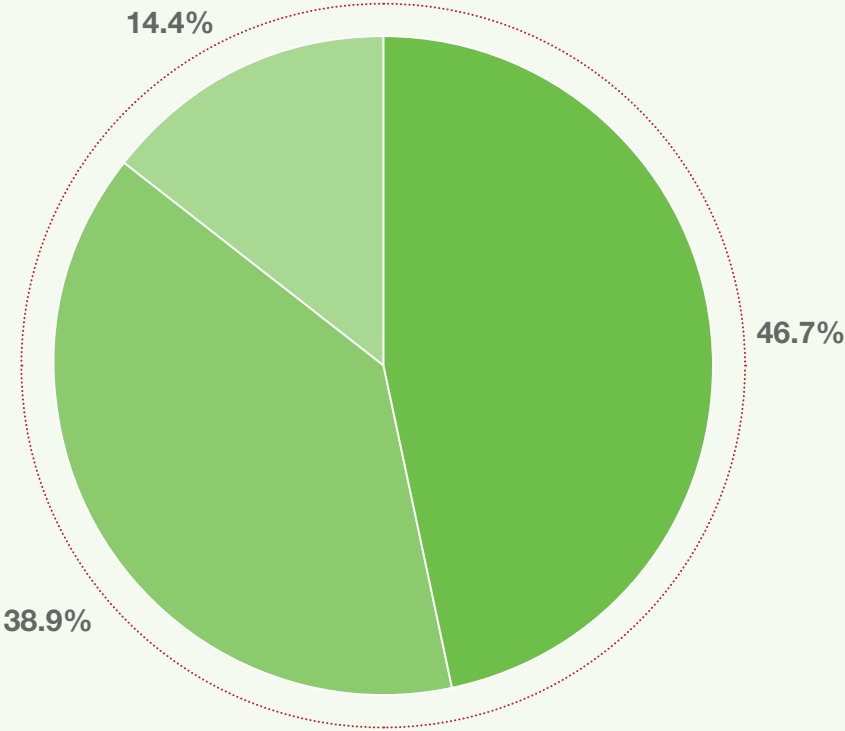
By the end of 2023, we had evaluated 90 of our main suppliers, and found that 71.0% qualified as "sustainable."

For the third consecutive year, we were awarded the CHEP 2023 Sustainability Certificate for our contributions to protecting the environment and promoting a sustainable logistics model based on using reusable pallets.

CHEP is one of our partners in the logistics chain; it promotes a circular economy model based on reusing pallets.

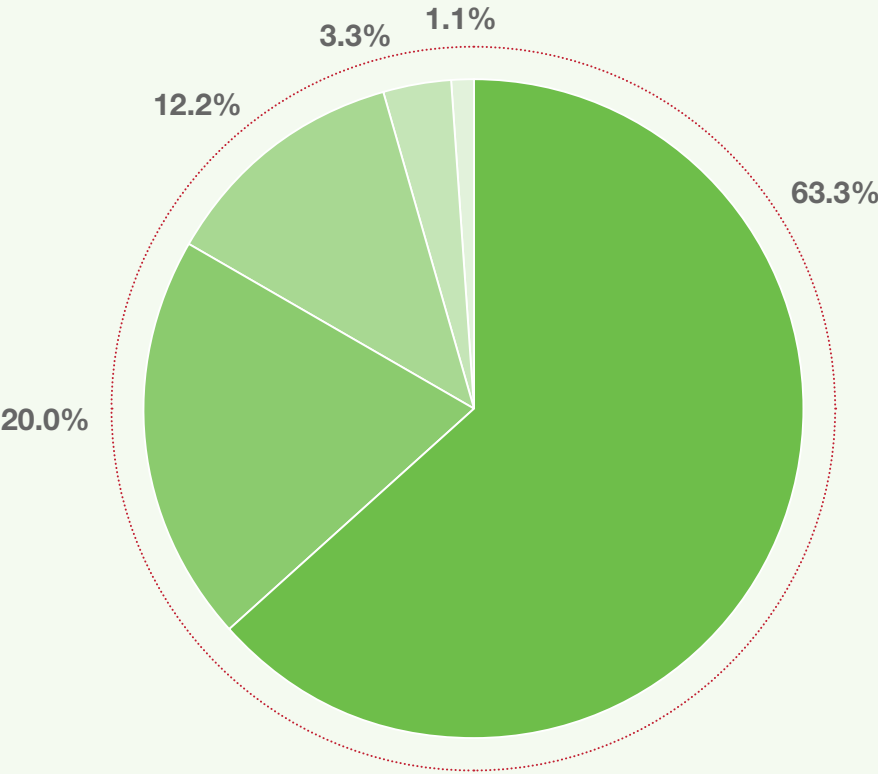
Suppliers evaluated by size

- Large
- Small and Medium
- Micro



Suppliers evaluated by sector

- Manufacturing
- Commerce
- Service
- Agricultural
- Logistics





Sustainable and Regenerative Agricultural Program (PASyR)

We are committed to supporting development in the Mexican countryside, which is why we have created the Sustainable and Regenerative Agricultural Program. This program allows us to make long-term agreements with local agricultural suppliers whose experience, combined with our best practices, ensures that consumers will have the highest-quality products at their table.

We employ practices that help fight climate change, use resources such as water efficiently, and protect biodiversity. As part of these efforts, we are aligned with SDG 2 Zero Hunger, and SDG 12 Responsible Production and Consumption.



In 2023, 146,265.28 tons of agricultural raw materials and bee products were acquired (both fresh and frozen), of which 72,800 tons were from providers that adhere to the PASyR. This number is 50% of the total amount of agricultural raw materials acquired.

Through the Sustainable and Regenerative Agricultural Program, we manage a set of criteria, indicators, actions, and strategies between Grupo Herdez® and agricultural suppliers that help produce agricultural products with the lowest possible environmental impact. This program complies with required quality and safety guidelines, focusing on the preservation and regeneration of ecosystems, and the sustainable development of communities.

Our agricultural auditing team carries out its audits based on a set of rules containing 35 criteria and 147 evaluable indicators, using documentation, physical, and practical examples in its measurements. Based on these indicators, we guide, train, supervise, and monitor the production practices of our fresh raw materials agricultural providers.

Sustainable and Regenerative Agricultural Decalogue

- 1. Preservation of biodiversity
- 2. Protection of the air, water, and soil
- 3. Energy and climate change
- 4. Waste management
- 5. Integrated crop management
- 6. Reduction of agrochemicals
- 7. Safety and hygiene
- 8. Dignified work
- 9. Social responsibility
- 10. Communication and participation for continuous improvement



Program pillars

Best Agricultural Practices (BAP)

Prioritize agricultural production according to orderly hygiene plans, with preventive measures for physical, biological, and chemical control for managing waste that could contaminate the water, soil, and air.

Safe Handling of Agrochemicals (SHA)

Contribute to the responsible management and optimal application of agrochemicals in the field, to mitigate environmental impacts.

Integrated Crop Management (ICM)

Reduction on the use of agrochemicals through monitoring; use tools for biological control and natural soil amenders, use beneficial organisms, among other sustainable and regenerative practices.

Changes in traditional production methods

Maximize and communicate the positive environmental and social impacts of sustainable and regenerative agriculture through training and creation of shared knowledge.



PASyR 2023 results

1,830

hectares of crops impacted

+1,800

hours of training for agricultural providers

80%

of providers used biological control tools

275.80 Tn

of plastic waste recycled in the field

100%

of providers complied with the BAP program

Zero

detection of pesticides in finished products for import into the United States

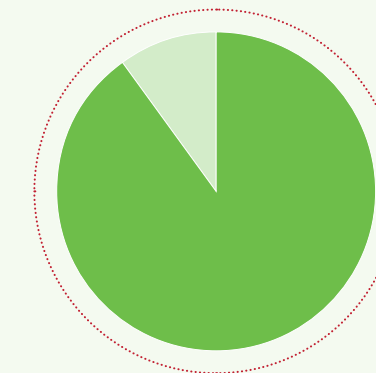
100%

compliance with SHA

1 million

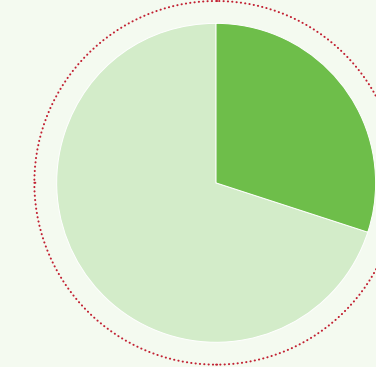
saved by reducing the analysis of pesticides in finished products

Among the perishable raw materials we consume are red tomatoes, green tomatoes, yellow corn, chiles, cilantro, onion, cactus, and tea (lemon, chamomile, and mint), as well as non-perishable and/or manufactured raw materials such as semolina, honey, strawberries, etc. Fully 90.0%* of these ingredients come from regions with high or extremely high water stress** in Mexico.



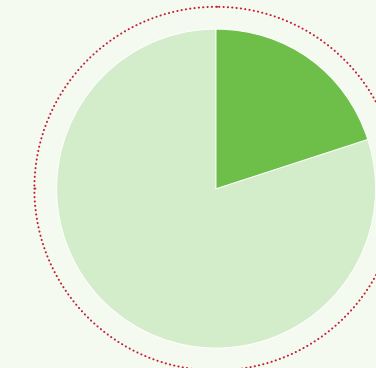
90%

of providers used water rationally by modernizing crop irrigation technology



30%

of providers used electricity from renewable sources in a part of their processes or activities



20%

of providers established areas in their crops for pollinating insects and/or the development of beneficial organisms

PASyR: Sustainable and Regenerative Agriculture Program by its Spanish acronym

*This percentage includes the acquisition of key raw ingredients/materials that come from agricultural and bee sources, and manufactured products whose origin is agricultural (tea, strawberries, frozen fruit, and frozen avocado pulp).

**The criteria used to determine water stress is that reported by the internationally recognized Aqueduct Water Risk platform.



Un Legado Más Fuerte

From our analysis of the life cycle of tomato puree, we found that we have a huge opportunity in tomato production to mitigate water depletion and the impacts of climate change in the areas where the production of this raw material is located.

The objective of the *Un Legado Más Fuerte* program, or, A Stronger Legacy, is to implement actions and to create a culture that is focused on protecting natural ecosystems. Through Del Fuerte®, we implemented an impact project in Ejido Topia, an agricultural center located in the northeast of the state of Durango, in the Eastern Sierra Madre mountain range, where 32 million m³ of water is produced due to the forest canopy.

The water basins located in this area supply water to some of the fields where tomatoes are grown for Del Fuerte®.

Reforestation, dam construction, waste collection, and awareness campaigns for the community have been underway since 2020, intending to keep the basins in optimal condition.

In the long term, maintaining reforested areas will help mitigate our carbon footprint.

321 participants in 2 years

2023 activities and results

Activity	2022 Results	# of participants 2022	2023 results	# of participants 2023	Cumulative
Reforestation	3 hectares	15	3 hectares	43	6 hectares
Maintenance of reforested areas	3 hectares	6	3 hectares	15	6 hectares
Construction and maintenance of filtration dams	9 m³	9	15 m³	20	24 m³
Opening of firebreaks	2.5 km	26	2.5 km	25	5 km
Maintenance of firebreaks	2.5 km	20	10 km	25	12.5 km
Use of vegetable waste	35 hectares	27	35 hectares	30	70 hectares
Waste clean-up campaign	2 campaigns	30	3 campaigns	15	5 campaigns
Waste collection*	Placement of 2 containers	7	4.5 Tn	15	4.5 Tn
Environmental education campaign for the community in the area	6 campaña	3	1 campaign	40	7 campaigns

* Waste is collected by containers placed in the area. The collected waste is disposed of in a town landfill.



Best Sustainable Production Project
in the GOULA 2023 Awards

Waste, recycling, and packaging materials

GRI 301-2, 301-3, 306-3, 306-4, 306-5, SASB FB-PF-410a.1

As a company with a widely diverse portfolio and high market penetration, we know that our containers and packaging play an important role, not only in ensuring that our products arrive safely at consumers' tables but also in the construction of a circular economy.

129,529.89 Tn

of recyclable and/or reusable materials
were acquired for our packaging

132,016.74 Tn

total of packing materials

98.1 %

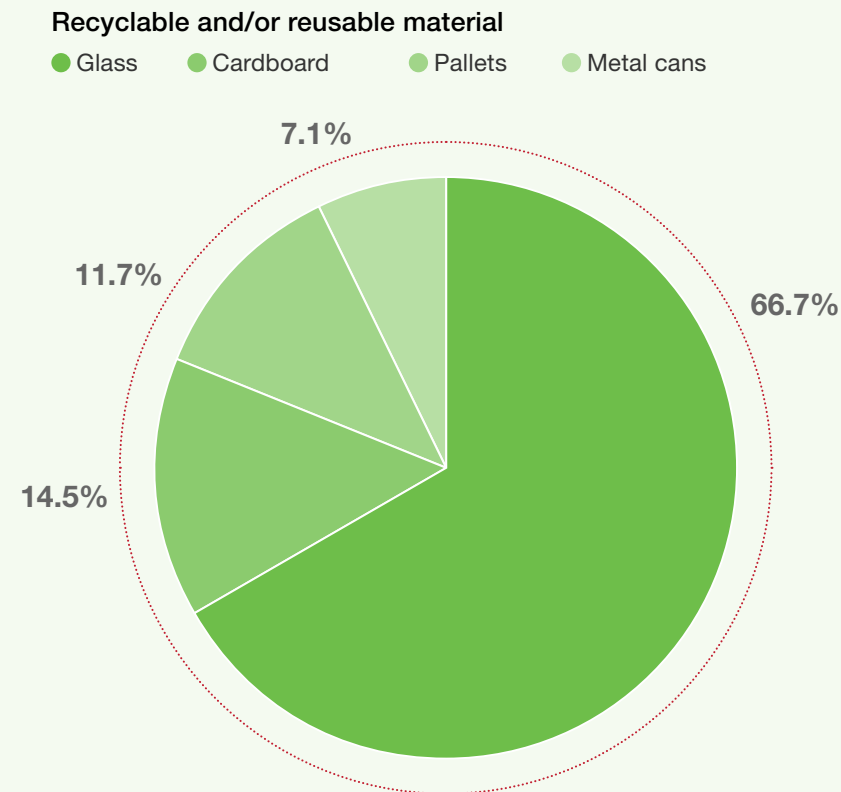
of our packaging has characteristics of
recyclability and/or is reusable.

12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



In compliance with the goals of SDG 12 Responsible Production and Consumption, we have adopted an eco-design focus that prioritizes the use of mono materials for packaging, and we also make sure that all of these materials have a component of recyclability, reuse or redesign to mitigate environmental impacts.





We increased the percentage of recycled material by 2.5% over the previous year. That is, in 2023, we purchased 12.7% of recycled packaging materials, including corrugated cardboard in cases, boxes, and trays, compared to 10.3% in 2022.

For the second consecutive year, Grupo Herdez® received the Urban Forest Award from Bio Pappel, one of our main providers of cardboard, which provides us with raw materials made completely of recycled materials.

Management of post-consumption waste

Por un Mundo Más Vivo®

Por Un Mundo Más Vivo® is a movement backed by the Herdez® brand. It combines actions and advice to create responsible consumption habits to help protect the planet.

In 2023, 15.25 tons of cans were collected in partnership with Grupo Promesa and through Walmart's *Reciclamanía* (Recyclemania) program, which was triple the amount collected in 2022. Together with Grupo Promesa, 1.7 tons of glass and 156 kg of multi-layer packages (Tetra Pak®) were collected.

The collected cans were transformed into:

- 6 hydroponic cultivation systems that were placed in schools in rural communities.
- 10 electric scooters manufactured with 250 cans each, given away to consumers through the *Rodando por el Planeta* (Rolling for the Planet) initiative.

In partnership with Grupo Promesa, 409 institutions received educational talks on the environment, impacting 14,366 people of different ages.

Kitchen Garden: The reuse of disposable packaging to create kitchen gardens was encouraged by a limited edition of cans of Herdez® vegetables with seeded paper labels. During the year, 9,332,800 labels were produced.

Partnership with ECOCE

We joined forces with Ecología y Compromiso Empresarial (ECOCE), a non-profit environmental association that manages post-consumption containers and packaging, to invite our consumers to recycle packaging, and to make it easier for them to do so.



Waste management

The facilities and operations of Grupo Herdez® generate three categories of waste: hazardous waste, waste that requires special handling, and solid urban waste. The latter category generates the highest volume of waste, due to regular activities such as processing raw materials, packaging and crating, food waste, and personnel’s sanitary waste.

Waste that requires special handling is generated mainly at the wastewater treatment plants, and by raw materials packaging, while hazardous waste is mainly generated by equipment and facilities maintenance activities.

During 2023, we generated a total of 49,351.01 tons of waste in our operations.



Waste not destined for disposal (Tn)

	2023	2022	2021
Hazardous waste not destined for disposal	9.32	13.67	64
Non-hazardous waste not destined for disposal	40,803.46	37,338.29	39,383
Total waste not destined for disposal	40,812.78	37,351.96	39,447
Total weight of off-site recycled special handling waste	4,917.01		
Total weight of municipal solid waste recycled off-site	35,886.45		

Waste destined for disposal (Tn)

	2023	2022	2021
Hazardous waste destined for disposal	41.14	50.83	0
Non-hazardous waste destined for disposal	8,497.09	6,893.46	6,067
Total waste destined for disposal	8,538.23	6,944.29	6,067
Total waste, both hazardous and non-hazardous, destined for disposal*	8,538.23	6,944.29	6,067

	2023	2022	2021
Total waste generated (Tn)	49,351.01	44,296.25	45,514
Total weight of hazardous waste	50.45		
Total weight of non-hazardous waste	49,300.55		

*Outside Group Herdez® facilities

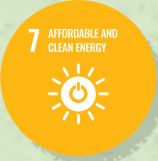
In 2023, we decreased hazardous waste generation by 21.8% over the prior year. We recycled 82.7% of our total waste.



Energy

302-3, 302-1, 302-4 SASB FB-PF-130a.1

In accordance with the goals of SDG goal 7 Affordable and Clean Energy, we encourage energy conservation and efficiency initiatives within our operation.



During the year, the ratio of energy intensity at our plants and distribution centers was 1.77 GJ/Tn produced, which is a 12.6% reduction over 2022.

Total consumption of energy was 1,116,257.00 GJ, 7.8% lower than consumption in the prior year. Energy was distributed as follows:

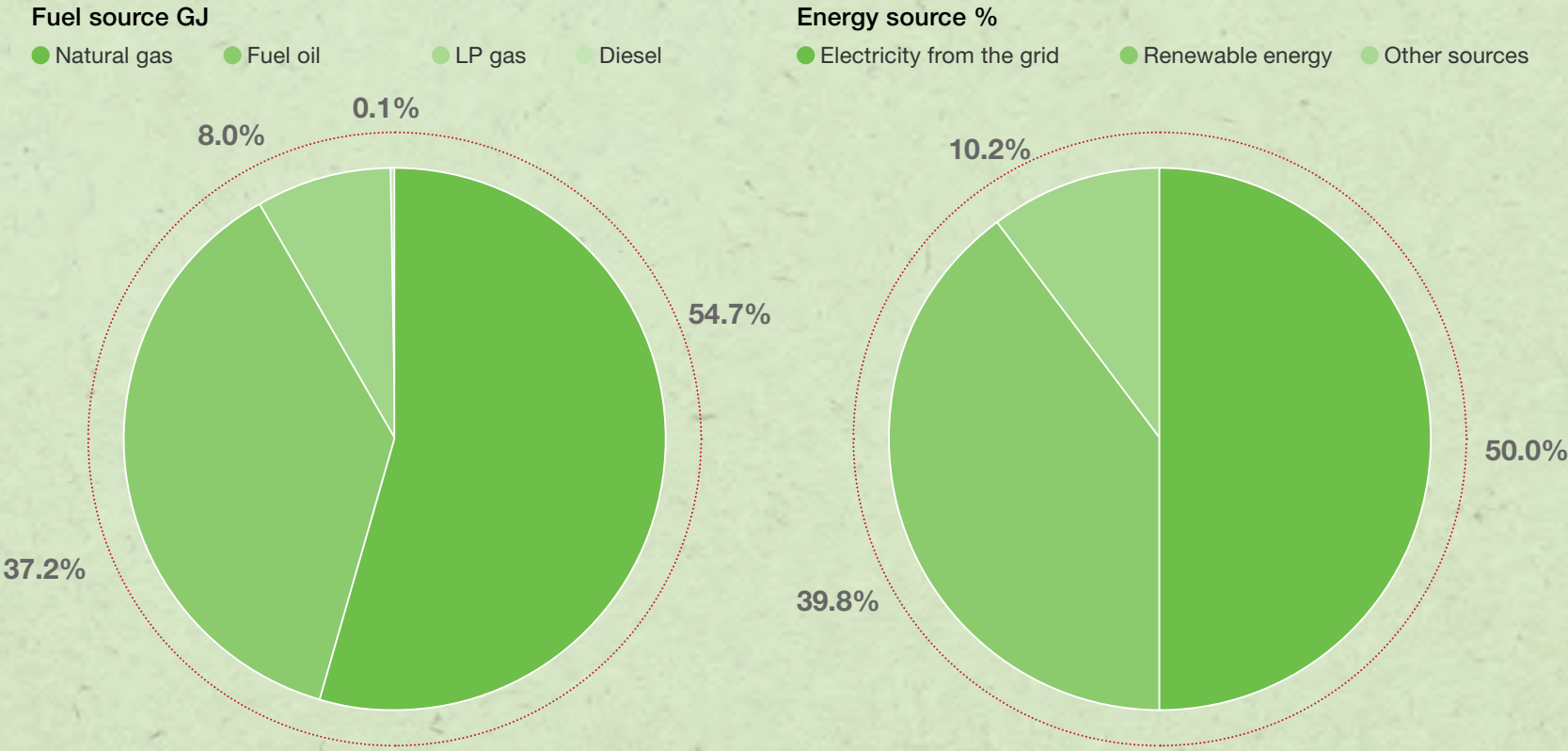
Electricity

358,761.00 GJ

Fuels

757,496.00 GJ

This includes energy from fuels (natural gas, diesel, LP gas, and fuel oil), and electricity.



Operations of the Cogeneration Plant (EPC) ceased in 2023. The plant had supplied low-emission energy to the Barilla® and El Duque facilities and the San Luis Potosí Distribution Center. This resulted in a 12.8% reduction in our consumption of clean energy compared to 2022.



Energy efficiency program

Since 2018, we have implemented our Energy Management System to improve our environmental performance, and to boost work that prioritizes energy conservation and efficiency. Some of the initiatives consist of replacing fluorescent lighting with LED lighting, installing motors with greater energy efficiency, and optimizing operational control of equipment to generate savings.

The reduction in energy consumption since implementing initiatives at plants and distribution centers was 23,011.46 GJ, which is 10.0% lower than the previous year.



