

SUSTAINABILITY REPORT 2019





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About Sigma

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

Our Culture

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

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

We have a track record of successful mergers and acquisitions, which have been vital in executing significant synergies. Our global presence allows us to share best practices in our operations and optimize our productivity levels and distribution platforms.

We are Sigma


Sigma Alimentos, S.A. de C.V., is part of Grupo ALFA. Since 1980, we have been incorporating the best of every company that becomes part of Sigma to deliver to our consumers their favorite food products. Working as one company and one team with a common culture, we now have more than 45,000 employees in 18 countries and sell more than 1.8 million tons of food annually.


Our Principles

 **Delight our consumers**
We improve our consumers' daily lives by creating and serving favorite foods they love.

 **Innovate together**
We explore and learn to generate new opportunities for value creation.

 **Deliver with integrity**
We deliver results with ethics and outstanding execution.

 **Lead to inspire**
We lead by example, inspiring and motivating others to maximize their potential.


 **Foster wellbeing**
We promote quality of life by taking care of our people and communities.



MESSAGE FROM THE CEO



Nutrition, Shared Value, Wellbeing, and Environment. This event also offered an ideal platform for dialogue among all employees and an opportunity to share ideas on future initiatives to achieve our goals.

 To advance the Health & Nutrition pillar, we presented the new Sigma Innovation Model, designed to bring together under a common language the know-how and expertise we have developed in every geography, enabling us to inspire the ingenuity of our employees. To respond effectively to market trends and enhance our growth and sustainable product portfolio, this year alone we launched more than 100 products in the Health & Nutrition category. Furthermore, we organized the first edition of Tastech by Sigma, our global program that aims to find innovative and disruptive startups and scaleups worldwide working on new food technologies, food products of the future, and disruptive business models for our industry.


 At Sigma, we foster Shared Value across our value chain. Throughout the year, we worked with our suppliers to build partnerships that promote our mutual sustainable development. Based on our Supplier Development Program, we have encouraged and supported more than 85% of our suppliers in Mexico to participate in the Global Food Safety Initiative (GFSI). In our communities, we have embraced global

In 2019, we established new sustainability ambitions for our company. We launched our 2025 Sustainability Goals, which resulted from a collaborative process from all of our geographies and the alignment of our initiatives with the UN Sustainable Development Goals framework. Through our goals, we commit to continue working to create greater value for the communities where we operate, optimize the use of resources, improve the quality of life of our employees, and promote healthy lifestyles.

During our second Global Sustainability Forum, we shared the results, progress, and challenges of the four action pillars included in our Sustainability Strategy: Health &

efforts to eradicate hunger through our food donations programs. In October 2019, as part of World Food Day, we carried out our first-ever Sigma international volunteer day, which saw more than 600 employees in 10 countries engaged in collecting and delivering food to numerous associations. Since 2015 we have donated a cumulative total of more than 90 million food portions through associations and food banks.

 At Sigma, we are a global and diverse team. As the Wellbeing of our employees is key to our company's success, we foster continuous learning to promote personal growth while also preparing our employees to implement our business strategy successfully. In 2019, we provided 890,000 training hours globally. We also emphasize the importance of keeping a healthy and sustainable lifestyle that helps enhance the quality of life. In 2019, we improved our occupational safety performance indicators in 80% of the countries where we operate and registered a 14% annual reduction in our accident rate.

 To promote sustainable growth for our business, we continually monitor Environmental performance at our operations and generate new eco-efficiency projects. From our 2015 baseline, we have achieved a 12% reduction in our CO2 emissions per ton produced. Furthermore, over the year, we worked hard to develop new packaging solutions that strengthen a circular economy.

In Belgium, our Aoste brand launched packaging that substitutes 60% of plastic with sustainable cardboard. In Spain, we are the first company in the food sector to receive the ECOSENSE certificate for using recycled PET to produce pizza trays. We avoided using over 4,700 tons of virgin plastic in 2019 by including recyclable materials in our packaging while ensuring the safety of our products. Additionally, in our commitment to further our care for the environment beyond our operations, in Mexico, we joined ECOCE, a non-profit association established by the consumer products industry that promotes the adequate coprocessing of bottle and packaging waste.

I wish to thank all our employees for their dedication and effort. Our achievements are a testament to our company values. We are fully aware that, to achieve our goals, we need to partner with all our stakeholders. Only then will we continue building a Sigma that creates sustainable long-term value.

I invite you all to read our 2019 Sustainability Report and to share with us your comments and feedback as to how we can continue together building a better world.

Sincerely,

Rodrigo Fernández Martínez
CEO Sigma

Interactive Menu





COMPANY PROFILE

Product categories:

Cooked meats, dry meats, dairy products, among others

Clients

Modern: Supermarkets and convenience stores.

Traditional: Retailers (mom & pop stores, corner shops, and mid-wholesalers) and specialty markets (wholesalers, retailers, and distributors).

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

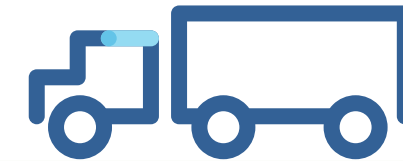


+7,900 Vehicles

+100 Countries reached by our products

18 Countries with Sigma operations

11 Brands with net sales > US\$100 million



2 Research centers

70 Manufacturing facilities

210 Distribution centers



1.8 million tons of food sold



+640,000 Points of sale

US\$6.5 billion in net sales



+45,000 Employees

+60 Nationalities



Interactive Menu



OUR HISTORY

Operations in 18 countries:

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

- Mergers and acquisitions
- Commercial agreements
- Organic growth



SUSTAINABILITY FOCUS

Sigma Sustainability Community

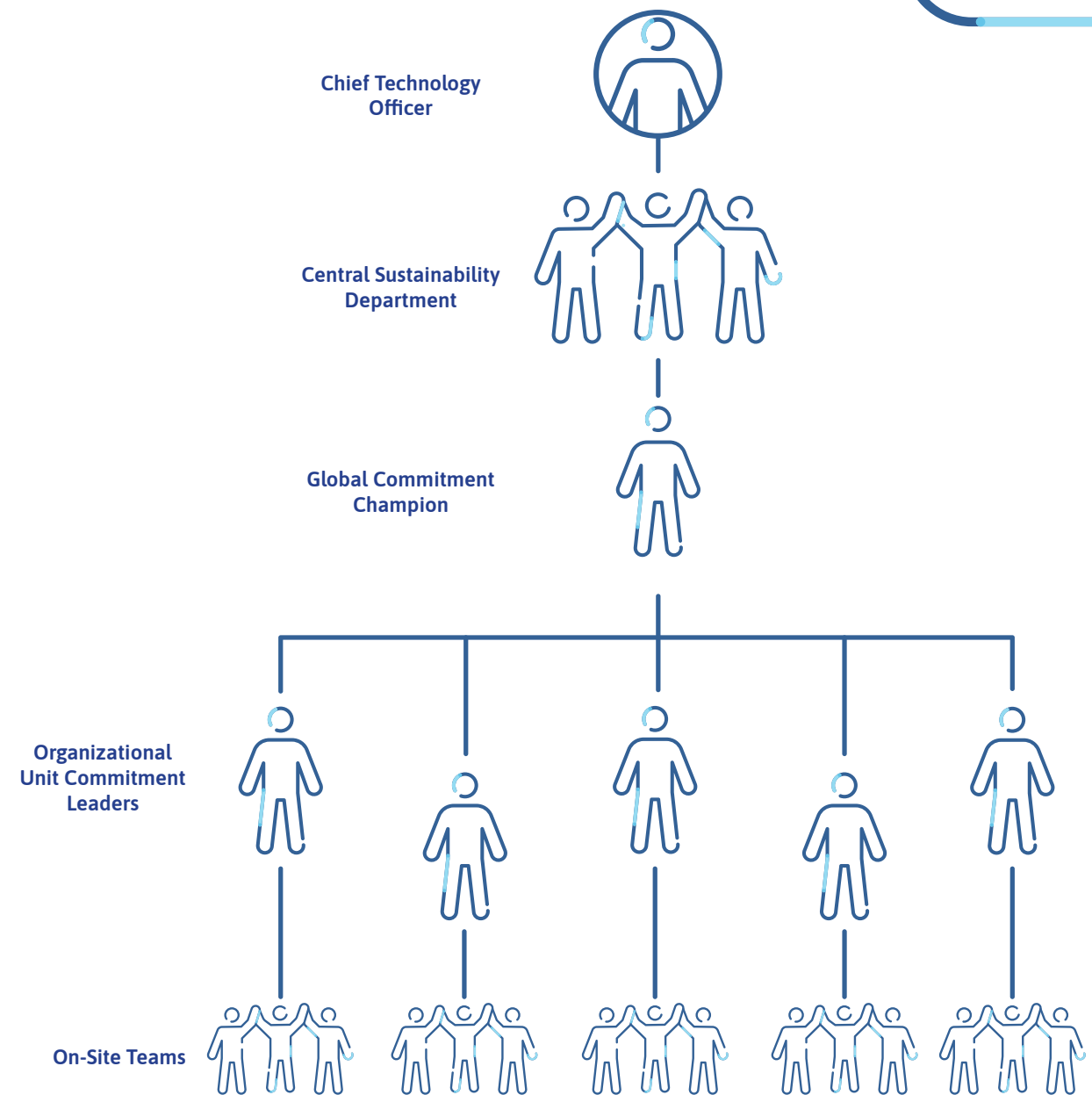
Created in 2018, the Sigma Sustainability Community includes a multidisciplinary team of more than 160 experts and employees from our Headquarters and all our Organizational Units.

It is led by our Chief Technology Officer, who is a member of Sigma's Executive Committee. His role is to encourage a sustainability culture across the company and to support initiatives that help us achieve our goals.

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

The Sigma Sustainability Community is responsible for managing the 2025 Goals. A team of Global Champions, a group of highly experienced executives, oversees implementing the Sustainability Strategy and achieving our 2025 Goals. Each Champion works with leaders in our Organizational Unit who are responsible for deploying initiatives locally with their teams, so everyone contributes to achieving our goals.

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



Everyone's participation matters

In 2019 we carried out our second Global Sustainability Forum, where employees from all our geographies participated to learn how they can contribute to achieving Sigma's sustainability goals. Also, we launched the second Sustainability Challenge to create awareness among our employees and their families, enhance our culture of sustainability, and proactively adopt the UN Sustainable Development Goals at all our Organizational Units.

Interactive Menu



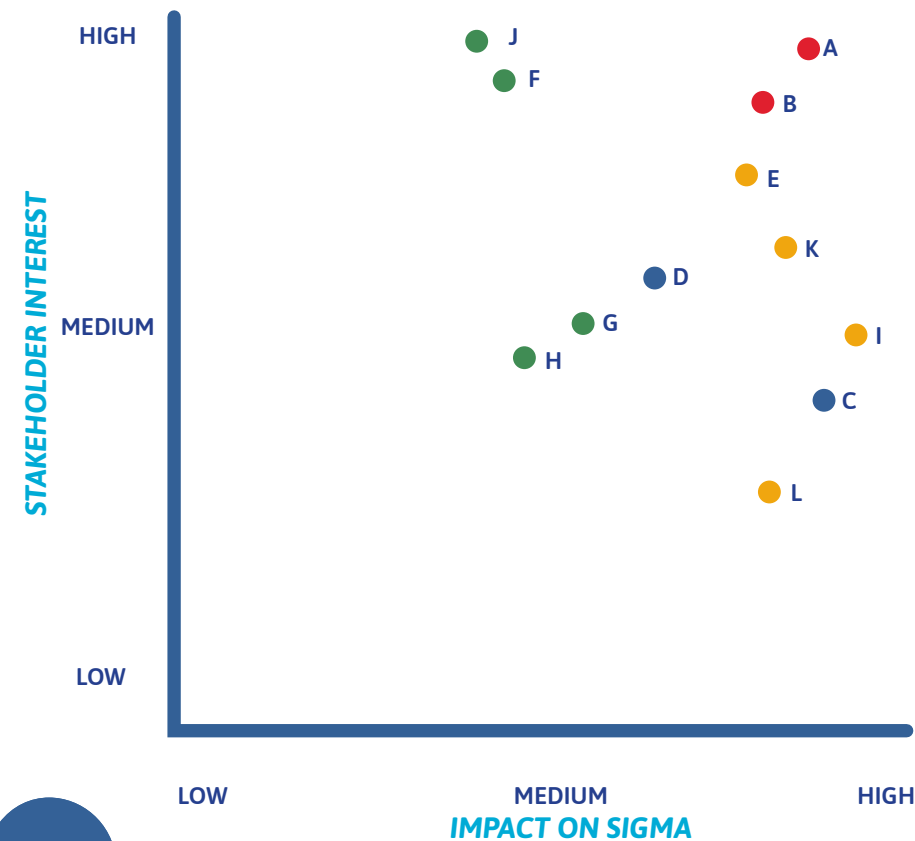
Materiality Analysis

In 2017 we carried out a materiality analysis that enabled us to identify the most relevant issues for our company based on our business priorities and those of our stakeholders.

