# SASB Index of contents

**Applicable industry standards**
**Food & Beverage Sectro:** Processes
Foods Industry (2023)

| Disclosures | Metrics | Location, direct response or reason for omission |
|---|---|---|
| **Activity metrics** | **FB-PF-000.A.**<br>Weight of products sold | Strategic Alignment: Economic Performance. P. 40 |
| | **FB-PF-000.B.**<br>Number of production facilities | Grupo Herdez® has 16 plants (15 in Mexico and 1 in the United States); however, the company does not directly operate the plants in Oaxaca, Coahuila, and Dallas, as it has a shareholding.<br>Our reason for being: Market presence. p. 5<br><br>Since the company does not operate these plants, it does not have the necessary information to present their sustainability indicators. |
| **Energy management** | **FB-PF-130a.1.**<br>(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable | (1) Total energy consumed: 960,182 GJ<br>(2) percentage of electricity from the grid: 57.2%<br>(3) percentage of renewables: 42.80%.<br>Note: Excludes Aires de Campo, Interdelli and Deli Dep, and Avomex facilities. |
| **Water management** | **FB-PF-140a.1.**<br>(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress<br>6. Water consumed at locations with high or extremely high baseline water stress as a percentage of total water consumed.<br>San Luis Potosi 0.39<br>State of Mexico (Zumpango) 0.07<br>Los Mochis Region 0.33<br>Region Valle Celaya 0<br>State of Mexico Region (Chalco) 0.03<br>Jalisco Region (Lagos de Moreno) 0.17<br>Tijuana Region 0<br>Monterrey Region 0<br>Jalisco Region 0 | Total water consumed in our operations was 390.5 thousand m³ of fresh water.<br>(1) Total water withdrawn: 1,250,395 cubic meters (m³)<br>(2) Total water consumed, percentage of each in regions with high or extremely high initial water stress:<br>Total water consumed in our operations: 1,249,969.22 cubic meters (m³) of fresh water.<br>Percentage of each of the regions with high or extremely high water stress: San Luis Potosí: 25.2% \| State of Mexico (Zumpango): 6.2% \| Los Mochis: 56.3% \| Valle Celaya: 3.7% \| State of Mexico (Chalco): 1.3% \| Jalisco (Lagos de Moreno): 7.1% \| Tijuana: 0.01% \| Monterrey: 0.04% \| Jalisco (Guadalajara): 0.04 %.<br>The water consumption indicator in water-stressed areas is calculated based on the extraction in those areas, since it shows with greater certainty the relationship that the Group has with the resource, based on the argument that, according to the GRI definition, the water consumed is that which remains in the product, leaving out the rest of the water used in the production process that is discarded or recycled as wastewater or lost through evaporation, including the water used for services such as boilers, cooling towers, etc. For this reason, the degree of water risk estimated for Grupo Herdez is related to the total water withdrawn and not the water consumed.<br>Note: The percentage of water-stressed regions is based on extraction.<br>More information in Environmental Impact: Commitment to Water, pp. 63–64, and GRI Content Index: 303-3 Water withdrawal. |
| | **FB-PF-140a.2.**<br>Number of incidents of non-compliance associated with water quality permits, standards and regulations | 1<br><br>Follow-up to the 2023 case in which Interapas (San Luis Potosí water system) penalizes the company for excess contaminants (discharges). |
| | **FB-PF-140a.3.**<br>Description of water management risks and discussion of strategies and practices to mitigate those risks | 1 and 2. Description of water management risks associated with water withdrawal, water consumption, and discharge of water or wastewater:<br><br>Transition risk: legal, which could be associated with changes in the federal, state, and/or municipal legal framework as applicable to each facility, causing a probable lower availability of water—due to changes in the order of priority of the same or in the legal limitation to concession it and/or extract it—also generating very high additional costs linked to the investment required for compliance with the new legal provisions.<br><br>Physical risk: Scarcity of water resources. Due to the fact that the facilities are located in regions with high water stress and low water availability rates, which could not only increase the possibility of not having enough water for operations but also put the continuity of operations at risk by facing possible future water supply closures, creating an economic impact due to a possible reduction in production and/or an increase in water costs.<br><br>Physical Risk: Reduction of groundwater levels and impacts on the quality of the resource. Derived from the overexploitation of groundwater, which mainly causes a greater need to build or condition extraction wells with greater depth, associating this same practice with the quality of the extracted water that could contain a greater amount of salts, minerals, or other natural and/or infiltrated anthropogenic contaminants, increasing the cost of operation and maintenance of these wells, but also increasing the costs of conditioning/treatment of the extracted water for use in operations.