

Independent Limited Verification Report

To the Board of Directors of Grupo Herdez, S.A.B. de C.V.:

Scope of our Work

We have undertaken an independent limited verification of the information and performance indicators included in **Annex A** and presented in the Annual Integrated Report (the "Report") of Grupo Herdez, S.A.B. de C.V. ("Grupo Herdez" or the "Company") corresponding to the year calendar 2019, in accordance with the reporting criteria set forth in the GRI Standards (the "Criteria").

The preparation of this report is the responsibility of Grupo Herdez's Management. Grupo Herdez's Management is also responsible for the information and the assertions contained therein, defining the scope of the Report and the management and control of the information systems that provided the reported information.

Our work was conducted in accordance with International Standard on Assurance Engagements (ISAE) 3000 issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). This standard requires that we plan and perform our engagement to obtain limited assurance about whether the report is free from material misstatement and that we comply with ethical requirements, including the independence requirements included in the Code of Ethics of the International Ethics Standards Board for Accountants (IESBA).

Standards and verification procedures

The verification procedures performed focused on the following:

- Interviews with the individuals responsible for the information to understand the activities performed and the procedures used to gather the information.
- Review of the structure and content of the Report in accordance with the GRI Standards.
- Understanding of the procedures used in compiling and consolidating quantitative and qualitative data, as well as their traceability.
- Review of the support documentation through analysis and recalculations, as well as sampling, to increase the certainty of the indicators reported.

It is worth mentioning that the scope of this review is substantially less than a reasonable assurance engagement. Therefore, the assurance provided is also less. This Report shall in no way be considered an audit report.

Conclusions

Based on our work described in this Report, nothing has come to our attention that causes us to believe that the information and performance indicators selected are not presented, in all material respects, in accordance with the applicable criteria.

This report has been exclusively prepared for the Board of Directors of Grupo Herdez, S.A.B. de C.V., in accordance with the terms of our engagement agreement.

Mancera, S.C.

A Member Practice of Ernst & Young Global Limited



Saúl García Arreguín

Partner

April 22nd, 2020; Mexico City

Annex A: Verified information and performance indicators

Disclosures

GRI / KPI	Disclosure Title	GRI / KPI	Disclosure Title
IP ¹	Agricultural Sustainability Program	303-2	Management of water discharge-related impacts
IP ²	Health Care and Nutrition Strategy Development	306-3	Significant spills
102-9 ³	Supply chain	306-4	Transport of hazardous waste
102-17 ³	Mechanisms for advice and concerns about ethics	403-2	Hazard identification, risk assessment, and incident investigation
102-18 ³	Governance structure	404-2 ³	Programs for upgrading employee skills and transition assistance programs
201-2	Financial implications and other risks and opportunities due to climate change	417-1 ³	Requirements for product and service information and labeling
303-1	Interactions with water as a shared resource		

¹ Herdez's own indicator with coverage of information regarding to plants El Duque, Industrias, Herdez Villagrán, Santa Rosa Tomates y Santa Rosa Vegetales

² Herdez's own indicator with coverage of information regarding to preserves division of Grupo Herdez.

³ The coverage of the information corresponds to Grupo Herdez S.A.B. de C.V., as well as the scope of the content criteria of GRI.

