

# 2021

## SUSTAINABILITY REPORT



**GRUPO BAFAR**

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# LETTER FROM THE **CHAIR AND CEO**



# »»»» LETTER FROM THE CHAIR AND CEO

GRI 2-14 and 2-22

We work every day to offer our customers products and services of the highest quality. Thanks to the dedication and commitment of more than 11 thousand employees throughout the country, we have become one of the leading food companies in Mexico with a solid position in the national and international market and backed by more than 40 years of experience.

In 2021, our financial results maintained their sound growth trend, and for the first time we surpassed the one-billion-dollar mark in sales, meeting a major milestone we had set for the year. Moreover, we recorded a significant 28.4% growth in operating income compared to the previous year, totaling \$2,346 million pesos. EBITDA climbed 21.6% versus the previous year, totaling \$2,855 million pesos, and net income totaled \$1,458 million pesos, an outstanding 53.9% increase over 2020.

Our business model follows an approach of continuous process improvement, a feature that allows us to stay on top of global market trends in order to create cutting-edge, high-quality products, and to develop new market niches. With this in mind, over the past years we have grasped the need for and importance of continuing to grow in harmony with the environment and society.

Climate change is increasingly affecting the communities we work with, and we are aware that this issue should not only be tackled by governments, but it is the responsibility of innovative companies like Grupo Bafar to strive to make a positive change.

For this reason, in 2021 we stepped up our sustainability efforts and launched a project to draft a robust and well-founded ESG strategy. During the year, we identified our energy, water, and waste consumption and impacts, as well as those related to biodiversity. From this initial assessment, we will be able to manage our environmental performance appropriately and systematically. This report is a means for us to improve communication and strengthen our relationship with our stakeholders, as it provides transparency on the environmental impact of our operations.

In connection to our sustainability reporting, we also conducted a materiality assessment for the purpose of improving our operational efficiency and focusing our efforts and resources on the most relevant issues. From this study, we identified the strategic priorities that allowed us to develop our ESG strategy, which are: operational eco-efficiency (energy and consumption, and waste), GHG emissions and climate change, supply chain, corporate governance, and risk and crisis management.

It is vital to continue innovating constantly in our products, services, and procedures to drive efficiency and greater value creation for the company and society. In 2021, we carried out important innovation projects such as the launch of the Triple-lock Packaging for the Parma and Sabori brands, which helps maintain freshness for longer, and our new Zero Meat brand, through which we increased our share in the Plant Base market, aimed at our customers who seek to consume more food from plant-based sources.

Grupo Bafar's value creation is driven by our employees. It is thanks to the effort and dedication of each member of this great family that allow us to continue nurturing Mexico's progress. For this reason, our commitment and priority are to strengthen our people by fostering their individual growth and ensuring a safe, healthy, and inclusive workplace. We provide them with the necessary tools for their growth within the organization through Bafar University and other core training programs.

Likewise, we promote equal rights and opportunities for all our employees, without distinction, fostering cultural diversity and safety in our work environment. To this end, Grupo Bafar is working on the development of a Diversity and Inclusion Policy. It is relevant to add that our employees also have at their disposal open communication channels such as Bafar Transparente through which they can report any issues related to our work environment.

On the social front, Grupo Bafar Foundation continues to contribute to a better quality of life for communities at risk, through the implementation of initiatives, projects

and programs covering 5 strategic pillars: food, sports, education, values, health, and environmental care. In 2021, we reaffirmed our commitment to thousands of Mexican households through projects such as the Socio-Sports Schools, the "Women's" Program, the Food Collection Center, Medical Clinics, the Devlyn Program, the "Together we can do more" Volunteer Program, and internal support initiatives for our employees.

We are proud to have a renewed sustainability strategy that focuses on our environmental responsibility, our social engagement, and the growth of our employees in a safe workplace. Our strategy compels us to embrace the best practices using the United Nations Sustainable Development Goals as the basis for our sustainability objectives.

For all of the above, I thank our customers and employees for their support, and for inspiring us to be the best version of ourselves. We invite you to read this report to learn more about our ESG activities and performance during 2021.

Oscar Eugenio Baeza Fares  
Chairman and Chief Executive  
Officer of Grupo Bafar







02

## ABOUT THIS REPORT



# >>>> ABOUT THIS REPORT








## GRI 2-2 and 2-3

Our 2021 Annual Sustainability Report outlines the programs, initiatives, efforts, and results related to the environmental, social, and governance (ESG) performance, between January 1 and December 31, 2021, of Grupo Bafar, S.A.B de C.V. and its subsidiaries (hereinafter “Grupo Bafar”) listed below:

- >> Bafar Alimentos, S.A. de C.V.
- >> Industrializadora de Cárnicos Strattega, S.A. de C.V.
- >> Onus Comercial, S.A. de C.V.
- >> Intercarnes, S.A. de C.V.
- >> Intercarnes Texas, Co.
- >> Longhorn Warehouses, Inc.
- >> Centro Impulsor de Estudios Agroalimentarios, S.A. de C.V.
- >> Aiax, S.A. de C.V.
- >> Food Holding FKT
- >> Bafar Holdings, Inc.
- >> Bafar Group Holding
- >> Agroindustria Mercantil San Antonio, S. de R.L. de C.V.
- >> Ganadería y Tecnología Santa Anita, S. de R.L. de C.V.
- >> Cibale Administrativo, S.A. de C.V.
- >> Santa Anita Big Game Hunting, A.C.
- >> Stimreth, S.A. de C.V.
- >> Servicios Aéreos Especializados Destinia, S.A. de C.V.
- >> Fundación Grupo Bafar, A.C.
- >> Fundación Bafar, A.C.
- >> B-Energy Industries, S.A. de C.V.
- >> Lion Productivities Holding, LLC
- >> Lion Productivities Enterprises
- >> Vextor Activo S.A. de C.V., SOFOM, E.N.R.
- >> Administradora Fibra Norte, S.C.
- >> Fideicomiso 2870 Fibra Nova
- >> Impulso y Desarrollo Tecnológico La Piedad, S.A. de C.V.
- >> Proyectos Inmobiliarios Carnemart, S.A. de C.V.
- >> Efectolon SAPI de C.V.
- >> Lion Foods Atlanta LLC
- >> B-Insured Agente de Seguros y Fianzas S.A. de C.V.

## STANDARDS USED

Our 2021 ESG Report has been prepared in accordance with GRI Standards and based on recognized reporting principles to achieve high-quality sustainability reporting:

-  Accuracy
-  Balance
-  Comparability
-  Completeness
-  Sustainability context
-  Timeliness
-  Verifiability



In addition, each of our material topics was aligned with a Sustainable Development Goal (SDG), ranging from combating poverty, hunger, and climate change to contributing to education, women’s equality, environmental care, and the development of sustainable communities and cities, leaving no one behind. These are the SDGs we impact based on our management approach and initiatives:







# ORGANIZATION'S **PROFILE**



# ORGANIZATION'S PROFILE

GRI 2-1

Grupo Bafar is one of the leading food companies in Mexico with more than 35 years of experience. We are producers and distributors of meat, dairy, and red meat products, among others. We have high-quality brands, with exquisite flavor and high nutritional value, which, together with the ability to meet the needs and expectations of our stakeholders and the diligent work of our people, allows us to grow year after year and continuously improve to create state-of-the-art, quality products.



## VALUES



## BUSINESS UNITS

### Bafar Alimentos

This division is made up of retail, consumer products, and international operations.

#### Retail

It is responsible for the sale of animal protein and different meat-based products of high quality and in constant innovation to satisfy the tastes and preferences of our consumers. These products are distributed through wholesale channels and our own network of chain stores: CarneMart, La Pastora, BIF and, Casa Hernández.

#### Consumer Products

This operation consists of a portfolio of 26 proprietary brands that produce and distribute products in the deli meats and dairy segments: Parma, Sabori, Bafar, Burr, Ponderosa, Dixie Farm, Pery, and All American.

#### International

This operation has a broad portfolio of products of different quality and price ranges focused on the U.S. Hispanic market, which also includes the operations of the Valley Super Market chains.

### Vextor

The subsidiary Vextor Activo, SOFOM E.N.R. (an unregulated multiple purpose financial society under Mexican law) has the purpose of assisting the rest of the Group's subsidiaries in their financial operations. It focuses on meeting the credit needs of employees, supporting suppliers through financial factoring, as well as offering business credit solutions for the retail, agricultural, and service segments. In addition, it offers a financial product aimed at supporting small- and medium-sized companies that purchase meat products from the Group's companies.





Fibra Nova

Real Estate Investment Trust operating under Mexican law dedicated to managing and generating returns through the leasing of retail, industrial, educational, and office properties throughout Mexico. Currently, Fibra Nova’s portfolio consists of 107 properties with a gross leasable area (GLA) of over 497 thousand m².

Our brands

All of Grupo Bafar’s brands and products stand out for their high quality and variety in the segments of deli meats, dairy, red meats, among other meat-based products. Among which are:

- ▶ All American®

▶ American Classic®

▶ Asarroja®

▶ Bafar®

▶ B-Energy®

▶ BIF®

▶ Burr ®

▶ Beef N´Bacon®

▶ California Gold®

▶ Campestre®

▶ CarneMart ®
- ▶ Casa Hernández®

▶ Clarita®

▶ Cono Sur®

▶ Deli Club®

▶ Delphy®

▶ Dixie Farm®

▶ Fibra Nova®

▶ Fiesta®

▶ Fresh Pack®

▶ Fres-ke-cito®

▶ Fundación Bafar®
- ▶ Fundación Grupo Bafar®

▶ Grillers®

▶ Guisy®

▶ La Zona Sabori®

▶ La Zona®

▶ La Pastora®

▶ La Estrella®

▶ Maestros del Jamón®

▶ Mc Coy®

▶ Montebello®
- ▶ Palermos®

▶ Parma®

▶ Pery®

▶ Ponderosa®

▶ Premium BIF®

▶ Sabori®

▶ Tres Castillos®

▶ Turkey Supreme®

▶ Villafranca®

▶ Western Grillers®



Agro-industrial Division

Since we are an agro-industrial business by nature, we launched the agricultural development project, in which we started using products such as corn and walnut together with modern cultivation techniques and a pressurized irrigation system to achieve quality harvests to boost nut production.

GEOGRAPHIC FOOTPRINT

Grupo Bafar’s operational headquarters are in the state of Chihuahua, where our industrial site, corporate offices, research and distribution facilities, an energy generation plant, and Bafar University’s training center are located, as well as two walnut orchards with a combined surface area of 1,600 hectares. Moreover, it also has:



21 distribution hubs and its own store chains throughout Mexico.



Has an agro-industrial facility to produce meat-based products in La Piedad, Michoacán.



The real estate division has properties in 19 states, including Querétaro, Jalisco, Baja California, Sonora, Tamaulipas, Quintana Roo, Sinaloa, Coahuila, Nuevo León, among others.



As for our operations in the United States, our operations are primarily concentrated in the states with the largest Latino populations: California, Texas, Illinois, Georgia, New Mexico, Arizona, and Colorado.







# 2021 HIGHLIGHTS





## »»»» 2021 HIGHLIGHTS

During 2021, we carried out **our first materiality assessment** to identify the most relevant material topics for the organization.

We bolstered our **ESG strategy** by defining performance metrics and developing a detailed roadmap

During 2021, we began with the **consolidation and monitoring** of environmental data through the estimation of the net-zero CO<sub>2</sub> emissions baseline.

During 2021 we worked on four innovation projects focused on offering our consumers **quality products and practical packaging** that meet their needs and expectations.

During 2021, we **reduced the gender pay gap by 229%**.





SUSTAINABILITY



»»»» SUSTAINABILITY

GRI 2-12, 2-13, 2-14, 2-29, 3-1 and 3-2

## STRATEGY







As part of our sustainability efforts, during 2021 we launched a project, hand in hand with a third party, for the development of a well-grounded and robust ESG strategy. This involved the execution of a materiality assessment and identification of stakeholders, as this is the first step in defining strategic priorities and meeting the expectations of the latter.

Additionally, under this strategy, a governance structure will be defined, including both management positions and an operational area, responsible for the implementation of the strategy, as well as the oversight and follow-up of environmental, social and, governance issues to ensure that the sustainability culture permeates throughout the organization, covering the different areas and business units.

Also, following this strategy, we developed specific KPIs for each of our material topics, which involved the estimation of a baseline to establish concrete, clear, feasible, and measurable objectives, together with a roadmap to achieve them.

