



GRUPO  
PIASA



## 2024 SUSTAINABILITY REPORT

Transformation with purpose, creating sustainable  
value and commitment to the future



At Grupo PIASA  
we care about you



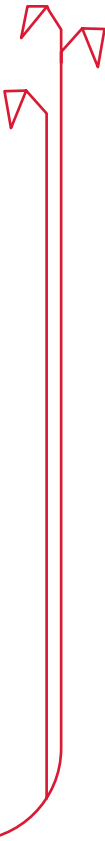




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# About this REPORT

GRI 2-1, 2-3



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We are pleased to present our second Annual Sustainability Report, reaffirming our commitment to transparency and accountability by sharing the results of our environmental, social and governance (ESG) strategies.

This document provides a detailed overview of our actions, initiatives and indicators for the 2023-2024 *zafra*\* and fiscal year 2024, reported through ten (10) Sustainability priorities, in order to promote sustainable development and positively impact our communities, employees and the environment.

The structure and presentation of this report are consistent with the Global Reporting Initiative (GRI) standards in its 2021 version. It also contains the Sustainable Development

Goals (SDGs) and targets that we support through our management.

The Industrial Technical, Sustainability, and Projects Department created this report along with the Human Capital Department, and it was authorized by the Group's General Management.

We encourage our readers to explore this report as an example of Grupo PIASA's commitment to a sustainable future.

For more information, questions or comments, please contact:

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\*Zafra: The period when sugarcane is harvested and sugar is produced. It usually starts in November and ends in May of the following year.







**Alejandro González Quiroga**  
Chairman of the Board

# Message from the CHAIRMAN OF THE BOARD AND THE CEO

GRI 2-14

Dear shareholders, customers, employees and community,

In an increasingly demanding global context, we reaffirm our commitment to leading with tangible actions, producing solutions that improve community well-being, encourage environmental care, and boost economic development in the regions where we operate.

*Our second Sustainability Report outlines the progress made in 2024 in pursuit of an ethical, efficient, and responsible operation that is consistent with the principles of sustainable development and our goal of creating value for all stakeholders.*

During the year, we have made significant achievements in key areas:

**Strategic transformation:** We restructured our management and implemented the PIASA Strategic System, establishing a new mission, vision, value proposition, and sustainability model to guide our actions toward a more successful and sustainable future.

**Identity standardization:** As part of our dedication to our employees, we standardized our uniforms to provide a more cohesive identity for all Grupo PIASA personnel across our many business units.

**Growth and diversification:** We incorporated the Servicios de Integración para Productos Básicos S.A. de C.V. (SIPBSA) business unit, which strengthens our operational and logistical capabilities, promotes long-term growth and improves customer service.



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**Environmental commitment:** At our Tres Valles sugar mill, we began construction of one of the most advanced Industrial Wastewater Treatment Plants (IWWTP) in Mexico's sugar industry, reaffirming our commitment to efficient water resource management.

**Sustainable and comprehensive management:** This year marked a key milestone with the creation of three new strategic areas:

- Sustainability, which brings together our Environmental, Social and Governance initiatives. This area led the creation of the double materiality analysis, an essential tool to identify the most relevant issues for the business and our stakeholders.
- Social Responsibility, in charge of coordinating initiatives and programs that promote social welfare and economic development, with direct benefit to our employees, their families and the communities we serve.
- Risk Management and Administration, in charge of implementing a robust risk identification, evaluation and management system, which resulted in the creation of a thorough risk analysis this year, strengthening our ability to anticipate and respond to external challenges.

**Transparency:** Management teams encourage accountability within the firm by hosting large events that bring us closer to our employees. These measures promote open, ethical, and responsible communication in all aspects of our management.

**Digital transformation:** We began implementing new agricultural technologies, such as satellite monitoring and field financial resource management (SIAGRI, NAX, SICAP), which will assist us in improving operational performance, structuring our information, and promoting our producers' modernization. We also implemented digital learning platforms to support our employees' training processes.

These accomplishments are the result of our shareholders' and customers' trust, as well as the hard work of our employees and key partners. Although we still face significant challenges, we remain committed to the vision of sweetening our environment in a sustainable way, while also setting a standard, promoting responsibility, and driving transformation in the sugar industry.

*Thank you for joining us  
on this journey.*



**Juan Hawach Sánchez**  
CEO







# We Are PIASA

We are Grupo PIASA - Promotora Industrial Azucarera S.A. de C.V. Since 1988, we have been a key player in the Mexican sugar industry. Our history dates back to the acquisition of the Tres Valles and Adolfo López Mateos mills by a group of bottlers of the Mexican Coca-Cola System with the strategic goal of ensuring the supply of refined sugar to their plants. This visionary approach marked the start of a 36-year journey of innovation, operational excellence, and commitment to sustainability, during which we have created value for our stakeholders.



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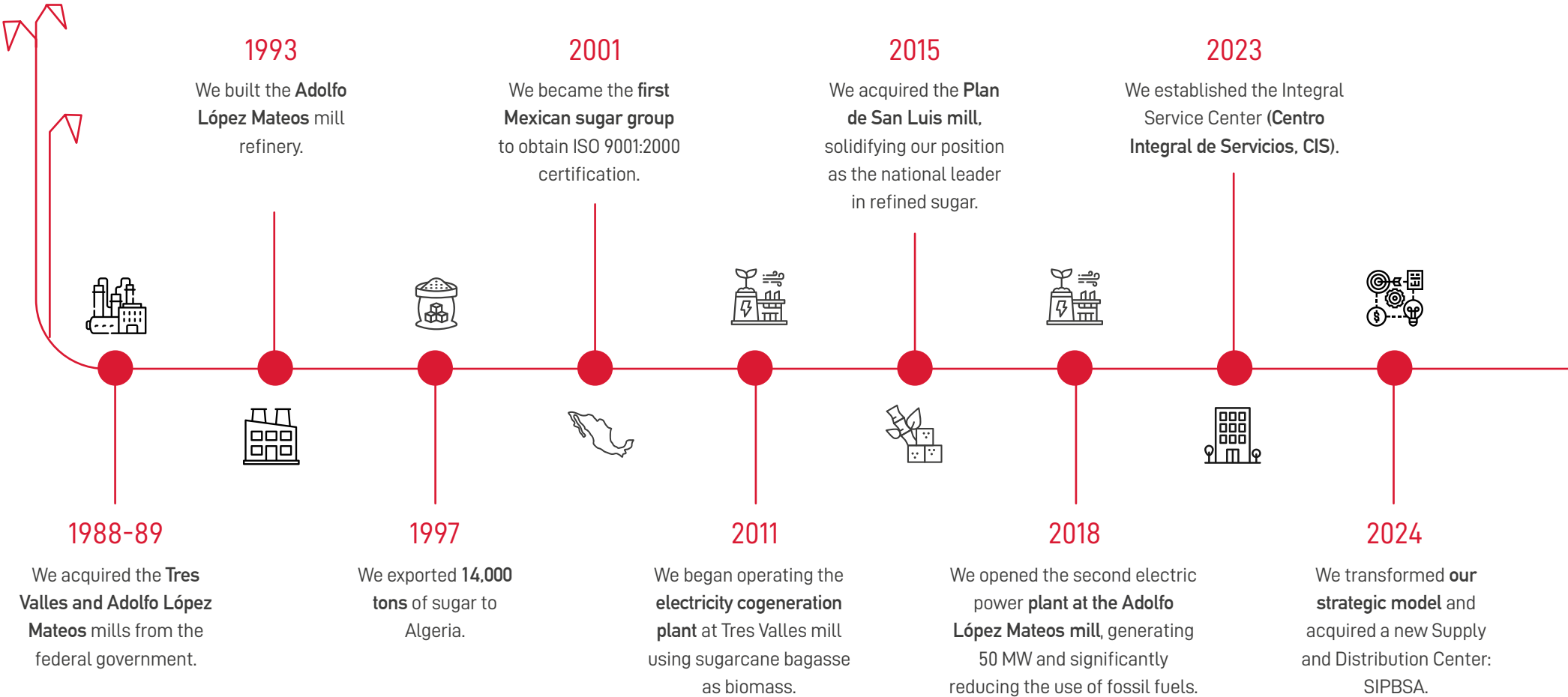
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# Our HISTORY

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# Our OPERATIONS

GRI 2-1, 2-2, 2-6

Our operations are at the heart of what we do. With strategically located plants and a focus on innovation, our processes stand out for their ability to adapt to the needs of a dynamic market.

Learn about Grupo PISA's business units:



**PIASA Plan de San Luis Mill (PIASA Ingenio Plan de San Luis, PIPSL):** Ciudad Valles, San Luis Potosí  
Grinding capacity: 1,350,000 MT  
Sugar production capacity: 160,000 MT  
Electric power cogeneration capacity: 72,000 MWh/year



**Adolfo López Mateos Mill (Ingenio Adolfo López Mateos, IALM):** Tuxtepec, Oaxaca  
Grinding capacity: 1,750,000 MT  
Sugar production capacity: 190,000 MT  
Electric power cogeneration capacity: 194,400 MWh/year



**Tres Valles Mill (Ingenio Tres Valles, ITV):** Tres Valles, Veracruz  
Grinding capacity: 2,500,000 MT  
Sugar production capacity: 290,000 MT  
Electric power cogeneration capacity: 172,800 MWh/year

**Servicios de Integración para Productos Básicos S.A. de C.V. (SIPBSA)** Paraje nuevo, Veracruz  
Storage capacity: 180,000 MT

**Corporate Offices (SAISA) and Comprehensive Services Center (Centro Integral de Servicios, CIS):** Boca del Río, Veracruz.



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# Our FIGURES

GRI 201-1



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**\$ 10,404**

Total revenue:

Direct economic value  
generated

## Economic value distributed

Operating  
expenses

**\$ 1,722**

Payments to capital  
providers

**\$ 45**

Employee  
benefits

**\$ 178**

Taxes paid to the  
government

**\$ 140**

Salaries

**\$ 777**



**\$ 47**

Environmental  
Investment



**99%**

Proportion of  
spending on domestic  
suppliers

## Payment for raw material acquisition

Value paid for raw material  
acquisition - sugarcane  
**\$ 5,782**

Value paid for other raw  
material acquisition  
**\$ 163**



**\$ 54**

Social Responsibility  
Investment



**+ 12,000**

Sugarcane producers



**+ 80,000 ha**

Harvested Area\*



**4,717,838 ton**

Milled sugarcane\*



**444,193 ton**

Sugar produced\*



**309,830  
MWh/year**

Clean Energy produced\*



**8,929 ton**

Compost produced\*

**2,492**

Number of employees



**1,945**

< 30 years  
**409**



**547**

Between 30 and 50 years  
**1,349**

> 50 years  
**734**

The numbers tell stories and reflect Grupo PIASA's collective achievements. This section highlights the impact of our operations, including sugar and energy production as well as investments in environmental and social responsibility initiatives.

● Expressed economic values  
in millions of Mexican pesos.

● ha: hectares  
● ton: tons  
● MWh: megawatt hour

\*Zafra data





# Our VALUES

Values are the framework for our decisions, actions, and behaviors. They reflect our identity as a company and how we connect with our employees, communities, customers, and the environment.

These core beliefs motivate us to uphold high ethical standards, cultivate trusting relationships, and create good influence in all aspects of our operations.



## Teamwork

We encourage collaboration across all departments and levels of the company, valuing individual skills in order to achieve common goals. We promote a culture of mutual support, trust, and commitment.



## Attitude towards change

We embrace adaptability as a catalyst for progress. We anticipate and respond to challenges in an open and flexible manner, resulting in continuous improvement in a dynamic and competitive environment.



## Social responsibility

We are committed to operating ethically and contributing to the well-being of the communities in which we operate, while also encouraging sustainable practices that benefit both people and the environment.



## Customer focus

We are dedicated to understanding and satisfying our customers' needs, offering high-quality solutions that exceed their expectations and strengthen our relationship.



## Respect

We foster an inclusive and equitable environment, valuing diverse ideas, beliefs, perspectives and cultures. We respect each individual's dignity and conduct ourselves with integrity in all interactions.



## Communication

We believe in the importance of open, transparent and timely communication. We promote the exchange of ideas and constructive dialogue, which strengthens organizational cohesion and trust.



## Innovation

We encourage creative and disruptive thinking in order to develop value-generating solutions. We concentrate on implementing new technologies, processes, and practices to improve our operations and increase our competitiveness.



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# VALUE Proposition

*Grupo PIASA is a top sugar producer in Mexico, known for its leadership and commitment to sustainability and innovation.*

The company operates in Veracruz, Oaxaca, and San Luis Potosí, providing sweetener and energy solutions that adhere to strict environmental standards and promote employee and community well-being.

Its high-performance culture, backed up by ongoing technological investments, establishes it as a reliable strategic partner for customers and stakeholders who share its values and vision.

It creates value through effective operations management by delivering high-quality products that sweeten its customers' lives, bring happiness, and contribute to a sustainable future.







# We Are SUSTAINABILITY

We acknowledge that our operations in the sugar agribusiness have a significant economic, social and environmental impact; therefore, we adhere to standards that guarantee operational efficiency, regulatory compliance and value creation for our stakeholders. In this chapter we discuss our progress toward corporate sustainability.



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# A CULTURE that Drives Us

We took a decisive step toward sustainability by renewing our strategic approach, which solidified our commitment to responsible development and innovation.

This process enabled us to redefine our mission and vision, aligning them with our purpose and guiding our actions as we face global challenges and create value for our stakeholders.

These core principles are the cornerstone of our sustainability model, designed to drive end-to-end solutions with long-term positive impact.



## Mission

To create value for our partners and customers through a high-performance culture, providing strategic sweetener solutions with a steadfast commitment to environmental sustainability.

## Vision

To sustainably sweeten the world, spreading energy and happiness to those around us.





# SUSTAINABILITY as a Transversal Axis

The creation of the Sustainability and Project Management area, together with the Sustainability area, marked a milestone in the integration of Environmental, Social and Governance (ESG) principles in Grupo PIASA's operations. This advancement enabled the development of a corporate sustainability governance model that, when combined with tools like the Double Materiality Analysis and internal training, ensures that sustainability is a central axis in decision-making.

In keeping with this commitment, the Social Responsibility area was created, with the goal of maximizing the positive impact on our employees and the communities with which we engage. This approach enables the development of initiatives focused on health, education, and community development, broadening the company's value-creation potential. These areas work together to create a comprehensive strategy that drives Grupo PIASA's leadership in the sugar industry, demonstrating that sustainability is central to our decisions and how we interact with our environment.

As a first step on our journey to sustainability, we conducted an initial diagnosis to identify the key areas where we could make the greatest positive impact. Based on these findings, we created a five-year plan to incorporate sustainability into our operations.