Performance indicators

GRI / KPI	Title of the disclosure or performance indicator	Scope of the information	Reported information	Unit
102-8	Information on employees and other workers	Grupo Herdez S.A.B. de C.V.	9,870	Total number of employees
			4,833	Total number of permanent men employees
			3,748	Total number of permanent women employees
			766	Total number of temporary men employees
			523	Total number of temporary women employees
			2,475	Total number of permanent employees at the corporate office
			3,747	Total number of permanent employees at plants
			541	Total number of permanent employees at distribution centers
			1,818	Total number of permanent employees at stores
			160	Total number of temporary employees at the corporate office
			1,003	Total number of temporary employees at plants
			107	Total number of temporary employees at distribution centers
			19	Total number of temporary employees at stores
102-41	Collective bargaining agreements	Grupo Herdez S.A.B. de C.V.	58	Percentage of total employees covered by collective bargaining agreements
204-1	Proportion of spending on local suppliers	Grupo Herdez S.A.B. de C.V.	91.85	Percentage of spending on raw material suppliers
			74.6	Percentage of spending on packaging suppliers
205-2	Communication and training about anti-corruption policies and procedures	Grupo Herdez S.A.B. de C.V. ⁴	9	Total number of governance body members that the organization's anti-corruption policies and procedures have been communicated to (100%)
			7,269	Total number of employees that have been communicated on anti-corruption policies and procedures (74%)
			3,444	Total number of employees that have received training on anti-corruption (35%)
205-3	Confirmed incidents of corruption and actions taken	Grupo Herdez S.A.B. de C.V.	11	Confirmed cases of corruption
			29	Employees dismissed for corruption cases

⁴ Scope of GRI compliance: Clauses a, d, and e.

GRI / KPI	Title of the disclosure or performance indicator	Scope of the information	Reported information	Unit
			1	Employees admonished for corruption cases
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Grupo Herdez S.A.B. de C.V.	0	Number of actions
301-1	Materials used by weight or volume	Grupo Herdez S.A.B. de C.V.	279,314	Tons of raw materials
			115,984	Tons of agricultural raw materials
			4,852,977	Thousands of packing materials
302-1	Energy consumption within the organization	Plants: Barilla, El Duque, México, Industrias, Santa Rosa Tomates, Santa Rosa Vegetales, Celaya, Chiapas, Nutrisa, Helados Nestlé. Distribution centers: Tijuana, Monterrey, San Luis Potosí, Guadalajara, Cuautitlán, Mérida. Tuna fleet.	1,261,522	GJ of total energy consumption
			975,667	GJ of fuel consumption
			285,855	GJ of electric energy consumption
302-3	Energy intensity	Plants: Barilla, El Duque, México, Industrias, Santa Rosa Tomates, Santa Rosa Vegetales, Celaya, Chiapas, Nutrisa, Helados Nestlé. Distribution centers: Tijuana, Monterrey, San Luis Potosí, Guadalajara, Cuautitlán, Mérida. Tuna fleet.	2.35	GJ/ metric ton produced
302-4	Reduction of energy consumption	Plants: México, Industrias, Santa Rosa Tomates, Santa Rosa Vegetales, Celaya, Chiapas, Nutrisa, Helados Nestlé; Distribution centers: Tijuana, Monterrey, San Luis Potosí, Guadalajara, Cuautitlán, Mérida, Tuna fleet	112,408	GJ of energy consumption reduced
303-3	Water withdrawal	Plants: Barilla, El Duque, México, Industrias, Santa Rosa Tomates, Santa Rosa Vegetales, Celaya, Chiapas, Nutrisa, Helados Nestlé. Distribution centers: Tijuana, Monterrey, San Luis Potosí, Guadalajara, Cuautitlán, Merida, Tuna fleet.	1,484	ML Total water withdrawal
			669	ML Rivers and lakes
			770	ML Groundwater (wells)
			23	ML Municipal water
			23	ML Others
		Plants: Barilla, El Duque, México, Industrias, Santa Rosa Tomates, Santa Rosa Vegetales, Celaya, Nutrisa, Helados Nestlé. Distribution centers: Tijuana, Monterrey, San Luis Potosí, Guadalajara, Cuautitlán.	1,299	ML Total water withdrawal – areas with water stress
			669	ML Rivers and lakes - areas with water stress
			604	ML Groundwater (wells) - areas with water stress
			4	ML Municipal water - areas with water stress
			23	ML Others - areas with water stress
303-4	Water discharge	Plants: Barilla, El Duque, México, Industrias,	823	ML Total water discharge