## Stakeholders

At Grupo Bafar we identify our stakeholders and define a communication and outreach strategy to meet their needs and expectations, identifying the issues to be addressed, the methods of engagement, and the frequency.

| STAKEHOLDER   | TOPICS  | METHOD OF ENGAGEMENT   | DEPARTMENT INVOLVED           | FREQUENCY        |
|---|---|--|-------------------------------|------------------|
| <br>Collaborators            | Working conditions<br>Company operation<br>Benefits   | Face-to-face meetings<br>Training<br>Contract reviews                  | Human Resources               | Daily            |
| <br>Suppliers                | Raw material price and quality<br>Logistics<br>Warranties<br>Strategic alliances  | E-mail<br>Phone calls<br>Face-to-face meetings                         | Sales<br>Logistics            | Daily            |
| <br>Customers                | Quality and safety of products and services<br>Delivery<br>Warranty management<br>Quality of services<br>Credits and fees | Web site<br>Business divisions<br>Hotline<br>E-mail                    | Sales<br>Marketing            | Daily            |
| <br>Shareholders           | Earnings<br>Financial situation<br>Outlook<br>Concerns  | Web site<br>Phone<br>E-mail<br>Conference calls                        | Finance<br>Investor relations | Quarterly/Annual |
| <br>Government authorities | Regulatory compliance   | E-mail<br>Phone<br>Face-to-face meetings                               | Legal affairs                 | Daily            |
| <br>Financial institutions | Analyst coverage<br>Stock market performance<br>Financial performance<br>Credit ratings                                   | Financial reporting<br>Conference calls<br>E-mail<br>Phone<br>Web site | Investor relations            | Quarterly/Annual |



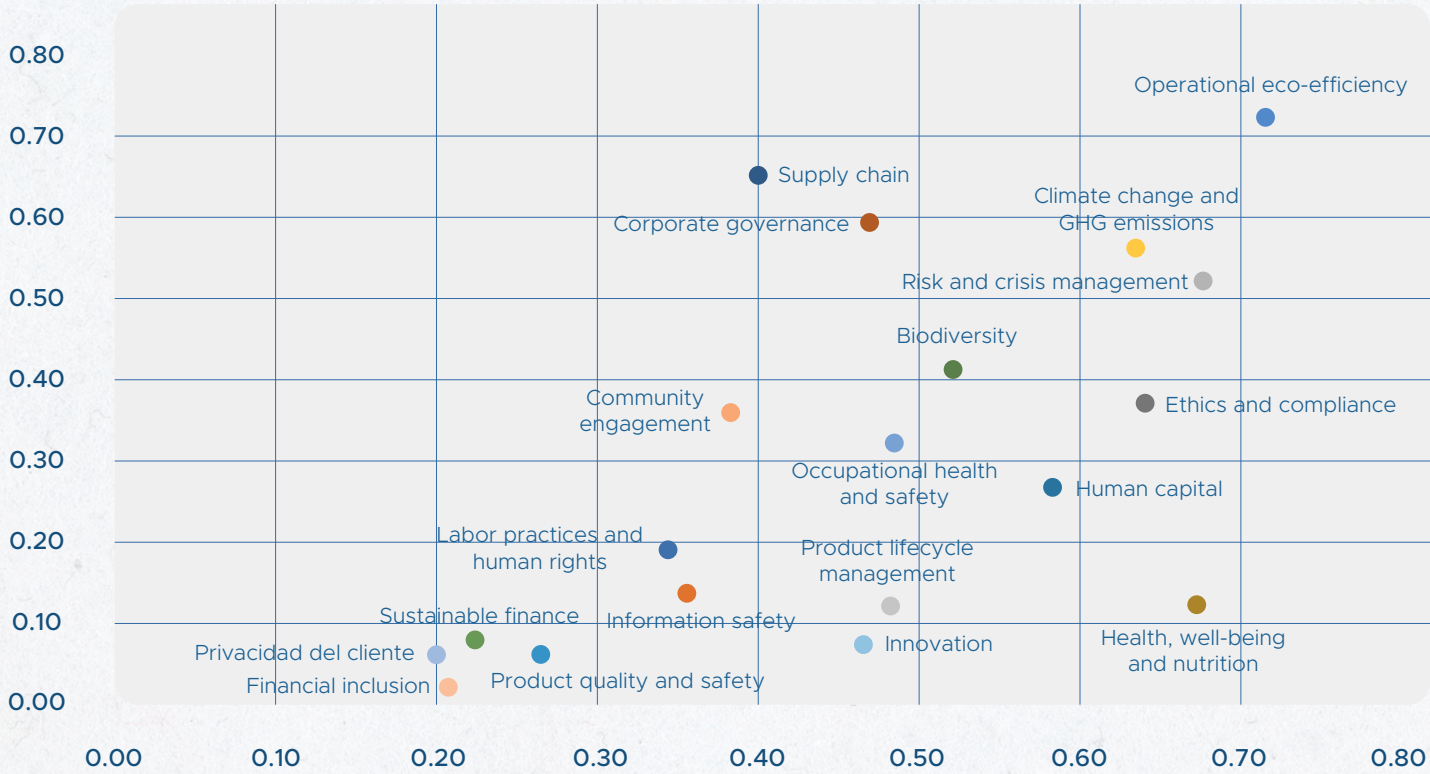
MATERIALITY

At Grupo Bafar we are aware of the importance of identifying the priority issues for the development of an ESG strategy that generates a greater impact both inside and outside the organization and creates long-term value for our stakeholders.

Our materiality exercise conducted in 2021 allows us to increase operational efficiency and focus our efforts and resources on managing the most relevant issues.

Methodology

- 1. Identification of the top 10 material topics for each of the Group’s Business Units
- 2. Analysis of standards requirements and investors to identify the most relevant topics for external stakeholders.
- 3. Analysis and integration of industry and leading companies’ studies
- 4. Strategic surveys to Grupo Bafar’s key corporate staff to identify relevant topics for internal stakeholders



Risk and crisis management

In Grupo Bafar we have identified the environmental, social, and economic risks to which the organization may be exposed due to the nature of our activities.

Our operations are primarily based in Northern Mexico; therefore, we have identified the following risks that could have an impact on the Company’s operational performance and financial situation via effects on product demand, uncertainty in the supply chain, damage to the Company’s facilities, fluctuations in the price of raw materials:

**Earthquakes**

**Power supply interruptions**

**Hurricanes**

**Health contingencies**

**Floods**

**Highly contagious diseases**

**Droughts**

**Water shortages**

These risks are monitored on a regular basis by the internal control area, which is responsible for mitigating potential risks and developing contingency plans, as needed, to achieve specific business objectives and minimize the negative impacts that may arise from such risks.

Additionally, for the purpose of attaching the necessary attention and importance to ESG issues on an ongoing basis, the economic, environmental, and social risks and opportunities applicable to the organization are monitored and discussed annually at the Shareholders’ Meeting.







# CORPORATE GOVERNANCE



»»»» CORPORATE GOVERNANCE

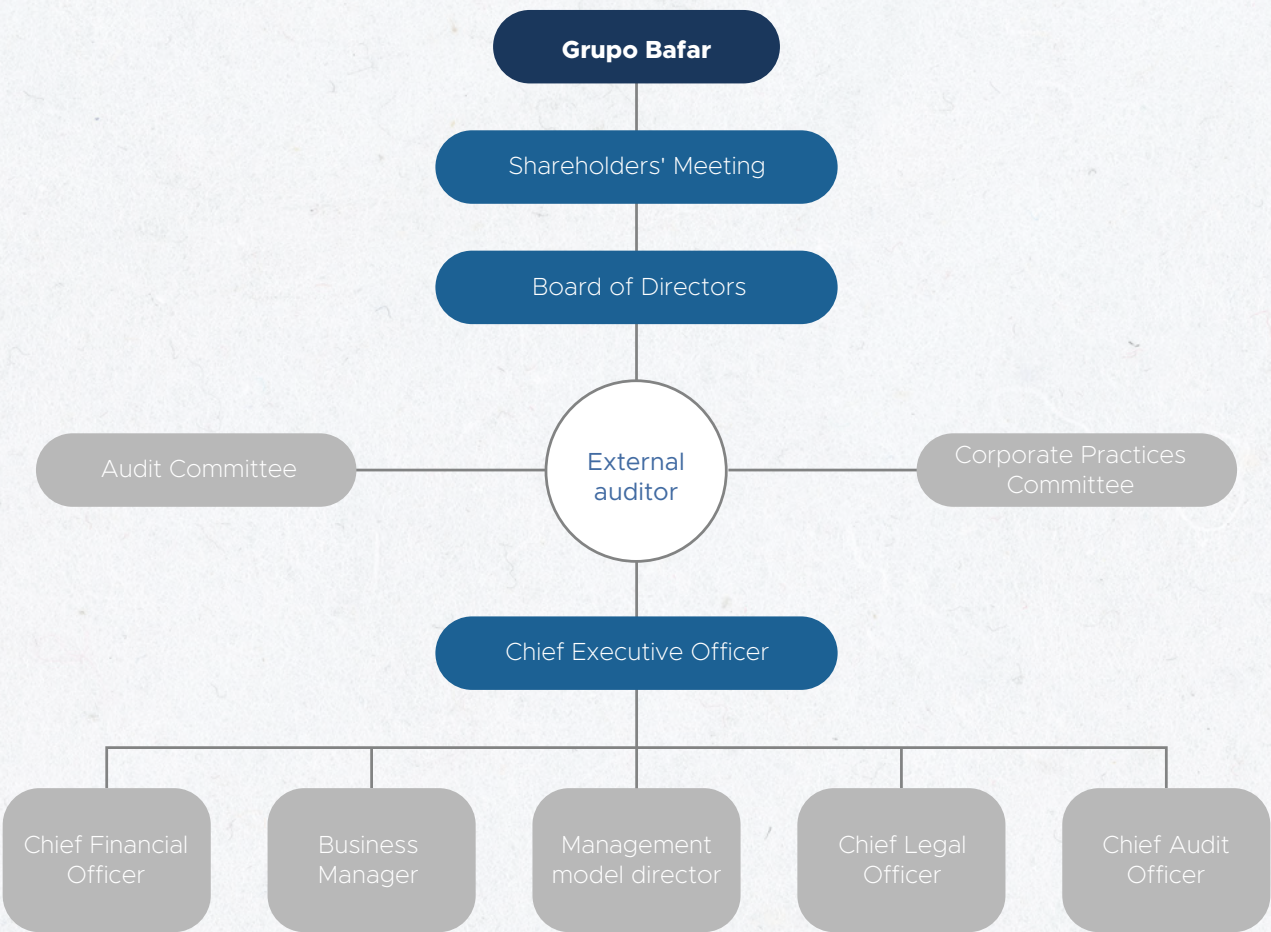
GRI 2-9, 2-10, 2-11, 2-15, 2-16, 2-17, 2-18, 2-19, 2-20, 2-21, 2-25 and 2-26

A robust governance system is paramount to the operation and continued existence of our organization, as it outlines the guidelines, principles, and standards necessary to carry out our activities in an ethical and upright manner.

To ensure our board members have a thorough understanding of the organization, each time a new member joins any governing body, they are provided with training and induction to their new role and responsibilities in accordance with the legal guidelines and those established in our Company’s Operating Rules Policy.

Likewise, to remain at the forefront and aligned with the best practices in the sector, all members of the governing bodies receive annual training to update their knowledge and stay abreast of the latest trends.

GOVERNANCE STRUCTURE



Members of the Board of Directors

Oscar Eugenio Baeza Fares

Chairman of the Board and CEO of Grupo Bafar

Seniority: 26 years

He has a degree in Business Administration from the New Mexico State University and has a postgraduate degree from Harvard Business School. He has led Grupo Bafar since its inception and sits on committees and boards of various organizations such as the Mexican Meat Council (Consejo Mexicano de la Carne), Mexican Chamber of the Transforming Industry (Cámara Nacional de la Industria de Transformación, known as CANACINTRA for its Spanish acronym) - Chihuahua Chapter, member of the National Association of Certified Meat Packers (Asociación Nacional de Empacadores TIF), the National Agricultural Council (Consejo Nacional Agropecuario), Food Group, the Mexican Council of the Consumer Products Industry (Consejo Mexicano de la Industria de Productos de Consumo), Nacional Financiera, Monterrey Institute of Technology and Higher Education (Instituto Tecnológico y de Estudios Superiores de Monterrey, ITESM for its Spanish acronym), Citibanamex, Telmex, and BBVA México. He is recognized as one of the 100 most important businessmen in Mexico and one of the most prominent leaders in Mexico according to several publications.

Guillermo Baeza Fares

Vice President and Director of Mergers, Acquisitions and Alliances of Grupo Bafar

Seniority: 26 years

He is a Certified Public Accountant from ITESM (Monterrey campus) and holds a postgraduate degree from Harvard Business School. For more than 30 years within Grupo Bafar, he has held various management positions and has been a pioneer in the development of products, markets, and brands of deli meats and cheeses in the Mexican market. He has been a leader and key player in the acquisition of several companies such as Grupo Burr in the Pacific, Parma, Sabori, Campestre, Ponderosa in the northeast and Zagora stores in Puebla.

Raúl de la Paz Parga

Corporate Secretary y Chief Legal Officer of Grupo Bafar

Seniority: 22 years

He holds a Law degree from Monterrey’s Free Law School (Facultad Libre de Derecho de Monterrey) and a master’s degree in Law from Northwestern Pritzker School of Law. He also holds a Certificate in Business Administration from Northwestern University Kellogg School of Management. He is a member of the Board of Directors of different organizations such as: Mexican Association of Corporate Lawyers (Asociación Nacional de Abogados de Empresa, ANADE for its Spanish acronym) – Chihuahua Chapter, Mexican Chamber of Commerce, Services and Tourism (Cámara Nacional de Comercio Servicios y Turismo, CANACO for its Spanish acronym) – Chihuahua Chapter, and Mexican Chamber of Real Estate Owners (Cámara de Propietarios de Bienes Inmuebles, CAPRIN for its Spanish acronym).