*"We act with integrity with a sustainable vision."*

Jorge Mireles – Sustainability and Project Manager



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# Double MATERIALITY

GRI 3-1, 3-3

This year, with the support of a specialized third party, we conducted our first Double Materiality Analysis, an exercise that helps identify the most important topics for the organization from two perspectives:


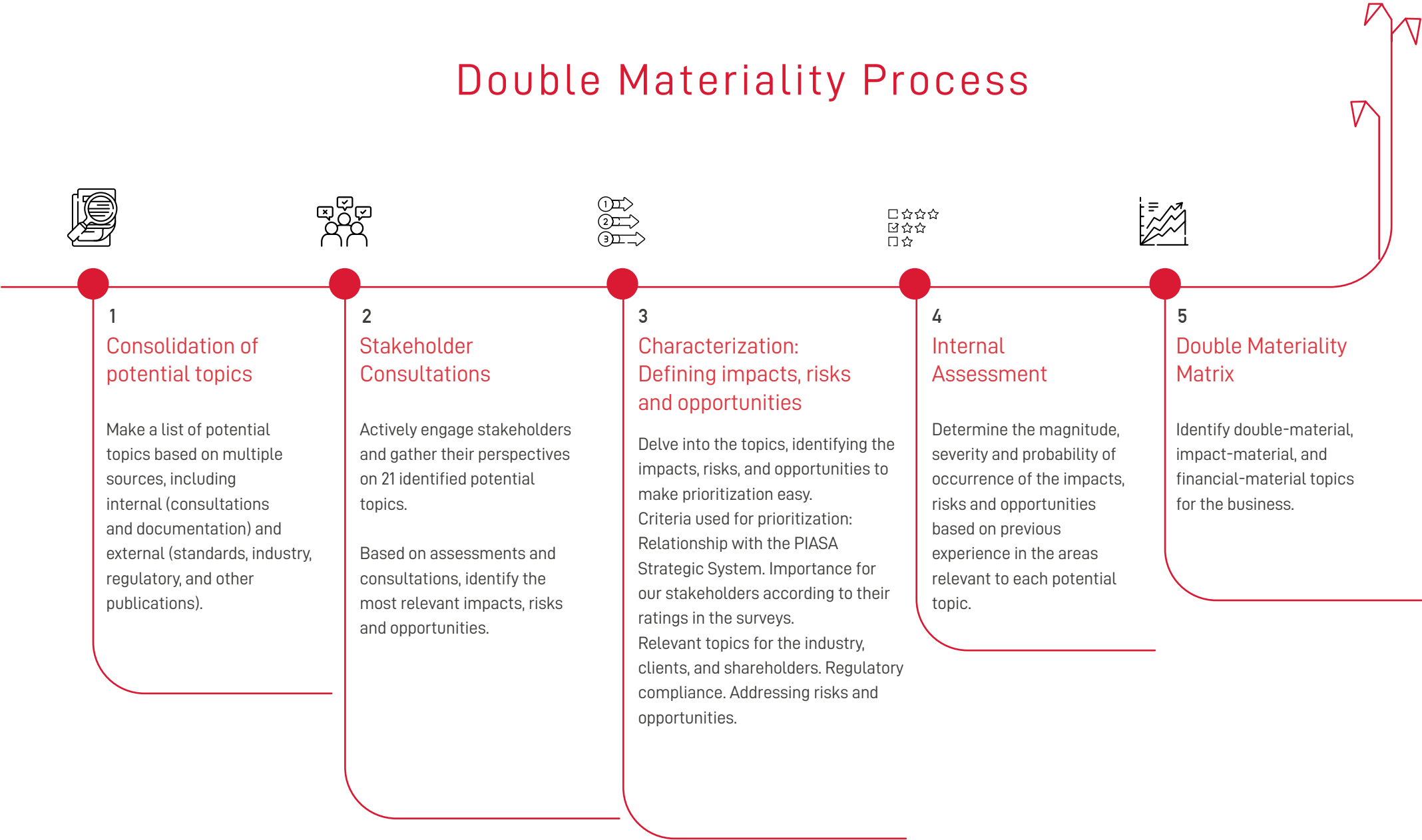
1. How our activities impact people, the environment and communities
2. How ESG factors impact our financial performance

Taking into account international standards— GRI\*(2023), SASB\*\*, and IFRS\*\*\* (S1)—we prioritize the most significant impacts, risks and opportunities for our industry, strengthening our ability to make a positive impact and adapt to the dynamics of a constantly changing environment. This analysis has become an essential tool to guide our decisions and strengthen our leadership in sustainability.

\*GRI: Global Reporting Initiative \*\*SASB: Sustainability Accounting Standards Board

\*\*\*IFRS: International Financial Reporting Standards.

# Double Materiality Process



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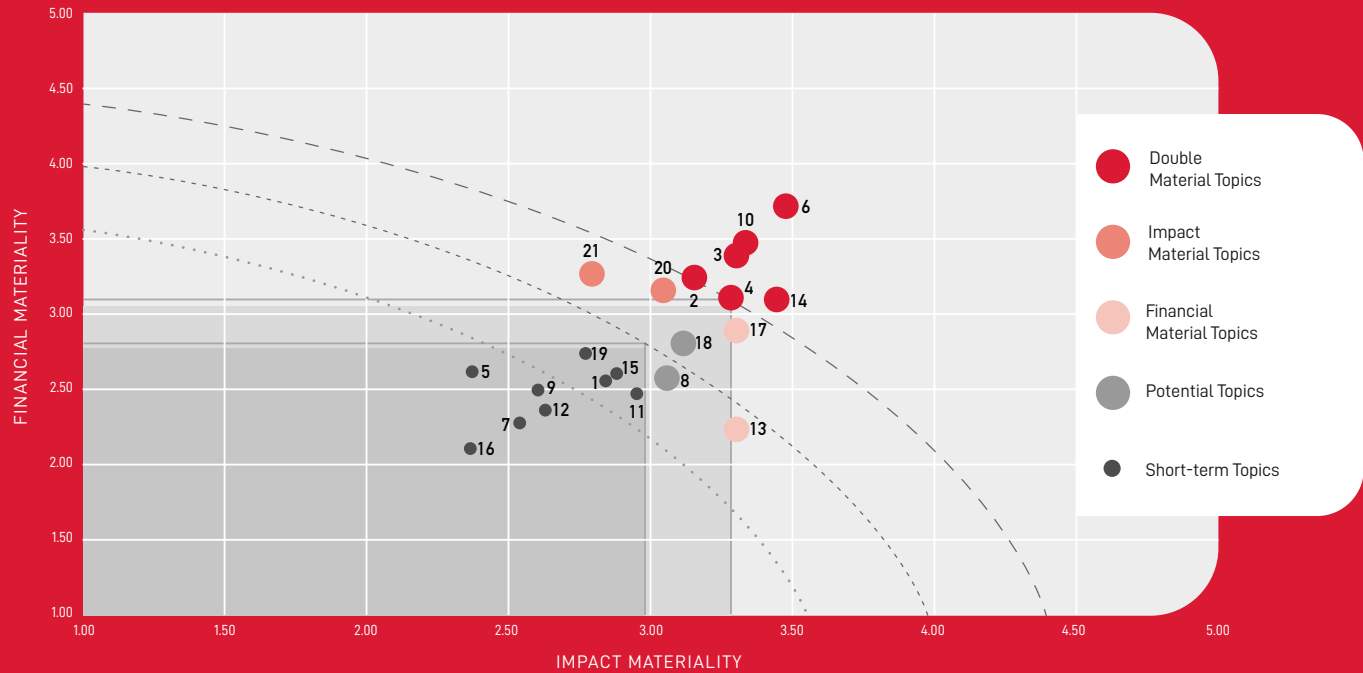


# Stakeholders

GRI 3-2

-  Shareholders
-  Employees
-  Trade Unions
-  Sugar Producers
-  Communities
-  Sugarcane Associations
-  NGOs and Associations
-  Stakeholder Consultations
-  Suppliers
-  Authorities

## Double Materiality Matrix



21 material topics were identified, ten of which were prioritized:

- |  |   |  |
|--|---|--|
| 1 Water management   | 8 Talent development and growth                   | 15 Waste management and circular economy                 |
| <b>2 Climate change effects mitigation and adaptation</b>            | 9 Corporate governance                            | 16 Quality and safety                                    |
| <b>3 Crop productivity</b>   | <b>10 Respect for human rights</b>                | <b>17 Responsible crop management</b>                    |
| <b>4 Community development and well-being</b>                        | 11 Fair labor practices                           | 18 Clean and renewable energy generation and consumption |
| 5 Innovation and technology  | 12 Emissions and air quality                      | 19 Customer experience and satisfaction                  |
| 6 Responsible supply chain and producer development                  | <b>13 Ethics, transparency and accountability</b> | <b>20 Biodiversity conservation</b>                      |
| 7 Compliance and participation in the legal and regulatory landscape | <b>14 Occupational health and safety</b>          | <b>21 Diversity and inclusion</b>                        |

Management of material issues not included in the Sustainability priorities is reported throughout this report.

# SUSTAINABILITY PRIORITIES

## and alignment with the Sustainable Development Goals



Each topic has been assessed considering its relevance to the business and its potential to make a positive impact on society and the environment, in accordance with the Sustainable Development Goals (SDGs). Below is a detailed description of them:



### Water management

Implement practices and technologies to optimize water use in agriculture (considering both surface and underground sources) and in production processes. These efforts include water conservation, recirculation, and distribution strategies that ensure its long-term availability and quality while adhering to sustainability and ethical water use standards.

SDGs: 6.3, 6.4, 12.2.



### Climate change effects mitigation and adaptation

Develop and implement operational plans to handle climate change-related challenges such as droughts, floods, and extreme temperature fluctuations, while reducing emissions.

SDGs: 7.2, 7.3, 13.1, 13.2, 15.1.



### Crop productivity

Maximize crop yield by optimizing and streamlining operational procedures, ensuring a reasonable use of resources and reducing environmental impacts. This entails implementing sustainable agriculture practices that preserve and improve soil and ecosystem quality, thereby ensuring agricultural operations' economic viability and long-term resilience.

SDGs: 2.3, 2.4, 8.3, 12.2.



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## Community development and well-being

Promote the economic, social and cultural development of the communities within our area of influence, taking into account their characteristics and challenges. Furthermore, improve these communities' access to economic opportunities while increasing the productive capacity of current and potential suppliers, resulting in a positive impact on both economic development and the social fabric.

SDGs: 3.8, 4.3, 5.5, 8.7, 10.2, 11.3.



## Innovation and technology

Incorporate new technologies and innovative approaches in agriculture and industry to improve efficiency and promote sustainability. This includes research, the acquisition of advanced machinery and equipment, digital monitoring systems, and precision farming techniques aimed at increasing productivity while minimizing environmental impact.

SDGs: 2.a, 7.2, 8.2, 9.4.



## Responsible supply chain and producer development

Ensure responsible procurement practices with minimal environmental, social, and economic impact. Additionally, collaborate with sugarcane suppliers to help them meet environmental and social requirements through capacity building.

SDGs: 8.3, 9.4, 12.6.



## Compliance and participation in the legal and regulatory landscape

Ensure complete compliance with current legislation and play a role in shaping the legal and regulatory environment. This includes effective public policy management, adaptability to new regulations, and adherence to existing legislation to ensure that operations are fully compliant with local and international regulations.

SDGs: 16.3, 16.7, 17.7.



## Talent development and growth

Promote professional and personal growth in the workplace by identifying training requirements, continuously assessing competencies, and implementing development plans.

SDGs: 4.4, 5.1, 8.5.



## Corporate governance

Adopt the rules, principles, and processes that govern the company's structure, the operation of the governing bodies, and the corporate and strategic precepts that underpin the business's value proposition.

SDGs: 16.6.



## Respect for human rights

Ensure that human rights are respected and protected in all operational and value chain activities, including those that may impact stakeholders. This includes avoiding all forms of labor exploitation, upholding freedom of association and complying with labor standards that guarantee fair working and living conditions.

SDGs: 3.5, 5.1, 5.2, 8.7, 10.3.



# Our SUSTAINABILITY MODEL

At Grupo PIASA we have developed a new sustainability model that strategically combines the environmental, social and economic dimensions, managed through good corporate governance. This model seeks to promote environmental conservation, have a beneficial influence on employees and communities, and guarantee ethical and

transparent management while ensuring the sustainability of our business model.

Our sustainability model is based on a comprehensive and long-term vision to face global challenges and align our activities with the Sustainable Development Goals (SDGs).

It also regulates our ten sustainability priorities, driving innovation, operational efficiency, and long-term value creation in partnership with our stakeholders.

The four pillars of our sustainability model are outlined below:



## Our Environment

This pillar focuses on safeguarding and preserving natural resources, as well as supporting sustainable and responsible practices throughout the value chain, with two sustainability priorities: water resource management and climate change mitigation and adaptation.

Objective: Reduce environmental impact by managing resources like water, energy, and materials more efficiently, as well as reducing emissions and waste.

Key Initiatives:

- Clean technology and energy efficiency implementation.
- Biodiversity conservation within our areas of influence.
- Responsible water use and effluent management.
- Circular economy processes promotion.



## Our People and Communities

GRI 203-2

This pillar is focused on developing our workforce and strengthening the communities where we operate, through three sustainability priorities: Talent Development and Growth, Respect for Human Rights, and Community Development and Well-being.

Objective: Improve the quality of life for our employees and communities through programs that promote inclusion, well-being, and development.

Key Initiatives:

- Training and skill development for employees.
- Workplace safety and well-being programs.
- Social investment in health, education and infrastructure for surrounding communities.
- Diversity and inclusion promotion.



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From an economic standpoint, this pillar incorporates sustainability as a cornerstone of the Group's operations and strategy, through three sustainability priorities: Crop Productivity, Innovation and Technology, and Responsible Supply Chain and Producer Development.

Objective: Ensure the business's long-term profitability and resilience, aligning with global sustainability trends and stakeholder expectations.

Key Initiatives:

- Innovation in products and processes that provide long-term value.
- Integration of regenerative agricultural practices.
- Sustainability certifications and international standards.
- Responsible supply chains promotion.



## Our Business Model

This pillar promotes ethics, transparency, and regulatory compliance across all operations through two sustainability priorities: Corporate Governance and Compliance, as well as engagement in the legal and regulatory landscape.

Objective: Strengthen corporate governance to ensure responsible management that is consistent with best practices.

Key Initiatives:

- Transparency and accountability mechanisms.
- Risk management and regulatory compliance.
- Human rights and anti-corruption policies.
- Participation in sustainability initiatives.

## Our Government

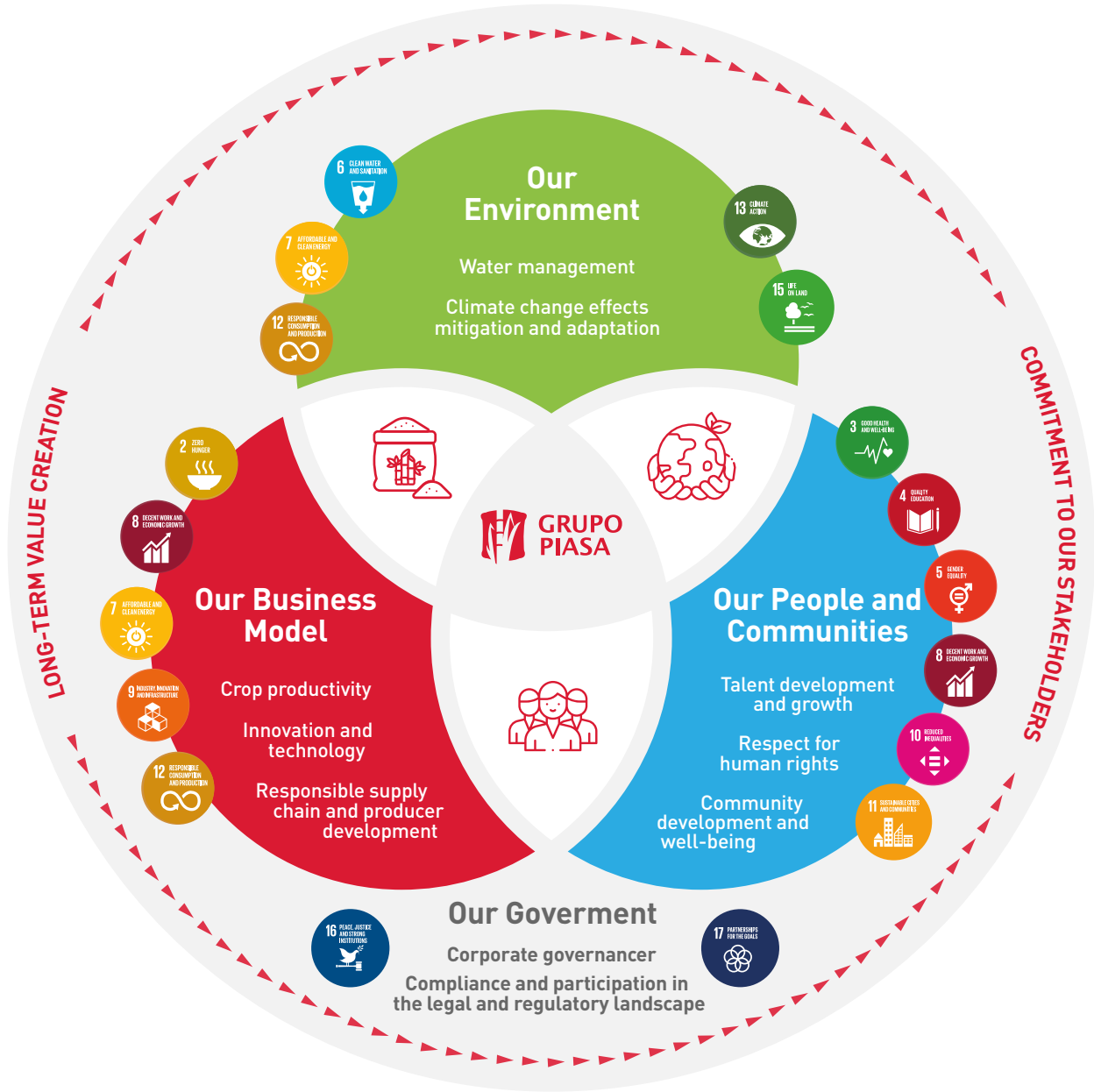


These pillars are interconnected, displaying a comprehensive vision in which the actions within each contribute to Grupo PIASA's long-term success and positive influence on the environment, people, and society.

