Chedraui
cuesta menos

2024

INTEGRATED ANNUAL REPORT



CONTENT



ABOUT THIS REPORT

Judgments and Sources of Uncertainty

MESSAGE FROM THE CEO

ABOUT GRUPO CHEDRAUI

Key Figures

Business Strategy

Information Technology and Security

Responsible Sourcing

Values

Retail in México

Retail in USA

Logistics and Distribution

Real Estate

Corporate Governance

Compensation

Controls and Monitoring Procedures

RISK MANAGEMENT AND SUSTAINABILITY-RELATED OPPORTUNITIES

Our Risk Management System

Materiality Analysis for Impacts, risks and Sustainability-Related Opportunities

OUR STRATEGIC FRAMEWORK FOR SUSTAINABILITY

Energy

Material Topic Description

Mitigation Strategy

Corporate Policies

Metrics and Goals

Climate Change

Material Topic Description

Mitigation Strategy

Corporate Policies

Metrics and Goals

Materials and Circularity

Material Topic Description

Mitigation Strategy

Corporate Policies

Metrics and Goals

Water

Material Topic Description

Mitigation Strategy

Corporate Policies

Metrics and Goals

Natural Capital

Material Topic Description

Mitigation Strategy

Corporate Policies

Metrics and Goals



SOCIAL

- Talent Management
  - Material Topic Description
  - Mitigation Strategy
  - Corporate Policies
  - Metrics and Goals
- Occupational Health and Safety
  - Material Topic Description
  - Mitigation Strategy
  - Corporate Policies
  - Metrics and Goals
- Community Relations
  - Material Topic Description
  - Mitigation Strategy
  - Corporate Policies
  - Metrics and Goals
- Customer Relations and Brand Management
  - Material Topic Description
  - Mitigation Strategy
  - Corporate Policies
  - Topic-Related Metrics and Goals
- Diversity and Equal Opportunities
  - Material Topic Description
  - Topic-Related Strategy and Actions Taken
  - Corporate Policies
  - Metrics and Goals
- Human Rights
  - Material Topic Description
  - Mitigation Strategy
  - Corporate Policies
  - Metrics

GOVERNANCE

- Supply Chain Management
  - Description of Risks, Opportunities, and Impacts
  - Mitigation Strategy
- Responsible Parties and Corporate Policies
- Topic-Related Metrics and Goals
- Cybersecurity
  - Description of Risks, Opportunities, and Impacts
  - Mitigation Strategy
  - Corporate Policies
  - Metrics and Goals

INDEX FOR REFERENCES TO SUSTAINABILITY STANDARDS

- GRI
- SASB



ABOUT THIS REPORT

GRI 2-1, **GRI** 2-2, **GRI** 2-3

The report herein includes sustainability-related information for Grupo Comercial Chedraui, S.A.B. de C.V. (hereinafter, "Chedraui") and its subsidiaries Chedraui USA, Inc., for the period comprising Jan. 1 to Dec. 31, 2024.

Moreover, this report aims to provide a better understanding to both the principal users of our financial information as well as other stakeholders; it describes the impacts, risks, and opportunities related to the sustainability stemming from the operation of the business and also the efforts undertaken by Chedraui to manage the same.

To optimally describe the processes for governance, strategy, risk management, and sustainability-related opportunities, this report refers to the ISSB (International Sustainability Standards Board). However, the report does not represent full alignment with said standards, but rather an initial effort to adopt them.

To present results on the management of impacts, risks, and opportunities related to sustainability in the form of metrics, this report refers to the following standards:

- Sustainability Accounting Standards Board (SASB), for the following industries:
  - Retail (CG-MR), Version 2023-12
  - Food Distributors and Retailers (FB-FR), Version 2023-12
- Global Reporting Initiative (GRI), Version 2021

Furthermore, it reports on the contribution to the Sustainable Development Goals through the actions and initiatives implemented by the Chedraui Foundation and its adherence to the 10 Universal Principles of the Global Compact.

Judgments and Sources of Uncertainty

This report contains "forward-looking statements." Such statements can be identified by words such as "may," "will," "expect," "aim," "intend," "anticipate," "believe," "estimate," "plan," "project," "could," "should," "hope," "likely," and "continue," as well as similar words. Actual results may differ significantly from these statements due to risk factors such as those identified in our Consolidated Financial Statements, socio-demographic and economic trends, energy prices, access to energy sources, technological innovations, climate conditions, legislative changes, environmental data collection, implementation of initiatives, policy compliance, and reliance on third parties. These are not all of the factors that could cause material differences in our results; other unknown factors could also affect them. Therefore, caution is advised against placing undue reliance on these forward-looking statements, particularly those explicitly stated for medium and long-term timeframes. All of the risks and factors mentioned should be taken into account.

MESSAGE FROM THE CEO

GRI 2-22

Dear investors, strategic partners, employees, and stakeholders:

I'm privileged to share with you the results and achievements for 2024, where not only our organic growth accelerated with the opening of 84 stores in Mexico and six in the USA -totaling 541 units and 384 units, respectively- but also our customer-centric strategy continued to deliver favorable results and market share gains.

By sustaining the lowest prices, improving our operational processes, and consistently striving to enhance the shopping experience for our customers, we have been able to win their trust and, at the same time, continue creating sustainable value for all our stakeholders.

The commitment of our employees to the fulfillment of our strategy's three main pillars: offering the lowest prices possible; having the best assortment store by store according to customer preferences; and providing customers with the best shopping experience, are the basis of our daily operations. On the other hand, a greater penetration of our loyalty program, known as "My Chedraui" is key to providing greater insight into customer preferences and thereby being able to offer them with promotions tailored to their needs.

In 2024, the number of customers who are part of "Mi Chedraui" loyalty program grew 5.7%, as compared to the previous year. This provided a total of 13,000,000 customers enrolled and their corresponding contact data. This loyalty program has enabled us to identify 74% of sales, vs 70% in 2023, a key indicator of their purchases at, and preference for, our stores.

Additionally, customer satisfaction is continuously tracked to measure their loyalty and willingness to recommend Chedraui. The NPS (Net Promoter Score) obtained was 71 points for the first semester of 2024, whereas for the second semester it advanced to 74 points, an improvement regarding scores obtained in 2023. This outcome reflects the continuous initiatives implemented to provide customers with the best shopping experience.

The prior enabled us to gain market share throughout the year, achieving a 5.6% same-store growth in 2024, compared to the previous year, surpassing the growth recorded within the ANTAD (Mexican Retail Association) sector by 168 basis points.

Chedraui USA initiated a transformation project that will enable growth in the medium and long term. It entails transitioning the operation of five distribution centers (DC) in California to a new Distribution Center designed especially to meet our needs. This new DC, measuring over 133,000 m² in size, required an investment of nearly $120 million. The operations at the new Rancho Cucamonga Distribution Center in California (RCDC) commenced in the second semester of 2024, which will enable medium- and long-term savings in distribution and centralized procurement costs, thereby supporting store openings for the coming years.

In the second semester of 2024 a marketing campaign began, which was later complemented by a strategy of low prices for perishable products, in the aim to draw greater customer traffic to our Smart & Final format. The goal for this format is to be recognized as a primary store that focuses on perishable and low prices, as is the case of El Super and Fiesta stores. These are known for their low prices and top quality perishables.

Our efforts were seen in the positive results obtained by Chedraui USA, as we continued to grow customer traffic at El Super and Fiesta by close to mid-single digit. Toward the end of the year, the aforementioned campaigns implemented in Smart & Final contributed to an upswing in customer traffic in the stores. As a result, customer traffic grew 2.6% in Chedraui USA, compared to 2023, whereas same-store sales grew 0.4% in terms of U.S. Dollars.

The company's commitment to invest resources obtained by our operations and thereby generate a greater return for our operations, both in Mexico as well as in the United States is the driver behind the $11.454 billion pesos invested in 2024, growing by 52.9% compared to the $7.488 billion pesos invested in 2023, and representing 4.1% of consolidated sales, as opposed to 2.8% in 2024. The amount invested was used to accelerate our store

openings in Mexico (86 units) and the USA (6 units), closing the year with a total of 925 stores; the opening of the new RCDC; as well as maintenance and remodeling of existing stores to continue offering our customers the best shopping experience in the market.

Moreover, throughout the year, we continued with our commitment to generate a positive impact in the communities where we operate; continued development of our employees; and ensured sustainable and responsible growth while also fostering a culture of integrity and transparency among our employees, guided by our Code of Ethics.

This commitment is inherent to improving our CDP (Carbon Disclosure Project) score of C- in terms of Climate, Forests, and Efficient Water Use, to a C; in addition to raising the score for S&P Global CSA to 37 points.

In the medium and long term, we'll continue to work on the consolidation of our strategy toward the creation of further sustainable value for the Company and for all our stakeholders. As part of these efforts, in 2024, we updated our materiality analysis in terms of sustainable operations for Mexico and for the U.S., aligned with standards set by GRI and by the IFRS. This process helped to identify and concentrate efforts on 13 key aspects of our business; provide greater visibility into current and future risks; and generate opportunity-driven strategies that may be leveraged moving forward to ensure sustained and sustainable growth for our operations.

The plans for 2025 will focus on reinforcing our enterprise risk management system, which in turn will provide guidelines for handling the risks identified in each material topic; in addition to performing a climate risk analysis to identify, assess, and prioritize any related risks, and then design effective mitigation measures. This analysis will not only help to face immediate challenges but also provide a long-term vision that capitalizes on emerging opportunities.

Finally, I wish to express my profound gratitude for the efforts and dedication of all our employees, who are the heart and soul of our Company; without them we would be unable to fulfill our mission of "Improving the lives of our customers, by bringing the products they prefer, at the best price, to as many places as possible, thereby inspiring our employees to grow and develop within Chedraui."

To those who are part of our supply chain -from our merchandise suppliers, to our commercial partners- I also thank you for your commitment to our values, and your contribution to our results; to our customers, who are the reason for which our Company exists, as your trust and preference encourages us to continue innovating and improving day-by-day; and to our investors for the confidence you have in our commitment to generate long-term sustainable growth and value creation.

José Antonio Chedraui Eguía
CHIEF EXECUTIVE OFFICER OF GRUPO COMERCIAL CHEDRAUI

ABOUT CHEDRAUI

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

We are a leading Mexican company in the multi-format, self-service sector with operations in Mexico and the United States. Our stores — located in 25 states throughout Mexico — sell a variety of food products, including staples and perishables, as well as non-food items such as electronics, major appliances, household appliances, furniture, apparel, and other merchandise.

In the United States, our stores are located in Arizona, California, Nevada, New Mexico, and Texas, selling perishables and grocery items, serving customers of Hispanic origin —particularly the Mexican-American population— while also catering to a broader customer base.

In Mexico and the United States, the total workforce consists of 79,948 employees that work in a total of 925 stores, with a total sales floor of approximately 2,501,666 square meters, representing a 2.1% increase compared to 2023.

As of Dec. 31, 2024, our Company operates 541 self-service stores under five formats. They are "Tiendas Chedraui", "Súper Chedraui", "Súper Che", "Supercito" and the stores under the Arteli format that was acquired in 2022. There is also an association with Smart & Final del Noroeste, under which 17 stores are operated in the NW region of Mexico.

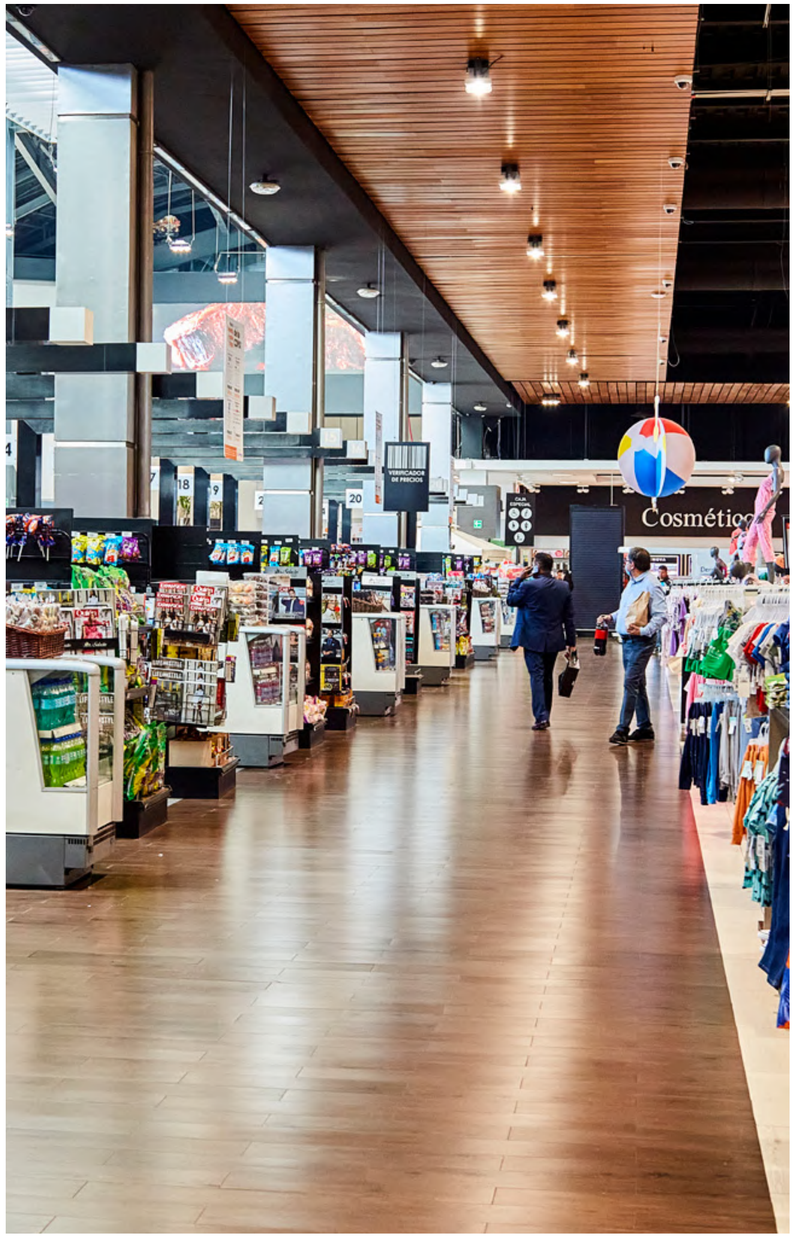
The "Selecto" concept was introduced in 2011, serving customers with a higher purchasing power, in which not only traditional products are offered, but also organic, kosher, gourmet, and in general products having a greater added value. As of Dec. 31, 2024, our Company operates 54 Selecto stores, of which 31 are under the Tienda Chedraui format; 31 Súper Chedraui stores; and 10 Supercito stores.

In contrast, in the United States, our self-service operations are conducted through Chedraui USA, with three different formats: El Super, Fiesta, and Smart & Final. For the last 27 years, El Super and Fiesta have catered to the Latin-American community, especially Mexican-American customers in the southern region of the United States. Smart & Final serves both households and businesses, thereby broadening our customer base in the region.

We firmly believe that our strategy of offering the best prices, together with a wide range of products and an excellent shopping experience, has proven to be a key strategic differentiator and a determining factor for business growth. During the last few years, we have adequately maintained record levels of profitability and consistent growth.

The Real Estate division is responsible for overseeing own and leased property, existing and forecasted leasable areas, as well as the expansion, construction, and remodeling of our units in Mexico. The leasable area in 2024 totaled 452,764 square meters, with 3.3% annual growth, and an occupancy rate of 98.4%.

On an annual basis, we set aside a proportion of our consolidated revenues for investing in the opening of new units, remodeling, store maintenance, replacing air conditioning and refrigeration equipment, replacing computers, and investing in IT, thereby making the Company more profitable and providing continuity to the business growth strategy. Furthermore, it enables us to comply with our mission: "Improving the lives of people by bringing the products they prefer, at the best price, to as many places as possible, thereby inspiring our employees to grow and develop within Chedraui."



Timeline / Grupo Comercial Chedraui

1970
The first store is opened in Xalapa, Veracruz.

1970-1980
Chedraui begins its expansion program, opening stores in other cities throughout Mexico.

1985
Chedraui begins operations of its Real Estate division.

1987
Grupo Comercial Chedraui S.A. de C.V. is constituted.

1997
Chedraui expands internationally upon opening the first El Super store in the USA.

2005
Chedraui acquires 29 Carrefour stores in Mexico, thus opening operations in Mexico City.

2008
Chedraui acquires seven Gigante stores in the USA.

2010
Chedraui begins trading its shares in the Mexican Stock Exchange (BMV)

2012
Acquires 8 stores in California, thus operating a total of 45 units in USA.

2018
Chedraui continues expansion in the USA by acquiring 63 Fiesta Mart units in Texas.

2020
Chedraui publishes its first Sustainability Report, thereby underscoring its commitment to the highest of standards.

2021
Acquisition of 254 Smart & Final units in California, Nevada and Arizona.

2022
Acquisition of 36 Arteli units in the northwestern region of Mexico.

2023
The issuer is included in the S&P index of the BMV.

2024
Inclusion in the MSCI* Mexico Index.

* The MSCI Mexico Index is designed to measure the performance of the large- and mid-cap segments of the Mexican market. With 23 components, the index covers approximately 85% of the float-adjusted market capitalization in Mexico.

KEY FIGURES FOR GRUPO COMERCIAL CHEDRAUI

Organic growth

Opening of 84 stores in Mexico and 6 in the US, reaching a total of 541 and 384 stores, respectively.

Same-store **sales growth** of 5.6% in Mexico and 0.5% in the US (dollars).

Customer relations and service

5.7% increase in registered customers with more than 13 million active users.

Sales identified with program customers represent 74%.

Net Promoter Score (NPS) of **74 points** in the second half of 2024, improving on previous years.

Sustainable Performance

Environmental Achievements

65% of electricity consumption in Mexico comes from **renewable sources** (wind and solar).

Installation of solar panels in stores, centers, and CEDIS, which increased solar energy consumption by **158%** compared to the previous year.

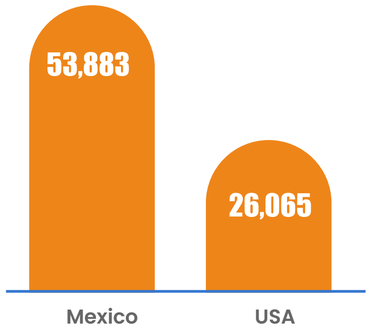
Implementation of recycling programs and reduction in the use of plastics and Styrofoam:

Styrofoam: Use was reduced by **18.6%**
Paper: Consumption was reduced by **41.9%**

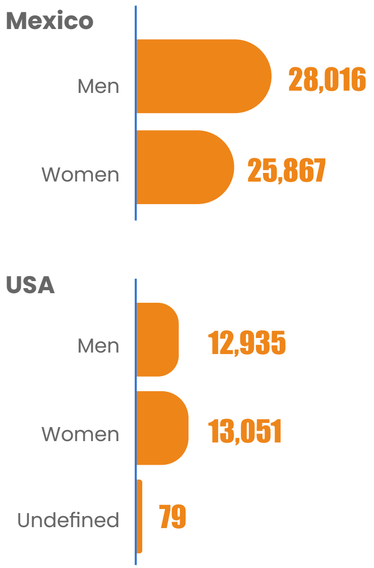
Social Achievements

79,948 Total employees

Division by country



Breakdown by gender



Education and training saw a **37% increase** in investment in these programs compared to the previous year.

Zero fatal incidents reported in 2024.

Social investment of **$301.6 million** pesos in Mexico and **$58 million** pesos in the United States (includes donations, scholarships, health support).

Donation of more than **4,560 tons of food to food** banks and other organizations.



Achievements in Governance

Increase in gender diversity:

17% women on the Board of Directors vs. 9% the previous year.

Strength in risk controls, anti-corruption policies, money laundering, code of ethics, cybersecurity, and regulatory compliance.

We continue to strengthen ESG quality control and risk standards for private label suppliers.

BUSINESS STRATEGY

GRI 414-2

Chedraui is a resilient company with solid leadership, unwavering values, effective corporate governance, and an inclusive social approach both with our employees and with customers. Our transparent and responsible corporate governance has ensured the existence of a proper and sustained management of the company. Moreover, by prioritizing the well-being of our people and our customers, loyalty and commitment is fostered, thus building a positive reputation. Also, the financial soundness of the Company helps face challenges and leverage opportunities, and in this manner the continuity and sustained growth for the organization becomes a reality.

What sets us apart is offering our customers the best prices combined with a wide range of products and an excellent shopping experience. This is a key factor that determines our customers' preference and therefore is the driving force behind the growth and profitability of our business.

Through our actions in economic, social, environmental, and governance matters, the commitment to all stakeholders is upheld, thus fulfilling our mission.

Likewise, it is through our different store formats, our wide range of products, and customer service that the Company has managed to gain market share by attracting various types of consumers to our stores.

Our goal will be to continue increasing the value obtained from our Customer Management strategy. This is expected to be accomplished by adopting a customer-centric decision-making culture, offering low-priced products, and continuously improving the shopping experience, while making it more personalized.

Our strategy is centered on three pillars:



The lowest price



The best assortment store by store



And The Best Shopping Experience



The Lowest Prices

Offering quality products at affordable prices for the various segments of the population is the core of our operations. Our purpose is to support family savings and improve the quality of life of our customers and employees, contributing to their well-being and that of their families.

Through a market price comparison, the best option for our customers is guaranteed. A daily market check is conducted both at the central and local levels. A basket of several products is purchased at our competitors' establishments, and then their prices are compared to ours, applying the lowest one to the point of sale. This ensures that we are able to offer our customers the best price compared to our competitors.



The Best Assortment Store by Store

The range of products offered in each store starts from an initial base, which is continuously adapted to the preferences of the customers who visit us, so each store has a selection suited to the needs of its customers.

As said before, following the pursuit of an assortment that properly meets customer profiles in each unit, in 2011, the "Selecto" (Select) concept was launched for Chedraui stores as well as for Súper Chedraui, and in 2022, it was expanded to the Supercito format. The concept is designed to serve customers belonging to the "A" income segment and higher. These units changed their look and feel and assortment offered, with the purpose of providing an enhanced product selection for customers having greater purchasing power.





PRIVATE LABELS

To increase the market share of our private-label products, our strategy entails ensuring that their prices and quality are competitive when compared to national brands. Additionally, the product assortment is constantly refreshed to meet customer needs. Likewise, our focus is on ensuring that the quality of our brands is at least equal to that of the market's leading brands by conducting constant evaluations through third-party audits, thus guaranteeing product quality. In 2025, our private-label strategy will be strengthened to present a new positioning and quality image to our customers.

In 2023 we began using SMETA (Sedex Members Ethical Trade Audit). SEDEX (Supplier Ethical Data Exchange) is a non-profit organization that works with buyers and suppliers in order to offer improvements, responsible and ethical business practices within the global supply chain.

The audits were initially implemented in 2023, a total of 65 supplier organizations were audited, and by 2024, 127 suppliers of the 142 used for our private labels. The audit process of all our private label suppliers is expected to be concluded in 2025.

To ensure the quality of our products, a robust quality process is followed. Below are the details of the audits conducted on our private-label supplier plants:

- **Initial Audit for Quality and Food Safety.** All suppliers must be audited by a third party designated by Tiendas Chedraui. The audit will cover all plants where the proposed products are manufactured, and the audit must be approved with a minimum score of 85 and no critical findings.

- **Follow-up Audit for Quality and Food Safety.** If the supplier holds a valid international certification approved by Tiendas Chedraui, a follow-up audit will not be required for the duration of its validity; otherwise, the supplier must be audited once a year by a third party designated by Tiendas Chedraui.

- **SMETA Social Responsibility Audit.** All suppliers must have a Social Responsibility audit following the SMETA methodology, covering at least two pillars. Suppliers who have already undergone this audit must share their report for technical review by a third party designated by Tiendas Chedraui. Suppliers without a SMETA audit must follow the protocol and be audited by a third party designated by Tiendas Chedraui. The validity of the audit shall be determined by the same agency mentioned.



During 2024, a quality analysis of items was conducted in Mexico, removing the different varieties within the same category, with the following results:

254
analyses conducted

97%
of SKUs for each respective category

The incorporation of

280 SKUs

for the imported private label **First Street**, a quality brand; and **Sun Harvest,** healthy and organic products.



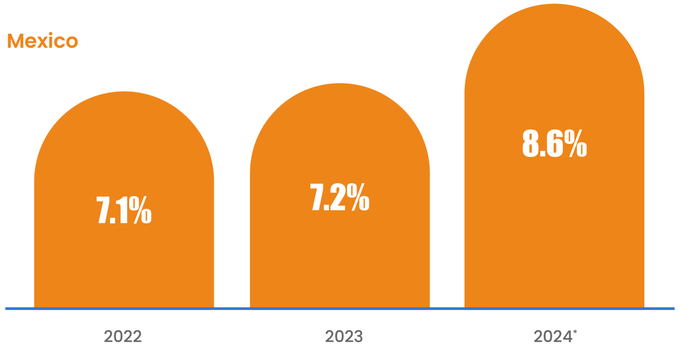


At Chedraui USA, particularly for the operation of Smart & Final, distinctive private-label products for customers have been developed in time, which aim not only to satisfy tastes and needs, but also to offer higher quality at a competitive price compared to our main competitors.

To ensure the quality of our private-label products at Chedraui USA, an internal quality control testing laboratory is used to evaluate the quality, regulatory compliance of labeling, and safety of our products. Additionally, product evaluations, quality monitoring, first-production testing, specification development, document compliance, and label approval take place. As part of our requirements, verification that all our suppliers comply with the food quality and safety standards of the GFSI (Global Food Safety Initiative) is performed. Most of our suppliers are audited under the SQF (Safe Quality Food); BRCGS (Brand Reputation through Compliance Global Standard); or FSSC22000 (Food Safety System Certification) programs, which are reviewed by the quality control team.

MARKET SHARE PARTICIPAION GRAPHS.
PRIVATE LABEL SALES AS PERCENTAGE OF EACH BANNER'S SALES.

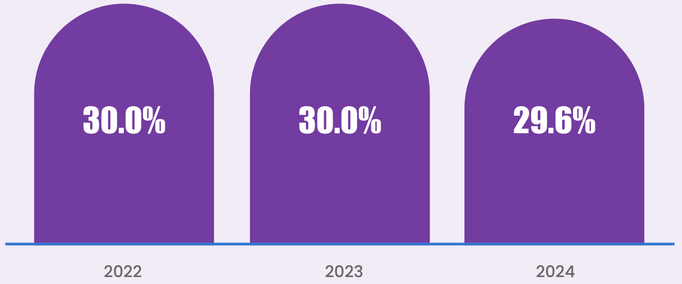
Mexico



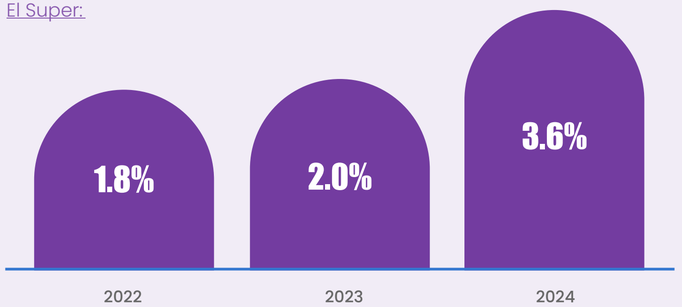
*Including 2.03% for Smart & Final private label products.

Chedraui USA

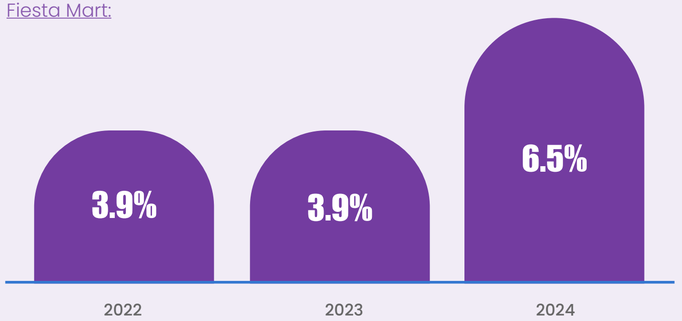
Smart & Final



El Super:



Fiesta Mart:



THE BEST SHOPPING EXPERIENCE

Our stores adhere to standard measures according to their format, including strict hygiene and sanitation guidelines, wide and well-lit aisles, clear signage, and parking facilities for larger formats, all designed to provide our customers with an optimum shopping experience.



OMNICHANNEL STRATEGY

Our Omnichannel business remains one of our key strategic priorities for the future. During 2024, significant technological changes in our e-commerce operations were consolidated, further strengthening our partnerships with the main supermarket order aggregators in Mexico. We are present in 26 of the 32 states throughout Mexico, participating as an online store in some of the formats of the Self-Service business, with different service models or sales channels, including:

- Store Pick-Up
- Home Delivery
- Purchasing our products from third-party digital channels such as:
  - Mercado Libre
  - Rappi
  - Uber
  - Quick Commerce

Our Messaging Delivery service enables us to send things nationwide, even in those states where there is no brick-and-mortar store.

We were the first chain to establish partnerships for the purchase of our products through third-party digital channels, as well as to sell items via our website or through our app, offering our customers the convenience of having their orders delivered to their homes or picked up directly at our physical stores.

Home delivery from our stores is carried out through third-party providers who have the capacity and flexibility to adapt to the changing volume of our business. This has allowed us to improve service quality for our customers, with an increase in the "perfect order" indicator —orders completed and delivered on time— by 1.9 basis points, reaching 86.2% in 2024, compared to 84.3% the previous year.

In our own channels, the focus is on improving both the technical and operational experience, which has allowed us to grow our active user base by more than 30%. Interaction rates, satisfaction, and, ultimately, user recurrence on our e-commerce platform have consistently improved, resulting in a 35% increase in orders. We continue to focus on consolidating our e-commerce technology, rapidly integrating solutions to improve conversion rates and reduce time and friction throughout the digital shopping journey.

This year our extended catalog was also launched, enabling users to access a wide range of products in a single location that complements the assortment found in our stores.

In terms of our Chedraui.com.mx channel and app, 57% of our orders were fulfilled this year through the Store Pick-Up option, compared to 58% in 2023. All our orders are packaged using cardboard boxes, recyclable plastic bags, or Kraft paper bags. Eighty-five percent of our stores offering online sales use recyclable plastic bags, while the remainder is divided between cardboard boxes and Kraft paper bags.

In 2024, omnichannel sales in the Self-Service segment for Mexico accounted for 3.1% of total sales, compared to 2.9% in 2023.

In 2024, the digital strategy for Chedraui USA focused on increasing traffic to the website, growing online sales, boosting app downloads and customer registrations, as well as implementing initiatives to improve visibility and training, among other efforts.

Sales through this channel accounted for 2.4% of total sales for Chedraui USA, driven mainly by Smart & Final, where omnichannel sales represented 3.5% of its sales, whereas in El Super and Fiesta Mart combined, they were slightly above 1%.

A technical team is dedicated exclusively to the cybersecurity of our website and App to prevent the misuse of any customer data and information.



UNIQUE SHOPPING EXPERIENCE

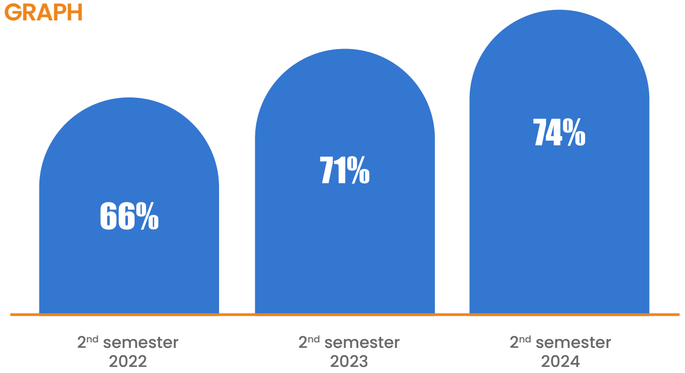
Customer Satisfaction

One of our primary concerns is to provide the best service to our customers and business partners; therefore, the best technological tools to help us achieve our objectives have been selected, as well as having an efficient and modern supply chain.

Surveys are conducted in each of our stores twice a year to assess customer satisfaction levels. This measurement evaluates, among other factors, 13 indicators to gauge satisfaction, and action plans are developed for each store to improve service levels with the aim to increase satisfaction.

During the first semester of 2024, there were 32,774 interviews conducted, achieving a Net Promoter Score (NPS) of 71 points. In the second semester, there were 34,949 interviews that resulted in an NPS of 74 points, which has been steadily growing over the past several years.

NPS GRAPH



Likewise, an annual assessment is performed to evaluate and compare the service of each location or store against our main competitors, and to have general performance measurements and indicators. This is done through door-to-door evaluations as well as in areas of influence; a total of 39,759 interviews took place in 2024.

Tangible Loyalty and Intelligent Evolution

For over eight years, "MiChedraui" has been a benchmark for loyalty and customer management in Mexico. In 2024, this leadership was reaffirmed with a strategy that focuses on generating real and perceptible value, marking a turning point toward an emotional, technological, and predictive model.

The evolution of the "MiChedraui" loyalty program has centered on delivering relevant and sustainable long-term experiences, shifting from being a program that offers rewards to becoming a platform for connecting with our customers.

The strategic pillar of this transformation has been personalization, understood as the ability to tailor each experience at the individual level, in real time, considering habits and behaviors. This evolution has been made possible through the intensive use of technologies such as artificial intelligence, machine learning, predictive analytics, and big data.

As a result, the following was achieved in 2024:

- A 5% increase in consumer growth, stemming from the results obtained from more personalized interactions.
- 75% growth in satisfaction with the use of "MiChedraui"





Innovation in Communication Channels and Omnichannel Experiences

One of the most significant advances of the year was the integration of WhatsApp as the flagship channel for one-on-one communication with customers. This media positioned itself as a close, efficient, and high-conversion channel due to its direct approach and real-time operation. A highlight was the launch of the "Token" project, which enabled the redemption of the MiChedraui wallet balance via WhatsApp, closing the conversation cycle. Achievements of this project:

- Chedraui Mexico is positioned as a leading retail company with the best Open rate in WhatsApp campaigns.
- 98% of requests are automatically resolved without the need for a consultant, having a satisfaction score of 4.78 out of a possible 5.00.



Reinforcing the Emotional Connection

The "Annual Customer Report" campaign provided a personalized view of consumer history, favorite products and stores, as well as bonuses received. A high level of engagement was generated, and the emotional bond with the brand was strengthened by demonstrating that "MiChedraui" both values and recognizes the role of each customer. New dynamics were introduced on social media, promoting active participation and continuous listening to what customers want, expect, or wish to receive.

These campaigns underscore our efforts to maintain close contact with our customers, producing specific impacts:

- +13 million customers are actively engaged with the program, which represents a 5.7% increase over 2023.
- 74% of sales were identified through the program, thus solidifying the strategic importance for "MiChedraui".
- Improvements to key KPIs for retention, redemption, and consumption, a direct result of the personalization and the integration of the omnichannel.

MiChedraui has evolved into an integrated experience strategy, where hyper-personalization, data, and technology are levers for building lasting relationships. In the medium term, our analytical capabilities will be further strengthened, expanding the ecosystem for the value of the program and evolving toward a more predictive model.

INFORMATION TECHNOLOGY AND SECURITY

In 2024, the use of technological tools continued to improve store operations, enhance Cloud Administration and incident self-management processes, and further reinforce our Cybersecurity strategy.

The use of Robotic Process Automation (RPA) was maintained and strengthened to optimize various operational and back-office processes, helping our employees increase the speed of their work. The virtual wallet payment process was enhanced at the point of sale; during customer identification, the payment is applied without the customer having to once again provide the wallet number —only the customer's mobile phone number is required.

Main benefits derived from investing in digitization and RPA:

Restocking:

Improvement in replenishment processes and obtaining different item catalogs and supplements.

Commercial:

Streamlining the processes for obtaining catalogs and integrating items for replenishment.

Automation of the receiving process:

Preparation, and shipping processes in distribution centers, avoiding manual errors in operational flows; improvements in operational times by automating logistics processes, recording merchandise movements, and ensuring merchandise traceability within the four walls; the ability to generate reports that indicate daily tasks and their comparison with previous days; and improvements in inventory recording processes.



Operation efficiency is obtained by converging processes into digital tools, thereby achieving more immersive customer experiences, reduced costs, and increased productivity. The concept of Green Technologies, such as blockchain, is being sought to eliminate intermediaries and to securely store transactions, cloud computing, and virtual and augmented reality, thus enabling increasingly sustainable processing.

In addition, a greater number of processes will undergo robotic automation, reducing the time required for repetitive tasks and making activities for both external and internal customers more productive and profitable.

In 2024, the groundwork began to establish Artificial Intelligence governance, with the goal of creating a culture in which the Company uses AI in an orderly and secure manner, thus increasing productivity in benefit of our customers.

Both Chedraui México and Chedraui USA have policies and procedures in place to guarantee the right to privacy of personal data belonging to our customers, employees, and third parties.

Corporate policies the company has to guarantee the confidentiality of personal data for our customers:

- Policy to Manage and Protect Personal Data 130-9136
- Policy to Manage and Safeguard Information 1500-0028
- Policy to Address Requests for Access, Rectification, Cancellation, or Opposition to Personal Data (ARCO) 180-0001

There is also a well-defined process to manage personal data, which consists of:

- Identifying the operations in which personal data is collected and processed
- Recording and controlling the personal data collected
- Implementing security measures for the protection and safeguarding of personal data
- Implementing a mechanism to handle ARCO requests (Rights of Access, Rectification, Cancellation, and Opposition), all related to the processing of personal data, through: datospersonales@chedraui.com.mx, in cases where an individual raises an objection or requires an update
- Preparing Privacy Notices at each point of contact where personal data is collected
- Providing mechanisms on digital platforms so that our customers may choose not to receive promotional and marketing materials.

Additionally, the Company has implemented complementary actions such as:

- Policies and procedures followed by our employees governing the retention, safeguarding, and deletion of personal data.
- Signing of commitments by the areas that handle personal data
- Attend and respond to all requests made by INAI (National Institute for Transparency, Access to Information, and Protection of Personal Data)

The Company is ready for cases of security breaches, having a procedure in force that includes event notification, assessment of its criticality, reporting, root-cause analysis, and a corrective action plan.

In the past three years there have been no confirmed cases of privacy violations or data breaches involving our customers, in both Mexico and the United States.

To access our privacy notice:

https://www.chedraui.com.mx/terminos-y-condiciones/politica-privacidad



RESPONSIBLE SOURCING

GRI 2-6

Our value chain has allowed us to efficiently optimize processes, maintain customer loyalty, and enhance the quality of the products and services we offer.



CHEDRAUI USA

In our US operations, we work with more than 2,750 suppliers from whom we purchase the products frequently stocked in our stores in that country.

Some 99.8% of our suppliers are local. In our El Super, Fiesta, and Smart & Final formats, no products are imported directly from Mexico, due to parallel operations in the U.S. by many Mexican suppliers. Therefore, the vast majority of products sold in El Super, Fiesta, and Smart & Final are purchased from local companies in the United States.

CHEDRAUI MEXICO

Our products are purchased from more than 2,850 suppliers in Mexico. No single supplier or group of related suppliers accounts for more than 4% of the total products purchased in 2024, and approximately 2.3% of purchases from suppliers were for products imported from abroad.

Additionally, certain imported products are sold, which are acquired from our U.S. operations, distributors, wholesalers, and multinational corporations in Mexico, with prices marked in pesos.

Our product quality and standards must be of the highest levels to achieve our mission of "Improving the lives of customers by bringing the products they prefer, at the best price, to as many places as possible, while inspiring our employees to grow and develop within Chedraui."

In addition to adhering to various standards, our suppliers are audited in food quality and safety, such as FSSC22000, ISO 22000, SQF, BRC, and other industry-specific audits, in addition to physical analyses and tests. In the case of our operations in the United States, a similar approach to that in Mexico is followed.

Our suppliers must meet certain requirements and comply with various regulations and certifications in order to provide their services to the Company, such as:

- Holding registration and protection with the Mexican Institute of Industrial Property or, where applicable, the National Copyright Institute
- Complying with all requirements established in the applicable Mexican Official Standards (NOMs).
- Possessing the documents that certify the legal origin, ownership, or possession of the products and/or merchandise marketed in accordance with the law
- Assuming responsibility for all actions stemming from the commercialization of the products and/or merchandise, as well as the corresponding brands, designs, and trade names associated with them
- Using technology aligned with sustainability and environmental considerations
- Signing the Supplier Code of Conduct and adhering to it at all times

As part of the Ethical Conduct Standards and in compliance with the legal provisions contained in our Supplier Code of Ethical Conduct, suppliers of merchandise, raw materials, and/or services are required to be lawfully established and to fully comply with labor, immigration, facility safety, health, and environmental protection laws and regulations, among others, established by local, state, and national levels of government, as applicable to their operations.

Furthermore, as of 2023, all our suppliers must sign the Code of Conduct.

Commitment to Sustainable Fishing

Our commitment to sustainable fishing was made public in 2020, in collaboration with SmartFish A.C., —a not-for-profit organization that promotes environmentally and socially sustainable fishing— to analyze the potential environmental impacts of the seafood products we offer.

Sustainable fishing aims to ensure that there are enough fish in the sea to maintain healthy populations, to strike a balance between how much fish is caught and how much is allowed to reproduce in future seasons. This type of fishing also seeks to respect habitats and ensure that people who depend on this activity can preserve their livelihoods.

