

ANNUAL SUSTAINABILITY REPORT

2024



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→ LETTER TO THE SHAREHOLDERS

GRI 2-14, 2-22

Throughout 2024, Grupo Bafar continued to strengthen its vision of sustainable growth, driven by our commitment to creating value for all our stakeholders. This year has been marked by significant progress in the environmental, social, and governance (ESG) areas, reinforcing our role as a responsible, innovative organization closely connected to the communities where we operate.

One of the year's most important milestones was the signing of a strategic agreement with Google Cloud, through which Grupo Bafar launched a new phase in its digital transformation process. This partnership will enable us to integrate artificial intelligence and advanced data analytics solutions to optimize our operations in food production, distribution, and marketing in both Mexico and the United States.

These tools will allow us to strengthen key areas such as our supply chain, commercial operations, and marketing, enabling more accurate inventory management, the design of personalized promotions, and improvements to the consumer shopping experience. This technological leap positions us at the forefront of the food sector, in a global environment where AI adoption is increasingly becoming a competitive advantage.

From an economic standpoint, we closed the year with revenues of Ps.28,491 million, representing an 11% increase compared to 2023. Operating income reached Ps.4,354 million, a 17% year-over-year increase, while EBITDA for 2024 totaled Ps.5,207 million, reflecting annual growth of 18%. These results highlight the strength of our business model and the operational efficiency we have built with a long-term vision.

We firmly believe that economic growth and sustainability are not parallel paths, but complementary dimensions of a unified business vision. For this reason, we continue to integrate the United Nations Sustainable Development Goals (SDGs) as the foundation of our strategy and a guide to direct our actions toward a fairer, more human, and more resilient future.

In 2024, we updated our Materiality Assessment, originally conducted in 2021. This update responds to the evolving social, environmental, and regulatory context, allowing us to align our efforts with the topics most relevant to our stakeholders.

From a social perspective, Fundación Grupo Bafar has expanded its positive impact through programs focused on sports, education, arts, health, and nutrition. In 2024, we completed construction of the new Fundación Grupo Bafar collection center, a facility that integrates technology and artificial intelligence to enhance the management and reach of our social programs. We ended the year with 76 active socio-sports schools, over 3.2 million families supported, and thousands of inspiring stories of resilience that motivate us to continue spreading hope.

We also successfully hosted the 13th edition of the "Une-T" Tournament, bringing together our main suppliers, partners, and employees in one of the most impactful social events organized by our Foundation, reaffirming the strength of our solidarity-based community.

**MORE THAN FOOD,
WE CREATE
ENCOUNTERS.**



Internally, Universidad Bafar and our Talent Bank program continue to support the professional development of our people, preparing them for new challenges and opportunities within the Group.

We also made a significant step forward in our governance structure by consolidating our ESG Committee, which oversees and aligns our sustainability initiatives, promoting more transparent, ethical management guided by best practices.

On behalf of the Board of Directors, I extend my deepest gratitude to our employees, partners, communities, volunteers, and donors for being part of this mission. Together, we continue to nourish Mexico's progress, not only through the food industry but also through hope, innovation, and solidarity.

LIC. OSCAR EUGENIO BAEZA FARES

Chairman of the Board and CEO of Grupo Bafar

→ OUR PATH TOWARD SUSTAINABILITY

2021

- We conducted our materiality assessment.
- We began ESG training for the executive team.

2022

- First Sustainable Annual Report published in 2021.
- We began working on our material topics to define a sustainability strategy.
- We provided ESG training to our employees.

2023

- Second Sustainable Annual Report published in 2022.
- We launched the Diligent project for ESG management.
- We began our journey toward sustainable building certifications with EDGE.
- We defined sustainability metrics and goals.
- We began the process to establish our ESG Committee.
- We trained our employees on the Code of Ethics.

2024

- Third Sustainable Annual Report published in 2023.
- We formalized a strategic alliance with Google Cloud and Salesforce.
- 16 facilities were certified under EDGE.
- The ESG Committee was formally established.
- We began the digitalization of our production plant.
- The Research and Technological Development Center started operating with PLM, a product lifecycle management software.
- We updated our Materiality Assessment, originally conducted in 2021.

PROFILE



→ THIS IS GRUPO BAFAR

We lead the food industry in Mexico, thanks to over four decades of experience and dedication to the manufacturing and distribution of dairy, meat and meat derived products. The quality of our food and our commitment to innovate are the driving force behind our relationships with clients and collaborators.



Our Mission.

To identify opportunities that no one else sees and seize them with efficiency and capability. Developing the keen ability to achieve goals in a clever way, through effective management of the company's resources and talents. Always finding new roads and opportunities to conduct business.



Our Vision

To be the most important group in the commercialization and industrialization of meat products in Mexico, while taking advantage of growth opportunities in export markets, supported by a highly trained and motivated team that is actively engaged in community development.

● OUR VALUES



PERSEVERANCE

"Great achievements are the result of small efforts repeated every day".



BOLDNESS

"The greatest risk is not taking the risk to change".



VISION

"Greatness begins with an idea and grows with the ability to imagine a better future".



INTEGRITY

"To act with honesty is to build a solid path toward sustainable success".

THE QUALITY THAT CONNECTS HEARTS.

→ OUR BUSINESS MODEL

● THE PILLARS OF OUR BUSINESS STRATEGY

We focus our activities on a diversified system that seeks balance between modernization, environmental commitment, and resource optimization. With active participation in the food, retail, agriculture, real estate development, and financing sectors, while maintaining global vision.

BAFAR CULTURE

Building a workforce based on promoting personal, professional and economical talent in line with the company's values and principles.



ORGANIC GROWTH

Maintaining the Group's growth through its core businesses by consolidating brands in current markets, increasing presence in low-penetration regions, and expanding into international markets.



LEAN CONCEPT

Operating under the Lean work approach throughout the organization, which aims to increase efficiency, eliminate waste, and the continuous improvement of implemented processes.



PROFITABILITY AND SUSTAINABILITY

Making long-term strategic investments to ensure the sustainability of Grupo Bafar, adapting to market trends and improving profit margins.

NON-ORGANIC GROWTH

Generating growth through mergers, acquisitions, or new business development by diversifying operations toward strategic sectors aligned with the Group's business model, while achieving operational synergies and improving profit margins.

INDUSTRY LEADERSHIP

Maintaining industry leadership by creating value for clients through differentiation and the continuous quality improvement of products and services offered, seizing market opportunities and adapting to clients' demands and needs.





→ FOOD SEGMENT

This segment focuses on the production, industrialization, distribution, and commercialization of food products. Thanks to our continuous efforts, we have established ourselves as one of the most diversified groups.

● RETAIL DIVISION



● INTERNATIONAL DIVISION

Thanks to our export strategies focused on the U.S. market, we have achieved significant growth. With a varied portfolio of products that combine quality and competitive pricing, we are consistently present through the following chains:



● CONSUMER PRODUCTS DIVISION

Our portfolio of over 40 exclusive brands provides us the versatility needed to diversify our production line and explore new business opportunities.



● AGRO-INDUSTRIAL DIVISION

In line with its agro-industrial orientation, Grupo Bafar has developed an agricultural project that includes the cultivation of corn, pecan, and grapevine using innovative methods and cutting-edge irrigation systems to produce premium goods. This effort is focused on nut production, particularly in the state of Chihuahua.



→ FINANCIAL SEGMENT

Through our financial segment, we aim to support business growth by providing the financial means to generate an impact.



Corporate loans with favorable terms.



Flexible and tailored financing for your business.



Capital injections for small and medium-sized Mexican enterprises.

CON MÁS DE:

150

Loans
Granted



4

Investments
Made



100

Clients



→ INSURANCE SEGMENT



SofiVext.
Sociedad Financiera de Objeto Múltiple, ENR.

VEXTOR
activa
Sociedad Financiera de Objeto Múltiple, ENR.



FLY
capital

→ REAL ESTATE SEGMENT

FIBRA NOVA®

Real Estate Investment Trust (FIBRA) focused on the acquisition, management, and development of properties intended for leasing. The firm operates through an organized management, with a solid growth plan, and a long-term strategy.

Currently, it manages over 123 properties with a total GLA of 662,206 m² located across approximately 20 states of the Mexican Republic, with a 100% occupancy rate and lease agreements averaging over 6 years in duration, signed with both national and international tenants.



→ OUR PRESENCE



We have **25 distribution centers**, including one that is fully automated.



We operate production complexes strategically located in the states of **Michoacán, Durango, Chihuahua, and Toluca**.



We manage a plant specialized in **cheese production** in the State of Mexico.



We own 123 properties as of the end of 2024, distributed across 20 states in the Mexican Republic, through our real estate division, with significant presence in Chihuahua, Michoacán, Sonora, Querétaro, Tamaulipas, Jalisco, and Nuevo León.



We manage dedicated **research and distribution** complexes, which are key to innovation and logistical operations.



We operate a power generation plant that contributes to our self-sufficiency and sustainability.



We own three agro-industrial properties designed to maximize our productive capabilities.



We manage the facilities of Vextor, our SOFOM, **which drives financial solutions within the Group**.



We have modern corporate offices that **centralize our strategic operations**.



We lead the Bafar University training center, which promotes the comprehensive development of our human talent.

→ GEOGRAPHIC PRESENCE

● NATIONAL-OWN STORES

● INTERNATIONAL- BRANDS





FINANCIAL PERFORMANCE



→ INCOME STATEMENT SUMMARY

At the national level, 2024 ended with lower interest rates and reduced inflation. However, the outlook for Mexico remains uncertain due to recent political changes in its neighboring country, Mexico main trading partner.

In the case of the Group, our numbers speak for themselves, showing growth in most areas of the Income Statement and the Statement of Financial Position.

Grupo Bafar's strong operating performance in 2024 reflects the team's resilience and adaptability in a challenging environment. Net sales grew by 11.3%, driven by the expansion of the Retail channel and greater participation in key markets, both in Mexico and the U.S. This growth, coupled with improved operating efficiency, allowed operating profit to increase by 17% and EBITDA by 18.3%, reaching Ps. 5,207.3 million.

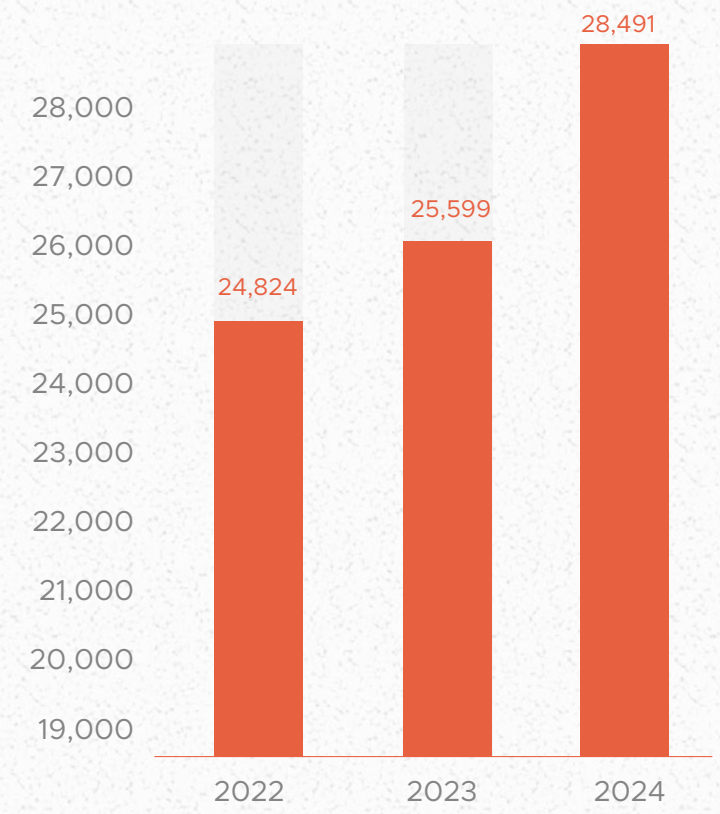
Despite a foreign exchange loss caused by the strengthening of the dollar and an increase in financial expenses, the Group maintained a solid financial position and continued investing in strategic infrastructure, with over Ps. 4,971.0 million allocated to industrial properties, new stores, and digitalization. The Group's financial strategy, supported by sustainable loans and a natural hedge in dollars, has been key to maintaining stability in a global environment marked by uncertainty.

INCOME STATEMENT ITEMS	2022	2023	2024
Revenue	24,824	25,599	28,491
Cost of sales	18,588	17,892	19,571
Selling, general, and administrative expenses	3,536	3,985	4,565
Operating income	2,700	3,722	4,354
Operating cash flow (EBITDA)	3,422	4,401	5,207
Net financial expenses	461	483	669
Foreign exchange gain (loss)	226	655	1,768
Income tax expenses (benefit)	356	129	102
Controlling interest net income	1,725	3,163	1,336
Net income	2,109	3,806	1,872

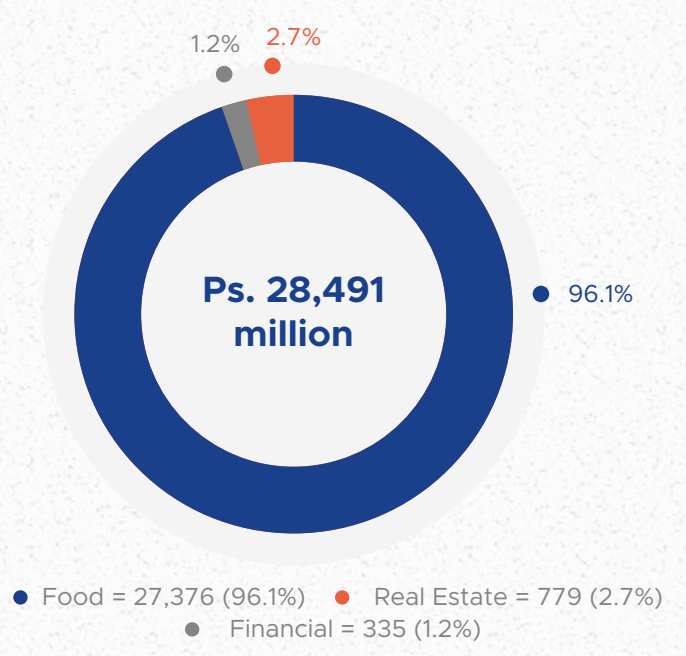
THE FLAVOR THAT FILLS THE TABLE WITH SMILES



● NET SALES (MILLIONS OF PESOS)



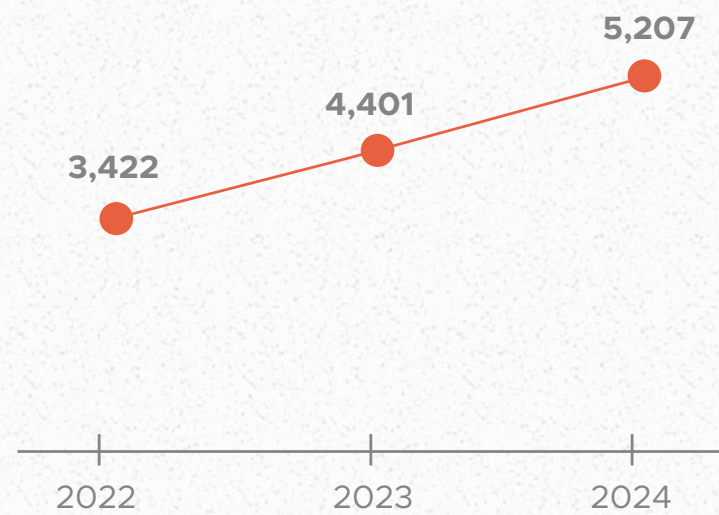
● REVENUE BY BUSINESS UNIT (MILLIONS OF PESOS)



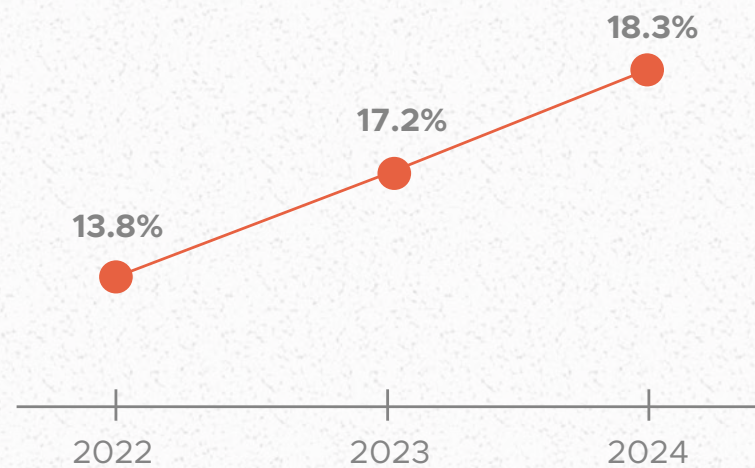


● EBITDA (THOUSANDS OF PESOS)

EBITDA

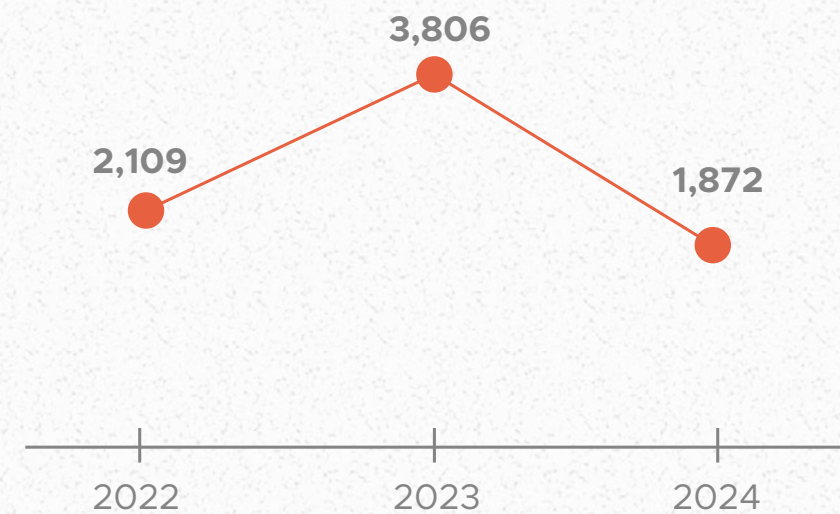


EBITDA MARGIN

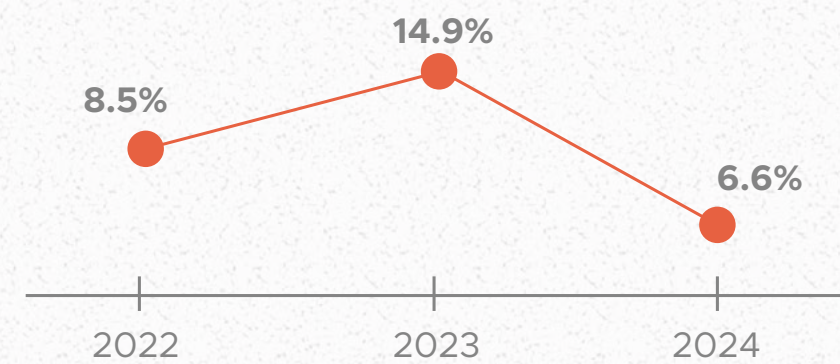


● NET INCOME (THOUSANDS OF PESOS)

NET INCOME



NET MARGIN



→ STATEMENT OF FINANCIAL POSITION SUMMARY

Grupo Bafar’s 2024 results reflect a well-defined strategy focused on operational and equity expansion. Total assets increased by 32%, mainly driven by the acquisition and development of industrial properties in strategic locations, as well as the modernization of stores and logistics centers, which enhanced the value of fixed assets.