*In 2025, we will define our Sustainability strategy, which will be aligned with the PIASA Strategic System.*

*"Our sustainability model allows us to concentrate the Group's efforts on key topics for our stakeholders."*

Christian Camilo Rodríguez  
Head of Sustainability.



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# Organizational RISK MANAGEMENT

At Grupo PIASA, we understand the complexity and importance of operational risks, as well as the impact they can have on the fulfillment of our strategic objectives. Therefore, during 2024, we established the Risk Management and Administration area as a key measure to strengthen our ability to identify, assess and mitigate potential threats.

As a starting point, we conducted an extensive risk assessment in the first half of the year using a strong framework to support our preventive measures. This approach seeks to preserve value for our stakeholders while also ensuring the long-term viability of our operations.

## Assessment and Objectives

The Risk Management process analyzes identified risks using approved metrics, taking into account both their likelihood of occurrence and the potential

impact on our business units. The main objectives of this analysis are:



### Strategic Vision:

Give the steering committee a clear picture of the key risks that could jeopardize organizational goals and assess the effectiveness of existing controls.



### Continuous Improvement:

Identify opportunities to optimize current risk management practices and integrate them into daily operations.



### Action Plans and Opportunities:

Capitalize on findings to identify risks and opportunities in the current audit program and establish action plans and measures to mitigate them.

*In 2025, we will continue to develop action plans to address the identified priority risks.*



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# Risk Management Policy

We have created a risk management policy that outlines the steps needed to prevent and control occurrences that could have an impact on the company's operational performance, growth, and continuity. This policy adheres to international standards such as ISO 31000, ensuring a consistent and robust approach.



*"We seek a comprehensive view of short-, medium- and long-term risks, allowing us to manage them across all operational levels."*

Jose Manuel Ibañez – Risk Coordinator



# Risk Categories

Several risk categories were assessed during the analysis, including:

- Asset management
- People-related risks
- Financial risks
- Change management
- Environment
- Regulatory compliance
- Products and services
- Technology
- Cogeneration management
- Fires in business units
- Field
- Hydrometeorological hazards

Risks were reviewed per business unit, yielding more than 300 risks for which action plans will be implemented.

Risks identified in the Double Materiality Analysis were also considered, including topics such as human rights and climate change, among others.

This process is a fundamental step towards more effective and resilient management, reflecting the Group's commitment to the safety, continuity and sustainable development of its operations.



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# Our BUSINESS MODEL

Our business model incorporates sustainable principles into every stage of the value chain. This promotes resilience and competitiveness while positively impacting communities and markets.

This chapter addresses three sustainability priorities:

- Crop productivity.
- Innovation and technology.
- Responsible supply chain.





# CROP productivity

GRI 201-1, 201-2, 203-1

*We are aware that our operation's sustainability depends to a large extent on working together with sugarcane producers, who are the main stakeholders in agricultural fields.*

Their dedication, knowledge, and effort are critical to ensuring efficient and responsible production that promotes local economic growth in the regions where we operate.

Our strategy gives priority to the promotion of good agricultural practices, the well-being of farming families, and the optimization of natural resources, supporting the use of cutting-edge technology to boost agricultural yields while maintaining environmental balance.



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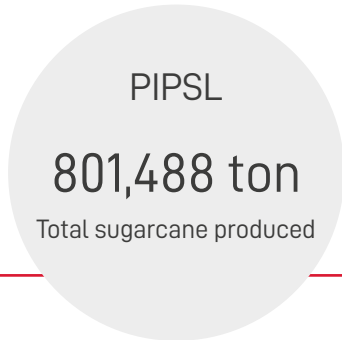
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# Our PRODUCERS



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# Initiatives and PROGRAMS

We have launched the following initiatives and programs to improve crop productivity in our partner producers' fields:

## Soil analysis and nutrition campaigns

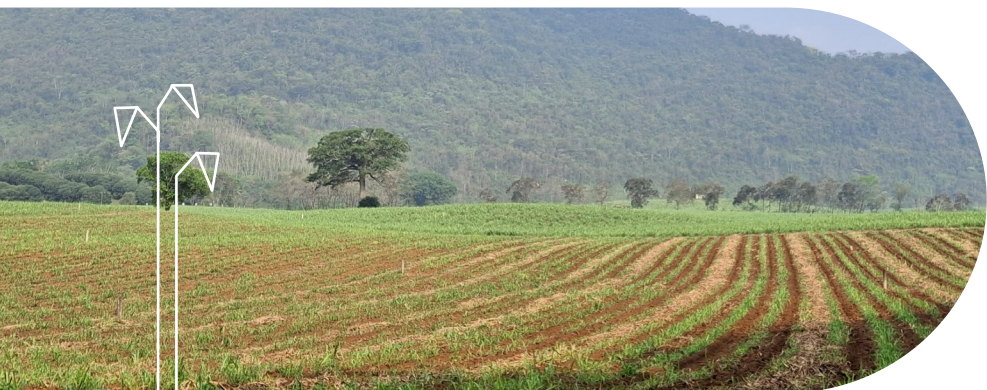
The Sugarcane Production and Quality Committee (*Comité de Producción y Calidad Cañera*) supported us in performing a soil analysis initiative at the Tres Valles and Adolfo López Mateos sugar mills, covering 22,000 ha of sugarcane-producing fields. Based on these studies, a nutrition consultant determined the appropriate fertilizer formulas to meet crop needs.

## Soil improvers

Based on the soil analysis, soil improvers for pH correction were indicated, and priority zones for using organic fertilizers were identified.

## Brazilian varieties

Through agreements with Brazilian entities, we conducted a sugarcane genetic improvement program. This program seeks to evaluate how new sugarcane varieties perform under local conditions, identifying those that provide higher yields in tons of sugar per hectare, pest resistance, and better adaptation to climate variability, in order to improve the results obtained with commercial varieties used as a reference in Mexico.



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## Use of green manure and organic fertilizers

Green manure enriches organic matter and improves nutrient regeneration, whereas organic fertilizers gradually deliver nutrients, boosting seedling growth and minimizing reliance on chemicals

## Biological pest control

At Tres Valles sugar mill, we have the support of the Local Union of Sugarcane Producers (*Unión Local de Productores de Caña de Azúcar ULPCA*) and the National Confederation of Rural Landowners (*Confederación Nacional de Propietarios Rurales, CNPR*), both of which have biological pest control laboratories dedicated to the creation of various organisms for pest management that we use in our producers' crops. These include *Beauveria bassiana*, *Metarhizium anisopliae*, *Trichoderma harzianum*, *Bacillus subtilis* and *Bacillus thuringiensis*.

## Drafting of a technology charter for field workers and the Agricultural Quality and Compliance Brigade (Brigada de Conformidad y Calidad Agrícola, CCA)

The technology charter was updated in August, with the assistance of an external consultant specializing in sugarcane. It incorporates the best agricultural practices for cultivating this raw material. In addition, the Agricultural Quality Committee (Comité de Calidad Agrícola, CCA) developed brigades to audit field processes and verify compliance with the technology charter criteria.







# Innovation and TECHNOLOGY

*We are aware that adopting new technologies and methods is key to strengthening our competitiveness, ensuring the sustainability of our operations and anticipating market demands.*

This section delves into the initiatives that are transforming the way we operate, highlighting the most significant projects and advancements that position us as industry innovators



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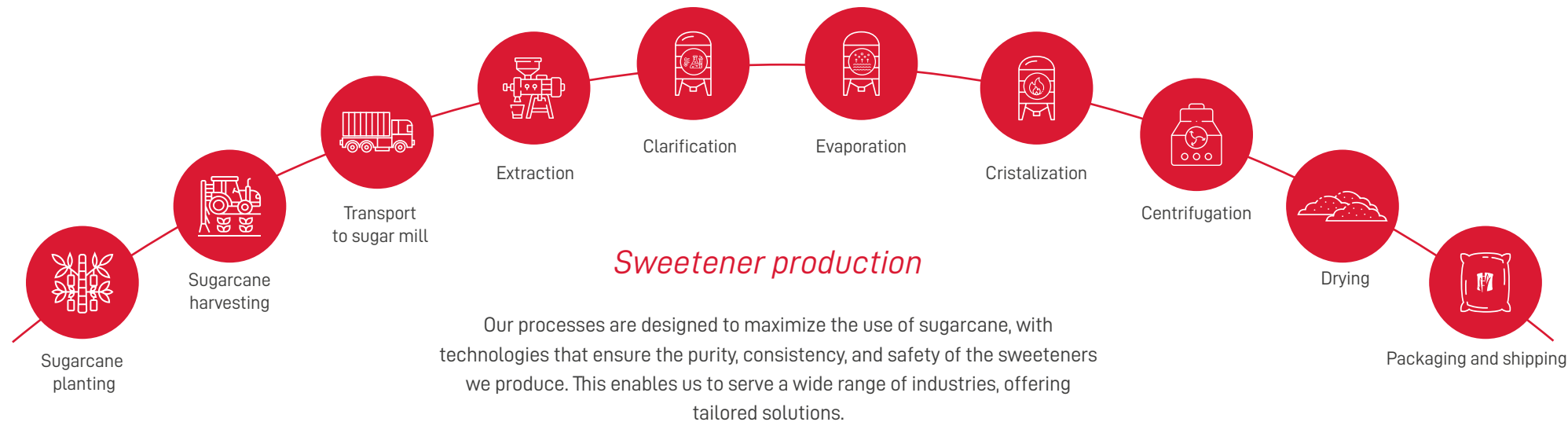
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# Our PROCESSES



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*"At Grupo PIASA, technological innovation applied to our production processes is a key lever to help us boost sustainability."*

John Jairo Rodríguez - Chief Operating Officer



## Cogeneration

The process, which uses residual sugarcane biomass, allows us to generate clean and renewable energy while reducing our environmental impact and supporting responsible use of natural resources.

We use cutting-edge technologies to convert bagasse residue into steam and electricity, which we use for our own operations as well as to contribute energy to the national power grid. This circular economy model not only reduces our carbon emissions but also strengthens our commitment to energy transition and environmental protection.



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# TECHNOLOGICAL IMPROVEMENTS implemented

## Field

### Sugarcane genetic improvement program

In 2024, we reached out to the Sugarcane Research and Development Center (*Centro de Investigación y Desarrollo de la Caña de Azúcar*, CIDCA) to evaluate the genetic material obtained through crosses of Mexican sugarcane varieties, with the objective of analyzing their adaptability and yield in the cultivation areas that supply our sugar mills.

Currently, 13 varieties are ready to be tested by our producers.



### Precision agriculture

We have implemented advanced technological tools for monitoring the supply surface, such as GPS, digital mapping through mobile applications, drone flights for monitoring and georeferenced mapping.

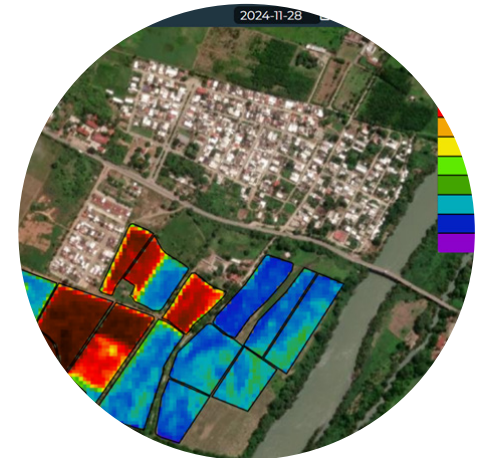
**In 2025, we plan to incorporate new technologies focused on machinery efficiency monitoring and field design, among other elements.**

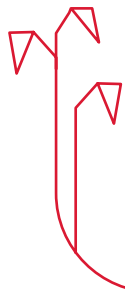


### Satellite Monitoring of Crops

Satellite monitoring of sugarcane crop development uses vegetation indices and dynamic mapping through the NAX Solutions platform, improving operational supervision and providing accurate recommendations to farmers. In 2024, over 19,000 hectares were made available, with the Tres Valles sugar mill accounting for the largest area (16,000 hectares), followed by the Adolfo López Mateos sugar mill (3,000 hectares).

**In 2025, we expect to cover 100% of the Tres Valles sugar mill's area.**  
Field design using drones





Drones are currently used to create high-resolution ortho-mosaics, allowing for precise georeferencing and plot boundary updates.

**In 2025, topographic surveys will be conducted to determine soil conditions and to aid in the planning of mechanical harvesting.**

**Cloud seeding**

Due to the unprecedented drought in 2024, and in collaboration with the sugar mills in the northeast, a startup was hired to increase rainfall through 26 cloud stimulation flights. In general terms, results showed an average 16% increase over the rainfall prediction.



*Harvest*

Mechanical harvesting has become a key factor in ensuring the agricultural sector's sustainability and competitiveness. Faced with the challenges of labor shortages for manual harvesting and rising operating costs, the adoption of this technology in the field is essential to ensure efficiency and reduce production costs.

Guarantee long-term growth, the Group plans to increase mechanical harvesting from 19.9% of total sugarcane milled in the 23/24 harvest to 23.3% in the 24/25 harvest.

Because of its relatively flat topography and concentration of agricultural land, the Plan de San Luis sugar mill has the highest potential for mechanical harvesting. During the 23/24 harvest, 48% of the sugarcane was harvested mechanically. The goal is reaching 50% for the 24/25 harvest.

**In the long term, the Group aims to achieve a 60% mechanized harvesting by the 29/30 harvest.**



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## Factory

### Sugarcane feeding automation ITV

This project will provide a more controlled and uniform feed of sugarcane to the mills, stabilizing the milling rate.



### Enabling belt filters ITV

We began installing belt filters in January 2024, which will increase sugar recovery in the filtration process and improve sludge management. They will start operations in January 2025.



### Regenerative heaters PIPSL

We will reduce factory steam consumption by using condensed steam energy, thereby reducing bagasse consumption by 175 tons/day.



### Water demineralization plants - IALM/PIPSL

We will improve surface water properties before it enters the boilers in order to limit calcium and magnesium scaling, and reduce water usage throughout the harvest season.



### C centrifuge automation ITV/IALM

Water dosing in C centrifuges was automated, thus reducing the final honey purity drop points and optimizing the process.