<br><br>Physical Risk: Contamination of surface water bodies. Due to their direct exposure to nature and human activities, surface waters are subject to contamination by uncontrolled effluents/discharges that could generate significant changes in the water quality of these bodies, exposing water users to possible diseases and production impacts, causing a considerable increase in the costs of water extraction and conditioning/treatment for subsequent use in operations.<br><br>Transition and Social Risks: Social pressure due to the possible monopolization or dispute over water by and/or between various public, private, and/or community entities in areas of high water stress, creating social conflicts that could lead to a possible reduction in the availability of the resource and/or in its feasibility to obtain/extract or receive it, with the subsequent increase in the costs of the resource and for operations.<br><br>3. In Grupo Herdez®, 94.74% of our operating facilities (plants and distribution centers) are located in areas classified as having a “very high” or “high” degree of water stress, which represents a scheme of vulnerability and threat and also an opportunity for the planning and execution of a water management program.<br><br>4. Short- and long-term strategies or plans to mitigate water management risks:<br>In 2022, we placed 3,000 million pesos in stock certificates linked to sustainability, positioning us as the first issuer in the food sector to make an issue of this type in Mexico. With this issuance, we made a commitment that by 2030 our water consumption will be 1.98 m³/ton produced.<br>The goal set for 2024 was an intensity of 2.10 m³/Tn produced, which we met and surpassed by reaching an intensity of 2.06 m³/Tn produced, 1.90% below the established indicator.<br><br>5. Water management objectives:<br>Our objective is based on reducing water consumption intensity in our operations. By 2030, we have a goal of reaching 1.98 m³/ton produced.<br>Actions to meet this goal began with a diagnosis of water use in our operations linked to the sustainability bond, where we identified areas of opportunity to achieve a reduction in our consumption, including the acquisition of more water-efficient technology, recycling of wastewater, and changes in organizational culture, among other actions.<br>This is equivalent to a reduction of 4.2% compared to the previous year (2023) and a cumulative reduction of 21.7% since 2018, the base date of calculation for the bonus goal. |

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| **Food safety** | **FB-PF-250a.1.**<br>Global Food Safety Initiative (GFSI) audit<br>(1) non-conformance rates and (2) associated corrective action rates for (a) major and (b) minor non-conformances | (1) Non-conformity rate: 6.25<br>(2) Corrective action rate associated for: 2.7<br>(a) Major nonconformities: 1.6<br>(b) Minor nonconformities: 3.2<br><br>(3) All of our plants are FSSC 22,000 certified except for the Coronel and Villagrán plants.<br>Details on corrective actions in Social Impact: Commitment to Consumers. . pp. 97-99 |
| | **FB-PF-250a.2.**<br>Percentage of ingredients sourced from Tier 1 supplier facilities certified to a Global Food Safety Initiative (GFSI) recognised food safety certification programme | Cost of ingredients in 2024: $4,725,035,710 \| Cost of ingredients sourced from GFSI-certified suppliers: $3,657,226,109.23<br>During the year, 181 suppliers provided processed or semi-processed ingredients, of which 136 are GFSI certified.<br>Internal audit, based on FSSC 22000 and BRC certification and NOM (Norma Oficial Mexicana) for export, requests suppliers to be certified in a scheme recognized by GFSI, for example, FSSC 22000, PRIMUS GFS, IFS, SQF, BRC, among others.<br><br>Strategic Alignment: Sourcing Practices. p. 42 |
| | **FB-PF-250a.3.**<br>(1) Total number of notices of food safety violation received, (2) percentage corrected | There were no reports of food safety violations in 2024. |
| | **FB-PF-250a.4.**<br>(1) Number of recalls issued and (2) total amount of food product recalled | No food safety-related withdrawals were made in 2024. |
| **Health & nutrition** | **FB-PF-260a.1.**<br>Revenue from products labelled or marketed to promote health and nutrition attributes | Social Environment: Commitment to Consumers. pp. 97-99<br><br>Total Group Revenues: $37,424,879,000 pesos<br><br>1. The entity shall disclose the total revenues from sales of its products labeled or marketed to promote health and nutrition attributes. $700,917,588.73 pesos<br>1.1 Products labeled to promote health and nutrition attributes contain labels and other written, printed, or graphic materials on the item itself, on its containers and wrappers, or otherwise accompany the item promoting health and nutrition attributes. **YES**<br>1.2 Products are considered to be marketed to promote health and nutritional attributes if the entity communicates, delivers, and exchanges offers that promote the health and nutritional attributes of the product: **YES**<br>2.1 That a product does not contain additives (e.g., artificial sweeteners, colorings, preservatives, and industrially produced trans fats): **YES**<br>2.2 That a product's fat, saturated fat, sodium or salt, and cholesterol are less than or equal to the requirements for the use of the term "healthy" and terms under applicable jurisdictional laws or regulations for health or nutrition claims, where health claims may include "low in," "free," and "dietary" product labeling: **NO**<br>2.3 That a product contains beneficial nutrients (e.g., vitamins A and C, calcium, iron, protein, and fiber) that meet or exceed the requirements for use of the term "healthy" and related terms under applicable jurisdictional laws or regulations for nutrition or health claims when: Nutrition or health claims may include labeling products as "good source of," "high," or "rich in": **YES**<br>3. The scope of products labeled or marketed to promote health and nutrition attributes excludes products labeled as organic, free of genetically modified organism (GMO) ingredients, and gluten-free: **YES** |