Some practices that contribute to ecosystem conservation include respecting fishing bans and minimum sizes of species caught, verifying product traceability from catch to consumer, and ensuring fisheries have third-party certifications granted by MSC, Fair Trade, ASC, or BAP.

Adherence to these practices provides multiple benefits, such as preventing the purchase of overfished species; avoiding products caught through the use highly harmful fishing methods; and ensuring the future of fisheries and fishing communities.

In 2024, certain tools and training programs were identified that enable both our seafood purchasing teams and store teams at Chedraui to ensure that our fish and seafood supply is of lawful origin and, preferably, has environmental sustainability certification. SmartFish A.C. also advised us in identifying risks associated with the sale of certain species important to marine ecosystems in Baja California Sur, an exercise that resulted in the permanent removal of these species from our product catalog.

From 2021 to 2024, the percentage of products in our portfolio with identified origin and place of capture or production increased by 20%, and the percentage of products with environmental certification rose by 31%.

Through this partnership, our goal is to use our purchasing power to foster a positive transformation in fishing and aquaculture activities, contribute to the recovery of marine species, and promote the sustainable use of fishery resources.

Measures have also been implemented to reduce waste and plastics and mitigate their environmental impact on the oceans, while supporting suppliers with certifications and fishing guides that ensure responsible sourcing.

Chedraui was the first supermarket chain in Latin America to have a policy for the Purchase of Sustainable Fish Products.

This commitment requires us to purchase fish and seafood —in the fresh and frozen categories, whether domestic or imported, wild-caught or farmed— from fisheries or farms certified under globally-recognized standards (rated green or yellow by the Seafood Watch guide) or from fisheries or farms that are part of a fishery or aquaculture improvement project.

Responsibility with Meat Products

Likewise, our meat products have various national and international certifications, such as:

(Federal Inspection Type Certification) – Recognition granted by the Secretary of Agriculture and Rural Development through SENASICA (National Service for Agri-Food Health, Safety, and Quality), aimed at increasing quality standards for all types of meat.

Imported beef and chicken from the United States are certified and graded by the USDA (United States Department of Agriculture). Beef from Argentina is certified by SENASA (National Service for Agri-Food Health and Quality) and endorsed in Mexico by SENASICA.

In 2024, the company worked internally to establish an Animal Welfare Policy, which, to the extent possible, ensures that all animals involved in the production, marketing, and distribution chain for our products are treated with respect and dignity, and under conditions that guarantee their welfare, in accordance with best practices.

Additionally, the policy stipulates that our suppliers must be certified by recognized national and international bodies and comply with specific quality regulations, ensuring that the products we market meet quality standards and, to the extent possible, originate from responsible and sustainable sources.



VALUE CHAIN


SUPPLIERS
DRY PRODUCTS
FRESH AND FROZEN PRODUCTS
BUYER
CENTRAL REPLENISHMENT
Buyer Team
LOCAL SUPPLIERS
Purchase directly from stores
DIRECT
DISTRIBUTION
DISTRIBUTION CENTERS
SALE
STORES

VALUES

GRI 2-1



CHEDRAUI VALUES

The pursuit and definition of Chedraui's Mission and Vision began in 1987, with both of them established in 1998. In addition to introducing our institutional values as part of an initial strategic plan.

It was in this manner that our values of Honesty, Commitment, Respect, and Results Orientation were set as the foundations for our Company's operations. These definitions were approved by Grupo Chedraui's Chief Executive, who together with Human Resources are currently responsible for upholding the Company's values. Both corporate and operational personnel receive training in this topic on an annual basis.

Honesty

We always conduct ourselves with truthful and proper behavior within and outside the Company, to maintain the trust and credibility of our customers, suppliers, shareholders, and colleagues.

Respect

We treat our employees, customers, and suppliers with dignity and fairness, without abusing our level of authority.

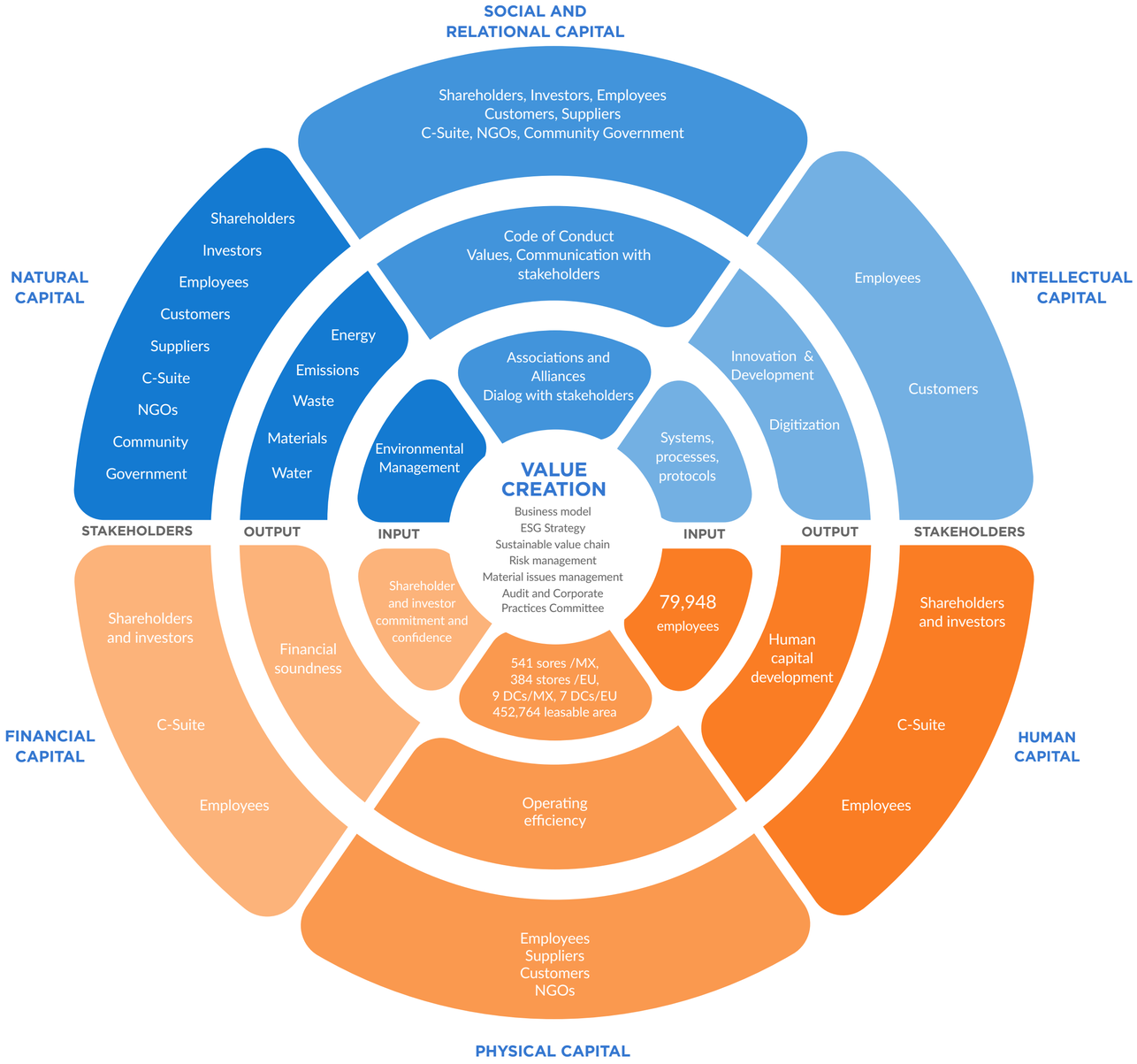
Commitment

We assume with loyalty and responsibility the mission of the Company: "To bring to as many places as possible the products that customers prefer at the best price."

Results Oriented

All our actions are aimed at working with profitability and efficiency to ensure the permanence of the Company, by achieving established objectives and by an optimal use of the resources we have available, without any waste.

VALUE CREATION



SUSTAINABLE GROWTH

541 Stores in Mexico

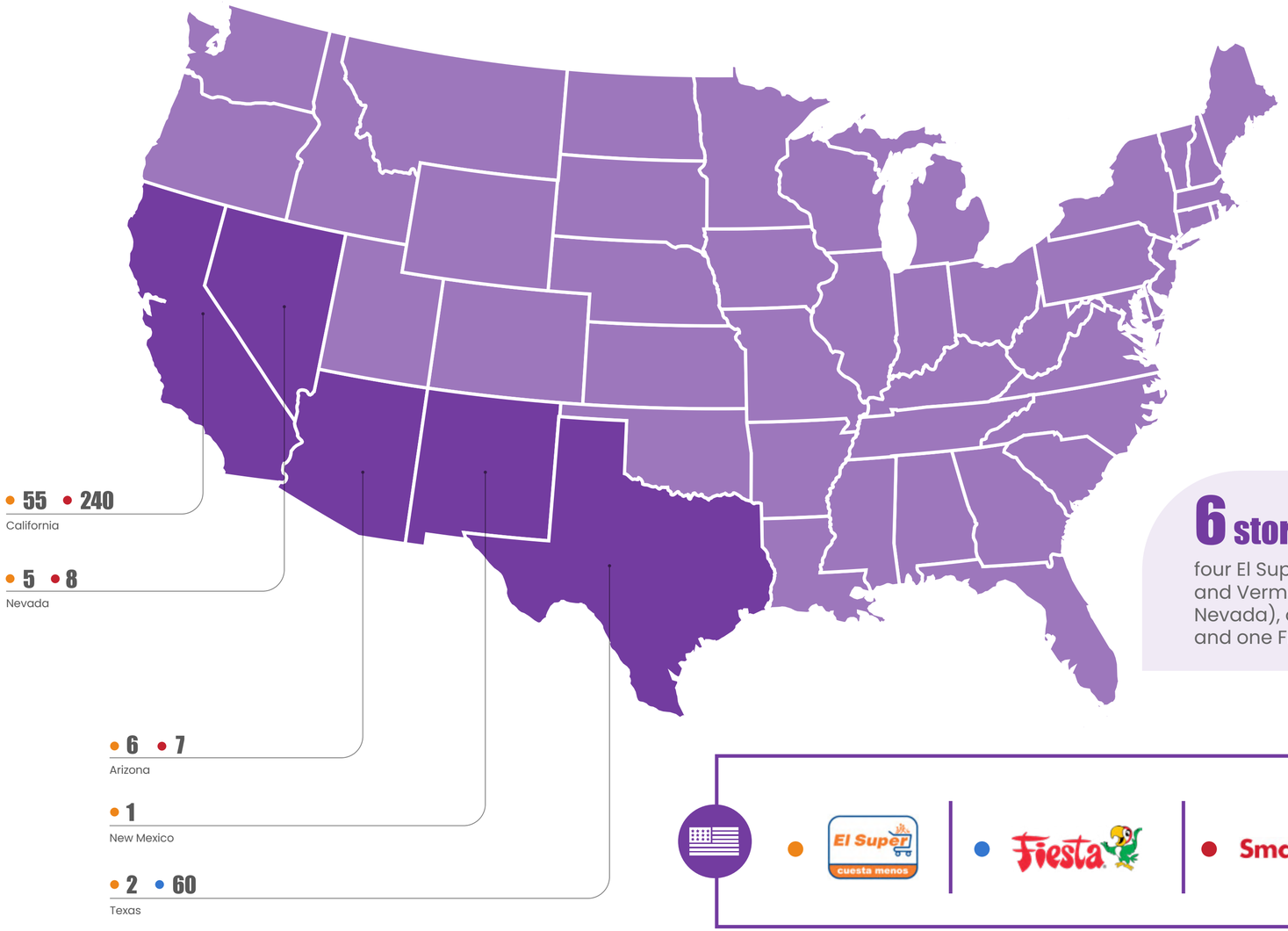
17 Stores in Joint Venture under the name of Smart & Final del Noroeste

84 store openings in 2024 vs. 57 in 2023



Distribution

- **Metropolitan Area:** Greater Mexico City
- **Central:** Aguascalientes, Guanajuato, Jalisco, State of Mexico (Toluca), Morelos, Puebla, Querétaro, Colima, Michoacán, Hidalgo, Tlaxcala and San Luis Potosí.
- **Northern Mexico:** Chihuahua, Coahuila, Zacatecas and Durango.
- **NE Mexico:** Nuevo León and Tamaulipas.
- **NW Mexico:** Baja California Norte, Baja California Sur, Sonora, Sinaloa and Nayarit.
- **SE Mexico:** Tabasco, Veracruz, Yucatán, Quintana Roo and Campeche.
- **SW Mexico:** Guerrero, Oaxaca and Chiapas.



In 2024, the sustained generation of cash flow allowed us to accelerate our organic growth strategy for México and the United States, while continuously focused on offering the product variety preferred by our customers, store by store, at the best prices and with service levels that exceed their expectations.

Our strategy of customer centricity continues to provide positive results, reflected in a greater market share against our competitors. For the fourth consecutive year, same-store sales surpassed ANTAD (the Mexican Retail Association) levels, with an average spread of 168 basis points throughout the 2024[1] period, thus growing our market share and expanding our customer base.

6 store openings in 2024:

four El Super (San Ysidro CA, Bell Gardens and Vermont in Los Angeles and Reno Nevada), one Smart & Final (Temecula CA) and one Fiesta (Lewisville TX).

At Chedraui USA, customer traffic continues growing, primarily due to a mid-digit increases in traffic for El Super and Fiesta Mart, and a marginal increase for Smart & Final.

El Super cuesta menos | Fiesta | Smart&Final.

384 Total Stores in USA

[1] Said number excludes the effect produced by recorded sales of pantry items in support of the emergency experienced in Acapulco, Guerrero in 2023.

RETAIL MEXICO



In 2024, Chedraui experienced considerable organic growth by opening 81 stores in Mexico during the year, accelerating the pace of our growth as compared to the 56 stores opened in 2023. This reaffirms our commitment to being a major employer in the country, but always in compliance with legal requirements wherever we operate and being vigilant of any environmental impact.

541
Self-Service Stores

1,649,865 m²
of sales floor,
a 2.4%-increase
over 2023

7.4%
increase in Total Sales, for 2024

5.6%
increase in Same-Store Sales

Hypermarket

Chedraui cuesta menos

A self-service format with a wide variety of quality products, a wide product assortment, and the best prices in the market.

213 STORES

Approximately **75,400** items
Located in cities with a minimum of **100,000 inhabitants**
6,463 m² average sales floor
1,376,673 m² total sales floor

Products:

Food and non-food grocery items, perishables, general merchandise, apparel, and electronics.

Supermarket

Súper Chedraui cuesta menos

A smaller self-service format that sells staple items, groceries, and perishables.

81 STORES

Some **29,000** items
Located in cities and towns having a minimum of **25,000 inhabitants** and in some larger cities as an additional commercial offering
2,136 m² average sales floor
172,993 m² total sales floor

Products:

Food and non-food grocery items, perishables, and certain stores carry general merchandise, apparel, and electronics

Arteli

Some **8,100** items
1,076 m² average sales floor
38,734 m² total sales floor

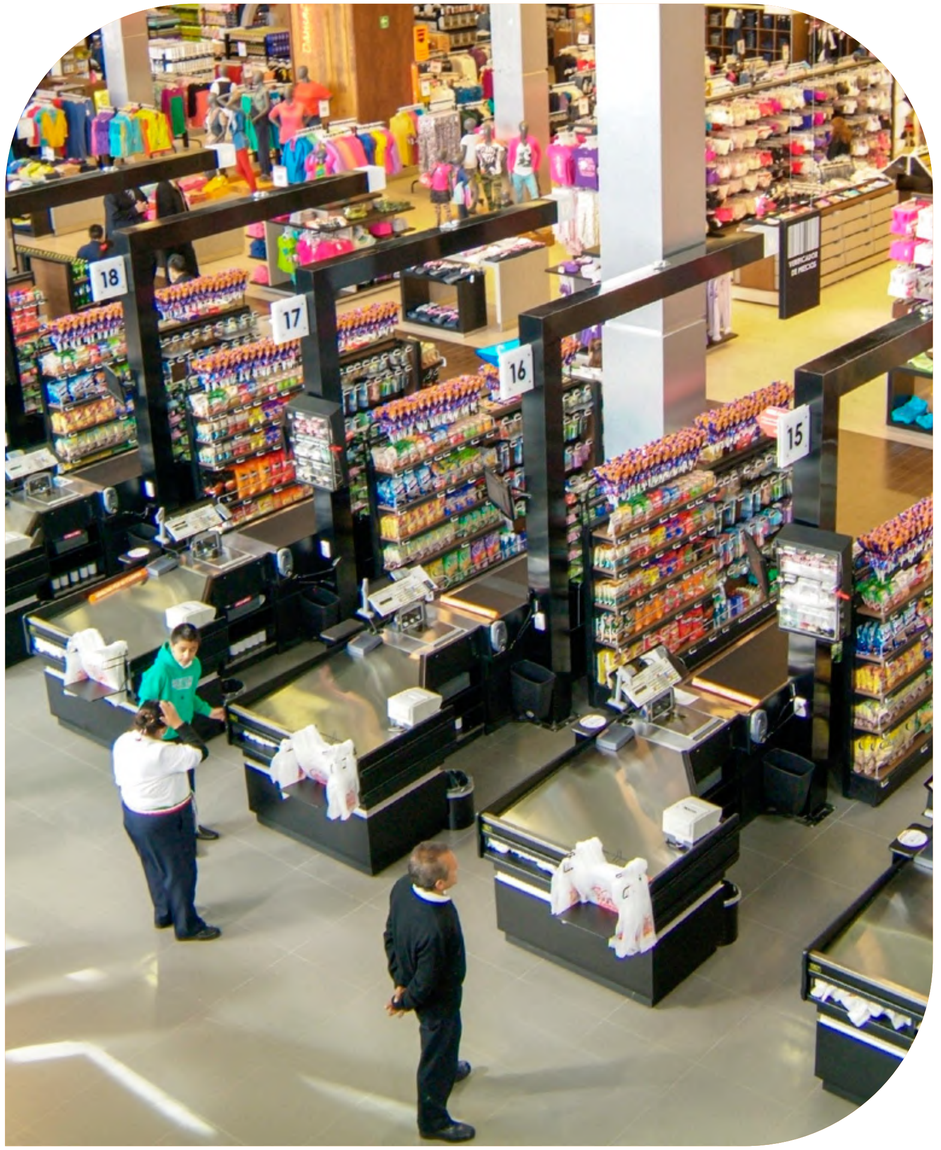
36 STORES

Smart&Final. del Noroeste (JV)

Stores with membership club-type product sizes, but without charging a membership fee, offering food and non-food items, and perishables.

17
stores under joint venture

25,879 m²
sales floor





Supermercado

Súper Che cuesta menos

A proximity format offering food and non-food grocery items, and perishables. It operates in large cities.

7 STORES

Some **10,300 items**
1,043 m² average sales floor
7,298 m² total sales floor

Products:
Food and non-food grocery items, perishables, and general merchandise

Supercito Chedraui cuesta menos

A proximity format that operates in high-population-density areas within large cities, offering food and non-food grocery items.

204 STORES

Some **2,800** items
270 m² average sales floor
54,167 m² total sales floor

Products:
Food and non-food items, and perishables

RETAIL USA

384
Self-Service Stores

851,801 m²
sales floor,
a 1-5%-increase
over 2023

It operates three formats:
El Super, Fiesta and Smart & Final



El Super cuesta menos

Caters mainly to Latino-American consumers in California, Arizona, Nevada, New Mexico, and parts of Texas

69 STORES

Some **10,400** items
2,510 m² average sales floor
173,185 m² total sales floor

Products:
Top quality perishables and grocery items

Customers:
Latino-Americans, primarily Mexican-Americans

Fiesta

Acquired in 2018, this niche chain is very well positioned and is present in the top 4 cities of Texas (Houston, Dallas, Austin, and Fort Worth), serving a diverse population and with a focus on the Mexican American communities.

60 STORES

Some **21,200** items
3,242 m² average sales floor
194,516 m² total sales floor

Products:
Top quality perishables and grocery items, with some units also having general merchandise and apparel.



Smart&Final

This format was acquired in 2021, serving individuals and small businesses in the states of Arizona, California, and Nevada.

255 STORES

Some **16,500** items
1,898 m² average sales floor
484,100 m² total sales floor

Products:
Food and non-food grocery items, perishables, with membership club-type and business sizes.

Chedraui USA sales represented **52.8%** of consolidated sales for Grupo Comercial Chedraui in 2024.

Chedraui USA grew same-store sales by **0.5%** in USD during 2024.

LOGISTICS AND DISTRIBUTION

Our distribution centers (DCs) help achieve operational efficiencies; suppliers are able to deliver their products in centralized locations, as opposed to having to go to multiple store sites, thereby leveraging economies of scale.

Chedraui Logistics focuses on improving the quality of life by providing our stores and customers with top quality, fresh, timely, and complete deliveries, at the lowest cost possible.



TOTAL DCs in Mexico: 9

A distribution center with **57,289 m²,** located in Zumpango, State of Mexico; with 188 docks for dry goods, refrigerated, and frozen products.

Another DC with **13,000 m²,** located in Cuautitlán Izcalli, State of Mexico.

A distribution center with **57,340 m²**, located in Villahermosa, Tabasco; with 182 docks for dry goods, refrigerated, and frozen products.

A DC with **883 m²**, located in Monterrey, Nuevo León; with 16 docks for dry goods, refrigerated, and frozen products.

Another DC with **10,415 m²**, located in Guadalajara, Jalisco; with 30 docks for dry goods, refrigerated, and frozen products.

Uno de **6,020 m²**, located in Cancún, Quintana Roo; with 20 docks for dry goods.

For our units in Baja California, a distribution center with **820 m²**, located in La Paz, Baja California is used.

Another DC with **11,245 m²** is located in Veracruz, Veracruz; with 54 docks for dry goods.

The acquisition transaction for the Arteli units includes a distribution center with **15,081 m²**, located in Tampico, Tamaulipas; with storage for 44 docks, and a processing plant for bread, tortillas, and meat, which measures **5,223 m²**.

The totality of our trucks in Mexico have satellite monitoring that operates 24/7 to ensure complete tracking of their location and to be able to react quickly in case of any danger for the vehicles.

CHEDRAUI USA

Distribution for **Chedraui USA** in the year was possible with the **seven DCs** that serve the three formats.

In 2023, the investment and construction of a new Distribution Center was carried out in Rancho Cucamonga, California (RCDC) began operations in 2024. It has 133,800 m² of construction, with an approximate investment of $120 million USD. The RCDC will serve Smart & Final and El Super stores in California, Nevada, Arizona, New Mexico and parts of Texas. Through centralized distribution, thereby obtaining cost efficiency and, above all, punctual merchandise deliveries to the stores.

As of December 31, 2024, the company operates seven distribution centers. We have closed the Commerce and Fontana DCs in California and migrated their operations to the RCDC. The following distribution centers remain in operation:

Tracy, California

14,084 m²

63 stores served

28 docks for dry goods, refrigerated and frozen products.

Turlock, California

6,968 m²

70 stores served

16 docks for dry goods, refrigerated, frozen, and floral products.

Brea, California

9,290 m²,

255 stores served

13 docks for frozen products.

Riverside, California

22,412 m²

255 stores served

34 docks for refrigerated, fresh produce, meat, and floral products.

Ontario, California, El Super

27,887 m²

69 stores served

36 docks for dry goods, refrigerated and frozen products.

Rancho Cucamonga California (RCDC), Smart & Final and El Super,

324 stores served

133,800 m²

184 docks for dry goods, refrigerated, and frozen products.

Houston, Texas – Fiesta

9,755 m²

60 stores served

18 docks for dry goods, refrigerated and frozen products.

In 2025, the Brea, Ontario, and Riverside distribution centers will be closed, transferring the corresponding operations to the RCDC.

One of our goals in Mexico and the United States is to maintain distribution cost efficiency, and at the same time care for the environment. Therefore, established and efficient delivery routes are used; delivery vehicles travel with a full load; and they are sent to our stores upon completing the loading process.

In addition, certain delivery vehicles have a division for refrigerated and non-refrigerated goods, to be able to accommodate both perishables and dry goods alike. Due to the reliability and efficiency in replenishment operations at our DCs, the stores accept their merchandise without the need for inventorying the products received. This produces additional efficiency in logistics and the supply chains. Our distribution fleets in both countries are outsourced.

REAL ESTATE

The operation of the real estate division includes managing our own and leased properties, existing leasable areas, as well as the expansion, construction, and remodeling of our stores in Mexico.

Our attention is focused on innovation, by developing increasingly modern shopping centers with novel brands and entertainment, and by placing special emphasis on athletic activities through indoor amusement parks.

Health-related aspects are also included in our plazas, such as medical labs and even a gynecology-obstetrics hospital. It's worth noting that the collection of rental fees from our tenants has been quite good, in addition to the positive growth and occupancy rates for this division.

Strategic Priorities:

- Designing stores and seeking to optimize construction materials and systems that enable us to reduce investment costs and enhance project profitability levels.
- Optimizing logistics and purchasing processes for equipment and materials.

In 2024, our website for the real estate division was launched to promote faster rentals of commercial spaces. Interested parties —either real estate firms, franchisers, developers, or entrepreneurs— may view all our commercial plazas, projects, and most importantly, the available spaces and their specifications. The site is automatically updated so that upon renting the space, it disappears, making it unavailable for anyone else.



Environmental care is a fundamental part of our Real Estate Division. Original lighting has been replaced with LED (light-emitting diode) fixtures, both indoors and in the parking areas of most of our shopping centers.

In terms of new projects, environmental impact analysis takes place prior to beginning. All projects have the necessary construction permits, are in full compliance with applicable regulations, and we are beginning to use wind and solar energy as part of our commitment to mitigate climate change.

The principal criteria taken into account when building our stores:

- Electricity savings through the use of solar panels
- Water permeability for outdoor areas
- Consideration given to green areas within the projects undertaken
- Remediation of existing flora on properties of interest
- Water-saving restroom facilities
- Alternative water-catchment systems, among others.

The above is part of the comprehensive Environmental, Urban, Traffic, and Civil Protection Impact Studies conducted for projects prior to construction. These studies are required by various agencies, pursuant to current legislation.

- **Presence in 21 states** throughout Mexico
- Mexico **3,172 commercial spaces** and kioskos
- **452,764 m²** of leasable area in 2024, representing 3.3% growth compared to last year

CORPORATE GOVERNANCE



Our Corporate Governance is founded on integrity and transparency with corporate policies, guidelines, quality standards, and programs that contribute to the proper operation and growth of a reliable and socially responsible company, fully complying with all applicable operation regulations, stipulations set forth by the National Banking and Securities Commission, and recommendations for best corporate practices.

Tax Compliance

Tax governance and the control framework exercised by the Board of Directors over the group's companies, through the supervision of the Audit and Corporate Practices Committee (CAPS) for Grupo Comercial Chedraui, is carried out through the Deputy Director for Taxes, who in turn reports to the Deputy General Manager for Administration and Finance regarding the compliance with tax obligations, adoption of tax reforms or restructurings within the Group; as well, as any related risks and benefits. The organization must report all tax jurisdictions where it is considered a tax resident.

Our tax strategy in both Mexico and the United States is primarily based on complying with tax obligations, filing and paying taxes to the Tax Authorities accurately, on time, and according to the tax legislation in each country. Likewise, we analyze and, if considered, use the various benefits and facilities permitted by law, as it allows us to access tax incentives in line with applicable standards and regulations.

Additionally, our Company has internal policies, "150-004 RELATED PARTIES" and "150-0011 TAX COMPLIANCE," published on the Group's official portal, which are intended for compliance with Federal and Local tax contributions in an appropriate, reasonable, and timely manner, with full adherence to the regulations established by the authorities, as well as applicable Federal and Local laws and regulations.

Tax-related risks are identified internally, a process conducted through various review controls and the constant analysis of tax changes and their impacts. These include the internal publication of tax bulletins for the different areas of the Group, standardization of working papers, and automated reports to reduce manual intervention by users in the accurate and timely determination of tax calculations. Regular reviews are also performed by management levels within the department, thereby maintaining a low level of tax-related incidents.

Additionally, new technologies are consistently under development, as their applicability makes tax compliance more efficient, sustainable, and resilient, implementing automated processes (Bots) that help manage large volumes of information while exponentially reducing tax risks.

Ongoing training on tax matters and related topics is provided to team members in the tax area, delivered by a specialized third party. This includes annual training provided by the tax auditor and, in very specific cases, the support of an advisory firm for a second opinion.

Also, there is continuous monitoring of tax compliance within the department, as well as of processes implemented with other Company areas that have tax implications. This is reflected and evaluated by the independent auditor and through compliance opinions and reviews carried out by the tax authorities.

The effective tax rate paid in 2024 was 31%, compared to 29% in 2023, which was above the effective tax rate in Mexico due to the taxes paid in Chedraui USA during the year.

Governance Bodies

GRI 2-10

The bodies responsible for overseeing compliance in management, ensuring that the company acts in accordance with legislation and corporate best practices, while maintaining a strong commitment to integrity and transparency, are:

a) The ultimate authority for fundamental matters rest with the General Shareholders' Meeting.

b) The Board of Directors is the highest governance body and at the close of 2024 it has 12 members, of which 75% are independent Directors (vs. 70% the year before) and 17% are women (vs. 9% in 2023).

c) The Audit and Corporate Practices Committee is a body that assists the Board of Directors, supervising compliance by Top Management in Company strategies and applicable regulations. The Committee has four independent members from the Board of Directors, who in turn guarantee a comprehensive and objective review of Company practices.

d) Other internal committees. The following committees monitor the evolution of different topics that are key to the Company:

- **a.** Ethics and Integrity Committee
- **b.** Risk Evaluation Committee
- **c.** Investigations Committee
- **d.** Information Security Committee
- **e.** Diversity and Labor Inclusion Committee
- **f.** Business Continuity Committee
- **g.** Sustainability Committee



DUTIES OF THE BOARD OF DIRECTORS

- Establish overall strategies and oversee business management and performance
- Based on Committee recommendations, it must approve:
  - Supervision and oversight of full regulatory compliance with related-party operations that Chedraui wishes to perform.
  - Relevant operations ranging from 5% to 20% of the value of consolidated assets.
  - The naming and election, and if the case, removal of the CEO, with the corresponding comprehensive compensation.
  - Policies and guidelines relevant to internal control, audits, accounting, remuneration for Board members, and the use of property, information, and communication, among others.
  - Company financial statements.
  - Hiring the independent audit service company, and any additional or supplementary auditing services.
- Periodic presentation of reports, information, and relevant findings to the General Shareholders' Assembly, as per official regulations.
- Follow-up performed on primary risks to which Grupo Chedraui may be exposed and authorize preventive and corrective measures.
- Oversee compliance with the agreements reached during all Shareholder meetings.
- Ensure that Management: performs its obligations; strictly follows the Code of Ethics; adheres to all accounting and operational policies in force; accomplishes the goals established by the Shareholders' Assembly; adopts sound institutional practices, in keeping with the Code on Corporate Best Practices; and always acts responsibly.

DUTIES OF AUDIT AND CORPORATE PRACTICES COMMITTEE

Primary Auditing Obligations:

- Fostering managerial transparency and integrity.
- Ensuring compliance with internal and independent auditing activities, and those of risk management.
- Identifying and monitoring those areas with the highest financial, strategic, environmental, and legal risks, or any potential risks the Company may face, and which could seriously impact its operations and/or objectives.
- Comply with requirements and legal and regulatory provisions, including relevant Company procedures and controls.
- Ensure the usefulness, timeliness, and accuracy of accounting and financial information, in keeping with applicable domestic and international financial information.
- Achieving the greatest efficacy, efficiency, and independence of the Board of Directors and its governance bodies.
- Supporting the Board of Directors regarding compliance with corporate policies and operating policies, and with the Code of Ethics.

Primary Duties in Corporate Practices:

- To pursue excellence in C Suite-level executives' performance and ensure alignment with strategic guidelines.
- Provide the Board of Directors support and make recommendations regarding strategic planning-related topics.
- Provide support in processes related to appointing, evaluating and compensating C Suite team (CEO and his/her direct reports) and the overall performance of the Company.
- Define policies and procedures in managing operations with related parties, among others.
- Provide support in processes regarding the appointment, selection and remuneration of Board members.
- Provide support in evaluating governance bodies and of the Board of Directors.



The Board of Directors of Grupo Chedraui holds quarterly meetings, as well as a fifth meeting for annual budget planning, whereas the Audit and Corporate Practices Committee meets monthly and evaluates at least once a year all ESG-related risks. In keeping with market practices, each member of the Board of Directors receives a Gold Centenario coin for each session attended.

Chedraui USA has its own Board and Audit Committee. Furthermore, the CEO of the Company reports the results and performance of the business unit to the Board, in addition to meeting with the Audit and Corporate Affairs Committee twice a year to discuss matters relevant to Independent and Internal audits, and the Company's primary corporate practices. Periodic meetings are held with the principal executives of Chedraui USA and with the CEO for Grupo Comercial Chedraui and his/her direct reports to analyze matters on Company strategy, performance, compliance, and risk factors.

Members	Gender (Male / Female)	Years of Seniority	(Statutory / Independent)	# of additional mandates[1]	Practical experience in the industry[2]			
					Retail	Finance	Risk Management[3]	Other Industries
Alfredo Chedraui Obeso	Male	55	Statutory		Yes	Yes		Yes
José Antonio Chedraui Obeso	Male	55	Statutory		Yes	Yes		Yes
José Antonio Chedraui Eguía	Male	35	Statutory		Yes	Yes		Yes
Agustín Irurita Pérez	Male	24	Independent	4		Yes	Yes	Yes
Federico Carlos Fernández Senderos	Male	16	Independent	4		Yes	Yes	Yes
Clemente Ismael Reyes-Retana Valdés	Male	15	Independent	2	Yes	Yes	Yes	Yes
Julio Gutiérrez Mercadillo	Male	11	Independent	0	Yes	Yes	Yes	Yes
Cecilia Goya Meade	Female	8	Independent	1	Yes	Yes		Yes
Francisco José Medina Chávez	Male	3	Independent	4		Yes		Yes
José Antonio Meade Kuribreña	Male	3	Independent	2		Yes	Yes	Yes
Elsa Beatriz Bojorges	Female	1	Independent	3		Yes		Yes
Francisco Darío Albuerne	Male	1	Independent	2		Yes		Yes

[1] Refers to the number of other boards of directors of public companies to which they belong. Memberships in private companies, educational institutions, and non-profit organizations are not considered.
[2] Refers to experience gained in employee or executive positions while performing management, academic, consulting, or research functions.
[3] They are considered to have had risk management experience if they met any of the following conditions before becoming directors: 1) They served as CEO, CFO, or CRO; 2) They held a senior management position in the financial sector.

ESG Governance

SUSTAINABILITY COMMITTEE

A Sustainability Committee has been established to monitor compliance with our corporate sustainability strategy. The said Committee is in charge of defining and leading the company's long-term sustainability priorities. This Committee has five top-level executives who oversee effective compliance with the sustainability strategy in their corresponding areas.

Both the Deputy General Manager for Administration and Finance and the Director of Sustainability have been charged with supervising sustainability-related risks and opportunities. The Deputy General Manager of Administration and Finance is in charge of incorporating ESG (Environmental, Social, and Governance) considerations into the financial planning process, whereas the Director of Sustainability reviews ESG-related topics, their compliance with the sustainability strategy for Chedraui, and all corresponding annual reports.

The Sustainability committee meets three times a year and it reports directly to the CEO. The Board of Directors, with the support of the Audit and Corporate Practices Committee, oversees the Company' strategy, including the sustainability-driven risks and opportunities.



MANAGEMENT TEAM

Lic. José Antonio Chedraui Eguía
Chief Executive Officer of Grupo Comercial Chedraui

CHEDRAUI USA

Lic. José Ramón Chedraui Eguía
Chairman of the Board of Directors

Ing. Carlos Smith Matas
CEO

Jack Hook
Chief Financial Officer

Joe Angulo
Chief Legal Counselor

CHEDRAUI MEXICO

Lic. Alfredo Chedraui López
Real Estate Director

Lic. Humberto, Tafolla Núñez
Deputy General Manager for Administration, Finance, Human Resources, and Information Technology

Lic. Arturo Eduardo Antonio Vasconcelos y de Pablo
Deputy General Manager for Comercial, Operations, and Logistics

Lic. Sergio Estrada Rentería
Director of Human Resources

Arq. Alejandro Rafael Lara Hakim
Director of Construction Projects

Lic. Jorge Luis Tawil Hernández
Director of Operations

Lic. Pilar Rojas Suárez
Director of Information Technology

Lic. Ignacio González Quirasco
Director of Sustainability and Social Responsibility

Lic. Ricardo Krasovsky Santamarina
Director of Real Estate Operations and Management

Ing. Miguel Cortés Morales
Director of Logistics

Ing. Jorge Ramírez Bonilla
Director of Commercial Strategy and Replenishment

Lic. Marcelino Flores Valdéz
Director of Loss Prevention

C.P. Eduardo Aguilera Assad
Director of Procurement, Supermarkets

Ing. Luis Rodríguez López
Director of Procurement, General Merchandise

Lic. Rafael Orozco Ramírez
Director of Marketing and CRM

Lic. Jaime Lozano Patiño
Director of Expansion

Lic. Alma Deyanira Torres Loeza
Legal Director

Lic. Martín Préstamo Fuerte
Formats Strategy Director

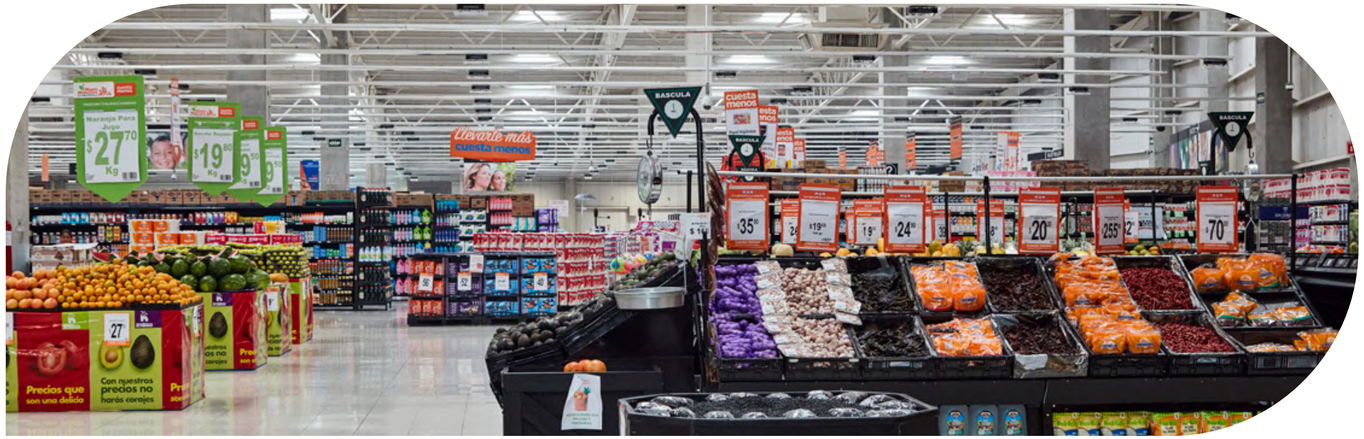
COMPENSATION

The Audit and Corporate Practices Committee is responsible for reviewing at least once a year the main components of top executives' remuneration, aligning them with the Company's financial and strategic performance, establishing strategic objectives (KPIs) for the areas they lead, and setting individual goals for each executive. These KPIs consider annual strategic metrics established for profitability, growth, margin improvement, openings, among others.

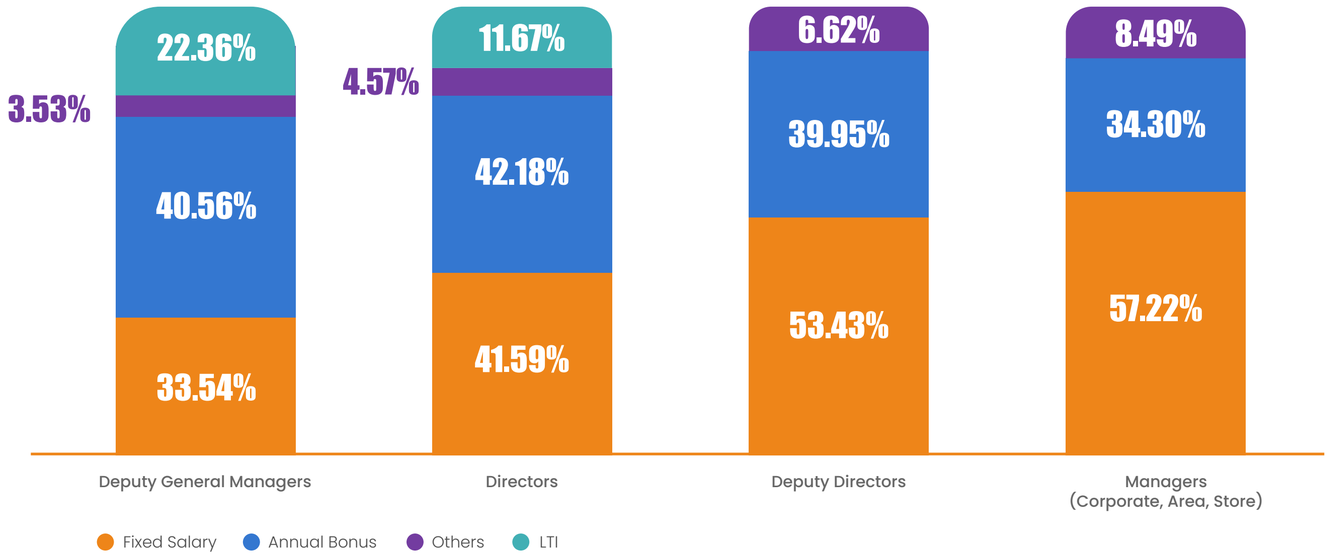
The compensation for key Company executives includes a significant component of variable compensation, designed to increase transparency of their functions, foster commitment, and alignment with the company's strategic objectives. Deputy Directors and managerial levels receive a combination of a fixed salary and annual performance bonuses, based on periodic performance evaluations and the accomplishment of specific goals.