Eugenio Baeza Montes

Related Board Member

Seniority: 26 years

He is a Livestock Technician graduated from San Angelo College in the State of Texas. With more than 55 years of experience in cattle breeding, he is the owner of several cattle breeding-ranches in the State of Chihuahua and has been a member of the Board of Directors of Banca Serfin, the Regional Livestock Union of Chihuahua (Unión Ganadera Regional de Chihuahua), the Brangus Association, among many others.



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## Jorge Alberto Baeza Fares

*Related Board Member and Director of the Retail Division*

**Seniority:** 26 years

He is a graduate from New Mexico State University and holds a postgraduate degree from Harvard Business School. He has more than 20 years of experience in the agricultural and commercial sectors. He began his career within Grupo Bafar in the livestock division, making an important contribution to the breeding and export of live cattle to the United States. He was also the creator of the agricultural division with the planting of oats, alfalfa, corn, and walnut crops. While working in the retail division, he led the Carnemart brand to become one of the fastest-growing meat and convenience stores in Mexico and an important member of the National Association of Supermarkets and Department Stores (Asociación Nacional de Tiendas de Autoservicio y Departamentales, ANTAD for its Spanish acronym).

## Walter Eldo Burr Barreño

*Related Board Member*

**Seniority:** 22 years

Former Chairman of the Board and Chief Executive Officer of Grupo Bafar for more than 21 years

## Walter Eldo Burr Valenzuela

*Related Board Member and Head of the Consumer Products Division*

**Seniority:** 22 years

He is a graduate in Marketing from ITESM (Monterrey Campus). He has postgraduate studies in Total Quality and Productivity from Universidad La Salle and he completed the General Management Program from Harvard Business School. He has worked for 23 years in different management positions at Grupo Bafar and Grupo Burr.

## Alfonso Rodríguez Arellano

*Independent Board Member*

**Seniority:** 11 years

He is the Chief Executive Officer of Power Green Mexico, a subsidiary of Technowise Group, a company engaged in large energy saving projects. He has more than 45 years of experience in several senior positions in the areas of strategic planning, business organization and restructuring, and in the optimization of returns on investments. He was Chief Executive Officer of Woolworth Mexico where he worked for more than 30 years. He served as Chief Executive Officer of several subsidiaries of consulting firms such as The Friedman Group, Miller Heiman, Novations, and Esama.

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## Oscar Sepúlveda Márquez

*Independent Board Member*

**Seniority:** 26 years

Chief Executive Officer and Chairman of the Board of Directors of Auto Transportes del Real, S.A. de C.V. and Puertas Tarahumara, S.A. de C.V. For more than 43 years he has been at the head of his companies, is a member of several boards of directors and was Chairman of CANACINTRA – Chihuahua Chapter.

## Javier Leonardo Webb Moreno

*Independent Board Member*

**Seniority:** 21 years

He holds a degree in Agri-business Administration from New Mexico State University. He has completed financial updating programs at both ITESM and the PanAmerican Institute for High Business Direction (Instituto Panamericano de Alta Dirección de Empresas, IPADE for its Spanish acronym). With more than 26 years of experience in the agricultural and abri-business sectors, he owns and manages livestock and real estate businesses, among others. He worked in the Webb Group and in cattle breeding in the city of Torreon. He has developed his own cattle breeding and exporting businesses and has been a member of different boards such as the Local Cattle Association of Chihuahua (Asociación Ganadera Local de Chihuahua y Engordas).

## Oscar Francisco Cazares Elías

*Independent Board Member*

**Seniority:** 18 years

Industrial Engineer with a master’s degree in Business Administration from IPADE. He was appointed Chairman and Chief Executive Officer of Pepsico de México, S.A. and Pepsi-Cola Mexicana, S.A. and currently serves on the Boards of Grupo Cajel, S.A. de C.V. and Blue Wáter Auto Motive, S. de R.L. de C.V., as well as the Board of Directors of the American Chamber of Commerce (AMCHAM) and is an active member of different social trust foundations.

## Carlos Antonio Carbajal Lechuga

*Independent Board Member*

**Seniority:** 18 years

He is an architect graduated from ITESM (Monterrey Campus) and has studies at IPADE. With 48 years of work experience, he is currently Chief Executive Manager and Sole Administrator of Crocsa Corporativo, S.A. de C.V.; he oversees large projects such as: hotels, gyms, hospitals, manufacturing facilities, self-service stores, among others.



## Salvador Álvarez

Independent Board Member

**Seniority:** 18 years

He holds a degree in Economics and Business Administration from Complutense university of Madrid. He has been Chairman and Chief Executive Officer of Conagra Foods Mexico and is currently a member of the board of directors of Corporativo Corvi and Chief Executive Officer of Organización Sahuayo, S.A. de C.V. for the past 9 years.

## Ricardo Dávila Quiñones

Independent Board Member

**Seniority:** 5 years

He holds a degree in Industrial and Systems Engineering from ITESM and postgraduate studies from New York University. He has more than 20 years of experience as a business advisor specialized in M&As, restructurings, financings, capital markets operations, and investment. He is a founding partner of Alfaro Davila & Rios SC (ADR) and has held senior positions at Credit Suisse and Donaldson Luftkin and Jenrette Investment Bank.

## Herminio Padruno Santos

Independent Board Member

**Seniority:** 15 years

Industrial Engineer from Ibero-American University (Universidad Iberoamericana). He has 35 years of work experience in the financial sector. Until 2002, he was a partner at Capital Access, previously acted as a board member at Grupo Bursátil Mexicano and currently works as an independent financial consultant. He has also held executive positions in the areas of promotion and operation of companies such as: Casa de Bolsa Banamex and Multivalores Casa de Bolsa, of which he was Partner and Chief Executive Officer.



### Audit Committee

The Audit Committee is comprised by 3 independent members and its main objective is to support the Board of Directors of Grupo Bafar in the evaluation of the quality and integrity of accounting and business operations. Likewise, it assesses the level of compliance with the strategies, policies, and applicable legal framework, as well as the consistency with the business objectives defined by the shareholders.

| MEMBER                  | TYPE        | SENIORITY |
|-------------------------|-------------|-----------|
| Oscar Sepúlveda Márquez | Independent | 20 years  |
| Salvador Álvarez Valdés | Independent | 4 years   |
| Herminio Padruno Santos | Independent | 4 years   |

### Corporate Practices Committee

The Corporate Practices Committee is comprised by 3 independent members and its purpose is to support the Board of Directors of Grupo Bafar in the preparation of reports, comment on the performance of key executive officers, evaluate transactions with related parties, and review the compensation packages granted to the Chief Executive Officer.

| MIEMBRO                 | TIPO          | ANTIGÜEDAD |
|-------------------------|---------------|------------|
| Oscar Sepúlveda Márquez | Independiente | 4 años     |
| Ricardo Dávila Quiñones | Independiente | 4 años     |
| Herminio Padruno Santos | Independiente | 15 años    |

### Evaluation of the top governance body

The Board of Directors of Grupo Bafar conducts an annual assessment which is a self-evaluation coordinated by the Chairman of the Board with the support of the Company's management or an external advisor specialized on the matter, alongside an evaluation of the support committees based on the fulfillment of their functions and responsibilities throughout the year, as well as the value they bring to the Group.





The evaluation is divided into the following phases:

1

At the end of the year, carry out the **self-evaluation of the Board** and the **evaluation of the support committees** and their contribution to Grupo Bafar.

2

Collect the **information from the evaluations** of each member while maintaining the confidentiality of their opinions.

3

Present the findings of the evaluations **to pinpoint areas of opportunity** for ongoing improvement both collectively and individually.

Remuneration

Having independent directors sitting on the organization’s governing bodies allows us to acquire new knowledge and experience from different viewpoints, which is why it is essential to have competitive compensation to encourage the engagement of members of the board in a way that drives up long-term value within the organization.

With the purpose of improving our compensation policy and ensuring that it is suitable and aligned with the business, a benchmark of director compensation granted by publicly traded companies in Mexico was carried out with the support of a third party to formulate a compensation plan for the Company’s senior executives. Likewise, Grupo Bafar has a robust executive share-based compensation plan, which sets forth the criteria for the allocation, acquisition, sale, release, and transfer of shares for executive officers and key leadership positions within the Company and its subsidiaries.

Currently, in accordance with the Operating Rules Policy, board members receive 3 Centenario gold coins as compensation for services, support, knowledge, and work prior to, during and after the meetings of the governing bodies.

ESG GOVERNANCE

We are moving towards establishing a formal governance structure responsible for ESG issues; however, we are aware of the importance of ESG management for our operations and of the legal obligations in this regard and have therefore entrusted the current senior management to take care of ESG matters.

The Group’s executives are responsible for identifying the applicable environmental regulatory framework, overseeing compliance, and carrying out environmental strategies.

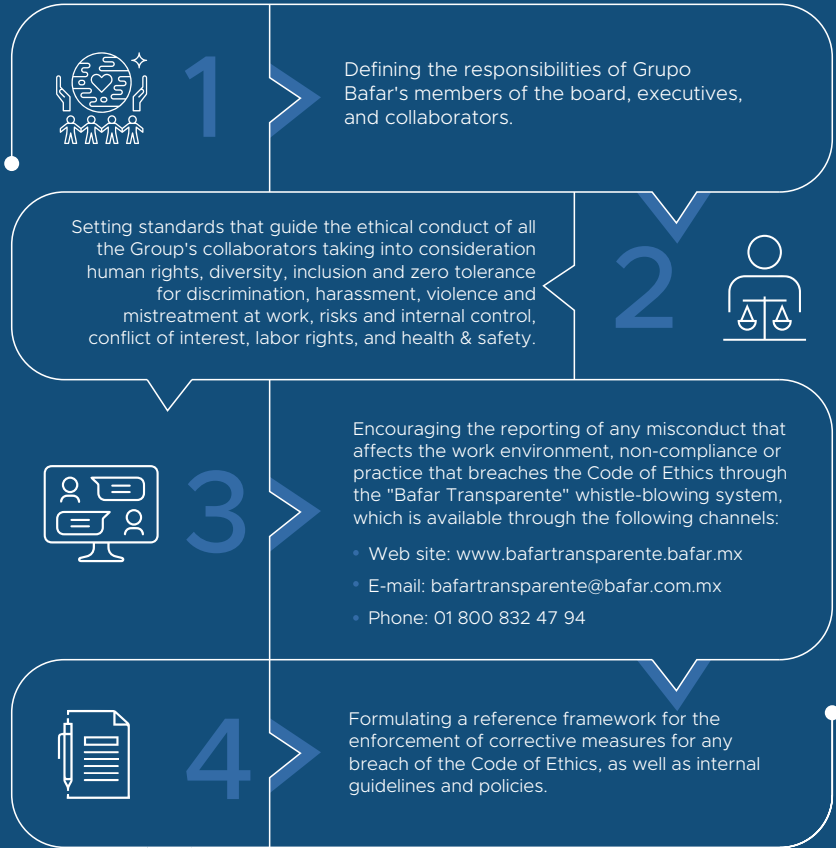
We also have a Foundation Department, which is responsible for running the operation and transparency of Grupo Bafar Foundation, managing the resources available for donations to social causes. Similarly, the Corporate Safety, Management Model, and Human Development departments are committed to meeting the needs and expectations of our employees, providing a healthy and safe work environment that promotes wellbeing.



ETHICS

GRI 205-1, 205-2 and 205-3

At Grupo Bafar we have a Code of Ethics applicable to board members, directors of the different business units, and collaborators, which seeks to guide our actions to be better people both inside and outside the organization. Through this document we seek to promote ethical behavior by embedding honesty, integrity, and respect as the basis of our organizational culture through the following approach:





Additionally, to strengthen ethical conduct within the organization, we have a Disciplinary Actions Policy, which seeks to establish guidelines on disciplinary measures to be applied in the event of conduct that goes against our Code of Ethics, values, and principles.

**Bafar Transparente**

It is an open channel for reporting anything that negatively affects our work environment and customer service, as well as anything that damages our assets and acts in breach of the Code of Ethics.

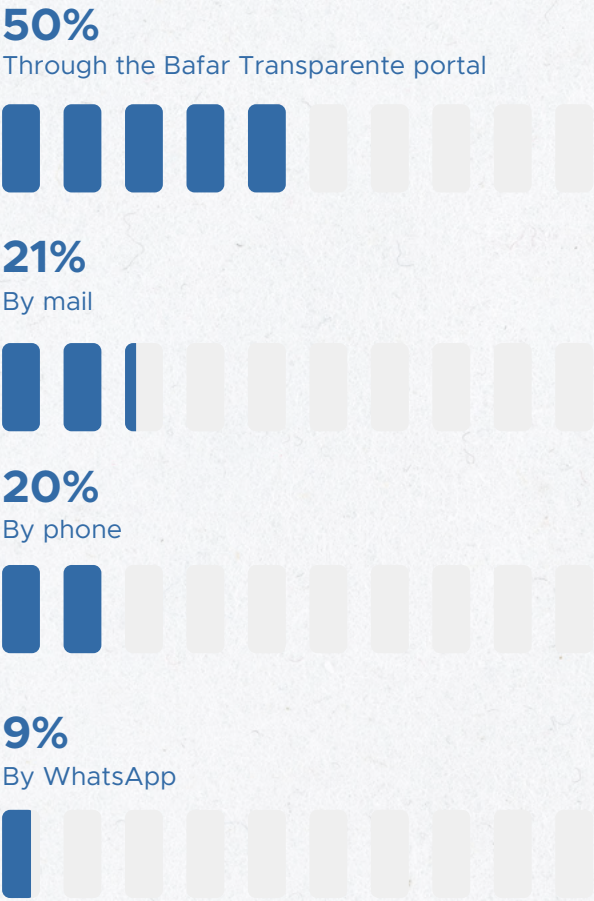
WHAT SHOULD WE REPORT?

