

Bachoco[®]



**GROWING
TOGETHER
EVERYDAY**

SUSTAINABILITY REPORT 2020

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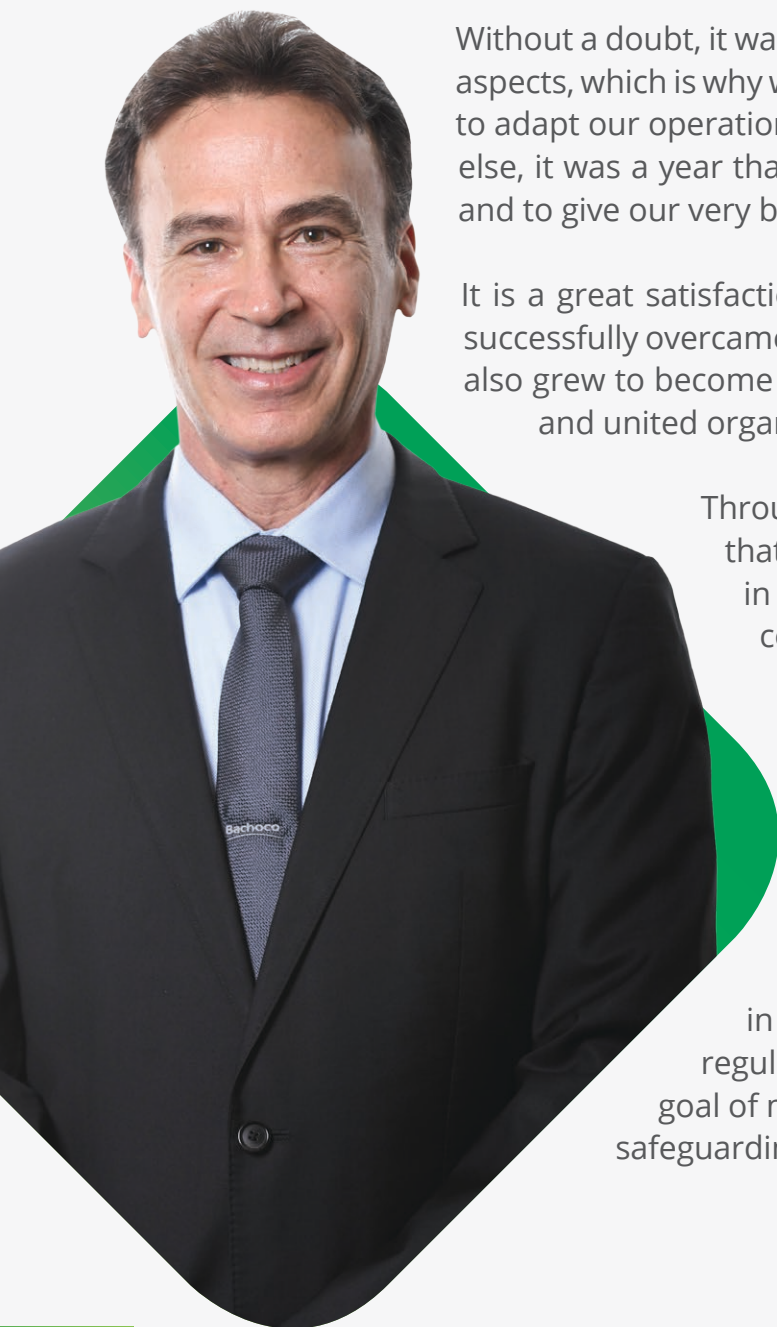
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MESSAGE FROM OUR CEO

[102-14, 102-15, 103-2, 103-3]

2020 was a turning point in our history as a result of the public health crisis that has affected worldwide, driving major transformations that have had a significant influence on the way we behave, work, communicate and, of course, in the way in which we look at the future.



Without a doubt, it was a year that put our company to test in different aspects, which is why we had to efficiently and quickly implement steps to adapt our operations to the demands of the new normal. Above all else, it was a year that motivated us to come together as a company and to give our very best.

It is a great satisfaction that we can say that our company not only successfully overcame the challenges that faced throughout 2020, but also grew to become a more flexible, cohesive, resilient, competitive, and united organization.

Throughout this report, we will focus on the steps that we took within our operations in Mexico and in the United States, which reflects our growing commitment to sustainability and the creation of programs that add value to our stakeholders.

Our mission of offering healthy and nutritious food to families became more important than ever before, which is why, during the public health crisis stemming from the COVID-19 pandemic, we strived to bolster our internal principles and guidelines, in addition to strictly complying with official regulations in every area in which we operate, with the goal of maintaining the continuity of our operations and safeguarding the health and well-being of our employees.

We work in line with best corporate practices to offer a positive work environment for our team and to maintain the highest standards of quality in our products. A clear reflection of the work we have done is being ranked 16th in the Top 100 Companies with the Best Corporate Reputation by MERCO Mexico, and we were also recognized as one of the Best Places to Work in Mexico by being included in the 2020 Super Companies ranking published by *Expansión* magazine.

Furthermore, as part of our efforts to support our stakeholders and establish empathetic communication during the public health crisis, we decided to temporarily modify our slogan from **“With You Every Day”** to **“With You Every Day, Now More Than Ever Before”**.

During this very challenging year, a year in which solidarity, recognition and support played a fundamental role in our society, we rolled out our **Apoyo de Corazón** and **Caldito de Apoyo** programs, through which we provided food to those who were in need, in addition to provide a message of support to the people of Mexico. Through these programs, we have benefited more than 3.5 million people by giving 93,000 containers of chicken soup in different states within Mexico, including Mexico City, Guanajuato, Nuevo Leon, and Puebla, among others.

In terms of our environmental responsibility, we continue striving to improve processes at our company in order to have a positive impact on the planet. This year we continued installing solar panels at our production centers, and we bolstered our electrical cogeneration project with natural gas for self-consumption, helping to achieve outstanding results in the area of energy use.

Furthermore, in our operations in Mexico, we rolled out logistics and transportation projects to help reduce fuel use and mitigate our environmental footprint, in addition to decrease CO₂ emissions.

On behalf of the entire organization, I would like to express my sincere gratitude to each and every person on our team, thanks to whom we turned a difficult year into a positive one.

At Bachoco, we know that times like these bring with them both challenges and major opportunities, which is why we will continue investing in becoming a more sustainable company every single day as we generate more value for all.

Rodolfo Ramos Arvizu

CEO of Bachoco

RELEVANT FIGURES 2020

[102-7]



WE STRENGTHEN OUR BUSINESS

- Ranked 16th in the Top 100 Companies with the Best Corporate Reputation by MERCO Mexico.
- 13,990 employees took part in a refresher course for our Code of Ethics.



WE BOOST OUR TALENT

- Bachoco Mexico was ranked 29th on the 2020 Super Companies list published by *Expansión* magazine.
- In 2020, we made no redundancies despite the COVID-19 pandemic.



WE TAKE CARE OF OUR PLANET

- 40 new capillary leaching systems were installed at our production centers in Mexico.
- We generated 120,988 kWh from solar energy from our operations in Mexico, helping to decrease CO₂ emissions by 61 tons.



WE CONTRIBUTE TO OUR COMMUNITY

- 30,000 people benefitted through our Nourishing Together program in Mexico.
- 74,763 people in Mexico were benefitted through our Institutional Donation program.



WE OFFER WELLNESS AND NUTRITION

- **More than 3.5 million people benefitted** thanks to the donation of 858,956 kilograms of chicken to 54 institutions through our *Apoyo de Corazón* program.*
- 93,000 people benefitted through our *Caldito de Apoyo* program.*



* *Apoyo de Corazón* and *Caldito de Apoyo* were special programs that were rolled out to help people in Mexico as a result of the COVID-19 public health emergency.



At Bachoco, our actions and projects are underpinned by solid principles that allow us to honor our commitments. **These are:**



OUR MISSION

Always offer fresh, nutritious, delicious and healthy products, increasing the quality of the food we offer our consumers.



OUR VISION

To be the leading multi-protein food company in Mexico and around the world, focusing on the nourishing the population and providing best-in-class service to our clients by leveraging quality, sustainability and excellence in everything we do.



OUR VALUES

Integrity - I act with integrity so that my behavior earns respect, inside and outside of the Company.

Trust - I am trustworthy as my actions and my words fulfill the commitments that I assume.

Common Benefit - My actions place the common good above the needs of the individual.

Austerity - I protect the assets and resources of the Company by avoiding unnecessary use or waste.

