

## Independent Limited Verification Report

To the Board of Directors of Grupo Herdez, S.A.B. de C.V.:

### Scope of our Work

We have undertaken an independent limited verification of the information and performance indicators included in **Annex A** and presented in the Annual Integrated Report (the "Report") of Grupo Herdez, S.A.B. de C.V. ("Grupo Herdez" or the "Company") corresponding to the year calendar 2020, in accordance with the reporting criteria set forth in the GRI Standards (the "Criteria").

The preparation of this report is the responsibility of Grupo Herdez's Management. Grupo Herdez's Management is also responsible for the information and the assertions contained therein, defining the scope of the Report and the management and control of the information systems that provided the reported information.

Our work was conducted in accordance with International Standard on Assurance Engagements (ISAE) 3000 issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). This standard requires that we plan and perform our engagement to obtain limited assurance about whether the report is free from material misstatement and that we comply with ethical requirements, including the independence requirements included in the Code of Ethics of the International Ethics Standards Board for Accountants (IESBA).

### Standards and verification procedures

The verification procedures performed focused on the following:

- Interviews with the individuals responsible for the information to understand the activities performed and the procedures used to gather the information.
- Review of the structure and content of the Report in accordance with the GRI Standards.
- Understanding of the procedures used in compiling and consolidating quantitative and qualitative data, as well as their traceability.
- Review of the support documentation through analysis and recalculations, as well as sampling, to increase the certainty of the indicators reported.

It is worth mentioning that the scope of this review is substantially less than a reasonable assurance engagement. Therefore, the assurance provided is also less. This Report shall in no way be considered an audit report.

### Conclusions

Based on our work described in this Report, nothing has come to our attention that causes us to believe that the information and performance indicators selected are not presented, in all material respects, in accordance with the applicable criteria.

This report has been exclusively prepared for the Board of Directors of Grupo Herdez, S.A.B. de C.V., in accordance with the terms of our engagement agreement.

Mancera, S.C.

A Member Practice of Ernst & Young Global Limited



Saúl García Arreguín

Partner

April 22<sup>nd</sup>, 2021; Mexico City

## Annex A: Verified information and performance indicators

### Disclosures

GRI / KPI	Disclosure Title	GRI / KPI	Disclosure Title
IP <sup>1</sup>	Agricultural Sustainability Program	303-2	Management of water discharge-related impacts
IP <sup>2</sup>	Health Care and Nutrition Strategy Development	306-3	Significant spills
102-9 <sup>3</sup>	Supply chain	306-4	Transport of hazardous waste
102-17 <sup>3</sup>	Mechanisms for advice and concerns about ethics	403-2	Hazard identification, risk assessment, and incident investigation
102-18 <sup>3</sup>	Governance structure	404-2 <sup>3</sup>	Programs for upgrading employee skills and transition assistance programs
303-1	Interactions with water as a shared resource	417-1 <sup>3</sup>	Requirements for product and service information and labeling

<sup>1</sup> Herdez's own indicator with coverage of information regarding to plants El Duque, Industrias, Herdez Villagrán, Santa Rosa Tomates y Santa Rosa Vegetales

<sup>2</sup> Herdez's own indicator with coverage of information regarding to preserves division of Grupo Herdez.

<sup>3</sup> The coverage of the information corresponds to Grupo Herdez S.A.B. de C.V., as well as the scope of the content criteria of GRI.