- Corruption
- Workplace harassment
- Fraud
- Poor customer service
- Theft
- Breach of information security
- Poor working environment
- Misappropriation of accounting records
- Misuse of power / Mistreatment / Abuse of authority
- Violation of policies and procedures
- Sexual harassment

In 2021, we received 391 complaints, 5% less than the 411 complaints received in the previous year. Thus, 2021 is the second year with the most complaints since the launch of the Bafar Transparente tool in 2009.

Of the complaints received, 60% provided their data and 40% were anonymous. As a result of these complaints, 50% were not verified and the remaining 50% were verified, which were followed up and the corresponding investigation was carried out on a case-by-case basis.

The channels used to submit the complaints were as follows:





REGULATORY COMPLIANCE

GRI 2-27

Grupo Bafar’s institutional philosophy sets forth our commitment to our country, striving to ensure that our company, our people, our shareholders, and the community where we operate continue to prosper. In this way, at Grupo Bafar we ensure that all our operations fully comply with applicable regulations and have the necessary permits to carry out our activities without posing any risk to the environment and society.

Our operations follow the General Law of Ecological Balance and Environmental Protection (Ley General del Equilibrio Ecológico y la Protección al Ambiente, LGEEPA for its Spanish acronym), the General Law for the Prevention and Integral Management of Waste (Ley General para la Prevención y Gestión Integral de los Residuos, LGPGIR for its Spanish acronym) and the National Water Law (Ley de Aguas Nacionales, LAN for its Spanish acronym), under which we establish our operating standards and guidelines related to

environmental impact, water, air and noise pollution, hazardous waste and urban solid waste management, and imports and exports of hazardous materials.

The Shareholders’ Meeting evaluates the performance of the Board of Directors by ratifying compliance with the Company’s strategic vision, including operating within the applicable regulatory framework and implementing programs geared towards generating a lower negative impact on the environment and society.

In 2021, the Company received two sanctions from Mexico’s Federal Attorney for Environmental Protection (Procuraduría Federal de Protección al Ambiente, PROFEPA for its Spanish acronym), the first involved a fine of \$228,531.00 and is currently in litigation. The second was related to a non-compliance with wildlife area regulations, which resulted in a remediation measure that consisted of the collection of felled trees to clean up the Chuvíscar River at a cost of \$12,760.00.

The Company did not receive any social or economic sanctions in 2021



Labor practices and human rights

At Grupo Bafar we are convinced that Human Rights are the fundamental guidelines to build an environment of freedom, justice, and peace where people are respected as human beings, providing safe conditions for our collaborators so they can be valued under equal footing, in accordance to our institutional traits and standards, regardless of their nationality, gender, age, religion, or political ideology.

We focus on always respecting and protecting our employees through loyal, respectful, diligent, and honest conduct. Likewise, we place great importance on the well-being of our collaborators and the prohibition of

forced and child labor and overwork, respecting freedom of association, and the right to collective bargaining.

We strive to provide the best working conditions and promote ethical labor practices for the well-being of people as our collaborators perform their duties by creating an environment free from any kind of harassment or violence, whether physical or verbal, that threatens the integrity, freedom, self-esteem, dignity, and privacy of our people and the communities where we operate.





INNOVATION



## >>>> INNOVATION

To continue providing quality products that meet the needs and expectations of our customers and consumers to achieve their total satisfaction, it is essential to innovate constantly, both in our products and services, as well as in our procedures, with the objective of increasing efficiency and maintaining our position at the forefront of the market, generating greater value, and driving up growth for both the organization and society.

Based on the inherent characteristics of our products and services, our innovation strategy focuses mainly on the following areas:

01

Product quality and safety

02

Product life cycle

03

Health, well-being, and nutrition

### PRODUCT QUALITY AND SAFETY

To maintain the quality and safety that distinguish our products, we have a culture of excellence based on a robust and well-established quality system which includes the BQS Corporate Quality Policy, where we lay down our commitment and our guidelines to produce products of the highest quality, always striving to ensure the welfare of our customers and always meeting their needs and expectations to maintain their trust and preference, through a process of ongoing improvement.

Therefore, Grupo Bafar is driven by the following Quality Metrics:

- Measurement and analysis of customer and consumer complaints
- Supplier management with compliance results above 85%
- Audits at plants with compliance results above 90%
- Products ranking as 1st and 2nd preference in the market
- Measurement of the maturity level of Lean tools that allow us to ensure the ongoing improvement of the organization's performance through different management approaches

Additionally, we have set the following strategic objectives to be met across all our business activities and operations:



Customer and consumer satisfaction through the identification of best practices and industry trends, response and resolution of complaints and ongoing improvements of products and services



Supplier management and raw material development



Safe Quality Food (SQF) certification in production plants



Quality audits of divisions, plants, stores, and points of sale

*In 2021, we obtained the SQF certification for the Cutting, Value-Added and Sausage processes at the Chihuahua plant, which means that all of the Group's plants now have an International Certification for their Safety and Quality systems.*

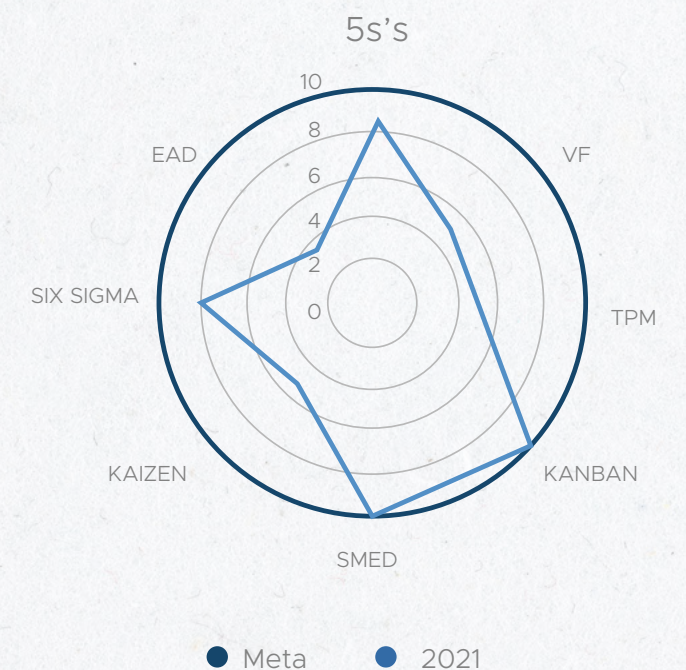
### Maturity level and Lean culture

As one of our main quality tools, we analyze on a quarterly basis the maturity level of different Lean activities implemented in our production processes. These activities include:

1. The 5S's: they seek to eliminate unnecessary elements, order work tools, clean workspaces, standardize classification, order, and cleanliness measures, and create habits so that employees adopt the above measures.
2. Visual factory (VF): emphasizes the need to display critical information specifically in the physical workspaces where it is needed, through signage, labels, posters, and display cases, among others. This promotes a safer and more efficient work environment by eliminating the need for repetitive training and constant supervision.
3. Total productive maintenance (TPM): each worker independently inspects and operates his or her equipment, taking responsibility for reporting any deviation from normal operation to solve problems promptly.
4. Single Minute Exchange of Die (SMED): integrates internal measures, such as cleaning, assembly and start-up of machinery, and external measures, such as planning and training, to shorten downtime between batches produced.
5. Kaizen: by using Deming's continuous improvement cycle, collaborators' creativity is encouraged to improve the operation and efficiency of production processes.
6. Kanban: consists of doing only what is needed, when it is needed and in the optimum quantity to speed up production.

7. Six Sigma: this is a management methodology that seeks to minimize production defects to a maximum value of 3.4 defects per million units produced.

*Annual result of the maturity level assessment of the Chihuahua plant*





PRODUCT LIFE CYCLE

The product life cycle spans from raw material procurement, production and packaging to distribution, sale, and final disposal. All the information on the product life cycle is currently managed through an automatic documenting and monitoring system. However, in the future we are looking for a more robust, automatic, secure, and reliable tool adapted to the trends and needs of the sector, including the analysis of environmental metrics.

During 2021, Grupo Bafar’s innovation efforts focused mainly on packaging technology to minimize environmental impact, align with the legal provisions to reduce the consumption of single-use plastics, and offer our customers products tailored to their needs.

We carried out four main innovation projects in 2021:

- 1. *Production line of sausages offered in modified atmosphere multipacks: “Split and fresh”*  
This project focused on the packaging of Sabori brand products in detachable bipack and tripack presentations. The objective was to create packages with a rigid bottom and flexible resealable film, allowing the consumer to measure their consumption with four sausages per pack in such a way that the products could be stored for a longer period of time while maintaining their freshness.
- 2. *Production line of aged and sliced meats offered in high vacuum and modified atmosphere packs*  
To increase the diversity of products in the market, as well as the renewal of the PARMA brand, this project focused on the design of a new automated slicing line for aged products offered in high vacuum and modified atmosphere packs featuring high-quality printed and resealable elements. These new packages and presentations allow the consumer to portion the product and maintain freshness. Additionally, the vacuum-packed products have a secondary high-quality printed carton package to achieve a competitive and attractive packaging design in the market.
- 3. *Expansion of the production line and portfolio of “Delicharola” aged meats and cheeses*

Given the success and high demand for the “Delicharola” line and with the intention of offering consumers the experience of tasting high-quality dairy and meat products, a production line of aged meats and cheeses was developed at the La Piedad plant. This project sought to develop a product in which cheeses and meats are sliced and arranged in a circular fashion in an attractive package, mimicking a tray ready for consumption without the need to be placed in a different tray.

- 4. *Expansion of the production line of sliced cold meats at the La Piedad plant (federally certified TIF 126)*  
Due to the growth in demand for sliced cold meats, Grupo Bafar carried out a project to expand the presentations of the sliced products line at the La Piedad plant, offering consumers high-vacuum and modified atmosphere packaging with the same designs as the Chihuahua plant to share manufacturing volumes and meet demand.

HEALTH, WELL-BEING AND NUTRITION

The health, well-being and nutrition of our consumers is at the heart of the development of our products. For this reason, we evaluate all our products to ensure that they comply with the profile and requirements according to their intended role within each brand and with the applicable Mexican Standards related to nutritional balance, caloric intake, and food industry standards.

Our commitment to health and well-being ranges from supporting families to nourish their children and fostering habits and awareness of the importance of good nutrition through the selection of raw materials, the offering of nutritionally balanced products, and communication centered on these aspects.

As a clear example of this commitment to the health, well-being and nutrition of society, the Sabori brand follows a holistic and well-being approach geared towards generating a positive impact through good habits and a healthy diet, in addition to encouraging consumers to engage in physical activity through

communication on multiple digital platforms and at several sale points.

To further our efforts and commitments to health and well-being, we developed the Sabori’s “Al Natural” line product. This line is exempt from complying with the NOM-051 labeling standard as it is the only product of its kind free of monosodium glutamate (MSG), artificial preservatives, nitrites, phosphates, or gluten in the Mexican market.

Additionally, in this line we also offer the sausage with the highest protein content in the market and a turkey

breast with 18% fat-free protein, obtaining the highest “Extrafine” classification.

To continue innovating and keeping in line with consumer food trends and preferences, we are developing a line of Sabori vegetarian products with a sufficiently robust nutritional value to provide consumers with all the necessary nutrients and to meet the brand’s objective of safeguarding the health and well-being of its consumer.







# ENVIRONMENTAL COMMITMENT



»»»» ENVIRONMENTAL  
COMMITMENT

GRI 302-1, 302-3, 303-3, 303-4, 305-1, 305-2, 305-4, 306-2, 306-3, 306-4, 306-5

At Grupo Bafar, the eco-efficiency of our operations is core to our sustainability strategy; therefore, in 2021 we began by mapping our consumption and impacts in terms of energy, emissions, water, waste and biodiversity.

This initial measurement is our steppingstone to launch an action plan and monitor indicators that will allow us to manage the environmental performance of our business units in an adequate and consistent manner.

ENERGY

As part of our sustainability strategy, measuring the energy consumption of Grupo Bafar’s business units is a first step that will later allow us to implement actions to optimize and minimize energy and fuel consumption.



Cogeneration power plant – B-Energy

For Grupo Bafar, the integral well-being of our collaborators, clients, and communities where we operate is closely bound to the care of the environment; for this reason, we promote the transition towards cleaner and renewable energy sources through our B-Energy cogeneration power plant.

Our B-Energy cogeneration power plant has an installed capacity of 8 MWh.