Innovation - I strive to develop and promote innovative alternatives and businesses processes in responding to the needs of my internal and external clients.

Efficiency - I achieve efficiency by generating and promoting results that make the most of the Company's resources and equal or exceed those expected of my coworkers.

Service - I serve by providing timely and efficient attention to our internal and external clients. My service is provided with kindness and respect.

OUR CULTURE

[102-16]

We are a Mexican company with more than 65 years' experience and an important player in the global poultry industry. Our priority at Bachoco is to bring fresh, nutritious and delicious products to family tables.

Since our company was founded in 1952, our commitment to nutrition has driven us to continuously reinvent ourselves and develop strategies to boost the quality of our processes and our products. We also promote social responsibility and implement actions that benefit our business and, more importantly, the community and the environment.

“

We have more than 1,000 production centers in Mexico and the United States.

”



Headquarters



Complexes



Distribution Centers

10 Complexes

+80 Distribution Centers

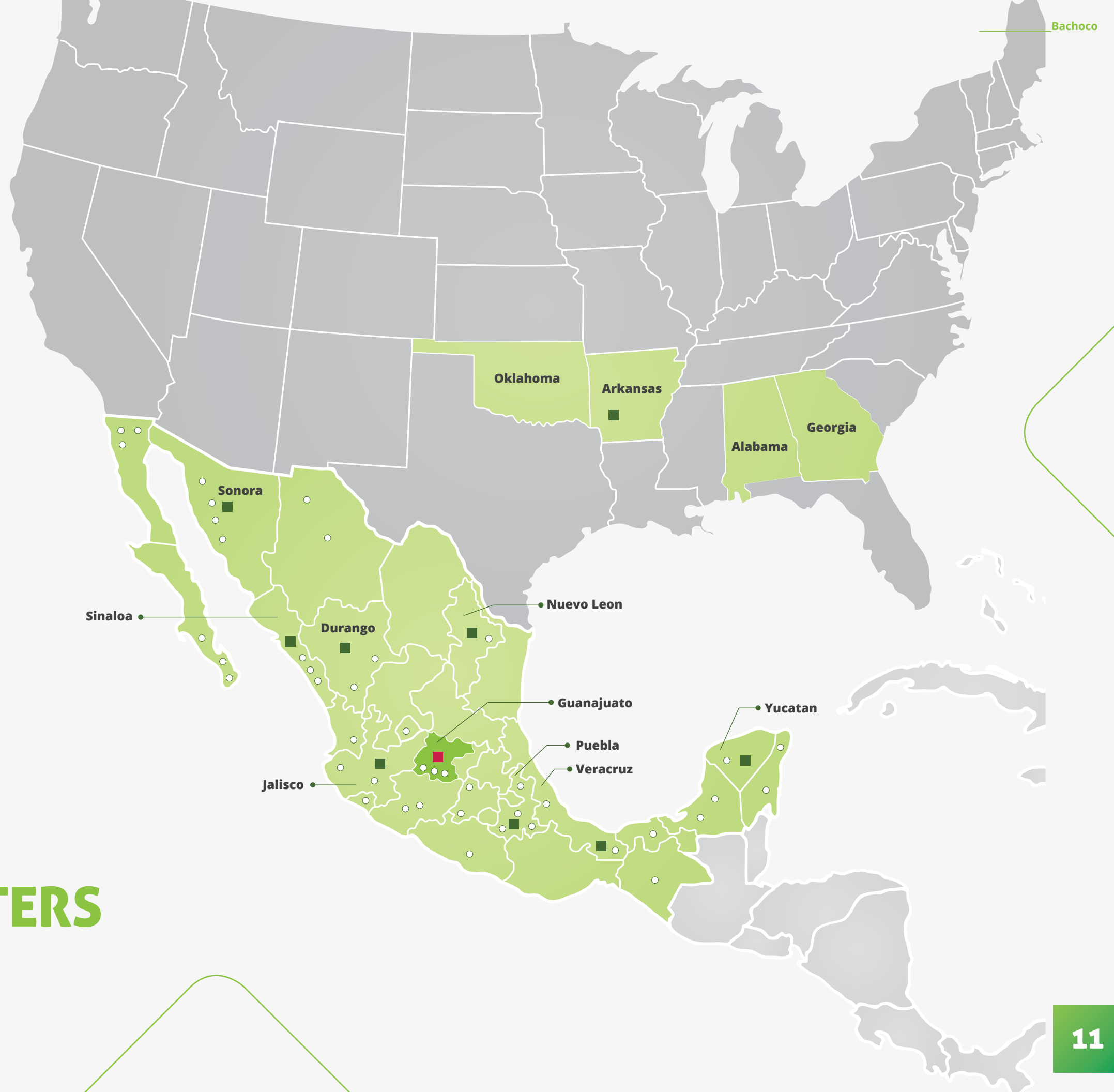
+1000 Farms

22 Hatcheries

9 Processing Plants

9 Further Processes Plants

22 Feed mills



Bachoco

PRODUCTION CENTERS

[102-4, 102-6]

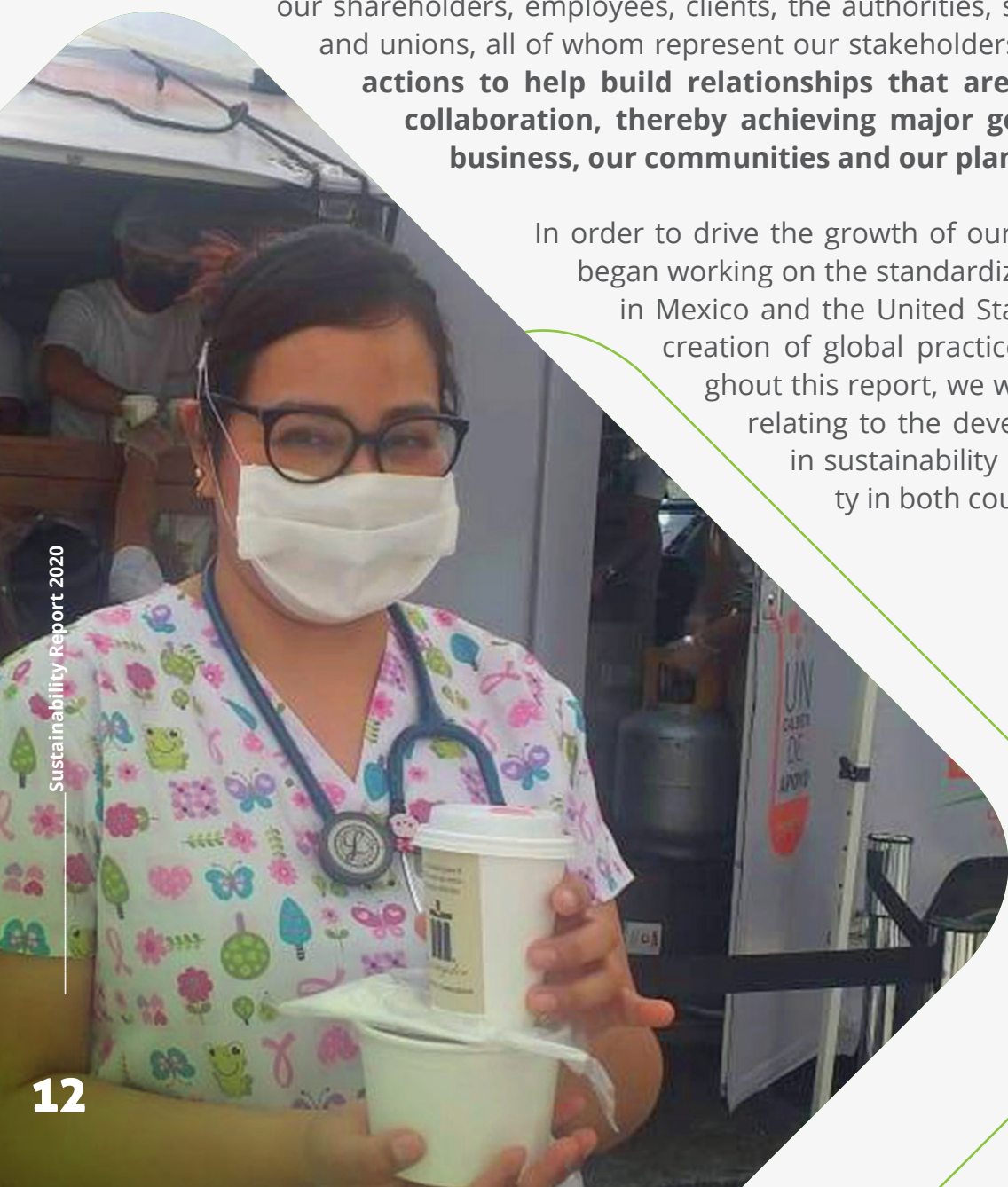
COMMITMENT TO SUSTAINABILITY

[102-40, 103-2, 103-3]