*"We believe in technological development as a crucial pillar of continuous improvement, setting a solid foundation for sustainable operations."*

**Juan Carlos Castillo**  
Industrial Technical Director, Sustainability and Projects.





# RESPONSIBLE SUPPLY CHAIN

and producer  
development

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

## Our VALUE CHAIN

We aim to have a positive impact on communities, the environment, and markets at every stage of our value chain. At Grupo PIASA, we strive for constant improvement from the field to the final product, making sure that our goods meet our customers' needs.



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## Sugarcane production


We work closely with our producers to promote best practices that increase crop yields while protecting natural resources.



We help **more than 12,000 producers** increase their yields through:

- Sugarcane Financing
- Geotechnology
- Monitoring

**99% of the supply area belongs to external sugarcane producers.**

In line with the Coca-Cola Company's guiding principles, we advocate for the elimination of child labor in our producers' agricultural activities, through campaigns that promote respect for human rights. Furthermore, we collaborated with the ULPCA and CNPR sugarcane associations to implement Programa Integra. 

## Sugarcane Associations

### ITV:

- Unión Local de Productores de Caña de Azúcar (ULPCA)
- Confederación Nacional de Propietarios Rurales (CNPR)
- Movimiento Rural 9 de septiembre

### IALM:

- Unión Local de Productores de Caña de Azúcar (ULPCA)
- Confederación Nacional de Propietarios Rurales (CNPR)

### PIPSL:

- Unión Local de Productores de Caña de Azúcar (ULPCA)
- Confederación Nacional de Propietarios Rurales (CNPR)
- Siglo XXI

## Procurement of goods and services

The procurement of goods and services is a strategic process that ensures the continuity of our operations.

- **Raw materials and supplies:** We select suppliers that meet high quality standards in accordance with our Procurement Policy.
- **Energy and fuels:** We are moving towards an energy transition, incorporating renewable sources and improving the efficiency of energy consumption in our plants.

**In 2025, sustainability criteria will be included in the Procurement Policy.**



## Sweetener production

Our industrial processes blend tradition and innovation to produce high-quality sweeteners under strict management and efficiency standards.

- **Operational efficiency:** We implement cutting-edge technologies that optimize our operational processes.
- **Circular economy:** We maximize the use of by-products such as bagasse to generate clean energy and reduce waste.



*"We endeavor to develop an optimized and resilient supply chain, providing effective and sustainable solutions."*

Jesús Quintanilla - Supply Chain Director



## Logistics and Warehousing

Logistics and warehousing are key to ensuring that our products reach our customers efficiently and safely.

- **Strategic distribution centers:** Located at strategic points to reduce travel time and costs.
- **Transportation:** Outsourced transportation to optimize shipping costs.
- **Railway:** Two (2) national railroad lines (Ferrosur and Ferromex).
- **Warehousing:** Warehousing capacity of over 350,000 MT throughout Mexico.

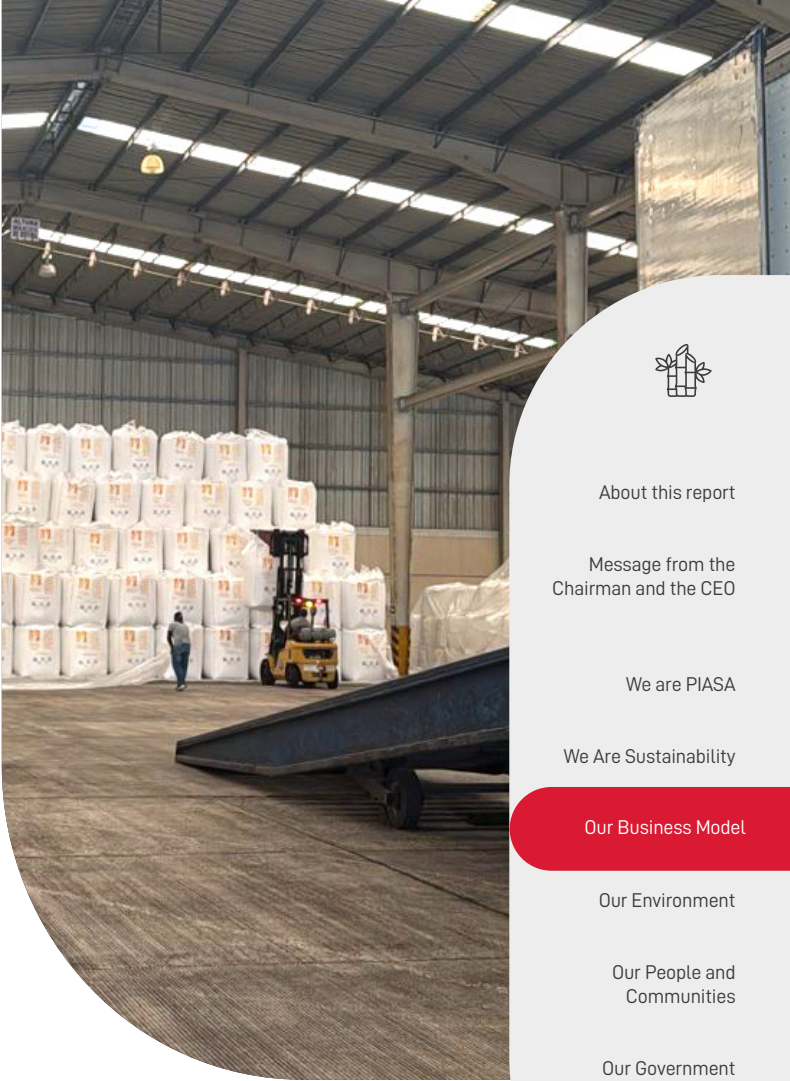
This structure allows us to serve our customers at a competitive cost.

## Customers

We stand out for producing and offering high-quality products that meet stringent standards, guaranteeing a reliable supply for our customers.

## Addition of SIBPSA as a new business unit.

SIPBSA is Grupo Piasa's first distribution hub. Its storage capacity is up to 180,000 tons, delivering value by lowering handling and warehousing expenses, as well as opening up new business prospects by allowing us to enter new markets with a variety of presentations and differentiated services.



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# Our MARKET

We serve key sectors such as the food, beverage, consumer products and energy industries, both domestically and internationally.

Grupo PIASA's products are available in a variety of presentations, including refined sugar, standard sugar, low polarity raw

sugar, and honey, to meet the particular requirements of each customer. We also prioritize innovation to create sustainable sweeteners and solutions, such as renewable energy, to meet the growing demand for responsible and environmentally friendly alternatives.

Business Unit	Product	Presentation
ITV	Refined Sugar	25 kg
		1,000 kg
		1,500 kg
		50 lb
	Non-crystallizable honey	Bulk
	Clean Energy	MWh
IALM	Refined Sugar	1,000 kg
		1,500 kg
	Standard Sugar	1,450 kg
	Low Polarity Raw Sugar	Bulk
	Non-crystallizable honey	Bulk
	Clean Energy	MWh
PIPSL	Refined Sugar	1,000 kg
		1,500 kg
	Non-crystallizable honey	Bulk





# Customer SATISFACTION

## Annual evaluation

To consistently improve the service we provide to our customers, we perform an annual satisfaction survey that considers factors such as transportation, shipment, quality, attentiveness, and potential for improvement.

In 2024, we conducted the evaluation for fiscal year 2023, scoring an overall rating of 93.6% in the surveys applied to customers, partners and third parties, both in the domestic and international markets.

The 2024 evaluation will take place in January 2025.

*"We are committed to being a reliable and accountable partner that provides innovative and sustainable solutions while constantly listening to the most important voice - that of our customers."*

Daniela Rivadeneyra - Commercial Manager



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# PIASA Management System - SGP

GRI 403-1, 403-4, 403-7, 403-9, 403-10, 416-1, 416-2

The PIASA Management System (Sistema de Gestión PIASA, SGP) is the strategic framework that ensures our operations meet the highest international standards in terms of quality, safety, security, and the environment. This system is designed to guarantee excellence in all of our operational processes, allowing us to meet our commitments to our customers, employees, communities and the natural environment through policies and procedures.

Our SGP is based on well-known standards such as ISO 9001 (quality management), ISO 14001 (environmental management), ISO 45001 (occupational health and safety), and FSSC 22000 (food safety), and is further strengthened by Coca-Cola's guiding principles and a commitment to continuous improvement.

The SGP guidelines are listed below:



1

Promote our stakeholders' **occupational health and safety** by removing hazards and reducing risks in our workplaces, including employee consultation and engagement, as well as that of their representatives.

2

Increase **production while maintaining efficiency, quality, and safety** using SGP-related competencies.

3

Address and adhere to **shareholder, customer, legal, regulatory,** and other applicable requirements.

4




















Sustainability and **balance in connection to the environment, society, and the economy**, minimizing the environmental impact of our operations, products, and services while avoiding pollution.

5

Apply the **SGP's continuous improvement** to our processes, communicate both internally and externally, and manage our risks.

# Our CERTIFICATIONS

GRI 416-1, 416-2

Business Unit	Certification	Issuer	Validity
Tres Valles sugar mill	 ISO 9001	Bureau Veritas	2027
	 ISO 14001		2025
	 ISO 45001		2027
	 FSSC 22000		
	 KOSHER PAREVE	Monterrey Kosher	2025
	 KOSHER PASSOVER		
	 HALAL	Técnicos Y Profesionales en Alimentos Asociados	
	 VEGAN		
	 NATURAL PROCESS		
	 GLUTEN FREE		
	 FDA REGISTRATION		
Adolfo López Mateos sugar mill	 ISO 9001	Bureau Veritas	
	 ISO 14001		2025
	 ISO 45001		2026
	 FSSC 22000	Monterrey Kosher	2025
	 KOSHER PAREVE		
	 KOSHER PASSOVER		
	 HALAL	Técnicos Y Profesionales en Alimentos Asociados	
	 VEGAN		

Business Unit	Certification		Issuer	Validity	
Adolfo López Mateos sugar mill		NATURAL PROCESS	Técnicos Y Profesionales en Alimentos Asociados	2025	
		GLUTEN FREE			
		FDA REGISTRATION	Registrar Corp.		
		ISO 9001	Bureau Veritas	2025	
		ISO 14001			
		ISO 45001			2026
		FSSC 22000			
	PIASA Ingenio Plan de San Luis sugar mill		KOSHER PAREVE	Monterrey Kosher	2025
			KOSHER PASSOVER		
		HALAL			
		VEGAN	Técnicos Y Profesionales en Alimentos Asociados		
		NATURAL PROCESS			
		GLUTEN FREE			
		FDA REGISTRATION	Registrar Corp.		
Servicios de Integración para Productos Básicos -SIPBSA			SQF	Global standard	
		EMPRESA SOCIALMENTE RESPONSABLE	CEMEFI		
Servicios Azucareros Integrales		ISO 9001	Bureau Veritas	2027	



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# Developing our PRODUCERS



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## Technical consulting and updating

Our producers' development is aligned with our Field's strategic priorities, as we recognize their fundamental role in our value chain. We actively collaborate with them to promote good agricultural practices and increase crop productivity. Through technical training

programs, access to advanced technology and specialized consulting, we drive process optimization and increase their ability to adapt to industry challenges.



## Technical visits and Consulting

### ITV

1,163 Technical visits and consulting  
2,295 Producers benefited

### IALM

3,288 Technical visits and consulting  
4,488 Producers benefited

### PIPSL

2,762 Technical visits and consulting  
3,492 Producers benefited

### Total

7,213 Technical visits and consulting  
10,275 Producers benefited

## Training

### ITV

9,476 training person-hours  
4,738 Producers benefited

### IALM

12,042 training person-hours  
6,021 Producers benefited

### PIPSL

7,328 training person-hours  
3,685 Producers benefited

### Total

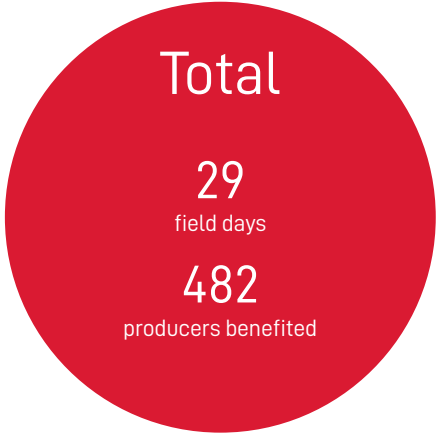
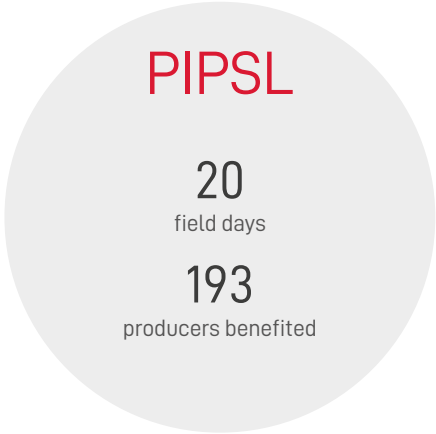
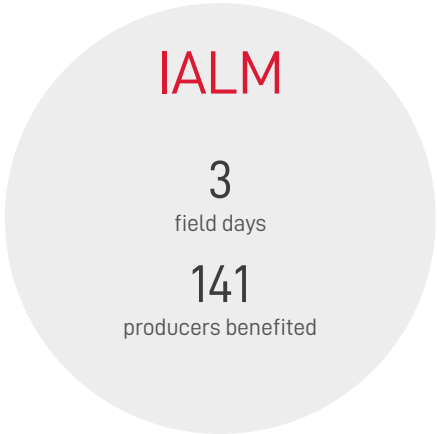
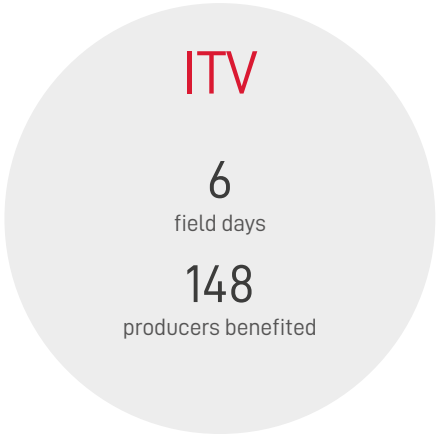
28,846 training person-hours  
14,444 Producers benefited



*In 2024, we granted producers more than \$690 million pesos in financing.*

As part of our efforts to foster economic stability and growth, we facilitate access to financial resources, such as lines of credit and assistance with the purchase of supplies and machinery.

We also promote knowledge exchange through workshops and collaborative learning spaces, where producers can share their experiences and implement best practices.



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## Foro Cañero

The *Foro Cañero 2024*, organized in partnership with FIRA (*Fideicomisos Instituidos en Relación con la Agricultura*) and Grupo PIASA (Tres Valles and Adolfo López Mateos sugar mills), became a key forum for strengthening the sugarcane industry in Mexico. These events, held on November 7 and 14 in Tres Valles (Veracruz) and Tuxtepec (Oaxaca), respectively, brought together producers, industry leaders, financial institutions, and sustainability experts to discuss the challenges and opportunities of the sugarcane agribusiness in the face of climate change and technological transformation.

### Forum Objectives:

- Promote agricultural practices that increase productivity and reduce the environmental impact of sugarcane crops.
- Facilitate access to innovative financial and technological tools for small and medium-sized producers.
- Promote dialogue and collaboration between key players in the sugarcane value chain.

The program included lectures, panels and interactive workshops on the following topics:

- **Environmentally friendly agriculture:** Efficient use of water, soil management and biological pest control.
- **Energy transition in the field:** Innovations in the use of bioenergy and renewable energy in the sugarcane industry.
- **Access to green financing:** An overview of FIRA credit and financing initiatives.
- **Technology and innovation:** The use of efficient machinery, satellite monitoring systems, and digital tools to improve productivity.
- **Social development:** Strengthening programs for rural communities and empowering producers.





"The forum aims to bring together producers, industry, and suppliers to promote technology transfer and adoption to address agro-climatic challenges and increase sugarcane crop sustainability and productivity."