The company's compensation schemes are reviewed annually, considering alignment with market practices and the sector in which the key executives operate. This is being done to create competitive compensation structures that meet current standards while enabling the Company to retain strategic employees and/or those with high growth potential.

The compensation plan for key executives is established by the Director of Human Resources and approved by the Deputy General Manager of Business and Finance, the CEO, and the Audit and Corporate Practices Committee (CAPS). An internal compensation committee evaluates changes and/or adjustments to current compensation plans for middle management executives (Deputy Directors and Managers).



COMPENSATION FOR EXECUTIVES



CONTROLS AND MONITORING PROCEDURES

The Sustainability Department is responsible for implementing the corresponding strategy, reporting progress to the Sustainability Committee. Diverse controls and procedures are used to oversee risks and opportunities related to sustainability matters.

These governing bodies play a key role in overseeing sustainability-related risks and opportunities within the company, including those related to climate. Oversight by the Committee is exercised through a structure where clear objectives are first established, followed by regular monitoring of their compliance to ensure that the strategies implemented are aligned with corporate objectives and sustainability best practices.

A Comprehensive Risk Management System is currently in the design and implementation phase, which will include risk management methodology, policy, and procedures, all aligned with the main benchmarks in this field. This system will seek to minimize risks that could prevent the fulfillment of strategic objectives for Chedraui. This system will undergo a process of maturity and stabilization at the company over the coming years.





RISK MANAGEMENT AND SUSTAINABILITY-RELATED OPPORTUNITIES



OUR RISK MANAGEMENT SYSTEM

A risk management system has been created in line with the principles of the COSO-ERM statistics model (Enterprise Risk Management Model) which incorporates the following elements:



Risk Identification

Risk identification is a continuous process involving all relevant areas. Individual sessions are held with each of the 18 company directors, resulting in ongoing identification of key risks. Likewise, "Risk Champions" are designated, playing a crucial role in monitoring and managing risks in each business area.

Risk Evaluation

Once the risks are identified, they undergo continuous evaluation, considering both the level of inherent risk and the level of residual risk after mitigation measures are implemented. This analysis provides an in-depth understanding of the magnitude and potential impact of each risk.

Risk Prioritization

To prioritize risks, recurring group sessions are held with the directors, during which voting takes place on the most important ones. Through this ongoing process, the most significant risks are identified and prioritized for analysis and monitoring.

Response to Risks

Each identified risk has a "Risk Card" that details its description, consequences, impact, and response status. Response strategies are regularly reviewed and updated, and may include accepting, reducing, transferring, or avoiding the risk, depending on its nature and the organization's risk appetite.

Monitoring and Review

Monitoring and review are continuous processes essential to ensuring that mitigation measures are effective and that risks remain within acceptable levels. Training workshops are conducted for "Risk Champions" on the risk management methodology, and constant communication is maintained with the departments to update and review the identified risks.

Communication and Consultation

Communication and consultation are fundamental activities that are performed consistently throughout the entire risk management process. Regular sessions are held with the directors to ensure a common understanding of the risks and their mitigation measures. In addition, attachments are included in the corresponding risk documentation to provide further details on the specified risks as well as an ongoing comparative analysis with other companies in the sector.

ANALYZING MATERIALITY OF SUSTAINABILITY IMPACTS, RISKS, AND OPPORTUNITIES

GRI 3-1

In late 2024, the company assessed the materiality of sustainability impacts, risks, and opportunities arising from its business operations. This analysis contained the following components:

Identification of Resources, Risks, and Opportunities

Thirty-one interviews were conducted (19 in Mexico and 12 in the U.S.A) with Chedraui's leadership team, identifying **18 resources** necessary to meet business objectives.

Also identified:

- **19 risks** that affect resource availability
- **17 opportunities** to optimize resource use

Estimating Financial Resource Relevance

Data contained in the Consolidated Financial Statements for 2023 and the notes to Chedraui's financial statements were used to estimate the economic relevance of each resource. This involves dividing each value by the total operational income to express its significance in terms of percentage of income.

Evaluating Impacts, Risks, and Opportunities

Two workshops were conducted (one in Mexico and one in the U.S.A), with the **participation of 34 executives** from all functional areas of the company.

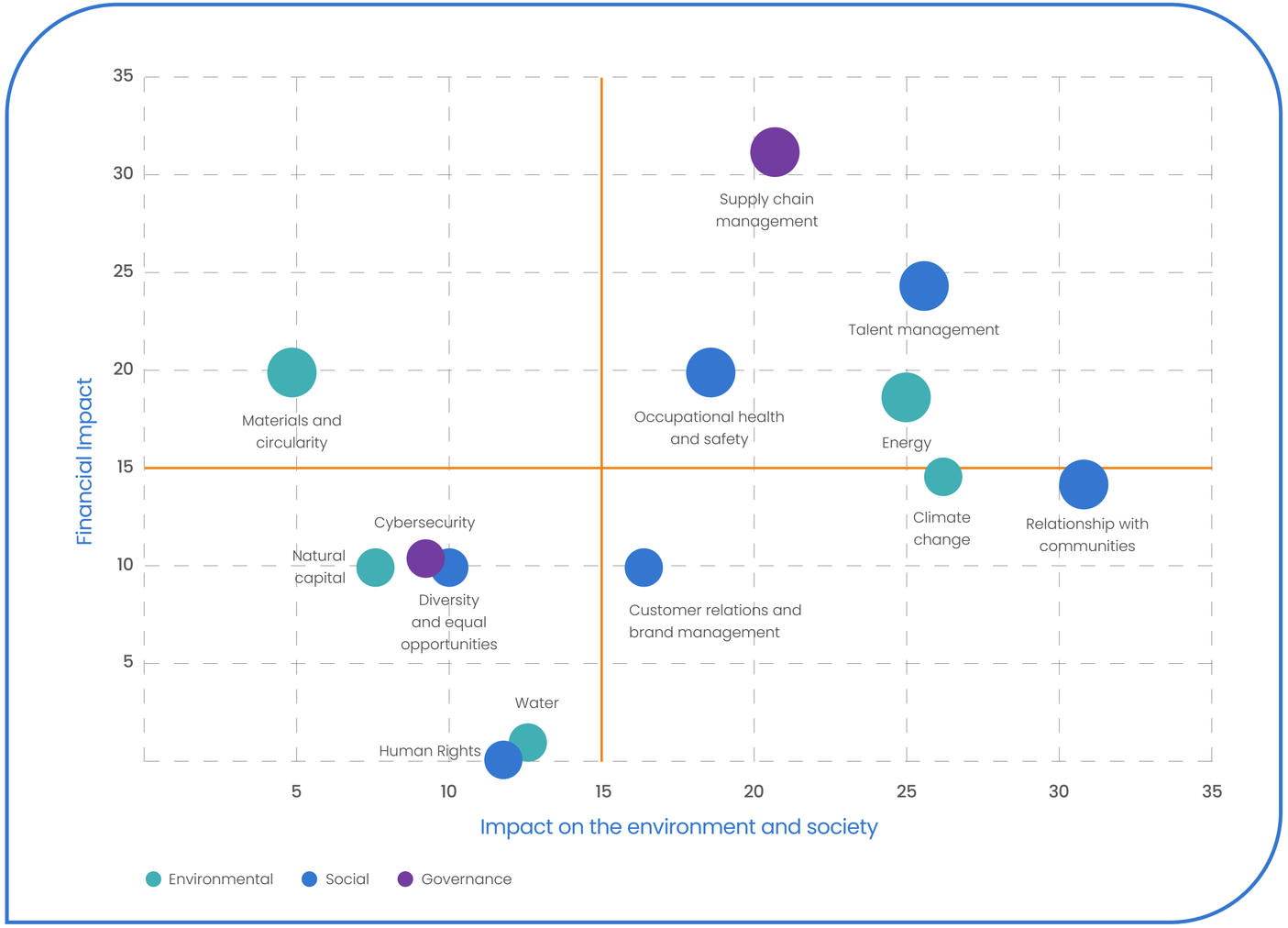
These executives employed a series of qualitative scales to assess the potential impact of these risks and opportunities on the business.

The materiality study conducted in 2022 served as the basis for various inquiries with Chedraui stakeholders, and it was used to identify both the positive and negative impacts the Company produces by using these resources. Therefore, **13 material topics** on the environment and society were identified.

Each risk, opportunity, and impact was assessed in terms of:

- Its **probability**
- Its potential **financial impact**
- The **reversibility** of the **environmental impact**
- The **limits of social licenses**
- Its **relevance for stakeholders**, as per the survey conducted by Chedraui in 2022.

Based on these processes, it was possible to determine the materiality of the impacts, risks, and opportunities, which were placed in environmental, social and governance groups as per the following matrix:





Currently underway is the process of integrating sustainability-related risks into our Enterprise Risk Management (ERM) system, as identified through our materiality analysis. The necessary assessments have been conducted to ensure the effective integration of these risks into the ERM, thus making sure they are addressed comprehensively and strategically within our organizational structure. This approach will enable us not only to manage risks proactively but also to capitalize on emerging opportunities.

In addition, analysis of climate risks will take place during 2025, as it is an essential component of our long-term sustainability strategy.

This detailed analysis will provide us with a deeper understanding of how specific climate risks impact our operations, enabling us to identify, assess, prioritize, and develop mitigation strategies. Once this analysis is completed, the identified climate risks will be fully integrated into our ERM, thereby boosting our ability to adapt and remain resilient in the face of environmental and regulatory changes.

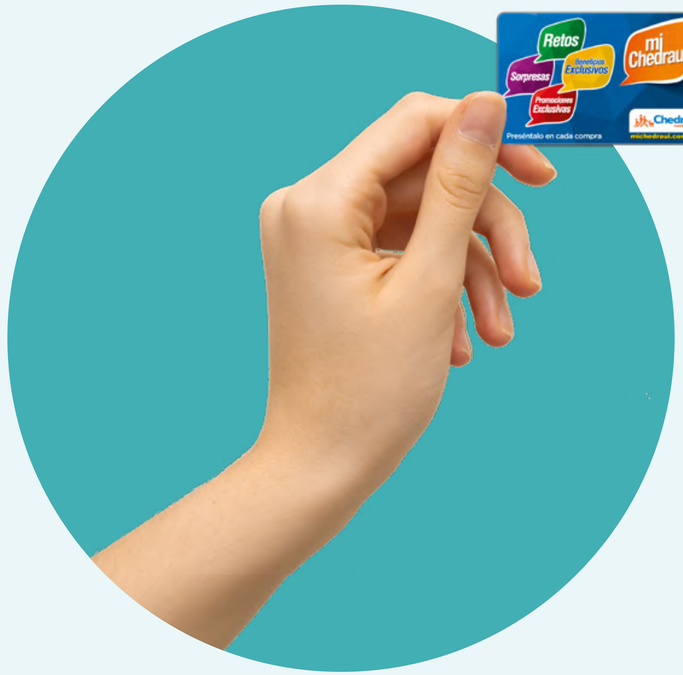
By adopting this comprehensive approach, not only are our current resources and operations protected, but our practices are also aligned with stakeholder expectations and industry best practices, leading to sustainable and responsible growth.



Chedraui
cuesta menos

STRATEGIC FRAMEWORK





OUR STRATEGIC SUSTAINABILITY FRAMEWORK

GRI 2-28

Our commitment to "improving the lives of customers by bringing the products they prefer, at the best price, to as many places as possible, thereby inspiring our employees to grow and develop within Chedraui", is embedded in the efficient use of available resources, thus caring for the environment and solidifying our commitment to our customers and the communities where we operate.

Our relationship with our customers, employees, investors, and suppliers is fundamental to achieving our objectives. Sustainability is a priority rooted in our strategy, and this evolution will allow us to continue creating and maintaining long-term value in an increasingly dynamic context.

We also remain committed to contributing to the United Nations 2030 Agenda of Sustainable Development Goals (SDGs) through our Route to 2030.



Pillars of Our Sustainability Strategy

Environmental:

Diverse initiatives aim to mitigate climate change and the environmental impacts of our business by prioritizing our carbon footprint, water resource management, waste management, and recycling, in addition to integrating the Company into a circular economy.

Social:

Our people are our most important asset. We strive to enhance the quality of life for our employees by promoting Human Rights, diversity, equality, development, and training in various topics, including sustainability, responsible sourcing, and governance, through a range of initiatives and programs. Also encouraged is their participation in community service projects sponsored by our Foundations in Mexico and in the United States.

Governance:

Chedraui firmly believes that ethics and integrity are values that have characterized us as a Company, allowing us to have respectful and trusting relationships with all our target audiences. Our corporate Governance is solid and grounded in integrity, ethics, accountability, and transparency. In this manner the interests of our stakeholders are protected, thus generating long-term economic and social value.

Chedraui always seeks to prevent unlawful operations, in addition to working toward the eradication of all forms of corruption in our Company, together with ensuring full compliance with all legal provisions mandated in the countries where we operate. Our Supplier Code of Conduct and our Corporate Policies regarding several topics serve as guidelines for the actions of our C-Suite and employees alike.



FUNDACIÓN CHEDRAUI
ayudamos de corazón

Fundación Chedraui upholds its commitment to the UN Global Compact to reinforce its corporate social responsibility and foster sustainable development through cooperation with the 10 Universal Principles and the 17 Sustainable Development Goals. The following is a list of the 15 goals where we are more actively involved.



Priorities	Initiatives	Contribution to Goals
1 NO POVERTY End poverty and all its forms everywhere.	• Support for different institutions that provide social assistance and education to thousands of Mexican families and students living in poverty. • We are responsible for guiding the needs of three schools: *Liceo de Artes y Oficios, A.C.,* where students with scarce economic resources are given scholarships to attend high school, technical schools, and intensive courses. • This allows them the possibility to continue their studies in college, obtain a job, get a promotion where they already work, open a business, or enhance the business they have, all done to improve their income levels and their quality of life.	• The 3 *Liceo de Artes y Oficios* schools have had **76,477** people graduate to date since their opening in 1987, which is 2.02% more graduates (8,409 in 2023 vs. 8,579 in 2024). **In terms of online courses:** **3,945** students graduated in 2024, a total of **16,139** from 1987 to 2024.
2 ZERO HUNGER Erase hunger, achieve food security, improve nutrition, and promote sustainable agriculture.	• Program for food donation, food products that are still in good condition, at all Chedraui stores nationwide. • Donations sent to Food Banks and other institutions.	• In 2022, some **3,591,552.01 kilos** were donated, benefiting over **532,000** people. • In 2023, some **5,174,269.85 kilos** were donated, benefiting over **765,000** people. • In 2024, some **4,560,000 kilos** were donated, benefiting **581,495** people. In addition to external food donations, an internal program was created for all employees to begin their work shift.

Priorities	Initiatives	Contribution to Goals
3 GOOD HEALTH AND WELL-BEING Ensure healthy lives and promote well-being for all at all ages.	• Support for cancer-specialized hospitals, clinics, and institutions: • Federico Gómez Children's Hospital in Mexico City and AHTECA (Help Me Brother, I have Cancer) in Xalapa, Veracruz. • *Casa de la Amistad* in Mexico City, which helps children with cancer • Breast Cancer Foundation in Mexico City, assisting people with this disease • *Casa Nueva* Foundation, which helps people with addictions, in Xalapa, Veracruz. • Xalapa Down Institute, which promotes actions in favor of people with Down Syndrome.	• Promoting health within the Company for all employees, through good habits in hygiene, nutrition, family entertainment, and volunteerism. • Vaccination campaigns. • Campaigns for preventing occupational illnesses. • Participation in Health Fairs.
4 QUALITY EDUCATION Guarantee inclusive, equal, and quality education, and promote learning opportunities for everyone throughout life.	• We help three: "*Liceo de Artes y Oficios, A.C.*" schools, where students from low-income families receive scholarships to attend high school, technical schools, or intensive courses. This enables them to go to college, get a job, or become self-employed, thereby improving their income and quality of life. The *Liceo* has three campuses: Xalapa, Veracruz City, and Villahermosa, offering both online and classroom education. • Support our employees to finish secondary and high school level education and have the possibility of obtaining job promotions within the Company.	**Liceo graduates in 2024:** • **8,579** students. • Total students benefited from 1987 to 2024: **76,477**. **Females 6,091** **Males 2,488** **Females 71%** **Males 29%** • A total of 22,760 hours in high school training.







Priorities	Initiatives	Contribution to Goals
5 IGUALDAD DE GÉNERO Achieve gender equality and empower all women and girls.	• Our Code of Ethics promotes gender equality in all our stores, corporate offices, and Distribution Centers, in addition to fair and equal treatment for all employees, regardless of their gender, religious beliefs, etc. • We are part of UNWomen, a UN-sponsored strategy on gender equality. • Promotion of diversity, gender equality, and respect for Human Rights. • Diversity and Inclusion Policy.	• Mexico **51.9%** Men **48.1%** Women
6 AGUA LIMPIA Y SANEAMIENTO Ensure access to water and sanitation for all.	• Permanent water-savings program in stores, corporate offices, and distribution centers. • Awareness campaigns on water consumption. • Efficient use of energy and water resources. • Monitoring water consumption.	• Water consumed in 2024 was **2,024,743 m³**
8 TRABAJO DECENTE Y CRECIMIENTO ECONÓMICO Promote economic, inclusive, and sustainable growth, employment, and decent work for all.	• Promotion of the development of human capital and fair payment for all employees. • Enhance working conditions, employment stability, and internal growth. • Wages, benefits, and compensation beyond what the Law mandates.	• 523,085 hours of training at the Chedraui University. • Mean training hours: **10.31 hrs** women **9.15 hrs** men • Training through Chedraui Corporate University for more than **53,882** employees.

Priorities	Initiatives	Contribution to Goals
10 REDUCED INEQUALITIES Reduce inequality within and among countries.	• Promote purchase of domestic products. • Give contractual preference to domestic suppliers.	• Chedraui has a Supplier Code of Conduct, which must be followed by all our suppliers.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION Ensure sustainable consumption and production patterns.	• Promote responsible use of resources, recycling and reuse of products and materials, and bio-degradation of waste.	
13 CLIMATE ACTION Take urgent action to combat climate change and its impacts.	• Sustainability committee. • Reduce carbon footprint. • Raise awareness among employees on the importance of combating climate change. • Maintain our short, medium, and long-term commitments to the use of clean energy, reducing emissions, saving water, and recycling waste.	
14 LIFE BELOW WATER Conserve and sustainably use the oceans, seas and marine resources.	• Promote responsible fishing.	• The first supermarket chain in Latin America to have a Policy on the Purchase of Sustainable Fish Products.
15 LIFE ON LAND Sustainably manage forests; combat desertification; halt and reverse land degradation; and halt biodiversity losses.	• Promote forestry conservation and conduct reforestation activities. • Drones are used for reforestation campaigns in Oaxaca and in Veracruz.	**Reforest hectares (2019-2024)** Oaxaca: **40** State of Mexico: **85** Veracruz: **275** • **Total: 400 hectares**







Priorities

16 PAZ, JUSTICIA E INSTITUCIONES SÓLIDAS

Promote just, peaceful, and inclusive societies.

17 ALIANZAS PARA LOGRAR LOS OBJETIVOS

Revitalize the global partnership for Sustainable Development.

Initiatives

- Code of Ethics for our employees.
- A culture of integrity, respect, and transparency is followed and additionally enforced through our Code of Ethics.
- Promote partnerships with organizations and institutions that pursue social development and environmental care.

Contribution to Goals

- Code of Ethics training for employees, ensuring full awareness of the same, in addition to signing said Code.
- Average hours of training per employee was 4.86 hrs in 2024.

Round-Up Campaigns

- 10 institutions benefited with a total of $5,803,963 pesos.
  - ANTAD Round-Up for Visual Health
  - Casa Nueva Foundation
  - Caritas Mexicana
  - Food to Share (Lic. Nora Ch)
  - Food Bank Assoc.
  - Educadores Integrales
  - Xalapa Mana Food Bank
  - FUCAM (Breast Cancer)
  - Gilberto Veracruz Foundation
  - Emanuel Foundation

Social Investment 2024: $301,608,936 pesos.



ENVIRONMENTAL





ENERGY

GRI 302-1
SASB: FB-FR-110a.1, FB-FR-130a.1, CG-MR-130a.1

The energy alternatives and needs of the sector in which we operate are constantly evolving. For this reason, our operations are aligned with environmental regulations and legislation, adapting to and complying with governmental regulations in the locations where we operate. Based on this, the following topics are priorities for our energy management and use:



Risks:

Increased electricity or fuel costs stemming from regulatory changes

Changes in energy regulations may increase the prices of these essential energy sources and thereby directly have an impact on operating costs. This phenomenon could reduce profit margins and force adjustments to pricing strategies, impacting market competitiveness.

Opportunities:

Reduced electricity costs by establishing contracts of renewable energy portfolios with Purchasing Power Agreements (PPAs)

By securing more competitive and stable long-term prices, our dependence on conventional energy sources can be reduced, in addition to mitigate the impact of fluctuations in energy market prices.

Reduction of electricity consumption through efficiency retrofits and the use of solar panels.

Retrofits are modifications or upgrades made to existing equipment, buildings, or systems to improve their efficiency and functionality. These actions make it possible to optimize energy use, reduce dependence on the power grid, generate significant savings in operating costs, and contribute to reducing the carbon footprint.

Incorporate the use of elements that reduce electricity costs by designing new installations.

By incorporating advanced technologies and sustainable practices in store construction, the Company can ensure more efficient use of energy, reducing operating expenses and improving project profitability.

Impact:

Energy is consumed, making use of the natural resources needed for its generation.

Energy consumption in our operations involves the use of natural resources, which a significantly impacts the environment.

Mitigation Strategy

In the context of our business model and value chain, energy consumption in operations has a significant impact, as it involves the use of natural resources necessary for its generation. This energy consumption is essential to maintaining our daily operations; however, an intensive use of energy encompasses environmental responsibilities that must be addressed with sustainable strategies.

An increase in electricity and fuel costs can raise operating expenses throughout the supply chain, from production to the distribution and sale of the products and services offered by the Company. This may require contract renegotiations and adjustments in commercial agreements, as well as the need to adjust our prices and margins, which in turn could have an effect on our market positioning and value proposition for the customer.

The challenge prompted us to search for innovative solutions to optimize our energy consumption and reduce our carbon footprint, aiming to increase investment in renewable energy and energy-efficiency technologies that mitigate the impact of rising costs. This could include an expansion of renewable PPAs (Purchasing Power Agreements) and the implementation of additional energy efficiency retrofits.

Efficient energy management is not only crucial to reduce operating costs but also to solidify our competitive position in the market. By adopting sustainable practices, our corporate image is enhanced and our commitment to a more responsible future is clearly demonstrated. This approach allows us to align our economic goals with our environmental responsibilities, ensuring that our operations are sustainable and aligned with current regulations and consumer expectations.

As part of our energy responsibility, ties with energy institutions and programs are established to improve our operations. An example is Chedraui Mexico's energy consumption, where part of our activities are covered with electricity supplied by the CFE (Mexico's Federal Electricity Board). In 2024, they provided us with 216,578 MWh to operate within national territory. Another notable milestone was the contracting of renewable electric power from PPAs over the last three years. During 2024, some 401,406 MWh were consumed under these agreements. Thus, in our Mexico operations, 65% of the energy used came from renewable sources.

In recent years, actions have been put into motion to reduce high consumption levels of electricity, refrigeration, and fuel in our stores. These actions are supported by renewable alternatives such as solar and wind energy. Some of these initiatives included the following:

- Installing solar panels in stores, shopping centers, and for perishable chambers in the Distribution Centers.
- By the end of 2024, we have solar panels in 39 stores and 22 shopping centers.
- Awareness campaigns and best practices in the use of electric power and fuel.
- Increasing the use of natural gas in our units.

From 2022 to 2024, energy use was diversified:



Mexico

(Percentage %)

	2022	2023	2024
Use of public grid	28	33	**35**
Wind energy	69	66	**62**
Solar energy	1	1	**3**

In 2023, one of the most prominent actions for Chedraui USA was the signing by Smart & Final of an agreement reached with a solar energy provider to apply and obtain solar credits to the utility bills; based on the solar energy generated by the solar panels placed in the store. In 2024, two Smart & Final stores and one El Super store joined the program, and during the year, approximately 70 kWh hours were received in solar credits.

Additionally, in 2014, an energy-savings strategy was implemented that focused on the modernization and remodeling of most of the Smart & Final stores. This strategy included, among other measures, the migration to LED lighting and refrigeration equipment that produces lower emissions, supported by installing and using things such as:

- Refrigerated doors
- Sales floor lighting
- Energy-efficient heaters
- Automatic doors



Policies

Through our sustainability policy, we promote responsible energy consumption practices, such as the use of clean energy sources, efficient equipment, and logistics schemes that optimize trips and transportation systems.

Metrics and Goals

Within our integrated report, energy consumption at Chedraui was itemized. This includes our use of conventional, renewable, and/or alternative energy sources. A considerable reduction is observed when compared to fuel consumption for the previous year. Below is the fuel consumption for the past 3 years:

Mexico and the United States

(MWh)

	2022	2023	2024
Use of the public power grid	667,468.87	687,684.40	719,427.26
Wind energy (PPA)	407,370.00	390,202.00	383,127.00
Solar energy (PPA)	4,340.00	7,083.00	18,279.00
Total	**1,079,178.87**	**1,084,969.40**	**1,120,833.26**

Mexico and USA

(Liters)

	2022	2023	2024
Natural gas	87,223,335	98,168,800	96,064,882
LP Gas	15,315,770	15,072,360	15,269,220
Gasoline	437,713	350,018	298,265
Diesel	1,065,943	1,030,739	1,170,098

Mexico

(Liters)

	2022	2023	2024
Natural gas	65,748,871	75,997,618	74,222,144
Gas LP	15,315,770	15,072,360	15,269,220
Gasoline	437,713	350,018	298,265
Diesel	1,065,943	1,030,739	1,170,098

USA

(Liters)

	2022	2023	2024
Natural gas	21,474,464	22,171,182	21,842,738

CLIMATE CHANGE

GRI 201-2, GRI 305-1, GRI 305-2
SASB: FB-FR-110b.1, FB-FR-110b.2, FB-FR-110b.3

At Chedraui we address climate change as a material issue essential to our business sustainability. We acknowledge that climate change presents both risks and opportunities for our operations and long-term strategy.

By focusing on the reduction of our carbon footprint and optimizing resource use, not only do operating costs improve, but also our energy efficiency and competitiveness in the market. Through the implementation of sustainable practices, we aim to mitigate reputational and regulatory risks, and also position Chedraui as a sustainability leader within the sector.

As a company committed to sustainability, we recognize that energy consumption in our operations generates greenhouse gas emissions, which represent a significant impact on our business model and value chain. This reality drives us to adopt proactive measures to mitigate our environmental impact and to integrate sustainable practices into every aspect of our activities.

Within the materiality analysis, the following risks and opportunities related to materials and circularity within the Company's operations were identified:



Risks:

Increased costs for food products as a consequence of climate change

This phenomenon is due to alterations in weather patterns that affect agricultural production, causing shortages and, consequently, an increase in the prices of the basic products we market.

Increased packing and packaging costs due to global shortages caused by climate change

Alterations in the availability of essential raw materials for the production of these necessities can negatively impact our operating margins.

Reduced receiving and distribution capacity due to extreme weather conditions, such as flooding

These events jeopardize the efficiency and continuity of our logistics operations, affecting the availability of products in our stores.

Temporary closures due to droughts

This situation not only interrupts our operations but also impacts on customer satisfaction and the trust they place in our brand.

Opportunities:

Increased business continuity due to the integration of climate risk adaptation by design

By anticipating the impacts of climate change, our operational resilience is strengthened, ensuring a more robust and adaptable supply chain.



Mitigation Strategy



The ability to adjust strategy in response to climate risks entails implementing technologies that optimize processes and reduce the pollution footprint.

The phenomena related to climate change could generate negative effects on both the value chain and the business model. These phenomena, exacerbated by climate change, impact the business model and value chain primarily through supply chain and/or operational disruptions and rising costs.

It has been found that the increase in cost for food products may reduce profit margins and complicate negotiations on optimal cost and purchasing processes with suppliers, especially in categories with tight margins such as produce.

In response to this challenge, logistics and distribution processes have been optimized to maintain efficiency and reduce additional costs. Our commitment to increase the use of clean energy has remained firm; this includes wind and solar energy, to reduce our carbon footprint and operating costs related to energy consumption. There has also been collaboration with business partners who share our sustainability philosophy, thus helping address operational challenges and reduce the impacts of climate change.

Another identified risk is the shortage of packaging materials, which may require adjustments in logistics and distribution. Higher packaging costs can reduce profit margins, making it necessary to implement savings measures in other areas. This risk may also require exploring alternative suppliers or materials to mitigate the impact, potentially impacting estimated packaging costs.

Additionally, flooding can disrupt operations at Distribution Centers (DC) and along transportation routes, affecting the timely delivery of products to stores. This could potentially lead to an increase in operating costs, as alternative routes or emergency transportation solutions may be needed, as well as potential inventory damage, thus increasing economic impact for the company. Consequently, climate risk assessments are conducted to mitigate the effects in areas where flooding and hurricanes are particularly prevalent, along with contingency plans to minimize flood-related impacts on operations. Routes are also being optimized to improve analysis processes, which can help identify alternative options in case of disruptions.

The opposite phenomenon —a lack of water supply in the regions where we operate— can lead to the temporary closure of stores or distribution centers. It can also indirectly affect agricultural production, which in turn impacts the availability of fresh products and other goods in our stores. To respond to this risk, in some cases, we have provisionally requested the purchase of water tanker services, which can increase operating costs of each individual store.

Sustainable practices, such as energy efficiency and waste management, are essential to mitigating these impacts and reducing operational expenses. Measures such as the use of renewable energy and the reduction of our carbon footprint have been accomplished through the installation of solar panels. By incorporating sustainability considerations into strategic planning processes, we ensure that current decisions support long-term business continuity, guaranteeing a more consistent product supply and optimizing operations, which translates into greater efficiency and cost reduction.

Policies

Processes, controls, and policies have been established to manage risks related to climate change. This includes collecting data on carbon emissions and monitoring sustainability metrics. The Company uses tools such as SAP and indicator dashboards to ensure the accuracy of information.

At the same time, our sustainability policy sets the framework that guides our actions toward a more responsible and resilient business model. We are committed to mitigating environmental impacts, including climate change, promoting the quality of life of our employees and customers, and strengthening our ethical governance.



Metrics and Goals

In the short term, the goal is to collect ESG information and conduct materiality studies for operations in Mexico and the United States. In the medium term, the focus is on water management and a circular economy, whereas the long-term goal is to achieve "Zero Waste" and select suppliers who are more environmentally-friendly.

These metrics include CO_2 emissions intensity per employee, and an emissions intensity-ratio per square meter, and are calculated based on direct and indirect emissions.

The unit of measurement is tons of CO_2e, and Chedraui is expected to continue reducing its carbon emissions through energy efficiency and the use of clean energy.

In the short term, the plan is to improve ESG data collection. In the medium and long terms, our goal is to implement a circular economy and achieve "Zero Waste."

Scope 1 Emissions (Indirect Emissions)

Mexico

(Ton Co_2)

	2022	2023	2024
Natural gas	149,250	172,5145	168,484
LP gas	24,199	23,814	24,125
Gasoline	1,016	813	693
Diesel	2,767	2,676	3,038
Coolant	130,254	104,071	47,495
Total	**307,486**	**303,889**	**243,835**

USA

(Ton Co_2)

	2022*	2023*	2024
Natural gas	21,923	22,634	22,299
Coolant	-	-	120,040
Total	**21,923**	**22,6334**	**142,338**

[2] In 2022 and 2023 information for coolant is not available.

Scope 2 Emissions

Scope 1
Mexico and USA

(Ton Co_2)

	2022	2023	2024
Gas natural	171,173	195,149	190,783
Gas LP	24,199	23,814	24,125
Gasolina	1,016	813	693
Diesel	2,767	2,676	3,038
Refrigerante	130,254	104,071	167,534
Total	**329,409**	**326,522**	**386,173**

Scope 2
Mexico and USA

(Ton Co_2)

	2022	2023	2024
Electrical energy **Mexico**	72,359	86,131	96,161
Electrical energy **El Super**	34,970	34,200	35,275
Electrical energy **Fiesta**	5,678	55,315	55,232
Electrical energy **Smart and Final**	85,023	83,476	85,691
Wind electrical energy	-	-	-
Solar electrical energy	-	-	-
Total	**198,030**	**259,122**	**272,359**

MATERIALS AND CIRCULARITY

GRI 306-3, **GRI** 306-4
SASB FB-FR-430a.4 CG-MR-410a.3

At Chedraui, focus is given to efficient and sustainable management of material resources throughout our operations, with particular attention to waste reduction and the implementation of circular economy practices. As a result of increased regulation and consumer expectations to strengthen sustainable practices, there are significant challenges related to the use of packaging and packing materials. However, these circumstances also provide opportunities to innovate in waste management and establish strategic partnerships with suppliers committed to sustainability. By adopting a circularity approach, we aim to minimize our environmental impact by preventing waste from reaching landfills, optimizing our operating costs, and strengthening our competitive position in the market.

As part of the materiality analysis, the following opportunities and risks related to materials and circularity were identified within the Company operations:



Risks:

Increased packing and packaging material costs due to circular economy regulations

This challenge requires continuous evaluation of our packing and packaging practices to ensure regulatory compliance without compromising our operational efficiency.

Increased packaging costs due to new regulations that mandate the use of recyclable or compostable materials

These regulations can increase our operational costs due to the need to adopt innovative materials and advanced technologies.

Opportunities:

Reduced packing and packaging costs through long-term supply with producers who have circular economic strategies

By working with suppliers who share our commitment to sustainability, a steady supply of recyclable and compostable materials could be obtainable at competitive prices. This strategy allows us to reduce costs, at the same time strengthening our relationships with key partners and improving our market position by aligning with consumer and regulators' expectations on sustainability matters.

Increased income and reduced costs with enhanced waste management initiatives

By optimizing waste management, not only will the costs associated with handling be reduced, but it will also generate additional revenue through the sale of recyclable materials and the reutilization of resources. These initiatives allow us to strengthen our competitive position in the market by demonstrating our commitment to sustainability and by aligning our operations with consumer and regulatory expectations.

Mitigation Strategy

By implementing practices that prevent waste from ending up in landfills, we increase our corporate image among increasingly environmentally-conscious consumers, benefit from a reduction of waste management costs, and potentially generate revenue through the sale of recyclable materials or the reutilization of resources. This approach opens new business opportunities, such as the development of more sustainable products or services related to waste management, thereby strengthening our competitive position in the market.

On the other hand, the generation of waste from packaging materials presents challenges that must be addressed to optimize our value chain. Although efforts are made to minimize environmental impact, the continued use of certain materials implies that investments in innovation should be done to find sustainable alternatives. This includes research and development of new packaging materials that are fully recyclable or compostable, as well as collaboration with suppliers who share our commitment to sustainability.

An efficient management of waste is crucial to reduce operating costs and improve supply chain efficiency, which in turn can lead to a more satisfying experience for the end consumer. By addressing this, we can strengthen relationships with key stakeholders, including regulators and environmental organizations, ensuring that our value chain is aligned with current expectations and regulations.

A comprehensive materials and circularity strategy has been implemented across all our operations, both in Mexico and the United States. This strategy focuses on waste reduction, proper separation and disposal to prevent landfill use, and recycling, with particular emphasis on identifying materials with some recyclable content and reducing virgin-plastic consumption.

Different specific actions take place in all our stores and distribution centers, such as:

- Agreements established with two companies for the recycling of materials such as cardboard and shrink wrap, ensuring their collection and reuse.
- Containers installed for recyclable materials, available to our customers and in our customer service modules, where batteries are collected and delivered exclusively to authorized facilities.
- Used oil generated by us is delivered to suppliers with the necessary permits for transportation, ensuring proper disposal.
- Through the Planet Partner Mexico program, all HP and Samsung ink and toner cartridges used by our company are collected by HP and sent to recycling plants in the United States. This process allows the cartridges to be transformed into raw materials for new products, contributing in this manner to a circular economy and preventing their disposal into landfills.

Furthermore, material substitution programs have been put into practice, replacing biodegradable bags with compostable and reusable options, and PET trays replacing those made of styrofoam.

Specific Actions Undertaken at Smart & Final and El Super in the U.S.A:

- Compliance with the State of California's hazardous waste program, which includes mandatory annual training for all personnel who may handle such waste.
- A food waste program that helps transform waste into animal feed.
- The Grind2Energy™ system is used, thus providing an innovative solution for recycling food waste, preventing it from ending up in landfills, and leveraging a closed-loop process that recovers valuable resources. This system transforms discarded food into clean water, fertilizers that support the growth of more food, and renewable energy in the form of electricity, heat, or compressed natural gas.



Corporate Policies

Among the Company's key policies that regulate and strengthen materials management and circularity, the following are worthy of mention:

Sustainability Policy:

This policy contains the guidelines and standards of our actions towards a more responsible and sustainable business model. We are committed to mitigating environmental impacts and climate change, improving the quality of life of our employees and customers, and adopting ethical governance and integrity best practices. Our focus on materials and circularity is based on concrete actions aimed at reducing waste generation and promoting proper separation and recycling.



Metrics and Goals

Materials Used For Our Operations

Mexico and the US

(tons)

	2022	2023	2024
Total weight of virgin plastic	4,031	1,025,399	1,068,651
Total weight of recycled plastic	4	303,076	307,836
Total weight of styrofoam	363,823	303,978	247,419
Total weight of aluminum	3,558	3,567	4,545
Total weight of cardboard	32,113	47,667	53,115
Weight of recycled cardboard	2,309	2,888	6,456
Total weight of paper	385,116	157,222	91,310
Weight of recycled paper	24	22	27

Waste

Inorganic Waste

(tons)

	2022	2023	2024
Recycled waste	19,681.78	20,971.51	19,362.07
Waste sent to dumpsites	51,527.40	49,629.06	65,884.81

Organic Waste

(tons)

	2022	2023	2024
Recycled waste	1,311.04	1,075.05	1,149.36
Donated waste	4.91	9.82	29.25

Program for replacing styrofoam trays with PET trays, in operations throughout Mexico, as of 2023.

Year	Goal
2024	40%
2025	50%
2030	100%

WATER

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

The focus at Chedraui is on the efficient and sustainable management of material resources throughout our operations, with special attention on waste reduction and the implementation of circular-economy practices. Through our materiality analysis, the following impact was discovered:

Water is consumed in multiple water-stressed regions, resulting in lower availability for other stakeholders.

The operations that use water resources strive to optimize usage while ensuring not to cause greater harm to the social and environmental aspects in these regions.



Mitigation Strategy

Efficient water resource management involves consuming water responsibly and complying with wastewater discharge regulations. Although water is currently an emerging issue that presents neither risks nor opportunities for the company it is essential to monitor it to anticipate potential future risks.

As part of the monitoring and mitigation efforts, sustainable water management practices have been adopted, focused on reducing consumption and reusing the resource through 16 wastewater treatment plants. In addition, community initiatives support and promote access to the conservation of water in vulnerable regions. Given the increasing limitations in the availability of water from municipal networks, rainwater and atmospheric water harvesting projects are under development, as well as acquiring water trucks to ensure supply for our operations.

We are working on water management as part of our sustainability efforts, implementing strategies to address impacts. These include monthly water consumption reports, daily monitoring, waste detection, and compliance checks for water extraction and wastewater discharge. The initiatives aim to address water-related risks. The company has close coordination with different potable water authorities in the regions where we operate, in addition to running internal campaigns on best practices for water consumption, and implementing savings projects such as ecological urinals and rainwater harvesting systems.

A climate risk analysis is currently underway to help us strengthen and adapt our strategy and business model in response to water-related risks.

Policies

Chedraui integrates sustainability risks, including water management, into processes and controls. These include monitoring consumption and compliance checks. In compliance with current legislation in our country, water is not extracted directly from rivers, lakes, lagoons, or dams.



Metrics and Goals

Total water consumed in our operations, stated in cubics meter per consumption source.

Chedraui Mexico

(m^3)

		2022	2023	2024
Municipal supply	Stores	1,555,000	1,449,000	1,474,000
	DCs	7,481	10,493	10,262
	Offices	279	3,758	4,436
Wells and concessions	CEDIS	64,351	65,403	75,925
External sources (Water tankers)	Stores			458,520
	Offices	200	720	1,600
Total		**1,627,311**	**1,529,374**	**2,024,743**

Total Water Consumed

(m^3)

	2022	2023	2024
Municipal supply	3,504,676	3,319,070	3,469,674
Wells and concessions	64,351	65,403	75,925
External sources (Water tankers)	200	720	460,120
Total	**3,569,227**	**3,385,193**	**4,005,719**

El Super and Fiesta

(m^3)

		2022	2023	2024
Municipal supply	El super	619,554	647,658	754,056
	Fiesta	652,352	643,161	651,193
Total		**1,271,906**	**1,290,819**	**1,405,249**

Smart & Final (SF)

(m^3)

		2022	2023	2024
Municipal supply	Stores	670,010	565,000	532,347
	CEDIS			41,078
	Offices			2,302
Total		**670,010**	**565,000**	**575,727**

Water consumption increased by 18%*, going from 3,385,193 m^3 in 2023 to 4,005,719 m^3 in 2024.