*We are a company that embodies and promotes a culture of sustainability within our sphere of influence. As such, each year we roll out new projects and activities that allow us to have a positive impact on the areas in which we operate. To achieve our corporate goals and contribute to the United Nations Sustainable Development Goals (SDG), we work on five main lines of action, which are highlighted throughout this report: **We strengthen our business, We boost our people, We take care of our planet, We contribute to our community, We offer wellness and nutrition.***

Each one of these lines of action plays an essential role in the Company's operations, both in Mexico and the United States, allowing us to focus on the interests of our shareholders, employees, clients, the authorities, suppliers, communities and unions, all of whom represent our stakeholders. **Our goal is to drive actions to help build relationships that are based on trust and collaboration, thereby achieving major goals that benefit our business, our communities and our planet.**

In order to drive the growth of our company, in 2020 we began working on the standardization of our processes in Mexico and the United States, in addition to the creation of global practices. This is why, throughout this report, we will present information relating to the developments being made in sustainability and social responsibility in both countries.



We strengthen our business

The production and distribution of chicken is our main business line in Mexico in the United States; however, we are also focus on another major areas, such as the production and sale of eggs; pet food; the production, processing and sale of pork; and the processing and sale of turkey and beef value-added products.

We are a company that is founded on solid values and principles that we promote among our team through a range of different tools, **such as our Code of ethics, Ethics Committee, communication campaigns to consolidate our Culture of Integrity, and reporting channels for internal and external complaints.**

Every year, we roll out internal communication campaigns to consolidate our Culture of Integrity. By promoting an environment of honesty, respect and trust within our business operations and in our interactions with our stakeholders, we have been able to continue growing as an industry leader and company that is underpinned by ethics and solidarity, values which, in 2020, played a major role, allowing us to improve the relationships we have with our clients as a result of the difficulties faced during the pandemic.

“

In 2020, we began the planning process for the creation of a Sustainability Committee, which will begin to operate in 2021. ”

We boost our talent

The talent, energy and commitment of the members of our team are a key differentiator for Bachoco. This is why our actions are governed by a corporate culture that focuses on providing support to our employees whenever they need it, in addition to driving their growth.

Every single day we strive to offer the best working conditions and create a work environment in which our employees feel recognized and motivated. In addition to offering fair benefits and perks that exceed those required by law, this year we focused on wellness to help safeguard our employees' health and provide them access to training in a range of areas in order to guarantee that we have the very best team, today and tomorrow.

We take care of our planet

Food that we produce and sell comes from nature, which is why one of our major goals has always been to protect the environment. This is why we have implemented a range of actions that promote the sustainability of our Company's processes, in addition to promote environmental campaigns to help contribute to restore the ecosystems on which we have the greatest impact.

At Bachoco, we are promoting the implementation of clean technologies in order to streamline how we use natural resources and mitigate our environmental footprint. Furthermore, in order to safeguard animal welfare, at our production centers in Mexico and the United States, we work closely with experts to maintain ethical standards in all our animal husbandry practices.

We contribute to our community

We are convinced that helping Mexico and its communities to grow is up to all us. As a Company, we have decided to contribute to social development in the best way we know: **by bringing healthy food to family tables.**

We have a number of programs to help reduce hunger and inequality, such as our **Nourishing Together Half Marathon**, the goal of which is to raise funds for the construction and refurbishment of community kitchens found in rural areas, in addition to promoting physical activity. This year, we focused our efforts on organizing a virtual half marathon to continue the work we do to benefit Mexican communities.

We also have an Institutional Donation program that allows us to make cash or in-kind donations to a range of organizations in Mexico that work in the areas food, nutrition and education, among others.

We offer wellness and nutrition

2020 has left us all in no doubt that when faced with times of complexity, unity, solidarity, engagement and support are essential. As such, our Culture of Sustainability has motivated us to embark on new projects that focus on mitigating the negative impacts of this public health crisis while providing a message of encouragement to our stakeholders, reiterating that today, more than ever, we are there for them.

Throughout the year, our on-going dialog and engagement were key factors in forging closer relations with our clients. We worked together to create new operation models that helped ensure continuity, bolstering both the industry and our businesses.

Internally, we rolled out a plan of action to adapt the Company's processes to a new business environment, with a permanent focus on the health and well-being of our team in Mexico and in the United States. This has enabled us to ensure the continuity of our operations without affecting salaries or benefits.

Through our **Support from the Heart** program, we distribute healthy food to our neighboring communities to help those people affected by the COVID-19 pandemic. Simultaneously, and as a measure of our solidarity, we launched the **Caldito de Apoyo** campaign, as part of which we visited a number of hospitals in Mexico City, Monterrey, Morelos, Puebla and Tabasco, distributing chicken soup to healthcare workers and family members waiting for their loved ones to recover.





“ In 2020, we moved from 33rd to 16th place on the Top 100 Companies with the Best Corporate Reputation ranking by MERCO.* ”

WE STRENGTHEN OUR BUSINESS

[102-2, 102-4, 102-6]

We are a multiprotein company with operations in Mexico and the United States. We produce and market chicken and table egg products as well as balanced feed, in addition to producing, processing, and selling pork, we also process and sell value-added products of turkey, and beef, among others. Throughout the years, we have diversified the range of products that we offer in order to better meet the needs of our consumers.

* Monitor Empresarial de Reputación Corporativa, Mexico edition.

PRODUCTS

Throughout our history, we have successfully grown internationally by driving constant innovation in our productive processes, which has enabled us to offer the highest quality food products and meet the requirements of new markets.

We are one of the ten largest poultry companies in the world, and we sell our products mainly in Mexico and the United States. Mexico is our major market, and to make sure that our products reach the homes of our consumers, we have a wide-ranging distribution network in place throughout the country.

Ten years ago, we entered the North American market by acquiring a poultry company in Arkansas. We currently operate in the states of Alabama, Georgia and Oklahoma, supplying major US restaurant chains through third parties, in addition to being involved in the export market.



“ We have positioned ourselves as one of the 20 leading chicken producers in the United States. ”

The nutrition of every member of the family is important to us, which is why, through our CAMPI brand, we offer a pet food line. This brand also offers balanced feed for livestock, birds and fish, among others.

Our CAMPI brand is currently available in 17 states in Mexico, and, thanks to our growth plan, we are currently exporting to Canada, the United States, Guatemala, Belize and Honduras.

QUALITY OF OUR PRODUCTS

[417-1]

Our major commitment lays in offering nutritional, healthy and delicious food to the families. In order to achieve this goal, we have policies in place that govern our actions and ensure compliance with official standards and regulations in the countries in which we operate, helping us meet food safety standards.

We adopt production best practices by focusing on each stage of the process in order to guarantee that our products meet all the health and quality requirements, in addition to ensuring that our suppliers meet these standards as well.



We have successfully positioned ourselves as an ethical and transparent company, and, in order to offer peace of mind to our consumers, we provide full information about our products on our packaging. **The information we print on our packaging in Mexico is outlined below:**

What information do we print on our packaging?

- Labelling information.
- Plant where the product was produced and the TIF number assigned to each plant.
- Address and telephone number of the production plant.

What information do we mention on our products?

- Hormone-free product statement: **“Always natural, zero hormones”**.

For chicken and egg products:

- Nutrition declaration.
- Expiration date.
- Storage temperature and cooking recommendations.
- Allergen statement.

What regulations do we follow?

- Packaging is sent to a verification unit to assess compliance with **NOM 051**, a standard that governs labelling requirements for pre-packaged foods. Once approval has been given, the packaging is then printed.

“

In 2020, we made changes to the labelling on our packaging to comply with new legal standards.”



Pursuant to regulations issued by the United States government, depending on the type of product that is being offered on the market, **the information that we have to include on our packaging is outlined below:**

What information is included on the labels?

- SKU number.
- Product description (ingredients, expiration date and storage instructions, if and when applicable).
- Detailed information about the date and place of production, in addition to the plant identification number.

What information do we register on our retail packaging?

- Product description (ingredients, expiration date, net weight, nutritional information and storage instructions).
- USDA plant number.
- Not all bags include the SKU number.

What information do we declare for food services?