This growth was partially financed through bank loans, which rose by 33% in line with project execution, reflecting the efficient use of financial leverage. Despite the higher level of debt, shareholders’ equity also recorded a 31% increase, supported by strong profit generation and reinvestment into the business. This performance reinforces the Group’s financial discipline and its commitment to sustainable value creation.



CONCEPT	2022	2023	2024
Total assets	26,447	31,496	41,643
Total liabilities	15,718	17,809	23,682
Shareholders' equity	10,728	13,687	17,961

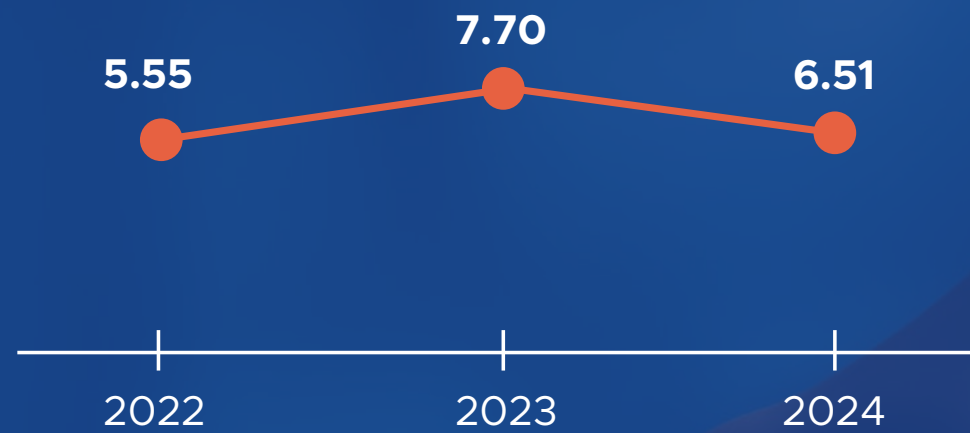
● YEAR-OVER-YEAR GROWTH (THOUSANDS OF PESOS)



FOR EVERYONE, ALWAYS.

→ FINANCIAL RATIOS

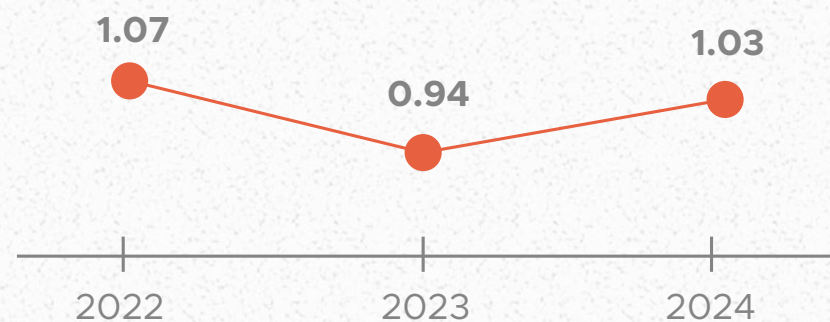
INTEREST COVERAGE RATIO (times)



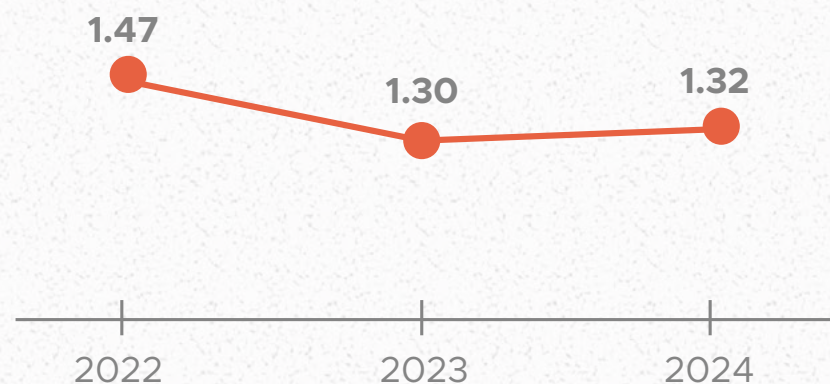
CURRENT RATIO (times)



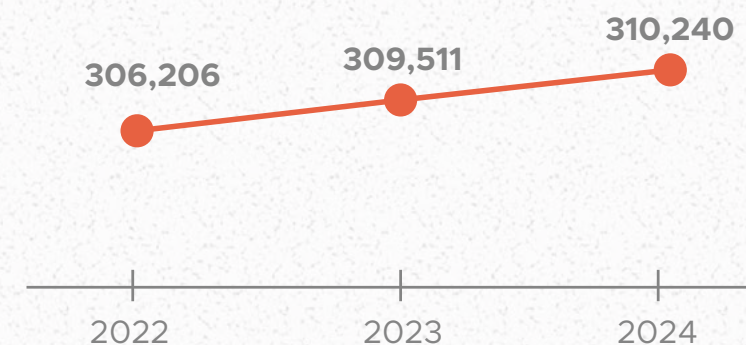
TOTAL DEBT TO EQUITY (times)



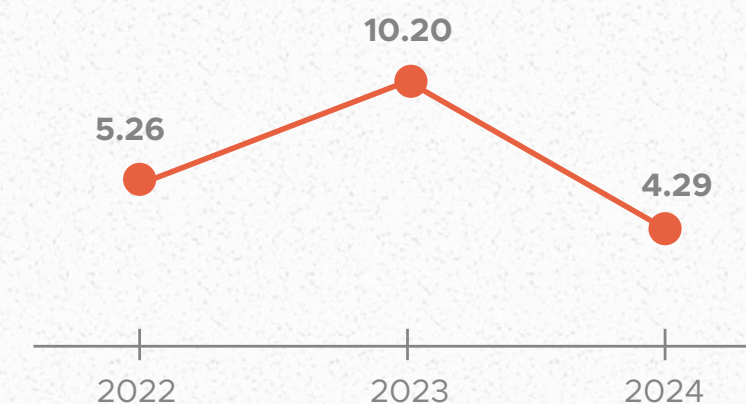
TOTAL LIABILITIES TO EQUITY (times)



SHARES OUTSTANDING (thousands)



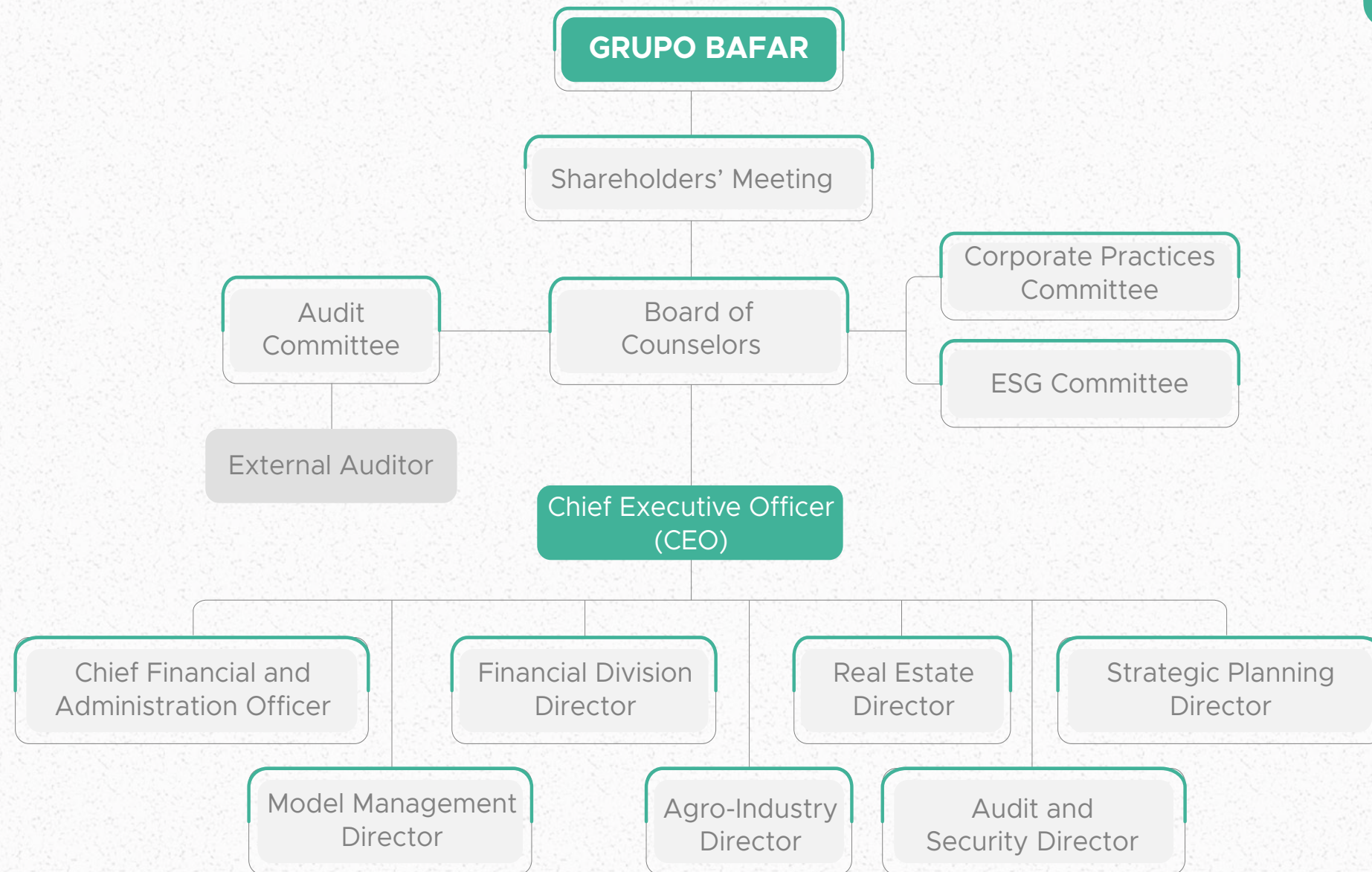
EARNINGS PER SHARE (EPS) (Ps)



CORPORATE GOVERNANCE



→ GOVERNANCE STRUCTURE



BECAUSE SHARING
ALWAYS TASTES
BETTER.



→ BOARD OF DIRECTORS

Our Board is responsible for guiding the Group through solid strategic planning, always promoting transparency and ethics in all our actions. It also oversees the performance of the executives and conducts a comprehensive risk assessment.

Likewise, the Board conducts an annual self-assessment and evaluates the committees. Based on the information gathered, we identify areas of opportunity and present them with the goal of continuous improvement. This enables us to contribute to ongoing growth at both the individual and collective level.



16
Members



14
Men



2
Women



62.5%
Independent



1
Non-member
Secretary



To encourage our Board members, **we offer a fair compensation of 3 centenarians** or the equivalent per Board session.

	
Oscar Eugenio Baeza Fares	Chairman of the Board and Chief Executive Officer
Guillermo Baeza Fares	Vice Chairman of the Board and Director of Mergers, Acquisitions, and Alliances
Raúl de la Paz Parga	Secretary of the Board and General Counsel
Eugenio Baeza Montes	Related Shareholder
Jorge Alberto Baeza Fares	Related Shareholder and Director of the Food Division
Walter Eldo Burr Bareño	Related Shareholder
Walter Burr Valenzuela	Related Shareholder and General Manager of the Consumer Division
Alfonso Rodríguez Arellano	Independent member
Javier Leonardo Webb Moreno	Independent member
Oscar Francisco Cázares Elías	Independent member
Carlos Antonio Carbajal Lechuga	Independent member
Salvador Álvarez Valdés	Independent member
Ricardo Dávila Quiñones	Independent member
Herminio Padruno Santos	Independent member
Gabriela Eugenia Sepúlveda Elizondo	Independent member
María Ariza García Migoya	Independent member
Jesús Olivas Corral	Independent member

● THE ACTIVITIES OF THE AUDIT COMMITTEE INCLUDE:

→ AUDIT COMMITTEE

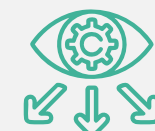
	
Gabriela Eugenia Sepúlveda Elizondo	Independent
Salvador Álvarez Valdés	Independent
Herminio Padruno Santos	Independent President
María Ariza García Migoya	Independent
Jesús Alonso Olivas Corral	Independent



Supporting the Board of Directors in the assessment of the **quality and integrity of accounting and business processes.**



Verifying compliance with previously **established strategies and policies.**



Overseeing compliance with **legal and regulatory framework.**



Ensuring that the company's actions are aligned with the business **objectives defined by the shareholders.**

→ CORPORATE PRACTICES COMMITTEE

Herminio Padruno Santos	Independent
Salvador Álvarez Valdés	Independent
Ricardo Dávila Quiñones	Independent -President
Gabriela Eugenia Sepúlveda Elizondo	Independent
María Ariza García Migoya	Independent
Jesús Alonso Olivas Corral	Independent

The activities of the Corporate Practices Committee include:

- Supporting the Group's Board of Counselors.
- Preparing reports related to its area of responsibility.
- Making observations on the performance of the Relevant Directors.
- Evaluating transactions with related parties.
- Reviewing compensation packages granted to the CEO and Senior Executives.

→ ESG COMMITTEE

Herminio Padruno Santos	Independent
Salvador Álvarez Valdés	Independent
Ricardo Dávila Quiñones	Independent
Gabriela Eugenia Sepúlveda Elizondo	Independent
María Ariza García Migoya	Independent -President
Jesús Alonso Olivas Corral	Independent



Approved on March 7, 2024, the Operational ESG Committee is comprised of 6 Independent Directors.

Its purpose is to drive the integration of environmental, social, and governance (ESG) criteria throughout the Group’s operations, aligning business decisions with the issues most relevant to our stakeholders.

● KEY FUNCTIONS:



Approve and monitor the ESG strategy

.....



Oversee the operational implementation of sustainable initiatives

.....



Monitor sustainability objectives and indicators

● COMMITTEE ADDED VALUE:



Strategic focus on high-impact issues

.....



Strengthening accountability

.....



Anticipation of risks and new opportunities

.....



Incorporation of industry best practices

The Committee meets four times a year, promoting a more transparent, proactive, and sustainable management.

→ DIRECTORS

	
Luis Eduardo Ramírez Herrera	Finance and Administration Director
Ernesto Hermosillo Seyffert	Management Model Director
José María Muzquiz Barrera	Agro-Business Director
Guillermo Medrano Artalejo	Real Estate Director
Germán Sandoval Ortiz	Audit and Security Director
Juan Francisco Orozco Corral	Financial Division Director
Ana Eugenia Baeza Garcia	Strategic Planning Director

At Grupo Bafar, we are committed to advancing greater diversity at the executive level, recognizing that the talent of both women and men have played a key role in our journey. Therefore, in future rotation processes within senior management, decisions will consciously consider the gender diversity within the organization. This vision reflects our firm purpose of continuing to build a better future for the company, guided by the conviction that inclusion strengthens our path to success.



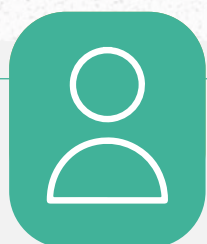


LIC. LUIS EDUARDO RAMÍREZ HERRERA

Finance and Administration Director

Education: Public Accountant and bachelor's degree in financial administration from Instituto Tecnológico y de Estudios Superiores de Monterrey (ITESM) | Master's degree in administration from Thunderbird University (The Garvin School of International Management), Phoenix, AZ, United States.

Experience: Nearly 20 years of professional experience. He has held several roles including Strategic Planning Manager at Grupo Bafar, Finance and Administration Manager for the International Division in Roanoke, VA, United States, Administration Manager for the Truck Division, and Financial Planning Manager at Metalsa, S. de R.L. He also served as Controller for the Health Sector at Grupo Pulsar. Recognized as one of Mexico's top Chief Financial Officers (CFOs) in publications such as Expansión, Forbes, and Mundo Ejecutivo.



C.P. GUILLERMO MEDRANO ARTALEJO

Real Estate Director

Education: Certified Public Accountant from Universidad Autónoma de Chihuahua. MBA from the Instituto Tecnológico y de Estudios Superiores de Monterrey (ITESM). Executive Education in Senior Management from IPADE.

Experience: He has more than 16 years of experience in the real estate sector and more than 10 years in the industrial sector. He has been General Director of Intermex Parques Industriales and has held key positions in Grupo Chihuahua. He is currently Director of the Real Estate Division of Grupo Bafar, where he has positioned this business unit as one of the fastest growing and contributing to the group, consolidating the Bafar brand in the real estate segment in the north of the country. In just four years, it built a portfolio that served as the basis for Fibra Nova. In addition, consolidated a strategic alliance with Copachisa, one of the main construction companies in northern Mexico, achieving important real estate projects. He has participated in the board of the Maquiladora Association of Chihuahua City, strengthening its business network in the maquiladora sector.



LIC. ERNESTO HERMOSILLO SEYFFERT

Management Model Director

Education: Bachelor's degree in business administration from the Instituto Tecnológico y de Estudios Superiores de Monterrey (ITESM) | Diploma in Finance and Senior Business Management | Completed the Competitive Strategy program at Harvard Business School.

Experience: He has 29 years of professional experience. He has held various positions, including Systems Planning and Business Reengineering Consultant at Grupo Administración e Informática S.A., working with companies such as Inverlat, Seguros Monterrey, Fianzas Monterrey, Xerox Mexicana, Grupo Industrial Saltillo, Almacenadora S.A., Sidermex, and Prosa. He was Managing Partner at Globale SC, a company that provided internet access in partnership with INFOSEL and was later sold to Terra Networks. He served as Director of Modernization and Systems in the Municipality of Chihuahua, then as Undersecretary of Economy for the State of Chihuahua during the administration of Governor José Reyes Baeza Terrazas, and later as Secretary of Economy. He also served as General Director of Grupo Jidosha Internacional S.A. de C.V., which managed 9 Nissan dealerships across the states of Chihuahua, Campeche, and Yucatán.



ING. JOSÉ MARÍA MUZQUIZ BARRERA

Agroindustrial Director

Education: Agronomical Engineering from Universidad Autónoma de Chihuahua. Master's in Economics and Finance from Universidad La Salle. Completed executive programs at IESE Business School (Spain) and the Instituto Tecnológico y de Estudios Superiores de Monterrey (ITESM).

Experience: Over 30 years of experience in the financial sector. Held senior positions in the Credit and Commercial areas at BBVA Bancomer. Served as advisor at Banco de México in the Northern Regional Office in Sonora, as well as Delegate for the Red Cross in Chihuahua and President of the Banking Center in the states of Chihuahua and Baja California.



C.P. GERMÁN SANDOVAL ORTIZ

Audit and Security Director

Education: Certified Public Accountant from the Instituto Tecnológico y de Estudios Superiores de Monterrey (ITESM), Mexico City Campus. Holds diplomas in Managerial Competencies and in Audit, Management and Leadership, both from ITESM, Mexico City Campus.

Experience: He has 28 years of professional experience, including over 19 years in risk-based internal auditing, both in Mexico and abroad. He has held leadership roles in private companies such as Grupo Salinas and Grupo Vizion, working across various sectors including finance, retail, telecommunications, construction, and agri-food. He has overseen Corporate and Operational Internal Audit departments.

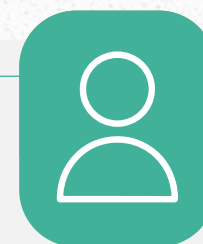


LIC. JUAN FRANCISCO OROZCO CORRAL

Financial Division Director

Education: Bachelor's degree in business administration from the Instituto Tecnológico Autónomo de México (ITAM).

Experience: He has extensive experience in the private equity and structured credit industries. He has held various positions at Tresalia Capital, one of Mexico's leading family offices, and at Nexxus Capital, the largest independent alternative asset manager in Mexico by assets under management.



LIC. EUGENIA BAEZA

Strategic Planning Director

Education: Bachelor's degree in business administration from the Instituto Tecnológico y de Estudios Superiores de Monterrey (ITESM), Mexico City Campus. She has supplemented her strong academic background with certifications in Strategy Creation and Competitive Advantage from Harvard University and in Financial Analysis from Columbia University.