ISO 5001:2018 Certification - Energy Management

Currently our McCormick® México, El Duque, and Helados Nestlé® plants have ISO 50001:2018 certification, which verifies that the facilities have a high-standard system for energy efficiency and safety, as well as a continuous improvement plan.

Emissions

305-1,305-2,305-5,305-6



As part of our contribution to SDG 13 Climate Action, we report the emissions from our operations year over year, always seeking to improve performance to fight climate change.

Total emissions: 65,804 Tn (Scope 1 and Scope 2)

In tracking the emissions from plants and distribution centers, including direct emissions (mobile and fixed sources) and indirect (electricity from non-renewable sources), GHG emissions intensity in 2023 was 0.10 tons of CO₂e/ton produced, which is similar to GHG emissions in 2022. The intensity of GHG emissions is stated in tons of CO₂e per ton produced and is based on the sum of direct and indirect emissions reported in prior emissions indicators, summing the emissions from fuel consumption, and the emissions from electricity consumption from the national grid (Comisión Federal de Electricidad - CFE).

Scope 3 emissions are not calculated.

Total scope 1 and scope 2 emissions in Tn CO₂e

● Scope 1

● Scope 2





Environmental Investments

IP-4 Environmental Investments

The focus of our environmental commitment is preventive, prioritizing sustainable development, supporting initiatives, and implementing new technologies to decrease the environmental impacts of operations, according to the directives and scopes established in our environmental management system.

This year environmental investments were 84.3 million pesos, equal to 2.5% of profits earmarked for environmental impact projects. This included the Por Un Mundo Más Vivo® program promoted by the Herdez® brand; Un Legado Más Fuerte of the Del Fuerte® brand; and the investment in our Sustainable and Regenerative Agricultural program.

Carbon-neutral digital campaigns



At the end of 2023, we implemented our first carbon-neutral digital campaign with the Frank's® and French's® brands. We implemented an emissions-tracking code on our digital announcements to calculate the emissions created by each click, so that we can purchase emissions-offsetting bonds in 2024.

Due to this report, this tool will also be implemented on the website in the Annual Report, to reduce the digital environmental footprint.



84.3 MDP

environmental investments

Social Impact

More than just a
social commitment, it

is our team that makes us extraordinary



+250,000

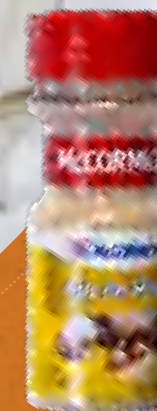
people benefited from food donated
by Fundación Herdez®

2,191

productive and fair trade projects
implemented by Saber Nutrir®

+2,300

man-hours of training in the *Plato del
Buen Vivir* program



Our team

GRI 2-7,401-1

Every member of the organization contributes with their experience, skills, and knowledge to daily operations, and to achieving our objectives. Our team is an invaluable asset for the success of Grupo Herdez®, which is why the development and well-being of our people are part of our strategy.

11,595

people on our
employee team

5,107 women

6,488 men

Employees by gender

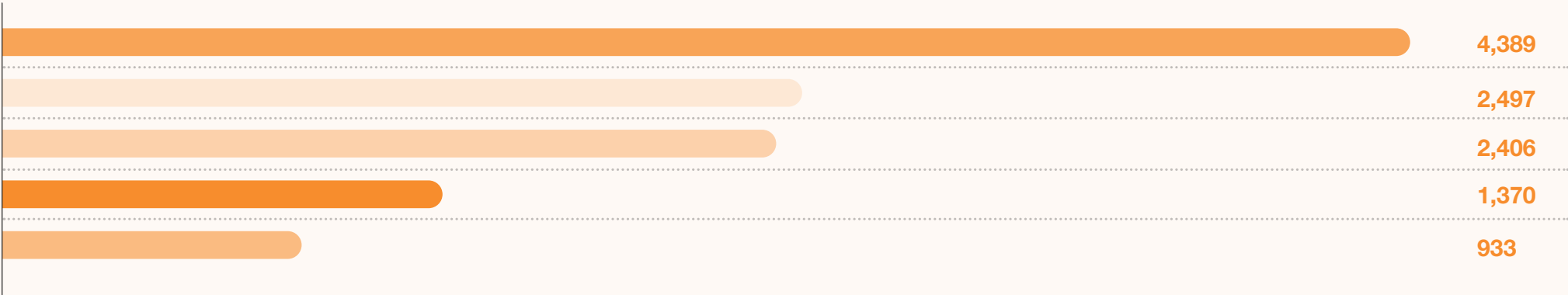
● 44.0% women

● 56.0% men



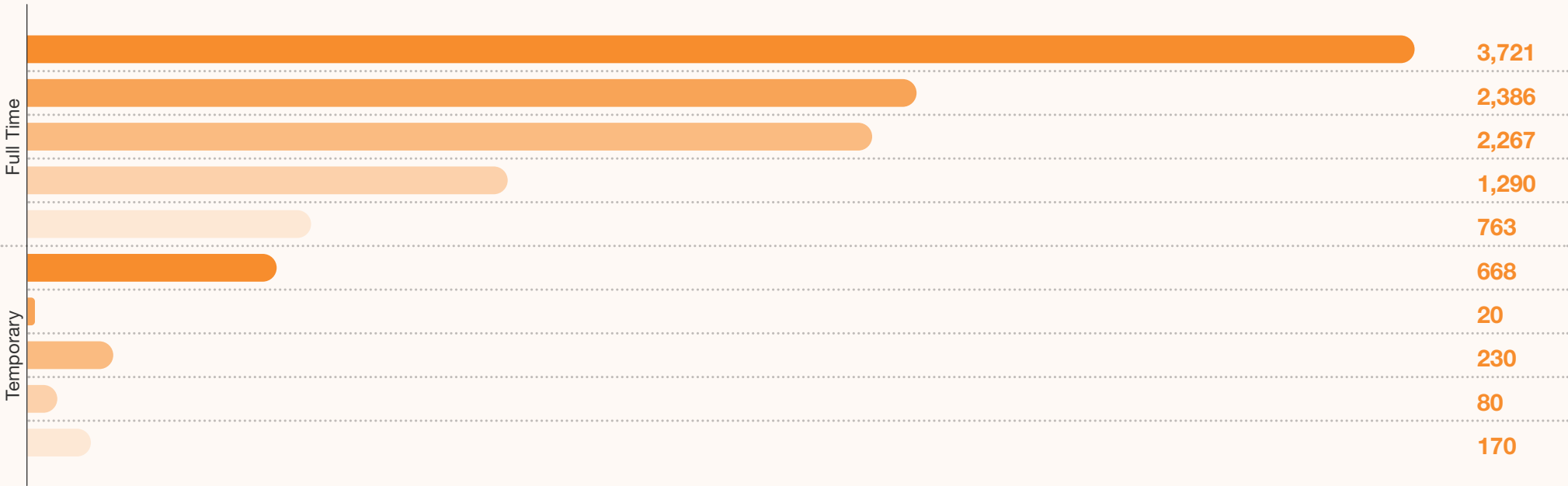
Employees by location

Corporate offices Plants Distribution centers Stores Sales routes



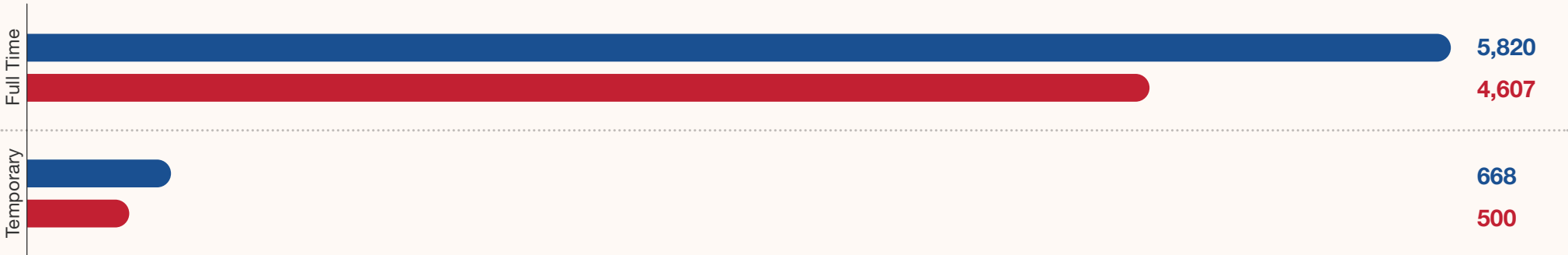
Employees by type of contract and location

Plants Stores Sales routes Corporate offices Distribution centers



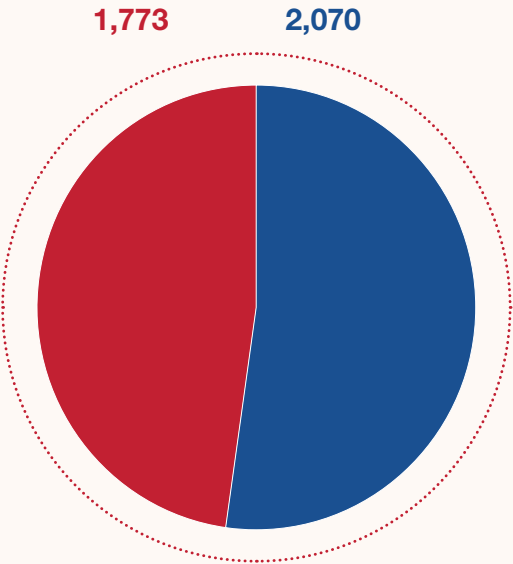
Employees by type of contract and gender

Men Women



Hires by gender

Men Women



3,843

people joined our team in 2023



Turnover rate 21.1%



Young talent

Jóvenes Construyendo el Futuro

38

apprentices participated in the different Young Talent programs

Six were hired for different positions



Leaders in training

Extracurricular academic program of the Mexican Business Council (Consejo Mexicano de Negocios - CMN), implemented by Colegio de México. This program identifies young Mexicans with extraordinary intellectual talent, leadership potential, and a strong social commitment to their communities and the country. In the third iteration of this program, six young people represented Grupo Herdez®.

Diversity and inclusion

GRI 405-1, 405-2

At Grupo Herdez®, we are firmly committed to gender equality, and to promoting economic growth, inclusion, and sustainability for our people.

In 2022, we transformed our Gender Equality Policy into a Diversity and Inclusion Policy, reflecting our commitment to encourage an inclusive and diverse environment in which everyone feels included, respected, and empowered to make decisions.



Included in our seven Sustainability Strategy Goals is Sustainable Development Goal (SDG) 5 Gender Equality.



Employees by job category, age and gender

2023	Women			Men			Total
Job category	Under 31 years old	Between 31 and 50 years old	Older than 50	Under 31 years old	Between 31 and 50 years old	Older than 50	
Operating	2,019	1,820	491	2,338	2,535	553	9,756.00
Operating-Regulatory	201	381	33	163	515	89	1,382.00
Tactical	16	100	11	15	149	40	331.00
Strategic	0	33	2	0	52	39	126.00

2023	Women			Men			Total
	Under 31 years old	Between 31 and 50 years old	Older than 50	Under 31 years old	Between 31 and 50 years old	Older than 50	
Operating	20.69%	18.66%	5.03%	23.96%	25.98%	5.67%	100.00%
Operating-Regulatory	14.54%	27.57%	2.39%	11.79%	37.26%	6.44%	100.00%
Tactical	4.83%	30.21%	3.32%	4.53%	45.02%	12.08%	100.00%
Strategic	0.00%	26.19%	1.59%	0.00%	41.27%	30.95%	100.00%

3rd place among Merco’s Best Food Companies that Attract and Retain Talent in Mexico



Ratio of base salary and remuneration of women compared to men

As part of our commitment to gender equality, we calculated the ratio of women’s base salary compared to that of men, so that we can focus our efforts on closing the salary gap.

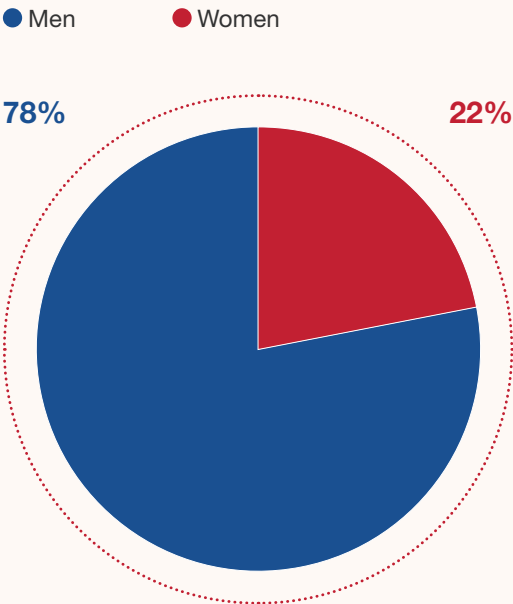
Ratio of women’s base salary compared to that of men, by labor category

Labor category	2023
Operating	95%
Operating-Regulatory	100%
Tactical	102%
Strategic	101%

Ratio of women’s base salary compared to that of men, by Location

Location	2023
Plants	74%
Distribution Centers	94%
Corporate	91%
Sales routes	139%
Stores	100%

Diversity on the Board of Directors



21st globally among Merco’s Top 100 Best Companies that Attract and Retain Talent in Mexico



Commitment to Women's Empowerment Principles

In support of

WOMEN'S EMPOWERMENT PRINCIPLES

Established by UN Women and the
UN Global Compact Office

WEPS (UN)

In 2022, we adhered to the Women's Empowerment Principles (WEPS) of the United Nations (UN), whose objective is to encourage companies to promote gender equality and to empower women in the workplace, the market, and communities.



Mexico City Pact for Equal Treatment (*Gran Acuerdo por el Trato Igualitario CDMX*)

By signing this agreement, we have committed to equal treatment in Mexico City. We know that by joining efforts, we can create more spaces that are free from discrimination, and that encourage more participation and best practices in workplace inclusion.



Workplace inclusion of people with disabilities

Since 2017, we have been part of the "Éntrale" alliance, backed by the Mexican Business Council, whose objective is to create a culture of workplace inclusion for people with disabilities.

We have 14 people with disabilities on the teams of McCormick® plant, Planta Duque, Chilim Balam®, Cielito Querido Café®, Moyo® and Nutrisa® stores.



7th place among Merco's Top 100 Responsible Companies 2023 in the Internal, Customer, and Society Sphere

Training

GRI 205-2, 404-1, 404-2

During 2023, we provided 295,083.3 hours of training to 100% of our staff at all locations (plants, distribution centers, corporate, sales routes, and stores). The total investment in training was more than 18.3 million pesos in programs to develop technical skills, rules and leadership, and sustainability, among others.



2,161 employees received sustainability-related training.

Several areas were studied:

- 1. Environmental issues and impacts
- 2. Complete waste management
- 3. Environmental procedures
- 4. Energy planning

+8,630 employees received training in ethics and anticorruption, which is equal to 17,858 hours of training.

Hours and average hours, by gender 2023

Gender	Employees	Hours	Average hours
Men	6,087	167,589	27.53
Women	4,726	127,495	26.98
Total	10,813	295,084	27.29

Average Hours by labor category 2023

	Hours
Operating	26.6
Operating-regulatory	31.5
Tactical	35.9
Strategic	3.7
Total average hours	27.2

Training in Ethics and Anticorruption 2023

Labor category	Men	Women	Unionized (when applicable)	Hours of training in Ethics and Anti-Corruption	Total employees
Operating	5,426	4,330	3,585	16,073	9,756
Operating-regulatory	767	615	0	1,488	1,382
Tactical	204	127	0	264	331
Strategic	91	35	0	33	126



Training the Trainers

In 2023, a total of 1,160 employees received training to become trainers, or to improve their skills as internal trainers. Twenty courses were given in-person and remotely, and two virtual courses were available through our corporate university.

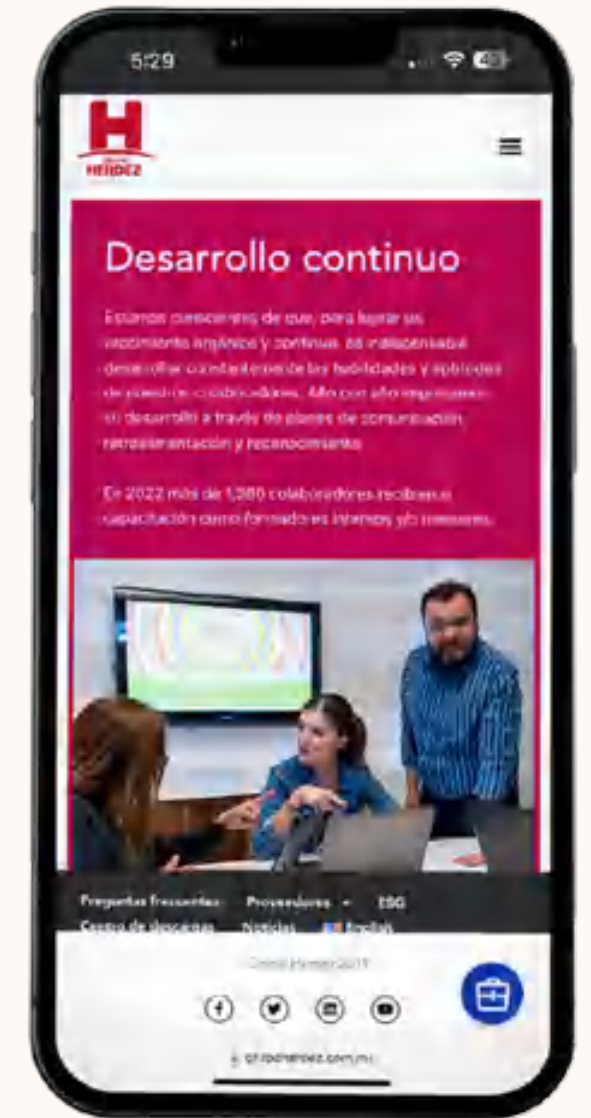
Internal trainers shared more than 7,440 training events throughout the year, providing more than **227,400 hours of training, which benefited 13,322 people.**

Herdez® Leaders

Improving Institutional Skills, in 2023, a total of 1,224 employees participated in the Harvard Business School program to receive training in 12 areas: Presentation Skills, Delegating, Change Management, Team Management, Crisis Management, Career Management, Difficult Interactions, Foundations of Finance, Client Focus, Stress Management, Meeting Management, and Employee Development. Eighty percent of participants completed the training.

Grupo Herdez® University

To support our organizational culture, and to provide technical and compliance knowledge, the Grupo Herdez® corporate university offers digital training in 247 areas. In 2023, we provided a total of **120,489.5 hours of online training**, with 4,567 active users.



Workplace well-being

GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9

We reduced accident-related days lost by 3.96% in comparison with 2022
The accident rate for 2023 was 0.60%



All of our plants have the distinction of being Safe and Healthy Work Environments (ELSSA). This recognition is issued by the Mexican Social Security Institute (IMSS), and acknowledges best practices in workplace well-being. The IMSS considers how the company is managed from the viewpoint of preventing work-related accidents to hands and ankles, musculoskeletal back issues, occupational health monitoring, occupational diseases with psychosocial risk factors, promoting health and well-being at work centers, as well as actions to protect, prevent and promote health and well-being for female workers.

As part of our occupational health and safety management system, the Environmental Control, Health and Safety (CASH) area has a culture of prevention, protecting the integrity of our people, and ensuring the continuation of the business. This system applies to all Grupo Herdez® facilities, including plants, distribution centers, stores, and corporate offices. It involves all unionized and non-unionized personnel, contractors, and suppliers, among others.

In our operating areas, we have medical personnel who conduct inspections to identify any unsafe conditions and to prevent accidents from occurring. The areas included are offices, yards, service areas, warehouses, operating areas, etc.

To ensure quality in health and safety processes, we use the STOP system, which analyzes unsafe acts and conditions, so that we can establish internal work plans from the results.

We have medical services in all of our locations, and every year we sponsor occupational health campaigns (vaccinations, medical follow-up, consultations, talks, and early-detection training).

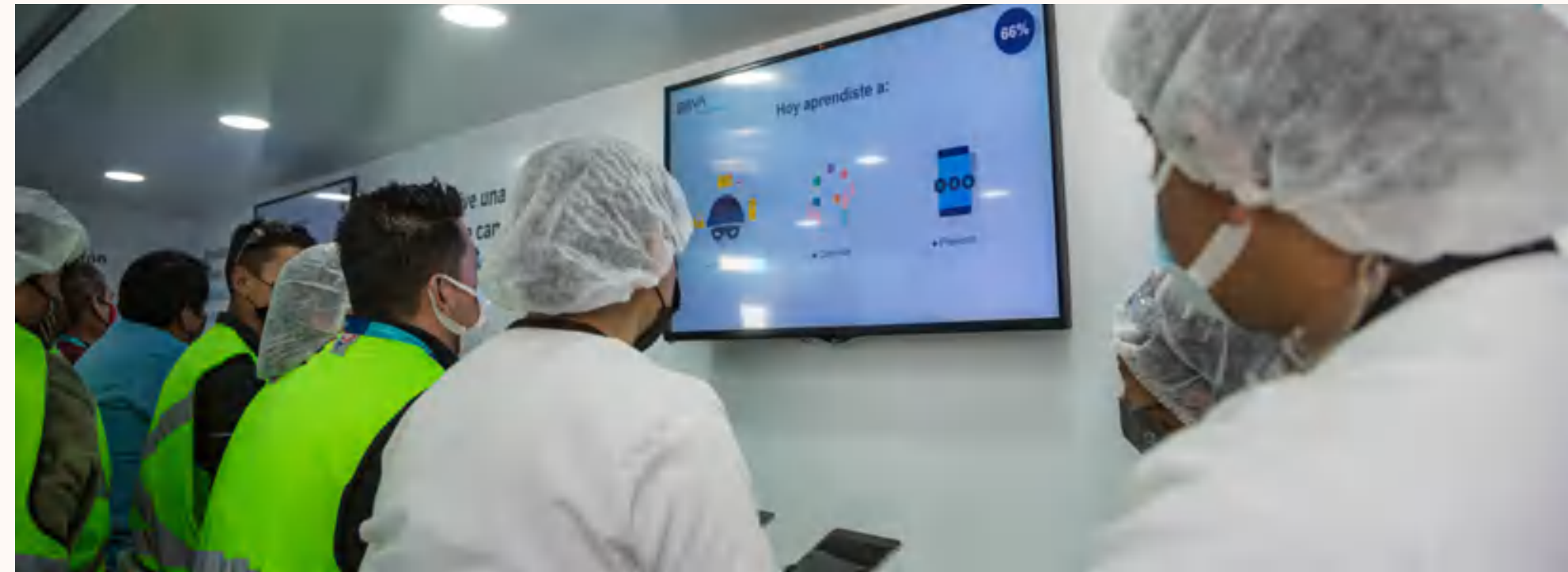
In 2023, **we recorded 2,377 hours of training** in various Occupational Health and Safety matters, such as a Culture of Health, Institutional Induction: Culture of Health / Workplace Health / Industrial Safety / Safe Start; Health and Safety (stores), Hygiene and Health, Occupational Health, Standards (01, 02, 04, 05, 06, 09, 10, 11, 12, 15, 17, 18, 19, 20, 22, 25, 26, 27, 29, 30, 33, 35, 36), and the Safe Star Program.