| | **FB-PF-260a.2.**<br>Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers | HEALTH: The review of the ingredients that make up the formula of the different products is done exhaustively to ensure compliance with applicable regulations both locally and in the country to which it is exported.<br>All the labels of our products are required to comply with the Mexican Official Standards (NOM) for labeling, and these are the requirements that we must meet: an initial review of compliance with the ingredients is made.<br>NUTRITION: All products have nutritional information and a list of ingredients that provides information to the consumer, in accordance with the regulations in force in the country where the product is marketed.<br>Aware that more and more consumers are concerned about their health. A nutritional mapping of the Group's entire food and beverage portfolio was initiated. We identified the presence of certain artificial additives and the number of nutrient warning labels they contain in order to subsequently identify the possible reduction in critical nutrients added or the elimination of artificial additives.<br>According to epidemiological and health information issued by national institutions.<br>At Grupo Herdez®, we have strategies that help reduce the impact of our products on the health of consumers. The most important strategy is the application of POG.DTEC.235.02, "Organizational nutritional policy for the development of new products," to new developments. This policy was updated during the year 2024 as required by the demands of change due to epidemiological information analyzed. The criteria to be considered are below the maximum allowed by national regulations for food and non-alcoholic beverages. Likewise, the reduction and/or elimination of other critical nutrients and artificial substances from the existing portfolio is permanently sought.<br>item 4: During 2024 we did not have any significant claims.<br>Social Environment: Commitment to Consumers. pp. 97-99 |
| **Product labelling & marketing** | **FB-PF-270a.1.**<br>Percentage of advertising impressions<br>(1) made on children and (2) made on children promoting products that meet dietary guidelines | Grupo Herdez® informs that the advertising of all its brands is not directed or oriented to a child audience, since our commercial communication is focused under the concept of "All Family," that is to say, directed to a general and family audience.<br><br>Our advertising strategy is governed by the provisions of the applicable legal framework in Mexico, including the provisions of the Federal Commission for the Protection against Sanitary Risks (COFEPRIS) based on the Regulations of the General Health Law on Advertising for all products that have warning seals.<br><br>In addition, we comply with the schedules authorized by COFEPRIS for the broadcasting of television advertising. In this regard, if a child audience were to be exposed to our advertisements, it would be incidental and not the result of an advertising strategy aimed at that audience. |
| | **FB-PF-270a.2.**<br>Revenue from products labelled as (1) containing genetically modified organisms (GMOs) and (2) non-GMO | (1) Revenues: $28,944,723 pesos<br>(2) 515,998 tons of products, representing 100% non-GMO products.<br>Grupo Herdez® does not have a policy of use or restriction of ingredients that are, contain, or are derived from Genetically Modified Organisms (GMO), nor does it perform any analysis to establish the presence or absence of GMO. However, prior to any national or international GMO requirement or request, Grupo Herdez® requests from raw material suppliers a document called "GMO Letter," which establishes whether the raw material is derived from or contains such genetically modified organisms. It is worth mentioning that the products marketed by Grupo Herdez® DO NOT intentionally or deliberately contain GMOs and that there is a possibility that some of the many raw materials used to manufacture the products contain or derive from genetically modified organisms. |
| | **FB-PF-270a.3.**<br>Number of incidents of non-compliance with industry or regulatory labelling or marketing codes | There was 1 incident. PROFECO sanctioned McCormick Company in January 2024, stating that the product Aderezo Light does not comply with the Federal Consumer Protection Law and NOM051 on product labeling; the sanction was a fine of $500,000 (five hundred thousand pesos plus the suspension of marketing of the product). |
