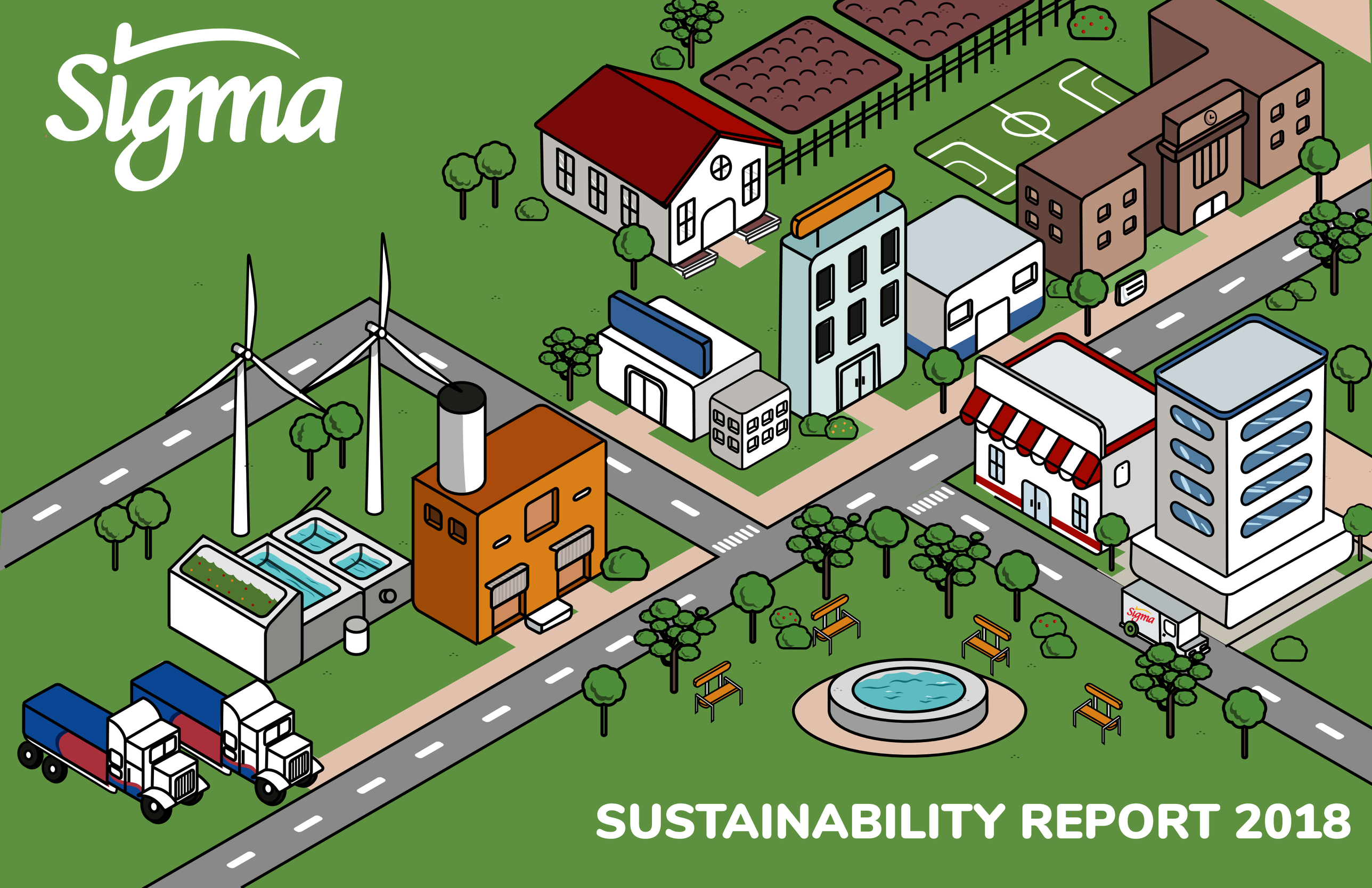
Sigma



SUSTAINABILITY REPORT 2018

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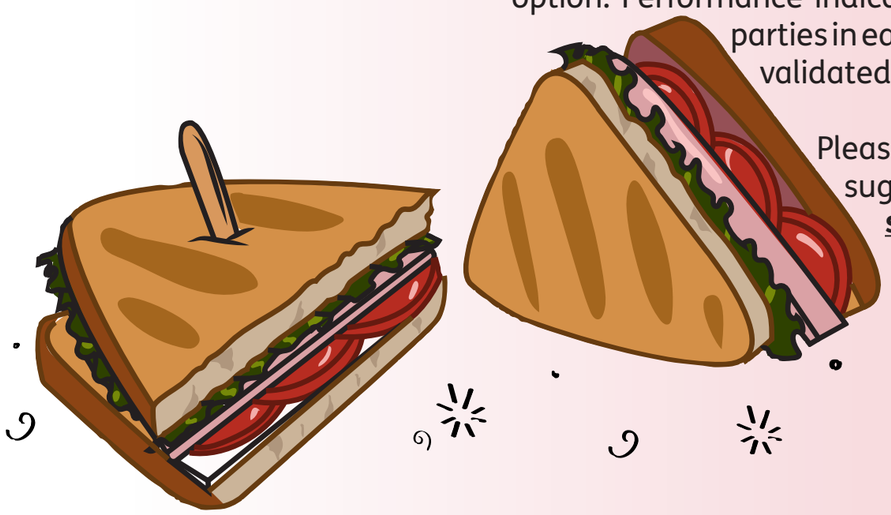
ABOUT THIS REPORT

For the eighth consecutive year, we are pleased to share our Sustainability Report with our stakeholders: from employees and suppliers, to customers and society.

The Report includes our 2018 main achievements, challenges, and progress on social, environmental, and economic issues. There were no significant changes in the scope of our operations during the reporting period.

For the preparation of this Report, we relied on our 2017 materiality analysis, which helped us to identify our most relevant sustainability issues. This report also includes the results of interviews, internal databases, and questionnaires compiling the most relevant information.

For this Report, we followed the methodology of the GRI Standards—the most used reporting framework in the world—under the Core option. Performance indicators were provided by the responsible parties in each department and have been internally validated.



Please share with us your opinions and suggestions at **sustainability@sigma-alimentos.com**

MESSAGE FROM THE CEO

Sigma began 39 years ago with fewer than 5,000 employees and a presence exclusively in Mexico. Today, we are a multinational company with operations across 18 countries, 70 production facilities, and 208 distribution centers. Our 45,000+ employees are dedicated to bringing local favorite foods to communities through more than 100 brands at over 640,000 points of sale.

In addition to financial growth, our focus over the past decade has been on the promotion of sustainable development, which has led us to invest more than US$120 million in initiatives related to our Global Sustainability Strategy. We intend to continue expanding this positive impact through our 4 action pillars: Environment, Wellbeing, Health & Nutrition, and Shared Value.

Thanks to the effort and dedication of each member of our company, we have made progress toward a more sustainable Sigma. We are proud to share some of the most noteworthy achievements under each of the pillars.

The actions we have taken under the Environment pillar have contributed to taking care of the planet. Since 2015, we have avoided more than 190,000 tons of carbon dioxide emission through energy efficiency projects and consumption of energy from cleaner sources.

With respect to the Wellbeing pillar, our employees have received professional and personal benefits from the recurring training we provide them on health, safety, nutrition, and personal relationships.

In developing the Health & Nutrition pillar, we worked to satisfy consumer needs through our innovation platforms. In the past year alone, 10% of our sales came from product launches, strengthening our portfolio with more in-demand, healthier products.

Through the Shared Value pillar, we collaborate with our stakeholders in projects that enable us to create and reinforce more responsible value chain practices. Since 2014, through our “Excellent Client” program, we have made more than 57,000 site visits and installed more than 60,000 refrigerators with state-of-the-art technology.

These achievements inspire us to seek out new opportunities for the conservation of the planet. Accordingly, and taking into consideration the work we have already accomplished as well as our vision for the future, we have chosen to align with the Sustainable Development Goals developed by the UN, as they provide us with a framework to focus our ongoing efforts.

As such, in 2018 we established our own long-term Sustainability commitments in order to measure in a timely manner the impact of our actions and enable us to benchmark our progress.

By acting today and thinking about tomorrow, we will be able to multiply the benefits to society and the planet as well as in the lives of our employees, clients, and consumers, while also mitigating risks and capitalizing on opportunities for collaboration. In addition, we strive to team up with diverse stakeholders throughout the value chain, a task that is essential to achieve real change.

For the eighth consecutive year, we present our Sustainability Report, in which we share our principal achievements, challenges, and plans for action on this topic.

I wish to take this opportunity to invite all our employees, business allies, and people who read this document to let us know your thoughts about how Sigma can continue contributing to a more sustainable future. Every action can make a difference.

Mario H. Paéz
CEO Sigma

COMPANY PROFILE

ABOUT SIGMA

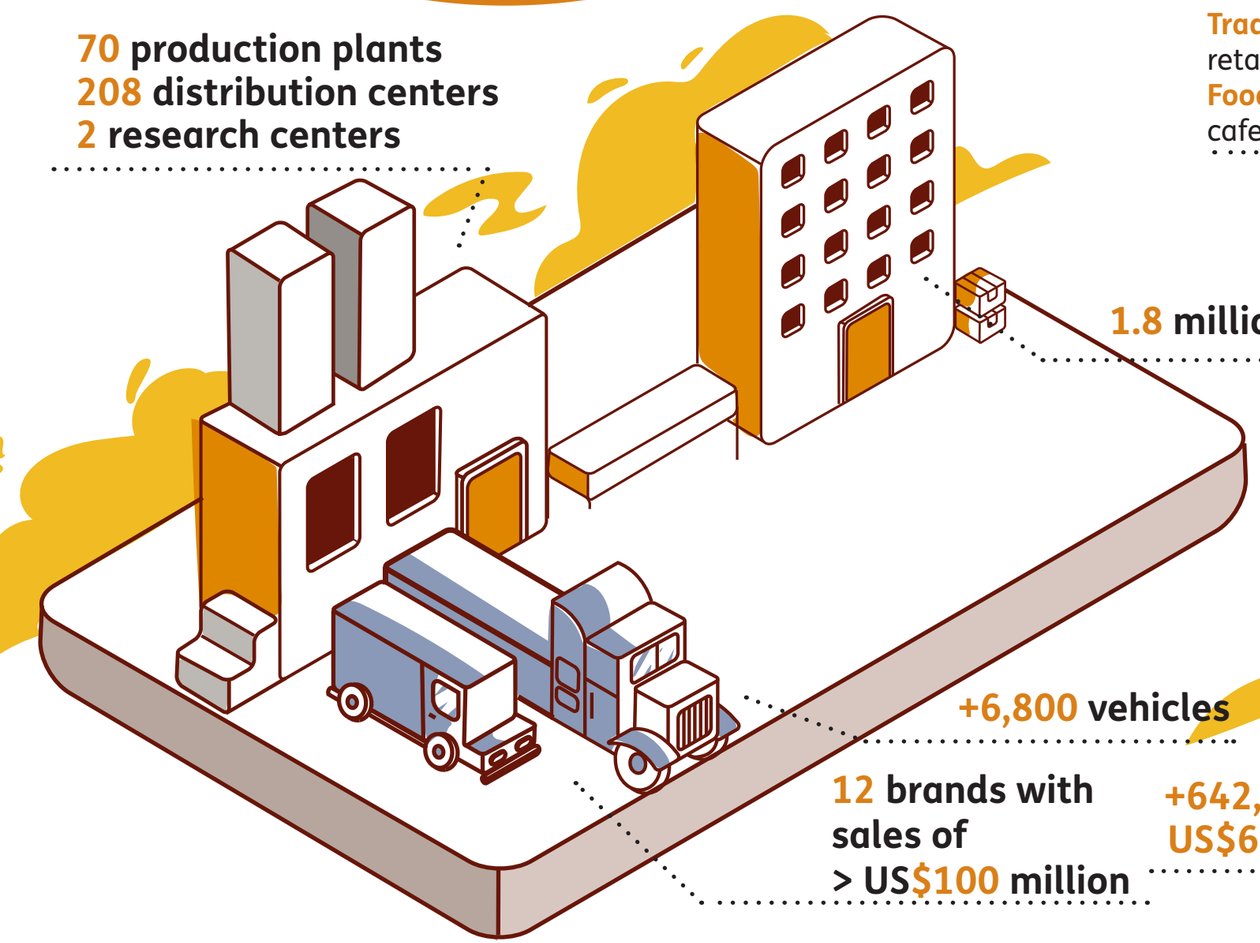
We are a global food company dedicated to bringing local favorite foods to communities everywhere. Within 18 countries, we offer quality branded food at a range of price points and across diverse categories.

Product categories: cooked meats, dry meats, dairy products, among others.