See Industrial Safety Policy

80 employees and their families who work in the state of Guerrero, and who were impacted by Hurricane Otis, received help in the form of care packages, vaccines, and cash donations so they could rebuild their homes. Everyone kept their job.

ISO 45001 Certification - Occupational Health and Safety

Our Helados Nestlé® plant, located in Lagos de Moreno, Jalisco, received ISO 45001 certification. This certification verifies the standards of the system to prevent work-related accidents and injuries, as well as the culture of prevention and control of risks to plant personnel, in both the occupational health and safety areas.



Plato del buen vivir

Through this initiative, we provide members of the organization with information on healthy habits, sponsoring activities on how to protect health and prevent diseases.

280 man-hours of training in physical health matters

467 man-hours of training in mental health matters

1,630 man-hours of training in financial health matters

+4,000 MiDocOnline downloads

+8,000 medical appointments by CASH*

+1,500 vaccines administered** against tetanus, influenza, Covid, hepatitis, and pneumococcal disease

*Locations: Monte Pelvoux Corporate, La Marquesa Corporate, San Bartolo Corporate, Herdez® México Industrial Complex, Duque de Herdez® Industrial Complex, Herdez Del Fuerte Los Mochis Industrial Complex, Planta San Luis Potosí Av. Industrias, Retail Stores, Helados Nestlé® Plant.

**The vaccines administered varied from location to location, depending on their availability in the Public Healthcare System.

Community

IP-2, IP-3

Through our ties to the community, we encourage food safety in the communities where we operate, and among vulnerable populations, so that all Mexicans will have access to sufficient, safe, and healthy food that meets their nutritional needs, while at the same time preserving the gastronomic traditions of Mexico.

79 million pesos of social investments in 2023, equal to 2.4% of net income.

GOULA 2023 award: “Best community and/or social development project”

Social investments in 2023 included activities sponsored by Fundación Herdez®, the program that donates food to various institutions monthly, the food donation program to the Network of Foodbanks in Mexico (BAMX), the Saber Nutrir® program, and other social projects under the Group’s brands. With these actions we contribute to SDG 2 Zero Hunger.



Saber Nutrir[®]

This program helps young people and communities pursue a promising future through activities that improve their knowledge about nutrition, physical activity, and children staying in school.



Results 2023

35

communities
impacted

981

families
benefited

2,191

projects
implemented



Marketing

State of Mexico

The 86 marketing projects implemented in Mazahua communities in the State of Mexico, resulted in earnings of 5.2 million pesos for 169 families. Through this initiative, agricultural families made money by selling the excess food they harvested.



8,235 children in the municipalities of Teoloyucan and Zumpango benefited from nutritional talks.

6,921 students received nutritional assessments.

School program

State of Mexico

Sixty percent of the children assessed were found to have normal nutritional levels. However, 37% are overweight and obese, while the remaining 3% are underweight, thus it is extremely important to continue working in these communities, and encouraging them to choose healthy lifestyles.

Nutritional monitoring

Yucatán

In the municipalities of Muna, Santa Elena, and Oxxutzcab, 95 children were nutritionally monitored starting in July 2021 and assessed again in November 2023. The percentage of malnourished children fell from 25% to 23%, while those with normal nutrition rose from 38% to 40%, overweight from 18% to 19%, and obese from 19% to 18%.



Casa Don Bosco

San Luis Potosí

Casa Don Bosco is an institution that has been operating in San Luis Potosí for 30 years. It helps adolescents continue with their studies, providing them with clothing, food, and a place to live.

Fifty-seven adolescents were assessed (31 girls and 26 boys), of whom 58% were in a normal nutritional state, while 28% were overweight and 14% were obese. The institution will continue assessing children and teens to monitor their nutrition, and to help them improve their lifestyles.



Sponsors program (*Padrino Saber Nutrir®*)

State of Mexico

In the Mazahua area in the State of Mexico, 79 malnourished children benefited due to the support of 40 sponsors, who made monthly contributions to purchase nutritional supplements, leading to improvements in the children's health. Thirteen percent of those children went from malnourished to healthy.

Té Apapacho de McCormick®

Since 2019, through a cup of tea, McCormick® has sought to give happy moments to people waiting for their family members to leave hospitals in Mexico City, to pilgrims who have made long journeys, and to people who are homeless. In 2023, 6,000 cups of tea were handed out over five different days at Hospital la Raza, Hospital General, Basílica de Guadalupe, FUCAM, and Hospital Infantil.



Fundación Herdez®

Fundación Herdez® **celebrated its 35th anniversary** in 2023. Over these years of its history and commitment to investigate, preserve, and distribute Mexican gastronomy, it has also taken food to vulnerable populations, or people impacted by natural disasters, while supporting food education with the *Plato del Bien Comer* at tastings and workshops.



Food donation program

In order to meet SDG 5 Zero Hunger, ending hunger and ensuring that everyone has access to healthy, nutritional, and sufficient food, particularly people living in poverty or vulnerable situations, every year we deliver food packages to institutions through the BAMX Network and special campaigns that are held after natural disasters.



Thanks to our partnership with the BAMX Network, in 2023, we delivered 1,031.7 tons of food to 85,217 people, through 49 food banks.





Unidos por Acapulco

Due to the impacts of Hurricane Otis in Acapulco, **Grupo Herdez®** and **La Costeña®**, together with **Sanfer®**, combined efforts and created the *Unidos por Acapulco* (Together for Acapulco) initiative, supporting vulnerable families through the donation of 35,000 care packages comprised of **20 kilos of food**, medications, water, and hygiene and cleaning products. We helped **104,000 people**. The partnership joins private initiatives with non-profit organizations, multiplying the impact and showing solidarity with vulnerable Mexican families.

104,000

beneficiaries



Community Cafeterias in Guerrero

During the first days of the emergency caused by Hurricane Otis, **764.2 tons of food** were sent to the Mexican Red Cross, Cáritas Mexicana, Fundación Walmart, and Fundación Origen, in Guerrero, to prepare food at different community cafeterias, feeding more than **60,000 people**.

1,923.72 Tn

tons of food donated during the year

+250,000

people benefited from the food donations

Food education

The purpose of the Foundation’s educational programs is to encourage the adoption of good eating habits and to provide knowledge on the ingredients in Mexican food, recipes, and traditions. Conferences, workshops, and activities were provided to the beneficiaries of the food donation program, Grupo Herdez® employees, visitors to *Museo Galería Nuestra Cocina*, and *Casa Doña María Pons*, as well as to some stakeholders, including partners, volunteers, employees, and their families.

Activity	Women	Men	Children
Courses, workshops, and conferences at the Interpretation Center	1,075	294	454
Workshops and activities related to Plato del Bien Comer	1,030	796	101
Kitchen workshops and outside leisure activities	202	125	1,061
Total	2,307	1,215	1,616



+3,500

adults impacted

+1,600

children impacted

23

collaborations and partnerships

22

external activities





Educational Garden - Casa Doña María Pons

In May 2023, activities began at the educational garden at Casa Doña María Pons, in San Luis Potosí. The objective of this space is to improve food education, and sustainable practices, to encourage healthy eating, and a lifestyle that celebrates and values the social and ecological gastronomic culture of Mexico.

My First Garden workshop was held, encouraging urban agroecological practices, food sustainability, and the well-being of talented young people with scarce means.

Due to our commitment to include people with disabilities, two didactic sensory experiences were sponsored by Instituto Para Ciegos y Débiles Visuales “Ezequiel Romo” A.C., and Juntos A.C., as well as a guided visit to exchange knowledge about ingredients from the region with representatives from indigenous Mazahua, Otomí, Tének and Triqui communities in San Luis Potosí.

FUNDACIÓN HERDEZ®	Women	Men	Children
Visitors to Museo Galería Nuestra Cocina Duque de Herdez®	4,126	3,826	529
Users of the Biblioteca de la Gastronomía Mexicana	619	388	65
Guided visits to Museo Galería Nuestra Cocina Duque de Herdez®	544	646	106
CASA DOÑA MARIA			
Visitors to Exposición Casa Doña Maria	1,536	1,179	200
Total	6,825	6,039	900

Museums and library

Through the cultural spaces at Fundación Herdez® and Casa Doña María Pons, we interacted with families, students, and the public as a whole, providing people with didactic and leisure resources to protect, diffuse, and investigate Mexican gastronomy.

The plan is to open the doors of the Casa Doña María Pons library, with a specialized focus on the ingredients and plants native to Bajío.

13,764

visitors were received in the two spaces in 2023



Consumers

GRI 416-1, 417-1
SASB IP-9 e IP-8

The Research and Development area is in charge of making sure that our products meet consumers' various tastes and lifestyles, ensuring product quality and safety, and providing the necessary and proper information according to legislation on the content of our products.

In safety matters, our entire portfolio for domestic and export products was evaluated with respect to our products' impact on health and safety.

The review of the ingredients that are in the different products is extremely thorough, to ensure safety, quality, and compliance with the applicable regulations. The review is done locally, and also in accordance with the country to which products are exported.

In Mexico, we design our products' labels according to the following:

Sanitary Control Rules for Products



NOM-050-SCFI/SSA1-2010: General Labeling Specifications for Foods and Non-Alcoholic Pre-Bottled Products - Commercial and Sanitary Information



NOM-050-SCFI-2004: Commercial Information; General Product Labeling



Corporate Governance

More than just a Board,

these are the values and the purpose that guide our teams

6th

among Companies with Greatest
ESG Responsibility by Merco

15%

of the Board members
are women

100%

of staff trained in a Culture
of Legality

Board of Directors

GRI 2-9, 2-10, 2-11, 2-12, 2-13 y 2-14

The highest governing body of the organization is the General Shareholders' Meeting, while the Board of Directors —comprised of nine board members and chaired by Héctor Hernández Pons Torres, Chief Executive Officer of the Group— is responsible for monitoring and ethical compliance by Grupo Herdez®. Together they make decisions to support a culture of legality and transparency, and to guarantee and maximize returns for all of our investors.

The Board of Directors meets quarterly and has intermediate bodies that oversee managing and carrying out the Group's objectives, as well as the Company's other indicators. Progress in sustainability matters is also presented during these meetings.

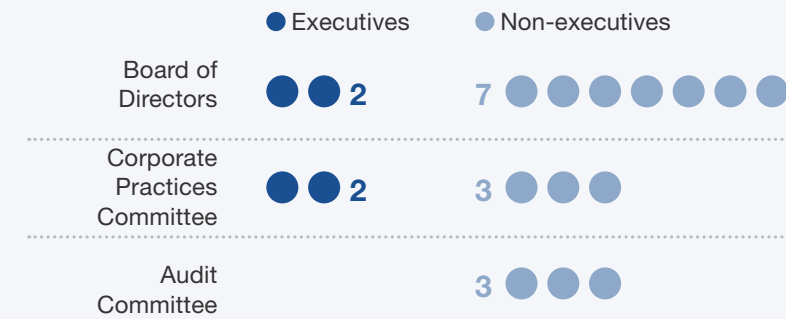
The Board of Directors and the Chief Executive Officer are responsible for management and administration, which are conducted through two main committees: Audit Committee and Corporate Practices Committee. These committees rely on auxiliary committees, such as the Risk Management, Supply Chain, Finance, Management, Innovation, Marketing, Estrategic Planning, Human Resources, Sustainability and Information Technology.



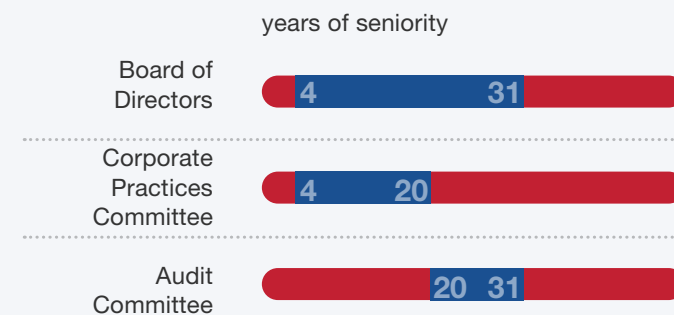
Committees that are part of the highest governing body

1. Audit Committee
2. Corporate Practices Committee

Composition of the highest governing body and committees



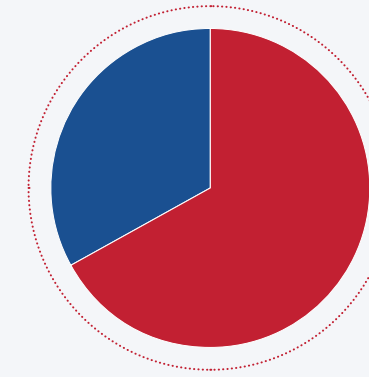
Seniority of members in the governing body



Other significant responsibilities and commitments of each member and the nature of the commitments

1. The Chairman of the Board of Directors is also the Chief Executive Officer and a member of the Corporate Practices Committee.
2. The Vice President of the Board of Directors is also the Adjunct Chief Executive Officer and a member of the Corporate Practices Committee.
3. One member of the Board of Directors is the Chairman of the Corporate Practices and Audit Committees.
4. Two members of the Board of Directors are also members of the Audit Committee.
5. Two members of the Board of Directors are also members of the Corporate Practices Committee.

Independence



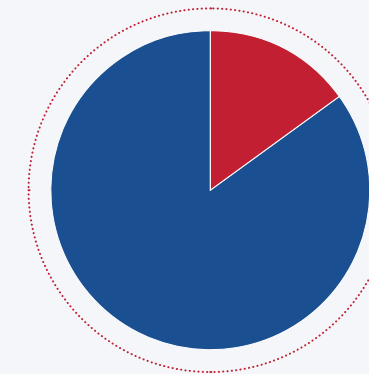
67%

of the members of the Board of Directors are independent

Independent members

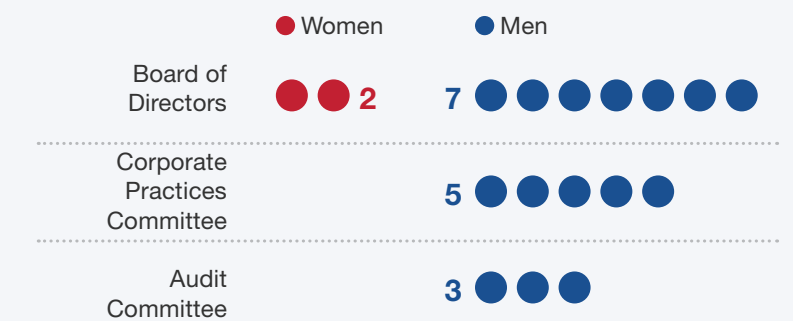


Gender



15%

of the board members are women



Board of Directors

Semblanzas

ACTING MEMBERS

Héctor Ignacio Hernández-Pons Torres
(Mexican)
Age: >50
Member since: 1991
Governing body: Corporate Practices Committee
Responsibility: Chairman of the Board of Directors and Chief Executive Officer

Enrique Hernández-Pons Torres
(Mexican)
Age: >50
Member since: 1991
Governing body: Corporate Practices Committee
Responsibility: Vice President

Flora Hernández-Pons de Merino
(Mexican)
Age: >50
Member since: 2004
Governing body: Board of Directors
Responsibility: Advisor to Fundación Herdez®

INDEPENDENT MEMBERS

Enrique Castillo Sánchez Mejorada
(Mexican)
Age: >50
Member since: 1991
Governing body: Corporate Practices Committee
Responsibility: -

Eduardo Ortiz Tirado Serrano
(Mexicano)
Age: >50
Member since: 2003
Governing body: Audit Committee
Responsibility: Responsible for work-related practices

Michael Bernhard Jost
(Swiss)
Age: >50
Member since: 2019
Governing body: Audit Committee
Responsibility: -

Anasofía Sánchez Juárez Cardoze
(Mexican)
Age: >50
Member since: 2018
Governing body: -
Responsibility: -

José Roberto Danel Díaz
(Mexican)
Age: >50
Member since: 2003
Governing body: Audit Committee and Corporate Practices Committee
Responsibility: Chairman

Luis Rebollar Corona
(Mexican)
Age: >50
Member since: 2004
Governing body: Corporate Practices Committee
Responsibility: Responsible for environmental practices

Governing bodies

	Women			Men			TOTAL MEMBERS
	UNDER 30 YEARS OF AGE	FROM 30 TO 50 YEARS OLD	OLDER THAN 50	UNDER 30 YEARS OF AGE	FROM 30 TO 50 YEARS OLD	OLDER THAN 50	
Board of Directors	-	1	1	-	-	7	9
Audit Committee	-	-	-	-	-	3	3 (100% independent)
Corporate Practices Committee	-	-	-	-	-	5	5 (60% independent)

Committee functions



Corporate Practices Committee

Provides opinions regarding the policies and guidelines for the use or enjoyment of the Company’s assets, and the transactions the Company intends to enter into; to name and elect the Chief Executive Officer, policies on granting benefits, loans, or credit waivers to take advantage of business opportunities; to help the Board of Directors with the activities indicated in Article 42 of the Law of the Securities Market and in the Code of Best Corporate Practices.



Audit Committee

Provides support, opinions, and advice regarding guidelines in matters of internal control and audit, accounting policies, financial statements, contracting outside auditors, managing corporate risks, and sharing information and communication policies with shareholders and the market.



Appointment and selection

Members of the Board of Directors are appointed, ratified, or removed every year in the general annual ordinary shareholders' meetings, considering shareholders' opinions, diversity, and independence. To be part of the highest governing body, the following requirements must be met:

1. Professional training in economic and administrative areas, and a postgraduate degree is desirable in the area.
2. Minimum of twenty years of professional experience in consumption and/or financial sector companies.
3. Experience as a board member in companies in the manufacturing industry and/or the financial sector.
4. Experience with corporate bodies.

Committee members are appointed, ratified, or removed during meetings by the Board of Directors.



Sustainability Strategy (ESG)

2-14, 2-22

Grupo Herdez® is dedicated to creating a culture of innovation and becoming a global reference in sustainable development.

In 2021, we created the Sustainability Committee, which is comprised of the Group's Senior Management. This Committee falls under the Finance and Sustainability Division, which reports to Senior Management.

The Finance and Sustainability Division has Corporate Sustainability and Environmental Sustainability as part of its mandate, which, along with the technical areas, complement the team that is dedicated to complying with the Group's sustainability strategy.



Aligned with international trends and references on environmental, social, and corporate governance matters (ESG), we have established three main sustainability objectives for the Group:



1. Management that employs ESG criteria.



2. Identify and mitigate potential social and environmental risks of operations.



3. Drive innovative sustainability projects in our brands.

Our sustainability pillars



PEOPLE

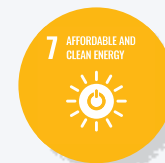


COMMUNITY



PLANET

We focus on 7 of the 17 Sustainable Development Goals (SDG) of the United Nations, to comply with Agenda 2030.



We are part of the Global Compact's CFO Coalition initiative, which seeks to direct the commitments of the Coalition's financial directors to earmark billions in corporate investments towards the SDGs, in order to drive the future of corporate finance and investments for growth, value creation, and social impact.



Materiality Analysis

GRI 2-29, 3-1, 3-2

The material issues of Grupo Herdez® were identified in its Materiality Study. The principles established by the Global Reporting Initiative (GRI) were considered to determine the content of the reports: Stakeholder Participation, Sustainability Context, Comprehensiveness, and the Materiality Principle.

Main stakeholders

Consumers, employees, providers, clients, and shareholders/investors.

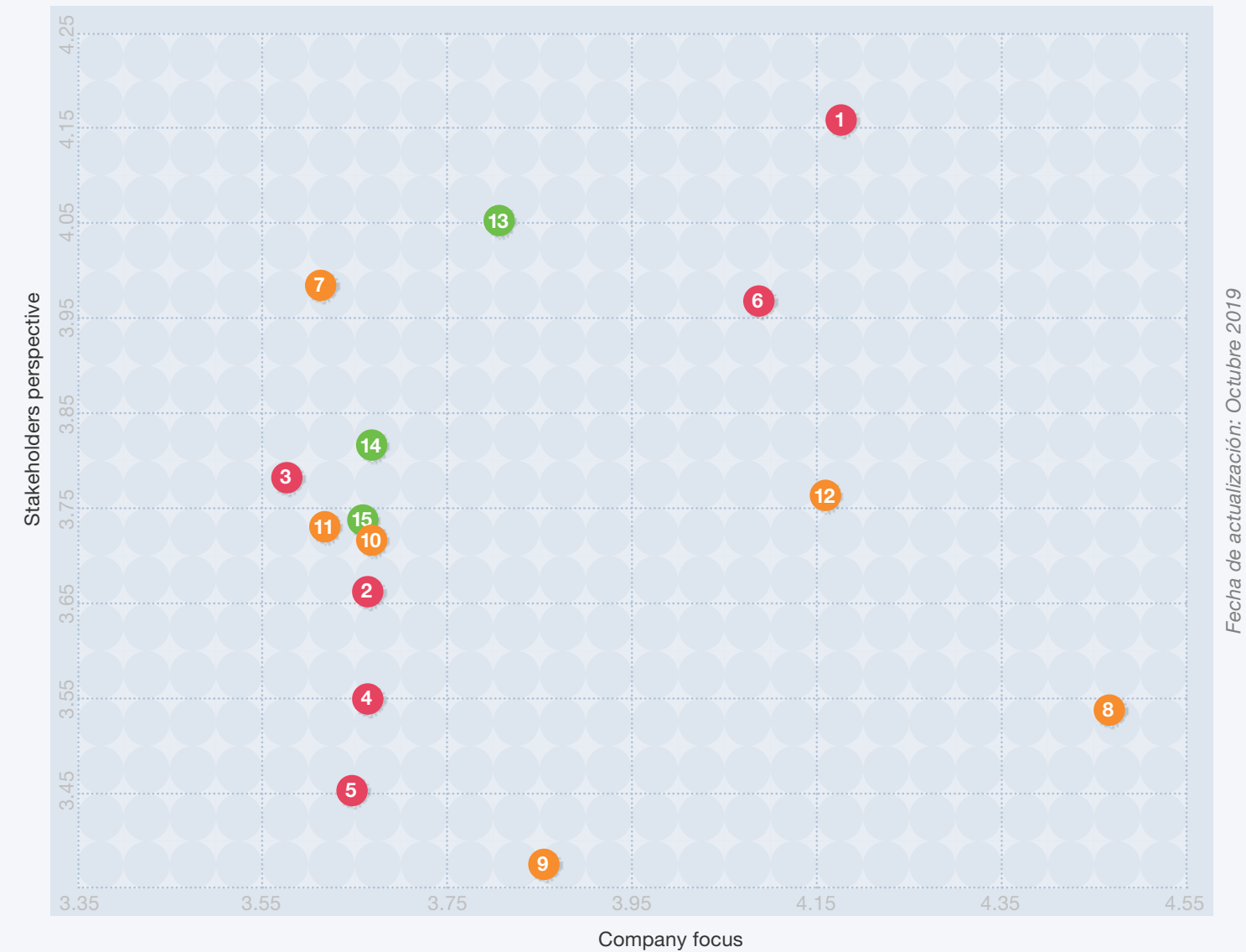
The critical and strategic matters the Group works on include:

Critical issues

- Health, safety, and well-being of the consumer
- Brand trust and reputation
- Innovation (products and processes)
- Sustainable packing and packaging, reuse, and recycling

Strategic issues

- Profitable growth in markets and financial sustainability
- Water management
- Energy consumption and efficiency
- Ethics and anticorruption
- Occupational health, safety, and well-being
- Work-related conditions and relationships
- Value chain quality and safety
- Transparency in product information and labeling
- Career training and development
- Legal compliance
- Consumer experience



People

- 1 Consumer health, safety and welfare
- 2 Occupational health, safety and wellness
- 3 Training and career development
- 4 Labor conditions and relations
- 5 Consumer experience
- 6 Brand trust and reputation



Community

- 7 Transparency in product information and labeling
- 8 Profitable growth in the markets and financial sustainability
- 9 Quality and safety in the value chain
- 10 Ethics and anti-corruption
- 11 Legal compliance
- 12 Innovation (product and process)



Planet

- 13 Sustainable packaging, reuse and recycling
- 14 Water management
- 15 Energy consumption and efficiency



Stakeholders

GRI 2-29

Stakeholder	Focus of participation	Key issues and evaluation	Communication channels	Participation frequency
Shareholders	Interest regarding the impact of environmental and social risks on the Company's performance	Continuous improvement for sustainable shareholder performance.	Annual Report	Annual
	The Group's positioning as a company committed to sustainable development		Web site	Ongoing
			Quarterly reports	Quarterly
Employees	Suitable management of resources and ingredients used in production processes	To establish a competitive standard among our employees, generating development of talent, trust, and commitment	Internal magazine "Hechos con Amor"	Every six months
			Communication boards in all locations	Monthly
			Application	Daily
	Fundamental piece in developing operations and achieving objectives	Implementation of training programs and development plans	Screens in locations	Daily
			E-mail/informational pamphlets	Daily
			Grupo Herdez® University online platform	Ongoing
Community	The Saber Nutrir program focuses on improving nutrition in Mexico	Lifestyle programs focused on improving well-being	Organizational climate survey	Every three years
	The objective of Fundación Herdez is to support research, investigation, education, and to improve nutritional development in Mexico. Through the museum, library, and interpretation center, courses and guided visits are offered, as well as a series of publications on Mexican gastronomy	Benefits and remaining with the company	Training and awareness courses	Ongoing
		To diversify projects in communities to achieve food security. Nutritional monitoring of children	Web site sabernutrir.com.mx	Ongoing
Consumers	To position Grupo Herdez as a sustainable company that is aware of its impacts on the environment	To diversify sales channels for publications, and to increase the impact of their intervention models	Web site fundacionherdez.com	Ongoing
	To communicate the impact of our products on society and the environment	Growing consumer interest in corporate sustainability practices, supporting their participation	Digital and mass media campaigns	Ongoing
Providers	To support properly obtaining, benefiting from, and using resources to guarantee the sustainability of operations	Transparency in our environmental and social performance	Web site porunmundomasvivo.com	Ongoing
		Compliance with Grupo Herdez's safety and quality system certification	E-mail questionnaire and feedback	Ongoing
		Obtain a performance evaluation	Via e-mail	Ongoing

ESG ratings

MSCI ESG Ratings

Grupo Herdez® was granted a rating of A (on a scale of AAA-CCC)
Updated: December 2023



S&P Global ESG Score

43 points

Updated: September 2023



CDP Carbon Disclosure Project

Forests: D
Wood products: D
Palm oil: D
Soy: D
Water: C
Climate change: C

C: We recognize and report risks, problems, and potential environmental impacts.
D: We are transparent in reporting on forest-related issues.
Updated: February 2024



Gender-Equality Index
Methodology-Bloomberg

GEI Score 73.18

Updated: January 2023

Recognition for our ESG strategy

Companies with the greatest progress in SDGs by “Empresas Verdes”

2nd place

Merco’s 100 Most ESG Responsible Companies

6th overall rank

3th place in the food sector

Merco’s 100 Most Ethically and Governance Responsible Companies

10th overall rank

Merco’s Most Environmentally Responsible Companies

7th overall rank

The 100 Most Responsible Companies in the internal sphere, clients and society of Merco

7th overall rank

Commitments and a culture of legality

GRI 2-15, 2-23, 2-24, 2-26, 2-30, 205-2

Our mechanism for addressing ethical concerns is the Confianza Hotline (800 Confianza - 800-2663-42692 and 800-2663-426), and the Confianza e-mail (confianza@herdez.com), where one can request guidance on ethical and legal conduct, the integrity of the organization, and report concerns regarding unethical or illegal conduct.

In 2023, 100% of complaints were addressed, and no demands related to monopolistic or unfair practices were recorded.



12

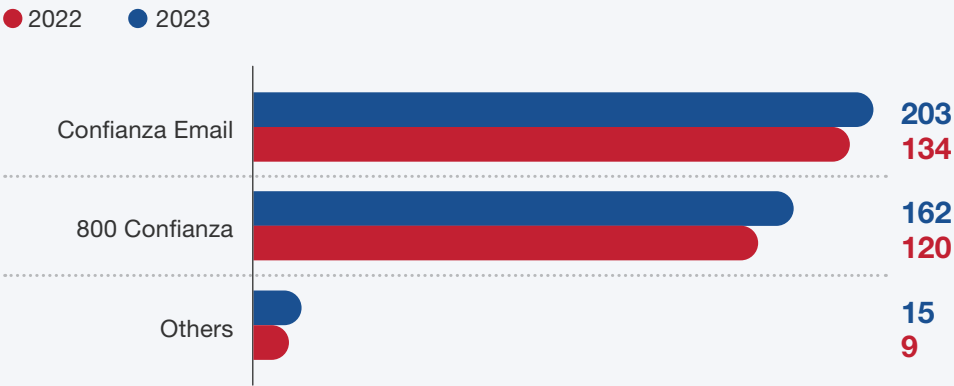
polices in effect on ethics, legality and/or human rights

100%

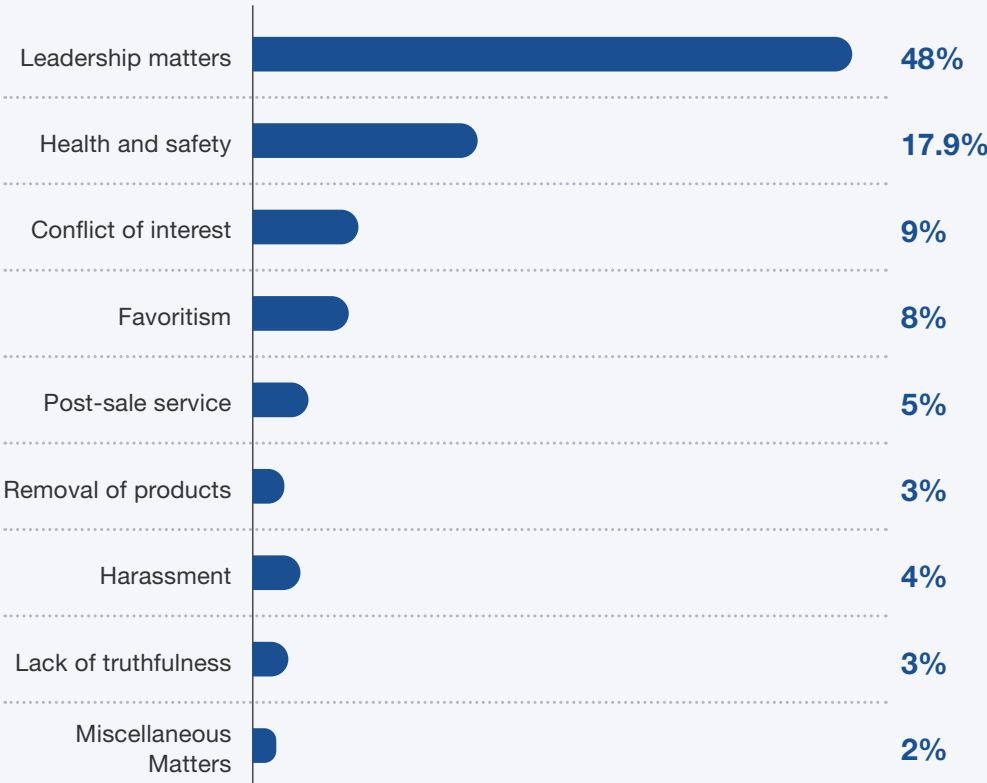
of complaints on the Confianza Hotline addressed

CONFIANZA Hotline

Complaints received



For confirmed complaints, a corrective plan was created, and the complaints were classified as shown in the graph below:



Grupo Herdez® has adhered to the Global Compact of the United Nations since 2012. We have committed to prioritizing and working to fulfill its 10 principles, including achieving compliance of employees and strategic partners with an ethical and legal focus, as well as working against every type of corruption, including extortion and bribery. We also respect the right to collective bargaining.

As of 2023, we have 12 policies in effect on ethics, legality, and/or human rights, approved by area directors, the Chief Executive Officer, and if applicable due to a recommendation by the Committees, by the Board of Directors.

In order to create an environment of trust and legality, our ethical culture furthers respect for both internal and external rules and policies. It encourages reporting acts that violate our Code of Ethics, laws, and the rules of socially accepted behavior.

The risk of fraud and corruption are managed through the Risks Committee. By monitoring complaints on the CONFIANZA Hotline, the factors that might cause a risk to materialize have been analyzed, and the Group is working with those responsible for addressing the risk, to identify and implement ways of administering and measuring that risk.

We also have a [Policy to Address Fraudulent Behavior](#) (2019), [Conflict of Interest Policy](#) (2019), [Illegal Payments and Antibribery Policy](#) (2019), [Money Laundering Prevention Policy](#) (2019), [Gifts Policy](#) (2019), [Code of Ethics](#) (updated 2021) which applies to all of our employees and the [Suppliers' Code of Conduct](#) (updated 2021), which applies to anyone who provides any type of service, manufacturing, software license, raw materials, or packing materials, among others.

With these policies, we have established the measures necessary to prevent corruption.



Hours of training in the Code of Ethics, legality, and/or human rights



17,858
hours of training

Training in ethics and anticorruption by labor category 2023

Labor category	Men	% of men with respect to the entire workforce	Women	% of women with respect to the entire workforce	Total	% of the category with respect to the entire workforce
Operating	5,426	46.8%	4,330	37.3%	9,756	84.1%
Operating-Regulatory	767	6.6%	615	5.3%	1,382	11.9%
Tactical	204	1.8%	127	1.1%	331	2.9%
Strategic	91	0.8%	35	0.3%	126	1.1%
Total	6,488	56.0%	5,107	44.0%	11,595	100.0%

Training in ethics and anticorruption by location 2023

By location	Men	% of men with respect to the entire workforce	Women	% of women with respect to the entire workforce	Total	% of location with respect to the entire workforce
Plants	2,100	18.1%	2,289	19.7%	4,389	37.9%
Distribution Centers	640	5.5%	293	2.5%	933	8.0%
Corporate	733	6.3%	637	5.5%	1,370	11.8%
Sales routes	2,016	17.4%	481	4.1%	2,497	21.5%
Stores	999	8.6%	1,407	12.1%	2,406	20.8%
Total	6,488	56.0%	5,107	44.0%	11,595	100.0%

At Grupo Herdez® we provide the following programs on Ethics and Anticorruption:



During the year, the following actions were implemented to communicate on ethical and anticorruption matters:



1. Code of Ethics course, focused on new hires.

2. Culture of Legality training the general public, open to all personnel.

1. Communication every six months by institutional e-mail and bulletins posted in work areas regarding the number of complaints made using the Confianza Hotline.

2. Projection of short videos on the guidelines of the Code of Ethics on screens in different locations.

3. Annual affirmation of the Code of Ethics Our Commitment, mandatory for all personnel.

4. Training on “**Handling personal information**” and “**Policy for purchase and sale of shares,**” focused on employees in the Legal area.

3. Publication of the Confianza Line information on the communication boards and plants and Distribution Centers.

4. Distribution of leaflets, as well as five-minute sessions on Mission, Vision, and Values, and “We Talk with H” podcast.

Conflicts of interest

GRI 2-15

To prevent conflicts of interest, every Board Member signs a statement that they have no conflicts of interest. In addition, every Committee has a rule that establishes its functions and relationship with the Board of Directors.

Our [Code of Ethics](#) and [Conflict of Interest Policy](#) are binding documents and must be applied by everyone who is part of the organization.

Every year, the Company files its Annual Report with the Mexican Stock Exchange, in which it lists its Controlling Shareholders and Transactions with Related Parties. The Report from the Director of the Corporate Practices Committee also references Transactions with Related Parties.



Annexes





GRI 2-7 Employees

Employees by type of contract	Permanent Contract	Temporary contract
Corporate Offices	1,290	80
Plants	3,721	668
Distribution Center	763	170
Stores	2,386	20
Sales Routes	2,267	230
TOTAL	10,427	1,168

Notes: The year 2023 closed with an increase of 14.4% and we are reporting an increase in headcount of 9.5%. We do not have “part-time employees” and we do not have “employees without guaranteed hours”.

c.- To compile the data, the final information for the reporting period is taken into account, with full-time equivalent units based on the internal payroll system.

GRI 2-19 Remuneration policies

According to the Company’s by-laws, the remuneration of members of the Board and the committees is determined during the Annual General Ordinary Shareholders’ Meeting. Last year three gold fifty-peso coins (*centenario*), or their equivalent, were given for each board meeting attended, and two gold fifty-peso coins (*centenario*), or their equivalent, for each committee meeting attended.

GRI 2-20 Process to determine remuneration

The Corporate Practices Committee is responsible for validating the remuneration of the principal directors of the Company, including the Chief Executive Officer.

According to the Company’s by-laws, the remuneration of members of the Board and the committees is determined at the [Annual General Ordinary Shareholders’ Meeting](#).

GRI 2-27 Compliance with laws and regulations

Grupo Herdez® considers significant fines to be those that equal or exceed the amount of one million pesos.

In 2023, a penalty was received from the San Luis Potosí Water System for discharging excessive contaminants. The case is currently in administrative court.

No fines were paid during the year, nor were there any breaches of legislation and regulations during this or prior reporting periods.

2-28 Membership associations

Industrial associations:

- Asociación Mexicana de la Cadena Productiva del Café (AMECAFE)
- Cámara Nacional de Fabricantes de Envases Metálicos (CANAFEM)
- Asociación Mexicana de Industriales de Galletas y Pastas (AMEXIGAPA)
- Asociación Nacional de la Industria de Suplementos Alimenticios (ANAISA)
- Cámara Nacional de la Industria de Conservas Alimenticias (CANAINCA)
- Cámara Nacional de Industriales de la Leche (CANILEC)
- Consejo Mexicano de la Industria de Productos de Consumo (CONMEXICO)
- Consejo Nacional de Producción Orgánica (presided over by SAGARPA)
- Federación Internacional de Movimientos en Agricultura Orgánica (IFOAM)
- Movimiento Orgánico Mexicano

Corporate associations

- Asociación Mexicana de Estándares para el Comercio Electrónico (AMECE)
- A Favor de lo Mejor
- Cámaras de comercio exterior: canadiense, británica, española y americana
- Confederación de Cámaras Industriales (CONCAMIN)
- Consejo Coordinador Empresarial (CCE)
- Consejo de la Comunicación Voz de las Empresas

Sustainability associations:

- Alianza Éntrale
- Centro Mexicano para la Filantropía
- Comisión de Estudios del Sector Privado para el Desarrollo Sustentable (CESPEDES)
- Compromiso Empresarial para el Manejo Integral de Residuos Sólidos
- Consejos de Cueva (en la CONAGUA)
- ECOCE
- Iniciativa GEMI
- Pacto Mundial de las Naciones Unidas
- CFO Coalition for the SDGs
- Grupos de Trabajo Hambre Cero, Economía Circular y Biodiversidad del Pacto Mundial



GRI 306-4 Waste not destined for disposal

Note: Incineration with or without energy recovery does not apply to our operations.

GRI 401-1 Hiring of new employees and staff turnover

Omission

Confidentiality Restrictions

Our Impulso business includes all Cielito Querido Café, Chilim Balam, Moyo and Nutrisa stores. As they are retail stores, staff turnover is higher due to the different work system and therefore has to be measured separately, information that is included in the report. For this reason, when calculating personnel turnover, store personnel are excluded.

GRI 405-2 Ratio of basic salary and remuneration of women versus men

Omission

Confidentiality restrictions

This is sensitive employee information so compensation figures cannot be shared.

GRI 406-1 Incidents of discrimination

Omission

Confidential restrictions

This is sensitive information and therefore indicator d does not apply.

SASB FB-PF-140a.1

Note: The percentage of water stressed regions is based on extraction.

SASB FB-PF-430a.1

Note: Compliance with social and environmental responsibility auditing has been measured through our Supplier Code of Ethics, a checklist and Sustainable Sourcing Scope.



GRI 201-1 Economic value generated and distributed

	2023	2022
Revenues + (cash flows) sale of properties + cash flows generated in financing activities	\$36,212,816.00	\$31,645,704.00
Other revenues (dividends collected, interest collected, resources from the sale of fixed assets, and royalties)	\$1,700,799.00	\$1,594,575.00
Economic value generated	\$37,913,615.00	\$33,240,279.00
Operating costs (cost of sales, increase in providers, and increase in accounts payable)	\$22,916,753.00	\$21,941,327.00
Salaries and social benefits for employees	\$399,582.00	\$3,257,882.00
Payments to capital providers (dividends paid, interest paid, payments on long-term bank loans)	\$4,779,610.00	\$7,107,829.00
Payments to governments (income taxes)	\$1,739,830.00	\$1,264,730.00
Investments in the community	\$79,798.82	\$90,909.12
Economic value distributed	\$29,915,573.82	\$33,662,677.12
Economic value retained	\$7,998,041.18	-\$422,398.12

Amounts expressed in thousands of pesos.

Note: for further information, please refer to the Audited Financial Statements 2023 and 2022.

GRI 201-3 Defined benefit plan obligations and other retirement plans

The estimates made as of November 2023 indicate that the estimated value of obligations of the pension plan is 465 million pesos.



GRI 202-2 Proportion of senior management hired from the local community

Grupo Herdez® considers senior management to be members of the management team, who are part of corporate operations.

At the end of 2023, the management team comprised 20 people: 10% women and 90% men. Of these, 90% are local hires.

A local hire is defined as someone whose nationality is Mexican.

GRI 205-1 Operations assessed for risks related to corruption

At Grupo Herdez® we have not conducted a formal corruption-related risk analysis. However, by monitoring complaints on the Confianza Hotline, we have found that the issues that occur most frequently are the following:

- Inadequate segregation of functions and conflict of interest
- Failure to comply with internal rules (policies, procedures, code of ethics, etc.)
- Vulnerable or incomplete processes that impact the integrity and safety of operations and information

Fraud and corruption risks are managed by the Risks Committee. By monitoring complaints on the Confianza Hotline, the factors that might cause a risk to occur have been analyzed. We are working with those responsible for handling this risk, to identify what activities are under way to manage and measure the risk.

In addition, we have a Policy to Address Fraudulent Conduct (2019), Conflict of Interest Policy (2019), Illegal Payments and Anti-Bribery Policy (2019), Money Laundering Prevention Policy (2019), Gifts Policy (2019), Code of Ethics (2021), which applies to all our employees, and the Code of Provider Ethics (2021), which applies to everyone who provides any type of service, assembly, software license, raw or packing materials, among others.

Establishing these measures helps us prevent corruption.



GRI 205-3 Confirmed incidents of corruption and actions taken

In 2023, six incidents of corruption were confirmed. Of the cases, Group employees were involved in five; a supplier was involved in the remaining case. Four of the cases were related to the removal of products, while one case was for a conflict of interest, and the other for dishonesty.

The measures the Group took were (i) to fire 12 (twelve) employees involved in the cases, and (ii) to terminate the relationship with the mentioned supplier.

GRI 207-1 Tax focus

At Grupo Herdez® we fully comply with applicable legislation, both domestic and international.

The Financial Division and the Tax Department are responsible for complying with tax obligations. In 2023, no individual or organizational tax strategy was applied for the Group.

GRI 207-2 Tax governance, control, and risk management

Responsible for complying with tax obligations: Financial and Tax Department. In 2023, no individual or organizational tax strategy was applied for the Group.

Mechanisms to ensure compliance with tax obligations: The Financial Department has a centralized and specialized tax area to ensure compliance with local and federal tax obligations.

We implement numerous mechanisms, such as control and registration of compliance with state and federal tax statements and obligations, local and federal tax compliance statements presented to the government, the internal audit department, and external auditors. This also includes the provision

of financial statements, annual compliance with transfer prices, ongoing personnel training in tax matters, legal advisors and external tax advisors, and support for customs agents, among others.

Reporting mechanisms: Internal and external audits, issuance of tax statements in compliance with federal and state laws, annual informative statements from local related parties, country by country and master, as well as financial reports, support from legal advisors, external tax advisors, and customs agents.

GRI 301-1 Materials used by weight or by volume

Total materials used	601,016.12
Tons of agricultural raw materials	146,265.28
Tons of raw materials	322,734
Tons of packaging materials	132,016.74
Tons of non-renewable materials	94,386.96
Tons of renewable materials	37,629.77





GRI 303-1 Use of water as a shared resource

Extraction method			
Source	Extraction method	Location and name of the body of water	Description of related impacts
Rivers, lakes	Pumping	1 in Canal Lateral 18+420 in the Valle del Fuerte Canal, Río Fuerte basin, tributary of the main canal of Valle del Fuerte Riego District 075, Hydrological Region of Sinaloa, Location El Fuerte, Sinaloa.	Possible exhaustion of the resource, although the probability of this is low due to low extraction volumes.
		1 in Canal Lateral 18+420 in the Valle del Fuerte Canal, Río Fuerte Basin, Hydrological Region of Sinaloa, Location Campo 35, Ahome, Sinaloa.	Possibility of resource not being available, with an average probability of this occurring due to transition risks (legal and/or social).
Seas, oceans	Does not apply	Does not apply	Does not apply
Underground (wells)	Submersible pump	2 in the San José Los Pilares Basin Dam and others, San Luis Potosí Aquifer, Salty Hydrological Region of San Luis Potosí.	Possible exhaustion of the resource, although the probability of this is low due to low extraction volumes.
		1 in the Laja Basin Valle de Celaya Aquifer, Hydrological Region of Lerma-Santiago, Villagrán, Guanajuato.	Possibility of resource not being available, with an average probability of this occurring due to transition risks (legal and/or social).
		1 in the Río Verde Grande Basin, Lagos de Moreno Aquifer, Hydrological Region of Lerma-Santiago, Lagos de Moreno, Jalisco.	
		1 in the Río Moctezuma Basin, Cuautitlán-Pachuca Aquifer, Hydrological Region of Pánuco, Localidad Barrio de San Juan, Teoloyucan, State of Mexico.	
Municipal system	Direct supply from the network	1 in San Luis Potosí, SLP	Possible exhaustion of the resource, although the probability of this is low due to low extraction volumes.
		1 in Tijuana, Baja California 1 in Monterrey, Nuevo León 1 in Tlaquepaque, Jalisco 1 in Lagos de Moreno Jalisco	Possibility of resource not being available, with an average probability of this occurring due to transition risks (legal and/or social).
Rainwater (captured and stored directly by the organization)	Infrastructure of channels and rainwater storage pits	1 in Complejo Industrial Duque de Herdez in San Luis Potosí 1 in Complejo Industrial Herdez México in Cuautitlán, State of Mexico	Possibility of resource not being available, with an average probability of this occurring due to reduced rainfall.
wastewater from other organizations	Does not apply	Does not apply	Does not apply
Tank Trucks Water	Direct supply from tank trunk	1 in the Municipality of Chalco, State of Mexico	Possible exhaustion of the resource and possible scarcity of water in the region, although extraction volumes are relatively low.
wastewater from the organization itself	Does not apply	3 in Complejo Industrial Herdez México in Cuautitlán, State of Mexico, Mexico Distribution Centers and Planta Barilla (2 at the plant and 1 in the Distribution Center).	Planta México, Mexico Distribution Centers, and Planta Barilla recycled 100%, 100% and 71.8%, respectively, of their treated wastewater and used it to water green areas.