- SKU number.
- USDA plant number and detailed information about the date of production.
- Product description (ingredients, net weight, and storage instructions).
- The majority of our labels include an allergen statement.



[103-2, 103-3]

Innovation is an essential factor for our operations in Mexico as it enables us to respond to constant and rapidly changing trends within the market. In order to better meet the requirements of our consumers, we have a Customer Service and Innovation Center that is tasked with detecting areas of opportunity, spearheading strategic projects to implement necessary improvements in the production process, coordinating the new product development process, and modifying any existing products.

In 2020, we focused our efforts on improving our chicken products in order to increase competitiveness, which led to an increase in monthly sales.

“ This year, we exceeded our savings goals for improvement projects in our operations in Mexico. ”

HEALTH AND SAFETY OF OUR PRODUCTS

[416-1]

Through our quality processes and our compliance with the food safety standards mentioned above, at Bachoco we strive to guarantee the health and safety of our consumers.

The work we do can be clearly seen in the awards and certifications we have achieved:

- Safe Quality Food certification at all our packing and processing plants (Poultry Processing Plants in Celaya, Tecamachalco, Culiacan, Hermosillo, Lagos, Merida, Cienega, in addition to our Merida and TROSI Packing Plants); and at our pet food plants (Chinameca, Ezequiel and Urecho).
- British Retail Consortium certification for our plants in the United States.
- 2019 Gold and Silver Distinction awarded by the World Marketing Organization (WMKTO) for being an industry leader.

“100% of our products are evaluated to ensure they meet the highest quality and safety standards.”

MARKET PRESENCE

[103-2, 103-3]

“With You Every Day, Today More than Ever Before”

Becoming an industry leader within the domestic and international poultry sector has taken a lot of effort and hard work, not to mention creativity and innovation. Through these actions, we have been able to meet the needs of our consumers.

We continue consolidating our position as one of the most widely recognized and best loved brands in Mexico, which is why we have focused on rolling out a communication strategy to help add value to our brand and bolster our sales line, underpinned by our commitment to offer healthy and nutritious products to families. In order to drive our international operations, we have focused our efforts on standardizing processes in the United States and defining global practices .

“At the end of 2020, our brand scored 69% in Top-of-Mind Awareness in the chicken category in Mexico.”

Furthermore, marketing easily identifiable packaging plays a fundamental role in our business strategy. This is why, in Mexico, 70% of the sales of Bachoco eggs are the result of consumers having been able to identify the brand.

We are extremely proud of our Mexican roots, and this is why we reflect this culture in the identity of our company. In order to raise awareness about our products and engage with our consumers, we have developed trademark billboards and posters for social networks, which are characterized by the simplicity of the Mexican humor.

It is important to highlight the fact that, in 2020, as result of the pandemic, we temporarily modified our slogan, changing it from With you Every Day to With You Every Day, Today More than Ever Before. This change has enabled us to engage more empathetically with our stakeholders and leverage the support we offer them.

As a result of all of these efforts, our brand is widely recognized. Our chicken products are our flagship product on the market.

We are also the owners of the brands that we use to market our products. Every 10 years we renew the rights to these brands, and every three years we submit a declaration to ratify their use on the market.

“ We have 810 intangible assets encompassing industrial and intellectual property rights that are registered in Mexico and the United States. ”

[102-9]

Building a close working relationship that is based on trust with each of our suppliers plays a fundamental role for the company as a whole. We have signed a number of short-, mid- and long-term contracts that cover leasing, sharecropping, raw material supply and procurement, machinery, manufacturing, and the provision of all kinds of services that are necessary for our operations.

SUPPLY CHAIN	
Mexico	United States
97% domestic suppliers.	99% domestic suppliers.
2% suppliers from the United States.	1% supplies from other countries.
1% suppliers for other countries.	

INTEGRITY AND TRANSPARENCY

[102-16]

The reputation of our company is built on a daily basis through the decisions and actions we as a team take. In order to guarantee that both our operations and our engagement with our stakeholders are undertaken in an honest, transparent and respectful manner, we comply with the principles and guidelines contained in our Code of Ethics.

When an employee first joins the Bachoco team, they take part in a training program to provide them with further information about our philosophy and values, in addition to our Code of Ethics. We also reinforce our Culture of Integrity and Transparency through training and communication campaigns.

Our Code of Ethics was renewed in 2020. As part of this updated version, we included two new guidelines in our chapter on integrity, the first of which reaffirms our commitment to safeguarding human rights and prohibiting child labor, while the second focuses on preventing discrimination stemming from COVID-19.

“ This year, 13,990 employees in Mexico took part in a refresher course on our Code of Ethics. ”

As part of the process to integrate our operations in Mexico and the United States, we began a process to review guidelines to facilitate the creation of a global Code of Ethics. This document will be published in both countries during 2021.

As part of our internal audit process, these training and communication activities are audited by an external company in order to ensure compliance with the Sarbanes-Oxley Act (SAROX). As part of this same audit process, we also include an assessment

of the operating processes of the Ethics Committee and the Reporting Channel regarding the handling of any reports received. The application of the Code of Ethics at Bachoco is audited externally by Deloitte in accordance with the regulations stipulated by the Sarbanes-Oxley Act for companies that are listed on the New York Stock Exchange, and by the 2013 COSO reference framework, which facilitates the implementation, management and maintenance of an adequate Internal Control System.

CORPORATE GOVERNANCE

[102-18]

At Bachoco, we have a Corporate Governance structure that is tasked with making the best possible decisions regarding efficient resource use and value creation. This enables us to comply with the commitments we have made to our stakeholders and to continue growing as a leading company within the sector. Through our Corporate Governance structure, we manage economic, environmental and social issues.

It is comprised of the following committees:

- Executive Committee
- Audit Committee
- Steering Committee
- Committee for the Prevention of Illicit Acts
- Risk Committee
- Investment Committee
- Business Unit Management Committee
- Flow Committee
- SAROX Committee

REPORTING CHANNELS

[102-17, 413-1]

It is of fundamental importance to us to be able to promote a work environment that foments healthy, respectful and honest engagement. This is why we offer several channels for employees to safely and anonymously report if they have been the victim of or witness to any form of misconduct.

We promote a Culture of Trust in order to make sure that our employees feel able to approach their immediate supervisor, Human Resources leader or the Audit Committee (**comitedeauditoria@bachoco.net**) in order to report any suspicious situation in order for it to be subsequently monitored.

We also have a reporting channel that is operated by Resguarda, a fully independent company, that provides employees and external parties with a channel to report activities that do not comply with the guidelines contained in our Code of Ethics.

- **External Toll-Free Numbers:**
 - **Mexico: 800 123 3312**
 - **USA: 1 800 921 2240**
- **Website: www.resguarda.com/bachoco**
- **E-mail:**
 - **bachocolineaetica@resguarda.com**
 - **bachocoethicalline@resguarda.com**

HANDLING OF COMPLAINTS AND/OR SUGGESTIONS

[102-17, 413-1]

We listen very carefully to the opinions of our customers, as they are responsible for motivating us to take steps to improve, which is why we offer them a number of channels to send any complaints and/or suggestions about our production processes and/or our products.

Our main channel for receiving complaints and suggestions is our CRM system (Customer Relationship Management), a tool that has taken on a key role in our business processes, which is why it gets priority support from our executives.

In order to address the concerns of our consumers in Mexico, we also have a toll-free number called Bachoco cerca de ti. Through this tool a request is sent via e-mail to the corresponding department, which must provide a response within a period of between 24 and 72 hours.

Bachoco cerca de ti:

**800 607 5000 from Monday to Friday
from 8:00 AM to 6:00 PM.**

No matter the channel that our customers use, it is our priority to channelize their requests and provide an appropriate follow-up process for each one. A clear example of this are our social networks that, even though they are not considered to be an official channel for reporting complaints, represent an extremely valuable communication channel with our customers: all messages received via our social networks and our website are channeled to the Customer Service area.



“

We are positioned in 29th place on the 2020 *Súper Empresas* ranking, published by *Expansión Mexico* magazine.

”

TALENT ATTRACTION AND RETENTION

We promote a range of programs to create a positive work environment for every member of the Bachoco team to feel recognized and motivated. Thanks to their dedication and commitment, we can make an even greater contribution to the nutrition of families.

“

In 2020, we did not cut any jobs and we continued to offer our employees the same benefits.

”

WE BOOST OUR PEOPLE

[102-8]

We are proud of our outstanding team of more than 29,000 people, who every single day, motivate us with their energy and talent to continue innovating and growing as a sustainable company. This is why we work tirelessly to implement practices that have a positive impact on the professional development and well-being of each of them.