Besides generating electricity from natural gas. The plant provides photovoltaic and cooling energy that is used in the production processes of our Chihuahua plant.

| 2021  |          |
|---|----------|
| Electricity generation from natural gas (MWh) | 31,689.8 |
| Photovoltaic generation (MWh)                 | 1,610.8  |
| Cooling energy generation (MWh)               | 4,317.7  |
| Total (MWh)                                   | 37,618.3 |

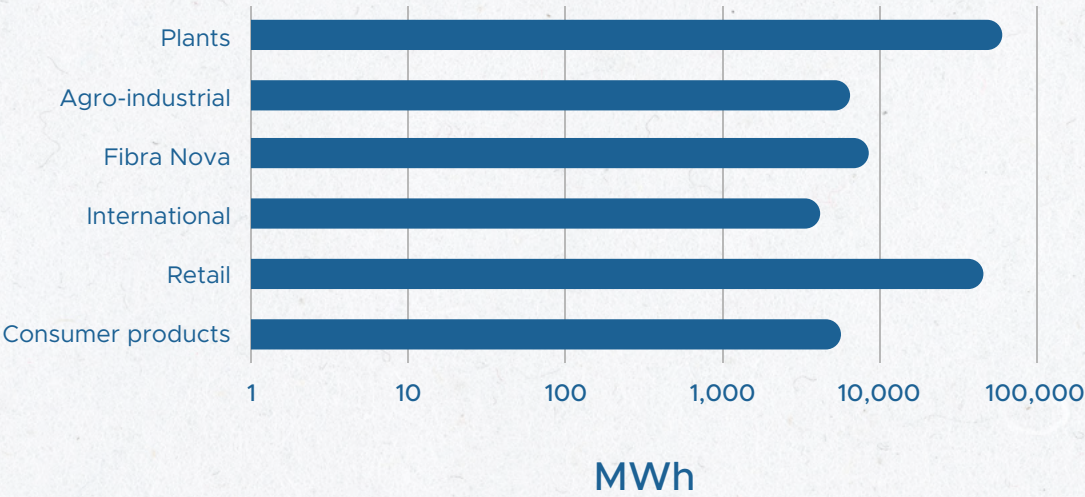
Notes:  
1. Information as of the end of December 2021..

The Retail business unit consumed 1,610.8 MWh of electricity generated through solar panels in 2021.



Electricity consumption by business unit (MWh)

In 2021, we consumed 138,105 MWh of electricity for the operation of our different business units and the B-Energy power plant. This consumption was supplied both by the electricity generated in our cogeneration plant and by the Mexican power grid.



- Notes:
- Information as of the end of December 2021.
  - Vextor’s electricity consumption is included in the consumption of the Chihuahua plant as they share the same location.
  - For Fibra Nova:
    - Fibra Nova’s energy consumption is classified as indirect for Grupo Bafar since it is derived from tenant operations in our properties.
    - Electricity consumption of one property was as of the end of August 2021.
  - In addition to the electricity consumption by business unit, the B-Energy plant consumed 24.6 MWh for its operations in 2021.
    - Six sites include data as of the end of September 2021.
    - Two sites include data as of the end of October 2021.
    - Five sites include data as of the end of November 2021.



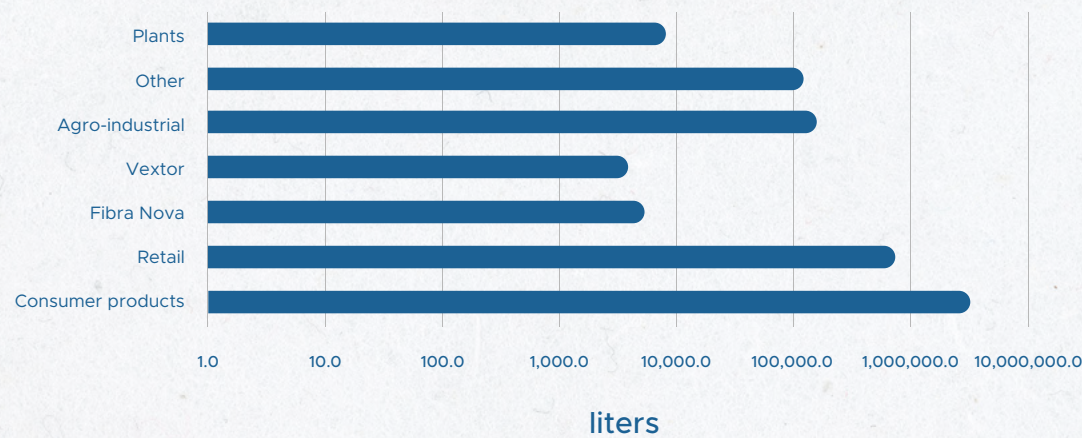
Grupo Bafar's electricity consumption per collaborator was 11.7 MWh in 2021.

#### Fuel consumption by business unit

Regarding fuels, our energy sources come from gasoline, diesel, natural gas, and LPG.

#### Gasoline consumption

IN 2021, WE CONSUMED 3,770,162.07 LITERS OF GASOLINE.



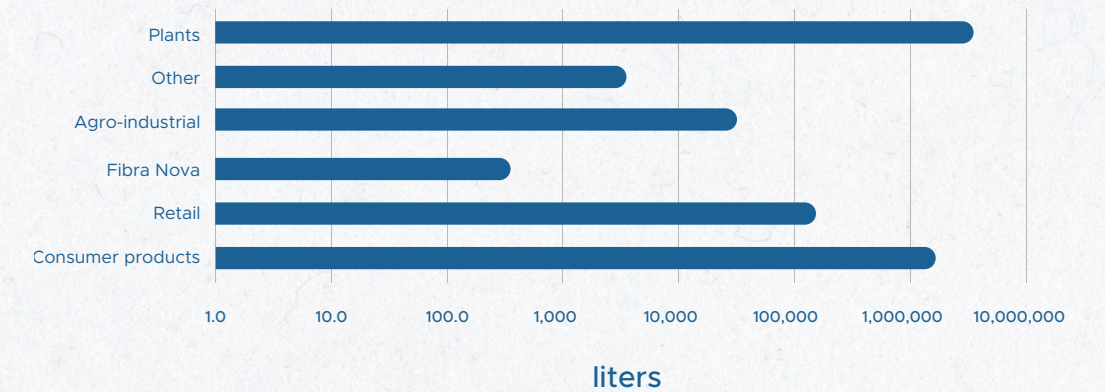
Notes:

1. International business unit has zero gasoline consumption.
2. Fibra Nova's energy consumption is classified as indirect for Grupo Bafar since it is derived from tenant operations in our properties.

#### Diesel consumption

Our diesel consumption was 4,505,029.73\* liters in 2021.

\*An 850 kg/m<sup>3</sup> density was used to calculate the volume of diesel consumed in plants.

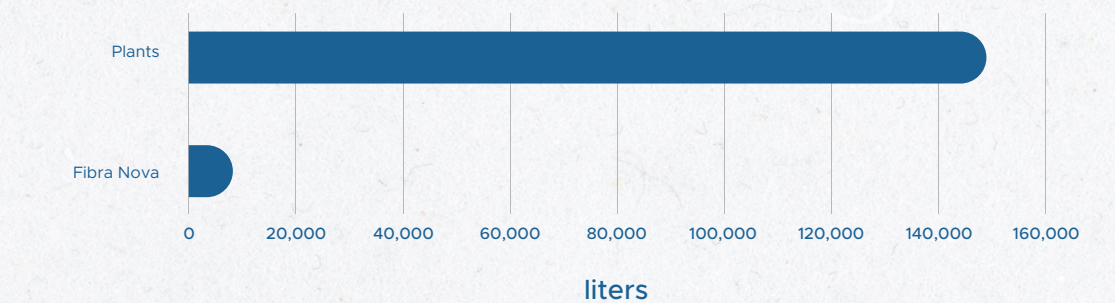


Notes:

1. Vextor and the international business unit had zero diesel consumption in 2021.
2. Fibra Nova's energy consumption is classified as indirect for Grupo Bafar since it is derived from tenant operations in our properties.

#### LPG consumption

Grupo Bafar consumed 157,603.20 liters of LPG during the year.



Notes:

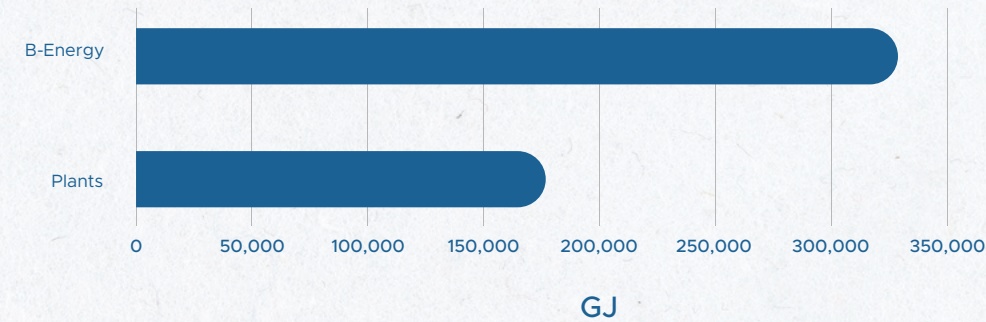
1. Fibra Nova's energy consumption is classified as indirect for Grupo Bafar since it is derived from tenant operations in our properties.
2. LPG was only consumed in Fibra Nova's plants and properties in 2021.





Natural gas consumption

In 2021, the International business unit, Fibra Nova, the plants and the B-Energy cogeneration power plant jointly consumed 508,722.39 GJ of natural gas; more than 65% of this consumption was from B-Energy.



- Notes:
- 1. Information as of the end of December 2021.
  - 2. In 2021, the International business unit and Fibra Nova natural gas consumption was 52.36 GJ and 1,093.50 GJ, respectively.
  - 3. Fibra Nova’s energy consumption is classified as indirect for Grupo Bafar since it is derived from tenant operations in our properties.



EMISSIONS

Emissions from our operations come from both direct and indirect sources. Our Scope 1 emissions include livestock from our agro-industrial business line and our fuel consumption, while our Scope 2 emissions come from our electricity consumption.

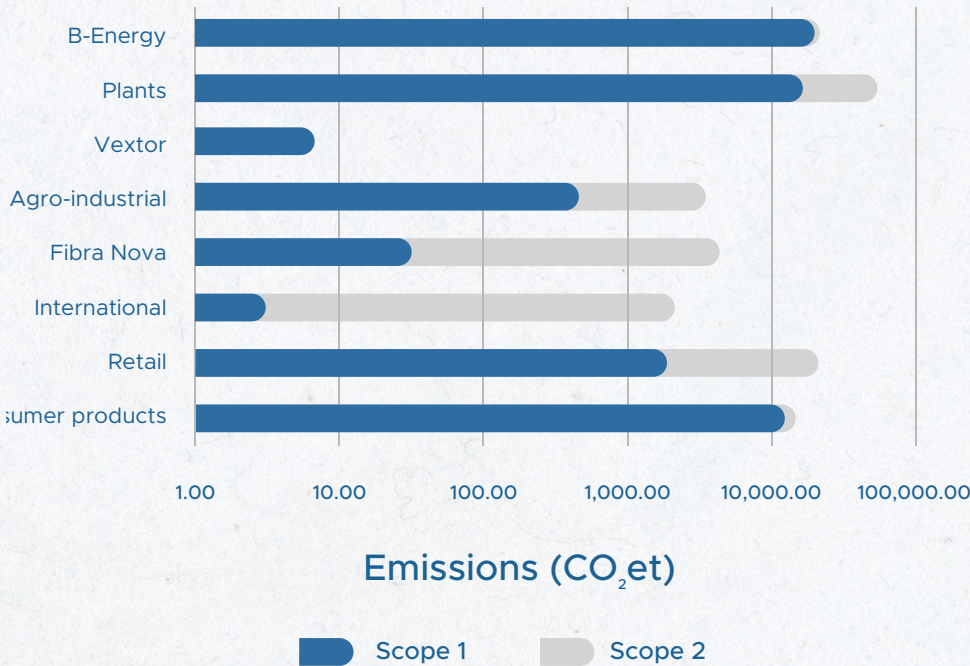
|   |                         | 2021       |
|---|-------------------------|------------|
| Scope 1 emissions (CO <sub>2</sub> e t)       | Livestock               | 0.03       |
|   | Fuel consumption        | 50,575.71  |
| Total Scope 1 emissions (CO <sub>2</sub> e t) |                         | 50,575.04  |
| Scope 2 emissions (CO <sub>2</sub> e t)       | Electricity consumption | 58,418.66  |
|   |                         |            |
| Total emissions (CO <sub>2</sub> e t)         |                         | 108,994.40 |

- Notes:
- 1. Information as of the end of December 2021.
  - 2. The calculation of Scope 1 emissions considered 173 head of cattle from livestock management in the agro-industrial business unit.
  - 3. Fuel consumption includes natural gas, LPG, gasoline, and diesel used in Grupo Bafar’s business units and in the cogeneration plant during 2021.
  - 4. Scope 1 emissions were calculated in accordance with the reporting methodology of the National Emissions Registry, approved by Mexico’s Secretariat of Environment and Natural Resources (Secretaría de Medio Ambiente y Recursos Naturales, SEMARNAT for its Spanish acronym), together with the appropriate calorific values, emission factors, and global warming potentials.
  - 5. Scope 2 emissions were calculated considering Mexico’s 2021 grid emission factor (published by SEMARNAT).