GRI / KPI	Title of the disclosure or performance indicator	Scope of the information	Reported information	Unit
		Santa Rosa Tomates, Santa Rosa Vegetales, Celaya, Chiapas, Nutrisa, Helados Nestlé Distribution centers: Tijuana, Monterrey, San Luis Potosí, Guadalajara, Cuautitlán, Mérida.	477	ML Rivers and lakes (Federal water-bodies)
			286	ML Municipal sewer system
			60	ML Others (subsoil)
			823	ML Total other water discharge (> 1,000 mg /L total dissolved solids)
			702	ML Total other water discharge (> 1,000 mg /L total dissolved solids) - areas with water stress
303-5	Water consumption	Plants: Barilla, El Duque, México, Industrias, Santa Rosa Tomates, Santa Rosa Vegetales, Celaya, Nutrisa, Chiapas, Helados Nestlé. Tuna fleet.	637	ML total water consumption
			229	ML Rivers and lakes
			396	ML Groundwater (wells)
			12	ML Municipal water & others
		Plants: Barilla, El Duque, México, Industrias, Santa Rosa Tomates, Santa Rosa Vegetales, Celaya, Nutrisa, Helados Nestlé	596	ML total water consumption - areas with water stress
			229	ML Rivers and lakes - areas with water stress
			355	ML Groundwater (wells) - areas with water stress
			12	ML Municipal water & Others - areas with water stress
305-1	Direct (Scope 1) GHG emissions	Plants: Barilla, El Duque, México, Industrias, Santa Rosa Tomates, Santa Rosa Vegetales, Celaya, Chiapas, Nutrisa, Helados Nestlé. Distribution centers: Tijuana, Monterrey, San Luis Potosí, Guadalajara, Cuautitlán, Mérida. Tuna fleet.	66,943	Metric tons of CO ₂ equivalent
305-2	Energy indirect (Scope 2) GHG emissions	Plants: Barilla, El Duque, México, Industrias, Santa Rosa Tomates, Santa Rosa Vegetales, Celaya, Chiapas, Nutrisa, Helados Nestlé. Distribution centers: Tijuana, Monterrey, San Luis Potosí, Guadalajara, Cuautitlán, Mérida. Tuna fleet.	25,019	Metric tons of CO ₂ equivalent
305-5	Reduction of GHG emissions	Plants: Barilla, El Duque, México, Industrias, Santa Rosa Tomates, Santa Rosa Vegetales, Celaya, Chiapas, Nutrisa, Helados Nestlé. Distribution centers: Tijuana, Monterrey, San Luis Potosí, Guadalajara, Cuautitlán, Mérida. Tuna fleet.	4,288	Metric tons of CO ₂ equivalent
306-1	Water discharge by quality and destination	Plants: El Duque, México, Industrias, Santa Rosa Tomates, Santa Rosa Vegetales, Celaya, Chiapas, Nutrisa, Helados Nestlé. Distribution centers: Tijuana, Monterrey, San Luis Potosí, Guadalajara, Cuautitlán, Mérida. Tuna fleet.	822,927	Total m ³
			477,224	Total m ³ to federal sewage systems
			285,618	Total m ³ to municipal sewage systems

GRI / KPI	Title of the disclosure or performance indicator	Scope of the information	Reported information	Unit
			60,085	Total m ³ to subsoil
306-2	Waste by type and disposal method	Plants: El Duque, México, Industrias, Santa Rosa Tomates, Santa Rosa Vegetales, Celaya, Chiapas, Nutrisa, Helados Nestlé. Distribution centers: Tijuana, Monterrey, San Luis Potosí, Guadalajara, Cuautitlán, Mérida. Tuna fleet.	31,604	Metric tons of recycled non-hazardous waste
			10,327	Metric tons of non-hazardous waste to landfill
			71	Metric tons of recycled hazardous waste
			43	Metric tons of hazardous waste sent to controlled final disposal
308-1	New suppliers that were screened using environmental criteria	Grupo Herdez S.A.B. de C.V.	15%	Percentage of new suppliers that were screened ⁵
401-1	New employee hires and employee turnover	Grupo Herdez S.A.B. de C.V.	3,171	New employee hires
			1,718	New men employee hires
			1,453	New women employee hires
			488	New employee hires at the corporate office
			1,390	New employee hires at plants
			190	New employee hires at distribution centers
			1,103	New employee hires at stores
			2,124	New hires <30 years
			926	New hires 30-50 years
			121	New hires >50 years
			1,822	Employee layoffs
			1,068	Men employee layoffs
			754	Women employee layoffs
			471	Employee layoffs at the corporate office
			799	Employee layoffs at plants
152	Employee layoffs at distribution centers			
400	Employee layoffs at stores			
903	Employee layoffs <30 years			