[401-1, 401-3]

Safeguarding the well-being and quality of life of our team is one of Bachoco’s fundamental goals. This has motivated us to develop strategies that promote a work-life balance for our employees in Mexico. A clear example of this is the maternity and paternity leave we offer our employees. In 2020:

- **581 employees** made use of our paternity leave program.
- **248 employees** made use of our maternity leave program.

Creating jobs plays an essential role in maintaining healthy economic development, an area that has been seriously affected by the global health crisis and the lockdown measures implemented during 2020. In light of this situation, we rolled out a strategic plan to mitigate the negative impact this could have on the regions in which we operate and on our employees, helping offer stability to them and to their families.

“ During 2020, we added a total of 1,879 employees to our workforce in Mexico ”

“ In 2020, our global turnover rate was 4.4%. ”

2020 HIRING BY SEX (MEXICO)

Women	840
Men	1,039
TOTAL	1,879

2020 HIRING BY AGE (MEXICO)

18 to 25	640
26 to 35	605
36 to 45	379
46 to 55	216
Over 56	39
TOTAL	1,879

2020 HIRING BY REGION (MEXICO)

SASA	1767
CENTER	97
SOUTHEAST	15
TOTAL	1,879

TRAINING AND DEVELOPMENT

[103-2, 103-3]

Driving the professional growth of every single member of our team plays a fundamental role in guaranteeing the growth of the company. Our training and development strategy in Mexico is based on three specialized plans that focus on providing support to our employees during different stages of their professional careers, as outlined below:

SUCCESSION	CONSOLIDATION	IMPROVEMENT
The goal is to help our employees develop skills and technical know-how through an allocation plan in order to drive their professional careers.	Through this plan, we consolidate the skills of those employees who have just joined the company in managerial posts or those who have changed areas.	This program focuses on addressing any areas of opportunity detected in performance evaluations in order to help employees improve their performance and remain at the company.

We offered an average of 9.8 training hours in 2020. We aggregate to the academic offer with courses that we extend through the Bachoco Center of Excellence, where we provide a variety of programs that offers employees access to valuable information, refresher courses, certifications and the opportunity to consolidate their skills in areas that include:

- Research and Development
- Technical Knowledge and Processes
- Leadership
- English
- Microlearning

“

Through the programs we offer via our Center for Excellence, we have driven the development of 4,295 employees. ”

We also have a program entitled Update Circle, a digital self-learning tool through which we offer materials to help our employees develop leadership, management and strategic vision skills.

In our operations in Mexico, we recognize the potential of young people in our company, driving their development through a program called Talent Seedbed. Through technical and specialist training plans, we prepare them and help them to develop the skills they need to occupy managerial posts in the future.

“

In 2020, 100 talented employees received training through our Talent Seedbed program. ”

It is important to keep the academic courses that we offer up to date in order to provide our employees with access to topics that promote their holistic development. In order to detect areas of opportunity within their development, we use two tools:

1. Performance Evaluations
2. Professional Development Evaluations through a Strategic Talent Review (RETO).

“

We evaluated 2,620 employees using RETO. We gave performance reviews to 10,887 employees.”

Furthermore, to drive the development of our employees in the United States, we have designed a range of specialist training programs, which are outlined below:

TRAIN TRACK	NEW HIRE TRAINING PROGRAM	LEADERSHIP TRAINING AND EMERGING LEADER PROGRAM
The goal of this program is to provide orientation and training for new supervisors.	Through this program we train the newest additions to our team.	Through this program we provide our employees with tools to help develop their leadership skills.

HEALTH, SAFETY AND HYGIENE

The areas of health, safety and hygiene became even more relevant during 2020, which is why we focused our efforts on ensuring the well-being of all our employees by implementing remote working, providing the necessary personal protection equipment for face-to-face activities, and fitting out our facilities, among other measures, all of which are outlined in the chapter entitled We offer wellness and nutrition found in this report.

In Mexico, we continued focusing on our Wellness campaign in order to raise awareness and promote a Culture of Wellness among our employees and their families. This program comprises three different areas:



GENDER EQUALITY

We firmly believe in equal opportunities because we are convinced that diversity is an essential factor for growth, innovation and value generation within our Company. We promote projects that focus on driving workplace inclusion, gender equality and the empowerment of women in order to reinforce these values within our organizational culture.

To show our support for our female employees, we joined the National Women's Strike, which was held in Mexico on March 9th, 2020. The purpose of this strike was to raise awareness about the importance of the role women play in social and economic activities within the country, in addition to the difficulties that they face on a daily basis.



GET CHECKED

At our production centers in Mexico, we organize prevention campaigns during which we offer internal healthcare programs, informative talks, vaccination campaigns, dental check-ups and eye tests, among other activities.

In 2020, we organized 92 activities in which 17,433 employees took part.



GET NOURISHED

A healthy diet is an essential factor in people's well-being, which is why we provide relevant information and access to experts in nutrition who, in addition to providing support about how to achieve a balanced diet, also offer health check-ups.

4,200 employees in Mexico were benefited through nutritional plans.



GET ACTIVE

We developed this program to offer our employees the opportunity to take a few minutes during the day to get active. We organize 5-minute sessions during which they carry out simple exercises to help them stretch and relax, which leads to both physical and mental health benefits.



ANIMAL WELFARE

[103-2, 103-3]

The welfare of our animals is an extremely important part of our on-going commitment to offer the highest quality food. This is why we have implemented a series of livestock production practices that are governed by a number of industry standards in order to offer our animals the best possible conditions to promote their growth, development and welfare.

In our operations in Mexico, both our facilities and our processes are supervised by government agencies and comply with the following regulations:

STANDARDS	DESCRIPTION
NOM-008-ZOO-1994	Animal health specifications for the construction and equipment facilities for the slaughter of animals.
NOM-009-ZOO-1994	Health inspection process for meat.
NOM-024-ZOO-1995	Animal health specifications and characteristics for the transportation of animals and food for use in or consumption by animals.
NOM-033-ZOO-1995	Humanitarian slaughter of domestic and wild animals.
NOM-194-SSA1-2004	Health inspection specifications for facilities focusing on the slaughter and dressing of animals. Health inspection specifications for products.
NOM-012-ZOO-1993	Specifications for the regulation of chemical, pharmaceutical, biological and food products for use in or consumption by animals.
NOM-022-ZOO-1995	Animal health specifications and characteristic for systems, equipment and operations at facilities that commercialize chemical, pharmaceutical, biological and food products for use in or consumption by animals.
NOM-060-ZOO-1999	Animal health specifications for the manufacturing of animal offal and its use in animal feed.
NOM-061-ZOO-1999	Animal health specifications for food products for animal consumption.
Federal Animal Health Law	It sets the guidelines for diagnosing, preventing, controlling and eradicating diseases and pests that affect animals.
Regulations of the Federal Animal Health Law	These are observed throughout Mexico and help regulate the contents of the Federal Animal Health Law.
Regulations for the Health Inspection of Products and Services	These regulate, control and promote health inspections for processes, imports and exports, in addition to activities, services and facilities relating to products that are considered to be foods and beverages, among others.
Law and Regulations for the Industrialization of Meat	It regulates the creation, expansion or modification of a Federal Inspection Type (TIF) facility.

WE TAKE CARE OF OUR PLANET

[102-11]

Implementing measures that help drive the conservation of ecosystems and their resources, in addition to tackling the effects of climate change, is a task that concerns us all. As part of our commitment to make this happen, at Bachoco we are looking to adopt the use of clean technologies that allow us to undertake our operations in harmony with nature.

Given that the major pillar on which our business is founded are animals, we focus our efforts on developing and implementing practices that safeguard their well-being and, at the same time, protect the environment.

“ Our operations in the United States are aligned with regulations issued by the U.S. Department of Agriculture (USDA) and the Food Safety and Inspection Service (FSIS) ”

Our commitment to comply with the five freedoms for animal welfare* has motivated us to implement practices to achieve the highest standards of quality within the industry and work alongside experts in order to improve our policies and processes.

Professional Animal Auditor Certification Organization (PAACO) in order to assess the effectiveness of our program.

On a global scale, we train and certify our employees on how to take care of the animals at our farms and production plants, in order to ensure their needs are met and they live within a comfortable environment.

Based on this principle, in our operations in the United States we have implemented an animal welfare plan that is based on guidelines issued by leading veterinarians and scientists from the industry, the goal of which is to comply with and exceed the guidelines issued by the National Chicken Council (NCC). Furthermore, we carry out internal and external audits in conjunction with experts who are certified by the

We also have a team of veterinarians who are tasked with supervising our livestock production practices, in addition to provide animals with adequate nutrition and medical treatment to help prevent illnesses.