Experience: She has broad experience in strategic consulting, developed through various positions at the global firm EY-Parthenon in Mexico City, where she led multiple projects focused on operational optimization, business growth, and in-depth market analysis. Her achievements include the strategic evaluation of Mexico's logistics market for one of the country's largest breweries, identifying key initiatives to enhance efficiency for a leading Colombian snack company, and designing a strategic plan for a major Mexican pharmaceutical company. She later joined Grupo Bafar as Strategy Sr. Project Manager before taking on the role of Director of Strategic Planning.

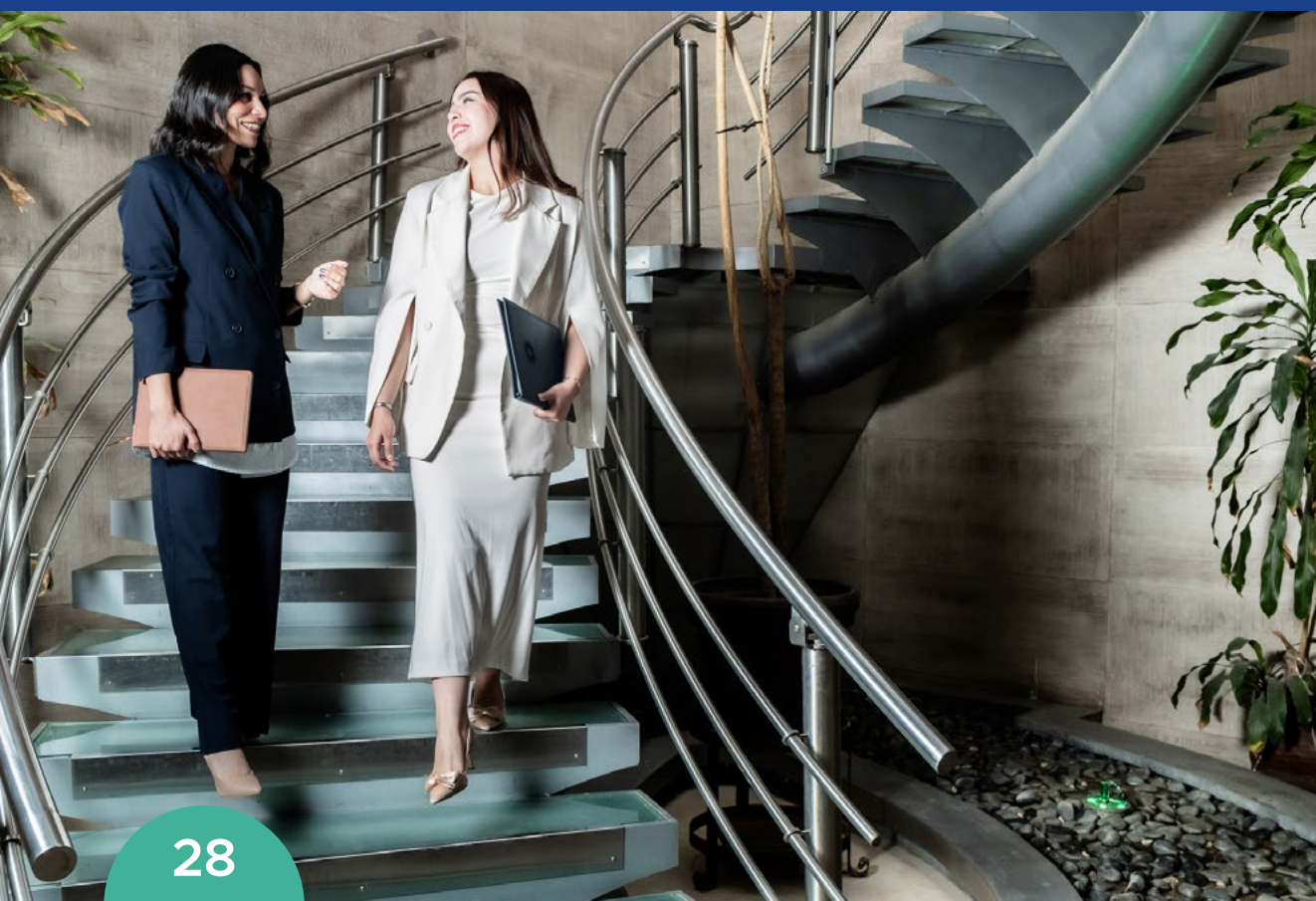
→ POLICIES

- Code of Ethics
- Conflict of Interest Policy
- Corporate Integrity and Anti-Corruption Policy
- Equity and Inclusion Policy
- Information and Data Security Policy
- Occupational Health and Safety Policy
- Corporate Code of Conduct and Ethics Policy
- ESG Compliance Policy of Grupo Bafar

The Code of Ethics defines the responsibilities of board members, executives, and employees of Grupo Bafar, serving as a guide for proper conduct. It also encourages the reporting of any behavior that violates these principles and ensures the implementation of corrective actions in case of non-compliance, fostering a culture of integrity and accountability throughout the organization.

For more information on the policies:

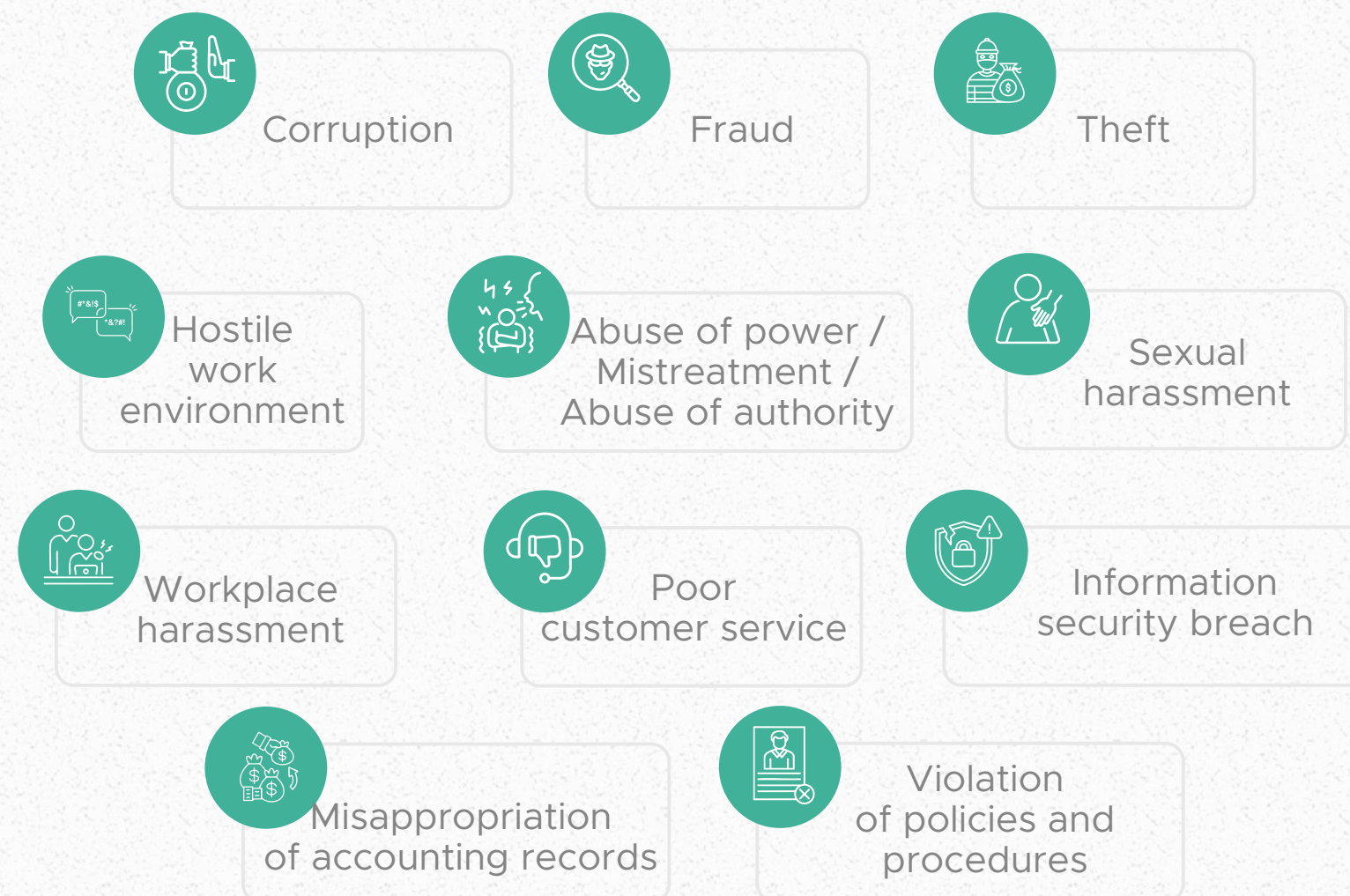
<https://ri.bafar.investorcloud3.net/documentos-corporativos>



→ BAFAR TRANSPARENTE

Bafar Transparente is an open communication channel, available 24/7, that allows employees to report any situation that negatively impacts the work environment, customer service, or puts the Company's resources at risk. It also enables the reporting of actions that go against the principles outlined in the Code of Ethics. In general, any conduct that contradicts our values and principles can be reported.

● WHAT CAN BE REPORTED?



To ensure a secure environment, we operate a direct line called “MY SAFETY”, through which personnel can report any conditions or acts that may represent a risk. Each report is addressed promptly by the designated managers, who implement the necessary preventive or corrective measures.

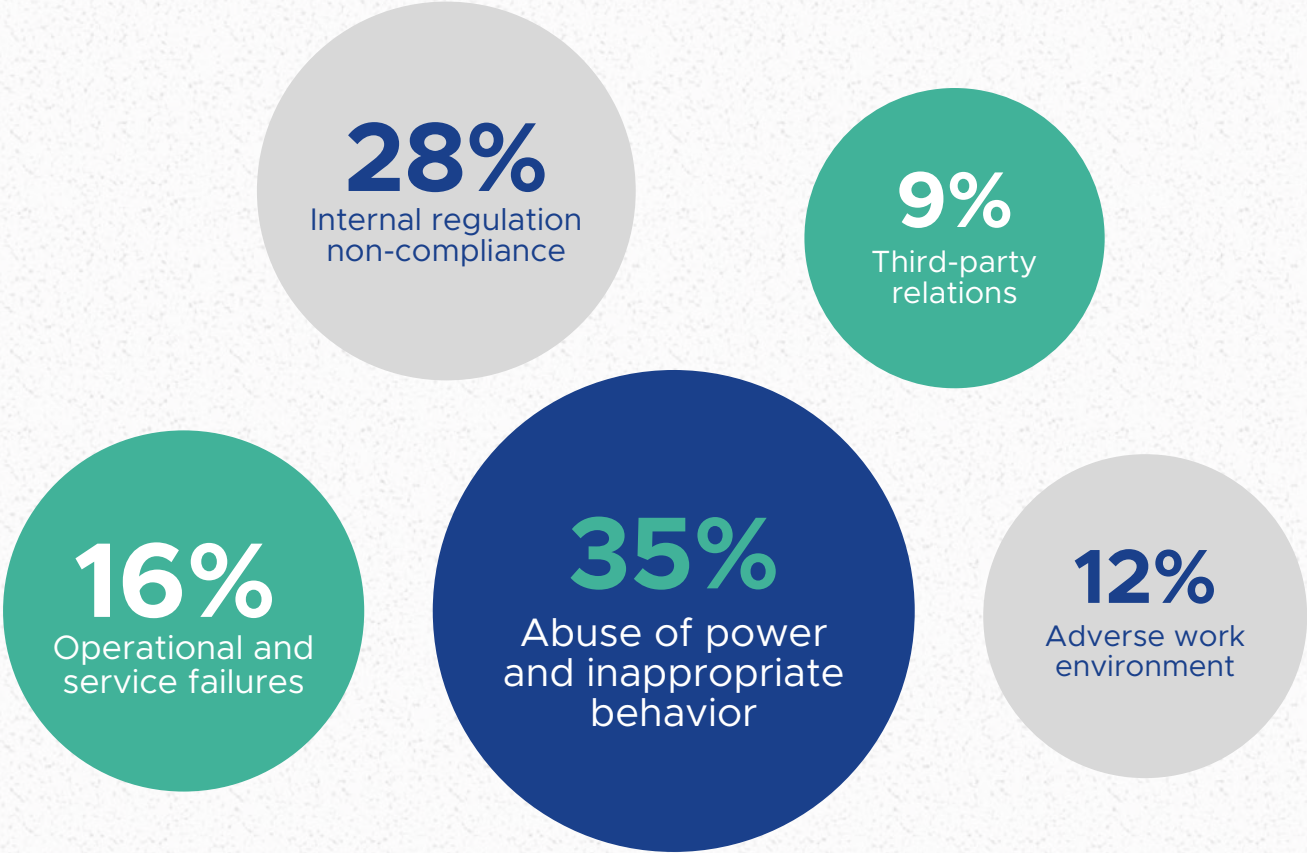
At Grupo Bafar, no cases of regulatory non-compliance or voluntary code violations were recorded. However, any misconduct or suspicion may be reported through the following channels:






www.bafartransparente.bafar.mx

bafartransparente@bafar.com.mx

01 800 832 4794



Theft	43 verified reports
Inventory shortages	37 verified reports
Off-system sales	22 verified reports
Failure to deliver severance pay	46 verified reports
Conflict of interest (sentimental relationships)	22 verified reports
Bad work environment	24 verified reports
Lack of supervisor support	31 verified reports
Arrogant and hostile attitude	92 verified reports

Transparent Bafar Portal		
 10% Email	 27% Telephone	 11% WhatsApp



**THE FLAVOR THAT
BRINGS FAMILY AND
FRIENDS TOGETHER.**

→ REGULATORY COMPLIANCE

● INSTITUTIONAL COMPLIANCE

It is important to highlight that Grupo Bafar has not incurred any violations of current laws or regulations, nor has it received any related penalties or sanctions.

Among the most relevant regulations are the General Law of Ecological Balance and Environmental Protection (LGEEPA), the General Law for the Prevention and Comprehensive Management of Waste (LGPGIR), and the National Water Law (LAN). These frameworks have been essential in shaping our environmental strategy, which is fully aligned within their provisions.

● CONFLICTS OF INTEREST

Conflicts of interest may arise when an individual's personal or financial interests interfere with their duties and assigned responsibilities. At Bafar, we are aware of the potential risk, particularly when dealing with related parties. Therefore, our Human Resources Department is responsible for identifying, managing, and mitigating these risks. This includes notifying the Compliance area of any potential conflicts, especially during the hiring process of board members, committee members, and executive personnel.

SUSTAINABILITY



→ MATERIALITY

● GRUPO BAFAR AND OUR COMMITMENT TO DOUBLE MATERIALITY

At Grupo Bafar, we began our materiality process in 2021, and for 2024 we are presenting its first update, where we incorporated the double materiality. Sustainability, transparency, and accountability are core pillars of our business model. This commitment has led us to adopt and implement the Double Materiality approach, a key tool that informs our corporate decision-making and guides us toward a sustainable and integrated future.

WHAT DOES DOUBLE MATERIALITY IMPLY?

Double materiality considers two perspectives that are crucial to comprehensive decision-making:



FINANCIAL MATERIALITY

Evaluates how risks and opportunities can influence the company's financial position, economic performance, cash flows, and access to financing. We examine factors both within our direct control and linked to key business relationships, such as dependence on natural and human resources.

IMPACT MATERIALITY

Focuses on how the company's operations affect people, the environment, and society. It considers both positive and negative effects, whether actual or potential and evaluates factors such as the magnitude, scope, and irreversibility of such impacts.



COMPANY IMPACT TOWARDS THE OUTSIDE

Risk / sustainability issues from the company



IMPACT FROM THE OUTSIDE TOWARDS THE COMPANY

Risk / Sustainability issues to the company

For Grupo Bafar, this dual perspective allows us to better understand and address challenges, while unlocking opportunities to create long-term value for both our business and the communities we serve.

● COMMITMENT TO DUAL MATERIALITY AT GRUPO BAFAR

Grupo Bafar operates in a variety of industries, including agribusiness, real estate, finance, hunting, and insurance. To ensure effective governance across this broad portfolio, we use the Dual Materiality approach as a comprehensive framework to guide our sustainability strategy and make informed and transparent decisions. This process underscores our role as responsible stewards of both our business and the environment

● THE DUAL MATERIALITY PROCESS
AT BAFAR GROUP

**1. SELECTION OF
STAKEHOLDERS**



Shareholders



Customers



Employees



Community



Financial
institutions



Suppliers

**2. STANDARDS FOR DUAL
MATERIALITY**



**3. DATA-BASED
MATERIALITY ANALYSIS**



Internal and
external
stakeholders



Information gathering
through surveys



Sector analysis



**4. PRIORITIZATION BY
OUR ESG COMMITTEE**



**5. INTEGRATION INTO
BUSINESS STRATEGY**

Insights from the materiality study are incorporated into decision-making processes, creating a bridge between sustainability, operational planning, and governance.

→ MATERIAL ISSUES

The Dual Materiality assessment enabled us to identify and prioritize the following material issues across environmental, social, governance, and food responsibility dimensions:



Climate change



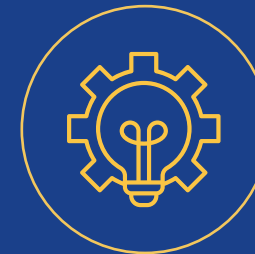
Compliance with environmental laws and regulations



Best labor practices



Healthy and affordable food



Product innovation



Business ethics



Corporate governance

● KEY BUSINESS AREAS AS PART OF OUR SUSTAINABILITY EFFORTS

FOOD SECTOR: We focus on sustainable food production through the responsible use of resources and innovative practices in meat and dairy processing.

REAL ESTATE SECTOR: Development of environments that meet modern sustainability and well-being standards.

FINANCIAL SECTOR: Exploration of innovative financial instruments to support and expand sustainability initiatives.

AGRIBUSINESS SECTOR: Sustainable agricultural production using innovative methods and advanced irrigation systems to deliver top-quality crops.

● OUR COMMITMENT TO STAKEHOLDERS

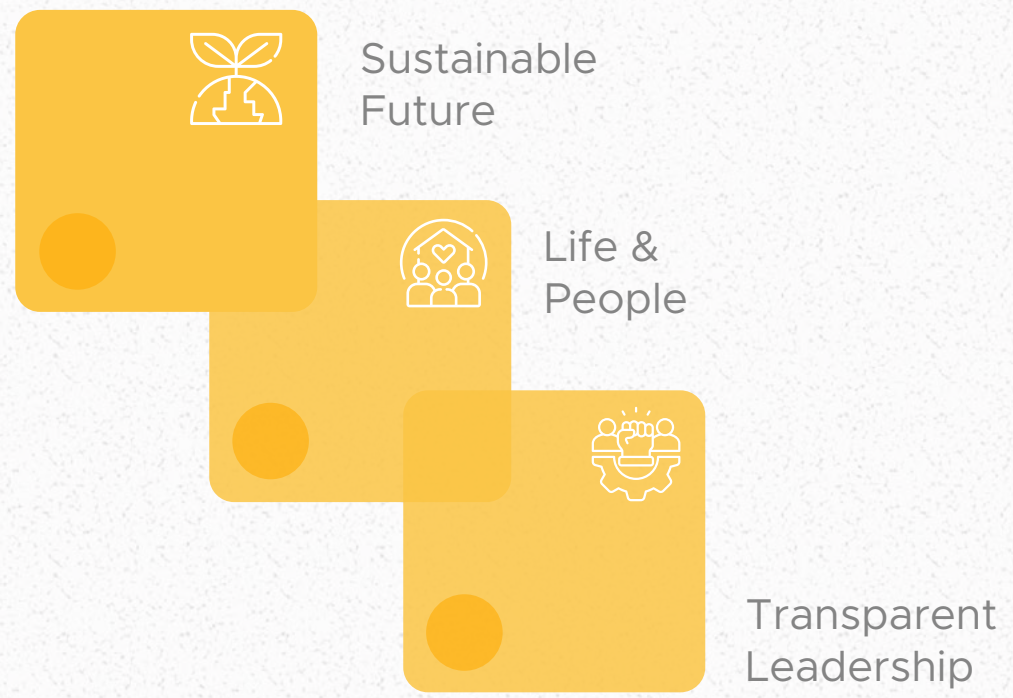
Through Dual Materiality, we reaffirm the importance of transparency and continuous improvement. Our mission is not only to meet today's expectations, but also to lead by example, creating a path toward a balanced and sustainable future for the next generations.