Grupo Bafar's CO<sub>2</sub>e emissions per collaborator in 2021 were 9.3 ton



Emissions (CO<sub>2</sub>e)

Scope 1 Scope 2

Notes:

1. Information as of the end of December 2021.
2. The calculation of Scope 1 emissions considered 173 head of cattle from livestock management in the agro-industrial business unit.
3. Scope 1 emissions were calculated in accordance with the reporting methodology of the National Emissions Registry, approved by Mexico's Secretariat of Environment and Natural Resources (Secretaría de Medio Ambiente y Recursos Naturales, SEMARNAT for its Spanish acronym), together with the appropriate calorific values, emission factors, and global warming potentials.

4. Scope 2 emissions were calculated considering Mexico's 2021 grid emission factor (published by SEMARNAT).
5. Vextor's Scope 2 emissions are included in total Scope 2 emissions as they share the same location, and the electricity consumption of both units is consolidated.

Grupo Bafar's CO<sub>2</sub>e emissions per ton sold in 2021 were 0.34 ton<sup>1</sup>



WATER

To track our impact on water bodies, we monitor and record hourly water consumption and discharge through flowmeters installed in different wells and discharge points of our plants. This information, applicable to certain business units, is shared on a quarterly basis with the National Water Commission (Comisión Nacional del Agua, CONAGUA for its Spanish acronym)

Water consumption by business unit:

|                  |                             | Agro-industrial | International | Fibra Nova | Plants   |
|------------------|-----------------------------|-----------------|---------------|------------|----------|
| Water withdrawal | Groundwater (m³)            | 9,979,663       | N/A           | N/A        | 509,251  |
|                  | Third-party water (m³)      | N/A             | 15,161        | 25,120     | 1,328    |
|                  | Total water withdrawal (m³) | 9,979,663       | 15,161        | 25,120     | 510,579  |
| Water discharge  | Surface water (m³)          | N/A             |               | N/A        | 339,662  |
|                  | Third-party water (m³)      | N/A             |               | 4,423      | N/A      |
|                  | Treated water (m³)          | N/A             | N/A           | 2,819      | 724,005* |

\*Includes the volume of treated water recirculated at the Chihuahua and La Piedad plants.

Notes:

1. Information as of the close of December 2021.
2. Vextor's water consumption is included in the consumption of the Chihuahua plant as they share the same location.
3. Fibra Nova's water consumption is classified as indirect for Grupo Bafar since it is derived from tenant operations in our properties.
4. The volume of water treated by Fibra Nova is the amount of water that is treated by third parties (private suppliers or government).
5. We do not have information on the water discharge of the International unit, as well as the water withdrawal and discharge of the Consumer Products and Retail business units; however, we are working on consolidating this data.





On the other hand, we seek to develop measures and initiatives that allow us to maximize the responsible use of water. As part of our goal of preserving natural resources, the wastewater treatment plant at the Chihuahua plant allows us to reuse the treated water from the effluents of the continuous ovens, cooking area and breeding area, to use it for the irrigation system of the plant's green areas, as well as for the cooling systems of the production process.

In addition, we have put in place several initiatives that will enable us to reduce water consumption by 30%. Among these actions are the control of high-pressure washing systems handled by maintenance staff to restrict access to water only on the days and times when washing is performed, and the installation of hoses and spray nozzles for these systems.

In the Agro-industrial division, recognizing the importance of water resources for production, we have promoted various initiatives to modernize and automate our irrigation systems. This modernization, throughout the entire production process, allows us to make efficient use of water, improve production and walnut quality per hectare, while reducing energy consumption, as follows:

Withdrawal

We have a system that allows us to image and monitor groundwater levels to avoid overexploitation and efficiently use water. Sensors are used to measure the levels and flows of the water table, as well as to monitor the amount of water withdrawn from the wells, measuring the volume, and recording its depletion throughout a cycle.

Water supply

Reservoirs are used to achieve more efficient distribution to different distances and flow requirements. The reservoirs have ultrasonic sensors that monitor water levels, interacting with the wells to turn them on and off automatically.

Overpumping

The irrigation system modernization allows us to remotely control the equipment and monitor critical check points. For this purpose, we have automatized pumping stations, as well as self-regulation mechanisms, depending on the required demand. In addition, we have solenoid valves and humidity sensors installed in the orchard, which are constantly fed with data from a weather station to support the operation and increase efficiency.

Irrigation

The irrigation system is pressurized, which improves water use and distribution efficiency. Two thirds of the orchard have a sprinkler irrigation system and the other third has a micro-sprinkler system, which optimizes the distribution of water resources and makes it possible to use up to 90% of the available water.

The modernization of the irrigation system increases efficiency by up to 15%, which equals to 1,811,417 m<sup>3</sup> per year.

WASTE

At Grupo Bafar, we recognize the importance of developing an adequate waste management process, for this reason we have established procedures for handling both special and hazardous waste generated in our activities.

Special handling waste is disposed of in different containers to separate general waste, cardboard, and plastic, which are then collected by a third party. Each month, we receive sealed manifests that validate the quantities of waste collected.

On the other hand, hazardous waste such as oil, filters, and contaminated tow are stored in a special area at the general warehouse. Access to the area is restricted

to authorized personnel who keep strict control of the quantity and type of waste stored. Finally, a third party is responsible for transporting the hazardous waste to disposal.

We are advancing in the collection of information on waste generated in our different business units, which will allow us to deploy a waste management and classification system together with metrics to track our progress on an ongoing basis.

|                            | Plants   | Fibra Nova | Agro-industrial |
|----------------------------|----------|------------|-----------------|
| Hazardous waste (tons)     | 6.1      | 2.4*       | N/A             |
| Non-hazardous waste (tons) | 10,481.8 | 1,768.2    | 2.2             |

\*Additionally, 131.6 liters of hazardous waste were generated by Fibra Nova's operations in 2021.

Notes:

- 1. Information as of the end of December 2021.
- 2. Fibra Nova's waste generation is classified as indirect for Grupo Bafar since it is derived from tenant operations in our properties.
- 3. Includes waste generation for five Fibra Nova's sites as of the end of October 2021.
- 4. The B-Energy plant generated 12,300 liters of used oil as hazardous waste in 2021.
- 5. The waste generated in the Consumer Products, Retail,

- and International business units have yet to be measured. However, we are working on the management of information to report this metric in future reports.
- 6. Vextor's waste generation is included in the plants as they share the same location.
- 7. There is no information on waste generated in the International, Consumer Products and Retail business units; however, we are working on consolidating this information.

<sup>1</sup>Información correspondiente a Consumo, Retail, Internacional, Agroindustrial, B-energy y plantas.





OUR  
PEOPLE



# >>>>> OUR PEOPLE

GRI 2-7, 2-8, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9, 403-10, 404-1, 404-2, 404-3, 405-1, 405-2, 406-1

Our collaborators are at the core of Grupo Bafar’s value creation. For this reason, our commitment and priority are to strengthen our staff by enabling their individual growth and ensuring a safe, healthy, and inclusive work environment.

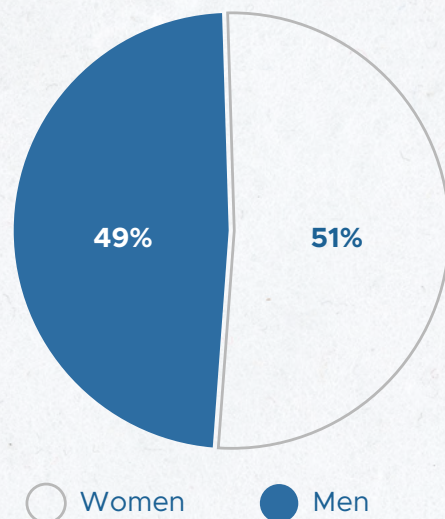
In 2021, we were able to undertake important projects, including medical follow-up, evaluation and mitigation of psychosocial risks, and training programs, with the aim of promoting a culture of dignified work and strengthening the organization-collaborator relationship, along with building a much more competitive identity at a national and international level.

## GRUPO BAFAR TEAM

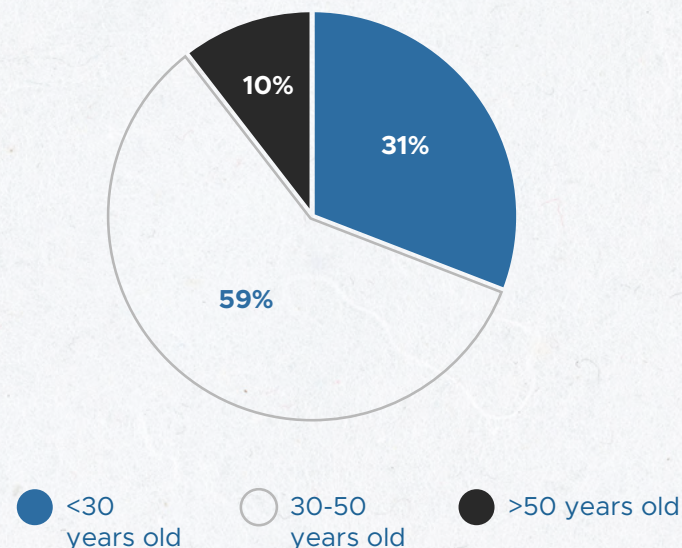
At the end of 2021, our staff was composed of 11,759 collaborators.

51% of our workforce are women

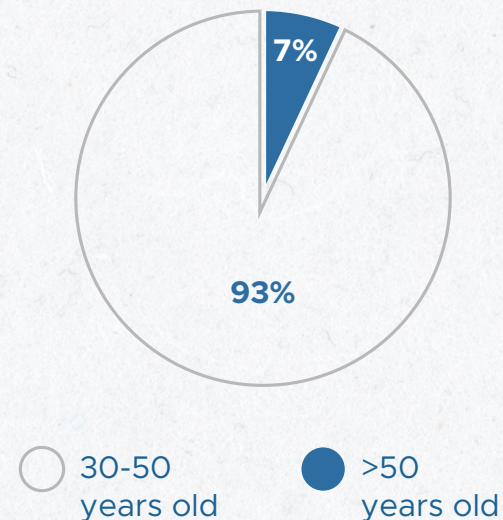
Workforce by gender:



Workforce by age group:



Members of governance bodies by age group:



## HUMAN CAPITAL DEVELOPMENT

At Grupo Bafar, we seek to provide the best opportunities for the professional, economic, and personal development of our collaborators; therefore, through **Universidad Bafar, A.C.**, we offer them the necessary courses and tools for their ongoing growth within the organization.

### Training

At Universidad Bafar, we ensure that all collaborators gain the knowledge and skills needed to perform their duties efficiently. At the same time, we also promote the learning and development of skills that allow them to grow and take on new positions in the organization.

Our training model is grounded on the design and implementation of a specific study plan for each position and area of Grupo Bafar’s business units. This curriculum allows collaborators to develop all the technical and management skills related to their position within the organization. It also includes “Executive Training” courses that spread the organizational culture throughout the whole operation.

Likewise, we seek to empower an integral, efficient, and responsible leadership in our collaborators; therefore, the curriculum of a senior position within the organizational structure contains not only the courses corresponding to this position, but also the curriculum of all the positions that follow it. In this way, collaborators are familiar with the requirements, skills, and knowledge of the positions they must lead.

853 collaborators received training in 2021.

Grupo Bafar provided 7,152 hours of training in the year.

On the other hand, to monitor the performance of our collaborators, 100%\* of our workforce receives a quarterly performance evaluation.

\*Trainees, temporary staff, messengers, drivers, and personal security staff are not evaluated.





At the corporate level, our voluntary and involuntary turnover rates are 5.91% and 1.18%, respectively

### Internal talent development

To promote the professional and personal success of our collaborators, we have established an Internal Talent Development Model that allows us to fill vacancies and new positions with Grupo Bafar talent. This model is supported by two main programs: Talent Pool and Management Talent Development.

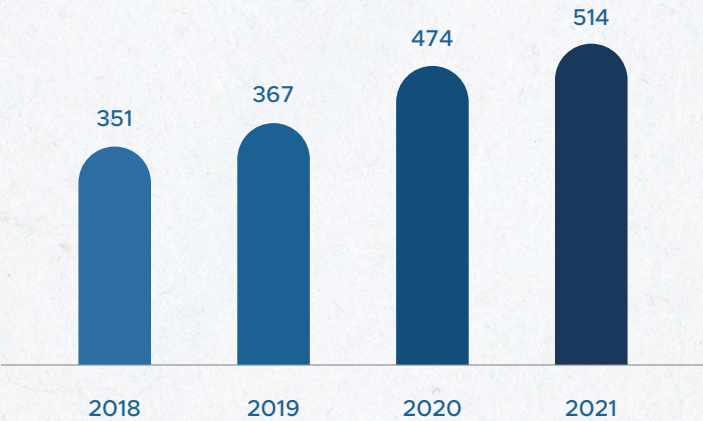
### Talent Pool

While continuing to perform their current duties, internal collaborators complete a training program for an immediate superior position to fill it in the future if needed. After being selected according to defined criteria such as seniority and performance, participating collaborators learn about the standard operation of the position to be developed, thus advancing their career progress within Grupo Bafar.

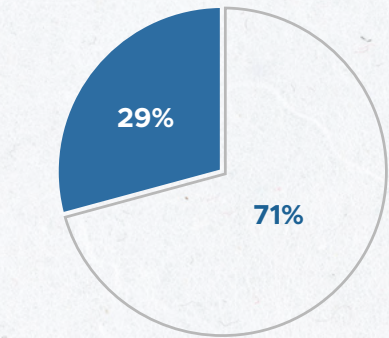
This program is available for various positions in the Consumer Products, Retail, and Supply Chain business units, including commercial executives, shift managers, warehouse managers, coordinators, assistant managers, and managers, among others.