“ In the United States, our employees are PAACO certified. ”

*In order to ensure their welfare, animals must be free from thirst, hunger and malnutrition; free from discomfort; free from pain, injury or disease; free to express normal behavior; and, free from fear and distress.

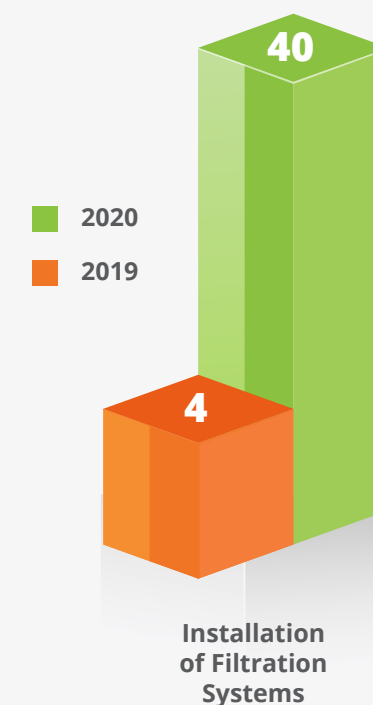
WATER

We are fully aware of the essential role water plays in our operations, in addition to the importance of using it responsibly in order to decrease our water footprint. This is why we focus our efforts on developing strategies that allow us to optimize our water management processes, enabling us to help protect this vital resource for future generations.

Of the water that we use in our processes in Mexico, only 6% is taken from the local water supply, while the remaining 94% is extracted from wells. In the United States, all the water used comes from the local water supply.

We have capillary leaching ditches or filtration ditches at our production centers in Mexico, a method used to treat and reuse domestic wastewater.

Furthermore, we have installed wastewater treatment plants that allow us to clean and recycle the water used in our processes.



ENERGY

[302-1, 302-4]

As part of our environmental responsibility efforts, we have been working on the implementation of clean technologies to supply energy to our operations. A clear example of this is the project that we

rolled out in 2019 to install solar panels at 40 production centers in Mexico. This year, we have successfully installed 80% of these panels, 27% of which are already up and running.

“ In 2020, we generated 120,988 kWh from solar energy, helping reduce CO₂ emissions by 61 tons. ”

Clean energy generation is an example of the environmental measures that we have implemented. In 2021, we will continue striving to ensure that more production centers begin using solar panels in order to, in the near future, increase our capacity to 2,364,000 kWh.

In addition to this program, we also rolled out an electrical energy cogeneration project that uses natural gas for self-consumption. In 2020, we reached a monthly production of 3.5 million kW at

400 production centers, and by 2021 we have set ourselves the goal of generating 50 million kW per month.

We continue to promote the use of biogas by changing fuel oil for natural gas at all our business units and pork farms around the country. This project also encompasses the use of renewable fuel sources stemming from biodigesters installed at our farms, allowing us to use part of the waste generated to create energy.

“ This year, we co-generated 3.5 million kW per month for self-consumption. ”

EMISSIONS

As part of our sustainable evolution and to assess the impact our operations have on the environment, in 2020 we promoted programs to help measure emissions, in addition to focusing on projects that promote the use of green technologies to improve our operational processes.

Reducing emissions in our transportation

In 2020, we rolled out a pilot program for the acquisition of two hybrid vehicles at our Distribution Centers in Mexico to take

part in a six-month trial. At the end of this period, we compared the benefits with traditional freight units .

The results were satisfactory: we decreased fuel use and reduced CO2 emissions as hybrid vehicles are 70% more efficient compared to vehicles with internal combustion engines.

“ This project helped reduced CO₂ emissions by 128,560 kg. ”

We also implemented a program to help optimize fuel use and heavy transport at our processing plant in Celaya, which served as a benchmark to be rolled out and

other regions. In addition to decreasing emissions, this project helped improve performance and all our operations and in terms of fuel savings.

“ We reduced CO₂ emissions by 785,130 kg thanks to our fuel optimization project. ”

By 2021, our goal is to launch a nationwide campaign to implement measures to help reduce diesel use, operation costs and CO₂ emissions by optimizing the company's transportation systems.

to integrate cleaner and high-performance platforms. One of our major projects focuses on mitigating our environmental footprint by replacing older refrigerated trailers with new equipment to help decrease greenhouse gas emissions.

Furthermore, in our operations in the United States, we are developing strategies

“ Our goal is to increase the percentage of environmentally friendly refrigerated trailers from 50% to 65% during 2021. ”

Furthermore, during 2020 we recorded the emissions generated by our operations in Mexico and the United States in order to continue developing new strategies to reduce our environmental footprint. The results of this program are outlined below:

Electricity Generation TON CO₂e (Ton / MWh)	Mexico	United States
	204,728.27	65,523.65
Stationary Combustion TON CO₂e	Mexico	United States
	175,767.00	40,834.13



WE CONTRIBUTE TO OUR COMMUNITY

[413-1]

Our commitment to sustainability motivates us to work with dedication and commitment in developing projects that allow us to engage with our communities and drive their development.

As part of our goal to continue having a positive impact on Mexico, we continue to strive to promote innovation, creativity and teamwork within the company, in addition to focusing our actions on driving the welfare of our neighboring communities.

NOURISHING TOGETHER

As part of our goal to offer nutritious and high-quality food to Mexican families, in addition to our commitment to the Sustainable Development Goals, we created the Nourishing Together program in order to help tackle the food insecurity being faced by children and young people in rural areas.

We raise funds for this program through the Bachoco Half Marathon, an initiative is the result of the success of our first charity race held five years ago. In 2020, we overcame obstacles resulting from the pandemic, and we organized a special edition of this sporting event comprising a four-week digital campaign, during which we invited people to register how many kilometers they had run to benefit nutrition.

“

Thanks to the participation of 2,045 runners, we reached the goal set for the 2020 Bachoco Half Marathon.

”

The funds raised during each of the races we have organized have helped improve nutrition and the communities in which we operate. Our activities are divided into three key areas:

- **We build** by maintaining and refurbishing school cafeterias and community kitchens.
- **We contribute** by improving community nutrition through the donation of products to community kitchens.
- **We consolidate** community nutrition through talks given to volunteers from the community about how to handle and prepare healthy meals.

In partnership with the National System for Comprehensive Family Development (DIF), the Guanajuato State Department of Education, and the Bancos de Alimentos de México Network (a food bank charity) to properly channel these resources. Furthermore, in 2020 we joined forces with a number of organizations to help refurbish school cafeterias in Celaya, Guanajuato, which are now in optimum conditions and ready for when schools start again.

“

Since the creation of the Nourishing Together program, we have benefited 648,000 people.”

INSTITUTIONAL DONATION PLAN

Supporting communities is an essential part of our corporate culture and the values on which Bachoco was founded. For more than 30 years, we have promoted our Institutional Donation Plan, through which we make cash or in-kind donations to drive the development of our communities and to bolster the work being done by civil organizations on projects that focus on nutrition, community health, education or social support.

“

Since it was created, this program has led to permanent benefits for 74,763 people.”

EMERGENCY MOBILE FOOD SYSTEM

The Emergency Mobile Food System (SUMA) is a program of which we are extremely proud as it allows us to offer immediate support to our employees and people living in neighboring communities who are facing emergency situations as a result of any disaster, natural or otherwise. We contribute through:

- Cash donations.
- Reconstruction activities.
- Mobile kitchens to provide food.

IMPULSO GUANAJUATO

In collaboration with the Guanajuato State Government, the Bachoco Super Store and the *Mercado de Abastos* Store, we are a member of the *Impulso Guanajuato* program. Through this program we help strengthen the economy and boost the nutrition of vulnerable communities in the state by providing them with a discount card that can be used when buying chicken, eggs, value-added products, and petfood.

YOUNG PEOPLE BUILDING THE FUTURE

We want to promote the talent and professional preparation of young people in Mexico, which is why we joined the Young People Building the Future government initiative. Through this program, we offer them the opportunity to work as interns at the Company, providing them with work experience and the opportunity to develop their skills and knowledge in order to aspire to a better future.



WE OFFER WELLNESS AND NUTRITION

[413-1, 103-2, 103-3]

Since our Company was founded, we have focused on engaging with people by offering them high-quality products. This is why we strive every single day to develop best practices that contribute to and consolidate family nutrition.