Luis Ramón Cortés – Agricultural Manager - IALM



## Featured Participation

**Keynote speeches:** National and international experts shared global trends and success stories in sugarcane sustainability and productivity.

**Practical workshops:** Spaces for attendees to learn specific skills, such as precision agriculture implementation and cost-benefit analysis in green projects.

**Exhibition area:** Interactive stands displaying state-of-the-art machinery, supplies and technological solutions for the sugarcane industry.

The *Foro Cañero 2024* was a significant step towards a more resilient sugarcane agribusiness, aligning with Grupo Piasa's environmental and social commitments. This joint effort emphasizes the importance of cooperation between the private sector, financial institutions and producers to ensure comprehensive and responsible rural development.

By increasing producers' market competitiveness and positively impacting their communities, Grupo Piasa strengthens its strategic cooperation with them.

## Outcomes and achievements:

**+500 attendees** including producers, technicians and specialists from the agribusiness sector.

Presentation of **innovative** green financing **projects**.

Consolidation of **strategic bonds** between Grupo Piasa, FIRA, and producers to improve value chain sustainability.



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# Our ENVIRONMENT

Environmental stewardship is critical to ensuring our operations' long-term viability and the well-being of future generations. This chapter discusses actions related to two sustainability priorities:

▫ Water resources management

▫ Mitigation and adaptation to climate change





# WATER RESOURCES Management

GRI 303-1, 303-3, 303-5

Water is a critical resource for our operations and the communities we serve. At Grupo PIASA, we understand the importance of managing it efficiently and responsibly to ensure its long-term availability.

Our water management strategy focuses on optimizing water use, reducing consumption and promoting reuse through innovative technologies.

This section describes the actions taken and the results obtained in the management of this resource.



*"We protect our water resources by encouraging efficient and sustainable water use."*

Anabel Rocha - Environment Coordinator - PIPSL.



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# FIELD

*Although field management depends directly on our producers and sugarcane associations, we promote the responsible and efficient use of water in the sugarcane crops that supply our mills.*



## *Increased efficiency in irrigation equipment*

Assisted by irrigation specialists, we provide tailored advice to producers who have irrigation systems. In the initial stage, we conducted diagnostic visits to

assess their current conditions before issuing specific recommendations to optimize operations and improve the existing infrastructure.

## *Geohydrological survey - PIPSL*

**In response to droughts in 2024 and previous periods, we deployed irrigation infrastructure to support producers.**

This led to identifying potential areas with deep groundwater that can guarantee supply for irrigation and production during drought seasons.

The first part of this project took place between October and November 2024, and the final phase is scheduled to be completed between February and March 2025.





# FACTORY

We aim to reduce our environmental impact by treating and reusing water and incorporating sustainable practices into all of our industrial processes. The water used comes from underground and surface sources that have been approved

for use by environmental authorities. We have flow meters that allow us to control consumption and measure discharges.

## Annual water consumption

Business Unit	Total consumption (m³)	Ground Wate (%)	Surface water (%)
ITV	2,039,519		100
IALM	1,370,097	-	84
PIPSL	868,239	20	80
Total	4,277,855	-	-

## Water consumption indicator (harvest)



## Annual discharges



In 2025, we will finish building the Industrial Wastewater Treatment Plant at the Tres Valles sugar mill and begin constructing a new plant at the Plan de San Luis sugar mill.



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# Climate change effects MITIGATION AND ADAPTATION

GRI 305-1, 305-2, 305-4

## Moving Forward on Greenhouse Gas EMISSIONS MITIGATION - GHG

At Grupo PIASA, we are committed to reducing our environmental impact through emission reduction. We currently monitor greenhouse gases (GHG) in scopes 1 and 2 using the methods defined by Mexico's National Emissions Registry (Registro Nacional de Emisiones, RENE).





GHG Emissions Inventory

Scope 1

Includes direct emissions from our industrial operations and the use of fossil fuels.

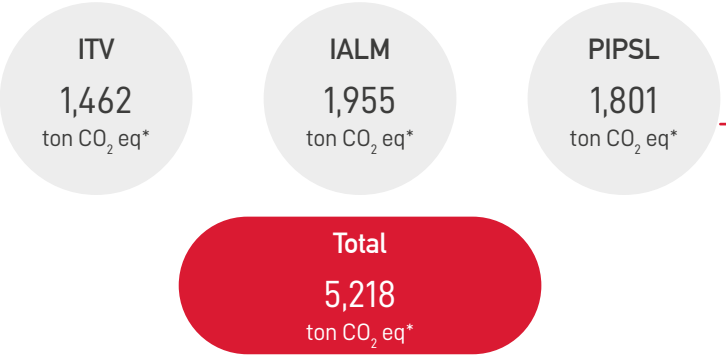
Scope 1 emissions

Business Unit	ton CO <sub>2</sub> eq*	ton CO <sub>2</sub> eq excluding biogenic emissions **
ITV	494,973	10,668
IALM	350,578	7,888
PIPSL	240,762	6,503
Total	1,086,314	25,029

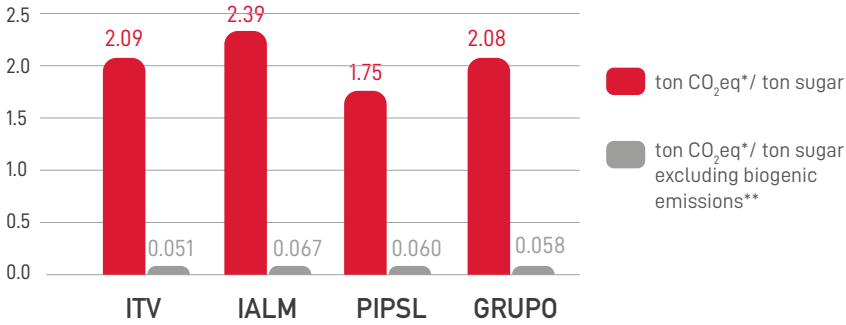
Scope 2

Considers indirect emissions from the consumption of purchased electricity. Our energy efficiency and renewable energy generation strategy using sugarcane bagasse allows us to significantly reduce these emissions.

Scope 2 emissions:



Product carbon footprint:



Moving Towards a Comprehensive Inventory: Scope 3

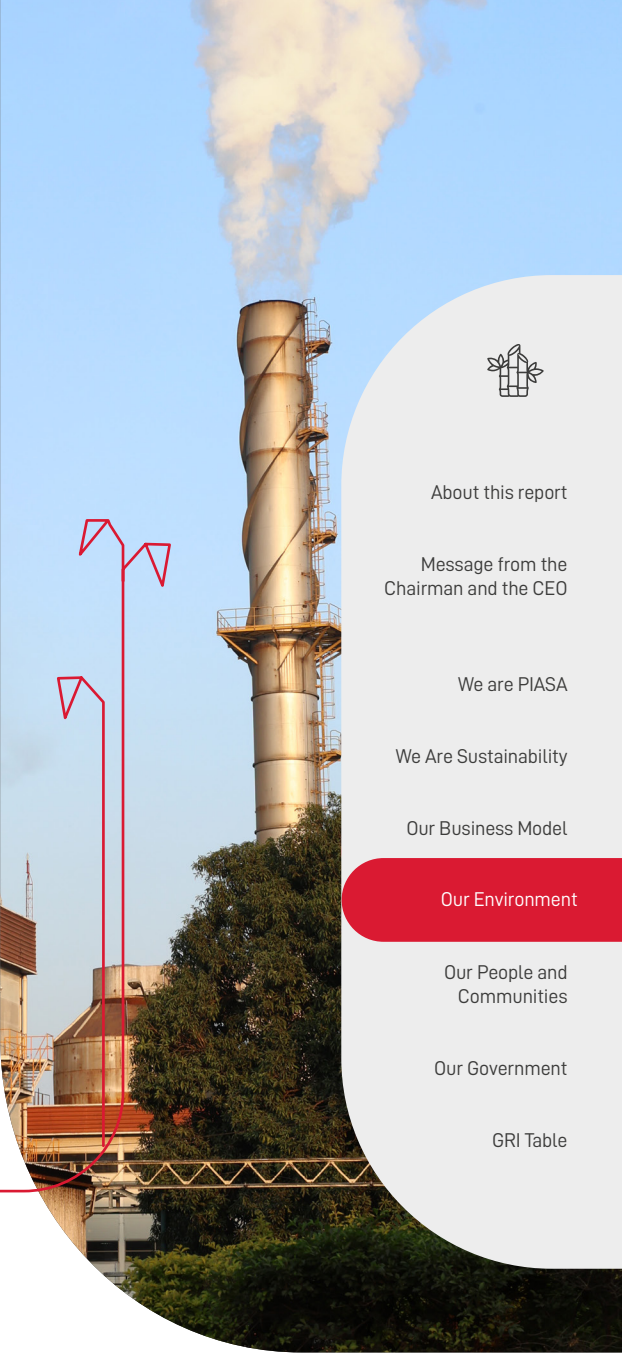
We recognize that Scope 3 activities, such as producing sugarcane and other by-products, supplies, transportation, and waste disposal, account for a significant percentage of our value chain's emissions. Therefore, we are developing the necessary tools to measure these emissions according to the GHG Protocol standard in order to better understand our overall impact and prioritize mitigation actions.

Our goal for 2025 is to expand our Scope 3 measurement, which will allow us to compile a comprehensive carbon footprint inventory and establish the foundation for a GHG emissions reduction strategy that is consistent with international standards.

\*CO<sub>2</sub> equivalent (eq): GHG emissions are expressed as CO<sub>2</sub> equivalent, a metric that enables for the comparison of the effects of different GHGs by converting them to the amount of carbon dioxide (CO<sub>2</sub>) that would have the same climate impact. CO<sub>2</sub> is the most abundant gas and is used as a reference.

\*\*Biogenic emissions: Carbon dioxide (CO<sub>2</sub>) emitted by organisms or biological processes. In our case, biogenic emissions from biomass consumption in boilers are excluded.

The GHG emissions values presented correspond to the year 2023, bearing in mind that the calculation for the year 2024 is pending at the time of publication of this report.



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# WASTE MANAGEMENT and circular economy

GRI 306-1, 306-2, 306-3

We are implementing a holistic strategy that emphasizes waste reduction, reuse, and recycling in our activities. To reduce waste, we use by-products like

sugarcane filter cake and bagasse to produce compost and bioenergy. We also manage solid and hazardous waste carefully.

*In 2024, 27 tons of agrochemical container and packaging waste were collected in the supply areas of our three sugar mills.*

## Programa Campo Limpio

The main objective of Programa Campo Limpio is to reduce the environmental impact of empty agrochemical containers and other hazardous waste produced during sugarcane cultivation. In order to ensure a healthier and more sustainable environment for the communities and ecosystems surrounding our areas of operation, we work with producers and run awareness programs to encourage proper disposal and recycling of such waste.

As part of this program, Grupo PIASA is sensitizing producers on the value of proper waste management and promoting responsible agricultural practices that not only adhere to existing laws but also support the ongoing development of the sugarcane agroindustry.



Production plants

Waste is generated primarily as a result of activities performed in offices and factories during the production process. Our classification covers special handling waste (ash, filter cake , sludge, scrap metal, PET containers, pallets, and other items), municipal solid waste, and hazardous waste.



Waste reduction measures

We have implemented initiatives to reduce waste generation at our plants, such as training, improving waste sorting at the source, and encouraging our suppliers to reuse chemical containers.

Recyclable waste management

We generate recyclable waste such as paper, cardboard, plastic, and scrap metal. This waste is sent to recycling to give it a new life cycle. In the case of recyclable organic waste such as bagasse, ash, and sugarcane leaves, it is sent to composting.

Final disposal of unusable waste

We dispose of unusable waste (hazardous and non-hazardous) through third-party providers holding all the permits and knowledge required for this task. We aim to dispose of as little waste as possible.

*In 2025, we will update our waste management plans to include indicators and monitor them more rigorously.*



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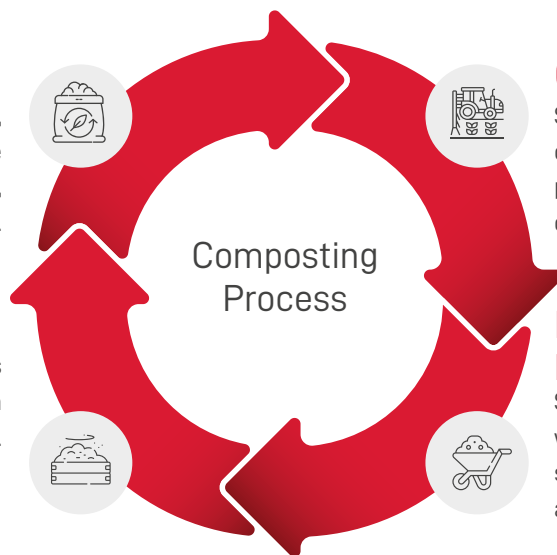
## Composting: Transforming by-products into field fertilizers

Composting is one of the key practices that facilitates the sustainable use of by-products generated in our industrial process. We manufacture compost from sugarcane filter cake, an organic by-product of sugar production. It is nutrient-rich and improves the health and productivity of sugarcane crop soils.



**Maturation**  
Over a period of several weeks, the microorganisms convert the waste into mature compost, ready for application.

**Transformation**  
The mixture is arranged in piles and decomposes naturally, with aeration controlled by tumbling.



**Collection**  
Sugarcane filter cake is collected straight from our plants during the sugarcane juice clarification process.

**Mixing and preparation**  
Sugarcane filter cake is mixed with other organic materials, such as plant residues, to achieve a balanced composition.

### Composting Benefits

- ❑ **Soil improvement:** Compost provides organic matter, improves soil structure and increases its ability to retain water and nutrients.
- ❑ **Chemical fertilizer substitution:** Decreases dependence on synthetic fertilizers, reducing costs and environmental impact.
- ❑ **Closing the waste loop:** Utilizes industrial by-products rather than disposing of them as waste, hence supporting the circular economy.
- ❑ **Increased productivity:** Boosts sugarcane crop yields, making them more resilient to climate variability and adverse conditions.



# ENERGY consumption

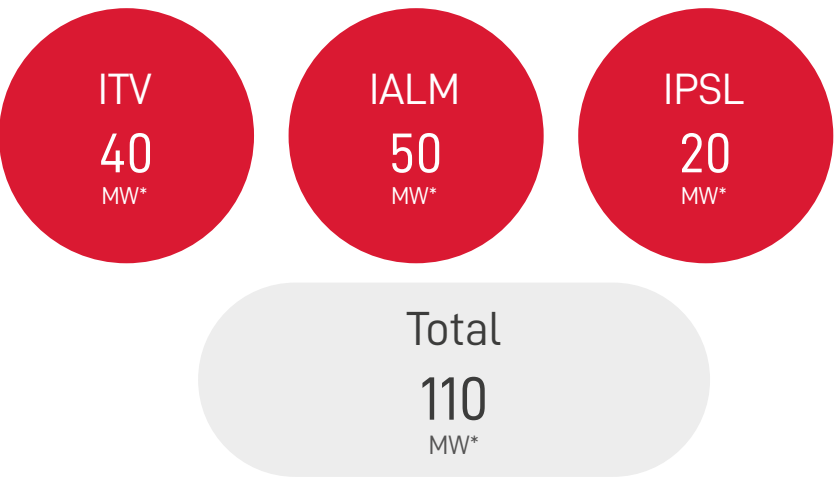
GRI 302-1, 302-3, 302-4

We have implemented an energy cogeneration model in our sugar mills, using sugarcane bagasse as a renewable fuel. This process allows us to produce electricity and steam simultaneously, maximizing resource efficiency and reducing our dependence on conventional energy sources.