At Grupo Bafar, every step we take is purpose-driven. Through approaches like Dual Materiality, we remain committed to driving measurable change for our business, our stakeholders, and the world. We also aim to lead by example, building a path toward a sustainable and balanced future for generations to come.

● GRUPO BAFAR SUSTAINABLE STRATEGY 2030: FLAVORS THAT TRANSFORM



Grupo Bafar reaffirms its commitment to comprehensive sustainable development through a strategy built on three key pillars that reflect our essence and long-term vision, integrating ESG (Environmental, Social, and Governance) principles. With innovative actions, responsible practices, and a strong focus on quality and well-being, we move toward a more balanced and prosperous future for all



PILLAR 1.
Sustainable Future

Goal: Conserve natural resources by reducing environmental impact and leading innovative sustainability practices across all sectors.





PILLAR 2.

Life and people

Goal: Promote the well-being of people and communities through better working environments, social justice, and access to healthy and affordable products.

EMPLOYEE TRAINING

Goal: Maintain and enhance employee development through training programs.

KPI:

- In 2024, we reached 200,000 cumulative training hours.
- This resulted in over 75% of the staff trained at Universidad Bafar achieving their desired positions in 2024.

SOCIAL IMPACT – CHILDREN AND YOUTH

Goal: Expand the impact of Fundación Grupo Bafar in vulnerable communities.

KPI:

- In 2024, we supported more than 30,000 girls, boys, and adolescents through activities in socio-sports schools.
- Increase the number of socio-sports schools by 10% by 2025.

COMMUNITY VOLUNTEERING

Goal: Strengthen commitment to volunteer work in communities.

KPI:

- Over 43,000 hours of community service were recorded in 2024.

FOOD COLLECTION AND DISTRIBUTION CENTERS

Goal: Expand the delivery of complete meals to families in need.

KPI:

- In 2024, we supported over 3.2 million families with meals.
- More than 14 million complete meals were delivered throughout the year.



PILLAR 3.

Transparent Leadership

Goal: Manage each area of operation with integrity and transparency, consolidating our position as a benchmark in corporate ethics and effective governance.



1. ESG Training

Training in ESG topics is essential to continue promoting sustainable and responsible practices at every level of the organization. We consider it crucial for our team to stay up to date on environmental, social, and governance matters, ensuring these considerations are embedded in decision-making and our corporate culture. This approach strengthens our focus on sustainable development and long-term value creation.



2. Women on the Technical Committee

The participation of women on the technical committee is essential for making more inclusive and balanced decisions, as they bring diverse perspectives and experience. This enhances discussion and decision-making processes. At Grupo Bafar, we aim to ensure women's participation on our technical committee exceeds regulatory requirements, promoting a more diverse and equitable environment—as we have successfully done in recent years.



3. . Technical Committee Independence

An independent technical committee is key to improved decision-making, as it provides greater transparency and expertise while helping to avoid conflicts of interest. This ensures decisions focus on generating greater value for our stakeholders. At Grupo Bafar, maintaining a high level of independence has been a priority, and we strive to keep it above 50%, as we have done in recent years.



4. Code of Ethics

Our goal is to ensure that all executives receive ongoing training aligned with the Code of Ethics, aiming to guarantee that all members follow the same principles of integrity and respect. This helps strengthen the work environment and build greater trust, demonstrating our commitment to ethical and responsible conduct.



5. Women in Management Positions

Diversity in leadership roles is key to building a stronger and more equitable organization. We believe that promoting women's participation in management brings fresh perspectives, strengthens decision-making, and fosters a better work environment.

That is why we aim to maintain their representation above 40%.



6. Diversity Policies








At Grupo Bafar, our goal is to promote an inclusive environment where everyone—regardless of origin, gender, or experience—has equal opportunities to grow and contribute. We strive to make diversity, equity, and inclusion part of our everyday culture, ensuring that every team member feels valued and respected.

● TRANSFORMING THE INDUSTRY WITH FLAVORS THAT MAKE AN IMPACT

With the “Flavors that Transform” strategy, Grupo Bafar integrates its legacy into a vision that blends innovation, sustainability, and responsible leadership. We reaffirm our position as a company that prioritizes collective well-being and environmental conservation, alongside unmatched quality. Let's move forward together toward a cleaner, more ethical, and more equitable future.



● LINKING MATERIAL ISSUES WITH THE SDGS

	ACTIONS CARRIED OUT	MATERIAL ISSUES
	<ul style="list-style-type: none"> - Actions carried out: We generated over 12,000 jobs both nationally and internationally. 	
	<ul style="list-style-type: none"> - Through our food collection centers, we gathered and distributed over 14 million food packages nationwide, benefiting more than 3.2 million families in Mexico. 	<ul style="list-style-type: none"> • Healthy and affordable food, • Product innovation
	<ul style="list-style-type: none"> - All our employees receive fair wages and benefits. - We deliver ongoing training throughout the year to ensure our team is well-prepared. - We operate Socio-Sports Schools, providing a space where more than 30,000 children and youth can learn and practice sports. - We organized Medical Campaigns, offering free care to more than 16,000 people without access to medical services. 	<ul style="list-style-type: none"> • Hiring, recruitment, and labor retention • Occupational health and safety • Labor training and education • Worker-employer relations
	<ul style="list-style-type: none"> - At Bafar University, we offer courses designed to help our employees develop and apply leadership and management skills. Thanks to this initiative, more than 563 employees have taken advantage of these opportunities, driving their professional growth. 	<ul style="list-style-type: none"> • Hiring, recruitment and labor retention • Occupational health and safety • Labor training and education • Worker-employer relations
	<ul style="list-style-type: none"> - The Equity and Inclusion policy was redefined, focusing on areas of highest importance to our employees. In addition, we successfully reduced the wage gap between men and women. 	<ul style="list-style-type: none"> • Diversity and equal employment opportunities • Equal pay between men and women • Discrimination prevention
	<ul style="list-style-type: none"> - We continue to innovate in our systems, successfully reducing and reusing water throughout our production stages. 	<ul style="list-style-type: none"> • Water and effluent management
	<ul style="list-style-type: none"> - Our B-Energy power plant, along with our ongoing efforts to install solar panels across various stores and facilities. 	<ul style="list-style-type: none"> • Energy consumption • Emissions management

	ACTIONS CARRIED OUT	MATERIAL ISSUES
<div>8</div> <div>DECENT WORK AND ECONOMIC GROWTH</div>	<ul style="list-style-type: none"> - Bafar University also delivers the “Management Talent Development” program, which enhances employees’ job skills to empower them in their roles and open the door to new positions. 	<ul style="list-style-type: none"> • Indirect economic impacts • Recruitment, hiring, and retention • Job training and education • Code of ethics, policies, and procedures
<div>9</div> <div>INDUSTRY, INNOVATION AND INFRASTRUCTURE</div>	<ul style="list-style-type: none"> - Over the years, we have introduced several innovations, including the installation of solar panels in CarneMart stores across the country. We have also implemented various mechanisms to reduce water usage. - Additionally, we built our production plants in Chihuahua and La Piedad, which are the Group’s main production hubs. 	<ul style="list-style-type: none"> • Indirect economic impacts • Market presence • Sustainable infrastructure for food processing • Product innovation • Product information, labeling, and marketing
<div>10</div> <div>REDUCED INEQUALITIES</div>	<ul style="list-style-type: none"> - Through the Grupo Bafar Foundation, we implement various programs that support the development of families, children, and youth, creating opportunities for those who need them most. This also strengthens our connection with stakeholders. 	<ul style="list-style-type: none"> • Diversity and equal employment opportunities • Equal pay for men and women • Discrimination prevention • Code of ethics, policies, and anti-corruption procedures
<div>11</div> <div>SUSTAINABLE CITIES AND COMMUNITIES</div>	<ul style="list-style-type: none"> - In partnership with Fibra Nova, improvements have been implemented in our properties to reduce both energy and water consumption. These properties are EDGE certified, endorsing their sustainability. 	<ul style="list-style-type: none"> • Sustainable cities and communities
<div>12</div> <div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div>	<ul style="list-style-type: none"> - Our core business is the production of meat and dairy products; therefore, we continuously innovate across our production chain, facilities, and products. Thanks to Mexican regulations, our social efforts have a greater impact and yield better results by requiring the food industry to disclose product information. 	<ul style="list-style-type: none"> • Economic performance • Market presence • Waste management • Sustainable infrastructure for food processing • Healthy and affordable food • Product innovation • Product packaging • Product information, labeling, and marketing

ACTIONS CARRIED OUT

MATERIAL ISSUES



- All our environmental efforts are aimed at limiting the global temperature increase to 1.5°C or below. These efforts include the use of solar panels, irrigation systems to improve water and effluent usage, among others.

- Energy consumption
- Water and effluent management
- Emissions management
- Waste management
- Compliance with environmental legislation and regulations



- We have implemented initiatives to improve efficiency in water systems and dry toilets at GB facilities.



- We operate the “Wildlife Conservation” project, protecting more than 48,600 hectares of UMA land to preserve endangered species. To broaden our impact, we have also innovated our product packaging by developing designs that reduce plastic use in selected packages.



- We have implemented a broad range of policies and regulations focused on peace and justice, encouraging our stakeholders to adhere to these standards to continue working with us.

- Compliance with environmental legislation and regulations
- Freedom of association and collective bargaining
- Respect for human rights in security practices
- Code of ethics, anti-corruption policies and procedures
- Governance and compliance with social regulations



- Over the years, we have established partnerships with various non-profit organizations to further advance our ESG plans.

● WILDLIFE CONSERVATION

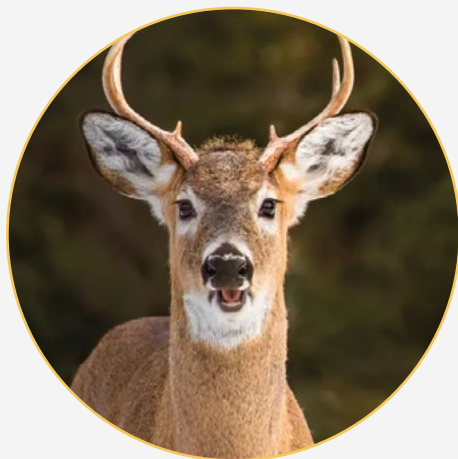
We run a wildlife conservation project across more than 48,000 hectares of land designated as Wildlife Conservation Management Units (UMA). Together with the “El Álamo” and “Santa Anita” ranches—recognized as UMAs by SEMARNAT—we have implemented alternative production schemes aimed at maintaining productivity while enhancing flora and fauna conservation.

Thanks to these spaces, we have been able to protect several endangered species, such as:



BIGHORN SHEEP

A species of artiodactyl mammal from the Bovidae family, native to North America. In Mexico, the bighorn sheep holds significant ecological, cultural, economic, and social importance. It also stands as a symbol of Mexican wildlife.



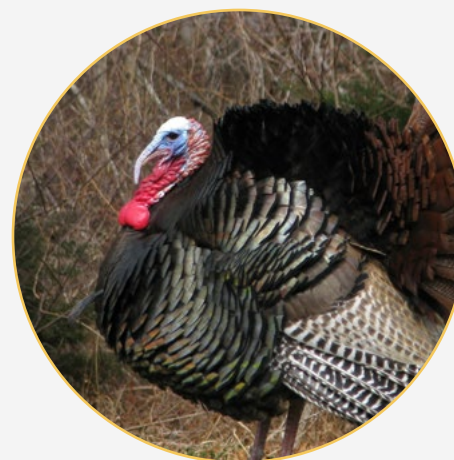
WHITE-TAILED DEER

Known in the Mayan language as ceh, this is a species of artiodactyl mammal from the Cervidae family. It is one of the most widely distributed deer across the Americas, ranging from Canada to northern South America.



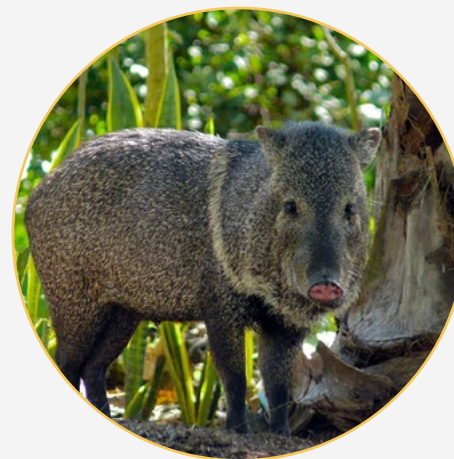
PRONGHORNS

Also known as the American antelope, this artiodactyl mammal is endemic to North America. The pronghorn primarily inhabits arid and semi-arid zones in the northern regions of the country.



WILD TURKEY

Commonly known as the wild turkey, this galliform bird species is native to North America. In Mexico, it is considered emblematic for both its cultural significance and ecological role. It primarily inhabits pine-oak forests but can also be found in xerophytic scrublands and lowland jungles.



COLLARED PECCARY

Also known as saíno or báquiro, it is an artiodactyl mammal from the Tayassuidae family, native to the American continent. The collared peccary has a wide distribution, ranging from the southern United States to northern Argentina. In Mexico, it is found throughout most of the country, except in the Baja California Peninsula.

To promote the reproduction and conservation of these species, significant resources have been allocated to soil conditioning, the establishment of 1,500 hectares as territorial reserves, and the installation of feeding and watering stations.

Additionally, specialized technical support has been provided regarding the nutritional, health, and reproductive care of the animals.

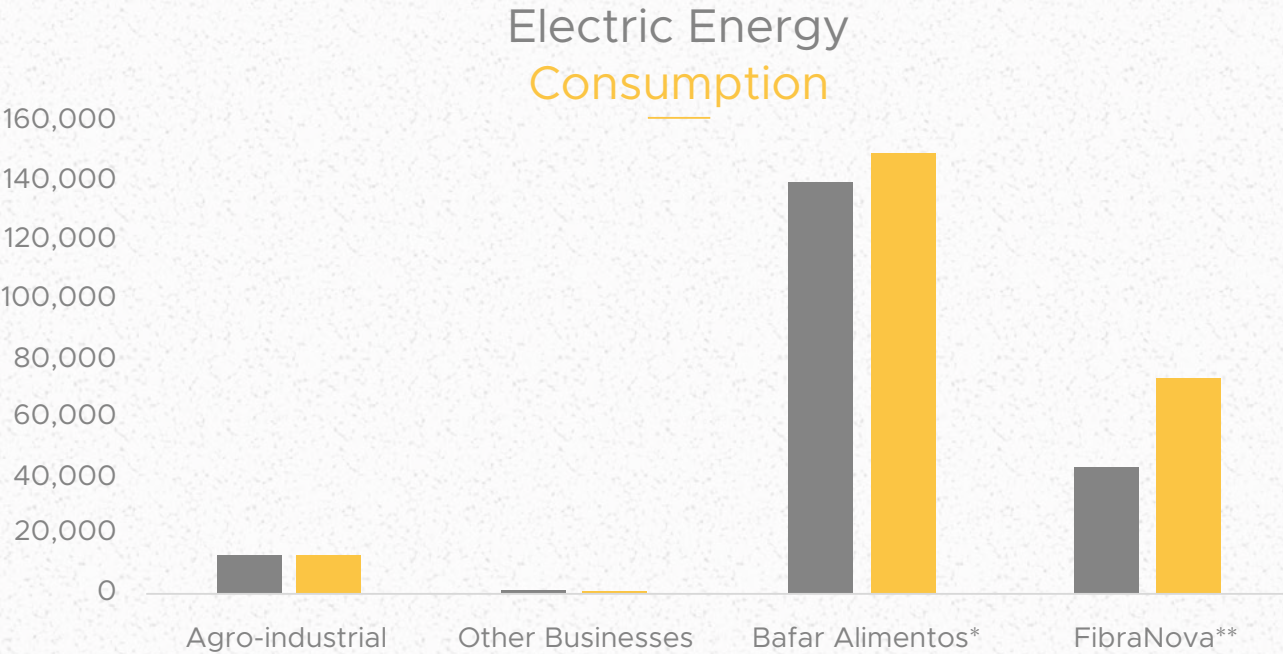
RESPONSIBLE AND EFFICIENT RESOURCE MANAGEMENT

ENERGY EFFICIENCY

The food industry requires high energy consumption, which is why we decided to install solar panels in our CarneMart stores located throughout Mexico, aiming to reduce the division's energy usage.

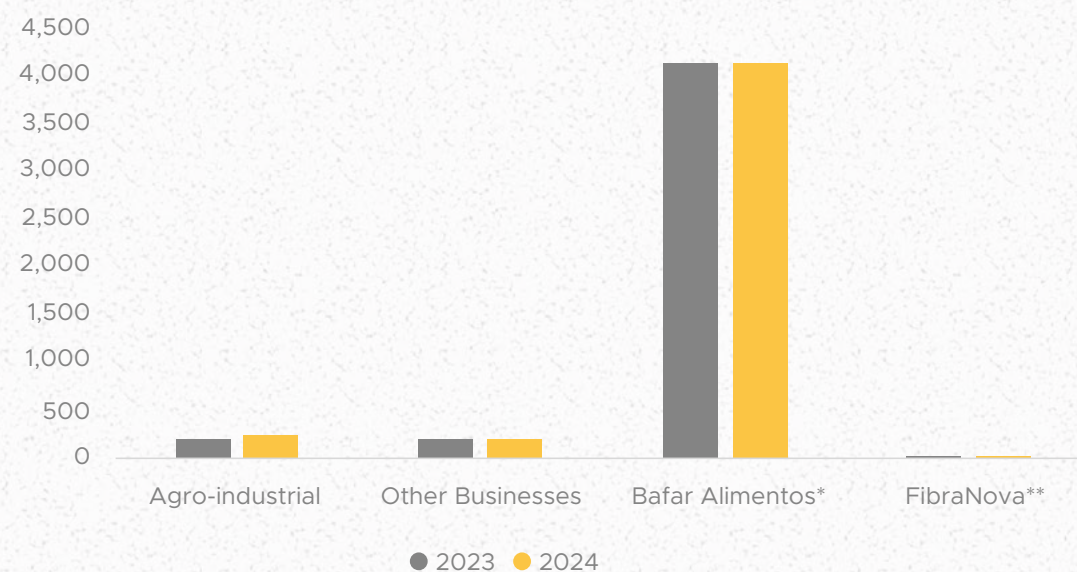
Meanwhile, within our facilities, we launched the B-Energy plant—a power facility that uses natural gas as its energy source. This solution generates up to 50% less CO₂ compared to coal, and approximately 30% less than oil in electricity production.