Use of extracted water			
Source	Use of extracted water	Consumption location	Description of related impacts
Rivers, lakes	Industrial (production, auxiliary services, and sanitary services)	2 in Los Mochis, Sinaloa	Possible exhaustion of the resource, although the probability of this is low due to low extraction volumes. Possibility of resource not being available, with an average probability of this occurring due to transition risks (legal and/or social).
Seas, oceans	Does not apply	Does not apply	Does not apply
Underground (wells)	Industrial (production, auxiliary services, and sanitary services)	1 in Cuautitlán, State of Mexico 3 in San Luis Potosí 2 in Lagos de Moreno, Jalisco 1 in Villagrán, Guanajuato	Possible exhaustion of the resource, although the probability of this is low due to low extraction volumes. Possibility of resource not being available, with an average probability of this occurring due to transition risks (legal and/or social).
Municipal system	Industrial (production, auxiliary services, and sanitary services)	1 in San Luis Potosí, SLP 1 in Tijuana, Baja California 1 in Monterrey, Nuevo León 1 in Tlaquepaque, Jalisco 1 in Lagos de Moreno, Jalisco	Possible exhaustion of the resource, although the probability of this is low due to low extraction volumes. Possibility of resource not being available, with an average probability of this occurring due to transition risks (legal and/or social).
Rainwater (captured and stored directly by the organization)	Industrial (watering of green areas)	2 in Cuautitlán, State of Mexico 1 in San Luis Potosí, SLP	Possibility of resource not being available, with an average probability of this occurring due to reduced rainfall.
Wastewater from other organizations	Does not apply	Does not apply	Does not apply
Tank Trucks Water	Industrial (production, auxiliary services, and sanitary services)	1 in Chalco, State of Mexico	Possible exhaustion of the resource and possible scarcity of water in the region, although extraction volumes are relatively low.
Wastewater from the organization itself	Industrial (sanitary services and watering of green areas)	3 in Complejo Industrial Herdez México in Cuautitlán, State of Mexico, Mexico Distribution Centers, and Planta Barilla (2 at the plant and 1 in the Distribution Center)	Planta México, Mexico Distribution Centers, and Planta Barilla recycled 100%, 100%, and 71.8%, respectively, of their treated wastewater and used it to water green areas.



Discharge method			
Source	Discharge method	Destination of discharge	Description of related impacts
Rivers, lakes	Direct discharge into a body of water through a drainage channel	In the side channel of the Valle del Fuerte Canal, Río Fuerte Basin, tributary of the main canal of Valle del Fuerte Riego District 075, Hydrological Region of Sinaloa, Location El Fuerte, Sinaloa	Wastewater discharge is treated according to applicable legislation, therefore the significance of its impact on the receiving body has not been determined.
Seas, oceans	Does not apply	Does not apply	Does not apply
Underground (wells)	Direct discharge into a body of water through a drainage channel	Wastewater discharges from Planta Lagos de Moreno, Distribution Centers in San Luís Potosí, Planta de Té, and El Duque were sent to municipal drainage	Wastewater discharge is treated according to applicable legislation, therefore the significance of its impact on the receiving body and/or infiltration into the soil, which are considered to be national assets, has not been determined.
		Wastewater discharge from Planta Celaya and a portion of that from Planta México were discharged into the federal drainage system	Although the significance of the water discharged into municipal drainage has yet to be determined, it is very difficult to evaluate the impact because discharges from different sources and origins are combined in those drainage systems.
		100% of wastewater from the Planta México Distribution Centers and 84.9% of wastewater from Planta México were filtered into the soil	
Municipal system	Gravity and direct conveyance into drainage or a receiving body	Municipal drainage	Although the significance of the water discharged into municipal drainage has yet to be determined, it is very difficult to evaluate the impact because discharges from different sources and origins are combined in those drainage systems.
Rainwater (captured and stored directly by the organization)	Pumping	Rainwater is used for green areas, and the excess is conducted to the drainage canal	Consumption of rainwater avoids extracting potable water from wells, therefore the impact is positive, although its significance has not been determined.
Wastewater from other organizations	Does not apply	Does not apply	Does not apply
Tank Trucks Water	Direct discharge into body of water through a drainage channel	Wastewater discharge from Planta Nutrisa was sent to the municipal drainage system	Wastewater discharge is treated according to applicable legislation, therefore the significance of its impact has not been determined.
Wastewater from the organization itself	Gravity and direct conveyance into the drainage system.	Municipal drainage.	Planta México and México Distribution Centers recycled 100%, and Planta Barilla recycled 71.8% of the wastewater generated and treated. It was used to water green areas.
			Although the significance of the water discharged into municipal drainage has yet to be determined, it is very difficult to evaluate the impact because discharges from different sources and origins are combined in those drainage systems.

Nota: The quality of wastewater discharge sent to receiving bodies is monitored by compliance with the highest permissible limits established in the corresponding Mexican Official Standards.



Basins from which water is extracted by the organization

Basin	Description of related impacts
Río Fuerte Basin, Hydrological Region of Sinaloa, Locations Campo 35, Ahome, and El Fuerte, Sinaloa	Extraction and Consumption: Except for the Distribution Center in Mérida, our plants and distribution centers are located in basins and hydrological regions with a high or very high degree of water stress, although consumption at our facilities is quite low. Discharge: Although the wastewater generated at the facilities of Grupo Herdez® is treated before being discharged, the generation and discharge of this treated water has a certain negative impact due to the emission of contaminants into municipal drainage systems and surface bodies of water, even though the discharge volumes are very low. These impacts might not be significant, due to the fact that wastewater from various sources and origins flows through the municipal system.
San José Los Pilares Basin Dam and others, San Luis Potosí AQUIFER, Salty Hydrological Region in San Luis Potosí, San Luis Potosí	
Laja Basin, Valle de Celaya Aquifer, Hydrological Region of Lerma-Santiago, Villagrán, Guanajuato	
Río Verde Grande Basin, Lagos de Moreno Aquifer, Hydrological Region of Lerma-Santiago, Lagos de Moreno, Jalisco	
Río Verde Grande Basin, Lagos de Moreno Aquifer, Hydrological Region of Lerma-Santiago, Lagos de Moreno, Jalisco	
Río Moctezuma Basin, Cuautitlán-Pachuca Aquifer, Hydrological Region of Pánuco, Location Barrio de San Juan, Teoloyucan, State of Mexico	

Related impacts

Water goals are established using water consumption and wastewater discharge indicators for each facility as the basis. Each facility currently identifies areas of opportunity in its processes, and estimates the possible savings that each might provide, subsequently proposing an attainable annual goal. These goals do not have a relationship with the local context of their locations.

Note: An analytical, holistic, or in-depth focus is not used to identify possible impacts. The impacts that could be caused by volumes of water extracted from consumption sources, and by the amount of contaminants present in the wastewater that is discharged into the different receiving bodies are included.

GRI 303-3 Water extraction

d. 1.- Reported consumption is measured directly by measuring instruments that are monitored and some are certified by federal, state and municipal authorities. These consumptions are reported to these authorities through various formats and reporting mechanisms. The 97% representation is considered because it does not include the water consumption of Nutrisa, Cielito Querido, Moyo and Chilim Balam stores, or other facilities (offices, etc.), which represent a very low volume compared to the total.
2.- Although Grupo Herdez has facilities that capture rainwater, these are not reported because most of the volume captured is discharged into the environment and only a portion is used to irrigate green areas; therefore, the water is not stored and is not used in processes or services.
In order to determine the water stress zones, reference sources used were the Water Statistics issued by the National Water Commission (CONAGUA), information on availability zones according to the country's basin and aquifers. In addition, the criterion for determining water stress was the one reported by the Acueduct Water Risk Atlas platform in 2024, as it is an internationally recognized tool, with the exception of Cedis Merida, where CONAGUA's criterion was considered as it is closer to the country's reality.

GRI 303-5 Water consumption

d. 1.- Reported consumption is measured directly by measuring instruments that are monitored and some are certified by federal, state and municipal authorities. These consumptions are reported to these authorities through various formats and reporting mechanisms. The 97% representation is considered because it does not include the water consumption of Nutrisa, Cielito Querido, Moyo and Chilim Balam stores, or other facilities (offices, etc.), which represent a very low volume compared to the total.
2.- Although Grupo Herdez has facilities that capture rainwater, these are not reported because most of the volume captured is discharged into the environment and only a portion is used to irrigate green areas; therefore, the water is not stored and is not used in processes or services.
In order to determine the water stress zones, reference sources used were the Water Statistics issued by the National Water Commission (CONAGUA), information on availability zones according to the country's basin and aquifers. In addition, the criterion for determining water stress was the one reported by the Acueduct Water Risk Atlas platform in 2024, as it is an internationally recognized tool, with the exception of Cedis Merida, where CONAGUA's criterion was considered as it is closer to the country's reality.

GRI 303-4 Vertidos de agua

I. N/A
ii. Water Quality Discharged
For 2023, the estimated amounts of discharges via wastewater that are treated in Grupo Herdez expressed in tons are:
FATS AND OILS: 138.01 mg/L
Biochemical Oxygen Demand (BOD): 5.77 mg/L
Chemical Oxygen Demand (COD): 2338.55 mg/L
Total Suspended Solids (TSS): 1456.84 mg/L
Total Dissolved Solids (TDS): 2185.10 mg/L
Sedimentable Solids (SS):39.68 mg/L
iii. Rather than a method, what was used were the criteria for maximum allowable limits established in the following standards:
1.- NOM-001-SEMARNAT-1996 / NOM-001-SEMARNAT-2021; which establishes the maximum permissible limits for the discharge of wastewater into water bodies and national assets.
2.- NOM-002-SEMARNAT-1996; which establishes the maximum permissible limits for the discharge of wastewater to municipal drainage.
3.- NTE-SLP-AR-2005; Environmental technical standard of the State of San Luis Potosí, which establishes the maximum permissible limits for wastewater discharges to drainage and sewage systems of the municipalities of SLP.
e. These parameters were defined based on compliance with the discharge standards that apply to each facility.
Substances of priority concern for water discharge.
Substances: Biochemical Oxygen Demand (BOD), Total Suspended Solids (TSS), Total Dissolved Solids (TDS), Settleable Solids (SS), Settleable Solids (SS), Sedimentable Solids (SS), Hydrogen Potential (PH), Electrical Conductivity, Temperature, Fats and Oils.
Method for defining significance: Compliance with national standards and particular discharge conditions established by the Mexican government.
Substance: Chemical Oxygen Demand (COD).
Method for defining significance: Standard determined for operational control of the system.



GRI 303-2 Management of water discharge-related impacts

The minimum regulatory and/or internal standards for the quality of discharged effluents that the plants and distribution centers follow are:

- Biochemical Oxygen Demand (BOD)
- Total Suspended Solids (TSS)
- Total Dissolved Solids (TDS)
- Sedimentable Solids (SS)
- Hydrogen Potential (HP)
- Electrical Conductivity (EC)
- Temperature (°C)
- Oil and Grease (O&G)
- Chemical Oxygen Demand (COD)

Specific standards:

- NOM-001-SEMARNAT-1996/NOM-001-SEMARNAT-2021. Establishes the maximum allowable limits of contaminants in wastewater discharge into national waters and assets.
- NOM-002-SEMARNAT-1996. Establishes the maximum allowable limits of contaminants in wastewater discharge into urban or municipal sewer systems.
- State Technical Regulation - NTE-SLP-AR-001/05. Establishes specific conditions for discharging wastewater into the drainage and sewer systems of the municipalities of San Luis Potosí, Soledad de Graciano Sánchez, and Cerro de San Pedro.
- Specific Discharge Conditions. Established by federal authorities in conformance with Article 140 of the Regulation of the Law of National Waters.

GRI 305-6 Emissions of ozone-depleting substances

Grupo Herdez® does not produce, import, or export CFC-11 (R-11), R-14, or R-22 substances.

The most-used coolants are R-410A, R-134A, R-407C, R-404A, R-507, R-147, R-427 and R-MO99.

GRI 305-7 Nitrogen Oxides (NOx), Sulfur Oxides (SOx), and other significant air emissions

Atmospheric emissions	2023 (Tn)	2022 (Tn)
NOx	65.92	67.02
SOx	79.36	76.70
POP (persistent organic pollutants)	3.12	3.58
VOC (volatile organic compounds)	0.88	1.18
HAP (hazardous air pollutants)	NA	NA
PM (particulates)	6.41	5.90
OTHERS		
Organic Compounds	20.13	23.97
Solid Particulates	2.67	2.95
Total Organic Compounds	3.12	3.58
SO ²	78.54	75.95
SO ³	0.82	0.76
Filterable Solid Particulates	6.41	5.90
MNVOCs	0.05	0.04



GRI 306-1 Waste generation and significant waste-related impacts

The potential significant impacts related to the waste the organization generates include contamination of the soil and bodies of water due to solid waste and/or leaks, damage to public infrastructure, and air pollution due to greenhouse gas emissions.

Hazardous and non-hazardous wastes are generated during several parts of the Group's production process. Hazardous waste is mainly generated by maintenance activities in the service areas and on the production lines, which use chemical substances that by themselves, or by impregnating non-hazardous materials, once used are considered to be hazardous waste. Non-hazardous waste is divided into two categories: Special Handling Waste (SHW) and Solid Urban Waste (SUW)

According to Mexican legislation, SHW is categorized by the volume generated. For example, packaging and packing material, the product and its packaging destined for final destruction, expired finished product, or products that do not meet quality and sludge standards of the wastewater treatment plants. Some are recycled, and others are sent to sanitary landfills.

SUW is waste generated by other activities. The Group's activities generate SUW such as paper, plastic, cardboard, and general waste.

Note that this waste does not create a significant direct impact on the environment, as it is correctly handled, confined, and disposed of in accordance with current laws and regulations.

The above impacts and the waste that can cause those impacts occur only during the manufacturing, storage, and internal handling phases of the product; not with generation of waste and its respective impacts on upstream and downstream stages of the value chain. The waste reported in these indicators only includes the generation, handling, recycling, and disposal of waste from the Group's production operations.



GRI 306-2 Management of significant waste-related impacts

The principal measures for managing the significant impact of waste generated by the organization are the identification, categorization, separation, temporary storage, recycling, confinement, and final disposal, as applicable, of all waste generated.

The process to prove compliance with obligations by third parties that handle the waste is the responsibility of our Environmental Control, Safety, and Hygiene (Control Ambiental, Seguridad e Higiene - CASH) Department, with support from the Environmental Sustainability Department. The process begins with the selection of service providers that have legal and regulatory authorization from federal, state, and/or municipal authorities; it continues with hiring the service and the periodic removal of each type of waste generated in our facilities and with the recycling or final disposal of that waste; it ends with the provider delivering proof of collection, transport, storage, confinement, destruction, recycling, and/or disposal of the waste.

The records on the generation, handling, recycling, and disposal of waste are reviewed and verified by the Environmental Sustainability Department, which provides feedback in the event of any findings. This is done through a form sent by Environmental Sustainability to the responsible CASH person at each facility, which must be filled in with the mentioned information.



GRI 401-1 New employee hires and employee turnover

Hires

Hires by gender

	Total staff	New hires	% of the total of new hires	Hiring rate by gender
Men	6,488	2,070	53.9%	31.9%
Women	5,107	1,773	46.1%	34.7%
Total	11,595	3,843	100.0%	33.1%

Hires by age

	Under 31 years old	Between 31 and 50 years old	Older than 50	Total of the staff
Total of the staff	4,752	5,585	1,258	11,595
Men	1,344	657	69	2,070
Women	1,237	467	69	1,773
Total	2,581	1,124	138	3,843
% of the total hires	67.2%	29.2%	3.6%	100.0%
Hiring rate by age	54.3%	20.1%	11.0%	33.1%

Hire by location

	Total of the staff	New hires women	New hires men	Total hires	Hiring rate by location	% of the total hires
Corporate Offices	1,370	132	160	292	21.3%	7.6%
Plants	4,389	597	500	1,097	25.0%	28.5%
Distribution Centers	933	91	215	306	32.8%	8.0%
Stores	2,406	829	646	1,475	61.3%	38.4%
Sales routes	2,497	124	549	673	27.0%	17.5%
Total	11,595	1,773	2,070	3,843	33.1%	100.0%

Turnover

Turnover by gender

	Total of the staff	Departures	% of total departures	Turnover rate by gender
Men	4,830	1,137	66.9%	23.5%
Women	3,211	563	33.1%	17.5%
Total	8,041	1,700	100.00%	21.1%

Turnover by age

	Under 31 years old	Between 31 and 50 years old	Older than 50	Total of the staff
Total of the staff	2,099	4,782	1,160	8,041
Men	430	613	94	1,137
Women	235	264	64	563
Total	665	877	158	1,700
% of total departures	39.1%	51.6%	9.3%	100.0%
Turnover rate by age	31.7%	18.3%	13.6%	21.1%

Turnover by location

	Total of the staff	Departure of men	Departure of women	Total departures	Turnover rate by location	% of total departures
Corporate Offices	1,290	141	99	240	18.6%	14.1%
Plants	3,721	334	344	678	18.2%	39.9%
Distribution Centers	763	113	48	161	21.1%	9.5%
Sales routes	2,267	549	72	621	27.4%	36.5%
Total	8,041	1,137	563	1,700	21.1%	100.0%

Note for new hires: Both permanent and temporary personnel were considered for new hires.
Note for departures: Staff turnover excludes store personnel and temporary personnel.
Note: Plant rotations are due to the seasonality of the products. When the plants have a high production season, they hire more personnel under temporary contracts and, when the season ends and production is low, these contracts are terminated.



GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees

The benefits we offer to company employees are superior to those established by the Federal Labor Law (Ley Federal del Trabajo - LFT) and are a common denominator at all of the Group's companies.

All personnel are offered life insurance, public healthcare services, coverage for disability or illness, maternity or paternity leave, and retirement funds.

Other benefits include (% of employees to whom they apply):

- Major Medical Expense Insurance for the employee and their direct family members (5%)
- Plan for retirement, death, and total and permanent disability (69%)
- Preventive medical checkup plan (1.08%)
- Scholarships for study and personal development (100%)
- Bonus days off in addition to those established by the law (92.4%)
- Training programs (100%)
- Employee stock purchase plan (1.08%)
- Personnel development and growth plan (100%)
- Mental health assistance (100%)

We do not have part-time employees.



GRI 401-3 Parental leave

All of our full-time employees have the right to parental leave.

	2023		2022	
	Men	Women	Men	Women
Employees who took parental leave	32	90	39	91
Employees who returned to work during the reporting period	32	90	39	79
Employees who returned to work and continued on staff for 12 months after their return	22	66	31	61
Rate of return to work	100.0%	100.0%		
Retention rate 2023	56.4%	83.5%	74.6%	

GRI 404-3 Percentage of employees receiving regular performance and career development reviews

Of our total non-unionized staff, using the nine-box grid, 2,435 assessments were performed, which is 13.9% more than in the previous year.

	Men		Women		Total
	Evaluated in 2023	% of total men	Evaluated in 2023	% of total women	
Operating	433	8.0%	432	10.0%	
Operating-Regulatory	656	85.5%	499	81.1%	
Tactical	184	90.2%	110	86.6%	
Strategic	87	95.6%	34	97.1%	
Total	1,360	21.0%	1,075	21.0%	2,435



GRI 405-1 Diversity of government bodies and employees

2023	Women			Men			Total members
Committees	Under 31 years old	Between 31 and 50 years old	Older than 50	Under 31 years old	Between 31 and 50 years old	Older than 50	
Board of Directors	-	1	1	-	-	7	9
Audit Committee	-	-	-	-	-	3	3 (100% independent)
Corporate Practices Committee	-	-	-	-	-	5	5 (60% independent)
Risk Management Committee	-	2	-	-	3	5	10
Sustainability Committee	-	1	-	-	2	8	11
Crisis Committee	1	5	-	-	7	9	22
Ethics Sub-committee	-	2	-	-	-	2	4



2023	Women			Men			Total members
Age	Under 31 years old	Between 31 and 50 years old	Older than 50	Under 31 years old	Between 31 and 50 years old	Older than 50	
Board of Directors	-	11.11%	11.11%	-	-	77.78%	100%
Audit Committee	-	-	-	-	-	100%	100%
Corporate Practices Committee	-	-	-	-	-	100%	100%
Risk Management Committee	-	20%	-	-	30%	50%	100%
Sustainability Committee	-	9.09%	-	-	18.18%	72.73%	100%
Crisis Committee	4.55%	22.73%	-	-	31.82%	40.91%	100%
Ethics Sub-committee	-	50%	-	-	-	50%	100%

All employees who have some type of disability are in the following job category operational

2023	Women			Men			Total members
Type of disability	Under 31 years old	Between 31 and 50 years old	Older than 50	Under 31 years old	Between 31 and 50 years old	Older than 50	
Auditive	0	5	0	1	4	0	10
Visual	0	0	0	0	1	0	1
Physical	0	0	0	1	0	0	1
Mental	0	1	0	1	0	0	2

2023	Women			Men			Total members
Type of disability	Under 31 years old	Between 31 and 50 years old	Older than 50	Under 31 years old	Between 31 and 50 years old	Older than 50	
Auditive	0.00%	50.00%	0.00%	10.00%	40.00%	0.00%	100.00%
Visual	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	100.00%
Physical	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	100.00%
Mental	0.00%	50.00%	0.00%	50.00%	0.00%	0.00%	100.00%



GRI 414-2 Negative social impacts in the supply chain and actions taken

During 2023, we evaluated 90 suppliers for social impacts.