The materiality analysis was an essential input for the company's Sustainability Strategy, as well as for defining our 2025 Goals.

Identifying our priority challenges enables us to balance our vision, manage our Sustainability Strategy effectively, and build long-term relationships with our stakeholders based on an open dialogue about our achievements and challenges.

Materiality Matrix



Materiality Aspects

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



Sustainability Strategy

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

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

Our pillars:



Health & Nutrition

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



Shared Value

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



Wellbeing

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



Environment

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



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





Our 2025 Sustainability Goals

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

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

Our 2025 Goals are the road map to focus on the initiatives that add greater value to our organization and our stakeholders, which is an essential element for our Sustainability Strategy. We know that by having well-defined goals, we will be able to have a positive impact on the way we manage and plan our growth.



Committed to sustainability



2.8% of our global sales to come from our Health & Nutrition and Trust & Sustainability portfolios.



More than 90% of our global portfolio of packaged foods displays a nutrition facts label.



100% of our plants acquired until 2018, GFSI certified.



22% reduction in the accident rate in our operations compared to 2018.



11% increase in the average number of training hours per employee compared to 2018.



10% of employees contributing to volunteering initiatives.



Become an increasingly more inclusive company.



Donate +25,000 tons of food through hunger relief organizations, dating from 2015.



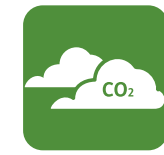
Promote that 80% of our meat, soy, and dairy purchases get sourced from suppliers that are working to strengthen their sustainability practices.



Create and strengthen productive relations with our stakeholders.



20% reduction in water consumption in our plants per ton of food produced, compared to 2018.



20% reduction in CO2 emissions on our plants and transportation fleet, per ton of food produced, compared to the 2015 baseline.



67% of the electricity used in our operations sourced from cleaner and renewable energy sources.





HEALTH & NUTRITION

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



Nutrition website

with valuable information available for our stakeholders

Initiatives in this pillar contribute to the following SDGs: Zero Hunger, Good Health and Wellbeing, Industry, Innovation, and Infrastructure.



8 pilot startups

in the first edition of Tastech by Sigma



US\$22 million

invested in research & development and more than 200 scientists engaged in product innovation

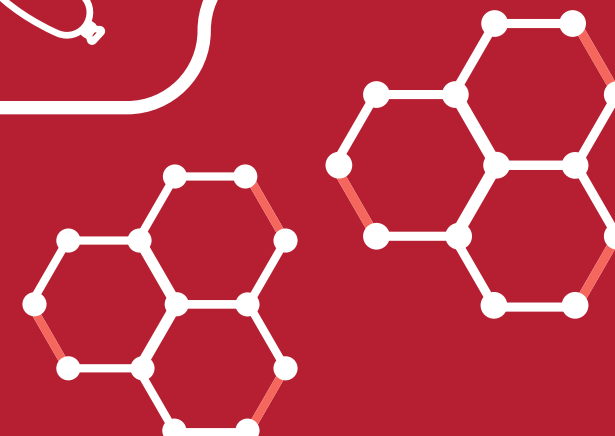
59 plants

with GFSI certification



23% reduction

in food waste in Foodservice



+120 products

launched in the Health & Nutrition and Trust & Sustainability platforms



Innovation is the key to achieving our purpose

We are committed to improving consumers' quality of life and nutrition knowledge, as well as helping address society's challenges related to healthy eating and following a balanced diet. We work to fulfill this pledge by offering the communities where we are present their favorite foods, complying with the highest quality standards, and providing comprehensive information that allows consumers to maintain a healthy diet.

Our extensive product portfolio meets the needs and nutritional requirements of families as well as organizations that prepare meals for the final consumer. To innovate with purpose, we rely on market research, forums, and on consumer satisfaction studies to deliver enhanced products that respond to consumer preferences and new trends in nutrition. This way, we continually

address evolving market preferences, and, in addition to offering products in our Indulgent category, we make sure to develop formulas that provide improved nutritional benefits.

With a team of more than 200 specialists, two research centers, and six pilot plants, we offer comprehensive services to our Organizational Units for the development of new products, including sensory analysis, research on nutrition, and packaging development.

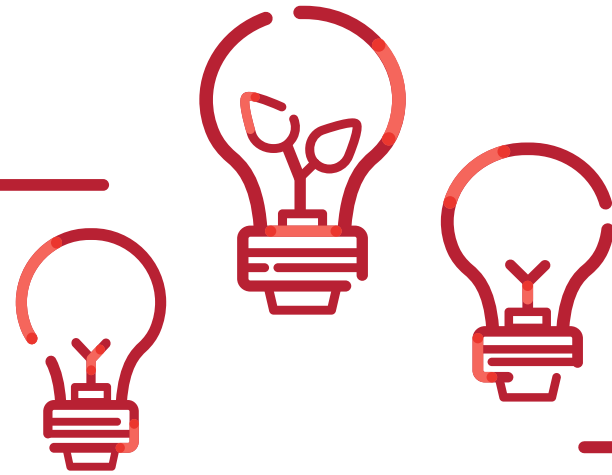
Our Innovation Policy helps us capitalize on opportunities to serve new markets. In addition to facilitating tools to monitor trends, the policy contributes to aligning methodologies across the organization and promoting synergies and the exchange of best practices between our Organizational Units.



Innovation across our organization allows us to achieve our purpose: To bring communities everywhere favorite foods to love.



HEALTH & NUTRITION



New Sigma Innovation Model

Innovation keeps our brands on the minds of consumers and enables us to ensure our growth and the creation of long-term value for our stakeholders.

In 2019 we launched our Innovation Model, designed to encourage the ingenuity of our employees, create spaces for the exchange and discussion of ideas, and share know-how, expertise, and lessons learned in each of our geographies. The Model provides a common language as well as standardized processes and metrics to ensure that we can work as one Sigma during our innovation process. Our goal is to leverage our collective talent and the advantages of being a global company to benefit our clients and consumers.

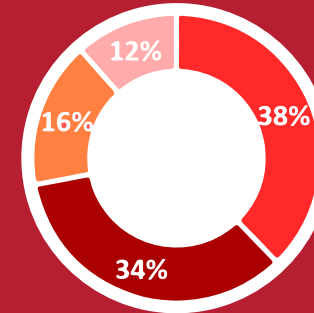
The new Model is composed of five Innovation Platforms, developed to respond effectively to market trends and leverage the positioning of our brands to drive the company's growth. Within the scope of our 2025 Goals, our aim is that the Health & Nutrition and Trust & Sustainability product portfolios will account for 2.8% of our total global sales.

Sigma Innovation Platforms

-  **Health & Nutrition:** Promotes the wellbeing of consumers.
-  **Trust & Sustainability:** Creates environmentally friendly products.
-  **Indulgence:** Offers an exceptional the-pleasure-of-eating experience.
-  **Heritage:** Celebrates cultural identity and nostalgia.
-  **Convenience:** Meets the nutritional requirements for specific situations.

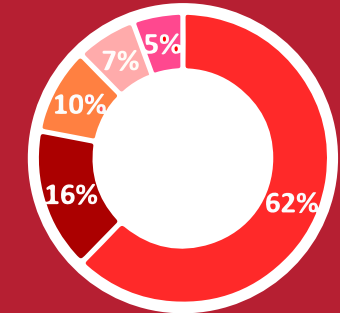
More than 500 products launched in 2019

Launches by Organizational Unit



- LatAm
- Europe
- Mexico
- United States

Launches by Product Category



- Dry and cooked meats
- Yogurt
- Cheese, cream, and spreads
- Prepared meals and beverages
- Alternative proteins

2025

SUSTAINABILITY
COMMITMENTS

2025 Commitment:
2.8% of our global sales to come from our Health & Nutrition and Trust & Sustainability portfolios.

Outstanding Health & Nutrition launches in 2019



Lactose-free cream cheese
Monteverde
LATAM



Yoplait Max Protein
MX



Vegetarian Burger Campofrío
EUR



All Natural Appetaggio's
Fiorucci
USA

Interactive Menu



Opportunities to revolutionize our industry

Tastech by Sigma is the first acceleration program launched by Sigma globally to strategically collaborate with high-impact startups and scaleups in the food and beverages sector, and to spur innovation on three critical elements for our industry:

1. Amazing Tech

Automation technologies in crucial processes such as client service, distribution, traceability, understanding the consumer based on big data, and raw materials cost forecasts.

2. Future Food

Development of foods and ingredients that strengthen the company's product portfolio, addressing the challenges and trends of the coming years.

3. New Opportunities

New business models and opportunities in terms of production, distribution networks, logistics, and marketing, among others.

In response to a call for startup pitches, we received more than 120 applications, out of which 12 were selected to present their value proposition to the Sigma executive committee. The eight finalists moved on to a four-month pilot testing phase, during which they received financial support and access to Sigma's worldwide infrastructure as well as mentoring by company executives.



First edition of Tastech by Sigma
+20 countries
+120 applications
8 startups in the pilot phase

For more information and to participate in future editions of Tastech by Sigma, visit:
www.tastechbysigma.com

Interactive Menu





Providing consumers with clear and transparent nutritional information

We know consumers want to be informed and prepared when they make decisions about the food they buy. Several countries where we operate are promoting changes to food industry labeling systems to address this consumer demand for more information.

To promote a preference for our brands, we continuously work to enhance nutrition facts on the labels of our products. Our communication is aligned with local legislation, empowering consumers to quickly understand the ingredients and nutritional value of the food products we offer. Likewise, we work as one Sigma to leverage the know-how and expertise of our global network of specialists in different fields.

Our 2025 Goal is to offer nutrition facts on our packaged products at every Organizational Unit where it is not yet required. This effort will help us get ahead of local regulation, with more than

90% of our global packaged food portfolio providing nutrition facts on its packaging. At year-end 2019, 64% of our portfolio that does not require labeling had this information.

Compliance with regulation

Through our Nutrition Policy, we seek to ensure, in each country where we operate, compliance with and adaptation to the regulations regarding nutrition facts on product labels, as well as adherence to international codes in locations that do not have labeling guidelines. We also proactively participate in the innovation process of labeling systems, committing to contribute our experience to offer quality information to consumers across our industry.



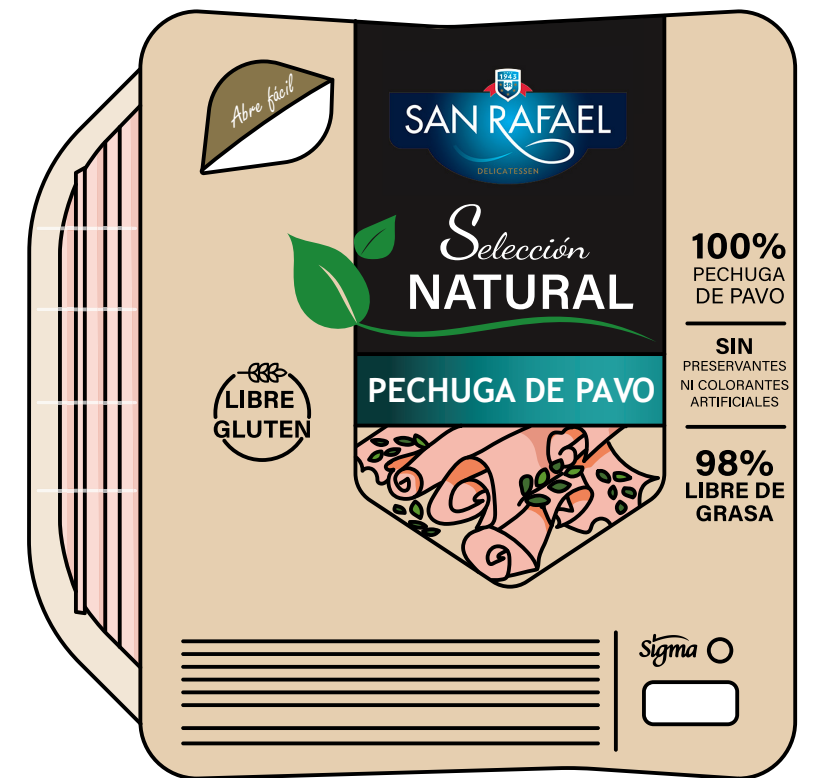
NUTRITION FACTS	
Nutritional declaration 100g	
Calories	88kcal (371k J)
Protein	17.9 g
Fats (lipides)	0.8 g
Saturates fats	0.3 g
Carbohydrates	2.2 g
Sugar	1.7 g
Dietary fiber	0.4 g
Sodium	800 g

Nutrition website

During 2019 we developed a section on our Sigma corporate website, which includes recipes, nutrition guidelines, infographics on relevant issues, and a tool to establish a balanced diet plan, among other content promoting a healthy lifestyle.