ELECTRIC ENERGY CONSUMPTION	Consumption (GWh)	
	2023	2024
Agro-industrial	12,633,351	13,728,198
Other Businesses	552,137	359,405
Bafar Alimentos	140,349,971	149,633,096
Bafar Group	153,535,459	163,720,699
Fibra Nova	42,049,713	72,375,092



FUEL CONSUMPTION	Consumption (lt)	
	2023	2024
Agro-industrial	153,167	224,407
Other Businesses	147,759	154,509
Bafar Alimentos	4,159,685	4,142,174
Bafar Group	4,460,610	4,521,091
Fibra Nova	4,999	903

Gasoline Consumption

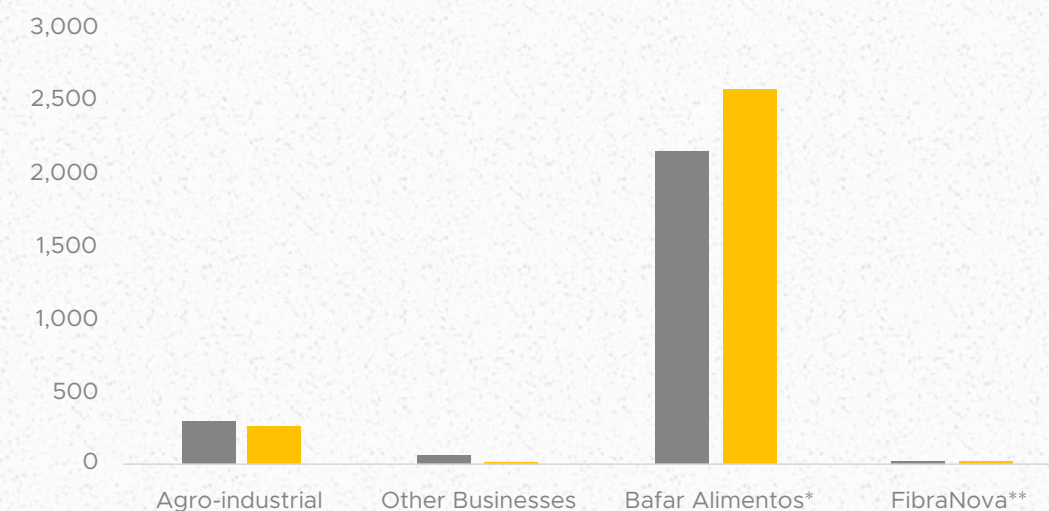


WHERE THERE IS
UNITY, THERE IS
FLAVOR.

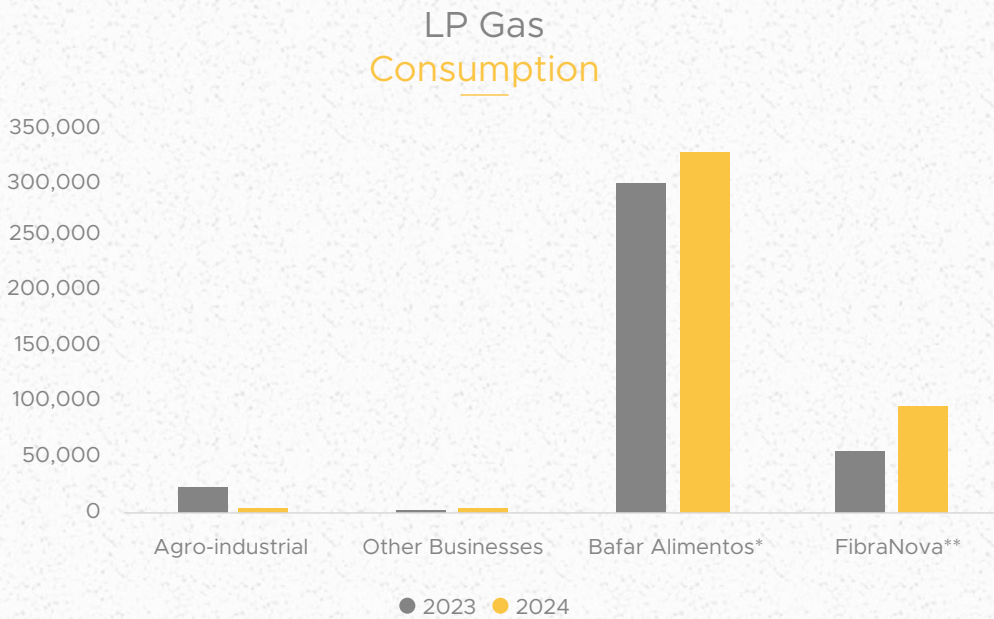


DIESEL CONSUMPTION	Consumption (lt)	
	2023	2024
Agro-industrial	297,500	269,500
Other Businesses	60,910	11,031
Bafar Alimentos	2,163,537	2,590,901
Bafar Group	2,521,947	2,871,432
Fibra Nova	23,471	20,918

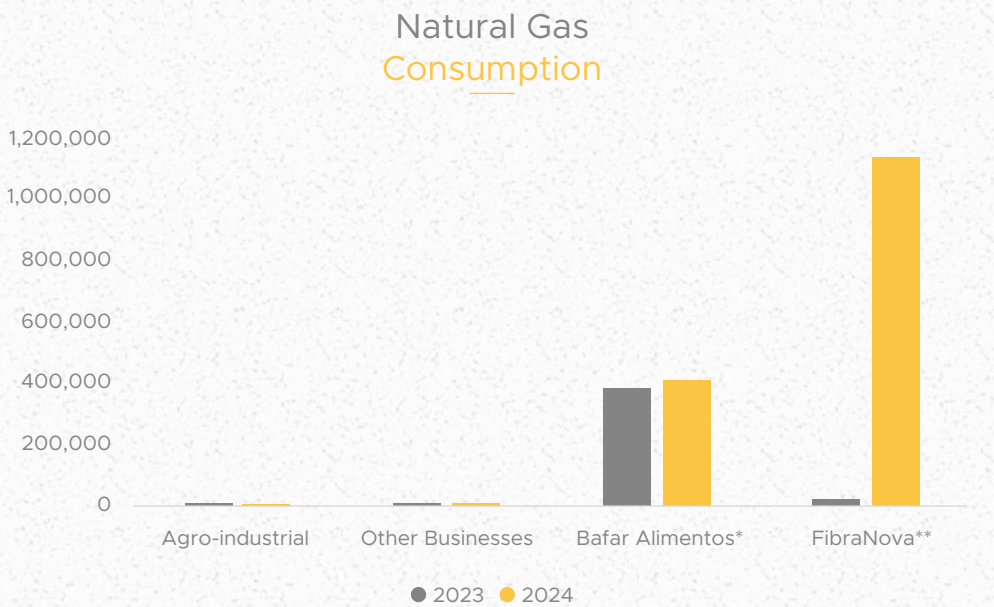
Diesel Consumption



Consumption (lt)		
LP GAS CONSUMPTION	2023	2024
Agro-industrial	19,931	3,620
Other Businesses	-	-
Bafar Alimentos	300,565	329,219
Bafar Group	320,496	332,839
Fibra Nova	52,823	93,045



Consumption (GJ)		
NATURAL GAS CONSUMPTION	2023	2024
Agro-industrial	-	-
Other Businesses	-	-
Bafar Alimentos	387,117	408,349
Grupo Bafar	387,117	408,349
FibraNova**	24,108	1,134,822



NOTES



*The Bafar Alimentos division is composed of the following: **Consumer, Retail, International, and Plants.**



**Fibra Nova’s consumption is considered indirect for the Group, as it corresponds to the operations of tenants in its properties.

→ WATER OPTIMIZATION



● REPUMP

At Grupo Bafar, we seek solutions that reduce water use. To achieve this, automated pumps have been installed as part of our repumping systems across our agricultural fields. These systems have significantly contributed to reducing water usage in our agricultural activities.



● IRRIGATION TECHNIFICATION

We also implemented a pressurized irrigation system in our orchard, which allows us to take advantage of up to 90% of the available water. This has allowed us to optimize irrigation efficiency, minimize waste, and ensure responsible water resource management in our operations.



● METEOROLOGICAL MONITORING

Alongside this new irrigation system, we have installed various humidity sensors and solenoid valves in our orchards. With the support of a weather station, this monitoring system allows us to adjust electro valve settings and maximize agricultural yields.



● EXTRACTION

We have a water extraction system through wells, which is supported by an advanced monitoring mechanism to ensure responsible water resource use. Additionally, we have implemented specialized sensors that accurately record the levels and movements of the water table, as well as the amount of water extracted in each cycle.

These sensors collect real-time data on the volume of water used and the lowering of aquifers, allowing adjustments to operations and avoiding overexploitation. Thanks to this technology, water consumption is optimized, and a more efficient and sustainable management of the resource is promoted, ensuring its availability for the future.



● WATER SUPPLIES

Our water supply is supported by an efficient storage and automated management system. The Group's storage tanks are equipped with ultrasonic level sensors that monitor filling and emptying levels in real time.

These sensors work in conjunction with the wells, automatically activating or deactivating their operation based on demand, allowing for optimal distribution of the resource. Thanks to this technology, water use efficiency is improved within Grupo Bafar's operations, ensuring a sustainable and controlled supply.



● WASTEWATER TREATMENT

We have two facilities for wastewater treatment, one in Chihuahua and the other in Michoacán. These focus on recovering effluents from continuous ovens, the cooking area, and the breeding area, recovering on average 30% of the water used.

At Grupo Bafar, we promote the responsible use of water through initiatives that optimize its consumption. As part of these efforts, we have installed cooling towers in our facilities, which store and regulate the temperature of the water used in our industrial plants.



2023	Water consumption m ³		Discharge m ³	Treated m ³
	GROUNDWATER	THIRD PARTIES (MUNICIPAL)	THIRD PARTIES (MUNICIPAL)	TREATED WATER
Agro-industrial	15,052,323	-	-	-
Bafar Alimentos*	781,052	87,155	831,715	469,112
Grupo Bafar	15,833,375	87,155	831,715	469,112
Fibra Nova**	-	123,741	155	700

2024	Water consumption m ³		Discharge m ³	Treated m ³
	GROUNDWATER	THIRD PARTIES (MUNICIPAL)	THIRD PARTIES (MUNICIPAL)	TREATED WATER
Agro-industrial	15,929,681	-	-	-
Bafar Alimentos*	925,571	85,145	841,372	423,328
Grupo Bafar	16,855,252	85,145	841,372	423,328
Fibra Nova**	-	165,561	-	-

*The Bafar Alimentos division is composed of the following areas: Consumer, Retail, International, and Plants.

**Fibra Nova's consumption is considered indirect for the Group, as it results from tenants' operations within its properties.



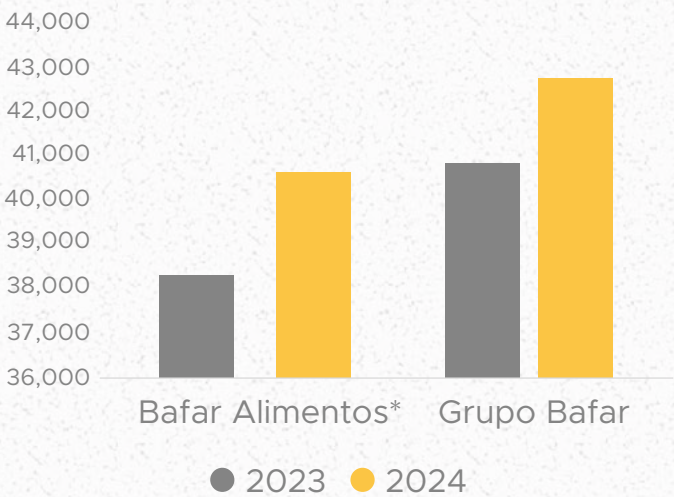
We comply with the official parameters established by SEMARNAT NOM 001 for water discharge.



● RESPONSIBLE EMISSION:

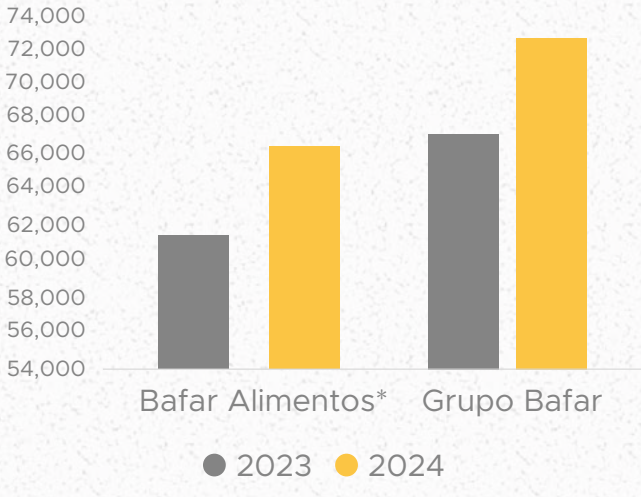
At Grupo Bafar, Scope 1 emissions correspond to processes directly related to the Group’s operations. Scope 2 emissions are mainly generated from electricity consumption in the company’s operations. Finally, Scope 3 emissions refer to those derived from the Group’s activities but generated by external parties.

Scope 1



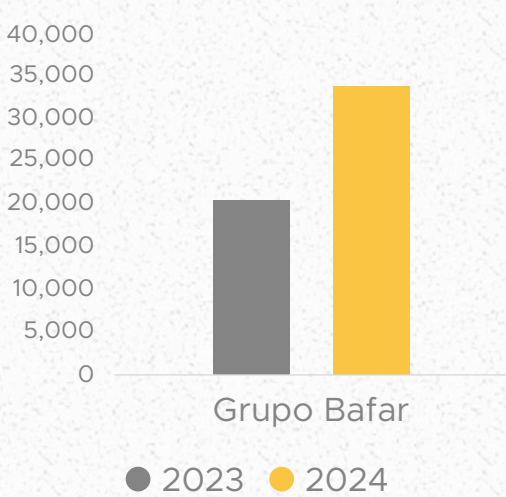
SCOPE 1 (CO ₂ EQ)**	2023	2024
Bafar Alimentos	38,309	40,404
Grupo Bafar	40,862	42,693

Scope 2



SCOPE 2 (CO ₂ EQ)***	2023	2024
Bafar Alimentos	61,473	66,437
Grupo Bafar	67,248	72,692

Scope 3



SCOPE 3 (CO ₂ EQ)****	2023	2024
Grupo Bafar	19,937	33,653

*The Bafar Alimentos division is composed of the following areas: Consumer, Retail, International, and Plants.

**For the calculation of Scope 1 emissions, the methodology from the National Emissions Report approved by SEMARNAT was used, along with the corresponding calorific values, emission factors, and global warming potentials.

***To calculate Scope 2 emissions, the national electricity system emission factor published by SEMARNAT for 2023 and 2024 was used.

****Emissions derived from the operations of Fibra Nova’s tenants are included under Scope 3.

Notes:

To measure indirect GHG emissions (Scope 3), the most relevant categories from our value chain were considered, based on the availability and quality of information. The included categories were: Purchased goods and services, Fuel- and energy-related activities (not included in Scopes 1 and 2), Waste generated in operations, Business travel, and Employee commuting.

● SMART WASTE

On a daily basis, people consume millions of products with plastic packaging. For this reason, at Grupo Bafar we have committed to innovating both our packaging system and the materials we use.

The waste we generate is classified into non-hazardous and hazardous waste, and we continue to develop strategies to reduce its impact. Our various business units generate a wide range of waste, including plastics, unsellable food products, and materials classified as hazardous.

To ensure efficient and responsible waste management, we have implemented strict procedures for handling special and hazardous waste. At our facilities, we carefully segregate special waste using designated containers for general waste, cardboard, and plastic. These materials are collected by an authorized provider, who issues certified monthly manifests, ensuring transparency and traceability throughout the process.

As for hazardous waste—such as oils, filters, and contaminated rags—these are stored in a designated area within our general warehouse with restricted access for authorized personnel only. We also work with a specialized company for the safe transport and disposal of these materials, ensuring proper handling and reducing environmental impact.

2023	Non-hazardous waste (Ton)			Hazardous waste
	INORGANIC	ORGANIC	RECYCLABLE	
Agroindustrial	-	-	5	-
Bafar Alimentos*	2	14,823.	3,932	13
Grupo Bafar**	2	14,823	3,937	13
Fibra Nova***	495	480	2,555	69

2024	Non-hazardous waste (Ton)			Hazardous waste
	INORGANIC	ORGANIC	RECYCLABLE	
Agroindustrial	-	3,642	-	-
Bafar Alimentos*	-	15,460	3,959	15
Grupo Bafar**	-	15,460	3,959	15
Fibra Nova***	11,125	3,078	4,745	429

*The Bafar Alimentos division is integrated as follows: Consumer, Retail, International and Plants.
 **Grupo Bafar is the sum of Agro-industrial and Bafar Alimentos.
 ***Fibra Nova's waste is considered indirect for the Group, as it results from the operations of tenants in their properties.



→ TCFD ANALYSIS FOR GRUPO BAFAR

● REGULATORY FRAMEWORK AND GUIDELINES

International climate regulations establish clear standards for disclosing how companies address climate challenges. Grupo Bafar, in alignment with the Task Force on Climate-Related Financial Disclosures (TCFD), incorporates the guidelines of IFRS S1 and IFRS S2 issued by the ISSB.

It requires the disclosure of material information about risks and opportunities related to sustainability, allowing investors to assess the short, medium, and long-term impact.

IFRS S1



IFRS S2

It specifically focuses on climate-related risks and opportunities, physical risk mitigation, and the transition to a low-carbon economy.

Grupo Bafar is on track to comply with these regulations, strengthening its governance structure and increasing transparency for stakeholders.



→ CLIMATE FACTORS AND RISKS IN MEXICO

● MAIN RISKS ASSOCIATED WITH CLIMATE CHANGE:

1. Water Stress

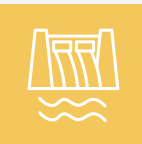


Mexico faces a growing water shortage due to reduced water availability and increased demand from industrial sectors. This challenge particularly affects Grupo Bafar’s agri-food and agro-industrial operations.

Notable impacts:

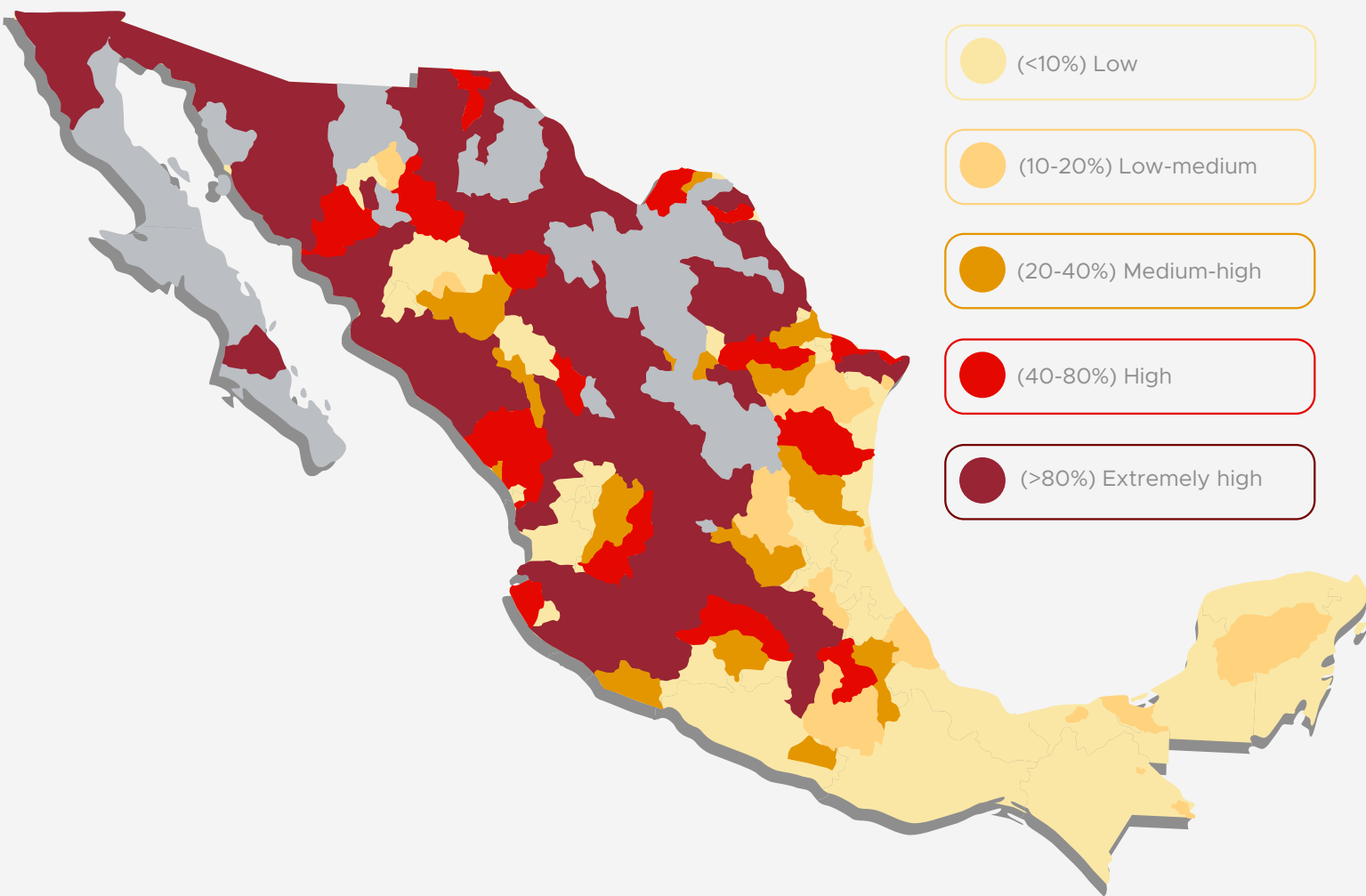


Decrease in agricultural productivity, affecting the stability of costs and quantity of raw materials.



