



Water

Global Policy



OBJECTIVE

Protect and make the best use of water, while mitigating physical and regulatory risks.

POLICY

Sigma acknowledges the importance of water preservation. It is vital for life - for drinking, sanitation, to grow food, generate power, support commerce, and nurture ecosystems.

In our operations, water is an essential ingredient for product recipes, cooling and cooking processes, as well as for unit and machinery maintenance and sanitization processes. Additionally, it plays an essential role for our suppliers in agriculture and feeding animals that represent our raw material.

Therefore, we are committed to water stewardship, stakeholder awareness, and continuous improvement in water efficiency and repurposing.

Our 2025 Sustainability Commitment, in accordance with the United Nation's Sustainable Development Goals (SDGs) (target 6.4 of increasing water-use efficiency) is to reduce our water intensity by 20% in all our manufacturing sites, considering 2018 as the baseline.

To achieve this commitment, we develop improvement initiatives including:

- Water reuse from our operations for irrigation, cooling processes, sanitary purposes (toilets).
- Water treatment, making it reusable by any third-party.



- Implementation of rain-water collection for vehicle maintenance (washing).
- Water efficient cleaning products / chemicals.
- Responsible water use (avoiding overuse).
- Water-efficient technologies (water treatment and processes).

Company Operations:

Governance

We have a structured community focused on all Sustainability matters, including a Central responsible for water and champions in all of our Business Units who strive to meet our long-term sustainable goals. These champions report all progress to our I&D, Innovation and Sustainability Director, including important milestones, risk assessments (water scarcity, water stress, regulations, water quality, among others).

Our Energy and Water Community provides a space for employees of each plant to share their efficiency projects and results for water and energy usage, as well as best practices, this community is currently present in Mexico and LATAM and will continue to grow in our other regions.

For additional information regarding the community, refer to our Environmental, Social, and Governance Global Policy.

Monitoring and Reports

We monitor that our plants are in compliance with local regulations and best practices, regarding water withdrawal from underground, superficial, or municipal sources and perform pre-treatments when applicable. 100% of our plants measure and report the volumes withdrawn from each source. On a monthly basis, the designated maintenance leader in each plant must capture the information in our global data base, which is then reviewed both by the operations and the Central Sustainability team.

We treat and discharge water in compliance with local regulations and best practices in each location where we operate, mainly in water bodies (superficial and underground) and sewage.

Our manufacturing plants monitor critical polluting agents in our discharged water through periodical sampling.



To oversee our 2025 Sustainability Commitment, a quarterly report is generated with the progress of the year's objectives and it is shared with the Executive Committee (Excomm) and other key contacts in the Company. Additionally, we are committed to publicly notify our water use and goal progress through our annual Sustainability Report.

Environmental Management Systems

We are working on real-time measuring initiatives to control and optimize our water consumption in productive processes, reducing variability amongst facilities.

Benchmarks are performed in our facilities, sharing knowledge, and implementing best practices to ensure continuous improvement. Additionally, we perform internal audits to detect and act on vulnerabilities or areas of opportunity in our processes.

Internal Price on Water

Investment analyses, project feasibility studies and business cases involving water must consider the internal price on water, which includes the purchasing cost, treatment cost and risk cost, to account for a more accurate value of water.

Risk Management:

We recognize the risk posed by water overuse, water scarcity, climate change, and pollution, among other factors. Therefore:

- Water risks are reported to our President & CEO and Excomm in order to develop strategies and efforts to mitigate such risks.
- We are constantly monitoring the water inlet and outlet quality to address any deviation by optimizing our water treatment systems.
- We keep track on regulations updates, ensuring compliance and business continuity.
- We conduct at least one annual water risk assessment (for current and future water risks) for all our facilities and locations of main raw material suppliers, evaluating:
 - Physical risks for quantity
 - Physical risks for quality
 - Regulatory and reputational risks
- * Any risk identified in the assessment should be reported as soon as possible to the Central Sustainability team.



Stakeholders:

Supply Chain

We aim to monitoring our Tier-1 suppliers in environmental aspects, including water practices, exposure, risks, usage, with the goal to have 80% of our meats, packages, and dairy categories purchases evaluated by 2025.

Stakeholder Awareness

At Sigma, we implement annual internal campaigns directed to our employees to promote SDG awareness, including water topics, and simple sustainable practices that may be adopted in daily activities.

Relationship with our Communities

We are in constant communication through open channels with the local communities where we operate, promptly addressing water-related concerns.

Our Integrity & Transparency Helpline is the main source of contact were everyone may share their concerns. The Internal Audit department is responsible for its management and directs all reports to appropriate management personnel in Sigma for support.

Human Rights

We acknowledge the human right of water access. Therefore, we are committed to safely manage water, sanitation, and hygiene (WASH) for our employees in all each of our sites.