Visit this site at:

<https://nutrition.sigma-alimentos.com/en/about-us/>



San Rafael Selección Natural, LATAM

2025
SUSTAINABILITY
COMMITMENTS

2025 Commitment:
More than 90% of our global portfolio of packaged foods displays a nutrition facts label.

Interactive Menu



Committed to education on nutrition

At Sigma, we make every effort to build a close relationship with our clients and consumers through innovative nutrition-related communications and education tools.

To reach more people with relevant information, we launched a new section on our Sigma corporate website focused on promoting a balanced diet. With this tool, which is available in both English and Spanish, consumers can discover delicious, nutritional, and easy-to-make recipes, gain access to a health calculator, build a personalized diet plan, learn about the portions system, and obtain recommendations on healthy lifestyles. To get to know our new nutrition website, go to <https://nutrition.sigma-alimentos.com/en/about-us/>

Nutrition facts



We are continually creating and employing new spaces where we can interact with consumers and present the nutritional benefits of our products. For example, in 2019 we participated in the first edition of the Mexico Get Well campaign led by The Consumer Goods Forum. With the collaboration of our nutrition experts, our participation focused on inviting consumers to learn about the importance of using nutrition facts to make informed diet decisions and to understand the role of each food group within a balanced diet.

To receive more information on our products, consumers can contact our Customer Service Centers. In Mexico, we responded to more than 60,000 consumer questions in 2019 through our call center, email, and social networks.

Recipes to Remember

In Spain, we launched our book “Recetas para no olvidar” (Recipes to Remember) to use the cooking of traditional cuisine to foster the autonomy of older adults with a neurodegenerative disorder. In addition to distributing the book in more than 2,000 retirement centers and residences for the elderly, we have held more than 40 cooking workshops that help reinforce cognitive functions.



International collaboration

We work in collaboration with more than 20 companies that participate in FReSH (Food Reform for Sustainability and Health), a program sponsored by the WBCSD (World Business Council for Sustainable Development) whose purpose is to develop, implement, and scale new food solutions globally.





Upholding the highest quality and safety standards

At Sigma, we offer food products prepared under the highest quality standards. We employ our Global Quality Control Guidelines to ensure that we apply the strictest quality criteria in all our processes and across our value chain.

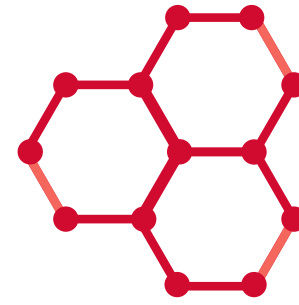
Our plants have obtained various local and international certifications endorsing their excellent performance. To ensure that they keep up to date, we set as our 2025 Goal that 100% of the plants in operation in 2018 will have a certification endorsed by the Global Food Safety Initiative (GFSI), the most recognized safety accreditation entity worldwide. At year-end 2019, we had progressed 85% toward our goal, with a total of 59 plants certified. Eight new plants achieved certification during the year.

To achieve this goal, we employ our Food Safety Policy, which in addition to including local and international regulations, as well as the Hazards Analysis and Critical Control Points (HACCP) System, aligns with standards recognized by the GFSI.

Our responsibility to clients and consumers begins at the procurement stage of raw materials and extends to the final distribution of our products. To ensure quality and safety across our value chain, we ask the suppliers of our main inputs to be GFSI certified. Furthermore, through our Quality Policy, we integrate additional advanced management practices, such as sensory evaluation systems and customer service procedures.

GFSI has become the leading and most recognized global movement promoting a culture of food safety and the safe supply of food. It is a multi-sectoral collaborative effort, made up of the world's top experts in food safety from companies that market, produce, or are food service providers, as well as input suppliers, international organizations, governments, academia, and firms that provide services to the food industry.

In addition to working to ensure our plants are GFSI certified, at Sigma we contribute our leadership to promote greater awareness of the certification for the benefit of our industry's competitiveness.



Suppliers

For more than ten years, we have been providing our suppliers with access to training courses, affordable audits, and guidance so that they can get certified under GFSI frameworks.

Industry

In collaboration with a team of 20 companies invited by GFSI, we participated in drafting the organization's position paper on a culture of safety in the food industry.

Coordination

Sigma led the GFSI working group in Mexico and contributed to the certification being integrated into Mexican regulations under a collaboration model that other countries later replicated.

Audience

We continually participate in conferences around the world to promote the importance of food safety systems and certifications in our industry.



2025
SUSTAINABILITY
COMMITMENTS

2025 Commitment:
100% of our plants acquired until 2018, GFSI certified.

Interactive Menu





An end to food waste

At Sigma, we are aware of the importance of optimizing the use of resources, while protecting business profitability and producing food efficiently to prevent food waste.

• **Efficiency in operation**

By operating our plants under the highest quality standards, we can increase productivity and minimize food waste in the production process.

• **Robust policies**

Our Process Footprint Policy helps monitor and assess the production processes at our plants.

• **Continuous improvement**

We are continually developing projects designed to reduce or eliminate food waste in our production processes.

• **Demand planning**

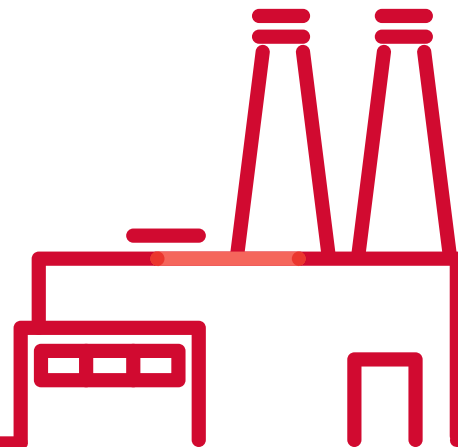
We design robust operations plans to adjust production levels to demand projections.

• **Packaging technology**

We use advanced packaging solutions that protect the optimal state and properties of the food while pushing to make them environmentally friendly.

• **Donations**

We have an extensive control process in place that enables us to avert waste by donating food that we cannot market to different associations, always guaranteeing the quality of the product.



Improvement projects

We are committed to reducing food waste, which is why we work to share best practices at our plants. During 2019, two such projects stood out:

- 40% less dry sausage waste at one of our plants in Mexico.
- 35% less dry sausage waste at one of our plants in Europe.

Less food waste

During the year, we worked hard to prevent food waste in our operations. Our Foodservice, LatAm, and U.S. Organizational Units were particularly noteworthy as they reduced this indicator by 23%, 9%, and 5%, respectively.



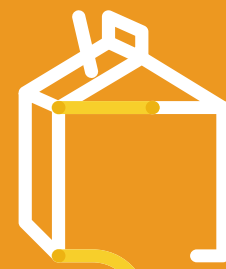
Interactive Menu





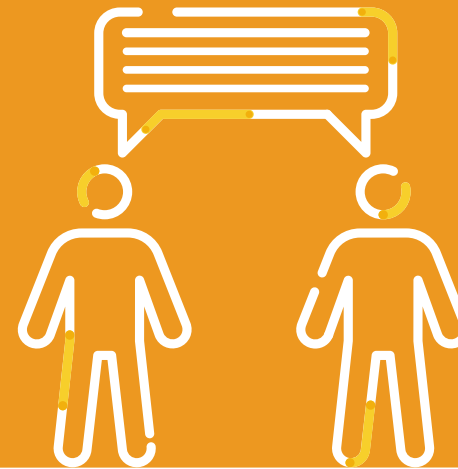
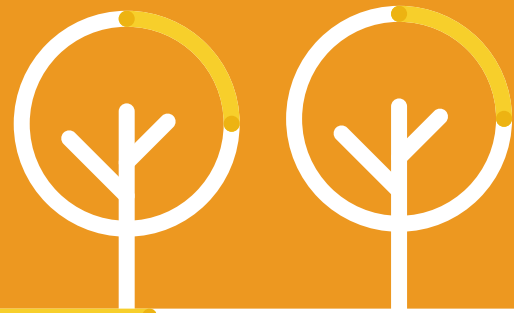
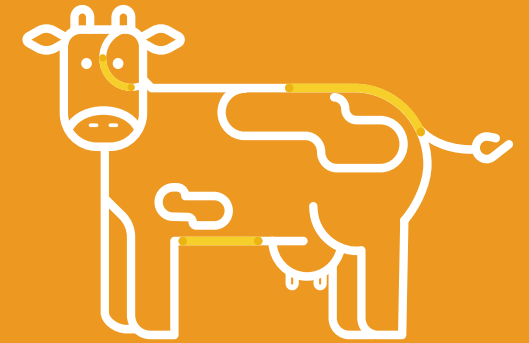
SHARED VALUE

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



+360 farmers

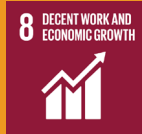
benefited with our Dairy Development Program



+200,000 contacts

a year at our Customer Service Center in Mexico

Initiatives in this pillar contribute to the following SDGs: Zero Hunger, Decent Work and Economic Growth, and Responsible Consumption and Production.



+16 million

food portions donated, equivalent to 2,700 tons of food



US\$46 million

invested in sustainability programs



+70,000 efficient

refrigerators installed since 2014 through our Excellent Client Program in Mexico





Promoting growth in our industry

At Sigma, we are committed to broadening the benefits of an industry that operates under the highest international standards.

It is important for us that our suppliers hold certificates that validate the quality of their products. In addition to strengthening our procurement process, we also help our suppliers become increasingly more competitive, comply with stricter standards, improve their operations, and adopt more sustainable practices.

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

In Mexico, for example, we have played an active role for more than ten years in the promotion of best practices in our supply chain through our Supplier Development Program. As of this date, more than 80% of our suppliers in the country,

in addition to complying with local regulations, are also part of the Global Food Safety Initiative (GFSI) system. In Costa Rica, we foster sustainability in 40 dairy farms to mitigate climate change and protect the ecosystems.

Ten years of our Supplier Development Program in Mexico

- 50 GFSI Training Scholarships for suppliers.
- 4 GFSI Training Forums for suppliers.
- Collaboration with the Agri-food Cluster in the state of Nuevo León to provide discounts for GFSI certifications.
- Collaboration with the Consejo Nacional de Ciencia y Tecnología (Conacyt) to improve the operations of our suppliers.
- Collaboration with Nacional Financiera (Nafin), Comité Nacional de Productividad e Innovación Tecnológica (COMPITE), and Fideicomisos Instituidos en Relación con la Agricultura (FIRA) for financing our suppliers' GFSI certification processes.

2025 SUSTAINABILITY COMMITMENTS

2025 Commitment: Promote that 80% of our meat, soy, and dairy purchases get sourced from suppliers that are working to strengthen their sustainability practices.

Interactive Menu



Blue Ecological Flag Program

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



Sustainable practices in our supply chain

Aware that our responsibility for sustainable practices goes beyond our operations, we work in close collaboration with our suppliers to build partnerships that promote mutual sustainable development.

To understand the sustainability practices across our procurement chain, in 2018 we launched our first Global Sustainable Sourcing Survey. More than 600 suppliers from the different countries where we operate participated, sharing information related to the four pillars of our Sustainability Strategy.

Based on the results of the survey, we will continue to promote best practices in sustainability across our supply chain and to incorporate new sustainability criteria in our purchasing decisions and process to select suppliers.

Our 2025 Goal is to promote that 80% of our meat, soy, and dairy purchases get sourced from suppliers that are working to strengthen their sustainability practices.

Sustainability strengths in our suppliers

Results of the Global Sustainable Sourcing Survey

Health & Nutrition	Shared Value	Wellbeing	Environment
Quality systems	Inventory management	Training for employees	Electricity consumption management
Traceability systems	Participation in chambers	Occupational safety indicators	Fuel consumption management
Origin certifications	Third-party audits	Complaints and suggestions mechanisms	Waste management
HACCP System	Client satisfaction assessment	Organizational climate assessment	Recycling programs
Nutrition facts	Risk management	Community programs	Water discharge management

Sigma Procurement Community

In 2019 we formed the Sigma Procurement Community with the participation of employees from the procurement and quality control departments within our Organizational Units. This working group was in charge of analyzing the results of the Global Sustainable Sourcing Survey to learn more about the most robust sustainability initiatives implemented by our suppliers in their operations, as well as to identify those areas that are still in development.



Dairy Development Program

In Mexico, through our Dairy Development Program, which has been operating for 25 years, we encourage the development of small producers by offering specialized technical assistance. This program supports more than 360 cow and goat milk producers in the states of Jalisco, Nuevo León, and Coahuila, who, in turn, provide jobs to more than 600 families. The relationships based on trust that we have developed enable us to nurture their growth while at the same time strengthening the supply chain for this essential raw material.