Types of clients

Modern: supermarkets and convenience stores.
Traditional: Mom & Pop and specialty markets (wholesalers, retailers, and distributors).
Foodservice: hotels, restaurants, movie theaters, industrial cafeterias, etc.

70 production plants
208 distribution centers
2 research centers

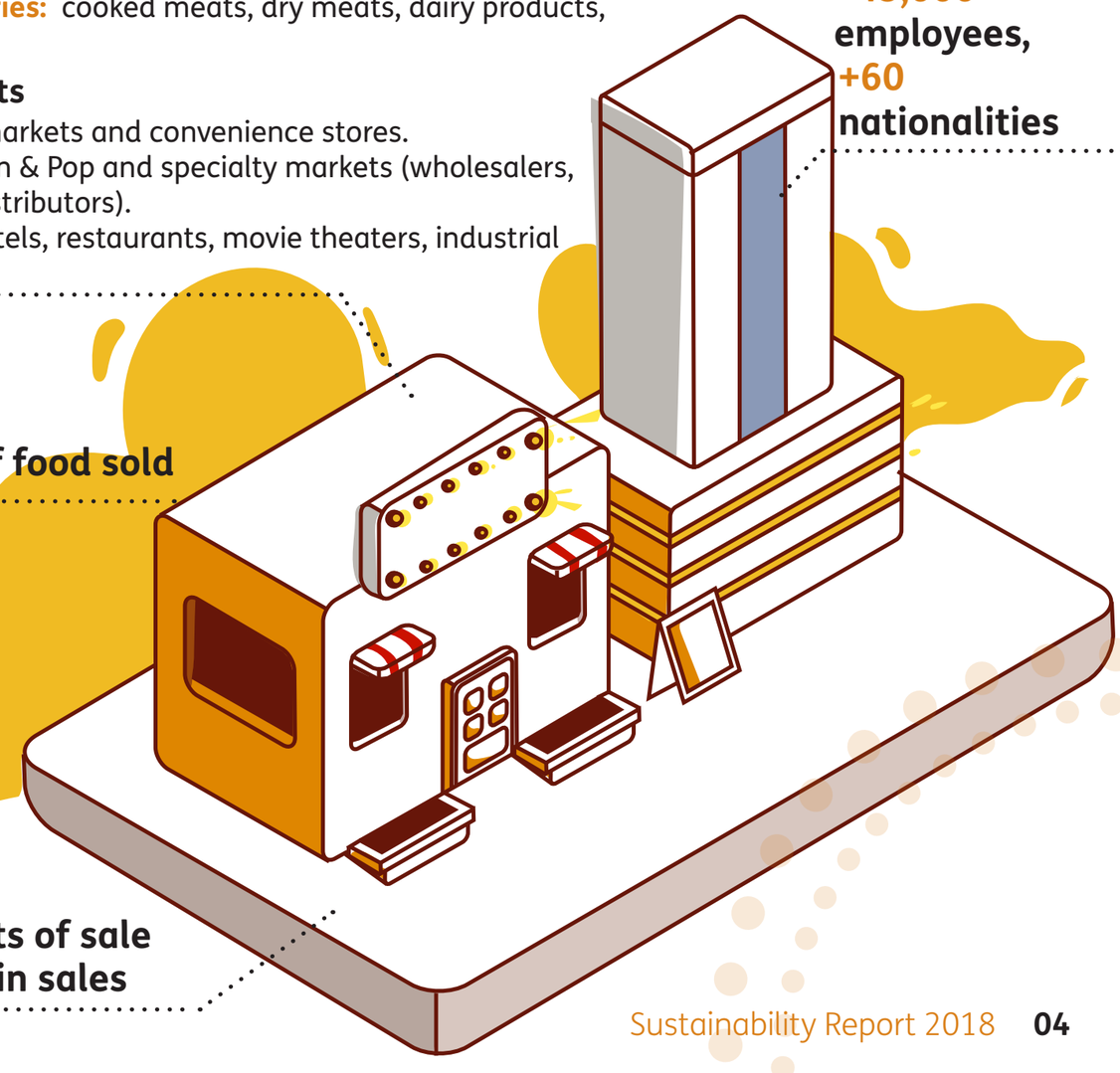


1.8 million tons of food sold

+6,800 vehicles

12 brands with sales of > US$100 million

+642,000 points of sale
US$6.3 billion in sales



+45,000 employees, +60 nationalities

OUR HISTORY

Operations in 18 countries:

Mexico, US, Spain, France, Italy, Belgium, The Netherlands, Portugal, Germany, Romania, Costa Rica, Guatemala, Nicaragua, Honduras, Peru
El Salvador, Ecuador and Dominican Republic

- Mergers and acquisitions
- Commercial agreements
- Organic growth

1980 — Acquired distribution in Mexico (alfa)

1985 — CHIMEX

1989 — Divested in slaughterhouse

1992 — Yoplait

1993 — Oscar Mayer, La Villita

1997 — San Antonio

1998 — Started expoting to Guatemala

1999 — Tangamanga

2002 — Started exporting to USA; Del Prado; ZAR

2003 — Vitta; Checo; Café Olé

2004 — Galicia; CHEN; Entered the pizza market (Sosua)

2005 — NocheBuena

2006 — NAYAR

2007 — Yoplait in CAM

2008 — Iassa; La Choma; Bernina; Seminole Oklahoma; Braedt; Longmont

2009 — La Vaca que rie

2010 — BARS

2012 — Supremo; HIDALMEX

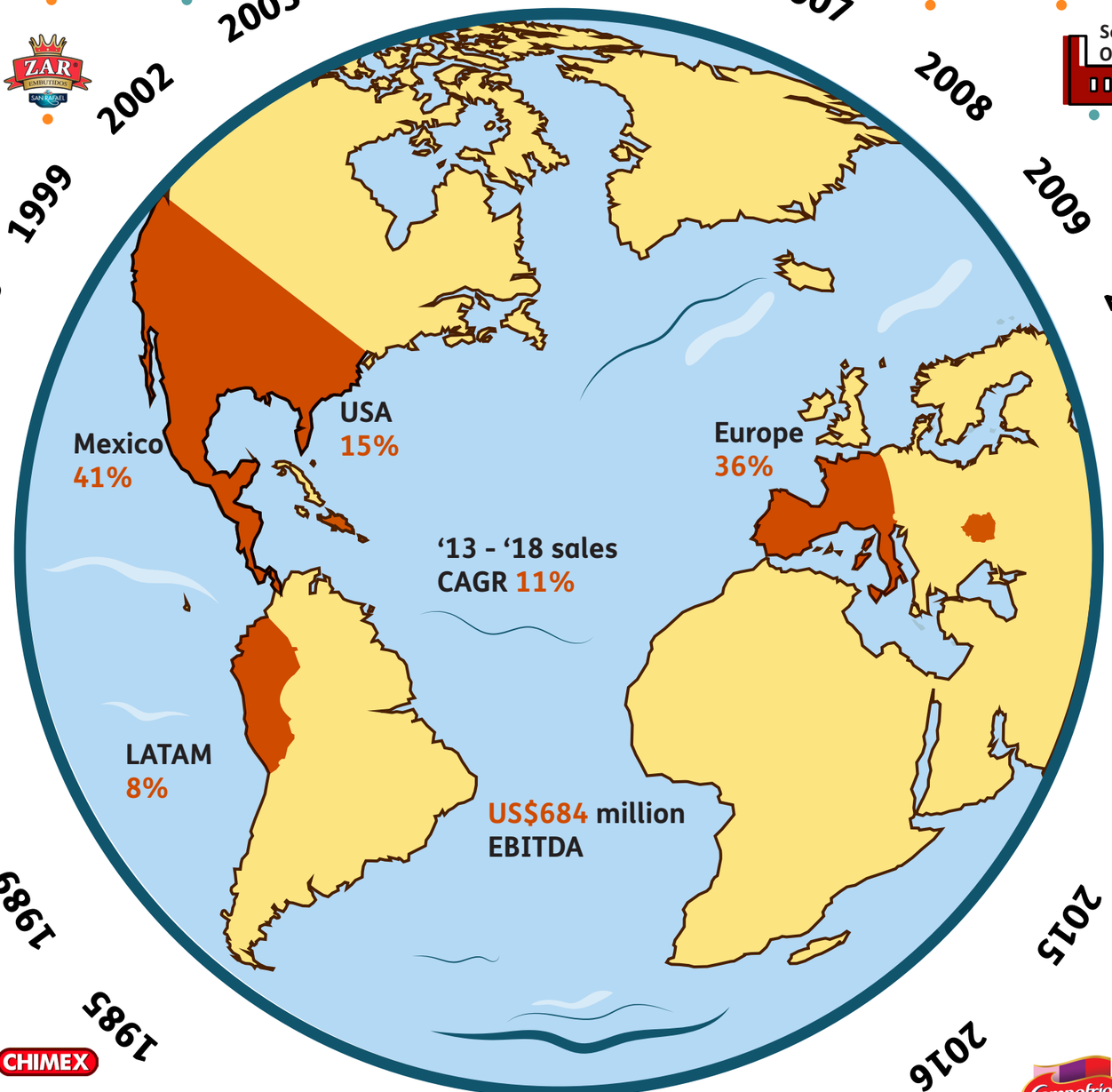
2013 — Sigma foodservice; Monteverde

2014 — Laska; Juris; Campofrio Food Group

2015 — Don Diego; PACSA; Hershey

2016 — Campofrio; Products in Mexico; RJ

2017 — Caroli; Otto Kunz



SUSTAINABILITY FOCUS

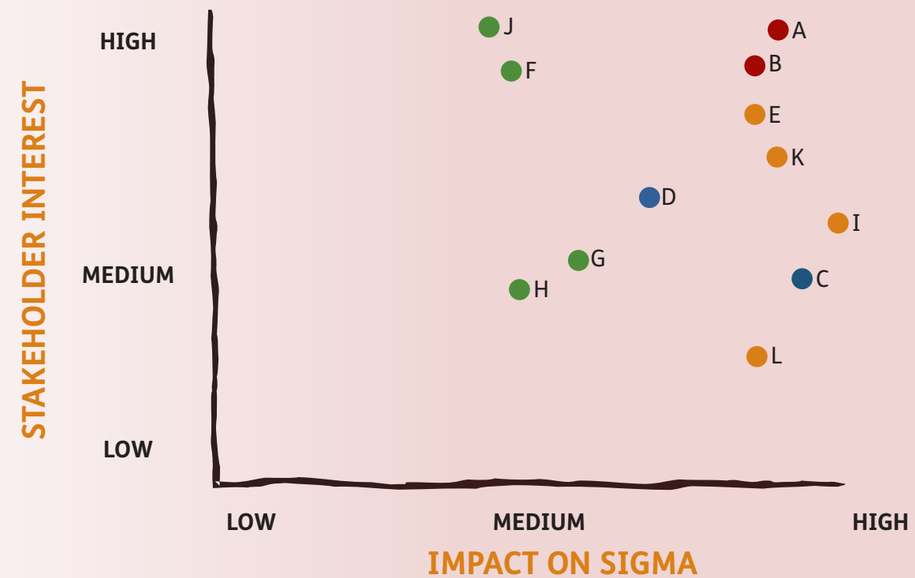
OUR ROAD TO SUSTAINABILITY

In 2017 we carried out a materiality analysis with the support of Positive Sum Strategies, an experienced consulting firm that specializes in sustainability, which enabled us to identify the most relevant issues for our company based on our own business priorities and on those of our stakeholders. As a result, we crafted our Sustainability Strategy with 14 material issues, allowing us to stay focused while also assessing and creating improvement projects across the company.

We present below our material aspects list and our materiality matrix:

A. Food quality and safety
B. Healthy and nutritious food
C. Occupational health and safety
D. Culture and work environment
E. Compliance
F. Water
G. Air emissions
H. Waste
I. Value chain management
J. Energy
K. Economic performance and value creation
L. Customer satisfaction and consumer choices

MATERIALITY MATRIX



In 2018, we held our first Sustainability Forum where we launched our 2025 Sustainability Goals. These goals resulted from aligning our strategy with the UN Sustainable Development Goals (SDGs), which constitute a blueprint from which we will work to reach our goals and reaffirm our commitment with each of our stakeholders.

Prior to the launch event, we carried out a 4-week Sustainability Challenge at all our business units in order to raise awareness among our employees and their families, help them understand the SDGs, and promote different initiatives to attain a more sustainable culture.

GOVERNANCE

The objective of our Global Sustainability Policy is to promote the company's sustainable growth. In every operation or practice we undertake, we strive to always take into account potential environmental impacts, social responsibility, and business profitability.

This policy defines our strategy for complying with local and international regulations and includes our commitments and plans for the short-, mid-, and long-terms. It also describes our four sustainability pillars—Environment, Health & Nutrition, Wellbeing, and Shared Value—and, in order to enhance management's ability to measure progress, specifies the roles and responsibilities of all participants.