In 2021, 71% of the staff trained through the Talent Pool program were promoted.

Collaborators who completed the Talent Pool program:



Promoted Talent Pool collaborators\*:



○ Promoted ● In pool

\*Information as of the end of November 2021.

### Management Talent Development

This initiative comprises 5 different internal development programs through which an Individual Development Plan (IDP) is assigned to each participant. This IDP allows the development of skills through a “70, 20, 10” methodology, where 70% of the learning is done on the job, 20% is learned through coaching, and 10% through academic training - which includes, for example, courses taken in collaboration with other universities.

The positions applicable to this talent development strategy are middle management, area heads, and upper management since, in addition to the requirements established for the Talent Pool program, Universidad Bafar employs specific evaluation tools:

- **360 Evaluation:** every two years, the collaborator is evaluated by his superior, his peers and him/herself.
- **Evaluatest:** this is a psychometric evaluation that allows identifying gaps and developing a plan to solve them.
- **25-box matrix:** allows mapping Grupo Bafar’s talent and evaluating collaborators through two dimensions. On the one hand, a performance score is given, corresponding to the collaborator’s scorecard; and on the other hand, their development potential is rated through an external and independent methodology. Depending on the results obtained, collaborators are placed in different blocks of the matrix and different, completely personalized development strategies are formulated.

The 5 Management Talent Development programs are:

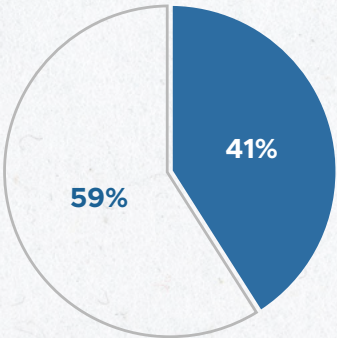
- **Succession plans:** this is a strategic program focused on the preparation of skills for future growth. It is applicable to heads, managers, and directors, assigning them an individual development plan based on the results of Evaluatest, as well as the 360 Evaluation and the 25-box matrix.
- **High Potentials:** training is provided to new collaborators who have been identified as high potentials at head and management level. Managers or area directors, in coordination with the Human Capital area and Universidad Bafar, select the participants considering their performance across different evaluations.
- **Key positions:** allows the development of candidates for a key or critical position, assigning them an IDP according to the job requirements. The program

considers a key position as a role of vital importance for a business unit and/or an area carrying out functions tied with highly specialized operational processes or with a high replacement cost.

- **Current position:** allows to improve the performance of collaborators to better meet the needs of the current position. Gaps are identified so that they can perform optimally with less emotional stress.
- **Cross Training:** consists of training staff in different tasks or positions to broaden their skills and knowledge background. The objective is to promote an integral preparation that allows for their transversal growth within the company.

In 2021, the Management Talent Development program enabled the succession of 172 collaborators.

Results of the Management Talent Development program in 2021



○ Promoted ● Prepared







School Stores

At Grupo Bafar, we believe that learning should entail a practical approach that allows collaborators to acquire knowledge and test skills in real situations.

For this reason, our School Stores are certified to instruct new collaborators in a practical way on how to correctly performance their new positions. They are also used as a learning tool for collaborators who are part of the Talent Pool program.

The collaborators of these stores are certified as instructors to conduct training in accordance with the 4-step method:

- 1. Explain to student collaborators the tasks, steps, and activities to be performed.
- 2. Observe the collaborator performing the job.
- 3. Allow the student collaborators to receive directions and advise on the performance of the job.
- 4. Allow the student collaborators to carry out the activities of the job to provide feedback.

Number of School Stores:

|  | 2021* |
|--|-------|
| Consumer Products Division: Self-service | 181   |
| Consumer Products Division: Traditional  | 37    |
| Retail                                   | 41    |

\*As of the end of November 2021

DIVERSITY AND INCLUSION

As an organization, we believe that cultural diversity is a source of empowerment for our human capital. Thus, we promote equal rights and opportunities for all our collaborators, regardless of background, ethnicity, nationality, marital status, opinions, gender, beliefs, economic class, health condition, family situation, sexual identity, union affiliation, disability, or immigration status.

We also promote a work environment free of any harassment, violence, or abuse, whether verbal, physical and/or sexual. To ensure safety at our workplaces, we ask our collaborators to report any incident through

the Human Capital area and our internal whistleblower hotlines.

With the purpose of moving towards the creation of a diverse and inclusive work environment, Grupo Bafar is formulating a Diversity and Inclusion Policy. Likewise, we monitor the salary gap between women and men for each employee category:

| EMPLOYEE CATEGORY       | GENDER | 2020                    |            | 2021                    |            |
|-------------------------|--------|-------------------------|------------|-------------------------|------------|
|                         |        | AVERAGE SALARY (IN MXN) | SALARY GAP | AVERAGE SALARY (IN MXN) | SALARY GAP |
| Senior management       | Women  | 152,653                 | 14%        | 162,680                 | 8%         |
|                         | Men    | 174,329                 |            | 184,030                 |            |
| Middle management       | Women  | 71,737                  | 11%        | 75,532                  | 9%         |
|                         | Men    | 79,877                  |            | 84,447                  |            |
| Administrative officers | Women  | 18,256                  | 6%         | 27,668                  | 8%         |
|                         | Men    | 19,350                  |            | 30,912                  |            |
| Coordinators            | Women  | 12,802                  | 22%        | 20,787                  | 9%         |
|                         | Men    | 15,640                  |            | 22,920                  |            |
| Operative               | Women  | 4,245                   | 7%         | 6,748                   | 2%         |
|                         | Men    | 4,539                   |            | 6,886                   |            |

To continue advancing towards salary equality, at Grupo Bafar we determine the remuneration of our collaborators through a tabulator policy that sets the salary range by functions and responsibility of the position to the organization regardless of gender, race, social background, or beliefs.

Through salary review processes every six months, we have narrowed the wage gap by 229%.

No discrimination cases were reported in 2021.



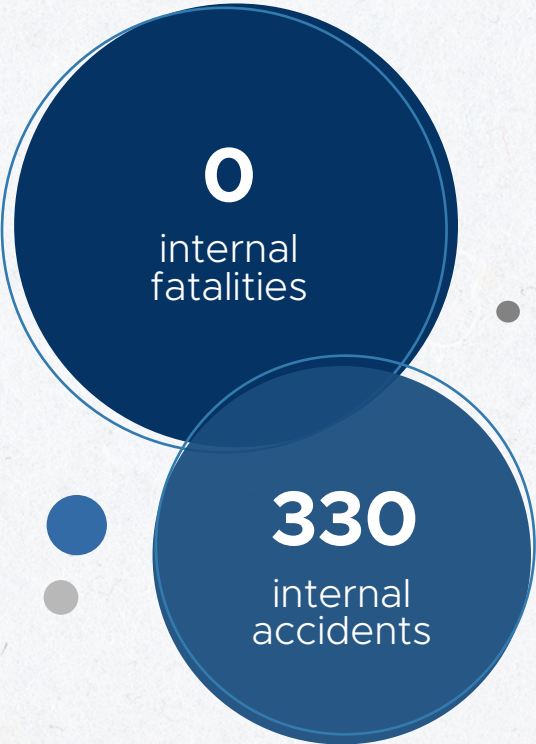




### OCCUPATIONAL HEALTH AND SAFETY

At Grupo Bafar, we implement a health and safety strategy to prevent and mitigate the risks our collaborators face on a daily basis. In accordance with the rules and practices established under compliance with Mexico's labor laws, we developed 3 main guidelines, contained in our Code of Ethics, which allow us to safeguard the health and safety of our collaborators:

1. Attend work free from the influence of substances that could hinder the safe execution of activities.
2. Report to the immediate supervisor any accident, as well as the existence of hazardous equipment, practices, or conditions.
3. Be informed and promote the necessary measures to prevent accidents.



Number of accidents by plant

|   | CHIHUAHUA PLANT |      | LA PIEDAD PLANT |      |
|---|-----------------|------|-----------------|------|
|   | 2020            | 2021 | 2020            | 2021 |
| Number of severity class 1 accidents <sup>1</sup> | 134             | 90   | 21              | 48   |
| Number of severity class 2 accidents <sup>2</sup> | 125             | 137  | 21              | 19   |
| Total   | 277             | 251  | 56              | 79   |

1. Severity class 1 accidents: accidents reported where the collaborators can continue working normally without any health affection.
2. Severity class 2 accidents: accidents where the collaborator requires a temporary work incapacity or operational adjustment.

*In 2021, Grupo Bafar recorded an internal accident rate of 1%\**

*\*Percentage calculated on the number of plant collaborators.*

Work incapacity days by plant

|                       | CHIHUAHUA PLANT |       | LA PIEDAD PLANT |       |
|-----------------------|-----------------|-------|-----------------|-------|
|                       | 2020            | 2021  | 2020            | 2021  |
| Work incapacity days* | 4,745           | 5,728 | 5,576           | 7,272 |

\*Approximately 50% of the increase in work incapacity days between 2020 and 2021 is attributable to a surge in COVID-19 cases and unresolved extended sick leaves due to the contingency.







Finally, we established prevention and control measures adapted to each activity. Some examples of these measures include talks to brigade members and area staff, training on the correct use of personal protective equipment, installation of anti-slip floors, adequate lighting, and scheduled maintenance, among others.

**Health in the work environment**

As part of our occupational health and safety management system, we conduct annual health campaigns composed of different bimonthly, seasonal, and recurring programs. These are run by a medical area:

- Bimonthly programs: medical studies, blood pressure monitoring, capillary glucose screening and rapid HIV tests. In addition, awareness-raising activities are carried out on International Cancer Day, International Women’s Day, and World Diabetes Day, among others.
- Seasonal programs: vaccination of staff against influenza.
- Recurring programs: weekly distribution of vitamin C supplements to employees.

Additionally, at Grupo Bafar we offer a set of benefits to guarantee the continuous health care of our collaborators, including:

- Follow-up of chronic illnesses
- Visits to a nutritionist
- Prenatal care
- Scheduling of audiometry and spirometry tests for personnel in at-risk areas
- Blood pressure check for contractors and drivers

Similarly, through Grupo Bafar Foundation’s health campaigns, our collaborators can obtain discounts to purchase eyeglasses, hearing aids, and hospital services at preferential prices to take care of their general well-being, as well as their dental, hearing, and visual health.

On the other hand, as we continue to face the COVID-19 contingency, we kept distributing communiqués with relevant information, for example, about vaccination against the virus and the necessary hygiene measures to safeguard our workforce.

**Risk assessment**

Assessing the hazards and risks inherent to the different activities performed by collaborators is the first step to deploy appropriate prevention and/or mitigation strategies. For this reason, we conducted a risk assessment by work activity.

In 2021, this analysis consisted of identifying the work activities of all areas of the Chihuahua Plant to subsequently pinpoint critical areas based on accident frequency. From this information, health and safety risks were analyzed for each activity within the plant and the corresponding prevention plans were put in place.

A matrix was obtained as a result of the analysis, which determines the magnitude of each risk observed, considering the sequence of the process to be carried out, the number of collaborators involved, the machinery and equipment used, the type of hazard, the possible injury mechanisms, the probability of occurrence, and the existing controls, among other criteria.

*Results of the risk assessment by work activity at the Chihuahua plant*

| MEMBER                                | 2020 | 2021 |
|---------------------------------------|------|------|
| Number of accidents in critical areas | 301  | 162  |
| Number of activities to be evaluated  | 224  | 166  |
| Number of assessments conducted       | 224  | 162  |

We also trained our collaborators on different health and safety issues:

| TRAINING PROVIDED  | TRAINED COLLABORATORS* |
|--|------------------------|
| Industrial safety  | 1117                   |
| 2021 operational discipline and best practices                     | 800                    |
| Safe operation for pedestrians and vehicles                        | 471                    |
| Location of fire extinguishers, evacuation routes, emergency exits | 234                    |
| First-aid teams  | 97                     |
| Contractor training  | 70                     |
| Fire prevention and response                                       | 66                     |
| Fire brigade   | 56                     |
| Basic first aid techniques   | 41                     |
| Safety locks training  | 38                     |
| Work at heights  | 34                     |
| Evacuation team  | 32                     |
| Handling of chemicals and identification of pictograms             | 30                     |
| Search and rescue teams  | 27                     |
| Ergonomics   | 18                     |
| Pressure vessels   | 16                     |
| Unsafe acts and manual handling of loads                           | 5                      |

\*Information includes only the Chihuahua plant.



Labor well-being

Adoption of Mexico’s new legislation on occupational psychosocial health

During 2021, we applied and implemented the Mexican Official Standard number NOM-035-STPS-2018, “Identification, Analysis and Prevention of Psychosocial Risk Factors at Work”. Accordingly, we put in place our Psychosocial Risk Prevention Policy and were able to draw a more holistic picture of the different components that make up our work environment, as well as to get a better understating of the situation at an individual and group level of our organization.

The results of reference guides 1 and 3 were satisfactory. However, we tackled the fronts that scored below the average, such as workloads and working hours, through the implementation of flexible work schedules, as well as the review and update of job descriptions and organizational architecture, among others.

