



Greenhouse Gas Emissions Global Policy



OBJECTIVE

Reduce our greenhouse gas (GHG) emissions across the value chain, mitigating risks and seizing opportunities.

DEFINITIONS

Absolute Target:

Refers to the total amount of emissions measured in tons of carbon dioxide equivalents (CO₂e).

CO₂e:

Measure that includes the emissions from various GHG on the basis of their GWP, by converting amounts of other gases to the equivalent amount of carbon dioxide.

Global Warming Potential (GWP):

Total contribution to global warming resulting from the emission of one unit of that gas relative to one unit of carbon dioxide.

Intensity Target:

Metric that sets emissions targets relative to production output (Ton CO₂e / Ton Production).

Scope 1 Emissions:

Direct GHG emissions from company-owned and controlled resources (fuels from operation and owned distribution, heating sources, refrigerant leaks, among others).



Scope 2 Emissions:

Indirect GHG emissions from the generation of purchased energy, from a utility provider (electricity, steam, heat, and cooling).

Scope 3 Emissions:

All indirect GHG emissions – not included in Scope 2 – that occur in the value chain of the reporting company, including both upstream and downstream emissions (purchase of raw material, third-party distribution, employee commuting, waste, end-of-life treatment of products, among others).

POLICY

We recognize Climate Change as one of the greatest challenges the world is facing today, and that urgent action is needed from governments, companies, and individuals to face such threat. As a multinational food company, we are committed to take the required steps to reduce our impact.

Our Commitment:

Sigma has set a plan to comply with internationally recognized standards and be transparent in reporting GHG emissions. Therefore, we will reduce GHG emissions consistent with the Well-Below 2°C trajectory for Scope 1 and 2, and 2°C trajectory for Scope 3, as referenced in the Paris Agreement.

We have joined the Science Base Target initiative (SBTi) for our Absolute Targets.

Additionally, our 2025 Sustainability Commitment (Intensity Target) is to achieve 20% reduction in CO₂e emissions related to our operating plants and transportation fleet, per ton of food produced (versus the 2015 baseline).

Governance:

Our President & CEO determines major strategic decisions for our Climate Action plan and reviews the progress towards our reduction targets.

Our Chief Research, Innovation, and Sustainability Officer (CRISO) is the Climate Action plan leader, and has as main functions overseeing the yearly roadmaps, initiative implementations, progress towards our commitments, important milestones, and risk assessments.



We have a structured community focused on all Sustainability matters. These efforts are managed by a Central energy leader, Local Teams in all of our Business Units who strive to meet our goals, and our Energy and Water Community.

The growing Energy and Water Community provides a space for employees from our manufacturing facilities to develop energy and water usage efficiency projects and share their results, as well as best practices.

Climate Action:

Our Climate Action plan consists in finding opportunities and executing initiatives for efficient operations and a low-carbon transition in all three emission scopes, and including them in our yearly roadmaps.

Efficient operations

We aim to have a zero-energy-losses operation through monitoring systems, control systems, benchmarking within similar operations, and tracking efficiency indicators.

Lower-carbon transition main strategies

Scope 1

- Greener Fleet: transition program for vehicles to lower carbon alternatives and explore new technologies such as hydrogen vehicles.
- Migration to zero-or lower-emission fuels: transition to biomass or lower-carbon fuels such as natural gas and explore new technologies with zero-or lower-emission fuels as hydrogen or biogas from waste of our operations.
- Migration to zero-or lower-emission refrigerants: elimination of all refrigerants with potential of ozone depletion, replacement of high-GWP-refrigerants to zero-emission alternatives or to refrigerants with a low GWP, and implementation of leak control programs.

Scope 2

- On-site electricity generation: promote green energy production such as solar panels in our facilities.
- Power purchase agreements: purchase of renewable energy from third-party providers.
- Cogeneration: generation of electricity, steam, and hot water through efficient combustion engines.



Scope 3

- Supplier engagement: assessment of our supplier's performance, identification of risks and opportunities related to climate action, engagement to promote best practices, and deployment of emission reduction projects.
- Circular economy: innovation in packaging to reduce the use of virgin material, creation of recyclable or biodegradable solutions, and repurposing waste generated in our sites.
- Life cycle assessments: exploration of our products' environmental footprint to identify opportunities of reduction along the value chain.

Environmental Management Systems

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

We constantly perform benchmarking practices in our facilities, share knowledge, and implement best practices to ensure continuous improvement. Additionally, we perform internal audits or assessments to detect and act on vulnerabilities or areas of opportunity in our processes.

Capital Expenditure

The yearly budget for emission reduction projects will be calculated based on the climate action plan and shall be included in each year's AOP (annual operations planning). These initiatives must be appropriately identified as environmental projects.

Climate Risks:

We recognize the risks posed by climate change, therefore:

- We keep track on regulation updates, ensuring compliance and business continuity.
- We conduct at least one annual risk assessment (for current and future risks) for all our production facilities, evaluating physical and transition risks.

Reporting and Transparency:

Our Climate Action performance is to be reported yearly through our Sustainability Report, including our GHG emission inventory and our progress towards our reduction commitments.



We also reinforce our strategy to align our efforts with recognized frameworks such as the Sustainable Development Goals of the United Nations, the Science Based Targets initiative, and CDP, among others.