OUR 4 PILLARS OF ACTION

Environment

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

Wellbeing

We strive to establish conditions that motivate people and make it easier for them to adopt habits that improve their life quality.

Health and Nutrition

We promote healthy lifestyles through our innovative and high-quality products, supported by the renowned brands.

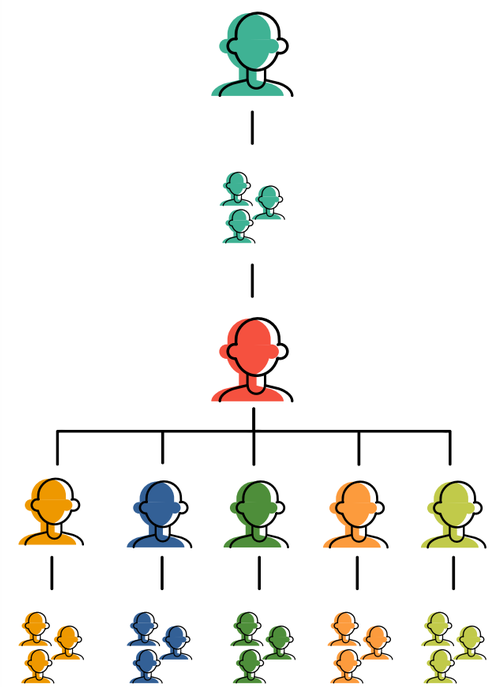
Shared Value

We create economic value through our strategic practices, and share it to promote the development and strengthening of our value chain.

OUR SUSTAINABILITY COMMUNITY

Created in 2018, our Sustainability Community works to define, monitor, and achieve each of our 2025 goals. This community includes a multidisciplinary team of more than 160 experts and representatives from each business unit.

The Sustainability Community is led by our Chief Technology Officer, who has been a member of Sigma's Executive Committee since 2010. His role is to encourage sustainability across the company, and to support initiatives that will bring us closer to achieving our long-term goals.



We also have a Central Sustainability Department, whose purpose is to define our global strategies, create policies and guidelines that apply to all our business units, facilitate and promote projects, and document progress on our long-term goals. In addition, the department is in charge of analyzing Sigma's social, economic, and environmental performance, as well as communicating our results to diverse stakeholders. Our report to the CDP is representative of the work of this department.

Each of our 2025 goals is managed by a Global Champion, an executive with ample experience and know-how in the corresponding field. Collectively, these executives are responsible for developing the strategy and managing each commitment. In addition, they work to align their actions and offer support to all our business units engaged in implementing and monitoring the goals.

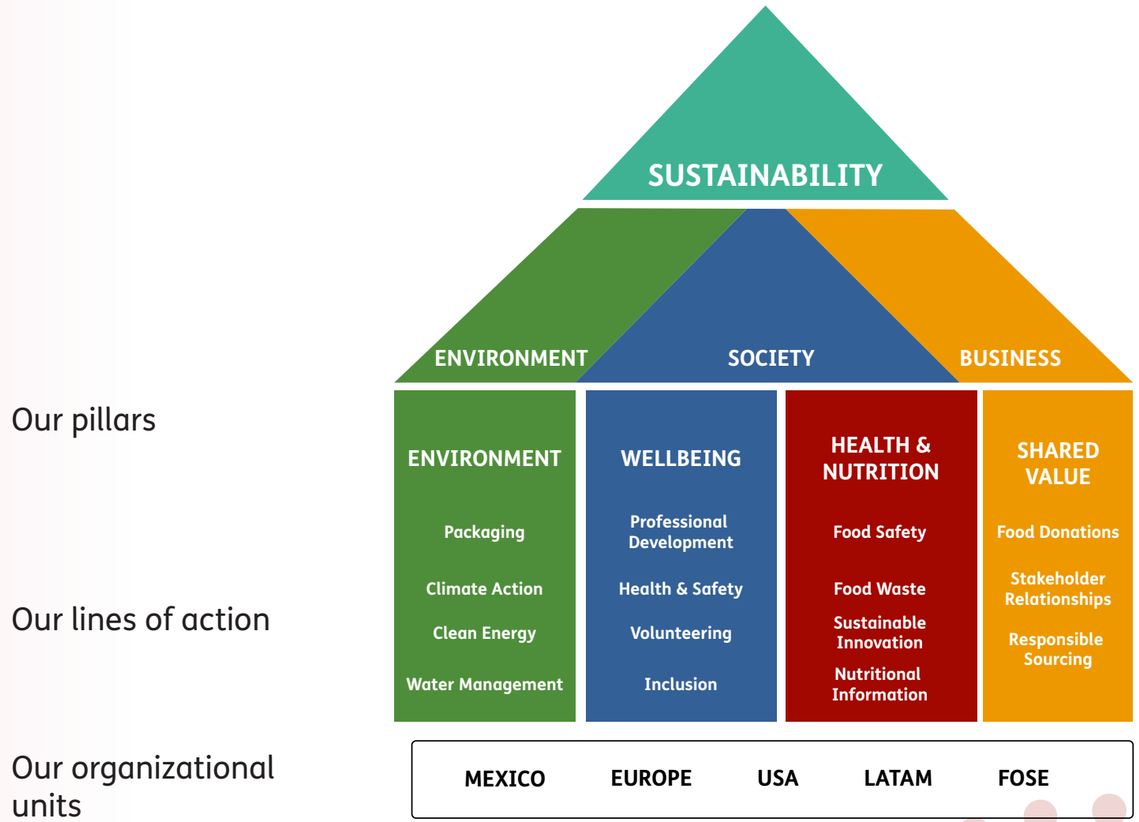
In order to ensure that all commitments are fulfilled in every region where we operate, the Champions work directly with a leader in every business unit, with whom they coordinate and manage initiatives based on local input measures.

In executing these projects, each of these business unit leaders appoints a local team, thus ensuring there are employees at every site who are involved in projects that contribute to global compliance with each of our goals.

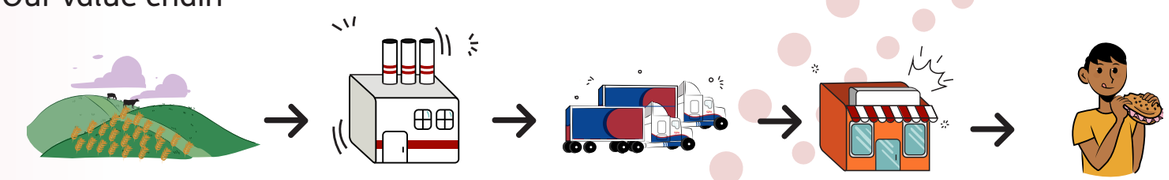
Collaboration between different regions where we are present helps us strengthen our corporate culture and enables us to find and replicate success stories that advance our journey to becoming a more sustainable company.

Resulting from monthly meetings, coordinated by the Sustainability Department and the committees in charge of each commitment, we can assess our progress and assign special attention to specific challenges and problems.

OUR STRATEGY



Our value chain



SDG

SUSTAINABILITY FOCUS

OUR ACHIEVEMENTS

368 farmers benefited through our Dairy Program

+480 products with improved nutritional profiles

+85,000 people benefited through **221 institutions**

30% of our 145g yoghurt containers in Mexico with **less plastic**

75 sites operating with wind power

Participation in **+110 local and global associations**

10% reduction in our water consumption in the US

US$16 million invested in wellbeing

Received for the fifth consecutive year the **"Excellent Environmental Performance" award** from the Clean Transportation program

+45,000 employees from +60 nationalities

US$44.4 million invested in sustainability initiatives

ENVIRONMENT

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

At Sigma, we care about the sustainable growth of our business and the value chain. We work to improve the efficiency in the use of fuels both, in our processes and in the distribution network. We also look for cleaner energy alternatives, promote water stewardship and seek for more sustainable packaging alternatives.

Committed to the planet, we strive to be productive and use resources responsibly.

US$9.4 million
invested in environmental programs

30% of packaging
in our 145g yoghurt in Mexico with less plastic compared to the previous version

3 plants
in Europe are part of the Zero Waste program

10% improvement
in our water efficiency in the US

75 sites,
including **16** production plants, operating with wind power, avoiding more than **90,700** tons of CO_2 emissions.

With our work we contribute to the following SDGs: 6. Clean Water and Sanitation, 7. Affordable and Clean Energy, 12. Responsible Consumption and Production.

We work to reduce our carbon footprint

Climate change is currently one of the greatest problems humanity is facing. We believe it is our obligation to raise awareness, both internally and externally, of the impact our actions have on the planet, and to be part of the solution.

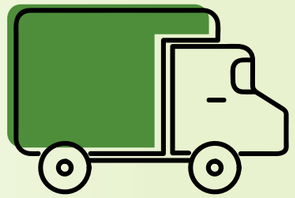
Our Environmental Policy serves as a guideline to efficiently manage resources. We continually monitor performance at our operations, which enables us to generate energy efficiency projects at our sites and in our distribution network, thus reducing our environmental footprint. In addition, we carry out continuous monitoring of efficiency.

Our extensive network includes 70 production facilities, 208 distribution centers in 18 countries, and one of the largest refrigerated distribution fleets in Mexico and Latin America. Given our substantial footprint, we seek ways to be more agile and increase efficiencies in every aspect of our operations in order to reduce our energy and fuel consumption.

In addition, we have implemented dynamic logistics programs and optimized routes, which has enabled us to decrease greenhouse gas emissions of our vehicle fleet.

Furthermore, since 2014 we have delivered more than 60,000 state-of-the-art refrigerators to our clients, allowing us to reduce energy consumption and ensure that our products are stored under optimal conditions.

Cleaner transportation



Resulting from our fuel substitutions and efficiencies in the distribution process of our products, **for the fifth consecutive year, we were recognized** as a company with "Excellent Environmental Performance" by the Mexican government's Clean Transportation program.

Reforestation

In 2018, **our employees in Costa Rica** organized a number of **reforestation projects,** resulting in the planting of some 2,000 trees.

We make innovations in our packaging by incorporating more sustainable options

As a food products company, our environmental impact extends beyond our facilities. We take seriously the responsibility we have with our clients and consumers to focus on sustainability. This is the reason why we are driven to research and invest in new technologies aimed at optimizing our packaging.

In 2018, we focused on finding more environmentally friendly solutions by reducing the thickness of the plastics we use in our yoghurt containers and by offering more practical packages to our consumers.

We are committed to increasingly reduce plastic content by following these criteria:

- Substituting virgin plastic with recycled content.
- Using paper or corrugated cardboard instead of virgin plastic.
- Replacing virgin plastic with bioplastics from a natural or renewable source and/or with biodegradable or compostable plastics.
- Reducing the volume of our packaging and/or materials by eliminating components or layers and decreasing its thickness.

Additionally, we have established partnerships to promote recycling in collaboration with other companies. At our operation sites, we separate waste for third parties to reuse or manage them correctly. This has allowed us to recycle more than 90% of the cardboard, wood, paper, plastic, and aluminum we use.

Zero waste

In Europe, we continued implementing our Zero Waste program, recycling 100% of our solid waste. We are planning to include **3 additional plants next year.**

Less plastic

As a result of technological improvements in 2018, **30% of our 145g yoghurt packaging** in Mexico are currently made with less plastic, avoiding 335 tons of plastic in the year.

We protect and care for water

With the understanding that water is one of our most important natural resources, at Sigma we are committed to using it in a responsible and efficient way.

We make significant investments in projects that make our processes more efficient and, therefore, reduce the amount of water we consume. We emphasize the protection of this resource at all our sites, which allows us to constantly look for opportunities of improvement. Furthermore, we adhere to robust water treatment practices, during both our production processes as well as during water discharges, which helps minimize risks and maintain safe and sound operations.

Knowing that water is essential for our operation, we employ the strictest supply standards, ensuring hygiene and safety at all times. Additionally, we promote a range of projects at our facilities aimed at integrating new technologies in our processes.

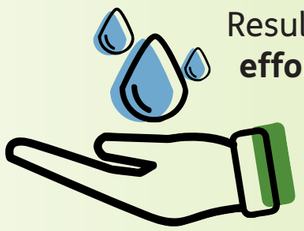
Finally, we operate wastewater treatment plants in North America, Central America, the Caribbean, and Europe, ensuring that water is managed correctly and that it is adequately discharged; in some cases, we reuse it to wash our fleet vehicles. In 2018, we invested more than US$1.4 million in treatment plants.

Likewise, after implementing projects, we analyze the results and later replicate successful initiatives at other plants, thus sharing know-how and promoting collaboration and teamwork.