**Our three sugar mills generate approximately 91% of the electricity required for their production processes from renewable sources.**

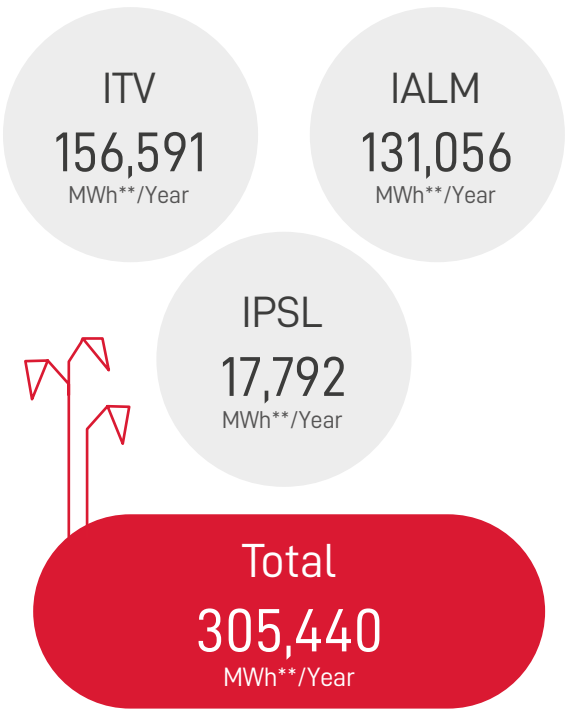
The remaining 9% is sourced from the Mexican National Electrical System (Sistema Eléctrico Nacional, SEN), primarily for the repair period.

Each sugar mill has a cogeneration plant with the following capacities:



Our cogeneration capacity not only meets our facilities' energy requirements but also contributes to the national power grid by supplying excess clean energy. This approach reflects our commitment to environmental sustainability by supporting greenhouse gas emission reduction and promoting the transition to renewable energy sources.

## Energy production



\*Megawatt (MW): A power unit equivalent to one million watts, used to calculate instantaneous electricity generation capacity or consumption.

\*\*Megawatt-hour (MWh): A power unit that represents the electricity generated or used in one hour at a power of one megawatt.



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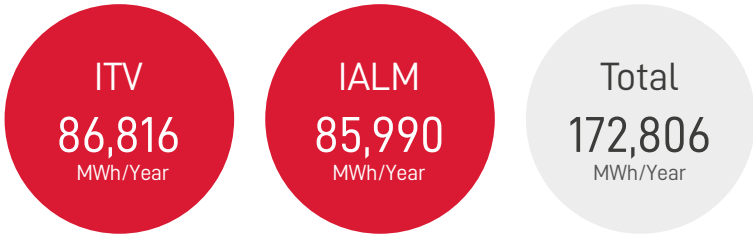
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## Total energy consumption

Business Unit	Self-generated energy consumption MWh/Year	SEN purchased energy consumption MWh/Year	Total energy con- sumption MWh/Year
ITV	69,784	3,370	73,154
IALM	45,067	5,308	50,374
PIPSL	17,793	4,420	22,213
Total	132,643	13,098	145,741

## Total energy sold



## Energy intensity (harvest)



Our plants have clean energy certifications that are currently in force:

- ITV is certified by the I-REC Standard as a Clean Generator. I-REC (International Renewable Energy Certificate) is a global standard for certifying the origin of electricity generated from renewable sources. It is a method for tracking and verifying that the energy consumed or traded comes from clean and sustainable sources including solar, wind, hydro, and biomass.
- IALM and PIPSL are certified as Clean Power Plants by the Mexican Energy Regulatory Commission (Comisión Reguladora de Energía, CRE), and with them we generate Clean Energy Certificates (Certificados de Energías Limpias, CELs).

CELs are instruments created in Mexico to promote the generation and consumption of clean energy in the electricity sector. They were established as part of the Energy Reform in 2013 and are regulated by the Mexican Electricity Industry Law (Ley de la Industria Eléctrica, LIE).



*"We generate clean energy from sugarcane bagasse, transforming this by-product into a renewable source that drives our operations and helps reduce emissions and advance the energy transition."*

Luis Arturo Muñoz - Head of Processes and Regulations.





# BIODIVERSITY

GRI 304-3

We have launched reforestation programs to recover spaces and contribute to the conservation of local ecosystems. We have also invested in the creation and operation of two nurseries at ITV and PIPSL, which not only support our reforestation initiatives, but are also a key resource for future biodiversity-focused projects.

*Our long-term goal is to create a robust approach that allows us to identify, preserve, and enhance the natural wealth of the areas in which we operate while adhering to the sustainability principles that guide our operations.*



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# Our People and COMMUNITIES

Our sustainability model is built around the well-being of our people and the growth of the communities in which we operate. This chapter covers three sustainability priorities:

▫ Talent  
development and growth.

▫ Respect for  
human rights.

▫ Community  
development and well-being.



# OUR ENGAGEMENT STRATEGY

We have developed an engagement strategy that focuses on creating a culture of commitment, trust, and alignment with the Group's values. This strategy aims to understand and enrich each stage of our employees' lives by implementing initiatives that promote well-being, work-life balance, and acknowledge individual and collective accomplishments.



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# TALENT Development and Growth

GRI 404-1, 404-2, 404-3

*Our people's talent drives  
our growth, so we create an  
environment that encourages  
continuous learning and  
professional development.*

We create training programs, technical training, and growth opportunities to help them improve their performance, strengthen their competencies, and assure their overall well-being, all while connecting their efforts with the organization's strategic goals.

*"At Grupo PIASA, we value and  
recognize our employees for their  
commitment and passion"*

Enrique Fuentes – Head of Human Capital



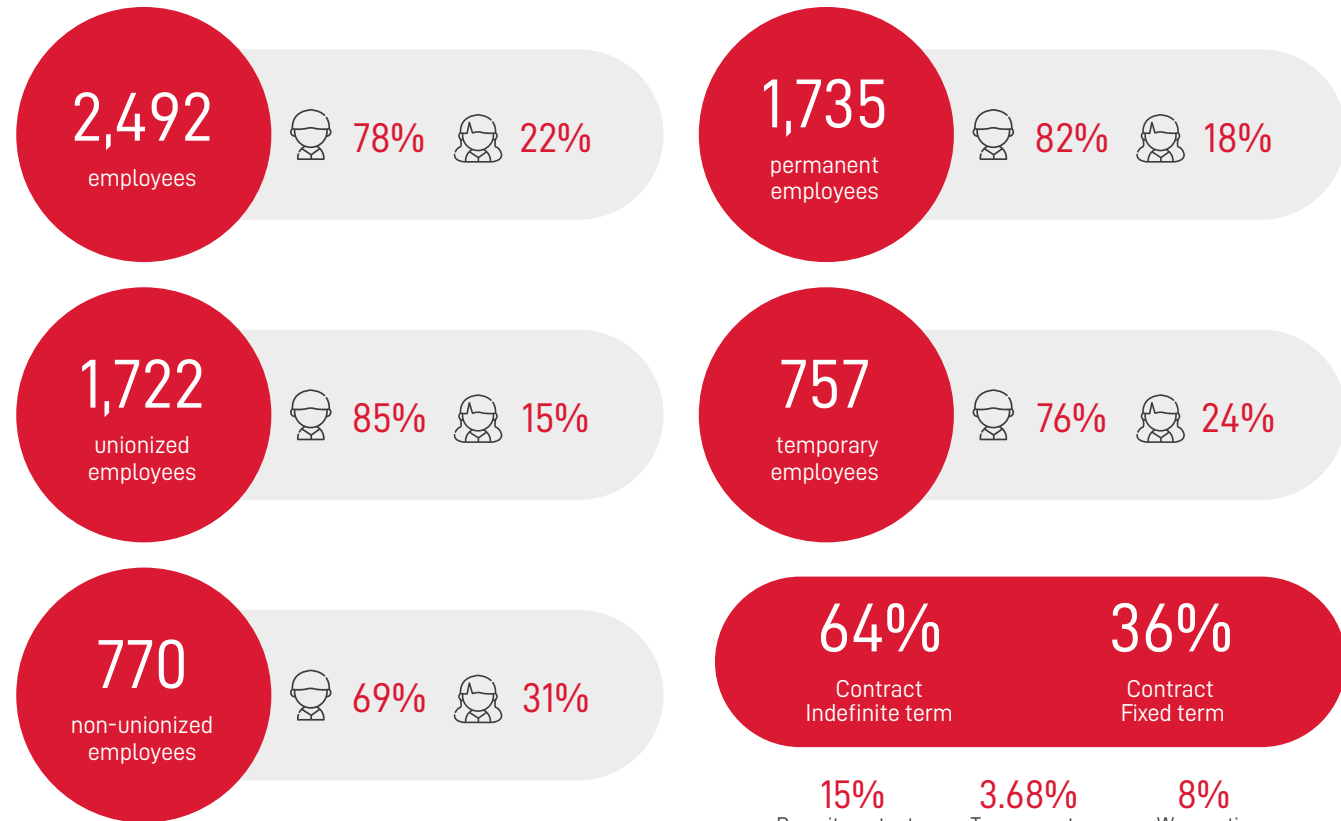


# Our EMPLOYEES

GRI 2-7, 401-1, 401-3, 407-1, 2-21 y 2-30

In Mexico's sugarcane agribusiness, there are both unionized and non-unionized employees, each having unique characteristics, rights, and obligations based on their roles and the industry's work structure. To guarantee

that our employees have good working conditions, we have implemented policies for talent attraction, pay, and fair labor practices.



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We conduct performance reviews to ensure that the remuneration level for each position is proportionate to its contribution to the role.



**Grupo PIASA defines “senior executives”** as those executives who help define our organization's strategy and generate proposals for strategic priorities to be reviewed by the PIASA Board, including General Management, Executive Management, and Area Managements.

**Grupo PIASA defines “local”** as the city where each Business Unit is based.

Promotions

Business Unit	Total number of employees promoted		
ITV	29	86%	14%
IALM	29	79%	21%
PIPSL	15	80%	20%
SAISA	20	65%	35%
PIASA	4	25%	75%
Total	97		

Licencias

Business Unit	Total number of employees who took maternity/paternity leave		
ITV	31	84%	16%
IALM	18	26%	56%
PIPSL	11	64%	36%
SAISA	2	50%	50%
Total	62		

Measuring the work climate

In 2024, we conducted the first engagement survey with over 1,500 employees to assess our strategy, culture, and leadership using the six key categories of the PIASA Strategic System: recognition, work-life balance, well-being, talent and competency development, and work climate and communication. The survey included the majority of unionized and non-unionized employees in the Business Units and the Corporate Offices, representing a wide range of generations: Baby boomers, Generation X, Millennials and Centennials. As a result of this initiative, we identified the impact on the well-being and professional development of Grupo PIASA's employees, as well as their level of commitment and orientation towards continuous improvement.





# Education and TRAINING

GRI 404-1

We develop our employees' skills through training programs that are tailored to our industry's current and future demands. Our initiatives, which range from technical

training to interpersonal skill development, aim to empower employees by promoting continuous learning in accordance with sustainability and innovation criteria.



*94% of our non-unionized employees undergo annual performance reviews. (Men: 96% and women: 91%)*

## Skill enhancement programs

### Campinas Diploma

Annual training in sugarcane cultivation for field use.

### Contract Law Certification

Contract Law clauses are interpreted to ensure effective operational monitoring.

### Master Plan

We promote technical training for unionized employees. We prepare them for the promotion process using a hybrid training model that includes asynchronous and face-to-face sessions. We also use simulators to ensure practical application in a controlled and safe environment.

### Online learning platforms (LinkedIn Learning and Coursera)

Digital spaces to promote asynchronous learning for our non-unionized employees on topics relevant to their jobs.

As a strategic priority, we will increase the number of employees receiving training in 2025 with the goal of developing our talent and fostering a high-performance culture.



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## Spokespeople Training and Crisis Management

We train our internal spokespeople to act as the organization's authorized representatives during critical moments. This training focuses on developing skills in effective communication, key message control, media interaction, and interview management. Our spokespeople are trained to transmit information with clarity, transparency and empathy, reflecting Grupo PIASA's values and commitment.

## Programa "Nosotros conocemos nuestro ingenio"

Effective collaboration between our operations and management teams is critical for building the sense of belonging, empathy and a thorough understanding of our business. For this reason, we launched the Programa "Nosotros Conocemos Nuestro Ingenio" which encourages administrative personnel to tour the Group's sugar mills and learn about the full value chain.

During these visits, participants have the opportunity to tour the facilities, learn about the production processes firsthand, and speak with operational staff. This not only promotes learning and sensitivity to challenges in the field and factory, but also strengthens collaboration to achieve organizational goals.

*"Continuous learning fosters a high-performance culture. Training our team means empowering each employee to grow professionally while delivering strategic and sustainable solutions."*

Ricardo Arriaga – Head of Talent Development.







# Internships and Developing EXECUTIVES

*At Grupo Piasa, we recognize the importance of fostering and promoting talent. In 2024, we welcomed more than 45 interns from the main educational institutions near our sugar mills, who were assigned to projects relevant to the organization and aligned with their professional profile, thereby enhancing their learning and practical experience in key areas of our operations.*

This project improves professional training, expands our talent pool, and fosters community growth near our operations. We also hired eight (8) development executives to further our commitment to training and professional development.



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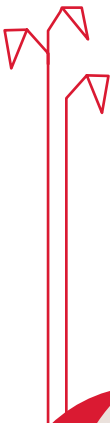


# COMPREHENSIVE Services Center

Grupo PIASA's Shared Services Center, known as CIS (Centro Integral de Servicios), began operations in 2023 as part of our strategy to consolidate support processes and optimize resources by generating economies of scale in service delivery to our sugar mills and the corporate headquarters.

*Currently, the CIS has established itself as a strategic pillar in the organization, providing services in key areas such as finance, human capital, corporate communications, procurement, accounting, tax, IT support, customer care and logistics.*

Its process-based management model prioritizes meeting the needs of internal customers, clients, and functional leaders, achieving outstanding results in all key priorities in 2024. As a result, the CIS stands out as a business enabler, driving operational efficiency, innovation, continuous improvement and talent development.



*"Being part of the CIS means connecting with my colleagues and together working toward a common objective, knowing that our work matters and has a positive impact on people's lives."*

Alfredo Muñoz - Personnel Turnover and Indicators Analyst - CIS.



*"Our vision is to be a driving force for efficiency, innovation and well-being, adding value to the organization and to all the areas with which we collaborate."*

Mariana Rodríguez – CIS Manager



Notably, the CIS has achieved compliance with service level agreements (SLAs) that monitor efficiency in everyday activities and transactions. These SLAs are renewed annually to ensure alignment with each area's needs.

The CIS also conducted satisfaction surveys to measure the perception of the services provided, identify areas for improvement and optimize operational quality, achieving an outstanding rating of 98%, reflecting its commitment to excellence and internal customer satisfaction.

In its transversal role, the CIS has a Continuous Improvement team that works with operational areas to increase process efficiency. This year, it took over the Group's logistics management, a strategic operation that ensures that products like sugar and honey are delivered on time to bottling partners and other key customers.

We expect it to become a strategic operations partner that supports and accelerates our company's ongoing transformation, as well as the implementation of initiatives, strategic collaborations, and inorganic growth.



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# Respect for HUMAN RIGHTS

GRI 406-1, 408-1, 409-1

We seek to promote and protect human rights  
throughout our operations and value chain.

*We foster fair, safe, and  
inclusive working conditions  
that are consistent with  
international standards and  
fundamental ethical principles  
outlined in our internal policies.*

We believe in the importance of protecting the dignity  
of each person, preventing all forms of discrimination  
and child or forced labor, and promoting an  
environment of mutual respect that strengthens the  
well-being of our employees and the communities  
where we operate.



# Occupational HEALTH AND SAFETY

GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-9, 403-10

Implementing our Occupational Health and Safety (OHS) Management System has allowed us to develop a positive culture that drives continuous improvement in health and safety performance.