## Performance indicators

GRI / KPI	Title of the disclosure or performance indicator	Scope of the information	Reported information	Unit
102-8	Information on employees and other workers	Grupo Herdez S.A.B. de C.V.	9,687	Total number of employees
			4,737	Total number of permanent men employees
			3,762	Total number of permanent women employees
			615	Total number of temporary men employees
			573	Total number of temporary women employees
			2,642	Total number of permanent employees at the corporate office
			3,339	Total number of permanent employees at plants
			672	Total number of permanent employees at distribution centers
			1,846	Total number of permanent employees at stores
			145	Total number of temporary employees at the corporate office
			920	Total number of temporary employees at plants
			100	Total number of temporary employees at distribution centers
			23	Total number of temporary employees at stores
102-41	Collective bargaining agreements	Grupo Herdez S.A.B. de C.V.	58	Percentage of total employees covered by collective bargaining agreements
204-1	Proportion of spending on local suppliers	Grupo Herdez S.A.B. de C.V.	89.49	Percentage of spending on raw material suppliers
			78	Percentage of spending on packaging suppliers
205-2	Communication and training about anti-corruption policies and procedures	Grupo Herdez S.A.B. de C.V. <sup>4</sup>	100	Percentage of employees that have been communicated on anti-corruption policies and procedures
			3,584	Total number of employees that have received training on anti-corruption: Ethics and legality culture
			5,001	Total number of employees that have received training on anti-corruption: Update of the code of ethics
205-3	Confirmed incidents of corruption and actions taken	Grupo Herdez S.A.B. de C.V.	4	Confirmed cases of corruption
			4	Employees dismissed for corruption cases <sup>5</sup>

<sup>4</sup> Scope of GRI compliance: Clauses a, d, and e.

<sup>5</sup> One dismissal was made effective in 2020 and the remainder in 2021.

GRI / KPI	Title of the disclosure or performance indicator	Scope of the information	Reported information	Unit
			0	Employees admonished for corruption cases
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Grupo Herdez S.A.B. de C.V.	0	Number of actions
301-1	Materials used by weight or volume	Grupo Herdez S.A.B. de C.V.	327,704	Tons of raw materials
			104,170	Tons of agricultural raw materials
			4,994,327	Thousands of packing materials
302-1	Energy consumption within the organization	Plants and distributions centers	1,249,836	GJ of total energy consumption
			802,955	GJ of fuel consumption
			446,882	GJ of electric energy consumption
302-3	Energy intensity	Plants and distributions centers	2.01	GJ/ metric ton produced
302-4	Reduction of energy consumption	Plants and distributions centers	55,977	GJ of energy consumption reduced
303-3	Water withdrawal	Plants and distributions centers	1,542	ML Total water withdrawal
			702	ML Rivers and lakes
			537	ML Groundwater (wells)
			256	ML Municipal water
			47	ML Others
		Plants and distributions centers	1542	ML Total water withdrawal – areas with water stress
303-4	Water discharge	Plants and distributions centers	994	ML Total water discharge
			509	ML Rivers and lakes (Federal water-bodies)
			421	ML Municipal sewer system
			63	ML Others (subsoil)
			994	ML Total other water discharge (> 1,000 mg /L total dissolved solids)
303-5	Water consumption	Plants and distributions centers	554	ML total water consumption
			217	ML Rivers and lakes
			310	ML Groundwater (wells)
			26	ML Municipal water & others
305-1	Direct (Scope 1) GHG emissions	Plants and distributions centers	45,899	Metric tons of CO <sub>2</sub> equivalent
305-2	Energy indirect (Scope 2) GHG emissions	Plants and distributions centers	32,783	Metric tons of CO <sub>2</sub> equivalent
305-5	Reduction of GHG emissions	Plants and distributions centers	5,088	Metric tons of CO <sub>2</sub> equivalent
306-1	Water discharge by quality and destination	Plants and distributions centers	993,810	Total m <sup>3</sup>

GRI / KPI	Title of the disclosure or performance indicator	Scope of the information	Reported information	Unit
			509,449	Total m <sup>3</sup> to federal sewage systems
			420,995	Total m <sup>3</sup> to municipal sewage systems
			63,366	Total m <sup>3</sup> to subsoil
306-2	Waste by type and disposal method	Plants and distributions centers	53,261	Metric tons of recycled non-hazardous waste
			10,972	Metric tons of non-hazardous waste to landfill
			23	Metric tons of recycled hazardous waste
			79	Metric tons of hazardous waste sent to controlled final disposal
401-1	New employee hires and employee turnover	Grupo Herdez S.A.B. de C.V.	2,930	New employee hires
			1,474	New men employee hires
			1,456	New women employee hires
			680	New employee hires at the corporate office
			847	New employee hires at plants
			229	New employee hires at distribution centers
			1,174	New employee hires at stores
			1,912	New hires <30 years
			935	New hires 30-50 years
			83	New hires >50 years
			2,690	Employee layoffs
			1,371	Men employee layoffs
			1,319	Women employee layoffs
			300	Employee layoffs at the corporate office
			453	Employee layoffs at plants
			126	Employee layoffs at distribution centers
			1,811	Employee layoffs at stores
			1,968	Employee layoffs <30 years
			636	Employee layoffs 30-50 years
			86	Employee layoffs >50 years
			28	General turnover rate
IP <sup>6</sup>	Types of accidents and frequency rates of	Grupo Herdez S.A.B. de C.V.	75	Number of accidents - Men