Interactive Menu



SHARED VALUE



Food donations to the community

Global estimates state that more than 820 million people are suffering from hunger. Through donations of food, we have the opportunity to participate directly in global efforts to eradicate this problem.

Every year we establish new partnerships with food banks and associations that allow us to donate products more efficiently and to benefit the most at-risk communities.

Our goal is to donate 25,000 plus tons of food over the course of a decade. From 2015-2019 we contributed a total of 15,600 tons, cumulatively equivalent to more than 90 million portions, keeping us on track to reach our goal.

Mexico

We contribute to the nutrition of thousands of Mexican families living in the most vulnerable communities in the country by making donations to BAMX, a network of food banks that is a model for efficient food rescue efforts in the fight against hunger and malnutrition across the country.

Europe

Sigma Europe signed an agreement with the European Food Banks Federation (FEBA) to fight hunger and malnutrition. Our Organizational Unit has committed to establishing an annual donation to FEBA, in addition to expanding local donations programs in the markets where we operate.

World Food Day

During the 2019 World Food Day, we organized our first global volunteer initiative with more than 600 employees participating.



Donations

Through associations and food banks, in 2019 we donated more than 2,700 tons of food, equivalent to more than 16 million portions.

2025
SUSTAINABILITY
COMMITMENTS

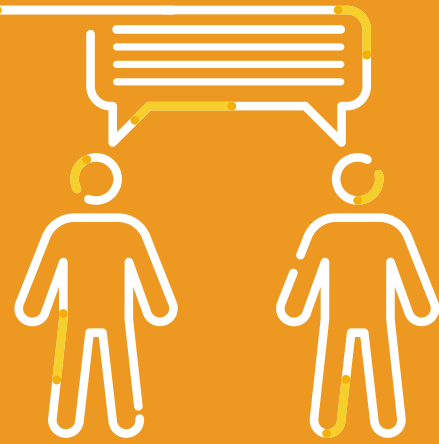
2025 Commitment:
Donate 25,000 plus tons of food through hunger relief organizations, dating from 2015.



Interactive
Menu



SHARED VALUE



Establishing relationships based on trust with our clients

At Sigma, we are committed to offering our clients the best, personalized service. We create long-term relationships with them, as it is through them, we serve the end consumer. In collaboration with our clients, we reach more than 640,000 points of sale in more than 100 countries, and deliver favorite foods to millions of people worldwide, every day.

We are aware that exceeding the expectations of our clients is essential to achieving our commercial goals. Employing different communication channels, we maintain an open dialogue, which allows us to understand client's needs, concerns, and suggestions, and gives us opportunities to inform them about our products, services, and programs.

Our clients

- **Modern Channel**
Supermarkets and convenience stores.
- **Traditional Channel**
Retail and specialized markets.
- **Foodservice Channel**
Hotels, restaurants, movie theaters, and industrial cafeterias.

Excellent Client Program - Mexico

Eight years ago, in Mexico, we created the Excellent Client Program to support the development of our clients in the Traditional Channel using different value-added strategic elements, including equipment, service, and recognitions.

- +70,000 state-of-the-art refrigerators installed from 2014 to date in our clients' stores, which, in addition to modernizing the point-of-sale and ensuring that our products are readily available to consumers, use less energy compared to traditional refrigerators.
- +3,000 questions from our clients answered in 2019 through different communication channels that are available at our Service Center, including social networks, WhatsApp, email, and telephone line.
- +55,800 special recognitions awarded in 2019 to our clients in the Traditional Channel.

2025
SUSTAINABILITY
COMMITMENTS

2025 Commitment:
Create and strengthen productive relations with our stakeholders.



Service Center in Mexico

Through our Customer Service Center in Mexico, we address concerns from our clients and consumers. In 2019 alone, we resolved more than 200,00 inquiries, with a 97% satisfaction rate.



Active participation

In addition to actively participating in more than 100 local and international associations, we also contribute to information requests, including, for example, through our participation in the CDP, formerly known as the Carbon Disclosure Project.

Interactive
Menu



Stakeholders

We have personalized communication channels that enable us to maintain a productive dialogue with our shareholders, employees, consumers, clients, suppliers, communities, authorities, associations, and NGOs.

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

Global Associations

112 Associations: Global Level

Food industry		49
GR	Federación de la Industria Cárnica Alemana (BVDF)	
BE	VLAM	
	Agencia de Innovación y Emprendimiento (VLAIO)	
*	Asociación Belga de Ciencia y Tecnología Cárnica (BAMST)	
*	Federación Belga de la Industria Alimentaria (FEVIA)	
*	Federación Belga de Productos Cárnicos (FENAVIAN)	
*	Flanders Food, Plataforma de Innovación en la Industria Alimentaria FEBEV	
US	Instituto Norteamericano de la Carne (NAMI)	
SP	Organización Interprofesional del Porcino de Capa Blanca (INTERPORC)	
	Asociación Nacional de Industrias de la Carne de España (ANICE)	
*	DEPORCIL	
*	Fundación Alimentum	
*	Fundación Española de la Nutrición (FEN)	
*	CEOE	
EU	Centro de Enlace de la Industria de Procesamiento de Carne de la UE (CLITRAVI)	
	FoodDrinkEurope	
FR	* Federación Francesa de la Industria Cárnica (FICT)	
*	Asociación Nacional de la Industria Alimentaria (ANIA)	
	USRICIT	
NL	Federación Holandesa de la Industria Alimentaria (FNLI)	
*	Asociación Holandesa de la Industria Cárnica (VNV)	
INT	Consejo Empresarial Mundial para el Desarrollo Sostenible (WBCSD)	
	Reforma Alimentaria para la Sostenibilidad y la Salud (FRESH)	
	Global Food Safety Initiative (GFSI)	
IT	* Asociación de la Industria de la Carne y Salami (ASSICA)	
*	Consorcio de Mortadella de Bologna	
	Unión de la Industria de Parma	
	Instituto de la Calidad de Parma	
*	Consorcio de Jamón de Parma	
	Consorcio de Jamón de S. Daniele	
*	(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	
PO	** Asociación Portuguesa de los Industriales de Carnes (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		33
EU	Agencia Europea de Seguridad y Salud en el Trabajo (EU-OSHA)	
	AME	
MX	Asociación Nacional de Transporte Privado (ANTP)	
	Consejo Nacional Agropecuario (CNA)	
**	Cámara Nacional de la Industria de Transformación (CANACINTRA)	
**	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)	
	Gobierno de El Salvador, PROESA	

*	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, RD
**	Cámara de Comercio Dominicano-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	+ Universidad de Liège
	+ Universidad de Ghent
US	+ Programa de Enlace Industrial del Instituto Tecnológico de Massachusetts (MIT ILP)
	Universidad Estatal de Oklahoma
SP	+ Alimentación y Ciencia (ALICIA)
	+ Instituto de Investigación y Tecnología Agroalimentaria (IRTA)
	+ Universidad de Burgos
EU	+ Instituto Danés de Investigación de la Carne
NL	+ Universidad de Maastricht
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 8

GR	*** Asociación de Marca de Alemania (Markenverband)
SP	* PROMARCA
	* Asociación Española de Anunciantes (AEA)
IT	Unión de Industriales y Empresas (UNINDUSTRIA)
	Asociación Italiana de Anunciantes (AITA)
	Unione Parmense degli Industriali
PO	Asociación Portuguesa de Anunciantes (APAN)
	CENTROMARCA

Human Resources 6

FR	OPCA of Food Industries, Agricultural Cooperation and Food Retail
BE	Fevia (Belgian Food Industry Federation)
MX	ATECO
	COPARMEX
	Movimiento Congruencia
	CONMEXICO

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



WELLBEING

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



Initiatives in this pillar contribute to the following SDGs: Good Health and Wellbeing, Quality Education, Gender Equality, Decent Work and Economic Growth, and Reduced Inequalities.



US\$14 million

invested in wellbeing programs



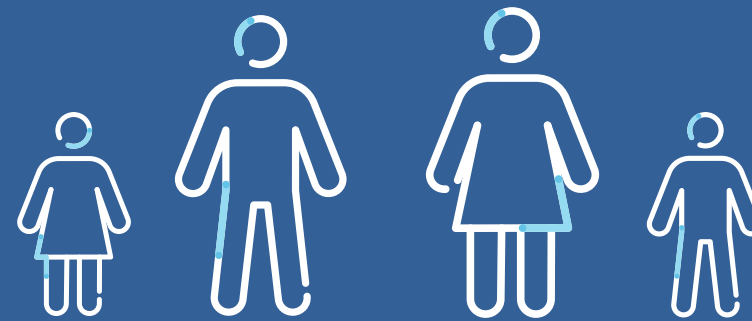
+90,000 people

benefited through institutions, food banks, and development programs



+600 employees

volunteered during World Food Day



+18 hours

of training on average for each of our employees



14% reduction

in accidents compared to 2018



An increasingly more inclusive company

Our employees are vital to the success of our company. Accordingly, we work determinedly to offer conditions that allow them to develop their full potential, committing to provide the same growth opportunities for all.

We know that the most effective and productive teams include individuals who provide different perspectives, experiences, and backgrounds. At Sigma, we promote an inclusive environment where our employees of 60 different nationalities can interact with respect, empathy, and tolerance.

In 2019, we launched across our Organizational Units an action plan to create awareness,

remove barriers, and promote the full potential of different talent groups at our company. With this initiative, we continue on the path to achieve our goal of becoming an increasingly more inclusive company.

- Awareness initiatives implemented in 2019:**
- Sessions for executives.
 - Creating a Women Inclusion Network in the U.S.
 - Promote STEM initiatives (science, technology, and engineering).
 - Active-listening sessions concerning people's perceptions.
 - An online community focused on diversity and inclusion for LatAm.

Flexible work schedules

We believe that offering flexible working schedules helps promote a balance between work and family life, collaboration, and productivity. For example, at our corporate offices, we have implemented a new work model that adapts to different lifestyles.



360° Communication

To listen to our employees and keep them informed, we carry out engagement forums in which they have an opportunity to pose questions and share concerns with our management team, in addition to getting to know the company's foremost global achievements, challenges, and progress.



2025
SUSTAINABILITY
COMMITMENTS

2025 Commitment:
Become an increasingly more inclusive company.



WELLBEING



Promoting continuous learning

We recognize that continuous learning promotes development in our employees and, at the same time, allows us to be prepared as a company to implement our business strategy successfully.

To fulfill this commitment, we offer training and practice opportunities throughout our organization, constantly working to increase personal and professional growth opportunities for our employees.

In 2019 we invested US\$2.2 million in training programs, offering 18.3 training hours on average per employee, a 1.2% increase compared to the prior year. This result means we are on track to reaching our 2025 Goal of increasing by 11% the average number of training hours per employee, compared to 2018.

Future talent

Our Talento Joven (Young Talent) program allows recently graduated employees opportunities to collaborate with different departments in the company to maximize their development.

Online tools

Through Sigma Virtual University, we offer courses and workshops that help strengthen and develop new personal and professional skills.

Professional education

We grant scholarships for bachelor and graduate degrees that allow our employees to continue their studies in prestigious universities.

Personal growth

The Sigma Human Growth program promotes personal growth and development. In 2019 more than 5,000 employees in eight countries participated in this program.

Better supervisors

Our training programs for supervisors include information on group collaboration, leadership, and human resources management.

Other courses

Other courses we offer our employees include sales, occupational safety, languages, and methodologies to give and receive feedback.

Personal and professional growth

The Sigma Human Growth program operates in eight countries: Costa Rica, the Dominican Republic, El Salvador, Guatemala, Mexico, Nicaragua, Peru, and the United States, promoting personal growth and development. More than 5,000 employees participated in 2019.



2025
SUSTAINABILITY
COMMITMENTS

2025 Commitment:
11% increase in the average number of training hours per employee compared to 2018.



Interactive
Menu





Committed to the wellbeing of our communities

Our volunteering initiatives provide employees with opportunities to be proactively engaged in neighboring communities while also developing strong relationships and bonds based on work and trust. Since we have facilities in 18 countries, we work as one Sigma so that our employees can be agents of change and actively participate in the local development of the communities where we live and operate.

In October 2019, within the framework of World Food Day, we organized our company's first-ever global volunteer day, coordinated among all our Organizational Units. More than 600 employees from 10 countries and 40 cities participated, collecting, and delivering food to different associations and food banks.

Inspired by the success of this global volunteering day, our 2025 Goal is to involve at least 10% of our employees in volunteer initiatives so that we can benefit more communities and people. During 2019, 2.6% of our total workforce participated in volunteer activities.