⁵ Out of a total of 45 that consider suppliers in evaluation follow-up

GRI / KPI	Title of the disclosure or performance indicator	Scope of the information	Reported information	Unit
			803	Employee layoffs 30-50 years
			116	Employee layoffs >50 years
			18	General turnover rate
IP ⁶	Types of accidents and frequency rates of accidents, lost days, absenteeism and number of deaths due to work-related accidents or occupational diseases	Grupo Herdez S.A.B. de C.V.	88	Number of accidents - Men
			74	Number of accidents - Women
			1.26	Accident frequency rate - Men
			1.39	Accident frequency rate - Women
			1,518	Lost days - Men
			1,146	Lost days - Women
			21.7	Lost day frequency rate - Men
			21.5	Lost day frequency rate - Women
404-1	Average hours of training per year per employee	Grupo Herdez S.A.B. de C.V	18.8	Average employee hours.
			17.8	Average men employee hours
			20	Average women employee hours
			11.5	Average unionized employee hours
			28.6	Average non-unionized employee hours
404-3	Percentage of employees receiving regular performance and career development reviews	Grupo Herdez S.A.B. de C.V. ⁷	33	Percentage of employees evaluated
			19	Percentage of men employees evaluated
			14	Percentage of women employees evaluated
			0	Percentage of operational employees evaluated
			25	Percentage of operational / normative employees evaluated
			1	Percentage of tactical employees evaluated
			7	Percentage of strategic employees evaluated
405-1	Diversity of governance bodies and employees	Grupo Herdez S.A.B. de C.V.	9	Members of the board of directors
			7	Men in the board of directors
			2	Women in the board of directors
			8	Members over 50 years of the board of directors
			1	Members between 30 and 50 years of the board of directors

⁶ Herdez's own indicator

⁷ Do not includes unionized employees

GRI / KPI	Title of the disclosure or performance indicator	Scope of the information	Reported information	Unit
			8,357	Number of employees at the operational level
			1,280	Number of employees at the operational / normative level
			209	Number of employees at the tactical level
			24	Number of employees at the strategic level
			4,285	Number of employees under 30 years
			4,653	Number of employees between 30-50 years
			932	Number of employees over 50 years
			0	Number of employees with disabilities
405-2	Ratio of basic salary and remuneration of women to men	Grupo Herdez S.A.B. de C.V.	83	Percentage – Operational level employees
			99	Percentage – Operational / normative level employees
			95	Percentage - Tactical level employees
			98	Percentage - Strategic level employees
406-1	Incidents of discrimination and corrective actions taken	Grupo Herdez S.A.B. de C.V.	0	Number of cases
416-1	Assessment of the health and safety impacts of product and service categories	Grupo Herdez S.A.B. de C.V.	100	Percentage assessed products
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Grupo Herdez S.A.B. de C.V.	2	Incidents of non-compliance
417-2	Incidents of non-compliance concerning product and service information and labeling	Grupo Herdez S.A.B. de C.V.	0	Incidents of non-compliance
417-3	Incidents of non-compliance concerning marketing communications	Grupo Herdez S.A.B. de C.V.	0	Incidents of non-compliance
IP ⁸	Environmental investments	Plants & distribution centers	30,212,926	Mexican Pesos
IP ⁹	Renewable energy consumed in the organization ⁹	Plants & distribution centers	63	Percentage of renewable energy consumed

⁸ Herdez's own indicator

⁹ Includes only electric power