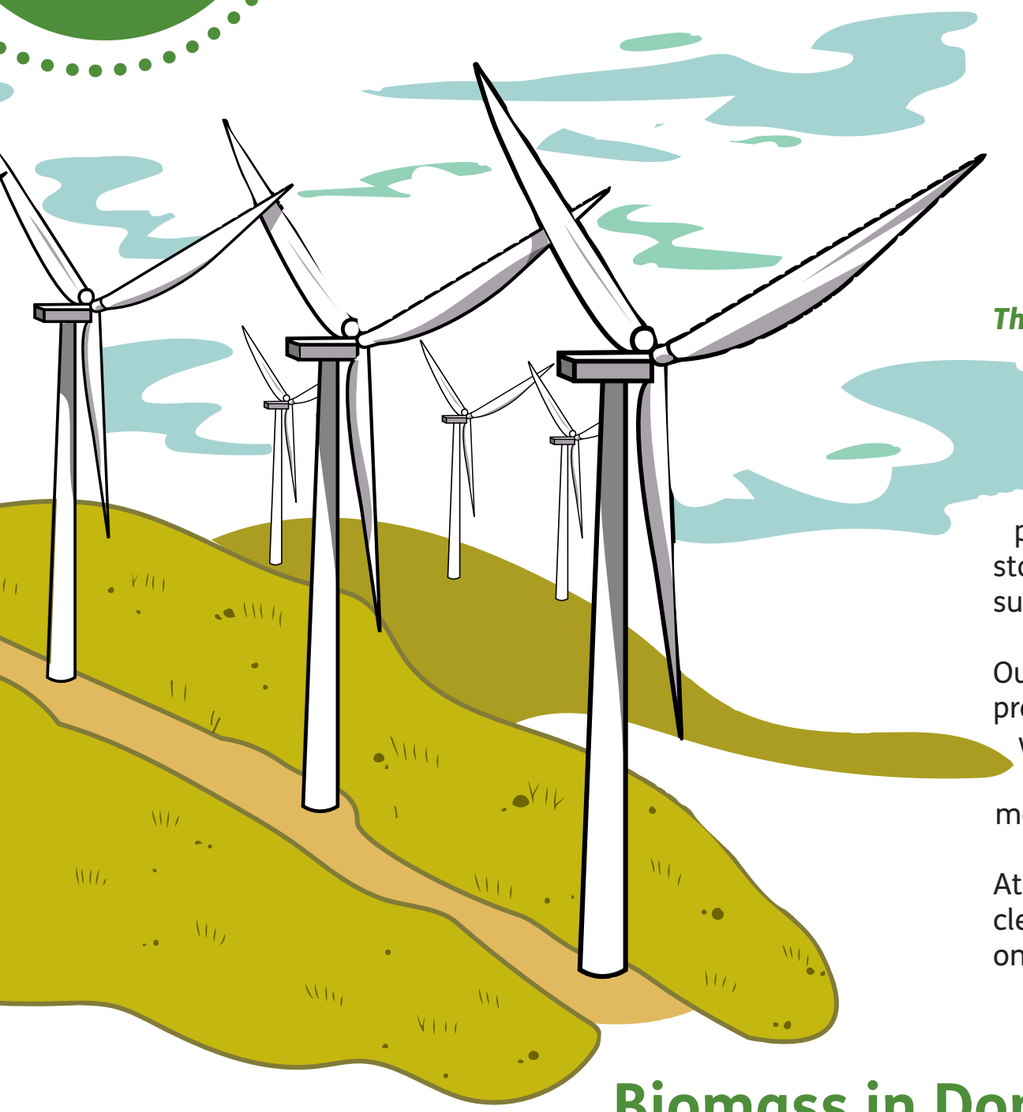
Rainwater

At our **distribution centers** in Mexico, ***we have had rainwater harvesting systems*** in place since 2015. We use the collected water for various purposes, including to wash distribution vehicles and for flushing toilets.

Reduction in water use



Resulting from our **water management efforts**, in 2018 ***we were able to improve by 10% water efficiency*** at one of our US facilities.



We promote the use of clean energy across our operations

The identification of sources of clean and renewable energy constitutes a fundamental aspect of our business strategy.

In addition to focusing on complying with our internal operation standards and best practices, we understand our commitment to diverse stakeholders of becoming an increasingly more sustainable company.

Our operations are subject to the environmental protection laws and regulations of the countries where we are present and, in many cases, we exceed what is legally required by adhering to our own, often more rigorous, internal standards.

At Sigma, we have migrated our energy portfolio to cleaner and renewable sources of energy, capitalizing on long-term opportunities and negotiating zero-investment opportunities, including wind energy, efficient co-generation, biomass, and solar energy. This allows us to reduce our carbon footprint and develop synergies with our stakeholders.

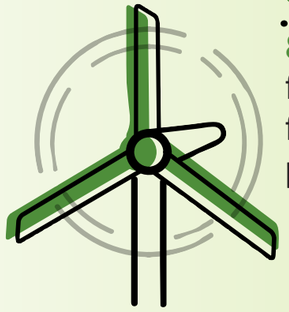
As part of this effort, since 2015, 85 Sigma sites have employed electricity from a renewable or cleaner source of energy, for a total of 474 GWh. This has allowed us to avoid more than 190,000 tons of carbon dioxide equivalent emissions to the atmosphere, which is equal to the annual electric power consumption of more than 33,000 households.

We are dedicated to meeting and, when possible, exceeding the highest environmental standards. Among the local and international certifications we have obtained are: Clean Industry, ISO 14001, ISO 50001, and AAI.

Biomass in Dominican Republic

Our dairy plant in the Dominican Republic has ***avoided more than 7,000 tons of carbon dioxide*** equivalent emissions since 2016, the year our **biomass-to-steam project** began operations.

Cleaner energy



85 Sigma sites have been using electricity from renewable or cleaner sources of energy, for a total of 474 GWh received since the project was launched in 2015. From that date, we have **avoided more than 190,000 tons of carbon dioxide equivalent emissions.**

WELLBEING

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

At Sigma, we know our employees play a key role in our company's growth. We are genuinely concerned with their wellbeing and that of their families, as we are for the wellbeing of the communities where we are present. Their comprehensive development, health and safety are key elements of the way we operate.

Our Wellbeing Model consists of 4 components that promote a balanced life between personal and professional: health, personal relationships, purpose and volunteering.

US$16 million
invested in wellbeing programs

US$3 million
invested in family integration and recreational employee programs

+85,000 people
benefited through 221 institutions

+190 programs
about health and safety

US$3.2 million
invested in training,
66 scholarships for prestigious universities
granted benefiting **+43,000 employees**

Our Wellbeing Pillar strives to contribute to the Sustainable Development Goals: 3. Health and Wellbeing, 4. Quality Education, 5. Gender Equality, 8. Decent Work and Economic Growth, and 10. Reduced Inequalities.

3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES

We promote an inclusive and diverse environment

We strive to offer an inclusive and diverse environment where our employees of 60 different nationalities can collaborate with respect, empathy, and tolerance.

We know that the best teams are made up of unique members who offer different perspectives, experiences, and backgrounds. Accordingly, we are committed to promoting interpersonal relationships and inclusion, offering the same opportunities to all applicants regardless of their background or current circumstances.

To support this commitment, we have several policies in place, including our Code of Ethics, the Employee Recruiting and Selection Policy, and our Code of Conduct and Sexual Harassment, all of which set the necessary guidelines to promote a healthy collaborative environment.

Flexible work schedules

At our corporate offices, **we offer flexible work schedules *to promote collaboration and productivity.*** Given the good results of this effort, we will continue to offer comfortable work schedule options that adapt to different lifestyles.

360º Communications

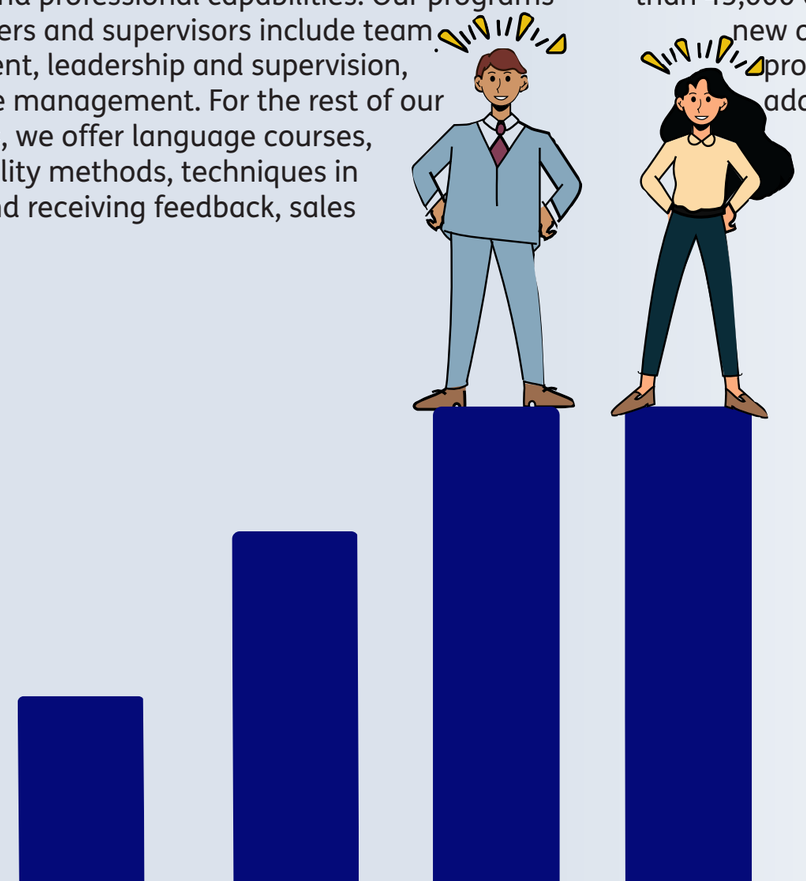
So that we **maintain a dialogue with our employees, *we hold communication forums several times a year*** during which our management team presents to our staff globally the company's main achievements, challenges, and progress, and our employees have the opportunity to ask questions and share concerns.

We foster the professional growth of our employees

Knowing that our growth as a company depends on our employees' development, we offer continuous education and training opportunities to everyone who works for us.

At Sigma, the courses and workshops we offer through our online university help strengthen and develop personal and professional capabilities. Our programs for managers and supervisors include team development, leadership and supervision, and people management. For the rest of our employees, we offer language courses, mental agility methods, techniques in offering and receiving feedback, sales training, and industrial safety. In addition, we offer scholarships for bachelor's and postgraduate degrees that allow our employees to continue their studies in prestigious universities.

In 2018, we invested more than US$3.2 million dollars in training—23% more than in 2017—benefiting more than 43,000 employees. We are continually looking for new opportunities to expand our training programs in order to offer greater value-added to our employees and their families.



Personal and professional growth

The Sigma Human Growth program operates in 37 workplaces in Mexico, the US, and Latin America to promote personal growth and capabilities development. ***In 2018, more than 600 volunteers and 5,000 employees*** participated in this initiative.

Young Talent

Our Young Talent (Talento Joven) program allows recently graduated employees to collaborate with different divisions in the company in an effort ***to reinforce their education and provide a global perspective of our business.***

We support our communities through volunteering

We are committed to the wellbeing of the communities where we operate. We are certain that, by developing agents of change who are active and involved, we create a positive impact on communities. In 2018 alone, we supported 221 institutions and 40 schools through our network of volunteers.

Our volunteering strategy includes four main components:

- Geographical scope: since we have operations in 18 countries, we are able to reach many locations, which is why we emphasize bringing in as many of our operations as possible to participate.
- Volunteer impact: we aim for our efforts to be increasingly more significant. This is reflected, for example, in the number of people benefited.
- Number of employees: we seek to steadily grow the number of volunteers.
- Time invested: we monitor volunteer hours, striving to achieve quality time.

We work locally, always looking for initiatives that can be replicated in different regions to maximize the positive impact of our social efforts.

Internal volunteering

Since 2010, our ***Hand in Hand Fund that we operate in Mexico and Latin America*** supports employees who have been victims of natural disasters. To date, we have addressed close to **300 cases.**

Contribution to the SDGs

Through our First Sustainability Challenge, ***more than 2,000 employees from all of our organizational units*** carried out different activities to familiarize other employees with the UN **Sustainable Development Goals.**

We ensure the occupational health and safety of our employees

Since protecting the physical integrity of our employees is extremely important for Sigma, our operations adhere to the strictest occupational safety standards.

Aside from adapting our facilities to prevent accidents, we offer continuous training to our employees through a range of programs and workshops.

As part of this commitment, we adopt the Procedure to Manage Accidents and Incidents, in addition to employing guidelines for high-risk tasks.

Additionally, we also monitor our accident rate, including incidents resulting in at least one lost workday in relation to the number worked hours; accident severity, which is determined by the number of lost days over the number of accidents; and the number of lost days.

Furthermore, we promote a well-balanced life that allows our employees to thrive physically. Aside from offering subsidies to attend a gym, we accumulated more than 120,000 kilometers of physical activity through our eChallenge and Club Balance programs.