To achieve our goal, we will continue to leverage the creativity of our employees, who have proposed new volunteer initiatives related to reforestation, rehabilitation of natural areas, clean-up projects, and maintenance and enhancement works for schools and public spaces. Also, we will continue to benefit at-risk communities through food donations.

In 2010 in México, we created the program Mano con Mano (Hand in Hand). It is a fund to support colleagues who have suffered material losses from natural disasters. The fund receives support from employee and company donations. To date, we have helped employees in more than 300 instances, and we have been able to extend this benefit to other regions in Latin America.



Sigma volunteers

More than 1,190 employees from our Organizational Units participated in several volunteering efforts throughout the year, including activities during World Food Day, as well as reforestation campaigns, waste clean-up, conservation of turtles, and the clean-up of wetlands and beaches.

Sustainability Challenge

More than 700 employees participated in the second Sustainability Challenge, adopting the SDGs in their daily lives, and benefiting the community through donations, charitable actions, and initiatives aimed at preserving biodiversity.

2025
SUSTAINABILITY
COMMITMENTS

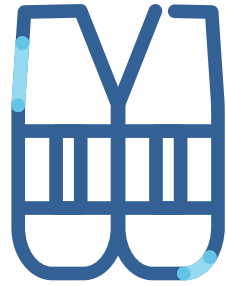
2025 Commitment:
10% of employees contributing to volunteering initiatives.



Interactive Menu



WELLBEING



The occupational health and safety of our employees is our priority

The wellbeing of our employees is essential for Sigma. We want everyone to return home safe and sound at the end of every workday.

In addition to having equipment and protocols designed to prevent accidents, we closely monitor the safety of our processes and continually train our employees, so they are able to care for their own safety and that of their colleagues. We rely on our Safety Policy to implement safer operations and we adhere to our Accident and Incident Management Guideline to identify areas for improvement and to monitor the rate and severity of accidents.

As a result of our initiatives, in 2019 we improved our safety performance indicators in 80% of the countries where we operate. Furthermore, we registered a 14% reduction in our accident rate compared to the prior year, which means we are on track to reach our 2025 Goal to reduce this indicator by 22%, compared to 2018.

Likewise, we work to instill among our employees an understanding of the importance of maintaining a healthy lifestyle that helps improve their quality of life through a balanced diet, stress management, mental health, and physical activity. For example, with our eChallenge and Club Balance programs, our employees ran a cumulative 113,000 kilometers in 2019, more than 2.5 times the circumference of the Earth. Also, in 2019 we held 120 sports events, 100 health fairs, and 200 social development events across our operations. To implement these activities, we have a team of specialists who also offer direct medical care to employees at our facilities.

In summary, during 2019 we invested US\$7.4 million in initiatives to promote the health and safety of our employees.

Investment in safety

Committed to our employees and their physical integrity, in 2019 we invested more than US\$7.4 million globally in occupational health and safety courses, workshops, and personal protection equipment



Fewer accidents

Our new 12 Best Practices plan helped us achieve a 14% reduction in the accident rate compared to 2018.

2025
SUSTAINABILITY
COMMITMENTS

2025 Commitment:

22% reduction in the accident rate in our operations compared to 2018.

Interactive
Menu





ENVIRONMENT

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

Initiatives in this pillar contribute to the following SDGs: Clean Water and Sanitation, Affordable and Clean Energy, and Responsible Consumption and Production.



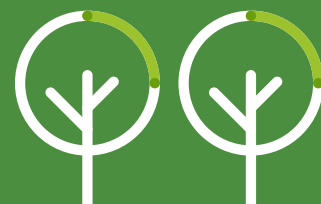
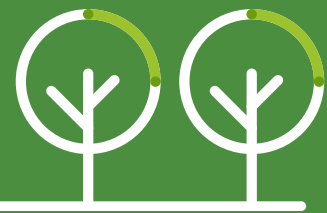
+113,000 m³

less water consumed compared to 2018



US\$10 million

invested in environmental programs



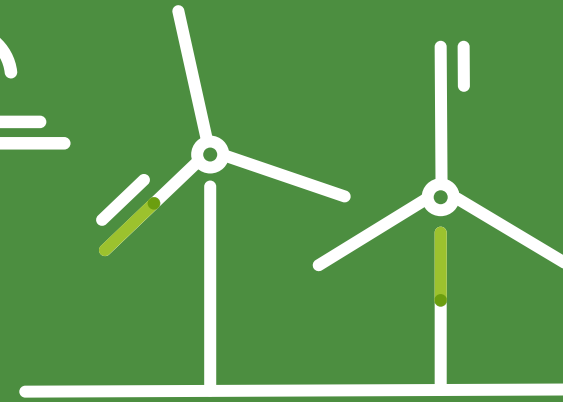
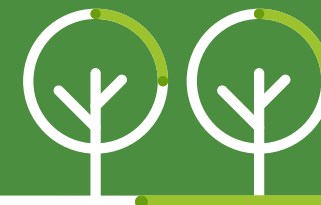
+4,700 tons

of virgin plastic avoided by incorporating recycled materials in our packaging



10 Plants

in Europe making progress in the Zero Waste program



72 sites

including 16 production plants, currently operate with wind power, thus avoiding +73,000 tons of CO₂ annually

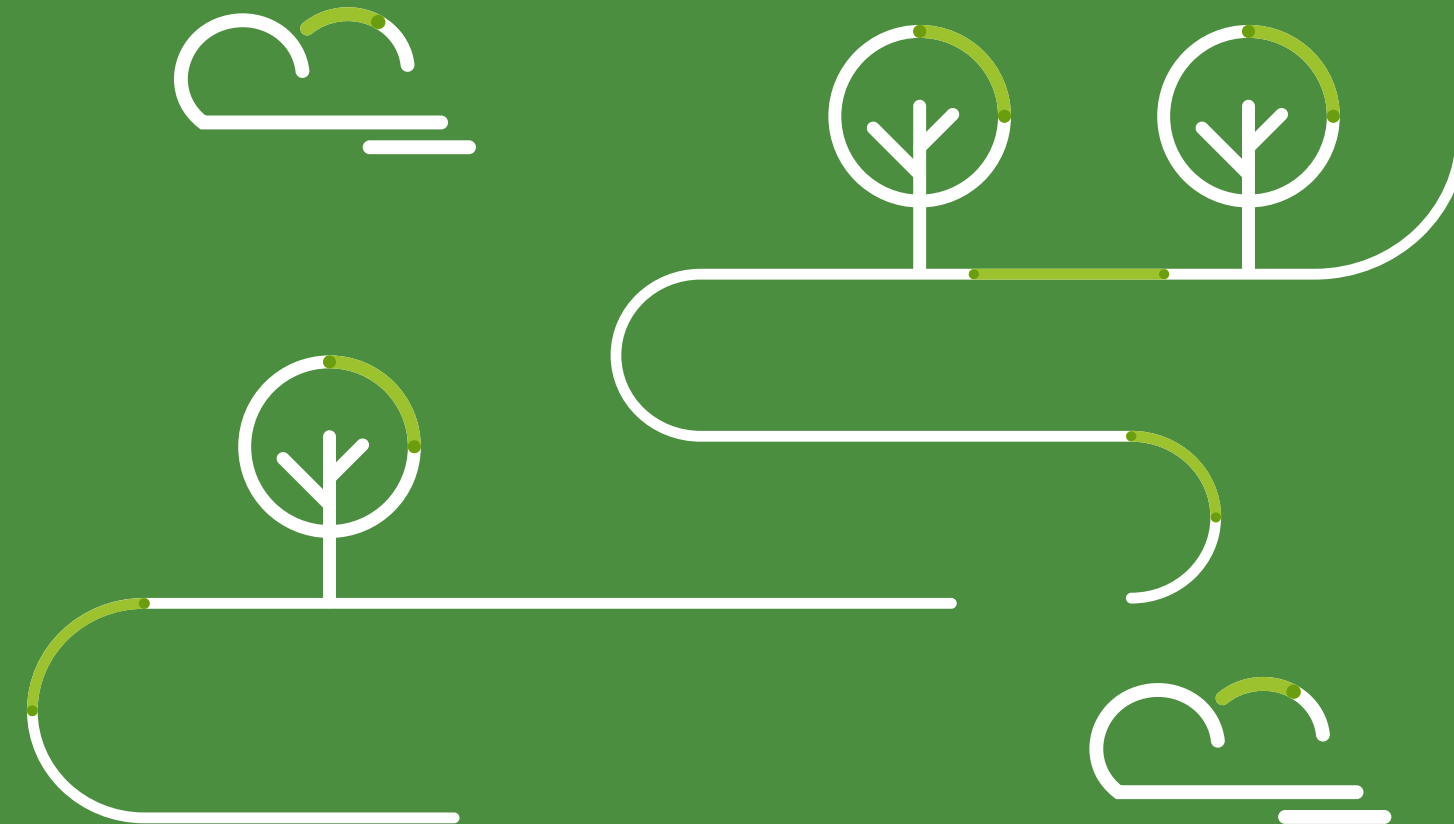
Continuous improvement in environmental management

To promote the sustainable growth of our business, we continuously monitor the performance of our operations and generate new eco-efficiency projects focused on reducing our environmental footprint. Our Environmental Policy serves as a framework to optimize resource management throughout our extensive network of operations, which includes 70 plants and 210 distribution centers in 18 countries, as well as one of the largest refrigerated distribution fleets in Mexico and Latin America.

We have developed technical evaluations and internal benchmarks that help identify specific areas for improvement and the action plans needed to meet our short- and long-term objectives at every site. We enhance this

effort with information platforms and key performance indicators that allow us to improve our management and ensure continuous improvement in the environmental performance of our operations. Additionally, through training programs and communications campaigns, we encourage employee participation in the achievement of greater efficiencies.

Our plants are subject to environmental protection laws and regulations in the countries where we operate. In addition to being vigilant to changes in regulation and complying with our internal operation standards, we work as one company to exchange and implement best international practices across our operations.



Sustainable practices across our value chain

Research	Production	Logistics and distribution network	Points of sale and community
We work to develop packaging solutions that reduce environmental impact	Eco-efficiency Cleaner and renewable energy Recycle waste from our operation Water management and treatment	Route optimization High-efficiency vehicles and the use of alternative fuels Rainwater harvesting	Use of efficient refrigerators Reforestation campaigns

Interactive Menu





Responsible water management

Water is essential in our production process. At Sigma, we have initiatives in place that allow us to ensure the optimal use of this resource throughout our entire operation.

As water is a vital ingredient in our products, we make sure we adhere to the strictest quality criteria in its supply, ensuring compliance with our hygiene and safety standards always.

At our operation sites, we continually implement projects designed to reduce water consumption in production processes and equipment cleaning, through investments in new technologies, preventive maintenance, and routine reviews. In 2019 we achieved a 0.7% reduction in water consumption per ton produced, which is equivalent to the average annual consumption of 210 families in the US for one year. To reinforce our commitment, our 2025 Goal is to reduce water consumption by 20% per ton of food produced in plants compared to 2018 baseline.

We work as one Sigma to document the knowledge we generate and promote active collaboration among our work teams in the countries where we operate. For example, in 2019 our LatAm Organizational Unit reached its water consumption reduction goal for 2020 ahead of time thanks to our best practices exchange program.

At the end of the use cycle, we operate water treatment plants that enable us to manage water discharges in adherence to regulations and, when appropriate to do so, we reuse treated water in secondary processes.

In 2019 we invested more than US\$1.5 million in improving and building new water purification and treatment plants. We currently have water treatment systems in place across all the geographies where we operate. Also, in two distribution centers in Mexico we have installed rainwater harvesting and storing systems that we use for basic tasks such as washing vehicles and restroom facilities.



Reduction in water use

As a result of our 2019 efforts, we were able to reduce water consumption across our global operations by 113,000 m³ compared to 2018.

Water ultra-filtration

In 2019, at our Occidente Mexico plant, we installed a tertiary water treatment system that uses filters, ultra-filtration membranes, and reverse osmosis processes to remove solids and salts. This investment enables us to reuse 21,000 m³ of water annually for the operation of condensers.

Interactive Menu



2025
SUSTAINABILITY
COMMITMENTS

2025 Commitments:
20% reduction in water consumption in our plants per ton of food produced, compared to 2018.

ENVIRONMENT



Environmentally friendly packaging

Our product packaging plays an essential role in protecting food from spoilage, preserving its sensorial properties, and offering the best possible consumer experience. Packaging is an essential component of the value we deliver to our clients and consumers who are looking for certain functional characteristics, such as convenience and desired portion-sizes as well as options for resealing, reusing, or compacting.