This system has become an essential tool for establishing requirements and performance targets in our operations, as it helps us to identify potential risks and plan coordinated mitigation strategies.

The OHS system empowers our leaders to build effective health and safety strategies, assign the necessary resources, and create training programs tailored to our operations' specific needs.

We also promote a strong safety culture by encouraging staff engagement in committees, awareness initiatives, and the recognition of best practices, which reinforces our collective commitment to safety and well-being.

*100% of our employees are covered by the Occupational Health and Safety Management System.*

**6,835,365**

Total hours worked



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## Lost Time Incident Rate (LTIR)

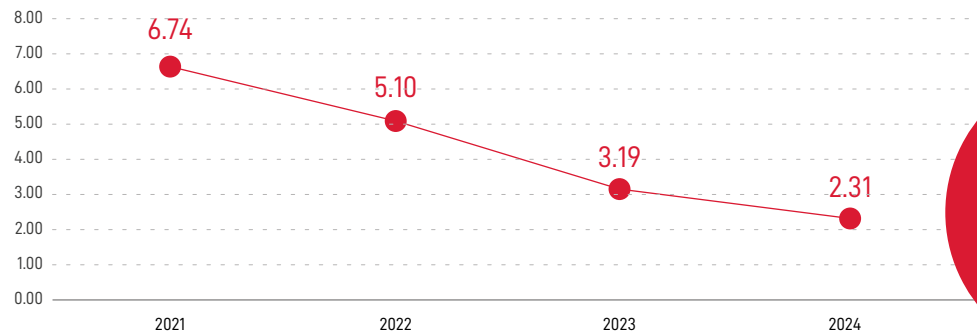
ITV  
2.58

IALM  
2.93

PIPSL  
1.11

Group's average  
2.31

### Reduction of lost time incident rates over time

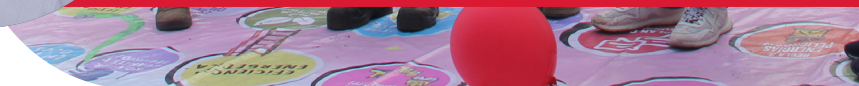


\*The Lost Time Incident Rate (LTIR) is a key industrial safety and occupational health metric that measures the frequency of work-related incidents resulting in lost workdays. The LTIR standardizes the rate to allow for fair comparisons between companies.



*"We are committed to safety and health, ensuring that every employee goes home safely, protecting their integrity and promoting their overall well-being."*

**Juan Laureano Ramírez**  
Head of Occupational Health and Safety



This strategy has resulted in a 24.4% reduction in work-related incidents over the past year.

- Falls are the leading cause of injuries in work-related incidents.
- No fatal injuries occurred during the reporting period.

*In 2024, our employees received 17,999 hours of Occupational Health and Safety training.*

# Main initiatives in our business units

Through different initiatives that strengthen our Occupational Health and Safety culture, we engage our staff and their families in a mutual care and self-care activities.

<b>OHS Management System</b>  We implemented a management model aligned with Grupo PIASA's strategic plans, optimizing our occupational health and safety practices.	<b>OHS brigade training</b>  We strengthened our safety brigades by training employees in protocols and emergency response.	<b>Third OHS Fair</b> We created a venue to promote a culture of safety and health among our employees and their families, encouraging their participation. <div><div>1,336 attendees</div><div>23 invited institutions</div><div>52 vendor booths</div><div>6 internal process booths</div><div>23 OHS games and dynamics</div><div>18 lectures</div><div>2 masterpiece plays</div></div>			
<b>Health campaigns</b>  We promoted prevention and care through vaccination days, medical examinations and awareness activities.	<b>Octubre Rosa and Noviembre Azul</b>  We promoted the prevention of breast and prostate cancer with campaigns aimed at our female and male employees, respectively.	<b>Identifying and correcting unsafe conditions</b>  We conducted a campaign to prevent occupational hazards by detecting and correcting unsafe conditions in our operations.	<b>Awareness and culture change workshops</b>  We created self-care workshops to sensitize employees on the effects of risky behavior and encourage positive behavioral changes.	<b>12 Golden Rules for OHS</b>  We established the essential rules to manage the main risks in our operations, ensuring a safer work environment.	
<b>Carreras de la salud and Nosotros somos PIASA</b> We held four races to bring together employees and their families while encouraging healthy habits and an active lifestyle. <div><div>1095 runners in Carrera de la Salud</div><div>+200 runners in the second Carrera Nosotros Somos PIASA</div></div>		<b>5-minute talks</b>  We deliver brief talks to our staff to improve awareness about the hazards associated with their everyday tasks and how to prevent accidents.	<b>Improved personal protective equipment (PPE)</b>  We enhanced our PPE by incorporating anti-cut and anti-impact gloves for higher employee safety.	<b>Recognizing accident-free departments</b>  We celebrate our commitment to safety by awarding recognitions to departments that succeeded in remaining accident-free.	



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# GENDER EQUITY and equal opportunities

GRI 405-1, 405-2, 2-19 y 2-20

We advocate for an inclusive, discrimination-free workplace where everyone, regardless of gender, has equal access to professional development opportunities. We foster respect, diversity, and empowerment through clear policies and fair practices, strengthening an organizational culture that equally recognizes each employee's abilities and contributions.

## Salary Compensation

At Grupo PIASA, we have a fair and competitive salary policy, based on a transparent and structured approach that guarantees fairness and competitiveness throughout the organization.

We do regular market competitiveness evaluations, adjust salary scales in response to industry changes and other considerations, value positions based on their contribution and area of expertise, and work with specialized consulting firms to provide us with the most recent data to support our decisions. The Compensation Committee oversees and validates these strategies, ensuring alignment with corporate objectives and employee well-being.

*The Compensation Committee oversees and validates these strategies, ensuring alignment with corporate objectives and employee well-being.*



*"We promote gender equity as a key commitment to ensure equal opportunities, increase talent diversity and positively impact our communities"*

**Adriana Sofía Pérez**  
Head of Organization, Compensation and Benefits.



*"The Encuentro de Mujeres del Campo promotes recognition, gender equity and female empowerment in the sugarcane industry, with the Adolfo López Mateos sugar mill pioneering this transformation."*

Jazmín de La Cruz - Programa de Mejoramiento Genético Coordinator - IALM.



## Encuentro de Mujeres del campo

We acknowledge and appreciate women's vital role in agriculture, as well as their commitment to our communities' sustainable development. In this regard, on October 24, we held the second Encuentro de Mujeres del Campo de la Cuenca del Papaloapan at our Adolfo López Mateos sugar mill, a forum designed to highlight their work, foster debate, and promote female empowerment both within and outside of our spheres of influence. The Forum brought together women producers, community leaders, and Group employees to share their experiences, knowledge, and challenges. Panels, workshops, and conferences led by experts addressed important subjects such as gender equality, women's leadership, agricultural opportunities, and personal and professional growth.

Success stories of women who have transformed their communities through sustainable practices and inclusive leadership, inspiring others to follow in their footsteps, were also highlighted. This event reaffirms our commitment to inclusivity, equity, and capacity building, which is consistent with our values and sustainability goals.

**This initiative will be implemented in the Group's three sugar mills in 2025.**



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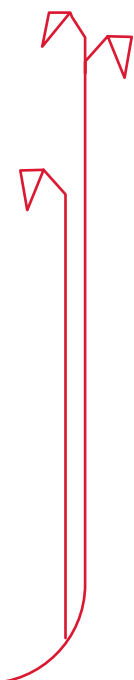
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# SOCIAL RESPONSIBILITY

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### *Housing units and sports courts renovation*

ITV/IALM/PIPSL – To improve the well-being of our employees and their families, we completed a general renovation of 36 homes, including waterproofing, painting, and electrical upgrades. We also renovated the basketball court and installed calisthenics equipment to promote sports and healthy living among the Adolfo López Mateos sugar mill employees.



### *Factory restroom renovation*

ITV/IALM/PIPSL – We renovated and built new restrooms to ensure that our staff continue to have excellent working conditions, fostering a culture of well-being.



### *New administrative offices*

IALM – We built new administrative offices to improve the service we deliver to our producers while ensuring a comfortable and safe environment for our personnel in the areas of Field, Sugarcane Credit, Human Capital, Accounting, Administration, Finance, IT, Medical Service, and Visitors.



1,291 m<sup>2</sup>  
Building area

## Drawing Contest – CNIAA

The National Chamber of the Sugar and Alcohol Industries Children's Drawing Contest (Concurso de Dibujo Infantil de la Cámara Nacional de las Industrias Azucarera y Alcohólica, CNIAA) is an initiative that encourages children to explore their creativity while also promoting key sugar industry values. This year's main topic was the prohibition of child labor, which emphasized the need of safeguarding children's rights and ensuring their holistic development.

We took part by encouraging the children of our employees and neighboring communities to share their artistic perspectives on this critical topic. This type of effort enhances the bond between families and industry, emphasizing agribusiness' transformative role in creating equitable and sustainable communities.



## Saquito del Honor

For 16 years we have recognized academic excellence through this initiative. In 2024, we were proud to deliver backpacks and school supplies to 336 elementary, middle, and high school students, with the goal of encouraging their continued dedication and effort in their studies.

During the award ceremonies, supported by our Hablemos de Caña project, we had the valuable participation of Mexican athletes Haramara Gaitán (Badminton), Diego del Real Galindo (Hammer Throw) and Dafne Navarro (Trampoline Gymnastics), who shared inspirational messages that motivated the students to continue pursuing their dreams.



## Cine Nosotros Somos PIASA

This year, we made a significant investment in equipment for outdoor film projection. As a result of this initiative, we were able to bring the cinema experience to communities with no access to this type of activity, such as La Hincada in San Luis Potosí, Tres Valles in Veracruz, and Camarón Salsipuedes, Macín Grande and Central Maquinaria in San Juan Bautista Tuxtepec. We created moments of entertainment and family life in each of these locations.



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## *Torneo Ráfaga Nosotros Somos PIASA*

We organized a volleyball and basketball tournament between sugar mills and corporate offices to enhance employee integration, well-being, and good health across all business units. This event was complemented by the Gana Vida, Pierde Peso project, which motivated our teams to improve their health through better nutrition and physical activity.



## *Noche mexicana*

"Celebremos juntos" is the phrase that defines our events of integration and coexistence. The Noche Mexicana, celebrated as part of Mexican Independence Day, is an ideal occasion to enjoy our traditions through music, gastronomy and Mexican games. At Grupo PIASA, we celebrate this occasion with enthusiasm, strengthening the bonds and cohesion among our work teams.



# PROGRAMA INTEGRA:

## Continuous improvement for the well-being of cane cutters



The sugarcane agribusiness industry has faced a number of challenges as a result of climate change and other emerging needs. In 2017, the Adolfo López Mateos sugar mill (IALM) launched Programa INTEGRA with support of the ULPCA y CNPR sugarcane associations to address issues such as accidents, dehydration, health, yield per cutter, child labor, and environmental impact. This initiative aims to improve the working and social conditions of stakeholders who rely on our producers.

At its inception, Programa INTEGRA covered 11 crop groups, accounting for 15.4% of IALM's total territory. One of the most significant issues was the high prevalence of child labor, with 1,022 underage cutters identified, as well as high rates of accidents and absenteeism caused by unsafe cutting conditions.

The program has given cutters personal protective equipment (PPE), including shirts, legionnaire caps, mesh goggles, shin guards, cutting gloves, and water flasks. They are also trained in first aid, handling of hazardous chemicals, correct use of PPE, human rights, and prevention of child labor.



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## In 2024 we achieved:

- ❑ Promoted better practices to prevent child labor in the field.
- ❑ Field accident rate reduced by 76%.
- ❑ Dehydration prevention is accomplished by administering oral rehydration solutions, which improves cutters' work performance and health.
- ❑ Increased land area covered by the program, from 15.4% in 2018 to 24.2% in the 23/24 harvest.
- ❑ Increased number of cutters benefited by 30%.
- ❑ Increased availability of drinking water for cutters.
- ❑ Better performance per cutter.

For the 24/25 harvest, the program's scope will be expanded to 21 harvest groups, which will cover 33% of the Adolfo López Mateos sugar mill's supply surface area, seeking to:

- ❑ Maintain the commitment to the eradication of child labor.
- ❑ Reduce accidents.
- ❑ Increase the yield per cutter.
- ❑ Improve access to health care in the cutting communities.
- ❑ Enhance the quality of life through initiatives in sustainability, the environment, health, safety, and human rights.



# Community Development and WELL-BEING

GRI 413-1, 413-2

We are committed to improving the quality of life in the communities where we operate, generating a positive impact in the regions.

Through efforts in employment, health, education, culture, and infrastructure, we promote collective well-being and contribute to the development of the regions that comprise our value chain.

We believe that community progress is critical to building a more equitable, inclusive, and prosperous future.

*More than 11,000 people benefited directly and indirectly from our initiatives during 2024.*



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# COMMUNITY ENGAGEMENT Model

To optimize the social impact in our areas of influence, we developed a community engagement approach to identify priority needs, create specific solutions, and foster strategic connections.

## Identification and diagnosis:

Communities with the greatest needs were determined through interactions with local leaders and a double materiality analysis, which identified key areas such as education, health, infrastructure, and environmental sustainability.

## Design and validation:

To achieve strategic alignment, the ESG Executive Committee reviewed and validated the established social responsibility programs.

## Strategic partnerships:

We seek to strengthen initiatives through partnerships with public, private and social entities, broadening their scope and effectiveness. These strategic partnerships aim to increase program reach and effectiveness, maximizing the positive impact on priority communities.

*In 2025, we will implement the new programs and initiatives resulting from the community engagement model.*



*"We promote community development and well-being through actions aligned with our values."*

Isis Mejía – Social Responsibility Coordinator.



# SOCIAL RESPONSIBILITY to Our Communities

GRI 413-1, 413-2

We are present in

25

communities distributed in municipalities, localities and communal lands of the states of Veracruz, Oaxaca and San Luis Potosí in Mexico.

We carried out

+40

initiatives within the 2024 Social Responsibility programs.



## Health and well-being

### In Tres Valles (Veracruz)

- **Support to IMSS beneficiaries:** With the 2024 donations program, we supported Fundación IMSS's chair-bed program, helping to improve the comfort of family members caring for hospitalized patients.
- **Contribution to national causes:** We supported the Mexican Red Cross's national fundraising.
- **First aid infrastructure:** We set up a first aid area at the Enrique C. Rébsamen elementary school and donated first aid kits to the José María Morelos y Pavón elementary school and the Francisco de la Barra kindergarten in Tres Valles (Veracruz).
- **Strengthening emergency services:** We supported the Tres Valles Fire Department by donating safety shoes for their team.

### In Ciudad Valles (San Luis Potosí)

- **Community infrastructure:** We improved the sports field of communal lands La Hincada to promote well-being and community coexistence.



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# Education

## In Tres Valles (Veracruz)

- We donated **20 computers** to the Colegio de Bachilleres del Estado de Veracruz (COBAEV).
- We delivered a **sound system** for civic events to the Emiliano Zapata elementary school.
- We provided **solar panels** and their infrastructure to the Telebachillerato Las Abejas.
- We repaired the **drinking water piping system** at the José María Morelos y Pavón elementary school.
- We contributed to the **renovation** of the José María Morelos y Pavón elementary **school library** by purchasing books and equipment.

## In San Juan Bautista Tuxtepec (Oaxaca)

- We provided **more than 1,000 liters of paint** for the Adolfo López Mateos primary school and the Centro de Bachillerato Forestal.
- We **renovated and built new bathrooms** at the Belisario Domínguez kindergarten in the community of Macín Grande.

## In Ciudad Valles (San Luis Potosí)

- We renovated the **library infrastructure** in the Alejandro Peña neighborhood in communal lands La Hincada.