Given that at Sigma protecting the physical integrity of employees is very important, we promote the strictest safety standards, and our work is based on them.

Investment in safety

In 2018, we made a global ***investment of US$6.5 million in occupational health and safety***, offering courses and workshops and providing the necessary equipment to ensure the **safety of our workers.**

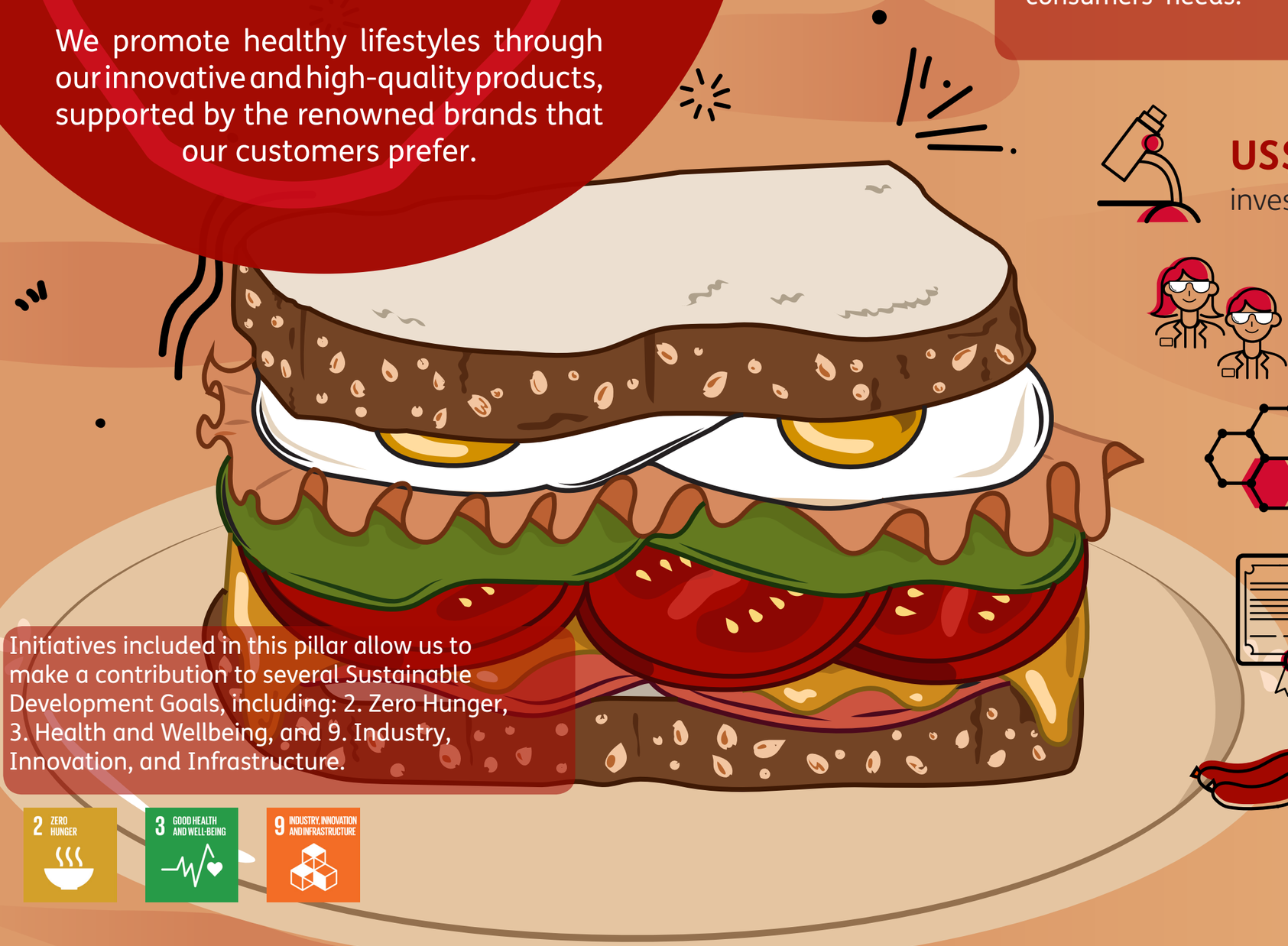
Health programs

In Mexico, in order **to promote the wellbeing** of our employees and their families, in addition to the ***Employee Assistance Program that provides guidance in economic, nutritional, emotional, and legal issues***, we also provide access to gyms and other fitness activities.

HEALTH AND NUTRITION

We promote healthy lifestyles through our innovative and high-quality products, supported by the renowned brands that our customers prefer.

We work relentlessly to improve our products and processes. Our goal as a company is to bring local favorite foods to communities everywhere, in compliance with the highest quality standards. As such, we provide complete nutritional information so that consumers can make responsible decisions. Likewise, we focus on launching new products and on innovation, enabling our portfolio to exceed our consumers' needs.



US$18 million
invested in research and development

+200 scientists
researching, developing, innovating our products

+480 products
with improved nutritional profiles since 2010.

GFSI, USDA y TIF
are just some of the certifications obtained by our plants

3 projects
to reduce food waste implemented in the US, Mexico, and Europe

Initiatives included in this pillar allow us to make a contribution to several Sustainable Development Goals, including: 2. Zero Hunger, 3. Health and Wellbeing, and 9. Industry, Innovation, and Infrastructure.

2 ZERO HUNGER

3 GOOD HEALTH AND WELL-BEING

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

We care for the health and safety of our consumers

With a goal of ensuring that the food products we produce and distribute to consumers are safe, we work to eliminate all risks and implement preventive controls.

Our plants have obtained a series of certifications that demonstrate our compliance with the highest quality standards. In addition, we implement global safety and quality policies that ensure we manage this commitment appropriately.

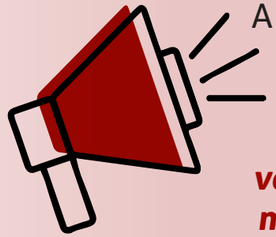
Our Global Quality Manual includes policies, processes, standards, guidelines, methods, programs, and reference documents that constitute the basis for the Quality and Safety Management System for our operations. The guidelines included in the Global Quality Manual take into account the full spectrum of activities, from raw materials acquisition to finished product delivery, thereby enabling us to make good on our pledge to always provide consumers with the best food.

Our Safety Policy is based on frameworks recognized by the Global Food Safety Initiative (GFSI), local and international regulations, best practices in manufacturing, and a Hazard Analysis and Critical Control Points (HACCP) system, among others.

Our Quality Policy is divided into six pillars: Quality and Safety Management System, Raw Materials Standards, Measurements Management System, Sensory Evaluation, Quality and Safety in the Supply Chain, and Customer Service.

Based on these two policies, we have established the responsibilities and procedures we need to execute in order to adhere to our quality standards.

Best practices sharing

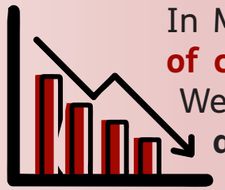


A section of our intranet gathers all our information concerning our quality control **procedures and manuals** so that ***we can aptly communicate valuable information for the decision-making process and inform about and share best practices.***

Quality certifications

Our plants meet the **highest quality standards** and most rigorous certifications, including **GFSI, FDA, USDA, TIF, and ISO 9001.**

Reduction in the number of defective product complaints



In Mexico, **we reduced by 7% the number of consumer** defective product complaints. We continue to work on **our quality control and safety policies** so that this metric will maintain a downward trend.

We produce efficiently

We are aware of the great challenge we face of preventing food waste across our value chain. Accordingly, at Sigma we strive to use resources efficiently, taking into consideration and seeking to balance both the profitability of our business and caring for the environment.

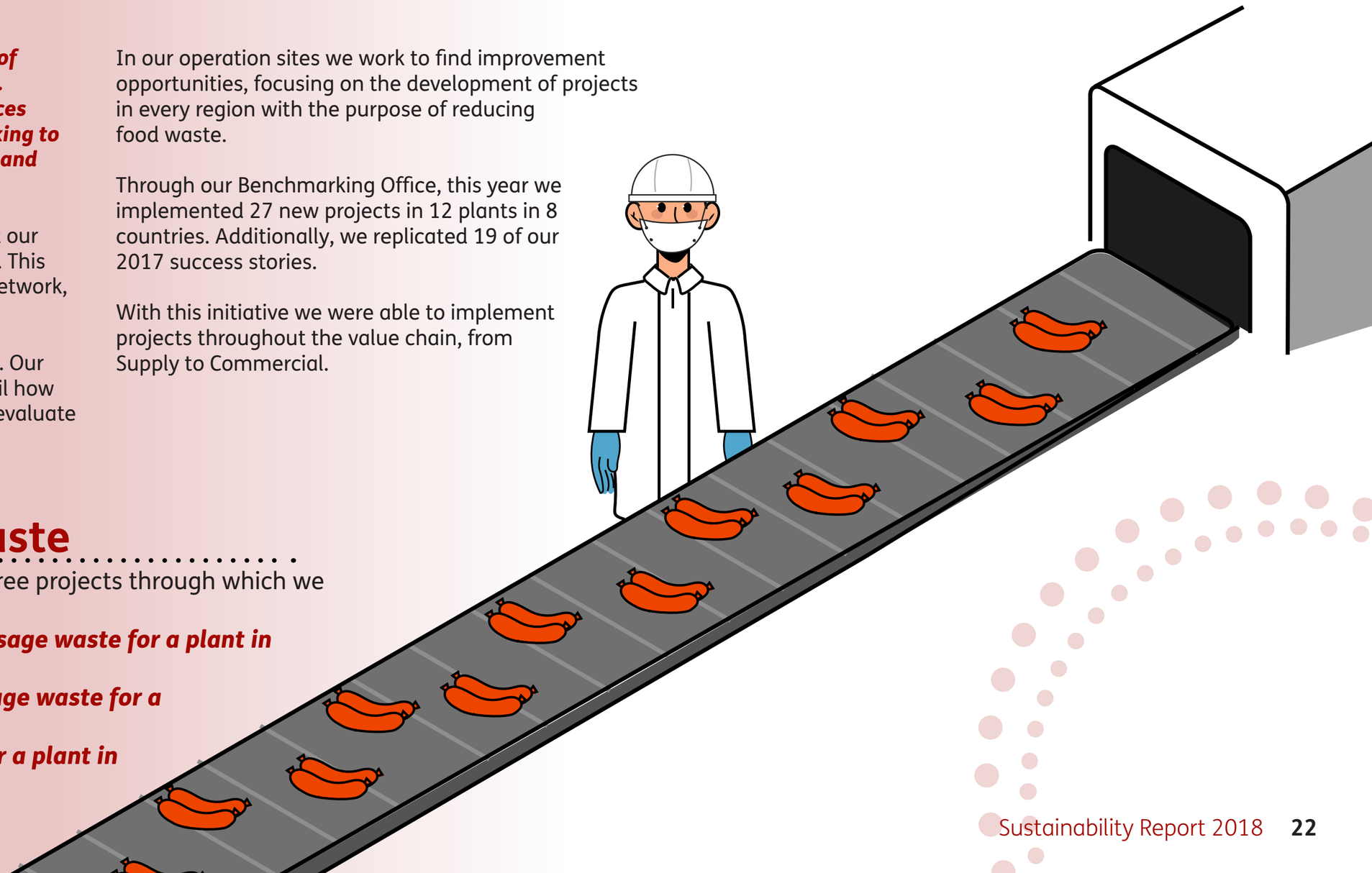
We rely on a master planning process to adjust our installed capacity to meet demand projections. This crucial activity, in addition to having an agile network, enables us to minimize food waste.

We optimally manage our production footprint. Our Global Process Footprint Policy explains in detail how to operate efficiently and how to monitor and evaluate production processes.

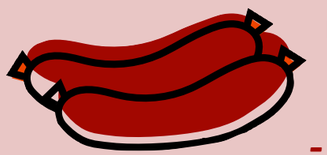
In our operation sites we work to find improvement opportunities, focusing on the development of projects in every region with the purpose of reducing food waste.

Through our Benchmarking Office, this year we implemented 27 new projects in 12 plants in 8 countries. Additionally, we replicated 19 of our 2017 success stories.

With this initiative we were able to implement projects throughout the value chain, from Supply to Commercial.



Less food waste



We implemented three projects through which we reduced:

- 35% of the sausage waste for a plant in Mexico

- 66% of the sausage waste for a plant in Europe

- 12% of total waste for a plant in the US

We offer clear and transparent nutritional information

Because we are aware that our responsibility lies in having a positive impact on people and society, we concentrate on those areas where the growth and expansion of our business portfolio is strongly related to nutrition.

Our strategy seeks to prioritize efforts that favor transparency for consumers, as well as innovation focused on health and nutrition. All this with the purpose of helping consumers make well-informed decisions.