Higher operating costs due to the implementation of more efficient water infrastructure.

We were guided by Mexico’s drought monitor, published by the National Water Commission (CONAGUA) and updated monthly.



2. Extreme Climate Events



The intensification of hurricanes, droughts, and floods poses risks to real estate assets and logistics capacity, increasing insurance costs and threatening properties in vulnerable areas.



3. Changes in Local Climate Regulation



Mexico is making progress on its international commitments, adopting stricter measures for reducing emissions and managing natural resources, such as the commitments derived from the General Law on Climate Change. These regulations could have a significant impact on the company's production costs.



→ TCFD RECOMMENDATIONS



CLIMATE GOVERNANCE

Climate risks are annually reviewed by the Shareholders' Meeting and managed by the ESG Committee. This committee ensures a more regulated approach to sustainability.



SUSTAINABILITY STRATEGY

- Implementation of energy measures, such as the installation of solar panels in key business facilities.
- Certification of real estate assets under international sustainability standards (EDGE certification).
- Strengthening climate materiality, prioritizing processes to address physical, transition, and social risks.



CLIMATE RISK MANAGEMENT

- Bafar Group integrates climate risks into its overall risk management system:
- Incorporation of climate stress analysis into operating and real estate assets.
 - Constant evaluation of suppliers to improve supply chain resilience, including geographic diversification.



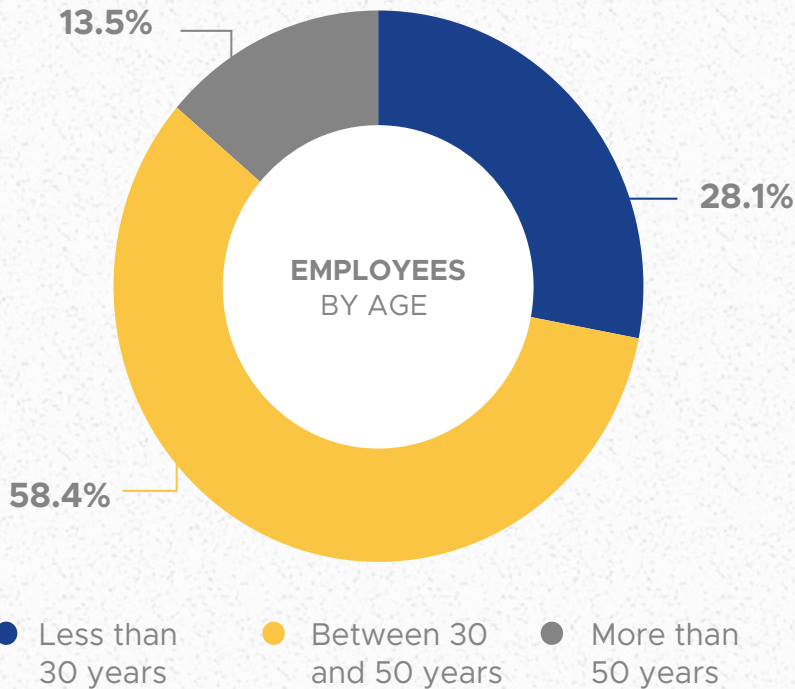
METRICS AND OBJECTIVES

- Grupo Bafar works primarily on monitoring and reducing Scope 1 and Scope 2 greenhouse gas (GHG) emissions. We are also beginning preliminary assessments of Scope 3 emissions, which encompass emissions in the value chain.
- Key Objectives**
- Reduce Scope 1 and 2 emissions by integrating clean technologies and renewable energies into key operations.
 - Increase energy efficiency by 2025 in all facilities.
 - Expand the use of sustainability certifications in real estate projects, establishing new ESG standards for their sectors.

→ OUR PEOPLE

● EMPLOYEE DIVERSITY AND INCLUSION

We continue to grow as a family, expanding our presence throughout the country. We bring in experienced, highly trained talent who are ready to grow with us. At the same time, we offer opportunities to new generations seeking professional development and a chance to become part of this great family of more than 12,000 employees. Of the total workforce, 50.13% are male and 49.87% are female.



YEAR		2024	2023	2022
JOB CATEGORY	GENDER DISTRIBUTION	VARIATION %	VARIATION %	VARIATION %
Executive Management	Women / Men	2.9%	0.8%	1.2%
Senior Management	Women / Men	16.5%		
Middle Management	Women / Men	2.2%	-2.9%	-0.7%
Administrative Staff	Women / Men	1.7%	2.9%	8.8%
Facilitators	Women / Men	1.6%	3.1%	2.2%
Operational Supervisors	Women / Men	13.3%		
Operational Personnel	Women / Men	10.2%	11.5%	6.7%

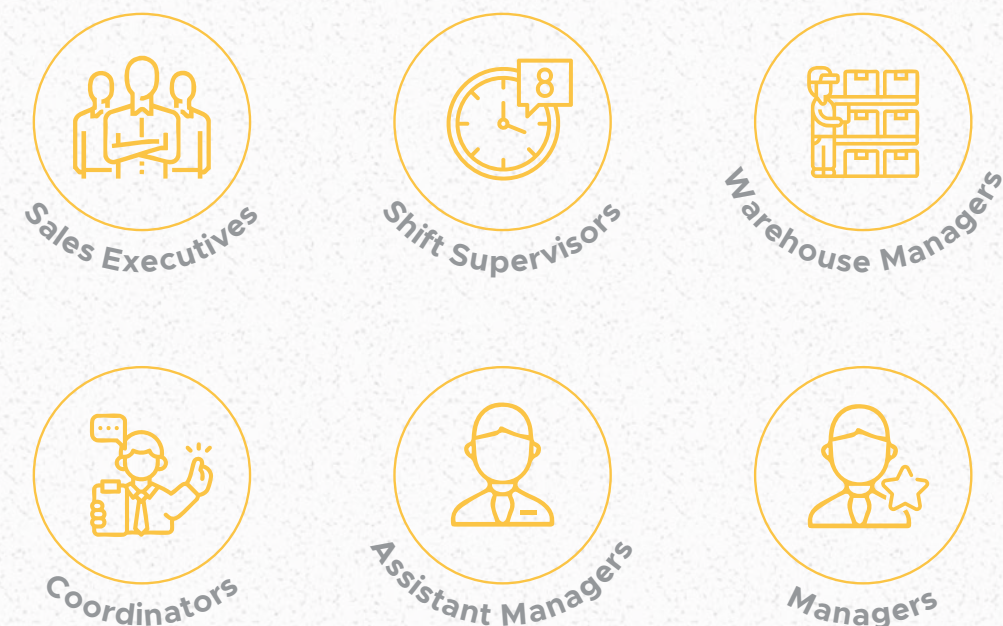
Due to the nature of our business and the structure of our production chain, 100% of our employees have full-time contracts, as our strategy does not include temporary hiring.

We also promote a work environment where freedom of expression is a fundamental pillar. All our employees have the opportunity to join a single agreement to negotiate their benefits, ensuring that their voices are heard in an ethical and responsible manner.

→ HUMAN CAPITAL DEVELOPMENT

To strengthen the comprehensive development of our employees, at Grupo Bafar we have implemented an Internal Talent Development Model. This initiative allows us to fill vacancies with our own talent, ensuring professional growth aligned with the needs of the company and providing development opportunities within our organization.

● TALENT BENCH

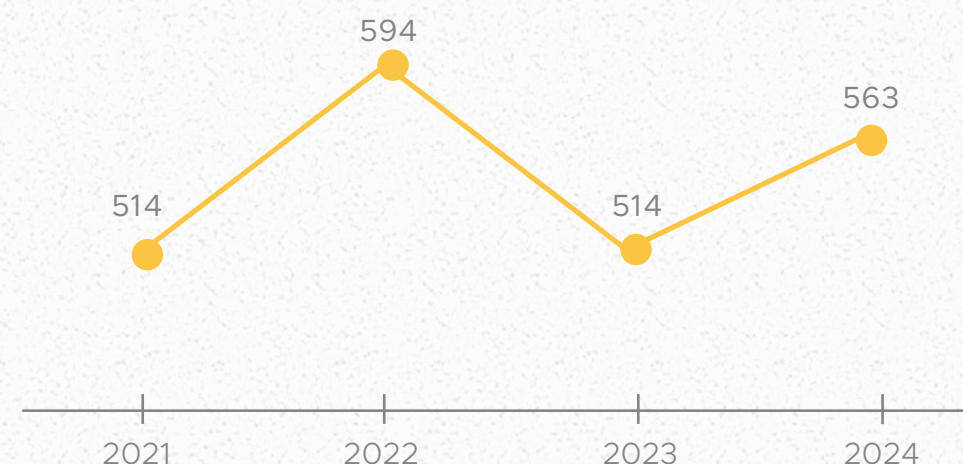


As part of this initiative, we have developed various programs designed to meet the growth needs of our employees through continuous learning. Participants are selected based on criteria such as seniority and performance, ensuring that those who have demonstrated their commitment and progress within the company have access to these development opportunities.

Over the years, we have seen an improvement in the number of employees who have successfully completed the Talent Bench program, reaching 75% of approved staff this year, achieving the position they aspired to.

A total of 563 employees completed the program:

PEOPLE RELEASED



THE FLAVOR THAT FILLS THE TABLE WITH SMILES



● MANAGERIAL TALENT DEVELOPMENT

In addition to promoting human capital growth, we have developed an initiative consisting of five internal programs focused on strengthening our staff's skills and enhancing their innate managerial talent. Employees who are part of Bafar University have an Individual Development Plan (IDP) based on the "70, 20, 10" methodology, which is detailed below:

70%

LEARNING

takes place every day at work.

20%

Is done
THROUGH COACHING

10%

Is carried out through
academic training, which includes collaborations with other educational institutions.

MANAGERIAL TALENT DEVELOPMENT PROGRAMS INCLUDE:

HIGH POTENTIALS:

This program is aimed at new employees with high development potential, identified through various assessments. Its objective is to train them to take on key roles at the executive and management levels, providing them with the tools and knowledge necessary to strengthen their leadership and management skills.

CURRENT POSITION:

Aimed at optimizing employee performance in their current roles, this program focuses on identifying and closing gaps in skills and knowledge. Through specific training plans, we seek to enhance their capabilities and improve their contribution within the organization.

SUCCESSION PROGRAM:

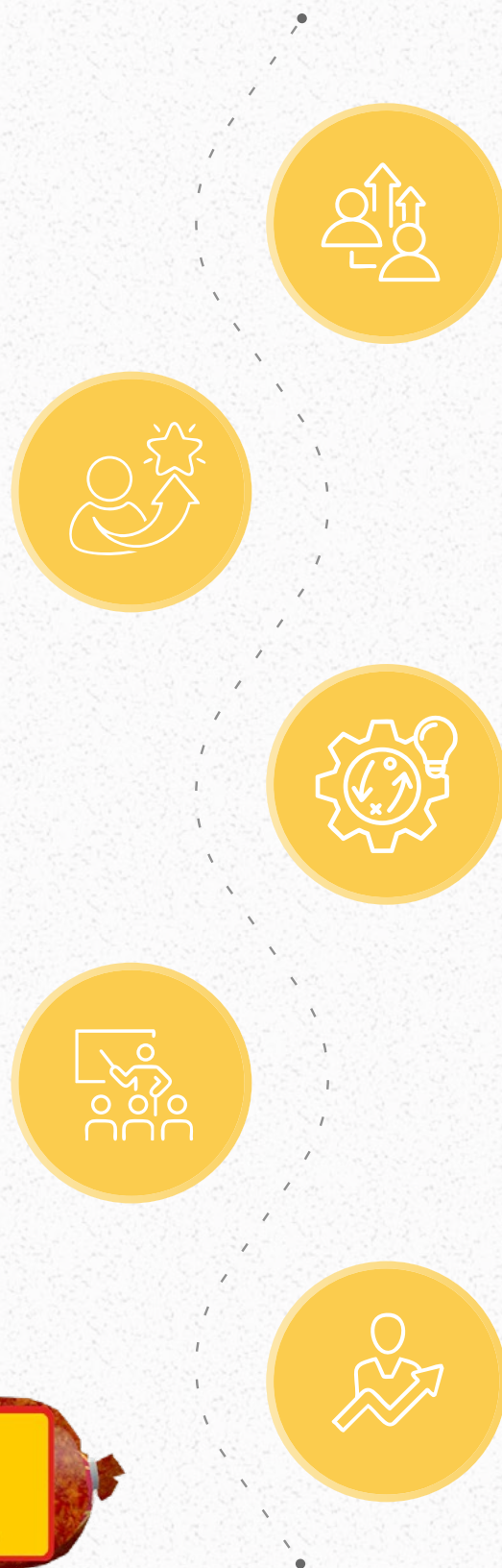
Designed to prepare employees with growth potential to take on roles of greater responsibility in the future, such as leadership, management, and executive positions. This program is based on an Individual Development Plan (IDP), structured around assessments that identify strengths and areas for improvement, ensuring an effective transition to strategic positions.

KEY POSITIONS:

Focused on preparing employees with the potential to assume strategic positions within the organization. Through an Individual Development Plan (IDP) tailored to the specific requirements of each position, this program strengthens their skills and ensures an effective transition to key roles.

CROSS TRAINING:

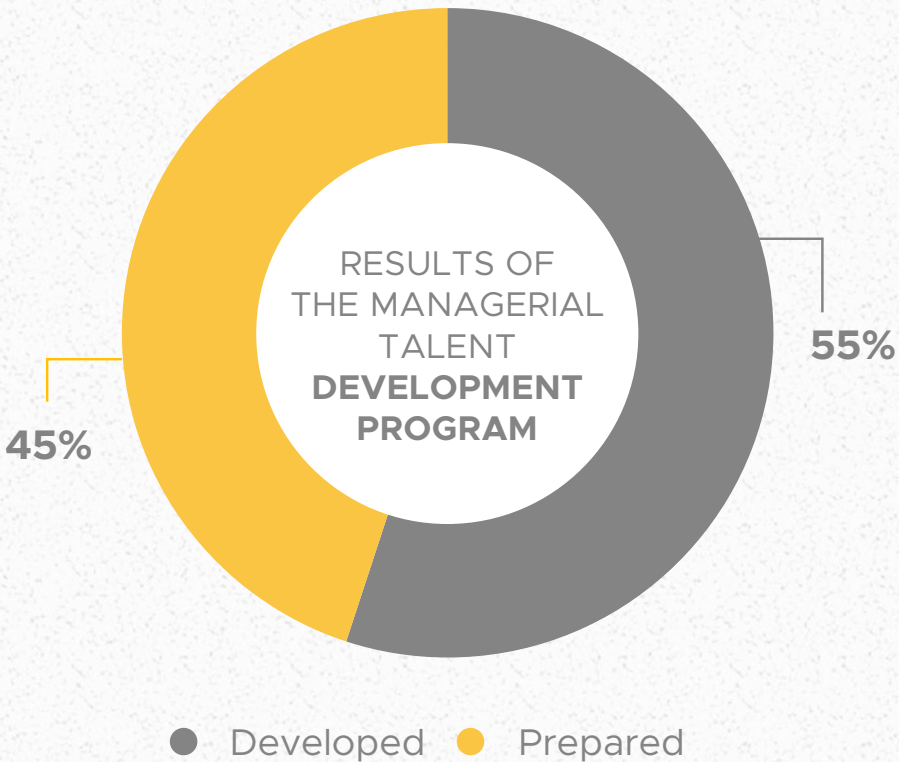
This program provides employees with the opportunity to train in various roles or positions within the organization, allowing them to expand their skill set and knowledge base. By fostering comprehensive learning, we promote greater operational flexibility and professional growth within the company.



All these programs are supported by a series of assessments to determine development needs, growth opportunities, and the level of preparedness of internal talent to face business challenges.

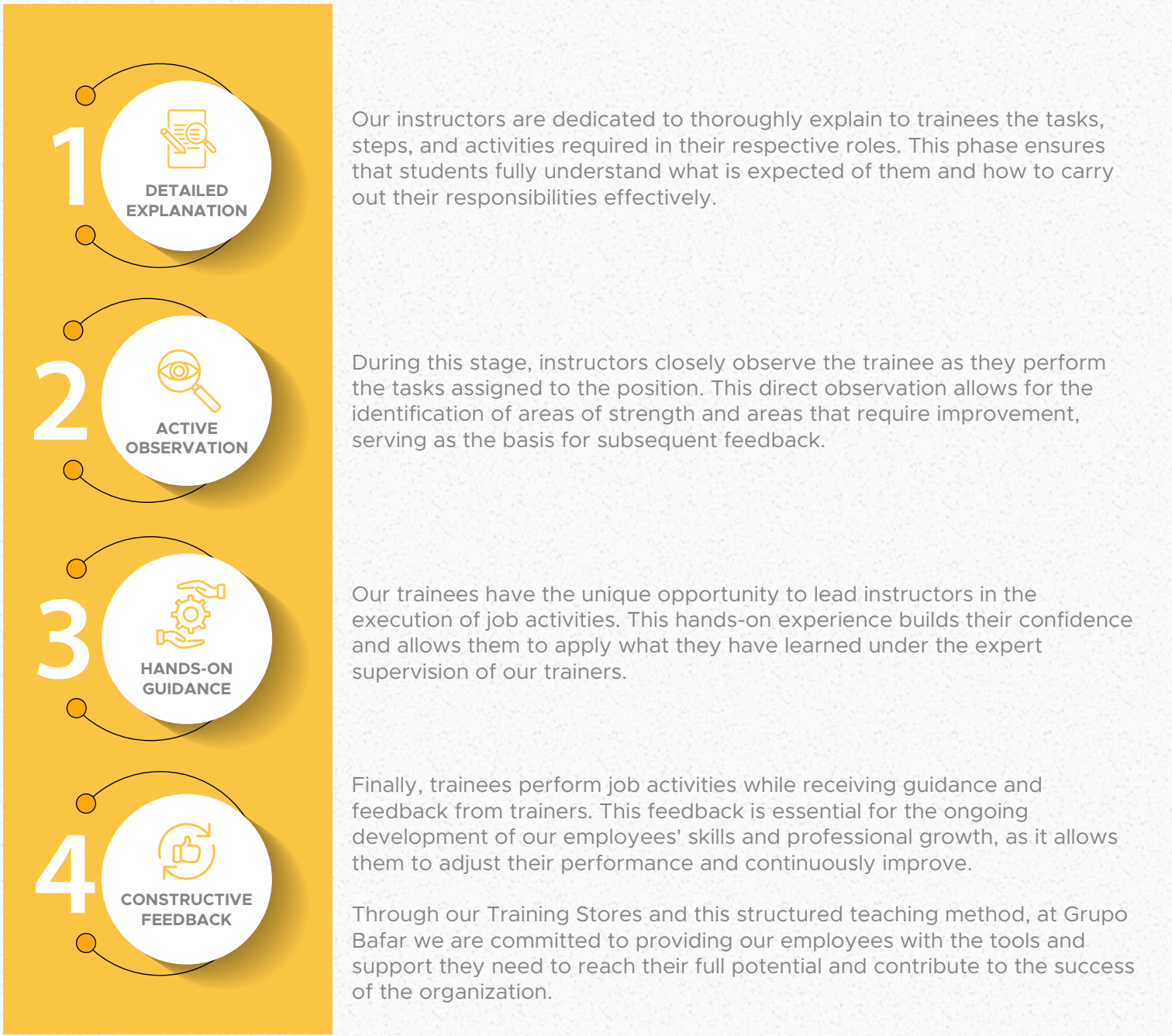
- **360 Assessment:** Conducted every two years, where the employee is evaluated by their peers, their superiors, and themselves.
- **Evaluatetest:** A psychometric assessment that identifies gaps and develops plans to address them.
- **25-box Matrix:** This tool allows us to map Grupo Bafar’s talent and evaluate employees in two dimensions: their performance and their development potential. The results are used to design personalized development strategies.
- **M.E.T.A:** Mitigate, Avoid, Transfer, Accept Risk (M.E.T.A. for its name in Spanish) are the four pillars that guided us in implementing this tool, which allows for the identification and management of risks through strategic assessments and specific actions. These assessments allow us to systematically analyze the hazards to which our employees may be exposed to in the performance of their daily duties.