| | **FB-PF-270a.4.**<br>Total amount of monetary losses as a result of legal proceedings associated with labelling or marketing practices | No monetary losses were recorded. Although there was a sanction by PROFECO against McCormick indicating that the Aderezo Light product does not comply with the Federal Consumer Protection Law and NOM051 on product labeling, the sanction was a fine of $500,000.00 (five hundred thousand pesos plus the suspension of the product's commercialization). In order to avoid the payment of the imposed penalty, a nullity trial was filed before authorized courts. At the end of 2024, the court issued a favorable sentence to McCormick, stating that the product does comply with the NOM. |

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| **Packaging lifecycle management** | **FB-PF-410a.1.**<br>(1) Total weight of packaging, (2) percentage made from recycled or renewable materials, and (3) percentage that is recyclable, reusable, or compostable | (1) Total weight of containers: 130,791.89 Tn<br>(2) Percentage made from recycled or renewable materials: 13.2% corrugated<br>(3) Percentage that is recyclable, reusable, or compostable: 98% |
| | **FB-PF-410a.2.**<br>Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle | (1) Grupo Herdez has a "Sustainable Packaging and Packing Design Policy," which outlines the strategies to reduce the environmental impact of its packaging. These strategies include the following:<br>1. To ensure recyclability, any plastic packaging material must be mono-material.<br>2. A single material must be used for the development of bottles and caps.<br>3. The recycled content must be maximized whenever possible (minimum 10% depending on availability), thus reducing the use of virgin raw materials and promoting the growth of the recycling industry.<br>4. All packaging must be properly classified according to the plastic identification codes from 1 to 6, and this must be clearly communicated on the packaging material by including the declared logos, official labels, recyclability, material type, and disposal instructions.<br>5. Caps should prioritize the use of light or white colors whenever possible.<br>6. The use of polymer types 3 (PVC), 6 (PS), and 7 (Other) must be avoided at all times. These materials must be restricted in packaging and packing design.<br>7. For tamper-evident bands, an approved material should be used (e.g., PET G).<br>8. The use of plastic windows must be eliminated.<br>9. Coatings for cardboard packaging must be recyclable.<br>10. A minimum of 80% recycled fiber content must be considered for corrugated cardboard or cartons used.<br>11. Paper must be certified by the FSC (Forest Stewardship Council).<br>(2) Currently, at Grupo Herdez, all corrugated packaging—which represents 13.3% of the total packaging purchased—is made from recycled materials. In addition, carton-based packaging, including Tetra Pak containers, folding cartons, and carton lids, is made from renewable raw materials. By incorporating these characteristics into our packaging, we strengthen the resilience of our value chain by ensuring the availability of packaging materials.<br>(4) Grupo Herdez aligns with the National Agreement for the New Plastics Economy in Mexico, the European Union's Circular Economy Action Plan, and the Practical Export Guide by the Ministry of Economy (http://www.contactopyme.gob.mx/archivos/snoe/6.pdf) to define strategies that enable us to reduce the environmental impact of our packaging.<br>(6) Regarding life cycle analyses:<br>1. Grupo Herdez® has conducted Life Cycle Analyses (LCA) for its main product categories (salsas, mayonnaise, tea, avocado, Nutrisa® frozen yogurt base, ice cream, pasta, tomato purée, and vegetable salads). The most representative product from each category was selected, and a specific LCA was developed to obtain more detailed information. Some of these LCAs include a third-party expert assessment known as a "critical review."<br>2. These LCAs were carried out considering all stages of the life cycle (raw materials, packaging materials including their transport, manufacturing, transport/distribution, use, and end of life). In the end-of-life stage, we identified the environmental impacts of packaging and packing materials to conduct a sensitivity analysis and simulate potential impact scenarios based on future substantial changes such as material type, volume, recyclability, recycling rate increases, among others.<br>3. The development of these LCAs has enabled the implementation of other packaging circularity actions. For example, in the pasta category, one of the main initiatives aims to ensure that all packaging used is recyclable. |
| **Environmental & social impacts of ingredient supply chain** | **FB-PF-430a.1.**<br>Percentage of food ingredients sourced that are certified to third-party environmental or social standards, and percentages by standard | Strategic Alignment: Sourcing Practices. p. 42<br><br>In 2024, we purchased 134,082.9 tons of agricultural raw materials, such as fresh produce, frozen products, honey, teas, and dried chilies. Of this total, 57.6% came from suppliers that are part of our Sustainable and Regenerative Agriculture Program (PASyR), which reaffirms our commitment to responsible agricultural practices from the source.<br><br>Note: Compliance with social and environmental responsibility auditing has been measured through our Code of Ethics for Suppliers, a checklist, and Sustainable Sourcing Scope. |
