Product Development
Global Policy

OBJECTIVE

Guarantee the quality design, safety, consistency, competitiveness, and nutritiousness of our products throughout the value chain, assuring effective and efficient development processes to achieve the consumer's and client's preference, as well as the adoption of best practices and compliance with applicable regulations.

DEFINITIONS

Information Keeper:
Personnel appointed by the Information Owner to be responsible for using and protecting certain information.

Information Owner:
Authority, individual, organization, or final responsible for certain information's definition, implementation, and protection using the appropriate security measures.

Research and Development Suite Platform:
Tool for the Research and Development departments to document, store, share, and compare knowledge related to product formulas, specifications, and manufacture procedures generated by Sigma worldwide. It enables the controlled distribution of the specifications and reports to its users and establish worldwide harmonized templates for such specifications.

POLICY

The Product Development area reporting to the Chief Technology Officer shall:

- Define and communicate the Global Product Design guidelines.

- Promote continuous improvement across Organizational Units (hereinafter OUs) seizing opportunities to capitalize and benchmark ideas, and implement best practices related to product formulation processes and information systems.
- Organize and lead the Technology Global Network Management.
- Provide support and advice to OUs regarding product development and formulation.
- Validate access rights for users that require product specifications from different OUs and Business Units (hereinafter BUs) and product categories.

All OUs shall:

- Comply with internal product development Policies and guidelines.
- Request approval from the correspondent Research & Development area prior to developing, adapting, modifying, or distributing any product, as outlined in our Global Quality Policy.
- Ensure that raw materials and ingredients used during the design, as well as the process conditions comply with the applicable legislation.
- Have a formal, updated, and accessible documentation repository for relevant staff, including the Product Development area reporting to the Chief Technology Officer, including at least:
  - Raw materials specification (including meat, non-meat ingredients, and packaging).
  - Finished product specification.
    - Product handling instructions and shelf life.
    - Microbiological, nutritional, and physicochemical.
    - Product quality attributes.
    - Labelling.
  - Product formulation(s), including scrap and/or yields.
  - Food safety risk analysis and control plan.
  - Critical process conditions.
- Formally inform about main regulatory changes, significant reformulations, new products or line extension, new production processes, cost optimization (if the reduction is greater than 10%), and specific market or business environments changes such as:
  - Raw material shortages.
  - Exchange rates fluctuations.
  - Co-packing.
  - IT tools that support Research and Development documentation.
- Have a documented product development method, that includes at least the following steps:
  - Industrial trials and results.
  - Shelf life tests.

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o   Consumer / market testing.
o   Post-implementation monitoring step.

Product Design and Renovation:

The product design and renovation processes shall include the following elements:

- Periodic meetings to follow-up on projects.
- Inter-disciplinary and multifunctional participation.
- Formal documentation repository of all product testing.
- Project key performance indicators.
- Early management approach to integrate relevant data and learnings from previous projects.
- Decision-making matrix.

Product Documentation:

All product documentation regarding ingredients, packaging specifications, formulas, finished products, and processes must be classified as confidential information, complying with the Global Policy for Information Classification.

Each OU and BU head of Research and Development shall serve as the Information Owner and shall:

- Define and implement the appropriate security measures to protect the product's documentation.
- Appoint Information Keepers, granting them access to the information, who will be responsible for managing the product documentation and preserving the information's confidentiality and integrity.
- Grant access to the Research and Development representatives in the governance body of the Research and Development Suite Platform.
  o   These representatives shall provide a tool with capabilities to harmonize all product development documentation templates generated by Research and Development responsibles of each OU and BU.
- Authorize any additional person who requires the product's documentation.

Whenever Sigma acquires a new business, the Chief Technology Officer must get support from an OU/BU Research and Development responsible to take the Information Owner role of the new business.

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