<sup>6</sup> Herdez's own indicator

GRI / KPI	Title of the disclosure or performance indicator	Scope of the information	Reported information	Unit
	accidents, lost days, absenteeism and number of deaths due to work-related accidents or occupational diseases		67	Number of accidents - Women
			1.12	Accident frequency rate - Men
			1.24	Accident frequency rate - Women
			2,531	Lost days - Men
			1,956	Lost days - Women
			37.9	Lost day frequency rate - Men
			36.2	Lost day frequency rate - Women
403-8	Workers covered by an occupational health and safety management system	Plants and distributions centers <sup>7</sup>	100	Percentage of employees and contractors
404-1	Average hours of training per year per employee	Grupo Herdez S.A.B. de C.V.	28.70	Average employee hours.
			24.43	Average men employee hours
			33.97	Average women employee hours
			9.60	Average unionized employee hours
			52.48	Average non-unionized employee hours
404-3	Percentage of employees receiving regular performance and career development reviews	Grupo Herdez S.A.B. de C.V. <sup>8</sup>	41	Percentage of employees evaluated
			57	Percentage of men employees evaluated
			43	Percentage of women employees evaluated
			4	Percentage of operational employees evaluated
			13	Percentage of operational / normative employees evaluated
			82	Percentage of tactical employees evaluated
			0	Percentage of strategic employees evaluated
405-1	Diversity of governance bodies and employees	Grupo Herdez S.A.B. de C.V.	9	Members of the board of directors
			7	Men in the board of directors
			2	Women in the board of directors
			7	Members over 50 years of the board of directors
			2	Members between 30 and 50 years of the board of directors
			8,057	Number of employees at the operational level

<sup>7</sup> Scope of GRI compliance: Clause a "i"

<sup>8</sup> Do not includes unionized employees

GRI / KPI	Title of the disclosure or performance indicator	Scope of the information	Reported information	Unit
			1,237	Number of employees at the operational / normative level
			290	Number of employees at the tactical level
			103	Number of employees at the strategic level
			3,880	Number of employees under 30 years
			4,902	Number of employees between 30-50 years
			905	Number of employees over 50 years
			10	Number of employees with disabilities
405-2	Ratio of basic salary and remuneration of women to men	Grupo Herdez S.A.B. de C.V.	89	Percentage – Operational level employees
			95	Percentage – Operational / normative level employees
			92	Percentage - Tactical level employees
			153	Percentage - Strategic level employees
406-1	Incidents of discrimination and corrective actions taken	Grupo Herdez S.A.B. de C.V.	0	Number of cases
416-1	Assessment of the health and safety impacts of product and service categories	Grupo Herdez S.A.B. de C.V.	35	Percentage assessed products
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Grupo Herdez S.A.B. de C.V.	1	Incidents of non-compliance
417-2	Incidents of non-compliance concerning product and service information and labeling	Grupo Herdez S.A.B. de C.V.	0	Incidents of non-compliance
417-3	Incidents of non-compliance concerning marketing communications	Grupo Herdez S.A.B. de C.V.	0	Incidents of non-compliance
IP <sup>9</sup>	Environmental investments	Plants & distribution centers	45,250,268	Mexican Pesos
IP <sup>9</sup>	Social investments	Plants & distribution centers	57,049,030	Mexican Pesos
IP <sup>9</sup>	Renewable energy consumed in the organization	Plants & distribution centers	62	Percentage of clean electricity consumed
IP <sup>9</sup>	Innovation management	Grupo Herdez S.A.B. de C.V.	36,782,615	Mexican Pesos invested in R&D
			0.15%	Investment in R&D as a % of total sales

<sup>9</sup> Herdez's own indicator