In addition to driving engagement with our consumers, we also promote programs that reinforce the relationships we have with our stakeholders, letting them know that they are the driving impulse behind the efforts we make on a daily basis to become better.

In light of the public health crisis stemming from the COVID-19 pandemic, we implemented actions to safeguard our team by rolling out measures within the company to protect them. Given that, both in Mexico and in the United States, we are part of an essential industry, it was imperative to reinforce safety processes without having an impact on the continuity of our operations.

We also focused on the effects of the pandemic, and, as part of our commitment to communities in Mexico, we built alliances with organizations and government bodies throughout the country to deploy projects to help mitigate the negative impact of this public health crisis, while, at the same time, broadcasting a message of hope to people in the country.

WELLNESS FOR OUR EMPLOYEES

The public health crisis stemming from COVID-19 was one of the major challenges of 2020 given the changes that we had to make to our operating models. At all our production centers, both in Mexico and in the United States, we focused our efforts on guaranteeing the health and safety of our team and of our business partners, while driving the continuity of our activities.

In compliance with the guidelines issued by the World Health Organization and by the federal authorities, our Emergency Management Committee was tasked with designing and implementing biosecurity measures and protocols to help decrease the risk of infection at our facilities. Some of the major actions that we took to tackle the pandemic include:

- Creating a special committee tasked with rolling out timely measures to mitigate the risks stemming from the public health crisis, safeguard our employees, and ensure business continuity.
- Setting up security filters to take people's temperature and detect symptoms at access points in our facilities.
- Provide antibacterial gel and personal protection equipment to our employees.
- Install physical barriers around workstations.
- Reinforce our cleaning and sanitization protocols.
- Double the number of occupational medicine positions.
- Develop communication and training campaigns to promote health and prevention initiatives.
- Establish protocols to detect positive cases opportunely and provide proper follow-up.

“

Our priority lies in safeguarding the health and well-being of our team.”

In order to decrease population density at our administrative offices, in addition to reducing to a minimum the risk of infection among employees, we made adjustments to our processes in order to drive operational continuity at the company through a remote working model. We also implemented restrictions on travel and intraoperative movements.

Fully aware of the economic impact that this crisis has had, we implemented actions to safeguard the integrity of our team, as well as maintaining their salaries and benefits. Employees at a greater risk of infection were sent home with full pay, and they will gradually return to work in compliance with the indications of the corresponding authorities.

APOYO DE CORAZÓN

At Bachoco, we are convinced that working together is essential in times of difficulty, and, as a company, we were able to help by doing what we know best. This is why, in May 2020, we rolled out our **Apoyo de Corazón** program, which is an extension of our Nourishing Together (**Unidos por la Alimentación**) campaign, helping bring nutrition to Mexican families affected by the public health crisis and mitigating the negative impacts of this pandemic.

“

Through the *Apoyo de Corazón* program, we donated a total of 858,956 kilograms of chicken to 54 institutions.”

To help our neighboring communities, this program was coordinated in every region in which our Bachoco Business Units operate. Furthermore, thanks to the support of our partners **-DIF, the Bancos de Alimentos México Network, local governments and a number of civil associations -** we brought food to where it was needed the most.



CALDITO DE APOYO

We simultaneously launched the *Caldito de Apoyo* program to reiterate our solidarity with and recognition of the outstanding work being done by healthcare workers in Mexico to tackle the public health crisis stemming from the pandemic, in addition to providing support to family members waiting outside the hospital for their loved ones.

Chicken soup (*Caldito de pollo* in Spanish) is a traditional Mexican dish that is strongly associated with making people feel loved and cared for. Our goal was to provide an emotional message of support to people, showing that today, more than ever before, we stand beside them.

We used a food truck to visit more than 40 hospitals located in Mexico City, Morelos, Nuevo Leon, Puebla, and Tabasco, providing chicken soup to healthcare workers, families waiting for their loved ones to be discharged, and to anyone else who felt like some *caldito de pollo*.

“

93,000 people were benefited through the *Caldito de Apoyo* program.

”

FINANCIAL SUPPORT

Discounts for the Healthcare Sector

To express our gratitude for the work being done by healthcare workers to tackle the effects of this public health crisis, we promoted a campaign to provide them with 20% discounts at Bachoco Super Stores and *Tienda Abastos* Stores located in Celaya, Guanajuato.

“

Access to Protein for People living in the State of Guanajuato

”

As part of our efforts to contribute to the economy and nutrition of families living in Mexico, we joined forces with the *Proyectos Productivos para la Contingencia* program, selling eggs at affordable prices through the Guanajuato State Social Security Institute's (ISSEG) pharmacy network.

“

194 ISSEG pharmacies sell Bachoco eggs at preferential prices.

”

Bachoco Store Entrepreneurship Program

We have contributed to the economic reactivation plan by joining efforts with the Guanajuato State Department for Sustainable Development, rolling out a program that offers equipment, products and training for entrepreneurs, which, in turn, has helped drive economic recovery.

Through this partnership, we provide entrepreneurs with their first product inventories, institutional branding to identify points of sale, and training and follow-up initiatives to ensure the success of their businesses. Entrepreneurs must already have business premises and commit to operate for at least one year.

“

Since the program started, it has led to the creation of 20 Bachoco Stores.

”

ABOUT THIS REPORT

[102-1, 102-5, 102-10, 102-48, 102-49, 102-50, 102-51, 102-52, 102-54, 102-56]

Our commitment to sustainable development grows on a daily basis as a result of every single program we implement. The purpose of this report is to provide continuity to the results presented in the previous report, which was published in April 2020.

As part of the annual report drafting process, this document contains the actions implemented by **Industrias Bachoco S.A.B. de C.V.** during the period comprising January 1st to December 31st, 2020.

Aligned with the most relevant issues for our stakeholders, this report is divided into the following sections:

- Our Culture.
- We strengthen our business.
- We boost our people.
- We contribute to our community.
- We take care of our planet.
- We offer wellness and nutrition.

“This report was prepared in accordance with the GRI Standards Core option and was not verified externally. In 2020, there were no significant changes within the organization nor within its supply chain.

This report reflects the changes that have arisen as a result of updates made to our materiality study. Areas such as Water and Emissions were eliminated, while new content was added: information and results from our operations in the United States, as well as a new section focusing on the steps we took to manage and mitigate the effects of the COVID-19 public health crisis.

Furthermore, as part of the developments we have made in the sustainability area, we included further information about the environment, which is where we decided to continue focusing on the areas of Water and Emissions, in addition to include results aligned with Content 302 – Energy.

MATERIALITY

[102-42, 102-43, 102-44, 102-46, 102-47, 103-1, 103-2, 103-3]

To present the achievements and advances we have made in our operations in the United States, in 2020 we updated our materiality study. We undertook a number of interviews with strategic personnel from OK Foods, our subsidiary in the United States, which were complemented by providing background information about sustainability and areas of interest to our stakeholders.

Based on the results obtained, we carried out an exhaustive analysis to draft a list of the most relevant issues, in addition to updating content to be integrated into the report in order to communicate this information in a precise, reliable, clear and appropriate manner.

MATERIAL ISSUE	COVERAGE	
	INTERNAL	EXTERNAL
Talent Attraction and Retention	X	
Ethics, Transparency and Integrity		X
Compliance		X
Biosecurity		X
Culture of Sustainability	X	
Cultural Change	X	
Research and Innovation	X	X
Social Support		X
Efficient Execution	X	
Packaging		X
Corporate Governance	X	
Brand Value	X	
Energy		X
Customer Service		X
Pandemics	X	X

GRI Content Index [102-55]		
DISCLOSURE	CONTENT	ANSWER
BASIC GENERAL DISCLOSURES		
GRI 102: GENERAL DISCLOSURES 2016		
1. Organizational profile		
102-1	Name of the organization	P. 55
102-2	Activities, brands, products, and services	P. 16-18
102-3	Location of headquarters	Av Tecnológico 401 Celaya, Gto. 38010, México.
102-4	Location of operations	P. 10-11, 16-18
102-5	Ownership and legal form	P. 55
102-6	Markets served	P. 10-11, 16-18
102-7	Scale of the organization	P. 6
102-8	Information on employees and other workers	P. 28
102-9	Supply chain	P. 24
102-10	Significant changes to the organization and its supply chain	P. 55
102-11	Precautionary Principle or approach	P. 38-43
102-12	External initiatives	Informe Anual, Cuestionario de mejores practicas, cuestionario de tenencia accionaria, Annual Written Affirmation Letter de NYSE.
102-13	Membership of associations	Unión Nacional de Avicultores U.S. Poultry Chicken Council
2. Strategy		
102-14	Statement from senior decision-maker	P. 4-5
102-15	Key impacts, risks, and opportunities	P. 4-5