Twenty-five suppliers were identified with potential and real negative social impacts. There is a specific action plan for each case. We have agreed to improvements with all of them, and they will be reevaluated in six months. If the suppliers again have a negative result, severing ties with them will be evaluated.

GRI 415-1 Political contributions

Grupo Herdez® and its subsidiaries do not make cash and/or in-kind contributions to political parties or related institutions. As stated in our [Code of Ethics](#), we remain strictly neutral in political and religious matters.

IP-5 Type and rate of injuries, occupational diseases, days off work, absenteeism, and number of occupational deaths

This methodology specifies the indicators and calculations for this indicator, which was prepared according to the methodologies of the Corporate Sustainability Assessment (CSA) of S&P Global, Social Area, section 3.5 Occupational Health and Safety, 3.5.4 Lost Time Injury Frequency Rate (LTIFR) - Employees; indicator GRI 403-9 Work-Related Injuries, and the index used by Monsanto and OSHA. The scope of this indicator for 2022 and 2023, is the locations of plants, distribution centers, and corporate offices.

Objective

To measure the incidence of the number of injuries, lost time due to injuries, and to monitor the reduction in the rate of work-related injuries within the Company, complying with international and domestic standards to improve well-being indicators. From analysis of the data, initiatives are included that positively impact the quality of life of our employees and their families.

Involved areas

Human Resources provides demographic data on the entire staff of Grupo Herdez®, as well as the indicator GRI 2-7 Employees (total employees by gender, location, age, and labor category). Control Ambiental Seguridad e Higiene (CASH) provides the data on the number of accidents, main types of injuries, hours worked, number of deaths, manner in which danger to men and women is determined for the plants, distribution centers, and corporate offices.

	Man-hours worked	Number of accidents	Accident rate	Days lost due to accidents	Rate of days lost due to accidents
Men	7,887,360	22	0.56	385	9.76
Women	6,736,704	22	0.65	733	21.76
Total	14,624,064	44	0.60	1,118	15.29

Requirements

The accident rate states the number of accidents during the year in relation to the total number of man-hours worked, multiplied by the factor 200,000. The rate of days lost is stated by comparing the total days lost during the year with the total man-hours worked, multiplied by the factor of 200,000.



IP-8 Communication with consumers

Consumers are exposed to a variety of processed foods due to the expansion of the global market. They might find these products attractive due to convenience, cost, taste, or better health. To help these consumers make informed decisions, information must be presented in different forms and means, such as product labels, customer service, and Internet pages.

Measurement

Regulatory labeling requirements pertinent to the product market depend on the product category. For the domestic market, the Official Mexican Standard (Norma Oficial Mexicana - NOM) specific to the product is used. If there are none, general regulations are applied, such as regulations on sanitary control of products and services; the General Law on Health in matters of sanitary control of activities, establishments, products, and services; agreement through which the additives and ingredients in food, beverages, and supplements are determined, their use and sanitary disposal; agreement through which prohibited or permitted plants for teas, infusions, and edible vegetable oils are determined, among others.

For Export products, the regulations applicable to the country of export apply.

Nutritional information and ingredients

In addition to reviewing the information of the product itself, the sub-ingredients of the raw materials that are included in the formula are also reviewed, to show any additives or contaminants that might impact product safety.

Furthermore, some suppliers are asked to provide the results of analysis of the contaminants, depending on the nature of the ingredient or product, particularly for products that are exported to the United States and Europe.

All our products in the Food, Non-Alcoholic Beverages, and Food Supplements categories include the list of ingredients and the corresponding nutritional information.

Food and Beverages are required to include the energy content, proteins, total fat, saturated fat, trans fats, available carbohydrates, total sugars, added sugars, dietary fiber, and sodium per 100 grams of product, as provided for in the MODIFICATION to Official Mexican Standard NOM-054-SCFI/SSA1-2010, General specifications on labeling of pre-packaged food and non-alcoholic beverages - Commercial and sanitary information. Food Supplements include energy content, protein, total fats, carbohydrates, and sodium, both per portion and per 100 g, as indicated in the Regulation on Sanitary Control of Products and Services.

The main source of nutritional information is the label. This information is also included on some of the Company's web pages. Additionally, the 800 customer service line for each food and non-alcoholic beverage brand has the corresponding updated information. According to the internal guidelines of the area, it has been agreed to show the following on the label:

- If the colorant is artificial or natural
- If the flavoring is natural, artificial, or identical to natural
- The hydrolyzed protein and monosodium glutamate are declared as such
- There is no policy of stating if the product contains genetically modified organisms
- Sweeteners are declared, as required by the Agreement on Additives
- All allergens present are declared, as are those that might be present in the product
- Currently the Barilla, Yemina, and Vesta brand pastas are fortified, as part of compliance with Official Mexican Standard NOM-247-SSA1-2008
- The methods used in processing the food to maintain their safety

All statements made on the labels must be supported by scientific evidence, to comply with the regulations applicable to the product and the market.

There is no report on communication of the ingredients and nutritional information to consumers.





IP 9- Health and Nutrition Care Strategy Development

As part of the Technical Department, the Scientific and Regulatory Affairs Department ensures that the products developed within Grupo Herdez® contain allowed ingredients in the amount indicated by applicable regulation for each product category. It also determines the nutritional icons that the front label must display, so the consumer can have the corresponding nutritional information.

Grupo Herdez® continues improving nutritional criteria to develop new products for the entire Group, considering the maximum content limits for added critical nutrients and specific indications that must be taken into account and/or that must be complied with.

The Company has a consultative panel on nutrition and protecting health, as well as R&D centers, focused on protecting health and nutrition.

- New categories are developed according to the Company's internal nutritional criteria.
- Nutritional criteria are updated following national standards.
- New criteria for additional nutritional information are developed to restrict ingredients and additives, in accordance with the national and international landscape.
- For 2023, the categories of superfoods, keto, and low- and no-calorie beverages were added.
- Additional criteria were added restricting the use of partially hydrogenated fats, maximum limit of processed trans fats, and restriction on the use of titanium dioxide.
- The Group continues to monitor new products, innovations, reformulations, detained and canceled products, seeking to improve nutritional profiles.
- Group Herdez® continues updating the Nutritional Panorama of the food and beverages portfolio, including baseline products, innovations, reformulations, and new products of the entire Group, to detect critical nutrients that will be evaluated subsequently for decrease

Criteria on measurable nutrition of “Healthy Nutrition” in new product innovation:

- Measurement occurs through compliance with internal nutritional criteria. This ensures that new products do not exceed recommended guidelines issued by national and international regulations.
- Application of these guidelines is in internal documents, which serve as guidance and evidence until the product is ready for sale.

Criteria on measurable nutrition of “Healthy Nutrition” in innovation of existing products:

- Following the nutritional map, understanding the impact of regulatory changes on the number of informational seals on each formula.
- Analysis of the impact of artificial preservatives, sweeteners, and flavorings.
- Identification of critical nutrients that represent the addition of information seals.
- Implementation of reformulation activities to reduce the number of seals on products.

According to the product database that contains the number of informational seals on each product, the Group tries to reduce added critical nutrients or to reduce the number of informational seals.

It also highlights the additives and ingredients in each formula, detecting those that might present a risk to consumer health, and seeking an alternative that replaces its functionality in the product.

Grupo Herdez® also works with the areas of innovation and investigation to comply with internal nutritional criteria in those new or innovative products. It works with the aforementioned areas in conjunction with sensory evaluation, to work on reformulations of line products, and it directs them to comply with the nutritional criteria that were established following their launch.

IP-10 Percentage of renewable energy consumed in the organization

Total electricity consumed by Grupo Herdez®: 97,923,429 KWh

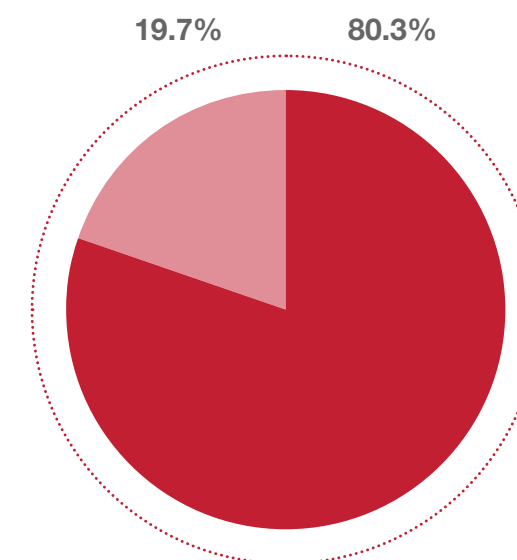
Electricity from clean sources (renewable + cogeneration): 49,406,240 KWh

Wind energy: 39,675,281 KWh

Non-renewable energy from CFE: 48,517,189 KWh

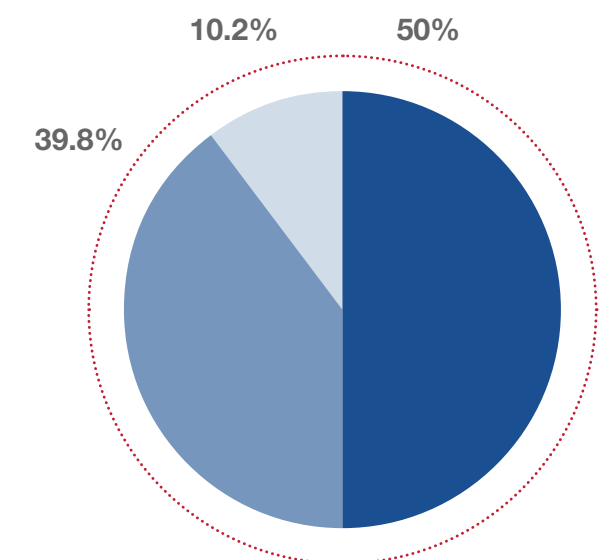
Clean energy consumption

- Eolic energy
- Other sources



Energy Source %

- Electricity from the grid
- Renewable energy
- Other sources





Biogenic CO₂ emissions have not been determined in Grupo Herdez® for any type of waste or biomass generated, because the volume of waste sent for processing as alternative fuels (residual biomass) is so small that it does not represent a significant impact on the determination of emissions at the group level. More than 82% of the waste generated is recycled and the rest is sent to sanitary landfills and controlled confinement in the case of hazardous waste.

GRI 305-1 Direct GHG emissions (Scope 1).

Reason for omission. Confidentiality restrictions In the case of GHG emissions from direct sources (stationary and mobile -fuel use-) there is currently no single base year; an annual comparison of indicators is made using the immediately preceding year as a reference.

For direct and indirect sources, the direct estimation methodology was used using emission factors established in internationally recognized sources, some of them adopted by SEMARNAT, which due to the units in which they are expressed, were applied directly to the consumption of each of the reported energy sources to estimate the tons of CO₂e. For this determination we worked under the assumption that Grupo Herdez® has no recorded emissions or direct or accidental releases (either leaks or spills) of HFCs, PFCs, SF6 and/or NF3 that could be considered as part of emissions to the atmosphere. For direct type sources (stationary and mobile) the emission factors were taken from GHG-PI version 4.0 (stationary sources) and 2.3 (mobile sources). b. Gases included in the calculation: CO₂, CH₄ and N₂O gases are included. f. The consolidation approach for emissions: Operational control.

GRI 305-2 Indirect GHG emissions (Scope 2)

1.- The emissions mentioned above are grouped as follows:
Plants and CEDIS: 15,958 tons of CO₂
Stores: 3,287 tons of CO₂
Other facilities: 2,562 tons of CO₂
Total: 21,807 tons of CO₂

2.- Indirect emissions of 21,807 tons of CO₂ consider only the consumption of CFE from our production plants (Mexico, Barilla, El Duque, Lagos de Moreno, Herdez SLP, Herdez Villagrán, Santa Rosa Tomates, Santa Rosa Vegetales, Tapas, Nutrisa and Coronel Espinoza) and Cedis (Monterrey, CAF Lagos de Moreno, San Luis Potosí, Mexico, Guadalajara, Los Mochis, Tijuana and Mérida).

3.- The information is obtained directly from the plants, Cedis and other facilities, which in turn have internal records of their energy consumption based on logs, invoices and internal controls through electronic files.

4.- Energy consumption is reported to the environmental sustainability area through pre-established forms which are sent periodically by the Plants and Cedis. in the case of other facilities, the information is provided by the EPC area; for stores, consumption is reported by EPC and the store manager.

5.- Electricity consumption for GHG emissions estimation is taken from CFE invoices.

b. Gases included in the calculation: CO₂ , CH₄, N₂O, HFCs, PFCs, SF6, NF3 or all: CO₂

6.- The emission factor for electricity was taken from the methodology used to estimate the electricity emission factor for corporate GHG emission inventories for the GHG Mexico Program. This factor is obtained each year according to the mix of fuels used in the generation of electricity purchased from the National Electric System (SEN).

f. The consolidation approach for emissions, which in this case would be operational control.

Reason for omission of base year.

Confidentiality restrictions

In the case of GHG emissions from indirect sources, there is currently no single base year; an annual comparison of indicators is made using the immediately preceding year as a reference.

[Index](#)

GRI Standards

[General Contents](#)[Material Topics](#)

General Contents

General Contents	GRI Standard	Name of the standardd	Answer on table or link	Page(s)
Organization and its Reporting Practices	2-1	Organizational Profile		115
	2-2	Entities Included in the Sustainability Report		115
	2-3	Reporting Period, Frequency, and Contact Point		115
	2-5	External Verification	The scope of the verification is limited in accordance with International Standard on Assurance Engagements ISAE 3000.	
Activities and Workers	2-6	Activities, Value Chain, and Other Business Relationships	Annual Report 2023 https://grupoherdez.com.mx/en/investors-downloads/	
	2-7	Employees		46, 47, 81, 115
Governance	2-9	Governance structure and composition		66, 67
	2-10	Nomination and selection of the highest governance body		66, 70
	2-11	Chair of the highest governance body		68
	2-12	Role of the highest governance body in overseeing the management of impacts		69
	2-13	Delegation of responsibility for managing impacts		66
	2-14	Role of the highest governance body in sustainability reporting		66
	2-15	Conflicts of interest		76, 77, 79
	2-19	Remuneration policies		81
	2-20	Process to determine remuneration		81
Strategy, policies and practices	2-22	Statement on sustainable development strategy		71
	2-23	Policy commitments		76, 77
	2-24	Embedding policy commitments		76
	2-26	Mechanisms for seeking advice and raising concerns		76
	2-27	Compliance with laws and regulations		81
	2-28	Membership associations		81
Stakeholder engagement	2-29	Approach to stakeholder engagement		73, 74
	2-30	Collective bargaining agreements	30.9% of employees are covered by a collective bargaining agreement.	76

Material Topics

Material Topics	GRI Standard	Name of the standard	Answer on table or link	Page(s)
Material Topics	3-1	Process to determine material topics		73
	3-2	List of material topics		73
	3-3	Management of material topics	Management of the organization’s material topics can be found in the following chapters of this report as well as in the 2023 Annual Report. https://grupoherdez.com.mx/en/investors-downloads/	
			Economic Impact Brand trust and reputation Innovation (products and processes) Profitable growth in markets and financial sustainability Consumer experience impact	
			Environmental Impact Sustainable packaging Water management Energy consumption and efficiency Quality and safety in the value chain	
Economic Performance			Social Impact Consumer health, safety, and well-being Brand trust and reputation Occupational health, safety, and well-being Working conditions and relationships Transparency in product information and labeling Training and career development	
			Corporate Governance Brand trust and reputation Ethics and anti-corruption Legal compliance	
	201-1	Direct economic value generated and distributed	Audited Financial Statements 2023 https://grupoherdez.com.mx/en/investors-downloads/	
	201-2	Financial implications and other risks and opportunities due to climate change	Annual Report 2023, Study on Climate Change Impacts https://grupoherdez.com.mx/en/investors-downloads/	
	201-3	Defined benefit plan obligations and other retirement plans		83
	201-4	Financial assistance received from government	Grupo Herdez® does not receive any financial assistance from the government.	
	202-2	Proportion of senior management hired from the local community		83
	207-1	Approach to tax		84
	207-2	Tax governance, control, and risk management		84
	207-3	Stakeholder engagement and management of concerns related to tax	There are no compliance agreements with tax authorities. There is no promotion or participation of public policy stakeholders on tax matters. There is no promotion or participation of public parties stakeholders on tax matters. There is no promotion or participation of public stakeholders on tax matters.	
	207-4	Country-by-country reporting	Annual Report 2023 https://grupoherdez.com.mx/en/investors-downloads/	
	IP-2	Social investment		56
	IP-4	Environmental invesment		44



Material Topics	GRI Standard	Name of the standard	Answer on table or link	Page(s)
Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No lawsuits were filed in 2023. For more information refer to our Illegal Payments and Antibribery Policy (2019) https://grupoherdez.com.mx/storage/2021/12/ENG-ILLEGAL-PAYMENTS-AND-ANTI-BRIBERY-POLICY.pdf	
Training and Education	404-1	Average hours of training per year per employee		52, 115
	404-2	Programs for upgrading employee skills and transition assistance programs		52, 115
	404-3	Percentage of employees receiving regular performance and career development reviews		92, 115
Labor conditions and relations	401-1	New employee hires and employee turnover		46, 47
	401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees		92
	401-3	Parental leave		92
	405-1	Diversity of governance bodies and employees		49, 93, 115
	405-2	Ratio of basic salary and remuneration of women to men Ratio between basic salary and remuneration of women and men Ratio at the Operational level for women - 95%. Ratio at the Operational - Normative level for women - 100%. Ratio at Tactical level for women - 102%. Ratio at Strategic level for women - 101%. Ratio at Operational level for men - 105%. Ratio at the Operational-Policy level for men - 100%. Ratio at Tactical level for men - 98%. Ratio at Strategic level for men - 99%.		49, 82, 115
	406-1	Incidents of discrimination and corrective actions taken		82
	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		54
	403-1	Occupational health and safety management system		54
	403-2	Hazard identification, risk assessment, and incident investigation		54
Occupational health, safety and welfare	403-3	Occupational health services		54
	403-4	Worker participation, consultation, and communication on occupational health and safety		54
	403-5	Worker training on occupational health and safety		54
	403-6	Promotion of worker health		54



Material Topics	GRI Standard	Name of the standard	Answer on table or link	Page(s)
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Industrial Safety Policy https://grupoherdez.com.mx/storage/2021/12/POLITICA-DE-SEGURIDAD-INDUSTRIALENG.pdf Suppliers' Code of Conduct https://grupoherdez.com.mx/storage/2021/09/Supplier-Code-of-Conduct-GH-English-Translation-2021-.pdf	
	403-8	Workers covered by an occupational health and safety management system		54
	IP-5	Type and rate of injuries, professional sickness, lost days, absenteeism, and work-related mortal victims		54, 55, 94
	IP-3	Eating Healthy		53
Ethics and anti-corruption	205-1	Operations assessed for risks related to corruption		83
	205-2	Communication and training about anti-corruption policies and procedures		52, 76
	205-3	Confirmed incidents of corruption and actions taken		84
	415-1	Political contributions		94
Consumption and energy efficiency	302-1	Energy consumption within the organization		41, 108
	302-3	Energy intensity		41
	302-4	Reduction of energy consumption		41



Material Topics	GRI Standard	Name of the standard	Answer on table or link				Page(s)	
	305-1	Direct emissions from fuel consumption in stationary sources						43, 97
		Source	Fuel	2023 Tn CO ₂ e	2022 Tn CO ₂ e	2021 Tn CO ₂ e		
		Primary	Natural gas	20,077.23	26,922	26,494		
		Secondary	Fuel oil	20,084.33	18,491	21,134		
		Secondary	Residual fish oil	-	-	-		
		Secondary	Industrial diesel	61.61	48	133		
		Secondary	L.P. Gas	2,672.82	1,991	2,338		
		Secondary	Gasoline	-	-	-		
		Subtotal		42,896	47,452	50,099		
		Direct emissions from fuel consumption in mobile sources						
		Source	Fuel	2023 Tn CO ₂ e	2022 Tn CO ₂ e	2021 Tn CO ₂ e		
		Secondary	Gas L.P.	1,063.37	1,312	1,295		
		Secondary	Industrial diesel	5.92	13	4		
		Secondary	Gasoline	31.48	36	35		
		Secondary	Gas plane		-	-		
		Subtotal		1,100.77	1,361	1,334		
		Total direct emissions (Tn CO ₂ equivalent)						
	2023	2022	2021	2020				
	43,997	48,814	51,334	43,982				
	305-2	Total indirect emissions (Tn CO ₂ equivalent)						43, 97
			2023	2022	2021	2020		
			21,807	11,302	14,367	16,146		
305-4		GHG emissions intensity					43	
305-5		Reduction of GHG emissions					43	
		There was no significant increase or decrease in GHG emissions during 2023.						
305-6		Emissions of ozone-depleting substances (ODS)					43, 89	
305-7		Nitrogen oxides (NO ^x), sulfur oxides (SO ^x), and other significant air emissions					89	
IP-10		Percentage of renewable energy consumed in the organization					96	



Material Topics	GRI Standard	Name of the standard	Answer on table or link						Page(s)
Water management	303-1	Interactions with water as a shared resource							85, 86, 87, 88
	303-2	Management of water dischargereLATED impacts							89
	303-3	Water withdrawal	Total water withdrawal: 1,262.40 ML Surface water: 700.87 ML Groundwater: 532.87 ML Seawater: 0 ML Produced water: 0 ML Third-party water: 28.5 ML Water withdrawal in water stressed areas in ML - 1,261.72 Total water withdrawal from freshwater (1,000 mg/L) - 1,261.47						29, 88, 115
			Source	Facility (Plant or CEDIS)	Volume 2023	Volume 2022	Volume 2021	Volume 2020	
			Rivers, lakes	Santa Rosa Tomates	431.75	439.13	460	403	
				Santa Rosa Vegetales	266.73	275.81	477	298	
				CEDIS Mochis	2.39	2.53	1.4	1	
			Subway (wells)	Barilla	50.15	41.15	40	51	
				El Duque	38.28	38.51	38	41	
				Planta México	74.57	89.50	81	76	
				Planta San Luis Potosí	209.88	202.06	193	201	
				Planta Villagrán	47.78	41.94	36	28	
				Planta Lagos de Moreno	92.07	99.1	110	111	
				Planta Cogeneración	8.85	14.58	16	15	
				Planta Té	1.71	2.54	2	0	
				CEDIS San Luis Potosí	6.06	6.27	7	-	
				CEDIS México	2.85	7.60	9	-	
				CEDIS Mérida	0.68				
			Municipal Network	Barilla	0.28				
				El Duque	0.28				
				CEDIS San Luis Potosí	1.44	6.11	2.25	9	
				CEDIS México	0.00	0	0	4	
				Planta San Luis Potosí	0.00	0	0.23	1	
				Planta Té	0.00	0.45	0.49	1	
				CEDIS Guadalajara	0.40	0.33	0.61	-	
				CEDIS Tijuana	0.08	0.32	0.31	-	
				CEDIS Monterrey	0.82	0.57	0.50	-	
				CAF Lagos	5.99	6.30	6.92	-	
			Other (Pipes and wastewater)	Nutrisa	17.33	16.20	0.98	-	
				Barilla	0.15				
				El Duque	0.15				
				Planta México	1.32				
				Santa Rosa Tomates	0.24				
				Cedis San Luis Potosí	0.15				
				CAF Lagos de Moreno	0.03				
			Total		1,262.40	1,290.94	1,295	1,542	