| | **FB-PF-430a.2.**<br>Suppliers' social and environmental responsibility audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor nonconformances | Social and environmental responsibility audit of suppliers<br>(1) Non-conformity rate: 24%*.<br>(2) Rate of corresponding corrective actions for non-conformities: 100%.<br>100 suppliers have been evaluated, of which 75% obtained a medium-high or outstanding rating and are therefore considered sustainable. 24% obtained a medium-low or low rating (not considered sustainable).<br>*11% of the suppliers evaluated obtained a LOW rating and are considered to be at risk in terms of sustainability. |

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| **Ingredient sourcing** | **FB-PF-440a.1.**<br>Percentage of food ingredients sourced from regions with High or Extremely High Baseline Water Stress | Percentage of food ingredients sourced from regions with high or extremely high baseline water stress: 93%.<br><br>This percentage includes the procurement of key inputs/raw materials from agricultural sources, beekeeping, and manufactured products but with agricultural origin (tea, frozen strawberries and fruits, and frozen avocado pulp).<br><br>Note 2: The criterion used to determine water stress is the one reported by the Aqueduct Water Risk platform, as it is an internationally recognized tool. |
| | **FB-PF-440a.2.**<br>List of priority food ingredients and discussion of sourcing risks related to environmental and social considerations | Environmental Impact: Sustainable and Regenerative Agriculture Program. p. 42<br><br>List of priority food ingredients and discussion of sourcing risks due to environmental and social considerations / Ingredients: oil, starches and sweeteners, standard sugar, refined sugar, dried chile, guajillo chile, green jalapeño, jalapeño chile, fresh red poblano chile, frozen strawberry, mole cookie, yellow sweet corn, altiplano white honey, coastal white honey, nopal, tomato paste, salt, semolina, tomato, tomatillo, and egg yolk.<br><br>The strategic method for managing environmental and social risks is the Sustainable and Regenerative Agriculture Program (PASyR), which consists of guiding, training, supervising, and monitoring the production practices of our agricultural suppliers, based on the conservation and improvement of the environment and paying special attention to protected zones or areas, the use of water resources, soil conservation, and clean air. We have a team of internal auditors who evaluate and follow up on the condition of the farms. This is done through a checklist to comply with the decalogue that measures the progress and improvement points of each supplier.<br><br>In 2024, 29 suppliers in the Yellow Corn category were included in the evaluations. By the end of the 2024 cycle (December 2024), a total of 60 suppliers had been evaluated.<br><br>We apply this PASyR through a Decalogue of compliance:<br>• Biodiversity preservation<br>• Air, water, and soil protection<br>• Energy and climate change<br>• Waste management<br>• Integrated Crop Management<br>• Reduction of agrochemicals<br>• Safety and hygiene<br>• Decent work<br>• Social responsibility<br>• Communication and participation<br><br>The main benefits of this program are:<br>1. To promote, encourage, and develop sustainable and regenerative agriculture in our suppliers as a new culture of agricultural production.<br>2. To reduce the use of pesticides to lessen the environmental impact and promote the proper handling of agrochemicals (BUMA). Preserve the quality of the soil, air, and water in the cultivation zones and surrounding areas.<br>4. Encourage practices to improve soil quality.<br>5. To promote practices for the efficient management and use of resources, favoring reduction, reuse, and recycling.<br>6.- Encourage the protection of sensitive or protected areas and species.<br>7.- Encourage non-deforestation by implementing biodiversity conservation practices that not only protect areas of high conservation value and highly important pollinator species (bees, etc.) but also allow for the protection of local, endemic, native flora and fauna, etc., and migratory species such as birds, butterflies, etc.<br><br>1.- The indicator contemplates a list of ingredients that represent a risk for our activities, which is found at the beginning of the text.<br><br>2. The indicator considers these ingredients as critical, since each ingredient is of utmost importance and irreplaceable, because if an ingredient is missing, production would not take place and its absence would compromise the production of our products in the canning sector, which represents a significant percentage of our sales.<br><br>3.The indicator will be strengthened with the results of an ongoing study, which will enable us to identify risks and opportunities related to climate change in our activities and develop a strategy to mitigate them. When demand is not met due to shortages or any other circumstance, we have back-up suppliers to cover the demand. |