We understand that our responsibility in caring for the environment goes beyond our operations and that our clients and customers prefer environmentally friendly products. Therefore, at Sigma we continuously research and invest in new technologies to create functional packaging that not only use the necessary amount of plastic, but also are sourced from suppliers at the shortest distance possible. In addition to reducing the thickness of our packaging, we incorporate recycled plastic and continually evaluate the use of alternative materials, including renewable plastics, paper, and cardboard, as well as biodegradable and compostable packaging. Our first goal is to

reduce the use of virgin plastic in our packaging: in 2019, we were able to avoid more than 4,700 tons of such material by incorporating recycled plastic. We will continue on this path by implementing our comprehensive packaging strategy and adopting new technologies to address new challenges.

For more than ten years, we have developed dozens of patents and innovative industrial designs for our containers and packaging. The Research and Development, Innovation, Quality Control, Technology, and Marketing departments all participate in this process, together with our suppliers, prestigious universities, and startups. Such collaboration enables us to develop more sustainable and functional options that meet the expectations of our clients and consumers. We also participate in industry workgroups and with authorities to jointly make progress in this area.

ECOCE

In Mexico, we are part of ECOCE, a non-profit civil association created by the consumer products industry for the proper management of container and packaging waste in the country.

Comprehensive strategy

We are building a comprehensive strategy to reduce the impact of packaging:

- Include recycled plastic.
- Use materials that are substitutes for plastic.
- Eliminate components or layers in packaging.
- Develop molds with more resistant forms.



Interactive Menu



Sigma Packaging Community

In 2019 we formed the Sigma Packaging Community, a group of 25 employees, with a presence at all our Organizational Units, who are experts in technology, functionality, and materials.

The objective of this Community is to facilitate the exchange of the know-how we have developed locally. We aim to accelerate the development of new packaging solutions throughout our organization. For example, providing more environmentally friendly packaging options that have been successfully implemented in other Organizational Units.

The Sigma Packaging Community maintains an open communication channel and meets periodically to understand their colleagues' projects and challenges. Through this interaction, we are working as one Sigma to leverage our experience and technical expertise in the development of practical and effective solutions.

Innovation in packaging

In Belgium, our Aoste brand launched a package in 2019 that substitutes 60% of plastic with sustainable cardboard.

Thanks to recycled materials included in our packaging, during 2019 we were able to avoid the use of more than 4,700 tons of virgin plastic.



In Spain, we are the first company in the food sector to have obtained the ECOSENSE certification, which ensures that we reincorporate recycled PET in the production of pizza trays.

Waste management at our operations

We believe that an efficient waste management strategy for our operations needs to focus on minimizing waste, separating it properly at our facilities, and maximizing recycling.

At our plants and distribution centers, waste is separated so that an authorized third party can reuse it or dispose of it following regulations in

place in every country where we operate. As part of this commitment, we are continually searching for new allies who can co-process a larger percentage of our waste. Currently, in Mexico, we recycle more than 90% of the cardboard, wood, paper, plastic, and aluminum waste we generate.

Zero Waste

In Europe, we continue to make progress in the implementation of our Zero Waste program, an initiative through which we recycle or repurpose 100% of our operations' solid waste. To date, ten plants have adopted this initiative.



Interactive Menu





Climate Action: reduction of our carbon footprint

Climate change is one of the most significant challenges humanity faces today.

As a fundamental part of our business strategy, we aim to reduce our carbon footprint across our operations, including the sources of electricity we use, the efficiency of our production processes, and fuel use related to the distribution of our products.

Our 2025 Goal is to achieve a 20% reduction in CO2 emissions per ton of food produced related to our plants and our refrigerated transportation fleet, from our 2015 baseline. As of 2019, we have attained a 12% reduction compared to the baseline year.

We understand that limiting greenhouse gas emissions is a shared responsibility. In addition to implementing initiatives designed to reduce the footprint of our operations, we help reduce energy consumption at our clients' points of sale, and we participate voluntarily in reforestation efforts aimed at mitigating emissions.

Sigma Energy Community

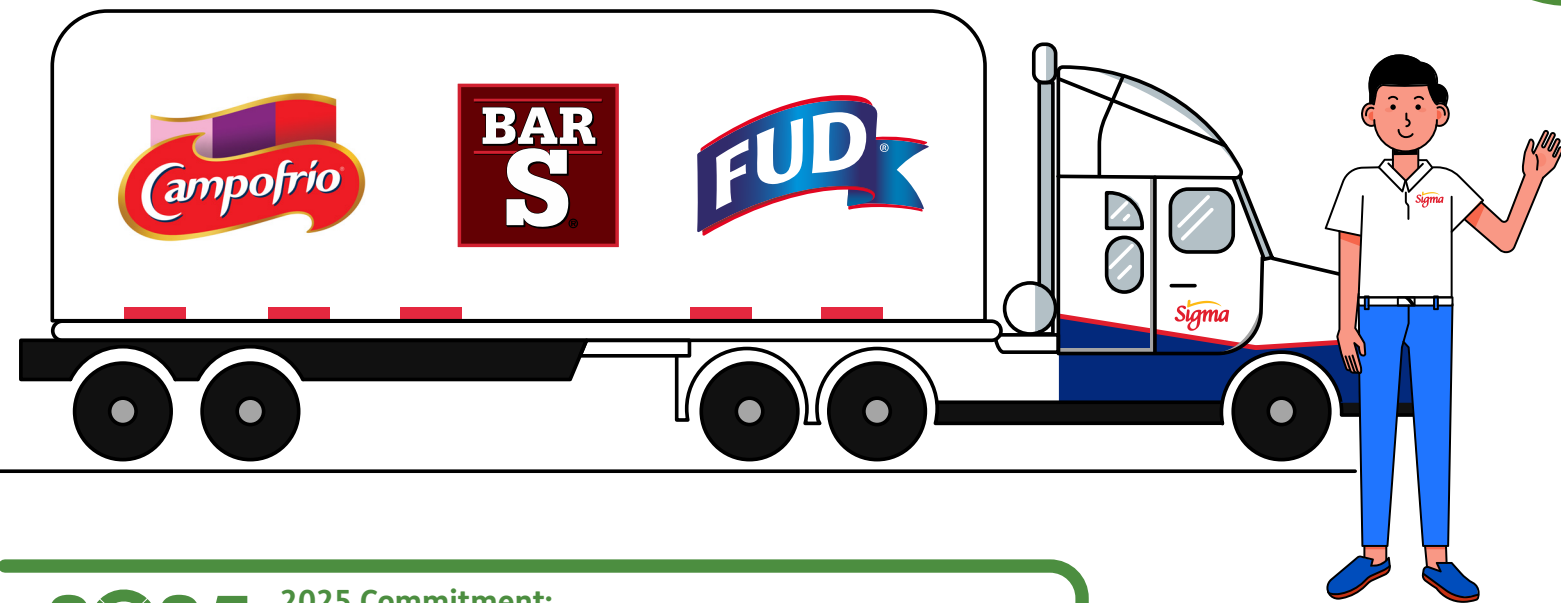
Systematic efficiency revisions help us optimize energy consumption at our plants, depending on the availability of new technologies and processes.

In 2019 in Mexico, we relaunched the Sigma Energy Community based on a new collaborative methodology in which a group of expert employees works to deliver updated efficiency practices, technologies, and projects to all our operations. As Sigma continues to grow, the Community serves as an advisory group that trains and guides local operations leaders so that they can assess the energy performance of their sites by employing institutional methodologies and cross verifications between operations from our different businesses.

In addition to offering training to more than 40 leaders in 20 plants in our Mexico operation, in 2019 the Sigma Energy Community contributed to training employees in the Dominican Republic and Costa Rica as a first step in the effort to making it a global energy community.

Energy savings at the point-of-sale

Since 2014 we have delivered more than 70,000 state-of-the-art refrigerators to commercial establishments that sell our products. These state-of-the-art refrigerators help reduce energy consumption at the point-of-sale and to keep the food in optimal condition.



2025 SUSTAINABILITY COMMITMENTS

2025 Commitment: 20% reduction in CO2 emissions related to our plants and our transportation fleet, per ton of food produced, compared to the 2015 baseline.



Product distribution

In Mexico, we operate one of the largest refrigerated distribution fleets in the country. To reduce greenhouse gas emissions, new technologies are tested, including the use of hybrid and electric vehicles, as well as conversions to compressed natural gas. We also work hand in hand with our suppliers so that they use vehicles that meet the strictest environmental standards in the geographies where we operate.

Likewise, route optimization programs are implemented, resulting in better fuel efficiency rates. For example, in 2019 in Mexico we installed new software designed to optimize routes for trucks that deliver our products to our retailers, which enables us to reduce fuel consumption and improve the service we offer our clients.

In 2019 we received, for the sixth consecutive year, the Excellent Environmental Performance award granted by the Mexican government as part of its Clean Transportation program. This initiative promotes environmentally friendly transportation through actions that reduce fuel consumption and greenhouse gas emissions, including the strategic allocation of routes, eco-friendly driving techniques, preventive maintenance, and aerodynamic technologies. Since we began participating in the program in 2013, we have avoided 137,000 tons of CO₂, equivalent to removing 4,200 cars, annually.



Cleaner distribution

We continue with efficiency programs in our distribution and for the sixth year we received the Excellent Environmental Performance recognition from the Clean Transportation program established by the Mexican government.



Environmentally friendly refrigerants

At Sigma, we continue to search for new technologies that will allow us to use natural refrigerants that are more environmentally friendly and comply with the latest local regulations. To this end, we are working in collaboration with our suppliers to develop, build, and install new, more efficient refrigeration systems that have a lower carbon footprint.



Reforestation campaigns

Our volunteers join efforts to organize reforestation campaigns as part of our commitment to the community and the environment.

Costa Rica, Spain and Mexico

In 2019, 140 volunteers and their families managed to plant 1,280 trees, reforesting the areas of Monteverde, Costa Rica; Burgos, Spain and Córdoba, Mexico.

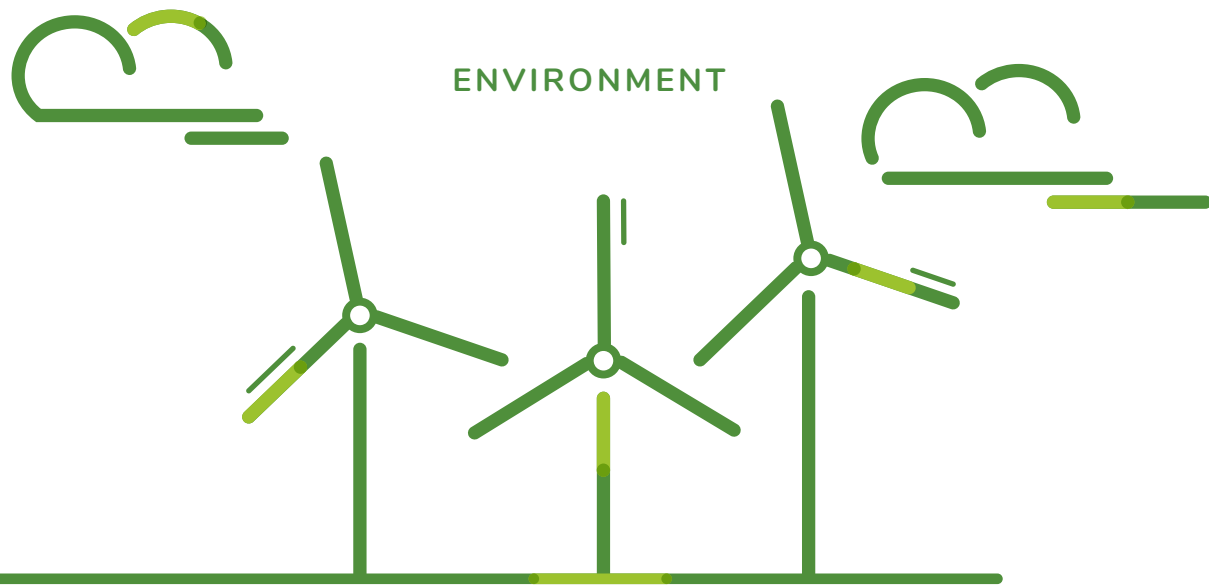
Leveraging the advantages of Industry 4.0

At Sigma, we are continually challenging ourselves to identify new ways to use resources more efficiently. Industry 4.0 presents a unique opportunity to make progress toward this objective.

In 2019 we installed in our second largest plant in Mexico, located in Atitalaquia, automated systems that enable us to monitor and optimize the operation of our refrigeration equipment. By employing cloud control technology, we were able to improve safety in the refrigeration

system while at the same time reducing energy consumption and operation costs. By reading the temperature in zones and processes and programming the sequences for turning the equipment on and off and for regulating fan speed, we generated new strategies for more efficient equipment performance. Thus far, results for this initiative are very encouraging, and we will continue to explore ways in which to introduce in more operations the benefits of digital information systems to manage our equipment.