* Water consumption increases because in previous years information on consumption from other sources was not available.

NATURAL CAPITAL

GRI 304-1, 304-3
SASB: FB-FR-430a.3

Natural capital is a vital source of resources and services that sustain the company operations and the well-being of the communities in which it operates. The proper management of these resources is essential to reduce environmental impacts and maintain ecological balance. Through our materiality analysis, we identified the following impact:

There is an extensive geographical presence, and their operations may potentially affect natural capital.

We seek to integrate conservation and preservation of natural capital with the social and economic development of the communities where we have a presence.



Mitigation Strategy

The efficient management of these resources is crucial to minimizing environmental impacts and preserving ecological balance. Poor management of natural capital could lead to higher operating costs, lower supply chain efficiency, and harm brand awareness, especially in a context of growing concern about climate change and sustainability.

In order to face these challenges, different projects across our stores have been implemented, such as adding green areas and infrastructure within expansion projects; caring for existing flora on properties of interest; and adapting to the ecosystems in which our stores are located. Also, we constantly emphasize the efficient use of renewable materials and eco-friendly packaging for our private-label products.

During this year, our focus will be on monitoring and accounting for Scope 3 emissions, recognizing the importance of our value chain in the fight against climate change. Furthermore, the Real Estate division is following sustainable construction criteria as an integral part of Environmental, Urban, Road, and Civil Protection Impact Studies. This ensures that its projects not only comply with current legislation, but also minimize our ecological footprint.

A steady focus is maintained on four strategic sustainability priorities, with short, medium, and long-term objectives and goals to be implemented. These actions reflect ongoing commitment on caring for the planet and reducing the environmental impacts of operations, reaffirming its role as a responsible entity in the protection and use of natural capital.



Region	Hectares Reforested (2019 to 2024)
Oaxaca	40
State of Mexico	85
Veracruz	275
Total	**400**



Reforestation with Drones

Since 2019, Chedraui has been implementing an innovative reforestation project by using drones in various regions of Mexico, including Oaxaca, Veracruz, and the State of Mexico. This effort reflects the commitment to environmental preservation and mitigating the effects of climate change and deforestation.

The achievement, seen in the above figures, demonstrates Chedraui commitment to reforestation and environmental conservation in various regions of Mexico; the program will continue in the coming years.

Moreover, our Company was recognized by Boscares, as having one of the best practices for our Reforestation with Drones campaign, conducted through the Chedraui-Nestle Foundation Alliance.

Los Boscares is an initiative by *Reforestamos México* that recognizes and highlights business projects with a positive impact on forest ecosystems in Mexico and other Latin American countries. The initiative aims to showcase corporate practices that contribute to forest conservation and sustainable development, promoting corporate social responsibility in the forestry sector.



Commitment to Sustainable Fishing

In 2020, our commitment to sustainable fishing in collaboration with SmartFish A.C., was announced. It focuses on ensuring a balance between fish caught and reproduction, to protect habitats and fishing communities. The commitment includes practices such as respecting fishing bans, verifying traceability, and obtaining certifications like MSC (Marine Stewardship Council); Fair Trade; ASC (Aquaculture Stewardship Council); or BAP (Best Aquaculture Practices).

Between 2021 and 2024, there was an increase in the percentage of products with identified origin and environmental approval, making us the first retail chain in Latin America with a Purchasing Policy for Sustainable Seafood Products. Measures have also been implemented with the aim of reducing waste and strengthening purchases from suppliers with responsible fishing certifications.

Responsibility for Meat Products

Our meat products carry certifications that guarantee high-quality standards. In Mexico, the meat is recognized by the Federal Inspection-Type Certification granted by the Secretary of Agriculture and Rural Development, through SENASICA (National Service for Agri-Food Health, Safety, and Quality). Meat imported from the United States is certified by the USDA, while beef from Argentina is certified by SENASA (National Food Safety and Quality Service) and validated in Mexico by SENASICA. These certifications ensure the quality and safety of our meat products.

Corporate Policies

We aim to reduce environmental impacts by applying various sustainable construction criteria as an integral part of the Environmental, Urban, Road, and Civil Protection Impact Studies conducted for projects before their construction, and/or any other studies required by the relevant authorities in accordance with legislation in force.

Through our sustainability policy, we are committed to adopting sustainable practices, such as using clean energy, reducing solid waste, and promoting recycled packaging, among other actions. These initiatives seek to minimize the negative effects of our operations on the environment, thereby protecting natural capital and striking a balance between economic development and environmental conservation for present and future generations. Moreover, our Environmental Risk Prevention Policy helps promote the reduction of environmental impacts across all our facilities and ensure compliance with local environmental regulations.

Additionally, during the year work was conducted to draft and publish the following new policies:

1. Sustainable Fishing and Aquaculture Policy
2. Policy on the Prevention of Deforestation
3. Animal Welfare Policy
4. Biodiversity Policy (pending release and publication on web page)

Metrics and Goals

Chedraui complies with the requirements established by the regulatory authorities in all the states and cities where our stores operate. Additionally, our commitment entails respecting the environment and biodiversity that may be affected by the construction and operation of our stores.

Therefore, procedures and standards to promote biodiversity conservation have been implemented, as well as a sustainable use of natural resources in sites located within or adjacent to protected areas and/or those having high biodiversity value.

a. Operation sites located within or adjacent to areas deemed protected or with a high value for biodiversity

Stores, distribution centers, and offices located less than 20 kilometers from a protected natural area:	**Chedraui *Rancho Viejo* store, in Cancún, Quintana Roo, near a cenote (a natural deep well or sinkhole)**



b. Protected or Restored Habitats

Indicator	Response
Trees planted during reforestation campaigns	400 with traditional methods 60 with the use of drones
Reforestation area	2,703 m²
Employees who participated in a reforestation campaign	65 in traditional reforestation campaigns in Chiapas Another campaign was conducted with the use of a drone, in Veracruz
Total area of reforestation	1,025,000 m² with a drone 2,703 m² with traditional reforestation methods
Total area for habitats and restored protected areas	1 habitat in Veracruz: 1,025,000 m² (**102.5 hectares**) 1 habitat in Chiapas: 0.2703 hectares
Species benefitted	**Chiapas:** 15 species **Veracruz:** 3 species



SOCIAL



TALENT MANAGEMENT

GRI 2-7, GRI 2-8, GRI 2-30, GRI 202-2, GRI 401-2, GRI 401-3
SASB: FB-FR-310a.2, CG-MR-330a.1

Talent development at the Company represents a strategic approach aimed at attracting, developing, and retaining highly trained and committed employees to drive organizational growth and maintain its competitive edge in the sector. Overall, this involves talent attraction, training, planning and development, and salaries and compensation. We strive to integrate innovative talent management practices that align our employees' individual goals with corporate objectives, thus ensuring a motivated and efficient workforce that contributes to the sustainable success of the Company.

The following opportunities and impacts were identified within the material topic "Talent Management" in the group's operations, which are essential to optimizing our operations and strengthening employee engagement:



Opportunities:

Reduced personnel and supervision costs given the start of operations of the Distribution Center (RCDC)

Centralizing product receiving and its distribution, optimizing processes, reducing the need for constant supervision, and lowering associated costs.

Increase the employee retention and development opportunities thanks to the integration of business lines

By unifying operations under a consolidated brand, we can offer our employees a clear vision of growth and development within the Company. This integration facilitates internal mobility, allowing employees to explore different roles and areas within the organization, strengthening our ability to attract and retain high-caliber talent, and ensuring leadership in the sector.

Impacts:

Chedraui provides employees with education and training opportunities

Chedraui offers training programs in areas such as management and technology, allowing for personal and professional growth of its employees. This enhances service quality and empowerment within the Company.

Employs a large number of persons from local communities

By hiring local people, Chedraui strengthens the economy of the communities where it operates, reduces unemployment, and adapts its services to local needs, thereby establishing solid relationships with the community.



Mitigation Strategy

Adequate talent management impacts our business model and the Company's value chain in several ways. We create employment for a large number of people from local communities, reinforcing our commitment to the economic development of the regions where we operate. This not only improves brand perception but also ensures a committed workforce that also has local needs insight, which is essential to provide quality customer service, tailored to the unique features of each region.

Chedraui's talent management is designed to attract and retain high-level employees, which is essential for efficient and resilient operations. Our offerings include competitive salaries, benefits that exceed legal requirements, and an inclusive work environment, fostering employee loyalty and commitment.

Reduced personnel and supervision costs thanks to the incorporation of the Distribution Center (RCDC)

The integration of a new distribution center for operations in the U.S.A is underway, it expects to achieve greater operational efficiency and savings. The new RCDC's purpose is centralizing operations, optimize processes, and eliminate redundancies. It will increase productivity, and allow for the offering of more competitive prices, enhance the rendering of services, and reinvest savings in growth and innovation-driven initiatives.

The centralization of the distribution center is expected to improve inventory management, reduce transportation costs, and enhance supply chain integration. Beneficiaries would be key areas such as logistics, human resource productivity, and the overall cost structure, enabling the offering of more competitive prices and greater service levels for customers.

Diverse initiatives have been launched to manage opportunities related to the consolidation of distribution centers, such as the use of technology for efficiencies and personnel training and development to increase productivity. Chedraui is committed to maintaining an open communication with employees, offering training to facilitate learning, helping with adaptation to new processes, and ensuring compliance with labor legislation.

This also represents an opportunity for expense efficiencies in our operations, which could significantly improve operational results, and a possible positive impact on intangible assets, such as brand reputation, given an expected improvement in service delivery and in maintaining our competitive prices.

Measures implemented to strengthen resilience include the development of robust risk-management frameworks; maintaining flexibility in workforce strategy; continuously monitoring market and regulatory changes and being able to adapt quickly; responding by reassessing and optimizing operating processes; investing in technology to improve efficiency; and working closely with stakeholders to identify areas for improvement.

The company is committed to having an appropriate balance between cost efficiency and employee well-being, thus ensuring long-term sustainability and resilience.

Increased Employee Retention and Development Opportunities

Talent Attraction

In our talent search strategy, from the first contact, the focus is on identifying the specific competencies that align with the company's needs and the achievement of our corporate objectives and goals. Interviews focused on competencies are used, as well as establishing partnerships with educational institutions to attract innovative talent who have an interest in growing and developing within the company.

Our Recruitment, Evaluation, and Candidate Selection Policy include various strategies to attract external talent, both for our current stores and new openings, and also by using innovative digital recruitment platforms.

To ensure talent retention, programs that promote quality of life in the workplace are implemented, offering competitive salaries, health and safety, diversity and inclusion, compensation and benefits beyond those required by law, as well as training for personal and professional development and growth within the company.

Recognition is also fostered to instill loyalty to the Company. Bimonthly satisfaction surveys are conducted to evaluate the work environment among staff, where working conditions are analyzed and feedback is obtained regarding their needs and concerns. These results are used to establish improvement plans and initiatives. Every two years, the NOM-035-STPS-2018 survey is applied to identify areas of opportunity in different aspects that are relevant to our employees.

All of these initiatives are targeted to improve employee turnover rate, which is a key indicator in the sector. The appropriate understanding of this makes it possible to identify key areas of opportunity and design effective strategies that improve talent retention. Below is a table with figures for Chedraui.

In the United States, turnover is affected by the closure of two distribution centers and the start of operations of the RCDC. In Mexico, there is an effect given the acceleration in organic growth.

Employee turnover

(%)

	2024
Mexico	57
US	52
Total	**55**

(%)

	2023	2022
Mexico	49	54
Smart & Final	48	55
El Super and Fiesta	66	95



Training

The training process for our employees in Mexico is managed through Universidad Chedraui , using a technological platform called the "Learning Management System." Our goal is to provide them with the learning resources needed to effectively perform their daily tasks. A variety of courses and specialized topics, tailored to each employee's role and level, provide opportunities for professional and personal growth.

In recent years the hours dedicated to training have increased, placing special emphasis on leadership courses, a key area where we observe the transformation toward a culture of continuous improvement: Developing Better Leaders.

Our strategic learning process includes topics on:

- Aligning and standardizing the organization's knowledge and objectives.
- Ensuring that operations are carried out correctly, following established processes and standards.
- Ensuring excellent customer service.
- Maintaining the productivity, motivation, and retention of our talent.

Investment in training in Mexico

(MXN)

2022	2023	2024
$ 4,793,129.79	$ 4,925,624.05	$ 5,954,129.04



In addition, there is a library of open-access e-learning courses available to any employee, which focus on management skills. We supplement University Chedraui courses with webinars and master classes to strengthen our organizational culture and expand knowledge on operational and commercial topics. The support of internal experts, various universities in the country, and specialized consultants help us achieve this.

Through these training and development programs, employees strengthen their skills or those needed to face market challenges and adapt to changing needs. This not only improves operational efficiency, but also allows the Company to be a pioneer in the sector by having a highly trained and motivated team.

At Chedraui USA, various training programs have been implemented to develop the essential skills of our employees and strengthen their leadership capabilities. The "Operations Management Development Program" is designed to train store leaders in areas such as self-awareness, leadership, and operations, in which 725 participants enrolled in 2024. This program has proven effective in improving employee satisfaction, reducing turnover, and increasing productivity, which are key elements for organizational success.

On the other hand, the "Corporate Development Program", with 92 participants enrolled, focuses on preparing current and future corporate leaders with leadership and management skills. This program enhances leaders' efficiency and effectiveness, ensuring they are well-prepared to face business challenges and contribute to the organization's sustained growth.

In addition, the "Retail Management Certificate Program", with 327 participants enrolled in 2024, provides a fully-funded community college certificate covering key aspects of the grocery business, such as finance, information technology, marketing, sales, human resources, and supply chain. This program strengthens our employees' expertise and confidence, building a solid foundation of knowledge that translates into better business results.

The "Get Control!" program provides training in transferable computer skills such as Excel and Outlook, aimed at supporting employees who utilize these and other computer programs in their daily responsibilities.

This comprehensive approach demonstrates the commitment that Chedraui USA has to professional development and the ongoing well-being of its employees.

Planning and Development

Various training programs focused on preparing our workforce for the future of the Company have been implemented to ensure the continuous development of our employees:

- Back Up Program: This program is designed to ensure long-term stability and growth for the Company. It enables our executives to actively participate in the development of employees who could take on their roles in the future or occupy other strategic positions within the organization.
- Star Talent Program: Focused on employees and executives who have demonstrated exceptional performance, this program aims to enhance their skills and knowledge, facilitating their promotion and development within the Company.
- ITADI Program (Identification of Comprehensive Talent and Development): This program focuses on assessing executive competencies in relation to their job profiles through psychometric evaluations, 270° assessments, training compliance, among others. Based on these results, action plans for improvement are developed. In addition, it is linked to performance evaluation and is accompanied by variable compensation plans that reward goals that are met, complementing the total compensation package.

These programs are designed not only to improve our employees' skills and performance but also to ensure effective succession and personal and professional growth within the organization.

Wages and Compensation

The compensation strategy strives to offer competitive salaries, promote gender equality, and have wages above the legal minimum in both Mexico and the United States, while managing all aspects related to our Compensation Policy. The goal is to ensure that all employees receive a fair wage that allows them to maintain an adequate standard of living for themselves and their families.

In addition, annual salary surveys are conducted through the salary competitiveness index, which allows us to adjust our wages accurately and in line with industry standards. For third parties with whom we have business relationships, there are verifications in place to ensure they comply with employee compensation and contributions to the social security institute (IMSS), by requiring an updated registration with REPSE (Public Registry for Specialized Service Renderers or Contractors) current.

Proportion regarding entry salary (daily wage) in Mexico

	2022	2023	2024
Free Zone on the U.S.A.-Mexico border	1.28	1.03	**1.03**
General Minimum Wage Zone	1.21	1.20	**1.15**

Number of employees with the following benefits

	Country	Employees
Life Insurance	MX	53,883
	USA	14,066
Major Medical Expenses Insurance	MX	2,169
	USA	6,877
Disability Insurance	MX	N/A
	USA	10,817
Paid maternity/paternity leave	MX	53,883
	USA	26,064
Savings Fund	MX	31,616
		N/A

* N/A: Not available



Proportion of average wage for men and women, regarding the base wage for each level in Mexico

	2022		2023		2024	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Directors (Deputy General Manager, Corporate Directors)	0.97	0.87	1.04	0.86	1.02	0.87
Asst. Directors (Corporate and Regional)	1.01	0.99	1.00	1.00	1.00	1.01
Managers and Asst. Managers (Corp Manager, Zone Manager, Store Manager, Buyers, and Asst. Buyers)	1.20	0.99	1.01	0.99	1.01	0.98
Staff	1.02	0.99	1.03	0.98	1.02	0.98

Corporate Policies

All our new employees, upon entering the company, have to take an induction program through Chedraui University, to learn about the various corporate policies. Employees are continuously trained in the knowledge of several topics, for compliance purposes, and to adhere.

The company's corporate policies are used to strengthen talent management and align them to the company's internal policies.

The most relevant are the following:

- **Policy for Recruiting, Evaluating, and Selecting Candidates:**
  This policy establishes the processes and criteria for identifying and attracting talent, align with strategic needs of the Company, and ensure candidate competencies match corporate objectives.
- **Compensation Policy:**
  It defines compensation strategies to ensure competitive and equitable salaries, promoting gender equality, and guaranteeing all employees receive a fair wage that reflects the value of their contribution to the Company.
- **Code of Ethics:**
  It outlines the principles and values that guide the behavior and decisions of all members of the organization, fostering an environment of integrity, responsibility, and transparency. It is the obligation of all employees, as well as the members of the Board of Directors, to always know and respect the guidelines of the Code of Ethics, and the company provides them with training, thus ensuring their full knowledge. As part of the hiring of an employee and their induction into the company, they sign their commitment to this code.
- **Policy on the Use of Company Property:**
  This regulates the responsible and efficient use of Company resources and assets, promoting sustainable practices and ensuring the integrity of corporate property.
- **Diversity and Inclusion Policy:**
  The Policy promotes an inclusive work environment that values and respects diversity in all its forms, ensuring equal opportunities and a climate of mutual respect for all employees.
- **Human Rights Policy:**
  Chedraui establishes its commitments and actions to promote and protect a culture of respect for human rights, integrating this principle as an essential element in our global strategy. This considers the involvement of all individuals in the operations, including employees, customers, suppliers, local communities, and other stakeholders, to ensure an environment of respect and dignity for all.

The Company attends to all types of anomalies, irregularities, thefts, shrinkage, abuse of authority, fraud, mismanagement, non-compliance, or deviations from corporate policies, and in general to any behavior contrary to the Code of Ethics.

Likewise, there is a commitment to correct in a timely manner any deviation or failure of application in the procedures. In Mexico and the U.S.A., we have an anonymous and confidential reporting system where employees, suppliers, customers, and customers can report acts contrary to the Code of Ethics and the Integrity and Transparency Policy. In 2024, 11 cases of corruption and/or bribery involving employees were registered; these were sanctioned in accordance with the provisions of the company's code of ethics and internal regulations.

Total number of employees at the close of each year, by level and by gender

		2022		2023		2024		
Level	**Country**	**M**	**W**	**M**	**W**	**M**	**W**	**O**
Director	MX	16	3	17	4	18	3	
	CHUSA					28	8	
Asst. Director	MX	36	9	42	9	42	11	
	CHUSA					93	52	
Manager	MX	519	184	593	223	639	251	
	CHUSA					399	190	
Staff	MX	24,156	22,169	25,861	23,756	27,317	25,602	
	CHUSA					12,415	12,801	79
Total	MX	**24,727**	**22,365**	**26,513**	**23,992**	**28,016**	**25,867**	
	CHUSA	**25,386**		**25,501**		**12,935**	**13,051**	**79**

O: Undefined.

Metrics and Goals

Total number of employees at the close of each year, by age group and by gender

		2022		2023		2024		
Age Group	**Country**	**M**	**W**	**M**	**W**	**M**	**W**	**O**
Under 30	MX	11,839	8,601	12,219	8,724	12,554	8,779	
	CHUSA					5,112	4,182	39
Between 30 and 50	MX	10,603	11,671	11,624	12,734	12,307	13,944	
	CHUSA					4,60	5,347	24
Over 50	MX	2,285	2,093	2,670	2,535	3,15	3,144	
	CHUSA					3,22	3,522	16
Total	**MX**	**24,727**	**22,365**	**26,513**	**23,993**	**28,016**	**25,867**	
	CHUSA					**12,935**	**13,051**	**79**

O: Undefined.

Number of employees at the close of each year, by type of employment contract (Mexico and USA)

	2024			
Type of Contract	Men	Women	Others	**Total**
Permanent contract	40,078	37,784	79	**77,941**
Temporal	873	1,134	0	**2,007**

Total number of employees at the close of each year who have the following benefits

		2022		2023		2024	
	Country	**Total employees**	**Proportion of total**	**Total employees**	**Proportion of total**	**Total employees**	**Proportion of total**
Life insurance	MX	47,092	100%	50,506	100%	53,883	100%
	CHUSA					14,066	54%
Insurance for major medical expenses	MX	1,832	4%	2,026	4%	2,169	4%
	CHUSA					6,877	26%
Disability insurance	MX	0	0%	0	0%	0	0%
	CHUSA					10,817	42%
Paid paternity/ maternity leave	MX	47,092	100%	50,506	100%	53,883	100%
	CHUSA					26,064	100%
Savings fund	MX	27,208	58%	30,201	60%	31,616	59%
	CHUSA					N/A	N/A

N/A: Not available

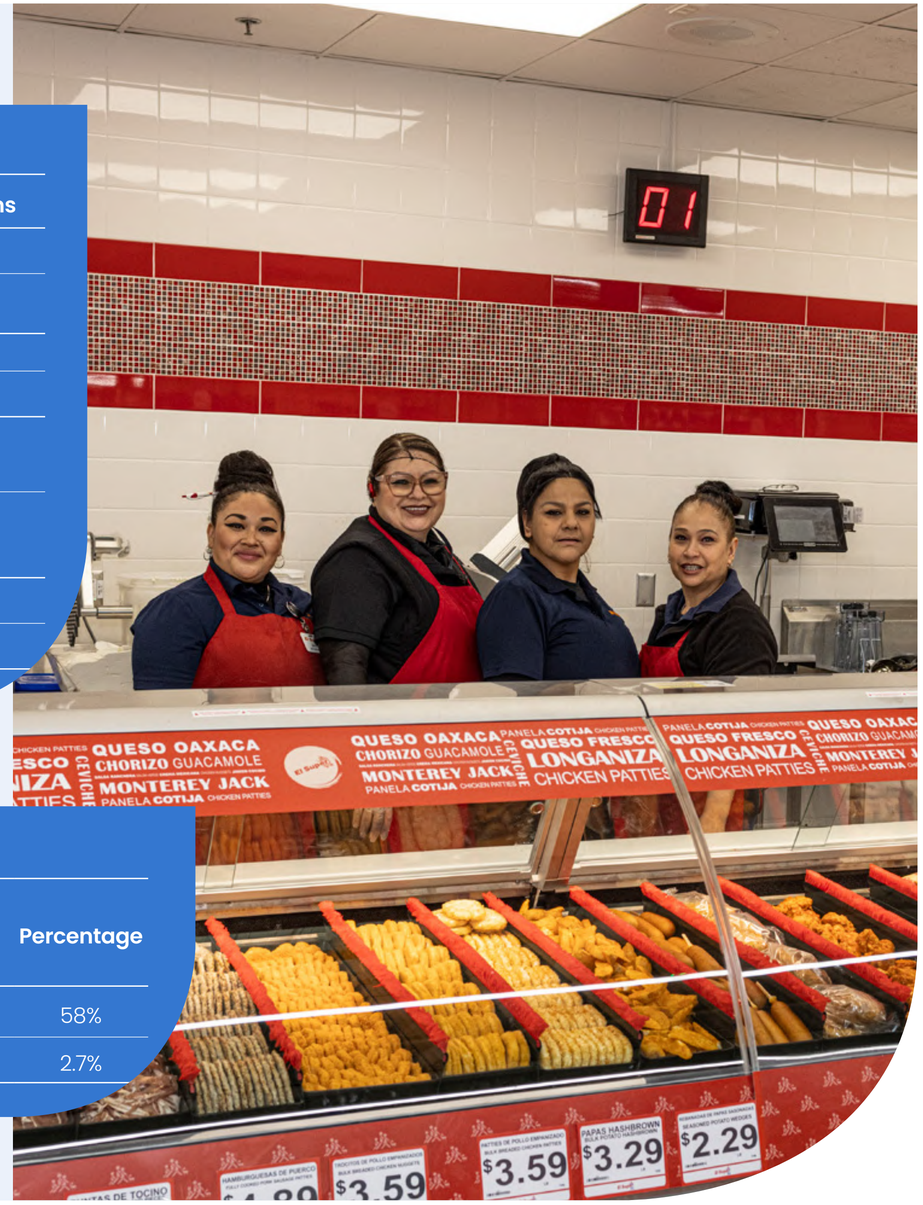
Number of top executives selected from local communities for each year

		2022		2023		2024	
Level	**Country**	**Hires**	**Promotions**	**Hires**	**Promotions**	**Hires**	**Promotions**
Directors (Deputy General Manager, Corp. Directors)	MX	2					1
	CHUSA					36	
Asst. Directors (Corporate and Regional)	MX		2		1	7	1
	CHUSA					145	
Managers and Asst. Managers (Corp. Manager, Zone Manager, Store Manager, Buyers, and Asst. Buyers)	MX	46	61	55	52	85	63
	CHUSA					589	
Total	MX	48	63	55	53	92	65
	CHUSA					770	

Total Unionized personnel at the close of the year

	2022			2023			2024		
Location	**Total Employees at the Close of the Year**	**Total Unionized Personnel**	**Percentage**	**Total Employees at the Close of the Year**	**Total Unionized Personnel**	**Percentage**	**Total Employees at the Close of the Year**	**Total Unionized Personnel**	**Percentage**
MX	46,610	26,966	58%	50,047	28,971	57.88%	53,684	30,965	58%
CHUSA	N/A	N/A	N/A	N/A	N/A	N/A	26,064	701	2.7%

N/A: Not available



Provide the number of workers (non-employees) at the close of year for the last three years

	2022		2023		2024	
Types of Personnel	**Amount of Personnel Under this Type of Employment Agreement**	**Personnel discharged**	**Amount of Personnel Under this Type of Employment Agreement**	**Personnel discharged**	**Amount of Personnel Under this Type of Employment Agreement**	**Personnel discharged**
Outsourced Surveillance	1,749	0	2,202	0	1,316	0
CHUSA Surveillance	80		83		461	
Outsourced cleaning crew	1,326	0	1,258	68	875	383
Promotors Suppliers	23,540	0	22,566	974	24,908	0
Volunteer Packers (Senior Citizens)	6,557	84	6,427	130	6,335	92
Volunteer Packers (Minors)	527	11	460	67	406	54
Total	**33,779**	**95**	**32,996**	**1,239**	**34,301**	**529**

An increase in the average training hours was achieved for: women, from 8.85 hours in 2023 to 9.27 in 2024 men from 8.06 hours in 2023 to 8.43 in 2024.

Number of in-house training hours for employees at the close of the year in Mexico and the USA

Type of Training	M	Average for Men	W	Average for Women	Total Hours	Total Average
Safety courses	71,428	1.74	78,121	2.01	149,549	1.87
Ethics courses	70,833	1.73	77,441	1.99	148,275	1.86
ESG courses	3,272	0.08	2,826	0.07	6,098	0.08
Other courses	199,529	4.87	202,527	5.20	402,056	5.03
Total	345,062	8.43	360,915	9.27	705,978	8.84

Number of in-house training hours for employees at the close of each year, by gender and by employment level in Mexico and the USA

Level	M	Average for Men	W	Average for Women	Total Hours	Total Average
Directors (Deputy General Manager, Corp. Directors)	253	5.50	26	2.39	279	4.90
Asst. Directors (Corporate and Regional)	536	3.97	610	9.68	1145	5.78
Managers and Asst. Managers (Corp. Manager, Zone Manager, Store Manager, Buyers, and Asst. Buyers)	10,729	10.34	4421	10.03	15,151	10.24
Staff	333,744	8.40	355,857	9.27	689,601	8.83
Total	345,262	8.43	360,914	9.27	706,176	8.84

Number of employees at the close of each year who received a regular performance and professional development evaluation in the last 3 years

		2022				2023				2024			
Level		**Men**	**%**	**Women**	**%**	**Men**	**%**	**Women**	**%**	**Men**	**%**	**Women**	**%**
Directors (Deputy General Manager, Corp. Directors)	MX	12	75%	3	100%	13	76%	4	100%	14	78%	3	100%
	USA	17	N/A	2	N/A	11	N/A	2		15	51%	2	25%
Asst. Directors (Corporate and Regional)	MX	27	75%	8	89%	26	62%	7	78%	32	76%	11	100%
	USA	37	N/A	12	N/A	32	N/A	11	N/A	38	41%	14	27%
Managers and Asst. Managers (Corp. Manager, Zone Manager, Store Manager, Buyers, and Asst. Buyers)	MX	511	98%	179	97%	489	82%	174	78%	604	95%	239	95%
	USA	272	N/A	148	N/A	262		144		246	62%	160	84%
Staff	MX	3,589	15%	3,002	14%	3,944	15%	3,393	14%	3,904	14%	3,469	14%
	USA	232	N/A	214	N/A	235	N/A	226	N/A	295	2%	328	3%

N/A: Not available

OCCUPATIONAL HEALTH AND SAFETY

GRI 3-3, **GRI** 403-1, **GRI** 403-2, **GRI** 403-5, **GRI** 403-7 **GRI** 403-8, **GRI** 403-9
SASB: FB-FR-310a.2 FB-FR-310a.3

As a Company with extensive operations, the health and well-being of all our employees is fundamental. Therefore, in our materiality analysis, we seek different strategies and onboarding programs to foster continuous improvement and promote the identification of risks and opportunities in health and safety within our operations.



Risks:

Temporary store closures due to non-compliance with local environmental or labor regulations

The constant review of processes and practices is aimed at ensuring their alignment with local regulations, thereby minimizing the risk of operational disruptions.

Increase in employee turnover or loss of productivity due to deficiencies in health and safety practices

Implementing training programs and improving working conditions are essential to maintaining a safe and healthy environment, which in turn contributes to talent retention and operational efficiency.

Opportunities:

Increased productivity as a result of health, safety, and wellness initiatives

Our continuous focus is on reducing productivity risks through various in-house training initiatives, which is why our health and safety activities engage our employees while also generating effective hours of productivity and training for initiatives of this nature.

Increased supply stability by monitoring suppliers' environmental and labor compliance

By avoiding closures and interruptions in operations, better relationships are established with our customers and suppliers; this fosters and maintains the stability of our supply chain at all stages.

Impact:

In the Company cares for the health and safety of our employees

Health campaigns are conducted to safeguard and promote the quality of life of all our employees across the entire organizational structure. The use of good safety practices is encouraged in business units having higher operational risks, and training sessions are conducted both virtually within Chedraui University and in-person, depending on the topic.

Mitigation Strategy

Health and Safety are not only an ethical responsibility, but a fundamental pillar that directly impacts both our business model and the strength of our value chain. The risk of temporary store closures due to non-compliance with local environmental or labor regulations represents a direct threat to operational continuity and financial stability, as these closures disrupt sales and customer service and also create logistical inefficiencies and additional costs throughout the supply chain.

Similarly, deficiencies in health and safety practices can lead to higher employee turnover and/or a slowdown in productivity, impacting service quality and increasing operating costs. This can impact our business model by weakening the organizational culture, reducing employee engagement, and compromising operational efficiency in our stores.

However, strategic opportunities have been identified, aimed at strengthening employee health, safety, and wellness and increasing productivity by fostering a more stable, motivated, and engaged workforce, thereby resulting stronger and productive operation capable of effectively responding to business needs. Furthermore, the company has enhanced monitoring mechanisms for environmental and labor compliance for the supplier network to anticipate and prevent risks, ensuring a more reliable supply flow that is also aligned with our ethical and operating standards.

The health and safety of employees at Chedraui is a fundamental responsibility and also a strategic decision that drives the resilience of the operations, strengthens relationships, and consolidates a sustainable long-term value proposition.

One outstanding element is the Chedraui University program, whose purpose is to provide training in health and safety for employees at all company levels.

Seven courses were developed to bolster further knowledge in safety; they include:

- Accident prevention during tag and lockout of machinery
- Warehouse safety, and for the receiving zones for produce
- Safety in the tortilla area
- Safety in the baking area
- Safety on the sales floor, decoration, and visual images
- Safety in the meat and seafood area
- Safety in the maintenance area

Total hours of training in safety topics

	2022	2023	2024
Mexico	48,332	102,452	106,970
USA	17,978.56	24,726.87	42,579.25
Total	**66,310.56**	**127,178.9**	**149,549.25**

Another relevant action in this matter is the implementation of internal policy 120-8000, which is based on four areas of endeavor:

- Leadership
- Personnel
- Processes (focused on accidents and risks)
- Structure (primarily focusing on follow-up for cases)

In total, these domains encompass ten facets, which primarily include the management of occupational risks, as well as the implementation of measures to safeguard well-being and enforce zero tolerance for negligent acts by managers and executives.

Similarly, actions were taken on material issues that cause a significant financial impact, including the following:

- Compliance with local environmental or labor regulations
- Organizational well-being
- Fostering productivity

Occupational Health and Safety Policies

	Chedraui Mexico	Chedraui USA
Occupational Health and Safety Model	• Facility supervision and maintenance are performed to ensure a safe environment. • Training and dissemination of safety-related topics are conducted to promote a culture of safety. • Regulation compliance and frequent safety audits. • Management of personal protection equipment and systems. • KPIs are controlled and continuous improvement is fostered.	• Everything is done in person at the Rancho Cucamonga Distribution Center, documented in Excel and other work documents, whereas Smart & Final has a Learning Management System for online training. • CAL-OSHA and Federal OSHA rules and regulations are followed.
Culture of Safety	• Applicable Federal Labor laws and NOMs (Official Mexican Standards) are followed; these include NOM-030-STPS-2009, NOM-002-STPS-2010, NOM-019-STPS-2011, among others. • Suppliers and contractors are obligated to adhere to established safety guidelines.	• Managers and employees are taught safe behaviors through ongoing training and communication. • All employees sign the General Safety Guidelines established by the Company.

	Chedraui Mexico	Chedraui USA
Education and Training	• Meetings are held monthly and at the start of each shift to share safety information. • Personnel receive annual training on loading equipment. • Technological tools are used to develop competencies. • A system of sanctions is used for anyone non-complying with safety measures.	• There are monthly safety evaluations; weekly safety tips; and quarterly training sessions. • Follow-up is given to audit findings to determine deficiencies and to ensure regulatory compliance.
Investigation of Accidents	• The QRSEC tool is used to investigate accidents on the job, analyze causes, and establish corrective and preventive measures.	• If required, all workplace incidents are reviewed and investigated by Safety and Loss Prevention.

Metrics and Goals

	2022	2023	2024
Mexico and CHUSA	**Number of Incidents**		
Fatalities resulting from an occupational accident	0	0	0
Injuries stemming from an occupational accident with major consequences (not including death)	793	817	1,056
Injuries due to recordable workplace accidents	3,290	3,246	3,532



Chedraui *Te Escucha*
(Chedraui Hears You)

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Chedraui USA:
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(888) 483-2657
Contact for suppliers and customers
(800) 894-0511 ext 7901
email: customer.relations@smartandfinal.com

Different goals were set that focus primarily on the scope of our actions, including the following:

- Maintain or increase participation percentages regarding Chedraui University courses.
- Continue implementing actions that safeguard the health of our employees.
- Have 100% of store employees covered under our health agreement.
- Conduct medical checkups, vaccinate against COVID-19/Influenza, and illness-detection tests for employees having diabetes and hypertension.
- Continuing to reduce accident rates related to job performance and sick days.

Chedraui USA monitors the goals established by:

- Supplementing monthly satisfaction forms.
- Organizing weekly activities to guide our employees toward the subject of safety.
- Monitoring audits with organizational deficiencies noted in our stores.
- Addressing and acting on all safety issues through our safety and prevention program.

As commented previously, there is an anonymous and confidential reporting system called "Chedraui Te Escucha," where employees, suppliers, customers, and carriers may report acts that violate our Code of Ethics and our Integrity and Transparency Policy. A similar hotline is used at Chedraui USA.

The Internal Audit department is responsible for monitoring reports and following up on incidents with the Audit and Corporate Practices Committee. Confirmed cases may result in disciplinary measures ranging from a warning to the termination of the employment or business relationship. In addition, work has been initiated with the commercial and administrative areas to implement coordinated remediation measures, including training, process improvements, and reinforced communication, among other things.

Chedraui México has created a Safety and Hygiene Regulation, which has been signed in cooperation by the Deputy General Manager, Operations, Maintenance, Loss Prevention, and Human Resources.

For its part, at Chedraui USA, the internal auditor and the company's main executives work together to address and promptly respond to the issues reported in the different channels internally, for suppliers and customers.

COMMUNITY RELATIONS

GRI 203-1, **GRI** 404-1, **GRI** 413

Our operations take place in various regions where local communities play a fundamental role in our supply chain, customer base, and brand perception. Undoubtedly, the success of our Company is intrinsically tied to the well-being and development of the communities in which we operate. Therefore, our commitment is to build strong and mutually beneficial relationships with these communities, ensuring that our operations contribute positively to their economic, social, and environmental development. Our vision is for this evaluation plan to become part of our strategy for sustainable supply chain management, while maintaining follow-up and monitoring improvements to ensure the effectiveness of the ESG assessment.

At the local community level, where we have store operations in Mexico, the following risks and opportunities have been identified:



Risks:

Temporary store closures resulting from conflicts in local communities

Establishing and maintaining strong relationships with these communities is essential, not only to improve our public perception, but also to ensure the operational continuity of our activities.

Opportunity:

Participation in community initiatives that focus on food security and access to water

Through these actions, significant positive social impacts can be created that, in turn, could considerably reduce the likelihood of facing this risk.

Impacts:

Donations to food banks and organizations that assist low-income communities

Through these types of actions, relationships of trust and support are built with the communities, which can translate into greater consumer loyalty and a positive impact on public perception.

The sponsorship of multiple social development programs through employees and the company's Foundation

These initiatives strengthen our role as an agent of positive change and foster sustainable development, which can result in a more favorable operating environment and the strengthening of our corporate reputation.

Mitigation Strategy

The positive perception of the communities where the company operates is essential to maintaining strong reputational brand recognition. Otherwise, it could cause potential harm and lead to customer loss. The prior could impact relations with the community by causing difficulties for the opening of new stores or distribution centers, which could, in turn, present a challenge for future expansion plans.

Likewise, an inappropriate management of community relations can impact the supply chain and workforce, since the operations rely heavily on local suppliers and employees. A weaker-than-optimal relationship with communities could reduce the availability of labor, limit local partnerships, or hinder the development of resilient supply chains.

The company focuses on establishing a strong relationship based on open communication and mutual respect with all labor unions present in our operations. This bond allows us to work collaboratively to establish the best working conditions for our employees, where we are committed to fostering a positive work environment in which the rights and needs of our employees are a priority.

The company has established two institutions, which are key to driving the commitment to social responsibility and community development: Fundación Chedraui in Mexico, and the Smart & Final Charitable Foundation in the United States.

Associations and Alliances

A fundamental driver of long-term growth and strengthening industry knowledge is the company's involvement and being represented at various associations and alliances with civil society organizations, regulatory entities, and industry groups. These relationships are strategic, as they allow us to influence



- ANTAD (the Mexican Retail Association) in which we are represented by David Monroy Vargas, as a delegate on the Human Resources Committee; and Ignacio González Quirasco, delegate and member of the Sustainability Committee.
  Contribution in 2024: $2,162,603.28 pesos
- Chapter Zero Mexico, in which our representative is Ignacio González Quirasco, who is part of the network of Directors and top executives.
- Mexican Business Council
  Contribution in 2024: $6,500,000 pesos
- ADI (Association of Real Estate Developers)
  Contribution in 2024: $232,500 pesos
- BAMX (Mexican Association of Foodbanks)
- Global Compact Mexico Chapter (UN Global Compact)
  Contribution in 2024 (biannual): $10,257.50 pesos
- CCE (Corporate Coordinating Council)
- GS1 (Global Standards1)

mission or objectives of these organizations, while supporting our own initiatives in social, environmental, and governance areas.

The Good Business Practices agreement was signed on July 6, 2009, by and between the Ministry of Economy, CONCAMIN, CANACINTRA, CONMÉXICO, CNA, and ANTAD. Chedraui Mexico joined said agreement on September 29, 2009. The First Amendment to the Agreement was on January 9, 2012, with the latest update on August 14 of the same year.

It is important to note that the Company makes no donations, contributions, or in-kind offerings whatsoever to political parties and/or representatives, labor unions, climate agencies, or similar entities in the countries where we operate.