# Culture and traditions

- We sponsored the **Flor de Piña** folkloric dance group's participation in the 92nd edition of the Guelagueta in Oaxaca. With the support of ANSPAC, 5,000 sugar sachets were made and distributed as offerings at the *calendas* during the event.
- We celebrated **Children's Day** in communities surrounding our Business Units with Cine Nosotros Somos PIASA, games and gifts.
- We held the traditional **Christmas Tree Lighting** in La Hincada, gathering **more than 500 attendees**.
- We donated a **sound system** to the Casa de la Cultura Gabriel Martínez Hernández in Tres Valles, Veracruz.

*These initiatives reinforce our commitment to making a positive impact and a happier future.*



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A photograph of three PIASA employees standing in a large industrial warehouse. They are wearing light blue long-sleeved shirts with yellow reflective stripes, blue jeans, and white hard hats. The man on the left is also wearing safety glasses and a blue hairnet. The woman in the center is wearing safety glasses and a blue hairnet. The man on the right is wearing safety glasses and a blue hairnet. In the background, there are large stacks of white plastic-wrapped goods and a sign on the wall that reads "EN TUS HOMBROS DESCANSA EL ESFUERZO Y DEDICACION D HAZ TU TRABAJO CON RESPONS".

# Our GOVERNMENT

We uphold ethics, transparency, and accountability throughout the organization, fostering a culture of trust and compliance. We match our decisions with strategic objectives, stakeholder expectations, and applicable regulations by establishing a strong organizational structure and effective oversight procedures. This chapter outlines two sustainability priorities:

▫ Corporate Governance

▫ Compliance and Involvement in the Legal and Regulatory Landscape



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# CORPORATE Governance

GRI 2-9, 2-10, 2-12, 2-11 y 2-17

The corporate governance model serves as the foundation for our strategic decisions, ensuring transparency, accountability, and ethics throughout our operations.



## STRUCTURE

Our corporate governance structure is intended to promote participation, balance of power, and effective oversight. This includes decision-making bodies, policies, internal control mechanisms, and an organizational culture founded on integrity and compliance with applicable regulations. This approach strengthens our resilience and enhances our long-term sustainable performance.



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Grupo PIASA is owned by the main bottlers of the Mexican Coca-Cola Industry. Since 1988, Grupo PIASA's shareholders have given the General Shareholders' Meeting, the Company's highest governing body (which meets yearly), the power to authorize and ratify relevant acts and transactions. Similarly, the Meeting appoints the Chairman and members of the Board of Directors, including the Executive Committee, and ensures that its decisions are implemented effectively.

The operational administration falls to the General Management, appointed and ratified by the Board of Directors and the General Shareholders' Meeting.

Along with the Executive Management, the General Management oversees key internal committees to guarantee effective operation and compliance in its various domains.

Some of the most prominent committees are:



*"Our robust Corporate Governance not only ensures regulatory compliance, transparency, and value creation, but it also incorporates sustainability as a central axis in the Group's strategic decision-making."*

Carlos Samuel Rábago - Chief Financial Officer

These committees meet quarterly and can hold extraordinary sessions as needed. In addition, each sugar mill has a corporate ESG Committee and a local ESG Committee that meet monthly to guarantee that approved sustainability measures are promoted and implemented.



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## Composition of the Board of Directors

Members of the Board of Directors typically represent the main Bottling Group shareholders, ensuring alignment of corporate priorities and increasing the Group's resilience and performance.

The Board of Directors is made up of ten members with specific responsibilities (Chairman, Vice-Chairmans, Treasurer, Pro-Treasurer, Secretary, and Members), who are appointed for two-year terms with restricted reelection possibilities.

This body meets six times per year to discuss business strategy, financial monitoring, and regulatory compliance. In addition, the President, Vice Presidents, and Treasurer form the Executive Committee, which oversees the implementation of key decisions.

General  
Shareholders  
Meeting

Board of  
Directors

Executive  
Committee

Corporate Managements  
Business Unit Managements





# Corporate POLICIES

GRI 2-23, 2-24

Our Code of Ethics clearly sets out the values, principles and policies that guide our actions. This document serves as the core of our organizational culture, ensuring that Grupo PIASA employees adhere to our commitments and standards on a daily basis.

## Employee Decalogue

1. Our actions are **ethical and honest**.
2. We do **not discriminate** on any basis. We respect people's dignity and diversity.
3. We do **business within the law**, always striving for the highest level of customer satisfaction.
4. We are **accountable** for our operations in a transparent and compliant manner.
5. We **respect** our employees on a **professional and personal level**, and we help them achieve work-life balance.
6. We **advocate for equal opportunities** for men and women.
7. We **recognize** individual and group achievements based on equity and fairness.
8. We **respect and care for the environment** with a focus on sustainability and social responsibility.
9. We encourage the **economic and social development** of the communities around our business units.
10. We aim to translate our efforts into **greater benefits** for our employees, shareholders, and stakeholders.



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## Fair Labor Practices

Our fair labor practices policy ensures that human and labor rights are upheld throughout our operations and value chain. We promote equitable, safe, and inclusive working conditions that are consistent with international standards and fundamental ethical principles.

This policy reflects our commitment to non-discrimination, gender equity and the abolition of child and forced labor. We also promote employee freedom of association, professional development, and sustained well-being.

## Personal data protection

GRI 418-1

We respect and protect the privacy of personal data belonging to our employees, customers, suppliers, and anyone else with whom we have legal relationships. Our employees are strictly prohibited from disclosing, publishing, or providing this data to third parties, except as required by law.

We also guarantee compliance with the principles of legality, consent, information, quality, purpose, loyalty, proportionality and accountability, as outlined in the Mexican Federal Law on Protection of Personal Data Held by Individuals, reaffirming our commitment to privacy and information protection.

## Conflict of interest

GRI 2-15, 2-16

We value transparency and our employees' ethical commitment. Therefore, it is essential that they avoid any activity or connection that may interfere with their job responsibilities. All employees must promptly report any potential conflict of interest to their direct supervisor or the Human Capital department, who will assess and manage the matter in a proper manner. It is also unlawful to receive significant presents from customers or suppliers without first informing the firm and making such gifts available to the company.

## Anti-corruption

GRI 205-1, 205-2

We have built a solid foundation for preventing and combating corruption, ensuring compliance with laws and international treaties, and fostering an integrity-driven culture.

Our anti-corruption policy applies to all employees and related third parties, ensuring that every member of our value chain acts responsibly and transparently. This framework clearly defines concepts like corruption and bribery, and it assigns specific responsibilities to our employees in order to prevent any type of misconduct.

This policy protects our reputation, reduces legal risks, improves transparency in our operations, and strengthens our ethical culture. These elements not only reinforce our commitment to sustainability but also contribute to our long-term competitiveness and success.

**No confirmed incidents of corruption occurred during the reporting period.**

## Compliance with antitrust and consumer protection laws

GRI 206-1

Our employees strictly adhere to the Political Constitution of the United Mexican States, as well as antitrust and consumer protection regulations. This includes, but is not limited to, the Mexican Federal Antitrust Law, the Mexican Federal Consumer Protection Law and other regulatory frameworks in force regarding monopolies, unfair commercial practices and consumer rights.

## Political contributions and donations

GRI 215-1

Contributions or donations to candidates running for elected office are strictly prohibited at Grupo PIASA.

# ETHICS Hotline

GRI 2-26

Grupo PIASA's Ethics Hotline is a confidential and secure channel through which anyone, whether an employee, supplier, customer or third party related to the company, can report any action or practice that they consider to be contrary to the Group's regulations, principles and values. Our goal is to foster an ethical and transparent work environment in which everyone involved observes internal policies, the law, and human rights.



# STAKEHOLDER engagement mechanisms

GRI 2-29

We are implementing a structured approach to identify, prioritize and maintain an ongoing dialogue with our stakeholders, ensuring that their expectations, needs and concerns are considered in our decision-making.

We use mapping tools to identify them and classify them based on their level of influence and impact on our activities. They include:



We have several interaction mechanisms, such as:

- |                      |                   |                                  |
|----------------------|-------------------|----------------------------------|
| ❑ Perception surveys | ❑ Website         | ❑ Sustainability report          |
| ❑ Regular meetings   | ❑ Intranet        | ❑ Complaint and suggestion boxes |
| ❑ Committees         | ❑ Bulletin boards |                                  |

*In 2025 we will seek to expand and improve communication channels with our stakeholders.*



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# Internal AUDIT

GRI 2-13

Internal auditing at Grupo PIASA is an independent and unbiased function that helps to strengthen the Internal Control System and continuously improve our operations. We assess risks and ensure compliance with relevant policies, procedures, and regulations using a systematic and disciplined approach.

Our audit activities are executed in accordance with the Annual Audit Plan, which is designed using a risk-based approach to prioritize critical areas of the organization. The findings are documented in detailed reports, and corrective actions are implemented to ensure risk mitigation and alignment with our strategic objectives.

This process not only improves operational transparency and efficiency, but it also builds trust among all of our stakeholders.

*In 2024, 27 reports were issued on the major macro-processes in the business units. These are classified according to the level of risk and financial loss involved for the business.*





# Compliance and involvement in the legal and REGULATORY LANDSCAPE

GRI 2-27, 2-28, 407-1

We understand the importance of operating within a strong and transparent compliance framework for our long-term viability and competitiveness. We abide by the laws, regulations and standards applicable to our industry, ensuring strict compliance with our legal and regulatory obligations. Compliance with these guidelines favors our operational integrity and solidifies our position as a trustworthy and responsible business.

Through dialogue with authorities and regulatory agencies, we seek to engage in efforts that encourage the creation of a fair regulatory system that is consistent with international best practices.

Improving this interaction will allow us to anticipate regulatory changes, manage risks and ensure that our actions are always aimed at optimizing our processes.

*"Legal compliance is essential to our sustainability model, as it ensures responsible practices, reduces legal risks and strengthens the Group".*

Emilio Flores – Chief Legal Officer



*No fines or legal breaches were recorded during the reported period.*



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# LABOR UNIONS



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We support and protect our employees' rights based on compliance with applicable laws.

We foster constructive communication with union representatives, ensuring that labor relations are based on mutual respect, transparency and collaboration.

This approach allows us to proactively address our employees' needs, thereby promoting a harmonious and fair working environment.

The Mexican Sugar, Alcohol and Similar Industries Contract Law is a collective bargaining agreement

that regulates labor conditions. It defines the conditions, duties, and rights for all activities involving the production and processing of sugar cane and its by-products.

Its significance lies in key aspects such as safeguarding labor rights, ensuring fair working conditions, fostering equity between parties, and providing legal certainty in labor relations. This reduces conflicts, facilitates dispute resolution, and improves working conditions.

**74% of our employees are unionized.**



# Our PARTNERSHIPS

GRI 2-28



*National Chamber of the Sugar and Alcohol Industries (Cámara Nacional de las Industrias Azucarera y Alcohólica, CNIAA)*

We are members of the National Chamber of the Sugar and Alcohol Industries (Cámara Nacional de las Industrias Azucarera y Alcohólica, CNIAA), a key organization in representing, defending, and promoting the interests of the sugar and alcohol sector in Mexico. This membership enables Grupo PIASA to align with industry best practices and actively participate in the development of public policies that promote the growth and sustainability of Mexico's sugar industry.

*Sweet New England Company Commercial Alliance*

As a result of their strong relationship, Grupo PIASA and Sweet New England renewed their commitment in 2022 through a commercial alliance, with the goal of integrating their value chains and improving service to our customers in the Northeast and Southeast United States.

We ensure a consistent supply of refined and specialty sugars by combining capabilities and offering a broad portfolio of products characterized by features such as service, packaging, color, and granulometry.

The products resulting from this partnership are marketed in the United States under the Sweet New England Company's TrueCane brand, supporting the Group's long-term strategic development and growth vision in the commodities market.

# HABLEMOS DE AZÚCAR

## Over 15 years promoting accountability and well-being

This project, which is built on more than 15 years of experience, is supported by the members of the National Chamber of the Sugar and Alcohol Industries (Cámara Nacional de las Industrias Azucarera y Alcohólica, CNIAA). It specializes in agricultural, social and environmental communication. Its goal is to promote responsible sugar consumption using scientific knowledge and well-planned health campaigns that are spread via television, bus stop advertisements, billboards, social media, and print media.

### Key Programs

#### Transforming realities

- Supporting sports: The "Azúcar de Caña Sport Team" program supports 12 high-performance athletes who have represented Mexico in international competitions, including

High-performance athletes prove that cane sugar is a 100% natural and healthy source of energy.

the Olympic Games, demonstrating that cane sugar is a 100% natural and healthy source of energy.

- Global impact: Hablemos de Azúcar participates in worldwide forums that help find sustainable solutions, including the World Sugar Research Organisation (WSRO), the United Nations UNDESSA (Water), and European environmental committees.
- Social media presence: It has built a strong digital community on platforms such as YouTube and TikTok. Each post reaches over 580,000 people, generating over 13,000 reactions, thousands of comments, and over 680,000 impressions.



OVER 1 Million  
Facebook Followers

26.1 Thousand  
Instagram Followers

3.7 Million  
Reactions

167 Million  
Reach



AZÚCAR  
SOLO HAY UNA  
DE CAÑA 100% NATURAL



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# HABLEMOS DE AZÚCAR

## Let's have a real talk



### Lonchicuates

Lonchicuates is a project that complements Hablemos de Azúcar, designed to encourage families to eat healthy and have fun. It provides over 300 simple and creative recipes, as well as practical tips on health, sports, and balanced eating.

The project, using characters like Celia, Pepe-Pino, Mangalán, Brocodance, and Fresana, guides families through inventive ways to incorporate good nutrition into their daily lives.

### Our commitment to Communities

Lonchicuates supports events and social initiatives in communities near the sugar mills. Together with Grupo PIASA, it has participated in the "Saquito del Honor" award ceremony,

developing activities that involve Olympic athletes as ambassadors, thereby strengthening the connection between agribusiness and communities.

### Looking Ahead

The project seeks to expand its scope and add new partners, strengthening its social and environmental impact. Lonchicuates continues to evolve to connect with new generations.

Hablemos de Azúcar and Lonchicuates show how responsible consumption and proper nutrition can go hand in hand with well-being, sustainability, and community development.



LEARN MORE AND SUBSCRIBE  
[hablemosdeazucar.com](https://hablemosdeazucar.com)



# Participation in FEATURED EVENTS

## Convención EXPOATAM 2024

We see continuous learning and knowledge exchange as critical pillars for strengthening the sugar industry. As a result, on September 18, 19, and 20, we attended the most recent Convención EXPOATAM, organized by the Mexican Association of Sugar Technicians (Asociación de Técnicos Azucareros de México, ATAM). This is a crucial platform to learn about industry trends, technical advancements, and best practices.

Our participation allowed us to identify areas for improvement, make strategic contacts, and gain a broader view on the challenges and progress of the sugar industry. We encouraged our female staff to present on gender equity during the first forum of the event.



## Foro Global Agroalimentario 2024

Grupo PIASA participated in the Foro Global Agroalimentario, which was held in Aguascalientes, Mexico, on October 17-18. This event, widely regarded as one of the most important for the agri-food industry on a national and international scale, brought together leaders, experts, and key industry players to discuss the sector's challenges and opportunities in the context of sustainable development.

Our interactive stand enabled us to present our sustainability model and highlight initiatives like:

- Sustainable agricultural practices: Implementation of precision agriculture techniques and responsible soil and water management programs.
- Environmental management: Strategies for reducing carbon emissions, circular economy and efficient resource management.

- Value chain innovation: Development of products and processes aligned with international quality and safety standards.

The stand became a space for dialogue and learning, where visitors, customers and strategic partners learned about the Group's progress in terms of sustainability.

Our participation in this event demonstrates our commitment to leading the transition to a more sustainable and resilient agribusiness, encouraging innovative solutions and forming strategic alliances that generate value throughout the production chain.



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