Thanks to the above, the Management Talent Development Program has succeeded in preparing employees for the positions they aspire to.



School stores:

As part of our training programs, we have initiatives for new team members. These are taught by our own employees, who are certified instructors, which guarantees their ability to teach new recruits. The idea behind this program is to reinforce the knowledge acquired and teach the real working environment, all by implementing the same structured method with four fundamental steps:



By 2024, we had opened 178 Consumer Products: Self-service Stores, 35 Consumer Products: Traditional Stores, 13 Specialty Stores, and 51 Retail Stores. In 2025, we will continue with this initiative, hoping to maintain or improve this growth.

● OCCUPATIONAL HEALTH AND SAFETY

Grupo Bafar reaffirms its commitment to the safety and well-being of its employees through a comprehensive occupational health and safety strategy. This strategy, aligned with the Official Mexican Standards of the Ministry of Labor and Social Welfare, is based on three key guidelines established in its Code of Ethics.

In collaboration with Bafar University, the health, industrial safety, and environment department keeps a detailed record of the sessions given, which are monitored virtually through the training portal.

In 2024, 14 health and safety training topics were covered:

TRAINING	DESCRIPTION
EEL – Information Security Fundamentals	This course addresses topics related to information protection by each user.
Safety – Fire Prevention and Response	The fire brigade learns fire prevention and response techniques.
Safety – Basic First Aid Techniques	The first aid brigade learns the basic knowledge needed for first aid.
CDS – Industrial Safety	Learn about Grupo Bafar's environmental, health and safety policies, as well as actions to ensure the integrity of personnel.
Safety – Pedestrian and Vehicle Operation Safety	Objective: Learn the basic regulations for pedestrian and vehicle behavior within Grupo Bafar facilities.
Consumer Products – Safety and Best Practices	Upon completing the course, participants will know the optimal safety conditions in their daily work, as well as best practices to prevent accidents.
RETAIL – Store Management: Corporate Safety	Prevention: what to do before and after an assault.
Consumer Products – Safety and Best Practices in Product Handling	This course addresses the proper process for effective supervision.
RETAIL – Store Management: Safety and Best Practices	Upon completing the course, participants will know the optimal safety conditions in their daily work, as well as best practices to prevent accidents.
RETAIL – Safety and Best Practices	Upon completing the course, participants will know the optimal safety conditions in their daily work, as well as best practices to prevent accidents.
Consumer Products / RETAIL – Best Practices in Vehicle Care	Participants will know the proper procedures for good vehicle use and the actions to take in the event of an incident.
RETAIL – Best Practices in Operations	Upon completing the course, participants will correctly apply procedures in their daily activities for safe operations.
Consumer Products – Best Practices in Vehicle Care	Participants will know the proper procedures for good vehicle use and the actions to take in the event of an incident.



With the support of the Health and Safety Committee, a committee specializing in these areas, we achieved our goal of ensuring compliance with health and safety regulations, taking responsibility for supervising the correct application of current regulations and conducting scheduled tours of the plant facilities to verify conditions and promote safe working environments.

We are aware that our work is not immune to accidents. This year, we recorded 265 internal accidents, which are broken down as follows:

NUMBER OF ACCIDENTS PER PLANT	CHIHUAHUA PLANT	LA PIEDAD PLANT
	2024	2024
Number of severity 1 accidents ¹	82	39
Number of severity 2 accidents ²	72	15
IMSS-reported accidents ³	30	27
Total	184	81

1 Severe accidents: Reported accidents where the employee can continue working in their normal operation without any impact.

2 Severe accidents: Accidents where the employee requires a change of operation or internal disability.

3 IMSS accidents: Those determined by the IMSS as work accidents that affect the risk premium paid.

NUMBER OF ABSENCES	ABSENTEEISM DUE TO WORK-RELATED RISK ¹	ABSENTEEISM DUE TO GENERAL ILLNESS ²
	2024	2024
IMSS Absences	2,410	5,808
Internal Absences	1,264	1,051
Total	3,674	6,859

1 Absenteeism due to occupational hazards: An employee's absences due to an accident in the workplace during a given period.



2 Absenteeism due to general illness: An employee's absences due to a general illness related to their work schedule during a given period.

Thanks to the efforts of the Committee and the team, for the fourth consecutive year there were no deaths due to accidents or occupational illnesses. In addition, the company maintains an internal safety management system that complies with established regulations. This internal system reflects Grupo Bafar's ongoing commitment to the safety and well-being of its employees

● **WORK-LIFE BALANCE**

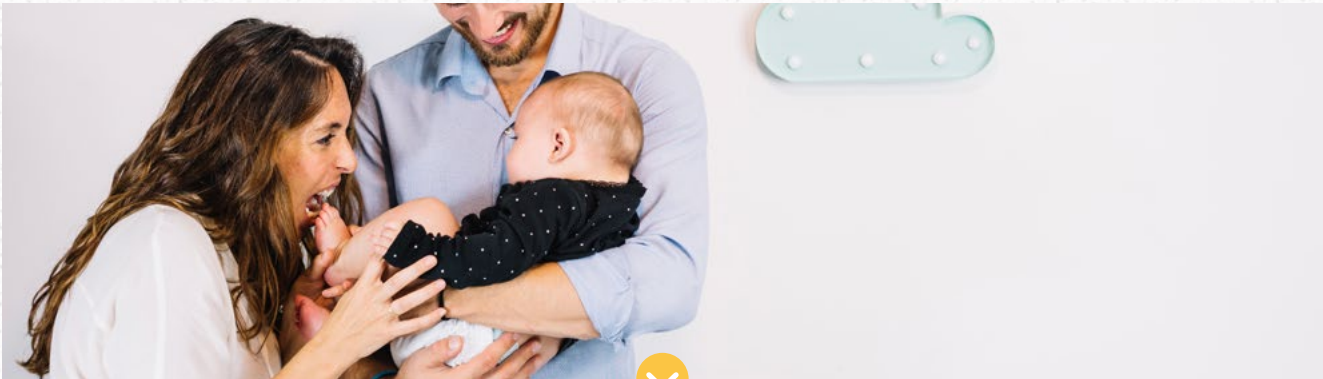
With the aim of prioritizing the well-being and care of our employees, we carry out various internal programs that monitor the health of our team and prevent major health problems from arising in the long term. At the same time, it prevents any illness from spreading.

The programs and activities carried out include the following:

 NUTRITION CONSULTATIONS	 BLOOD PRESSURE MONITORING
Audiometry and spirometry scheduling for personnel working in risk areas	Comprehensive medical check-ups
Capillary blood glucose testing	Rapid HIV testing
Monitoring of chronic illnesses	Influenza vaccination
Prenatal care	Vitamin C supplements
THROUGH THE HEALTH CAMPAIGNS CARRIED OUT BY FUNDACIÓN GRUPO BAFAR	
Discounts for purchasing eyeglasses and hearing aids	Hospital services at preferential rates

In Mexico, the Federal Labor Law (LFT) establishes a series of mandatory minimum benefits for all workers. At Grupo Bafar, we are convinced that the well-being of our employees is key to the sustainable growth of the company, which is why we offer additional benefits that go beyond what is required by law.

These benefits include programs designed to support physical and emotional health, professional development, work-life balance, as well as initiatives for recognition, motivation, and family care.



PATERNITY LEAVE

We have implemented paternity leave, which grants fathers a period of five working days with full pay.

This type of leave allows fathers to be present during the first days or weeks of their child’s life, offering emotional support and actively participating in the baby’s care.



We conduct awareness-raising **activities during** global events.



SOCIAL WELL-BEING

We are committed to understanding and addressing the psychosocial situation of all members of Grupo Bafar. In this regard, we have continued to apply and integrate NOM-035-STPS-2018, a regulation that guides the identification, assessment, and prevention of psychosocial risk factors, as well as the promotion of a favorable work environment in our facilities.

As part of this strategy, we have implemented a series of programs and actions focused on the following areas of well-being:



Physical and mental health



Work-life balance



Professional development and personal growth



Communication and teamwork



Recognition and motivation



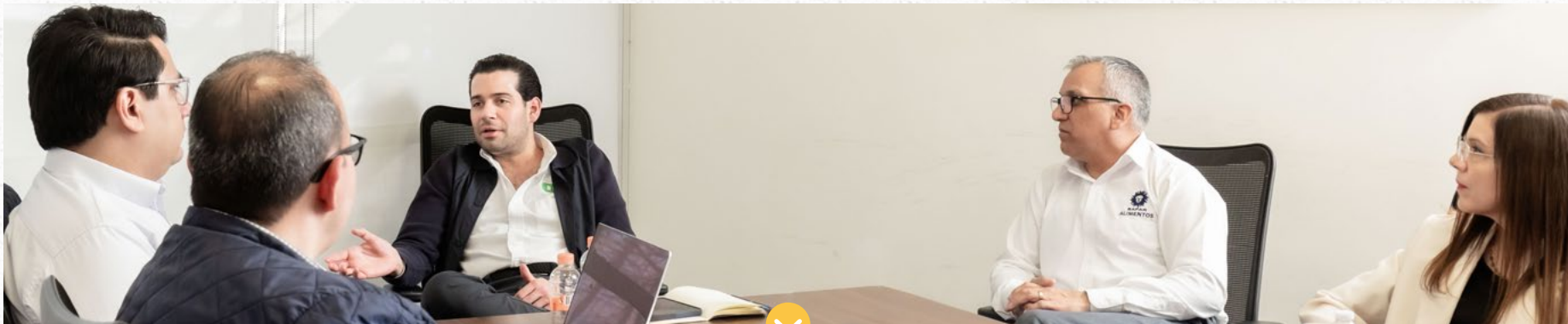
Safety and work environment



BAFAR ACTION PLAN

In order to recognize the loyalty and commitment of management and executive levels, Grupo Bafar has implemented the Bafar Stock Plan, a strategic tool designed to align the interests of key talent with those of the organization. This plan, which can take different forms and structures, has as its main objectives to boost performance, encourage talent retention, and provide the opportunity to participate in the company's financial success.

To ensure its proper implementation, an Executive Stock Plan Administration Policy has been developed, which details the associated benefits and establishes clear guidelines for its operation. Through this plan, Grupo Bafar strengthens the achievement of individual and collective goals, while ensuring a solid professional development environment and a sustainable relationship between the company and its human talent.



RETIREMENT PLAN

At Grupo Bafar, we recognize the value of those who have dedicated years of effort and commitment to the organization. That is why we have a Retirement Plan designed to provide a dignified end to the working life of our employees over the age of 60, either at the time of their retirement or when they join the company as advisors.

This plan includes the delivery of a financial bonus, the amount of which is determined based on defined criteria, with the aim of publicly recognizing their career, contributions, and loyalty. Beyond a financial benefit, the program seeks to reinforce a sense of belonging and gratitude, contributing to this transition taking place in conditions of respect and support between the company and its human talent.

→ GRUPO BAFAR FOUNDATION

Since its creation in 2011, the Grupo Bafar Foundation, A.C. has been a fundamental pillar in the company's social commitment, guided by the mission of "forming better Mexicans." Over the years, it has consolidated its work as a vehicle to promote human development and strengthen the social fabric in the communities where we operate.

We recognize that our communities are not only an essential part of our environment, but also key players in the growth and success of Grupo Bafar and its subsidiaries. They are part of those who have trusted our products, contributed to regional economic development, and accompanied our business evolution.

In gratitude for this bond, we have promoted social projects and programs that seek to give back and generate a positive impact.



Nutrition



Environmental Care



Sports



Education



Health



Values

● VOLUNTEER COLLECTION CENTER

Our collection center, with a storage capacity of up to 500 tons of supplies, plays an essential role in humanitarian aid during emergencies and natural disasters. Thanks to an efficient distribution network, we ensure that support reaches the communities that need it most.

Throughout the year:

3.2

million families were benefited

More than
**14 MILLION
FULL MEALS**
were delivered

More than
**246,260
TONS OF**
food were collected

5 COMMUNITY KITCHENS REMAINED

active in partnership with organizations such as BAMX, Fundación Alimento para Todos, and Banco de Alimentos Michoacán

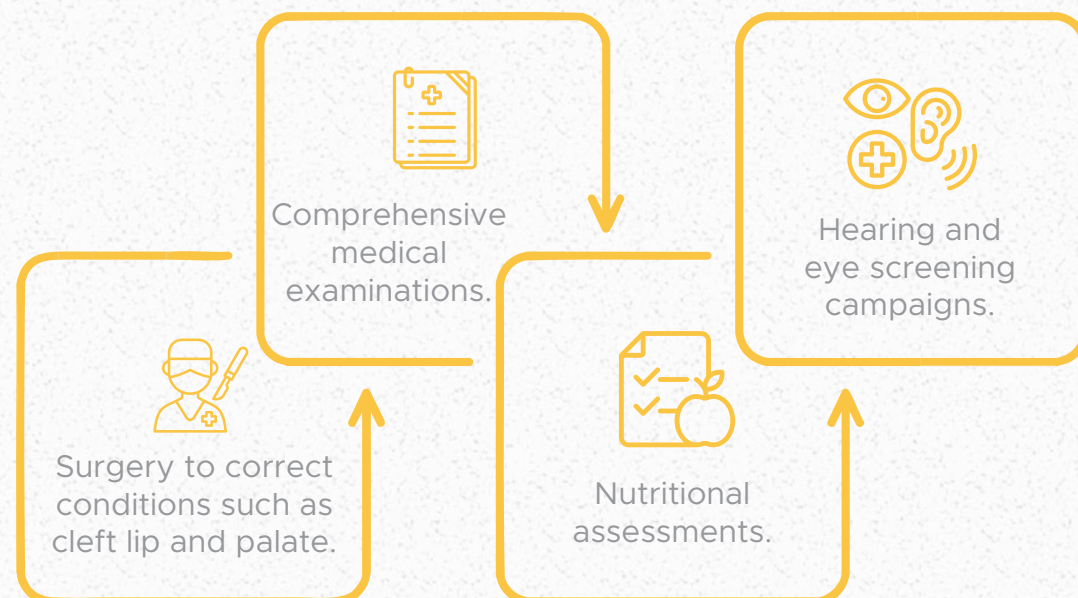


● VOLUNTEERING

Volunteering is a cornerstone of our commitment to society. Thanks to the participation of 4,000 volunteers, more than 43,800 hours were invested in community work through humanitarian support activities, cleaning public spaces, and accompanying people in vulnerable situations.

● MEDICAL DAYS

During 2024, we held free health check-ups in collaboration with medical professionals and specialized organizations. These check-ups benefited more than 16,500 people, with services such as:



● STATE VISUAL HEALTH CAMPAIGN

In partnership with Fundación Devlyn, Fechac, and Rotary, we developed a campaign that covered 15 municipalities in Chihuahua, providing eyeglasses and performing eye exams. This initiative promotes access to a better quality of life through timely diagnosis and treatment.

● BABY DAYCARE – B

At Grupo Bafar, we recognize the importance of having safe, reliable, and high-quality childcare facilities. That is why we have created Baby-B Daycare, a center specially designed to support our employees in balancing their work and family lives.

This initiative was developed in collaboration with Fibra Nova, which provides the necessary infrastructure to operate under the highest standards. The daycare center has qualified and trained childcare staff, clean and safe facilities, and strict protocols for health, hygiene, and emergency care.

Baby-B is open to the children of our employees, aged between 45 days and 4 years old, providing them with a caring, reliable, professional environment that prioritizes their well-being and overall development.



● TORNEO UNE-T

The Une-T Tournament is an annual fundraising initiative aimed at financing the social programs of the Grupo Bafar Foundation.

The tournament includes recreational and sporting activities such as golf, dominoes, table tennis, 7-a-side soccer, and casino games, bringing the community together around a meaningful cause.

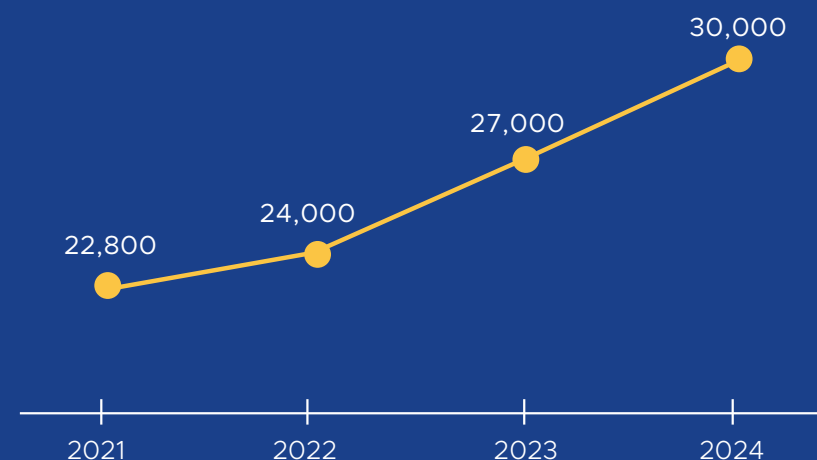
A dinner was also organized for the guests, where they enjoyed entertainment to make the evening even more enjoyable. All of this was in gratitude for the great effort made by our collaborators and donors who make this event possible.

● SOCIO-SPORTS SCHOOLS

In partnership with the Real Madrid Foundation, Grupo Bafar implements a program that gives children and adolescents the opportunity to develop their athletic skills while promoting their personal growth. Through academic, nutritional, athletic, and cultural activities, we seek to promote comprehensive training that strengthens not only their physical performance but also their performance in other areas of life.

Thanks to this initiative, more than 30,000 young people have benefited in 76 schools, shelters, and community centers located in Chihuahua, Mexico City, Michoacán, and Yucatán. Between 2024 and 2026, new centers are projected to open throughout Mexico.