Material Topics	GRI Standard	Name of the standard	Answer on table or link	Page(s)
Materials	303-4	Water discharge	Total water discharge in freshwater (total dissolved solids $\leq$ 1,000 mg/l) in water-stressed areas: 771.84 ML Total water discharge in water stressed areas (total dissolved solids $\leq$ 1000 mg/l): 771.92 in ML	30, 88, 115
	303-5	Water consumption	Total water consumption: 487.33 ML Total water consumption in water-stressed areas: 487.33 ML	27, 29, 88, 115
	301-1	Materials used by weight or volume		32, 84
	301-2	Recycled input materials used		38
	301-3	Reclaimed products and their packaging materials		
	306-1	Waste generation and significant waste-related impacts		90
	306-2	Management of significant wasterelated impacts		90
	306-3	Waste generated		38
	306-4	Waste diverted from disposal	Waste not destined for disposal Total weight of waste not destined for disposal in tons 40,812.78 Total weight of hazardous waste not destined for disposal in tons 9.32 Total weight of non-hazardous wastes not destined for disposal in tons 40,803.46	38, 82
	306-5	Waste directed to disposal	Waste for disposal Total weight of waste destined for disposal in tons 8,538.23 Total weight of non-hazardous waste destined for disposal in tons 41.14 Total weight of non-hazardous waste destined for disposal in tons 8,497.09 Total weight of hazardous and non-hazardous waste destined for disposal 8,538.23 (off-site).	
Consumer health, safety and welfare	416-1	Assessment of the health and safety impacts of product and service categories		64
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	During 2023, there were no cases of non-compliance with regulations or codes relating to the health and safety impacts of our products.	
	IP-9	Health and Nutrition Care Strategy Development		64



Material Topics	GRI Standard	Name of the standard	Answer on table or link	Page(s)
Quality and safety in the value chain	204-1	Proportion of spending on local suppliers		31, 32, 33
	308-1	New suppliers that were screened using environmental criteria		31
	408-1	Operations and suppliers at significant risk for incidents of child labor	Suppliers' Code of Conduct https://grupoherdez.com.mx/storage/2021/09/Supplier-Code-of-Conduct-GH-English-Translation-2021-.pdf	
	409-1	Operaciones con riesgo mano de obra infantil	Suppliers' Code of Conduct https://grupoherdez.com.mx/storage/2021/09/Supplier-Code-of-Conduct-GH-English-Translation-2021-.pdf	
	IP-6	Sustainable and Regenerative Agriculture Program		
Social assessment of suppliers	414-1	New suppliers that were screened using social criteria	Suppliers' Code of Conduct https://grupoherdez.com.mx/storage/2021/09/Supplier-Code-of-Conduct-GH-English-Translation-2021-.pdf	
	414-2	Negative social impacts in the supply chain and actions taken		94
Transparency in product information	417-1	Requirements for product and service information and labeling		64
	417-2	Incidents of non-compliance concerning product and service information and labeling	There were no cases of non-compliance with regulations or voluntary codes concerning product and service information and labeling during 2023.	
	417-3	Incidents of non-compliance concerning marketing communications	There were no cases of non-compliance with regulations or voluntary codes concerning marketing communications during 2023.	
	IP-8	Policies and procedures to communicate to consumers		64, 95
Innovation	IP-7	Research and Development Management		10, 25

Accounting standards of

SASB Sustainability





	INDICADOR	NOMBRE DEL INDICADOR	CONTENIDO
Energy management	SASB FB-PF-130a.1	(1) Total energy consumed, (2) percentage of electricity from the network, (3) percentage of renewables	GRI 302-1 Energy consumption (1) Total energy consumed: 1,116,257 GJ (2) Percent of electricity from the grid: 50% (3) Porcentaje renovable: 39.8%
Water management	SASB FB-PF-140a.1	(1) Total water extracted, (2) total water consumed, percentage of each in regions with initially high or extremely high water stress	GRI 303-3 Extraction of water (1) Total water extracted: 1,262.4 thousand cubic meters (m3) (2) Total water consumed in our operations: 487.33 thousand cubic meters (m3) of fresh water Porcentaje of each of the regions with high or extremely high water stress San Luis Potosí: 25.1% Estado de México (Zumpango): 6.2% Los Mochis: 55.6% Valle Celaya: 3.8% Estado de México (Chalco): 1.4% Jalisco (Lagos de Moreno): 7.8% Tijuana: 0.01% Monterrey: 0.06% Jalisco (Guadalajara): 0.03% 99.95% of the total water consumed comes from locations with high or extremely high initial water stress. The water consumption indicator in water-stressed areas is calculated based on the extraction in those areas, since it shows with greater certainty the relationship that the Group has with the resource, based on the argument that according to the GRI definition, the water consumed is that which remains in the product, leaving out the rest of the water used in the production process and that is discarded or recycled as wastewater or lost through evaporation, including the water used for services such as boilers, cooling towers, etc. For this reason, the degree of water risk estimated in GH is related to the total water withdrawn and not to the water consumed.
	SASB FB-PF-140a.2	Number of non-conforming incidents related to permits, standards, and regulations on water quantity or quality	Total number of violations: 1 In 2023, a penalty was assessed by the San Luis Potosí Water System for discharge of excess contaminants; the case is in contentious-administrative court.



INDICADOR	NOMBRE DEL INDICADOR	CONTENIDO
SASB FB-PF-140a.3	Description of water management risks and analysis of the strategies and practices to mitigate those risks	1 and 2 Description of water management risks associated with water withdrawal, water consumption, and discharge of water or wastewater: Transition risk; Legal, which could be associated in changes in the federal, state and/or municipal legal framework as applicable to each facility, causing a probable lower availability of water - due to changes in the order of priority of the same or in the legal limitation to concession and/or extract it -, also generating very high additional costs linked to the investment required for compliance with the new legal provisions. Physical Risk: Scarcity of water availability: Because the facilities are located in regions with high water stress and low water availability rates, which could not only increase the possibility of not having enough water for operations, but also put the continuity of operations at risk when facing possible future water supply closures, creating an economic impact due to a possible reduction in production and/or an increase in water costs. Physical Risk: Reduction of groundwater levels and impacts on the quality of the resource. Derived from the overexploitation of groundwater, mainly causing a greater need to build or condition extraction wells with greater depth, associating this same practice to the quality of the extracted water that could contain a greater amount of salts, minerals or other natural and/or infiltrated -anthropogenic- contaminants, increasing the cost of operation and maintenance of these wells, but also increasing the costs of conditioning/treatment of the extracted water for use in operations. Physical Risk: Contamination of surface water bodies. Due to their direct exposure to nature and human activities, surface waters are subject to contamination by uncontrolled effluents/discharges that could generate significant changes in the water quality of these bodies, exposing the users to possible diseases and production impacts, causing a considerable increase in the costs of extraction and conditioning/treatment of water for subsequent use in operations Transition and Social Risks: Social pressure due to the possible monopolization or dispute over water by and/or between various public, private and/or community entities in areas of high water stress, creating social conflicts that could lead to a possible reduction in the availability of the resource and/or in its feasibility to obtain/extract or receive it, with the subsequent increase in the costs of the resource and for operations. 3. In Grupo Herdez 99.9% of our operating facilities (plants and distribution centers) are located in areas classified as “very high” or “high” degree of water stress, which represent a scheme of vulnerability, threat and also an opportunity for the planning and execution of a water management program. 4. Short- and long-term strategies or plans to mitigate water management risks: In 2022, we placed \$3,000.00 million pesos in stock certificates linked to sustainability, positioning us as the first issuer in the food sector to make an issue of this type in Mexico. With this issuance, we made a commitment that by 2030 our water consumption will be 1.98 m3 / Tn produced. The committed target for 2023 was an intensity of 2.16 m3/Tn produced, which we met by reaching one and surpassed with an intensity of 2.15 m3/Tn produced, 0.5% above the established indicator. 5. Water management objectives: Our objective is based on reducing the intensity of water consumption in our operations by 2030 we have the goal of reaching 1.98 m3 / tn produced. Actions to meet this goal began with a diagnosis of water use in our operations linked to the sustainability bond, where we identified areas of opportunity to achieve a reduction in our consumption, among which are the acquisition of more water-efficient technology, recycling of wastewater, changes in organizational culture, among other actions. This is equivalent to a reduction of 5.3% compared to the previous year (2022) and a cumulative reduction of 17% since 2018, the base date for the calculation of the bonus goal. 6. Not applicable, because the impacts will be positive.



	INDICATOR	NAME OF INDICATOR	CONTENT
Food safety	SASB FB-PF-250a.1	Audit by the Global Food Safety Initiative (GFSI): (1) rates of non-compliance, and (2) rates of corresponding corrective actions for cases of non-compliance a) major and b) minor	Audit by the Global Food Safety Initiative (GFSI) (1) Rate of non-compliance: 7.5 (2) Rate of associated corrective action: 2.7 (a) No conformidades mayores: 2.0 (b) No conformidades menores: 2.7 2. This is an example of the corrective actions that were carried out at the Nutrisa Plant: - Creation and issuance of procedures for loading and verification of bulk product labels. - Application of locks in the generation of label changes (versions) by IT. - Creation of a list and comparison of the printed label (list of ingredients, nutritional and version). - Ensuring execution of preventive maintenance routines, including cleaning of the lubrication water tray of the homogenizing piston. - Creation and dissemination of a guide for storage of equipment and materials in Nutrisa® stores. - Alignment of the motor and agitator of the paddle tank 1.
	SASB FB-PF-250a.2	Percentage of ingredients from facilities of tier 1 suppliers certified by a certification program	3. All our plants are FSSC 22,000 certified. Percent of ingredients from facilities of tier 1 suppliers certified by a Food Safety certification program recognized by the Global Food Safety Initiative (GFSI): 76.35% Providers that supplied ingredients during 2023, ingredients: 190 Suppliers that provided ingredients during 2023, agricultural PM: 130 Total: 305 Suppliers with GFSI-recognized certification, ingredient: 141 Suppliers holding a GFSI-recognized certification, agricultural PM: 12 Total: 153 Cost of ingredients 2023: \$4,698,355,434.72 pesos Cost of ingredients sourced from GFSI-certified suppliers: \$3,587,316,642.58 pesos 2. Packaging materials are not included in the calculation. 3. Internal audit, based on FSSC 22,000 and BRC certification and NOM (Norma Oficial Mexicana). for export, request suppliers to be certified in a scheme recognized by GFSI, for example: FSSC 22,000, PRIMUS GFS, IFS, SQF, BRC, among others.
	SASB FB-PF-250a.3	(1) Total number of warnings of violations of food safety received, (2) percentage corrected	(1) Total number of warnings of food safety violations received: 0 (2) Percent corrected: 0
	SASB FB-PF-250a.4	(1) Number of removals, and (2) total amount of food products removed	(1) Number of notifications sent: 0 (2) Total quantity of food products removed: 0



	INDICATOR	NAME OF INDICATOR	CONTENT
Health and nutrition	SASB FB-PF-260a.1	Revenues from products labeled or marketed as promoting health and nutritional attributes	1. The entity will reveal total revenues from sales of its products labeled or marketed promoting health and nutrition benefits: \$755,274,750.00 pesos
			1.1 Products labeled to promote health and nutritional benefits contain labels and other written, printed, or graphic materials on the item itself, its containers and packages, or they must somehow accompany the article that claims to have health and nutritional benefits. YES
			1.2 Products are considered to be marketed to promote health and nutritional benefits if the entity communicates, delivers, and makes offers that promote the health and nutritional benefits of the product. YES
			2. The scope of the products labeled or marketed to promote health and nutritional benefits includes products that contain one or more of these labels or marketing claims:
			2.1 That a product does not contain additives (for example, artificial sweeteners, colorants, preservatives, and trans fats produced industrially): NO
			2.2 That the fats, saturated fats, sodium or salt, and the cholesterol of a product are less than or equal to the requirements to use the term “”healthy”” and similar terms, pursuant to the laws or regulations applicable to the statements of healthy or nutritional properties when: the statementss of healthy or nutritional properties may includes labeling of products as “”low in,”” “”without,”” and “”diet””: YES
			2.3 That a product contains beneficial nutrients (for example, vitamins A and C, calcium, iron, protein and fiber) that meet or exceed the requirements to use the term “”healthy”” and similar terms, pursuant to the laws or regulations applicable to the nutritional claims or healthy properties when: Nutritional statements or statements on healthy properties may include labeling products as a “”good source of,”” “”high,”” or “”rich in””: NO
			The scope of the products labeled or marketed as promoting health and nutritional benefits excludes products labeled as ecological, without genetically modified organisms (GMO), and gluten-free. We do not exclude products or ingredients with these characteristics.
	SASB FB-PF-260a.2	Discussion on the process of identifying and managing products and ingredients related to nutritional and sanitary concerns of consumers	Discussion on the process of identifying and managing products and ingredients regarding nutritional and sanitary concerns of consumers HEALTH: The ingredients that comprise the formulas of different products are reviewed exhaustively to ensure compliance with applicable legislation, both locally and in the country to which the product is being exported. All labels on our products must comply with Official Mexican Standards (Normas Oficiales Mexicanas - NOM) on labeling. These standards include the requirements we must meet, and an initial compliance review of the ingredients is performed. NUTRITION: All products have nutritional information and a list of ingredients that provides information to the consumer, in accordance with the regulations in force in the country where the product is marketed.
			Aware that more and more consumers are concerned about their health. A nutritional mapping of the Group’s entire food and beverage portfolio was initiated. We identified the presence of certain artificial additives and the number of nutrient warning labels they contain in order to subsequently identify the possible reduction in critical nutrients added or the elimination of artificial additives. According to epidemiological and health information issued by national institutions. In Grupo Herdez we have strategies that help to reduce the impact of the Group’s products on consumers’ health. The most important strategy is the application of “internal nutritional guidelines” to new developments. The guidelines are below the maximum allowed by national regulations for food and non-alcoholic beverages. Likewise, the reduction and/or elimination of other critical nutrients and artificial substances from the existing portfolio is permanently sought. During 2023 we did not have any significant claims.



	INDICATOR	NAME OF INDICATOR	CONTENT
Product labeling and marketing	SASB FB-PF-270a.1	Labeling and marketing of products	Percent of print advertising (1) Targeting children: 0 (2) Targeting children, promoting products that meet dietary guidelines: 0 Grupo Herdez does not currently have any products aimed at children. There are no indicators that add to the daily nutritional recommendations for this age group. Although there are products consumed by children, they are in the all family category and cannot be considered children’s products.
	SASB FB-PF-270a.2	Revenues from products labeled as (1) containing genetically modified organisms (GMO), and (2) non-GMO	“Revenues from products labeled as: (1) Containing genetically modified organisms (GMO): 0 (2) Non-GMO: 595,375 tons of products, representing 100% of products that contain GMO Grupo Herdez does not have a policy of using or restricting ingredients that are, contain, or derive from Genetically Modified Organisms (GMO), nor does it perform any type of analysis to establish the presence or absence of GMO. HOWEVER, and in anticipation of any domestic or international request or requirement, in GMO matters, Grupo Herdez asks raw materials suppliers to provide a document entitled “”GMO Letter,”” establishing whether the raw material derives from or contains GMOs. Note that the products that Grupo Herdez sells do NOT intentionally or deliberately contain GMOs, and that there is the possibility that some of the multiple raw materials that are used to prepare the products have or derive from Genetically Modified Organisms.”
	SASB FB-PF-270a.3	Number of incidents of breach of industrial or regulatory codes on labeling or marketing	Number of incidents of breach of marketing and/or regulatory labeling codes, or industry codes: 417-2 Incidents of product labeling: no incidents in 2023.
	SASB FB-PF-270a.4	Total amount of monetary losses as a result of judicial proceedings associated with labeling or marketing practices	Total amount of monetary losses as the result of legal proceedings associated with labeling or marketing practices: 417-3 Marketing incidents (at this time there are no legal proceedings related to labeling issues).
Managing the life cycle of packaging	SASB FB-PF-410a.1	(1) Total package weight (2) Percent manufactured using recycled or renewable materials, and (3) Recyclable, reusable, or compostable percent	(1) Total weight of packaging acquired: 132,016.74 Tn (2) Percent of packages manufactured using recycled or renewable materials: 12.72% (3) Percent of recyclable, reusable, and/or compostable packages: 98.12% In 2022 it was % renewables and in 2023 % recycled.
	SASB FB-PF-410a.2	Management of the life cycle of packages	Discussion of strategies to reduce the environmental impact of packaging throughout its life cycle 1. Grupo Herdez developed a Life Cycle Analysis (LCA) for the main categories of its products (sauces, mayonnaises, tea, avocado, yogurt-based Nutrisa® ice cream, ice cream, pasta, tomato sauce, salads). The most representative product in the category was selected, and the specific LCA developed to obtain more information. Some have an expert third-party report called a “”critical review.”” 2.- These LCAs were conducted considering all stages of the life cycle (raw material, packaging material including transportation of both, manufacturing, transportation/distribution, use and end-of-life). In the end-of-life stage, we identified the environmental impacts of packaging materials in order to perform sensitivity analysis to simulate scenarios of possible impacts in the face of substantial future changes associated with the type, volume, recyclability, rate of increase in recycling, among others. 3.- The development of these LCAs has enabled the generation of other actions in terms of packaging circularity, such as in the case of the pasta category, where one of the main initiatives is to ensure that all packaging used is recyclable.



	INDICATOR	NAME OF INDICATOR	CONTENT
Environmental and social impact of the ingredients supply chain	SASB FB-PF-430a.1	Percent of food ingredients from certified sources according to third-party environmental or social standards, and percentage by standard	Percent of food ingredients from sources certified according to third-party environmental or social standards, and percent per standard. In 2023, 146,251.33 tons of agricultural raw materials were acquired (fresh and frozen), as well as bee products, of which 72,800 tons came from suppliers that adhere to the Sustainable and Regenerative Agricultural Program (Programa de Agricultura Sustentable y Regenerativa - PASyR) of Grupo Herdez; this is 50% of the total of agricultural raw materials acquired.
	SASB FB-PF-430a.2	Audit of social and environmental responsibility of suppliers (1) Non-conformity index, and (2) Index of associated corrective actions for (a) major non-conforming items, and (b) minor	Social and environmental responsibility audit of suppliers (1) Non-conformity rate: 28% . (2) Rate of corresponding corrective actions for non-conformities: 100% . A total of 91 suppliers were evaluated and 26 had a score of less than 60, with a 28% non-conformity rate according to their practices in sustainability-related issues.
Supply of ingredients	SASB FB-PF-440a.1	Percent of food ingredients from regions with high or extremely high water stress	Percent of food ingredients that come from regions with high or extremely high water stress: 90% Note 1. This percentage includes the acquisition of key ingredients/raw materials from agricultural sources, bees, and manufactured products with agricultural origin (tea, strawberries, frozen fruit, and frozen avocado pulp). Note 2: The criterion used to determine water stress is the one reported by the Aqueduct Water Risk platform, as it is an internationally recognized tool.



Supply of ingredients	SASB FB-PF-440a.2	List of priority food ingredients and analysis of the risks of supply related to environmental and social considerations	List of priority food ingredients and discussion of the risks of supply due to environmental and social considerations / Ingredients: oil, starches, sweeteners, standard sugar, refined sugar, dry chile, chile guajillo, green jalapeño, jalapeño pepper, fresh red poblano peppers, frozen strawberries, mole cookies, sweet yellow rice, light highlands honey, light coastal honey, tomato paste, salt, semolina, tomato, tomatillo, and egg yolk. The strategic method for managing environmental and social risks is the Sustainable and Regenerative Agriculture Program, which consists of guiding, training, supervising and monitoring the production practices of our agricultural suppliers, based on the conservation and improvement of the environment and paying special attention to protected zones or areas, the use of water resources, soil conservation and clean air. We have a team of internal auditors who evaluate and follow up on the condition of the farms. This is done through a check list to comply with the decalogue that measures the progress and improvement points of each supplier. At the end of the 2023 cycle, the evaluation was completed with 31 suppliers (December 2023). We apply this program through a compliance Decalogue: - Biodiversity Preservation - Air, water and soil protection - Energy and climate change - Waste management - Integrated Crop Management - Agrochemical Reduction - Health and safety - Decent work - Social responsibility - Communication and participation The main benefits of this program are: 1.- To promote, encourage and develop sustainable and regenerative agriculture in our suppliers as a new culture of agricultural production. 2.- To reduce the use of pesticides to lessen the environmental impact and promote the proper management of agrochemicals (BUMA). Preserve the quality of the soil, air and water in the cultivation zones and surrounding areas. 4.- Encourage practices to improve soil quality. 5.- To promote practices for the efficient management and use of resources, favoring reduction, reuse and recycling. 6.- Encourage the protection of sensitive or protected areas and species. 7.- Encourage non-deforestation by implementing biodiversity conservation practices that not only protect areas of high conservation value and highly important pollinating species (bees, etc.), but also allow for the protection of local, endemic, native flora and fauna, etc., and migratory species such as birds, butterflies, etc. From the synergy with our semolina suppliers, we are continuing discussions for them to promote sustainable agricultural practices in wheat producers. First results are expected in 2024.
Activity parameters	SASB FB-PF-000.A	Weight of the products sold, and tons produced	Total tons of products sold: 601,191 Tn Total tons produced: 586,042.53 Tn
	SASB FB-PF-000.B	Number of production facilities	Number of production facilities: 15 Grupo Herdez has 15 plants (14 in Mexico and 1 in the United States); however, the Company does not directly operate the plants in Oaxaca, Coahuila, Querétaro and Dallas, but it has a shareholder stake. As Grupo Herdez does not operate these plants, it does not have the information necessary to present their sustainability indicators.

About this

Report

GRI 2-1, 2-2, 2-3, 2-4, 2-5

Organizational details

Company name:

Grupo Herdez®, S.A.B de C.V

Type of company and legal organization:

Sociedad Anónima Bursátil de Capital Variable
The Company has been trading on the Mexican Stock Exchange since 1991, under the ticker symbol HERDEZ*

Location of company's main offices:

Monte Pelvoux 215, Col. Lomas de Chapultepec, Del. Miguel Hidalgo, CP 11000. Mexico City

Countries of operation:

Mexico
Fundación Herdez® is included in the water consumption indicators.

Reporting period and frequency:

This report is prepared every year, and the scope of information in this report is from January 1, 2023, to December 31, 2023.

Entities included in the sustainability reports:

Grupo Herdez® consolidates 100% of the Impulse Division, Herdez Del Fuerte® México, Barilla® México and McCormick® de México.

The proportional stake of Herdez Del Fuerte® in MegaMex is recorded in the line “Stake in the Results of Associated Companies.”