Using cleaner and renewable energy

In 2015, we began a process to incorporate more sustainable sources of energy that help reduce our carbon footprint.

Currently, 56% of the electricity we consume in our plants comes from cleaner or renewable sources. This amount includes our suppliers' green portfolio, as well as our contracts and investments in wind energy, efficient co-generation, biomass, and solar energy.

Our 2025 Goal is to source 67% of the electricity used in our operations from cleaner and renewable energy sources.

Also, we continually explore opportunities for employing better fuel alternatives at our operations. For example, in 2019, we began a project at our Lagos de Moreno plant in Mexico to use natural gas, allowing us to be more efficient and to use a more environmentally friendly fuel.

Our green energy portfolio:

Wind power in México

72 sites consume 145 GWh annually from the Tres Mesas wind farm.
+73,000 tons of CO₂ avoided in 2019

Biomass in Dominican Republic

Our dairy plant co-processes coconut shells to generate steam.
+2,600 tons of CO₂ avoided in 2019.

Efficient co-generation in México

1 site in 2019, in addition to 32 sites starting in 2020.
+3,200 tons of CO₂ avoided in 2019.

Use of biomass

By using biomass in our dairy plant in the Dominican Republic, since 2016, we have avoided more than 9,800 tons of carbon dioxide equivalent emissions.

Wind power

In Mexico, 72 of our sites, of which 16 are production plants, use energy from the Tres Mesas wind farm. Since the beginning of the project in 2017, we have avoided more than 220,000 tons of carbon dioxide equivalent emissions.

2025
SUSTAINABILITY
COMMITMENTS

2025 Commitment:

67% of the electricity used in our operations sourced from cleaner and renewable energy sources.



Interactive Menu



ETHICS AND CORPORATE GOVERNANCE

Our actions are governed by a commitment to ethical conduct and social responsibility.

Ethics and anticorruption

Sigma Alimentos, S.A. de C.V., is a global food company that belongs to Grupo Alfa.

ALFA's policies and procedures relating to the ethical conduct of employees and business partners are spearheaded by senior management, which is actively involved in developing and approving programs and initiatives aimed at strengthening the culture of ethics and integrity within the company.

Policies

ALFA has a Code of Ethics and an Anticorruption Policy that contain guidelines on the conduct expected of its companies and employees. Any director or employee of ALFA having information of any act of corruption or any indication that such acts are occurring will immediately report it anonymously through the Transparency Mailbox, or in person before his/her superiors, provided that they are not involved.

ALFA has a Conflict of Interest Policy for the members of the Board of Directors and its employees. Under the Mexican Securities Market Law (LMV), members of the Board of Directors have a duty of diligence, so they must always act in good faith in the best interest of society. In the case of employees, ALFA's policy states that they should avoid any situation in which their interests differ from those of the company. All employees who may have interests or relationships with current or potential suppliers or clients should inform their immediate supervisor.

 <https://www.alfa.com.mx/download/CODEOFETHICS.pdf>

 <https://www.alfa.com.mx/download/AnticorruptionPolicy.pdf>

Transparency Mailbox

ALFA also provides a Transparency Mailbox, an anonymous internal and external grievance mechanism for receiving and following up on complaints regarding violation of the Code of Ethics and conduct harmful to the integrity of employees and the company. This hotline is open 24 hours a day, 365 days a year, via email or telephone, available in all the languages of all the countries where the company operates.

<https://www.alfa.com.mx/CONT/transparency.htm>
transparency@alfa.com.mx

For more information, visit ALFA's 2019 Annual Report
<https://www.alfa.com.mx/RI/reports.htm>

Interactive
Menu





Management Team

Rodrigo Fernández

CEO Sigma

21 years in the company
MBA Wharton

Organizational Units

Eugenio Caballero

CEO México

MBA Harvard

Ricardo Doehner

CEO Europa

MBA Michigan

Warren Panico

CEO USA

MBA Columbia Pacific
University

Sergio Ramos

CEO LATAM

MBA University of Texas at Austin

Armando de la Peña

CEO Foodservice

Executive Programs

Central Functions

Roberto Olivares

CFO

MBA Duke

Gregorio de Haene

CTO

MBA ITESM

Luis Iturralde

CHRO

MBA ITESM

Alejandro Suárez

CIO

Master in Operations
George Washington

Corporate Governance

ALFA adheres to Mexico's current Code of Principles and Best Corporate Governance Practices in place since 2000. Companies whose stocks trade on the Mexican Stock Exchange must disclose the extent to which they adhere to the Code of Principles and Best Corporate Governance Practices. This is done annually by responding to a questionnaire, which is available to the public through the Mexican Stock Exchange's web site.

The following is a summary of ALFA's corporate governance, as stated in the May 2019 questionnaire with any pertinent information updated:

A. The Board of Directors comprises thirteen proprietary members who have no alternates. Of this number, ten are Independent, two are Related Patrimonial Board Members, and one is an Independent Patrimonial Board Member.

B. Three Committees assist the Board of Directors in carrying out its duties: Audit, Corporate Practices, and Planning and Finance. Board members participate in at least one committee each. An independent board member leads all three committees. The Audit and Corporate Practices Committees are formed by independent members only.

C. The Board of Directors meets six times by year. Meetings of the Board can be called by the Chairman of the Board, the President of the Audit Committee, the President of the Corporate Practices Committee, the Secretary of the Board or by at least 25% of its members. Average attendance at Board meetings was 95% during 2019.

D. Members must inform the Chairman of any conflicts of interest that may arise and abstain from participating in the corresponding deliberations.

E. The Audit Committee studies and issues recommendations to the Board on matters such as the selection and determination of fees to the independent auditor, coordinating with the internal audit area of the company, and studying accounting policies, among others.

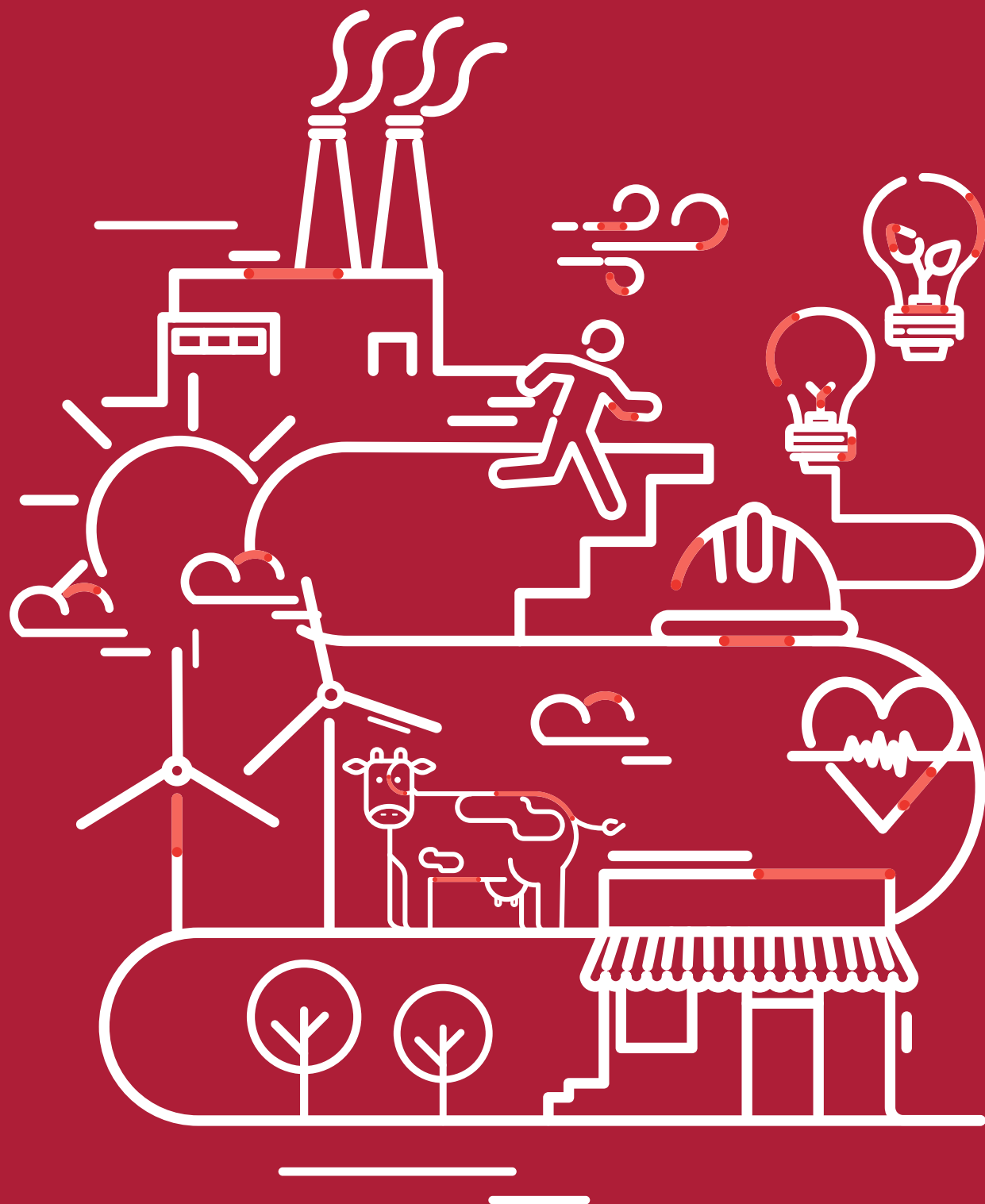
F. The company has internal control systems with general guidelines. These are submitted to the Audit Committee for its opinion. Also, the independent auditor validates the effectiveness of the internal control system and issues the corresponding reports.

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

H. The Corporate Practices Committee is responsible for issuing recommendations to the Board on such matters as employment conditions, and severance payments for senior executives and compensation policies, among others.

I. There is a department tasked to maintain an open line of communication between the company and its shareholders and investors. This ensures that investors have the financial and relevant information they require to evaluate the company's performance.





About this Report

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

Reporting cycle

This is our ninth annual sustainability report, which covers the results of the 2019 calendar year.

Reporting boundaries

In drafting this 2019 Report, we included the information of sites over which we have operational control. There were no significant changes in our operations that would require that we modify the scope of our report compared to previous years.

Central topics

To identify the priority issues to include in our report, we considered the conclusions of our Materiality Analysis, the Sigma Sustainability Strategy, our 2025 Goals, and the company's internal planning processes.

Preparation of the information

The information for the report comes from interviews with executives in our Headquarters and Organizational Units, sustainability-related questionnaires answered by the operations in our Organizational Units, and internal databases.

Indicator metrics

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

GRI Reporting Standards

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

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

GRI Content Index - Core Option

Universal Standards Answer/Omission Page/Link

GRI 102 General Disclosures 2016

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 engaged in the production, sale, and distribution of processed meat, dairy products, and other refrigerated and frozen foods. p. 2, About Sigma p. 5-6, Company Profile p. 7-8, Our History		02 05 07
102-3	Location of headquarters	p. 83, Contact information		83
102-4	Location of operations	p. 7-8, Our History Financial Statements: www.sigma-alimentos.com/wp-content/uploads/2020/03/Financial-Statement.pdf		07
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	p. 5-6, Company Profile p. 7-8, Our History		05 07
102-7	Scale of the organization	p. 5-6, Company Profile p. 7-8, Our History Financial Statements: www.sigma-alimentos.com/wp-content/uploads/2020/03/Financial-Statement.pdf		05 07

102-8 Information on employees and other workers

	Men	Women	Total			
Permanent	27,282	18,031	45,313			
Temporary	311	240	551			
Total	27,593	18,271	45,864			
	Mexico	LATAM	Europe	US	Total	
Permanent	28,386	5,956	8,077	2,804	45,313	
Temporary	477	74	0	0	551	
Total	28,863	6,030	8,077	2,894	45,864	
	Men	Women	Total			
Full-time	27,565	17,557	45,122			
Part-time	28	714	742			
Total	27,593	18,271	45,864			

The organization's activities are performed mainly by Sigma's employees. 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.