Through our Nutrition Policy, we ensure regulatory compliance in every region; in locations where providing nutritional information is not obligatory, we adhere to international codes. In addition, we provide digital information that is readily accessible to our clients and consumers.

To measure our progress, we identify the percentage of SKUs (products) that show detailed information, and subsequently observe and analyze the progress year on year.

In our effort to protect and promote a healthy diet, we support and facilitate the sustainability goals established by the World Health Organization. We are also members of the World Business Council for Sustainable Development (WBCSD), and through the program FReSH (Food Reform for Sustainability and Health) we collaborate with more than 30 other companies in the industry to develop, implement, and grow business solutions.

Nutrition Facts

Serving size: 125g	
Servings per container:	1
Calories	252 kJ **(59 kcal)**
Protein	5.2 g
Fats (lipides)	0 g
from which:	
Saturates fats	0 g
Carbohydrates	9.6 g
from which:	
Sugars	8.1 g
from which:	
Added sugars	0 g
Dietary fiber	0.2 g
Sodium	97 mg
Calcium	**198 mg (22% VNR*)**

Sigma Alimentos Nutrition Institute

We offer **tools and information** to extend education on adequate nutrition and create consumer awareness. In 2018, INSA put together a Scientific Committee on Allergies and Food Intolerance and ***participated in several national seminars on nutrition and health issues. In addition, the Institute published 18 informational papers.***

We innovate in a sustainable way

We listen to consumers and collaborate with them to understand their preferences and needs.

We aim to offer a diverse portfolio adapted to different stages of life, which requires that we maintain a constant state of innovation.

Our Innovation Policy and our Product Development Policy facilitate our ability to work collaboratively across all business units.

Internal processes allow us to constantly analyze the tastes and preferences of consumers. We conduct sensory studies that lead to prompt product improvements and allow us to optimize the use of ingredients in the formulation process.

Simultaneously, we do product testing with our consumers and incorporate their feedback to adjust the products to better meet their preferences.

Our innovation platforms allow us to focus on launching products that offer greater nutritional value and rely less on ingredients such as sodium, fats, and sugar.

Since 2010, we have launched more than 480 products with improved nutritional profiles.

New 2018 launchings

- New Line of Yoplait Double Zero
Yoghurt with 0% added sugar, 0% fat, and less than 75 calories per portion.

- FUD Cuida t+ and Braedt Balance
New low-fat and reduced-sodium products aimed at caring for family health.

- Clean Label Products
Products that include no preservatives or artificial ingredients, launched in Mexico, Central America, and Europe.

In our Aoste brand, in France, we eliminated preservatives in all cooked hams.

NEW

- Vegetarian Product Lines
We entered new markets with our Vegalia and Le Vegatarian European product lines and expanded our offerings with the launch of new products (pizzas and spreads).

- Campofrío Healthcare
Product line that has been adapted to the nutritional needs of seniors and hospital patients, which has been reinforced with 11 new products.

-Products for Children
In Romania, our Carolino Kids line offers snacks fortified with additive-free milk to our youngest consumers.

SHARED VALUE

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

We reach out to our stakeholders to help us improve our products and processes. We have more than 20 communication channels in place that facilitate our ability to respond to the needs of our clients, suppliers, consumers, shareholders, and employees. In addition, our Transparency Mailbox serves as an anonymous reporting mechanism by which to report situations deemed to be non-compliant with adequate transparency, trust, and/or safety standards.

US$44.4 million
invested in sustainability programs

+260,000 contacts a year
at our Customer Service Center in Mexico

We actively participate in +110
local and global associations.

368 farmers
benefited through our Fomento Lechero Program (Dairy Development Program)

+57,000 visits
to excellent clients and **+60,000 refrigerators** installed since 2014

Our efforts in this pillar enable us to contribute to the following Sustainable Development Goals: 2. Zero Hunger, 8. Decent Work and Economic Growth, 12. Responsible Consumption and Production.

2 ZERO HUNGER

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

We reinforce our commitment to the communities by donating food

At Sigma we strive to be an all-embracing company. By donating food, we get the opportunity to support and add value to the communities, and to collaborate with efforts to eradicate hunger, the second UN Sustainable Development Goal.

Every year we establish new relationships with food banks and associations that help us get our products to remote locations. In our effort to continue increasing our impact on society, our strategy establishes that each of our business units must be in contact with food banks and create partnerships with them in order to efficiently support more communities.

In 2018, more than 3,000 tons of food were donated globally through different food banks and associations responsible for distributing these resources to vulnerable communities.

Donations

More than 9,800 tons of food donated through associations and food banks since 2015, **benefiting more than 69,000 people** across the globe. In 2018, **we donated one million dishes** through the No Kid Hungry association in the US.

We love to serve

During the course of our **We Love to Serve** week at our Foodservice Mexico operations, **employees collected and donated food to different associations and additionally carried out other volunteer activities.**

We choose responsibility in our procurement practices

One of our goals is to ensure sustainability across our value chain.

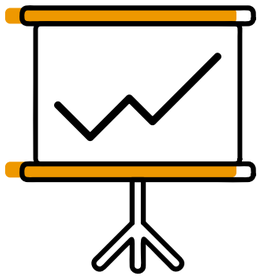
We know that in order to achieve this, we must create partnerships with our clients and suppliers that contribute to building stronger projects and initiatives.

We continue cooperating with our suppliers in carrying out evaluations to identify areas for improvement in terms of sustainability, aligned to a code that ensures our supplies comply with the requisites of our company. This also helps promote the growth of our suppliers while also helping mitigate risks to their businesses.

We also have supplier development programs, through which we provide training and consulting. Furthermore, we signed the New Deal for Europe promoted by CSR Europe (the leading business network for corporate sustainability and responsibility) in order to promote an economic business model based on sustainability. With actions such as these, we reinforce our commitment to being a socially responsible company, which is based on promoting a healthy lifestyle, employing quality products, reducing our impact on the environment, and working efficiently.

We will continue to work with our value chain, to ensure that the positive impact is multiplied over the long term.

Trust and transparency



In Europe we established a ***sustainability plan in our meat*** chain that reflects market **needs as well as business challenges.**

Fomento Lechero Program (Diary Development Program)

We support ***368 milk suppliers in 131 cattle growing associations*** in Mexico through our **Fomento Lechero Program** (Dairy Development Program), which aims to encourage the development of small milk producers, providing specialized coaching.

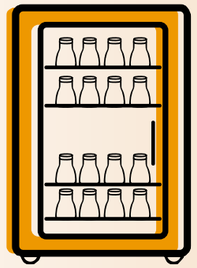
We maintain open communication with our stakeholders

We are aware that creating relationships based on trust with our stakeholders is vital for the company's growth. We understand that our success is based on sustainable relationships and mutual benefit.

Our communication channels are the pillar for an effective exchange between us and our shareholders, employees, consumers, clients, suppliers, and associations. To this end, we developed different personalized strategies for each group. We also have an Anti-corruption Policy and a Conflict of Interest Policy in place, which allows us to listen to their concerns, be aware of their requests, and protect us against situations that could put our business at risk.

Through the "Excellent Client" program, in the last 7 years, we have managed to support the development of our clients in the traditional channel. In 2018 alone, we recognized 57,446 customers.

Business partners



Since 2014, ***we have installed more than 60,148 state-of-the-art refrigerators*** (**which consume up to 47% less energy** than traditional refrigerators) in Mexico in commercial establishments that sell our products.

Creating alliances

We actively participate in more than 110 local and international associations, fostering positive impact and collaboration, as well as creating value and inspiring change.

SHARED VALUE

Stakeholder engagement

We keep our stakeholders informed, and we listen to them through our communication channels.

Stakeholders	Commitments	Communication channels
Shareholders	Create superior value for the long term.	ALFA shareholders meeting, corporate reports, website, social networks, transparency mailbox.
Employees	Attract the best talent and promote their wellbeing, growth and motivation.	Corporate reports, transparency mailbox, employee survey, employee assistance program, website, newsletter, internal magazine.
Consumers	Captivate them with superior experiences and an innovative and nutritious offer.	Contact centers, focus groups, satisfaction survey, website and social networks.
Customers	Exceed their expectations with value proposals.	Contact centers, Excellent Customers program, satisfaction survey, website and sales force.
Suppliers	Establish long-term, collaborative and mutually beneficial relationships.	Evaluation and training programs, contact centers, website and social networks.
Community	Ensure safe and sustainable operations and participate in their development.	Website, social networks, transparency mailbox and contact centers.
Authorities	Comply with applicable regulations and establish partnerships for sustainable development.	Associations, chambers, and meetings.
Associations and NGOs	Collaborate effectively to create scientific and industrial groups.	Industry forums, meetings, participating in committees, social networks and website.

Global Associations

112 Associations: Global Level

Food Industry 50

GR		German Meat Industry Federation (BVDF)
		ISN - Interessengemeinschaft der Schweinehalter Deutschlands e.V.
BE		Agency for Innovation and Entrepreneurship (VLAIO)
	*	Belgian Association of Meat Science and Technology (BAMST)
	*	Belgian Food Industry Federation (FEVIA)
	*	Belgian Federation of Meat Products (FENAVIAN)
	*	Flanders Food, Platform for Innovation in the Food Industry
		FEBEV
US	*	North American Meat Institute (NAMI)
	*	The Consumer Goods Forum
SP		Asociación Interprofesional del Porcino de Capa Blanca (INTERPORC)
	*	Asociación Multisectorial de Empresas de Alimentación y Bebidas
		Asociación Nacional de Industrias de la Carne de España (ANICE)
	*	DEPORCIL
	*	Fundación Alimentum
		Fundación Española de la Nutrición (FEN)
EU		Liaison Center for the Meat Processing Industry in the European Union (CLITRAVI)
		FoodDrinkEurope
FR		French Meat Industry Federation (ICT)
	*	French Food Industries Association (ANIA)
		USRICT
NL		Dutch Food Industry Federation (FNLI)
	*	Dutch Meat Products Association (VNV)
INT		Food Reform for Sustainability and Health (FReSH) program of the World Business Council for Sustainable Development (WBCSD)
	**	Global Food Safety Initiative (GFSI)
IT		Industrial Meat and Salami Association (ASSICA)
		Mortadella Bologna Consortium
		Parma Industry Association
		Parma Quality Institute
	*	Prosciutto di Parma Consortium
	*	Prosciutto di S. Daniele Consortium
	*	(UNICEB)
MX		Asociación Mexicana de Bancos de Alimentos (AMBA)
	**	Asociación Nacional de Establecimientos TIF (ANETIF)
		Cluster Agroalimentario de Nuevo León, A.C.
	**	Cámara Nacional de Industriales de la Leche (CANILEC)
	**	Consejo Mexicano de la Carne
		Consejo Nacional Agropecuario
PO	**	Portuguese Meat Industry Association (APIC)
LATAM		Asociación de la Industria Cárnica del Salvador (ASICARNE)
		Asociación Salvadoreña de Porcicultores (ASPORC)
	**	Cámara Costarricense de Embutidores y Procesadores de Carne
	*	Cámara Nacional de los Productores de Leche de Costa Rica
	**	Asociación de Fabricantes de Embutidos de República Dominicana
		Junta Agroempresarial
		Asociación Nacional de Fabricantes de Alimentos y Bebidas, Ecuador
		Asociación de Porcicultores de Ecuador
		Asociación de Fabricantes de Alimentos Balanceados de Ecuador
		Comité Consultivo de la Carne de Ecuador
		Agrocalidad de Ecuador

General Industry 31

EU		European Agency for Safety and Health at Work (EU-OSHA)
MX		Asociación Nacional de Transporte Privado (ANTP)
		Cadenas Productivas de NAFINSA Monterrey
	**	Cámara Nacional de la Industria de la Transformación
	**	Consejo Mexicano de la Industria de Productos de Consumo
	**	Confederación de Cámaras Industriales
LATAM		Sociedad Nacional de Industrias de Perú
		Cámara de Comercio Peruana - Alemana
		Asociación Peruana de Empresas de Consumo Masivo
		Asociación Salvadoreña de Industriales (ASI)
		Cámara de Comercio e Industria del Salvador
		Cámara Americana de Comercio del Salvador
		Cámara de Comercio Salvadoreña Mexicana (CASALMEX)
		Cámara de la Industria Alimentaria de Costa Rica (CACIA)
		Instituto Nacional de Normalización de Ecuador
		Cámara de la Industria y Comercio de Costa Rica-México (CICOMEX)
		American Chamber of Commerce in Costa Rica (AMCHAM)
		Asociación de Industrias Región Norte de República Dominicana
		Cámara de Comercio y Producción de Santiago, DR
		Cámara de Comercio Dominico-Mexicano
		Cámara Americana de Comercio en RD
		Asociación de Industria de la República Dominicana
		Agencia Nacional de Regulación, Control y Vigilancia Sanitaria, Ecuador
		Cámara Binacional de Comercio Ecuador-México
		Cámara de Comercio de Latacunga
		Cámara Empresarial Mexicana Nicaragüense (CAMEXNIC)
		Asociación de Distribuidores de Productos de Consumo de Nicaragua
		Cámara de Comercio Industrias de Tegucigalpa, Honduras (CCIT)
		Cámara de Industrias y Producción Quito
		Cámara de la Pequeña y Mediana Empresa de Pichincha
		Cámara de Industriales y Empresarios de Cotopaxi