Fundación Chedraui

This is a non-profit organization whose mission is to contribute to the development of Mexicans through active participation in education, health, and social welfare. The Foundation operates under the following central pillars:

Education

Various educational institutions receive support from us through in-kind donations and scholarships granted to outstanding students. Additionally, we develop secondary education projects, such as the *Liceo de Artes y Oficios,* (School for Arts and Trades), which facilitates access to quality education and better employment opportunities. This school has three campuses: Veracruz City, Villahermosa, and Xalapa, offering high school programs, technical careers, and intensive courses. In-person and online educational programs are implemented so that young people and adults across the country have the opportunity to receive a quality education, enabling them to continue their studies, obtain employment, improve their current employment position, or even start or expand a business of their own.

For further information:
https://www.liceodeartesyoficios.org/

Health

We work with hospitals and clinics to provide medical care to individuals with various illnesses and conditions who lack the resources to access quality healthcare. Among the institutions receiving support are: The Federico Gómez Children's Hospital of Mexico, in Mexico City; AHTECA (Help Me Brother, I Have Cancer) in Xalapa, Veracruz; Patronato Pro Asistencia Pública of Veracruz, which supports the Dr. Luis F. Nachón Civil Hospital, in Xalapa, Veracruz; Casa Nueva Foundation, which serves individuals with addictions in Xalapa, Veracruz; and the Down Institute of Xalapa.

Nutrition

Chedraui Stores, together with our employees, helped separate and distribute food that does not meet sales standards but is still suitable for consumption. These items are donated to organizations such as the Food Banks of Mexico, Emmanuel Foundation, and the local Cáritas organization. In 2024, through Chedraui, close to 197,852,400 pesos worth of food were donated to foodbanks in 2024.

The company's food donation policy aims to provide both perishable and non-perishable food products, both unsold and in good condition to organizations that assist low-income families in Mexico to use. The goal is to reduce hunger and improve nutrition among the most vulnerable segments of the population.

- **$197,852,400** pesos worth of food donations
- Thanks **corporate volunteerism**, food products in good condition are separated and then donated to **45 institutions**.
- **$3,039,073** pesos in in-kind donations in response to natural disasters



Social Welfare

We work with organizations dedicated to promoting universal values and comprehensive development, providing in-kind donations such as personal hygiene items, general cleaning supplies, medical supplies, medications, school supplies, household appliances, and toys. Through corporate volunteerism, food products in good condition are separated and then donated to 45 institutions.

Assistance for Victims of Natural Disasters

When natural disasters take place, the Foundation provides immediate assistance, organizes fundraising campaigns for customer donations, and offers in-kind contributions to cover basic needs and resources for the reconstruction of affected communities. Some $3,039,073 pesos-worth of in-kind donations were disbursed. One of our concrete actions took place in September 2024, when Hurricane John struck the southern Pacific coast of Mexico, particularly Acapulco. We supported affected families and rebuilt public elementary schools through $954,710.11 pesos of in-kind donations delivered to Mexican families affected by the disaster.

The total amount donated by Fundación Chedraui in 2024 amounted to $47,418,055 pesos. Furthermore, each Chedraui store conducts round-up campaigns, which channel support in the amount of $5,803,963 pesos during the year. In addition, other contributions were made by subsidiaries, commercial partners, and other institutions to support numerous initiatives, for a total amount of $50,534,518 pesos.

Through these actions, the total social investment made by Chedraui Mexico in 2024 amounted to $301,608,936 pesos to support the Foundation's pillars, donations to foodbanks, round-up campaigns, and other donations that enabled us to have a positive effect on Mexico's health, education, and social welfare.





Smart & Final
CHARITABLE
FOUNDATION

Smart & Final Charitable Foundation

Smart & Final's Charitable Foundation impacts the communities we serve in different ways, all aimed at having a positive effect. The main guidelines are the Focus Pillars.

- Health and wellness
- Education
- Team sports and the development of minors and youth
- The fight against hunger
- Disaster relief

They are divided into different areas of philanthropy.

- Corporate
- Employees
- Customers

Our Mission

The Smart & Final Charitable Foundation is committed to enhance the quality of life, and nourish the communities we serve. The focus of the donations includes health and wellness, education, team sports and youth development, the fight against hunger, and disaster relief.

Corporate Philanthropy

The corporate duty is to support communities through the Smart & Final stores by redirecting food products from dumpsites and waste, in addition to combating hunger. This is accomplished by providing donations to food banks, food pantries, and agencies with which the Foundation works through Feeding America, Food Finders, and third-party organizations.

In the year close to 2.6 million kg of food products were donated. This provided 4.71 million meals to individuals and families that face food insecurity throughout California, Arizona, and Nevada.

Employee Philanthropy

Smart & Final employees are encouraged to donate to the Foundation through payroll deductions. These employees have the opportunity to manage their personal donations by entering the payroll system at any time to enroll in the payroll deduction program and decide whether to increase, reduce, or opt to not donate.

Those employees who donate to the Foundation are supporting online monetary requests made by not-for-profit organizations. This process goes through Versaic, our internal request protocol.

- In 2024 over $88,000 dollars were donated by our employees.

Employee Volunteerism:

Together with our employees, this is another way in which the Smart & Final Charitable Foundation commits to offer the time of volunteers to serve local communities.

- In 2024, employees offered more than 2,000 hours of their time and participated in 22 events.
- With the financial support of employees, customers, and suppliers, the Foundation was able to donate over $1.325 million dollars to local non-profit organizations in California, Arizona, and Nevada.

Second Harvest OC - Harvest Solutions Farm:

This is a food bank in Orange County, California, with 45 acres of land to plant, harvest, and distribute food to local non-profit organizations. Smart & Final employees harvested 16,000 pounds of squash and broccoli. The additional fruits and vegetables grown help meet the needs of families struggling with food insecurity and who do not receive enough food through the donations provided by local pantries.

Read Across America:

Employees volunteer their time to visit schools from kindergarten through 5th grade and read





to the students. The students are excited to see Smart & Final personnel come to their school and read to them. The Foundation also provides $500 dollars in economic donations to the library for the purchase of books or iPads.

Scholastic Book Fair:

The Foundation works with Scholastic Book Fairs to identify Title 1 schools in California, Nevada, and Arizona. The books are shipped from Scholastic Books to the identified schools. The Smart & Final Charitable Foundation pays for each student at the school so they can choose three books to take home and share with their family. Approximately 75% of students at these schools do not own a book.

The Foundation provided over 2,800 books to 935 students from two schools. Teachers received ten books apiece for their classrooms, and the remaining books were given to the library free of charge.

Caterina's Club/PastaThon:

This program, in partnership with Caterina's Club, KFI Talk Radio, and the Smart & Final Charitable Foundation, is where customers provide monetary donations collected over three weeks at Smart & Final stores. The totality of these funds is given to Caterina's Club. A special event is held annually on Giving Tuesday, where employees volunteer their time to collect donated pasta and sauce for the PastaThon. The event takes place at the Anaheim White House restaurant on the Tuesday after Thanksgiving. This activity supports the restaurant's owner and founder of Caterina's Club, Chef Bruno Serano. He and his staff prepare more than 25,000 meals weekly to feed children facing food insecurity in Los Angeles, San Diego, Orange County, and the Inland Empire.

The American Heart Association:

Employees attended fundraising walks through areas of Northern and Southern California to raise funds and build awareness about strokes and heart disease. The Charitable Foundation donated $45,000 dollars and the employees raised an additional $9,000 dollars.

Omnichannel Donations

Thanks to the financial support of our employees, customers, and suppliers, the Charitable Foundation was able to donate over $1,325,000 dollars to local non-profit organizations in California, Arizona, and Nevada. The donations went to more than 2,400 non-profit organizations through an online request process.

Customer Philanthropy

Each year, Smart & Final customers donate to store campaigns that provide funds to non-profits that support the Foundation. The totality of the monetary donations received is for the non-profit organization.

- Campaign Programs
  - **Olive Crest** - $483,000 dollars donated for abandoned and abused children
  - **City of Hope / Kids 4 Hope:** $456,000 dollars donated for children who are struggling with cancer
  - **Caterina's Club/PastaThon:** $506,000 dollars provided to feed children facing food insecurity
  - **American Heart Association:** $18,000 dollars for research and education on heart disease and strokes

Corporate Policies

The Company has core policies that regulate and strengthen its relationship with communities, including the following:

- **Food donation Policy:**
  Direct delivery of perishable and non-perishable food in good condition to organizations dedicated to helping low-income Mexican families, to reduce hunger and improve nutrition among the most vulnerable sectors of the population.

- **Merchandise Donations to Charitable Organizations:**
  A merchandise donation policy has been implemented to reduce hunger and improve nutrition among the most vulnerable sectors of the population. Priority is given to donating food and other products to organizations dedicated to helping low-income Mexican families, such as food banks and local foundations. This policy reflects the company's commitment to supporting communities, ensuring that surplus products are used to benefit those who need them the most.

- **Sustainability:**
  The sustainability policy designed by the company is meant to mitigate the environmental impact of our operations and promote responsible business practices. Through this policy, we seek to reduce our carbon footprint, manage water resources efficiently, and foster recycling and the circular economy. These actions not only benefit the environment but also improve the quality of life in communities and promote a cleaner and more sustainable environment.

- **Human Rights:**
  The Company is committed to respecting and promoting human rights and children's rights across all our operations. The Human Rights Policy includes the incorporation of these principles into our processes and open communication; anyone may raise concerns without fear of retaliation. By ensuring respect for human rights, our relationship with communities are reinforced, making sure our operations contribute positively to social well-being.

- **Preventing Psychosocial Risks:**
  The purpose of this policy is to identify and mitigate psychosocial risks in the workplace, as per NOM-035. Periodic surveys are conducted to assess the work atmosphere and identify areas of improvement in matters such as workloads and leadership. The policy seeks to improve working conditions and promote a healthy work environment, which positively impacts the relationship with communities by ensuring that employees are in an environment that supports their well-being and personal development.

- **Zero Deforestation:**
  The goal is to contribute to the life of land ecosystems within the Company through actions that promote non-deforestation, in accordance with the UN Global Compact to which we are signees.

- **Animal Welfare:**
  This policy aims to ensure that all animals involved in the production, marketing, and distribution of our products are treated with respect and dignity, under conditions that guarantee their welfare, in compliance with best practices.

- **Sustainable Fishing and Aquaculture:**
  It establishes the guidelines for promoting practices that contribute to the conservation and health of our seas, optimizing the supply of sustainable seafood products in our business units and supporting the economy of the families who depend on this activity, as well as that of our customers.



Metrics and Goals

The following lists the amounts for the most important donations in Chedraui Mexico:

Total investment amount for Fundacion Chedraui programs

Currency	Monetary Donations	In-Kind Donations	Pro-Bono Work
Mexican Pesos	$ 47,418,055	$ 3,039,073	2,000 hours

Donations to Foodbanks by Chedraui Stores

$197,852,400 Pesos

$5,803,963 Pesos

Round-Up Campaign

In addition to monetary and in-kind donations, Fundación Chedraui held the following training through the Foundation and the Liceos

	2022		2023		2024	
	Men	Women	Men	Women	Men	Women
Hours of training	33,624	30,216	1,073	2,796	7,587	15,173
Total persons who received training	148	133	2,332	6,077	2,488	6,091
Average	227.18	227.18	0.46	0.46	3.04	2.49

Additionally, we offer clarity of our facilities and their commitment to sustainability and community responsibility. All our facilities in Mexico must have and enforce the following policies and practices:

Number of facilities that follow these practices in line with local regulation

	Stores	Distribution Centers	Offices
Social impact ssessment	541	8	2
Evidence of environmental impact	541	8	2
Committees or consultation processes with local communities	541	8	2
Occupational Health and Safety Committee	541	8	2

The company's **commitment to the communities** in all the regions where it operates is reaffirmed through all the **actions and initiatives** carried out in **Mexico and the United States.** The total social investment in **Mexico** in 2024 was **$301,608,936 pesos,** and in the **United States**, it was **$58,062,155 pesos,** whereby **the total for Grupo Comercial Chedraui came to $359,671,091 pesos.** This allowed for a **positive impact** to be invested in health, education, and social well-being in the communities served.

Investment amount for training programs provided by Fundación Chedraui

2022		2023		2024	
Investment	Per hour of training	Investment	Per hour of training	Investment	Per hour of training
$271,306	$4.24	$216,726	$56.01	$121,274	$5.30

CUSTOMER RELATIONS AND BRAND MANAGEMENT

GRI 417

Customer satisfaction is not only a measure of the company's success, but also part of one of our its strategic pillars: "delivering the best shopping experience", which drives loyalty and sustained growth. We strive to provide an optimal shopping experience, adapting to meet the needs and expectations of customers.

In the materiality analysis, several key factors that influence this topic were identified:



Risk:

The need to change customer marketing and monitoring strategies due to regulatory modifications in data privacy

This implies reviewing and adjusting marketing strategies and monitoring methods to ensure regulatory compliance, but without compromising campaign effectiveness.

Opportunity:

Increased productivity through employee training in data analysis and artificial intelligence

Training employees in the use of advanced data analytics and artificial intelligence tools can improve the personalization of marketing campaigns and optimize decision-making, resulting in greater efficiency.

Impact:

The company builds trust with consumers by monitoring their preferences and improve offerings, through the company's loyalty program ("Mi Chedraui")

The shopping experience is personalized, and connections with customers are strengthened, thereby increasing their satisfaction and loyalty.



Mitigation Strategy



To make the efforts of employees more efficient through digital tools, we highlight the following measures and efforts:

- Worthy of mention is the investment and implementation of digitization and RPAs (Robotic Process Automation) to optimize various operational and back-office processes, helping streamline employee workloads and improve efficiency in the supply chain. This includes automated receiving, picking, and shipping processes in distribution centers to reduce manual errors and improve operating times.
- Through the Purchasing Department, tools such as PowerBI are used to generate distribution and create purchase requests, enabling more efficient inventory management and price optimization.

Universidad Chedraui helps provide employees with a wide range of training resources in essential digital tools and thus improving productivity and operating efficiency. This initiative includes the use of advanced systems such as SAP and Artus, which are fundamental for data and process management within the company.

There is also a library of e-learning courses covering key management competencies such as communication, leadership, innovation, and analysis, enabling employees to develop critical skills for data analytics and artificial intelligence.

Another relevant aspect of digitization is the implementation of self-checkout stations, which enhance the customer shopping experience by streamlining the purchasing process, reducing wait times, and allowing customers to have more direct control over their transactions. This also reflects the company's commitment to innovation and the continuous improvement of customer experience, ensuring that every store visit is efficient and satisfying. In 2024, self-checkout stations were installed in four additional stores, adding to the 64 already in place across our different store formats, reaching a total of 406 self-checkout stations.

On the other hand, Chedraui Mexico and Chedraui USA guarantee the right to privacy of personal data for our customers, employees, and third parties through various policies, procedures, and protocols mentioned in the policies section.

Corporate Policies

There are different policies in place to guarantee the privacy of customer data:

- Policy for the Administration and Protection of Personal Data 130-9136
- Policy for the Management and Security of Information 1500-0028
- Policy for Handling Requests for Rights of Access, Rectification, Cancellation, or Opposition of Personal Data (ARCO) 180-0001 related to the processing of personal data, through the email: datospersonales@chedraui.com.mx for those cases in which someone may have a complaint or requires updating of information.

We also have a well-defined process through which we manage personal data, which consists of:

- Identifying operations in which personal data is collected and processed.
- Recording and controlling the personal data collected.
- Implementing security measures to protect and safeguard personal data.
- Preparing Privacy Notices at each point of contact where personal data is collected.

- Availability of mechanisms on digital platforms for customers to decide if they want to receive or not promotional and marketing materials.

"Mi Chedraui" Loyalty Program, implemented in 2016, serves as the basis for a customer relations strategy, and it operates through our interaction channels. This interaction takes place through the following channels:

- WhatsApp
- SMS
- Email
- Call Center
- Intelligent Coupons
- Social Media
- In-store WIFI
- Push notification
- Website

Metrics and Goals Related to the Topic

Cases of non-compliance that resulted in sanctions and fines remain low, with a total amount paid that was not significant (<$1,000 USD), and only three warnings were received related to regulatory matters.



DIVERSITY AND EQUAL OPPORTUNITIES

GRI 405-2

Chedraui is firmly committed to eliminating all forms of discriminatory actions that could adversely impact the development of employees, assuring equitable treatment in both performance evaluations and access to benefits. Gender equality is actively promoted, recognizing the importance of providing an inclusive and fair work environment for all.

In our materiality analysis, the following significant impact was identified:

The company provides development opportunities equally to all employees.

By ensuring equitable access to professional development, our reputation as a fair and progressive employer is reinforced, which can enhance our brand image and competitiveness in the market.



Strategies and Actions Taken in this Area

Inclusion in our recruitment and selection processes is considered and prioritized without distinctions based on gender, age, sex, religion, race, disability, or other factors, to ensure equitable coverage. Similarly, conflicts of interest are avoided by regulating the hiring of employee relatives. These measures are outlined in our Talent Attraction and Selection Policy, available on our website.

The company's Code of Ethics also focuses on recognizing the work of all employees, preventing any form of harassment or violence.

We strive to eliminate all types of discrimination, disrespect, or offensive treatment toward employees, candidates, customers, suppliers, and others with whom we interact. Furthermore, gender-based violence is not tolerated whatsoever, reaffirming our commitment to a safe and respectful work environment for all. These actions reflect our commitment to building an organizational culture that values diversity and promotes equal opportunities.

We are part of the UN gender equality strategy, UN Women, which promotes diversity, gender equality, and respect for human rights. In 2024, we maintained the same rating as in 2023 of 67% for WEPS (Women's Empowerment Principles).

Corporate Policies

A solid Code of Ethics guides our actions and decisions, aiming to promote equal opportunities between men and women through fair salaries based on each employee's profile, job description, experience, tenure, and education.

Chedraui has a Labor Diversity and Inclusion Committee, whose purpose is to foster a culture of inclusion by ensuring dignified, professional, and impartial treatment for all our employees.

Among our initiatives, Policy 1500-0022 stands out because it focuses on workplace diversity and inclusion. This policy was approved by both the Audit and Corporate Practices Committee and our Board of Directors.

Metrics and Goals

Gap proportions between wages for male and female employees (Mexico)

	Gap 2022 M/W	Gap 2023 M/W	Gap 2024 M/W
Directors (Deputy General Manager, Corp. Directors)	1.12	1.21	1.18
Asst. Directors (Corporate and Regional)	1.01	1.01	0.98
Managers and Asst. Managers (Corp. Manager, Zone Manager, Store Manager, Buyers and Asst. Buyers)	1.03	1.02	1.03
Staff	1.03	1.04	1.04





HUMAN RIGHTS

GRI 308-1, **GRI** 308-2, **GRI** 406-1

Undoubtedly, our operations can potentially impact human rights due to the large number of workers involved in the supply chain, which is directly linked to the need for a reliable and stable supply chain to maintain product availability in our stores and meet customer needs.

This approach is part of an emerging aspect of our supply chain management strategy, detailed in Chapter 8.1 of the report herein, and aims to ensure that suppliers comply with ethical and legal standards to ensure the protection of all worker rights and promote responsible business practices.

From our materiality analysis, the following impact was identified:

The company audits its private label suppliers in matters of health, safety, labor practices, and other human rights.

This approach not only protects workers in the supply chain, but also reinforces commitment to corporate social responsibility.





Mitigation Strategy

Suppliers of our private-label products are required to undergo a series of social responsibility audits using the SMETA methodology (SEDEX Members Ethical Trade Audit) to assess their compliance with human rights and labor practices. These audits are described under the pillar "the best in-store assortment" in the business strategy section.

Similarly, our Code of Ethics establishes the principles and values guiding the conduct of employees, suppliers, and other stakeholders. This code aims to ensure integrity, transparency, and responsible behavior in all Company operations. Since 2023, signing the Code of Ethical Conduct has been mandatory for new suppliers, and we're in the process of signing all suppliers.

Together with these audits, some of the following actions are also performed:

- Suppliers of goods, raw materials, or services are asked to be legally incorporated and fully comply with the laws and regulations at the three levels of government applicable to their operations, including those related to labor, immigration, facility safety, health, and environmental protection.
- Supplier contracts are reviewed to ensure compliance with environmental regulations and to verify that they have the necessary certifications.

Corporate Policies

Grupo Comercial Chedraui is a company committed to respecting, upholding, and promoting human rights and the rights of children, as reflected in our various policies and processes. Through our Code of Ethics and communication campaigns, the values and behaviors that support respect for Human Rights are promoted. All levels of the organization contribute to ensuring compliance with these principles, while the Human Resources and Audit Areas are responsible for coordinating adherence to policies.

Our Human Rights Policy outlines Grupo Comercial Chedraui's commitments and action guidelines that promote and protect a culture of respect for Human Rights as a key element of the Company's global strategy. It considers all individuals involved in its operations, including employees, customers, suppliers, local communities, and other stakeholders.

Metrics

Private label suppliers evaluated on sustainability issues (Mexico)

Total suppliers evaluated by Chedraui Mexico	142	100%
New suppliers having gone through the selection filter regarding environmental criteria	7	5%
Suppliers evaluated with regard to environmental impacts	127	89%
Suppliers having negative environmental impacts	23	16%
Suppliers with environmental impacts and having reached an agreement on improvements to the same	23	16%
Suppliers with environmental impacts and whose commercial relationship was terminated as a result of the evaluation	0	0%

Reported, confirmed, and cases with sanctions for violating the Code of Ethics in matters related to human rights and labor issues

No. of Reported Cases	No. of Confirmed Cases	No. of Cases Resulting in Employee Sanctioning	No. of Cases Resulting in Employee Dismissal
7	1	1	0




STADIA SUITES
OfficeMax
Selecto
CHEDRAUI

GOVERNANCE


Selecto
CHEDRAUI

SUPPLY CHAIN MANAGEMENT

GRI 416-1

Supply chain management is fundamental for the company, and it's an essential part of the business model. The ability to maintain a supply chain free of any interruptions is key for ensuring the availability of the best product assortment in all our operating stores.

Our double materiality analysis identified the following important topics:

Risks:

Reduced product availability resulting from suppliers' non-compliance with new regulations

This may cause product scarcity, affecting customer satisfaction and potentially reducing sales.

Increased costs or delays in building new stores, due to tariffs imposed on imported parts and/or equipment

Tariffs may significantly increase construction costs, thereby affecting expansion and growth for the company.

Increased costs for goods sold due to tariffs on imported items

This could reduce margins and push the company to increase prices for consumers.

Reduced earnings due to sanctions for suppliers not complying with environmental and labor legislation

This could cause interruptions in supply or require the search for new suppliers.

Opportunities:

Integration of artificial intelligence technology and data analysis to improve replenishment systems and tracking of customers

This enhances customer satisfaction by reducing waiting times and product out-of-stocks, in addition to increasing operational efficiency by forecasting demand.

Increased supply stability through the tracking of supplier compliance with environmental and labor legislation

This reduces the risk of disruptions to the supply chain, and it reinforces the company's reputation as a responsible and ethical partner.

Increased routing efficiency and reduced transportation costs due to the incorporation of the distribution center (RCDC)

It serves to reduce operating expenses as well as enhance customer experience.

Increased procurement capabilities and supplier participation due to the integration of business lines and supply networks

In this manner, the company can expand its procurement capability, offer greater product variety and reinforcing supplier relations.

Impact:

The company purchases agricultural and livestock products from local suppliers, thus creating economic benefits in the local community

By procuring products from local suppliers, we boost the regional economy, support small and medium-sized farmers, and boosts the economy where it has operations. This practice not only contributes to local economic development but also reduces the carbon footprint.

Mitigation Strategy



Supply chain management requires a strong commitment from suppliers to our values, as well as compliance with the laws and regulations where they operate.

It's considered that sanctions imposed by local authorities on suppliers can impact our value chain by causing disruptions, which could affect product availability and our ability to maintain adequate inventories, as well as creating challenges in logistics operations. This prompts us to seek alternative suppliers that comply with regulations, which could result in higher operating costs, impacting profit margins and the overall profitability of the business.

Likewise, this can impact our reputation as a responsible Company committed to sustainability and, therefore, influence customers' and other stakeholders' perception and possibly have an effect on brand loyalty and trust.

The ability of suppliers to adapt to new sustainability standards and requirements is also a challenge that can affect product availability if not properly managed. This includes compliance with Official Mexican Standards and signing the internal Supplier Code of Conduct. Non-compliance with these regulations may impact product availability and result in sanctions, which would have a financial effect on the company.

The increase resulting from tariffs can affect our business model, such as:

- In terms of construction parts and equipment, tariffs can affect expansion plans, as well as dilute the return on invested capital (ROIC) and impact our ability to grow organically or through acquisitions.
- In the case of imported products, additional taxes increase acquisition costs, which can impact profit margins and overall profitability. This may require a reassessment of operational efficiency to offset the cost increase, as well as forcing us to adjust retail prices to offset additional costs, which can impact demand and market competitiveness.

Additional costs can reduce profit margins, affecting overall business profitability levels. This could require price adjustments, which could influence competitiveness and the perceived value of the customer.





In response to this risk, greater stability in the supply chain can be achieved by monitoring suppliers' environmental and social compliance, which reduces the risk of supply chain disruptions and improves operating efficiency.

Another opportunity that facilitates logistics tasks is the integration of the distribution center in the U.S.A, which optimizes transportation routes, enhances operational efficiency, and reduces delivery times and transportation costs, having a positive impact on profit margins and overall profitability. It can also decrease energy consumption and emissions associated with transportation.

Data analysis and intelligence tools are also powerful assets for efficient supply chain management, as they allow us to identify patterns and trends in customer behavior, improving demand forecasting accuracy, enabling more efficient replenishment, and reducing the risk of product shortages.

On the other hand, the integration of banners and supply networks allows for leveraging data to make informed decisions about supplier management and value chain optimization through closer collaboration with suppliers. This in turn, enhances operational efficiency, generates synergies, and increases efficiency in inventory and logistics management. It also facilitates better coordination between suppliers and the Company, optimizing product flow and improving profit margins and market competitiveness.

Local sourcing facilitates product traceability, ensuring sustainable practices and compliance with environmental and labor regulations, which strengthens supply chain sustainability. It also allows us to better adapt to consumer preferences by offering fresh, high-quality products that meet market demands.

To achieve stability in the supply chain, our suppliers are required to sign contracts that include labor-related clauses. They are also obligated to sign a letter of commitment, conflict of interest declarations, and the Supplier Code of Conduct. In response to risks associated with tariffs, supplier diversification strategies are also implemented, which can help mitigate such risks as well as international market fluctuations.

Technologies such as GPS for fleet monitoring and route-cost simulators are used to improve transportation efficiency.

Corporate Policies

The main policy that applies to Supply Chain Management is Grupo Comercial Chedraui's **Supplier Code of Conduct**. This code not only establishes the ethical principles and standards of conduct for third partes that interact with us, but also reinforces our commitment to integrity and transparency in all business relationships. With a clear focus on zero tolerance for corruption, suppliers are expected to comply with applicable laws, promote social responsibility, and respect the environment. Through periodic audits and inspections, we ensure that these standards are upheld, thereby fostering responsible and ethical supply chain management.

Other policies that reinforce our Supplier Code of Conduct are as follows:

- **1500-0009 Procurement of Products and Services:**
  It establishes a framework for the efficient and ethical procurement of products and services. This policy ensures that transactions are conducted according to the Company's quality standards, guaranteeing that our suppliers meet social and environmental responsibility expectations.
- **1500-0025 Sustainability:**
  It is essential for integrating sustainable practices across all supply chain operations. The reduction of environmental impacts and the promotion of social responsibility in relationships with suppliers are actively promoted. This policy guides us when implementing strategies that minimize the use of natural resources and help optimize energy efficiency, thus reinforcing a more sustainable business model.
- **120-2029 Environmental Risk Prevention:**
  It allows us to identify, assess, and mitigate environmental risks within the supply chain, ensuring that our operations and those of our suppliers comply with current environmental regulations. By doing so, the environment is protected and the continuity of our supply chain is ensured.
- **1500-0024 Money Laundering Prevention and Fraud Detection:**
  This policy enables the implementation of strict controls and audit procedures to prevent illicit activities that could compromise both our supply chain and our reputation. In this way, our Company reinforces its commitment to integrity and legality in all business transactions.

Metrics and Goals

Products (SKUs) offered on average in stores during the last three years

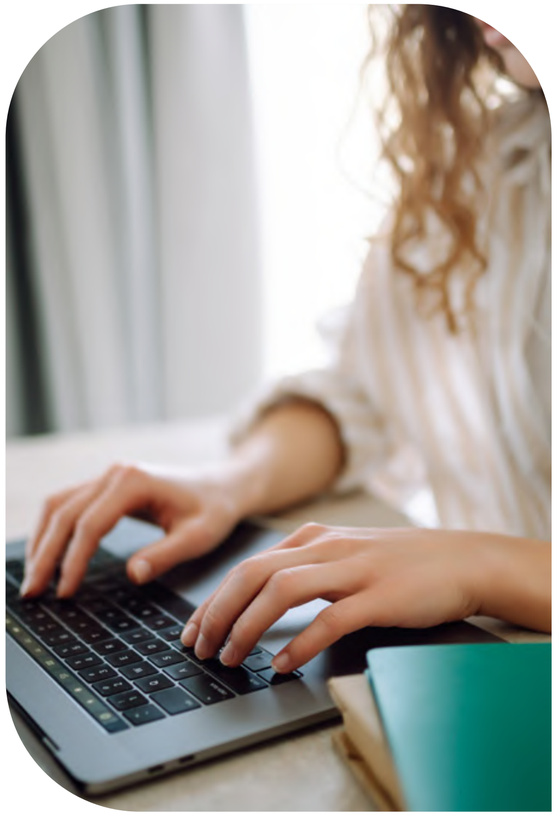
Segment	2022	2023	2024
Chedraui Stores	101,300	73,500	75,400
Super Chedraui	41,300	30,100	29,000
Super Che	14,000	11,000	10,300
Supercito	2,500	2,700	2,800
Arteli Stores	12,000	7,400	8,100
El Super	12,000	9,300	10,400
Fiesta	55,000	23,000	21,200
Smart & Final	16,600	16,400	16,500

CYBERSECURITY

GRI 418
SASB: CG-MR-230a.1CG-MR-230a.2 FB-FR-230a.1, CG-MR-230a., 1CG-MR-230a.2

The risks and opportunities associated with cybersecurity generally include vulnerabilities, breaches, and cyberattacks that could affect the integrity, confidentiality, and functionality of data, networks, and systems. Successfully managing these risks is crucial to maintaining the company's reputation, as failure to do so could have long-term negative impacts.

During the materiality analysis conducted in 2024, the following risks and opportunities were identified:



Risks:

Increased costs stemming from cyberattacks

Cyberattacks can lead to significant costs for the Company, including those related to solving security breaches, implementing additional security measures, and losses in income due to disrupted operations.

Cybersecurity threats

These types of threats are becoming increasingly complex and frequent, requiring constant surveillance and rapid adjustment to new attack tactics.

Opportunities:

Investments in cybersecurity infrastructure

Investing in advanced cybersecurity technology, such as artificial intelligence for threat detection and automated response, can significantly increase the company's ability to prevent, detect, and mitigate cyberattacks. This not only protects the company's assets but also improves operational efficiency.

Protection of data centers and IT infrastructure by migrating to the Cloud

Adopting robust cloud-security practices and identity and access management solutions can enhance the security of data stored in the Cloud. This can also facilitate scalability and operational flexibility, allowing a quicker response to market demands.

Impacts:

The company provides equal development opportunities to all its employees

This practice both helps to attract and retain talent from different places, as well as drives innovation.

Mitigation Strategy



Cybersecurity risks affect the business model and value chain as they can disrupt operations and compromise the Company's ability to deliver services. These risks threaten the integrity of information critical to the operations, such as supply chain management and customer interactions through applications, in addition to disrupting digital transactions and operations. The growing presence of these risks impacts financial and operational processes, including customer data security and transaction integrity.

In 2024, the Information Technology Department focused on reinforcing information security strategies by enhancing and aligning certain controls and processes according to the best security practices. These are based on international frameworks and certifications, primarily including PCI DSS, ISO 27000, and NIST.

The Company has implemented a robust cybersecurity strategy based on international frameworks such as NIST, which consists of:

1. IDENTIFICATION: Governance and Organization, Strategy, Metrics and Reporting, Policies and Standards, Security Architecture, Asset Management, Third-Party Management, and Privacy.
2. PROTECTION: Awareness and Training, Data Protection, Host Security, Identity and Access Management, Network Security, IT Operations, Software and Application Security
3. DETECTION: Security Monitoring, Intelligence of the threats, Policies and Standards, Vulnerability Identification and Remediation.
4. RESPONSE: Response to security-related incidents .
5. RECOVERING: BDP / DRP (Disaster Recovery Plan)

Moreover, the Company has become known as one of the first organizations to achieve PCI DSS certification under version 4.0, which reflects our commitment to complying with the new requirements set forth under PCI DSS through controls designed to protect cardholder data and/or sensitive authentication data during storage, processing, or transmission. This achievement strengthens our position as a leading company, enhances our reputation with customers, reduces the risk of cyberattacks or cyber fraud, and significantly lowers the potential costs that may arise from incidents.

Also carried out was a project to restructure and update the policies and procedures related to supply chain processes, aligned with ISO 9001 and 10013 Quality Management standards. This was done in collaboration with the areas involved, through interviews with those directly responsible for executing the tasks, resulting in greater details regarding the activities performed and their rules. In addition to building a global map of the current processes, this enables identification of productivity improvements and associated risks.

Our internal information security policy is updated annually or as needed according to perceived risks. This aimed to include guidelines derived from international standards and frameworks, as well as any instructions, processes, and procedures that must be followed to protect all customer, supplier, and employee data.

During 2024, we worked on increasing the level of duty segregation across several areas of the organization by applying security strategies in line with best practices, analyzing the responsibilities of each position, and confirming the correct access rights used in the system to determine business results.

Corporate Policies

To fulfill its responsibilities, the Board of Directors relies on the Audit and Corporate Practices Committee for the analysis and monitoring of the Company's most relevant issues. Accordingly, in matters of information security, the Information Technology Department, which reports to the Deputy General Manager of Administration and Finance, informs the Audit and Corporate Practices Committee and the Board of Directors at least once or twice a year about important changes, challenges, or risks related to the Company's cybersecurity strategy.

The company is committed to operating without incidents that could compromise the information of our customers and suppliers. To this end, the National Institute of Standards and Technology (NIST) framework is applied to manage cybersecurity risks, conduct phishing simulations, monitor penetration attempts, and ensure data integrity through control dashboards. These processes help protect sensitive data and maintain operational security. This includes regular audits, PCI DSS recertification, and strategic actions to safeguard sensitive data and preserve system integrity.

Metrics and Goals

Performance is monitored using KPIs such as application availability, metrics on penetration attempts, and phishing test results. These objectives help assess the effectiveness of cybersecurity measures.

Performance is also tracked through completion rates for cybersecurity training and the successful containment of cyberattacks. Performance goals guide training efforts and system security, ensuring alignment with global standards.

Plans include strengthening defenses, enhancing incident response capabilities, and adapting to global cybersecurity trends that improve overall risk management.

While metrics include application availability, success rates in phishing simulations, and the detection of penetration attempts, the internal established goals are achieving annual training for 100% of our employees and maintaining global detection standards.

In 2024, all of our employees received cybersecurity training. Information explaining the most relevant cybersecurity topics was distributed through internal communication channels of the Company, new communication strategies were developed, and exercises on specific cybersecurity events were carried out. Additionally, an average of one webinar per month is conducted on various related topics to further expand knowledge in this matter.

Amount invested for Chedraui University training programs (Cybersecurity and Information Technologies)

		Investment 2022	Investment 2023	Investment 2024
University	SABA (USD)	$ 203,952	$ 194,043	$ 256,560
Design	AURA (MXN)	$ 207,142	$ 220,160	$ 189,793





FINANCIAL PERFORMANCE



Summary of Consolidated Results for Grupo Comercial Chedraui

Millions of Mexican Pesos	2022	2023	2024	CAC 2022 to 2024
Sales	259,326	263,058	281,762	2.8%
Gross Profit	59,300	61,267	65,094	3.2%
Gross Margin	22.9%	23.3%	23.1%	20 pbs
EBITDA	21,427	23,320	23,694	3.4%
EBITDA Margin	8.3%	8.9%	8.4%	10 pbs

CAGR - Compound Annual Growth Rate



Our customer-centric strategy continues to deliver positive results, which has led us to increase market share from our competitors. In Mexico, same-store sales continue to exceed ANTAD levels, with an average differential of 168 bps throughout fiscal year 2024. In addition, organic growth continued with the opening of 84 stores in Mexico and six in the United States, totaling 541 and 384 stores, respectively.

During the second half of the year, our new distribution center at Rancho Cucamonga, California (RCDC) initiated operations. This resulted in transition costs/expenses as part of the supply chain realignment of five distribution centers with the new RCDC, which will gradually reduce by mid-2025 when the transition period concludes.

The aforementioned also has an effect on net earnings, stemming from a greater level of depreciation and increased financial costs, both of which are due to transition costs inherent to expenses for the operation of the distribution centers related to the effect of rents under IFRS16.

The results achieved in 2024 include total consolidated sales of $281,762 million pesos, 7.1% higher than in 2023. This is due to the favorable sales performance in all our businesses and a favorable exchange effect produced by an average peso-to-dollar depreciation of 5.2%, as compared to 2023.

Moreover, sales benefited from the incorporation of 84 stores in Mexico and six in the U.S.A; and from a 5.6% increase in same-store sales in Mexico, and 0.5% in Chedraui USA (in dollars).

The positive results in income for the real estate division are due to the incorporation of 14,443 m2 of leasable area, which represents 3.3% annual growth, and 98.4% occupancy rate, compared to 97.3% for 2023.



Consolidated Results

Figures in Millions of Mexican Pesos	2023	2024	Variation
Net Sales	263,058	281,762	7.1%
Gross Income	61,267	65,094	6.2%
Operating Expenses (w/o depreciation)	37,947	41,400	9.1%
EBITDA	23,320	23,694	1.6%
Consolidated Net Income	7,894	6,819	-13.6%
Majority Net Income	7,645	6,721	-12.1%
Basic Profit per Share	7.97	7.00	-12.2%
Number of Outstanding Shares	963,917,211	963,917,211	N/A
Price per Share at Dec. 31, 2024	102.58	125.30	22.1%

Consolidated Balance Sheet

Figures in Millions of Mexican Pesos	2023	2024	Variation
Cash and Cash Equivalents	13,696	13,657	-0.3%
Inventory	20,774	24,360	17.3%
Fixed Assets (Net)	99,923	123,400	23.5%
Total Assets	140,238	168,267	20.0%
Suppliers	31,823	34,316	7.8%
Total Liabilities	94,364	115,918	22.8%
Majority Shareholder Investment	45,379	51,637	13.8%

Operating income in 2024 shows a 4.1% decline compared to the previous year, as a result of increased labor costs in Mexico and the United States; higher expenses related to the accelerated pace of store openings compared to 2023; and transition expenses related to the RCDC in the United States.

EBITDA rose to $23,694 million pesos in 2024, 1.6% higher than the prior year. The EBITDA margin reached 8.4%. If the transition expenses and costs related to the RCDC were excluded, EBITDA would have shown growth of 4.6%, and the EBITDA margin would be 8.7%.

Finally, net income for 2024 totaled $6,819 million pesos; this is 13.6% lower than 2023, due to different RCDC-related effects in the U.S.A during the second half of the year. If said effects are excluded, the consolidated net income would be 0.6% higher than in 2023, representing 2.8% of sales.



RETAIL MEXICO

As of Dec. 31, 2024, the Retail Division in Mexico opened five additional Chedraui Stores, compared to those recorded on the same date in 2023; four Súper Chedraui; and 76 Supercito units that were incorporated into the operation. This resulted in an annual* expansion in the sales floor of 2.4%.

Total sales in Mexico increased by 7.4% compared to 2023, stemming from sales floor growth and a 5.6% increase in same-store sales.

Moreover, EBITDA grew by 8.4% compared to the previous year, with a margin of 8.6% over sales, which is equivalent to an expansion of 8 basis points compared to 2023.



Figures in Millions of Mexican Pesos	2023	2024	Variation
Sales	122,437	131,493	7.4%
EBITDA	10,404	11,274	8.4%
EBITDA Margin	8.5%	8.6%	8 pbs

*The annual expansion includes store openings and closures.

RETAIL USA

During 2024, total sales for Chedraui USA grew 1.5% in dollar terms. However, when converted to Mexican pesos, the 5.2% depreciation in the exchange rate translated into a 6.8% growth. The result in dollars is attributed to a higher customer base and the opening of six new stores throughout the year.

EBITDA for the U.S.A. operation reached $11,480 million pesos, with a margin of 7.7%. If the impact related to transition costs/expenses for the RCDC were eliminated, the EBITDA margin would be 8.2%.

Furthermore, EBITDA for El Super and Fiesta Mart totaled $6,290 million Mexican pesos, with an EBITDA margin of 9.0%, if RCDC if transition costs and expenses were excluded, this margin would be 9.3%,

EBITDA for Smart & Final amounted to $5,191 billion pesos, with an EBITDA margin of 6.6%. This would come to 7.2% when excluding transition expenses/costs.