3. Ethics and integrity		
102-16	Values, principles, standards, and norms of behavior	P. 8-9, 24-25
102-17	Mechanisms for advice and concerns about ethics	P. 26-27 This indicator also covers Ethics, Transparency and Integrity.
4. Governance		
102-18	Governance structure	P. 26 This indicator also covers Corporate Governance.
5. Stakeholder engagement		
102-40	List of stakeholder groups	P. 12
102-41	Collective bargaining agreements	55% corresponds to Unionized personnel, which are governed through the separate collective labor agreement.
102-42	Identifying and selecting stakeholders	P. 56
102-43	Approach to stakeholder engagement	P. 56
102-44	Key topics and concerns raised	P. 56
6. Reporting practice		
102-45	Entities included in the consolidated financial statements	• Aviser, S.A. de C.V., • Bachoco, S.A. de C.V., • Bachoco Comercial, S.A. de C.V., • Campi Alimentos, S.A. de C.V., • Operadora de Servicios de Personal, S.A. de C.V., • PEC LAB, S.A. de C.V., and subsidiary, Secba, S.A. de C.V., • Sepetec, S. A. de C.V., • Servicios de Personal Administrativo, S.A. de C.V., • Induba Pavos, S.A. de C.V., • Bachoco USA, LLC. and subsidiary, Wii kit RE LTD., • Proveedora La Perla S.A. de C.V., • Sonora Agropecuaria, S.A. de C.V.
102-46	Defining report content and topic Boundaries	P. 56
102-47	List of material topics	P. 56
102-48	Restatements of information	P. 55
102-49	Changes in reporting	P. 55
102-50	Reporting period	P. 55

102-51	Date of most recent report	P. 55
102-52	Reporting cycle	P. 55
102-53	Contact point for questions regarding the report	Planning, Communication and Change Gabriela Aguilar Rico gabriela.aguilar@bachoco.net Edith Mariana Aldaba García edith.aldaba@bachoco.net T. +52(461)618 3555
102-54	Claims of reporting in accordance with the GRI Standards	P. 55
102-55	GRI content index	P. 57-63
102-56	External assurance	P. 55
MATERIALE TOPICS		
ENERGY		
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	P. 41-42 Mexico: Automotive Gasoline: 20,713 m ³ Gasoline: 111 m ³ Automotive Diesel: 4,897 m ³ Boiler Diesel: 119 m ³ LP Gas: 1,027,433 m ³ Natural Gas: 19,141,113 m ³ Fuel Oil: 162,899 m ³
302-2	Energy consumption outside of the organization	Mexico: Electricity Use: 357,732 MWH
302-4	Reduction of energy consumption	P. 41-42
TALENT ATTRACTION AND RETENTION		
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	P. 30-31 United States: There is no breakdown of hiring figures for the United States. Turnover by Region: Mexico: Center 4.1%, Corporate 0.8%, Northeast 4.7%, Northwest 2.8%, Penninsula 2.0% and Southeast 3.2%. Total: 3.3% USA: Fort Smith 11.89%, Albertville 14.30%, Muldrow 13.95%, Oklahoma 24.19%, Heavener 7.53%, Corporate 2.19%, Baldwin 6.01%, Stigler 1.75% and Hermitage 2.17%. Total: 11.89%.

401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<p>Mexico: Non-Unionized Employees*: Life Insurance, Major Medical Insurance, Disability and Permanent Disability Coverage, Paternity/Maternity Leave, Retirement Plan, 18-day Flex Plan, Savings Fund, Marriage Support, Bereavement Leave, Employee Profit Sharing (PTU) and Public Holidays beyond those enshrined in law.</p> <p>Unionized Employees: Christmas Bonus, Vacation Days, Vacation Pay, Attendance Award, Punctuality Award, Food Stamps, Employee Profit Sharing (days), Life Insurance, Support for Funeral Expenses, Support for Sports Expenses, Scholarships and Support for Congresses/Conventions.</p> <p><i>*Employees at a managerial level and above also have access to Major Medical Insurance and an 18-day Flex Plan.</i></p> <p>USA: Life Insurance, Medical and Prescription Drug Insurance, Dental Coverage, Vision Coverage, Short-Term Disability, Critical Illness, Identity Theft Coverage, and Family and Medical Leave Act (FMLA).</p>
401-3	Parental leave	<p>P. 30 USA: The FMLA is used under these circumstances.</p>
GRI 402: Labor-management relations 2016		
402-1	Minimum notice periods regarding operational changes	<p>Mexico: The deadline for notification of changes derived from contractual reviews is one week and 30 days to deposit the contracts at the Conciliation Board.</p> <p>USA: The minimum period for notifying any operational changes is 2 weeks.</p>
SOCIAL SUPPORT		
GRI 413: Local communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	P. 26-27, 44-54
413-2	Operations with significant actual and potential negative impacts on local communities	No operations with significant negative impacts on local communities have been identified.
BIOSECURITY IN PRODUCTS		
GRI 416: Customer health and safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	100% of the products are evaluated.

416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	There have been no cases of non-compliance related to impacts on the health and safety of our products.
PACKAGING		
GRI 417: Marketing and labeling 2016		
417-1	Requirements for product and service information and labeling	<p>P. 18-20</p> <p>Mexico:</p> <ol style="list-style-type: none"> All packaged products contain information about the TIF plant and country of origin. All packaged products contain information about allergens and possible traces of allergens. Raw products state that they must be cooked well, in addition to providing cooking and storage instructions. On molded cellulose packaging, (12 and 18 eggs), it states that the packaging material is biodegradable. <p>100% of products packaged at origin follow the aforementioned guidelines.</p>
417-2	Incidents of non-compliance concerning product and service information and labeling	No issues relating to compliance have been reported for information and labelling.
417-3	Incidents of non-compliance concerning marketing communications	<p>Mexico: In 2020, packaging designs were adapted for fixed-weight products to ensure compliance with NOM51. These designs were sent to the Verification Unit for validation, as stipulated by law, prior to being certified as compliant. We ensure strict compliance with regulations governing fixed-weight products that are packed at origin.</p> <p>USA: No issues relating to compliance have been reported for marketing communication.</p>
CUSTOMER SERVICE		
GRI 416: Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	P. 22

416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	There have been no cases of non-compliance related to impacts on the health and safety of our products.
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<p>México: Two customer complaints were received in 2020 and were corroborated by administrative employees at the corresponding Distribution Center. As a result of lost documentation, only one of these complaints was taken forward.</p> <p>USA: No substantiated claim was received.</p>
Compliance GRI 103: Management approach 2016		
103-1	Explanation of the material topic and its Boundary	P. 56
103-2	The management approach and its components	P. 39-40
103-3	Evaluation of the management approach	P. 39-40
Sustainability Culture GRI 103: Management approach 2016		
103-1	Explanation of the material topic and its Boundary	P. 56
103-2	The management approach and its components	P. 12-15
103-3	Evaluation of the management approach	P. 12-15
Cultural Change GRI 103: Management approach 2016		
103-1	Explanation of the material topic and its Boundary	P. 56
103-2	The management approach and its components	P. 12, 56
103-3	Evaluation of the management approach	P. 12, 56
Research and innovation GRI 103: Management approach 2016		
103-1	Explanation of the material topic and its Boundary	P. 56
103-2	The management approach and its components	P. 21
103-3	Evaluation of the management approach	P. 21

Efficient execution GRI 103: Management approach 2016		
103-1	Explanation of the material topic and its Boundary	P. 56
103-2	The management approach and its components	<p>P. 32</p> <p>México: Through our Continuous Improvement Program, we apply the Lean Six Sigma (LSS) methodology to our organizational culture in order to guarantee the success of our cost-reduction and efficiency projects.</p>
103-3	Evaluation of the management approach	<p>P. 32</p> <p>México: During 2020, we rolled out 63 efficiency projects in the country, leading to savings of more than USD \$16 million.</p>
Great Brand-Company Value GRI 103: Management approach 2016		
103-1	Explanation of the material topic and its Boundary	P. 56
103-2	The management approach and its components	P. 23-24
103-3	Evaluation of the management approach	P. 23-24
Pandemics (Protocols and Measurement of Impacts) GRI 103: Management approach 2016		
103-1	Explanation of the material topic and its Boundary	P. 56
103-2	The management approach and its components	P. 4-5, 48-54
103-3	Evaluation of the management approach	P. 4-5, 48-54