RESULTS OF NOM-035 REFERENCE GUIDE 1

| BUSINESS UNIT    | NUMBER OF COLLABORATORS | NUMBER OF SURVEYS COMPLETED | PARTICIPATION | NUMBER OF COLLABORATORS NOT AT RISK | NUMBER OF COLLABORATORS AT RISK |
|------------------|-------------------------|-----------------------------|---------------|-------------------------------------|---------------------------------|
| Corporativo      | 247                     | 217                         | 88%           | 195                                 | 22                              |
| Consumo          | 5,263                   | 5,247                       | 99%           | 4,927                               | 320                             |
| Retail           | 2,360                   | 2,279                       | 97%           | 2,108                               | 171                             |
| Planta Chihuahua | 1,553                   | 1,540                       | 99%           | 1,447                               | 93                              |
| Planta La Piedad | 735                     | 733                         | 99%           | 600                                 | 133                             |

RESULTS OF NOM-035 REFERENCE GUIDE 3

| UNIDAD DE NEGOCIO | NUMBER OF COLLABORATORS | SAMPLE | NUMBER OF SURVEYS COMPLETED | PARTICIPATION | SCORE / RISK |
|-------------------|-------------------------|--------|-----------------------------|---------------|--------------|
| Corporate         | 233                     | N/A    | 230                         | 98%           | Medio        |
| Consumer products | 6,133                   | 3,155  | 3,111                       | 99%           | Medio        |
| Retail            | 111                     | N/A    | 90                          | 81%           | Medio        |
| Chihuahua plant   | 1,751                   | 484    | 533                         | 110%          | Medio        |
| La Piedad plant   | 822                     | 265    | 285                         | 107%          | Medio        |

Moreover, we installed the “Entorno” app, from Brivé Soluciones, to digitize the implementation of NOM-035 and automatically obtain results.

In addition to these actions, the current conditions brought about by the COVID-19 pandemic allowed us to start studying the adoption of remote work as a formal practice. Seeking to maximize the well-being of collaborators and the competitiveness of the organization, we conducted a quantitative and qualitative analysis that supports decision-making regarding the best organizational work scheme, whether home office, face-to-face or shift work, among others.



Bafar stock compensation plan

In 2021, we implemented the Bafar stock compensation plan, developed with the purpose of rewarding our managers and senior executive officers for their service and loyalty. Based on the support Grupo Bafar needs to achieve its financial goals in the coming years, this plan offers long-term equity growth for executives.

Likewise, to ensure its proper and transparent implementation, we created the Stock Compensation Plan Administration Policy; and through its criteria and guidelines, over 100 collaborators obtained this benefit. Therefore, this initiative encourages the achievement of both individual and group objectives and brings certainty to the exponential growth of the company and its people.

Retirement plan

Implemented in 2021, Grupo Bafar’s Retirement Policy seeks to support its collaborators’ financial stability during their post-retirement days. This policy determines the retirement bonus that collaborators over 60 years of age receive when they retire from the Company or join as consultants; thus, the plan guarantees an adequate and dignified closure of the work performed by the collaborator throughout his or her work life in the organization.

Baby-B day childcare center

As part of the Mexican Institute of Social Security (Instituto Mexicano del Seguro Social, IMSS for its Spanish acronym) childcare system, the Baby-B childcare center, created by Grupo Bafar Foundation, supports collaborators by offering high-quality childcare services to their children between 45 days old and 4 years old.

The nursery is part of Fibra Nova’s infrastructure and has a capacity to care for 150 babies and children with the highest quality standards.







# SUPPLY CHAIN

## »»»»» SUPPLY CHAIN

GRI 2-6, 204-1, 308-1, 414-1

Grupo Bafar is one of the leading producers and marketers of animal protein products in Mexico with more than 30 brands. Our main products include deli meats, packaged meats, precooked foods, meat cuts and value-added lines, including chicken, pork, beef, and fish products with additional processing such as breeding, stuffing, marinating, and cubing. It also produces and distributes ready-to-eat meals, pasta salads, bread, dairy products, and other complementary products in Mexico. Our successful product mix, sales channels across all socioeconomic and demographic levels, focus on consumer preferences, and distribution capabilities have enabled us to become one of the leading players in the processed meat products market in Mexico. Our products can be found on the shelves of our specialty

stores, supermarkets, hypermarkets, convenience stores, outlet stores, regional stores, miscellaneous stores, and third-party foodservice establishments.

We have a network of suppliers and input production that allows us to realize benefits from economies of scale, making them a core element of our organization's operation, as they are a key stakeholder.

Our relationships with suppliers are guided by the different policies and procedures applicable to the supply chain, such as the Strategic Purchasing Procedure for the Acquisition of Goods and/or Contracting of Services. This establishes the guidelines and methodology applicable to the contracting of goods and/or services of the Company with honesty as a fundamental pillar.

Additionally, we have a Code of Ethics which suppliers, consultants, advisors, and contractors are expected to adopt when performing their activities over the course of our relationship to maintain a bond of respect in the long term.



*46% of Grupo Bafar's  
purchases are domestic  
and 54% are international.*







# COMMUNITY ENGAGEMENT

## COMMUNITY ENGAGEMENT

GRI 413-1

Grupo Bafar recognizes the importance of protecting the social fabric of the communities where it operates; therefore, through the Grupo Bafar Foundation we develop and implement initiatives, projects, and programs that benefit various population groups, including the most vulnerable.

Given the global crisis caused by the COVID-19 pandemic, we are convinced that we must foster solidarity in our society in order to move forward. For this reason, in 2021, we reaffirmed our commitment to thousands of Mexican families, developing and broadening the scope of several Grupo Bafar Foundation initiatives and programs.

### Grupo Bafar Foundation

Created in 2011 with the mission of “forming better Mexicans”, Fundación Grupo Bafar, A.C. seeks to contribute to a better quality of life for communities at risk through strategic alliances and comprehensive programs that address 5 strategic lines: food, sports, education, values, and health and environmental care.



Our Foundation has a documented internal procedure that establishes the criteria, guidelines, and specifications of its operation to ensure that all initiatives are carried out in a structured, transparent, and efficient manner.

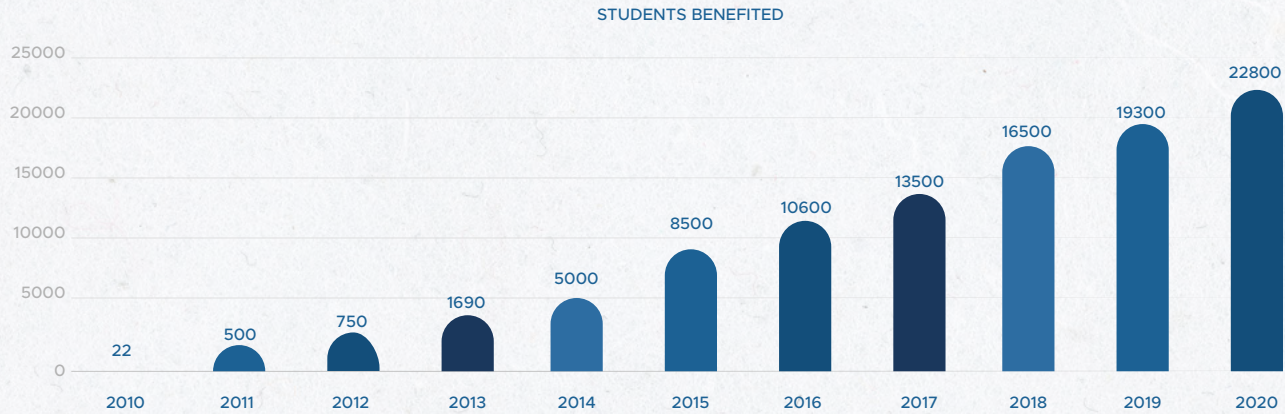


Social-sports schools

In collaboration with the Real Madrid Foundation, this program allows children and teenagers from impoverished areas to develop sports skills through soccer and basketball. In addition to the sporting component, the program includes academic activities, cultural initiatives, and nutritional follow-up to ensure the development of a balanced life from an early age.



The program has reached more than 22,800 students, including schools and shelters in the states of Chihuahua, Michoacán, and Yucatán.



Even though the COVID-19 contingency forced us to pause the activities of this program in 2021, we stepped up our support to every beneficiary family, ensuring that their nutritional needs were met by providing them with adequate food.

Women’s program

In alliance with the Asociación Nacional Pro Superación Personal (ANSPAC), an organization engaged in promoting personal growth, the program supports the personal, family, and work growth of women by providing workshops and courses for one year in the cities of Mexico, Cuernavaca, Chihuahua, Pachuca, Toluca, and La Piedad. At the end of the program, the women participants partake in a graduation ceremony that recognizes their commitment and responsibility.

The “Mujer” program benefited 2,240 women



Food collection center

The purpose of this center is to contribute to better nutrition, economy, and quality of life for the residents of marginalized communities through the distribution of perishable and non-perishable food and personal care items.

2.6 million Mexican households and 578 civil society organizations have benefited throughout our history.

1,884,869 complete meals delivered, and 98,562 families benefited in 2021.

Despite the health contingency caused by the COVID-19 pandemic, the program continues, upholding its commitment to the well-being of communities. As of 2021, 78,801 food packages have been delivered to families that are most in need; including the Rarámuri

ethnic communities living in the Sierra Tarahumara, and groups affected by the pandemic such as the medical service, Public Security, the Ministry of National Defense, Firefighters, Civil Society Organizations, waiters, and musicians, among others.

The pandemic prompted us to renew strategies and revamp methodologies with this program, doubling its operational efforts, increasing product donations, and almost reaching the 32 Mexican states through the 24 distribution centers and more than 300 Carne Mart stores.





### Medical campaigns

In collaboration with Global Spine Outreach (GSO) and Christus Muguerza, we perform surgeries to improve the quality of life of children and young people suffering from scoliosis, cleft palate, and cleft lip, as well as dental, hearing, and visual health campaigns, medical examinations, and nutritional assessments.

*By 2021, 15,000 people have been benefited through Grupo Bafar's medical campaigns.*

### Golf tournament

Every year, our Foundation organizes the "Une-T Por mejores mexicanos" golf tournament. This is one of our biggest events with a cause since beyond having a positive impact on the community, it seeks to convey a message of solidarity to the whole Mexican society.

The funds raised during the golf tournament is channeled to the social programs developed by Grupo Bafar Foundation. Likewise, the event was attended by great athletes such as Rafael Márquez, Hugo Sánchez, and Lorena Ochoa, among others, whose participation helps to promote the importance of sports among children and young people.

### Devlyn program

In 2021, we signed a collaboration agreement with the Devlyn Foundation to deliver 4,000 eyeglasses fully adapted to the needs of the beneficiaries. Under the slogan "for better eyesight for all", two campaigns were carried out in July and December.

*337 beneficiaries received eyeglasses through the Devlyn campaigns in 2021.*



### "Together we can do more" volunteer program

The participation of women and men as volunteers is fundamental for the successful implementation of our Foundation's programs. Grupo Bafar's collaborators are the largest group of volunteers who devote part of their free time to make initiatives, projects, and activities of high impact for the community a success.

In 2021, volunteers participated in activities such as the trash collection campaign in the areas surrounding the social-sports schools.

*More than 2,000 volunteers performed 32,198 hours of community service in 2021.*

### Environment

We have developed different initiatives to promote environmental care, including the repopulation of native species such as bighorn sheep, white-tailed deer, and pronghorn in the "Rancho Santa Anita" game reserve.

We also carried out a tree planting campaign in which our collaborators, together with parents, teachers, and students, planted more than 70,000 trees in the states of Chihuahua and Michoacán.

### Internal support

Lastly, our Foundation provides support to Grupo Bafar's collaborators who may require special aid due to a complicated socio-economic situation, an accident, natural disaster, or medical problem, among other circumstances.

The collaborators' request for support is evaluated by Grupo Bafar Foundation, which analyzes various criteria and decides on the assistance to be provided in applicable cases.

*In 2021, support was provided to 4 collaborators.*





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| 403-6   | Promotion of worker health  | Our people           |      |
| 403-7   | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Our people           |      |
| 403-9   | Work-related injuries   | Our people           |      |
| 403-10  | Work-related ill health   | Our people           |      |
| GRI 404: Training and Education 2016          |   |                      |      |
| 404-1   | Average hours of training per year per employee   | Our people           |      |
| 404-2   | Programs for upgrading employee skills and transition assistance programs                                     | Our people           |      |
| 404-3   | Percentage of employees receiving regular performance and career development reviews                          | Our people           |      |
| GRI 405: Diversity and Equal Opportunity 2016 |   |                      |      |
| 405-1   | Diversity of governance bodies and employees  | Our people           |      |
| 405-2   | Ratio of basic salary and remuneration of women to men  | Our people           |      |
| GRI 406: Non-discrimination 2016              |   |                      |      |
| 406-1   | Incidents of discrimination and corrective actions taken  | Our people           |      |
| GRI 413: Local Communities 2016               |   |                      |      |
| 413-1   | Operations with local community engagement, impact assessments, and development programs                      | Community engagement |      |
| GRI 414: Supplier Social Assessment 2016      |   |                      |      |
| 414-1   | New suppliers that were screened using social criteria  | Supply chain         |      |







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This material refers to content 102-53 of  
GRI 102: General Disclosures 2016.

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