Figures in Millions of Mexican Pesos	2023	2024	Variation
Sales	139,301	148,799	6.8%
EBITDA	12,085	11,480	-5.0%
EBITDA Margin	8.7%	7.7%	-96 pbs

EBITDA by Banner Figures in Millions of Mexican Pesos	2023	2024	Variation
El Super and Fiesta Mart	5,428	6,290	15.9%
Smart & Final	6,657	5,191	-22.0%
Total	12,085	11,480	-5.0%



REAL ESTATE DIVISION

Revenues for this segment totaled $1,469 million pesos, a growth of 11.4% to 2023. This is attributed to solid performance by the Real Estate Division throughout 2024. EBITDA for this segment rose 13.0%, amounting to $939 million pesos, with an EBITDA margin of 63.9%, representing an increase of 95 basis points over that recorded in 2023.

Figures in Millions of Mexican Pesos	2023	2024	Variation
Sales	1,319	1,469	11.4%
EBITDA	831	939	13.0%
EBITDA Margin	63.0%	63.9%	95 pbs



FINANCING

As of December 31, 2024, the Company reported net cash of $ 4,330 million pesos, comprising $9,327 million pesos in short and long-term debt, and $13,657 million pesos in cash and temporary investments.

It should be mentioned that there is currently no debt for operations in Mexico. All debt is incurred by Chedraui USA, and in dollars; since all earnings and liabilities are in the same currency, no hedging instruments are used to mitigate exchange risks.

With these figures, the net multiple debt (cash) to EBITDA for the last 12 months closed at -0.18x.

The accrued CAPEX in 2024 amounted to $11,454 million pesos, which is 53% higher than the $7,488 million pesos posted for 2023, representing 4.1% of consolidated sales, as compared to 2.8% in 2023. The higher investment is attributed to an increase in store openings in Mexico and the United States, and to the investment made in the new Distribution Center, Rancho Cucamonga in California. It is important to note that the resources generated by our operations enabled us to fund a higher CAPEX than the year before, and to improve our cash position.

Report of the Audit and Corporate Practices Committee (in Spanish)

INFORME DEL COMITÉ DE AUDITORÍA Y PRÁCTICAS SOCIETARIAS

Ciudad de México, a 12 de marzo de 2025

AL H. CONSEJO DE ADMINISTRACIÓN DE
GRUPO COMERCIAL CHEDRAUI, S.A.B. DE C.V.
Presente

En cumplimiento a lo dispuesto por los artículos 42 y 43 de la Ley del Mercado de Valores, los Estatutos Sociales y de las recomendaciones contenidas en el Código de Mejores Prácticas Corporativas, actualmente denominado Código de Principios y Mejores Prácticas de Gobierno Corporativo, en mi carácter de Presidente del Comité de Auditoría y Practicas Societarias (en lo sucesivo el "Comité") de Grupo Comercial Chedraui, S.A.B. de C.V., me permito informar a ustedes sobre las actividades relevantes llevadas a cabo por el Comité durante el ejercicio social terminado el 31 de diciembre de 2024.

El Comité fue debidamente integrado por acuerdo de la asamblea de accionistas de la Sociedad de fecha 05 de abril de 2010; con apego a la legislación vigente aplicable sus miembros han sido designados o ratificados, según sea el caso, de manera anual por resolución adoptada por los accionistas de la Sociedad, reunidos legalmente en asamblea.

Para analizar los resultados de las operaciones y los eventos relevantes de la Sociedad, el Comité celebró las sesiones que permitieron asegurar el estricto, adecuado y permanente seguimiento de los acuerdos adoptados en el ejercicio de sus funciones, dando seguimiento a los acuerdos tomados por la Asamblea de Accionistas y el Consejo de Administración, invitando a dichas sesiones a los funcionarios de la Sociedad que se consideró conveniente.

I. ACTIVIDADES REALIZADAS EN MATERIA DE AUDITORIA:

a) La Sociedad cuenta con un área de auditoría interna y un sistema de control interno, los cuales fueron supervisados y evaluados junto con los principales aspectos que requieren mejoría. A efecto de realizar las recomendaciones pertinentes, se consideraron los dictámenes y la opinión de los Auditores Externos y de los Expertos Independientes. Adicionalmente, se revisaron las recomendaciones preventivas y correctivas implementadas a efecto de evitar incumplimientos a los lineamientos y políticas de operación y registro contable de la Sociedad y sus subsidiarias. Al respecto, en opinión del Comité no se encontraron diferencias o desviaciones materiales que reportar y el mismo cumple con lo que la Sociedad y sus subsidiarias requieren para operar en un ambiente de control.

b) Se presentaron al Consejo de Administración de la Sociedad para su autorización los siguientes asuntos relacionado con los servicios de auditoría externa de estados financieros básicos (i) la recomendación al Consejo para la ratificación del despacho Galaz,Yamazaqui, Ruiz Urquiza, S.C. (miembro de Deloitte Touche Tohmatsu Limited), como Auditor Externo; (ii) la contratación de servicios distintos al de auditoría externa de estados financieros básicos; (iii) el importe de las remuneraciones, tanto del servicio de auditoría externa como de los servicios distintos al de auditoría externa de estados financieros básicos.

Informe del Comité de Auditoría y Prácticas Societarias
Grupo Comercial Chedraui, S.A.B. de C.V.

c) Dimos seguimiento a las actividades de auditoría externa (i) contribuyendo a que el área de auditoría interna de la Sociedad facilite el desarrollo de las actividades de auditoría externa; (ii) fomentando que la Sociedad cuente con políticas que le permitan contar con personal encargado de la preparación, revisión y autorización de la contabilidad, así como de los estados financieros básicos y sus notas, objeto de la auditoría externa, y con los conocimientos de la regulación contable que resulta aplicable a la Sociedad; y (iii) en relación con la auditoría externa se llevaron a cabo, según correspondió las actividades previstas en la fracción III. del Artículo 27 de la Circular de Auditores Externos.

Se mantuvo al consejo de administración de la Sociedad informado del desempeño de las actividades de seguimiento a las actividades de auditoría externa de estados financieros básicos, así como a la emisión de los comunicados y opiniones señalados en el artículo 15 de la Circular Única de Auditores Externos.

d) Establecimos políticas de operación dentro de la Sociedad, para la evaluación periódica de los Auditores Externos que prestan los servicios de auditoría externa de los estados financieros básicos de la Sociedad, y de la emisión de los comunicados y opiniones señalados en el artículo 15 de Disposiciones de Carácter General aplicables a las Entidades y Emisoras Supervisadas por la Comisión Nacional Bancaria y de Valores que contraten Servicios de Auditoría Externa de Estados Financieros Básicos (la "Circular de Auditores Externos"), así como la forma en la que se llevará a cabo tomando en consideración la realización de las actividades previstas en el artículo 34 de la Circular de Auditores Externos.

e) Llevamos a cabo la evaluación del desempeño de la firma de auditoría externa responsable del dictamen sobre información financiera por el ejercicio terminado el 31 de diciembre de 2024, basando nuestro actuar en las actividades prevista en el Artículo 34 de la Circular Única de Auditores Externos, así como su apego a las normas contables que la rigen, considerando que Galaz, Yamazaki, Ruiz Urquiza, S.C., miembro de Deloitte Touche Tohmatsu y su socio Manuel Nieblas Rodríguez a cargo de la auditoría, cumplen con los requisitos necesarios de experiencia, conocimientos, calidad personal, profesional, además de contar con la independencia de acción, intelectual y económica, requerida para dictaminar los estados financieros de la Sociedad y sus subsidiarias conforme a lo previsto en la Circular de Auditores Externos y en el resto de la legislación aplicable.

Con el fin de ratificar el nombramiento del Auditor Externo para el ejercicio en cuestión (i) llevamos a cabo las actividades de verificación previstas en el artículo 20 de la Circular de Auditores Externos.

f) Se valoraron los servicios adicionales o complementarios, previamente aprobados por el Consejo de Administración, que fueron proporcionados a la Sociedad por la firma de auditoría externa, concluyendo que la ejecución de los mismos, no impiden emitir una opinión sobre la información financiera con la independencia y diligencia que se requiere.

g) El Comité revisó de manera trimestral los Estados Financieros Consolidados de la Sociedad y sus subsidiarias, incluyendo el análisis y la aprobación de las políticas de operación, procedimientos y prácticas contables de la Sociedad y sus subsidiarias, que periódicamente se proporciona a la Bolsa Mexicana de Valores, S.A.B. de C.V. y a la Comisión Nacional Bancaria y de Valores, cerciorándonos de que los mismos cuentan con la calidad, suficiencia y fueron preparados siguiendo los mismos procedimientos, criterios y prácticas contables empleados en la elaboración de la información anual. La administración de la Sociedad ha sido responsable y diligente en el proceso de emisión de los estados financieros con base en las NIIF (IFRS), ha preparado oportunamente la información que es dada a conocer al público inversionista y ha implementado los sistemas de control interno al efecto.

h) Durante el ejercicio social terminado el 31 de diciembre de 2024, no existieron modificaciones de las políticas contables aprobadas para el periodo en cuestión.

i) Asimismo, el Comité elaboró para su posterior presentación a la Asamblea de Accionistas, la opinión a que se refiere el Artículo 28, fracción IV, inciso c) de la Ley de Mercado de Valores, en relación con los estados financieros consolidados auditados de la Sociedad y subsidiarias al 31 de diciembre de 2024, dictaminados por los Auditores Externos de la Sociedad.

j) El Comité verificó, conjuntamente con la administración de la Sociedad y los Auditores Externos e Internos, los factores de riesgo que puedan afectar las operaciones de la Sociedad y su patrimonio, determinándose que los mismos han sido apropiadamente identificados y administrados, a través de un adecuado ambiente de control interno.

k) El Comité llevo a cabo reuniones regulares con la administración de la Sociedad, para mantenerse informado de la marcha de la misma, las actividades y lineamientos generales propuestos para el reporte de eventos relevantes y poco usuales. También se reunió con los Auditores Externos e Internos para comentar el desarrollo de su trabajo, las limitaciones que pudieran haber tenido y facilitar cualquier comunicación privada que desearen tener con el Comité.

l) Se conoció el grado de adhesión de la Sociedad al Código de Mejores Prácticas Corporativas, actualmente denominado Código de Principios y Mejores Prácticas de Gobierno Corporativo, recomendado por la Bolsa Mexicana de Valores.

m) Los miembros del Comité han estado atentos al seguimiento de todos los acuerdos tomados en las Asambleas de Accionistas y en las Sesiones del Consejo de Administración, fundamentalmente, a través de los informes y asuntos que se tratan en las sesiones del propio Comité.

II. ACTIVIDADES RELACIONADAS EN MATERIA DE PRÁCTICAS SOCIETARIAS:

a) Se nos informó del proceso de evaluación de desempeño de los directivos relevantes. No se detectaron o reportaron acciones por parte de directivos relevantes que no fueran acordes al marco jurídico de actuación correspondiente, tomando en cuenta las circunstancias bajo las cuales han llevado a cabo su gestión.

b) Revisamos los reportes de operaciones con partes relacionadas, las cuales se efectuaron bajo condiciones de mercado y dentro de los límites establecidos en la Ley del Mercado de Valores.

c) Revisamos los paquetes y criterios de asignación de las remuneraciones integrales al Director General y los directivos relevantes, no encontrando motivo para hacer algún tipo de observación, al encontrarse dentro de las políticas establecidas por el Consejo de Administración.

d) En este ejercicio el Consejo de Administración no otorgó ninguna de las dispensas previstas por el artículo 28, Fracción III, inciso f) de la Ley del Mercado de Valores

e) Se analizaron y fue ratificada la aprobación a las políticas corporativas de la Sociedad.

Las actuaciones del Comité, sus actividades y trabajos relacionados con sus funciones en materia de Auditoría y de Prácticas Societarias han quedado debidamente documentadas en las actas al efecto se levantan en cada sesión, mismas que fueron oportunamente revisadas y aprobadas por los miembros del Comité.

Basados en las revisiones y comentarios antes realizados y en la opinión que sobre la información financiera expresó el Auditor Externo Galaz, Yamazaki, Ruiz Urquiza, S.C., el Comité considera que Grupo Comercial Chedraui, S.A.B. de C.V. ha aplicado adecuadamente las políticas y criterios contables y por lo tanto su información financiera

es razonable, por lo que RECOMIENDA al Consejo de Administración, la aprobación de los estados financieros consolidados auditados de la Sociedad al 31 de diciembre de 2024, a fin de que se incluyan en el Informe Anual del Director General sobre el ejercicio de 2024, que en su oportunidad se someterá para su aprobación ante la Asamblea de Accionistas.

Atentamente,
Comité de Auditoría y Prácticas Societarias



Clemente Ismael Reyes-Retana Valdés
Presidente

INDEX FOR REFERENCES TO SUSTAINABILITY STANDARDS



Chapter No.	Chapter Name	Section	GRI Standard	Presented by GRI	SASB Indicators	Pages
1	About This Report	About This Report	GRI 2-1, GRI 2-2, GRI 2-3	GRI 2-1a, GRI 2-2b GRI 2-3a		
1.1		Judgments and Sources of Uncertainty				
2	Message from the CEO	Message from the CEO	GRI 2-22	GRI 2-22a		
3	About Chedraui	About Chedraui	GRI 2-1, GRI 2-2 GRI 2-6	GRI 2-1d, GRI 2-2a		
3.1		Business Strategy	GRI 414-2	GRI 414-2a.i		
3.2		Information Technology and Security				
3.3		Responsible Sourcing	GRI 2-6	GRI 2-6b.i, GRI 2-6b.ii		
3.4		Values	GRI 2--1	GRI 2-1d		
3.5		Retail in Mexico				
3.6		Logistics and Distribution				
3.7		Real Estate				
3.8		Governance Bodies	GRI 2-10	GRI 2-10b.ii, GRI 2-10b.iii, GRI 2-10b.iv		
3.9		Compensation				
3.1		Controls and Monitoring Procedures				

Chapter No.	Chapter Name	Section	GRI Standard	Presented by GRI	SASB Indicators	Pages
4	**Risk Management and Sustainability-Related Opportunities**	Risk Management and Sustainability-Related Opportunities				
4.1		Our Risk Management System				
4.2		Analysis of Materiality for Impacts, Risks, and Sustainability-Related Opportunities	GRI 3-1, GRI 3-2	GRI 3-1a.i, GRI 3-1a.i, GRI 3-2a		
5	**Our Strategic Framework for Sustainability**		GRI 2-28	GRI 2.28a		
6	**Environmental**					
6.1.1	**Energy**	Material Topic Description	GRI 3-3	GRI 3-3a		
6.1.2		Strategy	GRI 3-3	GRI 3-3c		
6.1.3		Policies	GRI 3-3	GRI 3-3d.i		
6.1.4		Metrics and Goals	302-1	GRI 302-1a.i, GRI 302-1b.i, GRI 302-1c.i	FB-FR-110a.1, FB-FR-130a.1	
6.2.1	**Climate Change**	Material Topic Description	GRI 3-3	GRI 3-3a		
6.2.2		Strategy	GRI 3-3	GRI 3-3c		
6.2.3		Policies	GRI 3-3, GRI 201-2	GRI 3-3d.i, GRI 201-2a.ii, GRI 201-2a.iv		
6.2.4		Metrics and Goals	GRI 305-1, GRI 305-2	GRI 305-1c.i, GRI 305-1d.i, GRI 305-1d.ii, GRI 305-2a.i, GRI 305-2d.ii	FB-FR-110b.1, FB-FR-110b.2, FB-FR-110b.3	

Chapter No.	Chapter Name	Section	GRI Standard	Presented by GRI	SASB Indicators	Pages
6.3.1	Materials and Circularity	Material Topic Description	GRI 3-3	GRI 3-3a	FB-FR-430a.4	
6.3.2		Strategy	GRI 3-3	GRI 3-3c		
6.3.3		Policies	GRI 3-3	GRI 3-3d.i		
6.3.4		Metrics and Goals	GRI 306-3, GRI 306-4	GRI 306-3a, GRI 306-4a, GRI 306-4b.i		
6.4.1	Water	Material Topic Description	GRI 3-3	GRI 3-3a		
6.4.2		Strategy	GRI 3-3	GRI 3-3c		
6.4.3		Policies	GRI 3-3	GRI 3-3d.i		
6.4.4		Metrics and Goals	GRI 303-1, GRI 303-3, GRI 303-5	GRI 303-1a.i, GRI 303-1c.i, GRI 303-3a.ii, GRI 303-3a.v, GRI 303-3c.i, GRI 303-5a.i		
6.5.1	Natural Capital	Material Topic Description	GRI 3-3	GRI 3-3a		
6.5.2		Strategy	GRI 3-3	GRI 3-3c		
6.5.3		Policies	GRI 3-3	GRI 3-3d.i		
6.4.4		Metrics and Goals	GRI 304-1, 304-3	GRI 304-1a.i, GRI 304-1a.iii, GRI 304-3a.i, GRI 304-3c.i	FB-FR-430a.3	

Chapter No.	Chapter Name	Section	GRI Standard	Presented by GRI	SASB Indicators	Pages
7	**Social**					
7.1.1	**Talent Management**	Material Topic Description	GRI 3-3	GRI 3-3a		
7.1.2		Strategy	GRI 3-3	GRI 3-3c		
7.1.3		Policies	GRI 3-3	GRI 3-3d.i		
7.1.4		Metrics and Goals	GRI 2-7, GRI 2-8, GRI 2-30, GRI 202-2, GRI 401-2, GRI 401-3, GRI 404-3	GRI 2-7a GRI 2-7b.i GRI 2-7b.ii, GRI 2-7e GRI 2-8a.i GRI 2-8a.ii GRI 2-8b.i, GRI 2-30a, GRI 202-2a.i, GRI 401-2a.i, GRI 401-2a.ii, GRI 401-2a.iii, GRI 401-2a.iv, GRI 401-2a.v, GRI 401-3a, GRI 401-3b, GRI 404-3a	FB-FR-310a.2, CG-MR-330a.1	
7.2.1	**Occupational Health and Safety**	Material Topic Description	GRI 3-3	GRI 3-3a		
7.2.2		Strategy	GRI 3-3	GRI 3-3c		
7.2.3		Policies	GRI 3-3, GRI 403-1, GRI 403-2, GRI 403-5, GRI 403-7	GRI 3-3d.i, GRI 403-1a.i, GRI 403-2d.i, GRI 403-5a.i, GRI 403-7a.i,		
7.2.4		Metrics and Goals	GRI 403-8, GRI 403-9	GRI 403-8a.i, GRI 403-9a.i, GRI 403-9a.ii, GRI 403-9a.iii, GRI 403-9a.v	FB-FR-310a.2 FB-FR-310a.3	

Chapter No.	Chapter Name	Section	GRI Standard	Presented by GRI	SASB Indicators	Pages
7.3.1	Community Relations	Material Topic Description	GRI 3-3	GRI 3-3a		
7.3.2		Strategy	GRI 3-3	GRI 3-3c		
7.3.3		Policies	GRI 3-3	GRI 3-3d.i		
7.3.4		Metrics and Goals	GRI 203-1, GRI 404-1, GRI 413	GRI 203-1c.i, GRI 404-1a.i, GRI 413-1a.i, GRI 413-1a.ii, GRI 413-1a.iv, GRI 413-1a.vi, GRI 413-1a.vii		
7.4.1	Customer Relations and Brand Management	Material Topic Description	GRI 3-3	GRI 3-3a		
7.4.2		Strategy	GRI 3-3	GRI 3-3c		
7.4.3		Policies	GRI 3-3	GRI 3-3d.i		
7.4.4		Topic-Related Metrics and Goals	GRI 417-2	GRI 417-2a.i GRI 417-2a.ii GRI 417-2a.iii GRI 417-2b.i	FB-FR-270a.1, FB-FR-270a.2	
7.5.1	Diversity and Equal Opportunities	Material Topic Description	GRI 3-3	GRI 3-3a		
7.5.2		Topic-Related Strategy and Actions Taken	GRI 3-3	GRI 3-3c		
7.5.3		Policies	GRI 3-3	GRI 3-3d.i		
7.5.4		Metrics and Goals	GRI 405-2	GRI 405-2a		

Chapter No.	Chapter Name	Section	GRI Standard	Presented by GRI	SASB Indicators	Pages
7.6.1	Human Rights	Material Topic Description	GRI 3-3	GRI 3-3a		
7.6.2		Strategy	GRI 3-3	GRI 3-3c		
7.6.3		Policies	GRI 3-3	GRI 3-3d.i		
7.6.4		Metrics	GRI 308-1, GRI 308-2, GRI 406-1	GRI 308-1a.i, GRI 308-2a.i, GRI 308-2b.i, GRI 308-2c.i, GRI 308-2d.i, GRI 308-2e.i, GRI 406-1a.i, GRI 406-1b.1		
8	**Governance**					
8.1.1	Supply Chain Management	Description of Risks, Opportunities, and Impacts	GRI 3-3	GRI 3-3a		
8.1.2		Strategy	GRI 3-3	GRI 3-3c		
8.1.3		Parties in Charge and Corporate Policies	GRI 3-3	GRI 3-3d.i		
8.1.4		Topic-Related Metrics and Goals	GRI 416-1	GRI 416-1a.i		
8.2.1	Cybersecurity	Description of Risks, Opportunities, and Impacts	GRI 3-3	GRI 3-3a		
8.2.2		Strategy	GRI 3-3	GRI 3-3c		
8.2.3		Policies	GRI 3-3	GRI 3-3d.i		
8.2.4		Metrics and Goals	GRI 418-1	GRI 418-1a.i, GRI 418-1b.i, GRI 418-1c.i	CG-MR-230a.1 CG-MR-230a.2 FB-FR-230a.1, CG-MR-230a., 1CG-MR-230a.2	

External Assurance

AuditaRSE

Independent Verification Letter

To Grupo Comercial Chedraui, S.A.B. de C.V. Stakeholders

AuditaRSE, at the request of Grupo Comercial Chedraui, S.A.B. de C.V. (Chedraui), has conducted an independent verification of its Integrated Annual Report for the year 2024 related to its sustainability.

Scope

The scope of the verification consisted of reviewing the content and performance indicators presented in this report related to Environmental, Social, and Governance (ESG) issues, where the opinions contained in the verified document and its development are the responsibility of Chedraui.

Our work was based on issuing an independent and responsible opinion on the reliability of the information contained in the report, by obtaining appropriate and sufficient evidence for that purpose.

The review was based on the following standards: ISAE 3000, AA1000, GRI in-accordance level application, the UN Sustainable Development Goals, as well as the Sustainability Accounting Standards Board (SASB) and the Corporate Sustainability Assessment (CSA) Standards for the sectors applicable to the Group's operations.

Verification Process

The verification was conducted by performing the following activities:

- Physical: Through the validation and analysis of the aspects described in the report.
- Testimonials: Through interviews with the report's coordinators and those responsible for compiling the information, in order to validate the evidence of the content and learn about the management and depth of the work programs.
- Documentary: By examining samples of data and information contained in the report through:
  - Verification of the existence of external and internal evidence supporting the information presented.
  - Review of the systems, processes, and procedures for collecting, consolidating, and reporting data presented in detail.
  - Consultation of the company's website and the web pages described in the report to corroborate some of the data contained therein, that refer to specific sources and topics in detail.
  - Validation of the consistency of the information presented in relation to the previous report, and monitoring of relevant programs and indicators.

AuditaRSE
gsuarezsor@gmail.com

AuditaRSE

As part of the review process, the GRI Standards identified in the Materiality Study and others from the report's content were considered. We also validated compliance with the Sustainability Accounting Standards Board (SASB) for the sectors "Food Retailers and Distributors" and "Speciality and Multiline Distributors and Retailers", having determined that the following standards below were met:

GRI Standards

1	2-13	2-27	204-1	302-4	306-2	403-6	419-1
2	2-14	2-28	205-1	302-5	306-3	403-7	413-1
3-1	2-15	2-29	205-2	303-1	306-4	403-8	413-2
3-2	2-18	2-30	206-1	303-2	306-5	403-9	414-1
3-3	2-17	3-1	206-1	303-3	308-1	403-1	414-2
2-4	2-18	3-2	207-1	303-4	308-2	404-1	416-1
2-5	2-19	3-3	207-2	303-5	401-1	404-2	416-2
2-6	2-20	201-1	207-3	304-1	401-2	404-3	417-1
2-7	2-21	201-2	207-4	304-3	401-3	405-1	417-2
2-8	2-22	201-3	301-1	305-1	403-1	405-2	417-3
2-9	2-23	202-1	301-2	305-2	403-2	406-1	418-1
2-10	2-24	202-2	301-3	305-4	403-3	407-1	
2-11	2-25	203-1	302-1	305-5	403-4	408-1	
2-12	2-26	203-2	302-3	306-1	403-5	409-1	

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)

Food Retailers and Distributors		Speciality and Multiline Distributors and Retailers
FB-FR-000.A	FB-FR-260a.2	CG-MR-000.A
FB-FR-000.B	FB-FR-270a.1	CG-MR-000.B
FB-FR-110b.1	FB-FR-270a.2	CG-MR-130a.1
FB-FR-110b.2	FB-FR-310a.1	CG-MR-230a.1
FB-FR-110b.3	FB-FR-310a.2	CG-MR-230a.2
FB-FR-130a.1	FB-FR-310a.3	CG-MR-310a.1
FB-FR-150a.1	FB-FR-430a.1	CG-MR-310a.2
FB-FR-230a.1	FB-FR-430a.3	CG-MR-330a.1
FB-FR-230a.2	FB-FR-430a.4	CG-MR-410a.3

Conclusions

Based on the verification work conducted for this report, we were able to appreciate the continuous development of the implementation and monitoring of the various programs and activities that respond to the Group's strategy, in complying with the requirements of its stakeholders.

As there is no evidence of any discrepancies or contradictions in the information presented, we consider that the **Integrated Annual Report for the year 2024 of Grupo Comercial Chedraui, S.A.B. de C.V.** shows reliable data, and that coherently and reasonably shows the results for the reporting period in accordance with GRI Standards, as well as the inclusion of SASB Standards applicable to the Group's operating sectors and adherence to the Principles of the Global Compact and the UN Sustainable Development Goals.

Mexico City, September 22th, 2025.

C.P. Guillermo Suárez Soriano
AuditaRSE

AuditaRSE
gsuarezsor@gmail.com



CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2024 and 2023,
and Independent Auditors' Report Dated March 12, 2025



INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders of Grupo Comercial Chedraui, S. A. B. de C. V.

Opinion

We have audited the consolidated financial statements of Grupo Comercial Chedraui, S. A. B. de C. V. and Subsidiaries (the "Entity"), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years the ended, and notes to the consolidated financial statements, including material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Entity as of December 31, 2024 and 2023, and their consolidated financial performance and their consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board ("IASB").

Bases for the opinion

We conducted our audits in accordance with International Auditing Standards ("IAS"). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Entity in accordance with the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants* ("IESBA Code") together with the *Code of Ethics issued by the Mexican Institute of Public Accountants* ("IMCP Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and with the IMCP Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The accompanying consolidated financial statements have been translated into English for the convenience of readers.

Key audit matters

The key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that the issues described below are the key audit matters to be reported in our report.

Investment properties

To determine the fair value of the investment properties in accordance with International Accounting Standard 40 ("IAS 40"), certain judgments were used by management. There is a risk that the determination of the assumptions used by management to calculate future cash flows may not be reasonable based on current and future foreseeable conditions.

Our audit procedures to cover this risk included the following:

Control and substantive testing over the financial projections that were used to determine the fair value of the investment properties, for which we tested the reasonability of the revenues and expenses used to determine the discounted future cash flows, also, we tested the arithmetical accuracy of the projections, and evaluated the assumptions used by the Entity to determine them, and confirmed, their alignment to the budgets approved by the Board of Directors. Additionally, we evaluated the reasonableness of the discount rate used determined by an external specialist, for which purpose we involved our financial advisory specialists. The results of our audit procedures were reasonable.

Notes 4 and 13 to the consolidated financial statements include the Entity's disclosures regarding investment properties.

Other information than the Consolidated Financial Statements and the report of the independent Auditor's

Management is responsible for the other information. The other information comprises the information that will be incorporated in the Annual Report which the Entity is required to prepare in accordance with article 33, Section I, paragraph b) of the Title Fourth, Chapter First of the General Provisions Applicable to Issuers and other Stock Market Participants in Mexico and the Guidelines accompanying these provisions (the "Provisions"). The Annual Report is expected to be made available to us after the date of this auditors' report.

Our opinion of the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When reading the Annual Report, we will issue a declaration on this regard, as required by Article 33 Section I, paragraph b) numeral 1.2. of the provisions or if we conclude that there is a material misstatement in the other information we should report this fact.

Responsibilities of Management and those charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with IASs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and evaluate the risks of material misstatements in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide the basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence related to the financial information of the entities and business activities within the Entity to express an opinion on the accompanying consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Galaz, Yamazaki, Ruiz Urquiza, S. C.
Affiliated to a member firm of Deloitte Touche Tohmatsu Limited

C. P. C. MANUEL NIEBLAS RODRÍGUEZ

March 12, 2025
Mexico City, Mexico

Grupo Comercial Chedraui, S. A. B. de C. V. and Subsidiaries

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

Assets	Notes	2024	2023
Current asset:			
Cash and cash equivalents	6	$ 13,657,483	$ 13,695,971
Accounts and notes receivables – Net	7	2,145,792	1,759,344
Recoverable taxes	8	3,273,696	3,149,224
Accounts receivables from related parties	28	136,010	77,518
Derivative financial instruments	9	75,565	-
Inventories	10	24,360,213	20,773,755
Prepayments		1,218,524	858,924
Total current assets		44,867,283	40,314,736
Non-current assets:			
Property and equipment – Net	11	51,773,894	43,762,927
Right of use assets – Net	12	45,908,264	33,045,943
Investment properties	13	11,877,473	11,575,227
Investment in associates and join ventures	14	1,036,145	952,624
Other and intangible assets – Net	15	12,461,270	10,170,530
Derivative financial instruments	22	-	145,222
Deferred income tax asset	30	343,018	270,402
Total non-current assets		123,400,064	99,922,875
Total assets		$ 168,267,347	$ 140,237,611

Equity and liabilities	Notes	2024	2023
Current liabilities:			
Borrowings	19	$ 1,220,111	$ -
Accounts and notes payable to suppliers	17	33,891,584	31,194,316
Factoring Corporativo, S.A. de C.V. – related party	17 & 18	424,133	628,644
Current portion of lease liabilities	20	2,751,002	2,177,782
Current tax liabilities		1,237,872	1,367,698
Accrued expenses and other liabilities		11,516,621	8,545,371
Total current liabilities		51,041,323	43,913,811
Non-current liabilities:			
Borrowings	19	8,107,320	8,142,667
Employee benefits	21	1,478,473	2,030,222
Deferred income tax liability	30	1,136,397	1,410,978
Lease liabilities	20	51,615,600	36,913,629
Other liabilities		2,538,983	1,952,602
Total non-current liabilities		64,876,773	50,450,098
Total liabilities		115,918,096	94,363,909
Stockholders' equity:			
Capital stock	23	252,120	252,120
Additional paid-in capital	23	4,023,724	3,818,466
Retained earnings	25	45,131,990	40,537,022
Remeasurement of defined benefit obligations	24	1,299,370	534,042
Effects of foreign operations translation	24	879,168	139,869
Effect of recognizing the valuation of derivative instruments	24	50,372	97,223
Equity attributable to owners of the Entity		51,636,744	45,378,742
Non-controlling interest	26	712,507	494,960
Total stockholders' equity		52,349,251	45,873,702
Total equity and liabilities		$ 168,267,347	$ 140,237,611

The accompanying notes are part of the consolidated financial statements.

Grupo Comercial Chedraui, S. A. B. de C. V. and Subsidiaries

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the years ended December 31, 2024 and 2023
(In thousands of Mexican pesos, except earnings per share)

	Notes	2024	2023
Revenues:			
Net sales		$ 281,761,525	$ 263,057,724
Cost of sales		216,667,684	201,790,575
Gross profit		65,093,841	61,267,149
Operating expenses:			
Wages and employee benefits		28,783,866	25,917,302
Professional services		3,407,310	2,701,465
Marketing expenses		2,406,141	2,208,613
Maintenance		2,240,032	2,080,869
Energetics		3,696,076	3,407,304
Depreciation and amortization		8,624,102	7,607,654
Other expenses - net		866,633	1,631,610
Total operating expenses		50,024,160	45,554,817
Operating profit		15,069,681	15,712,332
Interest expense		(3,935,719)	(3,231,693)
Interest income		768,931	564,812
Exchange gain – Net		42,084	57,450
Other financing expenses		(2,196,250)	(2,108,177)
		(5,320,954)	(4,717,608)
Share of profit in associates and joint ventures		65,612	75,034
Profit before tax		9,814,339	11,069,758
Income taxes	30	2,995,336	3,176,094
Consolidated profit for the year		$ 6,819,003	$ 7,893,664

	Notes	2024	2023
Controlling interest		$ 6,720,640	$ 7,644,896
Non-controlling interest	26	98,363	248,768
Consolidated profit for the year		$ 6,819,003	$ 7,893,664
Other comprehensive income, net of income taxes:			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit obligations		$ 820,087	$ 154,218
Items that may be reclassified subsequently to profit or loss:			
Effects of foreign operations translation		817,174	(315,971)
Effect of recognizing the valuation of derivative instruments		(51,788)	(89,746)
Total comprehensive income for the year		$ 8,404,476	$ 7,642,165
Controlling interest		$ 8,178,416	$ 7,424,427
Non-controlling interest	26	226,060	217,738
Total consolidated comprehensive income for the year		$ 8,404,476	$ 7,642,165
Basic and diluted earnings per share	27	$ 7.00	$ 7.97
Weighted average shares outstanding		960,105,925	959,521,409

The accompanying notes are part of the consolidated financial statements.

Grupo Comercial Chedraui, S. A. B. de C. V. and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

For the years ended December 31, 2024 and 2023
(In thousands of Mexican pesos)

		Stockholder' equity			Other items of comprehensive income				
	Notes	Capital stock	Additional paid-in capital	Retained earnings	Remeasurement of defined benefit obligations	Effects of foreign operations translation	Effect of recognizing the valuation of derivative instruments	Non-controlling interest	Total
Balance at 1 January 2023		$ 252,120	$ 3,798,788	$ 34,031,804	$ 389,661	$ 424,176	$ 177,766	$ 293,344	$ 39,367,659
Dividends paid	23	-	-	(897,592)	-	-	-	-	(897,592)
Comprehensive income for the year	24	-	-	7,644,896	144,381	(284,307)	(80,543)	217,738	7,642,165
Repurchase of shares, net	25	-	19,678	(217,653)	-	-	-	-	(197,975)
Other	25 and 26	-	-	(24,433)	-	-	-	(16,122)	(40,555)
Balance as of December 31, 2023		252,120	3,818,466	40,537,022	534,042	139,869	97,223	494,960	45,873,702
Dividends paid	23	-	-	(2,138,358)	-	-	-	-	(2,138,358)
Comprehensive income for the year	24	-	-	6,720,640	765,328	739,299	(46,851)	226,060	8,404,476
Reissuance of shares, net	25	-	205,258	142,192	-	-	-	-	347,450
Other	25 and 26	-	-	(129,506)	-	-	-	(8,513)	(138,019)
Balance as of December 31, 2024		$ 252,120	$ 4,023,724	$ 45,131,990	$ 1,299,370	$ 879,168	$ 50,372	$ 712,507	$ 52,349,251

The accompanying notes are part of the consolidated financial statements.

Grupo Comercial Chedraui, S. A. B. de C. V. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2024 and 2023
(In thousands of Mexican pesos)

	2024	2023
Cash flow from operating activities:		
Profit before income tax	$ 9,814,339	$ 11,069,758
Adjustments for:		
Depreciation, depreciation of right-of-use assets and amortization	8,624,102	7,607,654
Other asset movements – mainly unrealized exchange fluctuation	123,952	(245,951)
Fair value loss on investment property	109,453	52,730
(Gain) loss on disposal of property and equipment	(208,582)	24,929
Interest income	(768,931)	(564,812)
Measurement of derivative financial instruments	51,815	7,961
Interest expense	3,935,719	3,231,693
	21,681,867	21,183,962
Operating cash flows before movements in working capital:		
(Increase) decrease in:		
Accounts and notes receivables	(234,902)	52,082
Inventories	(2,007,431)	(815,454)
Share of profit in associates and joint ventures	(65,612)	(75,034)
Other assets	(1,198,339)	(1,075,214)
Increase (decrease) in:		
Accounts and notes payable to suppliers	1,101,043	2,106,709
Other account payables	2,157,477	471,623
Tax on income actually paid	(3,350,193)	(3,882,197)
Benefit obligations	122,995	7,064
Net cash generated by operating activities	18,206,905	17,973,541
Investing activities:		
Business acquisition	-	(8,465)
Acquisitions of property, equipment, and investment property	(11,273,178)	(7,278,084)
Proceeds from disposal of property and equipment	338,074	334,584
Acquisition of other assets	(180,772)	(213,159)
Dividends from joint ventures	181,814	-
Interest received	768,931	564,812
Net cash used in investing activities	(10,165,131)	(6,600,312)
Financing activities:		
Repayments of borrowings	(9,769,320)	(2,922,575)
Cash obtained from borrowings	9,327,431	-
Interest payment	(3,935,719)	(3,231,693)
Dividends paid	(2,138,358)	(897,592)
Leases liability payment	(2,456,920)	(1,715,785)
Other stock movements	(10,320)	(71,588)
Premium on sale of shares	205,258	19,678
Proceeds from sale of treasury shares	787,511	458,489
Repurchase of treasury shares	(645,319)	(676,142)
Net cash used in financing activities	(8,635,756)	(9,037,208)
Net (decrease) increase in cash and cash equivalents	(593,982)	2,336,021
Effects of exchange rate changes on the balances of cash held in foreign currencies	555,494	(205,551)
Cash and cash equivalents at beginning of year	13,695,971	11,565,501
Cash and cash equivalents at end of year	$ 13,657,483	$ 13,695,971

The accompanying notes are part of the consolidated financial statements.

Grupo Comercial Chedraui, S. A. B. de C. V. and Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023
(In thousands of Mexican pesos)

1. Activities

Grupo Comercial Chedraui, S. A. B. de C. V. and Subsidiaries (the Entity or the Group) are engaged in the operation of self-service stores and real estate companies; they specialize in the sale of electronic goods, perishables, clothing, groceries and general merchandise.

The Entity is incorporated in Mexico; its domicile is located at Constituyentes No. 1150, Col. Lomas Altas, Miguel Hidalgo, 11950 Mexico City, and conducts its business primarily in Mexico and the United States of America (USA).

The financial statements are presented in thousands of Mexican pesos and are rounded to the nearest monetary unit.

2. Important events

New lease agreement

In mid-2024, the subsidiary Chedraui USA, Inc. began operations of a new distribution center of over 130,000 square meters in Rancho Cucamonga, California (RCDC), United States of America, which will serve the stores of El Super and Smart & Final formats. The RCDC replaces five pre-existing distribution centers and involves an investment of approximately 120 million dollars. It is planned to be fully operational in the second quarter of 2025. This investment will lay the groundwork for future growth opportunities for El Super and Smart & Final.

3. Adoption of new and revised International Financial Reporting Standards

a. *New and amended IFRS Accounting Standards that are effective for the current year.*

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures titled Supplier Finance Arrangements.

The group has adopted the amendments to IAS 7 and IFRS 7 titled Supplier Finance Arrangements for the first time in the current year.

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The amendments contain specific transition provisions for the first annual reporting period in which the group applies the amendments. Under the transitional provisions an entity is not required to disclose:

- Comparative information for any reporting periods presented before the beginning of the annual reporting period in which the entity first applies those amendments.
- The information otherwise required by IAS 7:44H(b)(ii)–(iii) as at the beginning of the annual reporting period in which the entity first applies those amendments.

In the current year, the group has applied a number of amendments to IFRS Accounting Standards issued by the IASB that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IAS 1 Classification of Liabilities as Current or Non-current	The group has adopted the amendments to IAS 1, published in January 2020, for the first time in the current year. The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

Amendments to IAS 1 Non-current Liabilities with Covenants	The group has adopted the amendments to IAS 1, published in November 2022, for the first time in the current year. The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date). The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.
Amendments to IFRS 16 Leases— Lease Liability in a Sale and Leaseback	The group has adopted the amendments to IFRS 16 for the first time in the current year. The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognize a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.
Amendments to IFRS 16 Leases— Lease Liability in a Sale and Leaseback	The amendments do not affect the gain or loss recognized by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognized a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate. As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15 is a lease liability. A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

b. New and revised IFRS Accounting Standards in issue but not yet effective

At the date of authorization of these financial statements, the group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 18	*Presentation and Disclosures in Financial Statements*
Amendments to IFRS 19	*Subsidiaries without Public Accountability; Disclosures*

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the group in future periods, except if indicated below:

Amendments to IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

– Present specified categories and defined subtotals in the statement of profit or loss.
– Provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements.
– Improve aggregation and disaggregation of concepts within the financial statements.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The Entity's administration anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods.

Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.

A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

An entity is only permitted to apply IFRS 19 if, at the end of the reporting period:

- It is a subsidiary (this includes an intermediate parent)
- It does not have public accountability, and
- Its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

A subsidiary has public accountability if:

- Its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or

- It holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance entities, securities brokers/dealers, mutual funds and investment banks often meet this second criterion).

Eligible entities can apply IFRS 19 in their consolidated, separate or individual financial statements. An eligible intermediate parent that does not apply IFRS 19 in its consolidated financial statement may do so in its separate financial statements.