Research and Education 16

BE	+	De Liège University
	+	Ghent University
US	+	Massachusetts Institute of Technology Industrial Liaison Program
		Oklahoma State University
SP	+	Alimentación y Ciencia (ALICIA)
	+	Instituto de Investigación y Tecnología Agroalimentaria (IRTA)
	+	Universidad de Burgos
EU	+	Danish Meat Research Institute
NL	+	Maastricht University
MX	+	Centro de Competitividad en CAINTRA
	*	Centro de Ingeniería y Desarrollo Industrial (CIDESI)
	+	Cluster Biotecnológico del Estado de Nuevo León, A.C.
	+	Consejo Nacional de Ciencia y Tecnología (CONACYT)
	+	Instituto Politécnico Nacional (IPN)
	+	Instituto Tecnológico de Estudios Superiores de Monterrey
	+	Universidad Autónoma de Nuevo León (UANL)

Responsible Marketing 9

GR	***	Brand Association in Germany (Markenverband)
SP	*	PROMARCA
	**	Asociación Española de Anunciantes (AEA)
IT		Industry and Enterprise Association (Unindustria)
		Italian Advertising Association (AITA)
		Unione Parmense degli Industriali
MX	**	Consejo de Autorregulación y Ética Publicitaria
PO		Portuguese Advertising Association (APAN)
		Portuguese Brand Products Companies Associations (Centromarca)

Human Resources 6

US		Organizational Development Network
FR	**	OPCA of Food Industries, Agricultural Cooperation and Food Retail
BE		Fevia (Belgian Food Industry Federation)
MX		Unión Social de Empresarios de México (USEM)
		Asociación Mexicana en Dirección de Recursos Humanos
		Movimiento Congruencia

Region abbreviations
GR- Germany, BE- Belgium, US- United States, EU- Europe, SP- Spain, FR- France, NL- Netherlands INT-International, IT- Italy, MX- Mexico, PO- Portugal, LATAM-Latin America

Symbols indicate level of participation:
* =Member of the Board ** =Vice Chairman of the Board *** =Chairman of the Board + = Research Agreement No symbol = Member of the Association

GRI INDEX - Core Option

Universal Standards		Answer/Omission	Page/Link
GRI 102 General Disclosures 2018			
1. Organizational profile			
102-1	Name of the organization	Sigma Alimentos, S.A. de C.V.	
102-2	Activities, brands, products and services	Sigma is a global food company established in 1980. We produce, market and distribute highly recognized brand foods in 90 countries.	04
102-3	Location of headquarters	Carrizalejo HQ: Ave. Gómez Morín #1111 Col. Carrizalejo. San Pedro Garza García. NL México CP 66254	
102-4	Location of operations	We operate in 18 countries, listed in "Our History".	05
102-5	Ownership and legal form	Sigma Alimentos, S.A. de C.V., is a global food company that belongs to Grupo Alfa.	
102-6	Markets served	Modern, traditional and foodservice.	04
102-7	Scale of the organization		

Total number of employees	45,150
Number of operations	70 production facilities, 208 distribution centers and +642,000 points of sale.
Net sales	US$6.3 billion
Total capitalization broken down in terms of debt and equity	Sigma does not publish this information due to internal use restrictions.
Quantity of products or services provided	More than 100 brands and 1.8 million tons of food sold.

102-8 Information on employees and other workers

	Men	Women	Total
Permanent	27,116	17,695	44,811
Temporary	252	87	339
Total	27,368	17,782	45,150

	Mexico	LATAM	Europe	US	Total
Permanent	27,751	5,949	8,168	2,943	44,811
Temporary	265	74	0	0	339
Total	28,016	6,023	8,168	2,943	45,150

	Men	Women	Total
Full-time	27,348	17,058	44,406
Part-time	21	723	744
Total	27,369	17,781	45,150

A vast portion of the organization's activities are performed by Sigma's employees; the only exceptions are people who work for the organization as part of an outsourcing framework. At Sigma, there are no significant variations in the number of employees by employment contracts, neither by gender nor by region. This data was obtained through the company's headcount system.

Universal Standards		Answer/Omission	Page/Link
102-9	Supply chain	Based on our Global Supply policy we assess and select suppliers, who comply with our quality standards. Our goal is to establish long-term, collaborative and mutually beneficial relationships, encouraging development in our suppliers. We achieve this through communication with our direct suppliers.	08
102-10	Significant changes to the organization and its supply chain	There were no significant changes in Sigma during 2018.	
102-11	Precautionary Principle	As part of ALFA, Sigma applies the Precautionary Principle.	
102-12	External initiatives	We are members of more than 110 associations including WBCSD.	29
102-13	Membership of associations	In addition to belonging more than 110 associations, we show our leadership by being board members in certain associations.	29
2. Strategy			
102-14	Statement from senior decisionmaker	We aim to increase our positive impact on the environment, communities and stakeholders. We are convinced that our business growth is directly linked to a sustainable development across our value chain.	03
3. Ethics and Integrity			
102-16	Values, principles, standards and norms of behavior	Our purpose is to bring communities everywhere favorite foods to love, and it is supported by our five principles: delight our consumers, innovate together, deliver with integrity, lead to inspire and foster wellbeing.	
4. Governance			
102-18	Governance structure	Sigma Alimentos, S.A. de C.V., is a global food company member of Alfa Group. Link to: www.alfa.com.mx / sigma-alimentos.com	
5. Stakeholder engagement			
102-40	List of stakeholders	Shareholders, employees, consumers, customers, suppliers, community, authorities, associations and NGOs. Our stakeholders are selected based on our materiality analysis.	29
102-41	Collective bargaining agreements	20% of Sigma Mexico's employees and 4% of LATAM's are covered by collective bargaining agreements. Given confidentiality constraints, the corresponding percentages for USA and Europe are not reported.	
102-42	Identifying and selecting stakeholders	Stakeholders are identified and selected through different assessment processes, relying on the materiality analysis.	
102-43	Approach to stakeholder engagement	We have open communication channels that serve a double purpose: They help us keep our stakeholders informed and they allow us to listen to their opinions concerning economic, social and environmental issues.	29
102-44	Key topics and concerns raised	Our materiality analysis allowed us to identify the issues of relevance for Sigma and for the industry.	06
6. Reporting Practice			
102-45	Entities included in the consolidated financial statements	All of our organizational units are included in our financial reports.	
102-46	Defining the report's content and its topics	We carried out a materiality analysis taking into account stakeholders in our business. Additionally, we also studied the relevance for Sigma in these matters, by conducting surveys in all our organizational units.	
102-47	List of material topics	In 2017 we carried out a materiality analysis in collaboration with Positive Sum Strategies. Results are described in the section entitled Sustainability Approach.	06

Universal Standards		Answer/Omission	Page/Link
102-48	Restatement of information	This is Sigma's third Global Report. Although the base year is 2015, most comparisons are with 2016, unless otherwise specified.	
102-49	Changes in reporting	For the Environment dimension, the values reported cannot be compared directly to the 2016 Sustainability Report given that this year we are including more plants, for which we have no previous information.	
102-50	Reporting period	January 1st to December 31st 2018	
102-51	Date of most recent report	2017	
102-52	Reporting cycle	Annual	
102-53	Contact point for questions regarding the report	For questions, comments, or suggestions please contact us at: sustainability@sigma-alimentos.com	
102-54	Claims of reporting in accordance with the GRI Standards	For this Report, we followed the methodology of the GRI Standards under the Core option, as described in the section entitled About this Report.	02
102-56	External assurance	There's no external assurance process, however, this document was checked and edited by PSS, a consulting firm specialized in sustainability.	

MATERIAL TOPICS

1. Food quality and safety

GRI 103	Management Approach 2018		
103-1	Explanation of the material topic and its Boundary	We operate under a Global Quality Policy, in which we mention that we are committed to guarantee the best food products for our clients and consumers, through an excellent execution, ensuring quality and safety, efficient operations, sustainable practices and engaged people.	
103-2	The management approach and its components		
103-3	Evaluation of the management approach		21

GRI 416	Customer Health and Safety 2017		
416-1	Assessment of the health and safety impacts of product and service categories	100%	

2. Healthy and nutritious food

GRI 103	Management Approach 2018		
103-1	Explanation of the material topic and its Boundary	We operate under a Global Sustainability Policy whose goal is to promote a healthier diet and lifestyle by offering the innovative, safe, and high-quality products that our consumers prefer.	
103-2	The management approach and its components		
103-3	Evaluation of the management approach		24

3. Economic performance and value creation

GRI 103	Management Approach 2018		
103-1	Explanation of the material topic and its Boundary	Our purpose is driven by the merge of our business goals and the wishes and interests of the communities in which we operate. AAt Sigma we set employee-specific objectives which are based on our financial guidance. We measure and monitor these variables over the course of the year, striving to meet both financial and individual goals. We share our growth and accomplishments on a quarterly basis by publishing our financial results on our website http://www.sigma-alimentos.com/financial-information/	
103-2	The management approach and its components		
103-3	Evaluation of the management approach		25

GRI 201	Economic Performance 2017		
201-1	Direct economic value generated and distributed	http://www.sigma-alimentos.com/financial-information/	
201-4	Financial assistance received from government	None of our organizational units receives any financial assistance from the government.	

4. Customer satisfaction and consumer choices

GRI 103	Management Approach 2018		
103-1	Explanation of the material topic and its Boundary	We operate under a Global Quality Policy, in which we establish guidelines and ensure our general model for customer and consumer service. Our value offer to consumers is to indulge them with superior experiences through nutritious, safe and innovative products, which can be found in different points of sale. We take the necessary measures to open communication channels that allow us to better understand their needs, concerns and suggestions and also to inform them of the benefits of our products, services and programs.	
103-2	The management approach and its components		
103-3	Evaluation of the management approach		24,28

5. Culture and work environment

GRI 103	Management Approach 2018		
103-1	Explanation of the material topic and its Boundary	One of our strategic goals is to integrate all of our operations under the same culture. In order to achieve this, we have initiated a culture journey that will allow us to measure, design and live a common corporate culture that will enhance our business strategies. The journey consists of different phases aimed at measuring the actual culture, defining the desired culture, identifying gaps and designing key actions to reduce them. In addition, we operate under a Global Sustainability Policy: We ensure working conditions that promote a professional growth, engagement, work-life balance and active participation in communities.	
103-2	The management approach and its components		
103-3	Evaluation of the management approach		16

GRI 402	Labor/Management Relations 2017		
402-1	Minimum notice periods regarding operational changes	Sigma gives at least a two-week notice for employees and their representatives prior to the implementation of changes in salaries, benefits and organizational changes.	

GRI 407	Freedom of Association and Collective Bargaining 2017		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	There are no registered cases in which the operations and suppliers risk or deny the employee's freedom of association or collective bargaining. At Sigma, employees are allowed to select the association or collective bargaining of their choice, and are free to elect new leaders at the assemblies held every two years.	

6. Occupational health and safety

GRI 103	Management Approach 2018		
103-1	Explanation of the material topic and its Boundary	We are responsible for providing working conditions that improve the life quality of our employees. At our operating sites, we promote physical and mental health, while working day in and out to reach our zero-accidents goal. We grant training courses on accident prevention, closely oversee our processes' safety and equip our facilities with industrial safety technologies. We also have a staff of specialists who offer medical attention at our operation sites.	
103-2	The management approach and its components		
103-3	Evaluation of the management approach		19

GRI 403	Occupational Health and Safety 2018		
403-2	Types of injury and rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities	Confidentiality constraints: Sigma does not publish this information due to confidentiality restrictions.	
403-3	Workers with high incidence or high risk of diseases related to their occupation	Our operations present no high incidence or high risk of diseases to their operation.	

7. Compliance (business ethics, transparency, anti-competitive behaviour, anti-corruption)

GRI 103	Management Approach 2018		
103-1	Explanation of the material topic and its Boundary	We are in compliance with the local and national regulations in each of the countries where we operate. We also have codes of ethics in all of our sites worldwide that promote principles of transparency, legality, avoiding conflicts of interest, responsible use of resources, information management, fair and honest competition, supplier relations and impartiality, among others.	
103-2	The management approach and its components		
103-3	Evaluation of the management approach		28

GRI 205	Anti-corruption 2018		
205-1	Operations assessed for risks related to corruption	We follow up on 100% of corruption-related cases that are reported to any company executive or the Human Resources department or that are delivered through the Transparency Mailbox.	