Grupo Herdez® has 15 plants (14 in Mexico and one in the United States), and 29 distribution centers (27 in Mexico and two in the United States). The Company does not operate the plants in Oaxaca, Coahuila, Querétaro, and Dallas directly, as it has a shareholder stake in those distribution centers, but is not in control of the day-to-day operations. Grupo Herdez® therefore does not have the information necessary to present sustainability indicators for the mentioned plants.

The Group analyzes control over those entities in which it does not have a majority stake, evaluating whether the company has been exposed to or has the right to the variable yields generated due to its involvement with the entity, and if it has the ability to impact returns through its power over the entity. After the analysis, if the Company determines that it exercises control over an entity, then that entity is consolidated into the Group’s results. If there are no indications of control in the entities, investments in associated companies and joint ventures are recognized using the participation method.

For more information, see the 2023 Annual Report.

For GRI indicators 205-2, 404-1 and 404-2, the employees of Aires de Campo, Interdeli, Herpons, and Seramano are excluded as they are not managed within the same master employee database as the other companies in the Group are.

For GRI indicators 2-7, 401-1, 405-1, 405-2, 2-30, 201-3, 202-1, 202-2, 401-2, and 401-3, employees from Aires de Campo, Interdeli y Delidips, Herpons and Seramano are included.



For the GRI 404-3 indicator, the data shown only includes part-time personnel. Full-time personnel are evaluated, and a decision is made as to whether or not they are subject to the new tabulator. The assessment determines the penetration in the tabulator of those evaluated. The tabulator applies in all cases for unionized personnel.

For GRI indicators 303-5, 303-3, 303-4, and SASB FB-PF-140a.1, consolidated information is presented for performance at the following plants:

1. Planta Barilla
2. Planta el Duque
3. Planta México (Zumpango)
4. Planta Industrias (San Luis Potosí)
5. Planta Santa Rosa Tomates
6. Planta Santa Rosa Vegetales
7. Planta Herdez Villagran
8. Planta Nutrisa
9. Planta Helados (Lagos de Moreno)
10. Planta Coronel Espinoza

Contact information

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Independent Limited Assurance Report

To the Board of Directors of GRUPO HERDEZ, S.A.B. DE C.V.:

1. Scope of our Work

We have been engaged by GRUPO HERDEZ, S.A.B. DE C.V. (“Grupo Herdez or the “Company”) to perform a ‘limited assurance engagement,’ as defined by International Standards on Assurance Engagements, here after referred to as the “Engagement”, to report on Grupo Herdez’s selected sustainability performance indicators (“Subject Matter”) contained in the Grupo Herdez’s Integrated Annual Report 2023 (the “Report”) and mentioned in the Appendix A; for the period from January 1 to December 31, 2023.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

2. Criteria applied by Grupo Herdez:

In preparing the selected sustainability performance indicators mentioned in the Appendix 1, Grupo Herdez applied the Global Reporting Initiative Standard (GRI), Sustainability Accounting Standards Board (SASB) mentioned in the Appendix 2 of this Report (the Criteria).

3. Grupo Herdez responsibilities

Grupo Herdez management is responsible for selecting the Criteria, and for presenting the selected sustainability performance indicators in accordance with the Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

4. EY’s responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (‘ISAE 3000’), and the terms of reference for this engagement as agreed with Grupo Herdez on April 10, 2024. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any, material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

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We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

5. Our Independence and Quality Management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

6. Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management’s internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the selected sustainability performance indicators and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Interviews with responsible persons to obtain an understanding of the data management systems and processes used to generate, disaggregate, and report information related to each Criteria.
- Verify that the calculation Criteria have been correctly applied in accordance with the methodologies described in the Criteria.
- Analytical procedures such as validations of reasons and ratios or expected results and trends considering the correct application of calculations and formulas in the documentation submitted for the Criterion in question.
- Identify and verify the assumptions supporting the calculations.
- Inquiries to responsible persons regarding each of the Criteria to explain deviations from expected results and trends and to correct or document them.

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We also performed such other procedures as we considered necessary in the circumstances.

7. Limitations of Our Assurance Engagement.

Our assurance engagement was limited to the Subject Matter included in Appendix 1, contained in the Report, for the period between January 1 to December 31, 2023. It does not cover information from previous years included in the Report, nor related to projections or future goals.

It also did not intend to determine whether the technological tools used for the development of the Report are the most appropriate and/or efficient.

8. Conclusión.

Base in our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the selected sustainability performance indicators for the period from January 1 to December 31, 2023, in order for them to be in accordance with the Criteria.

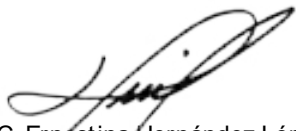
9. Use of the Present Assurance Report

This report is intended exclusively for the information and use of Grupo Herdez and is not intended to be used, nor should it be, by anyone other than those specified parties.

Our responsibility, when carrying out assurance activities, is solely with the Company's Management; therefore, we do not accept or assume any responsibility for any other purpose or to any other person or organization.

10. Other Information.

The notification to the Global Reporting Initiative (GRI) about the publication of the Report, following the guidelines of the GRI standard 1: Foundation, Reporting in accordance with the GRI Standards, Notify GRI (the organization shall notify GRI of the use of the GRI Standards and the statement of use by sending an email to reportregistration@globalreporting.org), is the responsibility of the Company and we have been informed that it will be done within 5 business days following the issuance of this conclusion.


C.P.C. Ernestina Hernández López
Audit Partner
Mancera, S.C.

A Member Practice of Ernst & Young Global Limited
July 10, 2024; Mexico City.

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Appendix 1

Subject Matter

The sustainability information identified in the indicators included in the printed Report and included by Grupo Herdez on its website¹ is presented in the following table:

Material issue	Criterion	Indicator		Assured value	Unit
Employees	2-7	a.	Total employees	11,595	Employees
			Total men employees	6,488	Employees
			Total women employees	5,107	Employees
			Employees at corporate offices	1,370	Employees
			Employees at CEDIS	933	Employees
			Employees in Plants	4,389	Employees
			Employees in stores	2,406	Employees
			Employees in Sales Routes	2,497	Employees
		b. i.	Employees with permanent contracts	10,427	Employees
			Male employees with permanent contracts	5,820	Employees
			Female employees with permanent contracts	4,607	Employees
			Employees with permanent contracts in Corporate Offices	1,290	Employees
			Employees with permanent contracts in Plants	3,721	Employees
			Employees with permanent contracts at CEDIS	763	Employees
			Employees with permanent contracts in Stores	2,386	Employees
			Employees with permanent contracts in sales routes	2,267	Employees
		b. ii.	Employees with temporary contracts	1,168	Employees
			Male employees with temporary contracts	668	Employees
			Female employees with temporary contracts	500	Employees
			Employees with temporary contracts in Corporate Offices	80	Employees
			Employees with temporary contracts in plants	668	Employees
			Employees with temporary contracts at CEDIS	170	Employees
			Employees with temporary contracts in Stores	20	Employees
			Employees with temporary contracts in sales routes	230	Employees

¹
The maintenance and integrity of The Company's (<https://grupoherdez.com.mx/>) website repository of the Report, is the responsibility of the Management of Grupo Herdez. The work carried out by EY does not include consideration of these activities and, therefore, EY accepts no responsibility for any difference between the information presented on such website and the Subject Matter contained in the Report on which the Commitment was made and the conclusion was issued.

Other than as described in the table, which sets out the scope of our work, we do not apply assurance procedures on the remaining information included in the Report and, accordingly, we do not express a conclusion on that information.
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Material issue	Criterion	Indicator	Assured value	Unit
		b. iii	Non-guaranteed hourly employees	Narrative description
		b. iv	Full time employees	Narrative description
		b. v	Part-time employees	Narrative description
		c.	Describe the methods and assumptions used to compile the data	Narrative description
		d.	Contextual information	Narrative description
		e.	Describe significant fluctuations	Narrative description
Materials used by weight and volume	301-1	a.	Tons of agricultural raw materials	146,265.28 Ton
			Tons of raw materials	322,734.00 Ton
			Tons of packaging material	132,016.73 Ton
		a. i.	Tons of renewable materials	37,629.77 Ton
		a. ii.	Tons of non-renewable materials	94,386.96 Ton
Recycled inputs	301-2	a.	Percentage of recycled inputs used to produce and package products	12.72% Percentage
Interaction with water as a shared resource	GRI 303-1	a.	How the organization interacts with water	Narrative description
		b.	Approach to identifying water-related impacts	Narrative description
		c.	How water-related impacts are addressed	Narrative description
		d.	Process for establishing water-related objectives and targets	Narrative description
Management of impacts related to water discharges	GRI 303-2	a.	Minimum standards set for effluent discharge quality, and how these minimum standards are determined	Narrative description
Water Extraction	GRI 303-3	a.	Total water extraction	1,262.4 ML
		a. i.	Total surface water extraction	700.87 ML
		a. ii.	Total groundwater extraction	532.87 ML
		a. iii.	Total seawater extraction	0 ML
		a. iv.	Total produced water extraction	0 ML
		a. v.	Total water extraction from third parties	28.66 ML
		b.	Total water extraction from all areas subject to water stress	1,261.72 ML
		b. i.	Total surface water extraction from all areas subject to water stress	700.87 ML
		b. ii.	Total groundwater extraction from all areas subject to water stress	532.87 ML
		b. iii.	Total seawater extraction from all areas subject to water stress	0 ML
		b. iv.	Total produced water extraction from all areas subject to water stress	0 ML
		b. v.	Total third-party water extraction from all areas subject to water stress	28.66 ML
		c. i.	Total freshwater extraction	1,261.47 ML
			Total surface freshwater extraction	700.87 ML
			Total groundwater extraction from freshwater	532.87 ML
			Total third-party freshwater extraction	0 ML
			Total extraction from other waters	28.66 ML
		c. ii.	Total surface water extraction from other waters	0 ML

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Material issue	Criterion	Indicator	Assured value	Unit
		Total Groundwater Extraction from Other Waters	0	ML
		Total Seawater Extraction from Other Waters	0	ML
		Total Produced Water Extraction from Other Waters	0	ML
		Total Third-Party Water Extraction from Other Waters	0	ML
		d.	Contextual Information	Narrative description
Water discharges	303-4	a.	Total Water Discharge	772.61 ML
		a. i.	Total Discharge into Surface Waters	551.79 ML
		a. ii.	Total Discharge into Groundwaters	54.93 ML
		a. iii.	Total Discharge into Third-Party Waters	165.89 ML
		b. i.	Total Discharge into Freshwater	772.52 ML
		b. ii.	Total Discharge into Other Waters	0.08 ML
		c.	Total Water Discharge in All Areas with Water Stress	771.92 ML
		c. i.	Total Freshwater Discharge in Areas with Water Stress	771.84 ML
		c. ii.	Total Discharge into Other Waters in Areas with Water Stress	0.08 ML
		d.	Priority Risk Substances for Which Discharges are Treated	Narrative description
		e.	Contextual Information	Narrative description
Water consumption	303-5	a.	Total Water Consumption	487.33 ML
		b.	Total Water Consumption from All Areas with Water Stress	487.33 ML
		c.	Change in Water Storage	0 ML
		d.	Contextual Information	Narrative description
Emissions	305-1	a.	Gross Value of Direct GHG Emissions (Scope 1)	43,997 Ton of CO ₂ equivalent
		b.	Gases Included in the Calculation	Narrative description
		c.	Biogenic CO ₂ Emissions	Narrative description
		d.	Base Year for Calculation	Narrative description
		e.	The Source of Emission Factors and Global Warming Potential (GWP) Rates Used	Narrative description
		f.	The consolidation approach for emissions	Narrative description
		g.	The Standards, methodologies, assumptions, and calculation tools used.	Narrative description
	305-2	a.	Gross value of indirect GHG emissions associated with energy (Scope 2) based on location	21,807 Ton of CO ₂ equivalent
		c.	Gases included in the calculation	Narrative description
		d.	Base year for the calculation	Narrative description
		e.	The source of the emission factors and global warming potential (GWP) rates used	Narrative description
		f.	The consolidation approach for emissions	Narrative description
		g.	The Standards, methodologies, assumptions, and calculation tools used.	Narrative description

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Material issue	Criterion	Indicator		Assured value	Unit
	305-5	a.	Reduction of GHG emissions	0	Ton of CO ₂ equivalent
Waste generated	306-3	a.	Total weight of waste generated	49,351.01	Ton
			Total weight of hazardous waste	50.45	Ton
			Total weight of non-hazardous waste	49,300.55	Ton
Waste not intended for disposal	306-4	b.	Contextual information	Narrative description	
		a.	Total weight of non-hazardous waste not intended for disposal	40,803.46	Ton
			Total weight of hazardous waste not intended for disposal	9.32	Ton
			Total weight of waste not intended for disposal	40,812.78	Ton
		b. i	Preparation for reuse (hazardous waste not intended for disposal)	0.00	Ton
		b. ii	Recycling (hazardous waste not intended for disposal)	9.32	Ton
		b. iii	Other recovery operations (hazardous waste not intended for disposal)	0.00	Ton
		c. i	Preparation for reuse (non-hazardous waste not intended for disposal)	0.00	Ton
		c. ii	Recycling (non-hazardous waste not intended for disposal)	40,803.46	Ton
		c. iii	Other recovery operations (non-hazardous waste not intended for disposal)	0.00	Ton
		d. i	Total weight of hazardous and non-hazardous waste not intended for disposal at facilities	0.00	Ton
		d. ii	Total weight of hazardous waste recycled outside the facilities	9.32	Ton
		d. ii	Total weight of special management waste recycled outside the facilities	4,917.01	Ton
		d. ii	Total weight of municipal solid waste recycled outside the facilities	35,886.45	Ton
		e.	Contextual information	Narrative description	
Waste intended for disposal	306-5	a.	Total weight of waste intended for disposal	8,538.23	Ton
		b. i	Incineration with energy recovery (weight of hazardous waste intended for disposal)	0.00	Ton
		b. ii	Incineration without energy recovery (weight of hazardous waste intended for disposal)	0.00	Ton
		b. iii	Transfer to landfill (weight of hazardous waste intended for disposal)	0.00	Ton
		b. iv	Other disposal operations (weight of hazardous waste intended for disposal)	41.14	Ton
		c. i	Incineration with energy recovery (weight of non-hazardous waste intended for disposal)	0.00	Ton
		c. ii	Incineration without energy recovery (weight of non-hazardous waste intended for disposal)	0.00	Ton
		c. iii	Transfer to landfill (weight of non-hazardous waste intended for disposal)	8,497.09	Ton

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Material issue	Criterion	Indicator		Assured value	Unit
			disposal)		
		c. iv	Other disposal operations (weight of non-hazardous waste intended for disposal)	0.00	Ton
		d. i	Total weight of hazardous and non-hazardous waste not intended for disposal at facilities	0.00	Ton
		d. ii	Hazardous waste sent to confinement	41.14	Ton
		d. ii	Non-hazardous waste sent to sanitary landfill	8,497.09	Ton
		d. ii	Total waste disposed of outside the facilities	8,538.23	Ton
		e.	Contextual information	Narrative description	
New Employee hires and employee turnover	401-1	a.	Total of new hires in the organization	3,843	Employees
			Total men hired	2,070	Employees
			Total women hired	1,773	Employees
			Percentage of new hires <30 years	67	%
			Percentage of new hires 30-50 years	29	%
			Percentage of new hires >50 years	4	%
			Percentage of new hires from corporate offices	8	%
			Percentage of new hires from plants	29	%
			Percentage of new hires from CEDIS	8	%
			Percentage of new hires in stores	38	%
			Percentage of new hires in sales routes	18	%
			New hire ratio	33	%
		b.	Total turnover	1,700	Employees
			Total turnover for men	1,137	Employees
			Total turnover for women	563	Employees
			Turnover <30 years	39	%
			Turnover 30-50 years	52	%
			Turnover >50 años	9	%
			Turnover for corporate offices	14	%
			Turnover for plants	40	%
			Turnover for CEDIS	9	%
			Turnover for stores	Omitted	
			Turnover for sales routes	37	%
			Turnover ratio	21.1	%
		a. i.	Average training hours for men	27.53	Hours
		a. i.	Average training hours for women	26.98	Hours
		a. ii.	Average training hours per employee	27.29	Hours
			Average training hours for Operational staff	26.69	Hours
			Average training hours for Operational-Normative staff	31.55	Hours
			Average training hours for Tactical staff	35.92	Hours

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			Average training hours for Strategic staff	3.71	Hours
Diversity in governing bodies and employees	405-1	a.	Percentage of individuals within the governing bodies	The numbers are presented in Table 2. 405-1	
		b.	Percentage of employees by job category		
Ratio of basic salary and remuneration of women to men	405-2	a.	Ratio of basic salary of women to men for operative staff	95	%
			Ratio of basic salary of women to men for operative-normative staff	100	%
			Ratio of basic salary of women to men for tactic staff	102	%
			Ratio of basic salary of women to men for strategic staff	101	%
		b.	Ratio of remuneration of women to men	Omitted	
Cases of discrimination and corrective actions taken	406-1	a.	Cases of discrimination during the reporting period.	0	Cases
		b. i.	The status of the cases and the actions taken concerning the following: case assessed by the organization	Narrative description	
		b. ii.	Implementation of ongoing remediation plans	Narrative description	
		b. iii.	Remediation plans whose results have been implemented through routine internal review and management processes	Narrative description	
		b. iv.	Case that is no longer subject to actions	Narrative description	
Weight of products sold	FB-PF-000.A	a.	Tons of product sold	601,191	Ton
		N.A.	Tons of product produced	586,042.53	Ton
Water management	FB-PF-140a.1	(1)	Total water withdrawn	1262.4	Mil m ³
		(2)	Total water consumed	487.33	Mil m ³
			Total water consumed in locations with initially high or extremely high water stress levels	100	%
			Percentage of San Luis Potosí Region (water extraction base)	25	%
			Percentage of State of Mexico (Zumpango) Region (water extraction base)	6	%
			Percentage of Los Mochis Region (water extraction base)	56	%
			Percentage of Valle Celaya Region (water extraction base)	4	%
			Percentage of State of Mexico (Chalco) Region (water extraction base)	1	%
			Percentage of Jalisco (Lagos de Moreno) Region (water extraction base)	8	%
			Percentage of Tijuana Region (water extraction base)	0	%
			Percentage of Monterrey Region (water extraction base)	0	%
			Percentage of Jalisco (Guadalajara) Region (water extraction base)	0	%
Number of non-compliance incidents related to permits, standards, and regulations of	FB-PF-140a.2	-	Incidents of non-compliance related to water quantity or quality permits, standards, and regulations	1	Incidents

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water quantity or quality					
Risks of water management	FB-PF-140a.3	-	Water management risks and analysis of strategies and practices to mitigate them	Narrative description	
Revenue from products with labeling or marketing that promotes health and nutrition attributes	SASB FB-PF 260a.1	(1)	Revenue from products labeled or marketed to promote health and nutrition attributes	755,274,750	\$
		(1.1)	Products labeled to promote health and nutrition attributes contain labels and other written, printed, or graphic materials on the item itself, on any container or wrapping, or accompanying the item in any other way that promotes the health and nutrition attributes.	Yes	
		(1.2)	In accordance with the American Marketing Association's (AMA) definition of "marketing," marketing of products is considered to promote health and nutrition attributes when the entity communicates, distributes, and exchanges offers that promote the product's health and nutrition attributes.	Yes	
		(2.1)	Additives have been removed (e.g., artificial sweeteners, colorants, preservatives, and industrially produced trans fats).	No	
		(2.2)	Fats, saturated fats, sodium, and cholesterol are equal to or less than the requirements for the use of the term "healthy" and related terms in the industry guidelines.	Yes	
		(2.3)	Beneficial nutrients (e.g., vitamins A and C, calcium, iron, protein, and fiber) meet or exceed the requirements for the use of the term "healthy" and related terms.	No	
		(2.4)	A relative statement, such as "light", "low" or "less" can be made in relation to the content of added sugar of the conforming product.	Narrative description	
		(1)	Total weight of packaging	132,016.73	Tons
		(2)	percentage made from recycled or renewable materials	12.72	%
		(3)	percentage that is recyclable, reusable, or compostable	98.12	%
Audit of the social and environmental responsibility of suppliers	FB-PF-430a.2	(1)	The rate of non-conformities	28	%
		(2)	The corresponding corrective action rate for non-conformance cases	100	%
Food ingredients from regions with water stress	FB-PF-440a.1.	-	Percentage of food ingredients sourced from regions with initially high or extremely high water stress	90	%
Type and rate of injuries, occupational diseases, days lost, absenteeism and number of work-	IP-5	(1)	Accident rate for women	22	#
		(2)	Days lost for women	0.65	%
		(3)	Lost day rate for women	733	#
		(4)	Number of accidents involving men	21.76	%
		(5)	Accident rate for men	22	#

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related fatalities	(6)	Days lost for men	0.56	%
	(7)	Lost day rate for men	385	#
	(8)	Total number of accidents	9.76	%
	(9)	Total accident rate	44	#
	(10)	Total days lost	0.60	%
	(11)	Total lost day rate	1,118	#
	(12)	Man-hours worked by men	15.29	%
	(13)	Man-hours worked by women	7,887,360	#
	(14)	Total man-hours worked	6,736,704	#
	(15)	Accident rate for women	14,624,064	#

Table 2. 405-1 Diversity of government bodies and employees

Disclosure	Category	Women			Male		
		Under 31 years old	31-50 years old	Over 50 years old	Under 31 years old	31-50 years old	Over 50 years old
a. Percentage of individuals within the organization's governance bodies	Board of Directors	0.00%	11.11%	11.11%	0.00%	0.00%	77.78%
	Audit Committee	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
	Corporate Practices Committee	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
	Risk Management Committee	0.00%	20.00%	0.00%	0.00%	30.00%	50.00%
	Sustainability Committee	0.00%	9.09%	0.00%	0.00%	18.18%	72.73%
	Crisis Committee	4.55%	22.73%	0.00%	0.00%	31.82%	40.91%
	Ethics Sub-committee	0.00%	50.00%	0.00%	0.00%	0.00%	50.00%
b. Percentage of employees per employee category	Operating	20.69%	18.66%	5.03%	23.96%	25.98%	5.67%
	Operating-Regulatory	14.54%	27.57%	2.39%	11.79%	37.26%	6.44%
	Tactical	4.83%	30.21%	3.32%	4.53%	45.02%	12.08%
	Strategic	0.00%	26.19%	1.59%	0.00%	41.27%	30.95%
iii. Other indicators of diversity	Auditive	0.00%	50.00%	0.00%	10.00%	40.00%	0.00%
	Visual	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
	Physical	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%
	Mental	0.00%	50.00%	0.00%	50.00%	0.00%	0.00%

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Appendix 2

GRI and SASB Content Criteria

The assurance criteria that are applicable to the Subject Matter and the declaration of presentation of conformity, are defined based on the provisions of the document:

GRI 1 Foundation 2021, its thematic contents on the page:
<https://www.globalreporting.org/how-to-use-the-gri-standards/gri-standards-english-language/>

For SASB contents, see page:
<https://sasb.ifrs.org/standards/download/>

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