The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted. If an entity elects to apply IFRS 19 for a reporting period earlier than the reporting period in which it first applies IFRS 18, it is required to apply a modified set of disclosure requirements set out in an appendix to IFRS 19. If an entity elects to apply IFRS 19 for an annual reporting period before it applied the amendments to IAS 21, it is not required to apply the disclosure requirements in IFRS 19 with regard to Lack of Exchangeability.

4. Significant accounting policies

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS released by IASB.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for investment property and financial instruments, that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

i. Historical cost
Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

ii. Fair value
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Entity considers the characteristics of the asset or liability if market participants would consider those characteristics into account when pricing the asset or liability at the measurement date.

The fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined in such a way, except for share-based payment transactions that are within the scope of IFRS 2 Share-based Payment, lease transactions that are within the scope of IFRS 16 Leases, and valuations that have some similarities to fair value but are not fair value, such as net realizable value under IAS 2 Inventories or value in use under IAS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly;

- Level 3 inputs are not based on observable market data.

c. *Going concern basis*

The directors have, at the time of approving the financial statements, a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus, the group has applied the going concern basis of accounting in preparing the financial statements.

d. *Basis of consolidation*

The consolidated financial statements incorporate the financial statements of Grupo Comercial Chedraui, S.A.B. de C.V. and subsidiaries. Control is obtained when Grupo Comercial Chedraui, S. A. B. de C. V.:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Entity reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Entity has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Entity considers all relevant facts and circumstances in assessing whether or not the Entity's voting rights in an investee are sufficient to give it power, including:

- The size of the Entity's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Entity, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Entity has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Entity obtains control over the subsidiary and ceases when the Entity loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Entity gains control until the date when the Entity ceases to control the subsidiary.

Profit and each component of other comprehensive income are attributed to the controlling interests and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Entity and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Entity's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Entity are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Entity's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquirer's identifiable net assets. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Total comprehensive income is attributed to non-controlling interest even if this results in the non-controlling interests having a deficit balance.

The results of each component of other comprehensive income are attributed to the company's shareholders and non-controlling interests. The total comprehensive income statements of the subsidiaries are attributed to the company's shareholders and non-controlling interests, even if this results in a deficit in the non-controlling interests.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the noncontrolling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the gain or loss on disposal recognized in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 Financial Instruments when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

Changes in the Entity's ownership interests in existing subsidiaries

Subsidiaries listed below are companies incorporated and operating in Mexico, except for Chedraui USA, Inc., which has its registered and operations in the United States of America.

The shareholding in its capital stock during the periods presented, whose place of incorporation and operation is Mexico and the United States of America for Chedraui USA, Inc., is shown below:

Company or Group	Participation rate	Activity
Tiendas Chedraui, S. A. de C. V.	99.91%	A chain of 541 self-service stores specializing in the sale of groceries, perishables, electronic goods, clothing and general merchandise. These stores operate under the following formats of stores: 182 Tiendas Chedraui, 31 Tiendas Chedraui Selecto, 68 Super Chedraui, 13 Super Chedraui Selecto, 7 Super Che and 194 Supercito, 10 Supercito Selecto and 36 stores under the commercial name of Arteli.
Real estate division	99.99%	Seven companies engaged in the acquisition, construction, sale and lease of real property used for real estate activities.
Services division	99.99%	Four companies providing administrative and personnel services.
Chedraui USA, Inc.	90.47%	Chain of self-service stores with 69 stores located in the southern California, USA, that operate under the commercial name El Super, 60 stores located in Texas, USA, that operate under the commercial name of Fiesta Mart, 255 stores under the name of Smart & Final that operate in the south of USA and 17 stores in a Joint Venture under the commercial name of Smart & Final that operate in the Northwest of Mexico.
Tienda de Descuento Arteli S.A de C.V	100%	It is a Holding Entity that operates under the commercial name of Arteli.
Grupo Crucero Chedraui, S. A. de C. V.	99.99%	Sub-holding company.
Fundación Antonio Chedraui Caram, A.C. and Liceo de Artes y Oficios, A. C.	-	A foundation whereby *Grupo Comercial Chedraui S.A.B de C.V.* has control and is established to help create institutes, scholarships and support the humanistic, scientific, educational, art and teaching activities related to health and social assistance.
Supervisión y Mantenimiento de Inmuebles, S.A. de C.V.	-	A company over which *Grupo Comercial Chedraui S.A.B de C.V.* exercises control, which establishes the maintenance of the commercial squares.

e. Detail of the subsidiaries not completely owned but whereby the Entity has a significant non-controlling interest.

Name of the subsidiary	Place of registration and operation	Proportion of shareholding and voting rights of the non-controlling interest		Assigned income to the non-controlling interest		Retained non-controlling interest	
		2024	2023	2024	2023	2024	2023
Chedraui USA, Inc.	United States of America	9.53%	9.53%	$ 86,165	$ 239,512	$ 644,269	$ 441,254

(i) *Grupo Comercial Chedraui S.A.B de C.V.* owns 90.47% of the equity of Chedraui USA, Inc. and based on the contractual arrangements between *Grupo Comercial Chedraui S.A.B de C.V.* and other investors, *Grupo Comercial Chedraui S.A.B de C.V.* has the power to appoint and remove a majority of the Board of Chedraui USA, Inc. the relevant activities of Chedraui USA, Inc., are determined by the Board of Chedraui USA, Inc., based on a simple majority vote. Therefore, Chedraui USA, Inc., is controlled by *Grupo Comercial Chedraui S.A.B de C.V.* and is consolidated into these consolidated financial statements.

A summary of the Chedraui USA, Inc. financial information before intercompany eliminations is detailed below (*):

	2024	2023
Current assets	$ 14,362,908	$ 10,598,785
Non-current assets	66,605,289	46,971,024
Current liabilities	20,506,426	13,143,490
Non-current liabilities	53,613,667	39,795,464
Equity attributable to controlling interest	5,298,195	1,915,181
Non-controlling interest	558,105	201,744
Income	148,798,752	139,301,103
Cost, expenses and taxes	147,806,952	136,787,174
Net income of the year	991,800	2,513,929
Net income profit of the year to owners of the equity of the Entity	905,635	2,274,352
Net income profit of the year to non-controlling interest	86,165	239,577
Net income of the year	991,800	2,513,929
Net cash flow from operating activities	12,255,209	10,112,197
Net cash flow from investing activities	(6,008,032)	(2,822,191)
Net cash flows from financing activities	(5,219,050)	(6,381,724)
Net increase in cash flow	1,028,127	908,281

(*) The functional currency of this subsidiary is the US dollar, which as of December 31, 2024 and 2023 was equivalent to $20.26 and $16.89 Mexican pesos per dollar, respectively.

f. Financial instruments

Financial assets and financial liabilities are recognized in the Entity's statement of financial position when the Entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

g. Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

a) Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Entity may make the following irrevocable election / designation at initial recognition of a financial asset:

- The Entity may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below); and
- The Entity may irrevocably designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (iv) below).

b) Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Entity recognizes interest income by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognized in profit or loss and is included in the "finance income - interest income" line item.

c) Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'Exchange gain - Net';
- For debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortized cost of the debt instrument are recognized in profit or loss in the "other gains and losses". Other exchange differences are recognized in other comprehensive income in the investment's revaluation reserve;

- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'Exchange gain - Net'; and
- For equity instruments measured at FVTOCI, exchange differences are recognized in other comprehensive income in the investment's revaluation reserve.

See hedge accounting policy regarding the recognition of exchange differences where the foreign currency risk component of a financial asset is designated as a hedging instrument for a hedge of foreign currency risk.

d) Impairment of financial assets

The Entity recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guaranteed contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Entity always recognizes lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Entity's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Entity recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Entity measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Credit-impaired financial assets

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Entity's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Entity's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- Significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortized cost;
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant deterioration in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor; and
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- the financial instrument has a low risk of default;

- the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and

- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Entity considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts.

For financial guarantee contracts, the date that the group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contract, the group considers the changes in the risk that the specified debtor will default on the contract.

The Entity regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The Entity considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the group, in full (without taking into account any collateral held by the Entity).

Irrespective of the above analysis, the Entity considers that default has occurred when a financial asset is more than 90 days past due unless the group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

a) significant financial difficulty of the issuer or the borrower;
b) a breach of contract, such as a default or past due event (see (ii) above);
c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider,
d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Entity writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Entity's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Entity in accordance with the contract and all the cash flows that the Entity expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16 *Leases*.

For a financial guarantee agreement, where the Entity is obligated to make payments only in the event of default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss forecast is the expected payment to reimburse the holder for a credit loss that it incurs minus any amount that the Entity expects to receive from the holder, the debtor or any other party.

If the Entity has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Entity measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Entity recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve and does not reduce the carrying amount of the financial asset in the statement of financial position.

e) Derecognition of financial assets

The Entity derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Entity recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the Entity continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Entity has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

h. *Financial liabilities and equity*

Classification as debt or equity

Debt and equity instruments are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Entity are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Entity, are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been acquired principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Entity manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial liability forms part of an Entity of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Entity's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognized in profit or loss to the extent that they are not part of a designated hedging relationship (see Hedge accounting policy). The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in profit or loss.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guaranteed contracts issued by the Entity that are designated by the Entity as at FVTPL are recognized in profit or loss.

Fair value is determined in the manner described in note 22.

Financial liabilities measured subsequently at amortized cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments. These foreign exchange gains and losses are recognized in the 'Exchange gain -Net' line item in profit or loss (note 22) for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk foreign exchange gains and losses are recognized in other comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Entity derecognizes financial liabilities when, and only when, the Entity's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

When the Entity exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Entity accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognized in profit or loss as the modification gain or loss within other gains and losses.

i. Derivative financial instruments

The Entity enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, options and interest rate swaps. Further details of derivative financial instruments are disclosed in note 9.

Derivatives are recognized initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognized as a financial asset whereas a derivative with a negative fair value is recognized as a financial liability. Derivatives are not offset in the financial statements unless the Entity has both legal right and intention to offset.

An embedded derivative is presented as a non-current asset or non-current liability if the remaining maturity of the hybrid instrument to which the embedded derivative relates is more than 12 months and is not expected to be realized or settled within 12 months.

j. Hedge accounting

The Entity designates certain derivatives as hedging instruments in respect of interest rate risk in fair value hedges, cash flow hedges.

At the inception of the hedge relationship, the Entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Entity documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of credit risk does not dominate the value changes that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Entity actually hedges and the quantity of the hedging instrument that the Entity actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Entity adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

Note 22 sets out details of the fair values of the derivative instruments used for hedging purposes.

Movements in the hedging reserve in equity are detailed in note 23.

Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss and is included in the 'other financing expenses' line item.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognized in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Entity expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

The Entity discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognized in other comprehensive income and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in cash flow hedge reserve is reclassified immediately to profit or loss.

k. Inventories and cost of sales

Inventories are stated at the lower of cost and net realizable value. Cost includes the value of inventories sold and, if applicable, direct labor costs and overhead incurred to bring inventories to their current location and condition. The cost is calculated using the average cost method. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

l. Property, equipment and right-of-use

Property and equipment are initially recorded at cost.

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. After the adoption of IFRS 1, the buildings are valued at historical cost and depreciated on a straight line.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognized to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Entity expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

m. Investment property

Investment properties are properties held to earn lease income and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

n. Intangible assets

1. Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and separately recognized from goodwill; its initial cost will be their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

2. Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

o. Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

When it is not possible to estimate the recoverable amount of an individual asset, the Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Entity of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease (see Note 15).

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation.

p. Goodwill

Goodwill originated from a business acquisition is recognized at cost determined at the business acquisition date (see Note 16) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Entity's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Entity's policy for commercial credit arising from the acquisition of an associate is described below.

q. Investment in associates and join venture

An associate is an entity over which the Entity has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations.*

Under the equity method, an investment in an associate or a joint venture is recognized initially in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Entity's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Entity's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 36 are applied to determine whether it is necessary to recognize any impairment loss with respect to the Entity's investment in an associate. When necessary, the entire carrying amount of the investment including goodwill is tested for impairment in accordance with IAS 36, as a single asset by comparing its recoverable amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Entity discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture. When the Entity retains an interest in the former associate or a joint venture and the retained interest is a financial asset, the Entity measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate or a joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or a joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Entity accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Entity reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate or joint venture is disposed of.

The Entity continues using the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no revaluation at fair value on these changes in the participation.

When the Entity reduces its ownership interest in an associate or a joint venture but the Entity continues to use the equity method, the Entity reclassifies to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When an Entity transacts with an associate or a joint venture of the Entity, profits and losses resulting from the transactions with the associate or joint venture are recognized in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Entity.

The Entity applies IFRS 9, including the impairment requirements, to long-term interests in an associate or joint venture to which the equity method is not applied and which form part of the net investment in the investee. Furthermore, in applying IFRS 9 to long-term interests, the Entity does not take into account adjustments to their carrying amount required by IAS 28.

r. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Entity, liabilities incurred by the Entity to the former owners of the acquiree and the equity interests issued by the Entity in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- Deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively;

- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Entity entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 *Share Based Payments* at the acquisition date; and

- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquire (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Where the consideration transferred by the Entity in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at fair value at the date of acquisition and is included as part of the consideration transferred in a business combination. Changes in the fair value of contingent consideration that qualify as measurement period adjustments are adjusted retrospectively with corresponding goodwill adjustments. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot be more than one year from the date of acquisition) about facts and circumstances that existed at the date of acquisition.

The accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is considered within goodwill. Other contingent consideration that is classified as an asset or liability is remeasured at fair value at subsequent reporting dates with changes in the fair value recognized in the income statement.

The non-controlling interests that are shareholdings and that grant their holders a proportional share of the Entity's net assets in the event of liquidation, can be measured initially at either fair value or at the value of the proportional participation of the non-controlling interest. In the recognized amounts of the net identifiable assets of the acquired company. The base measurement option is performed in each transaction. Other types of non-controlling interests are measured at fair value or, when applicable, based on what is specified by another IFRS.

When a business combination is achieved in stages, the Entity's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Entity reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

s. Leasing

- The Entity as lessee

  The Entity assesses whether a contract is or contains a lease, at inception of the contract. The Entity recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Entity recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

  The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Entity uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Entity remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Entity incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Entity expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Entity applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses-Net" in profit or loss.

- *The Entity as lessor*

  The Entity enters into lease agreements as a lessor with respect to some of its investment properties.

  Leases for which the Entity is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

  When the Entity is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

  Lease income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

  Amounts due from lessees under finance leases are recognized as receivables at the amount of the Entity's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Entity's net investment outstanding in respect of the leases.

  When a contract includes lease and non-lease components, the Entity applies IFRS 15 to assign the corresponding consideration to each component under the contract.

t. Foreign currencies

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise except when they arise from:

- Exchange rate differences arising from transactions related to exchange rate risks.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Entity's foreign operations are translated into Currency Units using exchange rates prevailing at the end of each reporting period.

The adjustments corresponding to the goodwill and the fair value of identifiable acquired assets and assumed liabilities generated in the acquisition of an operation abroad are considered as assets and liabilities of said operation and are converted at the exchange rate in effect at the end of the reporting period. The resulting exchange differences are recognized in other comprehensive income.

u. *Translation of financial statements of subsidiaries in foreign currency*

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Foreign operations translate their financial statements from the currency in which transactions are recorded to the functional currency, using the following exchange rates: 1) the closing exchange rate in effect at the balance sheet date for monetary assets and liabilities; 2) historical exchange rates for non-monetary assets and liabilities and stockholders' equity; and 3) the rate on the date of accrual of revenues, costs and expenses, except those arising from non-monetary items that are translated using the historical exchange rate for the related non-monetary item. Translation effects are recorded under RIF. Subsequently, to translate the financial statements from the functional currency to Mexican pesos, the following exchange rates are used: 1) the closing exchange rate in effect at the balance sheet date for assets and liabilities; 2) historical exchange rates for stockholders' equity, and 3) the rate on the date of accrual of revenues, costs and expenses. Translation effects are recorded in other comprehensive income (loss) within stockholders' equity.

v. *Employee benefits*

Retirement benefits costs from termination benefits.

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions. Contributions made to the state pension scheme benefit plan are accounted for as payments to the contribution plans of the entity's obligations, under plans that are equivalent to pension benefit plan contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements).
- Net interest expense or income, and
- Remeasurement.

The Entity presents the first two components of defined benefit costs in profit or loss in the line item. Gains and losses for reduction of service are accounted for as past service costs.

The Entity recognizes service costs within profit or loss as cost of sales and administrative expenses.

Net interest expense or income is recognized within finance costs.

The retirement benefit obligation recognized in the consolidated statement of financial position represents the actual deficit or surplus in the Entity's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

Short-term employee benefits and others long-term benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Entity in respect of services provided by employees up to the reporting date.

Statutory employee profit sharing ("PTU")

For the subsidiaries incorporated in Mexico, PTU is recorded in the results of the year in which it is incurred and is presented in operating expenses in the consolidated statement of profit or loss and other comprehensive income.

As established by the Income Tax Law ("LISR"), as of December 31, 2024 and 2023, PTU is determined based on taxable income, according to the established legislation.

Long-term deferred compensation

The Entity has a plan for certain executives which provides a long-term deferred benefit which is determined by reference to the share price of the Entity and certain of its subsidiaries. The benefit is settled in cash when it becomes payable by the executives and is measured at its estimated fair value at the end of the period.

w. Income taxes

Income tax expense represents the sum of the tax currently payable and deferred taxes.

1. *Current tax*

Current income tax ("ISR") is recognized in the results of the year in which is incurred.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Entity's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognized for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

2. *Deferred income tax*

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Entity is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, the Entity has recognized any deferred taxes on changes in fair value of the investment properties.

3. *Current and deferred tax*

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

x. Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the Entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the cash value over time is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

y. Liability for employee accidents

The Entity is liable for losses on claims up to 500 thousand dollars to its workers in the United States of America. The rest of the obligations for accidents of workers in the United States of America are covered by the Entity's insurance policies, the Entity has granted letters of credit as guarantee for the insurance. Significant judgment is required to estimate Incurred but Not Reported (IBNR) amounts, as parties have yet to assert such claims. Workers' accident liabilities are calculated on a present value basis using a risk-adjusted discount rate. The valuation of this obligation is carried out by a third-party specialist. The liabilities as of December 31, 2024 and 2023 are approximately $1,413,825 and $1,219,357 respectively, and are recorded under Accrued expenses and other liabilities and other long-term liabilities based on their enforceability.

z. Liability for client accidents

The Entity is liable for losses on general liability claims up to 250 thousand dollars, in its stores in the United States of America. The rest of the obligations for accidents that occur in its stores in the USA are covered by an insurance company; however, significant judgment is required to estimate IBNR amounts as parties have yet to assert such claims. The liabilities on December 31, 2024 and 2023 are approximately $1,109,362 and $865,558 respectively, and are recorded under other long-term liabilities.

aa. Revenue recognition

The entity recognizes income from the following sources:

- Sales of goods and dividend income.
- Income from the lease of premises.

- Sales of goods

The Entity sells clothes, general merchandise, electronic goods, groceries and perishable foods, mainly as retail sales and directly with customers through its points of sale.

Revenues are recognized when the benefits and risks of the goods have been transferred to the buyer. The buyer has the right to return the goods within 15 days after the sale. The Entity uses its historical experience to estimate the number of products returned to a portfolio level using an expected value method. It is considered highly probable that there will not be a significant reversal in the accumulated income recognized, consequently, a provision for refunds is not recognized.

– Loyalty programs

The Entity operates the 'Monedero Chedraui' and 'Cupones Chedraui' loyalty programs through which customers accumulate benefits in goods purchases or receive discount coupons, which provides them with a discount on future purchases. These points provide a discount to customers, which they would not receive if they did not buy the goods sold by the entity (they have a material right). The promise to give customers a discount is a separate performance obligation.

The selling prices for points are valued, based on the discounts granted when the benefits are exchanged by the client, considering the probability of redemption, being evidence of this, the historical experience of the Entity. A liability is recognized by income related to the loyalty program at the point of the initial sale. The loyalty program income is recognized when the client exchanges the benefits. The liabilities generated by the loyalty program are determined at fair value in proportion to the pattern of rights exercised by customers. As of December 31, 2024, and 2023, a balance of $664,334 and $552,851, respectively, is included in the balance sheet in creditors and accumulated expenses.

– Income from rental of premises

The rental income of commercial premises is recognized during the period in which the rent of commercial premises is earned.

5. Critical accounting judgments and key sources of estimation uncertainty

When applying the Entity's accounting policies, as described in Note 4, the Entity's management must utilize its judgment, estimates and assumptions regarding the book values of assets and liabilities in the consolidated financial statements. The estimates and relative assumptions are based on experience and other factors that are considered relevant. Actual results could differ from these estimates.

Underlying estimates and assumptions are periodically reviewed. Accounting estimate reviews are recognized in the review period and future periods if they affect current and future periods.

a. Essential judgments when applying accounting policies

Below we present essential judgments, apart from those involving estimates, made by management during the application of the Entity's accounting policies and, which have a significant effect on the consolidated financial statements.

- The defined benefit obligation of the Entity is discounted at a rate set at market rates of high-quality corporate bonds at the end of the reporting period. Are required to use professional judgment in establishing criteria for the bonuses it must include on the population from which the yield curve is derived. The most important criteria considered for the selection of bonds include the size of the issuance of corporate bonds; the classification and identification of atypical bonds are excluded.

- The Entity is primarily self-insured for Workers' compensation, auto, medical and general liability. The Entity recognizes its self-insurance liabilities using actuarial estimates, based on claims filed and an estimate of claims incurred but not yet reported ("IBNR") and the Company updates these reserves as new information becomes known. Actual claims experience can affect these estimates, and to the extent that subsequent claim costs vary from estimates, future profits could be affected.

- The calculation of the value in use to perform the impairment tests requires the Entity's base on its judgments to determine the future cash flows that should arise from the cash generating units and an appropriate discount rate to calculate the present value. This calculation includes critical judgments such as income growth rate and profit margin before interest, taxes, depreciations and amortizations (EBITDA), which may differ from actual events. The merchant credit is allocated to each of the cash generating units of the entity that expects to benefit from certain synergies. Where appropriate, the impact would be recorded in the corresponding asset item and the result of the period.

- The calculation of Fair Value Measurement the investment property unit leads to critical judgments, since the entity determines, based on its policies and experience, future flows based on the revenue approach. To make the valuation among other judgments is the discount rate which is determined by the application of the Weighted Average Cost of Capital methodology, income growth rate and EBITDA.

b. Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Determination of future cash flows for impairment assessment

When performing impairment tests on its long-lived assets, the Entity makes estimates of the value in use assigned to its property and equipment, intangible assets, goodwill and cash-generating units. The value in use calculations require the Entity to determine the future cash flows that will arise from the cash-generating units and an appropriate discount rate to calculate the present value. The Entity uses projections of future cash flows using estimates of market conditions, determination of prices and sales volumes.

Estimation of useful life

The Entity reviews the estimate of the useful life, residual value and amortization method for its fixed assets at the end of each reporting period and the effect of any change in the estimate is recognized prospectively. Furthermore, at the end of each reporting period the Entity reviews the book values of its tangible and intangible assets to determine whether there is any indication that they have suffered a loss from impairment.

Fair value of investment properties

The Entity reviews the fair value of the investment properties based on future cash flows, applying an appropriate discount rate. At the end of each period, if applicable, it makes the respective adjustments in results for the year.

Fair value measurements and valuation processes

In estimating the fair value of an asset or a liability, the Entity uses observable market data to the extent they are available. When the input data of level 1 are not available, the Entity hires qualified professional to perform independent valuation appraiser for its main assets and liabilities.

Lease liability and right-of-use assets determination

When estimating the amount of the lease liability, the Entity uses estimates such as discount rates and the exercise of contract extension periods. These estimates have a significant impact in determining the values of these liabilities and assets.

6. Cash and cash equivalents

For the purposes of consolidated Statement of cash flows consolidated statements of the market, cash and cash equivalents include cash and banks and investments in instruments in the money market, net of bank overdrafts. Cash and cash equivalents at the end of the period as shown in Statement of cash flows the state of the consolidation can be reconciled with related items in the consolidated statement of financial position as follows:

		2024		2023
Cash	$	370,559	$	332,087
Bank balances		1,678,943		2,683,400
Cash equivalents		11,607,981		10,680,484
	$	13,657,483	$	13,695,971

7. Accounts and note receivable

		2024		2023
Customers	$	411,517	$	534,972
Expected credit losses		(25,259)		(26,326)
		386,258		508,646
Rebates receivables		1,101,427		708,443
Miscellaneous receivables (*)		638,091		521,677
Advance payments		1,796		1,314
Notes receivable		18,220		19,264
	$	2,145,792	$	1,759,344

(*) Includes an account receivable for $105,501 for claims for losses resulting from the effects of Hurricane Otis, which occurred at the end of October 2023.

a. Accounts receivable from customers

The customer balances disclosed in the table above are classified as accounts receivable and therefore are valued at amortized cost, which is similar to their book value, 99% of the retail sales are made in cash.

The accounts receivable from customers detailed in this Note included the amounts overdue at the end of the reporting period (see aging analysis below) for which the Entity has recognized an allowance for doubtful accounts because it is highly likely that customers will default on their payments. This provision is recorded following its determination, while the reserve amount is updated at least on every reporting date. The additional disclosures required by IFRS 7, "Presentation of financial instruments", for estimating the allowance for doubtful accounts have not been included, as they are considered immaterial.

The accounts receivable aging past due but not fully included in the reserve is as follows:

	2024	2023
Up to 30 days	$ 5,766	$ 22,387
31 – 60 days	-	1,597
61 – 90 days	1,467	1,574
More than 90 days	27,825	28,087
Total	$ 35,058	$ 53,645

b. The reserve of uncollectible accounts as of December 31 is integrated as follows:

	2024	2023
Balance at the beginning of the year	$ (26,326)	$ (29,943)
Reserve increases	(1,400)	(721)
Reservation application	2,467	4,338
Balance at the end of the year	$ (25,259)	$ (26,326)

8. Recoverable taxes

	2024	2023
Income tax	$ 701,937	$ 392,033
Value added tax ("VAT")	2,256,479	2,297,055
Recoverable tax (employment subsidy)	-	93
Recoverable tax for production and services ("IEPS")	315,280	460,043
Total	$ 3,273,696	$ 3,149,224

9. Derivative financial instruments

The Entity has contracted derivatives to manage the loan interest rate risk, while also controlling the movement of the debt from fixed to variable rates and vice versa.

At the end of 2024, there is one swap to fix the SOFR (Secured Overnight Financing Rate), formerly London Inter-Bank Offered Rate ("LIBOR") due in July 2025 with a notional of $200 million dollars and a fixed rate of 1.409% that covers a long-term loan contracted by a subsidiary of Grupo Comercial Chedraui.

The Entity obtains financing under different conditions, when they are floating rate, in order to reduce their exposure to risks of volatility in interest rates and foreign currency, the entity contracts financial derivatives instruments to interest rate that convert the profile interest payments from variable to fixed converting the foreign currency debt into local currency rate. The negotiations with derivatives are conducted only with institutions of recognized solvency and limits have been established for each institution. The policy or the Entity is to not trade for speculative purposes with derivative financial instruments.

In case of any of its subsidiaries of the Group does not have necessary conditions to be able to contract a derivative that mitigates an exchange rate or interest risk rate, will be Grupo Comercial Chedraui, S. A. B. de C. V. who will contract it.

The Entity recognizes all the assets or liabilities that arise from operations with derivative financial instruments in the balance sheet at fair value, regardless of the purpose of their holding. The fair value is determined based on recognized market prices and when they are not listed on a market, it is determined according to valuation techniques accepted in the financial field.

When derivatives are contracted in order to hedge risks and comply with all hedging requirements, their designation is documented at the beginning of the hedging operation, describing the objective, characteristics, accounting recognition and how the measurement of the effectiveness, applicable to that operation.

Derivatives designated as hedges recognize changes in valuation according to the type of hedge in question: (1) when they are at fair value, fluctuations in both the derivative and the hedged item are valued at fair value and are recognized in profit or loss; (2) the present value of the cash flow is recognized in comprehensive income and is applied to results when the hedged item affects them; the ineffective portion is recognized in results.

The Entity suspends hedge accounting when the derivative has expired, has been sold, is canceled or exercised, when the derivative is not highly effective to offset changes in the fair value or cash flows of the hedged item or when the derivative entity decides to cancel the coverage designation.

By suspending hedge accounting, in the case of cash flow hedges, the amounts that have been recorded in stockholders' equity as part of comprehensive income, remain in the capital until the time when the effects of the forecasted transaction or firm commitment affect the results. In the event that the firm commitment or forecast transaction is no longer likely to occur, the gains or losses that were accumulated in the comprehensive income account are immediately recognized in results. When the coverage of a forecasted transaction was satisfactory and subsequently does not meet the effectiveness test, the accumulated effects on comprehensive income in stockholders' equity are carried proportionally to the results, to the extent that the forecasted asset or liability affect the results.

10. Inventories

	2024	2023
Finished goods	$ 23,617,604	$ 20,083,625
Raw materials	536,626	459,742
Productions in process	56,562	56,783
Others	149,421	173,605
	$ 24,360,213	$ 20,773,755

11. Property and equipment

a. The reconciliation of property and equipment is as follows:

	Building	Store equipment	Furniture and fixtures	Vehicles	Construction in process	Land	Total
Cost							
Balances as of January 1, 2023	$ 35,689,193	$ 23,087,862	$ 2,898,180	$ 389,723	$ 1,042,599	$ 6,308,511	$ 69,416,068
Acquisitions	2,802,129	2,727,041	503,001	28,994	1,072,927	143,992	7,278,084
Net effect of foreign currency exchange differences	(837,794)	(831,529)	(18,253)	(10,897)	(10,526)	(7,563)	(1,716,562)
Disposals	(211,760)	(946,499)	(83,438)	(18,023)	-	-	(1,259,720)
Other transfers	357,421	253,442	16,401	3	(710,215)	127,736	44,788
Transfers to investments properties	(321,776)	-	-	-	-	(12,117)	(333,893)
Balances as of December 31, 2023	37,477,413	24,290,317	3,315,891	389,800	1,394,785	6,560,559	73,428,765
Acquisitions	5,301,623	4,354,789	533,260	25,323	782,209	275,974	11,273,178
Net effect of foreign currency exchange differences	1,180,873	981,169	36,523	12,289	25,848	10,553	2,247,255
Disposals	(243,185)	(782,551)	(73,380)	(13,093)	(55)	-	(1,112,264)
Other transfers	243,306	34,982	11,538	678	(819,458)	540,258	11,304
Transfers to investments properties	(411,699)	-	-	-	-	-	(411,699)
Balances as of December 31, 2024	$ 43,548,331	$ 28,878,706	$ 3,823,832	$ 414,997	$ 1,383,329	$ 7,387,344	$ 85,436,539
Depreciation							
Balances as of January 1, 2023	$ (10,855,682)	$ (12,977,232)	$ (2,320,210)	$ (253,131)	$ -	$ -	$ (26,406,255)
Depreciation expenses	(1,566,336)	(2,268,278)	(260,878)	(38,966)	-	-	(4,134,458)
Transfers	2,416	13,294	20,796	145	-	-	36,651
Disposals	10,383	756,259	59,107	12,475	-	-	838,224
Balances as of December 31, 2023	(12,409,219)	(14,475,957)	(2,501,185)	(279,477)	-	-	(29,665,838)
Depreciation expenses	(1,902,293)	(2,658,204)	(345,758)	(63,712)	-	-	(4,969,967)
Transfers	3,767	77	(90)	-	-	-	3,754
Disposals	160,582	725,044	74,095	9,685	-	-	969,406
Balances as of December 31, 2024	$ (14,147,163)	$ (16,409,040)	$ (2,772,938)	$ (333,504)	$ -	$ -	$ (33,662,645)
Total as of December 31, 2023	$ 25,068,194	$ 9,814,360	$ 814,706	$ 110,323	$ 1,394,785	$ 6,560,559	$ 43,762,927
Total as of December 31, 2024	$ 29,401,168	$ 12,469,666	$ 1,050,894	$ 81,493	$ 1,383,329	$ 7,387,344	$ 51,773,894

b. The following useful lives are used in the calculation of depreciation:

	Years
Buildings	50
Improvement to lease properties [2]	30 in average
Store equipment	12 in average
Furniture and fixtures	10
Computer equipment [1]	3
Vehicles	4

[1] Presented within the furniture and fixtures heading.
[2] Adaptations to leased properties are included in buildings and are amortized at the lower of the life of the adaptation and the lease period.

12. Right-of-use assets

a. The reconciliation of rights-of-use is as follows:

Right-of-use assets	Building	Store equipment	Vehicles	Airplane	Computer equipment	Intangible	Total
Cost:							
Balances as of January 1, 2023	$ 48,970,196	$ 132,471	$ 275,632	$ 799,242	$ 483,219	$ 14,012	$ 50,674,772
Acquisitions	820,305	-	71,248	-	73,932	-	965,485
Others	(36,245)	-	-	6,484	-	-	(29,761)
Disposals	(232,240)	-	(7,895)	-	(2,357)	-	(242,492)
Reevaluations	850,001	-	-	-	-	-	850,001
Exchange effects	(4,058,463)	-	(780)	-	-	-	(4,059,243)
Balances as of December 31, 2023	46,313,554	132,471	338,205	805,726	554,794	14,012	48,158,762
Acquisitions (*)	11,120,091	-	92,785	-	22,132	-	11,235,008
Others	(8,266)	-	508	2,647	-	-	(5,111)
Disposals	(342,885)	-	(9,575)	-	(4,861)	-	(357,321)
Reevaluations	453,864	-	-	-	-	-	453,864
Exchange effects	5,257,946	-	357	-	-	-	5,258,303
Balances as of December 31, 2024	$ 62,794,304	$ 132,471	$ 422,280	$ 808,373	$ 572,065	$ 14,012	$ 64,743,505
Depreciation							
Balances as of January 1, 2023	$ (11,041,410)	$ (128,792)	$ (223,645)	$ (546,842)	$ (396,076)	$ (14,012)	$ (12,350,777)
Disposals	27,259	-	5,718	-	1,587	-	34,564
Depreciation expenses	(2,657,579)	(400)	(39,472)	(61,051)	(38,104)	-	(2,796,606)
Balances as of December 31, 2023	(13,671,730)	(129,192)	(257,399)	(607,893)	(432,593)	(14,012)	(15,112,819)
Disposals	68,397	-	6,165	-	2,882	-	77,444
Depreciation expenses	(3,637,458)	(400)	(56,271)	(57,686)	(48,051)	-	(3,799,866)
Balances as of December 31, 2024	$ (17,240,791)	$ (129,592)	$ (307,505)	$ (665,579)	$ (477,762)	$ (14,012)	$ (18,835,241)
Net book value:							
Total as of December 31, 2023	$ 32,641,824	$ 3,279	$ 80,806	$ 197,833	$ 122,201	$ -	$ 33,045,943
Total as of December 31, 2024	$ 45,553,513	$ 2,879	$ 114,775	$ 142,794	$ 94,303	$ -	$ 45,908,264

(*) Additions to 2024 include the lease contract for the new Distribution Center in Rancho Cucamonga, California, United States of America ("RCDC").

b. The Entity leases various assets, including buildings and computer equipment. The average lease term is as follows:

Leased assets	Average lease term 2024	Average lease term 2023
Vehicles	3 years	3 years
Buildings	23 years	25 years
Airplane	10 years	10 years
Computer equipment	4 years	4 years
Various equipment (*)	7 years	7 years

(*) Dining room equipment.

The Entity has the option to purchase certain equipment for a nominal amount at the end of the lease period. The Entity's obligations are covered by the title to the assets leased that is maintained by the lessor.

The expired contracts were replaced by new leases with identical underlying assets. This resulted in the addition of rights-of-use assets of $145,035 and $31,125 in 2024 and 2023.

The maturity analysis of the lease liabilities is presented in note 20.

Amounts recognized in the consolidated financial statements for leases:

		2024		2023
Depreciation of lease right-of-use assets	$	3,525,226	$	2,898,366
Interest accrued on lease liabilities		3,253,831		2,553,402
Expense related to short-term lease		161,495		112,804
Expense related to leasing of low value assets		5,464		8,683
Expense related to variable lease payments not included in the measurement of lease liabilities		233,753		221,252

The Entity has commitments of $2,751,002 and $2,177,782 as of December 31, 2024 and 2023, respectively, for short-term leases.

Some of the leases of properties in which the Entity is a lessee contain variable lease payment terms that are related to sales generated in the leased stores. Variable payment terms are used to link lease payments to store cash flows and reduce fixed cost. The composition of the lease payments is detailed in the following table:

		2024		2023
Fixed payments	$	5,680,386	$	4,299,018
Variable payments, short-term and low-value leases		400,712		342,740
Total lease payments	$	6,081,098	$	4,641,758

As of December 31, 2024, and 2023, variable payments constitute 6.59% and 7.38%, respectively of the Entity's total lease payments. The Entity expects this proportion to remain constant in future years. Variable payments depend on sales and consequently, on economic development during the following years. Taking into consideration the development of expected sales in the following years, it is expected that the expense for variable leases will continue in a similar proportion of store sales.

13. Investment property

		2024		2023
Balances as of the beginning of the year	$	11,575,227	$	11,294,064
Transfers from property and equipment		411,699		333,893
Fair value loss on investment property		(109,453)		(52,730)
Balances as of year end	$	11,877,473	$	11,575,227

All the Entity's investment properties are free from third-party interests.

There has been no change in valuation technique on the current year, which is carried out by the Entity's management and supported by an external specialist for the determination of the applicable discount rate. The fair value of the Entity's investment properties is considered the highest and best use of the property in its current use. The net gain on property revaluation is presented under other expenses-net in the consolidated statements of profit or loss and other comprehensive income.

The Entity receives lease income from investment properties, all of which are under operating leases, amounting to $1,434,940 and $1,292,304 for 2024 and 2023, respectively. Operating expenses directly related to investment properties were $526,409 and $490,080 for 2024 and 2023, respectively.

The following information is relevant to investment properties classified as Level 3 fair value hierarchy as of December 31, 2024:

Property	Fair Value hierarchy	Valuation Technique	Significant unobservable inputs	Value / Range	Relationship unobservable inputs of fair value
Land and construction	Level 3	Discounted cash flows	Discount rate	12.34%	At higher discount rate, lower fair value
			Earnings before interest, taxes, depreciation and amortization	Based on the contractual rent at market price.	At higher earnings before interest, taxes, depreciation and amortization, fair value increased
			Growth rates	Mexico: 3.5%	At higher inflation rate, higher fair value.
			Occupancy rate	Average 99%, depending on location	A higher occupancy rate results in higher fair value

There were no transfers between levels of the fair value hierarchy during the year.

14. Investment in associates and join ventures

As of December 31, 2024, and 2023 the entire share in the results of associates and joint ventures for $65,612 and $75,034 corresponds to the investment in Smart & Final del Noroeste, S.A. de C.V.

Name	Type of invest	Principal activity	Place of incorporation and principal place of business	Investment in Joint Venture and Associates 2024	2023
Smart & Final del Noroeste, S.A. de C.V. (i)	Join venture	The Entity is engaged in the purchase and sale of groceries, food products and general merchandise	Mexico	$ 1,007,179	$ 952,219
Others	Associate	Real Estate	Mexico	28,966	405
Total				$ 1,036,145	$ 952,624

(i) This amount includes the goodwill derived from the acquisition of Smart & Final in financial year 2021.

The financial information of Smart & Final del Noroeste, S.A. de C.V. is as follows:

	2024	2023
Total assets	$ 1,355,242	$ 1,221,913
Total liabilities	678,341	432,236
Capital attributable to shareholders of the entity	676,901	789,677
Revenues	3,573,086	3,068,879
Cost of sales, operating expenses and taxes	3,446,197	2,918,811
Profit for the year	126,889	150,068
Profit in associates and joint ventures	50%	50%
Profit for the year in joint ventures	$ 63,444	$ 75,034

15. Other and intangible assets

	2024	2023
Guarantee deposits	$ 405,384	$ 429,021
Goodwill (1) – Note 16	6,061,838	5,205,016
Advances for acquisition of property and equipment	748,865	450,739
Other non-current assets, mainly prepaid expenses	842,510	178,634
Other assets	8,058,597	6,263,410
Intangibles:		
Software and licenses	3,710,861	3,427,549
Accumulated software and licenses amortization	(2,969,477)	(2,606,596)
Software and licenses net	741,384	820,953
Arteli trademark	35,586	35,586
Fiesta Mart trademark	1,980,213	1,650,494
Smart & Final trademark	1,645,490	1,400,087
Total other and intangible assets	$ 12,461,270	$ 10,170,530

(1) Represents the excess of the price paid for the market value of the assets and assumed liabilities related to:

		2024		2023
Cash-generating units to which goodwill is assigned:				
254 tiendas in California, United States of America	$	3,028,268	$	2,524,042
61 stores in Texas, United States of America		1,125,991		938,507
29 stores in the south of Angeles, United States of America		991,619		826,507
3 stores in Baja California Sur, Mexico		216,026		216,026
5 stores in the center of Mexico		10,290		10,290
36 stores in Hidalgo, Tamaulipas, Veracruz and San Luis Potosí		689,644		689,644
Total	$	6,061,838	$	5,205,016

The reconciliation of intangibles is as follows:

		2024		2023
Cost				
Balance at beginning of January	$	3,427,549	$	3,345,911
Disposals		(11,962)		(24,111)
Acquisitions		180,772		213,159
Foreign currency translation effect		114,502		(107,410)
Balance at December 31	$	3,710,861	$	3,427,549
Amortization				
Balance at beginning of January	$	(2,606,596)	$	(2,215,616)
Amortization cost		(373,150)		(397,986)
Disposals		10,269		7,006
Balance on December 31	$	(2,969,477)	$	(2,606,596)
Intangible	$	741,384	$	820,953

16. Goodwill

		2024		2023
Cost				
Balances at the beginning of the year	$	5,205,016	$	5,831,612
Effect of differences in foreign currency exchange rates		856,822		(626,596)
Balances at the end of the year	$	6,061,838	$	5,205,016

Assignment of goodwill to cash-generating units

For impairment testing purposes, goodwill was assigned to the group of cash-generating units that benefited from the synergies generated by the Group's acquisition.