GRI 206	Anti-competitive Behavior 2018		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Confidentiality constraints: Sigma does not publish this information due to confidentiality restrictions.	

GRI 307	Environmental Compliance 2018		
307-1	Non-compliance with environmental laws and regulations	Confidentiality constraints: Sigma does not publish this information due to confidentiality restrictions.	

GRI419	Socioeconomic Compliance 2018		
419-1	Non-compliance with laws and regulations in the social and economic area	Confidentiality constraints: Sigma does not publish this information due to confidentiality restrictions.	

8. Water (management, availability and efficiency)

GRI 103	Management Approach 2018		
103-1	Explanation of the material topic and its Boundary	Besides being an ingredient in our food products, we also use water it in the majority of our processes, from cleanup and sanitation, to steam generation and condensers. This is why we work nonstop to optimize water consumption and support its conservation. We place particular attention on this resource in each step of our production process, managing its use correctly in the following aspects: supply, eco-efficiency, treatment.	
103-2	The management approach and its components		
103-3	Evaluation of the management approach		13

GRI 303	Water 2018	
307-1	Water withdrawal by source	

Source	m^3
Surface water (wetlands, rivers, lakes and oceans)	0
Groundwater	2,210,526
Rainwater	0
Third-party Supplier	161,604
Municipal water supply	10,136,731
Total	12.508,861

The present information was obtained from monthly reports made by our plants. In cases for which there was no exact information, the results were estimated.

9. Water (treatment and discharge)

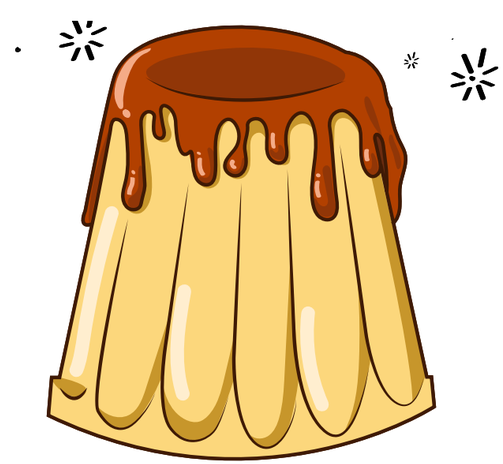
GRI 103	Management Approach 2018		
103-1	Explanation of the material topic and its Boundary	We develop projects to ensure that our water complies with the required quality conditions for use, discharge, reuse or for other purposes. We measure the quality of the water we discharge and make sure it complies with the applicable regulation.	
103-2	The management approach and its components		
103-3	Evaluation of the management approach		13

GRI 306	Effluents and Waste 2018		
306-5	Water bodies affected by water discharges and/or runoff	There were no registered water bodies affected by discharges and/or runoff, due to Sigma's activities.	

10. Energy (management and efficiency)

GRI 103	Management Approach 2018		
103-1	Explanation of the material topic and its Boundary	Our Environmental Policy's objective is to establish mechanisms to use our resources efficiently. Across our operations, we have developed performance indicators that help us to establish and comply with our short and long-term reduction and consumption goals. At our operational sites, we carry out periodic technical assessments to identify areas for improvement and establish action plans.	
103-2	The management approach and its components		
103-3	Evaluation of the management approach		11, 14

GRI 302	Energy 2018	
306-5	Energy consumption within the organization	



Total fuel consumption within the organization from non-renewable sources		
Diesel	1,249,012	Includes fuel from operating facilities as well as transport.
Fuel Oil H.V.	457,331	
Gasoline	112,709	
LP Gas	175,684	
Natural Gas	2,845,656	

Total fuel consumption within the organization from renewable sources		
Renewable sources	444,027	75 sites with wind power

Energy consumed and sold		
Electricity consumption	2,598,041	Sigma does not report its consumption from heating, cooling or steam. Sigma does not sell electricity, heating, cooling or steam.
Heating consumption	0	
Cooling consumption	0	
Steam consumption	0	
Electricity sold	0	
Heating sold	0	
Cooling sold	0	
Steam sold	0	

Total energy consumption within the organization (GJ)	7,438,434

		The data was obtained directly from the operating facilities as well as our organizational units. The Greenhouse Gas Protocol was used as the source for the conversion factors needed throughout the previous calculations.
302-3	Energy intensity	Energy intensity ratio for the organization (GJ/ton of food): 4.05 The energy intensity was calculated based on the annual production and includes fuel and electric energy within the organization, both production and distribution of the products.
302-4	Reduction of energy consumption	We reduced our diesel, fuel oil and gasoline consumption across our production sites and distribution.

11. Value chain management (suppliers)

GRI 103	Management Approach 2018	
103-1	Explanation of the material topic and its Boundary	It is very important for us to select and develop suppliers with whom we can work as a team in order to create sustainable, mutually beneficial, long-term relationships. We operate under a Global Supply Policy, with outlines the criteria for supplier selection. In addition, we have an internal Supplier Certification program through which we carry out technical assessments in order to find areas for improvement in safety, efficiency and profitability. 27
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
GRI 308	Supplier Environmental Assessment 2018	
308-1	New suppliers that were screened using environmental criteria	We are currently working on incorporating environmental criteria in order to evaluate suppliers with a survey and a code.
308-2	Negative environmental impacts in the supply chain and actions taken	We are currently incorporating a questionnaire for suppliers to assess environmental issues. For now, its purpose is simply to know where our value chain is, so in the future we can develop projects.
GRI 414	Supplier Social Assessment 2017	
414-1	New suppliers that were screened using social criteria	We are currently working on incorporating social criteria in order to evaluate suppliers with a survey and a code.
414-2	Negative social impacts in the supply chain and actions taken	We are currently incorporating a questionnaire for suppliers to assess social issues. For now, its purpose is simply to know where our value chain is, so in the future we can develop projects.

12. Value chain management (clients)

GRI 103	Management Approach 2018	
103-1	Explanation of the material topic and its Boundary	We are aware that exceeding customer and consumer expectations is essential to achieve commercial results that guarantee all the previous work of the productive chain. We take the necessary measures to open communication channels that allow us to better understand their needs, concerns and suggestions and also to inform them of the benefits of our products, services and programs. The evaluation is done through the communication channels, with the concerns and suggestions our customers raise. 28
103-2	The management approach and its components	
103-3	Evaluation of the management approach	

13. Air emissions

GRI 103	Management Approach 2018	
103-1	Explanation of the material topic and its Boundary	At Sigma, we are convinced that implementing initiatives that contribute to limiting greenhouse gas emissions is a shared responsibility. We focus on finding alternative sources of energy that help us minimize our carbon footprint. In this task, we have several options, including cogeneration of electricity, wind, biomass, solar power and ecological gases, as well as hybrid vehicles. By monitoring our emissions and adopting new technologies, we have been able to progressively mitigate CO_2e emissions. 11
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
GRI 305	Emissions 2018	
305-1	Direct (Scope 1) GHG emissions	Gross direct (Scope 1) GHG emissions (ton CO_2e) = 308,077 The data was obtained directly from operating facilities and transport.
305-2	Energy indirect (Scope 2) GHG emissions	Gross indirect (Scope 2) GHG emissions (ton CO2e) = 197,243 The data was obtained directly from operating facilities.
305-4	GHG emissions intensity	GHG emission intensity ratio for the organization (GJ/tons of food): 0.275 The GHG emission intensity was calculated based on the annual production and includes all emissions within the organization, both production and distribution of the products, within direct and indirect energy emissions.
305-5	Reduction of GHG emissions	We managed to reduce 4,500 tons of CO_2e versus 2017, reducing our emission intensity by 3%. Likewise, we avoided the emissions of 90,700 tons of carbon dioxide. The latter are direct emissions that were avoided through cleaner energy implementations (wind, cogeneration, biomass), compared to the emissions that the company would have had if it had bought the energy from the national grid.

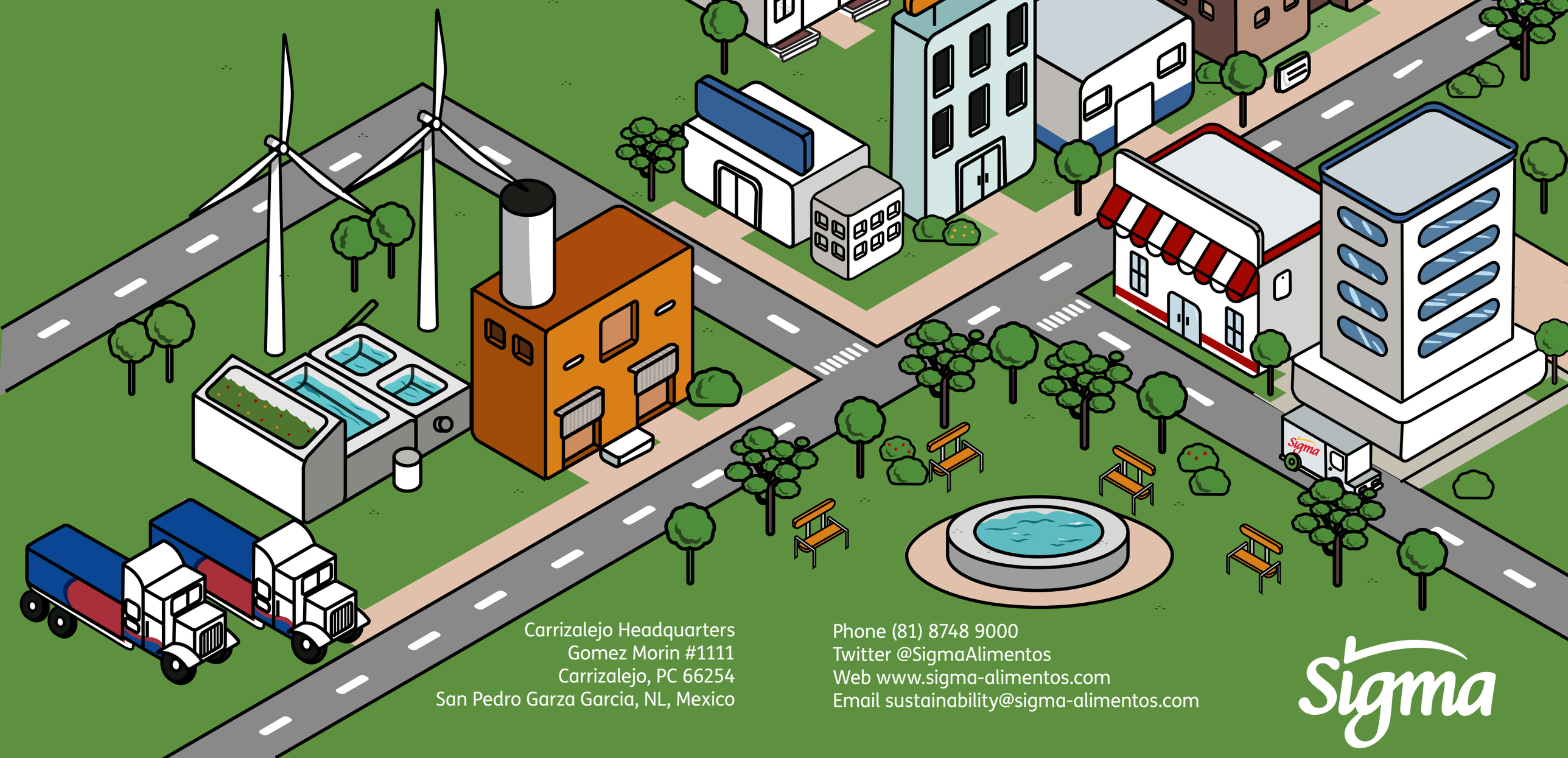
14. Waste

GRI 103	Management Approach 2018	
103-1	Explanation of the material topic and its Boundary	We believe an effective waste management strategy must have its main focus on minimizing waste from its origin, separating it at our facilities and maximizing recycling prior to final disposal. For more than 10 years, at Sigma we have invested in packaging research and innovation, working as a team with suppliers and renowned universities in several countries to develop dozens of patents and industrial designs. We evaluate the results of the waste reduction initiatives by comparing the amount of waste generated to previous years. 12
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
GRI 305	Effluents and Waste 2018	
305-1	Significant spills	There were no significant spills registered.

15. Local community engagement and volunteering

GRI 103	Management Approach 2018	
103-1	Explanation of the material topic and its Boundary	At Sigma, we train our employees to become agents of change who actively participate in the development of the communities at all our operating sites. We focus our social development efforts on carrying out community works, such as in-kind donations, reforestation, maintenance and infrastructure works at parks and schools, visits to foster homes and aiding our employees in case of natural disasters, to name a few. 18
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
GRI 413	Local Communities 2018	
413-2	Operations with significant actual and potential negative impacts on local communities	None of our operations are known to have negative impacts on local communities.

AWARDS AND CERTIFICATIONS



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