YOUNG PEOPLE BENEFITED



● BAFAR ACADEMY

The Bafar Academy, Real Madrid's first soccer school in Mexico, represents a milestone in the country's sporting landscape. With a comprehensive approach, the academy not only promotes sporting excellence but also values such as respect, discipline, and camaraderie.

With state-of-the-art facilities and top-notch equipment, more than 200 young people had the opportunity in 2024 to strengthen their athletic and human skills, training as leaders both on and off the field.



● ALLIANCES

We have formed alliances with more than 40 associations to reach every corner of Mexico.





ABOUT THIS REPORT

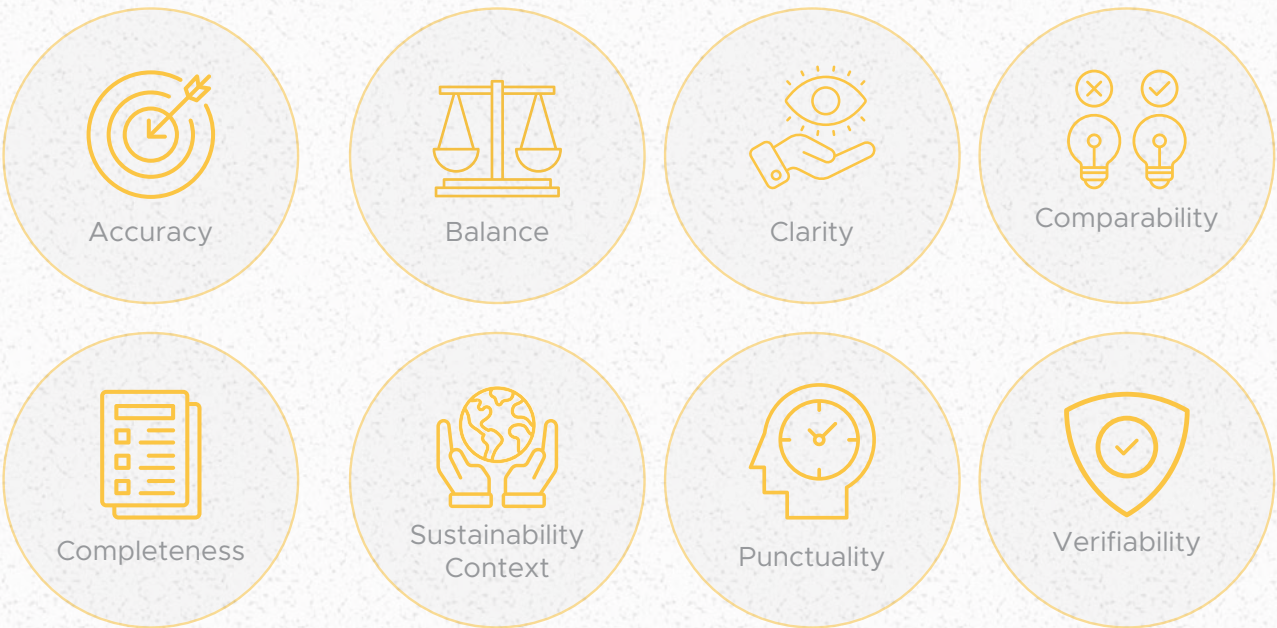


The 2024 Annual Sustainability Report of Grupo Bafar, S.A.B. de C.V. and its subsidiaries, presents a compilation of programs, initiatives, efforts, and achievements in terms of environmental, social, and governance (ESG) performance carried out during the period from January 1 to December 31, 2024.

SUBSIDIARIES	MAIN ACTIVITY	PLACE OF OPERATIONS	TENANCY %
Administradora Fibra Norte, S.C.	Administrative services	México	100%
Agroindustria Mercantil San Antonio, S. de R. L. de C.V.	Walnuts cultivation	México	97.99%
Aiax S.A. de C.V.	IP Management	México	100%
Bafar Alimentos, S.A. de C.V.	Share Holding	México	100%
Bafar Group Holding	Share Holding	United States	99.99%
Bafar Holding, Inc.	Share Holding	United States	99.99%
B-Energy Industries, S.A. de C.V.	Generation and transmission of Electrical Energy	México	99.98%
B-Insured Agente de Seguros, S.A. de C.V.	Insurance and surety bonds promoter	México	65%
Centro Impulsor de Estudios Agroalimentarios, S.A. de C.V.	Logistics services	México	100%
Cibale Administrativo, S. A. de C.V.	Administrative services	México	100%
Desarrolladora Catastral	Real estate	México	100%
Efectolon, S.A.P.I. de C.V.	Financial Companies and Corporate management	México	72.73%
Fideicomiso 2870 Fibra Nova	Estate Construction and management services	México	71.83%
Food Holding FKT.	Share Holding (Lion Enterprise)	Hungary	99.99%
Ganadería y Tecnología Santa Anita, S. de R.L. de C.V.	Cattle breeding	México	100%
Impulso y Desarrollo Tecnológico La Piedad, S.A. de C.V.	Provision of security services	México	100%
Industrializadora de Cárnicos Strattega S.A. de C.V.	Food production	México	100%
Intercarnes S.A. de C.V.	Product distribution	México	100%
Kahedin, S.A. de C.V. (4)	Technical services	México	100%
LAR Business, S.A. de C.V (4)	Real estate	México	100%
Lion Market Financial Solutions, LLC (3)	Finance	United States	100%
Onus Comercial S.A. de C.V.	Product distribution	México	100%
Productividad y Desarrollos VUE, S.A. de C.V. (1)	Real estate	México	100%
Proyectos Inmobiliarios Carnemart, S.A. de C.V.	Construction and property management	México	100%
Sahara Properties, S. de R.L. de C.V. (4)	Real estate	México	100%
Santa Anita Big Game Hunting, A. C.	Administrative services	México	100%
Servicios Aéreos Especializados Destinia, S. A. de C. V.	Administrative services	México	100%
Servicios Urbanísticos Centrales, S.A. de C.V. (1)	Real estate	México	100%
Sierra Blanca Trading, S.A. (3)	Finance	Panamá	100%
SinDelantal México, S.A. de C.V. (1)	Technology platform	México	100%
Sofivex, S.A. de C.V., SOFOM, E.N.R. (2)	Finance	México	100%
Stimrecht, S. A. de C. V.	Administrative services	México	100%
Vextor Activo S.A. de C.V., SOFOM, E.N.R.	Finance	México	100%



This report was published in June 2025 and elaborated in accordance with the GRI 2021 standards, based on the reporting principles for high-quality reporting:



Additionally, the report was prepared based on SASB 2023 and IFRS S1 and S2 standards.

Likewise, and in line with Grupo Bafar’s commitment to sustainability, the Company’s material issues are aligned with the following UN Sustainable Development Goals:





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→

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GRI 202: Market Presence			
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GRI 207: Tax			
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GRI 303: Water and Effluents			
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407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Sustainability	30
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GRI 413: Local Communities			
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CODE	METRIC	SECTION	PAGE
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FB-MP-110a.2	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Sustainability	30
Energy Management			
FB-MP-130a.1	(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	Sustainability	30
Water Management			
FB-MP-140a.1	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Sustainability	30
FB-MP-140a.2	Description of water management risks and discussion of strategies and practices to mitigate those risks	Sustainability	30
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→ VERIFICATION LETTER



Annual Integrated Report, 2024
External and Independent Verification Letter

To the stakeholders of GRUPO BAFAR, S.A.B. de C.V., this document corresponds to the opinion of Vert, Desarrollo Sustentable (Vert), regarding the GRUPO BAFAR, S.A.B. de C.V. 2024 Annual Integrated Report.

The objective of Vert is to issue an independent verification regarding the contents of this report, taking as reference the standards of the Global Reporting Initiative and the Sustainability Accounting Standards Board applicable to the Real Estate industry.

Verification Methodology:

In order to have a complete understanding of the structure of the reports, Vert held meetings with the Market Intelligence and Sustainability of GRUPO BAFAR, S.A.B. de C.V. (responsible for preparing the report in question) who, in turn, acted as a communication link with the other departments of the Company.

Furthermore, evaluations were conducted on the information collection mechanisms used to gather the numbers expressed in the content of the document, examining the qualitative and quantitative information included in this report.

Finally, the correct application of the topics was validated based on the Guidelines for the Preparation of GRI 2021 and SASB Standards applicable to the Real Estate industry, verifying their accuracy, traceability, and materiality, based on the material provided by GRUPO BAFAR, S.A.B. de C.V. and its team, establishing the basis for compliance with the principles of accuracy, balance, clarity, completeness, comparability, timeliness, sustainability context, and verifiability in these and subsequent reports.

Conclusions:

As a result of the verification process, it was concluded that the Annual Integrated Report 2024 of GRUPO BAFAR, S.A.B. de C.V. was prepared with reference to the GRI 2021 and SASB Standards. No evidence was found to suggest that compliance and adherence to the GRI and SASB methodology were not carried out adequately, nor that there are errors in the information presented or that any material topic was intentionally omitted.

Diego Gabriel Sánchez Ruíz
GRI Certified Sustainability Professional - (based on the GRI Universal Standards 2021)
Expedición: Jul. 2024
ID de la certificación: 109014578

Benjamín Salgado Pérez
FSA Credential Holder

About the Verification

The associates of Vert possess the fundamental preparation to examine and validate the correct compliance with the necessary guidelines for the preparation and publication of Sustainability Reports, which allows them to express a professional opinion regarding the adherence of all non-financial content of the report to the GRI 2021 and SASB standards, based at all times on the principles of independence, objectivity, and confidentiality. Vert does not assume any commitment regarding the information collection processes implemented in this report. This verification is issued on June 17, 2025, and will remain valid as long as no modifications or subsequent publications are made after this date.





FINANCIAL
STATEMENTS

07

GRUPO BAFAR, S.A.B. DE C.V.
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

As of and for the years ended on
December 31, 2024 and 2023 with
Independent Auditor's Report



CONTENTS:

- Independent Auditor's Report
- Audited Consolidated Financial Statements:
 - » Consolidated Statements of Financial Position
 - » Consolidated Statements of Comprehensive Income
 - » Consolidated Statements of Changes in Equity
 - » Consolidated Statements of Cash Flows

Grupo Bafar, S.A.B. de C.V. and subsidiaries

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of December 31, 2024 and 2023
(Amounts in thousands of Mexican pesos)

	2024	2023
Assets		
<i>Current assets</i>		
Cash and cash equivalents	\$ 915,010	\$ 1,286,428
Accounts receivable - net	3,409,018	3,319,377
Performing loan portfolio – net	523,649	322,231
Inventories	2,381,902	1,815,792
Prepaid expenses	193,162	103,893
Available for sale assets	40,614	-
Total current assets	7,463,355	6,847,721
<i>Non-current assets</i>		
Performing loan portfolio – net	1,217,310	706,163
Property, plant and equipment – net	14,280,169	11,536,348
Investment properties	16,337,369	10,289,086
Right-of-use assets	732,351	489,803
Other assets, primarily trademark use rights	1,612,375	1,627,003
Total non-current assets	34,179,574	24,648,403
Total assets	\$ 41,642,929	\$ 31,496,124
Liabilities and equity		
<i>Current liabilities</i>		
Bank loans	\$ 1,991,716	\$ 2,378,262
Notes payable to shareholders	341,405	524,403
Current portion of long-term bank loans	1,820,598	1,108,940
Trade payables	2,511,578	2,186,682
Taxes and accrued expenses	151,336	122,228
Lease liabilities	160,786	166,705
Liabilities associated with available for sale assets	22,622	-
Total current liabilities	7,000,041	6,487,220

	2024	2023
<i>Non-current liabilities</i>		
Bank loans	\$ 13,814,697	\$ 8,838,366
Deferred income tax	2,037,870	1,953,265
Net defined benefit obligation	135,018	97,374
Lease liabilities	661,466	400,032
Lease security deposits	27,089	27,180
Contingency provision	5,909	5,909
Total non-current liabilities	16,682,049	11,322,126
Total liabilities	23,682,090	17,809,346
<i>Equity</i>		
Share capital	82,704	82,205
Share premium	570,883	474,594
Reserve for repurchase of shares	(165,328)	(238,775)
Retained earnings	13,105,130	12,069,336
Components of other comprehensive loss	561,314	(1,496,591)
Attributable to controlling interest	14,154,703	10,890,769
Attributable to non-controlling interests	3,806,136	2,796,009
Total equity	17,960,839	13,686,778
Total liabilities and equity	\$ 41,642,929	\$ 31,496,124

Grupo Bafar, S.A.B. de C.V. and subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

As of December 31, 2024 and 2023
(Amounts in thousands of Mexican pesos)

	2024	2023
Net sales	\$ 28,490,864	25,598,793
Costs and expenses:		
Cost of sales	19,571,256	\$ 17,891,662
Selling, administrative and general expenses	6,377,427	5,545,327
Other income, net	(1,812,130)	(1,560,580)
	24,136,553	21,876,409
Operating profit	4,354,311	3,722,384
Interest income	56,875	41,016
Interest expense	(669,148)	(483,285)
Foreign exchange loss – net	(1,767,663)	654,833
	(2,379,936)	212,564
Profit before income tax	1,974,375	3,934,948
Income tax	102,400	128,702
Net profit for the year	1,871,975	3,806,246
Other comprehensive income that can be reclassified to profit in subsequent periods:		
Effects of conversion from functional to reporting currency (real estate segment)	2,096,405	(1,146,201)
Other comprehensive income that can be reclassified to profit in subsequent periods	2,096,405	(1,146,201)

	2024	2023
Other comprehensive income that may not be reclassified to profit in subsequent periods, net of income taxes:		
Revaluation of properties contributed to real estate segm	-	380,423
Deferred income of properties contributed to real estate segment	(27,097)	(142,710)
Remeasurement of defined benefit obligation	(11,403)	(305)
Other comprehensive income that may not be reclassified to profit in subsequent periods	(38,500)	237,408
Other comprehensive income of the year	2,057,905	(908,793)
Comprehensive income	\$ 3,929,880	\$ 2,897,453
Net profit for the year attributable to:		
Controlling interest	\$ 1,335,795	\$ 3,163,081
Non-controlling interests	536,180	643,165
	\$ 1,871,975	\$ 3,806,246
Net comprehensive income for the year attributable to:		
Controlling interest	\$ 2,776,996	\$ 2,103,690
Non-controlling interests	1,152,884	793,763
	\$ 3,929,880	\$ 2,897,453
Earnings per share		
Diluted earnings per share	\$ 4.29	\$ 10.20
	4.29	10.20

Grupo Bafar, S.A.B. de C.V. and subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

As of December 31, 2024 and 2023
(Amounts in thousands of Mexican pesos)

	Share capital	Share premium	Reserve for repurchase of shares	Retained earnings	Components of other comprehensive loss	Controlling interest	Non controlling interest	Total
Balance as of December 31, 2022	\$ 82,209	\$ 363,449	\$ 245,071)	\$ 9,206,255	\$ 587,798)	\$ 8,819,044	\$ 1,909,346	\$ 10,728,390
Repurchase of shares	(4)	-	(1,456)	-	-	(1,460)	-	(1,460)
Sale of shares	-	2	1	-	-	3	-	3
Dividends paid	-	-	-	(300,000)	-	(300,000)	-	(300,000)
Dividends paid to non-controlling interest	-	-	-	-	-	-	(226,229)	(226,229)
Acquisitions of non-controlling interests	-	109,719	-	-	-	109,719	319,129	428,848
Increase to share base scheme	-	1,424	7,751	-	-	9,175	-	9,175
Consolidated net profit	-	-	-	3,163,081	-	3,163,081	643,165	3,806,246
Comprehensive income	-	-	-	-	(908,793)	(908,793)	150,598	(758,195)
Balance as of December 31, 2023	82,205	474,594	(238,775)	12,069,336	(1,496,591)	10,890,769	2,796,009	13,686,778
Dividends paid	453	133,763	65,784	(300,001)	-	(100,001)	-	(100,001)
Dividends paid to non-controlling interest	-	-	-	-	-	-	(276,130)	(276,130)
Acquisitions of non-controlling interests	-	(38,407)	-	-	-	(38,407)	-	(38,407)
Capital increase by non-controlling interest	-	-	-	-	-	-	294,858	294,858
Dilution of non-controlling interest	-	-	-	-	-	-	(161,485)	(161,485)
Increase to share base scheme	46	933	7,663	-	-	8,642	-	8,642
Consolidated net profit	-	-	-	1,335,795	-	1,335,795	536,180	1,871,975
Comprehensive income	-	-	-	-	2,057,905	2,057,905	616,704	2,674,609
Balance as of December 31, 2024	\$ 82,704	\$ 570,883	\$ (165,328)	\$ 13,105,130	\$ 561,314	\$ 14,154,703	\$ 3,806,136	\$ 17,960,839

Grupo Bafar, S.A.B. de C.V. and subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

As of December 31, 2024 and 2023
(Amounts in thousands of Mexican pesos)

	2024	2023
Operating activities		
Consolidated net profit	\$ 1,871,975	\$ 3,806,246
Adjustments to reconcile net profit before income tax to net cash flows from operating activities:		
Income tax	102,400	128,702
Current year service cost	26,461	13,576
Depreciation and amortization of long-lived assets	852,944	678,859
Loss (gain) on sale of property, plant and equipment and investment properties	70,187	(19,895)
Loss of other assets	2,711	1,771
Increase in fair value of investment properties	(1,190,428)	(1,110,357)
Unrealized foreign exchange loss (gain)	1,228,774	(451,851)
Interest income	(56,875)	(41,016)
Interest expense	669,148	483,285
	<u>3,577,077</u>	<u>3,489,320</u>
Working capital changes:		
Trade receivables	(89,713)	(514,454)
Performing loan portfolio	(712,565)	(229,156)
Inventories	(566,110)	247,610
Prepaid expenses	(89,269)	23,666
Trade payables	347,360	407,210
Taxes and accrued expenses	115,069	(61,844)
Interest received	56,875	41,016
Income tax paid	(43,014)	(73,281)
Net cash flows provided by operating activities:	<u>2,595,710</u>	<u>3,330,087</u>

	2024	2023
Investing activities		
Purchase of equipment	(2,971,362)	(2,549,149)
Investment properties	(1,999,646)	(2,071,103)
Proceeds from sale of machinery and equipment	260,980	109,225
Proceeds from sale of investment property	-	36,264
Acquisition of subsidiary	(61,211)	-
Purchase of other assets	(5,134)	(39,547)
Net cash flows used in investing activities	<u>(4,776,373)</u>	<u>(4,514,310)</u>
Financing activities		
Proceeds from borrowings	16,506,547	9,818,274
Repayment of borrowings	(13,373,874)	(7,342,356)
Repayment of notes payable	(182,998)	324,747
Interest paid	(669,148)	(483,285)
Lease payments	(198,759)	(127,662)
Repurchase of shares	-	(1,460)
Dividends paid	(100,001)	(300,000)
Dividends paid to non-controlling interests	(276,130)	(226,229)
Increase to share base scheme	8,642	9,175
Acquisitions of non-controlling interests	(38,407)	109,719
Capital increase by non-controlling interest	294,858	-
Dilution of non-controlling interest	(161,485)	-
Sale of shares	-	3
Net cash flows from financing activities	<u>1,809,245</u>	<u>1,780,926</u>
Net increase (decrease) in cash and cash equivalents	<u>(371,418)</u>	<u>596,703</u>
Cash and cash equivalents at beginning of year	<u>1,286,428</u>	<u>689,725</u>
Cash and cash equivalents at end of year	\$ <u>915,010</u>	\$ <u>1,286,428</u>



GRUPO BAFAR

ANNUAL SUSTAINABILITY REPORT

This material refers to content 2-3 of GRI 2: General Disclosures 2021.

If you have any questions or need further clarification, please do not hesitate to contact us at:

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