17. Accounts and notes payable to suppliers

The amount recognized for suppliers is based on source documentation, whether the amount indicated by the respective receipt or contract at the balance sheet date, or the disbursement required to settle the current obligation. The Entity has implemented financial risk management policies to ensure that all accounts payable is settled according to pre-agreed credit terms.

The debt with suppliers (including liabilities to affiliated parties related to suppliers) is calculated according to agreed contractual maturities. On December 31, 2024 and 2023, the Entity's debt obligation is composed as follows:

		2024		2023
Current	$	16,437,036	$	12,015,620
Up to 30 days		11,159,394		10,989,630
Up to 60 days		4,279,925		4,334,673
Up to 90 days		1,822,096		2,661,988
More than 90 days		617,266		1,821,049
	$	34,315,717	$	31,822,960

18. Supplier financing agreements

At the request of commercial suppliers who so request, Grupo Chedraui could accept the assignment of credit rights for the conclusion of agreements with certain financing providers. Such agreements would allow financing providers to pre-settle the invoices of Grupo Chedraui's commercial suppliers, as well as the corresponding charges, in order to obtain liquidity immediately.

Under this premise, Grupo Chedraui would liquidate the financing suppliers the total amount of the assigned invoice and the related charges on the same due date as those of the commercial suppliers. Therefore, the debt ceded to financing providers must be presented as part of trade accounts and other accounts payable.

	2024	2023	January 1, 2023
(*) The payable amount for which suppliers have already received payment from the financing provider trade accounts	$ 424,133	$ 628,645	$ 903,125

(*) The amount in books of financial liabilities that are subject to financing agreements with suppliers and that is presented as part of "Trade and Other Accounts payable Commodity".

Changes in liabilities that are subject to financing agreements with suppliers are mainly attributed to additions resulting from purchases of goods and services and subsequent cash settlements. There were no significant non-monetary changes in these liabilities.

The group does not face significant liquidity risk because of its financing agreements with suppliers, given the limited amount of liabilities subject to financing agreements with suppliers and the group's access to other sources of financing on similar terms.

19. Borrowings

	2024	2023
Credit refinanced on July 31, 2024 for the $400 million dollars (Club Deal) club contracted by Chedraui USA Inc., with the backing of Grupo Comercial Chedraui, S.A.B. de C.V, Tiendas Chedraui, S.A. de C.V., Inmobiliaria Kira, S.A, Fiesta Mart Investments, L.L.C., Fiesta Mart Holdings, L.L.C., Fiesta Mart, L.L.C., with the participation of 3 leading banks: Bank of America, N.A., BBVA Bancomer. S.A. and Scotiabank Inverlat, S.A. The agreed rate of SOFR plus 1.25%, with a validity of 3 years until 31 July 2027 (*).	$ 8,107,320	$ -
Credit contracted by Chedraui USA Inc. With Bank of America, N.A., contracted on August 27, 2024, at a rate of SOFR + 1.125%. Its expiry date is 13 December 2025.	1,003,281	-
Credit contracted by Chedraui USA Inc. With Bank of America, N.A., contracted on December 13, 2022, at a SOFR rate plus 1.125%. Its expiry date is December 13, 2025.	216,830	-
Syndicated credit signed on July 26, 2021 for the $620 million dollars, contracted by Chedraui USA Inc., with the endorsement of Grupo Comercial Chedraui, S.A.B. de C.V, Tiendas Chedraui, S.A. de C.V., Inmobiliaria Kira, S.A, Fiesta Mart Investments, L.L.C., Fiesta Mart Holdings, L.L.C., Fiesta Mart, L.L.C., with the participation of 3 leading banks: Bank of America, N.A., BBVA Bancomer S.A. and Scotiabank Inverlat, S.A., as well as 8 additional banks. The agreed rate of SOFR plus 1.55%, with a validity of 5 years. During 2024, 2023 and 2022, pre-payments were made for $32.5 million dollars, $173.3 million dollars and $165 million dollars, respectively.	-	4,763,967
Credit refinanced on July 26, 2021 for the $200 million dollars (Club Deal) contracted by Chedraui USA Inc., with the endorsement of Grupo Comercial Chedraui, S.A.B. de C.V, Tiendas Chedraui, S.A. de C.V., Inmobiliaria Kira, S.A, Fiesta Mart Investments, L.L.C., Fiesta Mart Holdings, L.L.C., Fiesta Mart, L.L.C., with the participation of 3 leading banks: Bank of America, N.A., BBVA Bancomer. S.A. and Scotiabank Inverlat, S.A. The agreed rate of SOFR plus 1.25%, with a validity of 4 years.	-	3,378,700
	9,327,431	8,142,667
Short-term debt	1,220,111	-
Long-term debt	$ 8,107,320	$ 8,142,667

(*) The secured bank loan is subject to a financial agreement that is tested quarterly on March 30, June 30, September 30 and December 31 of each year. Financial agreements measure the proportion of leverage and interest coverage of the group calculated.

On December 31, 2024 and 2023, the Entity was in compliance with the covenants set forth in each of the contracts.

a. Reconciliation of obligations derived from financing activities

	Balance as of January 1, 2024	Acquisitions	Other	Payments	Translation effect	Balance as of December 31, 2024
Borrowings	$ 8,142,667	$ 9,327,431	$ -	$ (9,769,320)	$ 1,626,653	$ 9,327,431
Leases obligations	$ 39,091,411	$ 11,339,876	$ 157,598	$ (2,456,921)	$ 6,234,638	$ 54,366,602

	Balance as of January 1, 2023	Acquisitions	Other	Payments	Translation effect	Balance as of December 31, 2023
Borrowings	$ 12,681,782	$ -	$ -	$ (2,922,575)	$ (1,616,540)	$ 8,142,667
Leases obligations	$ 43,951,062	$ 965,485	$ 540,414	$ (1,715,785)	$ (4,649,765)	$ 39,091,411

20. Lease liabilities

Maturity	2024 Liabilities	2024 Interest	2023 Liabilities	2023 Interest
1 year	$ 2,751,002	$ 3,346,484	$ 2,177,782	$ 2,372,231
2 years	3,024,242	3,357,783	2,292,095	2,262,117
3 years	2,709,892	3,145,557	2,534,135	2,154,613
4 years	2,328,572	2,973,158	2,308,548	1,986,516
5 years	2,896,245	2,808,758	2,034,696	1,841,761
Subsequent years	40,656,649	29,048,174	27,744,155	14,828,108
	$ 54,366,602	$ 44,679,914	$ 39,091,411	$ 25,445,346
Maturity of short-term	$ 2,751,002	$ 3,346,484	$ 2,177,782	$ 2,372,231
Maturity of long-term	$ 51,615,600	$ 41,333,430	$ 36,913,629	$ 23,073,115

The Entity does not face a significant liquidity risk regarding its lease liabilities. Lease liabilities are monitored through the Entity's Treasury.

21. Employee benefits

a. Defined contribution plans

The Entity by law make payments equivalent to 2% of wage workers integrated (ceiling) plan defined contribution savings system of retirement established by the law. The expense for this item was $168,159 in 2024 and $143,542 in 2023. Additionally, there is a contribution made by the Entity that until 2022 was equivalent to 3.15% of the integrated salary of its employees and from 2023 on it will gradually increase reaching 11.875% in 2030. The expense for this concept as of December 31, 2024 and 2023 was $275,136 and $278,192, respectively.

The Entity makes payments to defined contribution plans in the US, also known as 401 (k) plans, in which the Entity makes contributions to the individual funds of its employees, in proportion to the voluntary contributions made by the employees. The expense for this concept as of December 31, 2024 and 2023 was $176,511 and $170,662, respectively.

b. Defined benefit plans

Seniority premium in Mexico: The Entity maintains a defined benefit pension plan, which covers all employees who reach 65 and 60 years of age, according to the benefit plan defined by the Entity. This plan also provides seniority premium benefits, which consist of a lump sum payment of 12 days' wage for each year worked, calculated using the most recent salary, not to exceed twice the minimum wage established by law. The net liabilities on December 31, 2024 and 2023 are approximately $1,702,054 and $1,576,769, respectively.

Smart & Final pension plan: As a result of the acquisition of Smart & Final Inc., there is a defined benefit plan which, prior to June 1, 2008, covered substantially all full-time employees following a vesting period of 5 years (the "Participants") and provided defined benefits based on the years of service and final average salary at the time of retirement. This plan was frozen for the accruing of future benefits for the majority of the Participants (the "Frozen Participants") effective June 1, 2008. As of December 31, 2024, there were 436 employees who work in Smart & Final's distribution and transportation operation who still continue to accumulate benefits in this plan (the "active participants"). No new employees are eligible for participation in the Smart & Final Pension Plan with the exception of eligible new hires in Smart & Final's distribution and transportation operations. The Entity makes contributions to the Smart & Final Pension Plan in accordance with the requirements of the "*Employee Retirement Income Security Act of 1974, as amended*". The defined benefit net as of December 31, 2024 and 2023 is approximately $(90,235) and $454,227, respectively.

Supplemental executive retirement plan (the "SERP"): In Smart & Final Inc., there is a nonqualified defined benefit supplemental executive retirement plan which provides supplemental income payments for certain current executives and former corporate officers in retirement. No new participants are eligible for participation and service and compensation accruals were frozen effective January 1, 2008. The defined benefit net liability as of December 31, 2024 and 2023 is approximately $185,804 and $116,851, respectively.

Post-employment and post-retirement benefits: As a result of the acquisition of Smart & Final Inc., there is a plan that offers health benefits for certain employees who have retired from the Entity. Prior to June 1, 2008, substantially all full-time employees could become eligible for such benefits if they reached retirement age while still working for the Entity. The Entity froze the accruing of benefits for eligible participants effective June 1, 2008. Participants who were eligible for a retiree medical benefit and retired prior

to June 1, 2008 continue to be eligible for retiree medical coverage. Net defined benefit liability as of December 31, 2024 and 2023, is approximately $52,458 and $116,078, respectively.

The related liability and the annual cost of following plans are calculated by an independent actuary in accordance with the bases defined in the plans, using the projected unit credit method.

c. *Deferred compensation plan*

The Entity maintains a long-term incentive plan ("LTI") that requires certain key employees to elect to defer up to 100% of their variable compensation between 3 and 5 years. The long-term liability for this deferred compensation as of December 31, 2024 and 2023 is $993,364 and $649,958, respectively and is presented under Other long-term liabilities in the consolidated statement of financial position.

The plans typically expose the Group to actuarial risks such as, investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to high quality corporate bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities, debt instruments and real estates.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The present value of the defined benefit obligation and the labor cost of the current service and past service cost were calculated using the method of projected unit credit.

The main assumptions used for the purposes of actuarial valuation are the following:

d. *Nominal rates used in actuarial calculations are as follows:*

	2024 %	2023 %
Discount of the projected benefit obligation at present value in Mexico	10.75	9.25
Discount of the projected benefit obligation at present value in the United States of America	4.73	4.73
Salary increase in Mexico	5.00	4.50
Salary increase in the United States of America	3.25	3.25
Legal Minimum Wage Increase	11.00	3.50

e. *The amounts recognized in the results of these defined benefits plan, are:*

		2024		2023
Service cost:				
Current service cost	$	196,330	$	176,992
Transfer effect		(148,567)		-
Net interest expense		191,475		168,366
Total in the Consolidated Statement of Income and Other Comprehensive Income	$	239,238	$	345,358
Remeasurement on the net defined benefit liability:				
Actuarial loss (gain) arising from past adjustments	$	778,645	$	(293,928)

The remeasurement of the net defined benefit liability is included in other comprehensive income.

f. *The amount included in the statements of financial position that arises from the Entity's obligation with respect to its defined benefit plans is as follows:*

		2024		2023
Defined benefit obligations	$	5,494,252	$	5,116,429
Fair value of plan assets		(4,015,779)		(3,086,207)
Net liability arising from defined benefit obligation	$	1,478,473	$	2,030,222

g. Changes in the present value of the defined benefit obligation:

		2024		2023
Opening balance of defined benefit obligation at	$	5,116,429	$	5,430,892
Exchange Effect		707,115		(510,108)
Adjustments to the opening balance		-		(116,695)
Current service cost		196,330		176,992
Interest cost		191,475		168,366
Transfer effect		(148,567)		-
Actual return on plan assets		360,374		390,121
Benefits paid		(150,259)		(129,211)
Actuarial gains arising from past adjustments		(778,645)		(293,928)
Closing defined benefit obligation	$	5,494,252	$	5,116,429

h. Movements in the fair value of plan assets in the year were as follows:

		2024		2023
Opening fair value of plan assets	$	2,600,890	$	2,638,398
Foreign exchange effect		519,577		(321,442)
Interest income on plan assets		213,381		280,483
Return on plan assets		146,989		109,656
Contributions from the employer		4,155		4,217
Contributions from employer		-		(116,672)
Contributions from plan participants		21,424		106,648
Administrative expenses		(36,706)		(42,622)
Benefits paid		(80,141)		(57,776)
Closing fair value of plan assets		3,389,569		2,600,890
Insurance policy reserve fund		626,210		485,317
Final fair value of plan assets	$	4,015,779	$	3,086,207

The plan's assets are managed by specialists in external investment portfolios or assigned to investment funds that follow investment indices or indicators, which are periodically adjusted as decided by the Entity. The portfolio administrators allocate the plan assets according to the instructions of the Entity. The Entity's investment strategy has been to allocate the largest proportion of plan assets to investments in shares to achieve returns that make plan assets grow to cover labor liabilities, but always within acceptable risk ranges.

The Entity engaged independent professionals to measure the present value of the defined benefit obligation and the market value of the respective assets for the pension plan, death or disability and seniority premium.

The appointed consultants issued their report in conformity with the guidelines of IFRS.

Adjustments to actuarial assumptions, including the change in the discount rate for valuing employee benefits, are recognized directly in other comprehensive income in stockholders' equity without affecting profit or loss.

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate in Mexico had been 100 basis points lower, the defined benefit obligation would have increased by $104,535.

If the U.S. discount rate had been 50 basis points lower, the defined benefit obligation would have increased by $471,421.

If the expected salary increase in Mexico decreases by 100 basis points, the defined benefit obligation will decrease by $178,563.

If the life expectancy in Mexico had increased by one year for both men and women, the defined benefit obligation would have increased by $381.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the consolidated statement of financial position.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

22. Financial instruments

a. Capital management risk

The Entity manages its capital to ensure that the Entity and its subsidiaries will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Entity's overall strategy remains unchanged from 2023.

The Entity's management reviews the capital structure when presenting his financial projections as part of the business plan to the Board of Directors and shareholders of the Entity. As part of this review, the Board considers the cost of capital and the associated risks.

The Entity is constituted as a S.A.B. de C.V. according to the terms of the Mexican Securities Exchange Commission and in accordance with the General Law of Commercial Companies; the fixed minimum capital is $183,436.

The capital structure of the Entity consists of net debt (borrowings as detailed in Note 19 offset by cash and cash equivalents) and equity of the Entity (comprising issued capital, reserves, and retained earnings as detailed in Note 25).

The Entity is not subject to any externally imposed capital requirements.

The Entity's Boards of Directors reviews the capital structure of the Entity on a quarterly basis.

1. Debt ratio

The gearing ratio at end of the reporting period was as follows:

		2024		2023
Debt (i)	$	9,327,431	$	8,142,667
Cash and cash equivalents		13,657,483		13,695,971
Total liabilities	$	(4,330,052)	$	(5,553,304)
Total of Equity (ii)	$	52,349,251	$	45,873,702
Net debt to equity ratio		(8.27%)		(12.11%)

(i) Debt is defined as long- and short-term borrowings, as described in Note 19.
(ii) The Equity includes the non-controlling interest.

b. Financial instruments categories

		2024		2023
Financial assets				
Cash and cash equivalents	$	13,657,483	$	13,695,971
Borrowings and receivables:				
Accounts and notes receivable	$	2,145,792	$	1,759,344
Current accounts receivable from related parties		136,010		77,518
Guarantee deposits (**)		405,384		429,021
Long-term derivative financial instruments		75,565		145,222
Financial liabilities				
At amortized cost:				
Accounts and notes payable to suppliers and related parties	$	34,315,717	$	31,822,960
Other accounts payables (*)		10,268,009		7,661,123
Borrowings		9,327,431		8,142,667
Lease obligations		54,366,602		39,091,411

(*) Balance included in the statement of financial position under creditors and accrued expenses.
(**) Balance included in the statement of financial position under other assets and intangibles - net.

c. Financial risk management objectives

The activities carried out by the Entity expose it to a number of financial risks, including market risk (which encompasses foreign exchange, interest rate and price risks – such as investment in share certificates and commodity prices futures), credit risk and liquidity risks.

The Entity seeks to minimize the potential negative effects of these risks on its financial performance through an overall risk management program. Both, financial risk management and the use of derivative and non-derivative financial instruments are ruled by Entity policies approved by the Board of Directors and are carried out by the Entity's treasury, identifying, evaluating and covering the financial risks in cooperation with its subsidiaries.

d. Market risk

The Entity's activities mainly expose it to exchange rate and interest rate financial risks.

e. Exchange risk management

The Entity carries out transactions in foreign currency, thereby generating exposure to exchange rate fluctuations, which are handled within the parameters of the approved policies using foreign currency forwards.

The book values of the foreign currency-denominated monetary assets and liabilities at the end of the reporting period are as follows:

		2024		2023
Assets	$	792,522	$	673,042
Liabilities		(3,727,880)		(3,046,317)
Net liability in US dollars	$	(2,935,358)	$	(2,373,275)
Year-end exchange rate ($ per 1 dollar)	$	20.27	$	16.89

The book values of monetary assets and liabilities denominated in foreign currency other than their functional currency, dollar, at the end of the reporting period are as follows:

		2024		2023
Assets	$	18,389	$	13,996
Liabilities		(32,587)		(29,050)
Net liability in US dollars	$	(14,198)	$	(15,054)
Year-end exchange rate ($ per 1 dollar)	$	20.27	$	16.89

Approximately 2.30% and 1.76% of goods inventories were imported by the Entity in 2024 and 2023, respectively.

Transactions in thousands of US dollars as of December 31, 2024 and 2023 include import purchases of $140,349 and $116,056, respectively.

Foreign currency sensitivity analysis

The Entity conducts operations in different currencies; however, for entities in Mexico, its most significant exposure is with the US dollar.

The following analysis details the Entity's sensitivity to an increase and/or decrease of 20% in the exchange rate of the Mexican peso against the US dollar. Such fluctuation represents management's assessment of the possible reasonable change in the exchange rate.

The sensitivity analysis includes only the monetary position at the close of the period, eliminating the commitments covered with financial instruments, and the transactions performed in a functional currency comparable with the dollar.

When the peso appreciates, the results and stockholders' equity will increase; conversely, when the peso depreciates it would result in a decrease in results and stockholders' equity.

The exchange-parity variance results in an adjustment of $57,552 and $50,859 for the years ended December 31, 2024 and 2023, respectively.

The sensitivity analysis may not be representative of the exchange risk during the period due to variances in the net foreign currency-denominated position.

f. Interest rate risk management

The Entity is exposed to interest rate risks because it obtains loans at both fixed and variable interest rates. The risk is managed by the Entity by maintaining an appropriate combination of fixed rate and variable rate loans and by using interest rate collars. Hedging activities are regularly assessed to align them with interest rates and the defined risk appetite, ensuring the application of more profitable hedging strategies.

The Entity's exposures to the interest rates of financial assets and liabilities are detailed in the following liquidity risk management section in this note.

– *Interest rate sensitivity analysis*
The following sensitivity analyses have been determined based on the exposure to interest rates both for the derivative instruments and non-derivative instruments at the end of the reporting period. For variable-rate liabilities, an analysis is prepared on the basis that the liability amount remains in effect at the close of the period.

Management evaluates the rates based on the historical behavior of the market and projections obtained from public and private financial institutions. Based on these and the cash flows generated by its operation, it visualizes risks when the rates have a variance equivalent to 100 basis points above the average annual rate handled.

If the exchange rates had been 100 points above or below the real rate obtained and all the other variables remained constant, the result and stockholders' equity would have varied $51,631 and $50,846 as of December 31, 2024 and 2023, respectively, if such a situation should arise, the management would have to evaluate the option of contracting an instrument to cover the rates contracted or seek to renegotiate different payment or collection conditions. The sensitivity analysis may not be representative of the interest rate risk during the period due to variances in debt balances.

g. Credit risk management

Credit risk refers to the risk that the counterparties may default on their contractual obligations, resulting in a loss for the Entity. The main credit risk relates to cash and cash equivalents, accounts receivable and derivative financial instruments. The Entity's policy is only to execute transactions with renowned institutions with a high credit rating, thereby minimizing the exposure to risks derived from cash and cash equivalents and derivative financial instruments.

The Entity only carries out transactions with entities that have a risk rating equivalent to the investment grade or higher. This information is provided by independent rating agencies and, if not available, the Entity uses other publicly available financial information and its own business records to qualify its principal customers. The Entity's exposure and the credit ratings of its counterparties are continuously monitored, and the cumulative value of the completed transactions is distributed among the approved counterparties. The credit exposure is controlled by the counterparty limits that are reviewed and approved annually by the risk management committee.

In regard to accounts receivable, the Entity has credit and collection policies, which include the periodic review and the creation of allowances in accordance with such policies. The maximum exposure to credit risk as of December 31, 2024 and 2023 is $2,788,009 and $2,437,431, respectively.

h. Liquidity risk management

The Entity manages liquidity risk by maintaining adequate reserves, banking facilities and for obtaining loans, by continuously monitoring projected and real cash flows. The consolidated statement of financial position presents negative working capital $6,174,040 and $3,599,075 as of December 31, 2024 and 2023; however, this situation does not represent a material risk of ongoing business since the Entity generates cash flows derived from its operation each year that are used to meet its obligations, $17,850,342 during 2024 and $17,973,542 during 2023. Likewise, as of December 31, 2024, there are credit lines available for $6,481,000 as well as a current program of Stock Certificates of up to $10,000,000.

- *Interest and liquidity risk tables*
  The following tables as of December 31, 2024 and 2023 show the Entity's remaining contractual maturities for non-derivative financial liabilities with agreed-upon payment periods. The tables have been designed based on the non-discounted cash flows of the financial liabilities as of the most recent date on which the Entity must make payments. The tables include both cash flows of interest and capital. To the extent that interest is at a variable rate, the undiscounted amount is derived from the curves in the interest rate at the end of the reporting period. The contractual maturity is based on the minimum date on which the Entity must make the payment.

2024	One year	Two years	Three years	More than three years	Total
Financial assets (**)	$ (16,420,234)	$ -	$ -	$ -	$ (16,420,234)
Borrowings	1,637638	417,527	8,350,877	-	10,406,042
Other creditors	7,963,930	-	-	-	7,963,930
Accounts and notes payable to suppliers and affiliated companies	34,315,717	-	-	-	34,315,717
Lease obligations	6,097,486	6,382,025	5,855,449	80,711,558	99,046,518
Total	$ 33,594,537	$ 6,799,552	$ 14,206,326	$ 80,711,558	$ 135,311,973

(*) TIIE 10.24% and LIBOR 5.15% for interest projection plus spread of each credit.
(**) Includes cash, accounts receivable and security deposits.

2023	One year	Two years	Three years	More than three years	Total
Financial assets (**)	$ (16,107,076)	$ -	$ -	$ -	$ (16,107,076)
Borrowings	561,445	561,445	3,826,628	4,959,040	9,908,558
Other creditors	5,588,503	-	-	-	5,588,503
Accounts and notes payable to suppliers and affiliated companies	31,822,959	-	-	-	31,822,959
Lease obligations	4,550,013	4,554,213	4,688,748	50,743,784	64,536,758
Total	$ 26,415,844	$ 5,115,658	$ 8,515,376	$ 55,702,824	$ 95,749,702

(*) TIIE 11.47% and LIBOR 5.46% for interest projection plus spread of each credit.
(**) Includes cash, accounts receivable and security deposits.

The following tables as of December 31, 2024 and 2023 presents the liquidity analysis of the Entity's derivative financial instruments. The table has been designed based on non-discounted contractual cash inflows and outflows, which are settled on a net basis, and non-discounted gross cash inflows and outflows of those derivatives that require a gross settlement. When the amount payable or receivable is not fixed, the amount disclosed was determined in reference to projected interest rates, as shown by the yield curves as of the end of the reporting period.

2024	Less than 1 year	More than 1 year and less than 5	More than 5 years	Total
Derivative financial instruments	$ (75,565)	$ -	$ -	$ (75,565)

2023	Less than 1 year	More than 1 year and less than 5	More than 5 years	Total
Derivative financial instruments	$ (7,932)	$ (4,594)	$ -	$ (12,526)

i. Fair value of financial instruments

1. Fair value of financial instruments recorded at amortized cost

Entity's management believe that the book values of the financial assets and liabilities recognized at amortized cost in the consolidated financial statements, approximate to fair value.

	2024	2023
Financial assets		
Accounts and notes receivable - Net	$ 2,145,792	$ 1,759,344
Current accounts receivable from related parties	136,010	77,518
Deposits in guarantee (**)	405,384	429,021
Financial liabilities		
Accounts and documents payable to suppliers and affiliated companies	34,315,717	31,822,960
Other creditors - short term (*)	10,268,009	7,661,123
Borrowings	9,327,431	8,142,667
Short-term deferred revenue	126,762	144,033

(*) Balance included in the statement of financial position in creditors and accumulated expenses.
(**) Balance included in the statement of financial position in other assets and intangibles - net.

2. Valuation techniques and assumptions used to determine fair value

Financial instruments are shown at market value indicated by the financial institution with whom it was hired at the end of the year by which it is reported.

As of December 31, 2024:

Type of derivative contract or value	Notional amount	Reference variable	Fair Value	Amount due by year	Collateral
Swap rate SOFR	200 million USD	SOFR at 28 days	$ 75,565	200 million USD in 2025	The line of credit or "Threshold" is for $ 27 million dollars. On December 31, 2024 there was no position no collateral for these derivatives.

As of December 31, 2023:

Type of derivative contract or value	Notional amount	Reference variable	Fair Value	Amount due by year	Collateral
Swap rate SOFR	200 million USD	SOFR at 28 days	$ 145,222	200 million USD in 2025	The line of credit or "Threshold" is for $27 million dollars. On December 31, 2023 there was no position no collateral for these derivatives.

23. Stockholders' equity

Common stock as of December 31, 2024 and 2023 is composed of 963,917,211 no-par value common shares. Fixed capital shares are non with draw able and variable capital may not exceed ten times the fixed capital.

a. At the ordinary Shareholders' Meeting held on April 05, 2024, the payment of cash dividends to the Company's shareholders was approved in the amount of $1.1889 (one peso, one, eight, eight, nine cents) for each released share and in circulation of the Company on the date of payment of the dividend. The payment was made against the Entity's net tax profit account, through the S.D. Indeval, S.A. de C.V., *Institución para el Depósito de Valores,* the amount of the dividend paid was $1,146,000.

b. At the ordinary Shareholders' Meeting held on April 05, 2024, the payment of extraordinary cash dividends to the Company's shareholders was approved in the amount of $0.5187 (zero dot five, one, eight, seven cents) for each share released and outstanding at the dividend payment date. The payment was made against the net tax income account of the Entity, through S.D. Indeval, S.A. de C.V., Institución para el Depósito de Valores, and the dividend amount paid was $500,000 on November 27, 2024.

c. At the ordinary Shareholders' Meeting held on April 05, 2024, the payment of extraordinary cash dividends to the Company's shareholders was approved in the amount of $0.5187 (zero dot five, one, eight, seven cents) for each released share and in circulation of the Company on the date of payment of the dividend. The payment was made against the Entity's net tax profit account, through the S.D. Indeval, S.A. de C.V., Institución para el Depósito de Valores, the amount of the dividend paid was $500,000 on December 18, 2024.

d. At the ordinary Shareholders' Meeting held on April 10, 2023, the payment of cash dividends to the Company's shareholders was approved in the amount of $0.0933 (zero pesos, zero, nine, three, three cents) for each released share and in circulation of the Company on the date of payment of the dividend. The payment was made against the Entity's net tax profit account, through the S.D. Indeval, S.A. de C.V., Institución para el Depósito de Valores, the amount of the dividend paid was $899,600.

e. Retained earnings include the statutory legal reserve. The General Corporate Law requires that at least 5% of net income of the year be transferred to the legal reserve until the reserve equals 20% of capital stock at par value. The legal reserve may be capitalized but may not be distributed unless the Entity is dissolved. The legal reserve must be replenished if it is reduced for any reason. As of December 31, 2024, and 2023, the legal reserve at par value was $36,687.

f. Stockholders' equity, except for restated paid-in capital and tax retained earnings will be subject to income tax payable by the Entity at the rate in effect upon distribution. Any tax paid on such distribution may be credited against annual and estimated income tax of the year in which the tax on dividends is paid and the following two fiscal years, against the tax of the year and the provisional payments thereof.

g. The balance of the tax income account as of December 31, are:

		2024		2023
Contributed capital account (CUCA)	$	9,169,405	$	8,759,245
Net tax profit account (CUFIN)		21,910,413		20,634,562

h. Capital risk management

The Entity manages its capital to ensure that it will continue as a going concern while maximizing stockholder profits by optimizing its capital structure.

The Entity's management reviews the capital structure when presenting its financial projections as part of the business plan to the Board of Directors and the Entity's stockholders. As part of this review, the Board of Directors considers the cost of capital and the associated risks.

In 2010, the Entity signed an agreement with the minority shareholders of its subsidiary Chedraui USA, Inc., for the purchase of its shares to acquire all of them, starting in 2010 for $14 million dollars and from 2012 for an amount of $10 million dollars. The agreement does not require the sale of shares and only constitutes an offer to purchase.

As of the date of issuance of the consolidated financial statements, there are no longer shares subject to this agreement because the remaining shares at the beginning of the year were repurchased during fiscal year 2023.

24. Other comprehensive income

		2024		2023
Effects of foreign operations translation	$	879,168	$	139,869
Effect of recognizing the valuation of derivative instruments		50,372		97,223
Remeasurement of defined benefit obligations, net of deferred taxes		1,299,370		534,042
Total	$	2,228,910	$	771,134

a. Cumulative translation adjustment

		2024		2023
Balance at beginning of the year	$	139,869	$	424,176
Exchange differences on translation of foreign operations' net assets		739,299		(284,307)
Balance at end of the year	$	879,168	$	139,869

b. Effect for financial instruments measurement

		2024		2023
Balance at beginning of the year	$	97,223	$	177,766
Net loss for financial instruments measurement		(66,931)		(115,061)
Income taxes related to valuation of derivative instruments		20,080		34,518
Balance at end of the year	$	50,372	$	97,223

c. Remeasurement of defined benefit obligations

		2024		2023
Balance at beginning of the year	$	534,042	$	389,661
Remeasurement of defined benefit obligations		778,645		293,928
Income taxes related to remeasurement of defined benefit obligations		(13,317)		(149,547)
Balance at end of the year	$	1,299,370	$	534,042

25. Retained earnings

		2024		2023
Balance at beginning of the year	$	40,537,022	$	34,031,804
Net income attributable to owners of the Entity		6,720,640		7,644,896
Dividends paid		(2,138,358)		(897,592)
Resale of shares, net		142,192		(217,653)
Other movements		(129,506)		(24,433)
Balance at end of the year	$	45,131,990	$	40,537,022

26. Non-controlling interest

		2024		2023
Balance at beginning of year	$	494,960	$	293,345
Comprehensive utility:				
Participation in comprehensive income		98,363		248,768
Effects of foreign operations translation		77,876		(31,664)
Financial Instruments		(4,935)		(9,203)
Remediation of labor obligations		54,756		9,836
		226,060		217,737
Other capital movements:				
Premium on share sales		11,975		(11,974)
Retained earnings from prior years		(20,488)		10,478
Minority Capital		-		(14,626)
		(8,513)		(16,122)
Balance at end of the year	$	712,507	$	494,960

27. Earnings per share

		2024 Mexican pesos per share		2023 Mexican pesos per share
Basic and diluted earnings per share	$	7.00	$	7.97

The income and weighted average numbers of ordinary shares used in calculating basic and diluted earnings per share are as follows:

		2024		2023
Net income attributable to owners of the Entity	$	6,720,640	$	7,644,896
Weighted average number of ordinary shares for the purposes of basic earnings per share		960,105,925		959,521,409
Treasury stock at the end of the period		2,464,621		4,704,086

28. Transactions and balances with related parties

The balances and transactions between the Grupo Comercial Chedraui, S.A.B. de C.V. and its subsidiaries, which are related parties of the Entity, have been eliminated in the consolidation and are not disclosed in this note. The transactions between the Entity and other related parties are detailed below.

a. Transactions with related parties, carried out in the ordinary course of business were as follows:

	2024	2023
Administrative revenues	$ 9,540	$ 6,458
Rental revenues	47	-
Financial portal revenues	4,200	5,050
Concrete sale revenues	6,102	1,247
Leases expenses	(42,058)	(37,404)
Advertising expense	(17,127)	(22,778)

b. Balances receivable from related parties are as follows:

	2024	2023
Smart & Final del Noroeste, S.A. de C.V.	$ 38,277	$ -
Others (mainly officers)	97,733	77,518
Total	$ 136,010	$ 77,518

c. Compensation to Administration employees and other key executives during the year, were as follows:

	2024	2023
Direct benefits	$ 1,183,815	$ 948,635
Variable benefits	633,229	736,294
	$ 1,817,044	$ 1,684,929

The compensation of the directors and key executives is determined by the Compensations' committee based on the performance of the individuals and market trends.

29. Operating lease agreements

The Entity as Lessor

Lease agreements

Operating leases relate to leases of investment properties owned by the Entity with lease terms from 1 to 20 years, with the option of extending them for up to 20 additional years. All operating lease agreements include market and inflation lease review clauses with a variable rent for all the revenues generated. The lessee has no option to purchase the property at the date of expiry of the lease period.

The Entity has non-cancellable operating leases receivable, as follows:

	2024	2023
No more than one year	$ 1,063,608	$ 1,016,589
More than 1 year and no more than 5 years	1,813,706	1,795,854
More than 5 years	659,958	668,568
	$ 3,537,272	$ 3,481,011

30. Income taxes

The Entity is subject to ISR. According to the Income Tax Law, the rate for 2024 and 2023 was 30% without foreseen changes for subsequently years.

Pursuant to Transitory Article 9, section XV, subsection d) of the 2014 Tax Law, given that as of December 31, 2013, the Entity was considered to be a holding company and was subject to the payment scheme contained in Article 4, Section VI of the transitory provisions of the ISR law published in the Federal Official Gazette on December 7, 2009, or article 70-A of the ISR law of 2014 which was repealed, it must continue to pay the tax that it deferred under the tax consolidation scheme in 2007 and previous years based on the aforementioned provisions, until such payment is concluded.

The cash flows of payments related to income tax increased during the year ended December 31, 2024 and 2023 were $3,350,193 and $3,882,107, which are presented within operating activities in the statement of cash flows.

Chedraui USA, Inc. is subject to a federal income tax of 21% with no change foreseen for subsequent years; however, the state taxes of California, Texas, New Mexico, Nevada and Arizona (locations with presence of their stores) represent; on average, an additional rate of 9.1% and 6.4% for 2024 and 2023, respectively, which may vary in subsequent years depending on the business loans for employment and incentives granted by the state government. The average state rate for 2024 and 2023 was (3.9)% and (1.9)%, respectively.

Income taxes for the year ended December 31, are as follows:

	2024	2023
ISR expense:		
Incurred	$ 3,396,270	$ 3,637,432
Deferred	(400,934)	(461,338)
	$ 2,995,336	$ 3,176,094

a. The reconciliation of the legal and effective ISR rates expressed as a percentage of profit before taxes as of December 31 is as follows:

	2024	2023
Legal rate	30%	30%
Effects of inflation	(3%)	(3%)
Not deductible items	4%	3%
Differences in statutory rates in other jurisdictions	(1%)	(2%)
Others	1%	1%
Effective rate	31%	29%

b. The main items that give rise to the deferred ISR liability are:

	2024	2023
Deferred ISR asset:		
Effect of tax loss carryforwards	$ 67,780	$ 81,227
Allowance for doubtful accounts	6,904	7,199
Inventories	24,089	69,293
Accrued expenses	1,940,671	1,346,242
Deferred ISR asset	$ 2,039,444	$ 1,503,961
Deferred ISR liability:		
Other assets	$ (235,137)	$ (214,779)
Property, equipment and rights of use	(2,597,686)	(2,429,758)
Deferred ISR liability	$ (2,832,823)	$ (2,644,537)
Total net liability	$ (793,379)	$ (1,140,576)

	2024	2023
Presentation in the statement of financial position:		
Deferred tax assets	$ 343,018	$ 270,402
Deferred tax liabilities	(1,136,397)	(1,410,978)
Total net liability	$ (793,379)	$ (1,140,576)

As of December 31, 2024 and 2023, the subsidiaries of the Entity, based on their tax-projections, recorded a deferred income tax asset corresponding to the tax loss carryforwards, because it is more likely than not that with the future fiscal profits, the deferred income tax recorded will be recovered.

The benefits of restated tax loss carryforwards for which the deferred ISR asset and tax credit, respectively, have been recognized, can be recovered subject to certain conditions. Expiration dates and restated amounts as of December 31, 2024, are:

Expiration year	Tax loss carryforwards
2028	$ 44,031
2030	18,782
2032	18,691
Total	$ 81,504

As of December 31, 2024, and 2023 there is an asset for net operating losses related to our operations in the United States of America for $150,674 and $31,436, respectively; these net operating losses do not expire.

The Entity does not have records of deferred tax liabilities due to the difference in rates on reinvested earnings since the Entity, in its functions as Holding Company, maintains control of the dividend policy that its subsidiaries issue and has estimated that such dividends are not subject to distribution in the foreseeable future. This, in accordance with paragraph 39 of IAS12.

31. Contingencies

a. The Entity is involved in many lawsuits and claims, arising from the normal course of its operations, which are expected that not have material effects in its financial position and future operating profit.

b. According to Income Tax Law, companies that carry out transactions with related parties are subject to limitations and fiscal obligations, in the determination of agreed prices, since these must be equivalent to the prices used between independent parties in similar transactions. As of December 31, 2024, a study is being carried out with an independent to ensure that transactions with related parties were carried out at market value, which will be concluded during the first half of 2025.

c. The Entity, as well as its assets, are not subject, with exception as indicated in the preceding paragraphs, to any legal action other than owns of its routing and activity.

32. Reportable segments

IFRS 8 requires the classification of segments of operation identified based on internal reports about components of the Entity, which are regularly reviewed by the officer making the operational decisions of the Entity in order to allocate resources to the segments and assessing their performance.

The Entity's main business is the sale of electronic goods, groceries, and general goods in its stores, as well as operating real property.

a. Analytical information by operating segment:

Segments	Revenues (*) 2024	2023
Domestic supermarkets	$ 131,493,362	$ 122,437,304
United States of America supermarkets	148,798,752	139,301,103
Real Estate	1,469,411	1,319,317
Consolidated	$ 281,761,525	$ 263,057,724

* There are no individual clients that have contributed 10% or more to the Entity's revenues in 2024 and 2023.

Segments	Operating profit 2024	2023
Domestic supermarkets	$ 8,587,991	$ 7,924,460
United States of America supermarkets	5,565,647	6,981,400
Real estate	916,043	806,472
Consolidated	$ 15,069,681	$ 15,712,332

Segments	Total assets 2024	2023
Domestic supermarkets	$ 58,896,696	$ 53,409,551
United States of America supermarkets	80,271,288	57,569,810
Real estate	11,994,943	11,719,275
Non-assignable items	17,104,420	17,538,975
Consolidated	$ 168,267,347	$ 140,237,611

Segments	Depreciation and amortization 2024	2023
Domestic supermarkets	$ 2,686,010	$ 2,479,402
United States of America supermarkets	5,914,770	5,103,781
Real estate	23,322	24,471
Consolidated	$ 8,624,102	$ 7,607,654

Segments	Property and equipment and investment properties 2024	2023
Domestic supermarkets	$ 5,002,543	$ 4,437,623
United States of America supermarkets	5,968,389	2,559,298
Real estate	302,246	281,163
Consolidated	$ 11,273,178	$ 7,278,084

33. Authorization to issue the consolidated financial statements

The issuance of the accompanying consolidated financial statements was authorized on March 12, 2025, by Entity's Board of Directors; consequently, these consolidated financial statements do not include the events occurred after that date, is subject to the approval of the Entity's ordinary stockholders' meeting, where they may be modified, based on provisions set forth in the Mexican General Corporate Law.

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