102-9	Supply chain	To carry out its activities, the Company depends on the supply of the raw materials provided by its suppliers, both from Mexico and abroad, including bovine, pig, and poultry meat products and dairy products, mainly. Additionally, the company acquires other inputs for its production process. p. 33-36		33
102-10	Significant changes to the organization and its supply chain	p. 74, About this Report		74

Universal Standards Answer/Omission Page/Link

102-11	Precautionary Principle or approach	p. 55, Continuous improvement in environmental management p. 56, Sustainable practices across our value chain We apply the precautionary principle, for example through water treatment equipment (p. 57), environmentally friendly packaging (p. 59), promoting the advancement of a circular economy through recycling and co-processing initiatives (p. 62), the use of renewable sources of energy (p. 63) and optimizing the distribution processes of our products to reduce our carbon footprint (p. 65).		55
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102-12	External initiatives	p. 42, Global Associations		42
102-13	Membership of associations	p. 42, Global Associations		42

2. Strategy

102-14	Statement from senior decision-maker	p. 3-4, Letter from the CEO		
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3. Ethics and integrity

102-16	Values, principles, standards, and norms of behavior	p. 2, About Sigma, Our Principles p. 69, Code of Ethics		02 69
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4. Governance

102-18	Governance structure	p. 72, Corporate Governance		72
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5. Stakeholder engagement

102-40	List of stakeholder groups	p. 41, Stakeholders p. 11, Materiality Analysis		41 11
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102-41	Collective bargaining agreements	20% of Sigma Mexico's employees and 4% of LATAM's are covered by collective bargaining agreements. Percentages for USA and Europe are confidential.		
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102-42	Identifying and selecting stakeholders	Stakeholders are identified and selected through different assessment processes. p. 41, Stakeholders p. 11, Materiality Analysis		41 11
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102-43	Approach to stakeholder engagement	We have open communication channels that serve a double purpose: They help us keep our stakeholders informed and allow us to listen to their opinions concerning economic, social and environmental issues.		
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102-44	Key topics and concerns raised	Our materiality analysis allowed us to identify the issues of relevance for Sigma and for the industry.		
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6. Reporting practice

102-45	Entities included in the consolidated financial statements	p. 74, About this Report Financial Statements: www.sigma-alimentos.com/wp-content/uploads/2020/03/Financial-Statement.pdf		74
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102-46	Defining report content and topic Boundaries	p. 11, Materiality Analysis p. 74, About this Report		11 74
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102-47	List of material topics	p. 11, Materiality Analysis		11
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Universal Standards	Answer/Omission	Page/Link
102-48 Restatements of information	p. 74, About this Report	74
102-49 Changes in reporting	p. 74, About this Report	74
102-50 Reporting period	p. 74, About this Report	74
102-51 Date of most recent report	August, 2018	
102-52 Reporting cycle	p. 74, About this Report	74
102-53 Contact point for questions regarding the report	p. 83, Contact information	83
102-54 Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option	
102-55 GRI content index	p. 75, GRI Content Index	75
102-56 External assurance	No external Assurance.	

MATERIAL ISSUES

1. Food quality and safety

GRI 103 Management Approach		
103-1 Explanation of the material topic and its Boundary	p. 27-28, Upholding the highest quality and safety standards p. 35-36, Sustainable practices in our supply chain	27 35
103-2 The management approach and its components		
103-3 Evaluation of the management approach		

GRI 416 Customer Health and Safety 2016

416-1 Assessment of the health and safety impacts of product and service categories	100% of product categories are evaluated for health and safety impacts.	
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2. Healthy and nutritious food

GRI 103 Management Approach		
103-1 Explanation of the material topic and its Boundary	p. 17, Innovation is the key to achieving our purpose p. 19, New Sigma Innovation Model p. 23-24, Providing consumers with clear and transparent nutrition information	17 19 23
103-2 The management approach and its components		
103-3 Evaluation of the management approach		

3. Economic performance and value creation

GRI 103 Management Approach		
103-1 Explanation of the material topic and its Boundary	Management's discussion and analysis: www.sigma-alimentos.com/wp-content/uploads/2020/03/2019-MDA-SIGMA-1-1.pdf	74
103-2 The management approach and its components		
103-3 Evaluation of the management approach		
GRI 201 Economic Performance 2016		
201-1 Direct economic value generated and distributed	Management's discussion and analysis: www.sigma-alimentos.com/wp-content/uploads/2020/03/2019-MDA-SIGMA-1-1.pdf Financial Statements: www.sigma-alimentos.com/wp-content/uploads/2020/03/Financial-Statement.pdf	83
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		
103-1 Explanation of the material topic and its Boundary	p. 39-40, Establishing relationships based on trust with our clients	39
103-2 The management approach and its components		
103-3 Evaluation of the management approach		

5. Culture and work environment

GRI 103 Management Approach		
103-1 Explanation of the material topic and its Boundary	p. 2, About Sigma, Our Principles	02
103-2 The management approach and its components		
103-3 Evaluation of the management approach		

GRI 402 Labor/Management Relations 2016

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.	
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GRI 404 Training and Education 2016


404-1 Average hours of training per year per employee	p. 47, Promoting continuous learning	47
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GRI 407 Freedom of Association and Collective Bargaining 2016

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 possibility of exercising freedom of association and negotiation of collective agreements is at risk, neither in Sigma's operations nor in those of our suppliers. In Sigma employees are allowed to choose unions and union leaders during union meetings every two years.	
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6. Occupational health and safety

GRI 103 Management Approach



103-1	Explanation of the material topic and its Boundary	p. 51-52, The occupational health and safety of our employees is our priority		51
103-2	The management approach and its components			
103-3	Evaluation of the management approach			

GRI 403 Occupational Health and Safety 2016

403-3	Worker participation, consultation, and communication on occupational health and safety	Our operations do not pose any type of risk to the well-being of our employees.		
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7. Compliance


GRI 103 Management Approach

103-1	Explanation of the material topic and its Boundary	p. 69, Ethics and anticorruption p. 70, Transparency Mailbox	 	69 70
103-2	The management approach and its components			
103-3	Evaluation of the management approach			


GRI 205 Anti-corruption 2016

205-1	Operations assessed for risks related to corruption	Our activities adhere to laws, regulations and ethical standards around the world. Sigma has different processes for analyzing risks related to corruption in its business units on an ongoing basis, including formal audits.		
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GRI 206 Anti-competitive Behavior 2016


206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Any relevant fines or non-compliance cases would be included in Note 30 of the 2019 Financial Statements: www.sigma-alimentos.com/wp-content/uploads/2020/03/Financial-Statement.pdf		
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GRI 307 Environmental Compliance 2016


307-1	Non-compliance with environmental laws and regulations	Any relevant fines or non-compliance cases would be included in Note 30 of the 2019 Financial Statements: www.sigma-alimentos.com/wp-content/uploads/2020/03/Financial-Statement.pdf		
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GRI 417 Marketing and Labeling 2016

417-2	Incidents of non-compliance concerning product and service information and labeling	Any relevant fines or non-compliance cases would be included in Note 30 of the 2019 Financial Statements: www.sigma-alimentos.com/wp-content/uploads/2020/03/Financial-Statement.pdf		
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417-3	Incidents of non-compliance concerning marketing communications	Any relevant fines or non-compliance cases would be included in Note 30 of the 2019 Financial Statements: www.sigma-alimentos.com/wp-content/uploads/2020/03/Financial-Statement.pdf		
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GRI 419 Socioeconomic Compliance 2016

419-1	Non-compliance with laws and regulations in the social and economic area	Any relevant fines or non-compliance cases would be included in Note 30 of the 2019 Financial Statements: www.sigma-alimentos.com/wp-content/uploads/2020/03/Financial-Statement.pdf		
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8. Water

GRI 103 Management Approach

103-1	Explanation of the material topic and its Boundary	p. 55, Continuous improvement in environmental management p. 57-58, Responsible water management		55
103-2	The management approach and its components			57
103-3	Evaluation of the management approach			

GRI 303 Water 2016

303-1	Water withdrawal by source			
	Source		m ³	
	Surface water (wetlands, rivers, lakes and oceans)		0	
	Groundwater		7,690,000	
	Rainwater		0	
	Third-party Supplier		488,000	
	Municipal water supply		4,190,000	
	Total		12,300,000	




The present information was obtained from monthly reports made by our plants.

GRI 306 Effluents and Waste 2016

306-5	Water bodies affected by water discharges and/or runoff	No bodies of water affected by water discharges and/or runoff from Sigma's activities were identified.
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10. Energy

GRI 103 Management Approach

103-1	Explanation of the material topic and its Boundary	p. 55, Continuous improvement in environmental management p. 64, Energy savings at the point-of-sale p. 67-68, Using cleaner and renewable energy		55
103-2	The management approach and its components			64
103-3	Evaluation of the management approach			67

GRI 302 Energy 2016

302-1	Energy consumption within the organization			
	Total fuel consumption within the organization from non-renewable sources (GJ)			
	Diesel	1,300,000	Includes fuel from operating facilities as well as owned transport.	
	Fuel Oil H.V.	439,000		
	Gasoline	116,000		
	LP Gas	118,000		
	Natural Gas	2,750,000		
	Total fuel consumption within the organization from renewable sources (GJ)			
	Renewable Sources	73,800	Biomass	
	Energy consumed and sold (GJ)			
	Electricity consumption	2,560,000	Sigma does not report consuming 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)			7,360,000

The data was obtained directly from the operating facilities as well as our owned distribution fleet. The Greenhouse Gas Protocol was used as the source for the conversion factors needed throughout the previous calculations.

302-3	Energy intensity	<table border="1"> <tr> <td>Energy intensity ratio for the organization (GJ/ton of food)</td> <td>4.08</td> </tr> </table>	Energy intensity ratio for the organization (GJ/ton of food)	4.08		
Energy intensity ratio for the organization (GJ/ton of food)	4.08					
<p>The energy intensity was calculated based on the annual production of 1.8 million tons of food. Includes fuel and electric energy within the organization for our production and distribution processes.</p>						
302-4	Reduction of energy consumption	<p>p. 63, Sigma Energy Community p. 64, Energy savings at the point-of-sale p. 65, Product distribution</p>		63 64 65		

11. Value chain management - Suppliers

GRI 103 Management Approach				
103-1	Explanation of the material topic and its Boundary	p. 33, Promoting growth in our industry p. 35, Sustainable practices in our supply chain		33 35
103-2	The management approach and its components	p. 36, Sigma Procurement Community		36
103-3	Evaluation of the management approach			

GRI 308 Supplier Environmental Assessment 2016

308-1	New suppliers that were screened using environmental criteria	Our 2025 Goal is to promote that 80% of our meat, soy, and dairy purchases get sourced from suppliers that are working to strengthen their sustainability practices. p. 35, Sustainable Sourcing Survey		35
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GRI 414 Supplier Social Assessment 2016

414-1	New suppliers that were screened using social criteria	Our 2025 Goal is to promote that 80% of our meat, soy, and dairy purchases get sourced from suppliers that are working to strengthen their sustainability practices. p. 35, Sustainable Sourcing Survey		35
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12. Value chain management - Clients

GRI 103 Management Approach				
103-1	Descripción del tema material y su límite	p. 39, Establishing relationships based on trust with our clients		39
103-2	The management approach and its components			
103-3	Evaluation of the management approach			

13. Emissions

GRI 103 Management Approach				
103-1	Explanation of the material topic and its Boundary	p. 55, Continuous improvement in environmental management p. 63-64, Climate Action: reduction of our carbon footprint		55 63
103-2	The management approach and its components			
103-3	Evaluation of the management approach			

GRI 305 Emissions 2016

305-1	Direct (Scope 1) GHG emissions	Gross direct (Scope 1) GHG emissions (ton CO2e) = 309,000		
The data is obtained directly from the operating facilities and the owned distribution process.				

305-2	Energy indirect (Scope 2) GHG emissions	Gross indirect (Scope 2) GHG emissions (ton CO2e) = 158,000		
The data is obtained directly from the operating facilities.				

305-4	GHG emissions intensity	<table border="1"> <tr> <td>GHG emission intensity ratio for the organization (ton CO2e/ton of food)</td> <td>0.260</td> </tr> </table>	GHG emission intensity ratio for the organization (ton CO2e/ton of food)	0.260		
GHG emission intensity ratio for the organization (ton CO2e/ton of food)	0.260					

The GHG emissions intensity was calculated based on annual production of 1.8 million tons of food. Includes all CO2e emission within the organization for our production and owned distribution processes. Direct and indirect energy emissions are taken into account for the calculation.

305-5	Reduction of GHG emissions	p. 63, Climate Action: reduction of our carbon footprint p. 65, Product distribution p. 67, Using cleaner and renewable energy		63 65 67
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14. Waste

GRI 103 Management Approach				
103-1	Explanation of the material topic and its Boundary	p. 55, Continuous improvement in environmental management p. 59-60, More environmentally friendly packaging		55 59
103-2	The management approach and its components	p. 61, Sigma Packaging Community p. 62, Waste management at our operations		61 62
103-3	Evaluation of the management approach			

GRI 306 Effluents and Waste 2016


306-3	Significant spills	There were no significant spills registered.		
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15. Local community engagement and volunteering

GRI 103 Management Approach				
103-1	Explanation of the material topic and its Boundary	p. 37-38, Food donations to the community p. 49-50, Committed to the wellbeing of our communities		37 49
103-2	The management approach and its components			
103-3	Evaluation of the management approach			

GRI 413 Local Communities 2016

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.		
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